

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2012 THROUGH JUNE 30, 2013

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the Auditor of Public Accounts.**

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Issue on January 27, 2014

SAUNDERS COUNTY

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SAUNDERS COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2013

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Craig Breunig	Board of Supervisors	Jan. 2015
Leroy Hanson		Jan. 2015
Doris Karloff		Jan. 2017
Dave Lutton		Jan. 2015
Darren Martin		Jan. 2015
Ed Rastovski		Jan. 2017
Scott Sukstorf		Jan. 2017
Cathy Gusman	Assessor	Jan. 2015
Scott Tingelhoff	Attorney	Jan. 2015
Patti Lindgren	Clerk Election Commissioner	Jan. 2015
Don Clark	Register of Deeds	Jan. 2015
Paul Johnson	Clerk of the District Court	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
Jerry Charles	Surveyor	Appointed
Pam Lausterer	Youth Services	Appointed



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SAUNDERS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Saunders 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 Saunders County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the County’s legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County’s primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government wide financial statements has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly, the financial position of the discretely presented component unit of Saunders County, as of June 30, 2013, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Saunders County as of June 30, 2013, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Report on Supplementary 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, Pages 21 through 39, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

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 opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2014, 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 considering Saunders County's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

January 21, 2014

Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2013

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 14,596,712
TOTAL ASSETS	\$ 14,596,712
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 4,205
911 Emergency Services	349,450
Drug Education and Enforcement	4,155
Debt Service	5,121,009
Preservation of Records	4,563
Unrestricted	9,113,330
TOTAL NET POSITION	\$ 14,596,712

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, 2013

Functions:	Cash Disbursements	<u>Program Cash Receipts</u>		Net (Disbursement)
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Receipts and Changes in Net Position</u>
Governmental Activities:				
General Government	\$ (3,560,049)	\$ 780,919	\$ 212,983	\$ (2,566,147)
Public Safety	(5,221,566)	1,842,046	120,615	(3,258,905)
Public Works	(4,719,437)	6,064	2,436,926	(2,276,447)
Health and Sanitation	(79,865)	-	-	(79,865)
Public Assistance	(101,590)	-	53,163	(48,427)
Culture and Recreation	(51,282)	-	-	(51,282)
Debt Payments	(2,162,269)	-	-	(2,162,269)
Total Governmental Activities	<u><u>\$ (15,896,058)</u></u>	<u><u>\$ 2,629,029</u></u>	<u><u>\$ 2,823,687</u></u>	<u><u>(10,443,342)</u></u>

General Receipts:

Property Taxes	9,952,496
Grants and Contributions Not Restricted to Specific Programs	2,172,091
Investment Income	68,504
Licenses and Permits	168,998
Miscellaneous	342,000
Total General Receipts	<u><u>12,704,089</u></u>
 Increase in Net Position	 2,260,747
Net Position - Beginning of year	12,335,965
Net Position - End of year	<u><u>\$ 14,596,712</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, 2013

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents (Note 1.D)	\$ 2,304,668	\$ 2,848,475	\$ 2,654,174	\$ 4,630,216	\$ 2,159,179	\$ 14,596,712
TOTAL ASSETS	<u>\$ 2,304,668</u>	<u>\$ 2,848,475</u>	<u>\$ 2,654,174</u>	<u>\$ 4,630,216</u>	<u>\$ 2,159,179</u>	<u>\$ 14,596,712</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	4,205	4,205
911 Emergency Services	-	-	-	-	349,450	349,450
Drug Education and Enforcement	-	-	-	-	4,155	4,155
Debt Service	-	-	-	4,630,216	490,793	5,121,009
Preservation of Records	-	-	-	-	4,563	4,563
Committed to:						
Law Enforcement	-	-	-	-	108,152	108,152
Road Maintenance	-	2,848,475	-	-	65,016	2,913,491
Aid and Assistance	-	-	-	-	119,463	119,463
County Buildings	-	-	-	-	651,582	651,582
Child Support Enforcement	-	-	-	-	28,606	28,606
Emergency Services	-	-	-	-	323,820	323,820
Youth Camp	-	-	-	-	9,374	9,374
Assigned to:						
Other Purposes	-	-	2,654,174	-	-	2,654,174
Unassigned	2,304,668	-	-	-	-	2,304,668
TOTAL CASH BASIS FUND BALANCES	<u>\$ 2,304,668</u>	<u>\$ 2,848,475</u>	<u>\$ 2,654,174</u>	<u>\$ 4,630,216</u>	<u>\$ 2,159,179</u>	<u>\$ 14,596,712</u>

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

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

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$7,598,475	\$ -	\$ 1,288,346	\$ 28	\$ 1,065,647	\$ 9,952,496
Licenses and Permits	83,672	85,326	-	-	-	168,998
Interest	40,826	-	-	24,612	3,066	68,504
Intergovernmental	804,498	2,614,225	-	1,380,000	197,055	4,995,778
Charges for Services	2,580,315	3,037	-	-	45,677	2,629,029
Miscellaneous	37,957	24,355	-	23,278	256,410	342,000
TOTAL RECEIPTS	11,145,743	2,726,943	1,288,346	1,427,918	1,567,855	18,156,805
DISBURSEMENTS						
General Government	3,342,325	-	476	-	217,248	3,560,049
Public Safety	4,759,062	-	-	-	462,504	5,221,566
Public Works	387,883	4,254,239	-	-	77,315	4,719,437
Health and Sanitation	79,865	-	-	-	-	79,865
Public Assistance	101,590	-	-	-	-	101,590
Culture and Recreation	22,000	-	-	-	29,282	51,282
Debt Service:						
Principal Payments	-	-	-	896,292	782,662	1,678,954
Interest and Fiscal Charges	-	-	-	365,163	118,152	483,315
TOTAL DISBURSEMENTS	8,692,725	4,254,239	476	1,261,455	1,687,163	15,896,058
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,453,018	(1,527,296)	1,287,870	166,463	(119,308)	2,260,747
OTHER FINANCING SOURCES (USES)						
Transfers in	2,582	4,375,771	-	-	397,696	4,776,049
Transfers out	(3,129,485)	-	-	-	(1,646,564)	(4,776,049)
FINANCING SOURCES (USES)	(3,126,903)	4,375,771	-	-	(1,248,868)	-
Net Change in Fund Balances	(673,885)	2,848,475	1,287,870	166,463	(1,368,176)	2,260,747
CASH BASIS FUND BALANCES - BEGINNING	2,978,553	-	1,366,304	4,463,753	3,527,355	12,335,965
CASH BASIS FUND BALANCES - ENDING	\$2,304,668	\$ 2,848,475	\$ 2,654,174	\$4,630,216	\$ 2,159,179	\$ 14,596,712

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, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 4,282,536
LIABILITIES	
Due to other governments	
State	382,611
Schools	2,489,425
Educational Service Units	4,504
Technical College	18,838
Natural Resource Districts	15,455
Fire Districts	13,216
Municipalities	701,190
Agricultural Society	2,470
Drainage Districts	37,271
Townships	97,481
Sanitary and Improvement Districts	475,572
Others	44,503
TOTAL LIABILITIES	4,282,536
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, 2013

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 County contributed \$96,642 toward the operation of the Region during fiscal year 2013.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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, 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 Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities 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.

Public Works 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 Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received and disbursements are recognized when warrants are paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting receipts are recorded when earned and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which 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 Position

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

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position 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 position reports \$5,483,382 of restricted net position, of which \$362,373 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, 2013, disbursements exceeded budgeted appropriations in the Election Commissioner and IV-D Child Support County Attorney functions of the General Fund by \$4,355 and \$754, 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 \$14,596,712 for County funds and \$4,282,536 for Fiduciary funds. The bank balances for all funds totaled \$18,756,446. 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.

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 2012, for the 2012 taxes, which will be materially collected in May and September 2013, was set at \$.30336/\$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 \$.30000/\$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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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

For the year ended June 30, 2013, 189 employees contributed \$285,454, and the County contributed \$424,151. Contributions included \$8,084 in cash contributions towards the supplemental law enforcement plan for 19 law enforcement employees. Lastly, the County paid \$1,176 directly to 11 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 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.

	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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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.

6. Interfund Transfers

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

Transfers to	Transfers from		Total
	General Fund	Nonmajor Funds	
Public Works Fund	\$ 2,732,376	\$ 1,643,395	\$ 4,375,771
General Fund	-	2,582	2,582
Nonmajor Funds	397,109	587	397,696
Total	\$ 3,129,485	\$ 1,646,564	\$ 4,776,049

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:

	Snogo Snowblower
Balance July 1, 2012	\$ 58,063
Purchases	
Payments	18,350
Balance June 30, 2013	\$ 39,713
Future Payments:	
Year	
2014	\$ 21,472
2015	21,473
Total Payments	42,945
Less Interest	3,232
Present Value of Future Minimum Lease Payments	\$ 39,713
Carrying Value of the related Fixed Asset	\$ 92,000

SAUNDERS 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

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 these bonds. The bond payable balance, as of June 30, 2013, was \$19,960,000. 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 office.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	755,000	478,756	1,233,756
2019-2023	3,970,000	2,186,649	6,156,649
2024-2028	4,490,000	1,707,051	6,197,051
2029-2033	4,035,000	1,086,455	5,121,455
2034-2036	3,915,000	250,475	4,165,475
Total Payments	<u><u>\$ 19,960,000</u></u>	<u><u>\$ 7,784,975</u></u>	<u><u>\$ 27,744,975</u></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 Board partially refinanced both these bonds. The bond payable balance, as of June 30, 2013, was \$10,745,000. 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

9. Long-Term Debt (Concluded)

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	790,000	203,357	993,357
2019-2023	4,140,000	783,692	4,923,692
2024-2028	2,735,000	222,824	2,957,824
Total Payments	<u>\$ 10,745,000</u>	<u>\$ 2,103,496</u>	<u>\$ 12,848,496</u>

SAUNDERS 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	\$ 8,270,704	\$ 8,270,704	\$7,598,475	\$ (672,229)
Licenses and Permits	83,200	83,200	83,672	472
Interest	50,000	50,000	40,826	(9,174)
Intergovernmental	275,280	275,280	804,498	529,218
Charges for Services	2,362,892	2,362,892	2,580,315	217,423
Miscellaneous	57,700	57,700	37,957	(19,743)
TOTAL RECEIPTS	<u>11,099,776</u>	<u>11,099,776</u>	<u>11,145,743</u>	<u>45,967</u>
DISBURSEMENTS				
General Government:				
County Board	216,579	228,879	228,859	20
County Clerk	184,550	194,250	189,030	5,220
County Treasurer	402,404	402,404	400,631	1,773
Register of Deeds	130,208	132,508	132,441	67
County Assessor	300,000	300,000	256,817	43,183
Election Commissioner	102,613	113,613	117,968	(4,355)
Board of Equalization	14,250	14,250	6,933	7,317
Clerk of the District Court	117,842	123,642	123,188	454
District Judge	50,682	50,682	49,886	796
Public Defender	222,774	222,774	220,364	2,410
Unemployment Compensation	25,000	25,000	3,166	21,834
Agricultural Extension Agent	105,000	105,000	104,998	2
IV-D Child Support District Court	49,322	49,322	44,640	4,682
Building Security	114,687	114,687	113,784	903
Miscellaneous	1,965,980	1,908,880	1,349,620	559,260
Public Safety:				
County Sheriff	1,536,000	1,536,000	1,446,311	89,689
County Attorney	382,444	388,144	387,932	212
County Jail	2,400,000	2,400,000	2,234,385	165,615
IV-D Child Support County Attorney	160,873	171,173	171,927	(754)
County Sheriff Grant	43,380	43,380	14,542	28,838
Dodge County Jail	434,992	434,992	426,374	8,618
Miscellaneous	98,250	98,250	77,591	20,659
Public Works:				
County Surveyor	113,078	113,078	112,883	195
Miscellaneous	275,000	275,000	275,000	-

(Continued)

SAUNDERS 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)
Public Health:				
Miscellaneous	-	-	79,865	(79,865)
Public Assistance:				
Veterans' Service Officer	56,452	56,452	55,973	479
Institutions	36,500	36,500	5,874	30,626
Medical Relief	35,000	35,000	21,932	13,068
Miscellaneous	79,865	79,865	17,811	62,054
Culture and Recreation:				
Miscellaneous	22,000	22,000	22,000	-
TOTAL DISBURSEMENTS	9,675,725	9,675,725	8,692,725	983,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,424,051	1,424,051	2,453,018	1,028,967
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,582	2,582
Transfers out	(3,102,604)	(3,102,604)	(3,129,485)	(26,881)
TOTAL OTHER FINANCING SOURCES (USES)	(3,102,604)	(3,102,604)	(3,126,903)	(24,299)
Net Change in Fund Balance	(1,678,553)	(1,678,553)	(673,885)	1,004,668
FUND BALANCE - BEGINNING	2,978,553	2,978,553	2,978,553	-
FUND BALANCE - ENDING	\$ 1,300,000	\$ 1,300,000	\$ 2,304,668	\$ 1,004,668

(Concluded)

SAUNDERS 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)
PUBLIC WORKS FUND				
RECEIPTS				
Licenses and Permits	80,000	80,000	85,326	5,326
Intergovernmental	1,950,000	1,950,000	2,614,225	664,225
Charges for Services	500	500	3,037	2,537
Miscellaneous	15,000	15,000	24,355	9,355
TOTAL RECEIPTS	2,045,500	2,045,500	2,726,943	681,443
DISBURSEMENTS	6,403,171	6,403,171	4,254,239	2,148,932
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,357,671)	(4,357,671)	(1,527,296)	2,830,375
OTHER FINANCING SOURCES (USES)				
Transfers in	4,357,671	4,357,671	4,375,771	18,100
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,357,671	4,357,671	4,375,771	18,100
Net Change in Fund Balance	-	-	2,848,475	2,848,475
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,848,475	\$ 2,848,475
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 302,500	\$ 302,500	\$ 1,288,346	\$ 985,846
TOTAL RECEIPTS	302,500	302,500	1,288,346	985,846
DISBURSEMENTS	1,668,804	1,668,804	476	1,668,328
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,366,304)	(1,366,304)	1,287,870	2,654,174
Net Change in Fund Balance	(1,366,304)	(1,366,304)	1,287,870	2,654,174
FUND BALANCE - BEGINNING	1,366,304	1,366,304	1,366,304	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,654,174	\$ 2,654,174
HEALTH SERVICES BOND FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 28	\$ 28
Interest	50,000	50,000	24,612	(25,388)
Intergovernmental	-	-	1,380,000	1,380,000
Miscellaneous	1,380,000	1,380,000	23,278	(1,356,722)
TOTAL RECEIPTS	1,430,000	1,430,000	1,427,918	(2,082)
DISBURSEMENTS	5,893,753	5,893,753	1,261,455	4,632,298
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,463,753)	(4,463,753)	166,463	4,630,216
Net Change in Fund Balance	(4,463,753)	(4,463,753)	166,463	4,630,216
FUND BALANCE - BEGINNING	4,463,753	4,463,753	4,463,753	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,630,216	\$ 4,630,216

SAUNDERS 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)
NRD LAKE WANAHOO PROJECT FUND				
RECEIPTS	\$ 1,500,000	\$ 1,500,000	\$ -	\$ (1,500,000)
DISBURSEMENTS	1,500,000	1,500,000	-	1,500,000
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ROAD/BRIDGE SINKING FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	65,016	65,016	-	65,016
OTHER FINANCING SOURCES (USES)				
Transfers in	126,962	126,962	126,962	-
Transfers out	(500,000)	(500,000)	(500,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(373,038)	(373,038)	(373,038)	-
Net Change in Fund Balance	(438,054)	(438,054)	(373,038)	65,016
FUND BALANCE - BEGINNING	438,054	438,054	438,054	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,016</u>	<u>\$ 65,016</u>
ROAD FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,143,395)	(1,143,395)	(1,143,395)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,143,395)	(1,143,395)	(1,143,395)	-
Net Change in Fund Balance	(1,143,395)	(1,143,395)	(1,143,395)	-
FUND BALANCE - BEGINNING	1,143,395	1,143,395	1,143,395	-
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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNICATION TOWER FUND				
RECEIPTS	\$ 25,500	\$ 25,500	\$ 34,000	\$ 8,500
DISBURSEMENTS	33,811	33,811	21,447	12,364
Net Change in Fund Balance	(8,311)	(8,311)	12,553	20,864
FUND BALANCE - BEGINNING	8,311	8,311	8,311	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,864</u>	<u>\$ 20,864</u>
CHILD SUPPORT INCENTIVE FUND				
RECEIPTS	\$ 1,000	\$ 1,000	\$ 18,910	\$ 17,910
DISBURSEMENTS	42,534	42,534	31,838	10,696
Net Change in Fund Balance	(41,534)	(41,534)	(12,928)	28,606
FUND BALANCE - BEGINNING	41,534	41,534	41,534	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,606</u>	<u>\$ 28,606</u>
VISITOR PROMOTION FUND				
RECEIPTS	\$ 8,001	\$ 8,001	\$ 8,574	\$ 573
DISBURSEMENTS	11,651	11,651	10,444	1,207
Net Change in Fund Balance	(3,650)	(3,650)	(1,870)	1,780
FUND BALANCE - BEGINNING	3,650	3,650	3,650	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,780</u>	<u>\$ 1,780</u>
VISITOR IMPROVEMENT FUND				
RECEIPTS	\$ 8,001	\$ 8,001	\$ 8,574	\$ 573
DISBURSEMENTS	12,904	12,904	11,052	1,852
Net Change in Fund Balance	(4,903)	(4,903)	(2,478)	2,425
FUND BALANCE - BEGINNING	4,903	4,903	4,903	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,425</u>	<u>\$ 2,425</u>

(Continued)

SAUNDERS 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)
REGISTER OF DEEDS PRESERVATION & MODERNIZATION FUND				
RECEIPTS	\$ 25,000	\$ 25,000	\$ 6,608	\$ (18,392)
DISBURSEMENTS	25,000	25,000	2,045	22,955
Net Change in Fund Balance	-	-	4,563	4,563
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,563</u>	<u>\$ 4,563</u>
VETERANS' RELIEF FUND				
RECEIPTS	\$ 600	\$ 600	\$ 433	\$ (167)
DISBURSEMENTS	97,266	97,266	-	97,266
Net Change in Fund Balance	(96,666)	(96,666)	433	97,099
FUND BALANCE - BEGINNING	96,666	96,666	96,666	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,099</u>	<u>\$ 97,099</u>
TRANSPORTATION FUND				
RECEIPTS	\$ 54,800	\$ 54,800	\$ 56,900	\$ 2,100
DISBURSEMENTS	97,142	97,142	77,315	19,827
OTHER FINANCING SOURCES (USES)				
Transfers in	38,186	38,186	38,186	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>38,186</u>	<u>38,186</u>	<u>38,186</u>	<u>-</u>
Net Change in Fund Balance	(4,156)	(4,156)	17,771	21,927
FUND BALANCE - BEGINNING	4,156	4,156	4,156	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,927</u>	<u>\$ 21,927</u>

(Continued)

SAUNDERS 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)
COURT APPOINTED SPECIAL ADVOCATE FUND				
RECEIPTS	\$ 41,966	\$ 41,966	\$ 32,774	\$ (9,192)
DISBURSEMENTS	42,552	42,552	37,210	5,342
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,287	4,287
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	4,287	4,287
Net Change in Fund Balance	(586)	(586)	(149)	437
FUND BALANCE - BEGINNING	586	586	586	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437</u>	<u>\$ 437</u>
DIVERSION PROGRAM FUND				
RECEIPTS	\$ 27,061	\$ 28,261	\$ 27,114	\$ (1,147)
DISBURSEMENTS	126,556	127,756	120,587	7,169
OTHER FINANCING SOURCES (USES)				
Transfers in	89,898	89,898	93,681	3,783
Transfers out	-	-	(3,169)	(3,169)
TOTAL OTHER FINANCING SOURCES (USES)	89,898	89,898	90,512	614
Net Change in Fund Balance	(9,597)	(9,597)	(2,961)	6,636
FUND BALANCE - BEGINNING	9,597	9,597	9,597	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,636</u>	<u>\$ 6,636</u>
SAFETY TRAINING OPTION PROGRAM FUND				
RECEIPTS	\$ 12,550	\$ 12,550	\$ 9,180	\$ (3,370)
DISBURSEMENTS	41,297	41,297	1,398	39,899
Net Change in Fund Balance	(28,747)	(28,747)	7,782	36,529
FUND BALANCE - BEGINNING	28,747	28,747	28,747	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,529</u>	<u>\$ 36,529</u>

(Continued)

SAUNDERS 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)
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
RECEIPTS	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
DISBURSEMENTS	5,849	5,849	-	5,849
Net Change in Fund Balance	(2,049)	(2,049)	-	2,049
FUND BALANCE - BEGINNING	2,049	2,049	2,049	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 2,049</u>
DRUG TESTING FUND				
RECEIPTS	\$ 300	\$ 300	\$ -	\$ (300)
DISBURSEMENTS	1,516	1,516	753	763
Net Change in Fund Balance	(1,216)	(1,216)	(753)	463
FUND BALANCE - BEGINNING	1,216	1,216	1,216	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463</u>	<u>\$ 463</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>
CANINE (K-9) FUND				
RECEIPTS	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
DISBURSEMENTS	20,000	20,000	-	20,000
Net Change in Fund Balance	(5,000)	(5,000)	-	5,000
FUND BALANCE - BEGINNING	5,000	5,000	5,000	-
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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
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>
911 WIRELESS SERVICE FUND				
RECEIPTS	\$ 41,501	\$ 41,501	\$ 73,743	\$ 32,242
DISBURSEMENTS	112,713	112,713	3,850	108,863
Net Change in Fund Balance	(71,212)	(71,212)	69,893	141,105
FUND BALANCE - BEGINNING	71,212	71,212	71,212	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,105</u>	<u>\$ 141,105</u>
EMERGENCY MANAGEMENT FUND				
RECEIPTS	\$ 21,000	\$ 21,000	\$ 21,864	\$ 864
DISBURSEMENTS	61,261	61,261	55,029	6,232
OTHER FINANCING SOURCES (USES)				
Transfers in	37,511	37,511	38,809	1,298
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>37,511</u>	<u>37,511</u>	<u>38,809</u>	<u>1,298</u>
Net Change in Fund Balance	(2,750)	(2,750)	5,644	8,394
FUND BALANCE - BEGINNING	2,750	2,750	2,750	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,394</u>	<u>\$ 8,394</u>

(Continued)

SAUNDERS 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)
CORRECTIONAL CENTER COMMISSARY FUND				
RECEIPTS	\$ 115,001	\$ 189,117	\$ 205,207	\$ 16,090
DISBURSEMENTS	140,235	214,351	191,781	22,570
Net Change in Fund Balance	(25,234)	(25,234)	13,426	38,660
FUND BALANCE - BEGINNING	25,234	25,234	25,234	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,660</u>	<u>\$ 38,660</u>
LAW ENFORCEMENT & JAIL BOND FUND				
RECEIPTS	\$ 540,751	\$ 540,751	\$ 722,769	\$ 182,018
DISBURSEMENTS	1,059,589	1,059,589	900,814	158,775
Net Change in Fund Balance	(518,838)	(518,838)	(178,045)	340,793
FUND BALANCE - BEGINNING	668,838	668,838	668,838	-
FUND BALANCE - ENDING	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 490,793</u>	<u>\$ 340,793</u>
COUNTY BUILDING FUND				
RECEIPTS	\$ 72,451	\$ 72,451	\$ 74,320	\$ 1,869
DISBURSEMENTS	806,259	806,259	156,546	649,713
OTHER FINANCING SOURCES (USES)				
Transfers in	95,771	95,771	95,771	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>95,771</u>	<u>95,771</u>	<u>95,771</u>	<u>-</u>
Net Change in Fund Balance	(638,037)	(638,037)	13,545	651,582
FUND BALANCE - BEGINNING	638,037	638,037	638,037	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651,582</u>	<u>\$ 651,582</u>

(Continued)

SAUNDERS 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)
FLOOD CONTROL FUND				
RECEIPTS	\$ 76,765	\$ 76,765	\$ 153,629	\$ 76,864
DISBURSEMENTS	239,074	239,074	512	238,562
Net Change in Fund Balance	(162,309)	(162,309)	153,117	315,426
FUND BALANCE - BEGINNING	162,309	162,309	162,309	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,426</u>	<u>\$ 315,426</u>
YOUTH CAMP FUND				
RECEIPTS	\$ 7,011	\$ 7,011	\$ 13,467	\$ 6,456
DISBURSEMENTS	10,704	10,704	7,786	2,918
Net Change in Fund Balance	(3,693)	(3,693)	5,681	9,374
FUND BALANCE - BEGINNING	3,693	3,693	3,693	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,374</u>	<u>\$ 9,374</u>
911 EMERGENCY SERVICES FUND				
RECEIPTS	\$ 84,901	\$ 84,901	\$ 99,789	\$ 14,888
DISBURSEMENTS	250,213	250,213	56,756	193,457
Net Change in Fund Balance	(165,312)	(165,312)	43,033	208,345
FUND BALANCE - BEGINNING	165,312	165,312	165,312	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,345</u>	<u>\$ 208,345</u>

(Concluded)

SAUNDERS 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 Sinking Fund	Road Fund	Communication Tower Fund	Child Support Incentive Fund	Visitor Promotion Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,574
Interest	-	-	-	-	-
Intergovernmental	-	-	-	18,910	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	34,000	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>34,000</u>	<u>18,910</u>	<u>8,574</u>
DISBURSEMENTS					
General Government	-	-	21,447	-	-
Public Safety	-	-	-	31,838	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	10,444
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>21,447</u>	<u>31,838</u>	<u>10,444</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>12,553</u>	<u>(12,928)</u>	<u>(1,870)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	126,962	-	-	-	-
Transfers out	(500,000)	(1,143,395)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(373,038)</u>	<u>(1,143,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(373,038)	(1,143,395)	12,553	(12,928)	(1,870)
FUND BALANCES - BEGINNING	<u>438,054</u>	<u>1,143,395</u>	<u>8,311</u>	<u>41,534</u>	<u>3,650</u>
FUND BALANCES - ENDING	<u>\$ 65,016</u>	<u>\$ -</u>	<u>\$ 20,864</u>	<u>\$ 28,606</u>	<u>\$ 1,780</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	1,780
911 Emergency Services	-	-	-	-	-
Drug Education and Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	20,864	-	-
Road Maintenance	65,016	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Child Support Enforcement	-	-	-	28,606	-
Emergency Services	-	-	-	-	-
Youth Camp	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 65,016</u>	<u>\$ -</u>	<u>\$ 20,864</u>	<u>\$ 28,606</u>	<u>\$ 1,780</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, 2013

	Visitor Improvement Fund	Register of Deeds Preservation & Modernization Fund	Veterans' Relief Fund	Transportation Fund	Court Appointed Special Advocate Fund
RECEIPTS					
Property Taxes	\$ 8,574	\$ -	\$ -	\$ -	\$ -
Interest	-	-	433	-	-
Intergovernmental	-	-	-	53,163	31,474
Charges for Services	-	6,608	-	3,027	-
Miscellaneous	-	-	-	710	1,300
TOTAL RECEIPTS	<u>8,574</u>	<u>6,608</u>	<u>433</u>	<u>56,900</u>	<u>32,774</u>
DISBURSEMENTS					
General Government	-	2,045	-	-	37,210
Public Safety	-	-	-	-	-
Public Works	-	-	-	77,315	-
Culture and Recreation	11,052	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>11,052</u>	<u>2,045</u>	<u>-</u>	<u>77,315</u>	<u>37,210</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,478)</u>	<u>4,563</u>	<u>433</u>	<u>(20,415)</u>	<u>(4,436)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	38,186	4,287
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,186</u>	<u>4,287</u>
Net Change in Fund Balances	(2,478)	4,563	433	17,771	(149)
FUND BALANCES - BEGINNING	<u>4,903</u>	<u>-</u>	<u>96,666</u>	<u>4,156</u>	<u>586</u>
FUND BALANCES - ENDING	<u>\$ 2,425</u>	<u>\$ 4,563</u>	<u>\$97,099</u>	<u>\$ 21,927</u>	<u>\$ 437</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	2,425	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education and Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Preservation of Records	-	4,563	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	97,099	21,927	437
County Buildings	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Emergency Services	-	-	-	-	-
Youth Camp	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,425</u>	<u>\$ 4,563</u>	<u>\$97,099</u>	<u>\$ 21,927</u>	<u>\$ 437</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, 2013

	Diversion Program Fund	Safety Training Option Program Fund	Drug Law Enforcement and Education Fund	Drug Testing Fund	Federal Drug Enforcement Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	35	-	-	-
Intergovernmental	17,996	-	-	-	-
Charges for Services	9,056	9,145	-	-	-
Miscellaneous	62	-	-	-	-
TOTAL RECEIPTS	27,114	9,180	-	-	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	120,587	1,398	-	753	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	120,587	1,398	-	753	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(93,473)	7,782	-	(753)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	93,681	-	-	-	-
Transfers out	(3,169)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	90,512	-	-	-	-
Net Change in Fund Balances	(2,961)	7,782	-	(753)	-
FUND BALANCES - BEGINNING	9,597	28,747	2,049	1,216	2,106
FUND BALANCES - ENDING	\$ 6,636	\$36,529	\$ 2,049	\$ 463	\$ 2,106
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education and Enforcement	-	-	2,049	-	2,106
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	6,636	36,529	-	463	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Emergency Services	-	-	-	-	-
Youth Camp	-	-	-	-	-
TOTAL FUND BALANCES	\$ 6,636	\$36,529	\$ 2,049	\$ 463	\$ 2,106

(Continued)

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

For the Year Ended June 30, 2013

	Canine (K-9) Fund	911 Wireless Service Fund	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement & Jail Bond Fund
RECEIPTS					
Property Taxes	\$ -	\$ 73,743	\$ -	\$ -	\$ 681,428
Interest	-	-	-	-	1,727
Intergovernmental	-	-	21,664	-	39,102
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	200	205,207	512
TOTAL RECEIPTS	-	73,743	21,864	205,207	722,769
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	3,850	55,029	191,781	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	782,662
Interest and Fiscal Charges	-	-	-	-	118,152
TOTAL DISBURSEMENTS	-	3,850	55,029	191,781	900,814
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	69,893	(33,165)	13,426	(178,045)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	38,809	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	38,809	-	-
Net Change in Fund Balances	-	69,893	5,644	13,426	(178,045)
FUND BALANCES - BEGINNING	5,000	71,212	2,750	25,234	668,838
FUND BALANCES - ENDING	\$ 5,000	\$ 141,105	\$ 8,394	\$ 38,660	\$ 490,793
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	141,105	-	-	-
Drug Education and Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	490,793
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	5,000	-	-	38,660	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Emergency Services	-	-	8,394	-	-
Youth Camp	-	-	-	-	-
TOTAL FUND BALANCES	\$ 5,000	\$ 141,105	\$ 8,394	\$ 38,660	\$ 490,793

(Continued)

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

	County Building Fund	Flood Control Fund	Youth Camp Fund	911 Emergency Services Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ 68,479	\$ 148,564	\$ -	\$ 76,285	\$ 1,065,647
Interest	871	-	-	-	3,066
Intergovernmental	4,970	5,065	-	4,711	197,055
Charges for Services	-	-	-	17,841	45,677
Miscellaneous	-	-	13,467	952	256,410
TOTAL RECEIPTS	<u>74,320</u>	<u>153,629</u>	<u>13,467</u>	<u>99,789</u>	<u>1,567,855</u>
DISBURSEMENTS					
General Government	156,546	-	-	-	217,248
Public Safety	-	512	-	56,756	462,504
Public Works	-	-	-	-	77,315
Culture and Recreation	-	-	7,786	-	29,282
Debt Service:					
Principal Payments	-	-	-	-	782,662
Interest and Fiscal Charges	-	-	-	-	118,152
TOTAL DISBURSEMENTS	<u>156,546</u>	<u>512</u>	<u>7,786</u>	<u>56,756</u>	<u>1,687,163</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(82,226)</u>	<u>153,117</u>	<u>5,681</u>	<u>43,033</u>	<u>(119,308)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	95,771	-	-	-	397,696
Transfers out	-	-	-	-	(1,646,564)
TOTAL OTHER FINANCING SOURCES (USES)	<u>95,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,248,868)</u>
Net Change in Fund Balances	13,545	153,117	5,681	43,033	(1,368,176)
FUND BALANCES - BEGINNING	<u>638,037</u>	<u>162,309</u>	<u>3,693</u>	<u>165,312</u>	<u>3,527,355</u>
FUND BALANCES - ENDING	<u>\$651,582</u>	<u>\$ 315,426</u>	<u>\$ 9,374</u>	<u>\$ 208,345</u>	<u>\$ 2,159,179</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	4,205
911 Emergency Services	-	-	-	208,345	349,450
Drug Education and Enforcement	-	-	-	-	4,155
Debt Service	-	-	-	-	490,793
Preservation of Records	-	-	-	-	4,563
Committed to:					
Law Enforcement	-	-	-	-	108,152
Road Maintenance	-	-	-	-	65,016
Aid and Assistance	-	-	-	-	119,463
County Buildings	651,582	-	-	-	651,582
Child Support Enforcement	-	-	-	-	28,606
Emergency Services	-	315,426	-	-	323,820
Youth Camp	-	-	9,374	-	9,374
TOTAL FUND BALANCES	<u>\$651,582</u>	<u>\$ 315,426</u>	<u>\$ 9,374</u>	<u>\$ 208,345</u>	<u>\$ 2,159,179</u>

(Concluded)

SAUNDERS 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 Superintendent
BALANCES JULY 1, 2012	\$ 12,924	\$ 27,317	\$ 105,842	\$ 46,395	\$ 454	\$ -
RECEIPTS						
Property Taxes	9,540	-	-	58,755	-	-
Licenses and Permits	6,100	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	18,820	184,667	50,528	1,802,919	1,975	3,037
Miscellaneous	-	-	-	227,217	-	-
State Fees	57	170,012	35,375	1,091	-	-
Other Liabilities	-	-	359,755	873,007	62,085	-
TOTAL RECEIPTS	34,517	354,679	445,658	2,962,989	64,060	3,037
DISBURSEMENTS						
Payments to County Treasurer	33,041	182,726	50,656	2,036,732	2,055	3,037
Payments to State Treasurer	71	168,861	37,426	1,100	-	-
Other Liabilities	-	-	358,689	932,724	60,844	-
TOTAL DISBURSEMENTS	33,112	351,587	446,771	2,970,556	62,899	3,037
 BALANCES JUNE 30, 2013	 \$ 14,329	 \$ 30,409	 \$ 104,729	 \$ 38,828	 \$ 1,615	 \$ -
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 1,811	\$ 15,726	\$ 3,974	\$ 24,992	\$ 90	\$ -
Petty Cash	12,500	-	200	4,400	200	-
Due to State Treasurer	18	14,683	2,735	73	-	-
Due to Others	-	-	97,820	9,363	1,325	-
BALANCES JUNE 30, 2013	\$ 14,329	\$ 30,409	\$ 104,729	\$ 38,828	\$ 1,615	\$ -

(Continued)

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

	Highway Superintendent	Veterans' Service Officer	County Youth Services	County Planning and Zoning	County Transportation	Total
BALANCES JULY 1, 2012	\$ 100	\$ 6,571	\$ 675	\$ 100	\$ -	\$ 200,378
RECEIPTS						
Property Taxes	-	-	-	-	-	68,295
Licenses and Permits	-	-	-	85,301	-	91,401
Intergovernmental	167,043	-	17,996	-	52,972	238,011
Charges for Services	-	-	10,264	-	3,271	2,075,481
Miscellaneous	24,356	-	14,827	34,000	711	301,111
State Fees	-	-	-	-	-	206,535
Other Liabilities	-	5	-	-	-	1,294,852
TOTAL RECEIPTS	191,399	5	43,087	119,301	56,954	4,275,686
DISBURSEMENTS						
Payments to County Treasurer	191,399	-	41,879	119,301	56,901	2,717,727
Payments to State Treasurer	-	-	-	-	-	207,458
Other Liabilities	-	379	1,783	-	-	1,354,419
TOTAL DISBURSEMENTS	191,399	379	43,662	119,301	56,901	4,279,604
 BALANCES JUNE 30, 2013	 \$ 100	 \$ 6,197	 \$ 100	 \$ 100	 \$ 53	 \$ 196,460
BALANCES CONSIST OF:						
Due to County Treasurer	\$ -	\$ 6,197	\$ -	\$ -	\$ 53	\$ 52,843
Petty Cash	100	-	100	100	-	17,600
Due to State Treasurer	-	-	-	-	-	17,509
Due to Others	-	-	-	-	-	108,508
BALANCES JUNE 30, 2013	\$ 100	\$ 6,197	\$ 100	\$ 100	\$ 53	\$ 196,460

(Concluded)

SAUNDERS 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	\$ 32,215,287	\$ 33,975,671	\$ 35,819,663	\$ 39,184,525	\$ 42,154,906
Personal and Specials	1,814,229	2,017,895	1,725,891	1,821,926	2,072,137
Total	<u>34,029,516</u>	<u>35,993,566</u>	<u>37,545,554</u>	<u>41,006,451</u>	<u>44,227,043</u>
Corrections					
Additions	606,582	400,690	56,964	200,456	42,274
Deductions	(1,112,137)	(936,487)	(632,320)	(58,190)	(326,855)
Net Additions/ (Deductions)	<u>(505,555)</u>	<u>(535,797)</u>	<u>(575,356)</u>	<u>142,266</u>	<u>(284,581)</u>
Corrected Certified Tax	<u>33,523,961</u>	<u>35,457,769</u>	<u>36,970,198</u>	<u>41,148,717</u>	<u>43,942,462</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2009	19,143,755	-	-	-	-
June 30, 2010	14,335,030	20,413,156	-	-	-
June 30, 2011	38,858	15,032,680	21,765,253	-	-
June 30, 2012	2,474	8,639	15,197,785	24,128,948	-
June 30, 2013	1,584	1,385	(3,940)	16,994,820	26,536,409
Total Net Collections	<u>33,521,701</u>	<u>35,455,860</u>	<u>36,959,098</u>	<u>41,123,768</u>	<u>26,536,409</u>
Total Uncollected Tax	<u>\$ 2,260</u>	<u>\$ 1,909</u>	<u>\$ 11,100</u>	<u>\$ 24,949</u>	<u>\$ 17,406,053</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.03%</u>	<u>0.06%</u>	<u>39.61%</u>



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 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 Saunders County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Saunders County's basic financial statements, and have issued our report thereon dated January 21, 2014. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saunders 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 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 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 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*.

Additional Items

We also noted certain matters that we reported to management of Saunders County in a separate letter dated January 21, 2014.

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

January 21, 2014

Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



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January 21, 2014

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, 2013, and have issued our report thereon dated January 21, 2014. 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.

COUNTY BOARD

Expenditures Exceeded Budgets

Neb. Rev. Stat. § 23-916 (Reissue 2012) states, “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 two office functions in the General Fund which were overspent. They are as follows:

- Election Commissioner by \$4,355
- IV Child Support County Attorney by \$754

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.

Publication of Board Minutes

Neb. Rev. Stat. § 23-122 (Reissue 2012) requires the County Board publish the proceedings of all County Board minutes within ten working days of the meeting date.

For 4 of 10 meeting minutes tested, County Board minutes detailing claims paid were not published within ten working days of the meeting. Publication of the claims paid ranged from 12 to 22 days after the meeting date.

When County Board minutes are not published timely, the County is not in compliance with State statute and the public is not made aware of proceedings in a timely manner.

We recommend the County Board implement procedures to ensure all minutes including claims paid are published as required by State statute.

Duplicate Payments

During our audit, we noted three claims to vendors, totaling \$536, that were paid twice during the fiscal year. They included:

- A \$116 invoice for the transportation of a prisoner.
- A \$180 blower purchased for the Public Works Department.
- A purchase of a heavy duty cross-tube totaling \$240 which was returned for a credit, but instead of deducting the credit memo from the claim, the amount was added resulting in the payment of \$240 twice.

Good internal control requires procedures be in place to ensure invoices are only paid once. When invoices are submitted and paid twice without being detected by the County, there is an increased risk of loss or misuse of funds.

We recommend the County Board implement procedures to ensure invoices are reviewed prior to approval to determine if they were previously paid.

COUNTY REGISTER OF DEEDS

Office Accountability

During our audit we noted:

- The Register of Deeds over remitted to the County Treasurer \$1,555 in Recording Fees.
- Remittance of \$1,954 to the County Treasurer was incorrectly coded to the General fund instead of being coded to the Preservation/Modernization of Records fund.
- The Register of Deeds does not perform a monthly bank reconciliation.

A good system of internal control requires procedures be in place to safeguard assets and provide reliable financial records. There is an increase in the risk of possible loss or misuse of funds when adequate controls are not in place.

We recommend the County Register of Deeds perform monthly bank reconciliations and reduce next month's payment to the County Treasurer by \$1,555. We also recommend a journal entry be made to correct the coding error noted and procedures be implemented to ensure funds remitted in the future are correctly coded.

Register of Deeds Response: I do balance and reconcile each month, just not on back statement, will do in the future.

County Sheriff

Fee Approval

Neb. Rev. Stat. § 23-106 (Reissue 2012) assigns the responsibility to the County Board for managing the County funds and County business. In addition, good internal control and sound accounting practice requires fees be set by the County Board and be documented in Board minutes.

During our audit, we noted the daily rate of \$45/day for housing inmates held by the County Sheriff, which are not contracted, are not set and approved by the County Board.

When the County Board is not approving fees charged, there is an increased risk of loss or misuse of County funds.

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

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
Assistant Deputy Auditor