

**AUDIT REPORT  
OF  
JEFFERSON COUNTY**

**JULY 1, 2015 THROUGH JUNE 30, 2016**

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**Issued on October 14, 2016**

JEFFERSON COUNTY

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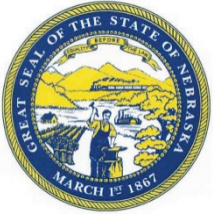
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JEFFERSON COUNTY

**LIST OF COUNTY OFFICIALS**

At June 30, 2016

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Michael Dux	Jan. 2019
	Mark Schoenrock	Jan. 2019
	Gale Pohlmann	Jan. 2017
Assessor	Mary Banahan	Jan. 2019
Attorney	Jeffrey Goltz	Jan. 2019
Clerk	M. Cynthia Newman	Jan. 2019
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Shawna Taylor	Jan. 2019
Sheriff	Nels Sorensen	Jan. 2019
Treasurer	Leroy Bast	Jan. 2019
Veterans' Service Officer	Kenneth Dodge	Appointed
Weed Superintendent	John McKee	Appointed
Planning/Zoning		
Emergency Manager		



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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JEFFERSON COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Jefferson County, Nebraska

#### **Report on the Financial Statements**

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Jefferson County as of June 30, 2016, 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.

### **Emphasis of Matters – Basis of Accounting**

We draw attention to Note 1 of the financial statements, which 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.

### **Report on Supplementary Information**

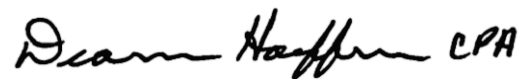
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes 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 22-40, are the responsibility of management and were derived from, and relate 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.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016, on our consideration of Jefferson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County's internal control over financial reporting and compliance.

October 14, 2016



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

JEFFERSON COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**

June 30, 2016

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,715,999
Investments (Note 1.D)	10,003,471
<b>TOTAL ASSETS</b>	<u><u>\$ 15,719,470</u></u>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 30,652
911 Emergency Services	180,809
Drug Education	39
Public Safety	222,104
Preservation of Records	13,414
Debt Service	120,991
Bridge/Road Projects	8,282,110
Community Development	184,429
Unrestricted	6,684,922
<b>TOTAL NET POSITION</b>	<u><u>\$ 15,719,470</u></u>

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

JEFFERSON COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2016

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (2,250,699)	\$ 343,480	\$ 80,852	\$ (1,826,367)
Public Safety	(2,806,351)	335,637	88,135	(2,382,579)
Public Works	(3,073,105)	120	1,728,905	(1,344,080)
Health and Sanitation	(20,858)	-	-	(20,858)
Public Assistance	(104,081)	-	-	(104,081)
Culture and Recreation	(200,745)	-	-	(200,745)
Debt Payments	(543,497)	-	-	(543,497)
<b>Total Governmental Activities</b>	<b><u><u>\$ (8,999,336)</u></u></b>	<b><u><u>\$ 679,237</u></u></b>	<b><u><u>\$ 1,897,892</u></u></b>	<b><u><u>(6,422,207)</u></u></b>

General Receipts:

Property Taxes	6,599,337
Grants and Contributions Not Restricted to Specific Programs	719,972
Investment Income	52,512
Licenses and Permits	39,264
Bond Proceeds	7,875,000
Miscellaneous	139,995
<b>Total General Receipts</b>	<b><u><u>15,426,080</u></u></b>
Increase in Net Position	9,003,873
Net Position - Beginning of year	6,715,597
<b>Net Position - End of year</b>	<b><u><u>\$ 15,719,470</u></u></b>

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



**JEFFERSON COUNTY**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2016

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Highway Bond - PWF Road Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 709,592	\$ 941,653	\$ 1,861,457	\$ -	\$ 2,203,297	\$ 5,715,999
Investments (Note 1.D)	-	-	2,105,295	7,898,176	-	10,003,471
<b>TOTAL ASSETS</b>	<u>\$ 709,592</u>	<u>\$ 941,653</u>	<u>\$ 3,966,752</u>	<u>\$ 7,898,176</u>	<u>\$ 2,203,297</u>	<u>\$ 15,719,470</u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	30,652	30,652
911 Emergency Services	-	-	-	-	180,809	180,809
Drug Education	-	-	-	-	39	39
Public Safety	-	-	-	-	222,104	222,104
Preservation of Records	-	-	-	-	13,414	13,414
Debt Service	-	-	-	-	120,991	120,991
Bridge/Road Projects	-	-	-	7,898,176	383,934	8,282,110
Community Development	-	-	-	-	184,429	184,429
Committed to:						
Public Safety	-	-	-	-	499,707	499,707
Road Maintenance	-	941,653	-	-	112,905	1,054,558
County Buildings	-	-	-	-	297,342	297,342
Equipment	-	-	-	-	66,820	66,820
Culture & Recreations	-	-	-	-	90,151	90,151
Assigned to:						
Other Purposes	-	-	3,966,752	-	-	3,966,752
Unassigned	709,592	-	-	-	-	709,592
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 709,592</u>	<u>\$ 941,653</u>	<u>\$ 3,966,752</u>	<u>\$ 7,898,176</u>	<u>\$ 2,203,297</u>	<u>\$ 15,719,470</u>

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

JEFFERSON COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2016

	General Fund	Road Fund	Inheritance Fund	Highway Bond - PWF Road Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 4,878,920	\$ -	\$ 926,406	\$ 313,644	\$ 480,367	\$ 6,599,337
Licenses and Permits	29,457	9,807	-	-	-	39,264
Investment Income	51,783	-	-	-	729	52,512
Intergovernmental	590,067	1,295,314	-	43,128	689,355	2,617,864
Charges for Services	392,656	120	-	-	286,461	679,237
Miscellaneous	20,421	20,935	13,855	7,875,000	84,784	8,014,995
<b>TOTAL RECEIPTS</b>	<u>5,963,304</u>	<u>1,326,176</u>	<u>940,261</u>	<u>8,231,772</u>	<u>1,541,696</u>	<u>18,003,209</u>
<b>DISBURSEMENTS</b>						
General Government	1,707,529	-	470,217	-	72,953	2,250,699
Public Safety	1,495,714	-	-	-	1,310,637	2,806,351
Public Works	124,286	2,750,785	-	67,989	130,045	3,073,105
Health and Sanitation	20,858	-	-	-	-	20,858
Public Assistance	104,081	-	-	-	-	104,081
Culture and Recreation	-	-	-	-	200,745	200,745
Debt Service:						
Principal Payments	-	-	-	-	270,000	270,000
Interest and Fiscal Charges	-	-	-	88,167	185,330	273,497
<b>TOTAL DISBURSEMENTS</b>	<u>3,452,468</u>	<u>2,750,785</u>	<u>470,217</u>	<u>156,156</u>	<u>2,169,710</u>	<u>8,999,336</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,510,836</u>	<u>(1,424,609)</u>	<u>470,044</u>	<u>8,075,616</u>	<u>(628,014)</u>	<u>9,003,873</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	2,229,452	224,440	-	1,292,771	3,746,663
Transfers out	<u>(2,848,171)</u>	<u>(367,495)</u>	<u>(50,000)</u>	<u>(177,440)</u>	<u>(303,557)</u>	<u>(3,746,663)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,848,171)</u>	<u>1,861,957</u>	<u>174,440</u>	<u>(177,440)</u>	<u>989,214</u>	<u>-</u>
Net Change in Fund Balances	(337,335)	437,348	644,484	7,898,176	361,200	9,003,873
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>1,046,927</u>	<u>504,305</u>	<u>3,322,268</u>	<u>-</u>	<u>1,842,097</u>	<u>6,715,597</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 709,592</u>	<u>\$ 941,653</u>	<u>\$ 3,966,752</u>	<u>\$ 7,898,176</u>	<u>\$ 2,203,297</u>	<u>\$ 15,719,470</u>

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

JEFFERSON COUNTY  
**STATEMENT OF FIDUCIARY ASSETS AND  
 LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
 June 30, 2016

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 369,614
 <b>LIABILITIES</b>	
Due to other governments	
State	141,344
Schools	171,645
Educational Service Units	2,793
Technical College	13,379
Natural Resource Districts	3,565
Fire Districts	6,788
Municipalities	29,179
Historical Society	497
Others	424
<b>TOTAL LIABILITIES</b>	<b>369,614</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2016

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$28,997 toward the operation of the Region during fiscal year 2016. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Health Department – The County has entered into an agreement with Public Health Solutions (Department) to provide public health services. The agreement was 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. 2014).

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 2016. 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 audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2015). 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. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions.

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

**Fund Financial Statements.** The fund financial statements provide information about the County’s funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level 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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 and 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.

**Highway Bond – PWF Road Fund.** This fund is used to account for bond proceeds to be used for the purpose of paying the costs of improving and/or repaving certain highways and roads of the County and related improvements within the County and certain costs of issuing the bond. The receipts generated from taxes in this fund will be used for the purpose of, and is used for the payment of, general long-term debt principal, interest, and related costs.

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 Fund.** The Law Enforcement Building Bond Fund and the Highway Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

**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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

**Unassigned.** This portion of the General Fund is 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 requires 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 are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

**D. Assets and Net 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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 is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$9,034,548 of restricted net position, which is restricted by enabling legislation.

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

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



JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

**Excess of Disbursements Over Appropriations.** For the year ended June 30, 2016, disbursements exceeded budgeted appropriations in the Civil Defense and County Surveyor functions of the General Fund by \$3,668 and \$691, 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 \$5,715,999 for County funds and \$369,614 for Fiduciary funds. The bank balances for all funds totaled \$5,844,827. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2016, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$10,003,471 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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

The levy set in October 2015, for the 2015 taxes, which will be materially collected in May and September 2016, was set at \$.297915/\$100 of assessed valuation. The levy set in October 2014, for the 2014 taxes, which were materially collected in May and September 2015, was set at \$.283497/\$100 of assessed valuation. The amount collected for the 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. The lid may be increased by 1% upon the approval of 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 23-2334 (Reissue 2012, Cum. Supp. 2014, Supp. 2015) 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. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

JEFFERSON 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, 2016, 96 employees contributed \$132,505, and the County contributed \$192,832. Contributions included \$4,604 in cash contributions towards the supplemental law enforcement plan for 14 law enforcement employees. Lastly, the County paid \$144 directly to one 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 80 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 60 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
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

JEFFERSON 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 2017. 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, 2016, consisted of the following:

<b>Transfers to</b>	Transfers from					Total
	General Fund	Inheritance Fund	Road Fund	Highway Bond - PWF Road Fund	Nonmajor Funds	
Road Fund	\$ 2,079,452	\$ -	\$ -	\$ -	\$ 150,000	\$ 2,229,452
Inheritance Fund	25,000	-	-	177,440	22,000	224,440
Nonmajor Funds	743,719	50,000	367,495	-	131,557	1,292,771
<b>Total</b>	<b>\$ 2,848,171</b>	<b>\$ 50,000</b>	<b>\$ 367,495</b>	<b>177,440</b>	<b>\$ 303,557</b>	<b>\$ 3,746,663</b>

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

In the year ended June 30, 2016, the County made a one-time transfer of \$177,440 from the Highway Bond PWF Road Fund to the Inheritance Fund to repay expenses incurred prior to receiving bond proceeds. The County also transferred \$367,495 from the Road Fund to the Highway Bond Fund to cover the bond payment paid during the fiscal year.

7. **Capital Leases Payable**

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

	Nine John Deere Motor Graders	Two Caterpillar Motor Graders & One Wheel Loader	Two Freightliner HD Trucks	Ambulance Defibrillators	Total
Balance July 1, 2015	\$ 422,877	\$ -	\$ 80,543	\$ 12,825	\$ 516,245
Purchases	367,498	410,811	-	-	778,309
Payments	242,104	36,143	47,852	6,285	332,384
<b>Balance June 30, 2016</b>	<b>\$ 548,271</b>	<b>\$ 374,668</b>	<b>\$ 32,691</b>	<b>6,540</b>	<b>\$ 962,170</b>

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

	Nine John Deere Motor Graders	Two Caterpillar Motor Graders & One Wheel Loader	Two Freightliner HD Trucks	Ambulance Defibrillators	Total
Future Payments:					
<b>Year</b>					
2017	\$ 234,528	\$ 86,730	\$ 33,053	\$ 6,737	\$ 361,048
2018	211,593	86,730	-	-	298,323
2019	96,910	86,731	-	-	183,641
2020	23,174	86,731	-	-	109,905
2021	-	46,657	-	-	46,657
2022-2026	-	-	-	-	-
Total Payments	<u>566,205</u>	<u>393,579</u>	<u>33,053</u>	<u>6,737</u>	<u>999,574</u>
Less Interest	<u>17,934</u>	<u>18,911</u>	<u>362</u>	<u>197</u>	<u>37,404</u>
Present Value of Future Minimum Lease Payments	<u>\$ 548,271</u>	<u>\$ 374,668</u>	<u>\$ 32,691</u>	<u>\$ 6,540</u>	<u>\$ 962,170</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,683,307</u>	<u>\$ 410,811</u>	<u>\$ 194,878</u>	<u>\$ 21,800</u>	<u>\$ 2,310,796</u>

8. **Interfund Loans**

Receivable Fund	Payable Fund	Amount
Inheritance Fund	Ambulance Fund	\$ 104,900

The County experienced a cash flow problem in its Ambulance Fund and a promissory note was created authorizing a loan. The County's intent is that the loan is to be paid back to the Inheritance Fund over four years with interest to accrue at the rate of 2% per annum. As of June 30, 2016, the first of the four payments was not yet made.

9. **Long-Term Debt**

**Limited Tax Refunding Bond Fund**

The County issued bonds on June 5, 2015, in the amount of \$815,000 for the purpose of paying the costs of refinancing Tax Obligation Bond Series 2010. The bond payable balance, as of June 30, 2016, was \$740,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 75,000	\$ 12,497	\$ 87,497
2018	65,000	11,953	76,953
2019	70,000	11,210	81,210
2020	70,000	10,300	80,300
2021	70,000	9,250	79,250
2022-2026	390,000	23,385	413,385
Total Payments	<u>\$ 740,000</u>	<u>\$ 78,595</u>	<u>\$ 818,595</u>

**Highway Allocation Bond Fund**

The County issued bonds on April 26, 2011, in the amount of \$4,875,000 to cover the cost of road improvements in the County. The County refinanced the Highway Allocation Bonds on June 23, 2016, in the amount of \$4,030,000. The bond payable balance, as of June 30, 2016, was \$4,030,000. 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:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 310,000	\$ 52,557	\$ 362,557
2018	305,000	59,105	364,105
2019	305,000	56,512	361,512
2020	315,000	53,463	368,463
2021	315,000	49,997	364,997
2022-2026	1,650,000	176,400	1,826,400
2027-2029	830,000	31,970	861,970
Total Payments	<u>\$ 4,030,000</u>	<u>\$ 480,004</u>	<u>\$ 4,510,004</u>

**Highway Bond – PWF Road Fund**

The County issued bonds on December 16, 2015, in the amount of \$8,000,000 to cover the costs of improving and/or repaving certain highways and roads of the County. The bond payable balance, as of June 30, 2016, was \$8,000,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

JEFFERSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

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

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 340,000	\$ 191,430	\$ 531,430
2018	335,000	188,904	523,904
2019	340,000	185,442	525,442
2020	345,000	181,416	526,416
2021	345,000	176,673	521,673
2022-2026	1,830,000	780,800	2,610,800
2027-2031	2,065,000	539,773	2,604,773
2032-2036	2,400,000	202,350	2,602,350
Total Payments	<u>\$ 8,000,000</u>	<u>\$ 2,446,788</u>	<u>\$ 10,446,788</u>

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 5,171,902	\$ 5,171,902	\$ 4,878,920	\$ (292,982)
Licenses and Permits	28,950	28,950	29,457	507
Interest	45,100	45,100	51,783	6,683
Intergovernmental	180,437	180,437	590,067	409,630
Charges for Services	276,400	276,400	392,656	116,256
Miscellaneous	900	900	20,421	19,521
<b>TOTAL RECEIPTS</b>	<u>5,703,689</u>	<u>5,703,689</u>	<u>5,963,304</u>	<u>259,615</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	76,749	76,749	69,712	7,037
County Clerk	131,324	131,324	118,708	12,616
County Treasurer	152,878	152,878	141,145	11,733
Register of Deeds	38,521	38,521	31,742	6,779
County Assessor	198,884	198,884	176,696	22,188
Election Commissioner	27,500	27,500	13,492	14,008
Planning and Zoning	47,412	47,412	44,017	3,395
Clerk of the District Court	107,520	107,520	99,793	7,727
County Court System	11,860	11,860	11,602	258
Building and Grounds	111,788	111,788	106,223	5,565
Agricultural Extension Agent	60,975	60,975	46,880	14,095
Employment Security	26,163	26,163	301	25,862
Miscellaneous	1,293,950	1,293,950	847,218	446,732
Public Safety				
County Sheriff	630,549	630,549	621,415	9,134
County Attorney	149,607	149,607	98,993	50,614
Child Support Enforcement	28,500	28,500	26,696	1,804
County Jail	580,150	580,150	516,527	63,623
Civil Defense	123,525	123,525	127,193	(3,668)
Miscellaneous	146,097	146,097	104,890	41,207
Public Works				
County Surveyor	35,000	35,000	35,691	(691)
Noxious Weed Control	89,166	89,166	88,595	571
Public Health				
Institutional	17,016	17,016	-	17,016
Miscellaneous	31,433	31,433	20,858	10,575
Public Assistance				
Veterans' Service Officer	61,229	61,229	48,796	12,433
Veterans' Aid	19,000	19,000	17,723	1,277
Medical Relief	73,000	73,000	4,280	68,720
Miscellaneous	41,121	41,121	33,282	7,839
<b>TOTAL DISBURSEMENTS</b>	<u>4,310,917</u>	<u>4,310,917</u>	<u>3,452,468</u>	<u>858,449</u>



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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,392,772	1,392,772	2,510,836	1,118,064
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	824,155	824,155	-	(824,155)
Transfers out	(2,782,349)	(2,782,349)	(2,848,171)	(65,822)
TOTAL OTHER FINANCING SOURCES (USES)	(1,958,194)	(1,958,194)	(2,848,171)	(889,977)
Net Change in Fund Balance	(565,422)	(565,422)	(337,335)	228,087
<b>FUND BALANCE - BEGINNING</b>	1,046,422	1,046,422	1,046,927	505
<b>FUND BALANCE - ENDING</b>	<u>\$ 481,000</u>	<u>\$ 481,000</u>	<u>\$ 709,592</u>	<u>\$ 228,592</u>

(Concluded)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ 5,500	\$ 5,500	\$ 9,807	\$ 4,307
Intergovernmental	1,244,612	1,244,612	1,295,314	50,702
Charges for Services	2,120	2,120	120	(2,000)
Miscellaneous	57,000	57,000	20,935	(36,065)
<b>TOTAL RECEIPTS</b>	<b>1,309,232</b>	<b>1,309,232</b>	<b>1,326,176</b>	<b>16,944</b>
<b>DISBURSEMENTS</b>	<b>3,373,181</b>	<b>3,373,181</b>	<b>2,750,785</b>	<b>622,396</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,063,949)</b>	<b>(2,063,949)</b>	<b>(1,424,609)</b>	<b>639,340</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,544,139	2,544,139	2,229,452	(314,687)
Transfers out	(617,495)	(617,495)	(367,495)	250,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,926,644</b>	<b>1,926,644</b>	<b>1,861,957</b>	<b>(64,687)</b>
Net Change in Fund Balance	(137,305)	(137,305)	437,348	574,653
FUND BALANCE - BEGINNING	504,305	504,305	504,305	-
FUND BALANCE - ENDING	<b>\$ 367,000</b>	<b>\$ 367,000</b>	<b>\$ 941,653</b>	<b>\$ 574,653</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 100,000	\$ 100,000	\$ 926,406	\$ 826,406
Miscellaneous	-	-	13,855	13,855
<b>TOTAL RECEIPTS</b>	<b>100,000</b>	<b>100,000</b>	<b>940,261</b>	<b>840,261</b>
<b>DISBURSEMENTS</b>	<b>2,694,463</b>	<b>2,694,463</b>	<b>470,217</b>	<b>2,224,246</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,594,463)</b>	<b>(2,594,463)</b>	<b>470,044</b>	<b>3,064,507</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	96,350	96,350	224,440	128,090
Transfers out	(824,155)	(824,155)	(50,000)	774,155
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(727,805)</b>	<b>(727,805)</b>	<b>174,440</b>	<b>902,245</b>
Net Change in Fund Balance	(3,322,268)	(3,322,268)	644,484	3,966,752
FUND BALANCE - BEGINNING	3,322,268	3,322,268	3,322,268	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,966,752</b>	<b>\$ 3,966,752</b>

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BOND - PWF ROAD FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 550,000	\$ 550,000	\$ 313,644	\$ (236,356)
Intergovernmental	-	-	43,128	43,128
Miscellaneous	8,000,000	8,000,000	7,875,000	(125,000)
<b>TOTAL RECEIPTS</b>	<b>8,550,000</b>	<b>8,550,000</b>	<b>8,231,772</b>	<b>(318,228)</b>
<b>DISBURSEMENTS</b>	<b>8,550,000</b>	<b>8,550,000</b>	<b>156,156</b>	<b>8,393,844</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>-</b>	<b>-</b>	<b>8,075,616</b>	<b>8,075,616</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(177,440)	(177,440)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(177,440)</b>	<b>(177,440)</b>
Net Change in Fund Balance	-	-	7,898,176	7,898,176
<b>FUND BALANCE - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,898,176</b>	<b>\$ 7,898,176</b>

(Concluded)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY STREET BUYBACK PROGRAM</b>				
<b>FUND</b>				
Receipts	\$ 99,016	\$ 99,016	\$ 110,776	\$ 11,760
Disbursements	(198,310)	(198,310)	-	198,310
Net Change in Fund Balance	(99,294)	(99,294)	110,776	210,070
Fund Balance - Beginning	99,294	99,294	99,294	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,070</u>	<u>\$ 210,070</u>
<b>HIGHWAY BRIDGE BUYBACK PROGRAM</b>				
<b>FUND</b>				
Receipts	\$ 144,723	\$ 144,723	\$ 154,575	\$ 9,852
Disbursements	(193,186)	(193,186)	(29,174)	164,012
Net Change in Fund Balance	(48,463)	(48,463)	125,401	173,864
Fund Balance - Beginning	48,463	48,463	48,463	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,864</u>	<u>\$ 173,864</u>
<b>ROAD BRIDGE ESCROW FUND</b>				
Receipts	\$ -	\$ -	\$ 16,885	\$ 16,885
Disbursements	(258,906)	(258,906)	(12,886)	246,020
Transfers in	250,000	250,000	-	(250,000)
Transfers out	(250,000)	(250,000)	(150,000)	100,000
Net Change in Fund Balance	(258,906)	(258,906)	(146,001)	112,905
Fund Balance - Beginning	258,906	258,906	258,906	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,905</u>	<u>\$ 112,905</u>
<b>EQUIPMENT RESERVE FUND</b>				
Receipts	\$ 15,000	\$ 15,000	\$ 2,100	\$ (12,900)
Disbursements	(16,786)	(16,786)	(1,990)	14,796
Net Change in Fund Balance	(1,786)	(1,786)	110	1,896
Fund Balance - Beginning	1,786	1,786	1,786	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,896</u>	<u>\$ 1,896</u>
<b>COMMUNICATION EQUIPMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 4	\$ 4
Disbursements	(58,570)	(58,570)	(9,453)	49,117
Transfers in	50,821	50,821	25,410	(25,411)
Transfers out	-	-	-	-
Net Change in Fund Balance	(7,749)	(7,749)	15,961	23,710
Fund Balance - Beginning	7,749	7,749	7,749	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,710</u>	<u>\$ 23,710</u>

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COMPUTER IT FUND</b>				
Receipts	\$ 21,000	\$ 21,000	\$ 8,000	\$ (13,000)
Disbursements	(82,400)	(82,400)	(72,953)	9,447
Transfers in	59,545	59,545	91,545	32,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,855)	(1,855)	26,592	28,447
Fund Balance - Beginning	1,855	1,855	1,855	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,447</u>	<u>\$ 28,447</u>
<b>EQUIPMENT VEHICLE FUND</b>				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(77,220)	(77,220)	(74,016)	3,204
Transfers in	60,000	60,000	60,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(17,220)	(17,220)	(14,015)	3,205
Fund Balance - Beginning	17,220	17,220	17,220	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,205</u>	<u>\$ 3,205</u>
<b>FAIR FUND</b>				
Receipts	\$ 9,000	\$ 9,000	\$ 12,996	\$ 3,996
Disbursements	(110,500)	(110,500)	(102,790)	7,710
Transfers in	196,608	196,608	124,608	(72,000)
Transfers out	(97,000)	(97,000)	(30,000)	67,000
Net Change in Fund Balance	(1,892)	(1,892)	4,814	6,706
Fund Balance - Beginning	16,892	16,892	16,892	-
Fund Balance - Ending	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 21,706</u>	<u>\$ 6,706</u>
<b>PRESERVATION/ MODERNIZATION FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 5,525	\$ 525
Disbursements	(12,889)	(12,889)	-	12,889
Net Change in Fund Balance	(7,889)	(7,889)	5,525	13,414
Fund Balance - Beginning	7,889	7,889	7,889	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,414</u>	<u>\$ 13,414</u>

(Continued)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ATTORNEY GRANT FUND</b>				
Receipts	\$ 1,996	\$ 1,996	\$ -	\$ (1,996)
Disbursements	(3,500)	(3,500)	-	3,500
Net Change in Fund Balance	(1,504)	(1,504)	-	1,504
Fund Balance - Beginning	1,504	1,504	1,504	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,504	\$ 1,504
<b>DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 24,961	\$ 24,961	\$ -	\$ (24,961)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(39)	(39)	-	39
Fund Balance - Beginning	39	39	39	-
Fund Balance - Ending	\$ -	\$ -	\$ 39	\$ 39
<b>INTOXILYZER FUND</b>				
Receipts	\$ 2,104	\$ 2,104	\$ 1,205	\$ (899)
Disbursements	(3,451)	(3,451)	(1,605)	1,846
Net Change in Fund Balance	(1,347)	(1,347)	(400)	947
Fund Balance - Beginning	1,347	1,347	1,347	-
Fund Balance - Ending	\$ -	\$ -	\$ 947	\$ 947
<b>SHERIFF GRANT FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ 13,770	\$ (36,230)
Disbursements	(61,956)	(61,956)	(14,366)	47,590
Net Change in Fund Balance	(11,956)	(11,956)	(596)	11,360
Fund Balance - Beginning	11,956	11,956	11,956	-
Fund Balance - Ending	\$ -	\$ -	\$ 11,360	\$ 11,360
<b>CANINE FUND</b>				
Receipts	\$ 15,000	\$ 15,000	\$ 5,650	\$ (9,350)
Disbursements	(18,871)	(18,871)	(2,264)	16,607
Net Change in Fund Balance	(3,871)	(3,871)	3,386	7,257
Fund Balance - Beginning	3,871	3,871	3,871	-
Fund Balance - Ending	\$ -	\$ -	\$ 7,257	\$ 7,257

(Continued)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COMMUNITY DEVELOPMENT BLOCK</b>				
<b>GRANT FUND</b>				
Receipts	\$ 35,000	\$ 35,000	\$ 39,423	\$ 4,423
Disbursements	(180,006)	(180,006)	-	180,006
Net Change in Fund Balance	(145,006)	(145,006)	39,423	184,429
Fund Balance - Beginning	145,006	145,006	145,006	-
Fund Balance - Ending	\$ -	\$ -	\$ 184,429	\$ 184,429
<b>911 EMERGENCY FUND</b>				
Receipts	\$ 35,000	\$ 35,000	\$ 35,901	\$ 901
Disbursements	(65,650)	(65,650)	(22,931)	42,719
Transfers in	10,000	10,000	10,000	-
Transfers out	-	-	(11,800)	(11,800)
Net Change in Fund Balance	(20,650)	(20,650)	11,170	31,820
Fund Balance - Beginning	20,650	20,650	20,650	-
Fund Balance - Ending	\$ -	\$ -	\$ 31,820	\$ 31,820
<b>911 WIRELESS FUND</b>				
Receipts	\$ 42,000	\$ 42,000	\$ 46,437	\$ 4,437
Disbursements	(158,002)	(158,002)	(13,450)	144,552
Net Change in Fund Balance	(116,002)	(116,002)	32,987	148,989
Fund Balance - Beginning	116,002	116,002	116,002	-
Fund Balance - Ending	\$ -	\$ -	\$ 148,989	\$ 148,989
<b>EMERGENCY MANAGEMENT FUND</b>				
Receipts	\$ 71,201	\$ 71,201	\$ 73,017	\$ 1,816
Disbursements	(383,574)	(383,574)	(40,996)	342,578
Net Change in Fund Balance	(312,373)	(312,373)	32,021	344,394
Fund Balance - Beginning	312,373	312,373	312,373	-
Fund Balance - Ending	\$ -	\$ -	\$ 344,394	\$ 344,394
<b>LAW ENFORCEMENT BUILDING FUND</b>				
Receipts	\$ 539,771	\$ 539,771	\$ 110,040	\$ (429,731)
Disbursements	(618,760)	(618,760)	(468,987)	149,773
Transfers in	-	-	342,182	342,182
Transfers out	-	-	(8,000)	(8,000)
Net Change in Fund Balance	(78,989)	(78,989)	(24,765)	54,224
Fund Balance - Beginning	78,989	78,989	78,989	-
Fund Balance - Ending	\$ -	\$ -	\$ 54,224	\$ 54,224

(Continued)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT BUILDING BOND FUND</b>				
Receipts	\$ 18,000	\$ 18,000	\$ 35,000	\$ 17,000
Disbursements	(191,986)	(191,986)	(89,321)	102,665
Transfers in	68,000	68,000	68,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(105,986)	(105,986)	13,679	119,665
Fund Balance - Beginning	105,986	105,986	105,986	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,665</u>	<u>\$ 119,665</u>
<b>HIGHWAY BOND FUND</b>				
Receipts	\$ -	\$ -	\$ 1,326	\$ 1,326
Disbursements	(367,495)	(367,495)	(367,495)	-
Transfers in	367,495	367,495	367,495	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	1,326	1,326
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 1,326</u>
<b>NATURAL DISASTER FUND</b>				
Receipts	\$ 163,098	\$ 163,098	\$ 159,923	\$ (3,175)
Disbursements	(300,000)	(300,000)	(87,585)	212,415
Net Change in Fund Balance	(136,902)	(136,902)	72,338	209,240
Fund Balance - Beginning	136,902	136,902	136,902	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,240</u>	<u>\$ 209,240</u>
<b>FAIR BUILDING FUND</b>				
Receipts	\$ -	\$ -	\$ 4	\$ 4
Disbursements	(141,000)	(141,000)	(77,559)	63,441
Transfers in	107,255	107,255	48,551	(58,704)
Transfers out	(97,000)	(97,000)	(33,296)	63,704
Net Change in Fund Balance	(130,745)	(130,745)	(62,300)	68,445
Fund Balance - Beginning	130,745	130,745	130,745	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,445</u>	<u>\$ 68,445</u>

(Continued)



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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY BUILDING FUND</b>				
Receipts	\$ -	\$ -	\$ 3	\$ 3
Disbursements	(209,090)	(209,090)	-	209,090
Transfers in	20,000	20,000	20,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(189,090)	(189,090)	20,003	209,093
Fund Balance - Beginning	189,090	189,090	189,092	\$ 2
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,095</u>	<u>\$ 209,095</u>
<b>LAW ENFORCEMENT ADDITION</b>				
<b>REMODEL FUND</b>				
Receipts	\$ -	\$ -	\$ 3	\$ 3
Disbursements	(90,000)	(90,000)	(1,755)	88,245
Transfers in	84,981	84,981	84,980	(1)
Transfers out	-	-	-	-
Net Change in Fund Balance	(5,019)	(5,019)	83,228	88,247
Fund Balance - Beginning	5,019	5,019	5,019	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,247</u>	<u>\$ 88,247</u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 17,000	\$ 17,000	\$ 26,446	\$ 9,446
Disbursements	(41,602)	(41,602)	(20,396)	21,206
Net Change in Fund Balance	(24,602)	(24,602)	6,050	30,652
Fund Balance - Beginning	24,602	24,602	24,602	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,652</u>	<u>\$ 30,652</u>
<b>AMBULANCE FUND</b>				
Receipts	\$ 784,188	\$ 784,188	\$ 682,685	\$ (101,503)
Disbursements	(757,237)	(757,237)	(657,738)	99,499
Transfers in	-	-	50,000	50,000
Transfers out	(76,350)	(76,350)	(70,461)	5,889
Net Change in Fund Balance	(49,399)	(49,399)	4,486	53,885
Fund Balance - Beginning	88,399	88,399	88,399	-
Fund Balance - Ending	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ 92,885</u>	<u>\$ 53,885</u>

(Continued)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>AMBULANCE EQUIPMENT FUND</u></b>				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(14,651)	(14,651)	-	14,651
Transfers in	5,000	5,000	-	(5,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	(9,651)	(9,651)	1	9,652
Fund Balance - Beginning	9,651	9,651	9,561	\$ (90)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,562</u>	<u>\$ 9,562</u>

(Concluded)

**JEFFERSON COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2016

	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Road Bridge Escrow Fund	Equipment Reserve Fund	Communication Equipment Fund	Computer IT Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	110,776	154,575	8,348	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	8,537	2,100	2	8,000
<b>TOTAL RECEIPTS</b>	<u>110,776</u>	<u>154,575</u>	<u>16,885</u>	<u>2,100</u>	<u>4</u>	<u>8,000</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	72,953
Public Safety	-	-	-	1,990	9,453	-
Public Works	-	29,174	12,886	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>29,174</u>	<u>12,886</u>	<u>1,990</u>	<u>9,453</u>	<u>72,953</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>110,776</u>	<u>125,401</u>	<u>3,999</u>	<u>110</u>	<u>(9,449)</u>	<u>(64,953)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	25,410	91,545
Transfers out	-	-	(150,000)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>25,410</u>	<u>91,545</u>
Net Change in Fund Balances	110,776	125,401	(146,001)	110	15,961	26,592
<b>FUND BALANCES - BEGINNING</b>	<u>99,294</u>	<u>48,463</u>	<u>258,906</u>	<u>1,786</u>	<u>7,749</u>	<u>1,855</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 210,070</u>	<u>\$ 173,864</u>	<u>\$ 112,905</u>	<u>\$ 1,896</u>	<u>\$ 23,710</u>	<u>\$ 28,447</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	210,070	173,864	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Public Safety	-	-	-	-	-	-
Road Maintenance	-	-	112,905	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	1,896	23,710	28,447
Culture & Recreations	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 210,070</u>	<u>\$ 173,864</u>	<u>\$ 112,905</u>	<u>\$ 1,896</u>	<u>\$ 23,710</u>	<u>\$ 28,447</u>

(Continued)

JEFFERSON COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2016

	Equipment Vehicle Fund	Fair Fund	Preservation/ Modernization Fund	Attorney Grant Fund	Drug Law Enforcement Fund	Intoxilyzer Fund
<b>RECEIPTS</b>						
Property Taxes	\$ 1	\$ 19	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	-	2	-	-	-	-
Charges for Services	-	-	5,525	-	-	1,205
Miscellaneous	-	12,975	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>1</b>	<b>12,996</b>	<b>5,525</b>	<b>-</b>	<b>-</b>	<b>1,205</b>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	74,016	-	-	-	-	1,605
Public Works	-	-	-	-	-	-
Culture and Recreation	-	102,790	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>74,016</b>	<b>102,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,605</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(74,015)</b>	<b>(89,794)</b>	<b>5,525</b>	<b>-</b>	<b>-</b>	<b>(400)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	60,000	124,608	-	-	-	-
Transfers out	-	(30,000)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>60,000</b>	<b>94,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(14,015)	4,814	5,525	-	-	(400)
<b>FUND BALANCES - BEGINNING</b>	<b>17,220</b>	<b>16,892</b>	<b>7,889</b>	<b>1,504</b>	<b>39</b>	<b>1,347</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 3,205</b>	<b>\$21,706</b>	<b>\$ 13,414</b>	<b>\$ 1,504</b>	<b>\$ 39</b>	<b>\$ 947</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	39	-
Public Safety	-	-	-	1,504	-	-
Preservation of Records	-	-	13,414	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Public Safety	-	-	-	-	-	947
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	3,205	-	-	-	-	-
Culture & Recreations	-	21,706	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,205</b>	<b>\$21,706</b>	<b>\$ 13,414</b>	<b>\$ 1,504</b>	<b>\$ 39</b>	<b>\$ 947</b>

(Continued)

JEFFERSON COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2016

	Sheriff Grant Fund	Canine Fund	Community Development Block Grant Fund	911 Emergency Fund	911 Wireless Fund	Emergency Management Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ 35,886	\$ 46,437	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	13,770	-	-	-	-	67,689
Charges for Services	-	-	-	-	-	5,328
Miscellaneous	-	5,650	39,423	15	-	-
<b>TOTAL RECEIPTS</b>	<u>13,770</u>	<u>5,650</u>	<u>39,423</u>	<u>35,901</u>	<u>46,437</u>	<u>73,017</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	14,366	2,264	-	22,931	13,450	40,996
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>14,366</u>	<u>2,264</u>	<u>-</u>	<u>22,931</u>	<u>13,450</u>	<u>40,996</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(596)</u>	<u>3,386</u>	<u>39,423</u>	<u>12,970</u>	<u>32,987</u>	<u>32,021</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	10,000	-	-
Transfers out	-	-	-	(11,800)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,800)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(596)	3,386	39,423	11,170	32,987	32,021
<b>FUND BALANCES - BEGINNING</b>	<u>11,956</u>	<u>3,871</u>	<u>145,006</u>	<u>20,650</u>	<u>116,002</u>	<u>312,373</u>
<b>FUND BALANCES - ENDING</b>	<u>\$11,360</u>	<u>\$ 7,257</u>	<u>\$ 184,429</u>	<u>\$ 31,820</u>	<u>\$148,989</u>	<u>\$ 344,394</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	31,820	148,989	-
Drug Education	-	-	-	-	-	-
Public Safety	11,360	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Community Development	-	-	184,429	-	-	-
Committed to:						
Public Safety	-	7,257	-	-	-	344,394
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Culture & Recreations	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$11,360</u>	<u>\$ 7,257</u>	<u>\$ 184,429</u>	<u>\$ 31,820</u>	<u>\$148,989</u>	<u>\$ 344,394</u>

(Continued)

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

For the Year Ended June 30, 2016

	Law Enforcement Building Fund	Law Enforcement Building Bond Fund	Highway Bond Fund	Natural Disaster Fund	Fair Building Fund	County Building Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 13	\$ -	\$ -	\$ 4	\$ 3
Investment Income	-	729	-	-	-	-
Intergovernmental	110,040	34,258	-	159,923	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	1,326	-	-	-
<b>TOTAL RECEIPTS</b>	<u>110,040</u>	<u>35,000</u>	<u>1,326</u>	<u>159,923</u>	<u>4</u>	<u>3</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	468,987	1,086	-	-	-	-
Public Works	-	-	400	87,585	-	-
Culture and Recreation	-	-	-	-	77,559	-
Debt Service:						
Principal Payments	-	75,000	195,000	-	-	-
Interest and Fiscal Charges	-	13,235	172,095	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>468,987</u>	<u>89,321</u>	<u>367,495</u>	<u>87,585</u>	<u>77,559</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(358,947)</u>	<u>(54,321)</u>	<u>(366,169)</u>	<u>72,338</u>	<u>(77,555)</u>	<u>3</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	342,182	68,000	367,495	-	48,551	20,000
Transfers out	(8,000)	-	-	-	(33,296)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>334,182</u>	<u>68,000</u>	<u>367,495</u>	<u>-</u>	<u>15,255</u>	<u>20,000</u>
Net Change in Fund Balances	(24,765)	13,679	1,326	72,338	(62,300)	20,003
<b>FUND BALANCES - BEGINNING</b>	<u>78,989</u>	<u>105,986</u>	<u>-</u>	<u>136,902</u>	<u>130,745</u>	<u>189,092</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 54,224</u>	<u>\$ 119,665</u>	<u>\$ 1,326</u>	<u>\$ 209,240</u>	<u>\$ 68,445</u>	<u>\$ 209,095</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Public Safety	-	-	-	209,240	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	119,665	1,326	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Public Safety	54,224	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	209,095
Equipment	-	-	-	-	-	-
Culture & Recreations	-	-	-	-	68,445	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 54,224</u>	<u>\$ 119,665</u>	<u>\$ 1,326</u>	<u>\$ 209,240</u>	<u>\$ 68,445</u>	<u>\$ 209,095</u>

(Continued)

**JEFFERSON COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2016

	Law Enforcement Addition Remodel Fund	Visitor Promotion Fund	Ambulance Fund	Ambulance Equipment Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ 3	\$ 26,446	\$ 371,552	\$ 1	\$ 480,367
Investment Income	-	-	-	-	729
Intergovernmental	-	-	29,974	-	689,355
Charges for Services	-	-	274,403	-	286,461
Miscellaneous	-	-	6,756	-	84,784
<b>TOTAL RECEIPTS</b>	<b>3</b>	<b>26,446</b>	<b>682,685</b>	<b>1</b>	<b>1,541,696</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	72,953
Public Safety	1,755	-	657,738	-	1,310,637
Public Works	-	-	-	-	130,045
Culture and Recreation	-	20,396	-	-	200,745
Debt Service:					
Principal Payments	-	-	-	-	270,000
Interest and Fiscal Charges	-	-	-	-	185,330
<b>TOTAL DISBURSEMENTS</b>	<b>1,755</b>	<b>20,396</b>	<b>657,738</b>	<b>-</b>	<b>2,169,710</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,752)</b>	<b>6,050</b>	<b>24,947</b>	<b>1</b>	<b>(628,014)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	84,980	-	50,000	-	1,292,771
Transfers out	-	-	(70,461)	-	(303,557)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>84,980</b>	<b>-</b>	<b>(20,461)</b>	<b>-</b>	<b>989,214</b>
Net Change in Fund Balances	83,228	6,050	4,486	1	361,200
<b>FUND BALANCES - BEGINNING</b>	<b>5,019</b>	<b>24,602</b>	<b>88,399</b>	<b>9,561</b>	<b>1,842,097</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 88,247</b>	<b>\$ 30,652</b>	<b>\$ 92,885</b>	<b>\$ 9,562</b>	<b>\$ 2,203,297</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	30,652	-	-	30,652
911 Emergency Services	-	-	-	-	180,809
Drug Education	-	-	-	-	39
Public Safety	-	-	-	-	222,104
Preservation of Records	-	-	-	-	13,414
Debt Service	-	-	-	-	120,991
Bridge/Road Projects	-	-	-	-	383,934
Community Development	-	-	-	-	184,429
Committed to:					
Public Safety	-	-	92,885	-	499,707
Road Maintenance	-	-	-	-	112,905
County Buildings	88,247	-	-	-	297,342
Equipment	-	-	-	9,562	66,820
Culture & Recreations	-	-	-	-	90,151
<b>TOTAL FUND BALANCES</b>	<b>\$ 88,247</b>	<b>\$ 30,652</b>	<b>\$ 92,885</b>	<b>\$ 9,562</b>	<b>\$ 2,203,297</b>

(Concluded)

**JEFFERSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2016

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent	Veterans' Service Officer
BALANCES JULY 1, 2015	\$ 489	\$ 8,481	\$ 15,025	\$ 9,395	\$ 1,625	\$ 2,568	\$ 500	\$ 11,087
<b>RECEIPTS</b>								
Property Taxes	-	-	-	5,845	-	-	-	-
Licenses and Permits	820	-	-	1,290	-	-	9,807	-
Intergovernmental	-	-	-	13,771	-	-	-	-
Charges for Services	2,915	55,074	11,144	61,188	1,325	45,844	-	-
Miscellaneous	-	-	-	2,285	-	-	27,720	17,142
State Fees	347	58,460	17,081	381	-	-	-	-
Other Liabilities	-	98	301,762	96,464	14,341	-	338	-
<b>TOTAL RECEIPTS</b>	<b>4,082</b>	<b>113,632</b>	<b>329,987</b>	<b>181,224</b>	<b>15,666</b>	<b>45,844</b>	<b>37,865</b>	<b>17,142</b>
<b>DISBURSEMENTS</b>								
Payments to County Treasurer	3,212	56,120	11,331	80,814	-	42,953	37,527	-
Payments to State Treasurer	563	61,341	17,423	352	-	-	-	-
Other Liabilities	-	98	294,458	98,264	8,504	-	338	18,882
<b>TOTAL DISBURSEMENTS</b>	<b>3,775</b>	<b>117,559</b>	<b>323,212</b>	<b>179,430</b>	<b>8,504</b>	<b>42,953</b>	<b>37,865</b>	<b>18,882</b>
BALANCES JUNE 30, 2016	<u>\$ 796</u>	<u>\$ 4,554</u>	<u>\$ 21,800</u>	<u>\$ 11,189</u>	<u>\$ 8,787</u>	<u>\$ 5,459</u>	<u>\$ 500</u>	<u>\$ 9,347</u>
<b>BALANCES CONSIST OF:</b>								
Due to County Treasurer	\$ 638	\$ 3,343	\$ 480	\$ 8,344	\$ 1,800	\$ 5,409	\$ -	\$ 9,347
Petty Cash	135	-	100	2,700	1,000	50	500	-
Due to State Treasurer	23	1,211	871	61	-	-	-	-
Due to Others	-	-	20,349	84	5,987	-	-	-
BALANCES JUNE 30, 2016	<u>\$ 796</u>	<u>\$ 4,554</u>	<u>\$ 21,800</u>	<u>\$ 11,189</u>	<u>\$ 8,787</u>	<u>\$ 5,459</u>	<u>\$ 500</u>	<u>\$ 9,347</u>

(Continued)



**JEFFERSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2016

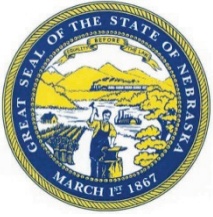
	County Fair	County Ambulance	County Planning and Zoning	County Board	County Emergency Manager	County Assessor	Total
BALANCES JULY 1, 2015	\$ 1,383	\$ 426,237	\$ 50	\$ 18,762	\$ -	\$ 25	\$ 495,627
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	5,845
Licenses and Permits	-	-	-	-	-	-	11,917
Intergovernmental	-	-	-	-	-	-	13,771
Charges for Services	-	30,920	1,925	-	4,200	-	214,535
Miscellaneous	44,842	6,756	-	14,019	1,131	-	113,895
State Fees	-	-	-	-	-	-	76,269
Other Liabilities	-	-	-	-	-	-	413,003
<b>TOTAL RECEIPTS</b>	<u>44,842</u>	<u>37,676</u>	<u>1,925</u>	<u>14,019</u>	<u>5,331</u>	<u>-</u>	<u>849,235</u>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	12,975	281,159	1,950	-	5,328	-	533,369
Payments to State Treasurer	-	-	-	-	-	-	79,679
Other Liabilities	27,205	-	-	14,019	-	-	461,768
<b>TOTAL DISBURSEMENTS</b>	<u>40,180</u>	<u>281,159</u>	<u>1,950</u>	<u>14,019</u>	<u>5,328</u>	<u>-</u>	<u>1,074,816</u>
BALANCES JUNE 30, 2016	<u>\$ 6,045</u>	<u>\$ 182,754</u>	<u>\$ 25</u>	<u>\$ 18,762</u>	<u>\$ 3</u>	<u>\$ 25</u>	<u>\$ 270,046</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 6,045	\$ 182,254	\$ 25	\$ 18,262	\$ 3	\$ -	\$ 235,950
Petty Cash	-	500	-	500	-	25	5,510
Due to State Treasurer	-	-	-	-	-	-	2,166
Due to Others	-	-	-	-	-	-	26,420
BALANCES JUNE 30, 2016	<u>\$ 6,045</u>	<u>\$ 182,754</u>	<u>\$ 25</u>	<u>\$ 18,762</u>	<u>\$ 3</u>	<u>\$ 25</u>	<u>\$ 270,046</u>

(Concluded)

JEFFERSON COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2016

Item	2011	2012	2013	2014	2015
Tax Certified by Assessor					
Real Estate	\$ 13,583,414	\$ 14,256,560	\$ 16,168,240	\$ 17,260,577	\$ 18,714,758
Personal and Specials	3,350,353	4,306,425	4,172,947	4,336,494	4,363,407
Total	<u>16,933,767</u>	<u>18,562,985</u>	<u>20,341,187</u>	<u>21,597,071</u>	<u>23,078,165</u>
Corrections					
Additions	3,201	9,725	20,005	18,344	7,370
Deductions	(7,735)	(2,187)	(21,392)	(23,083)	(16,971)
Net Additions/ (Deductions)	<u>(4,534)</u>	<u>7,538</u>	<u>(1,387)</u>	<u>(4,739)</u>	<u>(9,601)</u>
Corrected Certified Tax	<u>16,929,233</u>	<u>18,570,523</u>	<u>20,339,800</u>	<u>21,592,332</u>	<u>23,068,564</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2012	10,031,797	-	-	-	-
June 30, 2013	6,855,613	11,110,379	-	-	-
June 30, 2014	13,806	7,399,734	12,482,562	-	-
June 30, 2015	7,630	23,757	7,791,314	13,135,113	-
June 30, 2016	5,183	9,991	26,956	8,394,078	14,084,431
Total Net Collections	<u>16,914,029</u>	<u>18,543,861</u>	<u>20,300,832</u>	<u>21,529,191</u>	<u>14,084,431</u>
Total Uncollected Tax	<u>\$ 15,204</u>	<u>\$ 26,662</u>	<u>\$ 38,968</u>	<u>\$ 63,141</u>	<u>\$ 8,984,133</u>
Percentage Uncollected Tax	<u>0.09%</u>	<u>0.14%</u>	<u>0.19%</u>	<u>0.29%</u>	<u>38.95%</u>

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

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

Board of Commissioners  
Jefferson County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, and have issued our report thereon dated October 14, 2016. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

### **Internal Control Over Financial Reporting**

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

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

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

- The County offices lacked a segregation of duties, as 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. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

### **Compliance and Other Matters**

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

### **Additional Items**


We also noted certain matters that we reported to the management of Jefferson County in a separate letter dated October 14, 2016.

### **Jefferson County's Response to Findings**

Jefferson County declined to respond to the finding described above.

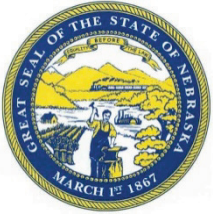
### **Purpose of this Report**

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.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

October 14, 2016



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

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October 14, 2016

Board of Commissioners  
Jefferson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Jefferson County (County) for the fiscal year ended June 30, 2016, and have issued our report thereon dated October 14, 2016. 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 following areas:

### 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 lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be 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.

## **Expenditure Reconciliation**

During our audit, we noted the County Clerk was not reconciling claim disbursement reports to the amounts requested from the County Treasurer. For fiscal year 2016, the General Fund and Law Enforcement Building Fund disbursements per the claim disbursement report was \$4,930 higher and \$534 lower, respectively, than the actual disbursements from the County Treasurer. It appeared from testing the variances were due to journal entry transactions, but the County Clerk was not documenting the reconciliation between the reports and the reason for the variances.

Good internal control requires documentation of differences between amounts requested from the County Treasurer and the amounts shown in the records as disbursements. When variances are not identified and documented in a timely manner, there is an increased risk of loss or misuse of funds.

We recommend the County Clerk implement procedures to reconcile the disbursement reports to the amounts requested from the County Treasurer and document any variances.

## **Unclaimed Property**

The Uniform Disposition of Unclaimed Property Act (Act) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2014). Section 69-1307.01 of the Act states that personal property held by public entities or political subdivisions that remains unclaimed for more than three years is presumed abandoned. Section 69-1310 requires that such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding. In addition, sound accounting practices require that old accounts be followed up on to determine whether they should still be active.

During our audit, we noted the following County offices held funds that had remained unclaimed for more than three years, failing to remit them to the State Treasurer in accordance with the Act:

- County Fair: 86 checks totaling \$566
- County Sheriff: 30 checks totaling \$556

We recommend all personal property held by County offices that remains unclaimed for more than three years be remitted to the State Treasurer in accordance with the Act.

## **Deposit Coverage**

During our audit period, we noted that County deposits at two local banks were not fully insured by the Federal Deposit Insurance Corporation (FDIC) or additional securities:

- The County Board's Imprest bank account exceeded coverage for seven days, ranging between \$37,295 and \$599,701.

- The County Treasurer’s checking account was uncollateralized for 59 days, ranging from \$29,484 to \$5,520,377. It was also noted that securities were not being presented to the County Board for approval.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2009) states, in part, the following:

*[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation [FDIC], unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.*

Neb. Rev. Stat. § 77-2318.01 (Reissue 2009) provides the following, as is relevant:

*The county treasurer may deposit in any bank, capital stock financial institution, or qualifying mutual financial institution of the county in which he or she is treasurer in excess of the amounts authorized in section 77-2318 when (1) the depository secures the deposits by giving security as provided in the Public Funds Deposit Security Act and (2) the same is approved by a formal resolution of the county board.*

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

We recommend the County Board and the County Treasurer implement procedures to ensure bank deposits are adequately secured at all times, and securities are properly approved by the County Board.

**Petty Cash**

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) requires the amount of a petty cash fund established by the County Board to be stated in the fiscal policy of the County Board budget message.

During our audit, we noted the following offices had petty cash funds that were not listed in the County Budget message:

County Office	Amount
Ambulance	\$ 500
Sheriff Smart Card	\$ 1,200
Board Cafeteria Account	\$ 18,262

The failure of the County Board budget message to reflect authorized petty cash amounts not only conflicts with State statute but also effectively withholds from the public the approved petty cash amounts available to officials.

We recommend the County Board review the petty cash amounts authorized and ensure they are correctly listed on the budget message.

## COUNTY BOARD

### Over-Expended Budget

Neb. Rev. Stat. § 23-916 (Reissue 2012) states, in part, the following:

*After the adoption of county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year.*

During our audit, we noted the following over-expended budgets in the General Fund:

- Civil Defense Function – \$3,668
- Surveyor Function – \$691

When expenditures are made in excess of amounts budgeted with no appropriation adjustments by the County Board to address those excesses, the County is not in compliance with State statute.

We recommend the County Board implement procedures to monitor closely its budget status on an ongoing basis to avoid individual funds from incurring expenses in excess of amounts budgeted.

### Inventory Filings

In reviewing the County inventory statements, we noted the County Ambulance and the County Fair offices did not file inventory statements.

Neb. Rev. Stat. § 23-347 (Reissue 2012) requires the following:

*Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer. The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.*

When annual inventory statements are not filed, examined by the County Board, and delivered to the County Clerk to be maintained as public records, the County is not in compliance with State statute, and there is an increased risk of loss, theft, or misuse of County property.

We recommend the County Board implement procedures to ensure all annual inventory statements are filed, reviewed, and retained as public records, as required by statute.



## **Claim Procedures**

During our audit, we noted the County lacked adequate procedures for the payment of claims. In particular, we noted the following:

- Credit card statements were not paid in a timely manner; purchases made on the County Sheriff's credit card during the period March through May 2015 were not submitted as a claim until September 8, 2015.
- A bond payment, totaling \$281,247, from the Highway Allocation Fund was coded entirely as administrative fees. The payment actually included \$195,000 in principle, \$86,047 in interest, and \$200 in administrative fees.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) states, "All claims against the county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . . ." Also, good internal controls and sound business practices require that policies and procedures be in place to ensure invoices are paid timely, and payments are correctly coded.

When adequate procedures are not in place to ensure the timely payment of claims, there is an increased risk for not only noncompliance with State statute but also the loss or misuse of County funds. Also, when transactions are not properly coded, there is an increased risk that the financial statements will be misstated.

We recommend the County Board implement adequate policies and procedures to ensure all claims are submitted and paid timely as well as properly coded.

## **COUNTY FAIR**

### **Lack of Supporting Documentation**

The County Fair failed to provide adequate documentation to support the following expenditures:

<b>Check #</b>	<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Description</b>
1363	7/7/2015	DC Portable Welding	\$ 60	Welding gear
1364	7/7/2015	Greg Claassen	\$ 1,750	Stage shows – fair 2015
1365	7/7/2015	Gary Mayfield	\$ 8,000	Rodeo 7/17/15
1367	7/7/2015	Bill Blass	\$ 150	Karaoke/Dance
N/A	8/12/2015	Miscellaneous Charge	\$ 13	Unknown charge
EW	12/8/2015	Deluxe Checks	\$ 273	Printing of premium checks
1369	6/28/2016	US Contracting	\$ 2,302	Arena stand
<b>Total</b>			<b>\$ 12,548</b>	

In July 2015, a claim was submitted to the County Board for \$18,800 and noted as being for the following expenses:

Description	Amount
Greg Claassen	\$ 1,750
Gary Mayfield	\$ 8,000
Mike Prochnow	\$ 1,000
Bill Blass	\$ 150
Dylan Bloom Band	\$ 900
Fair premium checks	\$ 7,000
<b>Total</b>	<b>\$ 18,800</b>

The County Board approved the claim for these expenses before the expenses were incurred, so they could be paid out to the vendors in a timely manner; however, the documentation for the expenses was never received by the County Board. Additionally, we noted the fair premium checks paid out for the 2015 fair totaled \$5,513, leaving \$1,487 of the amount requested unused. The excess money was never remitted back to the County Treasurer.

Good internal control and sound accounting practices require adequate documentation to be kept on file to support all expenditures.

We recommend documentation be kept on file to support all expenditures. We further recommend the County Fair ensure all expenditures claimed are supported by documentation, and all excess money is remitted back to the County Treasurer.

## COUNTY SHERIFF

### Balancing Procedures

During our audit, we noted the following issues with the County Sheriff's balancing procedures at June 30, 2016:

- Accurate monthly bank reconciliations were not performed for the Sheriff's accounts, resulting in the following variances between the book balance and bank balance at June 30, 2016:

	Bank Balance	Book Balance	Variance/Shortage
Account #1	\$ 3,354	\$ 3,429	\$ 75
Account #2	\$ 1,663	\$ 1,734	\$ 71

- Receipts were not written or logged for \$2,360 in bond monies received.
- Monthly mental health mileage fees totaling \$1,185, which were owed to the Fairbury Police Department, were paid twice. One claim was made payable to the County Sheriff, and a separate claim was made payable to the Police Department.

Good internal control requires the Sheriff's office to implement monthly fund-balancing procedures to ensure the following: 1) bank reconciliations are performed to prevent variances between the book and bank balances of accounts; 2) receipts are written and recorded for all funds received; and 3) duplicate payments are avoided.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily.

We recommend the County Sheriff implement monthly fund balancing procedures to ensure the performance of regular bank reconciliations, the issuance and recording of receipts of all funds received, and the avoidance of duplicate payments.

### **Petty Cash Procedures**

During our audit, we noted the following regarding petty cash procedures:

- The County Sheriff was authorized to utilize a \$1,200 Smartcard to pay out inmate accounts; however, the balance on the card at June 30, 2016, was only \$1,077, a difference of \$123. No documentation was available to support this shortage.
- One expense for postage, totaling \$15, was not claimed in a timely fashion. The expense occurred in July 2015; however, it had not been submitted for reimbursement as of August 18, 2016.

Good internal control requires the implementation of procedures to ensure that all petty cash transactions are documented appropriately, and reimbursements for them are made timely. Without such procedures, there is an increased risk for the loss of County funds.

We recommend the County Sheriff implement procedures to ensure both the proper documentation of all petty cash transactions and their timely reimbursement.

### **Distress Warrant Report**

Neb. Rev. Stat. § 77-1719.01 (Reissue 2009) states, "On or before August 1 of each year, the sheriff shall report to the county board showing the total amount collected on current distress warrants and the amount remaining uncollected." Additionally, Neb. Rev. Stat. § 77-1719.02 (Reissue 2009) provides, "On or before October 1 of each year, the county treasurer shall verify this report to the county board . . . ."

In 2015, the County Sheriff did not report the amounts collected and uncollected on distress warrants until October 9 of that year. This resulted in the County Treasurer being unable to verify the report to the County Board on or before October 1.

As of August 18, 2016, moreover, the County Sheriff had yet to make the current year's distress warrant report to the County Board.

The County Sheriff's failure to report timely to the County Board regarding current distress warrants not only conflicts with State statute but also increases the risk for the loss or misuse of County funds.

We recommend the County Sheriff report timely to the County Board regarding collected and uncollected distress warrants, as required by State statute.

### **COUNTY ATTORNEY**

#### **Office Procedures**

During our audit, we noted the following issues with the County Attorney's office procedures at June 30, 2016:

- Monthly reconciliations between the bank balance and the records were not being completed for the trust account, resulting in an unidentified trust balance of \$5,987 at June 30, 2016.
- Petty cash expenses consisting of purchases from September 2014, October 2014, and October 2015, totaling \$42, were not submitted for reimbursement as of August 22, 2016. Also, it was noted that a claim of \$8 was reimbursed in June 2016, but there was no support on file that this money was actually spent.
- Diversion fees collected from October 2014 through June 2016, totaling \$1,800, were not remitted to the County Treasurer as of August 15, 2016.
- Restitution checks were not deposited in a timely manner; one check received in February 2016 for \$199 and one check received in March 2016 for \$57 were not deposited until August 22, 2016.

Good internal control requires the implementation of procedures to ensure the following: 1) bank reconciliations are performed timely and accurately; 2) reimbursement claims are made timely; 3) all monies received are recorded and deposited timely; and 4) all financial records are complete and accurate.

The lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily.

We recommend the County Attorney implement procedures to ensure the timely and accurate performance of bank reconciliations, the timeliness of reimbursement claims, the timely recording and depositing of all monies received, and the completeness and accuracy of all financial records.

## COUNTY AMBULANCE

### Ambulance Records

At June 30, 2015, the County Ambulance records indicated an accounts receivable balance of \$415,909. In August 2015, the County Ambulance began a contract with EMS Billing Services to provide billing and collection services on behalf of the office. EMS Billing Services provided a listing of accounts receivable that was dated April 2015, totaling \$102,246. This resulted in \$313,663 not being carried forward to the new billing vendor. The County Ambulance collected a portion of the amount, but \$299,156 was not collected and was not approved to be written off as uncollectable by the County Board.

We also noted there were no collection, refund, receivable, or adjustment reports available for July 2015, prior to EMS Billing Services taking over the collection process. Therefore, it could not be determined if proper collection procedures were followed for charges during that month.

Sound accounting practices require complete and adequate records to be maintained. Also, good internal control procedures require County Board approval prior to the write-off of any account receivable amount.

When adequate records are not maintained and accounts receivable are written off without County Board approval, there is an increased risk for the loss or misuse of County funds.

We recommend all records be adequately maintained and no write-offs of accounts receivable be done without County Board approval.

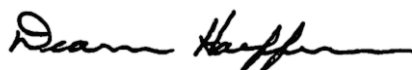
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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 it 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,



Deann Haeffner  
Assistant Deputy Auditor