

**AUDIT REPORT  
OF  
JEFFERSON COUNTY**

**JULY 1, 2016, THROUGH JUNE 30, 2017**

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**Issued on October 25, 2017**

JEFFERSON COUNTY

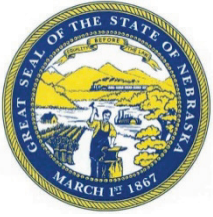
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JEFFERSON COUNTY  
411 4<sup>th</sup> Street  
Fairbury, NE 68352

**LIST OF COUNTY OFFICIALS**  
At June 30, 2017

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Michael Dux Gale Pohlmann Mark Schoenrock	Jan. 2019 Jan. 2021 Jan. 2019
Assessor	Mary Banahan	Jan. 2019
Attorney	Jeffrey Goltz	Jan. 2019
Clerk Election Commissioner Register of Deeds	M. Cynthia Newman	Jan. 2019
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 Emergency Manager Planning/Zoning	John McKee	Appointed



## 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, 2017, 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, 2017, 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**

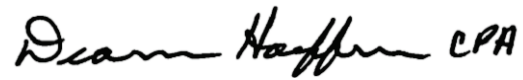
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes 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 22-38, 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 24, 2017, 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 24, 2017



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

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

June 30, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 6,057,930
Investments (Note 1.D)	<u>2,723,291</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 8,781,221</u></u></b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 25,187
911 Emergency Services	145,273
Drug Education	39
Public Safety	208,482
Preservation of Records	11,340
Debt Service	118,576
Road/Bridge Projects	3,734,731
Community Development	200,889
Unrestricted	<u>4,336,704</u>
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 8,781,221</u></u></b>

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, 2017

<b>Functions:</b>	Cash Disbursements	<u>Program Cash Receipts</u>		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
<b>Governmental Activities:</b>				
General Government	\$ (3,802,840)	\$ 371,408	\$ 39,577	\$ (3,391,855)
Public Safety	(2,611,662)	398,419	107,845	(2,105,398)
Public Works	(4,162,975)	120	1,675,757	(2,487,098)
Public Assistance	(76,724)	-	-	(76,724)
Culture and Recreation	(128,262)	-	-	(128,262)
Debt Payments	(982,659)	-	-	(982,659)
Capital Outlay	(4,853,428)	-	-	(4,853,428)
<b>Total Governmental Activities</b>	<u><u>\$ (16,618,550)</u></u>	<u><u>\$ 769,947</u></u>	<u><u>\$ 1,823,179</u></u>	<u><u>(14,025,424)</u></u>

General Receipts:

Property Taxes	6,140,052
Grants and Contributions Not Restricted to Specific Programs	769,393
Investment Income	51,232
Licenses and Permits	38,305
Miscellaneous	88,193
<b>Total General Receipts</b>	<u><u>7,087,175</u></u>
Increase in Net Position	(6,938,249)
Net Position - Beginning of year	15,719,470
Net Position - End of year	<u><u>\$ 8,781,221</u></u>

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



JEFFERSON COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2017

	General Fund	Road Fund	Inheritance Fund	Highway Bond - PWF Road Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ (270,162)	\$ 552,409	\$ 2,270,886	\$ 849,605	\$ 2,655,192	\$ 6,057,930
Investments (Note 1.D)	-	-	500,000	2,223,291	-	2,723,291
<b>TOTAL ASSETS</b>	<u>\$ (270,162)</u>	<u>\$ 552,409</u>	<u>\$ 2,770,886</u>	<u>\$ 3,072,896</u>	<u>\$ 2,655,192</u>	<u>\$ 8,781,221</u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	25,187	25,187
911 Emergency Services	-	-	-	-	145,273	145,273
Drug Education	-	-	-	-	39	39
Public Safety	-	-	-	-	208,482	208,482
Preservation of Records	-	-	-	-	11,340	11,340
Debt Service	-	-	-	-	118,576	118,576
Road/Bridge Projects	-	-	-	3,072,896	661,835	3,734,731
Community Development	-	-	-	-	200,889	200,889
Committed to:						
Public Safety	-	-	-	-	655,498	655,498
Road Maintenance	-	552,409	-	-	74,598	627,007
County Buildings	-	-	-	-	316,231	316,231
Equipment	-	-	-	-	51,630	51,630
Culture & Recreation	-	-	-	-	185,614	185,614
Assigned to:						
Other Purposes	-	-	2,770,886	-	-	2,770,886
Unassigned	(270,162)	-	-	-	-	(270,162)
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ (270,162)</u>	<u>\$ 552,409</u>	<u>\$ 2,770,886</u>	<u>\$ 3,072,896</u>	<u>\$ 2,655,192</u>	<u>\$ 8,781,221</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, 2017

	General Fund	Road Fund	Inheritance Fund	Highway Bond - PWF Road Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$4,898,231	\$ -	\$ 238,414	\$ 511,115	\$ 492,292	\$ 6,140,052
Licenses and Permits	30,491	7,814	-	-	-	38,305
Investment Income	51,232	-	-	-	-	51,232
Intergovernmental	584,477	1,349,890	-	48,863	609,342	2,592,572
Charges for Services	411,284	120	-	-	358,543	769,947
Miscellaneous	12,325	25,588	11,231	-	39,049	88,193
<b>TOTAL RECEIPTS</b>	<u>5,988,040</u>	<u>1,383,412</u>	<u>249,645</u>	<u>559,978</u>	<u>1,499,226</u>	<u>9,680,301</u>
<b>DISBURSEMENTS</b>						
General Government	2,221,423	-	1,470,511	-	110,906	3,802,840
Public Safety	1,226,348	-	-	-	1,385,314	2,611,662
Public Works	120,437	3,541,740	-	-	500,798	4,162,975
Public Assistance	76,724	-	-	-	-	76,724
Culture and Recreation	-	-	-	-	128,262	128,262
Debt Service:						
Principal Payments	-	-	-	340,000	385,000	725,000
Interest and Fiscal Charges	-	-	-	191,830	65,829	257,659
Capital Outlay	-	-	-	4,853,428	-	4,853,428
<b>TOTAL DISBURSEMENTS</b>	<u>3,644,932</u>	<u>3,541,740</u>	<u>1,470,511</u>	<u>5,385,258</u>	<u>2,576,109</u>	<u>16,618,550</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,343,108</u>	<u>(2,158,328)</u>	<u>(1,220,866)</u>	<u>(4,825,280)</u>	<u>(1,076,883)</u>	<u>(6,938,249)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	400,000	2,531,841	425,000	-	1,707,594	5,064,435
Transfers out	(3,722,862)	(762,757)	(400,000)	-	(178,816)	(5,064,435)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,322,862)</u>	<u>1,769,084</u>	<u>25,000</u>	<u>-</u>	<u>1,528,778</u>	<u>-</u>
Net Change in Fund Balances	(979,754)	(389,244)	(1,195,866)	(4,825,280)	451,895	(6,938,249)
<b>CASH BASIS FUND BALANCES - BEGINNING</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>CASH BASIS FUND BALANCES - ENDING</b>						
	<u>\$ (270,162)</u>	<u>\$ 552,409</u>	<u>\$ 2,770,886</u>	<u>\$ 3,072,896</u>	<u>\$ 2,655,192</u>	<u>\$ 8,781,221</u>

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

JEFFERSON COUNTY  
**STATEMENT OF CASH BASIS NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2017

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 342,186
 <b>LIABILITIES</b>	
Due to other governments	
State	152,751
Schools	122,576
Educational Service Units	1,662
Technical College	7,893
Natural Resource Districts	2,157
Fire Districts	6,066
Municipalities	48,401
Historical Society	313
Others	367
<b>TOTAL LIABILITIES</b>	<b>342,186</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, 2017

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 \$30,256 toward the operation of the Region during fiscal year 2017. 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. 2016, Supp. 2017).

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 2017. 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. 2017). Financial information for the Department is available in that report.

Southeast Region 911 Communication Services (911 Region) – The County has entered into an agreement with the governing boards of the Public Safety Answering Points (PSAPs) of the City of Lincoln, City of Beatrice, City of Crete, City of Falls City, Cass County, Clay County, Fillmore County, Johnson County, Pawnee County, Nemaha County, Nuckolls County, Otoe County, Seward County, Thayer County, and York County to fund the planning, creation, and implementation of a 911 emergency call system for the southeast region of the State of Nebraska.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local and private funding. The County did not contribute toward the operation of the 911 Region during fiscal year 2017. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Nemaha County was named the fiscal agent for the 911 Region in 2016, and all financial activity of the 911 Region would be available in the Nemaha County audit 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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, as well as related improvements within the County and certain bond issuance costs. The receipts generated from taxes in this fund will be used for the purpose of the payment of general long-term debt principal, interest, and related costs.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

**Capital Project Funds.** The Highway Bond – PWF Road Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

**Debt Service Fund.** The Highway Bond – PWF Road Fund, Law Enforcement Building Bond Fund, and Highway Bond Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as 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.

**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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

**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.



JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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 \$4,444,517 of restricted net position, which is fully 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.

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, 2017, disbursements exceeded budgeted appropriations in the County Board and County Surveyor functions of the General Fund by \$1,985, and \$1,292, respectively, and in the Computer IT Fund by \$1,331. These over-expenditures were funded by the available fund balances in the funds.

**Deficit Fund Balance.** The General Fund had a deficit fund balance of \$270,162 as of June 30, 2017. The fund incurred disbursements that are currently not part of the original costs approved by the County Board, the County plans to use future revenues to cover the disbursements. The deficit balance is a result of a large transfer of \$331,006 made in June 2017 from the General Fund to the Road Fund.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 \$6,057,930 for County funds and \$342,186 for Fiduciary funds. The bank balances for all funds totaled \$6,339,003. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2017, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County did not have sufficient collateral securities to protect deposits at all times during the fiscal year.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$2,723,291 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.

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 2016, for the 2016 taxes, which will be materially collected in May and September 2017, was set at \$.282763/\$100 of assessed valuation. The levy set in October 2015, for the 2015 taxes, which were materially collected in May and September 2016, was set at \$.297915/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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. 2016, Supp. 2017) 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. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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, 2017, 95 employees contributed \$146,305, and the County contributed \$216,512. Contributions included \$4,923 in cash contributions towards the supplemental law enforcement plan for 14 law enforcement employees. Lastly, the County paid \$144 directly to one retired employee for prior service benefits.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 89 counties and local governments 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

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 2018. 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, 2017, consisted of the following:

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

6. **Interfund Transfers** (Concluded)

<b>Transfers to</b>	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 400,000	\$ -	\$ 400,000
Road Fund	2,531,841	-	-	-	2,531,841
Inheritance Fund	425,000	-	-	-	425,000
Nonmajor Funds	766,021	762,757	-	178,816	1,707,594
<b>Total</b>	<b>\$ 3,722,862</b>	<b>\$ 762,757</b>	<b>\$ 400,000</b>	<b>\$ 178,616</b>	<b>\$ 5,064,435</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, 2017, the County made a one-time transfer of \$362,757 from the Road Fund to the Highway Bond Fund to insure adequate funds were available for a bond payment.

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:

	Five John Deere Motor Graders	Two Caterpillar – Motor Graders & One Wheel Loader	Two Freightliner HD Trucks	Ambulance Defibrillators	Total
Balance July 1, 2016	\$ 548,271	\$ 374,668	\$ 32,691	\$ 6,540	\$ 962,170
Purchases	-	-	-	-	-
Payments	250,567	86,154	32,691	6,540	375,952
Balance June 30, 2017	<u>\$ 297,704</u>	<u>\$ 288,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,218</u>
Future Payments:					
<b>Year</b>					
2018	\$ 200,125	\$ 92,312	\$ -	\$ -	\$ 292,437
2019	88,484	86,730	-	-	175,214
2020	15,449	33,852	-	-	102,179
2021	-	-	-	-	33,852
Total Payments	<u>304,058</u>	<u>299,624</u>	<u>-</u>	<u>-</u>	<u>603,682</u>
Less Interest	<u>6,354</u>	<u>11,110</u>	<u>-</u>	<u>-</u>	<u>17,464</u>
Present Value of Future Minimum Lease Payments	<u>\$ 297,704</u>	<u>\$ 288,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,218</u>
Carrying Value of the Related Fixed Asset	<u>\$ 896,103</u>	<u>\$ 410,811</u>	<u>\$ 194,878</u>	<u>\$ 21,800</u>	<u>\$ 1,523,592</u>

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

8. **Interfund Loans**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Inheritance Fund	Ambulance Equipment Fund	\$ 104,900
Inheritance Fund	Law Enforcement Building Fund	\$ 82,425

The County experienced a cash flow problem in its Ambulance Fund in 2015, and a promissory note was created authorizing a loan of \$104,900. 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. The first payment on this note was not completed until July 2017.

In fiscal year 2017, the County experienced a cash flow problem in its Law Enforcement Building Fund; a promissory note from the Inheritance Fund, totaling \$82,425, was created to allow for the purchase of computer equipment. The first payment on this note is not due until May 2018.

9. **Contingent Liabilities**

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

10. **Long-Term Debt**

**Limited Tax Refunding Bond**

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 Bonds, Series 2010. The bond payable balance, as of June 30, 2017, was \$665,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
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	75,000	7,994	82,994
2023-2026	315,000	15,391	330,391
Total Payments	<u>\$ 665,000</u>	<u>\$ 66,098</u>	<u>\$ 731,098</u>

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

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

**Highway Allocation Bond**

The County issued bonds on June 23, 2016, in the amount of \$4,030,000 for the purpose of refinancing the Series 2011 Highway Allocation Bonds. The bond payable balance, as of June 30, 2017, was \$3,720,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
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	320,000	46,218	366,218
2023-2027	1,680,000	148,342	1,828,342
2028-2029	480,000	13,810	493,810
Total Payments	<u>\$ 3,720,000</u>	<u>\$ 427,447</u>	<u>\$ 4,147,447</u>

**Highway Bond – PWF Road Bond**

The County issued bonds on December 16, 2015, in the amount of \$8,000,000 for the purpose of paying the costs of improving and/or repaying certain highways and roads of the County. The bond payable balance, as of June 30, 2017, was \$7,660,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
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	350,000	171,023	521,023
2023-2027	1,870,000	739,775	2,609,775
2028-2032	2,125,000	480,650	2,605,650
2033-2036	1,950,000	131,475	2,081,475
Total Payments	<u>\$ 7,660,000</u>	<u>\$ 2,255,358</u>	<u>\$ 9,915,358</u>

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 5,230,764	\$ 5,230,764	\$ 4,898,231	\$ (332,533)
Licenses and Permits	28,350	28,350	30,491	2,141
Interest	46,100	46,100	51,232	5,132
Intergovernmental	158,047	158,047	584,477	426,430
Charges for Services	341,400	341,400	411,284	69,884
Miscellaneous	900	900	12,325	11,425
<b>TOTAL RECEIPTS</b>	<u>5,805,561</u>	<u>5,805,561</u>	<u>5,988,040</u>	<u>182,479</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	79,600	79,600	81,585	(1,985)
County Clerk	135,261	135,261	118,321	16,940
County Treasurer	156,734	156,734	150,743	5,991
Register of Deeds	39,660	39,660	34,606	5,054
County Assessor	230,319	230,319	197,455	32,864
Election Commissioner	27,500	27,500	21,329	6,171
Building and Zoning	48,834	48,834	43,022	5,812
Clerk of the District Court	114,590	114,590	110,998	3,592
County Court System	11,860	11,860	11,589	271
Building and Grounds	118,412	118,412	112,768	5,644
Agricultural Extension Agent	65,468	65,468	55,866	9,602
Employment Security	26,163	26,163	-	26,163
Miscellaneous	1,568,888	1,568,888	1,283,141	285,747
Public Safety				
County Sheriff	673,472	673,472	582,824	90,648
County Attorney	151,843	151,843	120,883	30,960
County Jail	597,740	597,740	360,402	237,338
Child Support Enforcement	28,500	28,500	24,696	3,804
Civil Defense	144,743	144,743	137,543	7,200
Public Works				
County Surveyor	37,000	37,000	38,292	(1,292)
Noxious Weed Control	87,529	87,529	82,145	5,384
Public Health				
Institutional	17,016	17,016	-	17,016
Public Assistance				
Veterans' Service Officer	58,243	58,243	54,511	3,732
Veterans' Aid	19,000	19,000	17,733	1,267
Medical Relief	73,000	73,000	4,480	68,520
<b>TOTAL DISBURSEMENTS</b>	<u>4,511,375</u>	<u>4,511,375</u>	<u>3,644,932</u>	<u>866,443</u>

(Continued)



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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,294,186	1,294,186	2,343,108	1,048,922
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,812,000	1,812,000	400,000	(1,412,000)
Transfers out	(3,333,783)	(3,333,783)	(3,722,862)	(389,079)
TOTAL OTHER FINANCING SOURCES (USES)	(1,521,783)	(1,521,783)	(3,322,862)	(1,801,079)
Net Change in Fund Balance	(227,597)	(227,597)	(979,754)	(752,157)
<b>FUND BALANCE - BEGINNING</b>	709,092	709,092	709,592	500
<b>FUND BALANCE - ENDING</b>	<u>\$ 481,495</u>	<u>\$ 481,495</u>	<u>\$ (270,162)</u>	<u>\$ (751,657)</u>

(Concluded)

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ 1,500	\$ 1,500	\$ 7,814	\$ 6,314
Intergovernmental	1,339,217	1,339,217	1,349,890	10,673
Charges for Services	120	120	120	-
Miscellaneous	30,500	30,500	25,588	(4,912)
<b>TOTAL RECEIPTS</b>	<u>1,371,337</u>	<u>1,371,337</u>	<u>1,383,412</u>	<u>12,075</u>
<b>DISBURSEMENTS</b>	<u>3,933,865</u>	<u>3,933,865</u>	<u>3,541,740</u>	<u>392,125</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(2,562,528)</u>	<u>(2,562,528)</u>	<u>(2,158,328)</u>	<u>404,200</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,856,000	2,856,000	2,531,841	(324,159)
Transfers out	(867,718)	(867,718)	(762,757)	104,961
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,988,282</u>	<u>1,988,282</u>	<u>1,769,084</u>	<u>(219,198)</u>
Net Change in Fund Balance	(574,246)	(574,246)	(389,244)	185,002
FUND BALANCE - BEGINNING	941,653	941,653	941,653	-
FUND BALANCE - ENDING	<u>\$ 367,407</u>	<u>\$ 367,407</u>	<u>\$ 552,409</u>	<u>\$ 185,002</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 100,000	\$ 100,000	\$ 238,414	\$ 138,414
Miscellaneous	-	-	11,231	11,231
<b>TOTAL RECEIPTS</b>	<u>100,000</u>	<u>100,000</u>	<u>249,645</u>	<u>149,645</u>
<b>DISBURSEMENTS</b>	<u>2,307,062</u>	<u>2,307,062</u>	<u>1,470,511</u>	<u>836,551</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(2,207,062)</u>	<u>(2,207,062)</u>	<u>(1,220,866)</u>	<u>986,196</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	52,310	52,310	425,000	372,690
Transfers out	(1,812,000)	(1,812,000)	(400,000)	1,412,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,759,690)</u>	<u>(1,759,690)</u>	<u>25,000</u>	<u>1,784,690</u>
Net Change in Fund Balance	(3,966,752)	(3,966,752)	(1,195,866)	2,770,886
FUND BALANCE - BEGINNING	3,966,752	3,966,752	3,966,752	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,770,886</u>	<u>\$ 2,770,886</u>

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>HIGHWAY BOND - PWF ROAD FUND</u></b>				
<b>RECEIPTS</b>				
Taxes	\$ 550,000	\$ 550,000	\$ 511,115	\$ (38,885)
Intergovernmental	4,000	4,000	48,863	44,863
<b>TOTAL RECEIPTS</b>	<u>554,000</u>	<u>554,000</u>	<u>559,978</u>	<u>5,978</u>
 <b>DISBURSEMENTS</b>	 <u>8,452,176</u>	 <u>8,452,176</u>	 <u>5,385,258</u>	 <u>3,066,918</u>
 <b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	 <u>(7,898,176)</u>	 <u>(7,898,176)</u>	 <u>(4,825,280)</u>	 <u>3,072,896</u>
 Net Change in Fund Balance	 (7,898,176)	 (7,898,176)	 (4,825,280)	 3,072,896
FUND BALANCE - BEGINNING	7,898,176	7,898,176	7,898,176	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,072,896</u>	<u>\$ 3,072,896</u>

(Concluded)

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY STREET BUYBACK PROGRAM</b>				
<b>FUND</b>				
Receipts	\$ 115,339	\$ 115,339	\$ 115,339	\$ -
Disbursements	(325,409)	(325,409)	-	325,409
Net Change in Fund Balance	(210,070)	(210,070)	115,339	325,409
Fund Balance - Beginning	210,070	210,070	210,070	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,409</u>	<u>\$ 325,409</u>
<b>HIGHWAY BRIDGE BUYBACK PROGRAM</b>				
<b>FUND</b>				
Receipts	\$ 162,562	\$ 162,562	\$ 162,562	\$ -
Disbursements	(336,426)	(336,426)	-	336,426
Net Change in Fund Balance	(173,864)	(173,864)	162,562	336,426
Fund Balance - Beginning	173,864	173,864	173,864	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,426</u>	<u>\$ 336,426</u>
<b>ROAD BRIDGE ESCROW FUND</b>				
Receipts	\$ -	\$ -	\$ 7,858	\$ 7,858
Disbursements	(612,905)	(612,905)	(446,165)	166,740
Transfers in	500,000	500,000	400,000	(100,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	(112,905)	(112,905)	(38,307)	74,598
Fund Balance - Beginning	112,905	112,905	112,905	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,598</u>	<u>\$ 74,598</u>
<b>EQUIPMENT RESERVE FUND</b>				
Receipts	\$ 15,000	\$ 15,000	\$ 700	\$ (14,300)
Disbursements	(16,896)	(16,896)	-	16,896
Net Change in Fund Balance	(1,896)	(1,896)	700	2,596
Fund Balance - Beginning	1,896	1,896	1,896	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,596</u>	<u>\$ 2,596</u>
<b>COMMUNICATION EQUIPMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 3,000	\$ 3,000
Disbursements	(46,710)	(46,710)	(24,750)	21,960
Transfers in	23,000	23,000	23,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(23,710)	(23,710)	1,250	24,960
Fund Balance - Beginning	23,710	23,710	23,710	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,960</u>	<u>\$ 24,960</u>

(Continued)

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COMPUTER IT FUND</b>				
Receipts	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Disbursements	(82,650)	(102,650)	(103,981)	(1,331)
Transfers in	36,203	36,203	77,703	41,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(28,447)	(48,447)	(26,278)	22,169
Fund Balance - Beginning	28,447	28,447	28,447	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ 2,169</u>	<u>\$ 22,169</u>

<b>EQUIPMENT VEHICLE FUND</b>				
Receipts	\$ -	\$ -	\$ 1,000	\$ 1,000
Disbursements	(38,204)	(38,204)	(17,300)	20,904
Transfers in	35,000	35,000	35,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(3,204)	(3,204)	18,700	21,904
Fund Balance - Beginning	3,204	3,204	3,205	1
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,905</u>	<u>\$ 21,905</u>

<b>FAIR FUND</b>				
Receipts	\$ 10,000	\$ 10,000	\$ 14,674	\$ 4,674
Disbursements	(122,731)	(122,731)	(99,158)	23,573
Transfers in	156,025	156,025	157,025	1,000
Transfers out	(50,000)	(50,000)	(82,125)	(32,125)
Net Change in Fund Balance	(6,706)	(6,706)	(9,584)	(2,878)
Fund Balance - Beginning	21,706	21,706	21,706	-
Fund Balance - Ending	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 12,122</u>	<u>\$ (2,878)</u>

<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 4,851	\$ (149)
Disbursements	(18,414)	(18,414)	(6,925)	11,489
Net Change in Fund Balance	(13,414)	(13,414)	(2,074)	11,340
Fund Balance - Beginning	13,414	13,414	13,414	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,340</u>	<u>\$ 11,340</u>

(Continued)

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ATTORNEY GRANT FUND</b>				
Receipts	\$ 1,000	\$ 1,000	\$ 3,425	\$ 2,425
Disbursements	(2,504)	(2,504)	-	2,504
Transfers in	-	-	-	-
Transfers out	-	-	(2,500)	(2,500)
Net Change in Fund Balance	(1,504)	(1,504)	925	2,429
Fund Balance - Beginning	1,504	1,504	1,504	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,429</u>	<u>\$ 2,429</u>
<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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>
<b>INTOXILYZER FUND</b>				
Receipts	\$ 6,000	\$ 6,000	\$ 1,519	\$ (4,481)
Disbursements	(6,947)	(6,947)	(1,476)	5,471
Net Change in Fund Balance	(947)	(947)	43	990
Fund Balance - Beginning	947	947	947	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 990</u>	<u>\$ 990</u>
<b>SHERIFF GRANT FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ 10,455	\$ (39,545)
Disbursements	(61,360)	(61,360)	(12,215)	49,145
Net Change in Fund Balance	(11,360)	(11,360)	(1,760)	9,600
Fund Balance - Beginning	11,360	11,360	11,360	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,600</u>	<u>\$ 9,600</u>
<b>CANINE FUND</b>				
Receipts	\$ 7,000	\$ 7,000	\$ 300	\$ (6,700)
Disbursements	(14,257)	(14,257)	(426)	13,831
Net Change in Fund Balance	(7,257)	(7,257)	(126)	7,131
Fund Balance - Beginning	7,257	7,257	7,257	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,131</u>	<u>\$ 7,131</u>

(Continued)

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COMMUNITY DEVELOPMENT BLOCK</b>				
<b>GRANT FUND</b>				
Receipts	\$ 17,000	\$ 17,000	\$ 16,460	\$ (540)
Disbursements	(201,429)	(201,429)	-	201,429
Net Change in Fund Balance	(184,429)	(184,429)	16,460	200,889
Fund Balance - Beginning	184,429	184,429	184,429	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,889</u>	<u>\$ 200,889</u>
<b>911 EMERGENCY FUND</b>				
Receipts	\$ 35,800	\$ 35,800	\$ 35,157	\$ (643)
Disbursements	(75,620)	(75,620)	(29,067)	46,553
Transfers in	8,000	8,000	8,000	-
Transfers out	-	-	(3,454)	(3,454)
Net Change in Fund Balance	(31,820)	(31,820)	10,636	42,456
Fund Balance - Beginning	31,820	31,820	31,820	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,456</u>	<u>\$ 42,456</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 42,000	\$ 42,000	\$ 46,325	\$ 4,325
Disbursements	(190,989)	(190,989)	(85,889)	105,100
Transfers in	-	-	3,454	3,454
Transfers out	-	-	(10,062)	(10,062)
Net Change in Fund Balance	(148,989)	(148,989)	(46,172)	102,817
Fund Balance - Beginning	148,989	148,989	148,989	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,817</u>	<u>\$ 102,817</u>
<b>EMERGENCY MANAGEMENT FUND</b>				
Receipts	\$ 79,200	\$ 79,200	\$ 107,025	\$ 27,825
Disbursements	(423,593)	(423,593)	(35,736)	387,857
Net Change in Fund Balance	(344,393)	(344,393)	71,289	415,682
Fund Balance - Beginning	344,393	344,393	344,394	1
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,683</u>	<u>\$ 415,683</u>
<b>LAW ENFORCEMENT BUILDING FUND</b>				
Receipts	\$ 526,017	\$ 526,017	\$ 118,865	\$ (407,152)
Disbursements	(580,241)	(580,241)	(449,678)	130,563
Transfers in	-	-	413,975	413,975
Transfers out	-	-	(8,000)	(8,000)
Net Change in Fund Balance	(54,224)	(54,224)	75,162	129,386
Fund Balance - Beginning	54,224	54,224	54,224	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,386</u>	<u>\$ 129,386</u>

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT BUILDING BOND FUND</b>				
Receipts	\$ 18,000	\$ 18,000	\$ 17,657	\$ (343)
Disbursements	(205,665)	(205,665)	(88,072)	117,593
Transfers in	68,000	68,000	68,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(119,665)	(119,665)	(2,415)	117,250
Fund Balance - Beginning	119,665	119,665	119,665	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,250</u>	<u>\$ 117,250</u>
<b>HIGHWAY BOND FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(369,044)	(369,044)	(362,757)	6,287
Transfers in	367,718	367,718	362,757	(4,961)
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,326)	(1,326)	-	1,326
Fund Balance - Beginning	1,326	1,326	1,326	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 1,326</u>
<b>NATURAL DISASTER FUND</b>				
Receipts	\$ 266,818	\$ 266,818	\$ 41,846	\$ (224,972)
Disbursements	(476,058)	(476,058)	(54,633)	421,425
Net Change in Fund Balance	(209,240)	(209,240)	(12,787)	196,453
Fund Balance - Beginning	209,240	209,240	209,240	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,453</u>	<u>\$ 196,453</u>
<b>FAIR BUILDING FUND</b>				
Receipts	\$ -	\$ -	\$ 2	\$ 2
Disbursements	(145,000)	(145,000)	(2,635)	142,365
Transfers in	126,555	126,555	138,680	12,125
Transfers out	(50,000)	(50,000)	(31,000)	19,000
Net Change in Fund Balance	(68,445)	(68,445)	105,047	173,492
Fund Balance - Beginning	68,445	68,445	68,445	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,492</u>	<u>\$ 173,492</u>

(Continued)



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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY BUILDING FUND</b>				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(229,095)	(229,095)	-	229,095
Transfers in	20,000	20,000	20,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(209,095)	(209,095)	20,001	229,096
Fund Balance - Beginning	209,095	209,095	209,095	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,096</u>	<u>\$ 229,096</u>
<b>LAW ENFORCEMENT ADDITION REMODEL FUND</b>				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(168,247)	(168,247)	(1,113)	167,134
Transfers in	80,000	80,000	-	(80,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	(88,247)	(88,247)	(1,112)	87,135
Fund Balance - Beginning	88,247	88,247	88,247	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,135</u>	<u>\$ 87,135</u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 20,000	\$ 20,000	\$ 21,004	\$ 1,004
Disbursements	(50,652)	(50,652)	(26,469)	24,183
Net Change in Fund Balance	(30,652)	(30,652)	(5,465)	25,187
Fund Balance - Beginning	30,652	30,652	30,652	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,187</u>	<u>\$ 25,187</u>
<b>AMBULANCE SERVICE FUND</b>				
Receipts	\$ 774,512	\$ 774,512	\$ 769,200	\$ (5,312)
Disbursements	(801,087)	(801,087)	(727,664)	73,423
Transfers in	-	-	-	-
Transfers out	(27,310)	(27,310)	(41,675)	(14,365)
Net Change in Fund Balance	(53,885)	(53,885)	(139)	53,746
Fund Balance - Beginning	92,885	92,885	92,885	-
Fund Balance - Ending	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ 92,746</u>	<u>\$ 53,746</u>
<b>AMBULANCE EQUIPMENT FUND</b>				
Receipts	\$ 90	\$ 90	\$ -	\$ (90)
Disbursements	(9,652)	(9,652)	-	9,652
Net Change in Fund Balance	(9,562)	(9,562)	-	9,562
Fund Balance - Beginning	9,562	9,562	9,562	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,562</u>	<u>\$ 9,562</u>

**JEFFERSON COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2017

	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Road Bridge Escrow Fund	Equipment Reserve Fund	Communication Equipment Fund	Computer IT Fund	Equipment Vehicle Fund
<b>RECEIPTS</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	115,339	162,562	7,858	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	700	3,000	-	1,000
<b>TOTAL RECEIPTS</b>	<u>115,339</u>	<u>162,562</u>	<u>7,858</u>	<u>700</u>	<u>3,000</u>	<u>-</u>	<u>1,000</u>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	-	-	103,981	-
Public Safety	-	-	-	-	24,750	-	17,300
Public Works	-	-	446,165	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>446,165</u>	<u>-</u>	<u>24,750</u>	<u>103,981</u>	<u>17,300</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>115,339</u>	<u>162,562</u>	<u>(438,307)</u>	<u>700</u>	<u>(21,750)</u>	<u>(103,981)</u>	<u>(16,300)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	400,000	-	23,000	77,703	35,000
Transfers out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>23,000</u>	<u>77,703</u>	<u>35,000</u>
Net Change in Fund Balances	115,339	162,562	(38,307)	700	1,250	(26,278)	18,700
<b>FUND BALANCES - BEGINNING</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>	<u>3,205</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 325,409</u>	<u>\$ 336,426</u>	<u>\$ 74,598</u>	<u>\$ 2,596</u>	<u>\$ 24,960</u>	<u>\$ 2,169</u>	<u>\$ 21,905</u>
<b>FUND BALANCES:</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Road/Bridge Projects	325,409	336,426	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Committed to:							
Public Safety	-	-	-	-	-	-	-
Road Maintenance	-	-	74,598	-	-	-	-
County Buildings	-	-	-	-	-	-	-
Equipment	-	-	-	2,596	24,960	2,169	21,905
Culture & Recreation	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 325,409</u>	<u>\$ 336,426</u>	<u>\$ 74,598</u>	<u>\$ 2,596</u>	<u>\$ 24,960</u>	<u>\$ 2,169</u>	<u>\$ 21,905</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, 2017

	Fair Fund	Preservation and Modernization Fund	Attorney Grant Fund	Drug Law Enforcement Fund	Intoxilyzer Fund	Sheriff Grant Fund	Canine Fund	Community Development Block Grant Fund
<b>RECEIPTS</b>								
Property Taxes	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2	-	-	-	-	10,455	-	-
Charges for Services	-	4,851	3,425	-	1,519	-	-	-
Miscellaneous	14,667	-	-	-	-	-	300	16,460
<b>TOTAL RECEIPTS</b>	<u>14,674</u>	<u>4,851</u>	<u>3,425</u>	<u>-</u>	<u>1,519</u>	<u>10,455</u>	<u>300</u>	<u>16,460</u>
<b>DISBURSEMENTS</b>								
General Government	-	6,925	-	-	-	-	-	-
Public Safety	-	-	-	-	1,476	12,215	426	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	99,158	-	-	-	-	-	-	-
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>99,158</u>	<u>6,925</u>	<u>-</u>	<u>-</u>	<u>1,476</u>	<u>12,215</u>	<u>426</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(84,484)</u>	<u>(2,074)</u>	<u>3,425</u>	<u>-</u>	<u>43</u>	<u>(1,760)</u>	<u>(126)</u>	<u>16,460</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	157,025	-	-	-	-	-	-	-
Transfers out	(82,125)	-	(2,500)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>74,900</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,584)	(2,074)	925	-	43	(1,760)	(126)	16,460
<b>FUND BALANCES - BEGINNING</b>	<u>21,706</u>	<u>13,414</u>	<u>1,504</u>	<u>39</u>	<u>947</u>	<u>11,360</u>	<u>7,257</u>	<u>184,429</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 12,122</u>	<u>\$ 11,340</u>	<u>\$ 2,429</u>	<u>\$ 39</u>	<u>\$ 990</u>	<u>\$ 9,600</u>	<u>\$ 7,131</u>	<u>\$ 200,889</u>
<b>FUND BALANCES:</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-	-	-
Drug Education	-	-	-	39	-	-	-	-
Public Safety	-	-	2,429	-	-	9,600	-	-
Preservation of Records	-	11,340	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	200,889
Committed to:								
Public Safety	-	-	-	-	990	-	7,131	-
Road Maintenance	-	-	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Culture & Recreation	12,122	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 12,122</u>	<u>\$ 11,340</u>	<u>\$ 2,429</u>	<u>\$ 39</u>	<u>\$ 990</u>	<u>\$ 9,600</u>	<u>\$ 7,131</u>	<u>\$ 200,889</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, 2017

	911 Emergency Fund	911 Wireless Service Fund	Emergency Management Fund	Law Enforcement Building Fund	Law Enforcement Building Bond Fund	Highway Bond Fund	Natural Disaster Fund
<b>RECEIPTS</b>							
Property Taxes	\$ 35,157	\$ 46,325	\$ -	\$ -	\$ 4	\$ -	\$ -
Intergovernmental	-	-	102,825	118,865	17,653	-	40,139
Charges for Services	-	-	4,200	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,707
<b>TOTAL RECEIPTS</b>	<u>35,157</u>	<u>46,325</u>	<u>107,025</u>	<u>118,865</u>	<u>17,657</u>	<u>-</u>	<u>41,846</u>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	-	-	-	-
Public Safety	29,067	85,889	35,736	449,678	-	-	-
Public Works	-	-	-	-	-	-	54,633
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	75,000	310,000	-
Interest and Fiscal Charges	-	-	-	-	13,072	52,757	-
Capital Projects	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>29,067</u>	<u>85,889</u>	<u>35,736</u>	<u>449,678</u>	<u>88,072</u>	<u>362,757</u>	<u>54,633</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>6,090</u>	<u>(39,564)</u>	<u>71,289</u>	<u>(330,813)</u>	<u>(70,415)</u>	<u>(362,757)</u>	<u>(12,787)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	8,000	3,454	-	413,975	68,000	362,757	-
Transfers out	(3,454)	(10,062)	-	(8,000)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>4,546</u>	<u>(6,608)</u>	<u>-</u>	<u>405,975</u>	<u>68,000</u>	<u>362,757</u>	<u>-</u>
Net Change in Fund Balances	10,636	(46,172)	71,289	75,162	(2,415)	-	(12,787)
<b>FUND BALANCES - BEGINNING</b>	<u>31,820</u>	<u>148,989</u>	<u>344,394</u>	<u>54,224</u>	<u>119,665</u>	<u>1,326</u>	<u>209,240</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 42,456</u>	<u>\$ 102,817</u>	<u>\$ 415,683</u>	<u>\$ 129,386</u>	<u>\$ 117,250</u>	<u>\$ 1,326</u>	<u>\$ 196,453</u>
<b>FUND BALANCES:</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
911 Emergency Services	42,456	102,817	-	-	-	-	-
Drug Education	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	196,453
Preservation of Records	-	-	-	-	-	-	-
Debt Service	-	-	-	-	117,250	1,326	-
Road/Bridge Projects	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Committed to:							
Public Safety	-	-	415,683	129,386	-	-	-
Road Maintenance	-	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 42,456</u>	<u>\$ 102,817</u>	<u>\$ 415,683</u>	<u>\$ 129,386</u>	<u>\$ 117,250</u>	<u>\$ 1,326</u>	<u>\$ 196,453</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, 2017

	Fair Building Fund	County Building Fund	Law Enforcement Addition Remodel Fund	Visitor Promotion Fund	Ambulance Service Fund	Ambulance Equipment Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$ 2	\$ 1	\$ 1	\$ 21,004	\$ 389,793	\$ -	\$ 492,292
Intergovernmental	-	-	-	-	33,644	-	609,342
Charges for Services	-	-	-	-	344,548	-	358,543
Miscellaneous	-	-	-	-	1,215	-	39,049
<b>TOTAL RECEIPTS</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>21,004</b>	<b>769,200</b>	<b>-</b>	<b>1,499,226</b>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	-	-	-	110,906
Public Safety	-	-	1,113	-	727,664	-	1,385,314
Public Works	-	-	-	-	-	-	500,798
Culture and Recreation	2,635	-	-	26,469	-	-	128,262
Debt Service:							-
Principal Payments	-	-	-	-	-	-	385,000
Interest and Fiscal Charges	-	-	-	-	-	-	65,829
Capital Projects	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>2,635</b>	<b>-</b>	<b>1,113</b>	<b>26,469</b>	<b>727,664</b>	<b>-</b>	<b>2,576,109</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,633)</b>	<b>1</b>	<b>(1,112)</b>	<b>(5,465)</b>	<b>41,536</b>	<b>-</b>	<b>(1,076,883)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	138,680	20,000	-	-	-	-	1,707,594
Transfers out	(31,000)	-	-	-	(41,675)	-	(178,816)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>107,680</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>(41,675)</b>	<b>-</b>	<b>1,528,778</b>
Net Change in Fund Balances	105,047	20,001	(1,112)	(5,465)	(139)	-	451,895
<b>FUND BALANCES - BEGINNING</b>	<b>68,445</b>	<b>209,095</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 - ENDING</b>	<b>\$ 173,492</b>	<b>\$ 229,096</b>	<b>\$ 87,135</b>	<b>\$ 25,187</b>	<b>\$ 92,746</b>	<b>\$ 9,562</b>	<b>\$ 2,655,192</b>
<b>FUND BALANCES:</b>							
Restricted for:							
Visitor Promotion	-	-	-	25,187	-	-	25,187
911 Emergency Services	-	-	-	-	-	-	145,273
Drug Education	-	-	-	-	-	-	39
Public Safety	-	-	-	-	-	-	208,482
Preservation of Records	-	-	-	-	-	-	11,340
Debt Service	-	-	-	-	-	-	118,576
Road/Bridge Projects	-	-	-	-	-	-	661,835
Community Development	-	-	-	-	-	-	200,889
Committed to:							
Public Safety	-	-	-	-	92,746	9,562	655,498
Road Maintenance	-	-	-	-	-	-	74,598
County Buildings	-	229,096	87,135	-	-	-	316,231
Equipment	-	-	-	-	-	-	51,630
Culture & Recreation	173,492	-	-	-	-	-	185,614
<b>TOTAL FUND BALANCES</b>	<b>\$ 173,492</b>	<b>\$ 229,096</b>	<b>\$ 87,135</b>	<b>\$ 25,187</b>	<b>\$ 92,746</b>	<b>\$ 9,562</b>	<b>\$ 2,655,192</b>

(Concluded)

**JEFFERSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2017

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent	Veterans' Service Officer
BALANCES JULY 1, 2016	\$ 796	\$ 4,554	\$ 21,800	\$ 11,189	\$ 8,787	\$ 5,459	\$ 500	\$ 9,347
<b>RECEIPTS</b>								
Property Taxes	-	-	-	16,687	-	-	-	-
Licenses and Permits	550	-	-	935	-	-	7,815	-
Intergovernmental	-	-	-	10,454	-	-	-	-
Charges for Services	1,350	49,725	11,262	52,432	2,095	48,673	-	-
Miscellaneous	-	-	-	3,943	343	-	24,797	19,020
State Fees	135	54,631	13,811	277	-	-	1,103	-
Other Liabilities	-	-	275,918	95,435	14,920	-	-	-
<b>TOTAL RECEIPTS</b>	<b>2,035</b>	<b>104,356</b>	<b>300,991</b>	<b>180,163</b>	<b>17,358</b>	<b>48,673</b>	<b>33,715</b>	<b>19,020</b>
<b>DISBURSEMENTS</b>								
Payments to County Treasurer	2,489	46,951	10,488	82,925	3,895	46,314	32,565	-
Payments to State Treasurer	148	45,450	14,512	303	-	-	1,103	-
Other Liabilities	-	-	265,593	95,397	18,799	-	47	19,251
<b>TOTAL DISBURSEMENTS</b>	<b>2,637</b>	<b>92,401</b>	<b>290,593</b>	<b>178,625</b>	<b>22,694</b>	<b>46,314</b>	<b>33,715</b>	<b>19,251</b>
BALANCES JUNE 30, 2017	<u>\$ 194</u>	<u>\$ 16,509</u>	<u>\$ 32,198</u>	<u>\$ 12,727</u>	<u>\$ 3,451</u>	<u>\$ 7,818</u>	<u>\$ 500</u>	<u>\$ 9,116</u>
<b>BALANCES CONSIST OF:</b>								
Due to County Treasurer	\$ 185	\$ 6,117	\$ 1,254	\$ 9,709	\$ -	\$ 7,768	\$ -	\$ 9,116
Petty Cash	-	-	100	2,700	1,000	50	500	-
Due to State Treasurer	9	10,392	170	36	-	-	-	-
Due to Others	-	-	30,674	282	2,451	-	-	-
BALANCES JUNE 30, 2017	<u>\$ 194</u>	<u>\$ 16,509</u>	<u>\$ 32,198</u>	<u>\$ 12,727</u>	<u>\$ 3,451</u>	<u>\$ 7,818</u>	<u>\$ 500</u>	<u>\$ 9,116</u>

(Continued)

**JEFFERSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2017

	County Fair	County Ambulance	County Planning and Zoning	County Board	County Emergency Manager	County Assessor	Total
BALANCES JULY 1, 2016	\$ 6,045	\$ 182,754	\$ 25	\$ 18,762	\$ 3	\$ 25	\$ 270,046
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	16,687
Licenses and Permits	-	-	-	-	-	-	9,300
Intergovernmental	-	-	-	-	-	-	10,454
Charges for Services	-	300,168	2,739	-	4,200	-	472,644
Miscellaneous	31,885	1,059	190	25,920	-	42	107,199
State Fees	-	-	-	-	-	-	69,957
Other Liabilities	-	-	-	-	-	-	386,273
<b>TOTAL RECEIPTS</b>	<b>31,885</b>	<b>301,227</b>	<b>2,929</b>	<b>25,920</b>	<b>4,200</b>	<b>42</b>	<b>1,072,514</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	14,668	345,607	2,954	-	4,203	40	593,099
Payments to State Treasurer	-	-	-	-	-	-	61,516
Other Liabilities	19,177	-	-	25,920	-	-	444,184
<b>TOTAL DISBURSEMENTS</b>	<b>33,845</b>	<b>345,607</b>	<b>2,954</b>	<b>25,920</b>	<b>4,203</b>	<b>40</b>	<b>1,098,799</b>
BALANCES JUNE 30, 2017	<u>\$ 4,085</u>	<u>\$ 138,374</u>	<u>\$ -</u>	<u>\$ 18,762</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 243,761</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 4,085	\$ 137,874	\$ -	\$ 18,262	\$ -	\$ 2	\$ 194,372
Petty Cash	-	500	-	500	-	25	5,375
Due to State Treasurer	-	-	-	-	-	-	10,607
Due to Others	-	-	-	-	-	-	33,407
BALANCES JUNE 30, 2017	<u>\$ 4,085</u>	<u>\$ 138,374</u>	<u>\$ -</u>	<u>\$ 18,762</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 243,761</u>

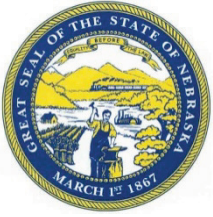
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JEFFERSON COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2017

Item	2012	2013	2014	2015	2016
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 14,256,560	\$ 16,168,240	\$ 17,260,577	\$ 18,714,758	\$ 20,300,165
Personal and Specials	4,306,425	4,172,947	4,336,494	4,363,407	4,031,839
<b>Total</b>	<b>18,562,985</b>	<b>20,341,187</b>	<b>21,597,071</b>	<b>23,078,165</b>	<b>24,332,004</b>
<b>Corrections</b>					
Additions	9,725	21,362	19,515	10,150	14,141
Deductions	(4,665)	(23,972)	(27,567)	(19,274)	(38,668)
Net Additions/ (Deductions)	5,060	(2,610)	(8,052)	(9,124)	(24,527)
<b>Corrected Certified Tax</b>	<b>18,568,045</b>	<b>20,338,577</b>	<b>21,589,019</b>	<b>23,069,041</b>	<b>24,307,477</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2013	11,110,379	-	-	-	-
June 30, 2014	7,399,734	12,482,562	-	-	-
June 30, 2015	23,757	7,791,314	13,135,113	-	-
June 30, 2016	9,991	26,956	8,394,078	14,084,431	-
June 30, 2017	3,271	9,116	16,148	8,919,828	14,823,724
<b>Total Net Collections</b>	<b>18,547,132</b>	<b>20,309,948</b>	<b>21,545,339</b>	<b>23,004,259</b>	<b>14,823,724</b>
<b>Total Uncollected Tax</b>	<b>\$ 20,913</b>	<b>\$ 28,629</b>	<b>\$ 43,680</b>	<b>\$ 64,782</b>	<b>\$ 9,483,753</b>
<b>Percentage Uncollected Tax</b>	<b>0.11%</b>	<b>0.14%</b>	<b>0.20%</b>	<b>0.28%</b>	<b>39.02%</b>

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, 2017, 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 24, 2017. 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 24, 2017.

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

Jefferson County declined to respond to the finding described above.

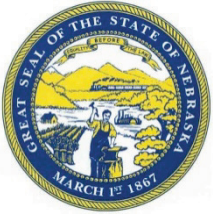
### **Purpose of this Report**

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 24, 2017



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

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October 24, 2017

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, 2017, and have issued our report thereon dated October 24, 2017. 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**

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.

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

## **Unclaimed Property**

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 Uniform Disposition of Unclaimed Property Act:

- The County Fair maintained 126 checks dating from 2009 through 2012, totaling \$855, which were still held at the time of audit fieldwork.
- The County Sheriff maintained 33 checks dating from 2006 through 2013, totaling \$628, which were still held at the time of audit fieldwork.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009), which is found in the Uniform Disposition of Unclaimed Property Act, presumes abandoned intangible personal property held by public entities or political subdivisions that remains unclaimed for more than three years. Neb. Rev. Stat. § 69-1310(d) (Reissue 2009) requires any such abandoned property, as of June 30 each year, to be reported and remitted to the State Treasurer before November 1 annually.

In addition, good internal control requires the County to have procedures in place that provide an ongoing, detailed review of all accounts to determine appropriate follow-up action. This was also noted in prior audits.

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.

## **Insufficient Pledged Collateral**

During our audit period, 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 was uncollateralized, in amounts ranging between \$10,090 and \$1,190,086, for 74 days.
- Based on the known year-end pledged collateral amount, the County Treasurer's checking account was uncollateralized, in amounts ranging from \$155,353 to \$4,985,943, for 40 days.

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.*

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 the County deposits fail. This was also noted in prior audits.

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

### **Negative Fund Balance**

The General Fund had a deficit fund balance of \$270,162 as of June 30, 2017. The negative balance occurred due to a large transfer, totaling \$331,006, made in June 2017 from the General Fund to the Road Fund. The County plans to increase transfers from the Inheritance Fund to the General Fund to cover the shortage.

Neb. Rev. Stat. § 23-1602 (Reissue 2012) states, in relevant part, the following:

*All warrants issued by the county board shall, upon being presented for payment, if there are not sufficient funds in the treasury to pay the same, be endorsed by the treasurer not paid for want of funds, and the treasurer shall also endorse thereon the date of such presentation and sign his name thereto.*

Additionally, good internal controls and sound accounting practices require sufficient funds to be in place to cover fully all disbursements and transfers approved by the County Board.

When disbursements and transfers are approved and paid without appropriate funds to cover fully the payment, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Board and County Treasurer implement procedures to review available funds prior to approving disbursements or transferring funds. Whenever a claim or transfer is approved that would create a deficit balance, the County should utilize correlative procedures, which should include denying the claim or transferring funds to cover the deficit.

### **Unapproved Office Fees Charged**

The following offices could not provide documentation of County Board approval for fees being charged:

- County Clerk – fees for copies, plat books, and postage;
- Register of Deeds – fees for copies;
- County Ambulance – fees collected for base rate and mileage for services; and
- Highway Superintendent – fees collected for the sale of fuel.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) directs the County Board to “manage the county funds and county business except as otherwise specifically provided.” Additionally, good internal control requires all fees for services in the county offices to be approved by the County Board. When such fees are not approved by the County Board, there is an increased risk of not only noncompliance with statute but also loss or misuse of county funds.

We recommend all County offices charge only those fees expressly authorized by the Board.

## **COUNTY AMBULANCE**

### **Accounts Receivable Balance and Records**

In August 2015, EMS Billing Services was engaged to assist the County Ambulance with billings and collections. Prior to that time, accounts receivable, totaling \$299,156, had been sent to a collection agency. In addition to not approving the remittance of the outstanding balances to a collection agency, the County Board has not been informed of any collection of these funds. Additionally, a detailed report of accounts receivable after August 2015 was not available from EMS Billing Services at June 30, 2017.

A good internal control plan and sound business practice require procedures for ensuring that records of accounts receivable are complete and accurate in order to allow for the proper identification and pursuit of parties who are in debt to the County.

Without such procedures, there is an increased risk for the loss or misuse of County funds. This was noted in prior audits.

We recommend the County implement procedures for ensuring that records of accounts receivable are complete and accurate.

### **Ambulance Office Procedures**

The following issues were noted with the County Ambulance's office procedures at June 30, 2017:

- The County Ambulance maintains \$500 for petty cash that was neither approved by the County Board nor included in the fiscal policy of the annual budget message.
- The County Ambulance's office does not perform a monthly reconciliation of its bank account.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Additionally, good internal control requires procedures to ensure that accurate bank reconciliations are performed monthly, including identification of all accounts receivable balances.

Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Ambulance ensure that its \$500 petty cash amount is approved and included in the fiscal policy of the County Board's budget message, as required by law. We also recommend the County Ambulance implement a monthly reconciliation of its bank account.

## COUNTY ATTORNEY

### Attorney Office Procedures

The following issues were noted with the County Attorney's office procedures at June 30, 2017:

- Monthly reconciliations between the bank balance and the financial records were not completed for the trust account, resulting in an unidentified trust balance of \$2,451. Documentation of a completed reconciliation could not be provided prior to July 2016.
- Petty cash expenses consisting of purchases from September 2014, October 2014, and October 2015, totaling \$42, were not submitted for reimbursement as of September 2017. Also, one claim, totaling \$8, was reimbursed in June 2016, but there was no support on file that this money was actually spent.
- A receipt for \$41 was issued in August 2016; however, it was recorded on an older receipt and included with funds received in July 2015. This was due to an older receipt not being voided when it was not used.
- An amount of \$265 was receipted on February 18, 2016, but was not deposited until August 17, 2016.

Neb. Rev. Stat. § 23-1207(1) (Reissue 2012), states, in relevant part, the following:

*It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts . . . .*

Furthermore, depositing expeditiously into a secure depository all monies received is essential for maintaining accurate financial records.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part, the following:

*All claims against a 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 . . . .*

Good internal control requires the implementation of procedures to ensure the following: 1) bank reconciliations are performed timely and accurately, including identifying all trust balances; 2) reimbursements of 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 not only increases the risk of loss, theft, or misuse of County funds but also allows errors to go undetected more easily. This was also noted in prior audits.

We recommend the County Attorney implement procedures to ensure the performance of monthly bank reconciliations, the timely reimbursement of claims, the expeditious recording and deposit of all monies received, and the maintenance of complete and accurate financial records.

## **COUNTY BOARD**

### **Over-Expended Budgets**

During the fiscal year, the following funds/functions had expenditures in excess of amounts budgeted:

- The County Board function of the General Fund exceeded budgeted expenditures by \$1,985.
- The County Surveyor function of the General Fund exceeded budgeted expenditures by \$1,292.
- The Computer IT Fund exceeded budgeted expenditures by \$1,331. The County Board amended the Computer IT Fund by \$20,000 in June 2017 but did not include in the amendment how the additional budgeted expenditures would be funded.

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.*

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. This was also noted in prior audits.

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.

### **Cafeteria Account**

The County Clerk maintains a Cafeteria bank account for paying expenditures related to employees' flexible spending account funds. We noted the following regarding this account:



- The Cafeteria bank account had a balance of \$18,262 at June 30, 2017. Documentation could not be provided that the County Board approved the account to be maintained outside of the County Treasurer. Likewise, the amount of such account has not been stated in the County Board budget message.
- At the time of the audit in September 2017, bank reconciliations had not been performed for the Cafeteria bank account since February 2017, resulting in an unknown cash short of \$715. This short appears to be the result of the County Clerk having failed not only to maintain an accurate and complete listing of both accounts receivable and payable but also to perform a periodic office asset-to-liability reconciliation.
- A third-party vendor had direct access to the Cafeteria bank account to pay claims on behalf of employees.
- Interest of \$17 received in the Cafeteria bank account from July 2015 through June 2017 had not been properly remitted to the County Treasurer.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) provides the only authority for allowing a county fund to be held by anyone other than the County Treasurer, as follows:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Unless the County Board designates the Cafeteria bank account as a “petty cash fund” under § 23-106(2), there is no authority for allowing it to be maintained by the County Clerk.

If the Cafeteria bank account is to be treated as a “petty cash fund” under § 23-106(2), moreover, the failure of the County Board budget message to reflect the authorized petty cash amounts both conflicts with State statute and effectively withholds from the public the approved funds available to officials.

Additionally, good internal control requires subjecting the Cafeteria bank account to procedures that ensure bank reconciliations are performed timely, balances held are properly approved by the County Board, all authorized signers are County employees, and all interest received is deposited with the County Treasurer in a timely manner.

Without such procedures, there is an increased risk for the loss, theft, or misuse of County funds and errors being allowed to go undetected more easily.

We recommend the County Board make a formal determination as to whether the Cafeteria bank account should be treated as a “petty cash fund” under § 23-106(2), effectively resolving the issue of who is responsible for maintaining it. Should the County Board designate the Cafeteria bank account as a “petty cash fund,” we recommend that procedures be implemented to ensure the County Board budget message reflects the amounts authorized for that

fund. Such procedures should also ensure the performance of regular bank reconciliations, the remittance of all interest amounts to the County Treasurer, and a review of the third-party vendor's access to the account.

### **Claim Procedures**

The County lacked adequate procedures over the payment of claims. In particular, we noted the following:

- A transfer of \$20,000 was approved from the Fair Fund to the Fair Building Fund on June 28, 2017; however, when the transfer was made, it was deposited back into the Fair Fund.
- A claim to Region V in May 2017 was approved for an incorrect amount, resulting in an overpayment of \$2,868. This overpayment was eventually refunded by the payee.
- A credit card claim dated May 16, 2017, included a payment for \$1,165 for purchases made on January 27, 2017. The claim was not filed within 90 days, as required by State statute.
- Two claims to two different vendors, totaling \$575, were paid twice during the fiscal year. Only one of the claims, for \$410, had been credited back to the County as of June 30, 2017.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) states, in relevant part, the following:

*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 . . .*

Additionally, good internal controls and sound business practices require procedures to ensure that invoices are paid timely, claims are adequately completed and agree to supporting documentation, and invoices are paid only once.

Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Board ensure all claims are filed within 90 days of the invoice or supporting documentation. We also recommend the County Board implement procedures to ensure that all claims are paid from and agree to original invoices, and all fund transfers are completed as approved by the County Board.

### **COUNTY CLERK**

#### **Clerk Office Procedures**

The following issues were noted with the County Clerk's office procedures at June 30, 2017:

- During the cash count, we noted that the cash on hand did not reconcile to the cash listed on the daily balance sheet. Sales tax of \$4 was counted; however, these funds were not included on the daily balance sheet. A total of \$39 of sales tax was collected during the fiscal year.
- Unpaid claims were not certified to the County Treasurer as of June 15, 2017.
- The proof of publication for the audit performed for fiscal year 2016 could not be provided.

Neb. Rev. Stat § 23-1302(4) (Reissue 2012) states, in relevant part, the following:

*[T]he county clerk shall certify to the county treasurer as of June 15 and December 15 of each year the total amount of unpaid claims of the county . . . .*

Neb. Rev. Stat. § 23-1608(2) (Reissue 2012) provides, as is relevant, the following:

*The county board shall cause to be published in the same manner as the proceedings of the county board a brief statement disclosing the conclusion of the examination and audit and that such audit report is on file with the county clerk.*

Lastly, sound accounting practices require all funds received by the office to be properly recorded and balanced to the daily collections.

When all monies held by the County Clerk’s office are not recorded on the daily balance sheets, there is a greater risk of loss or misuse of County funds. In addition, when unpaid claim amounts are not certified, and proof of publication for audits is not on file, the County Clerk is not in compliance with State statute.

We recommend the County Clerk record on the daily balance sheets money collected, certify all unpaid claims, and maintain proof of publication for audits.

## COUNTY FAIR

### Petty Cash Supporting Documentation

In July 2016, a claim was submitted to the County Board for \$18,650 and noted as being for the following County Fair expenses:

Description	Amount
Fair Premiums	\$ 7,000
Mike Prochnow Hypnotist	\$ 1,000
Bill Blass Karaoke & Dance	\$ 150
Band	\$ 2,500
Rodeo	\$ 8,000
<b>Total</b>	<b>\$ 18,650</b>

The County Board approved the claim before these expenses were incurred, so the vendors could be paid in a timely manner; however, the documentation for the expenses was not subsequently received by the County Board. Additionally, we noted that the premium checks paid out for the 2016 County Fair totaled \$5,334, leaving unused \$1,666 of the amount requested. The excess money was not remitted back to the County Treasurer, remaining instead in the County Fair checking account.

Furthermore, the County Fair did not perform a bank reconciliation during the audit period, and the petty cash fund was not maintained at the \$7,500 amount authorized by the County Board.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states, in relevant part, the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund . . . .*

Good internal control requires procedures to ensure accurate bank reconciliations are performed timely. Furthermore, good internal control and sound accounting practices require adequate documentation to be presented to the County Board to support any advancement of monies. Additionally, if the advancement is larger than the actual expenditures, the remaining amount should be remitted back to the County Treasurer.

Without adequate procedures to ensure bank reconciliations are completed and the petty cash fund is maintained at the authorized amount, there is an increased risk for the loss or misuse of County funds. A similar comment was noted in prior audits.

We recommend the County Fair ensure all expenditures claimed are supported by documentation, and all excess money is remitted back to the County Treasurer. We also recommend the County Fair perform bank reconciliations on a timely basis and ensure the petty cash fund is maintained at the authorized amount. Furthermore, we recommend the County Board consider whether the authorized petty cash amount is too high, given the practice of advancing money prior to the fair.

## **COUNTY SHERIFF**

### **Balancing Procedures**

During our audit, we noted the following issues with the County Sheriff's balancing procedures at June 30, 2017:

- Accurate monthly bank reconciliations were not performed for the County Sheriff's bank accounts, resulting in the following variances between the book and bank balances at June 30, 2017:

	<b>Bank Balance</b>	<b>Book Balance</b>	<b>Variance</b>
Account #1	\$ 6,433	\$ 6,508	\$ 75
Account #2	\$ 1,571	\$ 1,551	\$ 20

- Fees were not remitted to the County Treasurer timely. Fees for January 2017 through March 2017, totaling \$8,824, were not remitted until June 2017, or 87 days late. Additionally, fees for June 2017, totaling \$2,204, were not remitted until September 2017, or 77 days late.
- During the cash count, two money orders, totaling \$220, were not restrictively endorsed.
- A monthly asset-to-liability reconciliation was not performed. A cash long was noted at June 30, 2017, in the amount of \$4,905.

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) states, in relevant part, the following:

*The sheriff shall, on the first Tuesday in January, April, July, and October of each year . . . pay all fees earned to the county treasurer who shall credit the fees to the general fund of the county.*

Sound accounting practices and good internal control require the County Sheriff's office to implement fund-balancing procedures to ensure office assets (cash on hand, reconciled bank balance, accounts payable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Balancing procedures should include timely bank reconciliations and the prompt identification and resolution of all variances noted. Likewise, the immediate endorsement of all checks received should be effectuated.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily. Furthermore, when fees are not remitted to the County Treasurer timely, the County Sheriff's office is not in compliance with State statute. A similar comment was noted in prior audits.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank reconciliations. We further recommend procedures be implemented to ensure fees are remitted timely, and checks are restrictively endorsed immediately when received.

### **Petty Cash Procedures**

During testing, the following petty cash procedural issues were noted for the County Sheriff:

- 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, 2017, was \$1,308, an excess of \$108. Documentation was not available to support \$43 of this overage.

- One County Sheriff expense for postage, totaling \$15, was not timely claimed to the County Board. This expense occurred in July 2015; however, it had not been submitted for reimbursement as of September 2017.

Good internal control requires the implementation of procedures to ensure that all petty cash funds are maintained at the authorized amount, and all transactions are reimbursed timely. Without such procedures, there is an increased risk for the loss or misuse of County funds. This was also noted in prior audits.

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

### COUNTY TREASURER

#### Nameplate Capacity Tax Distribution

The nameplate capacity taxes received during the fiscal year were incorrectly distributed to two tax districts, resulting in multiple subdivisions receiving an over or under payment. The following table illustrates the over and under payments to the subdivisions as a result of the incorrect distribution:

Subdivision	Auditor's Calculation	Treasurer's Distribution	Over (Under) Payment
Fairbury School District	\$ 6,344	\$ 9,515	\$ 3,171
Diller-Odell School District	\$ 81,156	\$ 78,436	\$ (2,720)
County Funds	\$ 39,231	\$ 38,925	\$ (306)
Southeast Community College	\$ 10,126	\$ 10,047	\$ (79)
Diller Rural Fire District	\$ 3,239	\$ 3,211	\$ (28)
Little Blue NRD	\$ 1,840	\$ 1,821	\$ (19)
ESU 5	\$ 2,116	\$ 2,100	\$ (16)
Historical Society	\$ 388	\$ 385	\$ (3)
<b>Totals</b>	<b>\$ 144,440</b>	<b>\$ 144,440</b>	<b>\$ 0</b>

Neb. Rev. Stat. § 77-6203(6)(a) (Cum. Supp. 2016) states, in relevant part, the following:

*On March 1 of each year, the owner of a renewable energy generation facility shall file with the Department of Revenue a report on the nameplate capacity of the facility for the previous year from January 1 through December 31. All taxes shall be due on April 1 and shall be delinquent if not paid on a quarterly basis on April 1 and each quarter thereafter.*

Subsection (9) of that same statute states the following:

*The Department of Revenue shall separately identify the proceeds from the tax imposed by this section and shall pay all such proceeds over to the county treasurer of the county where the renewable energy generation facility is located within thirty days after receipt of such proceeds.*

Furthermore, Neb. Rev. Stat. § 77-6204 (Cum. Supp. 2016) provides, as is relevant, the following:

*(1) The county treasurer shall distribute all revenue received from the Department of Revenue pursuant to section 77-6203 to local taxing entities which, but for such personal property tax exemption, would have received distribution of personal property tax revenue from depreciable personal property used directly in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source.*

\* \* \* \*

*(3) The distribution to each eligible local taxing entity shall be calculated by determining the amount of taxes that the eligible local taxing entity levied during the taxable year and dividing this amount by the total tax levied by all of the eligible local taxing entities during the year. Each eligible entity's resulting fraction shall then be multiplied by the revenue distributed to the county treasurer by the department to determine the portion of such revenue due each local taxing entity.*

A good internal control plan also requires that procedures be in place to ensure nameplate capacity taxes are distributed to the appropriate subdivisions. When such distributions are inaccurate, political subdivisions do not receive the appropriate amount of funding.

We recommend the County Treasurer correct the erroneous nameplate capacity tax distributions and implement procedures to ensure all such distributions are calculated correctly in the future.

*County Treasurer's Response: Amounts were incorrectly distributed due to misinformation received from the Jefferson County Assessor's Office.*

### **Interest Receipt Timeliness**

During testing, we noted that interest earned on bank deposits, totaling \$4,615, on the County Treasurer's checking account and certificate of deposits (CDs) was not receipted in a timely manner. Three CDs earned interest of \$4,182 for June 2017 that had not been receipted into the accounting system as of testing in September 2017. Additionally, the checking account had interest earned of \$433 for May 2017 that was not receipted until mid-July 2017.

A good internal control plan requires procedures to ensure interest earned is receipted in a timely manner, reflecting the correct accounting period during which those funds were received.

Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Treasurer implement procedures to ensure all interest earned is receipted in a timely manner.

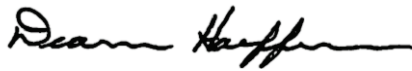
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and 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,

A handwritten signature in black ink, appearing to read "Deann Haeffner", with a long, sweeping horizontal line extending to the right.

Deann Haeffner, CPA  
Assistant Deputy Auditor