

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2017, THROUGH JUNE 30, 2018

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the Auditor of Public Accounts.**

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Issued on March 5, 2019

SAUNDERS COUNTY

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SAUNDERS COUNTY
433 N Chestnut
Wahoo, NE 68066

LIST OF COUNTY OFFICIALS
At June 30, 2018

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Doris Karloff	Jan. 2021
	Leroy Hanson	Jan. 2019
	Dave Lutton	Jan. 2019
	Craig Breunig	Jan. 2019
	Larry Mach	Jan. 2019
	Ed Rastovski	Jan. 2021
	Scott Sukstorf	Jan. 2021
Assessor	Cathy Gusman	Jan. 2019
Attorney	Steven Twohig	Jan. 2019
Clerk Election Commissioner	Patti Lindgren	Jan. 2019
Register of Deeds	Don Clark	Jan. 2019
Clerk of the District Court	Patty McEvoy	Jan. 2019
Sheriff	Kevin Stukenholtz	Jan. 2019
Treasurer	Marilyn Kelley	Jan. 2019
Public Defender	Thomas Klein	Jan. 2019
Surveyor	Jerry Charles	Jan. 2019
Veterans' Service Officer	Mary Pace	Appointed
Weed Superintendent	Ed Sladky	Appointed
Highway Superintendent	Steve Mika	Appointed
Emergency Manager	Terry Miller	Appointed
Planning and Zoning	George Borreson	Appointed



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SAUNDERS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Saunders County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

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

Basis for Adverse Opinion on the Discretely Presented Component Unit

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Saunders County, as of June 30, 2018, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Saunders County, as of June 30, 2018, 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

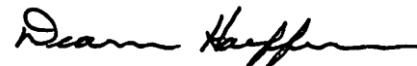
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County’s basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes 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 20-36, 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 February 19, 2019, on our consideration of Saunders County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Saunders County's internal control over financial reporting and compliance.

February 19, 2019



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2018

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 18,198,724
TOTAL ASSETS	\$ 18,198,724
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 44,301
911 Emergency Services	451,708
Drug Education	2,049
Law Enforcement	17,582
Preservation of Records	42,779
Debt Service	4,286,879
Road Maintenance	1,361,782
Child Support Enforcement	20,480
Unrestricted	11,971,164
TOTAL NET POSITION	\$ 18,198,724

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

SAUNDERS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2018

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (7,586,895)	\$ 989,897	\$ 125,712	\$ (6,471,286)
Public Safety	(4,473,939)	2,244,883	163,400	(2,065,656)
Public Works	(7,523,239)	2,512	4,007,469	(3,513,258)
Public Assistance	(152,824)	2,413	62,897	(87,514)
Culture and Recreation	(17,580)	-	-	(17,580)
Debt Payments	(2,071,858)	-	-	(2,071,858)
Total Governmental Activities	\$ (21,826,335)	\$ 3,239,705	\$ 4,359,478	(14,227,152)

General Receipts:

Property Taxes	11,977,509
Grants and Contributions Not Restricted to Specific Programs	1,213,513
Investment Income	73,610
Licenses and Permits	263,851
Bond Proceeds	1,200,000
Miscellaneous	166,129
Total General Receipts	14,894,612
 Increase in Net Position	 667,460
Net Position - Beginning of year	17,531,264
Net Position - End of year	\$ 18,198,724

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2018

	<u>General Fund</u>	<u>Public Works Fund</u>	<u>Inheritance Fund</u>	<u>Health Services Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 6,963,914	\$ 524,985	\$ 2,954,270	\$ 3,490,136	\$ 4,265,419	\$ 18,198,724
TOTAL ASSETS	<u>\$ 6,963,914</u>	<u>\$ 524,985</u>	<u>\$ 2,954,270</u>	<u>\$ 3,490,136</u>	<u>\$ 4,265,419</u>	<u>\$ 18,198,724</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	44,301	44,301
911 Emergency Services	-	-	-	-	451,708	451,708
Drug Education	-	-	-	-	2,049	2,049
Law Enforcement	-	-	-	-	17,582	17,582
Preservation of Records	-	-	-	-	42,779	42,779
Debt Service	-	-	-	3,490,136	796,743	4,286,879
Road Maintenance	-	-	-	-	1,361,782	1,361,782
Child Support Enforcement	-	-	-	-	20,480	20,480
Committed to:						
Law Enforcement	-	-	-	-	136,839	136,839
Road Maintenance & Improvements	-	524,985	-	-	17,014	541,999
Aid and Assistance	-	-	-	-	121,577	121,577
County Buildings	-	-	-	-	536,849	536,849
Emergency Services	-	-	-	-	709,068	709,068
Youth Camp	-	-	-	-	6,648	6,648
Assigned to:						
Other Purposes	-	-	2,954,270	-	-	2,954,270
Unassigned	6,963,914	-	-	-	-	6,963,914
TOTAL CASH BASIS FUND BALANCES	<u>\$ 6,963,914</u>	<u>\$ 524,985</u>	<u>\$ 2,954,270</u>	<u>\$ 3,490,136</u>	<u>\$ 4,265,419</u>	<u>\$ 18,198,724</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$ 9,492,850	\$ -	\$ 1,196,590	\$ -	\$ 1,288,069	\$ 11,977,509
Licenses and Permits	263,851	-	-	-	-	263,851
Investment Income	44,025	-	-	27,311	2,274	73,610
Intergovernmental	981,526	3,606,772	-	71	984,622	5,572,991
Charges for Services	2,960,810	2,512	-	-	276,383	3,239,705
Miscellaneous	101,651	28,721	-	1,200,000	35,757	1,366,129
TOTAL RECEIPTS	13,844,713	3,638,005	1,196,590	1,227,382	2,587,105	22,493,795
DISBURSEMENTS						
General Government	7,195,885	233,904	205	-	156,901	7,586,895
Public Safety	3,816,683	-	-	-	657,256	4,473,939
Public Works	101,614	6,391,613	-	-	1,030,012	7,523,239
Health and Sanitation	-	-	-	-	-	-
Public Assistance	67,542	-	-	-	85,282	152,824
Culture and Recreation	-	-	-	-	17,580	17,580
Debt Service:						
Principal Payments	-	-	-	725,000	830,000	1,555,000
Interest and Fiscal Charges	-	-	-	391,684	125,174	516,858
Capital Outlay	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,181,724	6,625,517	205	1,116,684	2,902,205	21,826,335
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,662,989	(2,987,512)	1,196,385	110,698	(315,100)	667,460
OTHER FINANCING SOURCES (USES)						
Transfers in	1,524,575	1,638,265	-	-	407,908	3,570,748
Transfers out	(1,837,531)	(10,500)	(1,550,000)	-	(172,717)	(3,570,748)
TOTAL OTHER FINANCING SOURCES (USES)	(312,956)	1,627,765	(1,550,000)	-	235,191	-
Net Change in Fund Balances	2,350,033	(1,359,747)	(353,615)	110,698	(79,909)	667,460
CASH BASIS FUND BALANCES - BEGINNING						
	4,613,881	1,884,732	3,307,885	3,379,438	4,345,328	17,531,264
CASH BASIS FUND BALANCES - ENDING						
	<u>\$ 6,963,914</u>	<u>\$ 524,985</u>	<u>\$ 2,954,270</u>	<u>\$ 3,490,136</u>	<u>\$ 4,265,419</u>	<u>\$ 18,198,724</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 5,860,999
 LIABILITIES	
Due to other governments	
State	508,747
Schools	4,304,116
Educational Service Units	8,125
Technical College	46,768
Natural Resource Districts	18,654
Fire Districts	28,468
Municipalities	105,991
Agricultural Society	3,590
Drainage Districts	31,894
Townships	42,541
Sanitary and Improvement Districts	689,442
Others	72,663
TOTAL LIABILITIES	5,860,999
 TOTAL NET ASSETS	 \$ -

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Saunders County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations 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. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$98,340 toward

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

the operation of the Region during fiscal year 2018. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the Three Rivers Health Department (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 2018. 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.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities and the Hospital. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The County is reported separately from certain legally separate component units for which the primary government is financially accountable. The Statement of Net Position presents the County’s non-fiduciary assets in two categories:

Restricted. This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. 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.

Unrestricted. This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

SAUNDERS 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.

Public Works 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.

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

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

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

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

D. Assets and Net Position

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

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position 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 \$6,227,560 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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, 2018, disbursements exceeded budgeted appropriations in the County Treasurer function of the General Fund by \$2,890, and in the Child Support Incentive Fund by \$1,892. These over-expenditures were funded by greater than anticipated receipts.

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 \$18,198,724 for County funds and \$5,860,999 for Fiduciary funds. The bank balances for all funds totaled \$24,145,196. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2018, were either entirely insured or collateralized with securities held by the County's agent 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.236718/\$100 of assessed valuation. The levy set in October 2016, for the 2016 taxes, which were materially collected in May and September 2017, was set at \$.246023/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

4. **Retirement System**

The Retirement System for Nebraska Counties (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, 2018, 184 employees contributed \$306,076, and the County contributed \$454,364. Contributions included \$9,394 in cash contributions towards the supplemental law enforcement plan for 21 law enforcement employees. Lastly, the County paid \$1,032 directly to nine retired employees for prior service benefits.

SAUNDERS 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 91 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 for an additional contribution. 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 or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2018, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Public Works Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$	\$ 10,500	\$ 1,400,000	\$ 114,075	\$ 1,524,575
Public Works Fund	1,638,265	-	-	-	1,638,265
Nonmajor Funds	199,266	-	150,000	58,642	407,908
Total	\$ 1,837,531	\$ 10,500	\$ 1,550,000	\$ 172,717	\$ 3,570,748

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers (Concluded)

In the year ended June 30, 2018, the County made a one-time transfer of \$59,054 from the Child Support Incentive Fund and the Register of Deeds Preservation and Modernization Fund to the General Fund to correct errors noted in the prior years. Transfers were also noted from the Diversion Program – Youth Services Grant Fund to the Diversion Program Fund, totaling \$24,421, and from the 911 Wireless Service Fund to the General Fund, totaling \$55,021, to share personnel costs based on time worked and other agreements. Lastly, a transfer was noted from the Diversion Program Fund to the Diversion Program – Youth Services Grant Fund of \$34,221 due to the creation of a new fund.

7. 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.

8. Long-Term Debt

Hospital Bonds. The County issued bonds in November 2005 in the amount of \$9,400,000 and in January 2006 in the amount of \$12,740,000 – a total of \$22,140,000 for the purpose of paying the costs of acquiring a site, constructing, and equipping a new hospital clinic and long-term care facility. During fiscal years 2012 and 2014, the County Board partially refinanced both of these bonds. The bond payable balance, as of June 30, 2018, was \$14,755,000. 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. Receipts generated at the Hospital and future tax resources will be used to pay off the bonds. Complete financial statements of the Hospital can be obtained from its administrative office.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 775,000	\$ 381,714	\$ 1,156,714
2020	780,000	370,665	1,150,665
2021	790,000	357,065	1,147,065
2022	805,000	340,896	1,145,896
2023	820,000	322,559	1,142,559
2024-2028	4,490,000	1,293,301	5,783,301
2029-2033	4,035,000	672,705	4,707,705
2034-2036	2,260,000	123,600	2,383,600
Total Payments	<u>\$ 14,755,000</u>	<u>\$ 3,862,505</u>	<u>\$ 18,617,505</u>

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

8. Long-Term Debt (Concluded)

Law Enforcement Center Bonds. The County issued bonds in December 2006 in the amount of \$7,990,000 and in January 2007 in the amount of \$5,000,000 – a total of \$12,990,000 for the purpose of paying the costs of acquiring a site, constructing, and equipping a new law enforcement facility. During fiscal year 2012, the County Board partially refinanced both of these bonds. In addition, the County Board authorized early redemption of the Series 2011 bonds that were refinanced in fiscal year 2012, and issued refunding bonds, Series 2016, on October 12, 2016. The bond payable balance, as of June 30, 2018, was \$7,895,000. 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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 835,000	\$ 116,992	\$ 951,992
2020	840,000	108,357	948,357
2021	850,000	98,250	948,250
2022	860,000	86,790	946,790
2023	880,000	73,861	953,861
2024-2027	3,630,000	140,514	3,770,514
Total Payments	<u>\$ 7,895,000</u>	<u>\$ 624,764</u>	<u>\$ 8,519,764</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 9,639,949	\$ 9,639,949	\$9,492,850	\$ (147,099)
Licenses and Permits	204,450	204,450	263,851	59,401
Interest	20,000	20,000	44,025	24,025
Intergovernmental	191,280	191,280	981,526	790,246
Charges for Services	2,644,100	2,644,100	2,960,810	316,710
Miscellaneous	90,002	90,002	101,651	11,649
TOTAL RECEIPTS	<u>12,789,781</u>	<u>12,789,781</u>	<u>13,844,713</u>	<u>1,054,932</u>
DISBURSEMENTS				
General Government:				
County Board	175,875	175,875	173,720	2,155
County Clerk	171,215	171,215	170,499	716
County Treasurer	277,996	277,996	280,886	(2,890)
Register of Deeds	116,046	116,046	115,739	307
County Assessor	259,802	259,802	243,927	15,875
Election Commissioner	117,155	117,155	103,681	13,474
Building and Zoning	79,241	79,241	76,905	2,336
Administrative	153,350	153,350	102,101	51,249
Board of Equalization	10,300	10,379	10,379	-
Clerk of the District Court	109,578	109,578	108,148	1,430
District Judge	46,111	46,111	33,273	12,838
Public Defender	251,046	251,046	238,745	12,301
Child Support Services Dist. CRT.	37,782	37,782	34,150	3,632
Agricultural Extension Agent	90,043	91,283	91,283	-
Child Support Services Attorney	74,463	74,463	62,367	12,096
Building Security	116,574	116,574	84,308	32,266
Unemployment Compensation	20,000	20,000	10,917	9,083
Miscellaneous	8,008,644	8,007,325	5,254,857	2,752,468
Public Safety				
County Sheriff	1,408,299	1,408,299	1,356,275	52,024
County Attorney	412,957	412,957	367,330	45,627
County Sheriff Grant	28,380	28,380	10,567	17,813
County Jail	2,127,453	2,127,453	2,082,511	44,942
Public Works				
County Surveyor	101,684	101,684	101,614	70
Public Assistance				
Veterans' Service Officer	50,000	50,000	47,738	2,262
Institutions	36,500	36,500	5,550	30,950
Medical Relief	30,000	30,000	14,254	15,746
TOTAL DISBURSEMENTS	<u>14,310,494</u>	<u>14,310,494</u>	<u>11,181,724</u>	<u>3,128,770</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,520,713)</u>	<u>(1,520,713)</u>	<u>2,662,989</u>	<u>4,183,702</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,410,500	1,410,500	1,524,575	114,075
Transfers out	<u>(2,503,668)</u>	<u>(2,503,668)</u>	<u>(1,837,531)</u>	<u>666,137</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,093,168)</u>	<u>(1,093,168)</u>	<u>(312,956)</u>	<u>780,212</u>
Net Change in Fund Balance	(2,613,881)	(2,613,881)	2,350,033	4,963,914
FUND BALANCE - BEGINNING	<u>4,613,881</u>	<u>4,613,881</u>	<u>4,613,881</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 2,000,000</u></u>	<u><u>\$ 2,000,000</u></u>	<u><u>\$ 6,963,914</u></u>	<u><u>\$ 4,963,914</u></u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC WORKS FUND				
RECEIPTS				
Intergovernmental	\$ 3,025,000	\$ 3,025,000	\$ 3,606,772	\$ 581,772
Charges for Services	1,000	1,000	2,512	1,512
Miscellaneous	7,500	7,500	28,721	21,221
TOTAL RECEIPTS	<u>3,033,500</u>	<u>3,033,500</u>	<u>3,638,005</u>	<u>604,505</u>
DISBURSEMENTS	<u>7,223,163</u>	<u>7,223,163</u>	<u>6,625,517</u>	<u>597,646</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,189,663)</u>	<u>(4,189,663)</u>	<u>(2,987,512)</u>	<u>1,202,151</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,304,931	2,304,931	1,638,265	(666,666)
Transfers out	-	-	(10,500)	(10,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,304,931</u>	<u>2,304,931</u>	<u>1,627,765</u>	<u>(677,166)</u>
Net Change in Fund Balance	(1,884,732)	(1,884,732)	(1,359,747)	524,985
FUND BALANCE - BEGINNING	1,884,732	1,884,732	1,884,732	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524,985</u>	<u>\$ 524,985</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 800,000	\$ 800,000	\$ 1,196,590	\$ 396,590
TOTAL RECEIPTS	<u>800,000</u>	<u>800,000</u>	<u>1,196,590</u>	<u>396,590</u>
DISBURSEMENTS	<u>2,557,885</u>	<u>2,557,885</u>	<u>205</u>	<u>2,557,680</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,757,885)</u>	<u>(1,757,885)</u>	<u>1,196,385</u>	<u>2,954,270</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,550,000)	(1,550,000)	(1,550,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,550,000)</u>	<u>(1,550,000)</u>	<u>(1,550,000)</u>	<u>-</u>
Net Change in Fund Balance	(3,307,885)	(3,307,885)	(353,615)	2,954,270
FUND BALANCE - BEGINNING	3,307,885	3,307,885	3,307,885	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,954,270</u>	<u>\$ 2,954,270</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HEALTH SERVICES BOND FUND				
RECEIPTS				
Interest	\$ 10,001	\$ 10,001	\$ 27,311	\$ 17,310
Intergovernmental	-	-	71	71
Miscellaneous	1,200,000	1,200,000	1,200,000	-
TOTAL RECEIPTS	<u>1,210,001</u>	<u>1,210,001</u>	<u>1,227,382</u>	<u>17,381</u>
DISBURSEMENTS	<u>4,589,439</u>	<u>4,589,439</u>	<u>1,116,684</u>	<u>3,472,755</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,379,438)</u>	<u>(3,379,438)</u>	<u>110,698</u>	<u>3,490,136</u>
Net Change in Fund Balance	(3,379,438)	(3,379,438)	110,698	3,490,136
FUND BALANCE - BEGINNING	3,379,438	3,379,438	3,379,438	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,490,136</u>	<u>\$ 3,490,136</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ 663,337	\$ 663,337	\$ 643,354	\$ (19,983)
Disbursements	(2,411,777)	(2,411,777)	(1,030,012)	1,381,765
Net Change in Fund Balance	(1,748,440)	(1,748,440)	(386,658)	1,361,782
Fund Balance - Beginning	1,748,440	1,748,440	1,748,440	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,361,782	\$ 1,361,782
COMMUNICATIONS TOWER FUND				
Receipts	\$ 36,330	\$ 36,330	\$ 17,000	\$ (19,330)
Disbursements	(42,000)	(42,000)	(5,656)	36,344
Net Change in Fund Balance	(5,670)	(5,670)	11,344	17,014
Fund Balance - Beginning	5,670	5,670	5,670	-
Fund Balance - Ending	\$ -	\$ -	\$ 17,014	\$ 17,014
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 1,001	\$ 1,001	\$ 21,481	\$ 20,480
Disbursements	(92,448)	(92,448)	(38,234)	54,214
Transfers in	-	-	1,892	1,892
Transfers out	-	-	(56,106)	(56,106)
Net Change in Fund Balance	(91,447)	(91,447)	(70,967)	20,480
Fund Balance - Beginning	91,447	91,447	91,447	-
Fund Balance - Ending	\$ -	\$ -	\$ 20,480	\$ 20,480
VISITOR'S PROMOTION FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 13,359	\$ 3,359
Disbursements	(24,032)	(24,032)	(9,480)	14,552
Net Change in Fund Balance	(14,032)	(14,032)	3,879	17,911
Fund Balance - Beginning	14,032	14,032	14,032	-
Fund Balance - Ending	\$ -	\$ -	\$ 17,911	\$ 17,911
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 9,001	\$ 9,001	\$ 13,359	\$ 4,358
Disbursements	(22,032)	(22,032)	-	22,032
Net Change in Fund Balance	(13,031)	(13,031)	13,359	26,390
Fund Balance - Beginning	13,031	13,031	13,031	-
Fund Balance - Ending	\$ -	\$ -	\$ 26,390	\$ 26,390

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 18,914	\$ 3,914
Disbursements	(41,887)	(41,887)	(74)	41,813
Transfers in	-	-	-	-
Transfers out	-	-	(2,948)	(2,948)
Net Change in Fund Balance	(26,887)	(26,887)	15,892	42,779
Fund Balance - Beginning	26,887	26,887	26,887	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,779</u>	<u>\$ 42,779</u>
VETERANS' AID FUND				
Receipts	\$ 146	\$ 146	\$ 145	\$ (1)
Disbursements	(93,006)	(93,006)	-	93,006
Net Change in Fund Balance	(92,860)	(92,860)	145	93,005
Fund Balance - Beginning	92,860	92,860	92,860	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,005</u>	<u>\$ 93,005</u>
TRANSPORTATION FUND				
Receipts	\$ 63,052	\$ 63,052	\$ 65,534	\$ 2,482
Disbursements	(111,370)	(111,370)	(85,282)	26,088
Net Change in Fund Balance	(48,318)	(48,318)	(19,748)	28,570
Fund Balance - Beginning	48,320	48,320	48,320	-
Fund Balance - Ending	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 28,572</u>	<u>\$ 28,570</u>
DIVERSION PROGRAM FUND				
Receipts	\$ 7,800	\$ 7,800	\$ 6,170	\$ (1,630)
Disbursements	(167,565)	(167,565)	(143,011)	24,554
Transfers in	156,650	156,650	149,505	(7,145)
Transfers out	(34,221)	(34,221)	(34,221)	-
Net Change in Fund Balance	(37,336)	(37,336)	(21,557)	15,779
Fund Balance - Beginning	35,974	35,974	35,974	-
Fund Balance - Ending	<u>\$ (1,362)</u>	<u>\$ (1,362)</u>	<u>\$ 14,417</u>	<u>\$ 15,779</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SAFETY TRAINING OPTION PROGRAM FUND				
Receipts	\$ 7,515	\$ 7,515	\$ 8,570	\$ 1,055
Disbursements	(26,599)	(26,599)	(11,620)	14,979
Net Change in Fund Balance	(19,084)	(19,084)	(3,050)	16,034
Fund Balance - Beginning	19,084	19,084	19,084	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,034</u>	<u>\$ 16,034</u>
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
Disbursements	(5,849)	(5,849)	-	5,849
Net Change in Fund Balance	(2,049)	(2,049)	-	2,049
Fund Balance - Beginning	2,049	2,049	2,049	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 2,049</u>
DRUG TESTING FUND				
Receipts	\$ 280	\$ 280	\$ -	\$ (280)
Disbursements	(300)	(300)	-	300
Net Change in Fund Balance	(20)	(20)	-	20
Fund Balance - Beginning	20	20	20	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 9,501	\$ 9,501	\$ -	\$ (9,501)
Disbursements	(11,607)	(11,607)	-	11,607
Net Change in Fund Balance	(2,106)	(2,106)	-	2,106
Fund Balance - Beginning	2,106	2,106	2,106	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 2,106</u>
CANINE FUND				
Receipts	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Disbursements	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>DIVERSION PROGRAM - YOUTH SERVICES GRANT FUND</u>				
Receipts	\$ 122,809	\$ 122,809	\$ 122,809	\$ -
Disbursements	(125,464)	(125,464)	(117,133)	8,331
Transfers in	34,221	34,221	34,221	-
Transfers out	(31,566)	(31,566)	(24,421)	7,145
Net Change in Fund Balance	-	-	15,476	15,476
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,476</u>	<u>\$ 15,476</u>
<u>VICTIM'S ASSISTANCE PROGRAM FUND</u>				
Receipts	\$ 6,000	\$ 6,000	\$ 1,050	\$ (4,950)
Disbursements	(16,044)	(16,044)	(570)	15,474
Net Change in Fund Balance	(10,044)	(10,044)	480	10,524
Fund Balance - Beginning	10,044	10,044	10,044	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,524</u>	<u>\$ 10,524</u>
<u>E911 EMERGENCY MANAGEMENT FUND</u>				
Receipts	\$ 101,001	\$ 101,001	\$ 95,317	\$ (5,684)
Disbursements	(315,502)	(315,502)	(72,169)	243,333
Net Change in Fund Balance	(214,501)	(214,501)	23,148	237,649
Fund Balance - Beginning	214,501	214,501	214,501	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,649</u>	<u>\$ 237,649</u>
<u>911 WIRELESS SERVICE FUND</u>				
Receipts	\$ 63,000	\$ 63,000	\$ 67,505	\$ 4,505
Disbursements	(301,654)	(301,654)	(37,079)	264,575
Transfers in	-	-	-	-
Transfers out	-	-	(55,021)	(55,021)
Net Change in Fund Balance	(238,654)	(238,654)	(24,595)	214,059
Fund Balance - Beginning	238,654	238,654	238,654	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,059</u>	<u>\$ 214,059</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 24,000	\$ 24,000	\$ 27,862	\$ 3,862
Disbursements	(60,741)	(60,741)	(59,449)	1,292
Transfers in	22,290	22,290	22,290	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(14,451)	(14,451)	(9,297)	5,154
Fund Balance - Beginning	14,451	14,451	14,451	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,154</u>	<u>\$ 5,154</u>
CORRECTIONAL CENTER COMMISSARY FUND				
Receipts	\$ 187,701	\$ 187,701	\$ 219,628	\$ 31,927
Disbursements	(280,142)	(280,142)	(216,225)	63,917
Net Change in Fund Balance	(92,441)	(92,441)	3,403	95,844
Fund Balance - Beginning	92,441	92,441	92,441	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,844</u>	<u>\$ 95,844</u>
LAW ENFORCEMENT CENTER AND JAIL BOND FUND				
Receipts	\$ 1,025,573	\$ 1,025,573	\$ 1,052,609	\$ 27,036
Disbursements	(1,574,879)	(1,574,879)	(955,174)	619,705
Net Change in Fund Balance	(549,306)	(549,306)	97,435	646,741
Fund Balance - Beginning	699,308	699,308	699,308	-
Fund Balance - Ending	<u>\$ 150,002</u>	<u>\$ 150,002</u>	<u>\$ 796,743</u>	<u>\$ 646,741</u>
COUNTY BUILDING FUND				
Receipts	\$ 105,190	\$ 105,190	\$ 103,901	\$ (1,289)
Disbursements	(651,075)	(651,075)	(112,937)	538,138
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(345,885)	(345,885)	190,964	536,849
Fund Balance - Beginning	345,885	345,885	345,885	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,849</u>	<u>\$ 536,849</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FLOOD CONTROL PROJECT FUND				
Receipts	\$ 76,765	\$ 76,765	\$ 79,353	\$ 2,588
Disbursements	(701,326)	(701,326)	-	701,326
Net Change in Fund Balance	(624,561)	(624,561)	79,353	703,914
Fund Balance - Beginning	624,561	624,561	624,561	-
Fund Balance - Ending	\$ -	\$ -	\$ 703,914	\$ 703,914
YOUTH CAMP FUND				
Receipts	\$ 7,001	\$ 7,001	\$ 9,185	\$ 2,184
Disbursements	(12,564)	(12,564)	(8,100)	4,464
Net Change in Fund Balance	(5,563)	(5,563)	1,085	6,648
Fund Balance - Beginning	5,563	5,563	5,563	-
Fund Balance - Ending	\$ -	\$ -	\$ 6,648	\$ 6,648

(Concluded)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Highway Bridge Buyback Fund	Communications Tower Fund	Child Support Incentive Fund	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preservation and Modernization Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ 13,359	\$ 13,359	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	643,354	-	21,481	-	-	-
Charges for Services	-	-	-	-	-	18,914
Miscellaneous	-	17,000	-	-	-	-
TOTAL RECEIPTS	<u>643,354</u>	<u>17,000</u>	<u>21,481</u>	<u>13,359</u>	<u>13,359</u>	<u>18,914</u>
DISBURSEMENTS						
General Government	-	5,656	38,234	-	-	74
Public Safety	-	-	-	-	-	-
Public Works	1,030,012	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	9,480	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>1,030,012</u>	<u>5,656</u>	<u>38,234</u>	<u>9,480</u>	<u>-</u>	<u>74</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(386,658)</u>	<u>11,344</u>	<u>(16,753)</u>	<u>3,879</u>	<u>13,359</u>	<u>18,840</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,892	-	-	-
Transfers out	-	-	(56,106)	-	-	(2,948)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(54,214)</u>	<u>-</u>	<u>-</u>	<u>(2,948)</u>
Net Change in Fund Balances	(386,658)	11,344	(70,967)	3,879	13,359	15,892
FUND BALANCES - BEGINNING	<u>1,748,440</u>	<u>5,670</u>	<u>91,447</u>	<u>14,032</u>	<u>13,031</u>	<u>26,887</u>
FUND BALANCES - ENDING	<u>\$ 1,361,782</u>	<u>\$ 17,014</u>	<u>\$ 20,480</u>	<u>\$ 17,911</u>	<u>\$ 26,390</u>	<u>\$ 42,779</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	17,911	26,390	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	42,779
Debt Service	-	-	-	-	-	-
Road Maintenance	1,361,782	-	-	-	-	-
Child Support Enforcement	-	-	20,480	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance & Improvements	-	17,014	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,361,782</u>	<u>\$ 17,014</u>	<u>\$ 20,480</u>	<u>\$ 17,911</u>	<u>\$ 26,390</u>	<u>\$ 42,779</u>

(Continued)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Veterans' Aid Fund	Transportation Fund	Diversion Program Fund	Safety Training Option Program Fund	Drug Law Enforcement and Education Fund	Drug Testing Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	145	-	-	-	-	-
Intergovernmental	-	63,121	-	-	-	-
Charges for Services	-	2,413	2,600	8,570	-	-
Miscellaneous	-	-	3,570	-	-	-
TOTAL RECEIPTS	<u>145</u>	<u>65,534</u>	<u>6,170</u>	<u>8,570</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	-	143,011	11,620	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	85,282	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>85,282</u>	<u>143,011</u>	<u>11,620</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>145</u>	<u>(19,748)</u>	<u>(136,841)</u>	<u>(3,050)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	149,505	-	-	-
Transfers out	-	-	(34,221)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>115,284</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	145	(19,748)	(21,557)	(3,050)	-	-
FUND BALANCES - BEGINNING	<u>92,860</u>	<u>48,320</u>	<u>35,974</u>	<u>19,084</u>	<u>2,049</u>	<u>20</u>
FUND BALANCES - ENDING	<u>\$ 93,005</u>	<u>\$ 28,572</u>	<u>\$ 14,417</u>	<u>\$ 16,034</u>	<u>\$ 2,049</u>	<u>\$ 20</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	2,049	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	14,417	16,034	-	20
Road Maintenance & Improvements	-	-	-	-	-	-
Aid and Assistance	93,005	28,572	-	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 93,005</u>	<u>\$ 28,572</u>	<u>\$ 14,417</u>	<u>\$ 16,034</u>	<u>\$ 2,049</u>	<u>\$ 20</u>

(Continued)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Federal Drug Law Enforcement Fund	Diversion Program - Youth Services Grant Fund	Victim's Assistance Program Fund	E911 Emergency Management Fund	911 Wireless Service Fund	Emergency Management Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ 66,107	\$ 67,505	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	-	122,809	-	-	-	27,862
Charges for Services	-	-	-	29,210	-	-
Miscellaneous	-	-	1,050	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>122,809</u>	<u>1,050</u>	<u>95,317</u>	<u>67,505</u>	<u>27,862</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	117,133	570	72,169	37,079	59,449
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>117,133</u>	<u>570</u>	<u>72,169</u>	<u>37,079</u>	<u>59,449</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>5,676</u>	<u>480</u>	<u>23,148</u>	<u>30,426</u>	<u>(31,587)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	34,221	-	-	-	22,290
Transfers out	-	(24,421)	-	-	(55,021)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>9,800</u>	<u>-</u>	<u>-</u>	<u>(55,021)</u>	<u>22,290</u>
Net Change in Fund Balances	-	15,476	480	23,148	(24,595)	(9,297)
FUND BALANCES - BEGINNING	<u>2,106</u>	<u>-</u>	<u>10,044</u>	<u>214,501</u>	<u>238,654</u>	<u>14,451</u>
FUND BALANCES - ENDING	<u>\$ 2,106</u>	<u>\$ 15,476</u>	<u>\$ 10,524</u>	<u>\$ 237,649</u>	<u>\$ 214,059</u>	<u>\$ 5,154</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	237,649	214,059	-
Drug Education	-	-	-	-	-	-
Law Enforcement	2,106	15,476	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	10,524	-	-	-
Road Maintenance & Improvements	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	5,154
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,106</u>	<u>\$ 15,476</u>	<u>\$ 10,524</u>	<u>\$ 237,649</u>	<u>\$ 214,059</u>	<u>\$ 5,154</u>

(Continued)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Correctional Center Commissary Fund	Law Enforcement Center and Jail Bond Fund	County Building Fund	Flood Control Project Fund	Youth Camp Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Property Taxes	\$ -	\$ 960,700	\$ 94,502	\$ 72,537	\$ -	\$ 1,288,069
Investment Income	-	1,611	518	-	-	2,274
Intergovernmental	-	90,298	8,881	6,816	-	984,622
Charges for Services	214,676	-	-	-	-	276,383
Miscellaneous	4,952	-	-	-	9,185	35,757
TOTAL RECEIPTS	219,628	1,052,609	103,901	79,353	9,185	2,587,105
DISBURSEMENTS						
General Government	-	-	112,937	-	-	156,901
Public Safety	216,225	-	-	-	-	657,256
Public Works	-	-	-	-	-	1,030,012
Public Assistance	-	-	-	-	-	85,282
Culture and Recreation	-	-	-	-	8,100	17,580
Debt Service:						
Principal Payments	-	830,000	-	-	-	830,000
Interest and Fiscal Charges	-	125,174	-	-	-	125,174
TOTAL DISBURSEMENTS	216,225	955,174	112,937	-	8,100	2,902,205
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,403	97,435	(9,036)	79,353	1,085	(315,100)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	200,000	-	-	407,908
Transfers out	-	-	-	-	-	(172,717)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	200,000	-	-	235,191
Net Change in Fund Balances	3,403	97,435	190,964	79,353	1,085	(79,909)
FUND BALANCES - BEGINNING	92,441	699,308	345,885	624,561	5,563	4,345,328
FUND BALANCES - ENDING	\$ 95,844	\$ 796,743	\$ 536,849	\$ 703,914	\$ 6,648	\$ 4,265,419
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	44,301
911 Emergency Services	-	-	-	-	-	451,708
Drug Education	-	-	-	-	-	2,049
Law Enforcement	-	-	-	-	-	17,582
Preservation of Records	-	-	-	-	-	42,779
Debt Service	-	796,743	-	-	-	796,743
Road Maintenance	-	-	-	-	-	1,361,782
Child Support Enforcement	-	-	-	-	-	20,480
Committed to:						
Law Enforcement	95,844	-	-	-	-	136,839
Road Maintenance & Improvements	-	-	-	-	-	17,014
Aid and Assistance	-	-	-	-	-	121,577
County Buildings	-	-	536,849	-	-	536,849
Emergency Services	-	-	-	703,914	-	709,068
Youth Camp	-	-	-	-	6,648	6,648
TOTAL FUND BALANCES	\$ 95,844	\$ 796,743	\$ 536,849	\$ 703,914	\$ 6,648	\$ 4,265,419

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2018

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2017	\$ 42,565	\$ 40,063	\$ 149,254	\$ 41,916	\$ 1,007	\$ -	\$ 100
RECEIPTS							
Property Taxes	10,220	-	-	65,521	-	-	-
Licenses and Permits	7,788	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	252,900
Charges for Services	13,187	215,031	33,430	2,211,728	1,445	2,512	-
Miscellaneous	38,792	1,692	-	10,526	29	-	28,955
State Fees	42	280,575	35,455	1,244	-	-	-
Other Liabilities	-	-	526,777	597,880	96,962	-	-
TOTAL RECEIPTS	<u>70,029</u>	<u>497,298</u>	<u>595,662</u>	<u>2,886,899</u>	<u>98,436</u>	<u>2,512</u>	<u>281,855</u>
DISBURSEMENTS							
Payments to County Treasurer	56,696	214,643	32,625	2,284,829	1,623	2,512	281,621
Payments to State Treasurer	40	279,984	35,308	1,240	-	-	-
Other Liabilities	42,651	1,692	585,602	600,516	97,265	-	234
TOTAL DISBURSEMENTS	<u>99,387</u>	<u>496,319</u>	<u>653,535</u>	<u>2,886,585</u>	<u>98,888</u>	<u>2,512</u>	<u>281,855</u>
BALANCES JUNE 30, 2018	<u>\$ 13,207</u>	<u>\$ 41,042</u>	<u>\$ 91,381</u>	<u>\$ 42,230</u>	<u>\$ 555</u>	<u>\$ -</u>	<u>\$ 100</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 684	\$ 17,527	\$ 3,100	\$ 33,704	\$ 10	\$ -	\$ -
Petty Cash	12,500	500	200	4,400	200	-	100
Due to State Treasurer	23	23,015	2,918	94	-	-	-
Due to Others	-	-	85,163	4,032	345	-	-
BALANCES JUNE 30, 2018	<u>\$ 13,207</u>	<u>\$ 41,042</u>	<u>\$ 91,381</u>	<u>\$ 42,230</u>	<u>\$ 555</u>	<u>\$ -</u>	<u>\$ 100</u>

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2018

	Veterans' Service Officer	County Surveyor	County Youth Services	County Planning and Zoning	County Transportation	County Treasurer	County Assessor	Total
BALANCES JULY 1, 2017	\$ 7,814	\$ -	\$ 100	\$ 100	\$ 9	\$ 300	\$ 200	\$ 283,428
RECEIPTS								
Property Taxes	-	-	-	-	-	-	-	75,741
Licenses and Permits	-	-	-	188,851	-	-	-	196,639
Intergovernmental	-	-	3,570	-	62,951	-	-	319,421
Charges for Services	-	46	2,600	-	2,404	-	-	2,482,383
Miscellaneous	4	-	9,222	-	170	53	-	89,443
State Fees	-	-	-	-	-	-	-	317,316
Other Liabilities	-	-	1,487	-	-	-	-	1,223,106
TOTAL RECEIPTS	4	46	16,879	188,851	65,525	53	-	4,704,049
DISBURSEMENTS								
Payments to County Treasurer	-	46	15,354	188,851	65,534	-	-	3,144,334
Payments to State Treasurer	-	-	-	-	-	-	-	316,572
Other Liabilities	338	-	1,525	-	-	53	-	1,329,876
TOTAL DISBURSEMENTS	338	46	16,879	188,851	65,534	53	-	4,790,782
BALANCES JUNE 30, 2018	\$ 7,480	\$ -	\$ 100	\$ 100	\$ -	\$ 300	\$ 200	\$ 196,695
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 7,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,505
Petty Cash	-	-	100	100	-	300	200	18,600
Due to State Treasurer	-	-	-	-	-	-	-	26,050
Due to Others	-	-	-	-	-	-	-	89,540
BALANCES JUNE 30, 2018	\$ 7,480	\$ -	\$ 100	\$ 100	\$ -	\$ 300	\$ 200	\$ 196,695

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
 June 30, 2018

Item	2013	2014	2015	2016	2017
Tax Certified by Assessor					
Real Estate	\$ 47,553,119	\$ 50,276,322	\$ 53,460,786	\$ 54,449,427	\$ 56,141,605
Personal and Specials	2,233,556	2,425,467	2,559,192	2,238,162	2,075,220
Total	49,786,675	52,701,789	56,019,978	56,687,589	58,216,825
Corrections					
Additions	18,685	31,924	26,158	13,255	10,390
Deductions	(35,008)	(22,358)	(111,929)	(38,564)	(17,881)
Net Additions/ (Deductions)	(16,323)	9,566	(85,771)	(25,309)	(7,491)
Corrected Certified Tax	49,770,352	52,711,355	55,934,207	56,662,280	58,209,334
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2014	30,470,890	-	-	-	-
June 30, 2015	19,256,040	32,604,771	-	-	-
June 30, 2016	14,466	20,039,364	34,411,261	-	-
June 30, 2017	26,998	65,223	21,587,396	34,909,552	-
June 30, 2018	1,596	555	(67,943)	21,701,981	37,212,270
Total Net Collections	49,769,990	52,709,913	55,930,714	56,611,533	37,212,270
Total Uncollected Tax	\$ 362	\$ 1,442	\$ 3,493	\$ 50,747	\$ 20,997,064
Percentage Uncollected Tax	0.00%	0.00%	0.01%	0.09%	36.07%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Supervisors
Saunders County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Saunders County's basic financial statements, and have issued our report thereon dated February 19, 2019. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Saunders County Hospital, a component unit of Saunders County.

Internal Control Over Financial Reporting

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

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

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

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

Additional Items

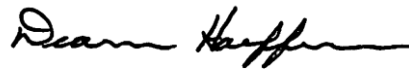
We also noted certain matters that we reported to the management of Saunders County in a separate letter dated February 19, 2019.

Saunders County's Response to Findings

Saunders 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

February 19, 2019



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 19, 2019

Board of Supervisors
Saunders County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Saunders County (County) for the fiscal year ended June 30, 2018, and have issued our report thereon dated February 19, 2019. 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

We noted the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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.

COUNTY BOARD

Delinquent Tax Procedures

The following statutorily required procedures were not completed by the County Treasurer and County Board.

- The County Treasurer did not present a list of delinquent real estate taxes to the County Board.
- The County Board did not direct the County Treasurer to issue tax sale certificates.
- The County Board did not direct the County Attorney to foreclose on delinquent real estate taxes.

Neb. Rev. Stat. § 77-1918 (Reissue 2009) states the following:

On or before October 1 of each year, the county treasurer shall make a report in writing to the county board setting out a complete list of all real property in the county on which any taxes are delinquent and which was not sold for want of bidders at the last annual tax sale held in such county. It shall be the duty of the county board, at its first meeting held after the making of such report, to carefully examine the same, and while it may direct the issuance of tax sale certificates to the county upon any real property upon which there are any delinquent taxes, it shall, as to all real property upon which taxes are delinquent for three or more years, either enter an order directing the foreclosure of the lien of such taxes as provided in section 77-1901 or enter an order for the county treasurer to issue tax sale certificates to the county covering the delinquent taxes upon such real property, to be foreclosed upon in the manner and at the time provided in sections 77-1901 to 77-1918.

* * * *

Any county treasurer, county attorney, or member of the county board who willfully fails, neglects, or refuses to perform the duties imposed by such sections shall be guilty of official misdemeanor and subject to removal from office as provided in sections 23-2001 to 23-2009. If the county board fails to dismiss the county attorney for failure to foreclose liens, the county board shall be removed. Any member of a county board who, upon a motion duly made by one member of such board to remove a county attorney from office who has failed to foreclose liens, does not vote for such motion or any member who votes to retain a county attorney in office after it has been brought to the board's attention that he or she has failed to foreclose liens shall be subject to removal from office as provided in sections 23-2001 to 23-2009.

When the procedures required by § 77-1918 are not carried out, the County is not in compliance with that statute, resulting in the potential removal from office of the County Treasurer or County Board members.

We recommend the County Treasurer and County Board implement procedures to ensure all statutorily required items are completed and documented in the County Board minutes.

Expenditures in Excess of Budget

For the fiscal year ended June 30, 2018, the expenditures in the County Treasurer function within the General Fund exceeded the adopted budget by \$2,890. In addition, the Child Support Incentive Fund expenditures exceeded the adopted budget by \$1,892.

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

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, 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. A similar finding was noted in the prior audit.

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

Claims Process

During our audit, we noted that the County did not have sufficient procedures in place to prevent the payment of sales tax. Four claims tested included the payment of sales and lodging taxes, totaling \$93. See table below for details.

Date	Payee	Hotel Location	Sales and Lodging Tax Paid
9/7/2017	Auto Alley	N/A	\$ 10.00
3/23/2018	Boarders Inn and Suites	Grand Island, NE	\$ 27.00
4/12/2018	Holiday Inn Express	Mead, NE	\$ 16.00
5/4/2018	Hilton Inn	Kearney, NE	\$ 26.00
6/27/2018	Comfort Inn	Kearney, NE	\$ 14.00
	Total		\$ 93.00

Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2016) states, in relevant part, the following:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state . . . or by any county

When the County pays for sales or lodging taxes, there is an increased risk for the loss of funds and noncompliance with State statute.

We recommend the County Board implement procedures for an adequate review of all claims prior to approval to ensure the claims do not include sales and lodging taxes.

Payroll Procedures

During testing of payroll, it was noted that multiple salaried employees, who receive biweekly paychecks, are frequently paid in advance for time not yet worked. If an employee has not worked half a pay period, there is no legal obligation to pay him or her for that time. Additionally, when salaries and benefits are paid before actually being earned, there is a potential for overpayment if, after the payroll, the employee should leave his or her position unexpectedly or fail to work the required number of days. This was also noted in prior audits.

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

A good internal control plan and sound accounting practices require the County Board to approve the disbursement of money only after ensuring the County actually owes the debt.

When employees' paychecks are approved and paid prior to hours earned, there is an increased risk of loss or misuse of County funds.

We recommend the County Board pay each employee only for hours actually worked or earned through sick or vacation leave, as provided in that individual's employment contract.

Public Defender Rental Contract

During the audit, we noted claims paid to the County Public Defender's private business for rent, totaling \$800 per month, for a total paid during the fiscal year of \$9,600. The payment of rent for the Public Defender was not supported by a written agreement.

Good internal controls and sound accounting practices require adequate supporting documentation, such as a contract or other such written agreements, to be on file to support claims paid. Without such written agreement, there is an increased risk for the loss, theft, or misuse of funds.

We recommend the County Board enter into a written agreement with the Public Defender for rent payments.

COUNTY CLERK

Expenditures Not Recorded

For two funds, voided checks, totaling \$97,094, were not adjusted in the current expenditures report, resulting in excess disbursements noted in the County Clerk's records. Additionally, bond payments for two funds, totaling \$2,069,313, were not recorded in the County Clerk's records.

Good internal control and sound business practice require procedures to ensure all financial activity of the County is properly reflected in the County Clerk's records to ensure compliance with the Nebraska Budget Act (Act). Without such procedures, there is an increased risk of noncompliance with the Act.

We recommend the County Clerk implement procedures to ensure all financial activity of the County is properly reflected in the Clerk's records.

Budget Not Balanced and Accurate

During the audit, we noted the following regarding the County's 2017-2018 budget:

- For the Diversion Program fund, the budget was not balanced, resulting in the actual budgeted cash reserve being short from the published amount by \$1,362.
- Budgeted transfers in and out did not agree, resulting in a variance of \$9,137.

Neb. Rev. Stat. § 13-505 (Cum. Supp. 2016) states, in relevant part, the following:

The amount to be raised from taxation of personal and real property, as determined above, plus the estimated revenue from other sources, including motor vehicle taxes, and the unencumbered balances shall equal the estimated expenditures, plus the necessary required cash reserve, for the ensuing year or biennial period.

Good internal control and sound business practice require procedures to ensure that the budget is balanced and accurate.

When the budget is not balanced and accurate, the County is noncompliant with State statute.

We recommend the County Clerk implement procedures to ensure the budget document is accurately balanced.

CLERK OF THE DISTRICT COURT

Review of Overdue Case Balance Report

We noted that the Clerk of the District Court did not adequately review the Overdue Case Balance Report to ensure the balances were proper, and appropriate action was taken timely. Seven of the 10 overdue balances tested, totaling \$6,249, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. As of January 11, 2019, the report contained 293 overdue cases with a total owed of \$105,626. Of these 293 cases, only 21 cases had a current warrant or suspension issued for nonpayment. The table below summarizes the number of overdue cases and amounts by year.

Year	Number of Cases	Amount	Number of Cases with Warrants
1997	6	\$ 129	1
1998	17	\$ 8,639	0
1999	7	\$ 1,783	0
2000	6	\$ 1,020	1
2001	3	\$ 98	0
2002	6	\$ 292	1
2003	9	\$ 1,299	0
2004	15	\$ 4,360	0
2005	8	\$ 1,047	0
2006	9	\$ 511	0
2007	12	\$ 2,244	0
2008	11	\$ 2,959	0
2009	11	\$ 3,173	1
2010	6	\$ 1,464	0
2011	5	\$ 409	1
2012	11	\$ 3,229	1
2013	8	\$ 500	0
2014	9	\$ 4,816	0
2015	21	\$ 7,978	4
2016	44	\$ 25,968	4
2017	55	\$ 24,063	6
2018	14	\$ 9,645	1
Total	293	\$ 105,626	21

Good internal control and sound business practices require procedures for ensuring that the Overdue Case Balance Report is reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or resolve those balances.

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

We recommend the District Court implement procedures to ensure the Overdue Case Balance Report is reviewed on an ongoing basis. Potential courses of action for follow up would include: 1) issuance of warrants; 2) judge's determination and order to waive certain costs, if allowable; 3) declaration of certain balances as uncollectible; or 4) working with the probation office to determine if certain probation costs should be waived.

COUNTY REGISTER OF DEEDS

Petty Cash Funds

During our review of petty cash records, we noted the County Register of Deeds was reimbursed for \$385 in petty cash expenses that were never recorded in the office records. We noted also that adequate documentation was not provided to the County Board to support fully \$205 of the reimbursement, which was for mileage costs. Documentation was provided to the Board to support the reimbursement of the remaining \$180, which was for postage.

Good internal controls and sound business practice require procedures to ensure all petty cash activity is properly recorded in office financial records and fully supported by documentation. Without adequate records and supporting documentation, there is an increased risk for the loss, theft, or misuse of funds.

We recommend the County Register of Deeds implement procedures to ensure all petty cash activity is properly recorded in the office records, and adequate supporting documentation is provided for all expenses.

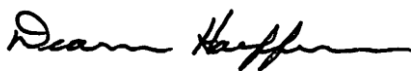
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



Deann Haeffner, CPA
Assistant Deputy Auditor