

SALINE COUNTY
Wilber, Nebraska

FINANCIAL STATEMENTS

June 30, 2013

SALINE COUNTY, NEBRASKA

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CONTRYMAN ASSOCIATES, P.C.

Certified Public Accountants

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Independent Auditors' Report

To the Board of Commissioners
Saline County
Wilber, 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 Saline County, Nebraska, as of and for the year ended June 30, 2013, 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 as 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 of 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 audit 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 the aggregate remaining fund information of Saline County, Nebraska, as of June 30, 2013 and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Report on Supplementary and Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saline County, Nebraska's basic financial statements. The combining statements listed on pages 21 – 28 as Supplementary Information in the table of contents is presented for purposes of additional analysis and are not a required part of the County's basic financial statements.

The combining statements 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 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 combining statements are 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.

The budgetary comparison schedules and statements of accountability (listed as Other Information in the Table of Contents) have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2013, on our consideration of Saline County, Nebraska's internal control over financial reporting and 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 Saline County, Nebraska's internal control over financial reporting and compliance.


Certified Public Accountants
Grand Island, Nebraska

November 19, 2013

SALINE COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash	2,699,728
Restricted cash	<u>4,619,131</u>
 TOTAL ASSETS	 <u><u>7,318,859</u></u>
 NET POSITION	
Restricted for:	
Debt service	582,318
Tourism	26,298
Federal/state grants	79,212
Veterans' aid	5,322
Capital projects	3,289,658
Law enforcement and crime prevention	336,959
Emergency preparedness and services	288,089
Interlocal services	11,275
Unrestricted	<u>2,699,728</u>
 TOTAL NET POSITION	 <u><u>7,318,859</u></u>

See accompanying notes.

SALINE COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES:				
General government	3,526,017	442,799	192,217	(2,891,001)
Public safety	3,341,834	1,951,210	74,176	(1,316,448)
Public works	6,434,048	16,773	956,001	(5,461,274)
Public welfare and social services	169,327	5,304	53,404	(110,619)
TOTAL GOVERNMENTAL ACTIVITIES	<u>13,471,226</u>	<u>2,416,086</u>	<u>1,275,798</u>	<u>(9,779,342)</u>
General revenues:				
Taxes:				
Real and personal property				5,323,198
Motor vehicle				386,677
Inheritance				763,290
Sales tax				18,027
Intergovernmental				1,059,363
Interest income				45,945
Miscellaneous				253,123
TOTAL GENERAL REVENUE				<u>7,849,623</u>
CHANGE IN NET POSITION				(1,929,719)
Net position - beginning of year				<u>9,248,578</u>
NET POSITION - ENDING				<u><u>7,318,859</u></u>

See accompany notes.

SALINE COUNTY, NEBRASKA

STATEMENT OF ASSETS AND
FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Road Fund	Jail Bond Fund	Jail Expansion Debt Service	Other Capital Projects	Nonmajor Funds	Total Governmental Funds
ASSETS:							
Cash	1,790,625	542,656	0	0	0	366,447	2,699,728
Restricted cash	0	0	582,318	0	3,051,777	985,036	4,619,131
TOTAL ASSETS	<u>1,790,625</u>	<u>542,656</u>	<u>582,318</u>	<u>0</u>	<u>3,051,777</u>	<u>1,351,483</u>	<u>7,318,859</u>
FUND BALANCES:							
Unassigned	1,790,625	0	0	0	0	0	1,790,625
Committed	0	542,656	0	0	0	366,447	909,103
Restricted	0	0	582,318	0	3,051,777	985,036	4,619,131
TOTAL FUND BALANCES	<u>1,790,625</u>	<u>542,656</u>	<u>582,318</u>	<u>0</u>	<u>3,051,777</u>	<u>1,351,483</u>	<u>7,318,859</u>

See accompanying notes.

SALINE COUNTY, NEBRASKA

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

Year Ended June 30, 2013

	General Fund	Road Fund	Jail Bond Fund	Jail Expansion Debt Service	Other Capital Projects	Nonmajor Funds	Total Governmental Funds
RECEIPTS:							
Taxes	5,312,966	0	396,909	0	0	0	5,709,875
Inheritance tax	763,290	0	0	0	0	0	763,290
Intergovernmental	592,089	1,071,643	24,471	0	0	646,958	2,335,161
Local	2,159,001	163,661	0	0	0	410,519	2,733,181
TOTAL RECEIPTS	8,827,346	1,235,304	421,380	0	0	1,057,477	11,541,507
DISBURSEMENTS:							
Current:							
General government	3,196,395	0	0	0	0	98,543	3,294,938
Public safety	2,496,133	0	0	0	0	201,325	2,697,458
Public works	184,710	2,427,253	0	0	0	0	2,611,963
Public welfare and social services	34,068	0	0	0	0	111,632	145,700
Capital outlay	155,783	653,971	0	0	2,851,761	118,655	3,780,170
Debt service:							
Principal	0	181,621	305,000	135,000	0	86,327	707,948
Interest and other charges	0	11,024	101,495	2,768	0	117,762	233,049
TOTAL DISBURSEMENTS	6,067,089	3,273,869	406,495	137,768	2,851,761	734,244	13,471,226
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,760,257	(2,038,565)	14,885	(137,768)	(2,851,761)	323,233	(1,929,719)
OTHER FINANCING SOURCES (USES):							
Transfers in	0	2,156,235	0	137,768	0	277,632	2,571,635
Transfers out	(2,109,832)	0	0	0	0	(461,803)	(2,571,635)
TOTAL OTHER FINANCING SOURCES (USES)	(2,109,832)	2,156,235	0	137,768	0	(184,171)	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	650,425	117,670	14,885	0	(2,851,761)	139,062	(1,929,719)
Fund balances - beginning of year	1,140,200	424,986	567,433	0	5,903,538	1,212,421	9,248,578
FUND BALANCES - END OF YEAR	1,790,625	542,656	582,318	0	3,051,777	1,351,483	7,318,859

See accompanying notes.

SALINE COUNTY, NEBRASKA

**STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS**

June 30, 2013

	<u>Agency Funds</u>
ASSETS:	
Cash	<u>593,305</u>
CURRENT LIABILITIES:	
Due to other governments	<u>593,305</u>

See accompanying notes.

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Basis of Accounting note below, these financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

Government

Saline County, Nebraska is governed by a five-member Board of Commissioners. Members of the board are elected by the general public and have financial accountability and control over all activities related to the County. The County acts as an agent in collecting taxes and intergovernmental revenue on behalf of other government entities located in the County. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The basic financial statements report on the County as a whole. There are no component units required to be included in the financial statements.

Basis of Accounting

The financial statements are presented on the cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures which result from cash transactions. As a result of this basis of accounting, fixed assets, certain other assets and their related revenues (such as accounts receivable and revenue for the billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded.

If the County utilized the basis of accounting recognized as generally accepted accounting principles, the fund financial statements for governmental funds would use the modified accrual basis of accounting. Government-wide and fiduciary financial statements would use the accrual basis of accounting.

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SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds.

In the Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and financial position. All assets arising from cash transactions (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported.

The Statement of Activities reports both the gross and net cost of each of the County's governmental functions. The net costs of each governmental function are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the governmental function.

Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, fund equity, receipts and disbursements.

The governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities arising from cash transactions are generally included on the Statement of Assets and Fund Balances. Capital assets acquired are accounted for as capital outlay expenditures. Debt proceeds (if any) are reported as other financing sources and payments of principal and interest are reported as expenditures. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balances are the measure of available spendable financial resources at the end of the period.

Some individual County offices also maintain accounting records for monies received and disbursed directly by that office. Only that portion of those monies which is remitted by that office to the County Treasurer would be reflected on the County's financial statements.

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SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The following fund types are used by the County:

Governmental Fund Types

General Fund is the general operating fund of the County. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds are used to account for and report financial resources that are restricted or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds are used to account for and report financial resources that are restricted or committed to expenditure for debt principal and interest.

Fiduciary Fund Types

The fiduciary fund is used to report assets held in a trust or agency capacity for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The emphasis in fund financial statements is on the major funds in the governmental categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 prescribes minimum criteria for the determination of major funds. Some funds may have been reclassified as major and nonmajor from the prior year.

The following funds are considered major funds:

General Fund as previously described.

Road Fund is a special revenue fund that accounts for revenues and expenditures for the maintenance, construction, and improvements of the roads of the County.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Jail Bond Fund is a debt service fund and accounts for interest revenue and expenditures for the repayment of jail bonds. The County annually levies taxes restricted for the retirement of this debt.

Jail Expansion Debt Service Fund is a debt service fund. This fund receives transfers of inmate boarding from the Jail Expansion Contingency Fund for the repayment of interest and principal on the 2006 bonds.

Other Capital Projects Fund is a capital projects fund to be used for expenses relating to the Milford road project.

Financial Statement Amounts

Cash

The County has defined cash to include cash on hand, cash in banks, and certificates of deposit.

Government-Wide Equity

In the government-wide statements, equity is classified as net position and displayed in two components:

- 1) Restricted net position – Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- 2) Unrestricted net position – All other net positions that do not meet the definition of “restricted”.

It is the County’s policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements – Fund Balances

In the fund statements, governmental fund equity is classified as fund balance. In the governmental fund statements, fund balances are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- 1) Nonspendable fund balances – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact. The County does not have any nonspendable funds at June 30, 2013.

- 2) Restricted fund balance—amounts that can be spent only for specific purposes because of constraints imposed by creditors, grantors, contributors, constitutional provisions, enabling legislation or by laws and regulations. As of June 30, 2013, the fund balance of \$4,619,131 is restricted for the following specific purposes:

Fund	Purpose	Amount
District Court – Bailiff Fund	Interlocal agreement for bailiff services	6,868
Visitors Promotion Fund	Tourism	13,437
Veterans’ Aid Fund	Veterans Aid	5,322
Senior Services Fund	Senior Services	78,109
Drug Court Fund	Interlocal agreement for drug court services	4,407
Grant Fund	Grants for highway safety expenses	476
Homeland Security Fund	Grant for the security of the courthouse	627
Crime Prevention Fund	Drug seizure funds to be used for crime prevention	113,125
Commissary Fund	Law enforcement	223,834
E911 Fund	Communication emergencies	107,118
Emergency Preparedness Fund	Grant funds restricted for emergency situations	87,176
911 Wireless Services Fund	Implement or update equipment for Public Safety Answering	93,795
4M Building Fund	Loan agreement restricting for capital improvements	6,104
Visitor Improvement Fund	Sales tax funds from hotel occupancy used for promotion of visitors to county	12,861

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements – Fund Balances (Continued)

Fund	Purpose	Amount
Milford Road Bond Fund	Funds used to make principal and interest payments on this bond	227,935
Rod Preservation & Modernization	Funds used for preservation and modernization of County deeds	3,842
Total non-major funds		985,036
Jail Bond Fund (major fund)	Repayment of bond principal and interest	582,318
Other Capital Projects Fund (major fund)	Milford Road Project	3,051,777

- 3) Committed fund balance—amounts that can be spent only for specific purposes determined by formal action of the Saline County, Nebraska Board of Commissioners which is the highest level of authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the Saline County Board of Commissioners. As of June 30, 2013, the fund balance of \$909,103 is committed for the following specific purposes:

Fund	Purpose	Amount
Reappraisal Fund	Reappraisal expenses	31,286
Employment Security Fund	Unemployment benefits	3,934
Infra Damage/Disaster Fund	Contingency funds for disaster	1,100
Emergency Bridge Fund	Bridge repair and construction	173,198
Special Road Fund	Construction of roads	144,285
Child Support Enforcement Fund	Child Support purposes	4,869
Juvenile Diversion Fund	Juvenile Diversion purposes	7,775
Jail Expansion Contingency Fund	Funds from inmate boarding to be used to retire bond principal and interest	0
Total nonmajor funds		366,447
Road Fund (major fund)	Road Maintenance	542,656

- 4) Assigned fund balance—amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. In Saline County, the Board of Commissioners may assign amounts. As of June 30, 2013, the County has no assigned fund balances.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements – Fund Balances (Continued)

- 5) Unassigned fund balance—all other spendable amounts.

The County typically uses restricted resources first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Expenditures

Expenditures are classified by function for government-wide activities. In the governmental funds, expenditures are classified by character (current, capital outlay, and debt service).

Interfund Activity

Interfund activities are reported as either loans or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers.

NOTE 2: CUSTODIAL CREDIT RISK

The County maintains a cash and certificate of deposit pool that is available for use by all funds except those required to maintain separate accounts. Each fund type's portion of these pools is displayed on the balance sheet as "Cash" under each fund's caption. State law requires that all funds held in depositories be fully insured or collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

NOTE 3: RESTRICTED CASH

Cash has been restricted in amounts agreeing to restricted fund balances as noted in Note 1, Fund Statements – Fund Balances.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 4: PROPERTY TAXES

Real estate taxes are levied December 1 of each year and become a lien on the real property on January 1 of the next year. Personal property taxes on owned or leased property are assessed as of January 1 of each year and become a lien on all personal property owned as of December 31 of that year. The first half of both taxes is delinquent May 1 and the second half delinquent September 1 of the following year. Taxes not paid by the due dates become delinquent and interest is assessed at 14%.

NOTE 5: INTERFUND BALANCES AND ACTIVITY

<u>Transfers Out</u>	<u>Transfer In</u>			
	<u>Road Fund</u>	<u>Jail Expansion</u>	<u>Nonmajor Funds</u>	<u>Total</u>
General Fund	2,109,832	0	0	2,109,832
Nonmajor Funds	46,403	137,768	277,088	461,259
Total	<u>2,156,235</u>	<u>137,768</u>	<u>277,088</u>	<u>2,571,091</u>

Transfers are used to move revenues between the funds and are routine in nature. Amounts reported as Interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

NOTE 6: EMPLOYEE RETIREMENT SYSTEM

The County provides pension benefits for all of its full-time employees through a defined contribution plan known as the Retirement System for Nebraska Counties as authorized by Nebraska Statutes. Employees are eligible to participate at various dates, based upon employment status. There are two different benefit elements to the retirement plan, a defined contribution benefit and a cash balance benefit. Both benefits fully vest after three years of continuous service. Employee contributions are fully vested immediately in both elements. Employees are required to contribute 4.5% of their base salary each month and the County contributes 6.75%, except for certified Law Enforcement employees who contribute 5.5% and the County contributes 7.75%.

Both the covered employees and the County made the required contributions of \$188,906 and \$279,708, respectively.

Employees also have a deferred compensation plan available. Employee contributions totaled \$33,938.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 7: CONTINGENCIES

Environmental

The County is subject to laws and regulations relating to the protection of the environment. The County's policy would be to disclose environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the County's continuing compliance efforts, management believes any possible future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the County.

Federal and State Award Programs

The County receives funds under various federal and state grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

NOTE 8: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft, damage, 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.

Counties joining the pool must remain members for a minimum of three years. A member may withdraw from the pool after that by giving 90 days notice. If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the pool for additional contributions.

The County has not paid any additional assessments to the pool in the last three fiscal years and no assessments are anticipated for fiscal year 2013. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 9: INTEREST EXPENSE

Interest expense in the Statement of Activities was charged to the following functions:

General Government	\$5,673
Public Works	\$11,024
Public Safety	\$216,352

NOTE 10: COMMITMENTS

Capital Leases

	<u>Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Boiler and New Windows	6/1/2011	12/1/2015	2.25%	273,583	0	86,327	187,256
4 Motor Graders	10/26/2010	9/20/2013	2.95%	368,673	0	181,621	187,052
Total				642,256	0	267,948	374,308

Future principal and interest payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
<u>End June 30</u>		
2014	275,333	9,313
2015	90,278	1,722
2016	8,697	98

Operating Leases

The County has various operating leases for equipment, towers and a building. Rent expense for the year totaled \$14,980. Future minimum rents will be:

June 30, 2014	14,980
June 30, 2015	10,705
June 30, 2016	3,050
June 30, 2017	1,750
June 30, 2018	1,750

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 10: COMMITMENTS (CONTINUED)

Bonds Payable

	<u>Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
2006 bonds (refinanced in 2009)	7/1/2009	1/1/2013	3.9 to 4.1%	135,000	0	135,000	0
2004 bonds (refinanced in 2009)	6/15/2009	12/15/2020	1.0 to 3.875%	3,405,000	0	305,000	3,100,000
2012 bonds	6/26/2012	10/1/2032	.40 to 3.60%	6,015,000	0	0	6,015,000
Total				9,555,000	0	440,000	9,115,000

Future principal and interest payments:

<u>Fiscal year end June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Fiscal year end June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	575,000	241,768	2019-2023	2,700,000	700,131
2015	590,000	232,925	2024-2028	1,545,000	436,198
2016	610,000	221,874	2029-2033	1,810,000	163,924
2017	630,000	208,825			
2018	655,000	193,843	Totals	9,115,000	2,399,486

Region V

Saline County has entered into an agreement with other counties in Region V in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Separate agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under each of the Acts.

The governing boards for Region V Services are established by state statute and include representatives from the participating county boards. Each county contributes to the financial support of the Region activities as required by the Acts. Saline County contributed \$56,795 towards the operation of Region V during the fiscal year, 2013. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

(Continued on next page)

SALINE COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE 10: COMMITMENTS (CONTINUED)

Region V (Continued)

The Nebraska Department of Public Institutions requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in those audit reports.

Construction Commitments

At June 30, 2013, Saline County had construction in progress on various projects – approximately \$3,052,000 remains to be paid to contractors.

Doane College Bonds

The County has two sets of educational facilities revenue and refunding bonds for the Doane College Project. If Doane College should default on making the required debt service payments, the County is liable. The following information relates to these bonds:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>
Bonds 2013A	1/30/2013	2/15/2038	9,925,000	.45% to 3.6%
Bonds 2013B	3/7/2013	2/15/2038	8,520,000	.45% to 3.65%

NOTE 11: BUDGET COMPLIANCE

During the year ended June 30, 2013, the following fund had total disbursements exceeding total appropriations:

	<u>Disbursements</u>	<u>Appropriations</u>	<u>Excess</u>
Jail Contingency	461,630	311,668	149,963

SUPPLEMENTARY INFORMATION

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS GENERAL FUND

June 30, 2013

	<u>General Fund</u>	<u>Inheritance Fund</u>	<u>Total General Fund</u>
ASSETS:			
Cash	<u>1,170,177</u>	<u>620,448</u>	<u>1,790,625</u>
FUND BALANCES:			
Unassigned	<u>1,170,177</u>	<u>620,448</u>	<u>1,790,625</u>

See accompanying notes.

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS GENERAL FUND

Year Ended June 30, 2013

	General Fund	Inheritance Fund	Total General Fund
RECEIPTS:			
Taxes	5,312,966	0	5,312,966
Inheritance tax	0	763,290	763,290
Intergovernmental	592,089	0	592,089
Local	2,154,991	4,010	2,159,001
TOTAL RECEIPTS	8,060,046	767,300	8,827,346
DISBURSEMENTS:			
Current:			
General government	3,194,334	2,061	3,196,395
Public safety	2,496,133	0	2,496,133
Public works	184,710	0	184,710
Public welfare and social services	34,068	0	34,068
Capital outlay	155,783	0	155,783
TOTAL DISBURSEMENTS	6,065,028	2,061	6,067,089
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,995,018	765,239	2,760,257
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,424,832)	(685,000)	(2,109,832)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	570,186	80,239	650,425
Fund balances - beginning of year	599,991	540,209	1,140,200
FUND BALANCES - END OF YEAR	1,170,177	620,448	1,790,625

See accompanying notes.

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND
FUND BALANCES - CASH BASIS
NON-MAJOR FUNDS

June 30, 2013

	Special Revenue		
	District Court - Bailliff Fund	Child Support Enforcement Fund	Visitors Promotion Fund
ASSETS:			
Cash	0	4,869	0
Restricted cash	6,868	0	13,437
TOTAL ASSETS	6,868	4,869	13,437
FUND BALANCES:			
Committed	0	4,869	0
Restricted	6,868	0	13,437
TOTAL FUND BALANCES	6,868	4,869	13,437

(Continued on next page)

	Special Revenue					
	Visitor Improvement Fund	Reappraisal Fund	Employment Security	Veterans' Aid Fund	Senior Services Fund	Juvenile Diversion
	0	31,286	3,934	0	0	7,775
	12,861	0	0	5,322	78,109	0
	12,861	31,286	3,934	5,322	78,109	7,775
	0	31,286	3,934	0	0	7,775
	12,861	0	0	5,322	78,109	0
	12,861	31,286	3,934	5,322	78,109	7,775

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND
FUND BALANCES - CASH BASIS - (CONTINUED)
NON-MAJOR FUNDS (CONTINUED)

June 30, 2013

	Special Revenue		
	Drug Court Fund	Grant Fund	Homeland Security Fund
ASSETS:			
Cash	0	0	0
Restricted cash	4,407	476	627
TOTAL ASSETS	4,407	476	627
FUND BALANCES:			
Committed	0	0	0
Restricted	4,407	476	627
TOTAL FUND BALANCES	4,407	476	627

(Continued on next page)

Special Revenue					
Emergency Preparedness Fund	911 Wireless Services Fund	Commissary Fund	Crime Prevention Fund	Infra Damage/ Disaster Fund	E911 Fund
0	0	0	0	1,100	0
87,176	93,795	223,834	113,125	0	107,118
87,176	93,795	223,834	113,125	1,100	107,118
0	0	0	0	1,100	0
87,176	93,795	223,834	113,125	0	107,118
87,176	93,795	223,834	113,125	1,100	107,118

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND
FUND BALANCES - CASH BASIS - (CONTINUED)
NON-MAJOR FUNDS (CONTINUED)

June 30, 2013

	Special Revenue	Capital Projects	
	Register of Deeds Preservation and Modernization Fund	Emergency Bridge Fund	Special Road Fund
ASSETS:			
Cash	0	173,198	144,285
Restricted cash	3,842	0	0
TOTAL ASSETS	3,842	173,198	144,285
FUND BALANCES:			
Committed	0	173,198	144,285
Restricted	3,842	0	0
TOTAL FUND BALANCES	3,842	173,198	144,285

	Capital Projects		Debt Service	Total Non-Major Funds
	Jail Expansion Contingency Fund	4M Building Fund	Highway Bond	
	0	0	0	366,447
	0	6,104	227,935	985,036
	0	6,104	227,935	1,351,483
	0	0	0	366,447
	0	6,104	227,935	985,036
	0	6,104	227,935	1,351,483

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES - CASH BASIS
NON-MAJOR FUNDS

Year Ended June 30, 2013

	Special Revenue		
	District Court - Bailliff Fund	Child Support Enforcement Fund	Visitors Promotion Fund
RECEIPTS:			
Intergovernmental	39,367	0	0
Local	0	0	9,014
TOTAL RECEIPTS	39,367	0	9,014
DISBURSEMENTS:			
Current:			
General government	59,967	0	9,185
Public safety	0	961	0
Public works	0	0	0
Public welfare and social services	0	0	0
Capital outlay	0	0	0
Debt service:			
Principal, interest and other charges	0	0	0
TOTAL DISBURSEMENTS	59,967	961	9,185
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,600)	(961)	(171)
OTHER FINANCING SOURCES (USES):			
Transfers in	23,208	0	0
Transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	23,208	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	2,608	(961)	(171)
Fund balances - beginning of year, as adjusted	4,260	5,830	13,608
FUND BALANCES - END OF YEAR	6,868	4,869	13,437

(Continued on next page)

	Special Revenue					
	Visitors Improvement Fund	Reappraisal Fund	Employment Security Fund	Veterans' Aid Fund	Senior Services Fund	Juvenile Diversion Fund
0	0	0	2	69,297	0	
9,014	113	0	0	16,987	2,200	
9,014	113	0	2	86,284	2,200	
225	0	1,296	0	0	0	
0	0	0	0	0	326	
0	0	0	0	0	0	
0	30,980	0	0	80,652	0	
0	20,785	0	0	499	0	
0	0	0	0	0	0	
225	51,765	1,296	0	81,151	326	
8,789	(51,652)	(1,296)	2	5,133	1,874	
0	82,500	0	0	5,072	0	
0	0	0	0	0	0	
0	82,500	0	0	5,072	0	
8,789	30,848	(1,296)	2	10,205	1,874	
4,072	438	5,230	5,320	67,904	5,901	
12,861	31,286	3,934	5,322	78,109	7,775	

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES - CASH BASIS
NON-MAJOR FUNDS (CONTINUED)

Year Ended June 30, 2013

	Special Revenue		
	Drug Court Fund	Grant Fund	Homeland Security Fund
RECEIPTS:			
Intergovernmental	17,680	12,667	0
Local	2,440	0	0
TOTAL RECEIPTS	20,120	12,667	0
DISBURSEMENTS:			
Current:			
General government	0	12,498	0
Public safety	25,191	0	0
Public works	0	0	0
Public welfare and social services	0	0	0
Capital outlay	0	0	0
Debt service:			
Principal, interest and other charges	0	0	0
TOTAL DISBURSEMENTS	25,191	12,498	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,071)	169	0
OTHER FINANCING SOURCES (USES):			
Transfers in	3,080	0	0
Transfers out	0	(188)	0
TOTAL OTHER FINANCING SOURCES (USES)	3,080	(188)	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(1,991)	(19)	0
Fund balances - beginning of year, as adjusted	6,398	495	627
FUND BALANCES - END OF YEAR	4,407	476	627

(Continued on next page)

Special Revenue					
Emergency Preparedness Fund	911 Wireless Services Fund	Commissary Fund	Crime Prevention Fund	Infra Damage/ Disaster Fund	E911 Fund
74,176	76,797	0	16,936	0	0
2,705	0	158,951	1,000	0	24,191
76,881	76,797	158,951	17,936	0	24,191
0	0	0	0	0	0
15,976	0	104,515	19,631	0	34,437
0	0	0	0	0	0
0	0	0	0	0	0
13,411	23,327	0	0	0	6,472
0	0	0	0	0	0
29,387	23,327	104,515	19,631	0	40,909
47,494	53,470	54,436	(1,695)	0	(16,718)
0	272	0	0	0	0
0	0	0	0	0	(272)
0	272	0	0	0	(272)
47,494	53,742	54,436	(1,695)	0	(16,990)
39,682	40,053	169,398	114,820	1,100	124,108
87,176	93,795	223,834	113,125	1,100	107,118

SALINE COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES - CASH BASIS
NON-MAJOR FUNDS (CONTINUED)

Year Ended June 30, 2013

	Special Revenue	Capital Projects		Capital Projects			Debt Service	Total Non-Major Funds
	Register of Deeds Preservation and Modernization	Emergency Bridge Fund	Special Road Fund	Jail Expansion Contingency Fund	4M Building Fund	Highway Bond		
RECEIPTS:								
Intergovernmental	0	12	0	0	0	340,024	646,958	
Local	3,842	0	0	180,062	0	0	410,519	
TOTAL RECEIPTS	3,842	12	0	180,062	0	340,024	1,057,477	
DISBURSEMENTS:								
Current:								
General government	0	0	0	0	15,372	0	98,543	
Public safety	0	0	0	288	0	0	201,325	
Public works	0	0	0	0	0	0	0	
Public welfare and social services	0	0	0	0	0	0	111,632	
Capital outlay	0	0	0	0	54,161	0	118,655	
Debt service:							0	
Principal, interest and other charges	0	0	0	0	92,000	112,089	204,089	
TOTAL DISBURSEMENTS	0	0	0	288	161,533	112,089	734,244	
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,842	12	0	179,774	(161,533)	227,935	323,233	
OTHER FINANCING SOURCES (USES):								
Transfers in	0	0	0	0	163,500	0	277,632	
Transfers out (USES)	0	0	0	(461,343)	0	0	(461,803)	
	0	0	0	(461,343)	163,500	0	(184,171)	
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	3,842	12	0	(281,569)	1,967	227,935	139,062	
Fund balances - beginning of year, as adjusted	0	173,186	144,285	281,569	4,137	0	1,212,421	
FUND BALANCES - END OF YEAR	3,842	173,198	144,285	0	6,104	227,935	1,351,483	

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS GENERAL FUND

Year Ended June 30, 2013

	Original / Final Budget	Actual
RECEIPTS:		
Taxes	5,803,869	5,312,966
Intergovernmental	160,446	592,089
Local	2,023,500	2,154,991
TOTAL RECEIPTS	<u>7,987,815</u>	<u>8,060,046</u>
DISBURSEMENTS:		
General Government:		
County Board	140,095	140,020
County Clerk	183,825	173,710
County Treasurer	260,498	240,462
County Assessor	237,849	230,860
Elections	39,600	35,745
Planning and Zoning	16,250	8,756
Data Processing	27,000	26,143
Clerk of the District Court	457,814	134,435
County Court	21,000	17,088
Building and grounds	162,200	147,595
Extension Service	142,639	139,022
Miscellaneous	2,203,565	1,997,914
Public Safety:		
County Sheriff	594,388	584,196
County Attorney	321,161	296,511
County Jail	1,579,018	1,427,506
911 Emergency Services	225,435	186,967
Civil Defense	47,500	45,358
Public Works:		
Highway Superintendent	126,035	122,054
Surveyor	30,184	28,978
Weed Control	47,372	45,297
Public Welfare and Social Services:		
Veterans Service	37,848	36,411
TOTAL DISBURSEMENTS	<u>6,901,276</u>	<u>6,065,028</u>

(Continued on next page)

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS GENERAL FUND (CONTINUED)

Year Ended June 30, 2013

	<u>Original / Final Budget</u>	<u>Actual</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,086,539	1,995,018
OTHER FINANCING SOURCES (USES):		
Transfers out	<u>(1,515,488)</u>	<u>(1,424,832)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(428,949)</u>	<u>570,186</u>

See accompanying notes to budgetary comparison schedules.

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS ROAD FUND

Year Ended June 30, 2013

	Original/ Final Budget	Actual
	<u> </u>	<u> </u>
RECEIPTS:		
Intergovernmental	1,338,887	1,071,643
Local	116,000	163,661
TOTAL RECEIPTS	<u>1,454,887</u>	<u>1,235,304</u>
 DISBURSEMENTS	 <u>3,804,824</u>	 <u>3,273,869</u>
 RECEIPTS OVER (UNDER) DISBURSEMENTS	 (2,349,937)	 (2,038,565)
 OTHER FINANCING SOURCES (USES):		
Transfers in	<u>2,125,000</u>	<u>2,156,235</u>
 RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	 <u><u>(224,937)</u></u>	 <u><u>117,670</u></u>

See accompanying notes to budgetary comparison schedules.

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS JAIL BOND FUND

Year Ended June 30, 2013

	Original/ Final Budget	Actual
RECEIPTS:		
Taxes	411,908	396,909
Intergovernmental	2,200	24,471
TOTAL RECEIPTS	<u>414,108</u>	<u>421,380</u>
DISBURSEMENTS	<u>981,541</u>	<u>406,495</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u><u>(567,433)</u></u>	<u><u>14,885</u></u>

See accompanying notes to budgetary comparison schedules.

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS JAIL EXPANSION DEBT SERVICE FUND

Year Ended June 30, 2013

	Original/ Final Budget	Actual
RECEIPTS	0	0
DISBURSEMENTS	137,768	137,768
RECEIPTS OVER (UNDER) DISBURSEMENTS	(137,768)	(137,768)
OTHER FINANCING SOURCES (USES):		
Transfers in	137,768	137,768
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>

See accompanying notes to budgetary comparison schedules.

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS OTHER CAPITAL PROJECTS FUND

Year Ended June 30, 2013

	Original/ Final Budget	Actual
	<u> </u>	<u> </u>
RECEIPTS	0	0
DISBURSEMENTS	<u>5,903,538</u>	<u>2,851,761</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u><u>(5,903,538)</u></u>	<u><u>(2,851,761)</u></u>

See accompanying notes to budgetary comparison schedules.

SALINE COUNTY, NEBRASKA

NOTES TO BUDGETARY COMPARISON SCHEDULES

June 30, 2013

NOTE 1: BUDGET AND BUDGETARY ACCOUNTING

The appropriated budget adopted by the County is prepared on a cash basis. The actual results used in the Budgetary Comparison Schedule – Cash Basis for the General Fund differs from that used in the Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis General Fund is due to the implementation of GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. Such perspective differences and their effect on the respective fund are summarized as follows:

Receipts Over (Under) Disbursements and Other Financing Sources (Uses) per Budgetary Comparison Schedule – General Fund	570,827
Adjustments:	
Inheritance Tax Fund Revenues	767,314
Inheritance Tax Fund Expenditures	<u>(685,000)</u>
Receipts over (under) disbursements and other financing Sources (uses) per Statement of Receipts, Disbursements, And Changes in Fund Balance – General Fund	<u>653,141</u>

See expenditures over appropriations in note 11.

OTHER INFORMATION

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS COUNTY CLERK

Year Ended June 30, 2013

RECEIPTS:

Recording fees	63,468
Documentary stamp tax	127,820
Game permits and stamps	689
TOTAL RECEIPTS	<u>191,977</u>

DISBURSEMENTS:

Remitted to County Treasurer	85,757
Remitted to State of Nebraska	99,433
Remitted to Preservation Fund	3,842
TOTAL DISBURSEMENTS	<u>189,032</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS 2,945

Balance - beginning of year 8,916

BALANCE - END OF YEAR 11,861

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS CLERK OF THE DISTRICT COURT

Year Ended June 30, 2013

RECEIPTS:

Regular fees	27,304
Retirement fees	9,737
Law enforcement fees	252
State fees	22,669
Federal Fees	13,247
Trust fund payable	188,564
TOTAL RECEIPTS	<u>261,773</u>

DISBURSEMENTS:

Regular fees	29,335
Retirement fees	12,058
Law enforcement fees	327
State fees	22,364
Federal Fees	13,057
Trust fund payable	173,985
TOTAL DISBURSEMENTS	<u>251,126</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS 10,647

Balance - beginning of year 81,039

BALANCE - END OF YEAR 91,686

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS COUNTY SHERIFF

Year Ended June 30, 2013

RECEIPTS:

Writ fees	19,241
Mileage	21,636
Inspection fees	4,880
Gun permits	920
TOTAL RECEIPTS	<u>46,677</u>

DISBURSEMENTS:

Writ fees	18,442
Mileage	22,591
Inspection fees	4,960
Gun permits	920
TOTAL DISBURSEMENTS	<u>46,913</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS (236)

Balance - beginning of year 4,475

BALANCE - END OF YEAR 4,239

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS COUNTY ATTORNEY

Year Ended June 30, 2013

RECEIPTS:

Restitution - payments/refunds	5,161
Bad check collections and fees	<u>18,351</u>
TOTAL RECEIPTS	<u>23,512</u>

DISBURSEMENTS:

Paid to County Treasurer	1,870
Bad check collections	18,350
Collection fees/refunds	<u>3,760</u>
TOTAL DISBURSEMENTS	<u>23,980</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS (468)

Balance - beginning of year 2,394

BALANCE - END OF YEAR 1,926

SALINE COUNTY, NEBRASKA

**STATEMENT OF ACCOUNTABILITY - CASH BASIS
COUNTY VETERANS EMERGENCY AID**

Year Ended June 30, 2013

RECEIPTS	0
DISBURSEMENTS	<u>216</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(216)
Balance - beginning of year	<u>3,308</u>
BALANCE - END OF YEAR	<u><u>3,092</u></u>

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS INMATE TRUST ACCOUNT

Year Ended June 30, 2013

RECEIPTS:

Inmate money deposits	395,008
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DISBURSEMENTS:

Inmate money disbursed	<u>396,773</u>
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RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,765)
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Balance - beginning of year	<u>3,384</u>
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BALANCE - END OF YEAR	<u><u>1,619</u></u>
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All balances in this account are due to inmates.

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS INMATE BOARDING ACCOUNT

Year Ended June 30, 2013

RECEIPTS:

Prisoner housing	1,583,298
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DISBURSEMENTS:

Remitted to County Treasurer	<u>1,685,546</u>
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RECEIPTS OVER (UNDER) DISBURSEMENTS	(102,248)
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Balance - beginning of year	<u>207,831</u>
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BALANCE - END OF YEAR	<u><u>105,583</u></u>
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Note - Balance on hand at end of year consists entirely of accounts receivable.

SALINE COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS UNL EXTENSION

Year Ended June 30, 2013

RECEIPTS:

County reimbursements	16,447
State reimbursements	141
Interest income	3
TOTAL RECEIPTS	<u>16,591</u>

DISBURSEMENTS:

Reimbursable expenses	<u>16,463</u>
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RECEIPTS OVER (UNDER) DISBURSEMENTS 128

Balance - beginning of year 6,760

BALANCE - END OF YEAR 6,888

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS ALL FUNDS

Year Ended June 30, 2013

	Original / Final Budget	Actual
RECEIPTS:		
General	5,534,327	8,060,046
County Roads and Bridges	3,579,887	3,391,539
Emergency Bridges	0	12
District Court - Bailiff	62,723	62,575
Child Support Enforcement	35,491	0
Visitors Promotion	10,000	9,014
Visitors Improvement	5,928	9,014
Reappraisal	85,002	82,613
Employment Security	34,770	0
Veteran's Aid	0	2
Senior Services	83,277	91,356
Juvenile Diversion	4,099	2,200
Drug Law Enforcement	100	0
Drug Court	22,500	23,200
Federal Drug Law Enforcement	2,000	0
Grant	101,709	12,667
Homeland Security	54,373	0
Emergency Preparedness	57,818	76,881
Inheritance Tax	250,000	767,300
911 Wireless Service	36,000	77,069
Commissionary - Law Enforcement	180,602	158,951
Crime Prevention	5,180	17,936
Jail Bond	414,108	421,380
Jail Contingency	30,100	180,062
Jail Expansion - Debt Service	137,768	137,768
Highway Bond	340,024	340,024
4M County Building	161,865	163,500
911 Emergency Service	29,000	24,191
Register of Deeds Preservation and Modernization	0	3,842
TOTAL RECEIPTS	11,258,651	14,113,142

(Continued on next page)

SALINE COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS (CONTINUED) ALL FUNDS

Year Ended June 30, 2013

	Original / Final Budget	Actual
DISBURSEMENTS:		
General	5,963,276	7,489,860
County Roads and Bridges	3,804,824	3,273,869
Emergency Bridges	173,186	0
Special Road	144,285	0
District Court - Bailiff	62,723	59,967
Child Support Enforcement	35,491	961
Visitors Promotion	23,608	9,185
Visitors Improvement	10,000	225
Reappraisal	85,440	51,765
Employment Security	40,000	1,296
Veteran's Aid	5,320	0
Senior Services	94,121	81,151
Juvenile Diversion	10,000	326
Drug Law Enforcement	100	0
Drug Court	25,300	25,191
Federal Drug Law Enforcement	2,000	0
Grant	102,204	12,686
Homeland Security	55,000	0
Emergency Preparedness	97,500	29,387
Inheritance Tax	790,209	687,061
911 Wireless Service	80,125	23,327
Commissionary - Law Enforcement	350,000	104,515
Crime Prevention	120,000	19,631
Jail Bond	981,541	406,495
Jail Contingency	311,668	461,631
Jail Expansion - Debt Service	137,768	137,768
Highway Bond	340,024	112,089
Infra Damage/Disaster	1,100	0
4M County Building	166,002	161,533
Other Capital Projects	5,903,538	2,851,761
911 Emergency Service	140,000	41,181
TOTAL DISBURSEMENTS	20,056,353	16,042,861
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,797,702)	(1,929,719)

ADDITIONAL INFORMATION



CONTRYMAN ASSOCIATES, P.C.

Certified Public Accountants

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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*

Independent Auditors' Report

To the Board of Commissioners
Saline County
Wilber, 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 Saline County, Nebraska, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 19, 2013. These financial statements were prepared using a special purpose framework of reporting identified as the cash basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saline County, Nebraska'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 Saline County, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2013-1.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether Saline County, Nebraska's financial statements are free from 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 an instance of noncompliance or other matters that is required under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2013-2.

Saline County, Nebraska's Responses to Findings

Saline County, Nebraska's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Their responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them

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 results 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.


Contrypman Associates P.C.
Certified Public Accountants
Grand Island, Nebraska

November 19, 2013

SALINE COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2013

2013-1 Segregation of Duties

Criteria

Internal controls should be in place to ensure proper segregation of duties.

Condition

Due to the size of the county, Saline County, Nebraska does not have adequate office personnel, with the exception of the County Clerk and County Treasurer offices, to perform appropriate supervision and review functions. The limited number of employees results in an inadequate overall internal control structure design.

Possible Effect

Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting.

Recommendation

We recommend Saline County, Nebraska continue to monitor and evaluate its internal controls with the use of limited personnel and to provide as much segregation of duties as determined to be feasible within its operations.

Response

The County recognizes it does not have adequate in-house personnel to perform appropriate supervision and review functions because of the cost effectiveness of such actions. The Saline County, Nebraska Board of Supervisors is aware of this deficiency, and will continue to monitor the situation. The elected officers and staff have implemented some oversight measures to limit exposure where possible.

(Continued on next page)

SALINE COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

June 30, 2013

2013-2 Budgetary Overexpenditures

Criteria

State Statute 23-916 states that a County is not allowed to over exceed their budgeted disbursements.

Condition

The County overspent their budget in the Jail Contingency Fund.

Possible Effect

The County is in noncompliance with State Statute 23-916.

Recommendation

We recommend Saline County, Nebraska develop policies and procedures to monitor expenditures to ensure compliance with State Statute.

Response

The County will develop processes to monitor its compliance with budget laws and when necessary amend its budget to maintain such compliance when circumstances change during the year.