

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2002 THROUGH JUNE 30, 2003

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SAUNDERS COUNTY

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SAUNDERS COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2003

Name	Title	Term Expires
Doris Karloff	Board of Supervisors	Jan. 2005
Kenneth Kuncel		Jan. 2007
Richard Jurgens		Jan. 2007
Steve Clark		Jan. 2007
Leroy Hanson		Jan. 2007
Scott Sukstorf		Jan. 2005
Joan Moore		Jan. 2005
Scott Tingelhoff	Attorney	Jan. 2007
Patti Lindgren	Clerk Election Commissioner	Jan. 2007
JoAnn Cherovsky	Clerk of the District Court	Jan. 2007
Don Clark	Register of Deeds	Jan. 2007
Chuck Lacey	Sheriff	Jan. 2007
Louis Austin	Surveyor	Jan. 2007
James Fauver	Treasurer	Jan. 2007
Herbert Barnes	Veterans' Service Officer	Appointed
Ed Sladky	Weed Superintendent	Appointed
Steve Mika	Highway Superintendent Transportation	Appointed
Linda Fritz	Health Department Senior Services	Appointed
George Borreson	Planning and Zoning	Appointed
Pam Lausterer	Youth Services	Appointed

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SAUNDERS COUNTY

INDEPENDENT AUDITORS' REPORT

Deann Haeffner, CPA
Deputy State Auditor
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We have audited the accompanying 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, 2003, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

Don Dunlap, CPA
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Pat Reding, CPA
Asst. Deputy Auditor
reding@mail.state.ne.us

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

Tim Channer, CPA
Asst. Deputy Auditor
channer@mail.state.ne.us

Mary Avery
SAE/Finance Manager
marya@mail.state.ne.us

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Dennis Meyer, CGFM
Subdivision Budget
Coordinator
dmcyer@mail.state.ne.us

Mark Avery, CPA
Subdivision Audit
Review Coordinator
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The financial statements referred to above include only the primary government of Saunders County, which consists of all funds, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the primary

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government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Saunders County as of June 30, 2003, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

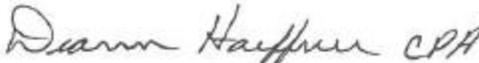
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Saunders County, as of June 30, 2003, and the respective changes in cash balances thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, nonmajor 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. Such statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

December 30, 2003


Deputy State Auditor

SAUNDERS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Saunders County's financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2003. Please read it in conjunction with the County's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Saunders County's basic financial statements. The County's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains information in addition to the basic financial statements.

Government-Wide Financial Statements. The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis provide a broad overview of the County's overall financial status. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. The County's financial statements are prepared on the cash basis of accounting and do not include capital assets, accounts receivable, accounts payable, or long-term debt activity, which would need to be considered to assess the financial health of the County. Non-financial factors also need to be considered to assess the overall financial health of the County. Government-wide financial statements divide the County into two kinds of activities:

Governmental activities - The County's basic services are included here. These activities are generally financed through taxes, charges for services, and State and Federal grants/contributions.

Component units - The County report does not include the financial activity of the Saunders County Hospital, a separate legal entity. Although legally separate, the County is financially accountable for the "component unit."

Fund Financial Statements. Fund financial statements focus on the individual parts of the County, reporting the County's operations in more detail than the government-wide statements by providing information about the County's most significant "major" funds. Funds are accounting devices used to keep track of specific sources of funding and spending for particular purposes.

The governmental funds statements tell how general governmental activities were financed in the short term as well as what remains for future spending.

Fiduciary funds statements provide information about financial relationships in which the County acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not included on the government-wide statements.

SAUNDERS COUNTY

MANAGEMENT’S DISCUSSION AND ANALYSIS

(Continued)

Notes to the Financial Statements. The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide essential information necessary for fair presentation of the financial statements.

Supplementary Information. This Management’s Discussion and Analysis and the budgetary comparison schedules represent financial information which provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes. This report also includes optional financial information such as combining statements for nonmajor funds (which are shown in the fund financial statements in a single column), budgetary comparison information for nonmajor funds, a schedule of office activities, and a schedule of taxes certified and collected for political subdivisions in the County. This information is provided to address certain specific needs of various users of the report.

BASIS OF ACCOUNTING

The County’s financial statements are presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and related assets and liabilities. Under the cash basis of accounting, receipts and disbursements and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for 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 in these financial statements. Also, capital assets (land, buildings, furniture, equipment, and infrastructure) and the related depreciation are not recorded. Therefore, when reviewing the financial information and discussion within this report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Changes in Net Assets

For the fiscal year ended June 30, 2003, net assets of the County (current assets resulting from cash basis transactions) increased 6.4 percent.

	Governmental Activities		
	2003	2002	% Change
Unrestricted	\$ 3,887,076	\$ 3,643,385	6.7 %
Restricted	116,405	119,537	(2.6 %)
Total Net Assets	<u>\$ 4,003,481</u>	<u>\$ 3,762,922</u>	<u>6.4 %</u>

SAUNDERS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Governmental Activities

Receipts for the County's governmental activities increased eleven percent, while expenses increased four percent.

CHANGES IN NET ASSETS

	Governmental Activities		% Change
	2003	2002	
RECEIPTS:			
Program Receipts:			
Charges for Services	\$ 743,458	\$ 717,917	4 %
Operating Grants & Contributions	2,651,250	2,241,530	18 %
General Receipts:			
Taxes	3,801,625	3,321,554	14 %
Non-restricted Grants & Contributions	329,988	307,384	7 %
Investment Interest	140,827	248,010	(43 %)
Other	334,250	342,981	(2 %)
Total Receipts	<u>8,001,398</u>	<u>7,179,376</u>	<u>11 %</u>
DISBURSEMENTS:			
General Government	2,317,872	2,328,167	(1 %)
Public Safety	1,924,692	1,562,944	23 %
Public Works	2,430,031	2,882,223	(15 %)
Health and Sanitation	657,703	243,688	170 %
Public Assistance	400,159	404,464	(1 %)
Culture and Recreation	30,382	35,787	(15 %)
Total Disbursements	<u>7,760,839</u>	<u>7,457,273</u>	<u>4 %</u>
Excess before Other Financing Sources And Uses	240,559	(277,897)	
Beginning Net Assets July 1	<u>3,762,922</u>	<u>4,040,819</u>	<u>(7 %)</u>
Ending Net Assets June 30	<u>\$ 4,003,481</u>	<u>\$ 3,762,922</u>	<u>6 %</u>

The significant change in the Investment Interest amount for 2003 was largely due to the reduction of interest rates offered by financial institutions for County investments.

The significant change noted in the Health and Sanitation disbursements was a result of the County receiving from the State of Nebraska and then disbursing to the Three Rivers Public Health Department \$458,640.

SAUNDERS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County Building Fund had a decrease in fund balance as a result of a \$294,664 transfer to the General Fund. No other significant changes from the prior year were noted.

GENERAL FUND BUDGETARY HIGHLIGHTS

No significant differences were noted between the original and final budget amounts, or between final budget amounts and actual budget results for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

As noted earlier, the financial statements are presented on the cash basis of accounting and therefore do not include capital assets or long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No conditions were noted that would be expected to have a significant effect on the financial position or results of operations of the County during fiscal year 2004. Proposed legislation has been introduced to the Legislature changing the way inheritance tax receipts are distributed. Currently, the County is the recipient of inheritance tax receipts for residents of the County. One of the proposals would include a change of the recipient to the State. This would effect the receipts of the County. In addition, the County has property subject to a Natural Resource District project. This project is projected to reduce the property tax base in the County during future years.

SAUNDERS COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
 June 30, 2003

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents (Note 1.D.)	\$ 4,003,481
TOTAL ASSETS	<u>\$ 4,003,481</u>
NET ASSETS	
Restricted for:	
Veterans' Aid	\$ 82,299
Visitor Promotion	22,976
Other Purposes	11,130
Unrestricted	<u>3,887,076</u>
TOTAL NET ASSETS	<u>\$ 4,003,481</u>

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, 2003

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (2,317,872)	\$ 521,239	\$ 153,570	\$ (1,643,063)
Public Safety	(1,924,692)	88,111	20,929	(1,815,652)
Public Works	(2,430,031)	14,534	1,854,541	(560,956)
Health and Sanitation	(657,703)	39,242	480,763	(137,698)
Public Assistance	(400,159)	80,332	141,447	(178,380)
Culture and Recreation	(30,382)	-	-	(30,382)
Total Governmental Activities	<u>\$ (7,760,839)</u>	<u>\$ 743,458</u>	<u>\$ 2,651,250</u>	<u>(4,366,131)</u>

General Receipts:	
Property Taxes	3,801,625
Grants and Contributions not Restricted to Specific Programs	329,988
Investment Income	140,827
Miscellaneous	334,250
Total General Receipts	<u>4,606,690</u>
Change in Net Assets	240,559
Net Assets - Beginning	3,762,922
Net Assets - Ending	<u>\$ 4,003,481</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
 June 30, 2003

	General Fund	Road Fund	Inheritance Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents (Note 1.D.)	\$ 598,453	\$ 786,777	\$ 788,136	\$ 1,271,754	\$ 558,361	\$ 4,003,481
TOTAL ASSETS	\$ 598,453	\$ 786,777	\$ 788,136	\$ 1,271,754	\$ 558,361	\$ 4,003,481
FUND BALANCES						
Unreserved, reported in:						
General fund	\$ 598,453	\$ -	\$ -	\$ -	\$ -	\$ 598,453
Special revenue funds	-	786,777	788,136	1,271,754	558,361	3,405,028
TOTAL CASH BASIS FUND BALANCES	\$ 598,453	\$ 786,777	\$ 788,136	\$ 1,271,754	\$ 558,361	\$ 4,003,481

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, 2003

	General Fund	Road Fund	Inheritance Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$ 2,694,474	\$ 323,238	\$ 507,471	\$ -	\$ 276,442	\$ 3,801,625
Licenses and Permits	171,251	-	-	-	-	171,251
Interest	90,524	-	-	46,207	4,096	140,827
Intergovernmental	383,245	1,925,796	-	-	672,197	2,981,238
Charges for Services	558,437	120	-	6,927	177,974	743,458
Miscellaneous	80,469	48,946	-	8,565	25,019	162,999
TOTAL RECEIPTS	3,978,400	2,298,100	507,471	61,699	1,155,728	8,001,398
DISBURSEMENTS						
General Government	2,045,805	-	123,673	139,039	9,355	2,317,872
Public Safety	1,537,115	-	-	-	387,577	1,924,692
Public Works	158,101	2,003,349	-	-	268,581	2,430,031
Health and Sanitation	74,848	-	-	-	582,855	657,703
Public Assistance	50,135	-	-	-	350,024	400,159
Culture and Recreation	21,750	-	-	-	8,632	30,382
TOTAL DISBURSEMENTS	3,887,754	2,003,349	123,673	139,039	1,607,024	7,760,839
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	90,646	294,751	383,798	(77,340)	(451,296)	240,559
OTHER FINANCING SOURCES (USES)						
Transfers in	294,664	3,344	951	-	472,408	771,367
Transfers out	(194,833)	-	(265,257)	(294,664)	(16,613)	(771,367)
TOTAL OTHER FINANCING SOURCES (USES)	99,831	3,344	(264,306)	(294,664)	455,795	-
Net Change in Fund Balances	190,477	298,095	119,492	(372,004)	4,499	240,559
CASH BASIS FUND BALANCES - BEGINNING	407,976	488,682	668,644	1,643,758	553,862	3,762,922
CASH BASIS FUND BALANCES - ENDING	\$ 598,453	\$ 786,777	\$ 788,136	\$ 1,271,754	\$ 558,361	\$ 4,003,481

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

SAUNDERS COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
June 30, 2003

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,710,691
 LIABILITIES	
Due to other governments	
State	315,763
Schools	1,119,363
Educational Service Units	3,104
Technical College	13,875
Natural Resource Districts	9,029
Fire Districts	8,498
Municipalities	79,793
Agricultural Society	2,209
Drainage Districts	76,473
Townships	9,862
Sanitary and Improvement Districts	1,003,140
Hospital	2,380
Others	67,202
TOTAL LIABILITIES	2,710,691
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, 2003

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 elected 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, and other organizations which are fiscally dependent on the County, or the significance of their relationship with the County is such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

Component Unit. These financial statements present the County (the primary government). The Saunders County Hospital (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. Mental 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 Comprehensive Community Mental Health Services Act and the Developmental Disabilities Services Act (Acts). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under each of the Acts. The Region consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 Acts. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$72,456 toward the operation of the Region during fiscal year 2003. 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.

B. Basis of Presentation

Government-wide Financial Statements. The Statement of Net Assets - 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 have not been eliminated. Governmental GAAP would require internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The County is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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 emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for financial resources of the general government, except those required to be accounted for in another fund.

Road Fund. This fund is used to account for costs associated with the repair and maintenance of roads and bridges.

Inheritance Fund. This fund is used to account for the revenues generated from estate taxes.

Building Fund. This fund is used to account for costs associated with repair and maintenance of the County buildings.

The County reports the following additional fund types:

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

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

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 Assets - Cash Basis and the Statement of Activities - Cash Basis. Revenues are recognized when received and expenditures 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 revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used as described above. This differs from governmental GAAP, which require governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

D. Assets and Net Assets

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. Sections 77-2315 R.R.S. 1996, 77-2340 R.S.Supp., 2002, and 77-2341 R.R.S. 1996, 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 an expenditure 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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 Assets. 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 assets are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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. Section 77-2315 R.R.S. 1996.

At year end, the County's carrying amount of deposits was \$6,548,794 and the bank balance was \$6,702,505. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2003 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 become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

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

The levy set in October 2002, for the 2002 taxes which will be materially collected in May and September, 2003, was set at \$.22027/\$100 of assessed valuation. The levy set in October 2001, for the 2001 taxes which were materially collected in May and September, 2002, was set at \$.21588/\$100 of assessed valuation. The amount collected for motor vehicle tax is outlined in State Statute.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. Retirement System

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan provisions are established under Neb. Rev. Stat. Sections 23-2301 through 23-2335 and may be amended through legislative action.

Participation in the Plan is required of all full time employees upon the completion of 12 months of continuous service and of all full time elected officials upon taking office. Full time or part time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 25 and completing a total of 12 months service within a five-year period. Part time elected officials may exercise the option to join.

Prior to January 1, 2003, county employees and elected officials contributed 4% of their total compensation. Effective January 1, 2003, 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 Neb. Rev. Stat. Sections 23-2307 and 23-2308 R.S.Supp., 2002, 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, including the twelve month eligibility period or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

Effective January 1, 2003, a supplemental retirement plan was established 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, 2003, 109 employees contributed \$129,944; the County contributed \$194,927. Additionally, for the year ended June 30, 2003, law enforcement employees and the County contributed \$1,725 for the supplemental law enforcement plan. Lastly, the County paid \$2,460 directly to 21 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 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 68 counties throughout Nebraska.

The County pays an annual deposit premium as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire Pool. If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, shall be sent to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each county shall remain liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such county's period of membership.

The agreement with NIRMA provides that NIRMA will provide coverage up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of the 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
Property Damage Claim	\$ 25,000	Insured Value at Replacement Cost
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 500,000	Statutory Limits

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 2004. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. GASB 34

In June 1999, the Governmental Accounting Standards Board (GASB) issued *Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* (GASB 34). The County implemented GASB 34 for the fiscal year ended June 30, 2003.

The County implemented GASB 34 by presenting its financial statements in a format as required by GASB 34. However, as explained in Note 1 the County’s financial statements are presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Previous period financial statements of the County were also prepared on the cash basis of accounting; therefore, these financial statements, even though in a different format, are comparable to previous period financial statements of the County.

7. Capital Leases Payable

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

	Pitney Bowes Postage Machine
Balance July 1, 2002	\$ 12,073
Payments	1,861
Purchases	-
Balance June 30, 2003	\$ 10,212
Future Payments:	
Year	
2004	4,200
2005	4,200
2006	4,200
2007	1,750
Total Payments	14,350
Less Interest	4,138
Present Value of future Minimum lease payments	\$ 10,212
Carrying Value of the related Fixed asset	\$ 12,994

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 2,547,192	\$ 2,547,192	\$ 2,694,474	\$ 147,282
Licenses and Permits	125,150	125,150	171,251	46,101
Interest	125,000	125,000	90,524	(34,476)
Intergovernmental	210,650	210,650	383,245	172,595
Charges for Services	492,300	492,300	558,437	66,137
Miscellaneous	-	-	80,469	80,469
TOTAL RECEIPTS	3,500,292	3,500,292	3,978,400	478,108
DISBURSEMENTS				
General Government:				
County Board	131,938	131,938	128,504	3,434
County Clerk	112,000	112,000	110,606	1,394
County Treasurer	236,518	243,518	243,475	43
Register of Deeds	74,878	80,878	81,713	(835)
Election Commissioner	70,738	70,738	67,094	3,644
Planning Commission	71,705	71,705	70,930	775
Clerk of the District Court	70,138	72,281	71,877	404
District Judge	1,700	1,700	1,699	1
Public Defender	89,438	89,438	87,276	2,162
Building and Grounds	126,058	130,758	130,617	141
Board of Equalization	22,700	22,700	22,629	71
Agricultural Extension Agent	69,800	69,800	69,799	1
IV-D Clerk of the District Court	51,936	51,936	51,051	885
Miscellaneous	1,201,002	1,112,884	908,535	204,349
Public Safety:				
County Sheriff	768,257	768,257	763,372	4,885
County Attorney	145,732	154,007	153,891	116
County Jail	362,578	415,978	417,174	(1,196)
Emergency Management	19,653	19,653	19,653	-
IV-D County Attorney	77,884	84,484	84,178	306
Miscellaneous	70,284	70,284	98,847	(28,563)
Public Works:				
County Surveyor	74,238	74,238	72,837	1,401
Highway Department	85,802	85,802	85,264	538
Public Health:				
Miscellaneous	77,456	77,456	74,848	2,608
Public Assistance:				
Veterans' Service Officer	31,708	31,708	31,707	1
Miscellaneous	-	-	18,428	(18,428)
Culture and Recreation:				
Miscellaneous	22,500	22,500	21,750	750
TOTAL DISBURSEMENTS	4,066,641	4,066,641	3,887,754	178,887
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(566,349)	(566,349)	90,646	656,995
OTHER FINANCING SOURCES (USES)				
Transfers in	1,096,688	1,096,688	294,664	(802,024)
Transfers out	(338,315)	(338,315)	(194,833)	143,482
TOTAL OTHER FINANCING SOURCES (USES)	758,373	758,373	99,831	(658,542)
Net Change in Fund Balance	192,024	192,024	190,477	(1,547)
FUND BALANCES - BEGINNING	407,976	407,976	407,976	-
FUND BALANCES - ENDING	\$ 600,000	\$ 600,000	\$ 598,453	\$ (1,547)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ 367,132	\$ 367,132	\$ 323,238	\$ (43,894)
Intergovernmental	1,881,800	1,881,800	1,925,796	43,996
Charges for Services	-	-	120	120
Miscellaneous	69,000	69,000	48,946	(20,054)
TOTAL RECEIPTS	2,317,932	2,317,932	2,298,100	(19,832)
DISBURSEMENTS	2,581,614	2,581,614	2,003,349	578,265
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(263,682)	(263,682)	294,751	558,433
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,344	3,344
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	3,344	3,344
Net Change in Fund Balance	(263,682)	(263,682)	298,095	561,777
FUND BALANCE - BEGINNING	488,682	488,682	488,682	-
FUND BALANCE - ENDING	\$ 225,000	\$ 225,000	\$ 786,777	\$ 561,777
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 200,250	\$ 200,250	\$ 507,471	\$ 307,221
TOTAL RECEIPTS	200,250	200,250	507,471	307,221
DISBURSEMENTS	142,886	142,886	123,673	19,213
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	57,364	57,364	383,798	326,434
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	951	951
Transfers out	(726,008)	(726,008)	(265,257)	460,751
TOTAL OTHER FINANCING SOURCES (USES)	(726,008)	(726,008)	(264,306)	461,702
Net Change in Fund Balance	(668,644)	(668,644)	119,492	788,136
FUND BALANCE - BEGINNING	668,644	668,644	668,644	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 788,136	\$ 788,136

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUILDING FUND				
RECEIPTS				
Interest	\$ 80,000	\$ 80,000	\$ 46,207	\$ (33,793)
Charges for Services	7,150	7,150	6,927	(223)
Miscellaneous	-	-	8,565	8,565
TOTAL RECEIPTS	<u>87,150</u>	<u>87,150</u>	<u>61,699</u>	<u>(25,451)</u>
DISBURSEMENTS	<u>1,018,408</u>	<u>1,018,408</u>	<u>139,039</u>	<u>879,369</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(931,258)	(931,258)	(77,340)	853,918
OTHER FINANCING SOURCES (USES)				
Transfers in	37,500	37,500	-	(37,500)
Transfers out	(750,000)	(750,000)	(294,664)	455,336
TOTAL OTHER FINANCING SOURCES (USES)	<u>(712,500)</u>	<u>(712,500)</u>	<u>(294,664)</u>	<u>417,836</u>
Net Change in Fund Balance	(1,643,758)	(1,643,758)	(372,004)	1,271,754
FUND BALANCE - BEGINNING	1,643,758	1,643,758	1,643,758	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,271,754</u>	<u>\$ 1,271,754</u>

(Concluded)

SAUNDERS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2003

BUDGETARY COMPARISON SCHEDULES

GAAP Requirements

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue fund that has a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the *original budget* and *final budget* amounts. The *original budget* is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes *before* the beginning of the fiscal year. The original budget would also include actual appropriation amounts automatically carried over from prior years when required by law. The *final budget* is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board or otherwise legally authorized.

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 revenues which have actually been received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the county budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue 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 shall adopt the budget and appropriate 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 expenditures 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 Expenditures Over Appropriations

For the year ended June 30, 2003, expenditures exceeded budgeted appropriations in the Register of Deeds and County Jail functions of the General Fund by \$835 and \$1,196, respectively. These over-expenditures were funded by the available fund balance in the General Fund.

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2003

	Special Road Fund	Visitor Promotion Fund	Unemployment Fund	Medical Relief Fund	Institutions Fund	Veterans' Aid Fund	Transportation Fund	Tri-County Inter City Bus Fund	Drug Fund
RECEIPTS									
Property Taxes	\$ 40	\$ 6,879	\$ 3	\$ 16,880	\$ 10,420	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	2,454	-	-	-
Intergovernmental	13,780	-	-	795	718	-	54,745	8,002	-
Charges for Services	-	-	-	-	-	-	1,994	-	-
Miscellaneous	-	-	-	-	-	-	594	-	-
TOTAL RECEIPTS	13,820	6,879	3	17,675	11,138	2,454	57,333	8,002	-
DISBURSEMENTS									
General Government	-	-	5,917	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	213,698	-	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-	-	-
Public Assistance	-	-	-	19,366	10,791	-	81,965	555	-
Culture and Recreation	-	1,905	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	213,698	1,905	5,917	19,366	10,791	-	81,965	555	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(199,878)	4,974	(5,914)	(1,691)	347	2,454	(24,632)	7,447	-
OTHER FINANCING SOURCES (USES)									
Transfers in	176,905	-	-	-	-	-	25,247	-	-
Transfers out	-	-	-	-	-	-	-	(10,662)	-
TOTAL OTHER FINANCING SOURCES (USES)	176,905	-	-	-	-	-	25,247	(10,662)	-
Net Change in Fund Balances	(22,973)	4,974	(5,914)	(1,691)	347	2,454	615	(3,215)	-
FUND BALANCES - BEGINNING	22,973	18,002	23,690	22,329	8,939	79,845	1,487	3,567	2,442
FUND BALANCES - ENDING	\$ -	\$ 22,976	\$ 17,776	\$ 20,638	\$ 9,286	\$ 82,299	\$ 2,102	\$ 352	\$ 2,442

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2003

	Federal Grant Fund	Senior Services Center Fund	CASA Youth Services Fund	Inheritance Fund	Weed Fund	Diversion Program Fund	STOP Fund	Drug Testing Fund	Health Department Fund
RECEIPTS									
Property Taxes	\$ -	\$ -	\$ -		\$ 5	\$ -	\$ -	\$ -	\$ -
Interest	75	-	-		-	-	-	-	-
Intergovernmental	-	78,700	-		-	20,929	-	-	22,485
Charges for Services	-	78,338	-		14,414	8,354	25,768	-	39,242
Miscellaneous	-	10,957	-		368	4,335	240	-	2,954
TOTAL RECEIPTS	75	167,995	-	-	14,787	33,618	26,008	-	64,681
DISBURSEMENTS									
General Government	3,289	-	149		-	-	-	-	-
Public Safety	-	-	-		-	88,481	24,422	-	-
Public Works	-	-	-		54,883	-	-	-	-
Health and Sanitation	-	-	-		-	-	-	-	112,847
Public Assistance	-	237,347	-		-	-	-	-	-
Culture and Recreation	-	-	-		-	-	-	-	-
TOTAL DISBURSEMENTS	3,289	237,347	149	-	54,883	88,481	24,422	-	112,847
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,214)	(69,352)	(149)	-	(40,096)	(54,863)	1,586	-	(48,166)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	83,296	149		40,212	52,624	-	-	48,951
Transfers out	(5,000)	-	-		-	-	-	-	(951)
TOTAL OTHER FINANCING SOURCES (USES)	(5,000)	83,296	149	-	40,212	52,624	-	-	48,000
Net Change in Fund Balances	(8,214)	13,944	-	-	116	(2,239)	1,586	-	(166)
FUND BALANCES - BEGINNING	9,842	8,743	-	-	201	3,195	18,295	19,769	3,245
FUND BALANCES - ENDING	\$ 1,628	\$ 22,687	\$ -	\$ -	\$ 317	\$ 956	\$ 19,881	\$ 19,769	\$ 3,079

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

For the Year Ended June 30, 2003

	Regional Health Department Fund	Jail Project Fund	Flood Control Fund	Youth Camp Fund	Ambulance Fund	E911 Emergency Services Fund	Total Nonmajor Governmental Funds
RECEIPTS							
Property Taxes	\$ -	\$ 8,637	\$ 184,838	\$ -	\$ -	\$ 48,740	\$ 276,442
Interest	1,549	-	-	18	-	-	4,096
Intergovernmental	463,459	384	8,200	-	-	-	672,197
Charges for Services	-	-	-	-	9,864	-	177,974
Miscellaneous	-	-	-	5,571	-	-	25,019
TOTAL RECEIPTS	465,008	9,021	193,038	5,589	9,864	48,740	1,155,728
DISBURSEMENTS							
General Government	-	-	-	-	-	-	9,355
Public Safety	-	32,960	164,833	-	18,112	58,769	387,577
Public Works	-	-	-	-	-	-	268,581
Health and Sanitation	470,008	-	-	-	-	-	582,855
Public Assistance	-	-	-	-	-	-	350,024
Culture and Recreation	-	-	-	6,727	-	-	8,632
TOTAL DISBURSEMENTS	470,008	32,960	164,833	6,727	18,112	58,769	1,607,024
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(5,000)	(23,939)	28,205	(1,138)	(8,248)	(10,029)	(451,296)
OTHER FINANCING SOURCES (USES)							
Transfers in	5,000	24,092	-	-	8,248	7,684	472,408
Transfers out	-	-	-	-	-	-	(16,613)
TOTAL OTHER FINANCING SOURCES (USES)	5,000	24,092	-	-	8,248	7,684	455,795
Net Change in Fund Balances	-	153	28,205	(1,138)	-	(2,345)	4,499
FUND BALANCES - BEGINNING	-	4,405	288,772	4,716	-	9,405	553,862
FUND BALANCES - ENDING	\$ -	\$ 4,558	\$ 316,977	\$ 3,578	\$ -	\$ 7,060	\$ 558,361

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL ROAD FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 40	\$ 40
Intergovernmental	25,000	25,000	13,780	(11,220)
TOTAL RECEIPTS	25,000	25,000	13,820	(11,180)
DISBURSEMENTS	319,636	319,636	213,698	105,938
OTHER FINANCING SOURCES (USES)				
Transfers in	271,663	271,663	176,905	(94,758)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	271,663	271,663	176,905	(94,758)
Net Change in Fund Balance	(22,973)	(22,973)	(22,973)	-
FUND BALANCE - BEGINNING	22,973	22,973	22,973	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
VISITOR PROMOTION FUND				
RECEIPTS				
Taxes	\$ 6,000	\$ 6,000	\$ 6,879	\$ 879
TOTAL RECEIPTS	6,000	6,000	6,879	879
DISBURSEMENTS	24,002	24,002	1,905	22,097
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(18,002)	(18,002)	4,974	22,976
FUND BALANCE - BEGINNING	18,002	18,002	18,002	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,976</u>	<u>\$ 22,976</u>
UNEMPLOYMENT FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 3	\$ 3
TOTAL RECEIPTS	-	-	3	3
DISBURSEMENTS	23,690	23,690	5,917	17,773
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(23,690)	(23,690)	(5,914)	17,776
FUND BALANCE - BEGINNING	23,690	23,690	23,690	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,776</u>	<u>\$ 17,776</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MEDICAL RELIEF FUND				
RECEIPTS				
Taxes	\$ 17,536	\$ 17,536	\$ 16,880	\$ (656)
Intergovernmental	135	135	795	660
TOTAL RECEIPTS	17,671	17,671	17,675	4
DISBURSEMENTS	40,000	40,000	19,366	20,634
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(22,329)	(22,329)	(1,691)	20,638
FUND BALANCE - BEGINNING	22,329	22,329	22,329	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 20,638	\$ 20,638

INSTITUTIONS FUND				
RECEIPTS				
Taxes	\$ 10,756	\$ 10,756	\$ 10,420	\$ (336)
Intergovernmental	305	305	718	413
TOTAL RECEIPTS	11,061	11,061	11,138	77
DISBURSEMENTS	25,000	25,000	10,791	14,209
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	-	(5,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	5,000	-	(5,000)
Net Change in Fund Balance	(8,939)	(8,939)	347	9,286
FUND BALANCE - BEGINNING	8,939	8,939	8,939	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 9,286	\$ 9,286

VETERANS' AID FUND				
RECEIPTS				
Interest	\$ 3,000	\$ 3,000	\$ 2,454	\$ (546)
TOTAL RECEIPTS	3,000	3,000	2,454	(546)
DISBURSEMENTS	82,845	82,845	-	82,845
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(79,845)	(79,845)	2,454	82,299
FUND BALANCE - BEGINNING	79,845	79,845	79,845	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 82,299	\$ 82,299

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TRANSPORTATION FUND				
RECEIPTS				
Intergovernmental	\$ 56,380	\$ 56,380	\$ 54,745	\$ (1,635)
Charges for Services	1,700	1,700	1,994	294
Miscellaneous	-	-	594	594
TOTAL RECEIPTS	58,080	58,080	57,333	(747)
DISBURSEMENTS	88,719	88,719	81,965	6,754
OTHER FINANCING SOURCES (USES)				
Transfers in	29,152	29,152	25,247	(3,905)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	29,152	29,152	25,247	(3,905)
Net Change in Fund Balance	(1,487)	(1,487)	615	2,102
FUND BALANCE - BEGINNING	1,487	1,487	1,487	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,102</u>	<u>\$ 2,102</u>
TRI-COUNTY INTER CITY BUS FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ 7,971	\$ 8,002	\$ 31
TOTAL RECEIPTS	-	7,971	8,002	31
DISBURSEMENTS	3,567	11,538	555	10,983
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(10,662)	(10,662)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(10,662)	(10,662)
Net Change in Fund Balance	(3,567)	(3,567)	(3,215)	352
FUND BALANCE - BEGINNING	3,567	3,567	3,567	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352</u>	<u>\$ 352</u>
DRUG FUND				
RECEIPTS				
Miscellaneous	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
TOTAL RECEIPTS	10,000	10,000	-	(10,000)
DISBURSEMENTS	12,442	12,442	-	12,442
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(2,442)	(2,442)	-	2,442
FUND BALANCE - BEGINNING	2,442	2,442	2,442	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,442</u>	<u>\$ 2,442</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL GRANT FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 75	\$ 75
Intergovernmental	230,158	230,158	-	(230,158)
TOTAL RECEIPTS	230,158	230,158	75	(230,083)
DISBURSEMENTS	225,000	225,000	3,289	221,711
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(15,000)	(15,000)	(5,000)	10,000
TOTAL OTHER FINANCING SOURCES (USES)	(15,000)	(15,000)	(5,000)	10,000
Net Change in Fund Balance	(9,842)	(9,842)	(8,214)	1,628
FUND BALANCE - BEGINNING	9,842	9,842	9,842	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,628	\$ 1,628
SENIOR SERVICES CENTER FUND				
RECEIPTS				
Intergovernmental	\$ 78,655	\$ 78,655	\$ 78,700	\$ 45
Charges for Services	88,957	88,957	78,338	(10,619)
Miscellaneous	-	-	10,957	10,957
TOTAL RECEIPTS	167,612	167,612	167,995	383
DISBURSEMENTS	259,651	259,651	237,347	22,304
OTHER FINANCING SOURCES (USES)				
Transfers in	83,296	83,296	83,296	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	83,296	83,296	83,296	-
Net Change in Fund Balance	(8,743)	(8,743)	13,944	22,687
FUND BALANCE - BEGINNING	8,743	8,743	8,743	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 22,687	\$ 22,687
CASA YOUTH SERVICES FUND				
RECEIPTS				
Intergovernmental	\$ 11,250	\$ 11,250	\$ -	\$ (11,250)
TOTAL RECEIPTS	11,250	11,250	-	(11,250)
DISBURSEMENTS	11,750	11,750	149	11,601
OTHER FINANCING SOURCES (USES)				
Transfers in	500	500	149	(351)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	500	500	149	(351)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
WEED FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 5	\$ 5
Charges for Services	10,500	10,500	14,414	3,914
Miscellaneous	-	-	368	368
TOTAL RECEIPTS	10,500	10,500	14,787	4,287
DISBURSEMENTS	57,438	57,438	54,883	2,555
OTHER FINANCING SOURCES (USES)				
Transfers in	46,737	46,737	40,212	(6,525)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	46,737	46,737	40,212	(6,525)
Net Change in Fund Balance	(201)	(201)	116	317
FUND BALANCE - BEGINNING	201	201	201	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317</u>	<u>\$ 317</u>
DIVERSION PROGRAM FUND				
RECEIPTS				
Intergovernmental	\$ 5,000	\$ 28,569	\$ 20,929	\$ (7,640)
Charges for Services	10,400	10,400	8,354	(2,046)
Miscellaneous	-	-	4,335	4,335
TOTAL RECEIPTS	15,400	38,969	33,618	(5,351)
DISBURSEMENTS	80,377	103,946	88,481	15,465
OTHER FINANCING SOURCES (USES)				
Transfers in	61,782	61,782	52,624	(9,158)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	61,782	61,782	52,624	(9,158)
Net Change in Fund Balance	(3,195)	(3,195)	(2,239)	956
FUND BALANCE - BEGINNING	3,195	3,195	3,195	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 956</u>	<u>\$ 956</u>
STOP FUND				
RECEIPTS				
Charges for Services	\$ 25,000	\$ 25,000	\$ 25,768	\$ 768
Miscellaneous	-	-	240	240
TOTAL RECEIPTS	25,000	25,000	26,008	1,008
DISBURSEMENTS	43,295	43,295	24,422	18,873
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(18,295)	(18,295)	1,586	19,881
FUND BALANCE - BEGINNING	18,295	18,295	18,295	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,881</u>	<u>\$ 19,881</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG TESTING FUND				
RECEIPTS				
Charges for Services	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	1,200	1,200	-	(1,200)
DISBURSEMENTS	20,969	20,969	-	20,969
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(19,769)	(19,769)	-	19,769
FUND BALANCE - BEGINNING	19,769	19,769	19,769	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,769</u>	<u>\$ 19,769</u>
HEALTH DEPARTMENT FUND				
RECEIPTS				
Intergovernmental	\$ 19,999	\$ 25,999	\$ 22,485	\$ (3,514)
Charges for Services	36,327	36,327	39,242	2,915
Miscellaneous	2,000	2,000	2,954	954
TOTAL RECEIPTS	58,326	64,326	64,681	355
DISBURSEMENTS	109,571	115,571	112,847	2,724
OTHER FINANCING SOURCES (USES)				
Transfers in	48,000	48,000	48,951	951
Transfers out	-	-	(951)	(951)
TOTAL OTHER FINANCING SOURCES (USES)	48,000	48,000	48,000	-
Net Change in Fund Balance	(3,245)	(3,245)	(166)	3,079
FUND BALANCE - BEGINNING	3,245	3,245	3,245	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,079</u>	<u>\$ 3,079</u>
REGIONAL HEALTH DEPARTMENT FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 1,549	\$ 1,549
Intergovernmental	533,954	533,954	463,459	(70,495)
TOTAL RECEIPTS	533,954	533,954	465,008	(68,946)
DISBURSEMENTS	538,954	538,954	470,008	68,946
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	5,000	5,000	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JAIL PROJECT FUND				
RECEIPTS				
Taxes	\$ 8,011	\$ 8,011	\$ 8,637	\$ 626
Intergovernmental	80	80	384	304
TOTAL RECEIPTS	8,091	8,091	9,021	930
DISBURSEMENTS	40,000	40,000	32,960	7,040
OTHER FINANCING SOURCES (USES)				
Transfers in	27,504	27,504	24,092	(3,412)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	27,504	27,504	24,092	(3,412)
Net Change in Fund Balance	(4,405)	(4,405)	153	4,558
FUND BALANCE - BEGINNING	4,405	4,405	4,405	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,558</u>	<u>\$ 4,558</u>
FLOOD CONTROL FUND				
RECEIPTS				
Taxes	\$ 172,801	\$ 172,801	\$ 184,838	\$ 12,037
Intergovernmental	1,400	1,400	8,200	6,800
TOTAL RECEIPTS	174,201	174,201	193,038	18,837
DISBURSEMENTS	562,973	562,973	164,833	398,140
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	-	(100,000)
Net Change in Fund Balance	(288,772)	(288,772)	28,205	316,977
FUND BALANCE - BEGINNING	288,772	288,772	288,772	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,977</u>	<u>\$ 316,977</u>
YOUTH CAMP FUND				
RECEIPTS				
Interest	\$ 200	\$ 200	\$ 18	\$ (182)
Miscellaneous	7,300	7,300	5,571	(1,729)
TOTAL RECEIPTS	7,500	7,500	5,589	(1,911)
DISBURSEMENTS	12,216	12,216	6,727	5,489
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(4,716)	(4,716)	(1,138)	3,578
FUND BALANCE - BEGINNING	4,716	4,716	4,716	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,578</u>	<u>\$ 3,578</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AMBULANCE FUND				
RECEIPTS				
Charges for Services	\$ 8,500	\$ 8,500	\$ 9,864	\$ 1,364
TOTAL RECEIPTS	8,500	8,500	9,864	1,364
DISBURSEMENTS	25,000	25,000	18,112	6,888
OTHER FINANCING SOURCES (USES)				
Transfers in	16,500	16,500	8,248	(8,252)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	16,500	16,500	8,248	(8,252)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
E911 EMERGENCY SERVICES FUND				
RECEIPTS				
Taxes	\$ 50,595	\$ 50,595	\$ 48,740	\$ (1,855)
TOTAL RECEIPTS	50,595	50,595	48,740	(1,855)
DISBURSEMENTS	60,000	60,000	58,769	1,231
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	7,684	7,684
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	7,684	7,684
Net Change in Fund Balance	(9,405)	(9,405)	(2,345)	7,060
FUND BALANCE - BEGINNING	9,405	9,405	9,405	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 7,060	\$ 7,060

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2003

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCE JULY 1, 2002	\$ 14,703	\$ 19,376	\$ 88,495	\$ 8,396	\$ 473	\$ -	\$ -
RECEIPTS							
Licenses and Permits	8,739	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	74,552
Property Taxes	2,937	-	-	69,479	-	-	-
Charges for Services	41,502	184,911	19,454	42,671	29,245	14,742	144
Miscellaneous	3,500	-	-	-	81	-	53,011
State Fees	66,838	78,283	9,661	-	-	-	-
Other Liabilities	-	-	231,083	28,191	47,183	-	-
TOTAL RECEIPTS	123,516	263,194	260,198	140,341	76,509	14,742	127,707
DISBURSEMENTS							
Payments to County Treasurer	51,081	179,046	19,153	80,029	29,326	14,742	127,707
Payments to State Treasurer	67,509	79,798	9,287	-	-	-	-
Other Liabilities	-	-	289,222	28,190	47,213	-	-
TOTAL DISBURSEMENTS	118,590	258,844	317,662	108,219	76,539	14,742	127,707
 BALANCE JUNE 30, 2003	 \$ 19,629	 \$ 23,726	 \$ 31,031	 \$ 40,518	 \$ 443	 \$ -	 \$ -
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ 4,497	\$ 17,475	\$ 1,569	\$ 36,218	\$ -	\$ -	\$ -
Petty Cash	9,200	500	700	4,300	200	-	-
Due to State Treasurer	5,932	5,751	1,007	-	-	-	-
Due to Others	-	-	27,755	-	243	-	-
BALANCE JUNE 30, 2003	\$ 19,629	\$ 23,726	\$ 31,031	\$ 40,518	\$ 443	\$ -	\$ -

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

	Veterans' Service Officer	County Transportation	County Health	County Planning and Zoning	County Senior Services	County Youth Services	Total
BALANCE JULY 1, 2002	\$ 10,855	\$ -	\$ 100	\$ 100	\$ 30	\$ 50	\$ 142,578
RECEIPTS							
Licenses and Permits	-	-	-	94,197	-	-	102,936
Intergovernmental	-	54,744	22,485	-	78,700	20,929	251,410
Property Taxes	-	-	-	-	-	-	72,416
Charges for Services	-	2,588	38,983	-	78,586	12,688	465,514
Miscellaneous	41	-	2,796	-	10,958	5,571	75,958
State Fees	-	-	-	-	-	-	154,782
Other Liabilities	-	-	-	-	-	-	306,457
TOTAL RECEIPTS	41	57,332	64,264	94,197	168,244	39,188	1,429,473
DISBURSEMENTS							
Payments to County Treasurer	-	57,332	64,264	94,197	167,996	39,188	924,061
Payments to State Treasurer	-	-	-	-	-	-	156,594
Other Liabilities	950	-	-	-	-	-	365,575
TOTAL DISBURSEMENTS	950	57,332	64,264	94,197	167,996	39,188	1,446,230
BALANCE JUNE 30, 2003	<u>\$ 9,946</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 278</u>	<u>\$ 50</u>	<u>\$ 125,821</u>
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ 9,946	\$ -	\$ -	\$ -	\$ 248	\$ -	\$ 69,953
Petty Cash	-	-	100	100	30	50	15,180
Due to State Treasurer	-	-	-	-	-	-	12,690
Due to Others	-	-	-	-	-	-	27,998
BALANCE JUNE 30, 2003	<u>\$ 9,946</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 278</u>	<u>\$ 50</u>	<u>\$ 125,821</u>

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
 June 30, 2003

Item	1998	1999	2000	2001	2002
Tax Certified by Assessor					
Real Estate	\$ 16,692,258	\$ 17,663,020	\$ 18,223,901	\$ 20,331,248	\$ 21,792,924
Personal and Specials	1,366,674	1,277,364	1,344,537	1,414,112	1,419,469
Total	<u>18,058,932</u>	<u>18,940,384</u>	<u>19,568,438</u>	<u>21,745,360</u>	<u>23,212,393</u>
Corrections					
Additions	6,542	26,133	31,047	27,354	20,298
Deductions	<u>(12,974)</u>	<u>(47,323)</u>	<u>(42,585)</u>	<u>(33,963)</u>	<u>(29,873)</u>
Net Additions/ (Deductions)	<u>(6,432)</u>	<u>(21,190)</u>	<u>(11,538)</u>	<u>(6,609)</u>	<u>(9,575)</u>
Corrected Certified Tax	<u>18,052,500</u>	<u>18,919,194</u>	<u>19,556,900</u>	<u>21,738,751</u>	<u>23,202,818</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 1999	10,197,633	-	-	-	-
June 30, 2000	7,815,845	10,671,704	-	-	-
June 30, 2001	20,154	8,214,227	10,835,781	-	-
June 30, 2002	10,360	17,934	8,659,041	12,060,908	-
June 30, 2003	1,509	10,575	51,142	9,567,710	12,948,417
Total Net Collections	<u>18,045,501</u>	<u>18,914,440</u>	<u>19,545,964</u>	<u>21,628,618</u>	<u>12,948,417</u>
Total Uncollected Tax	<u>\$ 6,999</u>	<u>\$ 4,754</u>	<u>\$ 10,936</u>	<u>\$ 110,133</u>	<u>\$ 10,254,401</u>
Percentage Uncollected Tax	<u>0.04%</u>	<u>0.03%</u>	<u>0.06%</u>	<u>0.51%</u>	<u>44.19%</u>

STATE OF NEBRASKA

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SAUNDERS COUNTY

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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We have audited the financial statements of Saunders County as of and for the year ended June 30, 2003, and have issued our report thereon dated December 30, 2003. 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. Except as noted above, 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.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to the management of Saunders County in a separate letter dated December 30, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Saunders County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide

assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Saunders County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The following reportable condition was noted:

- The County offices had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is considered to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of Saunders County in a separate letter dated December 30, 2003.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

December 30, 2003


Deputy State Auditor