

**AUDIT REPORT  
OF  
BUFFALO COUNTY**

**JULY 1, 2004 THROUGH JUNE 30, 2005**

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**Modification of this document may change the accuracy of the original  
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**Issued on October 4, 2005**

BUFFALO COUNTY

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BUFFALO COUNTY

**LIST OF COUNTY OFFICIALS**

At June 30, 2005

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Richard Pierce	Board of Supervisors	Jan. 2009
William McMullen		Jan. 2009
Horace Dannehl		Jan. 2009
W. Greg Barney		Jan. 2007
Timothy L. Loewenstein		Jan. 2007
Sherry Morrow		Jan. 2007
Ivan Klein		Jan. 2007
Shawn Eatherton	Attorney	Jan. 2007
Judy Jobman	Clerk	Jan. 2007
Sharon Mauler	Clerk of the District Court	Jan. 2007
Glenda DeBrie	Election Commissioner	Appointed
Kellie John	Register of Deeds	Jan. 2007
Neil Miller	Sheriff	Jan. 2007
Jean Sidwell	Treasurer	Jan. 2007
Wm. R. Williams	Veterans' Service Officer	Appointed
Richard Kincaid	Weed Superintendent	Appointed
Ron Sklenar	Highway Superintendent	Appointed
Mitchell Humphrey	Surveyor	Jan. 2007
LeAnn Klein	Zoning/Floodplain	Appointed
Jennifer Epp	Information Technology	Appointed
Gary Hogg	Public Defender	Jan. 2007

# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## BUFFALO COUNTY

### INDEPENDENT AUDITORS' REPORT

**Deann Haeffner, CPA**  
Deputy State Auditor  
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Board of Supervisors  
Buffalo County, Nebraska

**Don Dunlap, CPA**  
Asst. Deputy Auditor  
[Don.Dunlap@apa.ne.gov](mailto:Don.Dunlap@apa.ne.gov)

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Buffalo County, as of and for the year ended June 30, 2005, 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.

**Pat Reding, CPA**  
Asst. Deputy Auditor  
[Pat.Reding@apa.ne.gov](mailto:Pat.Reding@apa.ne.gov)

**Tim Channer, CPA**  
Asst. Deputy Auditor  
[Tim.Channer@apa.ne.gov](mailto:Tim.Channer@apa.ne.gov)

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.

**Mary Avery**  
SAE/Finance Manager  
[Mary.Avery@apa.ne.gov](mailto:Mary.Avery@apa.ne.gov)

**Dennis Meyer, CGFM**  
Subdivision Budget  
Coordinator  
[Dennis.Meyer@apa.ne.gov](mailto:Dennis.Meyer@apa.ne.gov)

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.

**Mark Avery, CPA**  
Subdivision Audit  
Review Coordinator  
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**Perry Pirsch, JD, MPA**  
Legal Counsel  
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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 Buffalo County, as of June 30, 2005, 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 August 30, 2005, on our consideration of Buffalo County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe to scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is 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.

August 30, 2005

  
Deputy State Auditor

## BUFFALO COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Buffalo County's financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2005. 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 Buffalo 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 - No component units for the County were identified.

**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.

**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.

BUFFALO COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

**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, 2005, net assets of the County (current assets resulting from cash basis transactions) increased 3.3% percent.

	Governmental Activities		
	2005	2004	% Change
Restricted	\$ 99,879	\$ 23,471	325.5%
Unrestricted	6,022,934	5,901,378	2.1%
Total Net Assets	<u>\$ 6,122,813</u>	<u>\$ 5,924,849</u>	<u>3.3%</u>

The 2004 restricted assets consisted solely of the Bond Debt Fund balance, whereas the 2005 restricted assets consists of the Visitor Promotion Fund balance of \$24,557; the Veterans' Aid Fund balance of \$8,634; the Drug Fund balance of \$2,134; and the 911 Emergency Service Fund balance of \$64,554.

BUFFALO COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

**Governmental Activities**

Receipts for the County's governmental activities increased nine percent, while expenses decreased one percent.

**CHANGES IN NET ASSETS**

	2005	2004	% Change
<b>RECEIPTS</b>			
Program Receipts:			
Charges for Services	\$ 1,532,648	\$ 5,289,757	-71%
Operating Grants & Contributions	3,011,512	3,194,160	-6%
General Receipts:			
Taxes	10,909,965	7,331,732	49%
Non-restricted Grants & Contributions	1,268,886	-	100%
Investment Interest	235,522	-	100%
Other	336,680	-	100%
Total Receipts	<u>17,295,213</u>	<u>15,815,649</u>	<u>9%</u>
<b>DISBURSEMENTS</b>			
General Government	(4,840,826)	(4,736,876)	-2%
Public Safety	(4,949,980)	(3,889,329)	-27%
Public Works	(6,240,469)	(6,254,637)	0%
Health & Sanitation	-	(2,438,977)	100%
Public Assistance	(438,138)	-	-100%
Culture and Recreation	(627,836)	-	-100%
Total Disbursements	<u>(17,097,249)</u>	<u>(17,319,819)</u>	<u>1%</u>
Increase (Decrease) in Net Assets	197,964	(1,504,170)	-113%
Beginning Net Assets July 1	<u>5,924,849</u>	<u>7,429,019</u>	<u>-20%</u>
Ending Net Assets June 30	<u>\$ 6,122,813</u>	<u>\$ 5,924,849</u>	<u>3%</u>



BUFFALO 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. No significant changes from the prior year were noted.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The significant difference noted between the final budget amount and the actual budget results for the General Fund Transfers In was the result of the County, in anticipation of a substantial Courthouse building remodel/renovation project, having budgeted for Transfers In. The project was to begin during the fiscal year; however, the project did not end up being undertaken as anticipated.

**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.

BUFFALO COUNTY  
**STATEMENT OF NET ASSETS - CASH BASIS**  
 June 30, 2005

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents (Note 1.D)	\$ 6,122,813
<b>TOTAL ASSETS</b>	<u><u>\$ 6,122,813</u></u>
 <b>NET ASSETS</b>	
Restricted for:	
911 Emergency Service	\$ 64,554
Visitor Promotion	24,557
Other Purposes	10,768
Unrestricted	<u>6,022,934</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 6,122,813</u></u>

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

BUFFALO COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2005

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (4,840,826)	\$ 1,038,726	\$ 249,045	\$ (3,553,055)
Public Safety	(4,949,980)	370,465	564,447	(4,015,068)
Public Works	(6,240,469)	123,457	2,191,879	(3,925,133)
Health and Sanitation	-	-	6,141	6,141
Public Assistance	(438,138)	-	-	(438,138)
Culture and Recreation	(627,836)	-	-	(627,836)
<b>Total Governmental Activities</b>	<b>\$ (17,097,249)</b>	<b>\$ 1,532,648</b>	<b>\$ 3,011,512</b>	<b>(12,553,089)</b>
General Receipts:				
Property Taxes				10,909,965
Grants and Contributions not Restricted to Specific Programs				1,268,886
Investment Income				235,522
Miscellaneous				336,680
<b>Total General Receipts</b>				<b>12,751,053</b>
Change in Net Assets				197,964
Net Assets - Beginning				5,924,849
Net Assets - Ending				<b>\$ 6,122,813</b>

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

BUFFALO COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 June 30, 2005

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Special Bridge Fund</u>	<u>County Building and Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents (Note 1.D)	\$ 273,430	\$ 11,263	\$ 3,448,242	\$ 31	\$ 2,200,140	\$ 189,707	\$ 6,122,813
<b>TOTAL ASSETS</b>	<u>\$ 273,430</u>	<u>\$ 11,263</u>	<u>\$ 3,448,242</u>	<u>\$ 31</u>	<u>\$ 2,200,140</u>	<u>\$ 189,707</u>	<u>\$ 6,122,813</u>
<b>FUND BALANCES</b>							
Unreserved, reported in:							
General fund	\$ 273,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,430
Special revenue funds	-	11,263	3,448,242	31	2,200,140	189,707	5,849,383
<b>TOTAL FUND BALANCES</b>	<u>\$ 273,430</u>	<u>\$ 11,263</u>	<u>\$ 3,448,242</u>	<u>\$ 31</u>	<u>\$ 2,200,140</u>	<u>\$ 189,707</u>	<u>\$ 6,122,813</u>

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

BUFFALO COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	General Fund	Road Fund	Inheritance Fund	Special Bridge Fund	County Building and Repair	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$ 9,136,634	\$ 174	\$ 1,241,093	\$ 35	\$ -	\$ 532,029	\$ 10,909,965
Licenses and Permits	157,419	-	-	-	-	-	157,419
Interest	-	-	-	-	235,186	336	235,522
Intergovernmental	2,089,268	2,182,708	-	-	-	8,422	4,280,398
Charges for Services	1,409,191	-	-	-	-	123,457	1,532,648
Miscellaneous	64,467	76,420	-	-	-	38,374	179,261
<b>TOTAL RECEIPTS</b>	<b>12,856,979</b>	<b>2,259,302</b>	<b>1,241,093</b>	<b>35</b>	<b>235,186</b>	<b>702,618</b>	<b>17,295,213</b>
<b>DISBURSEMENTS</b>							
General Government	4,634,718	-	385	-	-	205,723	4,840,826
Public Safety	4,819,827	-	-	-	-	130,153	4,949,980
Public Works	82,911	3,974,775	-	1,849,800	-	332,983	6,240,469
Public Assistance	292,219	-	-	-	-	145,919	438,138
Culture and Recreation	335,336	-	-	-	-	292,500	627,836
<b>TOTAL DISBURSEMENTS</b>	<b>10,165,011</b>	<b>3,974,775</b>	<b>385</b>	<b>1,849,800</b>	<b>-</b>	<b>1,107,278</b>	<b>17,097,249</b>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,691,968	(1,715,473)	1,240,708	(1,849,765)	235,186	(404,660)	197,964
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	392,871	1,717,650	-	1,849,790	-	223,050	4,183,361
Transfers out	(3,790,490)	-	-	-	(367,000)	(25,871)	(4,183,361)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,397,619)</b>	<b>1,717,650</b>	<b>-</b>	<b>1,849,790</b>	<b>(367,000)</b>	<b>197,179</b>	<b>-</b>
Net Change in Fund Balances	(705,651)	2,177	1,240,708	25	(131,814)	(207,481)	197,964
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>979,081</b>	<b>9,086</b>	<b>2,207,534</b>	<b>6</b>	<b>2,331,954</b>	<b>397,188</b>	<b>5,924,849</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 273,430</b>	<b>\$ 11,263</b>	<b>\$ 3,448,242</b>	<b>\$ 31</b>	<b>\$ 2,200,140</b>	<b>\$ 189,707</b>	<b>\$ 6,122,813</b>

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

**BUFFALO COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
 June 30, 2005

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents (Note 1.D)	\$ 3,791,107
 <b>LIABILITIES</b>	
Due to other governments	
State	651,419
Schools	2,330,401
Educational Service Units	4,930
Technical College	27,069
Natural Resource Districts	9,425
Fire Districts	94,944
Municipalities	385,728
Agricultural Society	7,921
Community Redevelopment Authority	2,730
Townships	165,595
Sanitary and Improvement Districts	77,796
Others	33,149
<b>TOTAL LIABILITIES</b>	<b>3,791,107</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2005

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Buffalo 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.

As required by generally accepted accounting principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

**Joint Organization.**

Behavioral Health Region III - The County has entered into an agreement with surrounding counties and the Nebraska Health and Human Services System to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. The Region consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of federal, state, local, and private funding. The

## BUFFALO COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

County contributed \$97,292 toward the operation of the Region during fiscal year 2005. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Health and Human Services System requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with Buffalo County Community Health Partners to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per State Statutes 71-1626 to 71-1636.

The Department's governing board is established by Statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of federal, state, local, and private funding. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is required to be audited annually in accordance with State Statute 84-304. Financial information for the Department is available in that report.

#### **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. 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 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.



BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

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.

**Special Bridge Fund.** This fund is used to account for costs associated with construction of specified bridge projects.

**County Building and Repair Fund.** This fund is used to account for costs associated with building and repair of County-owned facilities.

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

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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, 77-2340, and 77-2341 R.R.S. 2003, 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.

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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 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. 2003.

At year end, the County's carrying amount of deposits and pooled investments was \$6,122,813 for County funds and \$3,791,107 for Fiduciary funds. The bank balances for all funds totaled \$6,685,027. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2005 were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of pooled investments are stated at cost, which approximates market. Investments consisted of \$3,165,812 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participant's each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

## BUFFALO COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 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 2004, for the 2004 taxes which will be materially collected in May and September 2005, was set at \$.356213/\$100 of assessed valuation. The levy set in October 2003, for the 2003 taxes which were materially collected in May and September 2004, was set at \$.354159/\$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.

#### 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.

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., 2004, and may be amended through legislative action. The employee's and

## BUFFALO COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 4. **Retirement System** (Concluded)

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.

A supplemental retirement plan was established on January 1, 2003 for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings

For the year ended June 30, 2005, 180 employees contributed \$249,385; the County contributed \$374,059, which consisted entirely of cash contributions. Additionally, for the year ended June 30, 2005, 26 law enforcement employees and the County contributed \$9,454 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$1,582 directly to 17 retired employees for prior service benefits.

#### 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 70 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.

BUFFALO COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management (Concluded)**

The agreement with NIRMA provides that NIRMA will provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 300,000	Statutory Limits
Property Damage Claim	\$ 25,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the Pool in the last three fiscal years and no assessments are anticipated for fiscal year 2006. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2005 consisted of the following:

	Transfers from			
	General Fund	County Building & Repair Fund	Nonmajor Funds	Total
<b>Transfers to</b>				
General Fund	\$ -	\$ 367,000	\$ 25,871	\$ 392,871
Special Bridge	1,849,790	-	-	1,849,790
Road Fund	1,717,650	-	-	1,717,650
Nonmajor Funds	223,050	-	-	223,050
<b>Total</b>	\$ 3,790,490	\$ 367,000	\$ 25,871	\$ 4,183,361

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

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 9,355,341	\$ 9,355,341	\$ 9,136,634	\$ (218,707)
Licenses and Permits	145,150	145,150	157,419	12,269
Interest	-	-	-	-
Intergovernmental	2,731,207	3,031,207	2,089,268	(941,939)
Charges for Services	1,239,950	1,239,950	1,409,191	169,241
Miscellaneous	77,330	77,330	64,467	(12,863)
<b>TOTAL RECEIPTS</b>	<u>13,548,978</u>	<u>13,848,978</u>	<u>12,856,979</u>	<u>(991,999)</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	239,563	247,563	247,158	405
County Clerk	135,996	135,996	135,597	399
County Treasurer	347,301	347,301	338,536	8,765
Register of Deeds	203,100	203,100	201,991	1,109
County Assessor	477,508	477,508	467,490	10,018
Election Commissioner	176,653	176,653	162,798	13,855
Zoning	70,209	70,209	62,821	7,388
Data Processing Department	420,707	420,707	342,588	78,119
Clerk of the District Court	447,221	447,221	373,207	74,014
County Court System	251,074	251,074	204,897	46,177
Public Defender	437,733	437,733	425,402	12,331
Building and Grounds	646,041	646,041	399,294	246,747
Agricultural Extension Agent	163,621	163,621	160,281	3,340
Miscellaneous	1,969,544	1,969,544	1,112,658	856,886
Public Safety				
County Sheriff	1,585,872	1,585,872	1,575,535	10,337
County Attorney	1,038,102	1,038,102	977,824	60,278
Communication Center	603,820	603,820	587,094	16,726
County Jail	999,665	999,665	960,219	39,446
Emergency Manager	80,856	80,856	76,527	4,329
County Probation	27,135	27,185	27,138	47
Miscellaneous	1,775,918	2,083,968	615,490	1,468,478
Public Works				
County Surveyor	121,350	121,350	82,911	38,439
Public Health				
Miscellaneous	166,842	166,842	-	166,842
Public Assistance				
Veterans' Service Officer	128,119	128,119	125,378	2,741
Miscellaneous	-	-	166,841	(166,841)
Culture and Recreation				
Miscellaneous	410,336	410,336	335,336	75,000
<b>TOTAL DISBURSEMENTS</b>	<u>12,924,286</u>	<u>13,240,386</u>	<u>10,165,011</u>	<u>3,075,375</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>624,692</b>	<b>608,592</b>	<b>2,691,968</b>	<b>2,083,376</b>

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 174	\$ 174
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	2,201,328	2,201,328	2,182,708	(18,620)
Charges for Services	-	-	-	-
Miscellaneous	50,001	50,001	76,420	26,419
<b>TOTAL RECEIPTS</b>	<u>2,251,329</u>	<u>2,251,329</u>	<u>2,259,302</u>	<u>7,973</u>
<b>DISBURSEMENTS</b>	<u>4,427,824</u>	<u>4,427,824</u>	<u>3,974,775</u>	<u>453,049</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	(2,176,495)	(2,176,495)	(1,715,473)	461,022
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,167,409	2,167,409	1,717,650	(449,759)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,167,409</u>	<u>2,167,409</u>	<u>1,717,650</u>	<u>(449,759)</u>
Net Change in Fund Balance	(9,086)	(9,086)	2,177	11,263
FUND BALANCE - BEGINNING	9,086	9,086	9,086	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,263</u>	<u>\$ 11,263</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 500,000	\$ 500,000	\$ 1,241,093	\$ 741,093
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>500,000</u>	<u>500,000</u>	<u>1,241,093</u>	<u>741,093</u>
<b>DISBURSEMENTS</b>	<u>10,000</u>	<u>10,000</u>	<u>385</u>	<u>9,615</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	490,000	490,000	1,240,708	750,708
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(2,697,534)	(2,697,534)	-	2,697,534
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,697,534)</u>	<u>(2,697,534)</u>	<u>-</u>	<u>2,697,534</u>
Net Change in Fund Balance	(2,207,534)	(2,207,534)	1,240,708	3,448,242
FUND BALANCE - BEGINNING	2,207,534	2,207,534	2,207,534	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,448,242</u>	<u>\$ 3,448,242</u>

(Continued)



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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>SPECIAL BRIDGE FUND</u></b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 35	\$ 35
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>35</u>	<u>35</u>
<b>DISBURSEMENTS</b>	<u>1,849,800</u>	<u>1,849,800</u>	<u>1,849,800</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	(1,849,800)	(1,849,800)	(1,849,765)	35
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,849,794	1,849,794	1,849,790	(4)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,849,794</u>	<u>1,849,794</u>	<u>1,849,790</u>	<u>(4)</u>
Net Change in Fund Balance	(6)	(6)	25	31
FUND BALANCE - BEGINNING	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31</u>	<u>\$ 31</u>
<b><u>COUNTY BUILDING AND REPAIR FUND</u></b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	100,000	100,000	235,186	135,186
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>100,000</u>	<u>100,000</u>	<u>235,186</u>	<u>135,186</u>
<b>DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	100,000	100,000	235,186	135,186
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(2,431,954)	(2,431,954)	(367,000)	2,064,954
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,431,954)</u>	<u>(2,431,954)</u>	<u>(367,000)</u>	<u>2,064,954</u>
Net Change in Fund Balance	(2,331,954)	(2,331,954)	(131,814)	2,200,140
FUND BALANCE - BEGINNING	<u>2,331,954</u>	<u>2,331,954</u>	<u>2,331,954</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,200,140</u>	<u>\$ 2,200,140</u>

(Concluded)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,152,959	5,152,959	392,871	(4,760,088)
Transfers out	(4,256,732)	(4,256,732)	(3,790,490)	466,242
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>896,227</u>	<u>896,227</u>	<u>(3,397,619)</u>	<u>(4,293,846)</u>
Net Change in Fund Balance	1,520,919	1,504,819	(705,651)	(2,210,470)
<b>FUND BALANCE - BEGINNING</b>	979,081	979,081	979,081	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,500,000</u>	<u>\$ 2,483,900</u>	<u>\$ 273,430</u>	<u>\$ (2,210,470)</u>

(Concluded)

## BUFFALO COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2005

#### 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 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.

**BUFFALO COUNTY**  
**COMBIING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	Visitor Promotion Fund	Unemployment Fund	Medical Relief Fund	Institutions Fund	Veterans' Aid Fund	STOP Program	Re-Use Economic Development	Drug Fund
<b>RECEIPTS</b>								
Property Taxes	\$ 290,443	\$ -	\$ 59,265	\$ 12,969	\$ 19,013	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Interest	336	-	-	-	-	-	-	-
Intergovernmental	-	-	3,183	1,245	3,994	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	14,224	-	-	16,074	-	2,075
<b>TOTAL RECEIPTS</b>	<b>290,779</b>	<b>-</b>	<b>76,672</b>	<b>14,214</b>	<b>23,007</b>	<b>16,074</b>	<b>-</b>	<b>2,075</b>
<b>DISBURSEMENTS</b>								
General Government	-	2,158	-	-	-	-	203,565	-
Public Safety	-	-	-	-	-	10,000	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-	-
Public Assistance	-	-	103,946	16,973	25,000	-	-	-
Culture and Recreation	292,500	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>292,500</b>	<b>2,158</b>	<b>103,946</b>	<b>16,973</b>	<b>25,000</b>	<b>10,000</b>	<b>203,565</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,721)</b>	<b>(2,158)</b>	<b>(27,274)</b>	<b>(2,759)</b>	<b>(1,993)</b>	<b>6,074</b>	<b>(203,565)</b>	<b>2,075</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	7,800	2,400	-	-	-	-
Transfers out	-	-	-	(2,400)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>7,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(1,721)	(2,158)	(19,474)	(2,759)	(1,993)	6,074	(203,565)	2,075
<b>FUND BALANCES - BEGINNING</b>	<b>26,278</b>	<b>40,716</b>	<b>47,949</b>	<b>5,329</b>	<b>10,627</b>	<b>-</b>	<b>203,565</b>	<b>59</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 24,557</b>	<b>\$ 38,558</b>	<b>\$ 28,475</b>	<b>\$ 2,570</b>	<b>\$ 8,634</b>	<b>\$ 6,074</b>	<b>\$ -</b>	<b>\$ 2,134</b>

(Continued)

**BUFFALO COUNTY**  
**COMBIING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2005

	911 Emergency Service	Bond Debt	Weed Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>				
Property Taxes	\$ 150,313	\$ 13	\$ 13	\$ 532,029
Licenses and Permits	-	-	-	-
Interest	-	-	-	336
Intergovernmental	-	-	-	8,422
Charges for Services	-	-	123,457	123,457
Miscellaneous	6,001	-	-	38,374
TOTAL RECEIPTS	<u>156,314</u>	<u>13</u>	<u>123,470</u>	<u>702,618</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	205,723
Public Safety	120,153	-	-	130,153
Public Works	-	-	332,983	332,983
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	145,919
Culture and Recreation	-	-	-	292,500
TOTAL DISBURSEMENTS	<u>120,153</u>	<u>-</u>	<u>332,983</u>	<u>1,107,278</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>				
	<u>36,161</u>	<u>13</u>	<u>(209,513)</u>	<u>(404,660)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	212,850	223,050
Transfers out	-	(23,471)	-	(25,871)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(23,471)</u>	<u>212,850</u>	<u>197,179</u>
Net Change in Fund Balances	36,161	(23,458)	3,337	(207,481)
<b>FUND BALANCES - BEGINNING</b>	<u>28,393</u>	<u>23,471</u>	<u>10,801</u>	<u>397,188</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 64,554</u>	<u>\$ 13</u>	<u>\$ 14,138</u>	<u>\$ 189,707</u>

(Concluded)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FEDERAL GRANTS FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
TOTAL RECEIPTS	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
<b>DISBURSEMENTS</b>	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>VISITOR PROMOTION FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 332,622	\$ 332,622	\$ 290,443	\$ (42,179)
Interest	-	-	336	336
TOTAL RECEIPTS	<u>332,622</u>	<u>332,622</u>	<u>290,779</u>	<u>(41,843)</u>
<b>DISBURSEMENTS</b>	<u>358,900</u>	<u>358,900</u>	<u>292,500</u>	<u>66,400</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(26,278)	(26,278)	(1,721)	24,557
FUND BALANCE - BEGINNING	26,278	26,278	26,278	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,557</u>	<u>\$ 24,557</u>

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>UNEMPLOYMENT FUND</b>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	40,716	40,716	2,158	38,558
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(40,716)	(40,716)	(2,158)	38,558
FUND BALANCE - BEGINNING	40,716	40,716	40,716	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 38,558	\$ 38,558
<b>MEDICAL RELIEF FUND</b>				
RECEIPTS				
Taxes	\$ 94,051	\$ 94,051	\$ 59,265	\$ (34,786)
Intergovernmental	-	-	3,183	3,183
Miscellaneous	8,000	8,000	14,224	6,224
TOTAL RECEIPTS	102,051	102,051	76,672	(25,379)
DISBURSEMENTS	104,000	104,000	103,946	54
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	7,800	7,800
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	7,800	7,800
Net Change in Fund Balance	(1,949)	(1,949)	(19,474)	(17,525)
FUND BALANCE - BEGINNING	47,949	47,949	47,949	-
FUND BALANCE - ENDING	\$ 46,000	\$ 46,000	\$ 28,475	\$ (17,525)

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INSTITUTIONS FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 19,501	\$ 19,501	\$ 12,969	\$ (6,532)
Intergovernmental	-	-	1,245	1,245
<b>TOTAL RECEIPTS</b>	<b>19,501</b>	<b>19,501</b>	<b>14,214</b>	<b>(5,287)</b>
<b>DISBURSEMENTS</b>	<b>19,830</b>	<b>19,830</b>	<b>16,973</b>	<b>2,857</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	2,400	2,400
Transfers out	-	-	(2,400)	(2,400)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(329)	(329)	(2,759)	(2,430)
FUND BALANCE - BEGINNING	5,329	5,329	5,329	-
FUND BALANCE - ENDING	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 2,570</b>	<b>\$ (2,430)</b>
<b>VETERANS' AID FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 18,623	\$ 18,623	\$ 19,013	\$ 390
Intergovernmental	750	750	3,994	3,244
<b>TOTAL RECEIPTS</b>	<b>19,373</b>	<b>19,373</b>	<b>23,007</b>	<b>3,634</b>
<b>DISBURSEMENTS</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(5,627)	(5,627)	(1,993)	3,634
FUND BALANCE - BEGINNING	10,627	10,627	10,627	-
FUND BALANCE - ENDING	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 8,634</b>	<b>\$ 3,634</b>

(Continued)



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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STOP PROGRAM</b>				
<b>RECEIPTS</b>				
Charges for Services	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Miscellaneous	-	-	16,074	16,074
<b>TOTAL RECEIPTS</b>	<b>10,000</b>	<b>10,000</b>	<b>16,074</b>	<b>6,074</b>
<b>DISBURSEMENTS</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	-	-	6,074	6,074
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,074</b>	<b>\$ 6,074</b>
<b>RE-USE ECONOMIC DEVELOPMENT</b>				
<b>RECEIPTS</b>				
	\$ -	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>				
	203,565	203,565	203,565	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(203,565)	(203,565)	(203,565)	-
FUND BALANCE - BEGINNING	203,565	203,565	203,565	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG FUND</b>				
<b>RECEIPTS</b>				
Miscellaneous	\$ -	\$ -	\$ 2,075	\$ 2,075
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>2,075</b>	<b>2,075</b>
<b>DISBURSEMENTS</b>	<b>59</b>	<b>59</b>	<b>-</b>	<b>59</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(59)	(59)	2,075	2,134
FUND BALANCE - BEGINNING	59	59	59	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,134</u>	<u>\$ 2,134</u>
<b>911 EMERGENCY SERVICE</b>				
<b>RECEIPTS</b>				
Taxes	\$ 136,607	\$ 136,607	\$ 150,313	\$ 13,706
Miscellaneous	-	-	6,001	6,001
<b>TOTAL RECEIPTS</b>	<b>136,607</b>	<b>136,607</b>	<b>156,314</b>	<b>19,707</b>
<b>DISBURSEMENTS</b>	<b>165,000</b>	<b>165,000</b>	<b>120,153</b>	<b>44,847</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(28,393)	(28,393)	36,161	64,554
FUND BALANCE - BEGINNING	28,393	28,393	28,393	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,554</u>	<u>\$ 64,554</u>

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BOND DEBT</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 13	\$ 13
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>
<b>DISBURSEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(23,471)	(23,471)	(23,471)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,471)</b>	<b>(23,471)</b>	<b>(23,471)</b>	<b>-</b>
Net Change in Fund Balance	(23,471)	(23,471)	(23,458)	13
FUND BALANCE - BEGINNING	23,471	23,471	23,471	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>
<b>WEED FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 13	\$ 13
Charges for Services	85,000	85,000	123,457	38,457
<b>TOTAL RECEIPTS</b>	<b>85,000</b>	<b>85,000</b>	<b>123,470</b>	<b>38,470</b>
<b>DISBURSEMENTS</b>	<b>335,330</b>	<b>335,330</b>	<b>332,983</b>	<b>2,347</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	239,529	239,529	212,850	(26,679)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>239,529</b>	<b>239,529</b>	<b>212,850</b>	<b>(26,679)</b>
Net Change in Fund Balance	(10,801)	(10,801)	3,337	14,138
FUND BALANCE - BEGINNING	10,801	10,801	10,801	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,138</u>	<u>\$ 14,138</u>

(Concluded)

**BUFFALO COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2005

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>
BALANCE JULY 1, 2004	\$ 292	\$ 50,006	\$ 355,109	\$ 87,471	\$ 74,448
<b>RECEIPTS</b>					
Property Taxes	6,240	-	-	-	-
Licenses and Permits	3,576	-	-	-	-
Charges for Services	-	328,540	66,091	603,221	-
Miscellaneous	-	-	-	482,813	-
State Fees	-	223,170	37,017	-	-
Other Liabilities	-	-	1,612,583	37,325	10,021
<b>TOTAL RECEIPTS</b>	<u>9,816</u>	<u>551,710</u>	<u>1,715,691</u>	<u>1,123,359</u>	<u>10,021</u>
<b>DISBURSEMENTS</b>					
Payments to County Treasurer	9,870	326,071	66,118	1,006,675	-
Payments to State Treasurer	-	216,986	35,936	-	-
Other Liabilities	-	-	1,697,339	119,495	24,424
<b>TOTAL DISBURSEMENTS</b>	<u>9,870</u>	<u>543,057</u>	<u>1,799,393</u>	<u>1,126,170</u>	<u>24,424</u>
 BALANCE JUNE 30, 2005	 <u>\$ 238</u>	 <u>\$ 58,659</u>	 <u>\$ 271,407</u>	 <u>\$ 84,660</u>	 <u>\$ 60,045</u>
<b>BALANCE CONSISTS OF:</b>					
Due to County Treasurer	\$ 153	\$ 32,695	\$ 2,013	\$ 43,106	\$ 58,664
Petty Cash	85	-	983	2,777	750
Due to State Treasurer	-	25,964	3,824	-	-
Due to Others	-	-	264,587	38,777	631
BALANCE JUNE 30, 2005	<u>\$ 238</u>	<u>\$ 58,659</u>	<u>\$ 271,407</u>	<u>\$ 84,660</u>	<u>\$ 60,045</u>

<u>Weed Superintendent</u>	<u>Highway Superintendent</u>	<u>Veterans' Service Officer</u>	<u>County Planning and Zoning</u>	<u>Total</u>
\$ 44,458	\$ 32,873	\$ 14,552	\$ 50	\$ 659,259
-	-	-	-	6,240
-	430	-	4,715	8,721
131,559	59,789	-	-	1,189,200
-	16,276	-	-	499,089
879	120	-	-	261,186
-	-	25,028	-	1,684,957
<u>132,438</u>	<u>76,615</u>	<u>25,028</u>	<u>4,715</u>	<u>3,649,393</u>
123,449	76,020	-	4,715	1,612,918
424	220	-	-	253,566
-	-	12,904	-	1,854,162
<u>123,873</u>	<u>76,240</u>	<u>12,904</u>	<u>4,715</u>	<u>3,720,646</u>
<u>\$ 53,023</u>	<u>\$ 33,248</u>	<u>\$ 26,676</u>	<u>\$ 50</u>	<u>\$ 588,006</u>
\$ 52,567	\$ 33,210	\$ 26,676	\$ 50	\$ 249,134
-	-	-	-	4,595
456	38	-	-	30,282
-	-	-	-	303,995
<u>\$ 53,023</u>	<u>\$ 33,248</u>	<u>\$ 26,676</u>	<u>\$ 50</u>	<u>\$ 588,006</u>

BUFFALO COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2005

Item	2000	2001	2002	2003	2004
Tax Certified by Assessor					
Real Estate	\$ 27,895,477	\$ 30,845,740	\$ 32,379,006	\$ 34,551,636	\$ 36,594,587
Personal and Specials	3,644,589	4,049,187	4,118,756	4,605,598	4,575,874
Total	<u>31,540,066</u>	<u>34,894,927</u>	<u>36,497,762</u>	<u>39,157,234</u>	<u>41,170,461</u>
Corrections					
Additions	34,363	162,663	27,551	416,634	33,509
Deductions	<u>(56,486)</u>	<u>(75,002)</u>	<u>(49,765)</u>	<u>(136,671)</u>	<u>(44,955)</u>
Net Additions/ (Deductions)	<u>(22,123)</u>	<u>87,661</u>	<u>(22,214)</u>	<u>279,963</u>	<u>(11,446)</u>
Corrected Certified Tax	<u>31,517,943</u>	<u>34,982,588</u>	<u>36,475,548</u>	<u>39,437,197</u>	<u>41,159,015</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2001	18,645,541	-	-	-	-
June 30, 2002	12,848,636	19,843,329	-	-	-
June 30, 2003	15,909	15,108,053	20,593,347	-	-
June 30, 2004	6,013	14,349	15,857,075	22,352,035	-
June 30, 2005	266	1,414	7,021	16,962,024	23,383,094
Total Net Collections	<u>31,516,365</u>	<u>34,967,145</u>	<u>36,457,443</u>	<u>39,314,059</u>	<u>23,383,094</u>
Total Uncollected Tax	<u>\$ 1,578</u>	<u>\$ 15,443</u>	<u>\$ 18,105</u>	<u>\$ 123,138</u>	<u>\$ 17,775,921</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.04%</u>	<u>0.05%</u>	<u>0.31%</u>	<u>43.19%</u>

BUFFALO COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Passed through Nebraska Military Department State Domestic Preparedness Equipment Grant Program (See Note)	16.007	* \$ 231,623
Passed through State Commission on Law Enforcement and Criminal Justice		
Juvenile Justice and Delinquency Prevention	16.540	38,095
Juvenile Accountability Incentive Block Grants	16.523	<u>16,456</u>
Total U.S. Department of Justice		<u>286,174</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed through Nebraska Military Department State Domestic Preparedness Equipment Support Program (See Note) (State Homeland Security Grant Program)	97.004	* 166,170
Emergency Management Performance Grants	97.042	<u>8,265</u>
Total U.S. Department of Homeland Security		<u>174,435</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed through Nebraska Department of Health and Human Services Child Support Enforcement, County Attorney	93.563	156,403
Child Support Enforcement, Clerk of District Court	93.563	<u>80,196</u>
Total U.S. Department of Health and Human Services		<u>236,599</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Passed through Nebraska Department of Motor Vehicles State and Community Highway Safety	20.600	<u>4,132</u>
Total U.S. Department of Transportation		<u>4,132</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 701,340</u></u>

NOTE: Per A-133 Compliance Supplement, these expenditures are to be shown using the CFDA number(s) shown on the notice of award for the period in which the funds were awarded.

\* - Represents major program.

See accompanying notes to the schedule of expenditures of federal awards.

BUFFALO COUNTY

NOTES TO THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2005

1. **General**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of Buffalo County (the County), except as noted in Note 2 below. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective federal agency.

2. **Summary of Significant Accounting Policies**

A. **Reporting Entity**

The County's reporting entity is defined in Note 1.A. to the financial statements. The accompanying Schedule includes the federal awards programs administered by the County for the fiscal year ended June 30, 2005.

B. **Basis of Presentation**

The accompanying Schedule presents total expenditures for each federal awards program in accordance with Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Federal program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA), whenever possible.

**Federal Awards.** Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations.

**Major Programs.** In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (\*) are considered major programs.

C. **Basis of Accounting**

The accompanying schedule was prepared on the cash basis of accounting.

**Matching Costs.** The Schedule does not include matching expenditures from general revenues of the County.



# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Kate Witek  
State Auditor  
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## BUFFALO COUNTY 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*

Deann Haeffner, CPA  
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Board of Supervisors  
Buffalo County, Nebraska

Don Dunlap, CPA  
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Tim Channer, CPA  
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We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Buffalo County as of and for the year ended June 30, 2005, and have issued our report thereon dated August 30, 2005. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. 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.

Mary Avery  
SAE/Finance Manager  
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### Internal Control Over Financial Reporting

Dennis Meyer, CGFM  
Subdivision Budget  
Coordinator  
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In planning and performing our audit, we considered the Buffalo 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 an opinion 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 Buffalo 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:

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- 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 may not be possible without additional cost.

A material weakness is a reportable 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 caused by error or fraud 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.

#### Compliance and Other Matters

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

We noted certain additional items that we reported to the management of Buffalo County in a separate letter dated August 30, 2005.

This report is intended solely for the information and use of the County and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

August 30, 2005

  
Dawn Hauffman CPA  
Deputy State Auditor

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## BUFFALO COUNTY REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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Buffalo County, Nebraska

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### Compliance

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Mary Avery  
SAE/Finance Manager  
Mary.Avery@apa.ne.gov

We have audited the compliance of Buffalo County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Buffalo County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Buffalo County's management. Our responsibility is to express an opinion on Buffalo County's compliance based on our audit.

Dennis Meyer, CGFM  
Subdivision Budget  
Coordinator  
Dennis.Meyer@apa.ne.gov

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Buffalo County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Buffalo County's compliance with those requirements.

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Review Coordinator  
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Perry Pirsch, JD, MPA  
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In our opinion, Buffalo County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Buffalo County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Buffalo County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

August 30, 2005



Deputy State Auditor

BUFFALO COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2005

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

Material weaknesses identified?  X  Yes   No

Reportable conditions identified that are not considered to be material weaknesses?   Yes  X  None Reported

Noncompliance material to financial statements noted?   Yes  X  No

Internal control over major programs:

Material weaknesses identified?   Yes  X  No

Reportable conditions identified that are not considered to be material weaknesses?   Yes  X  None Reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133:   Yes  X  No

Major programs: **Homeland Security Cluster, CFDA #97.004 & #16.007**

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee:   Yes  X  No

SECTION II. FINANCIAL STATEMENT FINDINGS

Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

BUFFALO COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

SECTION II. FINANCIAL STATEMENT FINDINGS (Concluded)

Effect of the Condition - This lack of segregation of duties results in an inadequate overall internal control structure design.

Cause of the Condition - The County does not employ sufficient office personnel to properly segregate accounting functions.

Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with improper segregation of accounting functions.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted.