

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2005 THROUGH JUNE 30, 2006

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the Auditor of Public Accounts.**

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Issued on February 20, 2007

SAUNDERS COUNTY

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SAUNDERS COUNTY
LIST OF COUNTY OFFICIALS
 At June 30, 2006

<u>Saunders</u>	<u>Title</u>	<u>Term Expires</u>
Kenneth Kuncel	Board of Supervisors	Jan. 2007
Dean Busing		Jan. 2007
Scott Sukstorf		Jan. 2009
Doris Karloff		Jan. 2009
Richard Jurgens		Jan. 2007
Leroy Hanson		Jan. 2007
James Fauver		Jan. 2009
Scott Tingelhoff	Attorney	Jan. 2007
Patti Lindgren	Clerk Election Commissioner	Jan. 2007
Don Clark	Register of Deeds	Jan. 2007
JoAnn Cherovsky	Clerk of the District Court	Jan. 2007
Chuck Lacey	Sheriff	Jan. 2007
Patricia Hunter	Treasurer	Jan. 2007
Herbert Barnes	Veterans' Service Officer	Appointed
Ed Sladky	Weed Superintendent	Appointed
Steve Mika	Highway Superintendent Transportation	Appointed
Sheri Schaeffer	Senior Services	Appointed
George Borreson	Planning & Zoning	Appointed
Pam Lausterer	Youth Services	Appointed

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Auditor of Public Accounts



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SAUNDERS COUNTY

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Saunders County, Nebraska

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, 2006, 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.

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.

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.

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 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, 2006, 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, 2006, 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 January 31, 2007, on our consideration of Saunders County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe 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 budgetary comparison information is not a required part of the basic financial statements but is 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.

The County has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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.



Assistant Deputy Auditor

January 31, 2007

SAUNDERS COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
 June 30, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents (Note 1.D)	\$ 23,271,816
TOTAL ASSETS	<u><u>\$ 23,271,816</u></u>
NET ASSETS	
Restricted for:	
Veterans Aid	\$ 87,232
911 Emergency Services	55,430
Other Purposes	7,555
Debt Service	1,884,503
Construction Projects	16,974,506
Unrestricted	4,262,590
TOTAL NET ASSETS	<u><u>\$ 23,271,816</u></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, 2006

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Assets
Governmental Activities:				
General Government	\$ (2,839,547)	\$ 607,168	\$ 203,740	\$ (2,028,639)
Public Safety	(2,693,254)	115,411	610,316	(1,967,527)
Public Works	(2,943,350)	24,662	1,898,310	(1,020,378)
Public Assistance	(481,634)	77,588	128,522	(275,524)
Culture and Recreation	(53,656)	-	-	(53,656)
Debt Payments	(340,622)	(46)	-	(340,668)
Capital Outlay	(3,404,391)	-	-	(3,404,391)
Total Governmental Activities	\$ (12,756,454)	\$ 824,783	\$ 2,840,888	(9,090,783)

General Receipts:	
Property Taxes	4,547,412
Grants and Contributions Not Restricted to Specific Programs	327,642
Investment Income	391,510
Miscellaneous	22,901,044
Total General Receipts	28,167,608
Change in Net Assets	19,076,825
Net Assets - Beginning	4,194,991
Net Assets - Ending	\$ 23,271,816

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, 2006

	General Fund	Road Fund	Inheritance Fund	Building Fund	Bond Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents (Note 1.D)	\$ 706,597	\$ 1,012,918	\$ 975,993	\$ 1,085,097	\$ 1,884,503	\$ 16,974,506	\$ 632,202	\$ 23,271,816
TOTAL ASSETS	<u>\$ 706,597</u>	<u>\$ 1,012,918</u>	<u>\$ 975,993</u>	<u>\$ 1,085,097</u>	<u>\$ 1,884,503</u>	<u>\$ 16,974,506</u>	<u>\$ 632,202</u>	<u>\$ 23,271,816</u>
FUND BALANCES								
Unreserved, reported in:								
General fund	\$ 706,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706,597
Special revenue funds	-	1,012,918	975,993	1,085,097	-	-	632,202	3,706,210
Debt service funds	-	-	-	-	1,884,503	-	-	1,884,503
Capital project funds	-	-	-	-	-	16,974,506	-	16,974,506
TOTAL CASH BASIS FUND BALANCES	<u>\$ 706,597</u>	<u>\$ 1,012,918</u>	<u>\$ 975,993</u>	<u>\$ 1,085,097</u>	<u>\$ 1,884,503</u>	<u>\$ 16,974,506</u>	<u>\$ 632,202</u>	<u>\$ 23,271,816</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General Fund	Road Fund	Inheritance Fund	Building Fund	Bond Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS								
Property Taxes	\$ 3,686,605	\$ 149,880	\$ 424,054	\$ 10,742	\$ 88,360	\$ -	\$ 187,771	\$ 4,547,412
Licenses and Permits	265,234	-	-	-	-	-	-	265,234
Interest	116,735	-	-	27,579	245,143	-	2,053	391,510
Intergovernmental	251,424	1,963,574	-	503	5,947	-	947,082	3,168,530
Charges for Services	678,046	15,363	-	12,062	(46)	-	119,358	824,783
Miscellaneous	51,647	297,696	-	-	1,885,721	20,378,897	21,849	22,635,810
TOTAL RECEIPTS	5,049,691	2,426,513	424,054	50,886	2,225,125	20,378,897	1,278,113	31,833,279
DISBURSEMENTS								
General Government	2,351,540	-	173,885	73,450	-	-	240,672	2,839,547
Public Safety	1,808,767	-	-	-	-	-	884,487	2,693,254
Public Works	147,745	2,505,777	-	-	-	-	289,828	2,943,350
Public Assistance	107,892	-	-	-	-	-	373,742	481,634
Culture and Recreation	26,000	-	-	-	-	-	27,656	53,656
Debt Service:								
Interest and Fiscal Charges	-	-	-	-	340,622	-	-	340,622
Capital Outlay	-	-	-	-	-	3,404,391	-	3,404,391
TOTAL DISBURSEMENTS	4,441,944	2,505,777	173,885	73,450	340,622	3,404,391	1,816,385	12,756,454
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	607,747	(79,264)	250,169	(22,564)	1,884,503	16,974,506	(538,272)	19,076,825
OTHER FINANCING SOURCES (USES)								
Transfers in	8	306,811	-	50,000	-	-	563,006	919,825
Transfers out	(636,482)	-	(283,336)	-	-	-	(7)	(919,825)
TOTAL OTHER FINANCING SOURCES (USES)	(636,474)	306,811	(283,336)	50,000	-	-	562,999	-
Net Change in Fund Balances	(28,727)	227,547	(33,167)	27,436	1,884,503	16,974,506	24,727	19,076,825
CASH BASIS FUND BALANCES - BEGINNING	735,324	785,371	1,009,160	1,057,661	-	-	607,475	4,194,991
CASH BASIS FUND BALANCES - ENDING	\$ 706,597	\$ 1,012,918	\$ 975,993	\$ 1,085,097	\$ 1,884,503	\$ 16,974,506	\$ 632,202	\$ 23,271,816

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, 2006

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,550,823
 LIABILITIES	
Due to other governments	
State	314,938
Schools	1,287,337
Educational Service Units	3,227
Technical College	14,886
Natural Resources Districts	9,263
Fire Districts	15,748
Municipalities	88,176
Agricultural Society	13,463
Drainage Districts	12,363
Townships	12,235
Sanitary and Improvement Districts	747,697
Others	31,490
TOTAL LIABILITIES	2,550,823
 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, 2006

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.

Behavioral Health Region V - 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: 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 Act. Funding is provided by a combination of federal, state, local, and private funding. The County contributed \$69,102 toward the operation of the Region during fiscal year 2006. 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 Three Rivers Health Department 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 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,

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

Bond Fund. This fund is used to account for the accumulation of funds necessary to pay interest and redemption of bonds issued for the purpose of constructing or acquiring county hospital facilities and equipment.

Construction Fund. This fund is used to account for bond proceeds and expenditures for the purpose of constructing or otherwise acquiring hospital facilities. This fund is used strictly for the construction or acquisition of a hospital facility.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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. The government-wide statement of net assets reports \$19,009,226 of restricted net assets, of which \$19,009,226 is restricted by 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 was \$23,271,816 for County funds and \$2,550,823 for Fiduciary funds. The bank balances for all funds totaled \$24,768,323. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2006, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

SAUNDERS 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 2005, for the 2005 taxes which will be materially collected in May and September, 2006, was set at \$.23266/\$100 of assessed valuation. The levy set in October 2004, for the 2004 taxes which were materially collected in May and September, 2005, was set at \$.2156/\$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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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.

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, 2006, 109 employees contributed \$154,778; the County contributed \$232,168, which consisted entirely of cash contributions. Additionally, for the year ended June 30, 2006, 15 law enforcement employees and the County contributed \$4,932 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$2,124 directly to 18 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.

SAUNDERS 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 2007. 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, 2006, consisted of the following:

Transfers to	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 8	\$ 8
Building Fund	50,000	-	-	50,000
Road Fund	306,811	-	-	306,811
Nonmajor Funds	279,671	283,336	-	563,007
Total	\$ 636,482	\$ 283,336	\$ 8	\$ 919,826

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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, 2005	\$ 5,116
Payments	5,116
Purchases	-
Balance June 30, 2006	\$ -
Carrying Value of the related	
Fixed Asset	\$ 12,994

8. Interfund Transfers

Receivable Fund	Payable Fund	Amount
Building Fund	General Fund	\$ 441,477

In the fiscal year ended June 30, 2003, the County experienced a cash flow problem in its General Fund and adopted a resolution in September 2002 authorizing borrowing up to \$750,000 of funds from the Building Fund. Subsequent resolutions authorized borrowing against remaining funds not borrowed. The County's intent, as stated in its authorizing resolution, was that the Building Fund was to be repaid in ten (10) years or sooner if possible. In fiscal year 2006 the County did not borrow any additional funds from the Building Fund and repaid \$50,000 of the outstanding loan balance. At June 30, 2006, the unpaid Building Fund loan balance totaled \$441,477.

9. Contingent Liabilities

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

10. Long Term Debt

Hospital Bond. The County issued bonds in November 2005 in the amount of \$9,400,000 and in January 2006 in the amount of \$12,740,000; a total of \$22,140,000, for the purpose of paying the costs of acquiring a site and constructing and equipping a new

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

10. Long Term Debt (Concluded)

hospital, clinic, and long-term care facility to replace the County's existing hospital, clinic, and long-term care facility. The bond payable balance as of June 30, 2006, was \$22,140,000. Saunders County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. These future tax resources as well as proceeds of said facility once operational will be used to pay off the bonds. Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ -	\$ 1,009,798	\$ 1,009,798
2008	-	1,009,798	1,009,798
2009	430,000	1,002,641	1,432,641
2010	445,000	987,809	1,432,809
2011	465,000	971,879	1,436,879
2012-2016	2,585,000	4,580,894	7,165,894
2017-2036	18,215,000	10,218,960	28,433,960
Total Payments	<u>\$ 22,140,000</u>	<u>\$ 19,781,779</u>	<u>\$ 41,921,779</u>

Law Enforcement Bond. On September 12, 2006, the voters of Saunders County approved a \$12,990,000 bond to finance a new Law Enforcement Center and Jail. These bonds will be issued and amortized over a period of 20 years. Saunders County will begin payment on the bonds with \$237,050 in interest due on the bond issue during the fiscal year ending June 30, 2007.

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,716,868	\$ 3,716,868	\$ 3,686,605	\$ (30,263)
Licenses and Permits	184,175	184,175	265,234	81,059
Interest	70,000	70,000	116,735	46,735
Intergovernmental	91,650	91,650	251,424	159,774
Charges for Services	521,450	521,450	678,046	156,596
Miscellaneous	50,000	50,000	51,647	1,647
TOTAL RECEIPTS	<u>4,634,143</u>	<u>4,634,143</u>	<u>5,049,691</u>	<u>415,548</u>
DISBURSEMENTS				
General Government:				
County Board	134,112	134,112	132,587	1,525
County Clerk	129,144	129,144	128,671	473
County Treasurer	244,644	244,644	238,584	6,060
Register of Deeds	85,240	85,240	85,048	192
Election Commissioner	77,959	77,959	75,177	2,782
Building and Zoning	76,223	76,223	74,981	1,242
Board of Equalization	10,000	10,000	7,351	2,649
Clerk of the District Court	74,308	74,308	73,966	342
County Court System	2,700	2,700	2,598	102
Public Defender	115,205	115,205	111,777	3,428
Building and Grounds	119,030	124,580	124,533	47
Agricultural Extension Agent	74,713	74,713	74,621	92
Miscellaneous	1,597,184	1,597,184	1,221,646	375,538
Public Safety:				
County Sheriff	827,390	827,390	825,465	1,925
County Attorney	231,465	231,465	231,153	312
County Jail	570,745	698,245	698,134	111
Emergency Management	22,051	22,051	22,051	-
Miscellaneous	90,500	90,500	31,964	58,536
Public Works:				
County Surveyor	80,688	80,688	79,723	965
Highway Department	68,652	68,652	68,022	630
Public Health:				
Miscellaneous	70,748	70,748	-	70,748
Public Assistance:				
Veterans' Service Officer	37,058	37,058	37,009	49
Miscellaneous	-	-	70,883	(70,883)
Culture and Recreation:				
Miscellaneous	26,000	26,000	26,000	-
TOTAL DISBURSEMENTS	<u>4,765,759</u>	<u>4,898,809</u>	<u>4,441,944</u>	<u>456,865</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(131,616)	(264,666)	607,747	872,413
OTHER FINANCING SOURCES (USES)				
Transfers in	1,123,295	1,123,295	8	(1,123,287)
Transfers out	(927,003)	(927,003)	(636,482)	(290,521)
TOTAL OTHER FINANCING SOURCES (USES)	<u>196,292</u>	<u>196,292</u>	<u>(636,474)</u>	<u>(1,413,808)</u>
Net Change in Fund Balances	64,676	(68,374)	(28,727)	(541,395)
FUND BALANCES - BEGINNING	735,324	735,324	735,324	-
FUND BALANCES - ENDING	<u>\$ 800,000</u>	<u>\$ 666,950</u>	<u>\$ 706,597</u>	<u>\$ (541,395)</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ 1,000	\$ 1,000	\$ 149,880	\$ 148,880
Intergovernmental	1,850,100	1,850,100	1,963,574	113,474
Charges for Services	20,000	20,000	15,363	(4,637)
Miscellaneous	28,000	303,230	297,696	(5,534)
TOTAL RECEIPTS	1,899,100	2,174,330	2,426,513	252,183
DISBURSEMENTS	2,961,700	2,961,700	2,505,777	455,923
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,062,600)	(787,370)	(79,264)	708,106
OTHER FINANCING SOURCES (USES)				
Transfers in	444,229	444,229	306,811	(137,418)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	444,229	444,229	306,811	(137,418)
Net Change in Fund Balance	(618,371)	(343,141)	227,547	570,688
FUND BALANCE - BEGINNING	785,371	785,371	785,371	-
FUND BALANCE - ENDING	\$ 167,000	\$ 442,230	\$ 1,012,918	\$ 570,688
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 300,500	\$ 300,500	\$ 424,054	\$ 123,554
TOTAL RECEIPTS	300,500	300,500	424,054	123,554
DISBURSEMENTS	169,475	169,475	173,885	(4,410)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	131,025	131,025	250,169	119,144
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(1,190,185)	(1,190,185)	(283,336)	906,849
TOTAL OTHER FINANCING SOURCES (USES)	(1,140,185)	(1,140,185)	(283,336)	856,849
Net Change in Fund Balance	(1,009,160)	(1,009,160)	(33,167)	975,993
FUND BALANCE - BEGINNING	1,009,160	1,009,160	1,009,160	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 975,993	\$ 975,993

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUILDING FUND				
RECEIPTS				
Taxes	\$ 10,010	\$ 10,010	\$ 10,742	\$ 732
Interest	25,000	25,000	27,579	2,579
Intergovernmental	80	80	503	423
Charges for Services	12,000	12,000	12,062	62
Miscellaneous	2,000	2,000	-	(2,000)
TOTAL RECEIPTS	49,090	49,090	50,886	1,796
DISBURSEMENTS	898,228	898,228	73,450	824,778
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(849,138)	(849,138)	(22,564)	826,574
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Transfers out	(258,523)	(258,523)	-	258,523
TOTAL OTHER FINANCING SOURCES (USES)	(208,523)	(208,523)	50,000	258,523
Net Change in Fund Balance	(1,057,661)	(1,057,661)	27,436	1,085,097
FUND BALANCE - BEGINNING	1,057,661	1,057,661	1,057,661	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,085,097	\$ 1,085,097
BOND FUND				
RECEIPTS				
Taxes	\$ 163,192	\$ 163,192	\$ 88,360	\$ (74,832)
Interest	100	100	245,143	245,043
Intergovernmental	-	-	5,947	5,947
Charges for Services	-	-	(46)	(46)
Miscellaneous	1,272,000	1,272,000	1,885,721	613,721
TOTAL RECEIPTS	1,435,292	1,435,292	2,225,125	789,833
DISBURSEMENTS	1,435,292	1,435,292	340,622	1,094,670
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	-	1,884,503	1,884,503
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	-	-	1,884,503	1,884,503
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,884,503	\$ 1,884,503

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CONSTRUCTION FUND				
RECEIPTS				
Miscellaneous	\$ 22,140,000	\$ 22,140,000	\$ 20,378,897	\$ (1,761,103)
TOTAL RECEIPTS	22,140,000	22,140,000	20,378,897	(1,761,103)
DISBURSEMENTS	22,140,000	22,140,000	3,404,391	18,735,609
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	-	16,974,506	16,974,506
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	-	-	16,974,506	16,974,506
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 16,974,506	\$ 16,974,506

(Concluded)

SAUNDERS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2006

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.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2006, expenditures exceeded budgeted appropriations in the Inheritance Fund by \$4,410 and in the Visitor Promotion Fund by \$3,430. These over-expenditures were funded by greater than anticipated revenues in the case of the Inheritance Fund and both greater than anticipated revenues and available fund balance in the case of the Visitor Promotion Fund.

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

For the Year Ended June 30, 2006

	Special Road Fund	Road/Bridge Sinking Fund	Visitor Promotion Fund	Vistor Improvement Fund	Unemploy- ment Fund	Medical Relief Fund	Institutions Fund
RECEIPTS							
Property Taxes	\$ -	\$ -	\$ 7,195	\$ 5,848	\$ 10,460	\$ 12,878	\$ 7,855
Interest	-	-	-	-	-	-	-
Intergovernmental	126	-	-	-	504	578	450
Charges for Services	-	-	-	-	(4)	(4)	(2)
Miscellaneous	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>126</u>	<u>-</u>	<u>7,195</u>	<u>5,848</u>	<u>10,960</u>	<u>13,452</u>	<u>8,303</u>
DISBURSEMENTS							
General Government	-	-	-	-	6,650	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	222,885	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	16,622	8,168
Culture and Recreation	-	-	15,925	6,994	-	-	-
TOTAL DISBURSEMENTS	<u>222,885</u>	<u>-</u>	<u>15,925</u>	<u>6,994</u>	<u>6,650</u>	<u>16,622</u>	<u>8,168</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(222,759)</u>	<u>-</u>	<u>(8,730)</u>	<u>(1,146)</u>	<u>4,310</u>	<u>(3,170)</u>	<u>135</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	205,707	49,306	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>205,707</u>	<u>49,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(17,052)	49,306	(8,730)	(1,146)	4,310	(3,170)	135
FUND BALANCES - BEGINNING	<u>17,052</u>	<u>-</u>	<u>11,495</u>	<u>2,670</u>	<u>14,596</u>	<u>28,684</u>	<u>13,443</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 49,306</u>	<u>\$ 2,765</u>	<u>\$ 1,524</u>	<u>\$ 18,906</u>	<u>\$ 25,514</u>	<u>\$ 13,578</u>

(Continued)

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

For the Year Ended June 30, 2006

	Veterans' Aid Fund	Child Support Agreement - Clerk of District Court Fund	Child Support Agreement - Attorney Fund	Drug Fund	Drug Testing Fund	Transport- ation Fund	Senior Citizen Services Center Fund
RECEIPTS							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,644	-	-	-	-	-	-
Intergovernmental	-	67,357	135,646	-	-	46,868	81,654
Charges for Services	-	-	-	-	-	2,900	74,694
Miscellaneous	-	-	-	-	-	294	10,109
TOTAL RECEIPTS	1,644	67,357	135,646	-	-	50,062	166,457
DISBURSEMENTS							
General Government	-	72,677	160,607	-	-	-	-
Public Safety	-	-	-	2,297	4,671	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	74,385	274,567
Culture and Recreation	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	72,677	160,607	2,297	4,671	74,385	274,567
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,644	(5,320)	(24,961)	(2,297)	(4,671)	(24,323)	(108,110)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	17,503	-	-	-	24,657	117,239
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	17,503	-	-	-	24,657	117,239
Net Change in Fund Balances	1,644	12,183	(24,961)	(2,297)	(4,671)	334	9,129
FUND BALANCES - BEGINNING	85,588	-	50,881	5,563	19,229	3,373	14,788
FUND BALANCES - ENDING	\$ 87,232	\$ 12,183	\$ 25,920	\$ 3,266	\$ 14,558	\$ 3,707	\$ 23,917

(Continued)

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

For the Year Ended June 30, 2006

	Weed Fund	Diversion Program Fund	STOP Fund	Federal Grant Fund	Federal Grant Emergency Management Fund	CDBG Fund	Jail Project Fund
RECEIPTS							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,655
Interest	-	-	391	8	-	-	-
Intergovernmental	-	19,055	-	-	591,261	737	344
Charges for Services	9,299	9,352	23,143	-	-	-	(2)
Miscellaneous	3,978	1,565	-	-	-	-	-
TOTAL RECEIPTS	<u>13,277</u>	<u>29,972</u>	<u>23,534</u>	<u>8</u>	<u>591,261</u>	<u>737</u>	<u>7,997</u>
DISBURSEMENTS							
General Government	-	-	-	-	-	738	-
Public Safety	-	115,960	14,582	-	591,261	-	28,211
Public Works	66,943	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>66,943</u>	<u>115,960</u>	<u>14,582</u>	<u>-</u>	<u>591,261</u>	<u>738</u>	<u>28,211</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(53,666)</u>	<u>(85,988)</u>	<u>8,952</u>	<u>8</u>	<u>-</u>	<u>(1)</u>	<u>(20,214)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	53,826	75,496	-	-	-	-	18,766
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>53,826</u>	<u>75,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,766</u>
Net Change in Fund Balances	160	(10,492)	8,952	8	-	(1)	(1,448)
FUND BALANCES - BEGINNING	<u>-</u>	<u>11,748</u>	<u>23,466</u>	<u>1,647</u>	<u>-</u>	<u>1</u>	<u>5,297</u>
FUND BALANCES - ENDING	<u>\$ 160</u>	<u>\$ 1,256</u>	<u>\$ 32,418</u>	<u>\$ 1,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,849</u>

(Continued)

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

For the Year Ended June 30, 2006

	Flood Control Fund	Youth Camp Fund	Ambulance Fund	E911 Emergency Services Fund	Property Tax Reimburse- ment Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Property Taxes	\$ 61,001	\$ -	\$ -	\$ 74,879	\$ -	\$ 187,771
Interest	-	10	-	-	-	2,053
Intergovernmental	2,502	-	-	-	-	947,082
Charges for Services	(18)	-	-	-	-	119,358
Miscellaneous	-	4,315	-	1,588	-	21,849
TOTAL RECEIPTS	63,485	4,325	-	76,467	-	1,278,113
DISBURSEMENTS						
General Government	-	-	-	-	-	240,672
Public Safety	70,363	-	506	56,636	-	884,487
Public Works	-	-	-	-	-	289,828
Health and Sanitation	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	373,742
Culture and Recreation	-	4,737	-	-	-	27,656
TOTAL DISBURSEMENTS	70,363	4,737	506	56,636	-	1,816,385
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(6,878)	(412)	(506)	19,831	-	(538,272)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	506	-	-	563,006
Transfers out	-	-	-	-	(7)	(7)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	506	-	(7)	562,999
Net Change in Fund Balances	(6,878)	(412)	-	19,831	(7)	24,727
FUND BALANCES - BEGINNING	259,438	2,910	-	35,599	7	607,475
FUND BALANCES - ENDING	\$ 252,560	\$ 2,498	\$ -	\$ 55,430	\$ -	\$ 632,202

(Concluded)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 200	\$ 200	\$ 126	\$ (74)
TOTAL RECEIPTS	200	200	126	(74)
DISBURSEMENTS	338,000	338,000	222,885	115,115
OTHER FINANCING SOURCES (USES)				
Transfers in	320,748	320,748	205,707	(115,041)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	320,748	320,748	205,707	(115,041)
Net Change in Fund Balance	(17,052)	(17,052)	(17,052)	-
FUND BALANCE - BEGINNING	17,052	17,052	17,052	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ROAD/BRIDGE SINKING FUND				
RECEIPTS				
TOTAL RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	83,000	83,000	-	83,000
OTHER FINANCING SOURCES (USES)				
Transfers in	83,000	83,000	49,306	(33,694)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	83,000	83,000	49,306	(33,694)
Net Change in Fund Balance	-	-	49,306	49,306
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,306</u>	<u>\$ 49,306</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>VISITOR PROMOTION FUND</u>				
RECEIPTS				
Taxes	\$ 6,000	\$ 6,000	\$ 7,195	\$ 1,195
TOTAL RECEIPTS	6,000	6,000	7,195	1,195
DISBURSEMENTS	12,495	12,495	15,925	(3,430)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(5,000)	(5,000)	-	5,000
TOTAL OTHER FINANCING SOURCES (USES)	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	(11,495)	(11,495)	(8,730)	2,765
FUND BALANCE - BEGINNING	11,495	11,495	11,495	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,765</u>	<u>\$ 2,765</u>

<u>VISITOR IMPROVEMENT FUND</u>				
RECEIPTS				
Taxes	\$ 3,000	\$ 3,000	\$ 5,848	\$ 2,848
TOTAL RECEIPTS	3,000	3,000	5,848	2,848
DISBURSEMENTS	10,670	10,670	6,994	3,676
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	(2,670)	(2,670)	(1,146)	1,524
FUND BALANCE - BEGINNING	2,670	2,670	2,670	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524</u>	<u>\$ 1,524</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
UNEMPLOYMENT FUND				
RECEIPTS				
Taxes	\$ 10,329	\$ 10,329	\$ 10,460	\$ 131
Intergovernmental	75	75	504	429
Charges for Services	-	-	(4)	(4)
TOTAL RECEIPTS	<u>10,404</u>	<u>10,404</u>	<u>10,960</u>	<u>556</u>
DISBURSEMENTS	<u>25,000</u>	<u>25,000</u>	<u>6,650</u>	<u>18,350</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(14,596)	(14,596)	4,310	18,906
FUND BALANCE - BEGINNING	14,596	14,596	14,596	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,906</u>	<u>\$ 18,906</u>

MEDICAL RELIEF FUND				
RECEIPTS				
Taxes	\$ 11,131	\$ 11,131	\$ 12,878	\$ 1,747
Intergovernmental	185	185	578	393
Charges for Services	-	-	(4)	(4)
TOTAL RECEIPTS	<u>11,316</u>	<u>11,316</u>	<u>13,452</u>	<u>2,136</u>
DISBURSEMENTS	<u>40,000</u>	<u>40,000</u>	<u>16,622</u>	<u>23,378</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(28,684)	(28,684)	(3,170)	25,514
FUND BALANCE - BEGINNING	28,684	28,684	28,684	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,514</u>	<u>\$ 25,514</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INSTITUTIONS FUND				
RECEIPTS				
Taxes	\$ 6,242	\$ 6,242	\$ 7,855	\$ 1,613
Intergovernmental	315	315	450	135
Charges for Services	-	-	(2)	(2)
TOTAL RECEIPTS	6,557	6,557	8,303	1,746
DISBURSEMENTS	25,000	25,000	8,168	16,832
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	(13,443)	(13,443)	135	13,578
FUND BALANCE - BEGINNING	13,443	13,443	13,443	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 13,578	\$ 13,578

VETERANS' AID FUND				
RECEIPTS				
Interest	\$ 800	\$ 800	\$ 1,644	\$ 844
TOTAL RECEIPTS	800	800	1,644	844
DISBURSEMENTS	86,388	86,388	-	86,388
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(85,588)	(85,588)	1,644	87,232
FUND BALANCE - BEGINNING	85,588	85,588	85,588	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 87,232	\$ 87,232

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHILD SUPPORT AGREEMENT CLERK OF DISTRICT COURT FUND				
RECEIPTS				
Intergovernmental	\$ 53,558	\$ 53,558	\$ 67,357	\$ 13,799
TOTAL RECEIPTS	53,558	53,558	67,357	13,799
DISBURSEMENTS	73,265	73,265	72,677	588
OTHER FINANCING SOURCES (USES)				
Transfers in	19,707	19,707	17,503	(2,204)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	19,707	19,707	17,503	(2,204)
Net Change in Fund Balance	-	-	12,183	12,183
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 12,183	\$ 12,183

CHILD SUPPORT AGREEMENT ATTORNEY FUND				
RECEIPTS				
Intergovernmental	\$ 105,000	\$ 105,000	\$ 135,646	\$ 30,646
Miscellaneous	119	119	-	(119)
TOTAL RECEIPTS	105,119	105,119	135,646	30,527
DISBURSEMENTS	156,000	161,000	160,607	393
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(50,881)	(55,881)	(24,961)	30,920
FUND BALANCE - BEGINNING	50,881	50,881	50,881	-
FUND BALANCE - ENDING	\$ -	\$ (5,000)	\$ 25,920	\$ 30,920

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG FUND				
RECEIPTS				
Miscellaneous	\$ 14,937	\$ 14,937	\$ -	\$ (14,937)
TOTAL RECEIPTS	14,937	14,937	-	(14,937)
DISBURSEMENTS	20,500	20,500	2,297	18,203
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(5,563)	(5,563)	(2,297)	3,266
FUND BALANCE - BEGINNING	5,563	5,563	5,563	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,266</u>	<u>\$ 3,266</u>

DRUG TESTING FUND				
RECEIPTS				
Charges for Services	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
TOTAL RECEIPTS	1,200	1,200	-	(1,200)
DISBURSEMENTS	20,429	20,429	4,671	15,758
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(19,229)	(19,229)	(4,671)	14,558
FUND BALANCE - BEGINNING	19,229	19,229	19,229	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,558</u>	<u>\$ 14,558</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TRANSPORTATION FUND				
RECEIPTS				
Intergovernmental	\$ 42,040	\$ 42,040	\$ 46,868	\$ 4,828
Charges for Services	2,000	2,000	2,900	900
Miscellaneous	500	500	294	(206)
TOTAL RECEIPTS	44,540	44,540	50,062	5,522
DISBURSEMENTS	76,939	76,939	74,385	2,554
OTHER FINANCING SOURCES (USES)				
Transfers in	29,026	29,026	24,657	(4,369)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	29,026	29,026	24,657	(4,369)
Net Change in Fund Balance	(3,373)	(3,373)	334	3,707
FUND BALANCE - BEGINNING	3,373	3,373	3,373	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,707	\$ 3,707
SENIOR CITIZEN SERVICES CENTER FUND				
RECEIPTS				
Intergovernmental	\$ 80,202	\$ 80,202	\$ 81,654	\$ 1,452
Charges for Services	69,645	69,645	74,694	5,049
Miscellaneous	10,000	10,000	10,109	109
TOTAL RECEIPTS	159,847	159,847	166,457	6,610
DISBURSEMENTS	272,295	275,295	274,567	728
OTHER FINANCING SOURCES (USES)				
Transfers in	97,660	97,660	117,239	19,579
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	97,660	97,660	117,239	19,579
Net Change in Fund Balance	(14,788)	(17,788)	9,129	26,917
FUND BALANCE - BEGINNING	14,788	14,788	14,788	-
FUND BALANCE - ENDING	\$ -	\$ (3,000)	\$ 23,917	\$ 26,917

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
WEED FUND				
RECEIPTS				
Intergovernmental	\$ 3,100	\$ 3,100	\$ -	\$ (3,100)
Charges for Services	8,000	8,000	9,299	1,299
Miscellaneous	-	-	3,978	3,978
TOTAL RECEIPTS	11,100	11,100	13,277	2,177
DISBURSEMENTS	78,438	78,438	66,943	11,495
OTHER FINANCING SOURCES (USES)				
Transfers in	67,338	67,338	53,826	(13,512)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	67,338	67,338	53,826	(13,512)
Net Change in Fund Balance	-	-	160	160
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 160	\$ 160

<u>DIVERSION PROGRAM FUND</u>				
RECEIPTS				
Intergovernmental	\$ 21,000	\$ 21,000	\$ 19,055	\$ (1,945)
Charges for Services	8,000	8,000	9,352	1,352
Miscellaneous	-	-	1,565	1,565
TOTAL RECEIPTS	29,000	29,000	29,972	972
DISBURSEMENTS	119,752	119,752	115,960	3,792
OTHER FINANCING SOURCES (USES)				
Transfers in	79,004	79,004	75,496	(3,508)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	79,004	79,004	75,496	(3,508)
Net Change in Fund Balance	(11,748)	(11,748)	(10,492)	1,256
FUND BALANCE - BEGINNING	11,748	11,748	11,748	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,256	\$ 1,256

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STOP FUND				
RECEIPTS				
Interest	\$ 100	\$ 100	\$ 391	\$ 291
Charges for Services	24,900	24,900	23,143	(1,757)
TOTAL RECEIPTS	25,000	25,000	23,534	(1,466)
DISBURSEMENTS	48,466	48,466	14,582	33,884
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(23,466)	(23,466)	8,952	32,418
FUND BALANCE - BEGINNING	23,466	23,466	23,466	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 32,418	\$ 32,418
FEDERAL GRANT FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 8	\$ 8
Intergovernmental	238,353	238,353	-	(238,353)
TOTAL RECEIPTS	238,353	238,353	8	(238,345)
DISBURSEMENTS	230,000	230,000	-	230,000
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	-	10,000
TOTAL OTHER FINANCING SOURCES (USES)	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(1,647)	(1,647)	8	1,655
FUND BALANCE - BEGINNING	1,647	1,647	1,647	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,655	\$ 1,655

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL GRANT EMERGENCY MANAGEMENT FUND				
RECEIPTS				
Intergovernmental	\$ 779,821	\$ 779,821	\$ 591,261	\$ (188,560)
TOTAL RECEIPTS	<u>779,821</u>	<u>779,821</u>	<u>591,261</u>	<u>(188,560)</u>
DISBURSEMENTS	<u>779,821</u>	<u>779,821</u>	<u>591,261</u>	<u>188,560</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(50,000)	(50,000)	-	50,000
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>

CDBG FUND				
RECEIPTS				
Intergovernmental	\$ 714,999	\$ 714,999	\$ 737	\$ (714,262)
TOTAL RECEIPTS	<u>714,999</u>	<u>714,999</u>	<u>737</u>	<u>(714,262)</u>
DISBURSEMENTS	<u>715,000</u>	<u>715,000</u>	<u>738</u>	<u>714,262</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1)	(1)	(1)	-
FUND BALANCE - BEGINNING	1	1	1	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JAIL PROJECT FUND				
RECEIPTS				
Taxes	\$ 6,623	\$ 6,623	\$ 7,655	\$ 1,032
Intergovernmental	80	80	344	264
Charges for Services	-	-	(2)	(2)
TOTAL RECEIPTS	6,703	6,703	7,997	1,294
DISBURSEMENTS	28,211	28,211	28,211	-
OTHER FINANCING SOURCES (USES)				
Transfers in	16,211	16,211	18,766	2,555
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	16,211	16,211	18,766	2,555
Net Change in Fund Balance	(5,297)	(5,297)	(1,448)	3,849
FUND BALANCE - BEGINNING	5,297	5,297	5,297	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,849	\$ 3,849

FLOOD CONTROL FUND				
RECEIPTS				
Taxes	\$ 45,500	\$ 45,500	\$ 61,001	\$ 15,501
Intergovernmental	900	900	2,502	1,602
Charges for Services	-	-	(18)	(18)
TOTAL RECEIPTS	46,400	46,400	63,485	17,085
DISBURSEMENTS	305,838	305,838	70,363	235,475
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(259,438)	(259,438)	(6,878)	252,560
FUND BALANCE - BEGINNING	259,438	259,438	259,438	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 252,560	\$ 252,560

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
YOUTH CAMP FUND				
RECEIPTS				
Interest	\$ 20	\$ 20	\$ 10	\$ (10)
Miscellaneous	4,100	4,100	4,315	215
TOTAL RECEIPTS	4,120	4,120	4,325	205
DISBURSEMENTS	7,030	7,030	4,737	2,293
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(2,910)	(2,910)	(412)	2,498
FUND BALANCE - BEGINNING	2,910	2,910	2,910	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,498	\$ 2,498
AMBULANCE FUND				
RECEIPTS				
TOTAL RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	500	506	506	-
OTHER FINANCING SOURCES (USES)				
Transfers in	500	500	506	6
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	500	500	506	6
Net Change in Fund Balance	-	(6)	-	6
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ (6)	\$ -	\$ 6

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2006

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2005	\$ 22,207	\$ 26,696	\$ 65,823	\$ 14,002	\$ 1,731	\$ -	\$ 100
RECEIPTS							
Property Taxes	7,027	-	-	40,047	-	-	-
Licenses and Permits	5,840	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	71,730
Charges for Services	31,766	153,951	26,022	51,268	930	13,018	15,378
Miscellaneous	7,336	-	-	-	-	-	285,814
State Fees	64,394	168,895	23,498	-	-	-	-
Other Liabilities	-	-	358,318	23,472	83,134	-	-
TOTAL RECEIPTS	116,363	322,846	407,838	114,787	84,064	13,018	372,922
DISBURSEMENTS							
Payments to County Treasurer	52,135	154,920	26,129	98,862	910	13,018	372,922
Payments to State Treasurer	64,234	164,889	22,860	-	-	-	-
Other Liabilities	-	-	266,300	21,913	80,858	-	-
TOTAL DISBURSEMENTS	116,369	319,809	315,289	120,775	81,768	13,018	372,922
 BALANCES JUNE 30, 2006	 \$ 22,201	 \$ 29,733	 \$ 158,372	 \$ 8,014	 \$ 4,027	 \$ -	 \$ 100
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 3,673	\$ 13,507	\$ 1,537	\$ 3,714	\$ 20	\$ -	\$ -
Petty Cash	12,200	500	700	4,300	200	-	100
Due to State Treasurer	6,328	15,726	1,866	-	-	-	-
Due to Others	-	-	154,269	-	3,807	-	-
BALANCES JUNE 30, 2006	\$ 22,201	\$ 29,733	\$ 158,372	\$ 8,014	\$ 4,027	\$ -	\$ 100

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2006

	Veterans' Service Officer	County Surveyor	County Planning and Zoning	County Transportation	County Senior Services	County Youth Services	Total
BALANCES JULY 1, 2005	\$ 9,169	\$ -	\$ 100	\$ -	\$ 110	\$ 50	\$ 139,988
RECEIPTS							
Property Taxes	-	-	-	-	-	-	47,074
Licenses and Permits	-	-	183,304	-	-	-	189,144
Intergovernmental	-	-	-	46,689	81,654	20,620	220,693
Charges for Services	-	6,849	-	3,135	74,898	10,698	387,913
Miscellaneous	20	-	-	-	10,109	4,315	307,594
State Fees	-	-	-	-	-	-	256,787
Other Liabilities	-	-	-	-	-	-	464,924
TOTAL RECEIPTS	20	6,849	183,304	49,824	166,661	35,633	1,874,129
DISBURSEMENTS							
Payments to County Treasurer	-	6,849	183,304	49,768	166,457	35,148	1,160,422
Payments to State Treasurer	-	-	-	-	-	-	251,983
Other Liabilities	1,700	-	-	-	-	-	370,771
TOTAL DISBURSEMENTS	1,700	6,849	183,304	49,768	166,457	35,148	1,783,176
 BALANCES JUNE 30, 2006	 \$ 7,489	 \$ -	 \$ 100	 \$ 56	 \$ 314	 \$ 535	 \$ 230,941
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 7,489	\$ -	\$ -	\$ 56	\$ 284	\$ 485	\$ 30,765
Petty Cash	-	-	100	-	30	50	18,180
Due to State Treasurer	-	-	-	-	-	-	23,920
Due to Others	-	-	-	-	-	-	158,076
BALANCES JUNE 30, 2006	\$ 7,489	\$ -	\$ 100	\$ 56	\$ 314	\$ 535	\$ 230,941

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2006

Item	2001	2002	2003	2004	2005
Tax Certified by Assessor					
Real Estate	\$ 20,331,248	\$ 21,792,924	\$ 23,345,155	\$ 24,803,834	\$ 25,849,052
Personal and Specials	1,420,300	1,425,809	1,453,006	1,524,049	1,478,487
Total	<u>21,751,548</u>	<u>23,218,733</u>	<u>24,798,161</u>	<u>26,327,883</u>	<u>27,327,539</u>
Corrections					
Additions	29,135	38,576	30,264	21,386	15,954
Deductions	<u>(38,991)</u>	<u>(32,899)</u>	<u>(53,111)</u>	<u>(16,272)</u>	<u>(14,429)</u>
Net Additions/ (Deductions)	<u>(9,856)</u>	<u>5,677</u>	<u>(22,847)</u>	<u>5,114</u>	<u>1,525</u>
Corrected Certified Tax	<u>21,741,692</u>	<u>23,224,410</u>	<u>24,775,314</u>	<u>26,332,997</u>	<u>27,329,064</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2002	12,060,908	-	-	-	-
June 30, 2003	9,567,710	12,948,417	-	-	-
June 30, 2004	95,113	10,188,774	13,778,715	-	-
June 30, 2005	8,255	71,507	10,929,183	14,772,552	-
June 30, 2006	<u>203</u>	<u>4,918</u>	<u>55,049</u>	<u>11,526,908</u>	<u>15,261,310</u>
Total Net Collections	<u>21,732,189</u>	<u>23,213,616</u>	<u>24,762,947</u>	<u>26,299,460</u>	<u>15,261,310</u>
Total Uncollected Tax	<u>\$ 9,503</u>	<u>\$ 10,794</u>	<u>\$ 12,367</u>	<u>\$ 33,537</u>	<u>\$ 12,067,754</u>
Percentage Uncollected Tax	<u>0.04%</u>	<u>0.05%</u>	<u>0.05%</u>	<u>0.13%</u>	<u>44.16%</u>

SAUNDERS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY		
Passed through Nebraska Military Department		
State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program)	97.004	\$ 104,159
State Homeland Security Program*	97.067	366,634
Law Enforcement Terrorism Prevention Program	97.067	<u>120,469</u>
Total U.S. Department of Homeland Security		<u>591,262</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through Nebraska Department of Health and Human Services		
Child Support Enforcement	93.563	177,410
Social Services Block Grant	93.667	<u>10,507</u>
Total U.S. Department of Health and Human Services		<u>187,917</u>
U.S. DEPARTMENT OF TRANSPORTATION		
Passed through Nebraska Department of Roads		
Public Transportation Assistance	20.509	<u>34,485</u>
Total U.S. Department of Transportation		<u>34,485</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 813,664</u></u>

SAUNDERS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

1. **General**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all Federal awards programs of Saunders 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, 2006.

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. The program in the accompanying Schedule denoted with an asterisk (*) is considered a major program.

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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State Auditor
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SAUNDERS 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**

Board of Supervisors
Saunders County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County as of and for the year ended June 30, 2006, and have issued our report thereon dated January 31, 2007. 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.

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

We also noted certain additional items that we reported to management of Saunders County in a separate letter dated January 31, 2007.

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.

A handwritten signature in black ink that reads "Dawn Huffman CPA". The signature is written in a cursive style.

Assistant Deputy Auditor

January 31, 2007

STATE OF NEBRASKA
Auditor of Public Accounts



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State Auditor
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SAUNDERS COUNTY
**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors
Saunders County, Nebraska

Compliance

We have audited the compliance of Saunders 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, 2006. Saunders 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 Saunders County's management. Our responsibility is to express an opinion on Saunders County's compliance based on our audit.

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 Saunders 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 Saunders County's compliance with those requirements.

In our opinion, Saunders 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, 2006.

Internal Control Over Compliance

The management of Saunders 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 Saunders 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.



Assistant Deputy Auditor

January 31, 2007

**SAUNDERS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	<u> X </u> Yes <u> </u> No
Reportable conditions identified that are not considered to be material weaknesses?	<u> </u> Yes <u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes <u> X </u> No
Internal control over major programs:	
Material weaknesses identified?	<u> </u> Yes <u> X </u> No
Reportable conditions identified that are not considered to be material weaknesses?	<u> </u> Yes <u> X </u> 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:	<u> </u> Yes <u> X </u> No
Major programs: Homeland Security Cluster, CFDA #97.004 & #97.067	
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee:	<u> </u> Yes <u> X </u> 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.

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.

SAUNDERS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

SECTION II. FINANCIAL STATEMENT FINDINGS (Concluded)

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.