

**AUDIT REPORT
OF
BUFFALO COUNTY**

JULY 1, 2008 THROUGH JUNE 30, 2009

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the Auditor of Public Accounts.**

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Issued on February 19, 2010

BUFFALO COUNTY

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BUFFALO COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2009

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Horace Dannehl	Board of Supervisors	Jan. 2013
Kent Greder		Jan. 2011
Ivan Klein		Jan. 2011
Timothy Loewenstein		Jan. 2011
William McMullen		Jan. 2013
Sherry Morrow		Jan. 2011
Richard Pierce		Jan. 2013
Joe Woodward	Assessor	Jan. 2011
Shawn Eatherton	Attorney	Jan. 2011
Jan Giffin	Clerk	Jan. 2011
Glenda DeBrie	Election Commissioner	Jan. 2011
Kellie John	Register of Deeds	Jan. 2011
Sharon Mauler	Clerk of the District Court	Jan. 2011
Neil Miller	Sheriff	Jan. 2011
Jean Sidwell	Treasurer	Jan. 2011
William Williams	Veterans' Service Officer	Appointed
Richard Kincaid	Weed Superintendent	Appointed
Ronald Sklenar	Highway Superintendent	Appointed
LeAnn Klein	Planning/Zoning	Appointed



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BUFFALO COUNTY

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Buffalo County, Nebraska

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, 2009, 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.

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, 2009, 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 February 9, 2010, 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 the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and 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. 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.

Signed Original on File

Deann Haeffner, CPA
Assistant Deputy Auditor

February 9, 2010

BUFFALO COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
 June 30, 2009

		<u>Governmental Activities</u>
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	21,197,370
Investments (Note 1.D)		282,010
TOTAL ASSETS	\$	<u>21,479,380</u>
 NET ASSETS		
Restricted for:		
Visitors Promotion	\$	53,756
911 Emergency Services		89,193
Other Purposes		71,999
Debt Service		360,456
 Unrestricted		 <u>20,903,976</u>
TOTAL NET ASSETS	\$	<u>21,479,380</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, 2009

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (7,111,729)	\$ 1,298,285	\$ 150,333	\$ (5,663,111)
Public Safety	(5,132,495)	610,097	122,215	(4,400,183)
Public Works	(7,049,850)	242,212	2,372,769	(4,434,869)
Health and Sanitation	(119,264)	-	-	(119,264)
Public Assistance	(357,716)	-	-	(357,716)
Culture and Recreation	(1,077,923)	-	-	(1,077,923)
Debt Payments	(777,106)	-	-	(777,106)
Capital Outlay	(8,477,102)	-	-	(8,477,102)
Total Governmental Activities	\$ (30,103,185)	\$ 2,150,594	\$ 2,645,317	(25,307,274)

General Receipts:

Property Taxes	14,871,215
Grants and Contributions Not Restricted to Specific Programs	2,148,986
Investment Income	470,980
Miscellaneous	24,944,279
Total General Receipts	42,435,460
 Change in Net Assets	 17,128,186
Net Assets - Beginning	4,351,194
Net Assets - Ending	\$ 21,479,380

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, 2009

	<u>General Fund</u>	<u>Road Fund</u>	<u>Justice Center Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents (Note 1.D)	\$ 1,665,882	\$ 339,935	\$ 16,706,934	\$ 2,484,619	\$ 21,197,370
Investments (Note 1.D)	-	-	-	282,010	282,010
TOTAL ASSETS	<u>\$ 1,665,882</u>	<u>\$ 339,935</u>	<u>\$ 16,706,934</u>	<u>\$ 2,766,629</u>	<u>\$ 21,479,380</u>
FUND BALANCES					
Unreserved, reported in:					
General fund	\$ 1,665,882	\$ -	\$ -	\$ -	\$ 1,665,882
Special revenue funds	-	339,935	-	2,406,173	2,746,108
Debt service funds	-	-	-	360,456	360,456
Capital project funds	-	-	16,706,934	-	16,706,934
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,665,882</u>	<u>\$ 339,935</u>	<u>\$ 16,706,934</u>	<u>\$ 2,766,629</u>	<u>\$ 21,479,380</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, 2009

	General Fund	Road Fund	Justice Center Project Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$12,284,554	\$ -	\$ -	\$ 2,586,661	\$ 14,871,215
Licenses and Permits	171,981	-	-	-	171,981
Interest	-	-	286,000	184,980	470,980
Intergovernmental	2,246,973	2,372,769	-	174,561	4,794,303
Charges for Services	1,880,570	77,108	-	192,916	2,150,594
Miscellaneous	188,570	10,079	24,482,727	90,922	24,772,298
TOTAL RECEIPTS	<u>16,772,648</u>	<u>2,459,956</u>	<u>24,768,727</u>	<u>3,230,040</u>	<u>47,231,371</u>
DISBURSEMENTS					
General Government	7,005,769	-	-	105,960	7,111,729
Public Safety	4,949,798	-	-	182,697	5,132,495
Public Works	209,809	4,334,046	-	2,505,995	7,049,850
Health and Sanitation	119,264	-	-	-	119,264
Public Assistance	200,658	-	-	157,058	357,716
Culture and Recreation	366,273	-	-	711,650	1,077,923
Debt Service:					
Interest and Fiscal Charges	-	-	-	777,106	777,106
Capital Outlay	-	-	8,061,793	415,309	8,477,102
TOTAL DISBURSEMENTS	<u>12,851,571</u>	<u>4,334,046</u>	<u>8,061,793</u>	<u>4,855,775</u>	<u>30,103,185</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,921,077</u>	<u>(1,874,090)</u>	<u>16,706,934</u>	<u>(1,625,735)</u>	<u>17,128,186</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,900,000	1,000,000	4,176,500	7,076,500
Transfers out	(3,736,500)	-	(1,000,000)	(2,340,000)	(7,076,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,736,500)</u>	<u>1,900,000</u>	<u>-</u>	<u>1,836,500</u>	<u>-</u>
Net Change in Fund Balances	184,577	25,910	16,706,934	210,765	17,128,186
CASH BASIS FUND BALANCES - BEGINNING	<u>1,481,305</u>	<u>314,025</u>	<u>-</u>	<u>2,555,864</u>	<u>4,351,194</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 1,665,882</u>	<u>\$ 339,935</u>	<u>\$16,706,934</u>	<u>\$ 2,766,629</u>	<u>\$ 21,479,380</u>

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, 2009

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 6,055,591
 LIABILITIES	
Due to other governments	
State	676,047
Schools	3,009,591
Educational Service Units	5,995
Technical College	36,354
Natural Resource Districts	20,993
Fire Districts	57,343
Municipalities	466,956
Agricultural Society	8,478
Townships	224,158
Sanitary and Improvement Districts	174,949
Others	1,374,727
TOTAL LIABILITIES	6,055,591
 TOTAL NET ASSETS	 \$ -

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, 2009

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 County contributed \$119,264 toward the operation of the Region during fiscal year 2009. In the event of the termination of the agreement, assets would be disposed of in

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

Justice Center Project Fund. This fund is used to account for bond proceeds and expenditures associated with constructing a new Justice Center.

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.

Capital Project Funds. These funds account for all resources received and used for the acquisition or development of major capital improvements.

Debt Service Funds. These funds account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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. §§ 77-2315, 77-2340, and 77-2341 (Reissue 2009), and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities which are authorized by the Nebraska Investment Council.

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

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

Compensated Absences. Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as an expenditure of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$575,404 of restricted net assets, of which \$214,948 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. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$21,197,370 for County funds and \$2,431,285 for Fiduciary funds. The bank balances for all funds totaled \$34,096,830. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2009, 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 investments are stated at cost, which approximates market. Investments consisted of \$282,010 for County funds and \$3,624,306 for Fiduciary funds 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 2008, for the 2008 taxes which will be materially collected in May and September, 2009, was set at \$.461658/\$100 of assessed valuation. The levy set in October 2007, for the 2007 taxes which were materially collected in May and September, 2008, was set at \$.397713/\$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 plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 and may be amended through legislative action.

Participation in the Plan is required of all full time employees. Part time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 20. 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. §§ 23-2307 and 23-2308 (Reissue 2007), and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

participation in the system 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, 2009, 225 employees contributed \$327,141; the County contributed \$490,759. Additionally, for the year ended June 30, 2009, 28 law enforcement employees and the County contributed \$11,631 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$1,346 directly to 16 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 78 counties throughout Nebraska.

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

The agreement with NIRMA provides that NIRMA will provide coverage 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.

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Risk Management (Concluded)

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 350,000	Statutory Limits
Property Damage Claim	\$ 250,000	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 2010. 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, 2009, consisted of the following:

Transfers to	Transfers from			Total
	General Fund	Justice Center Project Fund	Nonmajor Funds	
Road Fund	\$ 1,900,000	\$ -	\$ -	\$ 1,900,000
Justice Center Project Fund	-	-	1,000,000	1,000,000
Nonmajor Funds	1,836,500	1,000,000	1,340,000	4,176,500
Total	\$ 3,736,500	\$ 1,000,000	\$ 2,340,000	\$ 7,076,500

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.

7. 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.

BUFFALO COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. Long Term Debt

The County issued bonds on November 20, 2008, in the amount of \$24,500,000. The bond payable balance as of June 30, 2009, was \$24,500,000. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 280,000	\$ 1,359,075	\$ 1,639,075
2011	385,000	1,345,775	1,730,775
2012	400,000	1,330,075	1,730,075
2013	415,000	1,313,775	1,728,775
2014	430,000	1,296,875	1,726,875
2015-2019	2,435,000	6,202,069	8,637,069
2020-2038	20,155,000	14,209,931	34,364,931
Total Payments	<u>\$ 24,500,000</u>	<u>\$ 27,057,575</u>	<u>\$ 51,557,575</u>

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 12,920,737	\$ 12,920,737	\$ 12,284,554	\$ (636,183)
Licenses and Permits	162,785	162,785	171,981	9,196
Interest	-	-	-	-
Intergovernmental	1,452,947	1,452,947	2,246,973	794,026
Charges for Services	1,571,010	1,571,010	1,880,570	309,560
Miscellaneous	1,265,000	1,265,000	188,570	(1,076,430)
TOTAL RECEIPTS	<u>17,372,479</u>	<u>17,372,479</u>	<u>16,772,648</u>	<u>(599,831)</u>
DISBURSEMENTS				
General Government:				
County Board	224,926	231,326	231,273	53
County Clerk	130,490	130,490	127,105	3,385
County Treasurer	340,000	340,000	328,080	11,920
Register of Deeds	203,025	203,025	196,510	6,515
County Assessor	489,957	489,957	475,527	14,430
Election Commissioner	193,566	193,566	169,753	23,813
Zoning	81,690	81,690	81,282	408
Data Processing	474,801	474,801	392,606	82,195
Clerk of the District Court	468,543	468,543	412,742	55,801
County Court System	280,650	280,650	272,913	7,737
Public Defender	451,868	451,868	442,863	9,005
Building and Grounds	503,651	503,651	456,286	47,365
Agricultural Extension Agent	180,088	180,088	176,663	3,425
Miscellaneous	3,270,547	3,264,147	3,242,166	21,981
Public Safety				
County Sheriff	1,895,526	1,895,526	1,763,000	132,526
County Attorney	1,068,738	1,068,738	1,028,744	39,994
Communication Center	756,685	756,685	741,375	15,310
County Jail	1,152,865	1,203,865	1,202,965	900
Emergency Management	96,168	96,168	89,058	7,110
County Probation	36,350	36,350	32,513	3,837
Miscellaneous	112,350	61,350	92,143	(30,793)
Public Works				
County Surveyor	119,226	119,226	117,075	2,151
Miscellaneous	100,000	100,000	92,734	7,266

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS, Concluded				
Public Health				
Miscellaneous	160,907	160,907	119,264	41,643
Public Assistance				
Veterans' Service Officer	121,269	121,269	117,392	3,877
Miscellaneous	83,645	83,645	83,266	379
Culture and Recreation				
Miscellaneous	366,273	366,273	366,273	-
TOTAL DISBURSEMENTS	<u>13,363,804</u>	<u>13,363,804</u>	<u>12,851,571</u>	<u>512,233</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>4,008,675</u>	<u>4,008,675</u>	<u>3,921,077</u>	<u>(87,598)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,228,701	3,228,701	-	(3,228,701)
Transfers out	(5,718,681)	(5,753,681)	(3,736,500)	2,017,181
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,489,980)</u>	<u>(2,524,980)</u>	<u>(3,736,500)</u>	<u>(1,211,520)</u>
Net Change in Fund Balance	1,518,695	1,483,695	184,577	(1,299,118)
FUND BALANCES - BEGINNING	<u>1,481,305</u>	<u>1,481,305</u>	<u>1,481,305</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,000,000</u>	<u>\$ 2,965,000</u>	<u>\$ 1,665,882</u>	<u>\$ (1,299,118)</u>
				(Concluded)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 2,208,500	\$ 2,208,500	\$ 2,372,769	\$ 164,269
Charges for Services	-	-	77,108	77,108
Miscellaneous	95,000	95,000	10,079	(84,921)
TOTAL RECEIPTS	2,303,500	2,303,500	2,459,956	156,456
DISBURSEMENTS	4,937,318	4,937,318	4,334,046	603,272
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,633,818)	(2,633,818)	(1,874,090)	759,728
OTHER FINANCING SOURCES (USES)				
Transfers in	2,319,793	2,319,793	1,900,000	(419,793)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,319,793	2,319,793	1,900,000	(419,793)
Net Change in Fund Balance	(314,025)	(314,025)	25,910	339,935
FUND BALANCE - BEGINNING	314,025	314,025	314,025	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 339,935	\$ 339,935
JUSTICE CENTER PROJECT FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 286,000	\$ 286,000
Miscellaneous	24,500,000	24,500,000	24,482,727	(17,273)
TOTAL RECEIPTS	24,500,000	24,500,000	24,768,727	268,727
DISBURSEMENTS	11,164,573	11,164,573	8,061,793	3,102,780
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	13,335,427	13,335,427	16,706,934	3,371,507
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	13,335,427	13,335,427	16,706,934	3,371,507
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ 13,335,427	\$ 13,335,427	\$ 16,706,934	\$ 3,371,507

BUFFALO COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2009

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
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Special Road Fund	Visitor Promotion Fund	Visitor Promotion Improvement Fund	Unemployment Fund	Medical Relief Fund	Institutions Fund	Veterans' Aid Fund	STOP Program Fund	Drug Fund
RECEIPTS									
Property Taxes	\$ -	\$ 328,283	\$ 328,283	\$ -	\$ 32	\$ 7	\$ 29,015	\$ -	\$ -
Interest	-	25,238	25,237	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	3,166	-	-
Charges for Services	-	-	-	-	-	-	-	-	27,812
Miscellaneous	-	-	-	-	12,071	-	-	24,002	-
TOTAL RECEIPTS	<u>-</u>	<u>353,521</u>	<u>353,520</u>	<u>-</u>	<u>12,103</u>	<u>7</u>	<u>32,181</u>	<u>24,002</u>	<u>27,812</u>
DISBURSEMENTS									
General Government	-	-	-	7,767	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	21,183	51,657
Public Works	2,149,236	-	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	98,525	28,533	30,000	-	-
Culture and Recreation	-	384,700	326,950	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>2,149,236</u>	<u>384,700</u>	<u>326,950</u>	<u>7,767</u>	<u>98,525</u>	<u>28,533</u>	<u>30,000</u>	<u>21,183</u>	<u>51,657</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,149,236)</u>	<u>(31,179)</u>	<u>26,570</u>	<u>(7,767)</u>	<u>(86,422)</u>	<u>(28,526)</u>	<u>2,181</u>	<u>2,819</u>	<u>(23,845)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	2,150,000	-	-	-	60,000	40,000	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	764	(31,179)	26,570	(7,767)	(26,422)	11,474	2,181	2,819	(23,845)
FUND BALANCES - BEGINNING	<u>58,860</u>	<u>58,365</u>	<u>-</u>	<u>13,734</u>	<u>30,149</u>	<u>5,242</u>	<u>3,325</u>	<u>20,102</u>	<u>51,657</u>
FUND BALANCES - ENDING	<u>\$ 59,624</u>	<u>\$ 27,186</u>	<u>\$ 26,570</u>	<u>\$ 5,967</u>	<u>\$ 3,727</u>	<u>\$ 16,716</u>	<u>\$ 5,506</u>	<u>\$22,921</u>	<u>\$27,812</u>

(Continued)

BUFFALO COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Federal Grant Fund	Re-Use Economic Development Fund	Inheritance Fund	Bond Debt Fund	Building and Repair Fund	Weed Fund	911 Emergency Service Fund	Total Nonmajor Governmental Funds
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ 796,051	\$ 965,850	\$ -	\$ -	\$ 139,140	\$ 2,586,661
Interest	-	-	-	264	134,241	-	-	184,980
Intergovernmental	-	-	-	171,395	-	-	-	174,561
Charges for Services	-	-	-	-	-	165,104	-	192,916
Miscellaneous	-	42,901	-	-	352	-	11,596	90,922
TOTAL RECEIPTS	-	42,901	796,051	1,137,509	134,593	165,104	150,736	3,230,040
DISBURSEMENTS								
General Government	-	97,757	436	-	-	-	-	105,960
Public Safety	-	-	-	-	-	-	109,857	182,697
Public Works	-	-	-	-	-	356,759	-	2,505,995
Public Assistance	-	-	-	-	-	-	-	157,058
Culture and Recreation	-	-	-	-	-	-	-	711,650
Debt Service:								
Interest and Fiscal Charges	-	-	-	777,106	-	-	-	777,106
Capital Projects	-	-	-	-	415,309	-	-	415,309
TOTAL DISBURSEMENTS	-	97,757	436	777,106	415,309	356,759	109,857	4,855,775
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	(54,856)	795,615	360,403	(280,716)	(191,655)	40,879	(1,625,735)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	1,671,500	-	-	255,000	-	4,176,500
Transfers out	-	-	(2,150,000)	-	(190,000)	-	-	(2,340,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(478,500)	-	(190,000)	255,000	-	1,836,500
Net Change in Fund Balances	-	(54,856)	317,115	360,403	(470,716)	63,345	40,879	210,765
FUND BALANCES - BEGINNING	-	93,537	1,519,800	53	639,848	12,878	48,314	2,555,864
FUND BALANCES - ENDING	\$ -	\$ 38,681	\$ 1,836,915	\$ 360,456	\$ 169,132	\$ 76,223	\$ 89,193	\$ 2,766,629

(Concluded)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL ROAD FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	2,476,000	2,476,000	2,149,236	326,764
OTHER FINANCING SOURCES (USES)				
Transfers in	2,417,140	2,417,140	2,150,000	(267,140)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,417,140	2,417,140	2,150,000	(267,140)
Net Change in Fund Balance	(58,860)	(58,860)	764	59,624
FUND BALANCE - BEGINNING	58,860	58,860	58,860	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 59,624	\$ 59,624
VISITOR PROMOTION FUND				
RECEIPTS				
Taxes	\$ 358,635	\$ 358,635	\$ 328,283	\$ (30,352)
Interest	-	-	25,238	25,238
TOTAL RECEIPTS	358,635	358,635	353,521	(5,114)
DISBURSEMENTS	417,000	417,000	384,700	32,300
Net Change in Fund Balance	(58,365)	(58,365)	(31,179)	27,186
FUND BALANCE - BEGINNING	58,365	58,365	58,365	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 27,186	\$ 27,186
VISITOR PROMOTION IMPROVEMENT FUND				
RECEIPTS				
Taxes	\$ 417,000	\$ 417,000	\$ 328,283	\$ (88,717)
Interest	-	-	25,237	25,237
TOTAL RECEIPTS	417,000	417,000	353,520	(63,480)
DISBURSEMENTS	417,000	417,000	326,950	90,050
Net Change in Fund Balance	-	-	26,570	26,570
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 26,570	\$ 26,570

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
UNEMPLOYMENT FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	13,734	13,734	7,767	5,967
Net Change in Fund Balance	(13,734)	(13,734)	(7,767)	5,967
FUND BALANCE - BEGINNING	13,734	13,734	13,734	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,967</u>	<u>\$ 5,967</u>
MEDICAL RELIEF FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 32	\$ 32
Miscellaneous	10,000	10,000	12,071	2,071
TOTAL RECEIPTS	<u>10,000</u>	<u>10,000</u>	<u>12,103</u>	<u>2,103</u>
DISBURSEMENTS	<u>126,500</u>	<u>126,500</u>	<u>98,525</u>	<u>27,975</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	86,351	86,351	60,000	(26,351)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>86,351</u>	<u>86,351</u>	<u>60,000</u>	<u>(26,351)</u>
Net Change in Fund Balance	(30,149)	(30,149)	(26,422)	3,727
FUND BALANCE - BEGINNING	30,149	30,149	30,149	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,727</u>	<u>\$ 3,727</u>

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INSTITUTIONS FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 7	\$ 7
TOTAL RECEIPTS	-	-	7	7
DISBURSEMENTS	15,000	50,000	28,533	21,467
OTHER FINANCING SOURCES (USES)				
Transfers in	9,758	44,758	40,000	(4,758)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,758	44,758	40,000	(4,758)
Net Change in Fund Balance	(5,242)	(5,242)	11,474	16,716
FUND BALANCE - BEGINNING	5,242	5,242	5,242	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,716</u>	<u>\$ 16,716</u>
VETERANS' AID FUND				
RECEIPTS				
Taxes	\$ 29,940	\$ 29,940	\$ 29,015	\$ (925)
Intergovernmental	1,735	1,735	3,166	1,431
TOTAL RECEIPTS	31,675	31,675	32,181	506
DISBURSEMENTS	30,000	30,000	30,000	-
Net Change in Fund Balance	1,675	1,675	2,181	506
FUND BALANCE - BEGINNING	3,325	3,325	3,325	-
FUND BALANCE - ENDING	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,506</u>	<u>\$ 506</u>
STOP PROGRAM FUND				
RECEIPTS				
Miscellaneous	\$ 19,398	\$ 19,398	\$ 24,002	\$ 4,604
TOTAL RECEIPTS	19,398	19,398	24,002	4,604
DISBURSEMENTS	39,500	39,500	21,183	18,317
Net Change in Fund Balance	(20,102)	(20,102)	2,819	22,921
FUND BALANCE - BEGINNING	20,102	20,102	20,102	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,921</u>	<u>\$ 22,921</u>

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG FUND				
RECEIPTS				
Charges for Services	\$ 30,500	\$ 30,500	\$ 27,812	\$ (2,688)
TOTAL RECEIPTS	30,500	30,500	27,812	(2,688)
DISBURSEMENTS	82,157	82,157	51,657	30,500
Net Change in Fund Balance	(51,657)	(51,657)	(23,845)	27,812
FUND BALANCE - BEGINNING	51,657	51,657	51,657	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,812</u>	<u>\$ 27,812</u>
FEDERAL GRANT FUND				
RECEIPTS				
Intergovernmental	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
TOTAL RECEIPTS	1,500	1,500	-	(1,500)
DISBURSEMENTS	1,500	1,500	-	1,500
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RE-USE ECONOMIC DEVELOPMENT FUND				
RECEIPTS				
Miscellaneous	\$ 51,463	\$ 51,463	\$ 42,901	\$ (8,562)
TOTAL RECEIPTS	51,463	51,463	42,901	(8,562)
DISBURSEMENTS	145,000	145,000	97,757	47,243
Net Change in Fund Balance	(93,537)	(93,537)	(54,856)	38,681
FUND BALANCE - BEGINNING	93,537	93,537	93,537	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,681</u>	<u>\$ 38,681</u>

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 400,000	\$ 400,000	\$ 796,051	\$ 396,051
TOTAL RECEIPTS	<u>400,000</u>	<u>400,000</u>	<u>796,051</u>	<u>396,051</u>
DISBURSEMENTS	<u>2,500</u>	<u>2,500</u>	<u>436</u>	<u>2,064</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	671,500	671,500	1,671,500	1,000,000
Transfers out	(2,588,800)	(2,588,800)	(2,150,000)	438,800
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,917,300)</u>	<u>(1,917,300)</u>	<u>(478,500)</u>	<u>1,438,800</u>
Net Change in Fund Balance	(1,519,800)	(1,519,800)	317,115	1,836,915
FUND BALANCE - BEGINNING	<u>1,519,800</u>	<u>1,519,800</u>	<u>1,519,800</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,836,915</u>	<u>\$ 1,836,915</u>
BOND DEBT FUND				
RECEIPTS				
Taxes	\$ 1,739,984	\$ 1,739,984	\$ 965,850	\$ (774,134)
Interest	4,300	4,300	264	(4,036)
Intergovernmental	-	-	171,395	171,395
TOTAL RECEIPTS	<u>1,744,284</u>	<u>1,744,284</u>	<u>1,137,509</u>	<u>(606,775)</u>
DISBURSEMENTS	<u>1,744,284</u>	<u>1,744,284</u>	<u>777,106</u>	<u>967,178</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(53)	(53)	-	53
TOTAL OTHER FINANCING SOURCES (USES)	<u>(53)</u>	<u>(53)</u>	<u>-</u>	<u>53</u>
Net Change in Fund Balance	(53)	(53)	360,403	360,456
FUND BALANCE - BEGINNING	<u>53</u>	<u>53</u>	<u>53</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,456</u>	<u>\$ 360,456</u>

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>BUILDING AND REPAIR FUND</u>				
RECEIPTS				
Interest	\$ 250,000	\$ 250,000	\$ 134,241	\$ (115,759)
Miscellaneous	-	-	352	352
TOTAL RECEIPTS	<u>250,000</u>	<u>250,000</u>	<u>134,593</u>	<u>(115,407)</u>
DISBURSEMENTS	<u>250,000</u>	<u>250,000</u>	<u>415,309</u>	<u>(165,309)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(639,848)	(639,848)	(190,000)	449,848
TOTAL OTHER FINANCING SOURCES (USES)	<u>(639,848)</u>	<u>(639,848)</u>	<u>(190,000)</u>	<u>449,848</u>
Net Change in Fund Balance	(639,848)	(639,848)	(470,716)	169,132
FUND BALANCE - BEGINNING	639,848	639,848	639,848	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,132</u>	<u>\$ 169,132</u>
<u>WEED FUND</u>				
RECEIPTS				
Charges for Services	\$ 145,000	\$ 145,000	\$ 165,104	\$ 20,104
TOTAL RECEIPTS	<u>145,000</u>	<u>145,000</u>	<u>165,104</u>	<u>20,104</u>
DISBURSEMENTS	<u>372,017</u>	<u>372,017</u>	<u>356,759</u>	<u>15,258</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	214,139	214,139	255,000	40,861
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>214,139</u>	<u>214,139</u>	<u>255,000</u>	<u>40,861</u>
Net Change in Fund Balance	(12,878)	(12,878)	63,345	76,223
FUND BALANCE - BEGINNING	12,878	12,878	12,878	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,223</u>	<u>\$ 76,223</u>

(Continued)

BUFFALO COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>911 EMERGENCY SERVICE FUND</u>				
RECEIPTS				
Taxes	\$ 111,686	\$ 111,686	\$ 139,140	\$ 27,454
Miscellaneous	-	-	11,596	11,596
TOTAL RECEIPTS	<u>111,686</u>	<u>111,686</u>	<u>150,736</u>	<u>39,050</u>
 DISBURSEMENTS	 <u>160,000</u>	 <u>160,000</u>	 <u>109,857</u>	 <u>50,143</u>
Net Change in Fund Balance	(48,314)	(48,314)	40,879	89,193
FUND BALANCE - BEGINNING	48,314	48,314	48,314	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,193</u>	<u>\$ 89,193</u>

(Concluded)

BUFFALO COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2009

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCE JULY 1, 2008	\$ 115	\$ 62,723	\$ 310,414	\$ 75,432	\$ 23,316	\$ 71,352	\$ 24,458
RECEIPTS							
Property Taxes	-	-	-	164,705	-	-	-
Licenses and Permits	6,410	-	-	-	-	-	-
Intergovernmental	-	-	-	79,081	-	-	-
Charges for Services	4,070	244,752	89,928	1,049,581	-	180,184	92,663
Miscellaneous	-	-	-	-	-	-	10,079
State Fees	-	238,374	79,219	-	-	608	73
Other Liabilities	-	-	2,291,833	166,999	57,339	-	-
TOTAL RECEIPTS	10,480	483,126	2,460,980	1,460,366	57,339	180,792	102,815
DISBURSEMENTS							
Payments to County Treasurer	10,480	238,700	83,205	1,282,165	-	164,686	87,172
Payments to State Treasurer	-	243,985	80,475	-	-	608	106
Other Liabilities	-	3,704	1,531,502	184,202	30,333	-	-
TOTAL DISBURSEMENTS	10,480	486,389	1,695,182	1,466,367	30,333	165,294	87,278
BALANCE JUNE 30, 2009	<u>\$ 115</u>	<u>\$ 59,460</u>	<u>\$ 1,076,212</u>	<u>\$ 69,431</u>	<u>\$ 50,322</u>	<u>\$ 86,850</u>	<u>\$ 39,995</u>
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ 115	\$ 28,125	\$ 11,929	\$ 66,424	\$ 227	\$ 86,850	\$ 39,995
Petty Cash	-	-	1,000	2,500	1,500	-	-
Due to State Treasurer	-	29,441	5,394	-	-	-	-
Due to Others	-	1,894	1,057,889	507	48,595	-	-
BALANCE JUNE 30, 2009	<u>\$ 115</u>	<u>\$ 59,460</u>	<u>\$ 1,076,212</u>	<u>\$ 69,431</u>	<u>\$ 50,322</u>	<u>\$ 86,850</u>	<u>\$ 39,995</u>

(Continued)

BUFFALO COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2009

	Veterans' Service Officer	County Planning and Zoning	County Probation Officer	County Public Defender	County Extension Office	County Election Commissioner	Total
BALANCE JULY 1, 2008	\$ 33,128	\$ 50	\$ 50	\$ 2,000	\$ 2,000	\$ -	\$ 605,038
RECEIPTS							
Property Taxes	-	-	-	-	-	-	164,705
Licenses and Permits	-	5,810	-	-	-	-	12,220
Intergovernmental	-	-	-	-	-	-	79,081
Charges for Services	-	-	-	-	-	11,022	1,672,200
Miscellaneous	2,709	4	-	-	-	-	12,792
State Fees	-	-	-	-	-	-	318,274
Other Liabilities	30,045	-	-	-	-	-	2,546,216
TOTAL RECEIPTS	<u>32,754</u>	<u>5,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,022</u>	<u>4,805,488</u>
DISBURSEMENTS							
Payments to County Treasurer	-	5,814	-	-	-	11,022	1,883,244
Payments to State Treasurer	-	-	-	-	-	-	325,174
Other Liabilities	29,638	-	-	-	-	-	1,779,379
TOTAL DISBURSEMENTS	<u>29,638</u>	<u>5,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,022</u>	<u>3,987,797</u>
BALANCE JUNE 30, 2009	<u>\$ 36,244</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 1,422,729</u>
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,665
Petty Cash	-	50	50	2,000	2,000	-	9,100
Due to State Treasurer	-	-	-	-	-	-	34,835
Due to Others	36,244	-	-	-	-	-	1,145,129
BALANCE JUNE 30, 2009	<u>\$ 36,244</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 1,422,729</u>

(Concluded)

BUFFALO COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR
ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2009

Item	2004	2005	2006	2007	2008
Tax Certified by Assessor					
Real Estate	\$ 36,594,587	\$ 38,873,647	\$ 42,957,626	\$ 45,004,273	\$ 49,022,597
Personal and Specials	4,575,874	4,434,737	4,768,422	5,157,510	6,984,347
Total	<u>41,170,461</u>	<u>43,308,384</u>	<u>47,726,048</u>	<u>50,161,783</u>	<u>56,006,944</u>
Corrections					
Additions	80,132	69,398	306,779	81,398	82,701
Deductions	(78,502)	(41,638)	(84,581)	(41,695)	(73,743)
Net Additions/ (Deductions)	<u>1,630</u>	<u>27,760</u>	<u>222,198</u>	<u>39,703</u>	<u>8,958</u>
Corrected Certified Tax	<u>41,172,091</u>	<u>43,336,144</u>	<u>47,948,246</u>	<u>50,201,486</u>	<u>56,015,902</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2005	23,383,094	-	-	-	-
June 30, 2006	17,714,633	24,552,758	-	-	-
June 30, 2007	21,421	18,688,690	26,945,193	-	-
June 30, 2008	3,196	20,403	20,975,561	28,518,619	-
June 30, 2009	7,544	(455)	2,100	21,607,072	32,820,424
Total Net Collections	<u>41,129,888</u>	<u>43,261,396</u>	<u>47,922,854</u>	<u>50,125,691</u>	<u>32,820,424</u>
 Total Uncollected Tax	 <u>\$ 42,203</u>	 <u>\$ 74,748</u>	 <u>\$ 25,392</u>	 <u>\$ 75,795</u>	 <u>\$ 23,195,478</u>
 Percentage Uncollected Tax	 <u>0.10%</u>	 <u>0.17%</u>	 <u>0.05%</u>	 <u>0.15%</u>	 <u>41.41%</u>



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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***

Board of Supervisors
Buffalo County, Nebraska

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, 2009, and have issued our report thereon dated February 9, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Buffalo County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buffalo County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting:

- 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 significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above 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 matters that we reported to management of Buffalo County in a separate letter dated February 9, 2010.

This report is intended solely for the information and use of management, the County Board, others within the entity, the State Legislature, 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.

Signed Original on File

Deann Haeffner, CPA
Assistant Deputy Auditor

February 9, 2010



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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February 9, 2010

Board of Supervisors
Buffalo County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Buffalo County (County) for the fiscal year ended June 30, 2009, and have issued our report thereon dated February 9, 2010. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted a certain matter involving internal control over financial reporting and other operational matters that is presented here. This comment and recommendation is intended to improve the internal control over financial reporting or result in operational efficiencies in the following area:

COUNTY OVERALL

Segregation of Duties

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted the offices of the County each had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. This was also noted in prior audits.

We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.

It should be noted this report is critical in nature since it contains only our comment and recommendation on the area noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide them an opportunity to review the report and to respond to the comment and recommendation included in this report. The County declined to respond.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

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.

Sincerely,

Signed Original on File

Deann Haeffner, CPA
Assistant Deputy Auditor