

**AUDIT REPORT  
OF  
SAUNDERS COUNTY**

**JULY 1, 2009 THROUGH JUNE 30, 2010**

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on May 3, 2011**

SAUNDERS COUNTY

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SAUNDERS COUNTY  
**LIST OF COUNTY OFFICIALS**  
 At June 30, 2010

Name	Title	Term Expires
Doris Karloff	Board of Supervisors	Jan. 2013
Dave Lutton		Jan. 2011
Scott Sukstorf		Jan. 2013
Kenneth Kuncel		Jan. 2011
Craig Breunig		Jan. 2011
Leroy Hanson		Jan. 2011
James Fauver		Jan. 2013
Scott Tingelhoff	Attorney	Jan. 2011
Patti Lindgren	Clerk Election Commissioner	Jan. 2011
Don Clark	Register of Deeds	Jan. 2011
Paul Johnson	Clerk of the District Court	Jan. 2011
Kevin Stukenholtz	Sheriff	Jan. 2011
Patricia Hunter	Treasurer	Jan. 2011
Herbert Barnes	Veterans' Service Officer	Appointed
Ed Sladky	Weed Superintendent	Appointed
Steve Mika	Highway Superintendent	Appointed
George Borreson	Planning & Zoning	Appointed
Sheri Schaeffer	Senior Services	Appointed
Pam Lausterer	Youth Services	Appointed
Terry Miller	Emergency Management	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.state.ne.us

## 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, 2010, 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, 2010, 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, 2010, 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 April 26, 2011, 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 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

April 26, 2011

Deann Haeffner, CPA  
Assistant Deputy Auditor

SAUNDERS COUNTY  
**STATEMENT OF NET ASSETS - CASH BASIS**  
 June 30, 2010

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 8,273,274
<b>TOTAL ASSETS</b>	<b>\$ 8,273,274</b>
 <b>NET ASSETS</b>	
Restricted for:	
Veterans' Aid	\$ 95,118
E911 Services	161,842
Other Purposes	28,996
Debt Service	4,861,202
 Unrestricted	 3,126,116
<b>TOTAL NET ASSETS</b>	<b>\$ 8,273,274</b>

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, 2010

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (4,806,225)	\$ 658,947	\$ 120,591	\$ (4,026,687)
Public Safety	(3,592,188)	1,491,017	74,745	(2,026,426)
Public Works	(3,438,630)	-	2,240,989	(1,197,641)
Health and Sanitation	(31,183)	-	-	(31,183)
Public Assistance	(507,009)	78,945	150,412	(277,652)
Culture and Recreation	(47,995)	-	-	(47,995)
Debt Payments	(1,957,174)	-	-	(1,957,174)
Capital Outlay	(59,171)	-	-	(59,171)
<b>Total Governmental Activities</b>	<b>\$ (14,439,575)</b>	<b>\$ 2,228,909</b>	<b>\$ 2,586,737</b>	<b>(9,623,929)</b>

General Receipts:

Property Taxes	6,892,604
Grants and Contributions Not Restricted to Specific Programs	750,652
Investment Income	176,080
Licenses and Permits	175,405
Bond Reimbursement	1,380,000
Miscellaneous	274,155
<b>Total General Receipts</b>	<b>9,648,896</b>
 Change in Net Assets	 24,967
Net Assets - Beginning	8,248,307
Net Assets - Ending	<b>\$ 8,273,274</b>

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, 2010

	General Fund	Road Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents (Note 1.D)	\$ 606,758	\$ 243,616	\$ 972,617	\$ 4,519,388	\$ 1,930,895	\$ 8,273,274
<b>TOTAL ASSETS</b>	<u>\$ 606,758</u>	<u>\$ 243,616</u>	<u>\$ 972,617</u>	<u>\$ 4,519,388</u>	<u>\$ 1,930,895</u>	<u>\$ 8,273,274</u>
<b>FUND BALANCES</b>						
Unreserved, reported in:						
General fund	\$ 606,758	\$ -	\$ -	\$ -	\$ -	\$ 606,758
Special revenue funds	-	243,616	972,617	-	1,579,908	2,796,141
Debt service funds	-	-	-	4,519,388	341,814	4,861,202
Capital project funds	-	-	-	-	9,173	9,173
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 606,758</u>	<u>\$ 243,616</u>	<u>\$ 972,617</u>	<u>\$ 4,519,388</u>	<u>\$ 1,930,895</u>	<u>\$ 8,273,274</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, 2010

	General Fund	Road Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$5,561,797	\$ -	\$ 463,144	\$ 163,834	\$ 703,829	\$ 6,892,604
Licenses and Permits	175,405	-	-	-	-	175,405
Interest	103,036	-	-	64,727	8,317	176,080
Intergovernmental	724,878	2,253,413	-	14,258	344,840	3,337,389
Charges for Services	2,134,418	-	-	-	94,491	2,228,909
Miscellaneous	62,797	33,403	21	1,433,651	124,283	1,654,155
<b>TOTAL RECEIPTS</b>	<u>8,762,331</u>	<u>2,286,816</u>	<u>463,165</u>	<u>1,676,470</u>	<u>1,275,760</u>	<u>14,464,542</u>
<b>DISBURSEMENTS</b>						
General Government	4,334,970	-	200,237	1,048	269,970	4,806,225
Public Safety	3,248,582	-	-	-	343,606	3,592,188
Public Works	139,397	2,984,852	-	-	314,381	3,438,630
Health and Sanitation	31,183	-	-	-	-	31,183
Public Assistance	189,767	-	-	-	317,242	507,009
Culture and Recreation	26,000	-	-	-	21,995	47,995
Debt Service:						
Principal Payments	-	-	-	445,000	-	445,000
Interest and Fiscal Charges	-	-	-	987,809	524,365	1,512,174
Capital Outlay	-	-	-	-	59,171	59,171
<b>TOTAL DISBURSEMENTS</b>	<u>7,969,899</u>	<u>2,984,852</u>	<u>200,237</u>	<u>1,433,857</u>	<u>1,850,730</u>	<u>14,439,575</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>792,432</u>	<u>(698,036)</u>	<u>262,928</u>	<u>242,613</u>	<u>(574,970)</u>	<u>24,967</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	676,197	678,781	100,000	-	617,616	2,072,594
Transfers out	(1,234,655)	-	(837,939)	-	-	(2,072,594)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(558,458)</u>	<u>678,781</u>	<u>(737,939)</u>	<u>-</u>	<u>617,616</u>	<u>-</u>
Net Change in Fund Balances	233,974	(19,255)	(475,011)	242,613	42,646	24,967
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>372,784</u>	<u>262,871</u>	<u>1,447,628</u>	<u>4,276,775</u>	<u>1,888,249</u>	<u>8,248,307</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 606,758</u>	<u>\$ 243,616</u>	<u>\$ 972,617</u>	<u>\$4,519,388</u>	<u>\$ 1,930,895</u>	<u>\$ 8,273,274</u>

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, 2010

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,280,779
 <b>LIABILITIES</b>	
Due to other governments	
State	347,631
Schools	2,270,445
Educational Service Units	4,310
Technical College	19,702
Natural Resource Districts	12,332
Fire Districts	14,530
Municipalities	81,985
Agricultural Society	2,667
Drainage Districts	42,953
Townships	16,120
Sanitary and Improvement Districts	423,140
Others	44,964
<b>TOTAL LIABILITIES</b>	<b>3,280,779</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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, 2010

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.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

County contributed \$75,061 toward the operation of the Region during fiscal year 2010. 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 (Department) to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 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. The County did not make any contributions towards the operation of the Department during fiscal year 2010. 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 Neb. Rev. Stat. § 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 was considered immaterial and 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 receipts, and other nonexchange transactions. The County is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category - governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

**Health Services Bond Fund.** This fund accounts for the resources for, and the payment of, long-term debt principal, interest and related costs associated with bonds issued for the construction of hospital facilities.

The County reports the following additional fund types:

**Special Revenue Funds.** These funds account for the proceeds from a specific receipt source that is restricted to disbursements 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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

assets and fund balances arising from cash transactions on the Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received and disbursements 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 receipts are recorded when earned and disbursements 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, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements generally are recorded when a liability is incurred, as under accrual accounting. However, disbursements 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**Compensated Absences.** Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as an disbursement 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 \$5,147,158 of restricted net assets, of which \$285,956 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 \$8,273,274 for County funds and \$3,280,779 for Fiduciary funds. The bank balances for all funds totaled \$11,598,255. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2010, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2009, for the 2009 taxes which will be materially collected in May and September, 2010, was set at \$.29554/\$100 of assessed valuation. The levy set in October 2008, for the 2008 taxes which were materially collected in May and September, 2009, was set at \$.29822/\$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 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.



SAUNDERS COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System** (Concluded)

For the year ended June 30, 2010, 194 employees contributed \$255,365; the County contributed \$382,214. Additionally, for the year ended June 30, 2010, 20 law enforcement employees and the County contributed \$7,502 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$1,452 directly to 15 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.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 500,000	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 2011. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2010, consisted of the following:

<b>Transfers to</b>	Transfers from		Total
	General Fund	Inheritance Fund	
General Fund	\$ -	\$ 676,197	\$ 676,197
Inheritance Fund	100,000	-	100,000
Road Fund	678,781	-	678,781
Nonmajor Funds	455,874	161,742	617,616
<b>Total</b>	<b>\$ 1,234,655</b>	<b>\$ 837,939</b>	<b>\$ 2,072,594</b>

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

7. **Capital Leases Payable**

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

	Snogo Snowblower
Balance July 1, 2009	\$ -
Payments	-
Purchases	107,362
Balance June 30, 2010	<u>\$ 107,362</u>
Future Payments:	
<b>Year</b>	
2011	\$ 21,472
2012	21,473
2013	21,472
2014	21,473
2015	21,472
Total Payments	<u>107,362</u>
Less Interest	<u>15,362</u>
Present Value of Future Minimum Lease Payments	<u>\$ 92,000</u>
Carrying Value of the related Fixed Asset	<u>\$ 92,000</u>

SAUNDERS COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**8. Interfund Loans**

Receivable Fund	Payable Fund	Amount
Building Fund	General Fund	\$ 241,543

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 which authorized borrowing up to \$750,000 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 within ten years, or sooner if possible. In fiscal year 2010 no additional monies were borrowed from the Building Fund. At June 30, 2010, the unpaid Building Fund loan balance totaled \$241,543.

**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 hospital clinic and long-term care facility. The bond payable balance as of June 30, 2010, was \$21,265,000. 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 from said facility 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	Principal	Interest	Total
2011	\$ 465,000	\$ 971,879	\$ 1,436,879
2012	480,000	954,865	1,434,865
2013	495,000	936,771	1,431,771
2014	515,000	917,469	1,432,469
2015	535,000	896,876	1,431,876
2016-2020	3,025,000	4,130,741	7,155,741
2021-2036	15,750,000	6,963,133	22,713,133
Total Payments	\$ 21,265,000	\$ 15,771,734	\$ 37,036,734

SAUNDERS COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**10. Long-Term Debt** (Concluded)

**Law Enforcement Center Bond.** The County issued bonds in December 2006 in the amount of \$7,990,000 and in January 2007 in the amount of \$5,000,000; a total of \$12,990,000 for the purpose of paying the costs of acquiring a site and constructing and equipping a new law enforcement facility. The bond payable balance as of June 30, 2010, was \$12,990,000. 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. Future tax resources will be used to pay off the bonds.

Future Payments:

<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 555,000	\$ 514,706	\$ 1,069,706
2012	580,000	494,809	1,074,809
2013	595,000	473,917	1,068,917
2014	610,000	452,191	1,062,191
2015	655,000	429,164	1,084,164
2016-2020	3,590,000	1,751,475	5,341,475
2021-2036	6,405,000	1,020,018	7,425,018
Total Payments	<u>\$ 12,990,000</u>	<u>\$ 5,136,280</u>	<u>\$ 18,126,280</u>

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 5,575,602	\$ 5,575,602	\$ 5,561,797	\$ (13,805)
Licenses and Permits	154,700	154,700	175,405	20,705
Interest	175,000	175,000	103,036	(71,964)
Intergovernmental	323,400	323,400	724,878	401,478
Charges for Services	2,390,650	2,390,650	2,134,418	(256,232)
Miscellaneous	55,000	55,000	62,797	7,797
<b>TOTAL RECEIPTS</b>	<b>8,674,352</b>	<b>8,674,352</b>	<b>8,762,331</b>	<b>87,979</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	146,124	146,124	141,890	4,234
County Clerk	137,520	137,520	134,098	3,422
County Treasurer	289,624	298,530	298,530	-
Register of Deeds	95,516	95,516	93,327	2,189
Election Commissioner	101,378	101,378	88,673	12,705
Building and Zoning	86,280	86,280	81,333	4,947
Board of Equalization	14,250	14,480	14,480	-
Clerk of the District Court	86,716	86,716	85,001	1,715
District Judge	42,960	42,960	37,408	5,552
Public Defender	167,860	167,860	157,026	10,834
Building and Grounds	75,095	75,095	71,271	3,824
Agricultural Extension Agent	83,051	83,051	80,148	2,903
Child Support Services - District Court	44,215	44,215	36,274	7,941
Child Support Services - Attorney	157,432	157,432	151,196	6,236
Building Security	96,255	96,255	84,688	11,567
Miscellaneous	2,667,400	2,658,264	2,640,680	17,584
Maintenance LE&J Center	152,400	152,400	138,947	13,453
Public Safety:				
County Sheriff	1,054,230	1,054,230	1,000,337	53,893
County Attorney	299,647	299,647	299,636	11
County Attorney Grant	16,551	16,551	16,548	3
County Jail	1,947,660	1,947,660	1,866,256	81,404
County Sheriff Grant	64,641	64,641	21,879	42,762
Miscellaneous	30,129	30,129	43,926	(13,797)

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DISBURSEMENTS (Continued)</b>				
Public Works:				
County Surveyor	91,140	91,140	89,499	1,641
Noxious Weed Control	58,832	58,832	49,898	8,934
Public Health:				
Miscellaneous	33,806	33,806	31,183	2,623
Public Assistance:				
Veterans' Service Officer	43,361	43,361	42,877	484
Institutions	12,500	12,500	7,993	4,507
Medical Relief	25,000	47,040	47,040	-
Miscellaneous	124,295	102,255	84,191	18,064
Unemployment Compensation	10,000	10,000	7,666	2,334
Culture and Recreation:				
Miscellaneous	26,000	26,000	26,000	-
<b>TOTAL DISBURSEMENTS</b>	<u>8,281,868</u>	<u>8,281,868</u>	<u>7,969,899</u>	<u>311,969</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>392,484</u>	<u>392,484</u>	<u>792,432</u>	<u>399,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,027,630	2,027,630	676,197	(1,351,433)
Transfers out	(1,411,427)	(1,411,427)	(1,234,655)	176,772
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>616,203</u>	<u>616,203</u>	<u>(558,458)</u>	<u>(1,174,661)</u>
Net Change in Fund Balance	1,008,687	1,008,687	233,974	(774,713)
<b>FUND BALANCES - BEGINNING</b>	<u>372,784</u>	<u>372,784</u>	<u>372,784</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 1,381,471</u></u>	<u><u>\$ 1,381,471</u></u>	<u><u>\$ 606,758</u></u>	<u><u>\$ (774,713)</u></u>

(Concluded)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,200,000	\$ 2,200,000	\$ 2,253,413	\$ 53,413
Charges for Services	15,000	15,000	-	(15,000)
Miscellaneous	31,500	31,500	33,403	1,903
<b>TOTAL RECEIPTS</b>	<u>2,246,500</u>	<u>2,246,500</u>	<u>2,286,816</u>	<u>40,316</u>
<b>DISBURSEMENTS</b>	<u>3,656,088</u>	<u>3,656,088</u>	<u>2,984,852</u>	<u>671,236</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(1,409,588)</u>	<u>(1,409,588)</u>	<u>(698,036)</u>	<u>711,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,146,717	1,146,717	678,781	(467,936)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,146,717</u>	<u>1,146,717</u>	<u>678,781</u>	<u>(467,936)</u>
Net Change in Fund Balance	(262,871)	(262,871)	(19,255)	243,616
FUND BALANCE - BEGINNING	262,871	262,871	262,871	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,616</u>	<u>\$ 243,616</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 505,000	\$ 505,000	\$ 463,144	\$ (41,856)
Miscellaneous	-	-	21	21
<b>TOTAL RECEIPTS</b>	<u>505,000</u>	<u>505,000</u>	<u>463,165</u>	<u>(41,835)</u>
<b>DISBURSEMENTS</b>	<u>463,153</u>	<u>463,153</u>	<u>200,237</u>	<u>262,916</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>41,847</u>	<u>41,847</u>	<u>262,928</u>	<u>221,081</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,000	250,000	100,000	(150,000)
Transfers out	(1,739,475)	(1,739,475)	(837,939)	901,536
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,489,475)</u>	<u>(1,489,475)</u>	<u>(737,939)</u>	<u>751,536</u>
Net Change in Fund Balance	(1,447,628)	(1,447,628)	(475,011)	972,617
FUND BALANCE - BEGINNING	1,447,628	1,447,628	1,447,628	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972,617</u>	<u>\$ 972,617</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HEALTH SERVICES BOND FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 175,400	\$ 175,400	\$ 163,834	\$ (11,566)
Interest	75,000	75,000	64,727	(10,273)
Intergovernmental	-	-	14,258	14,258
Miscellaneous	1,445,158	1,445,158	1,433,651	(11,507)
<b>TOTAL RECEIPTS</b>	<u>1,695,558</u>	<u>1,695,558</u>	<u>1,676,470</u>	<u>(19,088)</u>
<b>DISBURSEMENTS</b>	<u>5,972,333</u>	<u>5,972,333</u>	<u>1,433,857</u>	<u>4,538,476</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(4,276,775)</u>	<u>(4,276,775)</u>	<u>242,613</u>	<u>4,519,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,276,775)	(4,276,775)	242,613	4,519,388
FUND BALANCE - BEGINNING	4,276,775	4,276,775	4,276,775	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,519,388</u>	<u>\$ 4,519,388</u>

(Concluded)



SAUNDERS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

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 receipts 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 receipts 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 disbursements 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.

**SAUNDERS COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2010

	Special Road Fund	Road/Bridge Sinking Fund	Child Support Agreement - Attorney Fund	Visitor Promotion Fund	Visitor Improvement Fund	Veterans' Aid Fund	Transportation Fund	Senior Citizen Services Fund
<b>RECEIPTS</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ 10,156	\$ 10,156	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	1,954	-	-
Intergovernmental	244	-	1,052	-	-	-	61,076	89,336
Charges for Services	-	-	-	-	-	-	1,521	77,424
Miscellaneous	71	-	-	-	-	-	-	7,994
<b>TOTAL RECEIPTS</b>	<u>315</u>	<u>-</u>	<u>1,052</u>	<u>10,156</u>	<u>10,156</u>	<u>1,954</u>	<u>62,597</u>	<u>174,754</u>
<b>DISBURSEMENTS</b>								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	250,069	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	5,000	69,412	242,830
Culture and Recreation	-	-	-	7,469	7,220	-	-	-
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>250,069</u>	<u>-</u>	<u>-</u>	<u>7,469</u>	<u>7,220</u>	<u>5,000</u>	<u>69,412</u>	<u>242,830</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(249,754)</u>	<u>-</u>	<u>1,052</u>	<u>2,687</u>	<u>2,936</u>	<u>(3,046)</u>	<u>(6,815)</u>	<u>(68,076)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	249,754	126,962	-	-	-	-	10,056	74,284
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>249,754</u>	<u>126,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,056</u>	<u>74,284</u>
Net Change in Fund Balances	-	126,962	1,052	2,687	2,936	(3,046)	3,241	6,208
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>384,129</u>	<u>39,927</u>	<u>1,794</u>	<u>2,953</u>	<u>98,164</u>	<u>3,040</u>	<u>8,964</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ 511,091</u>	<u>\$ 40,979</u>	<u>\$ 4,481</u>	<u>\$ 5,889</u>	<u>\$ 95,118</u>	<u>\$ 6,281</u>	<u>\$ 15,172</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, 2010

	Diversion Program Fund	STOP Fund	Drug Law Enforcement Fund	Drug Testing Fund	Federal Drug Enforcement Fund	Federal Grant Fund	Federal Grant CDBG Fund	Emergency Management Fund
<b>RECEIPTS</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	108	-	-	-	-	-	-
Intergovernmental	20,631	-	-	-	-	80,600	-	25,320
Charges for Services	4,519	11,025	-	-	-	-	-	-
Miscellaneous	-	-	1,279	-	-	-	17,333	-
<b>TOTAL RECEIPTS</b>	<b>25,150</b>	<b>11,133</b>	<b>1,279</b>	<b>-</b>	<b>-</b>	<b>80,600</b>	<b>17,333</b>	<b>25,320</b>
<b>DISBURSEMENTS</b>								
General Government	-	-	-	-	-	-	17,333	-
Public Safety	113,898	10,615	-	2,758	-	-	-	48,147
Public Works	-	-	-	-	-	64,312	-	-
Public Assistance	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>113,898</b>	<b>10,615</b>	<b>-</b>	<b>2,758</b>	<b>-</b>	<b>64,312</b>	<b>17,333</b>	<b>48,147</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(88,748)</b>	<b>518</b>	<b>1,279</b>	<b>(2,758)</b>	<b>-</b>	<b>16,288</b>	<b>-</b>	<b>(22,827)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	87,458	-	-	-	-	-	-	19,102
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>87,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,102</b>
Net Change in Fund Balances	(1,290)	518	1,279	(2,758)	-	16,288	-	(3,725)
<b>FUND BALANCES - BEGINNING</b>	<b>4,977</b>	<b>18,494</b>	<b>1,059</b>	<b>7,500</b>	<b>2,106</b>	<b>-</b>	<b>-</b>	<b>7,526</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 3,687</b>	<b>\$ 19,012</b>	<b>\$ 2,338</b>	<b>\$ 4,742</b>	<b>\$ 2,106</b>	<b>\$ 16,288</b>	<b>\$ -</b>	<b>\$ 3,801</b>

(Continued)

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

For the Year Ended June 30, 2010

	Correctional Center Commissary Fund	Law Enforcement Center & Jail Bond Fund	County Building Fund	Law Enforcement & Judicial Center Construction Fund	Flood Control Projects Fund	Youth Camp Fund	E911 Emergency Services Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>								
Property Taxes	\$ -	\$ 593,246	\$ 10,427	\$ -	\$ 15	\$ -	\$ 79,829	\$ 703,829
Interest	-	5,350	606	287	-	12	-	8,317
Intergovernmental	-	51,672	909	-	-	-	14,000	344,840
Charges for Services	-	-	2	-	-	-	-	94,491
Miscellaneous	85,521	1	1	-	-	10,619	1,464	124,283
<b>TOTAL RECEIPTS</b>	<b>85,521</b>	<b>650,269</b>	<b>11,945</b>	<b>287</b>	<b>15</b>	<b>10,631</b>	<b>95,293</b>	<b>1,275,760</b>
<b>DISBURSEMENTS</b>								
General Government	78,288	1,048	173,301	-	-	-	-	269,970
Public Safety	-	-	-	-	100,000	-	68,188	343,606
Public Works	-	-	-	-	-	-	-	314,381
Public Assistance	-	-	-	-	-	-	-	317,242
Culture and Recreation	-	-	-	-	-	7,306	-	21,995
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	524,365	-	-	-	-	-	524,365
Capital Projects	-	-	-	59,171	-	-	-	59,171
<b>TOTAL DISBURSEMENTS</b>	<b>78,288</b>	<b>525,413</b>	<b>173,301</b>	<b>59,171</b>	<b>100,000</b>	<b>7,306</b>	<b>68,188</b>	<b>1,850,730</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>7,233</b>	<b>124,856</b>	<b>(161,356)</b>	<b>(58,884)</b>	<b>(99,985)</b>	<b>3,325</b>	<b>27,105</b>	<b>(574,970)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	50,000	-	-	-	-	617,616
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>617,616</b>
Net Change in Fund Balances	7,233	124,856	(111,356)	(58,884)	(99,985)	3,325	27,105	42,646
<b>FUND BALANCES - BEGINNING</b>	<b>2,104</b>	<b>216,958</b>	<b>592,654</b>	<b>68,057</b>	<b>289,038</b>	<b>4,068</b>	<b>134,737</b>	<b>1,888,249</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 9,337</b>	<b>\$ 341,814</b>	<b>\$ 481,298</b>	<b>\$ 9,173</b>	<b>\$ 189,053</b>	<b>\$ 7,393</b>	<b>\$ 161,842</b>	<b>\$ 1,930,895</b>

(Concluded)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 75	\$ 75	\$ 244	\$ 169
Miscellaneous	-	-	71	71
<b>TOTAL RECEIPTS</b>	<u>75</u>	<u>75</u>	<u>315</u>	<u>240</u>
<b>DISBURSEMENTS</b>	<u>294,037</u>	<u>294,037</u>	<u>250,069</u>	<u>43,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	293,962	293,962	249,754	(44,208)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>293,962</u>	<u>293,962</u>	<u>249,754</u>	<u>(44,208)</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ROAD/BRIDGE SINKING FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	126,962	126,962	126,962	-
Transfers out	(511,091)	(511,091)	-	511,091
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>(384,129)</u>	<u>(384,129)</u>	<u>126,962</u>	<u>511,091</u>
Net Change in Fund Balance	(384,129)	(384,129)	126,962	511,091
FUND BALANCE - BEGINNING	384,129	384,129	384,129	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,091</u>	<u>\$ 511,091</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CHILD SUPPORT AGREEMENT - ATTORNEY FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 1,052	\$ (13,948)
TOTAL RECEIPTS	<u>15,000</u>	<u>15,000</u>	<u>1,052</u>	<u>(13,948)</u>
 DISBURSEMENTS	 <u>54,927</u>	 <u>54,927</u>	 <u>-</u>	 <u>54,927</u>
Net Change in Fund Balance	(39,927)	(39,927)	1,052	40,979
FUND BALANCE - BEGINNING	39,927	39,927	39,927	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,979</u>	<u>\$ 40,979</u>
 <b>VISITOR PROMOTION FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 8,206	\$ 8,206	\$ 10,156	\$ 1,950
TOTAL RECEIPTS	<u>8,206</u>	<u>8,206</u>	<u>10,156</u>	<u>1,950</u>
 DISBURSEMENTS	 <u>10,000</u>	 <u>10,000</u>	 <u>7,469</u>	 <u>2,531</u>
Net Change in Fund Balance	(1,794)	(1,794)	2,687	4,481
FUND BALANCE - BEGINNING	1,794	1,794	1,794	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,481</u>	<u>\$ 4,481</u>
 <b>VISITOR IMPROVEMENT FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 7,047	\$ 7,047	\$ 10,156	\$ 3,109
TOTAL RECEIPTS	<u>7,047</u>	<u>7,047</u>	<u>10,156</u>	<u>3,109</u>
 DISBURSEMENTS	 <u>10,000</u>	 <u>10,000</u>	 <u>7,220</u>	 <u>2,780</u>
Net Change in Fund Balance	(2,953)	(2,953)	2,936	5,889
FUND BALANCE - BEGINNING	2,953	2,953	2,953	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,889</u>	<u>\$ 5,889</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VETERANS' AID FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ 1,001	\$ 1,001	\$ 1,954	\$ 953
TOTAL RECEIPTS	<u>1,001</u>	<u>1,001</u>	<u>1,954</u>	<u>953</u>
 DISBURSEMENTS	 <u>99,165</u>	 <u>99,165</u>	 <u>5,000</u>	 <u>94,165</u>
Net Change in Fund Balance	(98,164)	(98,164)	(3,046)	95,118
FUND BALANCE - BEGINNING	<u>98,164</u>	<u>98,164</u>	<u>98,164</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,118</u>	<u>\$ 95,118</u>
 <b>TRANSPORTATION FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 52,575	\$ 52,575	\$ 61,076	\$ 8,501
Charges for Services	2,000	2,000	1,521	(479)
Miscellaneous	100	100	-	(100)
TOTAL RECEIPTS	<u>54,675</u>	<u>54,675</u>	<u>62,597</u>	<u>7,922</u>
 DISBURSEMENTS	 <u>88,356</u>	 <u>88,356</u>	 <u>69,412</u>	 <u>18,944</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,641	30,641	10,056	(20,585)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>30,641</u>	<u>30,641</u>	<u>10,056</u>	<u>(20,585)</u>
Net Change in Fund Balance	(3,040)	(3,040)	3,241	6,281
FUND BALANCE - BEGINNING	<u>3,040</u>	<u>3,040</u>	<u>3,040</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,281</u>	<u>\$ 6,281</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SENIOR CITIZEN SERVICES FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 95,023	\$ 95,023	\$ 89,336	\$ (5,687)
Charges for Services	85,033	85,033	77,424	(7,609)
Miscellaneous	16,590	16,590	7,994	(8,596)
<b>TOTAL RECEIPTS</b>	<u>196,646</u>	<u>196,646</u>	<u>174,754</u>	<u>(21,892)</u>
<b>DISBURSEMENTS</b>	<u>293,672</u>	<u>293,672</u>	<u>242,830</u>	<u>50,842</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	88,062	88,062	74,284	(13,778)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>88,062</u>	<u>88,062</u>	<u>74,284</u>	<u>(13,778)</u>
Net Change in Fund Balance	(8,964)	(8,964)	6,208	15,172
FUND BALANCE - BEGINNING	8,964	8,964	8,964	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,172</u>	<u>\$ 15,172</u>
<b>DIVERSION PROGRAM FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 20,631	\$ 20,631	\$ 20,631	\$ -
Charges for Services	6,800	6,800	4,519	(2,281)
<b>TOTAL RECEIPTS</b>	<u>27,431</u>	<u>27,431</u>	<u>25,150</u>	<u>(2,281)</u>
<b>DISBURSEMENTS</b>	<u>118,398</u>	<u>118,398</u>	<u>113,898</u>	<u>4,500</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	85,990	85,990	87,458	1,468
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>85,990</u>	<u>85,990</u>	<u>87,458</u>	<u>1,468</u>
Net Change in Fund Balance	(4,977)	(4,977)	(1,290)	3,687
FUND BALANCE - BEGINNING	4,977	4,977	4,977	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,687</u>	<u>\$ 3,687</u>

(Continued)



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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STOP FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ 200	\$ 200	\$ 108	\$ (92)
Charges for Services	15,000	15,000	11,025	(3,975)
<b>TOTAL RECEIPTS</b>	<b>15,200</b>	<b>15,200</b>	<b>11,133</b>	<b>(4,067)</b>
<b>DISBURSEMENTS</b>	<b>33,694</b>	<b>33,694</b>	<b>10,615</b>	<b>23,079</b>
Net Change in Fund Balance	(18,494)	(18,494)	518	19,012
FUND BALANCE - BEGINNING	18,494	18,494	18,494	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,012</u>	<u>\$ 19,012</u>
<b>DRUG LAW ENFORCEMENT FUND</b>				
<b>RECEIPTS</b>				
Miscellaneous	\$ 3,941	\$ 3,941	\$ 1,279	\$ (2,662)
<b>TOTAL RECEIPTS</b>	<b>3,941</b>	<b>3,941</b>	<b>1,279</b>	<b>(2,662)</b>
<b>DISBURSEMENTS</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>
Net Change in Fund Balance	(1,059)	(1,059)	1,279	2,338
FUND BALANCE - BEGINNING	1,059	1,059	1,059	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,338</u>	<u>\$ 2,338</u>
<b>DRUG TESTING FUND</b>				
<b>RECEIPTS</b>				
Charges for Services	\$ 3,130	\$ 3,130	\$ -	\$ (3,130)
<b>TOTAL RECEIPTS</b>	<b>3,130</b>	<b>3,130</b>	<b>-</b>	<b>(3,130)</b>
<b>DISBURSEMENTS</b>	<b>10,630</b>	<b>10,630</b>	<b>2,758</b>	<b>7,872</b>
Net Change in Fund Balance	(7,500)	(7,500)	(2,758)	4,742
FUND BALANCE - BEGINNING	7,500	7,500	7,500	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,742</u>	<u>\$ 4,742</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FEDERAL DRUG ENFORCEMENT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Miscellaneous	7,501	7,501	-	(7,501)
<b>TOTAL RECEIPTS</b>	<b>12,501</b>	<b>12,501</b>	<b>-</b>	<b>(12,501)</b>
<b>DISBURSEMENTS</b>	<b>14,607</b>	<b>14,607</b>	<b>-</b>	<b>14,607</b>
Net Change in Fund Balance	(2,106)	(2,106)	-	2,106
FUND BALANCE - BEGINNING	2,106	2,106	2,106	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 2,106</u>
<b>FEDERAL GRANT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ 80,600	\$ 80,600	\$ -
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>80,600</b>	<b>80,600</b>	<b>-</b>
<b>DISBURSEMENTS</b>	<b>-</b>	<b>80,600</b>	<b>64,312</b>	<b>16,288</b>
Net Change in Fund Balance	-	-	16,288	16,288
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,288</u>	<u>\$ 16,288</u>
<b>FEDERAL GRANT CDBG FUND</b>				
<b>RECEIPTS</b>				
Miscellaneous	\$ 23,831	\$ 23,831	\$ 17,333	\$ (6,498)
<b>TOTAL RECEIPTS</b>	<b>23,831</b>	<b>23,831</b>	<b>17,333</b>	<b>(6,498)</b>
<b>DISBURSEMENTS</b>	<b>23,831</b>	<b>23,831</b>	<b>17,333</b>	<b>6,498</b>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EMERGENCY MANAGEMENT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 226,396	\$ 226,396	\$ 25,320	\$ (201,076)
<b>TOTAL RECEIPTS</b>	<b>226,396</b>	<b>226,396</b>	<b>25,320</b>	<b>(201,076)</b>
<b>DISBURSEMENTS</b>	<b>258,158</b>	<b>258,158</b>	<b>48,147</b>	<b>210,011</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	24,236	24,236	19,102	(5,134)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>24,236</b>	<b>24,236</b>	<b>19,102</b>	<b>(5,134)</b>
Net Change in Fund Balance	(7,526)	(7,526)	(3,725)	3,801
FUND BALANCE - BEGINNING	7,526	7,526	7,526	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,801</u>	<u>\$ 3,801</u>
<b>CORRECTIONAL CENTER COMMISSARY FUND</b>				
<b>RECEIPTS</b>				
Miscellaneous	\$ 7,501	\$ 87,896	\$ 85,521	\$ (2,375)
<b>TOTAL RECEIPTS</b>	<b>7,501</b>	<b>87,896</b>	<b>85,521</b>	<b>(2,375)</b>
<b>DISBURSEMENTS</b>	<b>5,855</b>	<b>86,250</b>	<b>78,288</b>	<b>7,962</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(3,750)	(3,750)	-	3,750
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>(3,750)</b>	<b>(3,750)</b>	<b>-</b>	<b>3,750</b>
Net Change in Fund Balance	(2,104)	(2,104)	7,233	9,337
FUND BALANCE - BEGINNING	2,104	2,104	2,104	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,337</u>	<u>\$ 9,337</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT CENTER &amp; JAIL BOND FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 577,362	\$ 577,362	\$ 593,246	\$ 15,884
Interest	7,680	7,680	5,350	(2,330)
Intergovernmental	-	-	51,672	51,672
Miscellaneous	-	-	1	1
<b>TOTAL RECEIPTS</b>	<b>585,042</b>	<b>585,042</b>	<b>650,269</b>	<b>65,227</b>
<b>DISBURSEMENTS</b>	<b>694,000</b>	<b>694,000</b>	<b>525,413</b>	<b>168,587</b>
Net Change in Fund Balance	(108,958)	(108,958)	124,856	233,814
FUND BALANCE - BEGINNING	216,958	216,958	216,958	-
FUND BALANCE - ENDING	<u>\$ 108,000</u>	<u>\$ 108,000</u>	<u>\$ 341,814</u>	<u>\$ 233,814</u>
<b>COUNTY BUILDING FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 10,020	\$ 10,020	\$ 10,427	\$ 407
Interest	-	-	606	606
Intergovernmental	-	-	909	909
Charges for Services	-	-	2	2
Miscellaneous	-	-	1	1
<b>TOTAL RECEIPTS</b>	<b>10,020</b>	<b>10,020</b>	<b>11,945</b>	<b>1,925</b>
<b>DISBURSEMENTS</b>	<b>194,217</b>	<b>194,217</b>	<b>173,301</b>	<b>20,916</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	50,000	-
Transfers out	(458,457)	(458,457)	-	458,457
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(408,457)</b>	<b>(408,457)</b>	<b>50,000</b>	<b>458,457</b>
Net Change in Fund Balance	(592,654)	(592,654)	(111,356)	481,298
FUND BALANCE - BEGINNING	592,654	592,654	592,654	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,298</u>	<u>\$ 481,298</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT &amp; JUDICIAL CENTER CONSTRUCTION FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ -	\$ -	\$ 287	\$ 287
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>287</b>
<b>DISBURSEMENTS</b>	<b>68,057</b>	<b>68,057</b>	<b>59,171</b>	<b>8,886</b>
Net Change in Fund Balance	(68,057)	(68,057)	(58,884)	9,173
FUND BALANCE - BEGINNING	68,057	68,057	68,057	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,173</u>	<u>\$ 9,173</u>
<b>FLOOD CONTROL PROJECTS FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 15	\$ 15
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>
<b>DISBURSEMENTS</b>	<b>289,038</b>	<b>289,038</b>	<b>100,000</b>	<b>189,038</b>
Net Change in Fund Balance	(289,038)	(289,038)	(99,985)	189,053
FUND BALANCE - BEGINNING	289,038	289,038	289,038	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,053</u>	<u>\$ 189,053</u>
<b>YOUTH CAMP FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ 10	\$ 10	\$ 12	\$ 2
Miscellaneous	5,214	5,214	10,619	5,405
<b>TOTAL RECEIPTS</b>	<b>5,224</b>	<b>5,224</b>	<b>10,631</b>	<b>5,407</b>
<b>DISBURSEMENTS</b>	<b>9,292</b>	<b>9,292</b>	<b>7,306</b>	<b>1,986</b>
Net Change in Fund Balance	(4,068)	(4,068)	3,325	7,393
FUND BALANCE - BEGINNING	4,068	4,068	4,068	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,393</u>	<u>\$ 7,393</u>

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>E911 EMERGENCY SERVICES FUND</u></b>				
<b>RECEIPTS</b>				
Taxes	\$ 75,000	\$ 75,000	\$ 79,829	\$ 4,829
Intergovernmental	-	-	14,000	14,000
Miscellaneous	301	301	1,464	1,163
<b>TOTAL RECEIPTS</b>	<u>75,301</u>	<u>75,301</u>	<u>95,293</u>	<u>19,992</u>
<b>DISBURSEMENTS</b>	<u>210,038</u>	<u>210,038</u>	<u>68,188</u>	<u>141,850</u>
Net Change in Fund Balance	(134,737)	(134,737)	27,105	161,842
FUND BALANCE - BEGINNING	134,737	134,737	134,737	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,842</u>	<u>\$ 161,842</u>

(Concluded)

**SAUNDERS COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2010

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCE JULY 1, 2009	\$ 20,402	\$ 20,877	\$ 110,260	\$ 32,677	\$ 204	\$ -	\$ 100
<b>RECEIPTS</b>							
Property Taxes	5,885	-	-	22,442	-	-	-
Licenses and Permits	5,957	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	116,446
Charges for Services	33,551	120,732	33,713	148,320	-	454	-
Miscellaneous	-	-	-	103,483	-	-	45,467
State Fees	-	137,628	30,795	1,062	-	-	-
Other Liabilities	3,281	-	404,275	405,965	58,108	-	-
<b>TOTAL RECEIPTS</b>	<b>48,674</b>	<b>258,360</b>	<b>468,783</b>	<b>681,272</b>	<b>58,108</b>	<b>454</b>	<b>161,913</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	47,943	121,185	35,531	260,950	-	454	149,494
Payments to State Treasurer	7,844	134,515	32,889	1,050	-	-	-
Other Liabilities	-	-	408,313	422,463	57,786	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>55,787</b>	<b>255,700</b>	<b>476,733</b>	<b>684,463</b>	<b>57,786</b>	<b>454</b>	<b>149,494</b>
BALANCE JUNE 30, 2010	<u>\$ 13,289</u>	<u>\$ 23,537</u>	<u>\$ 102,310</u>	<u>\$ 29,486</u>	<u>\$ 526</u>	<u>\$ -</u>	<u>\$ 12,519</u>
<b>BALANCE CONSISTS OF:</b>							
Due to County Treasurer	\$ 578	\$ 10,732	\$ 1,612	\$ 18,827	\$ -	\$ -	\$ 12,419
Petty Cash	12,500	500	200	4,400	200	-	100
Due to State Treasurer	211	12,305	1,895	101	-	-	-
Due to Others	-	-	98,603	6,158	326	-	-
BALANCE JUNE 30, 2010	<u>\$ 13,289</u>	<u>\$ 23,537</u>	<u>\$ 102,310</u>	<u>\$ 29,486</u>	<u>\$ 526</u>	<u>\$ -</u>	<u>\$ 12,519</u>

(Continued)

**SAUNDERS COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2010

	Veterans' Service Officer	County Surveyor	County Youth Services	County Planning and Zoning	County Transportation	County Senior Services	Total
BALANCE JULY 1, 2009	\$ 5,035	\$ -	\$ 100	\$ 100	\$ -	\$ 281	\$ 190,036
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	28,327
Licenses and Permits	-	-	-	95,170	-	-	101,127
Intergovernmental	-	-	20,631	-	59,893	89,336	286,306
Charges for Services	-	8	4,520	-	1,593	77,263	420,154
Miscellaneous	5,021	-	11,157	-	1,111	7,994	174,233
State Fees	-	-	-	-	-	-	169,485
Other Liabilities	-	-	-	-	-	-	871,629
<b>TOTAL RECEIPTS</b>	<b>5,021</b>	<b>8</b>	<b>36,308</b>	<b>95,170</b>	<b>62,597</b>	<b>174,593</b>	<b>2,051,261</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	-	8	35,770	95,170	62,597	174,754	983,856
Payments to State Treasurer	-	-	-	-	-	-	176,298
Other Liabilities	522	-	538	-	-	-	889,622
<b>TOTAL DISBURSEMENTS</b>	<b>522</b>	<b>8</b>	<b>36,308</b>	<b>95,170</b>	<b>62,597</b>	<b>174,754</b>	<b>2,049,776</b>
BALANCE JUNE 30, 2010	<u>\$ 9,534</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ 191,521</u>
<b>BALANCE CONSISTS OF:</b>							
Due to County Treasurer	\$ 9,534	\$ -	\$ -	\$ -	\$ -	\$ 90	\$ 53,792
Petty Cash	-	-	100	100	-	30	18,130
Due to State Treasurer	-	-	-	-	-	-	14,512
Due to Others	-	-	-	-	-	-	105,087
BALANCE JUNE 30, 2010	<u>\$ 9,534</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ 191,521</u>

(Concluded)



SAUNDERS COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR**  
**ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
 June 30, 2010

Item	2005	2006	2007	2008	2009
Tax Certified by Assessor					
Real Estate	\$ 25,849,052	\$ 28,546,112	\$ 28,992,459	\$ 32,215,287	\$ 33,998,288
Personal and Specials	1,478,487	1,563,216	1,582,401	1,814,229	2,017,895
Total	<u>27,327,539</u>	<u>30,109,328</u>	<u>30,574,860</u>	<u>34,029,516</u>	<u>36,016,183</u>
Corrections					
Additions	43,312	155,652	568,877	603,581	382,917
Deductions	(18,905)	(15,128)	(11,330)	(12,002)	(19,341)
Net Additions/ (Deductions)	<u>24,407</u>	<u>140,524</u>	<u>557,547</u>	<u>591,579</u>	<u>363,576</u>
Corrected Certified Tax	<u>27,351,946</u>	<u>30,249,852</u>	<u>31,132,407</u>	<u>34,621,095</u>	<u>36,379,759</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2006	15,242,858	-	-	-	-
June 30, 2007	12,047,270	16,947,897	-	-	-
June 30, 2008	29,994	13,125,085	17,074,580	-	-
June 30, 2009	16,506	36,721	12,940,603	19,143,755	-
June 30, 2010	4,884	11,976	44,648	14,335,030	20,413,156
Total Net Collections	<u>27,341,512</u>	<u>30,121,679</u>	<u>30,059,831</u>	<u>33,478,785</u>	<u>20,413,156</u>
Total Uncollected Tax	<u>\$ 10,434</u>	<u>\$ 128,173</u>	<u>\$ 1,072,576</u>	<u>\$ 1,142,310</u>	<u>\$ 15,966,603</u>
Percentage Uncollected Tax	<u>0.04%</u>	<u>0.42%</u>	<u>3.45%</u>	<u>3.30%</u>	<u>43.89%</u>



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.state.ne.us

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, 2010, and have issued our report thereon dated April 26, 2011. 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 (internal control) 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 Saunders County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

- 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 significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the County's internal control to be a significant deficiency:

- The County had a lack of good controls over the procedures to reimburse County officials for expenses. The County Attorney submitted and was paid on duplicate amounts and items returned, resulting in several overpayments. Furthermore, the tracking of all items purchased was not documented to ensure their accountability.

*County's Response: Appropriate policies are being drawn up for adoption by the County Board to be in place for all offices in regard to future purchases such as, all receipts attached to the claims must be the original, multiple purchases must be explained for approval prior to purchase, and the County Board will scrutinize all claims much closer.*

#### 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 matters that we reported to management of Saunders County in a separate letter dated April 26, 2011.

Saunders County's response to the findings identified in our audit are described above. We did not audit Saunders County's response and, accordingly, we express no opinion on it.

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

April 26, 2011

Deann Haeffner, CPA  
Assistant Deputy Auditor



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.state.ne.us

April 26, 2011

Board of Supervisors  
Saunders County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Saunders County (County) for the fiscal year ended June 30, 2010, and have issued our report thereon dated April 26, 2011. 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 certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the areas as follows:

### COUNTY ATTORNEY

#### Reimbursement Claims

During our audit, we examined claims submitted by the County Attorney for personal reimbursement between January 1, 2007, and December 31, 2010. Nine (9) claims for reimbursement which were prepared, signed, and submitted by the County Attorney **all** had discrepancies and in **every** instance the discrepancy resulted in an over-reimbursement to him. The total over-reimbursement to him for these 9 claims was \$4,944. The summary of the personal benefit to the County Attorney follows:

Claim Date	Over-reimbursed Amounts
January 11, 2008	\$ 1,798
May 14, 2009	\$ 1,498
February 12, 2010	\$ 126
October 10, 2008	\$ 21
May 19, 2008	\$ 105
October 10, 2008	\$ 20
January 11, 2008	\$ 76
January 11, 2008	\$ 20
May 19, 2008	\$ 61
December 11, 2008	\$ 57
December 11, 2008	\$ 90
March 10, 2009	\$ 235
May 14, 2009	\$ 608
August 4, 2009	\$ 95
February 12, 2010	\$ 135
<b>Total</b>	<b>\$ 4,944</b>

These resulted from the following:

- A claim dated January 11, 2008, included two receipts from Best Buy for the return of items previously purchased and claimed, totaling a negative \$899. Instead of being credited, these return receipts were added to the total amount of the claim, resulting in an overpayment of \$1,798 to the County Attorney personally.

**County Attorney - STOP**

**COPY**

**Directions For Making Out Claims** - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

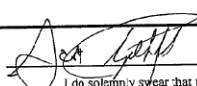
COUNTY CLAIM BLANK, Saunders County      Wahoo, Nebr.      1/11      20      08

Name **Scott Tingelhoff**

Address **353 City View Drive**

City **Wahoo**      State **NE**      Zip **68066**      Vendor # **7382**

Date	For What Service	Amount
01/11/08	Supplies 2356-666-003-0101 <sup>5</sup> 147.67	\$ 174.99
01/11/08	Supplies 2356-666-003-0101	\$ <sup>29</sup> 3 234.99
01/11/08	Supplies 2356-666-003-0101	\$ <sup>29</sup> 4 663.98
01/11/08	Supplies 2356-666-003-0101	\$ 699.97
01/11/08	Supplies 2356-666-003-0101	\$ 397.97
01/11/08	Supplies 2356-666-003-0101	\$ 2,664.82
01/11/08	Supplies 2356-666-003-0101	\$ 310.95
01/11/08	Mileage 2356-666-002-170 <sup>49</sup>	\$ 122.22
Claim Amount		\$ 5,269.89

OK'd by: 

I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

STATE OF NEBRASKA, SAUNDERS COUNTY } ss.

Audited and Allowed      Filing Date      Claimant Sign Here

1-22-08      (date)      (date)

ISSUED ON      General FUND

**FILED**  
JAN 10 2008  
CLERK OF SAUNDERS COUNTY, NEBRASKA

Receipt was actually for a refund and was a negative \$234.99. Therefore, over charged County double the amount.

Receipt was actually for a refund and was a negative \$663.98. Therefore, over charged County double the amount.

**COPY**

WELCOME TO BEST BUY #240  
Omaha, NE 68118  
(402)289-5389

Keep your receipt!

0240 041 8354 11/23/07 17:21 052H77B

**TAX EXEMPT**

ORIGINAL TRAN 0240 042 8485 11/23/07

7026069 02058003 549.99-  
DIGITAL REBEL XT(S) EF 1B-53K 113.99  
7213712 9612A007

DIGITAL REBEL XT ACCY KIT

SUBTOTAL 663.98-  
TOTAL 663.98-

**COPY**

WELCOME TO BEST BUY #240  
Omaha, NE 68118  
(402)289-5389

Keep your receipt!

0240 041 8356 11/23/07 17:22 052077B

**TAX EXEMPT**

ORIGINAL TRAN 0240 041 8283 11/23/07

2823760 6473A003AA/ 234.99-  
EF75-300F/4.0-5.6III LENS

SUBTOTAL 234.99-  
TOTAL 234.99-

- Three receipts totaling \$1,645 were claimed and reimbursed twice, resulting in duplicate reimbursement personally to the County Attorney:
  - Best Buy receipt dated February 27, 2009, for \$1,597.87 was claimed on March 10, 2009, from the General Fund and also on May 14, 2009, from the STOP Fund. The May 14, 2009, claim included a return receipt for a negative \$99.97 leaving a net overpayment of \$1,498.

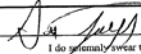
09030165  
County Attorney

Directions For Making Out Claims - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

COUNTY CLAIM BLANK, Saunders County      Wahoo, Nebr.      3/10      20      09  
 Name Scott Tingelhoff  
 Address 353 City View Drive  
 City Wahoo      State NE      Zip 68066      Vendor # 7382

Date	For What Service	Amount
03/10/09	Dues / Training	100-652-002-1710 = 214.27 \$ 25.00
03/10/09	Dues / Training	100-652-002-1710 \$ 180.00
03/10/09	Dues / Training	100-652-002-1710 \$ 9.27
03/10/09	Supplies	100-652-003-0101 = 2147.76 \$ 99.5 1,597.87 *
03/10/09	Mileage	100-652-002-1704 538.45 \$ 538.45
03/10/09	Supplies	100-652-003-0101 \$ 171.94
03/10/09	Supplies	100-652-003-0101 \$ 379.95
		Claim Amount \$ 2902.48

\$1,597.87 claimed again on May 14, 2009.

OK'd by:   
 STATE OF NEBRASKA, SAUNDERS COUNTY      I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

Audited and Allowed      Claimant Sign Here  
 3-17-09      (date)  
 FILED      Issued on  
 MAR 10 2009      General FUND

County Attorney - STOP

Directions For Making Out Claims - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

COUNTY CLAIM BLANK, Saunders County      Wahoo, Nebr.      5/14      20      09  
 Name Scott Tingelhoff  
 Address 353 City View Drive  
 City Wahoo      State NE      Zip 68066      Vendor # 7382

Date	For What Service	Amount
05/14/09	Supplies	2356-668-003-0101 \$ 3,410.33
05/14/09	Supplies	2356-668-003-0101 \$ 99.97 1,597.87
05/14/09	Supplies	2356-668-003-0101 \$ 99.97 -99.97
05/14/09	Supplies	2356-668-003-0101 \$ 150.00
05/14/09	Mileage	2356-668-002-1704 \$ 167.75
		2356-666-3-1 5.83
		2356-666-3-1 67.75
		\$ 5351.58

\$1,597.87 previously claimed on March 10, 2009, also note refund of \$99.97 for item on this receipt which was returned.

STATE OF NEBRASKA, SAUNDERS COUNTY      I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

Audited and Allowed      Claimant Sign Here  
 5-17-09      (date)  
 FILED      Issued on  
 MAY 11 2009      STOP FUND

- o Alltel phone bill receipt for \$126 dated October 26, 2009, was claimed on November 4, 2009, and again on February 12, 2010.

County Attorney

**Directions For Making Out Claims** - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

**COUNTY CLAIM BLANK, Saunders County** Wahoo, Nebr. 11/4 20 9  
 Name Scott Tingelhoff  
 Address 353 City View Drive  
 City Wahoo State NE Zip 68066 Vendor # 7382

Date	For What Service	Amount
11/04/09	Misc - Sept / Aug 100-970-00-2-0200	\$ 251.83
11/04/09	Misc - Oct 100-970-00-2-0200	\$ 348.29

**COPY**

Even though description states Sept/Aug, the Alltel invoices were for September 2009, amount of \$126.02, and October 2009, amount of \$125.81; totaling \$251.83. The October invoice of \$125.81 was claimed again on February 12, 2010.

Claim Amount \$ 600.12

OK'd by: [Signature]  
 STATE OF NEBRASKA, ss. SAUNDERS COUNTY  
 Audited and Allowed 11-17-09 (date)  
 I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

**FILED**  
 NOV 02 2009  
 TIME SAUNDERS CO. CLERK NEBRASKA

Claimant Sign Here  
 Issued on  
 General FUND

County Attorney

**Directions For Making Out Claims** - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered, and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

**COUNTY CLAIM BLANK, Saunders County** Wahoo, Nebr. 2/12 20 10  
 Name Scott Tingelhoff  
 Address 353 City View Drive  
 City Wahoo State NE Zip 68066 Vendor # 7382

Date	For What Service	Amount
02/12/10	Misc - Oct - Jan 100-970-00-2-0200	\$ 498.94

The Alltel invoices were for October 2009, amount of \$125.81; November 2009, amount of \$125.81, December 2009, amount of \$125.80, and January 2010, amount of \$121.52; totaling \$498.94. The October invoice of \$125.81 was claimed previously on November 4, 2009.

Claim Amount \$ 498.94

OK'd by: [Signature]  
 STATE OF NEBRASKA, ss. SAUNDERS COUNTY  
 Audited and Allowed 2-16-10 (date)  
 I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

**FILED**  
 FEB 11 2010  
 TIME SAUNDERS CO. CLERK NEBRASKA

Claimant Sign Here  
 Issued on  
 General FUND

- Menards receipt for \$21 dated May 17, 2008, claimed on May 19, 2008, from the STOP Fund, and also on October 10, 2008, from the General Fund.

**County Attorney - STOP**

**COPY**

Directions For Making Out Claims - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

**COUNTY CLAIM BLANK, Saunders County**      Wahoo, Nebr.      5/19      20      08

Name Scott Tingelhoff  
Address 353 City View Drive  
City Wahoo      State NE      Zip 68066      Vendor # 7382

Date	For What Service	Amount
05/19/08	Supplies 2356-666-003-0101	\$ 2,021.89
05/19/08	Supplies 2356-666-003-0101	\$ 1,156.85
05/19/08	Supplies 2356-666-003-0101	\$ 17.99
05/19/08	Mileage 2356-666-002-1704	\$ 127.26
05/19/08	Supplies 2356-666-003-0101	\$ <sup>21.08</sup> 21.08

\$21.08 for two CD cases purchased from Menards on May 17, 2008. Purchase was claimed again on October 10, 2008.

Claim Amount      \$      3,345.07

OK'd by: *Scott Tingelhoff*  
STATE OF NEBRASKA, SAUNDERS COUNTY      I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

Audited and Allowed 5-20-08 (date)  
Claimant Sign Here  
Issued on General FUND

**FILED**  
MAY 19 2008  
THE COUNTY CLERK  
NEBRASKA

**County Attorney**

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Directions For Making Out Claims - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

**COUNTY CLAIM BLANK, Saunders County**      Wahoo, Nebr.      10/10      20      08

Name Scott Tingelhoff  
Address 353 City View Drive  
City Wahoo      State NE      Zip 68066      Vendor # 7382

Date	For What Service	Amount
10/10/08	<del>Dues / Training 100-652-002-1710</del>	<del>\$ 100.00</del>
10/10/08	Dues / Training 100-652-002-1710	\$ 137.50
10/10/08	Dues / Training 100-652-002-1710	\$ 30.00
10/10/08	Office Materials 100-652-003-0101	\$ 100.00
06/13/08	Mileage 100-652-002-1704	\$ 248.79
10/10/08	Supplies 100-652-003-0101	\$ <sup>21.08</sup> 21.08
10/10/08	Supplies 100-652-003-0101	149.99
10/10/08	Supplies 100-652-003-0101	429.98

\$21.08 for two CD cases purchased from Menards on May 17, 2008. Purchase was claimed previously on May 19, 2008.

Claim Amount      \$      1,117.34

OK'd by: *Scott Tingelhoff*  
STATE OF NEBRASKA, SAUNDERS COUNTY      I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.

Audited and Allowed 10-21-08 (date)  
Claimant Sign Here  
Issued on General FUND

**FILED**  
OCT 16 2008  
THE COUNTY CLERK  
NEBRASKA



- Gift cards and reward cards were used to purchase items from Best Buy; however, the claim to the County Board was increased by \$125. It appears the reward cards were earned based on the purchase of other items for the County. Thus, this resulted in the County over-reimbursing the County Attorney \$125.

**COPY** County Attorney - STOP

Directions For Making Out Claims - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

COUNTY CLAIM BLANK, Saunders County      Wahoo, Nebr.      5/19      20      08  
 Name Scott Tingelhoff  
 Address 353 City View Drive  
 City Wahoo      State NE      Zip 68066      Vendor # 7382

Date	For What Service		Amount
05/19/08	Supplies	2356-666-003-0101	\$ 2,021.89
05/19/08	Supplies	2356-666-003-0101	\$ 1,156.85
05/19/08	Supplies	2356-666-003-0101	\$ 17.99
05/19/08	Mileage	2356-000-002-1704	127.26
05/19/08	Supplies	2356-000-003-0101	21.08

Original receipt shows \$1,051.85 was actually paid, not the \$1,156.85 claimed. There were \$65.00 in Reward Zone Certificates and \$40.00 in Gift Cards.

OK'd by: Scott Tingelhoff  
 STATE OF NEBRASKA, SAUNDERS COUNTY  
 Audited and Allowed 5-20-08 (date)  
 I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.  
 Claimant Sign Here  
 Issued on General FUND  
 MAY 19 2008  
 TIME SAUNDERS COUNTY CLERK

WELCOME TO BEST BUY #240  
 Omaha, NE 68118  
 (402)289-5389

Keep your receipt!

**COPY**

Val #: 0680-4398-8020-4213  
 0240 041 4042 05/11/08 13:42 0444/93

B337579 NUWI200W GPS 206.99  
 GARRIN NUWI 200W GPS  
 REG 219.99 WITH 13.00 RZ CERT  
 ITEM TAX 5.50%  
 B337579 NUWI200W GPS 206.99  
 GARRIN NUWI 200W GPS  
 REG 219.99 WITH 13.00 RZ CERT  
 ITEM TAX 5.50%  
 B337579 NUWI200W GPS 206.99  
 GARRIN NUWI 200W GPS  
 REG 219.99 WITH 13.00 RZ CERT  
 ITEM TAX 5.50%  
 B337579 NUWI200W GPS 206.99  
 GARRIN NUWI 200W GPS  
 REG 219.99 WITH 13.00 RZ CERT  
 ITEM TAX 5.50%  
 B337579 NUWI200W GPS 206.99  
 GARRIN NUWI 200W GPS  
 REG 219.99 WITH 13.00 RZ CERT  
 ITEM TAX 5.50%  
 DELIVERY 0.00  
 ORDER # 794779113  
 ITEM TAX 5.50%  
 5426639 RZ CARD 0.00  
 REWARD ZONE CARD  
 SERIAL # 0091157393

SUBTOTAL 1,074.95  
 SALES TAX 5.50 % 11.38  
 SALES TAX 5.50 % 11.38  
 SALES TAX 5.50 % 11.38  
 SALES TAX 5.50 % 11.38  
 SALES TAX 5.50 % 11.38  
 TOTAL 1,091.85

GIFT CARD 20.00 #40.00  
 GIFT CARD 20.00  
 APPROVAL 123300  
 BEST BUY CARD 1,051.85 + 40.00 = \$1,156.85

APPROVAL 057942  
 18 Month/11th Payments Plan  
 This is a sale as cash plan. Monthly Payments required. Finance Charges occur from purchase date. If any monthly payments are made when due & if purchase paid in full before promo expires. Finance Charges are not imposed. \$10.00

RZ CERT \$10.00 #65.00  
 RZ CERT \$10.00  
 RZ CERT \$5.00

**COPY** County Attorney

Directions For Making Out Claims - Follow these directions carefully. All claims against Saunders County must be itemized, date of item, kind of article, and price and to whom delivered; and by whom ordered or authorized, and all necessary receipts attached. All claims for services per diem must be itemized, stating what service is rendered. All mileage to be itemized, stating from and to what place traveled and date of same. ALL CLAIMS MUST BE SIGNED OR THEY WILL NOT BE FILED BY THE CLERK.

COUNTY CLAIM BLANK, Saunders County      Wahoo, Nebr.      10/10      20      08  
 Name Scott Tingelhoff  
 Address 353 City View Drive  
 City Wahoo      State NE      Zip 68066      Vendor # 7382

Date	For What Service		Amount
10/10/08	Dues / Training	100-652-002-1710	\$ 100.00
10/10/08	Dues / Training	100-652-002-1710	\$ 137.50
10/10/08	Dues / Training	100-652-002-1710	\$ 30.00
10/10/08	Office Materials	100-652-003-0101	\$ 100.00
06/13/08	Mileage	100-652-002-1704	\$ 248.79
10/10/08	Supplies	100-652-003-0101	\$ 21.08
10/10/08	Supplies	100-652-003-0101	\$ 149.99
10/10/08	Supplies	100-652-003-0101	429.98

Original receipt shows \$129.99 was actually paid, not the \$149.99 claimed. There was a \$20.00 Reward Zone Certificate.

OK'd by: Scott Tingelhoff  
 STATE OF NEBRASKA, SAUNDERS COUNTY  
 Audited and Allowed 10-21-08 (date)  
 I do solemnly swear that the several items herein mentioned are just and true, and the services charged herein, or articles furnished, as the case may be, were rendered or furnished as herein charged, and that the amount claimed is due and unpaid after allowing just credits.  
 Claimant Sign Here  
 Issued on General FUND  
 OCT 16 2008  
 TIME SAUNDERS COUNTY CLERK

WELCOME TO BEST BUY #50  
 LINCOLN, NE 68504  
 (402)464-1820

Keep your receipt!

Val #: 0958-7234-3542-1995  
 0050 041 0632 07/20/08 14:46 0634331

TAX EXEMPT

8475731 WHIU7500N 129.99 N  
 7506B 3.5" MY BOOK ESSENTIAL  
 REG 149.99 WITH 20.00 RZ CERT

SUBTOTAL 129.99  
 TOTAL 129.99

TAX EXEMPT NAME: SAUNDERS COUNTY S  
 SCOTT J TINGELHOFF 129.99  
 APPROVAL 276758

RZ CERT \$20.00  
 P16

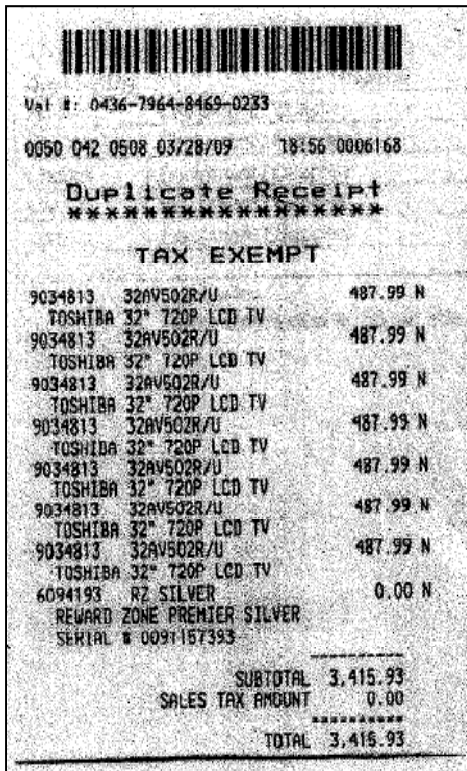
\$10 = 149.99

- Some of the receipts submitted for reimbursement by the County Attorney included Nebraska sales tax. Purchases made by the County, within Nebraska, are tax exempt. This resulted in the County incurring the expense of \$107 in sales tax that it should not have.
  - Best Buy receipt dated May 11, 2008, included sales tax of \$57.
  - Nebraska Supreme Court receipt from August 4, 2009, for the purchase of State statute books included sales tax of \$50.
- Numerous claims were submitted to the County Board for reimbursement by the County Attorney and his office without the actual original receipt attached. Only a photocopy of a receipt was attached except in at least three instances where no receipts were attached to the claims submitted.
- Several items purchased by the County Attorney were not included on the County Attorney's fixed asset inventory list and no documentation was available to support that the items were transferred to another department or entity. They included the following:

Claim Date	Receipt Date	Vendor	Item	Amount
6/19/2007	No Date	Best Buy	Widescreen Projector	\$ 1,324.99
9/18/2007	6/8/2007	Best Buy	Toshiba Laptop	\$ 709.99
9/18/2007	6/22/2007	Best Buy	2 -2.5" Passport Portables, 1 card reader	\$ 421.97
1/22/2008	1/5/2008	Best Buy	3 External Camera Flashes	\$ 271.25
1/22/2008	9/20/2007	Best Buy	DVD Recorder	\$ 174.99
1/22/2008	11/23/2007	Best Buy	DVD Player / VCR Combo	\$ 99.99
1/22/2008	11/23/2007	Best Buy	Camera, Camera Lens & Accessory Kit	\$ 699.97
1/22/2008	11/23/2007	Best Buy	Camcorder, Camera Lens, Camera, DVD Recorder, Accessory Kit	\$ 2,664.82
5/16/2008	5/11/2008	Best Buy	9 GPSs**, 1 mount, 1 carrying case	\$ 2,021.89
5/16/2008	5/11/2008	Best Buy	5 GPSs**	\$ 1,091.85
7/22/2008	7/1/2008	HP Home & Home Office Store	4 HP LaserJet Printers	\$ 1,899.96
10/21/2008	7/20/2008	Best Buy	3.5" My Book Essential	\$ 129.99
10/21/2008	7/20/2008	Best Buy	3.5" My Book Essential, 22" LCD Monitor	\$ 429.98
12/16/2008	10/25/2008	Best Buy	DVD Combo Recorder	\$ 179.99
12/16/2008	11/28/2008	Best Buy	My Book Home Edition	\$ 149.99
12/16/2008	10/23/2008	HP	HP Color LaserJet	\$ 765.00
1/20/2009	1/5/2009	HP Home & Home Office Store	HP LaserJet Printer	\$ 1,249.95
3/17/2009	3/7/2009	Best Buy	3 Sets of Speakers	\$ 269.97
5/19/2009	3/28/2009	Best Buy	7 LCD TVs	\$ 3,415.93
8/18/2009	6/26/2009	Best Buy	2 Computers	\$ 979.93
2/16/2010	2/11/2010	ISSI Business Solutions	VHS Degausser	\$ 133.00
2/16/2010	11/27/2009	Best Buy	2 -My Passport Elite	\$ 159.98
2/16/2010	No Date	Bass Pro Shops	GPS**	\$ 219.94
5/18/2010	4/15/2010	Best Buy	2 Sets of Speakers	\$ 199.98
9/21/2010	8/19/2010	Best Buy	Notebook Computer	\$ 679.99

Subsequent to notifying the County Attorney of this issue, on April 8, 2011, the County Attorney supplied the APA with information regarding the location of several of the above items and indicated some of them had been turned over to the County Sheriff. The APA did confirm with the County Sheriff that twelve of the GPSs noted above with \*\* were in his office's possession. The APA also confirmed one of the GPSs noted above with \*\* was in the possession of the State Patrol, allegedly leaving two in the possession of the County Attorney.

- Seven LCD televisions (TVs) were purchased by the County Attorney on March 28, 2009, for \$487.99 each, totaling \$3,415.93. Upon the Auditor of Public Accounts (APA) attempting to verify the location of the TVs, as of March 8, 2011, the County Attorney indicated six of the TVs were still located in their original boxes in the County Attorney's office and had not been used since they were purchased almost two years ago. There was one TV sitting on a desk, which the County Attorney claimed was one of the seven purchased; however, the APA subsequently discovered that one of the TVs was actually returned to Best Buy, see more information below. On April 14, 2011, the APA visited the County Attorney's office again and examined the six boxes and noted that one of the six boxes was actually empty. The County Attorney then indicated that one TV was in his investigators office; however, upon observing the office and visiting with the investigator it was noted that he did not have a TV in his office nor had any TV been in his office at any time. When the County Attorney was informed that the APA had confirmed one TV was returned to Best Buy, he indicated he did not remember returning it.



This box was empty.

- The County Attorney submitted claims for reimbursement of purchases made at Best Buy totaling \$23,328, during the period January 1, 2007, to December 31, 2010. This was based on copies of receipts attached to the claims. To confirm the validity of those receipts, the APA contacted Best Buy to verify the purchases and returns related to those receipts. As a result, the APA was provided with numerous return receipts for items, totaling \$1,376, that had been submitted to the County and reimbursed to the County Attorney. No documentation was on file to indicate the County Attorney reimbursed the County for any of these additional returns.

Items purchased, claimed, and returned to the vendor include:

Receipt Date	County Claim Date	Returned Date	Claim Amount	Returned Amount	Description
11/23/2007	1/11/2008	12/31/2007	\$2,664.82	\$ 75.95	Camera accessories
1/5/2008	1/11/2008	1/19/2008	\$ 310.95	\$ 19.68	Camera lens case
5/11/2008	5/19/2008	5/15/2008	\$1,156.85	\$ 60.99	Price match on 5 GPSs
10/25/2008	12/11/2008	12/12/2008	\$ 258.96	\$ 56.98	DVD and CD Cases
11/28/2008	12/11/2008	12/28/2008	\$ 285.93	\$ 89.97	3 computer mice
3/7/2009	3/10/2009	4/16/2009	\$ 379.95	\$ 234.97	2 sets of speakers and computer camera
3/28/2009	5/14/2009	4/16/2009 4/19/2009	\$3,415.93	\$ 607.99	Price match on 7 LCD TVs for \$140 on 4/16/09 and subsequent return of 1 LCD TV for \$467.99
7/18/2009	8/4/2009	8/22/2009	\$ 94.98	\$ 94.98	2 computer mice
12/26/2009	2/12/2010	1/18/2010	\$ 236.94	\$ 134.97	3 8GB SD Cards

**\$1,376.48 Total amount overpaid by the County**

Good internal controls require the County Attorney to complete accurate, appropriate reviews of claims prior to submission to the County Board. Adequate procedures should be in place, including a review of original supporting documents, to ensure claims are accurate, reasonable, and allowable. If items are returned for a refund, the County should be reimbursed for the full refunded amount. Furthermore, good internal controls should be in place to appropriately account for purchased items, either as an addition to the fixed asset inventory form or documentation to support the distribution of items to other departments or entities. Without proper internal controls and documentation, there is an increased risk for loss, theft, or misuse of funds.

Duplicate submission of receipts and claims for monies that were refunded, along with the other findings presented herein, could give rise to the following statutory concerns:

- Neb. Rev. Stat. § 23-135.01 (Reissue 2007) states, “Whoever shall file any claim against any county as provided in section 23-135, knowing said claim to contain any false statement or representation as to a material fact or whoever shall obtain or receive any money or any warrant for money from any county knowing that the claim therefore was based on a false statement or representation as to a material fact, if the amount claimed or money obtained or received, or if the face value of the warrant for money shall be one thousand dollars or more shall be guilty of a Class IV felony. If the amount is more than one hundred dollars but less than one thousand dollars, the person so offending shall be guilty of a Class II misdemeanor. If the amount is less than one hundred dollars, the person so offending shall be guilty of a Class III misdemeanor.”
- Neb. Rev. Stat. § 49-14,101.01 (Reissue 2010) states, “(1) A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated. (2) A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with

prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain....(7) Except as provided in section 23-3113, any person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.”

- Neb. Rev. Stat. § 23-347 (Reissue 2007) states, “Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer. The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.”
- Neb. Rev. Stat. § 23-1201(2) (Reissue 2007) states, in part, “...The county attorney shall file the annual inventory statement with the county board of county personal property in his or her possession as provided in sections 23-346 to 23-350. It shall be the further duty of the county attorney of each county, within three days from the calling to his or her attention of any violation of the requirements of the law concerning annual inventory statements from county officers, to institute proceedings against such offending officer and in addition thereto to prosecute the appropriate action to remove such county officer from office. When it is the county attorney who is charged with failure to comply with this section, the Attorney General of Nebraska may bring the action.”
- Neb. Rev. Stat. § 23-350 (Reissue 2007) states, “Any county officer, including any member of any county board, who shall fail to file such inventory statements or who shall willfully make any false or incorrect statement therein, or who shall aid, abet, or connive in the making of any false or incorrect statement therein shall be guilty of a Class III misdemeanor. As part of the judgment of conviction, the court may decree such officer guilty of malfeasance in office for a palpable omission of duty and subject to removal under section 28-924.”
- Neb. Rev. Stat. § 28-924 (Reissue 2008) states, “(1) A public servant commits official misconduct if he knowingly violates any statute or lawfully adopted rule or regulation relating to his official duties. (2) Official misconduct is a Class II misdemeanor.”

We recommend the County Attorney immediately repay the County for the over-reimbursed amount of \$4,944. We further recommend the County Attorney implement procedures to ensure claims are appropriate and accurate prior to submission to the County Board. All claims submitted for reimbursement should include the original receipts, and any refunds received should be immediately repaid to the County. Procedures should also be established to prevent payment of Nebraska sales tax on County purchases. All purchased items should be added to the office fixed asset inventory, in accordance with the County’s policy, on a

timely basis, or documentation should be maintained to support where items have been distributed. Furthermore, purchases should only be made when necessary and needed by the office. It is not fiscally responsible to purchase large items, such as the six TVs, and not have used them for two years. Finally, this information will be forwarded to the Attorney General and the Accountability and Disclosure Commission for any action they deem appropriate.

**Additional APA Information Subsequent To Draft:** After being notified of the information contained in this report, the County Attorney subsequently remitted three checks to the County Treasurer. The checks were receipted on April 14, 2011 for \$125.81, \$3,401.92, and \$1,416.27; totaling \$4,944.00.

*County Attorney's Response:* The opportunity to update and revise the procedures within the office in order to provide better and more accurate internal controls over certain processes with the recommendations as described in the initial audit report is appreciated. It should be noted that after a review was conducted, it was found that none of the errors reported occurred knowingly or as a result of any intentional act, but rather through the lack of adequate internal control methods and procedures. All errors that were discovered have been fully and completely corrected and procedures have already been implemented in order to ensure that appropriate and accurate submissions of claims and inventory records occur.

*The above response has been limited to one paragraph pursuant to the state auditor's rules. There is a more complete and detailed response available.*

**APA Response:** The APA has reviewed both the summary and detailed responses provided by the County Attorney. Per Government Auditing Standards, his summary response is included with this management letter. The County Attorney is free to publish a more detailed response of any length on his own. We feel it is important to disclose that although documentation to support who actually prepared the claims was undetermined, all of the claims in question were for personal reimbursement to the County Attorney and all were signed by the County Attorney. Additionally, when the County Attorney was first questioned by the APA, he stated that he personally prepared most, if not all, of his own reimbursement claims. It was only after the above information was disclosed, that he indicated the individual who prepared the claims was unable to be determined. In his detailed response, the County Attorney responded that three of the six televisions were being used by the County and District Courts. The APA confirmed that three of the televisions were only moved into the Courts after April 14, 2011 – the date he was questioned about them and the date he was provided the draft report for his response. Finally, in the County Attorney's detailed response, he discloses additional errors which involved refunds and credits of claims involving other entities; thus indicating procedures were not in place to prevent such errors. However, the APA notes that in all of these instances, the credits and refunds were timely noted and corrected by the individuals receiving the overpayment. However, with the County Attorney's claims noted above, nothing was refunded or credited until the APA brought it to his attention.

## COUNTY BOARD

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### **Claim Process**

During our audit, we noted claims approved for duplicate payments and negative amounts. These claims were supported with copies of invoices and receipts instead of original receipts. See comment titled Reimbursement Claims for detailed information on these claims.

Neb. Rev. Stat. § 23-109 (Reissue 2007) states, “the county board shall have power to examine and settle all accounts against the county and all accounts concerning the receipts and expenditures of the county.” When adequate procedures are not in place to ensure claims are correct and accurate, there is an increased risk of loss or misuse of funds.

We recommend procedures be established, including a review of original supporting documents, and followed by the County Board prior to payment to ensure claims are accurate, reasonable, and allowable. We further recommend such procedures include a requirement that claims be supported by original receipts, not copies.

*County Board’s Response: Appropriate policies are being drawn up for adoption by the County Board to be in place for all offices in regard to future purchases such as, all receipts attached to the claims must be the original, multiple purchases must be explained for approval prior to purchase, and the County Board will scrutinize all claims much closer.*

### **Imprest Account Reconciliations**

Good internal controls and sound accounting practice requires bank accounts be reconciled to book balances at the end of each month and any variances noted be identified and corrected in a timely manner.

During our review, we noted the monthly reconciliations between the imprest vendor/payroll bank account and the book balance noted unidentified variances. At June 30, 2010, an unidentified variance of \$86 was noted. This comment was noted in the prior year audit. When variances cannot be identified, there is an increased risk of the loss or misuse of County funds.

We recommend the County identify variances noted in the reconciliation between the imprest bank account balance and the book balance each month and review and correct variances noted in a timely manner.

*County Clerk’s Response: The County Clerk’s office has implemented a second reconciliation process for reconciling the Imprest Account each month. The accounting program that is used from MIPS allows for checks to be marked returned and then an “Outstanding Check Report” can be generated. This report will be used in conjunction with the manual process/report that is currently done; by doing this extra reconciliation, I hope to eliminate possible human error by transposing numbers.*

### **Publication of Board Minutes**

Neb. Rev. Stat. § 23-122 (Reissue 2007) requires the County Board publish the proceedings of all County Board minutes within ten working days of the meeting date.

For 5 of 10 meeting minutes tested, County Board minutes were not published within 10 working days of the meeting, publication dates ranged from 12 to 22 days after the meeting date. When County Board minutes are not published timely, the County is not in compliance with State statute and the public is not made aware of proceedings in a timely manner.

We recommend the County Board implement procedures to ensure all minutes are published as required by State statute.

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## **REGISTER OF DEEDS**

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### **Cash Refunds**

Good internal control requires refunds be made in check format to document the refund went to the correct individual or entity.

We continue to note the Register of Deeds refunds overpayments to individuals and entities with cash. These refunds are made via the postal system. We noted \$200 was withdrawn from the checking account to make refunds during the fiscal year. Issuing cash refunds increases the risk of loss, theft, or misuse of County funds.

We continue to strongly recommend the Register of Deeds issue checks when refunding money via the postal system.

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## **COUNTY SHERIFF**

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### **Accounting Procedures**

Sound accounting practice and good internal control require procedures be in place to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fees and trust accounts) on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted. Good internal control requires all checks received be immediately receipted.

On June 30, 2010, the County Sheriff's office assets were short office liabilities by \$72. In addition, advance fees are receipted only after service has been provided, not when received. During our cash count on January 27, 2011, we noted 11 checks, totaling \$739, had not yet been receipted. A similar comment was noted in our prior year report.

Without proper internal controls, there is an increased risk for loss, theft, or misuse of funds.

We recommend the County Sheriff implement procedures to balance assets to liabilities and to ensure all monies received are immediately receipted.



## COUNTY TREASURER

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### **Tax Reconciliations**

Good internal controls require reconciliations be performed to ensure the total taxes certified by the County Assessor are correctly collected and posted to the correct tax year.

During our audit we noted the County Treasurer does not perform a periodic reconciliation of overall taxes collected by tax year to the original certified tax amount, insuring the amount of taxes remaining uncollected is accurate. When reconciliations are not performed regularly, there is an increased risk an error would go undetected.

We recommend the County Treasurer periodically perform a reconciliation of taxes collected to the certified tax amount and follow up on any discrepancies noted.

*County Treasurer's Response: We are currently working with MIPS, the computer software provider, and the State Assessor and have been since the auditors were here. It is a problem as neither use the same system for certification.*

## COUNTY OVERALL

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### **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 comments and recommendations on the areas 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 comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next audit.

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