

**AUDIT REPORT  
OF  
JEFFERSON COUNTY**

**JULY 1, 2011 THROUGH JUNE 30, 2012**

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on November 16, 2012**

# JEFFERSON COUNTY

## TABLE OF CONTENTS

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Fiduciary Assets and Liabilities - Cash Basis - Fiduciary Funds	8
Notes to Financial Statements	9 - 19
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Major Funds	22 - 23
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	24 - 35
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	36 - 41
Schedule of Office Activities	42 - 43
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	44
<b>Government Auditing Standards Section</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45 - 46

JEFFERSON COUNTY  
**LIST OF COUNTY OFFICIALS**  
At June 30, 2012

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Michael Dux	Board of Commissioners	Jan. 2015
Marvin Yost		Jan. 2013
Arthur Craig Jr.		Jan. 2015
 Vicki Haskell	 Assessor	 Jan. 2015
 Linda Bauer	 Attorney	 Jan. 2015
 Sandra Stelling	 Clerk Election Commissioner Register of Deeds	 Jan. 2015
 Rosanna Wiegert	 Clerk of the District Court	 Jan. 2015
 Nels Sorensen	 Sheriff	 Jan. 2015
 Leroy Bast	 Treasurer	 Jan. 2015
 Kenneth Dodge	 Veterans' Service Officer	 Appointed
 John McKee	 Weed Superintendent Emergency Manager Planning & Zoning	 Appointed
 William Hansel	 Highway Superintendent	 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](http://www.auditors.state.ne.us)

### JEFFERSON COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Jefferson County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the County, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. 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 generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County, as of June 30, 2012, and the respective changes in cash basis financial position 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 November 6, 2012, on our consideration of Jefferson 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.

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, 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 information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

SIGNED ORIGINAL ON FILE

November 6, 2012

Deann Haeffner, CPA  
Assistant Deputy Auditor

JEFFERSON COUNTY  
**STATEMENT OF NET ASSETS - CASH BASIS**  
June 30, 2012

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,490,656
Investments (Note 1.D)	<u>3,470</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,494,126</u></u>
 <b>NET ASSETS</b>	
Restricted for:	
Visitor Promotion	\$ 9,346
911 Emergency Services	42,788
Drug Education	39
Law Enforcement	1,260
Debt Service	144,359
Community Development	146,798
Unrestricted	<u>5,149,536</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 5,494,126</u></u>

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

JEFFERSON COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2012

<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	\$ (1,664,301)	\$ 257,404	\$ 47,167	\$ (1,359,730)
Public Safety	(2,188,644)	49,702	108,640	(2,030,302)
Public Works	(7,518,467)	50,992	1,063,479	(6,403,996)
Health and Sanitation	(33,713)	327,008	-	293,295
Public Assistance	(124,803)	-	-	(124,803)
Culture and Recreation	(156,493)	-	-	(156,493)
Debt Payments	(457,034)	-	-	(457,034)
Total Governmental Activities	<u>\$ (12,143,455)</u>	<u>\$ 685,106</u>	<u>\$ 1,219,286</u>	<u>(10,239,063)</u>
General Receipts:				
Property Taxes				5,170,024
Grants and Contributions Not Restricted to				
Specific Programs				473,186
Investment Income				54,797
Licenses and Permits				41,585
Miscellaneous				189,962
Total General Receipts				<u>5,929,554</u>
Change in Net Assets				(4,309,509)
Net Assets - Beginning				9,803,635
Net Assets - Ending				<u>\$ 5,494,126</u>

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

JEFFERSON COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**

June 30, 2012

	General Fund	Road Fund	Inheritance Fund	Highway Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents (Note 1.D)	\$ 634,127	\$ 533,921	\$ 2,982,803	\$ -	\$ 1,339,805	\$ 5,490,656
Investments (Note 1.D)	3,470	-	-	-	-	3,470
<b>TOTAL ASSETS</b>	<u>\$ 637,597</u>	<u>\$ 533,921</u>	<u>\$ 2,982,803</u>	<u>\$ -</u>	<u>\$ 1,339,805</u>	<u>\$ 5,494,126</u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	9,346	9,346
911 Emergency Services	-	-	-	-	42,788	42,788
Drug Education	-	-	-	-	39	39
Law Enforcement	-	-	-	-	1,260	1,260
Debt Service	-	-	-	-	144,359	144,359
Community Development	-	-	-	-	146,798	146,798
Committed to:						
Public Safety	-	-	-	-	421,314	421,314
Road Maintenance	-	533,921	-	-	58,623	592,544
Aid and Assistance	-	-	-	-	83,775	83,775
County Buildings	-	-	-	-	337,336	337,336
Equipment	-	-	-	-	15,093	15,093
Public Works	-	-	-	-	36,224	36,224
Culture and Recreation	-	-	-	-	16,135	16,135
General Government	-	-	-	-	26,715	26,715
Assigned to:						
Other Purposes	-	-	2,982,803	-	-	2,982,803
Unassigned	637,597	-	-	-	-	637,597
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 637,597</u>	<u>\$ 533,921</u>	<u>\$ 2,982,803</u>	<u>\$ -</u>	<u>\$ 1,339,805</u>	<u>\$ 5,494,126</u>

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



JEFFERSON COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	General Fund	Road Fund	Inheritance Fund	Highway Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$4,084,596	\$ -	\$ 566,264	\$ -	\$ 519,164	\$ 5,170,024
Licenses and Permits	36,885	4,700	-	-	-	41,585
Interest	54,797	-	-	-	-	54,797
Intergovernmental	362,457	1,055,967	-	-	274,048	1,692,472
Charges for Services	292,420	2,912	-	-	389,774	685,106
Miscellaneous	5,444	101,447	-	747	82,324	189,962
<b>TOTAL RECEIPTS</b>	<u>4,836,599</u>	<u>1,165,026</u>	<u>566,264</u>	<u>747</u>	<u>1,265,310</u>	<u>7,833,946</u>
<b>DISBURSEMENTS</b>						
General Government	1,599,686	-	1,232	-	63,383	1,664,301
Public Safety	853,955	-	82,900	-	1,251,789	2,188,644
Public Works	34,102	2,677,621	-	4,707,823	98,921	7,518,467
Health and Sanitation	33,713	-	-	-	-	33,713
Public Assistance	106,214	-	-	-	18,589	124,803
Culture and Recreation	-	-	-	-	156,493	156,493
Debt Service:						
Principal Payments	-	-	-	180,000	60,000	240,000
Interest and Fiscal Charges	-	-	-	185,876	31,158	217,034
<b>TOTAL DISBURSEMENTS</b>	<u>2,627,670</u>	<u>2,677,621</u>	<u>84,132</u>	<u>5,073,699</u>	<u>1,680,333</u>	<u>12,143,455</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,208,929</u>	<u>(1,512,595)</u>	<u>482,132</u>	<u>(5,072,952)</u>	<u>(415,023)</u>	<u>(4,309,509)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	32,000	1,789,147	35,000	329,654	772,375	2,958,176
Transfers out	<u>(2,230,552)</u>	<u>(329,654)</u>	<u>(164,306)</u>	<u>-</u>	<u>(233,664)</u>	<u>(2,958,176)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,198,552)</u>	<u>1,459,493</u>	<u>(129,306)</u>	<u>329,654</u>	<u>538,711</u>	<u>-</u>
Net Change in Fund Balances	10,377	(53,102)	352,826	(4,743,298)	123,688	(4,309,509)
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>627,220</u>	<u>587,023</u>	<u>2,629,977</u>	<u>4,743,298</u>	<u>1,216,117</u>	<u>9,803,635</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 637,597</u>	<u>\$ 533,921</u>	<u>\$ 2,982,803</u>	<u>\$ -</u>	<u>\$ 1,339,805</u>	<u>\$ 5,494,126</u>

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

JEFFERSON COUNTY  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
June 30, 2012

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 264,332</u>
 <b>LIABILITIES</b>	
Due to other governments	
State	117,247
Schools	98,553
Educational Service Units	1,725
Technical College	4,235
Natural Resource Districts	2,228
Fire Districts	3,362
Municipalities	27,535
Historical Society	201
Airport Authority	1,301
Others	<u>7,945</u>
<b>TOTAL LIABILITIES</b>	<u><u>264,332</u></u>
 <b>TOTAL NET ASSETS</b>	 <u><u>\$ -</u></u>

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

## JEFFERSON COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

#### 1. **Summary of Significant Accounting Policies**

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

##### **A. Reporting Entity**

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

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

##### **Joint Organization.**

Behavioral Health Region V - The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (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 County contributed \$30,127 toward the operation of the Region during fiscal year 2012. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with Public Health Solutions (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 (Reissue 2009, Supp. 2011).

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 contribute toward the operation of the Department during fiscal year 2012. 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(4) (Reissue 2008). Financial information for the Department is available in that report.

**B. Basis of Presentation**

**Government-wide Financial Statements.** The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions.

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

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category - governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify or

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. 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 which is primarily funded by State tax receipts.

**Inheritance Fund.** This fund is used to account for the receipts generated from inheritance taxes and is used for various projects.

**Highway Bond Fund.** This fund is used to account for the receipts generated for the payment of debt service and disbursements of bond proceeds.

The County reports the following additional non-major governmental 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.

**Debt Service Funds.** The Law Enforcement Building Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as:

**Restricted.** The fund balance is restricted by external impositions such as creditors, grantors, or laws or regulations of other governments.

**Committed.** The fund balance has been designated by the County Board for a specific purpose.

**Assigned.** The fund balances has not been designated by the County Board for a specific purpose, but has been separated based on the type of revenue.

**Unassigned.** The portion of the General Fund not restricted, committed, or assigned for a specific purpose.

JEFFERSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

**C. Measurement Focus, Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis. 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

**Compensated Absences.** Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a 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 \$344,590 of restricted net assets, of which \$9,385 is restricted by enabling legislation.

**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 actually 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 adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

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 \$5,490,656 for County funds and \$264,332 for Fiduciary funds. The bank balances for all funds totaled \$5,725,660. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2012, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments are stated at cost, which approximates market. Investments consisted of \$3,470 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participant's each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

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.



JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2011, for the 2011 taxes, which will be materially collected in May and September 2012, was set at \$.396928/\$100 of assessed valuation. The levy set in October 2010, for the 2010 taxes, which were materially collected in May and September 2011, was set at \$.390221/\$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 (Reissue 2007, Cum. Supp. 2010, Supp. 2011) 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 18. 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 § 23-2307 and § 23-2308 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2012, 77 employees contributed \$108,461, and the County contributed \$161,127. Contributions included \$3,124 in cash contributions towards the supplemental law enforcement plan for 8 law enforcement employees. Lastly, the County paid \$144 directly to one retired employee for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: 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 otherwise unable to discharge its legal liabilities and 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, is sent to each county in writing, and each county has sixty days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the Pool incurred during such county's period of membership.

The agreement with NIRMA requires the risk pool to 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 2013. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

## JEFFERSON COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2012, consisted of the following:

<b>Transfers to</b>	Transfers from				Total
	General Fund	Inheritance Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 1,624,841	\$ 164,306	\$ -	\$ -	\$ 1,789,147
General Fund	-	-	-	32,000	32,000
Inheritance Fund	35,000	-	-	-	35,000
Highway Bond Fund	-	-	329,654	-	329,654
Nonmajor Funds	570,711	-	-	201,664	772,375
Total	<u>\$ 2,230,552</u>	<u>\$ 164,306</u>	<u>\$ 329,654</u>	<u>\$ 233,664</u>	<u>\$ 2,958,176</u>

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.

In the year ended June 30, 2012, the County made a one-time transfer of \$329,654 from the Road Fund to the Highway Bond Fund to pay for disbursements related to a road project.

**7. Capital Leases Payable**

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

	Computers	Ambulance	Excavator	Motor Graders	Dell Computers	Law Enforcement Equipment	Total
Balance July 1, 2011	\$ 3,395	\$ 71,807	\$ 47,851	\$ 540,943	\$ -	\$ 11,663	\$ 675,659
Purchases	-	-	-	-	24,758	-	24,758
Payments	2,230	16,545	38,091	118,774	-	4,505	180,145
Balance June 30, 2012	<u>\$ 1,165</u>	<u>\$ 55,262</u>	<u>\$ 9,760</u>	<u>\$ 422,169</u>	<u>\$ 24,758</u>	<u>\$ 7,158</u>	<u>\$ 520,272</u>
Future Payments:							
<b>Year</b>							
2013	\$ 1,182	\$ 19,923	\$ 9,824	\$ 133,135	\$ 8,766	\$ 4,983	\$ 177,813
2014	-	19,923	-	133,135	8,766	2,492	164,316
2015	-	19,922	-	133,135	8,766	-	161,823
2016	-	-	-	44,379	-	-	44,379
Total Payments	<u>1,182</u>	<u>59,768</u>	<u>9,824</u>	<u>443,784</u>	<u>26,298</u>	<u>7,475</u>	<u>548,331</u>
Less Interest	<u>17</u>	<u>4,506</u>	<u>64</u>	<u>21,615</u>	<u>1,540</u>	<u>317</u>	<u>28,059</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,165</u>	<u>\$ 55,262</u>	<u>\$ 9,760</u>	<u>\$ 422,169</u>	<u>\$ 24,758</u>	<u>\$ 7,158</u>	<u>\$ 520,272</u>
Carrying Value of the related Fixed Asset	<u>\$ 6,539</u>	<u>\$ 93,238</u>	<u>\$ 111,000</u>	<u>\$ 787,204</u>	<u>\$ 24,758</u>	<u>\$ 17,962</u>	<u>\$1,040,701</u>

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. **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.

9. **Long-Term Debt**

**Limited Tax Refunding Bonds**

The County issued bonds on June 30, 2010, in the amount of \$1,025,000 for the purpose of refinancing a Tax Obligation Bond Series 2005. Principal payments are due December 15 annually with final maturity on December 15, 2025. Interest is payable semi-annually on June 15 and December 15 with rates ranging from 1.0% to 4.05%. The bond payable balance, as of June 30, 2012, was \$965,000. The 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>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 60,000	\$ 31,157	\$ 91,157
2014	60,000	30,423	90,423
2015	60,000	29,462	89,462
2016	60,000	28,323	88,323
2017	65,000	26,972	91,972
2018-2022	335,000	106,250	441,250
2023-2027	325,000	40,854	365,854
Total Payments	<u>\$ 965,000</u>	<u>\$ 293,441</u>	<u>\$ 1,258,441</u>

**Highway Allocation Bonds**

The County issued bonds on April 26, 2011, in the amount of \$4,875,000 to cover the cost of road improvements in the County. Principal payments are paid annually on May 1 with final maturity on May 1, 2031. Interest rates vary from 1% to 5.05%. The bond payable balance, as of June 30, 2012, was \$4,695,000. The 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.

JEFFERSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 185,000	\$ 181,530	\$ 366,530
2014	190,000	179,125	369,125
2015	190,000	176,085	366,085
2016	195,000	172,095	367,095
2017	200,000	167,317	367,317
2018-2022	1,095,000	740,028	1,835,028
2023-2027	1,330,000	508,625	1,838,625
2028 -2031	1,310,000	166,950	1,476,950
Total Payments	<u>\$ 4,695,000</u>	<u>\$ 2,291,755</u>	<u>\$ 6,986,755</u>

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 4,515,615	\$ 4,515,615	\$ 4,084,596	\$ (431,019)
Licenses and Permits	34,050	34,050	36,885	2,835
Interest	70,200	70,200	54,797	(15,403)
Intergovernmental	130,533	130,533	362,457	231,924
Charges for Services	219,500	219,500	292,420	72,920
Miscellaneous	23,550	23,550	5,444	(18,106)
<b>TOTAL RECEIPTS</b>	<b>4,993,448</b>	<b>4,993,448</b>	<b>4,836,599</b>	<b>(156,849)</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	68,177	68,177	66,566	1,611
County Clerk	116,607	116,607	110,281	6,326
County Treasurer	137,042	137,042	127,106	9,936
Register of Deeds	36,009	36,009	31,133	4,876
County Assessor	152,337	152,337	126,319	26,018
Election Commissioner	27,326	27,326	17,505	9,821
Planning and Zoning	32,774	32,774	26,084	6,690
Clerk of the District Court	90,178	90,178	87,574	2,604
County Court System	11,180	11,180	5,512	5,668
Building and Grounds	110,805	110,805	95,684	15,121
Agricultural Extension Agent	50,090	50,090	49,029	1,061
Miscellaneous	1,067,430	1,067,430	856,893	210,537
Public Safety:				
County Sheriff	507,726	507,726	259,093	248,633
County Attorney	109,379	109,379	94,222	15,157
County Jail	418,371	418,371	342,523	75,848
Emergency Management	103,067	103,067	96,982	6,085
Child Support Enforcement	27,450	27,450	26,391	1,059
Miscellaneous	108,686	108,686	34,744	73,942
Public Works:				
County Surveyor	35,000	35,000	32,342	2,658
Miscellaneous	-	-	1,760	(1,760)
Public Health:				
Miscellaneous	30,876	30,876	33,713	(2,837)

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DISBURSEMENTS, Continued</b>				
Public Assistance:				
Veterans' Service Officer	58,179	58,179	51,934	6,245
Miscellaneous	18,054	18,054	54,280	(36,226)
<b>TOTAL DISBURSEMENTS</b>	<u>3,316,743</u>	<u>3,316,743</u>	<u>2,627,670</u>	<u>689,073</u>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,676,705</u>	<u>1,676,705</u>	<u>2,208,929</u>	<u>532,224</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	32,000	32,000
Transfers out	(2,019,490)	(2,019,490)	(2,230,552)	211,062
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,019,490)</u>	<u>(2,019,490)</u>	<u>(2,198,552)</u>	<u>243,062</u>
Net Change in Fund Balance	(342,785)	(342,785)	10,377	353,162
<b>FUND BALANCE - BEGINNING</b>	<u>627,220</u>	<u>627,220</u>	<u>627,220</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 284,435</u></u>	<u><u>\$ 284,435</u></u>	<u><u>\$ 637,597</u></u>	<u><u>\$ 353,162</u></u>

(Concluded)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ 1,000	\$ 1,000	\$ 4,700	\$ 3,700
Intergovernmental	967,895	967,895	1,055,967	88,072
Charges for Services	7,120	7,120	2,912	(4,208)
Miscellaneous	66,000	66,000	101,447	35,447
<b>TOTAL RECEIPTS</b>	<b>1,042,015</b>	<b>1,042,015</b>	<b>1,165,026</b>	<b>123,011</b>
<b>DISBURSEMENTS</b>	<b>2,647,465</b>	<b>2,647,465</b>	<b>2,677,621</b>	<b>(30,156)</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,605,450)</b>	<b>(1,605,450)</b>	<b>(1,512,595)</b>	<b>92,855</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,596,000	1,596,000	1,789,147	193,147
Transfers out	(365,876)	(365,876)	(329,654)	36,222
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,230,124</b>	<b>1,230,124</b>	<b>1,459,493</b>	<b>229,369</b>
Net Change in Fund Balance	(375,326)	(375,326)	(53,102)	322,224
<b>FUND BALANCE - BEGINNING</b>	<b>587,023</b>	<b>587,023</b>	<b>587,023</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 211,697</b>	<b>\$ 211,697</b>	<b>\$ 533,921</b>	<b>\$ 322,224</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 100,001	\$ 100,001	\$ 566,264	\$ 466,263
<b>TOTAL RECEIPTS</b>	<b>100,001</b>	<b>100,001</b>	<b>566,264</b>	<b>466,263</b>
<b>DISBURSEMENTS</b>	<b>2,786,998</b>	<b>2,786,998</b>	<b>84,132</b>	<b>2,702,866</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,686,997)</b>	<b>(2,686,997)</b>	<b>482,132</b>	<b>3,169,129</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	57,020	57,020	35,000	(22,020)
Transfers out	-	-	(164,306)	(164,306)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>57,020</b>	<b>57,020</b>	<b>(129,306)</b>	<b>(186,326)</b>
Net Change in Fund Balance	(2,629,977)	(2,629,977)	352,826	2,982,803
<b>FUND BALANCE - BEGINNING</b>	<b>2,629,977</b>	<b>2,629,977</b>	<b>2,629,977</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,982,803</b>	<b>\$ 2,982,803</b>

(Continued)



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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BOND FUND</b>				
RECEIPTS				
Miscellaneous	\$ -	\$ -	\$ 747	\$ 747
TOTAL RECEIPTS	-	-	747	747
DISBURSEMENTS	5,109,174	5,109,174	5,073,699	35,475
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(5,109,174)	(5,109,174)	(5,072,952)	36,222
OTHER FINANCING SOURCES (USES)				
Transfers in	365,876	365,876	329,654	(36,222)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	365,876	365,876	329,654	(36,222)
Net Change in Fund Balance	(4,743,298)	(4,743,298)	(4,743,298)	-
FUND BALANCE - BEGINNING	4,743,298	4,743,298	4,743,298	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
				(Concluded)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FAIR FUND</b>				
RECEIPTS	\$ 13,000	\$ 28,000	\$ 47,197	\$ 19,197
DISBURSEMENTS	99,449	129,449	86,961	42,488
OTHER FINANCING SOURCES (USES)				
Transfers in	136,732	136,732	127,732	(9,000)
Transfers out	(53,000)	(53,000)	(90,000)	(37,000)
TOTAL OTHER FINANCING SOURCES (USES)	83,732	83,732	37,732	(46,000)
Net Change in Fund Balance	(2,717)	(17,717)	(2,032)	15,685
FUND BALANCE - BEGINNING	18,167	18,167	18,167	-
FUND BALANCE - ENDING	<u>\$ 15,450</u>	<u>\$ 450</u>	<u>\$ 16,135</u>	<u>\$ 15,685</u>
<b>MEDICAL RELIEF FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 1,609	\$ 1,609
DISBURSEMENTS	60,813	60,813	5,650	55,163
OTHER FINANCING SOURCES (USES)				
Transfers in	7,780	7,780	7,780	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,780	7,780	7,780	-
Net Change in Fund Balance	(53,033)	(53,033)	3,739	56,772
FUND BALANCE - BEGINNING	53,033	53,033	53,033	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,772</u>	<u>\$ 56,772</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EMPLOYMENT SECURITY FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 3,629	\$ 3,629
DISBURSEMENTS	28,000	28,000	4,914	23,086
OTHER FINANCING SOURCES (USES)				
Transfers in	6,873	6,873	6,873	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	6,873	6,873	6,873	-
Net Change in Fund Balance	(21,127)	(21,127)	5,588	26,715
FUND BALANCE - BEGINNING	21,127	21,127	21,127	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 26,715	\$ 26,715
<b>INSTITUTIONS FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 746	\$ 746
DISBURSEMENTS	17,000	17,000	1,587	15,413
OTHER FINANCING SOURCES (USES)				
Transfers in	1,454	1,454	1,453	(1)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,454	1,454	1,453	(1)
Net Change in Fund Balance	(15,546)	(15,546)	612	16,158
FUND BALANCE - BEGINNING	15,546	15,546	15,546	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 16,158	\$ 16,158

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>VETERANS' AID FUND</u></b>				
RECEIPTS	\$ -	\$ -	\$ 3,197	\$ 3,197
DISBURSEMENTS	19,000	19,000	11,352	7,648
OTHER FINANCING SOURCES (USES)				
Transfers in	14,665	14,665	14,665	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	14,665	14,665	14,665	-
Net Change in Fund Balance	(4,335)	(4,335)	6,510	10,845
FUND BALANCE - BEGINNING	4,335	4,335	4,335	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,845</u>	<u>\$ 10,845</u>
<b><u>DRUG LAW ENFORCEMENT FUND</u></b>				
RECEIPTS	\$ 24,961	\$ 24,961	\$ -	\$ (24,961)
DISBURSEMENTS	25,000	25,000	-	25,000
Net Change in Fund Balance	(39)	(39)	-	39
FUND BALANCE - BEGINNING	39	39	39	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>
<b><u>LAW ENFORCEMENT GRANT FUND</u></b>				
RECEIPTS	\$ 14,386	\$ 14,386	\$ -	\$ (14,386)
DISBURSEMENTS	15,000	15,000	-	15,000
Net Change in Fund Balance	(614)	(614)	-	614
FUND BALANCE - BEGINNING	614	614	614	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614</u>	<u>\$ 614</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CRIME AGAINST CHILDREN FUND</b>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	646	646	-	646
Net Change in Fund Balance	(646)	(646)	-	646
FUND BALANCE - BEGINNING	646	646	646	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646</u>	<u>\$ 646</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>				
RECEIPTS	\$ 33,590	\$ 33,590	\$ 33,038	\$ (552)
DISBURSEMENTS	148,350	148,350	1,000	147,350
Net Change in Fund Balance	(114,760)	(114,760)	32,038	146,798
FUND BALANCE - BEGINNING	114,760	114,760	114,760	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,798</u>	<u>\$ 146,798</u>
<b>COMPUTER IT FUND</b>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	52,730	52,730	52,526	204
OTHER FINANCING SOURCES (USES)				
Transfers in	32,000	32,000	32,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	32,000	32,000	32,000	-
Net Change in Fund Balance	(20,730)	(20,730)	(20,526)	204
FUND BALANCE - BEGINNING	20,730	20,730	20,730	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204</u>	<u>\$ 204</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INTOXILYZER FUND</b>				
RECEIPTS	\$ 1,750	\$ 1,750	\$ 1,462	\$ (288)
DISBURSEMENTS	5,877	5,877	1,485	4,392
Net Change in Fund Balance	(4,127)	(4,127)	(23)	4,104
FUND BALANCE - BEGINNING	4,127	4,127	4,127	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,104</u>	<u>\$ 4,104</u>
<b>VISITOR PROMOTION FUND</b>				
RECEIPTS	\$ 9,000	\$ 9,000	\$ 8,991	\$ (9)
DISBURSEMENTS	20,758	20,758	11,403	9,355
Net Change in Fund Balance	(11,758)	(11,758)	(2,412)	9,346
FUND BALANCE - BEGINNING	11,758	11,758	11,758	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,346</u>	<u>\$ 9,346</u>
<b>NOXIOUS WEED FUND</b>				
RECEIPTS	\$ 40,000	\$ 40,000	\$ 48,080	\$ 8,080
DISBURSEMENTS	87,200	87,200	65,256	21,944
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	19,684	(316)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,000</u>	<u>20,000</u>	<u>19,684</u>	<u>(316)</u>
Net Change in Fund Balance	(27,200)	(27,200)	2,508	29,708
FUND BALANCE - BEGINNING	33,716	33,716	33,716	-
FUND BALANCE - ENDING	<u>\$ 6,516</u>	<u>\$ 6,516</u>	<u>\$ 36,224</u>	<u>\$ 29,708</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>TRAFFIC DIVERSION FUND</b>				
RECEIPTS	\$ 675	\$ 675	\$ 675	\$ -
DISBURSEMENTS	3,602	3,602	1,884	1,718
Net Change in Fund Balance	(2,927)	(2,927)	(1,209)	1,718
FUND BALANCE - BEGINNING	2,927	2,927	2,927	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718</u>	<u>\$ 1,718</u>
<b>911 EMERGENCY FUND</b>				
RECEIPTS	\$ 39,000	\$ 39,000	\$ 37,895	\$ (1,105)
DISBURSEMENTS	54,735	54,735	32,281	22,454
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(10,483)	(10,483)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(10,483)	(10,483)
Net Change in Fund Balance	(15,735)	(15,735)	(4,869)	10,866
FUND BALANCE - BEGINNING	15,735	15,735	15,735	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,866</u>	<u>\$ 10,866</u>
<b>COMMUNICATION EQUIPMENT FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 3,969	\$ 3,969
DISBURSEMENTS	45,000	45,000	28,176	16,824
OTHER FINANCING SOURCES (USES)				
Transfers in	11,259	11,259	11,258	(1)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	11,259	11,259	11,258	(1)
Net Change in Fund Balance	(33,741)	(33,741)	(12,949)	20,792
FUND BALANCE - BEGINNING	33,741	33,741	33,741	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,792</u>	<u>\$ 20,792</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FAIR BUILDING FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 7,827	\$ 7,827
DISBURSEMENTS	171,500	171,500	58,129	113,371
OTHER FINANCING SOURCES (USES)				
Transfers in	70,200	70,200	107,200	37,000
Transfers out	-	-	(40,000)	(40,000)
TOTAL OTHER FINANCING SOURCES (USES)	70,200	70,200	67,200	(3,000)
Net Change in Fund Balance	(101,300)	(101,300)	16,898	118,198
FUND BALANCE - BEGINNING	102,227	102,227	102,227	-
FUND BALANCE - ENDING	\$ 927	\$ 927	\$ 119,125	\$ 118,198
<b>COUNTY BUILDING FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 4,004	\$ 4,004
DISBURSEMENTS	128,000	128,000	4,369	123,631
OTHER FINANCING SOURCES (USES)				
Transfers in	8,215	8,215	8,215	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	8,215	8,215	8,215	-
Net Change in Fund Balance	(119,785)	(119,785)	7,850	127,635
FUND BALANCE - BEGINNING	119,785	119,785	119,785	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 127,635	\$ 127,635

(Continued)



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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CITY-COUNTY BUILDING FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 3,877	\$ 3,877
DISBURSEMENTS	60,500	60,500	-	60,500
OTHER FINANCING SOURCES (USES)				
Transfers in	5,416	5,416	5,417	1
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,416	5,416	5,417	1
Net Change in Fund Balance	(55,084)	(55,084)	9,294	64,378
FUND BALANCE - BEGINNING	55,084	55,084	55,084	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 64,378	\$ 64,378
<b>CANINE FUND</b>				
RECEIPTS	\$ 3,081	\$ 3,081	\$ 1,245	\$ (1,836)
DISBURSEMENTS	3,500	3,500	99	3,401
Net Change in Fund Balance	(419)	(419)	1,146	1,565
FUND BALANCE - BEGINNING	419	419	419	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,565	\$ 1,565
<b>LAW ENFORCEMENT BUILDING BOND FUND</b>				
RECEIPTS	\$ 16,000	\$ 16,000	\$ 43,254	\$ 27,254
DISBURSEMENTS	208,837	208,837	91,732	117,105
OTHER FINANCING SOURCES (USES)				
Transfers in	63,600	63,600	63,600	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	63,600	63,600	63,600	-
Net Change in Fund Balance	(129,237)	(129,237)	15,122	144,359
FUND BALANCE - BEGINNING	129,237	129,237	129,237	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 144,359	\$ 144,359

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EMERGENCY MANAGEMENT FUND</b>				
RECEIPTS	\$ 74,200	\$ 74,200	\$ 105,907	\$ 31,707
DISBURSEMENTS	158,811	158,811	18,692	140,119
Net Change in Fund Balance	(84,611)	(84,611)	87,215	171,826
FUND BALANCE - BEGINNING	84,611	84,611	84,611	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,826</u>	<u>\$ 171,826</u>
<b>ROAD BRIDGE ESCROW FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 19,700	\$ 19,700
DISBURSEMENTS	172,588	172,588	33,665	138,923
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	-	(100,000)
Net Change in Fund Balance	(72,588)	(72,588)	(13,965)	58,623
FUND BALANCE - BEGINNING	72,588	72,588	72,588	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,623</u>	<u>\$ 58,623</u>
<b>LAW ENFORCEMENT ADDITION REMODEL FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 5,208	\$ 5,208
DISBURSEMENTS	26,000	26,000	5,010	20,990
OTHER FINANCING SOURCES (USES)				
Transfers in	6,297	6,297	6,297	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	6,297	6,297	6,297	-
Net Change in Fund Balance	(19,703)	(19,703)	6,495	26,198
FUND BALANCE - BEGINNING	19,703	19,703	19,703	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,198</u>	<u>\$ 26,198</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EQUIPMENT RESERVE FUND</b>				
RECEIPTS	\$ 15,000	\$ 15,000	\$ 8,349	\$ (6,651)
DISBURSEMENTS	17,330	17,330	6,855	10,475
Net Change in Fund Balance	(2,330)	(2,330)	1,494	3,824
FUND BALANCE - BEGINNING	2,330	2,330	2,330	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,824</u>	<u>\$ 3,824</u>
<b>EQUIPMENT VEHICLE FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 1,976	\$ 1,976
DISBURSEMENTS	9,089	9,089	-	9,089
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	5,000	5,000	-
Net Change in Fund Balance	(4,089)	(4,089)	6,976	11,065
FUND BALANCE - BEGINNING	4,089	4,089	4,089	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,065</u>	<u>\$ 11,065</u>
<b>AMBULANCE EQUIPMENT FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 1,830	\$ 1,830
DISBURSEMENTS	6,126	6,126	2,781	3,345
Net Change in Fund Balance	(6,126)	(6,126)	(951)	5,175
FUND BALANCE - BEGINNING	6,126	6,126	6,126	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,175</u>	<u>\$ 5,175</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>NATURAL DISASTER FUND</b>				
RECEIPTS	\$ 210,978	\$ 210,978	\$ 34,009	\$ (176,969)
DISBURSEMENTS	300,000	300,000	108,298	191,702
Net Change in Fund Balance	(89,022)	(89,022)	(74,289)	14,733
FUND BALANCE - BEGINNING	89,022	89,022	89,022	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,733</u>	<u>\$ 14,733</u>
<b>911 WIRELESS FUND</b>				
RECEIPTS	\$ 27,000	\$ 27,000	\$ 27,171	\$ 171
DISBURSEMENTS	39,437	39,437	7,686	31,751
Net Change in Fund Balance	(12,437)	(12,437)	19,485	31,922
FUND BALANCE - BEGINNING	12,437	12,437	12,437	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,922</u>	<u>\$ 31,922</u>
<b>LAW ENFORCEMENT OPERATING FUND</b>				
RECEIPTS	\$ 462,827	\$ 462,827	\$ 111,304	\$ (351,523)
DISBURSEMENTS	555,289	555,289	422,466	132,823
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	344,178	344,178
Transfers out	-	-	(32,000)	(32,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>312,178</u>	<u>312,178</u>
Net Change in Fund Balance	(92,462)	(92,462)	1,016	93,478
FUND BALANCE - BEGINNING	94,462	94,462	94,462	-
FUND BALANCE - ENDING	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 95,478</u>	<u>\$ 93,478</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>AMBULANCE FUND</b>				
RECEIPTS	\$ 640,754	\$ 640,754	\$ 699,161	\$ 58,407
DISBURSEMENTS	635,080	685,080	616,076	69,004
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	11,023	11,023
Transfers out	(22,020)	(22,020)	(61,181)	(39,161)
TOTAL OTHER FINANCING SOURCES (USES)	(22,020)	(22,020)	(50,158)	(28,138)
Net Change in Fund Balance	(16,346)	(66,346)	32,927	99,273
FUND BALANCE - BEGINNING	72,996	72,996	72,996	-
FUND BALANCE - ENDING	<u>\$ 56,650</u>	<u>\$ 6,650</u>	<u>\$ 105,923</u>	<u>\$ 99,273</u>
				(Concluded)

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

For the Year Ended June 30, 2012

	Fair Fund	Medical Relief Fund	Employment Security Fund	Institutions Fund	Veterans' Aid Fund
<b>RECEIPTS</b>					
Property Taxes	\$ 35,967	\$ 1,586	\$ 3,587	\$ 724	\$ 3,161
Intergovernmental	419	23	42	22	36
Charges for Services	-	-	-	-	-
Miscellaneous	10,811	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>47,197</b>	<b>1,609</b>	<b>3,629</b>	<b>746</b>	<b>3,197</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	4,914	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	5,650	-	1,587	11,352
Culture and Recreation	86,961	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>86,961</b>	<b>5,650</b>	<b>4,914</b>	<b>1,587</b>	<b>11,352</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(39,764)</b>	<b>(4,041)</b>	<b>(1,285)</b>	<b>(841)</b>	<b>(8,155)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	127,732	7,780	6,873	1,453	14,665
Transfers out	(90,000)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>37,732</b>	<b>7,780</b>	<b>6,873</b>	<b>1,453</b>	<b>14,665</b>
Net Change in Fund Balances	(2,032)	3,739	5,588	612	6,510
<b>FUND BALANCES - BEGINNING</b>	<b>18,167</b>	<b>53,033</b>	<b>21,127</b>	<b>15,546</b>	<b>4,335</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 16,135</b>	<b>\$ 56,772</b>	<b>\$ 26,715</b>	<b>\$ 16,158</b>	<b>\$ 10,845</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Public Safety	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	56,772	-	16,158	10,845
County Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	16,135	-	-	-	-
General Government	-	-	26,715	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 16,135</b>	<b>\$ 56,772</b>	<b>\$ 26,715</b>	<b>\$ 16,158</b>	<b>\$ 10,845</b>

(Continued)

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

For the Year Ended June 30, 2012

	Drug Law Enforcement Fund	Law Enforcement Grant Fund	Crime Against Children Fund	Community Development Block Grant Fund	Computer IT Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	33,038	-
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,038</b>	<b>-</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	1,000	52,526
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>52,526</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,038</b>	<b>(52,526)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	32,000
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>
Net Change in Fund Balances	-	-	-	32,038	(20,526)
<b>FUND BALANCES - BEGINNING</b>	<b>39</b>	<b>614</b>	<b>646</b>	<b>114,760</b>	<b>20,730</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 39</b>	<b>\$ 614</b>	<b>\$ 646</b>	<b>\$ 146,798</b>	<b>\$ 204</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	39	-	-	-	-
Law Enforcement	-	614	646	-	-
Debt Service	-	-	-	-	-
Community Development	-	-	-	146,798	-
Committed to:					
Public Safety	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Equipment	-	-	-	-	204
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
General Government	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 39</b>	<b>\$ 614</b>	<b>\$ 646</b>	<b>\$ 146,798</b>	<b>\$ 204</b>

(Continued)

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

For the Year Ended June 30, 2012

	Intoxilyzer Fund	Visitor Promotion Fund	Noxious Weed Fund	Traffic Diversion Fund	911 Emergency Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ 8,991	\$ -	\$ -	\$ 37,770
Intergovernmental	-	-	-	-	-
Charges for Services	1,462	-	48,080	675	-
Miscellaneous	-	-	-	-	125
<b>TOTAL RECEIPTS</b>	<b>1,462</b>	<b>8,991</b>	<b>48,080</b>	<b>675</b>	<b>37,895</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	1,485	-	-	1,884	32,281
Public Works	-	-	65,256	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	11,403	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>1,485</b>	<b>11,403</b>	<b>65,256</b>	<b>1,884</b>	<b>32,281</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(23)</b>	<b>(2,412)</b>	<b>(17,176)</b>	<b>(1,209)</b>	<b>5,614</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	19,684	-	-
Transfers out	-	-	-	-	(10,483)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>19,684</b>	<b>-</b>	<b>(10,483)</b>
Net Change in Fund Balances	(23)	(2,412)	2,508	(1,209)	(4,869)
<b>FUND BALANCES - BEGINNING</b>	<b>4,127</b>	<b>11,758</b>	<b>33,716</b>	<b>2,927</b>	<b>15,735</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 4,104</b>	<b>\$ 9,346</b>	<b>\$ 36,224</b>	<b>\$ 1,718</b>	<b>\$ 10,866</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	\$ -	\$ 9,346	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	10,866
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Public Safety	4,104	-	-	1,718	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Public Works	-	-	36,224	-	-
Culture and Recreation	-	-	-	-	-
General Government	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,104</b>	<b>\$ 9,346</b>	<b>\$ 36,224</b>	<b>\$ 1,718</b>	<b>\$ 10,866</b>

(Continued)



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

For the Year Ended June 30, 2012

	Communi- cation Equipment Fund	Fair Building Fund	County Building Fund	City-County Building Fund	Canine Fund	Law Enforcement Building Bond Fund
<b>RECEIPTS</b>						
Property Taxes	\$ 3,923	\$ 6,255	\$ 3,958	\$ 3,833	\$ -	\$ 24,737
Intergovernmental	46	72	46	44	-	18,517
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	1,500	-	-	1,245	-
<b>TOTAL RECEIPTS</b>	<b>3,969</b>	<b>7,827</b>	<b>4,004</b>	<b>3,877</b>	<b>1,245</b>	<b>43,254</b>
<b>DISBURSEMENTS</b>						
General Government	-	-	4,369	-	-	574
Public Safety	28,176	-	-	-	99	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	58,129	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	60,000
Interest and Fiscal Charges	-	-	-	-	-	31,158
<b>TOTAL DISBURSEMENTS</b>	<b>28,176</b>	<b>58,129</b>	<b>4,369</b>	<b>-</b>	<b>99</b>	<b>91,732</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(24,207)</b>	<b>(50,302)</b>	<b>(365)</b>	<b>3,877</b>	<b>1,146</b>	<b>(48,478)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	11,258	107,200	8,215	5,417	-	63,600
Transfers out	-	(40,000)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>11,258</b>	<b>67,200</b>	<b>8,215</b>	<b>5,417</b>	<b>-</b>	<b>63,600</b>
Net Change in Fund Balances	(12,949)	16,898	7,850	9,294	1,146	15,122
<b>FUND BALANCES - BEGINNING</b>	<b>33,741</b>	<b>102,227</b>	<b>119,785</b>	<b>55,084</b>	<b>419</b>	<b>129,237</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 20,792</b>	<b>\$ 119,125</b>	<b>\$ 127,635</b>	<b>\$ 64,378</b>	<b>\$ 1,565</b>	<b>\$ 144,359</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Debt Service	-	-	-	-	-	144,359
Community Development	-	-	-	-	-	-
Committed to:						
Public Safety	20,792	-	-	-	1,565	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	119,125	127,635	64,378	-	-
Equipment	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
General Government	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 20,792</b>	<b>\$ 119,125</b>	<b>\$ 127,635</b>	<b>\$ 64,378</b>	<b>\$ 1,565</b>	<b>\$ 144,359</b>

(Continued)

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

For the Year Ended June 30, 2012

	Emergency Management Fund	Road Bridge Escrow Fund	Law Enforcement Addition Remodel Fund	Equipment Reserve Fund	Equipment Vehicle Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ 5,148	\$ -	\$ 1,953
Intergovernmental	101,707	19,700	60	-	23
Charges for Services	4,200	-	-	8,349	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>105,907</b>	<b>19,700</b>	<b>5,208</b>	<b>8,349</b>	<b>1,976</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	18,692	-	5,010	6,855	-
Public Works	-	33,665	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>18,692</b>	<b>33,665</b>	<b>5,010</b>	<b>6,855</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>87,215</b>	<b>(13,965)</b>	<b>198</b>	<b>1,494</b>	<b>1,976</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	6,297	-	5,000
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>6,297</b>	<b>-</b>	<b>5,000</b>
Net Change in Fund Balances	87,215	(13,965)	6,495	1,494	6,976
<b>FUND BALANCES - BEGINNING</b>	<b>84,611</b>	<b>72,588</b>	<b>19,703</b>	<b>2,330</b>	<b>4,089</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 171,826</b>	<b>\$ 58,623</b>	<b>\$ 26,198</b>	<b>\$ 3,824</b>	<b>\$ 11,065</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Public Safety	171,826	-	-	-	-
Road Maintenance	-	58,623	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	26,198	-	-
Equipment	-	-	-	3,824	11,065
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
General Government	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 171,826</b>	<b>\$ 58,623</b>	<b>\$ 26,198</b>	<b>\$ 3,824</b>	<b>\$ 11,065</b>

(Continued)

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

For the Year Ended June 30, 2012

	Ambulance Equipment Fund	Natural Disaster Fund	911 Wireless Fund	Law Enforcement Operating Fund	Ambulance Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 996	\$ -	\$ 27,171	\$ 6	\$ 349,398	\$ 519,164
Intergovernmental	14	-	-	111,298	21,979	274,048
Charges for Services	-	-	-	-	327,008	389,774
Miscellaneous	820	34,009	-	-	776	82,324
<b>TOTAL RECEIPTS</b>	<b>1,830</b>	<b>34,009</b>	<b>27,171</b>	<b>111,304</b>	<b>699,161</b>	<b>1,265,310</b>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	63,383
Public Safety	2,781	108,298	7,686	422,466	616,076	1,251,789
Public Works	-	-	-	-	-	98,921
Public Assistance	-	-	-	-	-	18,589
Culture and Recreation	-	-	-	-	-	156,493
Debt Service:						
Principal Payments	-	-	-	-	-	60,000
Interest and Fiscal Charges	-	-	-	-	-	31,158
<b>TOTAL DISBURSEMENTS</b>	<b>2,781</b>	<b>108,298</b>	<b>7,686</b>	<b>422,466</b>	<b>616,076</b>	<b>1,680,333</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(951)</b>	<b>(74,289)</b>	<b>19,485</b>	<b>(311,162)</b>	<b>83,085</b>	<b>(415,023)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	344,178	11,023	772,375
Transfers out	-	-	-	(32,000)	(61,181)	(233,664)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,178</b>	<b>(50,158)</b>	<b>538,711</b>
Net Change in Fund Balances	(951)	(74,289)	19,485	1,016	32,927	123,688
<b>FUND BALANCES - BEGINNING</b>	<b>6,126</b>	<b>89,022</b>	<b>12,437</b>	<b>94,462</b>	<b>72,996</b>	<b>1,216,117</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 5,175</b>	<b>\$ 14,733</b>	<b>\$ 31,922</b>	<b>\$ 95,478</b>	<b>\$ 105,923</b>	<b>\$ 1,339,805</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,346
911 Emergency Services	-	-	31,922	-	-	42,788
Drug Education	-	-	-	-	-	39
Law Enforcement	-	-	-	-	-	1,260
Debt Service	-	-	-	-	-	144,359
Community Development	-	-	-	-	-	146,798
Committed to:						
Public Safety	5,175	14,733	-	95,478	105,923	421,314
Road Maintenance	-	-	-	-	-	58,623
Aid and Assistance	-	-	-	-	-	83,775
County Buildings	-	-	-	-	-	337,336
Equipment	-	-	-	-	-	15,093
Public Works	-	-	-	-	-	36,224
Culture and Recreation	-	-	-	-	-	16,135
General Government	-	-	-	-	-	26,715
<b>TOTAL FUND BALANCES</b>	<b>\$ 5,175</b>	<b>\$ 14,733</b>	<b>\$ 31,922</b>	<b>\$ 95,478</b>	<b>\$ 105,923</b>	<b>\$ 1,339,805</b>

(Concluded)

**JEFFERSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2012

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superin- tendent	Highway Superin- tendent
BALANCES JULY 1, 2011	\$ 294	\$ 6,435	\$ 16,964	\$ 9,250	\$ 2,808	\$ 1,989	\$ 1,255
RECEIPTS							
Licenses and Permits	765	-	-	-	-	-	4,700
Charges for Services	3,872	52,391	15,892	84,165	900	48,026	2,792
Miscellaneous	-	-	-	-	-	4	116,404
State Fees	865	73,805	14,761	-	-	-	-
Other Liabilities	-	-	1,276,869	65,246	24,920	-	-
TOTAL RECEIPTS	5,502	126,196	1,307,522	149,411	25,820	48,030	123,896
DISBURSEMENTS							
Payments to County Treasurer	4,678	51,921	15,338	53,346	674	48,079	123,896
Payments to State Treasurer	788	72,354	15,526	-	-	-	-
Other Liabilities	-	-	1,254,834	95,360	25,534	-	404
TOTAL DISBURSEMENTS	5,466	124,275	1,285,698	148,706	26,208	48,079	124,300
BALANCES JUNE 30, 2012	\$ 330	\$ 8,356	\$ 38,788	\$ 9,955	\$ 2,420	\$ 1,940	\$ 851
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 253	\$ 3,851	\$ 1,210	\$ 4,138	\$ 900	\$ 1,926	\$ -
Petty Cash	-	-	100	2,700	1,000	14	851
Due to State Treasurer	77	4,505	951	-	-	-	-
Due to Others	-	-	36,527	3,117	520	-	-
BALANCES JUNE 30, 2012	\$ 330	\$ 8,356	\$ 38,788	\$ 9,955	\$ 2,420	\$ 1,940	\$ 851

(Continued)

**JEFFERSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2012

	Veterans' Service Officer	County Fair	County Ambulance	County Board	County Emergency Manager	County Planning & Zoning	County Assessor	Total
BALANCES JULY 1, 2011	\$ 9,474	\$ 4,770	\$ 250,677	\$ 60,755	\$ -	\$ -	\$ 25	\$ 364,696
RECEIPTS								
Licenses and Permits	-	-	-	-	-	-	-	5,465
Charges for Services	-	11,229	348,026	-	4,200	2,879	-	574,372
Miscellaneous	11,745	-	-	769,583	294	-	-	898,030
State Fees	-	-	-	-	-	-	-	89,431
Other Liabilities	-	23,855	1,886	30,866	-	-	-	1,423,642
TOTAL RECEIPTS	11,745	35,084	349,912	800,449	4,494	2,879	-	2,990,940
DISBURSEMENTS								
Payments to County Treasurer	-	10,458	327,432	-	4,494	2,879	-	643,195
Payments to State Treasurer	-	-	-	-	-	-	-	88,668
Other Liabilities	10,714	23,101	1,886	805,578	-	-	-	2,217,411
TOTAL DISBURSEMENTS	10,714	33,559	329,318	805,578	4,494	2,879	-	2,949,274
BALANCES JUNE 30, 2012	\$ 10,505	\$ 6,295	\$ 271,271	\$ 55,626	\$ -	\$ -	\$ 25	\$ 406,362
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 10,505	\$ 2,231	\$ 271,271	\$ 48,000	\$ -	\$ -	\$ -	\$ 344,285
Petty Cash	-	4,064	-	3,500	-	-	25	12,254
Due to State Treasurer	-	-	-	-	-	-	-	5,533
Due to Others	-	-	-	4,126	-	-	-	44,290
BALANCES JUNE 30, 2012	\$ 10,505	\$ 6,295	\$ 271,271	\$ 55,626	\$ -	\$ -	\$ 25	\$ 406,362

(Concluded)

JEFFERSON COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR**  
**ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2012

Item	2007	2008	2009	2010	2011
Tax Certified by Assessor					
Real Estate	\$ 10,927,478	\$ 11,833,212	\$ 12,331,972	\$ 12,792,474	\$ 13,583,414
Personal and Specials	1,544,117	1,682,626	2,440,396	3,027,387	3,350,353
Total	<u>12,471,595</u>	<u>13,515,838</u>	<u>14,772,368</u>	<u>15,819,861</u>	<u>16,933,767</u>
Corrections					
Additions	6,643	10,616	4,662	40,492	2,841
Deductions	<u>(32,829)</u>	<u>(41,127)</u>	<u>(65,110)</u>	<u>(90,067)</u>	<u>(82,811)</u>
Net Additions/ (Deductions)	<u>(26,186)</u>	<u>(30,511)</u>	<u>(60,448)</u>	<u>(49,575)</u>	<u>(79,970)</u>
Corrected Certified Tax	<u>12,445,409</u>	<u>13,485,327</u>	<u>14,711,920</u>	<u>15,770,286</u>	<u>16,853,797</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2008	7,369,334	-	-	-	-
June 30, 2009	5,060,863	7,969,491	-	-	-
June 30, 2010	8,122	5,497,438	8,604,716	-	-
June 30, 2011	4,665	12,092	6,091,014	9,234,375	-
June 30, 2012	1,402	5,433	14,112	6,493,023	10,031,797
Total Net Collections	<u>12,444,386</u>	<u>13,484,454</u>	<u>14,709,842</u>	<u>15,727,398</u>	<u>10,031,797</u>
Total Uncollected Tax	<u>\$ 1,023</u>	<u>\$ 873</u>	<u>\$ 2,078</u>	<u>\$ 42,888</u>	<u>\$ 6,822,000</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.27%</u>	<u>40.48%</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

JEFFERSON COUNTY  
**INDEPENDENT AUDITOR'S 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 Commissioners  
Jefferson County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County as of and for the year ended June 30, 2012, and have issued our report thereon dated November 6, 2012. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. Except as noted above, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jefferson 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 Jefferson 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.

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, detect, or 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, detected or 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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson 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 the management of Jefferson County in a separate letter dated November 6, 2012.

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. However, this report is a matter of public record and its distribution is not limited.

SIGNED ORIGINAL ON FILE

November 6, 2012

Deann Haeffner, CPA  
Assistant Deputy Auditor



**MANAGEMENT LETTER  
OF  
JEFFERSON COUNTY**

**JULY 1, 2011 THROUGH JUNE 30, 2012**

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on November 16, 2012**



## 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](http://www.auditors.state.ne.us)

November 6, 2012

Board of Commissioners  
Jefferson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Jefferson County (County) for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 6, 2012. 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 following areas:

### COUNTY OVERALL

---

#### **Segregation of Duties**

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

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

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

## **Petty Cash Funds**

We noted the following petty cash funds lacked documentation of the County Board's authorization or were not maintained at the authorized amount stated in the County Budget Message:

- County Clerk - \$71
- County Sheriff - \$1,200
- Weed Department - \$14
- County Board - \$3,500
- Highway Department - \$351

Neb. Rev. Stat. § 23-106(2) (Reissue 2007) states, in part, "The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message."

When petty cash funds are not properly authorized by the County Board and disclosed in the budget message of the County budget document, the County is not in compliance with State statute. In addition, the County is exposed to an increased risk of loss, theft, or misuse of County funds.

We recommend the County Board review petty cash funds used by County offices and, if it is the intention of the County Board for those offices to have approved petty cash funds, adopt a formal resolution outlining authorized expenditures and amounts. We further recommend all authorized petty cash funds be properly stated in the budget message of the County budget document and reconciled to that amount.

## **Unclaimed Property**

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states that personal property held by public entities or political subdivisions which remained unclaimed for more than three years is presumed abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding.

During our audit, we noted the following offices held funds which had remained unclaimed for more than three years and had not been remitted to the State Treasurer in accordance with the Unclaimed Property Act:

- County Sheriff - eight outstanding checks totaling \$127.
- County Ambulance - seven outstanding checks totaling \$931.
- County Treasurer - three outstanding checks totaling \$16.

We also noted that the County Board's process was to void outstanding checks over three years old and return the money to the fund of origination instead of remitting the money to the State Treasurer in accordance with the Unclaimed Property Act. During the fiscal year, it was noted that nine checks totaling \$596 were voided, but not remitted as unclaimed property.

We recommend all personal property which remains unclaimed for more than three years be remitted to the State Treasurer in accordance with the Unclaimed Property Act.

### **Deposit Coverage**

During our audit we noted the following offices did not have adequate pledged securities to fully secure bank deposits during the fiscal year:

- Clerk of the District Court: Uncollateralized deposits ranged from \$32,652 to \$551,203.
- County Board: Uncollateralized deposits ranged from \$3,438 to \$1,954,121.
- County Treasurer: Uncollateralized deposit amount was \$200, considering the deposit and 2% requirement, the amount uncollateralized for statutory compliance increases to \$5,000.

Neb. Rev. Stat. § 77-2395 (Reissue 2009) states, "the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed."

When deposits are not fully secured at all times, the offices are not in compliance with State statute and there is an increased risk of loss should financial institutions holding County deposits fail.

We recommend each office implement procedures to ensure bank accounts are adequately collateralized at all times.

## **COUNTY BOARD**

---

### **Inventory Policy**

During our audit, we noted the County Board had not established a policy for all officers to follow when completing the annual inventory statements. A lack of guidance for completing the inventory statements can result in supply type items or items with immaterial costs being included on the inventory statements.

Good accounting procedures require standardized procedures be established to ensure all offices use the same guidelines when filing an inventory statement of the personal property in the possession of the officer. Additionally, good internal controls require the County Board to review and approve all inventory statements to mitigate the risk of loss, theft, or misuse of County property.

We recommend the County Board establish an inventory policy to be used by County officers.

### **Approval of Claims**

Neb. Rev. Stat. § 84-1413(1) (Supp. 2009) requires each public body to keep minutes of all meetings, including the substance of all matters discussed. Subsection (2) of that same statute requires action taken on any question or motion be duly moved and seconded by roll call vote in open session, the record indicating how each member voted.

During the fiscal year, the County Board only approved Payroll and Vendor Claims through approval of the Consent Agenda.

Without proper roll call votes by the County Board and detailed scrutiny of the merits and supporting documentation of all submitted claims, including documented open meeting discussion of large and/or unusual claims, county government may be perceived as lacking both transparency and accountability to its citizens.

We recommend the County Board change their procedures in approving both Payroll and Vendor Claims separately and no longer use the Consent agenda for claim approval.

### **Bidding Requirements**

Neb. Rev. Stat. § 23-3108 (Reissue 2007) states, "...purchases of personal property or services by the county board or purchasing agent shall be made: (a) Through the competitive sealed bidding process prescribed in section 23-3111 if the estimated value of the purchase is twenty thousand dollars or more; (b) By securing and recording at least three informal bids, if practicable, if the estimated value of the purchase is equal to or exceeds five thousand dollars, but is less than twenty thousand dollars; or (c) By purchasing in the open market if the estimated value of the purchase is less than five thousand dollars, subject to section 23-3112...."

Two disbursements tested, totaling \$161,188, did not have adequate evidence of the County having secured appropriate bids:

- \$134,282 purchase of Oil/Asphalt
- \$26,906 purchase of Armor Coating

When bidding requirements are not followed, the County is not in compliance with State statute.

We recommend the County Board ensure bidding procedures are followed on all purchases requiring bids.

## COUNTY SHERIFF

---

### **Balancing Procedures**

Good internal control requires procedures be in place to ensure assets (cash on hand, reconciled bank balance, and accounts receivable) are in agreement with office liabilities (fees, commissions, mileage, and refunds). In addition, individual accounts receivable balances should have accurate balances maintained to support the summary ledger balance.

We noted at June 30, 2012, office records indicated assets were long \$1,321 compared to office liabilities in the County Sheriff's Operating Account. We also noted that office records indicated assets were long \$23 for the Inmate Account. Failure to determine asset-to liability balancing variances can result in an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff implement documented monthly balancing procedures and follow up on unexplained variances.

### **Purchase of Commissary Items**

Neb. Rev. Stat. § 23-1601(1) (Reissue 2008) states, in part, "It is the duty of the county treasurer to receive all money belonging to the county from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law..."

During our audit we noted the following:

- The County Sheriff maintains a commissary account which is used for inmate purchases of candy, soda, personal hygiene products, etc. However, the expenditures were not paid through the County's claims and warrant process. We noted the County Sheriff paid \$7,006 directly to vendors during our audit period instead of sending the claims to the County Board for approval.
- The entire amount of revenue generated from the sale of commissary items is not remitted to the County Treasurer. The County Sheriff only remitted net profit and sales tax to the County Treasurer.

When all funds received are not appropriately accounted for, there is an increased risk of loss, theft, or misuse of funds.

We recommend all funds received be deposited with the County Treasurer. We further recommend all payments for goods and/or services be paid through the County's claim and warrant process.

## COUNTY ATTORNEY

---

### **Timeliness of Deposits**

Sound business practices and good internal controls require all deposits to the bank or the County Treasurer be made in a timely manner.

During testing we noted:

- Twelve instances where cash and checks received were not deposited to the bank timely, days between receipt and deposit ranged from 13 to 31 days.
- The County's portion of Traffic Diversion funds were only being remitted to the County Treasurer once a year.

When deposits are not made in a timely manner, there is an increased risk of loss or misuse of funds.

We recommend the County Attorney implement procedures to ensure deposits are performed in a timely manner, at least once a week. We further recommend traffic diversion money owed to the County be remitted to the County Treasurer at least monthly.

### **Records Not Maintained for Payment Plans**

Sound business practices and good internal control require the County Attorney to maintain documentation regarding any payment plans.

We noted that the County Attorney's office does not have an official record of payment plans granted to individuals owing money for bad checks.

When there is not an official record regarding agreed upon payment plans, there is an increased risk the payment plan will be misplaced and the individual will not follow the payment plan and funds will not be collected.

We recommend the County Attorney maintain an official record of any agreed upon payment plans.

\* \* \* \* \*

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 that indicate corrective action has been taken were not verified at this time, but will be verified in the next 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. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

SIGNED ORIGINAL ON FILE

Deann Haeffner, CPA  
Assistant Deputy Auditor