

**AUDIT REPORT
OF
DAWSON COUNTY**

JULY 1, 2012 THROUGH JUNE 30, 2013

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Issued on March 19, 2014

DAWSON COUNTY

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DAWSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2013

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Everett Hagan	Board of Commissioners	Jan. 2017
P J Jacobson		Jan. 2017
Dean Kugler		Jan. 2017
Dennis Rickertsen		Jan. 2015
Bill Stewart		Jan. 2015
John Moore	Assessor	Jan. 2015
Elizabeth Waterman	Attorney	Jan. 2015
Karla Zlatkovsky	Clerk Election Commissioner	Jan. 2015
Sherry Warner	Clerk of the District Court	Jan. 2015
Ruth Meyer	Register of Deeds	Jan. 2015
Gary Reiber	Sheriff	Jan. 2015
Mark Streit, Started August 2013	Surveyor	Jan. 2015
Sharon Wood	Treasurer	Jan. 2015
Earl Linn	Veterans' Service Officer	Appointed
Marty Craig	Weed Superintendent	Appointed
John Mooberry	Highway Superintendent	Appointed
Pam Holbrook	Planning / Zoning	Appointed



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DAWSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dawson County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Dawson County as of June 30, 2013, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole 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.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, Pages 20 through 42, is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2014, on our consideration of Dawson 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 considering Dawson County's internal control over financial reporting and compliance.

March 18, 2014


Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

DAWSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 9,002,305
TOTAL ASSETS	<u>\$ 9,002,305</u>
 NET POSITION	
Restricted for:	
Visitor Promotion	\$ 188,204
911 Emergency Services	232,284
Drug Education	18,769
Law Enforcement	60,444
Debt Service	100,990
Preservation of Records	7,038
Unrestricted	8,394,576
TOTAL NET POSITION	<u>\$ 9,002,305</u>

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

DAWSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2013

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (6,331,119)	\$ 720,552	\$ 232,214	\$ (5,378,353)
Public Safety	(4,421,957)	234,060	213,005	(3,974,892)
Public Works	(3,042,414)	90,319	2,114,962	(837,133)
Public Assistance	(319,183)	-	82,461	(236,722)
Culture and Recreation	(210,556)	-	-	(210,556)
Debt Payments	(1,309,650)	-	-	(1,309,650)
Total Governmental Activities	\$ (15,634,879)	\$ 1,044,931	\$ 2,642,642	(11,947,306)

General Receipts:

Property Taxes	10,147,633
Grants and Contributions Not Restricted to Specific Programs	2,308,209
Investment Income	34,943
Licenses and Permits	99,244
Miscellaneous	1,029,025
Total General Receipts	13,619,054
 Increase in Net Position	 1,671,748
Net Position - Beginning of year	7,330,557
Net Position - End of year	\$ 9,002,305

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

DAWSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents (Note 1.D)	\$ 2,275,641	\$ 479,741	\$ 1,622,398	\$ 1,681,395	\$ 1,500,000	\$ 1,443,130	\$ 9,002,305
TOTAL ASSETS	\$ 2,275,641	\$ 479,741	\$ 1,622,398	\$ 1,681,395	\$ 1,500,000	\$ 1,443,130	\$ 9,002,305
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	188,204	188,204
911 Emergency Services	-	-	-	-	-	232,284	232,284
Drug Education	-	-	-	-	-	18,769	18,769
Law Enforcement	-	-	-	-	-	60,444	60,444
Debt Service	-	-	-	-	-	100,990	100,990
Preservation of Records	-	-	-	-	-	7,038	7,038
Committed to:							
Law Enforcement	-	-	-	-	-	102,219	102,219
Road Projects	-	479,741	-	-	-	-	479,741
Employee Recognition	-	-	-	-	-	6,360	6,360
Aid and Assistance	-	-	-	-	-	109,069	109,069
County Buildings	-	-	-	-	-	177,193	177,193
Unemployment Benefits	-	-	-	-	-	54,010	54,010
Insurance Costs	-	-	-	1,681,395	-	-	1,681,395
Miscellaneous Projects	-	-	-	-	1,500,000	60,461	1,560,461
Watershed Management	-	-	-	-	-	311,423	311,423
Noxious Weed	-	-	-	-	-	14,403	14,403
Historical Society	-	-	-	-	-	263	263
Assigned to:							
Other Purposes	-	-	1,622,398	-	-	-	1,622,398
Unassigned	2,275,641	-	-	-	-	-	2,275,641
TOTAL CASH BASIS	2,275,641	-	-	-	-	-	2,275,641
FUND BALANCES	\$ 2,275,641	\$ 479,741	\$ 1,622,398	\$ 1,681,395	\$ 1,500,000	\$ 1,443,130	\$ 9,002,305

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

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

For the Year Ended June 30, 2013

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$ 8,360,101	\$ -	\$ 1,067,384	\$ -	\$ -	\$ 720,148	\$ 10,147,633
Licenses and Permits	99,244	-	-	-	-	-	99,244
Interest	29,325	-	-	5,309	-	309	34,943
Intergovernmental	2,389,617	2,150,124	-	-	-	411,110	4,950,851
Charges for Services	805,294	-	-	-	-	239,637	1,044,931
Miscellaneous	36,307	108,403	-	628,718	-	255,597	1,029,025
TOTAL RECEIPTS	<u>11,719,888</u>	<u>2,258,527</u>	<u>1,067,384</u>	<u>634,027</u>	<u>-</u>	<u>1,626,801</u>	<u>17,306,627</u>
DISBURSEMENTS							
General Government	4,003,014	-	600,383	1,486,307	-	241,415	6,331,119
Public Safety	3,558,315	-	-	-	-	863,642	4,421,957
Public Works	156,335	2,689,213	-	-	-	196,866	3,042,414
Public Assistance	172,705	-	-	-	-	146,478	319,183
Culture and Recreation	-	-	-	-	-	210,556	210,556
Debt Service:							
Principal Payments	-	1,100,000	-	-	-	170,000	1,270,000
Interest and Fiscal Charges	-	35,485	-	-	-	4,165	39,650
TOTAL DISBURSEMENTS	<u>7,890,369</u>	<u>3,824,698</u>	<u>600,383</u>	<u>1,486,307</u>	<u>-</u>	<u>1,833,122</u>	<u>15,634,879</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,829,519</u>	<u>(1,566,171)</u>	<u>467,001</u>	<u>(852,280)</u>	<u>-</u>	<u>(206,321)</u>	<u>1,671,748</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	385	1,696,830	-	1,401,735	-	561,841	3,660,791
Transfers out	(3,345,044)	-	(9,500)	-	-	(306,247)	(3,660,791)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,344,659)</u>	<u>1,696,830</u>	<u>(9,500)</u>	<u>1,401,735</u>	<u>-</u>	<u>255,594</u>	<u>-</u>
Net Change in Fund Balances	484,860	130,659	457,501	549,455	-	49,273	1,671,748
CASH BASIS FUND BALANCES - BEGINNING	<u>1,790,781</u>	<u>349,082</u>	<u>1,164,897</u>	<u>1,131,940</u>	<u>1,500,000</u>	<u>1,393,857</u>	<u>7,330,557</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 2,275,641</u>	<u>\$ 479,741</u>	<u>\$ 1,622,398</u>	<u>\$ 1,681,395</u>	<u>\$ 1,500,000</u>	<u>\$ 1,443,130</u>	<u>\$ 9,002,305</u>

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

DAWSON COUNTY
STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
 June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,348,181
LIABILITIES	
Due to other governments	
State	414,254
Schools	412,931
Educational Service Units	3,624
Technical College	28,078
Natural Resource Districts	10,756
Fire Districts	1,986
Municipalities	72,494
Agricultural Society	2,595
Cemetery Districts	207
Drainage Districts	5,057
Railroad Transportation Districts	178,189
Sanitary and Improvement Districts	45,494
Hospital Districts	3,587
Others	168,929
TOTAL LIABILITIES	1,348,181
TOTAL NET ASSETS	\$ -

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2013

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Dawson 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 that 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 II - 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 II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

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 \$107,150 toward the operation of the Region during fiscal year 2013.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

Health Department – The County has entered into an agreement with Two Rivers Public Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2012).

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 2013. 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 in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2012). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position – 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Insurance Fund. This fund is used to account for employee insurance premiums, health insurance reimbursements, and expenditures for health insurance claims.

Sinking Fund. This fund is used to account for transfers from other funds, which will be used for special projects.

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 Courthouse Remodeling Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

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

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 Position – 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 requires 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 are generally 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

D. Assets and Net Position

Cash and Cash Equivalents. The County's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. §§ 77-2315, 77-2340, and 77-2341 (Reissue 2009), and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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

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

Compensated Absences. Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as 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 Position. 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 position is 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 position reports \$607,729 of restricted net position, of which \$446,295 is restricted by enabling legislation.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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 \$9,002,305 for County funds and \$1,348,181 for Fiduciary funds. The bank balances for all funds totaled \$9,995,848. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2013, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes (Concluded)

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. Counties may levy taxes in addition to the 50 cent limitation upon a vote of the people.

The levy set in October 2012, for the 2012 taxes, which will be materially collected in May and September 2013, was set at \$.410048/\$100 of assessed valuation. The levy set in October 2011, for the 2011 taxes, which were materially collected in May and September 2012, was set at \$.404265/\$100 of assessed valuation. The amount collected for the 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. The lid may be increased by 1% upon the approval of 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 23-2334 (Reissue 2012, Supp 2013) 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2013, 180 employees contributed \$277,915, and the County contributed \$409,734. Contributions included \$14,227 in cash contributions towards the supplemental law enforcement plan for 37 law enforcement employees. Lastly, the County paid \$250 directly to 2 retired employees 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 79 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 60 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.

	<u>NIRMA Coverage</u>	<u>Maximum Coverage</u>
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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Risk Management (Concluded)

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 2014. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

<u>Transfers to</u>	General Fund	Inheritance Fund	Nonmajor Funds	Total
Road Fund	\$ 1,696,830	\$	\$	\$ 1,696,830
General Fund			385	385
Insurance fund	1,280,462		121,273	1,401,735
Nonmajor Funds	367,752	9,500	184,589	561,841
Total	<u>\$ 3,345,044</u>	<u>\$ 9,500</u>	<u>\$ 306,247</u>	<u>\$ 3,660,791</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.

7. Contingent Liabilities

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

8. Long-Term Debt

The County issued bonds on July 30, 2010, in the amount of \$2,735,000 for the purpose of paying the costs of road improvements. The bond payable balance, as of June 30, 2013, was \$560,000. 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. The County plans to use future highway allocation receipts to pay off the bonds. Principal and interest payments are due January 15 and July 15. Interest rates range from .9% to 2.2%. During fiscal year 2013, the County made two principal payments ahead of the payment schedule, so the next scheduled payment is not until fiscal year 2016.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Future Payments:

Year	Principal	Interest	Total
2014	-	-	-
2015	-	6,160	6,160
2016	560,000	6,160	566,160
Total Payments	560,000	12,320	572,320

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 8,809,893	\$ 8,809,893	\$ 8,360,101	\$ (449,792)
Licenses and Permits	95,060	95,060	99,244	4,184
Interest	30,500	30,500	29,325	(1,175)
Intergovernmental	823,370	823,370	2,389,617	1,566,247
Charges for Services	1,821,550	1,821,550	805,294	(1,016,256)
Miscellaneous	30,950	30,950	36,307	5,357
TOTAL RECEIPTS	<u>11,611,323</u>	<u>11,611,323</u>	<u>11,719,888</u>	<u>108,565</u>
DISBURSEMENTS				
General Government:				
County Board	87,000	87,000	86,107	893
County Clerk	139,750	139,750	131,702	8,048
County Treasurer	271,170	271,170	270,688	482
Register of Deeds	118,167	118,167	110,997	7,170
County Assessor	413,500	413,500	392,747	20,753
Election Commissioner	73,550	73,550	43,423	30,127
Building and Zoning	18,050	18,050	11,760	6,290
Clerk of the District Court	285,000	285,000	233,062	51,938
County Court System	203,950	203,950	169,261	34,689
District Judge	110,690	138,899	138,899	-
Public Defender	237,233	259,843	257,873	1,970
Building and Grounds	373,500	373,500	304,033	69,467
Agricultural Extension Agent	141,900	141,900	136,578	5,322
GIS	27,000	27,000	19,897	7,103
Child Support	141,044	141,044	138,126	2,918
Miscellaneous	3,317,200	3,317,200	1,557,861	1,759,339
Public Safety:				
County Sheriff	2,930,135	2,930,135	2,896,399	33,736
County Attorney	450,195	450,195	401,911	48,284
County Grants	100,000	100,000	-	100,000
Emergency Management	124,350	131,047	118,047	13,000
COPS	44,000	44,000	36,720	7,280
Child Support Attorney	24,312	24,312	24,189	123
Sheriff Grants	107,000	107,000	31,412	75,588
Miscellaneous	64,500	64,500	49,637	14,863

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
County Surveyor	177,303	177,303	156,335	20,968
Public Assistance:				
Veterans' Service Officer	54,260	54,260	51,250	3,010
Transit Handi-Bus	131,008	131,008	108,239	22,769
Relief	100,000	100,000	13,216	86,784
TOTAL DISBURSEMENTS	10,265,767	10,323,283	7,890,369	2,432,914
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,345,556	1,288,040	3,829,519	2,541,479
OTHER FINANCING SOURCES (USES)				
Transfers in	900,385	900,385	385	(900,000)
Transfers out	(3,266,722)	(3,266,722)	(3,345,044)	(78,322)
TOTAL OTHER FINANCING SOURCES (USES)	(2,366,337)	(2,366,337)	(3,344,659)	(978,322)
Net Change in Fund Balance	(1,020,781)	(1,078,297)	484,860	1,563,157
FUND BALANCE - BEGINNING	1,790,781	1,790,781	1,790,781	-
FUND BALANCE - ENDING	\$ 770,000	\$ 712,484	\$ 2,275,641	\$ 1,563,157

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	1,839,071	1,839,071	2,150,124	311,053
Miscellaneous	120,032	120,032	108,403	(11,629)
TOTAL RECEIPTS	<u>1,959,103</u>	<u>1,959,103</u>	<u>2,258,527</u>	<u>299,424</u>
DISBURSEMENTS	<u>4,634,155</u>	<u>4,634,155</u>	<u>3,824,698</u>	<u>809,457</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,675,052)</u>	<u>(2,675,052)</u>	<u>(1,566,171)</u>	<u>1,108,881</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,825,970	2,825,970	1,696,830	(1,129,140)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,825,970</u>	<u>2,825,970</u>	<u>1,696,830</u>	<u>(1,129,140)</u>
Net Change in Fund Balance	150,918	150,918	130,659	(20,259)
FUND BALANCE - BEGINNING	349,082	349,082	349,082	-
FUND BALANCE - ENDING	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 479,741</u>	<u>\$ (20,259)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 500,003	\$ 500,003	\$ 1,067,384	\$ 567,381
TOTAL RECEIPTS	<u>500,003</u>	<u>500,003</u>	<u>1,067,384</u>	<u>567,381</u>
DISBURSEMENTS	<u>664,900</u>	<u>664,900</u>	<u>600,383</u>	<u>64,517</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(164,897)</u>	<u>(164,897)</u>	<u>467,001</u>	<u>631,898</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,000,000)	(1,000,000)	(9,500)	990,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(9,500)</u>	<u>990,500</u>
Net Change in Fund Balance	(1,164,897)	(1,164,897)	457,501	1,622,398
FUND BALANCE - BEGINNING	1,164,897	1,164,897	1,164,897	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,622,398</u>	<u>\$ 1,622,398</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INSURANCE FUND				
RECEIPTS				
Interest	-	-	5,309	5,309
Miscellaneous	568,060	568,060	628,718	60,658
TOTAL RECEIPTS	<u>568,060</u>	<u>568,060</u>	<u>634,027</u>	<u>65,967</u>
DISBURSEMENTS	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,486,307</u>	<u>213,693</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,131,940)</u>	<u>(1,131,940)</u>	<u>(852,280)</u>	<u>279,660</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,401,735	1,401,735
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,401,735</u>	<u>1,401,735</u>
Net Change in Fund Balance	(1,131,940)	(1,131,940)	549,455	1,681,395
FUND BALANCE - BEGINNING	1,131,940	1,131,940	1,131,940	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,681,395</u>	<u>\$ 1,681,395</u>
SINKING FUND				
RECEIPTS				
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>1,500,000</u>
Net Change in Fund Balance	(1,500,000)	(1,500,000)	-	1,500,000
FUND BALANCE - BEGINNING	1,500,000	1,500,000	1,500,000	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITOR'S PROMOTION FUND				
RECEIPTS	\$ 32,287	\$ 32,287	\$ 108,711	\$ 76,424
DISBURSEMENTS	114,645	114,645	83,171	31,474
Net Change in Fund Balance	(82,358)	(82,358)	25,540	107,898
FUND BALANCE - BEGINNING	82,358	82,358	82,358	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,898</u>	<u>\$ 107,898</u>
VISITOR'S IMPROVEMENT FUND				
RECEIPTS	\$ 57,520	\$ 57,520	\$ 108,711	\$ 51,191
DISBURSEMENTS	125,500	125,500	96,385	29,115
Net Change in Fund Balance	(67,980)	(67,980)	12,326	80,306
FUND BALANCE - BEGINNING	67,980	67,980	67,980	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,306</u>	<u>\$ 80,306</u>
REGISTER DEED PRESERVATION FUND				
RECEIPTS	\$ 25,000	\$ 25,000	\$ 7,038	\$ (17,962)
DISBURSEMENTS	25,000	25,000	-	25,000
Net Change in Fund Balance	-	-	7,038	7,038
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,038</u>	<u>\$ 7,038</u>
UNEMPLOYMENT COMPENSATION FUND				
RECEIPTS	\$ 10,141	\$ 10,141	\$ 10,293	\$ 152
DISBURSEMENTS	51,000	51,000	7,142	43,858
Net Change in Fund Balance	(40,859)	(40,859)	3,151	44,010
FUND BALANCE - BEGINNING	50,859	50,859	50,859	-
FUND BALANCE - ENDING	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 54,010</u>	<u>\$ 44,010</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>PARENT CHILD CENTER FUND</u>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	15,000	15,000	15,000	-
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	15,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	15,000	15,000	15,000	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>INSTITUTIONS FUND</u>				
RECEIPTS	\$ 135,892	\$ 135,892	\$ 134,867	\$ (1,025)
DISBURSEMENTS	140,500	140,500	129,474	11,026
Net Change in Fund Balance	(4,608)	(4,608)	5,393	10,001
FUND BALANCE - BEGINNING	54,608	54,608	54,608	-
FUND BALANCE - ENDING	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 60,001</u>	<u>\$ 10,001</u>
<u>VETERAN'S AID FUND</u>				
RECEIPTS	\$ 2,782	\$ 2,782	\$ 2,278	\$ (504)
DISBURSEMENTS	3,500	3,500	2,004	1,496
Net Change in Fund Balance	(718)	(718)	274	992
FUND BALANCE - BEGINNING	718	718	718	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 992</u>	<u>\$ 992</u>
<u>VETERAN'S MONEY MARKET FUND</u>				
RECEIPTS	\$ 62	\$ 62	\$ 93	\$ 31
DISBURSEMENTS	20,000	20,000	-	20,000
Net Change in Fund Balance	(19,938)	(19,938)	93	20,031
FUND BALANCE - BEGINNING	19,938	19,938	19,938	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,031</u>	<u>\$ 20,031</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CASA FUND				
RECEIPTS	\$ 36,740	\$ 36,740	\$ 41,070	\$ 4,330
DISBURSEMENTS	68,728	68,728	57,267	11,461
OTHER FINANCING SOURCES (USES)				
Transfers in	29,691	29,691	31,295	1,604
Transfers out	-	-	(9,214)	(9,214)
TOTAL OTHER FINANCING SOURCES (USES)	29,691	29,691	22,081	(7,610)
Net Change in Fund Balance	(2,297)	(2,297)	5,884	8,181
FUND BALANCE - BEGINNING	2,297	2,297	2,297	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,181</u>	<u>\$ 8,181</u>
STOP FUND				
RECEIPTS	\$ 16,040	\$ 16,040	\$ 4,050	\$ (11,990)
DISBURSEMENTS	25,000	25,000	8,887	16,113
Net Change in Fund Balance	(8,960)	(8,960)	(4,837)	4,123
FUND BALANCE - BEGINNING	8,960	8,960	8,960	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,123</u>	<u>\$ 4,123</u>
COUNTY DRUG FUND				
RECEIPTS	\$ 15,029	\$ 15,029	\$ 9,924	\$ (5,105)
DISBURSEMENTS	25,000	25,000	1,126	23,874
Net Change in Fund Balance	(9,971)	(9,971)	8,798	18,769
FUND BALANCE - BEGINNING	9,971	9,971	9,971	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,769</u>	<u>\$ 18,769</u>
MID WEST NEBRASKA DRUG COURT FUND				
RECEIPTS	\$ 17,644	\$ 17,644	\$ 14,926	\$ (2,718)
DISBURSEMENTS	24,400	24,400	6,953	17,447
Net Change in Fund Balance	(6,756)	(6,756)	7,973	14,729
FUND BALANCE - BEGINNING	6,756	6,756	6,756	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,729</u>	<u>\$ 14,729</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL DRUG FORFEITURE FUND				
RECEIPTS	\$ -	\$ -	\$ 484	\$ 484
DISBURSEMENTS	-	-	-	-
Net Change in Fund Balance	-	-	484	484
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484</u>	<u>\$ 484</u>
K-9 DOG FUND				
RECEIPTS	\$ 10,425	\$ 10,425	\$ 3,188	\$ (7,237)
DISBURSEMENTS	15,000	15,000	2,917	12,083
Net Change in Fund Balance	(4,575)	(4,575)	271	4,846
FUND BALANCE - BEGINNING	4,575	4,575	4,575	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,846</u>	<u>\$ 4,846</u>
CRIME COMMISSION FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	8,461	8,461	8,461	-
Net Change in Fund Balance	(8,461)	(8,461)	(8,461)	-
FUND BALANCE - BEGINNING	8,461	8,461	8,461	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SCAAP FUND				
RECEIPTS	\$ 35,270	\$ 35,270	\$ 11,532	\$ (23,738)
DISBURSEMENTS	72,000	72,000	20,856	51,144
Net Change in Fund Balance	(36,730)	(36,730)	(9,324)	27,406
FUND BALANCE - BEGINNING	36,730	36,730	36,730	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,406</u>	<u>\$ 27,406</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CASA GRANT FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(19,075)	(19,075)	(19,075)	-
TOTAL OTHER FINANCING SOURCES (USES)	(19,075)	(19,075)	(19,075)	-
Net Change in Fund Balance	(19,075)	(19,075)	(19,075)	-
FUND BALANCE - BEGINNING	19,075	19,075	19,075	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COUNTY GRANT FUND				
RECEIPTS	\$ 397,309	\$ 397,309	\$ 71,139	\$ (326,170)
DISBURSEMENTS	500,000	500,000	35,056	464,944
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	(6,220)	(6,220)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	(6,220)	(106,220)
Net Change in Fund Balance	(2,691)	(2,691)	29,863	32,554
FUND BALANCE - BEGINNING	2,691	2,691	2,691	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,554</u>	<u>\$ 32,554</u>
VICTIM WITNESS FUND				
RECEIPTS	\$ 36,034	\$ 36,034	\$ 37,000	\$ 966
DISBURSEMENTS	63,724	63,724	45,112	18,612
OTHER FINANCING SOURCES (USES)				
Transfers in	23,400	23,400	32,900	9,500
Transfers out	-	-	(9,214)	(9,214)
TOTAL OTHER FINANCING SOURCES (USES)	23,400	23,400	23,686	286
Net Change in Fund Balance	(4,290)	(4,290)	15,574	19,864
FUND BALANCE - BEGINNING	4,290	4,290	4,290	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,864</u>	<u>\$ 19,864</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYEE RECOGNITION FUND				
RECEIPTS	\$ -	\$ -	\$ 7,385	\$ 7,385
DISBURSEMENTS	-	-	1,025	(1,025)
Net Change in Fund Balance	-	-	6,360	6,360
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,360</u>	<u>\$ 6,360</u>
LOTTERY FUND				
RECEIPTS	\$ 134,011	\$ 134,011	\$ 133,821	\$ (190)
DISBURSEMENTS	175,100	175,100	128,065	47,035
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(69,516)	(69,516)	(55,900)	13,616
TOTAL OTHER FINANCING SOURCES (USES)	(69,516)	(69,516)	(55,900)	13,616
Net Change in Fund Balance	(110,605)	(110,605)	(50,144)	60,461
FUND BALANCE - BEGINNING	110,605	110,605	110,605	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,461</u>	<u>\$ 60,461</u>
E-911 FUND				
RECEIPTS	\$ 83	\$ 83	\$ 81,069	\$ 80,986
DISBURSEMENTS	193,300	193,300	119,015	74,285
OTHER FINANCING SOURCES (USES)				
Transfers in	54,000	54,000	50,394	(3,606)
Transfers out	(53,000)	(53,000)	(53,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,000	1,000	(2,606)	(3,606)
Net Change in Fund Balance	(192,217)	(192,217)	(40,552)	151,665
FUND BALANCE - BEGINNING	192,217	192,217	192,217	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,665</u>	<u>\$ 151,665</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 ENHANCED				
WIRELESS SERVICE FUND				
RECEIPTS	\$ 41,985	\$ 41,985	\$ 91,072	\$ 49,087
DISBURSEMENTS	40,000	40,000	12,074	27,926
OTHER FINANCING SOURCES (USES)				
Transfers in	36,000	36,000	-	(36,000)
Transfers out	(90,000)	(90,000)	(50,394)	39,606
TOTAL OTHER FINANCING SOURCES (USES)	(54,000)	(54,000)	(50,394)	3,606
Net Change in Fund Balance	(52,015)	(52,015)	28,604	80,619
FUND BALANCE - BEGINNING	52,015	52,015	52,015	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 80,619	\$ 80,619
RANGE MANAGEMENT FUND				
RECEIPTS	\$ 2,700	\$ 2,700	\$ 1,100	\$ (1,600)
DISBURSEMENTS	3,000	3,000	312	2,688
Net Change in Fund Balance	(300)	(300)	788	1,088
FUND BALANCE - BEGINNING	300	300	300	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,088	\$ 1,088
DISPATCH FUND				
RECEIPTS	\$ 175,547	\$ 175,547	\$ 233,750	\$ 58,203
DISBURSEMENTS	570,665	570,665	448,590	122,075
OTHER FINANCING SOURCES (USES)				
Transfers in	320,752	320,752	320,752	-
Transfers out	-	-	(102,845)	(102,845)
TOTAL OTHER FINANCING SOURCES (USES)	320,752	320,752	217,907	(102,845)
Net Change in Fund Balance	(74,366)	(74,366)	3,067	77,433
FUND BALANCE - BEGINNING	74,366	74,366	74,366	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 77,433	\$ 77,433

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUILDING FUND				
RECEIPTS	\$ 32,958	\$ 32,958	\$ 36,032	\$ 3,074
DISBURSEMENTS	55,300	55,300	47,604	7,696
OTHER FINANCING SOURCES (USES)				
Transfers in	20,500	20,500	11,500	(9,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,500	20,500	11,500	(9,000)
Net Change in Fund Balance	(1,842)	(1,842)	(72)	1,770
FUND BALANCE - BEGINNING	1,842	1,842	1,842	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,770</u>	<u>\$ 1,770</u>
JAIL OBLIGATION BOND FUND				
RECEIPTS	\$ -	\$ -	\$ 62	\$ 62
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(385)	(385)	(385)	-
TOTAL OTHER FINANCING SOURCES (USES)	(385)	(385)	(385)	-
Net Change in Fund Balance	(385)	(385)	(323)	62
FUND BALANCE - BEGINNING	385	385	385	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ 62</u>
COURTHOUSE REMODELING BOND FUND				
RECEIPTS	\$ 173,007	\$ 173,007	\$ 173,935	\$ 928
DISBURSEMENTS	174,165	174,165	174,165	-
Net Change in Fund Balance	(1,158)	(1,158)	(230)	928
FUND BALANCE - BEGINNING	101,158	101,158	101,158	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,928</u>	<u>\$ 928</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPRING CREEK WATERSHED FUND				
RECEIPTS	\$ 946	\$ 946	\$ 18,243	\$ 17,297
DISBURSEMENTS	301,000	301,000	6,874	294,126
Net Change in Fund Balance	(300,054)	(300,054)	11,369	311,423
FUND BALANCE - BEGINNING	300,054	300,054	300,054	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,423</u>	<u>\$ 311,423</u>
NOXIOUS WEED FUND				
RECEIPTS	\$ 114,111	\$ 114,111	\$ 90,330	\$ (23,781)
DISBURSEMENTS	208,050	208,050	196,866	11,184
OTHER FINANCING SOURCES (USES)				
Transfers in	173,000	173,000	100,000	(73,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>173,000</u>	<u>173,000</u>	<u>100,000</u>	<u>(73,000)</u>
Net Change in Fund Balance	79,061	79,061	(6,536)	(85,597)
FUND BALANCE - BEGINNING	20,939	20,939	20,939	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 14,403</u>	<u>\$ (85,597)</u>
INVENTORY MAINTENANCE FUND				
RECEIPTS	\$ 2,708	\$ 2,708	\$ 163,852	\$ 161,144
DISBURSEMENTS	162,000	162,000	147,721	14,279
Net Change in Fund Balance	(159,292)	(159,292)	16,131	175,423
FUND BALANCE - BEGINNING	159,292	159,292	159,292	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,423</u>	<u>\$ 175,423</u>
HISTORICAL SOCIETY FUND				
RECEIPTS	\$ 30,583	\$ 30,583	\$ 30,846	\$ 263
DISBURSEMENTS	31,000	31,000	31,000	-
Net Change in Fund Balance	(417)	(417)	(154)	263
FUND BALANCE - BEGINNING	417	417	417	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 263</u>

(Concluded)

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

For the Year Ended June 30, 2013

	Visitor's Promotion Fund	Visitor's Improvement Fund	Register Deed Preservation Fund	Unemployment Compensation Fund
RECEIPTS				
Property Taxes	\$ 108,711	\$ 108,711	\$ -	\$ 9,671
Interest	-	-	-	-
Intergovernmental	-	-	-	622
Charges for Services	-	-	7,038	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>108,711</u>	<u>108,711</u>	<u>7,038</u>	<u>10,293</u>
DISBURSEMENTS				
General Government	-	-	-	7,142
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	83,171	96,385	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	<u>83,171</u>	<u>96,385</u>	<u>-</u>	<u>7,142</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>25,540</u>	<u>12,326</u>	<u>7,038</u>	<u>3,151</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	25,540	12,326	7,038	3,151
FUND BALANCES - BEGINNING	<u>82,358</u>	<u>67,980</u>	<u>-</u>	<u>50,859</u>
FUND BALANCES - ENDING	<u>\$ 107,898</u>	<u>\$ 80,306</u>	<u>\$ 7,038</u>	<u>\$ 54,010</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	107,898	80,306	-	-
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Debt Service	-	-	-	-
Preservation of Records	-	-	7,038	-
Committed to:				
Law Enforcement	-	-	-	-
Employee Recognition	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings	-	-	-	-
Unemployment Benefits	-	-	-	54,010
Miscellaneous Projects	-	-	-	-
Watershed Management	-	-	-	-
Noxious Weed	-	-	-	-
Historical Society	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 107,898</u>	<u>\$ 80,306</u>	<u>\$ 7,038</u>	<u>\$ 54,010</u>

(Continued)

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

For the Year Ended June 30, 2013

	Parent Child Center Fund	Institutions Fund	Veteran's Aid Fund	Veteran's Money Market Fund	CASA Fund
RECEIPTS					
Property Taxes	\$ -	\$ 126,524	\$ 2,117	\$ -	\$ -
Interest	-		-	93	-
Intergovernmental	-	8,343	161	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	41,070
TOTAL RECEIPTS	<u>-</u>	<u>134,867</u>	<u>2,278</u>	<u>93</u>	<u>41,070</u>
DISBURSEMENTS					
General Government	-	-	-	-	57,267
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	15,000	129,474	2,004	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>15,000</u>	<u>129,474</u>	<u>2,004</u>	<u>-</u>	<u>57,267</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(15,000)</u>	<u>5,393</u>	<u>274</u>	<u>93</u>	<u>(16,197)</u>
OTHER FINANCING					
SOURCES (USES)					
Transfers in	15,000	-	-	-	31,295
Transfers out	-	-	-	-	(9,214)
TOTAL OTHER FINANCING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SOURCES (USES)	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,081</u>
Net Change in Fund Balances	-	5,393	274	93	5,884
FUND BALANCES - BEGINNING	<u>-</u>	<u>54,608</u>	<u>718</u>	<u>19,938</u>	<u>2,297</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 60,001</u>	<u>\$ 992</u>	<u>\$ 20,031</u>	<u>\$ 8,181</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Employee Recognition	-	-	-	-	-
Aid and Assistance	-	60,001	992	20,031	8,181
County Buildings	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weed	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 60,001</u>	<u>\$ 992</u>	<u>\$ 20,031</u>	<u>\$ 8,181</u>

(Continued)

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

For the Year Ended June 30, 2013

			Mid West Nebraska	Federal	
	STOP	County	Drug	Drug	K-9 Dog
	Fund	Drug	Court	Forfeiture	Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	4,050	9,924	14,926	484	3,188
TOTAL RECEIPTS	<u>4,050</u>	<u>9,924</u>	<u>14,926</u>	<u>484</u>	<u>3,188</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	8,887	1,126	6,953	-	2,917
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,887</u>	<u>1,126</u>	<u>6,953</u>	<u>-</u>	<u>2,917</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,837)</u>	<u>8,798</u>	<u>7,973</u>	<u>484</u>	<u>271</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,837)	8,798	7,973	484	271
FUND BALANCES - BEGINNING	<u>8,960</u>	<u>9,971</u>	<u>6,756</u>	<u>-</u>	<u>4,575</u>
FUND BALANCES - ENDING	<u>\$ 4,123</u>	<u>\$ 18,769</u>	<u>\$ 14,729</u>	<u>\$ 484</u>	<u>\$ 4,846</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	18,769	-	-	-
Law Enforcement	-	-	-	484	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	4,123	-	14,729	-	4,846
Employee Recognition	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weed	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 4,123</u>	<u>\$ 18,769</u>	<u>\$ 14,729</u>	<u>\$ 484</u>	<u>\$ 4,846</u>

(Continued)

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

For the Year Ended June 30, 2013

	Crime Commission Fund	SCAAP Fund	CASA Grant Fund	County Grant Fund	Victim Witness Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Intergovernmental	-	11,532	-	71,089	37,000
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	50	-
TOTAL RECEIPTS	<u>-</u>	<u>11,532</u>	<u>-</u>	<u>71,139</u>	<u>37,000</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	8,461	20,856	-	35,056	45,112
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,461</u>	<u>20,856</u>	<u>-</u>	<u>35,056</u>	<u>45,112</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(8,461)</u>	<u>(9,324)</u>	<u>-</u>	<u>36,083</u>	<u>(8,112)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	32,900
Transfers out	-	-	(19,075)	(6,220)	(9,214)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(19,075)</u>	<u>(6,220)</u>	<u>23,686</u>
Net Change in Fund Balances	(8,461)	(9,324)	(19,075)	29,863	15,574
FUND BALANCES - BEGINNING	<u>8,461</u>	<u>36,730</u>	<u>19,075</u>	<u>2,691</u>	<u>4,290</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 27,406</u>	<u>\$ -</u>	<u>\$ 32,554</u>	<u>\$ 19,864</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	27,406	-	32,554	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Employee Recognition	-	-	-	-	-
Aid and Assistance	-	-	-	-	19,864
County Buildings	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weed	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 27,406</u>	<u>\$ -</u>	<u>\$ 32,554</u>	<u>\$ 19,864</u>

(Continued)

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

For the Year Ended June 30, 2013

	Employee Recognition Fund	Lottery Fund	E-911 Fund	911 Enhanced Wireless Service Fund	Range Management Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 81,069	\$ 91,072	\$ -
Interest	-	216	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	7,385	133,605	-	-	1,100
TOTAL RECEIPTS	<u>7,385</u>	<u>133,821</u>	<u>81,069</u>	<u>91,072</u>	<u>1,100</u>
DISBURSEMENTS					
General Government	1,025	128,065	-	-	312
Public Safety	-	-	119,015	12,074	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>1,025</u>	<u>128,065</u>	<u>119,015</u>	<u>12,074</u>	<u>312</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>6,360</u>	<u>5,756</u>	<u>(37,946)</u>	<u>78,998</u>	<u>788</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	50,394	-	-
Transfers out	-	(55,900)	(53,000)	(50,394)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(55,900)</u>	<u>(2,606)</u>	<u>(50,394)</u>	<u>-</u>
Net Change in Fund Balances	6,360	(50,144)	(40,552)	28,604	788
FUND BALANCES - BEGINNING	<u>-</u>	<u>110,605</u>	<u>192,217</u>	<u>52,015</u>	<u>300</u>
FUND BALANCES - ENDING	<u>\$ 6,360</u>	<u>\$ 60,461</u>	<u>\$ 151,665</u>	<u>\$ 80,619</u>	<u>\$ 1,088</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	151,665	80,619	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	1,088
Employee Recognition	6,360	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	60,461	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weed	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 6,360</u>	<u>\$ 60,461</u>	<u>\$ 151,665</u>	<u>\$ 80,619</u>	<u>\$ 1,088</u>

(Continued)

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

For the Year Ended June 30, 2013

	Dispatch Fund	Building Fund	Jail Obligation Bond Fund	Courthouse Remodeling Bond Fund	Spring Creek Watershed Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 62	\$ 163,230	\$ -
Interest	-	-	-	-	-
Intergovernmental	233,750	36,032	-	10,705	-
Charges for Services	-	-	-	-	17,130
Miscellaneous	-	-	-	-	1,113
TOTAL RECEIPTS	233,750	36,032	62	173,935	18,243
DISBURSEMENTS					
General Government	-	47,604	-	-	-
Public Safety	448,590	-	-	-	6,874
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	170,000	-
Interest and Fiscal Charges	-	-	-	4,165	-
TOTAL DISBURSEMENTS	448,590	47,604	-	174,165	6,874
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(214,840)	(11,572)	62	(230)	11,369
OTHER FINANCING SOURCES (USES)					
Transfers in	320,752	11,500	-	-	-
Transfers out	(102,845)	-	(385)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	217,907	11,500	(385)	-	-
Net Change in Fund Balances	3,067	(72)	(323)	(230)	11,369
FUND BALANCES - BEGINNING	74,366	1,842	385	101,158	300,054
FUND BALANCES - ENDING	\$ 77,433	\$ 1,770	\$ 62	\$ 100,928	\$ 311,423
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	62	100,928	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	77,433	-	-	-	-
Employee Recognition	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	1,770	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	311,423
Noxious Weed	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	\$ 77,433	\$ 1,770	\$ 62	\$ 100,928	\$ 311,423

(Continued)

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

For the Year Ended June 30, 2013

	Noxious Weed Fund	Inventory Maintenance Fund	Historical Society Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 28,981	\$ 720,148
Interest	-	-	-	309
Intergovernmental	11	-	1,865	411,110
Charges for Services	90,319	125,150	-	239,637
Miscellaneous	-	38,702	-	255,597
TOTAL RECEIPTS	<u>90,330</u>	<u>163,852</u>	<u>30,846</u>	<u>1,626,801</u>
DISBURSEMENTS				
General Government	-	-	-	241,415
Public Safety	-	147,721	-	863,642
Public Works	196,866	-	-	196,866
Public Assistance	-	-	-	146,478
Culture and Recreation	-	-	31,000	210,556
Debt Service:				
Principal Payments	-	-	-	170,000
Interest and Fiscal Charges	-	-	-	4,165
TOTAL DISBURSEMENTS	<u>196,866</u>	<u>147,721</u>	<u>31,000</u>	<u>1,833,122</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(106,536)</u>	<u>16,131</u>	<u>(154)</u>	<u>(206,321)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	-	-	561,841
Transfers out	-	-	-	(306,247)
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>255,594</u>
Net Change in Fund Balances	(6,536)	16,131	(154)	49,273
FUND BALANCES - BEGINNING	<u>20,939</u>	<u>159,292</u>	<u>417</u>	<u>1,393,857</u>
FUND BALANCES - ENDING	<u>\$ 14,403</u>	<u>\$ 175,423</u>	<u>\$ 263</u>	<u>\$ 1,443,130</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	188,204
911 Emergency Services	-	-	-	232,284
Drug Education	-	-	-	18,769
Law Enforcement	-	-	-	60,444
Debt Service	-	-	-	100,990
Preservation of Records	-	-	-	7,038
Committed to:				
Law Enforcement	-	-	-	102,219
Employee Recognition	-	-	-	6,360
Aid and Assistance	-	-	-	109,069
County Buildings	-	175,423	-	177,193
Unemployment Benefits	-	-	-	54,010
Miscellaneous Projects	-	-	-	60,461
Watershed Management	-	-	-	311,423
Noxious Weed	14,403	-	-	14,403
Historical Society	-	-	263	263
TOTAL FUND BALANCES	<u>\$ 14,403</u>	<u>\$ 175,423</u>	<u>\$ 263</u>	<u>\$ 1,443,130</u>

(Concluded)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2013

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Super- intendent	Highway Super- intendent
BALANCES JULY 1, 2012	\$ 5,165	\$ 23,934	\$ 141,009	\$ 65,793	\$ 12,211	\$ 13,159	\$ -
RECEIPTS							
Licenses and Permits	6,188	-	-	-	-	-	-
Intergovernmental	-	-	-	1,410,433	-	-	-
Charges for Services	4,704	162,639	82,818	105,430	7,180	96,178	-
Miscellaneous	157,344	-	127	-	2	-	108,433
State Fees	-	220,575	71,698	-	-	-	-
Other Liabilities	-	-	651,705	611,718	22,561	-	-
TOTAL RECEIPTS	<u>168,236</u>	<u>383,214</u>	<u>806,348</u>	<u>2,127,581</u>	<u>29,743</u>	<u>96,178</u>	<u>108,433</u>
DISBURSEMENTS							
Payments to County Treasurer	166,968	160,076	84,416	1,523,349	7,685	90,319	108,433
Payments to State Treasurer	-	220,333	70,493	-	-	-	-
Other Liabilities	3,168	-	623,584	600,214	22,461	-	-
TOTAL DISBURSEMENTS	<u>170,136</u>	<u>380,409</u>	<u>778,493</u>	<u>2,123,563</u>	<u>30,146</u>	<u>90,319</u>	<u>108,433</u>
BALANCES JUNE 30, 2013	<u>\$ 3,265</u>	<u>\$ 26,739</u>	<u>\$ 168,864</u>	<u>\$ 69,811</u>	<u>\$ 11,808</u>	<u>\$ 19,018</u>	<u>\$ -</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 465	\$ 12,835	\$ 2,985	\$ 33,920	\$ 5,716	\$ 19,018	\$ -
Petty Cash	2,800	-	450	-	804	-	-
Due to State Treasurer	-	13,904	6,907	-	-	-	-
Due to Others	-	-	158,522	35,891	5,288	-	-
BALANCES JUNE 30, 2013	<u>\$ 3,265</u>	<u>\$ 26,739</u>	<u>\$ 168,864</u>	<u>\$ 69,811</u>	<u>\$ 11,808</u>	<u>\$ 19,018</u>	<u>\$ -</u>

(Continued)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2013

	Veterans' Service Officer	County Surveyor	County Child Support	County Planning and Zoning	County Handi-Bus	County CASA	Total
BALANCES JULY 1, 2012	\$ 1,822	\$ 7,780	\$ 1,119	\$ 50	\$ 459	\$ -	\$ 272,501
RECEIPTS							
Licenses and Permits	-	-	-	3,100	-	-	9,288
Intergovernmental	-	-	-	-	-	2,400	1,412,833
Charges for Services	-	28,012	-	-	4,266	-	491,227
Miscellaneous	1,001	-	-	-	-	38,450	305,357
State Fees	-	-	-	-	-	-	292,273
Other Liabilities	-	-	7,288	-	-	-	1,293,272
TOTAL RECEIPTS	<u>1,001</u>	<u>28,012</u>	<u>7,288</u>	<u>3,100</u>	<u>4,266</u>	<u>40,850</u>	<u>3,804,250</u>
DISBURSEMENTS							
Payments to County Treasurer	-	30,922	-	3,150	4,634	40,850	2,220,802
Payments to State Treasurer	-	-	-	-	-	-	290,826
Other Liabilities	1,075	-	6,907	-	-	-	1,257,409
TOTAL DISBURSEMENTS	<u>1,075</u>	<u>30,922</u>	<u>6,907</u>	<u>3,150</u>	<u>4,634</u>	<u>40,850</u>	<u>3,769,037</u>
BALANCES JUNE 30, 2013	<u>\$ 1,748</u>	<u>\$ 4,870</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 307,714</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 1,748	\$ 4,870	\$ -	\$ -	\$ 91	\$ -	\$ 81,648
Petty Cash	-	-	1,500	-	-	-	5,554
Due to State Treasurer	-	-	-	-	-	-	20,811
Due to Others	-	-	-	-	-	-	199,701
BALANCES JUNE 30, 2013	<u>\$ 1,748</u>	<u>\$ 4,870</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 307,714</u>

(Concluded)

DAWSON COUNTY
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**

June 30, 2013

Item	2008	2009	2010	2011	2012
Tax Certified by Assessor					
Real Estate	\$ 28,216,837	\$ 29,407,114	\$ 31,806,065	\$ 34,110,324	\$ 35,557,314
Personal and Specials	2,049,084	2,043,535	2,228,160	2,328,426	2,668,838
Total	<u>30,265,921</u>	<u>31,450,649</u>	<u>34,034,225</u>	<u>36,438,750</u>	<u>38,226,152</u>
Corrections					
Additions	66,238	34,521	67,948	111,986	17,873
Deductions	<u>(114,992)</u>	<u>(105,996)</u>	<u>(71,166)</u>	<u>(118,055)</u>	<u>(55,507)</u>
Net Additions/ (Deductions)	<u>(48,754)</u>	<u>(71,475)</u>	<u>(3,218)</u>	<u>(6,069)</u>	<u>(37,634)</u>
Corrected Certified Tax	<u>30,217,167</u>	<u>31,379,174</u>	<u>34,031,007</u>	<u>36,432,681</u>	<u>38,188,518</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2009	17,425,703	-	-	-	-
June 30, 2010	12,749,636	18,273,494	-	-	-
June 30, 2011	33,614	13,067,124	19,825,351	-	-
June 30, 2012	4,925	31,283	14,161,752	21,450,683	-
June 30, 2013	<u>1,575</u>	<u>3,216</u>	<u>36,477</u>	<u>14,955,590</u>	<u>23,041,233</u>
Total Net Collections	<u>30,215,453</u>	<u>31,375,117</u>	<u>34,023,580</u>	<u>36,406,273</u>	<u>23,041,233</u>
Total Uncollected Tax	<u>\$ 1,714</u>	<u>\$ 4,057</u>	<u>\$ 7,427</u>	<u>\$ 26,408</u>	<u>\$ 15,147,285</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.07%</u>	<u>39.66%</u>



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DAWSON 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
Dawson County, Nebraska

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Dawson County's basic financial statements, and have issued our report thereon dated March 18, 2014. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dawson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dawson 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not 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, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be

prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

The County offices lacked a segregation of duties, as 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 Dawson 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*.

Additional Items

We also noted certain matters that we reported to management of Dawson County in a separate letter dated March 18, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 18, 2014

 CPA
Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



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March 18, 2014

Board of Commissioners
Dawson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawson County (County) for the fiscal year ended June 30, 2013, and have issued our report thereon dated March 18, 2014. 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 lacked a segregation of duties, as 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.

Unclaimed Property

The Uniform Disposition of Unclaimed Property Act (UDUPA) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2012). Section 69-1307.01 of the UCPA states that personal property held by public entities or political subdivisions that has remained unclaimed for more than three years is presumed abandoned. Neb. Rev. Stat. § 69-1310 of the UDUPA 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 that had remained unclaimed for more than three years and had not been remitted to the State Treasurer in accordance with the UDUPA:

- County Attorney – Trust Balances totaling \$5,190.
- County Register of Deeds – 16 checks totaling \$214.
- County Board – 5 checks totaling \$117.
- County Sheriff – 8 checks totaling \$167.

We recommend all personal property, including uncashed checks and unclaimed trust balances, that remains unclaimed for more than three years be remitted to the State Treasurer in accordance with the UDUPA.

County Clerk's Response: The Register of Deeds and County Clerk have now submitted their unclaimed property to the State, checks for this have been cashed.

COUNTY BOARD

Deposit Coverage

During our audit, we noted one day in February 2013 and six days in June 2013 where the County Board bank accounts did not have adequate pledged securities to fully secure bank deposits. The uncollateralized deposits ranged from \$214,380 to \$2,695,931.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2009) states:

[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed 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 County Board is not in compliance with State statute and there is an increased risk of loss should financial institutions holding County deposits fail.

We recommend the County Board implement procedures to ensure bank accounts are adequately collateralized at all times.

County Clerk's Response: With numerous calls to the Bank, other counties, etc. I have decided that when a large treasury warrant is issued, I will call the Bank and request the amount needed over the \$895,000 already issued. I will not release the overage until the balance falls below the \$895,000.

Claim Procedures

During our testing of vendor claims, we noted the following:

- One claim for \$355 was paid twice during the fiscal year.
- Two claims lacked documentation supporting the amount paid, one for \$139 and one for \$6.
- Two credit card payments, totaling \$35, for meal purchases by the County Sheriff's office did not have itemized meal receipts.
- Five credit card payments by the County Sheriff's office for lodging, within Nebraska, included charges for sales tax totaling \$71.

Good internal controls require a process be in place to review all claims prior to approval to ensure the claims are supported with adequate documentation and to ensure claims are not duplicate payments.

When adequate supporting documentation is not obtained for all claims, there is an increased risk that County funds will be lost or misused.

We recommend the County Board establish policies and procedures to ensure all claims contain proper supporting documentation and to prevent payment of sales tax on lodging within the State of Nebraska.

COUNTY REGISTER OF DEEDS

Restrictive Endorsement of Checks

During our audit, we noted the County Register of Deeds did not restrictively endorse checks immediately when received.

Good internal control requires checks be restrictively endorsed immediately upon receipt. When checks are not restrictively endorsed at the time of receipt, there is an increased risk for loss or misuse of funds.

We recommend the County Register of Deeds restrictively endorse each check immediately upon receipt.

COUNTY SHERIFF

Balancing Procedures

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

During our audit, we noted the following:

- The inmate trust bank account was not reconciled on a monthly basis and indicated a negative book balance of \$3,388 as of June 30, 2013. The variance appears to be due to the failure to void or clear certain transaction amounts on the books. For example, when duplicate checks were written, the original check was not voided. Due to the inaccuracy of the listing of uncleared transactions for this account, it was not possible to perform an accurate reconciliation of this bank account.
- For the inmate trust account, a list of individuals was unattainable to show individual trust balances at the end of the June 30 audit period.

Failure to complete monthly balancing procedures, including identifying and resolving asset-to-liability balancing variances, increases risk of loss, theft, or misuse of funds, and allows errors to go undetected more easily.

We recommend the County Sheriff implement documented monthly balancing procedures and follow up on all unexplained variances in a timely manner; amounts determined to be excess or unknown balances should be remitted to the County General Fund.

Petty Cash Funds

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states:

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.

We noted the County Sheriff was not reconciling the petty cash funds maintained back to the authorized amount. Additionally, based on the amount of cash on hand in the County Sheriff's Office, it appears the petty cash funds authorized by the County Board were not correctly established.

When petty cash funds are not properly established and reconciled to the authorized amount, there is an increased risk of loss, theft, or misuse of County funds.

We recommend the County Sheriff reconcile the petty cash funds maintained back to the authorized amount. We also recommend the County Sheriff and County Board review the amount of the petty cash fund authorized and ensure the amount accurately reflects the activity and amounts needed.

* * * * *

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 management with 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 they 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 it 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,



Deann Haeffner
Assistant Deputy Auditor