

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2013, THROUGH JUNE 30, 2014

**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 December 30, 2014

SAUNDERS COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Fiduciary Assets and Liabilities - Cash Basis - Fiduciary Funds	9
Notes to Financial Statements	10 - 20
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	21 - 22
Budgetary Comparison Schedule - Budget and Actual - Major Funds	23 - 24
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	25 - 30
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	31 - 35
Schedule of Office Activities	36 - 37
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	38
Government Auditing Standards Section	
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>	39 - 40

SAUNDERS COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2014

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Craig Breunig	Board of Supervisors	Jan. 2015
Leroy Hanson		Jan. 2015
Doris Karloff		Jan. 2017
Dave Lutton		Jan. 2015
Darren Martin		Jan. 2015
Ed Rastovski		Jan. 2017
Scott Sukstorf		Jan. 2017
Cathy Gusman	Assessor	Jan. 2015
Scott Tingelhoff	Attorney	Jan. 2015
Patti Lindgren	Clerk Election Commissioner	Jan. 2015
Don Clark	Register of Deeds	Jan. 2015
Patty McEvoy	Clerk of the District Court	Jan. 2015
Kevin Stukenholtz	Sheriff	Jan. 2015
Patricia Hunter	Treasurer	Jan. 2015
Herbert Barnes	Veterans' Service Officer	Appointed
Ed Sladky	Weed Superintendent	Appointed
Steve Mika	Highway Superintendent	Appointed
George Borreson	Planning / Zoning	Appointed
Jerry Charles	Surveyor	Appointed
Pamela Lausterer	Youth Services	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

SAUNDERS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Saunders 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 Saunders County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the County’s legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County’s primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Saunders County, as of June 30, 2014, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Saunders County, as of June 30, 2014, 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, which 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.

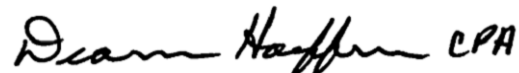
The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, Pages 21 - 38, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records 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, which 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 December 23, 2014, on our consideration of Saunders County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Saunders County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

December 23, 2014

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2014

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 14,160,237
TOTAL ASSETS	\$ 14,160,237
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 12,072
911 Emergency Services	271,783
Drug Education	2,049
Preservation of Records	6,150
Debt Service	3,296,032
Unrestricted	10,572,151
TOTAL NET POSITION	\$ 14,160,237

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

SAUNDERS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2014

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
Governmental Activities:				
General Government	\$ (5,225,525)	\$ 772,060	\$ 222,461	\$ (4,231,004)
Public Safety	(4,759,997)	2,094,202	102,027	(2,563,768)
Public Works	(7,944,809)	670,064	3,927,410	(3,347,335)
Public Assistance	(243,440)	3,236	73,825	(166,379)
Culture and Recreation	(40,155)	-	-	(40,155)
Debt Payments	(3,884,515)	-	-	(3,884,515)
Total Governmental Activities	<u><u>\$ (22,098,441)</u></u>	<u><u>\$ 3,539,562</u></u>	<u><u>\$ 4,325,723</u></u>	<u><u>(14,233,156)</u></u>

General Receipts:

Property Taxes	10,299,180
Grants and Contributions Not Restricted to Specific Programs	1,371,168
Investment Income	46,385
Licenses and Permits	201,706
Miscellaneous	1,878,242
Total General Receipts	<u><u>13,796,681</u></u>
Increase in Net Position	(436,475)
Net Position - Beginning of year	14,596,712
Net Position - End of year	<u><u>\$ 14,160,237</u></u>

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
 June 30, 2014

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 2,411,054	\$ 3,537,194	\$ 2,571,607	\$ 3,061,967	\$ 2,578,415	\$ 14,160,237
TOTAL ASSETS	<u>\$ 2,411,054</u>	<u>\$ 3,537,194</u>	<u>\$ 2,571,607</u>	<u>\$ 3,061,967</u>	<u>\$ 2,578,415</u>	<u>\$ 14,160,237</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	12,072	12,072
911 Emergency Services	-	-	-	-	271,783	271,783
Drug Education	-	-	-	-	2,049	2,049
Preservation of Records	-	-	-	-	6,150	6,150
Debt Service	-	-	-	3,061,967	234,065	3,296,032
Committed to:						
Law Enforcement	-	-	-	-	119,099	119,099
Road Maintenance	-	3,537,194	-	-	706,398	4,243,592
Aid and Assistance	-	-	-	-	127,627	127,627
County Buildings	-	-	-	-	632,144	632,144
Child Support Enforcement	-	-	-	-	54,004	54,004
Emergency Services	-	-	-	-	408,102	408,102
Youth Camp	-	-	-	-	4,922	4,922
Assigned to:						
Other Purposes	-	-	2,571,607	-	-	2,571,607
Unassigned	2,411,054	-	-	-	-	2,411,054
TOTAL CASH BASIS FUND BALANCES	<u>\$ 2,411,054</u>	<u>\$ 3,537,194</u>	<u>\$ 2,571,607</u>	<u>\$ 3,061,967</u>	<u>\$ 2,578,415</u>	<u>\$ 14,160,237</u>

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

SAUNDERS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$8,581,837	\$ -	\$ 917,433	\$ 2	\$ 799,908	\$ 10,299,180
Licenses and Permits	71,641	108,065	-	-	22,000	201,706
Interest	30,889	-	-	13,602	1,894	46,385
Intergovernmental	849,420	2,874,925	-	68	1,972,478	5,696,891
Charges for Services	2,812,696	670,064	-	-	56,802	3,539,562
Miscellaneous	119,952	236,568	-	1,320,000	201,722	1,878,242
TOTAL RECEIPTS	<u>12,466,435</u>	<u>3,889,622</u>	<u>917,433</u>	<u>1,333,672</u>	<u>3,054,804</u>	<u>21,661,966</u>
DISBURSEMENTS						
General Government	4,949,304	-	-	-	276,221	5,225,525
Public Safety	4,199,219	-	-	-	560,778	4,759,997
Public Works	97,028	6,577,781	-	-	1,270,000	7,944,809
Public Assistance	171,824	-	-	-	71,616	243,440
Culture and Recreation	22,000	-	-	-	18,155	40,155
Debt Service:						
Principal Payments	-	-	-	2,141,292	752,962	2,894,254
Interest and Fiscal Charges	-	-	-	760,629	229,632	990,261
TOTAL DISBURSEMENTS	<u>9,439,375</u>	<u>6,577,781</u>	<u>-</u>	<u>2,901,921</u>	<u>3,179,364</u>	<u>22,098,441</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,027,060</u>	<u>(2,688,159)</u>	<u>917,433</u>	<u>(1,568,249)</u>	<u>(124,560)</u>	<u>(436,475)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,614	3,376,878	-	-	546,410	3,925,902
Transfers out	(2,923,288)	-	(1,000,000)	-	(2,614)	(3,925,902)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,920,674)</u>	<u>3,376,878</u>	<u>(1,000,000)</u>	<u>-</u>	<u>543,796</u>	<u>-</u>
Net Change in Fund Balances	106,386	688,719	(82,567)	(1,568,249)	419,236	(436,475)
CASH BASIS FUND BALANCES - BEGINNING	<u>2,304,668</u>	<u>2,848,475</u>	<u>2,654,174</u>	<u>4,630,216</u>	<u>2,159,179</u>	<u>14,596,712</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$2,411,054</u>	<u>\$3,537,194</u>	<u>\$ 2,571,607</u>	<u>\$3,061,967</u>	<u>\$ 2,578,415</u>	<u>\$ 14,160,237</u>

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

SAUNDERS COUNTY
**STATEMENT OF FIDUCIARY ASSETS AND
 LIABILITIES - CASH BASIS**
FIDUCIARY FUNDS
 June 30, 2014

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 4,667,693
 LIABILITIES	
Due to other governments	
State	397,985
Schools	2,933,361
Educational Service Units	6,037
Technical College	25,522
Natural Resource Districts	18,931
Fire Districts	19,961
Municipalities	95,128
Agricultural Society	2,804
Drainage Districts	33,330
Townships	16,487
Sanitary and Improvement Districts	572,495
Others	545,652
TOTAL LIABILITIES	4,667,693
 TOTAL NET ASSETS	 \$ -

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Saunders County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by 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.

Component Unit. These financial statements present the County (the primary government). The Saunders County Medical Center Hospital (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with governmental Generally Accepted Accounting Principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

Joint Organization.

Behavioral Health Region V – The County has entered into an agreement with surrounding counties and the Nebraska 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$92,446 toward the operation of the Region during fiscal year 2014. 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 Three Rivers 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. 2014).

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 2014. 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 audited in accordance with Neb. Rev. Stat. § 84-304(4) (Reissue 2014). 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, and the Hospital. Internal activities in these statements were considered immaterial and have not been eliminated. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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.

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

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

The County reports the following additional 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Agency Funds. These funds account for assets held by the County as an agent for various local governments.

Debt Service Fund. The Law Enforcement Center and Jail 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 follows:

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$3,588,086 of restricted net position, of which \$292,054 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.

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.

Excess of Disbursements Over Appropriations. For the year ended June 30, 2014, disbursements exceeded budgeted appropriations in the Diversion Program Fund by \$6,914 and in the Law Enforcement and Jail Bond Fund by \$104,051. These over-expenditures were funded by the available fund balance in the General Fund.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 \$14,160,237 for County funds and \$4,667,693 for Fiduciary funds. The bank balances for all funds totaled \$18,711,580. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2014, 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.

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 2013, for the 2013 taxes, which were materially collected in May and September 2014, was set at \$.29004/\$100 of assessed valuation. The levy set in October 2012, for the 2012 taxes, which were materially collected in May and September 2013, was set at \$.30336/\$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 (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, Cum. Supp. 2014) and may be amended through legislative action.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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.

For the year ended June 30, 2014, 188 employees contributed \$298,247, and the County contributed \$443,309. Contributions included \$8,107 in cash contributions towards the supplemental law enforcement plan for 19 law enforcement employees. Lastly, the County paid \$1,152 directly to 10 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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' 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 2015. 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, 2014, consisted of the following:

<u>Transfers to</u>	General Fund	Inheritance Fund	Nonmajor Funds	Total
Public Works Fund	\$ 2,376,878	\$ 1,000,000	\$ -	\$ 3,376,878
General Fund	-	-	2,614	2,614
Nonmajor Funds	546,410	-	-	546,410
Total	\$ 2,923,288	\$ 1,000,000	\$ 2,614	\$ 3,925,902

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. Capital Leases Payable

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

	Snogo Snowblower
Balance July 1, 2013	\$ 39,713
Purchases	-
Payments	19,336
Balance June 30, 2014	\$ 20,377
 Future Payments:	
Year	
2015	\$ 21,472
Total Payments	21,472
Less Interest	1,095
Present Value of Future Minimum Lease Payments	\$ 20,377
Carrying Value of the Related Fixed Asset	\$ 92,000

8. 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.

9. Long-Term Debt

Hospital Bonds. The County issued bonds in November 2005 in the amount of \$9,400,000 and in January 2006 in the amount of \$12,740,000 – a total of \$22,140,000 for the purpose of paying the costs of acquiring a site and constructing and equipping a new hospital clinic and long-term care facility. During fiscal year 2012 and fiscal year 2014, the County Board partially refinanced both these bonds. The bond payable balance, as of June 30, 2014, was \$17,585,000. 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, as well as proceeds from the hospital clinic and long-term care facility will be used to pay off the bonds. Complete financial statements of the facility can be obtained from its administrative office.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Long-Term Debt (Concluded)

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 700,000	\$ 404,307	\$ 1,104,307
2016	700,000	401,020	1,101,020
2017	705,000	396,465	1,101,465
2018	725,000	390,265	1,115,265
2019	775,000	381,714	1,156,714
2020-2024	4,065,000	1,693,925	5,758,925
2025-2029	4,575,000	1,175,419	5,750,419
2030-2034	3,730,000	552,438	4,282,438
2035-2036	1,610,000	59,010	1,669,010
Total Payments	<u><u>\$ 17,585,000</u></u>	<u><u>\$ 5,454,563</u></u>	<u><u>\$ 23,039,563</u></u>

Law Enforcement Center Bonds. The County issued bonds in December 2006 in the amount of \$7,990,000 and in January 2007 in the amount of \$5,000,000 – a total of \$12,990,000 for the purpose of paying the costs of acquiring a site and constructing and equipping a new law enforcement facility. During fiscal year 2012, the Board partially refinanced both of these bonds. The bond payable balance, as of June 30, 2014, was \$10,950,000. 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:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 780,000	\$ 227,335	\$ 1,007,335
2016	765,000	221,349	986,349
2017	785,000	213,393	998,393
2018	790,000	203,357	993,357
2019	795,000	191,092	986,092
2020-2024	4,225,000	687,583	4,912,583
2025-2027	2,810,000	127,841	1,982,841
Total Payments	<u><u>\$ 10,950,000</u></u>	<u><u>\$ 1,871,950</u></u>	<u><u>\$ 12,821,950</u></u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$9,240,474	\$9,240,474	\$8,581,837	\$ (658,637)
Licenses and Permits	83,200	83,200	71,641	(11,559)
Interest	45,000	45,000	30,889	(14,111)
Intergovernmental	316,919	316,919	849,420	532,501
Charges for Services	2,427,242	2,427,242	2,812,696	385,454
Miscellaneous	47,879	47,879	119,952	72,073
TOTAL RECEIPTS	12,160,714	12,160,714	12,466,435	305,721
DISBURSEMENTS				
General Government:				
County Board	179,880	179,880	179,818	62
County Clerk	166,083	166,083	165,582	501
County Treasurer	309,915	309,915	300,127	9,788
Register of Deeds	113,964	113,964	113,879	85
County Assessor	352,594	380,240	349,754	30,486
Election Commissioner	105,757	105,757	99,919	5,838
Administrative	31,200	31,200	13,478	17,722
Board of Equalization	7,900	7,900	6,603	1,297
Clerk of the District Court	108,509	108,509	107,560	949
District Judge	43,295	43,295	43,218	77
Public Defender	205,111	205,111	195,569	9,542
Agricultural Extension Agent	89,262	89,262	89,259	3
Child Support Service - CDC	34,756	34,756	32,259	2,497
Child Support Service - Attorney	163,898	163,898	163,896	2
Unemployment Compensation	25,000	25,000	12,763	12,237
Miscellaneous	3,697,001	3,639,799	3,075,620	564,179
Public Safety				
County Sheriff	1,368,140	1,368,140	1,323,951	44,189
County Attorney	352,440	352,440	335,475	16,965
Building Security	95,801	109,368	108,418	950
County Jail	2,100,985	2,100,985	1,913,249	187,736
Truancy Program	13,103	29,092	29,091	1
Sheriff Grants	28,380	28,380	14,351	14,029
Dodge County Jail Agreement	396,933	396,933	359,037	37,896
Miscellaneous	114,775	114,775	115,647	(872)
Public Works				
County Surveyor	97,351	97,351	97,028	323
Public Health				
Public Assistance				
Veterans' Service Officer	50,052	50,052	49,767	285
Institutions	36,500	36,500	4,617	31,883
Medical Relief	35,000	35,000	21,449	13,551
Miscellaneous	112,679	112,679	95,991	16,688
Culture and Recreation				
Miscellaneous	22,000	22,000	22,000	-
TOTAL DISBURSEMENTS	10,458,264	10,458,264	9,439,375	1,018,889
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,702,450	1,702,450	3,027,060	1,324,610

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,614	2,614
Transfers out	<u>(2,707,118)</u>	<u>(2,707,118)</u>	<u>(2,923,288)</u>	<u>(216,170)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,707,118)</u>	<u>(2,707,118)</u>	<u>(2,920,674)</u>	<u>(213,556)</u>
Net Change in Fund Balance	(1,004,668)	(1,004,668)	106,386	1,111,054
FUND BALANCE - BEGINNING	2,304,668	2,304,668	2,304,668	-
FUND BALANCE - ENDING	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 2,411,054</u>	<u>\$ 1,111,054</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC WORKS FUND				
RECEIPTS				
Licenses and Permits	\$ 80,000	\$ 80,000	\$ 108,065	\$ 28,065
Intergovernmental	1,950,000	1,950,000	2,874,925	924,925
Charges for Services	500	500	670,064	669,564
Miscellaneous	15,000	15,000	236,568	221,568
TOTAL RECEIPTS	2,045,500	2,045,500	3,889,622	1,844,122
DISBURSEMENTS	8,252,893	8,252,893	6,577,781	1,675,112
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(6,207,393)	(6,207,393)	(2,688,159)	3,519,234
OTHER FINANCING SOURCES (USES)				
Transfers in	3,358,918	3,358,918	3,376,878	17,960
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,358,918	3,358,918	3,376,878	17,960
Net Change in Fund Balance	(2,848,475)	(2,848,475)	688,719	3,537,194
FUND BALANCE - BEGINNING	2,848,475	2,848,475	2,848,475	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,537,194	\$ 3,537,194
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 302,501	\$ 302,501	\$ 917,433	\$ 614,932
TOTAL RECEIPTS	302,501	302,501	917,433	614,932
DISBURSEMENTS	1,956,675	1,956,675	-	1,956,675
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,654,174)	(1,654,174)	917,433	2,571,607
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,000,000)	(1,000,000)	(1,000,000)	-
Net Change in Fund Balance	(2,654,174)	(2,654,174)	(82,567)	2,571,607
FUND BALANCE - BEGINNING	2,654,174	2,654,174	2,654,174	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,571,607	\$ 2,571,607

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HEALTH SERVICES BOND FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 2	\$ 2
Interest	50,001	50,001	13,602	(36,399)
Intergovernmental	-	-	68	68
Miscellaneous	1,380,000	1,380,000	1,320,000	(60,000)
TOTAL RECEIPTS	<u>1,430,001</u>	<u>1,430,001</u>	<u>1,333,672</u>	<u>(96,329)</u>
DISBURSEMENTS	<u>6,060,217</u>	<u>6,060,217</u>	<u>2,901,921</u>	<u>3,158,296</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,630,216)</u>	<u>(4,630,216)</u>	<u>(1,568,249)</u>	<u>3,061,967</u>
Net Change in Fund Balance	(4,630,216)	(4,630,216)	(1,568,249)	3,061,967
FUND BALANCE - BEGINNING	4,630,216	4,630,216	4,630,216	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,061,967</u>	<u>\$ 3,061,967</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD / BRIDGE SINKING FUND				
Disbursements	\$ 191,979	\$ 191,979	\$ -	\$ 191,979
Transfers in	126,963	126,963	126,963	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(65,016)	(65,016)	126,963	191,979
Fund Balance - Beginning	65,016	65,016	65,016	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,979</u>	<u>\$ 191,979</u>
COMMUNICATION TOWER FUND				
Receipts	\$ 17,001	\$ 17,001	\$ 23,648	\$ 6,647
Disbursements	37,865	37,865	27,989	9,876
Net Change in Fund Balance	(20,864)	(20,864)	(4,341)	16,523
Fund Balance - Beginning	20,864	20,864	20,864	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,523</u>	<u>\$ 16,523</u>
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 1,000	\$ 1,000	\$ 32,665	\$ 31,665
Disbursements	29,606	29,606	7,267	22,339
Net Change in Fund Balance	(28,606)	(28,606)	25,398	54,004
Fund Balance - Beginning	28,606	28,606	28,606	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,004</u>	<u>\$ 54,004</u>
VISITOR PROMOTION FUND				
Receipts	\$ 8,000	\$ 8,000	\$ 9,028	\$ 1,028
Disbursements	9,780	9,780	5,990	3,790
Net Change in Fund Balance	(1,780)	(1,780)	3,038	4,818
Fund Balance - Beginning	1,780	1,780	1,780	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,818</u>	<u>\$ 4,818</u>
VISITOR IMPROVEMENT FUND				
Receipts	\$ 8,000	\$ 8,000	\$ 9,029	\$ 1,029
Disbursements	10,425	10,425	4,200	6,225
Net Change in Fund Balance	(2,425)	(2,425)	4,829	7,254
Fund Balance - Beginning	2,425	2,425	2,425	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,254</u>	<u>\$ 7,254</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 20,437	\$ 20,437	\$ 18,672	\$ (1,765)
Disbursements	25,000	25,000	17,085	7,915
Net Change in Fund Balance	(4,563)	(4,563)	1,587	6,150
Fund Balance - Beginning	4,563	4,563	4,563	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,150</u>	<u>\$ 6,150</u>
VETERANS' RELIEF FUND				
Receipts	\$ 601	\$ 601	\$ 340	\$ (261)
Disbursements	97,700	97,700	-	97,700
Net Change in Fund Balance	(97,099)	(97,099)	340	97,439
Fund Balance - Beginning	97,099	97,099	97,099	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,439</u>	<u>\$ 97,439</u>
TRANSPORTATION FUND				
Receipts	\$ 54,801	\$ 54,801	\$ 65,438	\$ 10,637
Disbursements	82,468	82,468	71,616	10,852
Transfers in	5,740	5,740	5,740	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(21,927)	(21,927)	(438)	21,489
Fund Balance - Beginning	21,927	21,927	21,927	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,489</u>	<u>\$ 21,489</u>
COURT APPOINTED SPECIAL ADVOCATE FUND				
Receipts	\$ 31,966	\$ 31,966	\$ 32,958	\$ 992
Disbursements	42,403	42,403	34,696	7,707
Transfers in	10,000	10,000	10,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(437)	(437)	8,262	8,699
Fund Balance - Beginning	437	437	437	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,699</u>	<u>\$ 8,699</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>DIVERSION PROGRAM FUND</u>				
Receipts	\$ 6,800	\$ 6,800	\$ 6,403	\$ (397)
Disbursements	94,656	95,225	99,525	(4,300)
Transfers in	81,220	81,220	89,430	8,210
Transfers out	-	-	(2,614)	(2,614)
Net Change in Fund Balance	(6,636)	(7,205)	(6,306)	899
Fund Balance - Beginning	6,636	6,636	6,636	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (569)</u>	<u>\$ 330</u>	<u>\$ 899</u>

**SAFETY TRAINING OPTION PROGRAM
FUND**

Receipts	\$ 12,550	\$ 12,550	\$ 8,506	\$ (4,044)
Disbursements	49,079	49,079	9,001	40,078
Net Change in Fund Balance	(36,529)	(36,529)	(495)	36,034
Fund Balance - Beginning	36,529	36,529	36,529	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,034</u>	<u>\$ 36,034</u>

**DRUG LAW ENFORCEMENT AND
EDUCATION FUND**

Receipts	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
Disbursements	5,849	5,849	-	5,849
Net Change in Fund Balance	(2,049)	(2,049)	-	2,049
Fund Balance - Beginning	2,049	2,049	2,049	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 2,049</u>

DRUG TESTING FUND

Receipts	\$ 301	\$ 301	\$ -	\$ (301)
Disbursements	764	764	454	310
Net Change in Fund Balance	(463)	(463)	(454)	9
Fund Balance - Beginning	463	463	463	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

FEDERAL DRUG ENFORCEMENT FUND

Receipts	\$ 9,501	\$ 9,501	\$ -	\$ (9,501)
Disbursements	11,607	11,607	-	11,607
Net Change in Fund Balance	(2,106)	(2,106)	-	2,106
Fund Balance - Beginning	2,106	2,106	2,106	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 2,106</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CANINE (K-9) FUND				
Receipts	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Disbursements	20,000	20,000	-	20,000
Net Change in Fund Balance	(5,000)	(5,000)	-	5,000
Fund Balance - Beginning	5,000	5,000	5,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
FEDERAL GRANT FUND				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	10,000	10,000	-	10,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 40,001	\$ 40,001	\$ 64,508	\$ 24,507
Disbursements	181,106	181,106	96,030	85,076
Net Change in Fund Balance	(141,105)	(141,105)	(31,522)	109,583
Fund Balance - Beginning	141,105	141,105	141,105	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,583</u>	<u>\$ 109,583</u>
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 21,000	\$ 21,000	\$ 26,397	\$ 5,397
Disbursements	57,900	57,900	48,962	8,938
Transfers in	28,506	28,506	28,506	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(8,394)	(8,394)	5,941	14,335
Fund Balance - Beginning	8,394	8,394	8,394	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,335</u>	<u>\$ 14,335</u>
CORRECTIONAL CENTER COMMISSARY FUND				
Receipts	\$ 215,000	\$ 215,000	\$ 185,906	\$ (29,094)
Disbursements	253,660	253,660	165,469	88,191
Net Change in Fund Balance	(38,660)	(38,660)	20,437	59,097
Fund Balance - Beginning	38,660	38,660	38,660	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,097</u>	<u>\$ 59,097</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT & JAIL BOND FUND				
Receipts	\$ 537,750	\$ 537,750	\$ 535,866	\$ (1,884)
Disbursements	878,543	878,543	982,594	(104,051)
Transfers in	-	-	190,000	190,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(340,793)	(340,793)	(256,728)	84,065
Fund Balance - Beginning	490,793	490,793	490,793	-
Fund Balance - Ending	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 234,065</u>	<u>\$ 84,065</u>
COUNTY BUILDING FUND				
Receipts	\$ 72,451	\$ 72,451	\$ 73,975	\$ 1,524
Disbursements	819,804	819,804	189,184	630,620
Transfers in	95,771	95,771	95,771	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(651,582)	(651,582)	(19,438)	632,144
Fund Balance - Beginning	651,582	651,582	651,582	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,144</u>	<u>\$ 632,144</u>
FLOOD CONTROL FUND				
Receipts	\$ 76,764	\$ 76,764	\$ 78,341	\$ 1,577
Disbursements	392,190	392,190	-	392,190
Net Change in Fund Balance	(315,426)	(315,426)	78,341	393,767
Fund Balance - Beginning	315,426	315,426	315,426	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,767</u>	<u>\$ 393,767</u>
YOUTH CAMP FUND				
Receipts	\$ 7,011	\$ 7,011	\$ 3,513	\$ (3,498)
Disbursements	16,385	16,385	7,965	8,420
Net Change in Fund Balance	(9,374)	(9,374)	(4,452)	4,922
Fund Balance - Beginning	9,374	9,374	9,374	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,922</u>	<u>\$ 4,922</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>E911 EMERGENCY SERVICES FUND</u>				
Receipts	\$ 84,901	\$ 84,901	\$ 95,192	\$ 10,291
Disbursements	293,246	293,246	141,337	151,909
Net Change in Fund Balance	(208,345)	(208,345)	(46,145)	162,200
Fund Balance - Beginning	208,345	208,345	208,345	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,200</u>	<u>\$ 162,200</u>
<u>HIGHWAY BRIDGE BUYBACK FUND</u>				
Receipts	\$ 477,978	\$ 477,978	\$ 514,419	\$ 36,441
Disbursements	477,978	477,978	-	477,978
Net Change in Fund Balance	-	-	514,419	514,419
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,419</u>	<u>\$ 514,419</u>
<u>NRD LAKE WANAHOO PROJECT FUND</u>				
Receipts	\$ 1,500,000	\$ 1,500,000	\$ 1,270,000	\$ (230,000)
Disbursements	1,500,000	1,500,000	1,270,000	230,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Road / Bridge Sinking Fund	Communication Tower Fund	Child Support Incentive Fund	Visitor Promotion Fund	Visitor Improvement Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 9,028	\$ 9,029
Licenses and Permits	-	22,000	-	-	-
Interest	-	-	-	-	-
Intergovernmental	-	-	32,665	-	-
Charges for Services	-	1,648	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>23,648</u>	<u>32,665</u>	<u>9,028</u>	<u>9,029</u>
DISBURSEMENTS					
General Government	-	27,989	7,267	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	5,990	4,200
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>27,989</u>	<u>7,267</u>	<u>5,990</u>	<u>4,200</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(4,341)</u>	<u>25,398</u>	<u>3,038</u>	<u>4,829</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	126,963	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>126,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	126,963	(4,341)	25,398	3,038	4,829
FUND BALANCES - BEGINNING	<u>65,016</u>	<u>20,864</u>	<u>28,606</u>	<u>1,780</u>	<u>2,425</u>
FUND BALANCES - ENDING	<u>\$ 191,979</u>	<u>\$ 16,523</u>	<u>\$ 54,004</u>	<u>\$ 4,818</u>	<u>\$ 7,254</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	4,818	7,254
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed to:					
Law Enforcement	-	16,523	-	-	-
Road Maintenance	191,979	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Child Support Enforcement	-	-	54,004	-	-
Emergency Services	-	-	-	-	-
Youth Camp	-	-	-	-	-
Assigned to:					
TOTAL FUND BALANCES	<u>\$ 191,979</u>	<u>\$ 16,523</u>	<u>\$ 54,004</u>	<u>\$ 4,818</u>	<u>\$ 7,254</u>

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

For the Year Ended June 30, 2014

	Register of Deeds Preservation & Modernization Fund	Veterans' Relief Fund	Transportation Fund	Court Appointed Special Advocate Fund	Diversion Program Fund	Safety Training Option Program Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Interest	-	340	-	-	-	36
Intergovernmental	-	-	55,775	29,844	-	-
Charges for Services	18,672	-	3,236	-	6,400	8,470
Miscellaneous	-	-	6,427	3,114	3	-
TOTAL RECEIPTS	18,672	340	65,438	32,958	6,403	8,506
DISBURSEMENTS						
General Government	17,085	-	-	34,696	-	-
Public Safety	-	-	-	-	99,525	9,001
Public Works	-	-	-	-	-	-
Public Assistance	-	-	71,616	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	17,085	-	71,616	34,696	99,525	9,001
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,587	340	(6,178)	(1,738)	(93,122)	(495)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	5,740	10,000	89,430	-
Transfers out	-	-	-	-	(2,614)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	5,740	10,000	86,816	-
Net Change in Fund Balances	1,587	340	(438)	8,262	(6,306)	(495)
FUND BALANCES - BEGINNING	4,563	97,099	21,927	437	6,636	36,529
FUND BALANCES - ENDING	\$ 6,150	\$ 97,439	\$ 21,489	\$ 8,699	\$ 330	\$ 36,034
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Preservation of Records	6,150	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	330	36,034
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	97,439	21,489	8,699	-	-
County Buildings	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
Assigned to:						
TOTAL FUND BALANCES	\$ 6,150	\$ 97,439	\$ 21,489	\$ 8,699	\$ 330	\$ 36,034

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Drug Law Enforcement and Education Fund	Drug Testing Fund	Federal Drug Enforcement Fund	Canine (K-9) Fund	Federal Grant Fund	911 Wireless Service Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,388
Licenses and Permits	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	1,120
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,508</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	454	-	-	-	96,030
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,030</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(454)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,522)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(454)	-	-	-	(31,522)
FUND BALANCES - BEGINNING	<u>2,049</u>	<u>463</u>	<u>2,106</u>	<u>5,000</u>	<u>-</u>	<u>141,105</u>
FUND BALANCES - ENDING	<u>\$ 2,049</u>	<u>\$ 9</u>	<u>\$ 2,106</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 109,583</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	109,583
Drug Education	2,049	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	9	2,106	5,000	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
Assigned to:						
TOTAL FUND BALANCES	<u>\$ 2,049</u>	<u>\$ 9</u>	<u>\$ 2,106</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 109,583</u>

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement & Jail Bond Fund	County Building Fund	Flood Control Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 501,261	\$ 68,635	\$ 73,391
Licenses and Permits	-	-	-	-	-
Interest	-	-	820	695	-
Intergovernmental	26,397	-	33,785	4,643	4,950
Charges for Services	-	-	-	-	-
Miscellaneous	-	185,906	-	2	-
TOTAL RECEIPTS	<u>26,397</u>	<u>185,906</u>	<u>535,866</u>	<u>73,975</u>	<u>78,341</u>
DISBURSEMENTS					
General Government	-	-	-	189,184	-
Public Safety	48,962	165,469	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	752,962	-	-
Interest and Fiscal Charges	-	-	229,632	-	-
TOTAL DISBURSEMENTS	<u>48,962</u>	<u>165,469</u>	<u>982,594</u>	<u>189,184</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(22,565)</u>	<u>20,437</u>	<u>(446,728)</u>	<u>(115,209)</u>	<u>78,341</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	28,506	-	190,000	95,771	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>28,506</u>	<u>-</u>	<u>190,000</u>	<u>95,771</u>	<u>-</u>
Net Change in Fund Balances	5,941	20,437	(256,728)	(19,438)	78,341
FUND BALANCES - BEGINNING	<u>8,394</u>	<u>38,660</u>	<u>490,793</u>	<u>651,582</u>	<u>315,426</u>
FUND BALANCES - ENDING	<u>\$ 14,335</u>	<u>\$ 59,097</u>	<u>\$ 234,065</u>	<u>\$ 632,144</u>	<u>\$ 393,767</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Debt Service	-	-	234,065	-	-
Committed to:					
Law Enforcement	-	59,097	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	632,144	-
Child Support Enforcement	-	-	-	-	-
Emergency Services	14,335	-	-	-	393,767
Youth Camp	-	-	-	-	-
Assigned to:					
TOTAL FUND BALANCES	<u>\$ 14,335</u>	<u>\$ 59,097</u>	<u>\$ 234,065</u>	<u>\$ 632,144</u>	<u>\$ 393,767</u>

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Youth Camp Fund	E911 Emergency Services Fund	Highway Bridge Buyback Fund	NRD Lake Wanahoo Project Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ 75,176	\$ -	\$ -	\$ 799,908
Licenses and Permits	-	-	-	-	22,000
Interest	3	-	-	-	1,894
Intergovernmental	-	-	514,419	1,270,000	1,972,478
Charges for Services	-	18,376	-	-	56,802
Miscellaneous	3,510	1,640	-	-	201,722
TOTAL RECEIPTS	3,513	95,192	514,419	1,270,000	3,054,804
DISBURSEMENTS					
General Government	-	-	-	-	276,221
Public Safety	-	141,337	-	-	560,778
Public Works	-	-	-	1,270,000	1,270,000
Public Assistance	-	-	-	-	71,616
Culture and Recreation	7,965	-	-	-	18,155
Debt Service:					-
Principal Payments	-	-	-	-	752,962
Interest and Fiscal Charges	-	-	-	-	229,632
TOTAL DISBURSEMENTS	7,965	141,337	-	1,270,000	3,179,364
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,452)	(46,145)	514,419	-	(124,560)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	546,410
Transfers out	-	-	-	-	(2,614)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	543,796
Net Change in Fund Balances	(4,452)	(46,145)	514,419	-	419,236
FUND BALANCES - BEGINNING	9,374	208,345	-	-	2,159,179
FUND BALANCES - ENDING	\$4,922	\$ 162,200	\$514,419	\$ -	\$ 2,578,415
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	12,072
911 Emergency Services	-	162,200	-	-	271,783
Drug Education	-	-	-	-	2,049
Preservation of Records	-	-	-	-	6,150
Road Maintenance	-	-	-	-	-
Debt Service	-	-	-	-	234,065
Committed to:					
Law Enforcement	-	-	-	-	119,099
Road Maintenance	-	-	514,419	-	706,398
Aid and Assistance	-	-	-	-	127,627
County Buildings	-	-	-	-	632,144
Child Support Enforcement	-	-	-	-	54,004
Emergency Services	-	-	-	-	408,102
Youth Camp	4,922	-	-	-	4,922
Assigned to:					
TOTAL FUND BALANCES	\$4,922	\$ 162,200	\$514,419	\$ -	\$ 2,578,415

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2014

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2013	\$ 14,329	\$ 30,409	\$ 104,729	\$ 38,828	\$ 1,615	\$ -	\$ 100
RECEIPTS							
Property Taxes	9,573	-	-	65,421	-	-	-
Licenses and Permits	6,338	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	213,330
Charges for Services	12,082	168,411	35,380	2,234,475	1,476	1,858	668,206
Miscellaneous	-	-	-	300	-	-	251,879
State Fees	70	195,818	29,159	926	-	-	-
Other Liabilities	-	-	630,447	781,818	62,466	-	-
TOTAL RECEIPTS	28,063	364,229	694,986	3,082,940	63,942	1,858	1,133,415
DISBURSEMENTS							
Payments to County Treasurer	29,276	169,651	35,051	2,233,601	1,456	1,858	1,133,415
Payments to State Treasurer	54	192,562	29,018	928	-	-	-
Other Liabilities	-	-	296,029	846,470	59,994	-	-
TOTAL DISBURSEMENTS	29,330	362,213	360,098	3,080,999	61,450	1,858	1,133,415
BALANCES JUNE 30, 2014	<u>\$ 13,062</u>	<u>\$ 32,425</u>	<u>\$ 439,617</u>	<u>\$ 40,769</u>	<u>\$ 4,107</u>	<u>\$ -</u>	<u>\$ 100</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 528	\$ 14,485	\$ 4,302	\$ 26,779	\$ 110	\$ -	\$ -
Petty Cash	12,500	-	200	4,400	200	-	100
Due to State Treasurer	34	17,940	2,877	71	-	-	-
Due to Others	-	-	432,238	9,519	3,797	-	-
BALANCES JUNE 30, 2014	<u>\$ 13,062</u>	<u>\$ 32,425</u>	<u>\$ 439,617</u>	<u>\$ 40,769</u>	<u>\$ 4,107</u>	<u>\$ -</u>	<u>\$ 100</u>

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2014

	Veterans' Service Officer	County Surveyor	County Youth Services	County Planning and Zoning	County Transportation	County Assessor	Total
BALANCES JULY 1, 2013	\$ 6,197	\$ -	\$ 100	\$ 100	\$ 53	\$ -	\$ 196,460
RECEIPTS							
Property Taxes	-	-	-	-	-	-	74,994
Licenses and Permits	-	-	-	130,065	-	-	136,403
Intergovernmental	-	-	-	-	55,774	-	269,104
Charges for Services	-	12	6,828	-	3,236	-	3,131,964
Miscellaneous	-	-	3,512	-	6,427	200	262,318
State Fees	-	-	-	-	-	-	225,973
Other Liabilities	3	-	-	-	-	-	1,474,734
TOTAL RECEIPTS	<u>3</u>	<u>12</u>	<u>10,340</u>	<u>130,065</u>	<u>65,437</u>	<u>200</u>	<u>5,575,490</u>
DISBURSEMENTS							
Payments to County Treasurer	-	12	9,912	130,065	65,486	-	3,809,783
Payments to State Treasurer	-	-	-	-	-	200	222,762
Other Liabilities	1,580	-	428	-	-	-	1,204,501
TOTAL DISBURSEMENTS	<u>1,580</u>	<u>12</u>	<u>10,340</u>	<u>130,065</u>	<u>65,486</u>	<u>200</u>	<u>5,237,046</u>
BALANCES JUNE 30, 2014	<u>\$ 4,620</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 534,904</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 4,620	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 50,828
Petty Cash	-	-	100	100	-	-	17,600
Due to State Treasurer	-	-	-	-	-	-	20,922
Due to Others	-	-	-	-	-	-	445,554
BALANCES JUNE 30, 2014	<u>\$ 4,620</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 534,904</u>

(Concluded)

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

June 30, 2014

Item	2009	2010	2011	2012	2013
Tax Certified by Assessor					
Real Estate	\$ 33,975,671	\$ 35,819,663	\$ 39,184,525	\$ 42,154,906	\$ 47,553,119
Personal and Specials	2,017,895	1,725,891	1,821,926	2,072,137	2,233,556
Total	35,993,566	37,545,554	41,006,451	44,227,043	49,786,675
Corrections					
Additions	400,690	66,208	222,250	86,775	433
Deductions	(936,219)	(632,852)	(476,982)	(337,251)	(16,549)
Net Additions/ (Deductions)	(535,529)	(566,644)	(254,732)	(250,476)	(16,116)
Corrected Certified Tax	35,458,037	36,978,910	40,751,719	43,976,567	49,770,559
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2010	20,413,156	-	-	-	-
June 30, 2011	15,032,680	21,765,253	-	-	-
June 30, 2012	8,639	15,197,785	24,128,948	-	-
June 30, 2013	1,385	(3,940)	16,994,820	26,536,409	-
June 30, 2014	225	8,677	(384,462)	17,416,882	30,470,890
Total Net Collections	35,456,085	36,967,775	40,739,306	43,953,291	30,470,890
Total Uncollected Tax	\$ 1,952	\$ 11,135	\$ 12,413	\$ 23,276	\$ 19,299,669
Percentage Uncollected Tax	0.01%	0.03%	0.03%	0.05%	38.78%

Note: Tax refunds are netted to tax collected figures.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

SAUNDERS 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 Supervisors
Saunders 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 Saunders County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Saunders County's basic financial statements, and have issued our report thereon dated December 23, 2014. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Saunders County Hospital, a component unit of Saunders County.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saunders 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 Saunders County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be 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

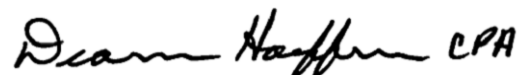
As part of obtaining reasonable assurance about whether Saunders County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Additional Items

We also noted certain matters that we reported to the management of Saunders County in a separate letter dated December 23, 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.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

December 23, 2014



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

December 23, 2014

Board of Supervisors
Saunders County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Saunders County (County) for the fiscal year ended June 30, 2014, and have issued our report thereon dated December 23, 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 areas, as follows:

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.

COUNTY BOARD

Claims Process

A good internal control plan and sound business practice require policies and procedures be in place to ensure invoices are paid only once and do not include sales tax. When adequate procedures are not in place to prevent duplicate payments or payment of sales tax, there is an increased risk for loss or misuse of County funds.

During our audit, we noted the County did not have adequate procedures in place to prevent duplicate payments or Nebraska sales tax being charged to the County. Purchases made by the County, within Nebraska, are tax exempt.

- We noted two instances where duplicate payments were made to vendors totaling \$449.
- We noted one claim included the payment of sales tax totaling \$177.

We recommend the County Board implement adequate policies and procedures to prevent payment of Nebraska sales tax on County purchases and ensure claims are paid only once.

REGISTER OF DEEDS

Balancing Procedures

Sound accounting practices include performing bank reconciliations on a timely basis and following up on variances noted between book and bank balances.

During our audit, we noted the following issues with the Register of Deed's balancing procedures at June 30, 2014:

- There was one reconciling item totaling \$115 that could not be explained or supported.
- Complete and accurate bank reconciliations were not performed on a monthly basis.
- During August 2013, the bank account was overdrawn by \$138.

Without procedures in place to ensure financial records are complete and accurate, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Register of Deeds implement procedures to document monthly balancing procedures, including bank reconciliations and analysis of bank activity.

CLERK OF THE DISTRICT COURT

Unclaimed Property

The Uniform Disposition of Unclaimed Property Act (Act) is set out in Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2014). Section 69-1307.01 of the Act states that personal property held by public entities or political subdivisions that remains unclaimed for more than three years is presumed abandoned. Section 69-1310 requires that such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding. In addition, sound accounting practices require that old accounts be followed up on to determine if they should still be active or not.

During our audit, we noted two case balances totaling \$78 and four outstanding checks totaling \$94 that were not remitted to the State Treasurer in accordance with the Act.

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

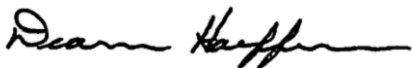
* * * * *

It should be noted this report is critical in nature, as 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