AUDIT REPORT
OF
SEWARD COUNTY
JULY 1, 2012 THROUGH JUNE 30, 2013

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Issued on January 3, 2014
# SEWARD COUNTY

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</tbody>
</table>
# LIST OF COUNTY OFFICIALS
At June 30, 2013

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diana Garske</td>
<td>Board of Commissioners</td>
<td>Jan. 2017</td>
</tr>
<tr>
<td>Mary Koci</td>
<td></td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Mike Luebbe</td>
<td></td>
<td>Jan. 2017</td>
</tr>
<tr>
<td>Darrell Miller</td>
<td></td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Scott Stuhr</td>
<td></td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Marilyn Hladky</td>
<td>Assessor</td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Wendy Elston</td>
<td>Attorney</td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Sherry Schweitzer</td>
<td>Clerk</td>
<td>Jan. 2015</td>
</tr>
<tr>
<td></td>
<td>Election Commissioner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Register of Deeds</td>
<td></td>
</tr>
<tr>
<td>Jacquelyn Stewart</td>
<td>Clerk of the District Court</td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Joe Yocum</td>
<td>Sheriff</td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Bob Dahms</td>
<td>Treasurer</td>
<td>Jan. 2015</td>
</tr>
<tr>
<td>Jeff Baker</td>
<td>Veterans’ Service Officer</td>
<td>Appointed</td>
</tr>
<tr>
<td>Glenn Callaway</td>
<td>Weed Superintendent</td>
<td>Appointed</td>
</tr>
<tr>
<td>Russell Daehling</td>
<td>Highway Superintendent</td>
<td>Appointed</td>
</tr>
<tr>
<td>Gary Petersen</td>
<td>Emergency Manager</td>
<td>Appointed</td>
</tr>
<tr>
<td>Dan Hansen</td>
<td>Planning / Zoning Superintendent</td>
<td>Appointed</td>
</tr>
</tbody>
</table>
SEWARD COUNTY

INDEPENDENT AUDITOR’S REPORT

Board of Commissioners
Seward 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 Seward 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 Seward 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, schedule of expenditures of Federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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, schedule of expenditures of Federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and schedule of taxes certified and collected, Pages 19 through 33, 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 December 24, 2013, on our consideration of Seward 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 Seward County’s internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

December 24, 2013
Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska
### ASSETS

<table>
<thead>
<tr>
<th>Activities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (Note 1.D)</td>
<td>$8,847,577</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$8,847,577</strong></td>
</tr>
</tbody>
</table>

### NET POSITION

Restricted for:
- Visitor Promotion $12,075
- 911 Emergency Services 254,058
- Drug Education and Enforcement 14,844
- Law Enforcement 709,111
- Aid and Assistance 14,552
- Preservation of Records 6,672
- Road Maintenance 47,953
- Unrestricted 7,788,312

**TOTAL NET POSITION** $8,847,577

The notes to the financial statements are an integral part of this statement.
### SEWARD COUNTY
### STATEMENT OF ACTIVITIES - CASH BASIS
### For the Year Ended June 30, 2013

#### Functions:

<table>
<thead>
<tr>
<th>Functions</th>
<th>Cash Disbursements</th>
<th>Program Cash Receipts</th>
<th>Net (Disbursement)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating Receipts and Charges for Services</td>
<td>Operating Grants and Contributions</td>
<td>Changes in Functions: Disbursements for Services</td>
</tr>
<tr>
<td>General Government</td>
<td>$ (3,209,578)</td>
<td>$ 653,183</td>
<td>$ 169,951</td>
</tr>
<tr>
<td>Public Safety</td>
<td>(3,393,092)</td>
<td>107,447</td>
<td>336,354</td>
</tr>
<tr>
<td>Public Works</td>
<td>(4,091,600)</td>
<td>-</td>
<td>2,121,445</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>(389,753)</td>
<td>-</td>
<td>149,196</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>(9,130)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$ (11,093,153)</td>
<td>$ 760,630</td>
<td>$ 2,776,946</td>
</tr>
</tbody>
</table>

#### General Receipts:

- **Property Taxes**: $7,398,498
- **Grants and Contributions Not Restricted to Specific Programs**: $636,455
- **Investment Income**: $80,113
- **Licenses and Permits**: $97,162
- **Miscellaneous**: $143,317

**Total General Receipts**: $8,355,545

- **Increase in Net Position**: $799,968
- **Net Position - Beginning of year**: $8,047,609
- **Net Position - End of year**: $8,847,577

The notes to the financial statements are an integral part of this statement.
SEWARD COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2013

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>Road Fund</th>
<th>Inheritance Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,924,783</td>
<td>$ 717,224</td>
<td>$ 4,829,619</td>
<td>$ 1,375,951</td>
<td>$ 8,847,577</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 1,924,783</td>
<td>$ 717,224</td>
<td>$ 4,829,619</td>
<td>$ 1,375,951</td>
<td>$ 8,847,577</td>
</tr>
</tbody>
</table>

| FUND BALANCES                 |              |           |                  |                          |                          |
| Restricted for:               |              |           |                  |                          |                          |
| Visitor Promotion             | $ -          | $ -       | $ -              | $ -                      | $ 12,075                 | $ 12,075                 |
| 911 Emergency Services       | -            | -         | -                | 254,058                  | 254,058                  |
| Drug Education and Enforcement | -           | -         | -                | 14,844                   | 14,844                   |
| Law Enforcement              | -            | -         | -                | 709,111                  | 709,111                  |
| Aid and Assistance           | -            | -         | -                | 14,552                   | 14,552                   |
| Preservation of Records      | -            | -         | -                | 6,672                    | 6,672                    |
| Road Maintenance             | -            | -         | -                | 47,953                   | 47,953                   |
| Committed to:                |              |           |                  |                          |                          |
| Road Maintenance             | -            | 717,224   | -                | 177,253                  | 894,477                  |
| Aid and Assistance           | -            | -         | -                | 5,163                    | 5,163                    |
| County Equipment             | -            | -         | -                | 134,270                  | 134,270                  |
| Assigned to:                 |              |           |                  |                          |                          |
| Other Purposes               | -            | -         | 4,829,619        | -                        | 4,829,619                |
| Unassigned                   | $ 1,924,783  | -         | -                | -                        | $ 1,924,783              |
| TOTAL CASH BASIS FUND BALANCES | $ 1,924,783  | $ 717,224 | $ 4,829,619      | $ 1,375,951              | $ 8,847,577              |

The notes to the financial statements are an integral part of this statement.
### SEWARD COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Road Fund</th>
<th>Inheritance Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$ 6,591,189</td>
<td>$ -</td>
<td>$ 650,135</td>
<td>$ 157,174</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>97,162</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>80,113</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>672,254</td>
<td>1,656,994</td>
<td>452,595</td>
<td>631,558</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>742,032</td>
<td>-</td>
<td>-</td>
<td>18,598</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>48,351</td>
<td>14,717</td>
<td>778</td>
<td>79,471</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>$8,231,101</td>
<td>$1,671,711</td>
<td>$1,103,508</td>
<td>$886,801</td>
</tr>
</tbody>
</table>

| General Government | 3,130,674 | - | - | 78,904 | 3,209,578 |
| Public Safety | 2,278,560 | - | - | 1,114,532 | 3,393,092 |
| Public Works | 132,647 | 3,235,522 | 719,728 | 3,703 | 4,091,600 |
| Public Assistance | 313,975 | - | - | 75,778 | 389,753 |
| Culture and Recreation | - | - | - | 9,130 | 9,130 |
| **TOTAL DISBURSEMENTS** | $5,855,856 | $3,235,522 | $719,728 | $1,282,047 | $11,093,153 |

**EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS**

| Other Financing Sources (Uses) | 2,375,245 | (1,563,811) | 383,780 | (395,246) | 799,968 |

**CASH BASIS FUND BALANCES - BEGINNING**

| $1,924,783 | $717,224 | $4,829,619 | $1,375,951 | $8,847,577 |

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

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,918,359</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to other governments</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>288,005</td>
</tr>
<tr>
<td>Schools</td>
<td>1,279,875</td>
</tr>
<tr>
<td>Educational Service Units</td>
<td>2,864</td>
</tr>
<tr>
<td>Technical College</td>
<td>11,974</td>
</tr>
<tr>
<td>Natural Resource Districts</td>
<td>5,143</td>
</tr>
<tr>
<td>Fire Districts</td>
<td>6,630</td>
</tr>
<tr>
<td>Municipalities</td>
<td>49,393</td>
</tr>
<tr>
<td>Agricultural Society</td>
<td>5,420</td>
</tr>
<tr>
<td>Cemetery Districts</td>
<td>1,936</td>
</tr>
<tr>
<td>Hospital</td>
<td>287</td>
</tr>
<tr>
<td>Others</td>
<td>266,832</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>1,918,359</td>
</tr>
</tbody>
</table>

**TOTAL NET ASSETS**

$ -

The notes to the financial statements are an integral part of this statement.
1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Seward County, Nebraska (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations which are either fiscally dependent on the County or maintain a significant relationship with the County such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

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

**Joint Organization.**

Behavioral Health Region V - The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed $72,238 toward the operation of the Region during fiscal year 2013.
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 Four Corners District Health Department (Department) to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (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 annually 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.
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.

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.

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

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

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

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 require governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements generally are recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

D. **Assets and Net 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.
1. **Summary of Significant Accounting Policies** (Continued)

**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 are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $1,059,265 of restricted net position, of which $287,649 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.
1. **Summary of Significant Accounting Policies** (Concluded)

   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 $8,847,577 for County funds and $1,918,359 for Fiduciary funds. The bank balances for all funds totaled $10,329,132. 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 become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

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

   The levy set in October 2012, for the 2012 taxes, which will be materially collected in May and September 2013, was set at $.303804/$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 $.358791/$100 of assessed valuation. The amount collected for motor vehicle tax is outlined in State statute.
3. **Property Taxes** (Concluded)

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year’s level, with provisions for growth. It may be increased by 1% by a three-fourths majority of the County Board.

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 (Reissue 2012) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee’s contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee’s and employer’s contributions are kept in separate accounts. The employee’s account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee’s contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2013, 143 employees contributed $195,159, and the County contributed $289,912. Contributions included $5,666 in cash contributions towards the supplemental law enforcement plan for 12 law enforcement employees.

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.
5. **Risk Management** (Concluded)

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

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

<table>
<thead>
<tr>
<th>NIRMA Coverage</th>
<th>Maximum Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability Claim</td>
<td>$300,000</td>
</tr>
<tr>
<td>Worker’s Compensation Claim</td>
<td>$500,000</td>
</tr>
<tr>
<td>Property Damage Claim</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Transfers to</th>
<th>General Fund</th>
<th>Inheritance Fund</th>
<th>Road Fund</th>
<th>Nonmajor Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Fund</td>
<td>$1,799,006</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$1,799,006</td>
</tr>
<tr>
<td>Inheritance Fund</td>
<td>475,000</td>
<td>100,000</td>
<td>145,000</td>
<td>65,966</td>
<td>575,000</td>
</tr>
<tr>
<td>General Fund</td>
<td>391,536</td>
<td>50,000</td>
<td>145,000</td>
<td>145,000</td>
<td>507,502</td>
</tr>
<tr>
<td>Nonmajor Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,665,542</td>
<td>$145,000</td>
<td>$150,000</td>
<td>$65,966</td>
<td>$3,026,508</td>
</tr>
</tbody>
</table>
6. **Interfund Transfers** (Concluded)

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.
<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$6,630,137</td>
<td>$6,630,137</td>
<td>$6,591,189</td>
<td>$(38,948)</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>70,000</td>
<td>70,000</td>
<td>97,162</td>
<td>27,162</td>
</tr>
<tr>
<td>Interest</td>
<td>60,000</td>
<td>60,000</td>
<td>80,113</td>
<td>20,113</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>460,000</td>
<td>460,000</td>
<td>672,254</td>
<td>212,254</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>486,000</td>
<td>486,000</td>
<td>742,032</td>
<td>256,032</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>250,000</td>
<td>250,000</td>
<td>48,351</td>
<td>(201,649)</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td><strong>7,956,137</strong></td>
<td><strong>7,956,137</strong></td>
<td><strong>8,231,101</strong></td>
<td><strong>274,964</strong></td>
</tr>
</tbody>
</table>

| DISBURSEMENTS                |                 |              |         |                            |
|------------------------------|                 |              |         |                            |
| General Government:          |                 |              |         |                            |
| County Board                 | 133,470         | 133,470      | 127,526 | 5,944                      |
| County Clerk                 | 165,495         | 165,495      | 161,497 | 3,998                      |
| County Treasurer             | 251,940         | 251,940      | 251,568 | 372                        |
| County Assessor              | 255,685         | 255,685      | 255,580 | 105                        |
| Election Commissioner        | 52,320          | 52,320       | 42,480  | 9,840                      |
| Zoning Building Inspector    | 52,101          | 52,101       | 47,316  | 4,785                      |
| Clerk of the District Court  | 225,860         | 225,860      | 218,099 | 7,761                      |
| County Court System          | 30,450          | 30,450       | 30,086  | 364                        |
| District Judge               | 16,693          | 16,693       | 15,716  | 977                        |
| Public Defender              | 116,265         | 116,265      | 111,737 | 4,528                      |
| Building and Grounds         | 173,716         | 173,716      | 161,614 | 12,102                     |
| Agricultural Extension Agent | 134,896         | 134,896      | 128,348 | 6,548                      |
| Abandoned Cemeteries         | 5,000           | 5,000        | 3,485   | 1,515                      |
| Miscellaneous                | 1,662,465       | 1,662,465    | 1,575,622 | 86,843                    |
| **Public Safety:**           |                 |              |         |                            |
| County Sheriff               | 862,500         | 862,500      | 835,024 | 27,476                     |
| County Attorney              | 517,491         | 517,491      | 483,336 | 34,155                     |
| County Jail                  | 709,904         | 709,904      | 707,104 | 2,800                      |
| Emergency Management         | 118,952         | 118,952      | 104,310 | 14,642                     |
| Miscellaneous                | 178,500         | 178,500      | 148,786 | 29,714                     |
| **Public Works:**            |                 |              |         |                            |
| County Surveyor              | 7,500           | 7,500        | -       | 7,500                      |
| Noxious Weed Control         | 57,740          | 57,740       | 33,218  | 24,522                     |
| Highway Department           | 101,391         | 101,391      | 99,429  | 1,962                      |

(Continued)
## SEWARD COUNTY
### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
#### GENERAL FUND
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Public Assistance:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans’ Service Officer</td>
<td>55,072</td>
<td>55,072</td>
<td>54,876</td>
<td>196</td>
</tr>
<tr>
<td>Public Transit</td>
<td>150,465</td>
<td>150,465</td>
<td>149,074</td>
<td>1,391</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>114,324</td>
<td>114,324</td>
<td>110,025</td>
<td>4,299</td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td><strong>6,150,195</strong></td>
<td><strong>6,150,195</strong></td>
<td><strong>5,855,856</strong></td>
<td><strong>294,339</strong></td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</strong></td>
<td><strong>1,805,942</strong></td>
<td><strong>1,805,942</strong></td>
<td><strong>2,375,245</strong></td>
<td><strong>569,303</strong></td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>145,000</td>
<td>145,000</td>
<td>145,000</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(2,663,891)</td>
<td>(2,663,891)</td>
<td>(2,665,542)</td>
<td>(1,651)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>(2,518,891)</td>
<td>(2,518,891)</td>
<td>(2,520,542)</td>
<td>(1,651)</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(712,949)</td>
<td>(712,949)</td>
<td>(145,297)</td>
<td>567,652</td>
</tr>
<tr>
<td><strong>FUND BALANCE - BEGINNING</strong></td>
<td>2,070,080</td>
<td>2,070,080</td>
<td>2,070,080</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE - ENDING</strong></td>
<td><strong>$1,357,131</strong></td>
<td><strong>$1,357,131</strong></td>
<td><strong>$1,924,783</strong></td>
<td><strong>$567,652</strong></td>
</tr>
</tbody>
</table>

(Concluded)
## SEWARD COUNTY

### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

#### MAJOR FUNDS

For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROAD FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$1,400,000</td>
<td>$1,400,000</td>
<td>$1,656,994</td>
<td>$256,994</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>$14,717</td>
<td>$14,717</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>$1,400,000</td>
<td>$1,400,000</td>
<td>$1,671,711</td>
<td>271,711</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td>$3,531,035</td>
<td>$3,531,035</td>
<td>$3,235,522</td>
<td>295,513</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</strong></td>
<td>(2,131,035)</td>
<td>(2,131,035)</td>
<td>(1,563,811)</td>
<td>567,224</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>$1,799,006</td>
<td>$1,799,006</td>
<td>$1,799,006</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>(150,000)</td>
<td>(150,000)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>$1,799,006</td>
<td>$1,799,006</td>
<td>$1,649,006</td>
<td>(150,000)</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(332,029)</td>
<td>(332,029)</td>
<td>$85,195</td>
<td>417,224</td>
</tr>
<tr>
<td><strong>FUND BALANCE - BEGINNING</strong></td>
<td>$300,000</td>
<td>$300,000</td>
<td>$717,224</td>
<td>$417,224</td>
</tr>
<tr>
<td><strong>FUND BALANCE - ENDING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### INHERITANCE FUND

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$650,135</td>
<td>$650,135</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>452,595</td>
<td>452,595</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>778</td>
<td>778</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>$4,345,839</td>
<td>$4,345,839</td>
<td>$719,728</td>
<td>3,626,111</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td>$3,300,000</td>
<td>$3,300,000</td>
<td>$430,000</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</strong></td>
<td>(4,345,839)</td>
<td>(4,345,839)</td>
<td>383,780</td>
<td>4,729,619</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>475,000</td>
<td>475,000</td>
<td>575,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(145,000)</td>
<td>(145,000)</td>
<td>(145,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>330,000</td>
<td>330,000</td>
<td>430,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(4,015,839)</td>
<td>(4,015,839)</td>
<td>$813,780</td>
<td>4,829,619</td>
</tr>
<tr>
<td><strong>FUND BALANCE - BEGINNING</strong></td>
<td>$4,015,839</td>
<td>$4,015,839</td>
<td>$4,015,839</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE - ENDING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 21 -
<table>
<thead>
<tr>
<th>Account Title</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUIPMENT SINKING FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td>$ -</td>
<td>-</td>
<td>$ 2,592</td>
<td>$ 2,592</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>172,331</td>
<td>172,331</td>
<td>42,304</td>
<td>130,027</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>37,949</td>
<td>37,949</td>
<td>39,600</td>
<td>1,651</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>37,949</td>
<td>37,949</td>
<td>39,600</td>
<td>1,651</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(134,382)</td>
<td>(134,382)</td>
<td>(112)</td>
<td>134,270</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>134,382</td>
<td>134,382</td>
<td>134,382</td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 134,270</td>
<td>$ 134,270</td>
</tr>
<tr>
<td><strong>VISITOR PROMOTION FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td>$ 18,975</td>
<td>18,975</td>
<td>$ 15,180</td>
<td>$ (3,795)</td>
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<tr>
<td>DISBURSEMENTS</td>
<td>25,000</td>
<td>25,000</td>
<td>9,130</td>
<td>15,870</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(6,025)</td>
<td>(6,025)</td>
<td>6,050</td>
<td>12,075</td>
</tr>
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<td>FUND BALANCE - BEGINNING</td>
<td>6,025</td>
<td>6,025</td>
<td>6,025</td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 12,075</td>
<td>$ 12,075</td>
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<tr>
<td><strong>REGISTER OF DEEDS PRESERVATION FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td>$ 10,000</td>
<td>10,000</td>
<td>$ 6,672</td>
<td>$ (3,328)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>10,000</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>-</td>
<td>6,672</td>
<td>6,672</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 6,672</td>
<td>$ 6,672</td>
</tr>
<tr>
<td><strong>VETERANS' AID FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 163</td>
<td>$ 163</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>6,073</td>
<td>6,073</td>
<td>1,073</td>
<td>5,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(6,073)</td>
<td>(6,073)</td>
<td>(910)</td>
<td>5,163</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>6,073</td>
<td>6,073</td>
<td>6,073</td>
<td></td>
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<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5,163</td>
<td>$ 5,163</td>
</tr>
</tbody>
</table>
### SEWARD COUNTY
#### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
#### NONMAJOR FUNDS
For the Year Ended June 30, 2013

**AGING SERVICES FUND**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 56,312</td>
<td>$ 56,312</td>
<td>$ 56,885</td>
<td>$ 573</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>83,684</td>
<td>83,684</td>
<td>74,705</td>
<td>8,979</td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES (USES)**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>23,746</td>
<td>23,746</td>
<td>23,746</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL OTHER FINANCING SOURCES (USES)**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23,746</td>
<td>23,746</td>
<td>23,746</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net Change in Fund Balance**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Fund Balance</td>
<td>(3,626)</td>
<td>(3,626)</td>
<td>5,926</td>
<td>9,552</td>
</tr>
</tbody>
</table>

**FUND BALANCE - BEGINNING**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ 5,000</td>
<td>$ 5,000</td>
<td>$ 14,552</td>
<td>$ 9,552</td>
</tr>
</tbody>
</table>

**DRUG LAW ENFORCEMENT FUND**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 189,421</td>
<td>$ 189,421</td>
<td>$ 4,965</td>
<td>(184,456)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>200,000</td>
<td>200,000</td>
<td>700</td>
<td>199,300</td>
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</table>

**Net Change in Fund Balance**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Fund Balance</td>
<td>(10,579)</td>
<td>(10,579)</td>
<td>4,265</td>
<td>14,844</td>
</tr>
</tbody>
</table>

**FUND BALANCE - BEGINNING**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 14,844</td>
<td>$ 14,844</td>
</tr>
</tbody>
</table>

**ATTORNEY FEDERAL DRUG LAW ENFORCEMENT FUND**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 115,234</td>
<td>$ 115,234</td>
<td>$ 70,795</td>
<td>$ (44,439)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>296,231</td>
<td>296,231</td>
<td>73,888</td>
<td>222,343</td>
</tr>
</tbody>
</table>

**Net Change in Fund Balance**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Fund Balance</td>
<td>(180,997)</td>
<td>(180,997)</td>
<td>(3,093)</td>
<td>177,904</td>
</tr>
</tbody>
</table>

**FUND BALANCE - BEGINNING**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 177,904</td>
<td>$ 177,904</td>
</tr>
</tbody>
</table>

**SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 151,586</td>
<td>$ 151,586</td>
<td>$ 229,750</td>
<td>$ 78,164</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>754,200</td>
<td>754,200</td>
<td>357,691</td>
<td>396,509</td>
</tr>
</tbody>
</table>

**Net Change in Fund Balance**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Fund Balance</td>
<td>(602,614)</td>
<td>(602,614)</td>
<td>(127,941)</td>
<td>474,673</td>
</tr>
</tbody>
</table>

**FUND BALANCE - BEGINNING**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 474,673</td>
<td>$ 474,673</td>
</tr>
</tbody>
</table>

(Continued)
SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATTORNEY GRANT FUND</td>
<td>$138,724</td>
<td>$138,724</td>
<td>$49,279</td>
<td>$(89,445)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>183,895</td>
<td>183,895</td>
<td>37,916</td>
<td>145,979</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(45,171)</td>
<td>(45,171)</td>
<td>11,363</td>
<td>56,534</td>
</tr>
<tr>
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<td>45,171</td>
<td>45,171</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$</td>
<td>$</td>
<td>$56,534</td>
<td>$56,534</td>
</tr>
<tr>
<td></td>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMERGENCY MANAGER GRANT FUND</td>
<td>$428,434</td>
<td>$428,434</td>
<td>$47,069</td>
<td>$(381,365)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>500,000</td>
<td>500,000</td>
<td>22,751</td>
<td>477,249</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(71,566)</td>
<td>(71,566)</td>
<td>24,318</td>
<td>95,884</td>
</tr>
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<td>71,566</td>
<td>71,566</td>
<td>71,566</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$</td>
<td>$</td>
<td>$95,884</td>
<td>$95,884</td>
</tr>
<tr>
<td></td>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E911 GRANT FUND</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$</td>
<td>$(200,000)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>200,000</td>
<td>200,000</td>
<td>$</td>
<td>200,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROAD GRANT FUND</td>
<td>$2,951,910</td>
<td>$2,951,910</td>
<td>$1,208</td>
<td>$(2,950,702)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>$1,345</td>
<td>2,998,655</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(48,090)</td>
<td>(48,090)</td>
<td>(137)</td>
<td>47,953</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>48,090</td>
<td>48,090</td>
<td>48,090</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$</td>
<td>$</td>
<td>$47,953</td>
<td>$47,953</td>
</tr>
<tr>
<td></td>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MISCELLANEOUS GRANT FUND</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$36,600</td>
<td>$(463,400)</td>
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<tr>
<td>DISBURSEMENTS</td>
<td>500,000</td>
<td>500,000</td>
<td>$36,600</td>
<td>463,400</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
## SEWARD COUNTY
### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
#### NONMAJOR FUNDS
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>911 WIRELESS SERVICE FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 29,072</td>
<td>$ 94,072</td>
<td>$ 80,065</td>
<td>$(14,007)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>35,000</td>
<td>100,000</td>
<td>20,027</td>
<td>79,973</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>(65,966)</td>
<td>(65,966)</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING</td>
<td>-</td>
<td>-</td>
<td>(65,966)</td>
<td>(65,966)</td>
</tr>
<tr>
<td>SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(5,928)</td>
<td>(5,928)</td>
<td>(5,928)</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>5,928</td>
<td>5,928</td>
<td>5,928</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

| 911 WIRELESS HOLDING FUND |                |              |        |                           |
| RECEIPTS                  | $ -             | $ -          | $ -    | $ -                      |
| DISBURSEMENTS             | 17,740          | 17,740       | -      | 17,740                   |
| OTHER FINANCING SOURCES (USES) |            |              |        |                           |
| Transfers in              | -               | -            | 65,966 | 65,966                   |
| Transfers out             | -               | -            | -      | -                       |
| TOTAL OTHER FINANCING     | -               | -            | 65,966 | 65,966                   |
| SOURCES (USES)            |                 |              |        |                           |
| Net Change in Fund Balance| (17,740)        | (17,740)     | 65,966 | 83,706                   |
| FUND BALANCE - BEGINNING  | 17,740          | 17,740       | 17,740 | -                        |
| FUND BALANCE - ENDING     | $ -             | $ -          | $ 83,706 | $ 83,706 |

| E911 FUND | | | | |
| RECEIPTS | $ 252,746 | $ 252,746 | $ 253,578 | $ 832 |
| DISBURSEMENTS | 615,195 | 615,195 | 601,559 | 13,636 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 328,190 | 328,190 | 328,190 | - |
| Transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 328,190 | 328,190 | 328,190 | - |
| Net Change in Fund Balance | (34,259) | (34,259) | (19,791) | 14,468 |
| FUND BALANCE - BEGINNING | 94,259 | 94,259 | 94,259 | - |
| FUND BALANCE - ENDING | $ 60,000 | $ 60,000 | $ 74,468 | $ 14,468 |

(Continued)
SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>SPECIAL ROAD FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 51,035</td>
<td>$ 51,035</td>
<td>$ -</td>
<td>$ (51,035)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>148,646</td>
<td>148,646</td>
<td>2,358</td>
<td>146,288</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(97,611)</td>
<td>(97,611)</td>
<td>47,642</td>
<td>145,253</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>97,611</td>
<td>97,611</td>
<td>97,611</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 145,253</td>
<td>$ 145,253</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RIGHT OF WAY HOLDING FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ 200,000</td>
<td>$ 200,000</td>
<td>$ 32,000</td>
<td>$ (168,000)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>200,000</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>-</td>
<td>32,000</td>
<td>32,000</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 32,000</td>
<td>$ 32,000</td>
</tr>
</tbody>
</table>

(Concluded)
SEWARD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Equipment Sinking Fund</th>
<th>Visitor Promotion Fund</th>
<th>Register of Deeds Preservation Fund</th>
<th>Veterans' Aid Fund</th>
<th>Aging Services Fund</th>
<th>Drug Law Enforcement Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$ -</td>
<td>$ 15,180</td>
<td>$ -</td>
<td>$ 163</td>
<td>$ -</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>56,229</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>6,672</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,592</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>656</td>
</tr>
<tr>
<td></td>
<td>6,672</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,965</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>2,592</td>
<td>15,180</td>
<td>6,672</td>
<td>163</td>
<td>56,885</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>42,304</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>700</td>
</tr>
<tr>
<td>Public Safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>700</td>
</tr>
<tr>
<td>Public Works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>700</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>-</td>
<td>-</td>
<td>1,073</td>
<td>74,705</td>
<td>-</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>- 9,130</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL DISBURSEMENTS</td>
<td>42,304</td>
<td>9,130</td>
<td>1,073</td>
<td>74,705</td>
<td>700</td>
</tr>
</tbody>
</table>

EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS
(39,712) 6,050 6,672 (910) (17,820) 4,265

OTHER FINANCING SOURCES (USES)
Transfers in 39,600 - - - 23,746 -
Transfers out - - - - - 23,746 -
TOTAL OTHER FINANCING SOURCES (USES) 39,600 - - - 23,746 -
Net Change in Fund Balances (112) 6,050 6,672 (910) 5,926 4,265
FUND BALANCES - BEGINNING 134,382 6,025 - 6,073 8,626 10,579
FUND BALANCES - ENDING $ 134,270 $ 12,075 $ 6,672 $ 5,163 $ 14,552 $ 14,844

FUND BALANCES:
Restricted for:
Visitor Promotion $ - $ 12,075 $ - $ - $ - $ -
911 Emergency Services - - - - - -
Drug Education and Enforcement - - - - - 14,844
Law Enforcement - - - - - -
Aid and Assistance - - - - 14,552 -
Preservation of Records - - 6,672 - - -
Road Maintenance - - - - - -
Committed to:
Road Maintenance - - - - - -
Aid and Assistance - - - 5,163 - -
County Equipment 134,270 - - - - -
TOTAL FUND BALANCES $ 134,270 $ 12,075 $ 6,672 $ 5,163 $ 14,552 $ 14,844

(Continued)
## SEWARD COUNTY
### COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
#### NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

### RECEIPTS

<table>
<thead>
<tr>
<th>Source</th>
<th>Attorney Federal Drug Law Enforcement Fund</th>
<th>Sheriff Federal Drug Law Enforcement Fund</th>
<th>Attorney Grant Fund</th>
<th>Emergency Manager Grant Fund</th>
<th>Road Grant Fund</th>
<th>Miscellaneous Grant Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>58,497</td>
<td>191,428</td>
<td>49,035</td>
<td>47,069</td>
<td>1,208</td>
<td>36,600</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>11,926</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>372</td>
<td>38,322</td>
<td>244</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td><strong>70,795</strong></td>
<td><strong>229,750</strong></td>
<td><strong>49,279</strong></td>
<td><strong>47,069</strong></td>
<td><strong>1,208</strong></td>
<td><strong>36,600</strong></td>
</tr>
</tbody>
</table>

### DISBURSEMENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Attorney Federal Drug Law Enforcement Fund</th>
<th>Sheriff Federal Drug Law Enforcement Fund</th>
<th>Attorney Grant Fund</th>
<th>Emergency Manager Grant Fund</th>
<th>Road Grant Fund</th>
<th>Miscellaneous Grant Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,600</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety</td>
<td>73,888</td>
<td>357,691</td>
<td>37,916</td>
<td>22,751</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td><strong>73,888</strong></td>
<td><strong>357,691</strong></td>
<td><strong>37,916</strong></td>
<td><strong>22,751</strong></td>
<td><strong>1,345</strong></td>
<td><strong>36,600</strong></td>
</tr>
</tbody>
</table>

### EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS

| Excess (Deficiency) | (3,093) | (127,941) | 11,363 | 24,318 | (137) | - |

### OTHER FINANCING SOURCES (USES)

<table>
<thead>
<tr>
<th>Source</th>
<th>Transfers in</th>
<th>Transfers out</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net Change in Fund Balances

| Fund Balances | (3,093) | (127,941) | 11,363 | 24,318 | (137) | - |

### FUND BALANCES - BEGINNING

| Fund Balances | $ 178,904 | $ 474,673 | $56,534 | $ 95,884 | $ 47,953 | - |

### FUND BALANCES - ENDING

| Fund Balances | $ 177,904 | $ 474,673 | $56,534 | $ 95,884 | $ 47,953 | $ - |

(Continued)
## SEWARD COUNTY
### COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
### CHANGES IN CASH BASIS FUND BALANCES
#### NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th></th>
<th>911 Wireless Service Fund</th>
<th>911 Wireless Holding Fund</th>
<th>E911 Fund</th>
<th>Special Road Fund</th>
<th>Right of Way Holding Fund</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$80,065</td>
<td>$ -</td>
<td>$61,766</td>
<td>$ -</td>
<td>$ -</td>
<td>$157,174</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>191,492</td>
<td>-</td>
<td>-</td>
<td>631,558</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,598</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>320</td>
<td>-</td>
<td>32,000</td>
<td>79,471</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>$80,065</td>
<td>-</td>
<td>253,578</td>
<td>-</td>
<td>32,000</td>
<td>886,801</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>78,904</td>
</tr>
<tr>
<td>Public Safety</td>
<td>20,027</td>
<td>-</td>
<td>601,559</td>
<td>-</td>
<td>-</td>
<td>1,114,532</td>
</tr>
<tr>
<td>Public Works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,358</td>
<td>-</td>
<td>3,703</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75,778</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,130</td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td>20,027</td>
<td>-</td>
<td>601,559</td>
<td>2,358</td>
<td>-</td>
<td>1,282,047</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</strong></td>
<td>60,038</td>
<td>-</td>
<td>(347,981)</td>
<td>(2,358)</td>
<td>32,000</td>
<td>(395,246)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>65,966</td>
<td>328,190</td>
<td>50,000</td>
<td>-</td>
<td>507,502</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(65,966)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(65,966)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>(65,966)</td>
<td>65,966</td>
<td>328,190</td>
<td>50,000</td>
<td>-</td>
<td>441,536</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>(5,928)</td>
<td>65,966</td>
<td>(19,791)</td>
<td>47,642</td>
<td>32,000</td>
<td>46,290</td>
</tr>
<tr>
<td><strong>FUND BALANCES - BEGINNING</strong></td>
<td>5,928</td>
<td>17,740</td>
<td>94,259</td>
<td>97,611</td>
<td>-</td>
<td>1,329,661</td>
</tr>
<tr>
<td><strong>FUND BALANCES - ENDING</strong></td>
<td></td>
<td>$83,706</td>
<td>$74,468</td>
<td>$145,253</td>
<td>$32,000</td>
<td>$1,375,951</td>
</tr>
</tbody>
</table>

### FUND BALANCES:
- Restricted for:
  - Visitor Promotion: $12,075
  - 911 Emergency Services: $254,058
  - Drug Education and Enforcement: $14,844
  - Law Enforcement: $709,111
  - Aid and Assistance: $14,552
  - Preservation of Records: $6,672
  - Road Maintenance: $47,953

- Committed to:
  - Road Maintenance: $177,253
  - Aid and Assistance: $5,163
  - County Equipment: $134,270

**TOTAL FUND BALANCES**:
- $1,375,951

(Cautioned)
<table>
<thead>
<tr>
<th>County Clerk</th>
<th>Clerk of the District Court</th>
<th>County Sheriff</th>
<th>County Attorney</th>
<th>Highway Superintendent</th>
<th>Veterans' Service Officer</th>
<th>County Health Insurance</th>
<th>County Planning and Zoning</th>
<th>County Aging Services</th>
<th>County Public Transit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,086</td>
<td>$138,511</td>
<td>$14,714</td>
<td>$335</td>
<td>$75</td>
<td>$1,192</td>
<td>$357,131</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$533,044</td>
</tr>
</tbody>
</table>

**RECEIPTS**

<table>
<thead>
<tr>
<th>Licenses and Permits</th>
<th>Intergovernmental</th>
<th>Charges for Services</th>
<th>Miscellaneous</th>
<th>State Fees</th>
<th>Other Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,455</td>
<td>-</td>
<td>176,189</td>
<td>-</td>
<td>-</td>
<td>165,024</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>10,102</td>
<td>-</td>
<td>-</td>
<td>18,848</td>
</tr>
<tr>
<td>1,510</td>
<td>42,558</td>
<td>14,148</td>
<td>14,148</td>
<td>564,347</td>
<td>815,061</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,623</td>
<td>-</td>
</tr>
<tr>
<td>475</td>
<td>497</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>35,203</td>
<td>35,203</td>
<td>56,885</td>
<td>56,885</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4,440</td>
<td>66,331</td>
<td>341,083</td>
<td>3,356,588</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**DISBURSEMENTS**

<table>
<thead>
<tr>
<th>Payments to County Treasurer</th>
<th>Payments to State Treasurer</th>
<th>Other Liabilities</th>
<th>TOTAL DISBURSEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>168,371</td>
<td>162,284</td>
<td>1,538</td>
<td>332,193</td>
</tr>
<tr>
<td>29,037</td>
<td>19,011</td>
<td>724,133</td>
<td>772,181</td>
</tr>
<tr>
<td>52,394</td>
<td>19,011</td>
<td>563,926</td>
<td>616,320</td>
</tr>
<tr>
<td>51,019</td>
<td>-</td>
<td>12,623</td>
<td>63,642</td>
</tr>
<tr>
<td>15,120</td>
<td>-</td>
<td>-</td>
<td>15,361</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>35,203</td>
<td>241</td>
<td>-</td>
<td>1,452,602</td>
</tr>
<tr>
<td>56,885</td>
<td>-</td>
<td>-</td>
<td>35,203</td>
</tr>
<tr>
<td>8,336</td>
<td>-</td>
<td>-</td>
<td>56,885</td>
</tr>
<tr>
<td>416,365</td>
<td>181,536</td>
<td>-</td>
<td>3,352,723</td>
</tr>
</tbody>
</table>

**BALANCES JUNE 30, 2013**

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>COUNTY</th>
<th>COUNTY</th>
<th>HIGHWAY</th>
<th>VETERANS</th>
<th>COUNTY</th>
<th>COUNTY</th>
<th>COUNTY</th>
<th>COUNTY</th>
<th>COUNTY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$33,054</td>
<td>$227,853</td>
<td>$16,911</td>
<td>$-</td>
<td>$75</td>
<td>$1,192</td>
<td>$257,822</td>
<td>$-</td>
<td>$-</td>
<td>$2</td>
<td>$536,909</td>
</tr>
</tbody>
</table>

**BALANCES CONSIST OF:**

<table>
<thead>
<tr>
<th>Due to County Treasurer</th>
<th>Petty Cash</th>
<th>Due to State Treasurer</th>
<th>Due to Others</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,050</td>
<td>7,500</td>
<td>7,504</td>
<td>225,188</td>
<td>284,158</td>
</tr>
<tr>
<td>$1,071</td>
<td>-</td>
<td>1,594</td>
<td>10,965</td>
<td>7,500</td>
</tr>
<tr>
<td>$5,946</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$75</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,098</td>
</tr>
<tr>
<td>$1,192</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$257,822</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>236,153</td>
</tr>
<tr>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$284,158</td>
<td>7,500</td>
<td>9,098</td>
<td>236,153</td>
<td>$536,909</td>
</tr>
<tr>
<td>Item</td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Tax Certified by Assessor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>$22,904,670</td>
<td>$23,476,255</td>
<td>$25,368,473</td>
<td>$26,900,926</td>
</tr>
<tr>
<td>Personal and Specials</td>
<td>1,609,015</td>
<td>1,819,239</td>
<td>2,139,532</td>
<td>2,220,078</td>
</tr>
<tr>
<td>Total</td>
<td>24,513,685</td>
<td>25,295,494</td>
<td>27,508,005</td>
<td>29,121,004</td>
</tr>
<tr>
<td>Corrections</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>6,002</td>
<td>7,624</td>
<td>9,083</td>
<td>8,047</td>
</tr>
<tr>
<td>Deductions</td>
<td>(5,840)</td>
<td>(23,886)</td>
<td>(35,197)</td>
<td>(3,295)</td>
</tr>
<tr>
<td>Net Additions/ (Deductions)</td>
<td>162</td>
<td>(16,262)</td>
<td>(26,114)</td>
<td>4,752</td>
</tr>
<tr>
<td>Corrected Certified Tax</td>
<td>24,513,847</td>
<td>25,279,232</td>
<td>27,481,891</td>
<td>29,125,756</td>
</tr>
<tr>
<td>Net Tax Collected by County Treasurer during Fiscal Year Ending:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2009</td>
<td>14,120,701</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2010</td>
<td>10,374,715</td>
<td>14,763,732</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2011</td>
<td>6,761</td>
<td>10,516,649</td>
<td>16,370,852</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>4,824</td>
<td>7,581</td>
<td>11,093,969</td>
<td>17,540,097</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>1,467</td>
<td>(14,994)</td>
<td>9,437</td>
<td>11,561,400</td>
</tr>
<tr>
<td>Total Net Collections</td>
<td>24,508,468</td>
<td>25,272,968</td>
<td>27,474,258</td>
<td>29,101,497</td>
</tr>
<tr>
<td>Total Uncollected Tax</td>
<td>$5,379</td>
<td>$6,264</td>
<td>$7,633</td>
<td>$24,259</td>
</tr>
<tr>
<td>Percentage Uncollected Tax</td>
<td>0.02%</td>
<td>0.02%</td>
<td>0.03%</td>
<td>0.08%</td>
</tr>
</tbody>
</table>
## Schedule of Expenditures of Federal Awards

**For the Year Ended June 30, 2013**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Justice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Forfeiture Program</td>
<td>16.Unknown</td>
<td>$ 61,590</td>
</tr>
<tr>
<td>Passed through State Commission on Law Enforcement and Criminal Justice</td>
<td>16.575</td>
<td>37,754</td>
</tr>
<tr>
<td>Crime Victim Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Justice</td>
<td></td>
<td>99,344</td>
</tr>
<tr>
<td><strong>U.S. Department of Homeland Security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through Nebraska Military Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Management Performance Grants</td>
<td>97.042</td>
<td>22,751</td>
</tr>
<tr>
<td>Total U.S. Department of Homeland Security</td>
<td></td>
<td>22,751</td>
</tr>
<tr>
<td><strong>U.S. Department of Health and Human Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through Nebraska Department of Health and Human Services</td>
<td>93.563</td>
<td>94,805</td>
</tr>
<tr>
<td>Child Support Enforcement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Assistance Program</td>
<td>93.778</td>
<td>558</td>
</tr>
<tr>
<td>Passed through City of Lincoln</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Programs for Aging, Title III, Part C, Nutrition Services</td>
<td>93.045</td>
<td>39,222</td>
</tr>
<tr>
<td>Total U.S. Department of Health and Human Services</td>
<td></td>
<td>134,585</td>
</tr>
<tr>
<td><strong>U.S. Department of Transportation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through Nebraska Department of Roads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formula Grants for Rural Areas</td>
<td>20.509</td>
<td>62,735</td>
</tr>
<tr>
<td>Site Management Training</td>
<td>20.Unknown</td>
<td>1,208</td>
</tr>
<tr>
<td>Total U.S. Department of Transportation</td>
<td></td>
<td>63,943</td>
</tr>
<tr>
<td><strong>U.S. Department of Treasury</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Forfeiture Program</td>
<td>21.Unknown</td>
<td>* 358,440</td>
</tr>
<tr>
<td>Total U.S. Department of Treasury</td>
<td></td>
<td>358,440</td>
</tr>
<tr>
<td><strong>U.S. Department of Commerce</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development Adjustment Assistance</td>
<td>11.307</td>
<td>* 364,974</td>
</tr>
<tr>
<td>Total U.S. Department of Commerce</td>
<td></td>
<td>364,974</td>
</tr>
<tr>
<td><strong>Total Expenditures of Federal Awards</strong></td>
<td></td>
<td>$ 1,044,037</td>
</tr>
</tbody>
</table>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. General

The accompanying schedule of expenditures of Federal awards (Schedule) presents the activity of all Federal awards programs of Seward County (County), except as noted in Note 2 below. The County’s reporting entity is defined in Note 1.A. to the County’s financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency. Due to the operations of the County, the accumulation of amounts passed to subrecipients by the County is not practical.

2. Summary of Significant Accounting Policies

A. Reporting Entity

The County’s reporting entity is defined in Note 1.A. to the financial statements. The accompanying Schedule includes the Federal awards programs administered by the County for the fiscal year ended June 30, 2013.

B. Basis of Presentation

The accompanying Schedule presents total expenditures for each Federal awards program in accordance with the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Federal program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA), whenever possible.

Federal Awards. Pursuant to OMB Circular A-133, Federal awards are defined as assistance provided by a Federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations.

Major Programs. In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are considered major programs.

C. Basis of Accounting

The accompanying Schedule was prepared on the cash basis of accounting.

Matching Costs. The Schedule does not include matching expenditures from general revenues of the County.
SEWARD 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
Seward 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 Seward County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Seward County’s basic financial statements, and have issued our report thereon dated December 24, 2013. 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 Seward 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 Seward 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 had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Seward 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 Seward County in a separate letter dated December 24, 2013.

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.

SIGNED ORIGINAL ON FILE

December 24, 2013
Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska
Independent Auditor’s Report

Board of Commissioners
Seward County, Nebraska

Report on Compliance for Each Major Federal Program
We have audited Seward County’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Seward County’s major Federal programs for the year ended June 30, 2013. Seward County’s major Federal programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor’s Responsibility
Our responsibility is to express an opinion on compliance for each of Seward County’s major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Seward County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.
We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Seward County’s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Seward County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Seward County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Seward County’s internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Seward County’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.
We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seward County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Seward County’s basic financial statements. We issued our report thereon dated December 24, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

SIGNED ORIGINAL ON FILE

December 24, 2013

Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska
 SECTION I. SUMMARY OF AUDITOR’S RESULTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? ___ Yes ___ No

Significant deficiencies identified? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Internal control over major programs:

Material weaknesses identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133:

___ Yes X No

Major programs: Asset Forfeiture Program – CFDA 21.Unknown
Economic Development Adjustment Assistance – CFDA 11.307

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee: ___ Yes X No
SECTION II. FINANCIAL STATEMENT FINDINGS

Finding # 2013-1

Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

Effect of the Condition - This lack of segregation of duties results in an inadequate overall internal control structure design.

Cause of the Condition - The County does not employ sufficient office personnel to properly segregate accounting functions.

Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted
<table>
<thead>
<tr>
<th>Finding Number</th>
<th>2012-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalog Number</td>
<td>16.Unknown</td>
</tr>
<tr>
<td>Grant / Finding</td>
<td>Asset Forfeiture Program / Reporting</td>
</tr>
<tr>
<td>County Response</td>
<td>Corrected Action Plan completed</td>
</tr>
<tr>
<td>Current Finding</td>
<td>No current finding</td>
</tr>
</tbody>
</table>
December 24, 2013

Board of Commissioners
Seward County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Seward County (County) for the fiscal year ended June 30, 2013, and have issued our report thereon dated December 24, 2013. 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 various offices, which collect and remit money to the County Treasurer, each had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. This was also noted in prior audits.

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

**Duplicate Payments**

During our audit we noted three claims to different vendors, totaling $476, that were each paid twice during the fiscal year.

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 are not duplicate payments. When procedures are not in place to catch duplicate claim submissions, there is an increased risk of loss or misuse of funds.

We recommend the County Board implement procedures to ensure that claims are not paid twice for the same invoice and all claims are paid from original invoices.

COUNTY SHERIFF

**Balancing Procedures**

We noted at June 30, office records indicated assets exceeded liabilities by $425, and a detailed list of individual account balances was not maintained. In addition, monthly bank reconciliations were not completed for one of the office bank accounts. 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 more easily go undetected.

During our audit we also noted the following:

- Receipts submitted to the County Treasurer were overstated by a total of $25.
- A complete list of all receipts issued for the audit period was not available.
- Mileage charged for serving papers had no documentation to support the number of miles traveled.
- There were 210 checks from an old bank account, totaling $968, that should have been remitted to Unclaimed Property

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.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states that personal property held by public entities or political subdivisions which remain unclaimed for more than three years is presumed abandoned. Additionally, Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires such items to be reported to the Nebraska State Treasurer before November 1st of each year as of June 30 next preceding.
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. Additionally, receipts should be issued for all money received, supported with documentation for the amount received, and recorded in a ledger which is available for inspection.

County Sheriff’s Response: The front office staff has taken steps to ensure that money processed through the administrative office will be balanced and forwarded to the Treasurer’s Office on a weekly basis occurring on or before Friday’s of each week. Quicken Software has been installed and will be utilized to track claims and ensure duplicate invoices are not being submitted to clerk’s office for payment. Each monetary transaction will provide a receipt for each customer. A daily transaction receipt will be kept that will match the weekly journal.

I have implemented some changes to the sheriff record keeping, per request of the state auditor personnel. These include meetings with our computer tech as to re-set the method of saving fee information, so loss of files through their work on our main server does not happen again. I am also setting up a ledger style to record month end accounting of money on hand pertaining to fees and transfers. This will be a work in progress. It should be noted that the prior audit could not be exact due to the loss of computer records during the months of March, April, and May, 2012.

I am also researching policies and procedures in place in other Sheriff’s Offices in Nebraska to address some of the noted deficiencies attributed to our accounting practices that need improvement. I have discussed this with the staff directly involved in the process as well as supervisory and administrative management personnel with the goal of having everyone working toward improving our accounting and record keeping procedures. I have reassigned responsibility for completing weekly and monthly reconciliation for Front Office receipts. I am in the process of developing an SOP for documenting monthly balancing procedures for all bank accounts with attention given to resolving any unexplained variances in a timely manner. We are currently developing procedures for limiting access to signed checks used for reimbursement to inmates released from our custody and for tracking any check that are determined to be remitted to the County Treasurer as Unclaimed Property. We are also researching procedures for issuing receipts and maintaining a ledger/record for any monies received by Sheriff’s Office staff to include out-of-county bond money posted for individuals incarcerated in our Detention Center. It is our intention to develop and implement a system for accounting for all monies/assets that come into our office or within our responsibility. In closing, I want you to know that we will strive to comply with all the requirements regarding appropriate accounting of all funds entrusted to the Seward County Sheriff’s Office and we appreciate the guidance/recommendations made by your staff in accomplishing that responsibility.
Printed Check Signature

During our audit, we noted that for one of the office bank accounts, there was a signature printed on the checks prior to the checks being filled out. In addition, all office staff had access to print checks from the accounting system.

Good internal controls require procedures to be in place to ensure access to signed checks is limited to only the necessary parties. There is an increased risk of possible loss or misuse of funds when adequate controls are not in place.

We recommend the County Sheriff implement controls to ensure that access to signed checks is limited.

* * * * * *

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

Draft copies of this report were furnished to the County to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

SIGNED ORIGINAL ON FILE

Deann Haeffner, CPA
Assistant Deputy Auditor