

**AUDIT REPORT
OF
DAWSON COUNTY**

JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

Issued on March 19, 2015

DAWSON COUNTY

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| List of County Officials | 1 |
| Financial Section | |
| Independent Auditor's Report | 2 - 4 |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position - Cash Basis | 5 |
| Statement of Activities - Cash Basis | 6 |
| Fund Financial Statements: | |
| Statement of Cash Basis Assets and Fund Balances - Governmental Funds | 7 |
| Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds | 8 |
| Statement of Fiduciary Assets and Liabilities - Cash Basis - Fiduciary Funds | 9 |
| Notes to Financial Statements | 10 - 18 |
| Combining Statements and Schedules: | |
| Budgetary Comparison Schedule - Budget and Actual - General Fund | 19 - 20 |
| Budgetary Comparison Schedule - Budget and Actual - Major Funds | 21 - 22 |
| Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds | 23 - 30 |
| Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds | 31 - 36 |
| Schedule of Office Activities | 37 - 38 |
| Schedule of Taxes Certified and Collected for All Political Subdivisions in the County | 39 |
| Government Auditing Standards Section | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 40 - 41 |

DAWSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2014

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

DAWSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dawson County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Dawson County as of June 30, 2014, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, Pages 19 - 39, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2015, on our consideration of Dawson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Dawson County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

March 9, 2015

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

| | <u>Governmental Activities</u> |
|--------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Cash Equivalents (Note 1.D) | \$ 10,814,933 |
| TOTAL ASSETS | <u><u>\$ 10,814,933</u></u> |
| | |
| NET POSITION | |
| Restricted for: | |
| Visitor Promotion | \$ 218,256 |
| 911 Emergency Services | 264,088 |
| Drug Education | 22,330 |
| Law Enforcement | 34,819 |
| Preservation of Records | 20,136 |
| Debt Service | 166,360 |
| Unrestricted | 10,088,944 |
| TOTAL NET POSITION | <u><u>\$ 10,814,933</u></u> |

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

DAWSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2014

| Functions: | Cash Disbursements | Program Cash Receipts | | Net (Disbursement) Receipts and Changes in Net Position |
|--------------------------------------|--------------------------------------|---|--|--|
| | | Fees, Fines, and Charges for Services | Operating Grants and Contributions | |
| Governmental Activities: | | | | |
| General Government | \$ (5,953,669) | \$ 743,111 | \$ 352,744 | \$ (4,857,814) |
| Public Safety | (4,659,659) | 147,661 | 157,541 | (4,354,457) |
| Public Works | (3,705,632) | 98,531 | 2,520,573 | (1,086,528) |
| Health and Sanitation | (140,215) | - | - | (140,215) |
| Public Assistance | (102,684) | - | 19,204 | (83,480) |
| Culture and Recreation | (230,996) | - | - | (230,996) |
| Debt Payments | (564,990) | - | - | (564,990) |
| Total Governmental Activities | <u><u>\$ (15,357,845)</u></u> | <u><u>\$ 989,303</u></u> | <u><u>\$ 3,050,062</u></u> | <u><u>(11,318,480)</u></u> |

General Receipts:

| | |
|---|------------------------------------|
| Property Taxes | 10,646,240 |
| Grants and Contributions Not Restricted to Specific Programs | 1,714,287 |
| Investment Income | 32,556 |
| Licenses and Permits | 84,735 |
| Insurance Reimbursements | 374,170 |
| Miscellaneous | 279,120 |
| Total General Receipts | <u><u>13,131,108</u></u> |
| Increase in Net Position | 1,812,628 |
| Net Position - Beginning of year | 9,002,305 |
| Net Position - End of year | <u><u>\$ 10,814,933</u></u> |

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

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

| | <u>General Fund</u> | <u>Road Fund</u> | <u>Inheritance Fund</u> | <u>Insurance Fund</u> | <u>Sinking Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------------------|---------------------|------------------|-----------------------------|-----------------------|---------------------|---|---|
| ASSETS | | | | | | | |
| Cash and Cash Equivalents (Note 1.D) | \$ 2,943,620 | \$ 83,273 | \$ 2,363,975 | \$ 2,321,566 | \$ 1,500,000 | \$ 1,602,499 | \$ 10,814,933 |
| TOTAL ASSETS | <u>\$ 2,943,620</u> | <u>\$ 83,273</u> | <u>\$ 2,363,975</u> | <u>\$ 2,321,566</u> | <u>\$ 1,500,000</u> | <u>\$ 1,602,499</u> | <u>\$ 10,814,933</u> |
| FUND BALANCES | | | | | | | |
| Restricted for: | | | | | | | |
| Visitor Promotion | - | - | - | - | - | 218,256 | 218,256 |
| 911 Emergency Services | - | - | - | - | - | 264,088 | 264,088 |
| Drug Education | - | - | - | - | - | 22,330 | 22,330 |
| Law Enforcement | - | - | - | - | - | 34,819 | 34,819 |
| Preservation of Records | - | - | - | - | - | 20,136 | 20,136 |
| Debt Service | - | - | - | - | - | 166,360 | 166,360 |
| Committed to: | | | | | | | |
| Law Enforcement | - | - | - | - | - | 28,725 | 28,725 |
| Road Projects | - | 83,273 | - | - | - | - | 83,273 |
| Employee Recognition | - | - | - | - | - | 7,835 | 7,835 |
| Aid and Assistance | - | - | - | - | - | 149,774 | 149,774 |
| County Buildings | - | - | - | - | - | 189,390 | 189,390 |
| Insurance Costs | - | - | - | 2,321,566 | - | - | 2,321,566 |
| Unemployment Benefits | - | - | - | - | - | 63,894 | 63,894 |
| Miscellaneous Projects | - | - | - | - | 1,500,000 | 97,172 | 1,597,172 |
| Watershed Management | - | - | - | - | - | 330,562 | 330,562 |
| Noxious Weed | - | - | - | - | - | 8,580 | 8,580 |
| Historical Society | - | - | - | - | - | 578 | 578 |
| Assigned to: | | | | | | | |
| Other Purposes | - | - | 2,363,975 | - | - | - | 2,363,975 |
| Unassigned | 2,943,620 | - | - | - | - | - | 2,943,620 |
| TOTAL CASH BASIS FUND BALANCES | <u>\$ 2,943,620</u> | <u>\$ 83,273</u> | <u>\$ 2,363,975</u> | <u>\$ 2,321,566</u> | <u>\$ 1,500,000</u> | <u>\$ 1,602,499</u> | <u>\$ 10,814,933</u> |

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

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

| | General Fund | Road Fund | Inheritance Fund | Insurance Fund | Sinking Fund | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------------|--------------------------|
| RECEIPTS | | | | | | | |
| Property Taxes | \$9,283,209 | \$ - | \$ 831,298 | \$ - | \$ - | \$ 531,733 | \$ 10,646,240 |
| Licenses and Permits | 84,735 | - | - | - | - | - | 84,735 |
| Interest | 22,542 | - | - | 7,094 | - | 2,920 | 32,556 |
| Intergovernmental | 1,715,031 | 2,520,573 | - | - | - | 528,745 | 4,764,349 |
| Charges for Services | 775,470 | - | - | - | - | 213,833 | 989,303 |
| Miscellaneous | 24,256 | 26,063 | - | 374,170 | - | 228,801 | 653,290 |
| TOTAL RECEIPTS | 11,905,243 | 2,546,636 | 831,298 | 381,264 | - | 1,506,032 | 17,170,473 |
| DISBURSEMENTS | | | | | | | |
| General Government | 4,427,274 | - | 98,221 | 1,282,016 | - | 146,158 | 5,953,669 |
| Public Safety | 3,738,920 | - | - | - | - | 920,739 | 4,659,659 |
| Public Works | 131,250 | 3,358,416 | - | - | - | 215,966 | 3,705,632 |
| Health and Sanitation | 140,215 | - | - | - | - | - | 140,215 |
| Public Assistance | 85,897 | - | - | - | - | 16,787 | 102,684 |
| Culture and Recreation | - | - | - | - | - | 230,996 | 230,996 |
| Debt Service: | | | | | | | |
| Principal Payments | - | 559,995 | - | - | - | - | 559,995 |
| Interest and Fiscal Charges | - | 4,995 | - | - | - | - | 4,995 |
| TOTAL DISBURSEMENTS | 8,523,556 | 3,923,406 | 98,221 | 1,282,016 | - | 1,530,646 | 15,357,845 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | 3,381,687 | (1,376,770) | 733,077 | (900,752) | - | (24,614) | 1,812,628 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 71 | 980,302 | 110,500 | 1,540,923 | - | 624,318 | 3,256,114 |
| Transfers out | (2,713,779) | - | (102,000) | - | - | (440,335) | (3,256,114) |
| TOTAL OTHER FINANCING SOURCES (USES) | (2,713,708) | 980,302 | 8,500 | 1,540,923 | - | 183,983 | - |
| Net Change in Fund Balances | 667,979 | (396,468) | 741,577 | 640,171 | - | 159,369 | 1,812,628 |
| CASH BASIS FUND BALANCES - BEGINNING | 2,275,641 | 479,741 | 1,622,398 | 1,681,395 | 1,500,000 | 1,443,130 | 9,002,305 |
| CASH BASIS FUND BALANCES - ENDING | \$2,943,620 | \$ 83,273 | \$ 2,363,975 | \$ 2,321,566 | \$1,500,000 | \$ 1,602,499 | \$ 10,814,933 |

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

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

| | Agency Funds |
|------------------------------------|------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 1,295,720 |
| LIABILITIES | |
| Due to other governments | |
| State | 379,455 |
| Schools | 485,375 |
| Educational Service Units | 4,115 |
| Technical College | 30,712 |
| Natural Resource Districts | 11,497 |
| Cemetery Districts | 188 |
| Fire Districts | 2,189 |
| Municipalities | 71,638 |
| Agricultural Society | 2,611 |
| Drainage Districts | 5,073 |
| Railroad Transportation Districts | 117,514 |
| Sanitary and Improvement Districts | 19,223 |
| Hospital Districts | 3,320 |
| Airport Authorities | 8,230 |
| Others | 154,580 |
| TOTAL LIABILITIES | 1,295,720 |
| TOTAL NET ASSETS | \$ - |

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

Joint Organization.

Behavioral Health Region II – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$115,558 toward the operation of the Region during fiscal year 2014. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with Two Rivers Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2014).

The Department’s governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2014. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Reissue 2014). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

Fund Financial Statements. The fund financial statements provide information about the County’s funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 and is primarily funded by State tax receipts.

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

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

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

The County reports the following additional non-major governmental fund types:

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

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

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County designates fund balances as:

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

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

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

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when warrants are paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recorded when earned, and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

D. Assets and Net Position

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

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

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

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

Compensated Absences. Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$725,989 of restricted net position, of which \$524,810 is restricted by enabling legislation.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Budgetary Process. The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

2. **Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$10,814,933 for County funds and \$1,295,720 for Fiduciary funds. The bank balances for all funds totaled \$11,907,469. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2014, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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

The levy set in October 2013, for the 2013 taxes, which were materially collected in May and September 2014, was set at \$.393076/\$100 of assessed valuation. The levy set in October 2012, for the 2012 taxes, which were materially collected in May and September 2013, was set at \$.410048/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2014) 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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

For the year ended June 30, 2014, 186 employees contributed \$291,693, and the County contributed \$429,637. Contributions included \$15,801 in cash contributions towards the supplemental law enforcement plan for 34 law enforcement employees. Lastly, the County paid \$186 directly to two retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 79 counties throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, is sent to each county in writing, and each county has 60 days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

5. Risk Management (Concluded)

| | NIRMA Coverage | Maximum Coverage |
|-----------------------------|-------------------|--------------------------------------|
| General Liability Claim | \$ 300,000 | \$ 5,000,000 |
| Workers' Compensation Claim | \$ 500,000 | Statutory Limits |
| Property Damage Claim | \$ 250,000 | Insured Value at Replacement Cost |

The County has not paid any additional assessments to the pool in the last three fiscal years, and no assessments are anticipated for fiscal year 2015. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2014, consisted of the following:

| Transfers to | Transfers from | | | Total |
|---------------------|---------------------|---------------------|-------------------|---------------------|
| | General Fund | Inheritance Fund | Nonmajor Funds | |
| Road Fund | \$ 980,302 | \$ - | \$ - | \$ 980,302 |
| Inheritance Fund | - | - | 110,500 | 110,500 |
| General Fund | - | - | 71 | 71 |
| Insurance Fund | 1,398,477 | - | 142,446 | 1,540,923 |
| Nonmajor Funds | 335,000 | 102,000 | 187,318 | 624,318 |
| Total | \$ 2,713,779 | \$ 102,000 | \$ 440,335 | \$ 3,256,114 |

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

In the year ended June 30, 2014, the County made a one-time transfer of \$71 from the Jail Obligation Bond Fund to the General Fund to close the Jail Obligation Bond Fund.

7. Contingent Liabilities

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

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|--------------------|-------------------|-------------------|---|
| RECEIPTS | | | | |
| Taxes | \$ 9,967,118 | \$ 9,967,118 | \$ 9,283,209 | \$ (683,909) |
| Licenses and Permits | 95,305 | 95,305 | 84,735 | (10,570) |
| Interest | 31,600 | 31,600 | 22,542 | (9,058) |
| Intergovernmental | 1,748,760 | 1,748,760 | 1,715,031 | (33,729) |
| Charges for Services | 746,850 | 746,850 | 775,470 | 28,620 |
| Miscellaneous | 30,000 | 30,000 | 24,256 | (5,744) |
| TOTAL RECEIPTS | 12,619,633 | 12,619,633 | 11,905,243 | (714,390) |
| DISBURSEMENTS | | | | |
| General Government: | | | | |
| County Board | 88,500 | 88,500 | 87,857 | 643 |
| County Clerk | 141,890 | 141,890 | 135,185 | 6,705 |
| County Treasurer | 280,385 | 280,385 | 275,150 | 5,235 |
| Register of Deeds | 121,300 | 121,300 | 96,093 | 25,207 |
| County Assessor | 470,792 | 470,792 | 462,374 | 8,418 |
| Election Commissioner | 70,850 | 70,850 | 55,185 | 15,665 |
| Building and Zoning | 17,500 | 17,500 | 11,631 | 5,869 |
| Clerk of the District Court | 280,724 | 280,724 | 244,989 | 35,735 |
| County Court System | 203,200 | 209,419 | 209,419 | - |
| District Judge | 144,765 | 144,765 | 106,792 | 37,973 |
| Public Defender | 214,700 | 291,574 | 291,574 | - |
| Building and Grounds | 1,008,400 | 1,008,400 | 396,442 | 611,958 |
| Reappraisal | 50,000 | 50,000 | - | 50,000 |
| Agricultural Extension Agent | 147,800 | 147,800 | 137,864 | 9,936 |
| Child Support | 207,147 | 226,168 | 226,168 | - |
| County Grants | 100,000 | 100,000 | - | 100,000 |
| Miscellaneous | 3,470,500 | 3,217,154 | 1,690,551 | 1,526,603 |
| Public Safety | | | | |
| County Sheriff | 3,011,609 | 3,142,619 | 3,142,619 | - |
| County Attorney | 474,390 | 474,390 | 419,644 | 54,746 |
| Emergency Management | 112,650 | 112,650 | 109,977 | 2,673 |
| COPS | 263 | 263 | - | 263 |
| Child Support Attorney | - | 4,052 | 4,052 | - |
| Sheriff Grants | 111,000 | 111,000 | 25,397 | 85,603 |
| Miscellaneous | 76,000 | 76,000 | 37,231 | 38,769 |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| DISBURSEMENTS (Continued) | | | | |
| Public Works | | | | |
| County Surveyor | 186,250 | 186,250 | 131,250 | 55,000 |
| Public Health | | | | |
| State Institutions | 140,500 | 140,500 | 140,215 | 285 |
| Public Assistance | | | | |
| Veterans' Service Officer | 55,044 | 55,044 | 53,958 | 1,086 |
| Transit Handi-Bus | 10,000 | 26,170 | 26,170 | - |
| Relief | 100,000 | 100,000 | 5,769 | 94,231 |
| TOTAL DISBURSEMENTS | <u>11,296,159</u> | <u>11,296,159</u> | <u>8,523,556</u> | <u>2,772,603</u> |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | <u>1,323,474</u> | <u>1,323,474</u> | <u>3,381,687</u> | <u>2,058,213</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 570,366 | 570,366 | 71 | (570,295) |
| Transfers out | (3,249,481) | (3,249,481) | (2,713,779) | 535,702 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(2,679,115)</u> | <u>(2,679,115)</u> | <u>(2,713,708)</u> | <u>(34,593)</u> |
| Net Change in Fund Balance | (1,355,641) | (1,355,641) | 667,979 | 2,023,620 |
| FUND BALANCE - BEGINNING | <u>2,275,641</u> | <u>2,275,641</u> | <u>2,275,641</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 920,000</u> | <u>\$ 920,000</u> | <u>\$ 2,943,620</u> | <u>\$ 2,023,620</u> |

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| ROAD FUND | | | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 2,205,500 | \$ 2,205,500 | \$ 2,520,573 | \$ 315,073 |
| Miscellaneous | 50,000 | 50,000 | 26,063 | (23,937) |
| TOTAL RECEIPTS | 2,255,500 | 2,255,500 | 2,546,636 | 291,136 |
| DISBURSEMENTS | 5,364,450 | 5,364,450 | 3,923,406 | 1,441,044 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (3,108,950) | (3,108,950) | (1,376,770) | 1,732,180 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,129,209 | 3,129,209 | 980,302 | (2,148,907) |
| Transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 3,129,209 | 3,129,209 | 980,302 | (2,148,907) |
| Net Change in Fund Balance | 20,259 | 20,259 | (396,468) | (416,727) |
| FUND BALANCE - BEGINNING | 479,741 | 479,741 | 479,741 | - |
| FUND BALANCE - ENDING | \$ 500,000 | \$ 500,000 | \$ 83,273 | \$ (416,727) |
| INHERITANCE FUND | | | | |
| RECEIPTS | | | | |
| Taxes | \$ 780,102 | \$ 780,102 | \$ 831,298 | \$ 51,196 |
| TOTAL RECEIPTS | 780,102 | 780,102 | 831,298 | 51,196 |
| DISBURSEMENTS | 1,721,582 | 1,721,582 | 98,221 | 1,623,361 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (941,480) | (941,480) | 733,077 | 1,674,557 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 159,500 | 159,500 | 110,500 | (49,000) |
| Transfers out | (840,418) | (840,418) | (102,000) | 738,418 |
| TOTAL OTHER FINANCING SOURCES (USES) | (680,918) | (680,918) | 8,500 | 689,418 |
| Net Change in Fund Balance | (1,622,398) | (1,622,398) | 741,577 | 2,363,975 |
| FUND BALANCE - BEGINNING | 1,622,398 | 1,622,398 | 1,622,398 | - |
| FUND BALANCE - ENDING | \$ - | \$ - | \$ 2,363,975 | \$ 2,363,975 |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| INSURANCE FUND | | | | |
| RECEIPTS | | | | |
| Interest | \$ - | \$ - | \$ 7,094 | \$ 7,094 |
| Miscellaneous | 118,605 | 118,605 | 374,170 | 255,565 |
| TOTAL RECEIPTS | 118,605 | 118,605 | 381,264 | 262,659 |
| | | | | |
| DISBURSEMENTS | 1,800,000 | 1,800,000 | 1,282,016 | 517,984 |
| | | | | |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (1,681,395) | (1,681,395) | (900,752) | 780,643 |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 1,540,923 | 1,540,923 |
| Transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | 1,540,923 | 1,540,923 |
| | | | | |
| Net Change in Fund Balance | (1,681,395) | (1,681,395) | 640,171 | 2,321,566 |
| FUND BALANCE - BEGINNING | 1,681,395 | 1,681,395 | 1,681,395 | - |
| FUND BALANCE - ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,321,566</u> | <u>\$ 2,321,566</u> |
| | | | | |
| SINKING FUND | | | | |
| RECEIPTS | | | | |
| | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| DISBURSEMENTS | 1,500,000 | 1,500,000 | - | 1,500,000 |
| | | | | |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (1,500,000) | (1,500,000) | - | 1,500,000 |
| | | | | |
| Net Change in Fund Balance | (1,500,000) | (1,500,000) | - | 1,500,000 |
| FUND BALANCE - BEGINNING | 1,500,000 | 1,500,000 | 1,500,000 | - |
| FUND BALANCE - ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,500,000</u> | <u>\$ 1,500,000</u> |

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| FEDERAL AID ROAD FUND | | | | |
| Receipts | \$ 213,943 | \$ 213,943 | \$ - | \$ (213,943) |
| Disbursements | (213,943) | (213,943) | - | 213,943 |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| VISITOR'S PROMOTION FUND | | | | |
| Receipts | \$ 28,072 | \$ 28,072 | \$ 108,937 | \$ 80,865 |
| Disbursements | (135,970) | (135,970) | (116,953) | 19,017 |
| Net Change in Fund Balance | (107,898) | (107,898) | (8,016) | 99,882 |
| Fund Balance - Beginning | 107,898 | 107,898 | 107,898 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 99,882</u> | <u>\$ 99,882</u> |
| VISITOR'S IMPROVEMENT FUND | | | | |
| Receipts | \$ 76,969 | \$ 76,969 | \$ 108,936 | \$ 31,967 |
| Disbursements | (157,275) | (157,275) | (70,868) | 86,407 |
| Net Change in Fund Balance | (80,306) | (80,306) | 38,068 | 118,374 |
| Fund Balance - Beginning | 80,306 | 80,306 | 80,306 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 118,374</u> | <u>\$ 118,374</u> |
| REGISTER DEED PRESERVATION FUND | | | | |
| Receipts | \$ 17,962 | \$ 17,962 | \$ 14,578 | \$ (3,384) |
| Disbursements | (25,000) | (25,000) | (1,480) | 23,520 |
| Net Change in Fund Balance | (7,038) | (7,038) | 13,098 | 20,136 |
| Fund Balance - Beginning | 7,038 | 7,038 | 7,038 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,136</u> | <u>\$ 20,136</u> |
| UNEMPLOYMENT COMPENSATION FUND | | | | |
| Receipts | \$ 10,990 | \$ 10,990 | \$ 10,238 | \$ (752) |
| Disbursements | (55,000) | (55,000) | (354) | 54,646 |
| Net Change in Fund Balance | (44,010) | (44,010) | 9,884 | 53,894 |
| Fund Balance - Beginning | 54,010 | 54,010 | 54,010 | - |
| Fund Balance - Ending | <u>\$ 10,000</u> | <u>\$ 10,000</u> | <u>\$ 63,894</u> | <u>\$ 53,894</u> |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| <u>PARENT CHILD CENTER FUND</u> | | | | |
| Receipts | \$ - | \$ - | \$ - | \$ - |
| Disbursements | (15,000) | (15,000) | (15,000) | - |
| Transfers in | 15,000 | 15,000 | 15,000 | - |
| Transfers out | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>INSTITUTIONS FUND</u> | | | | |
| Receipts | \$ - | \$ - | \$ 51,060 | \$ 51,060 |
| Disbursements | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (60,001) | (60,001) | - | 60,001 |
| Net Change in Fund Balance | (60,001) | (60,001) | 51,060 | 111,061 |
| Fund Balance - Beginning | 60,001 | 60,001 | 60,001 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 111,061</u> | <u>\$ 111,061</u> |
| <u>VETERAN'S AID FUND</u> | | | | |
| Receipts | \$ 2,508 | \$ 2,508 | \$ 2,631 | \$ 123 |
| Disbursements | (3,500) | (3,500) | (1,787) | 1,713 |
| Net Change in Fund Balance | (992) | (992) | 844 | 1,836 |
| Fund Balance - Beginning | 992 | 992 | 992 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,836</u> | <u>\$ 1,836</u> |
| <u>VETERAN'S MONEY MARKET FUND</u> | | | | |
| Receipts | \$ 69 | \$ 69 | \$ 2 | \$ (67) |
| Disbursements | (20,100) | (20,100) | - | 20,100 |
| Net Change in Fund Balance | (20,031) | (20,031) | 2 | 20,033 |
| Fund Balance - Beginning | 20,031 | 20,031 | 20,031 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,033</u> | <u>\$ 20,033</u> |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|------------------|---|
| CASA FUND | | | | |
| Receipts | \$ 42,895 | \$ 42,895 | \$ 37,537 | \$ (5,358) |
| Disbursements | (69,053) | (69,053) | (55,246) | 13,807 |
| Transfers in | 19,025 | 19,025 | 24,397 | 5,372 |
| Transfers out | (1,048) | (1,048) | (14,765) | (13,717) |
| Net Change in Fund Balance | (8,181) | (8,181) | (8,077) | 104 |
| Fund Balance - Beginning | 8,181 | 8,181 | 8,181 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 104</u> | <u>\$ 104</u> |
| STOP FUND | | | | |
| Receipts | \$ 20,877 | \$ 20,877 | \$ 4,500 | \$ (16,377) |
| Disbursements | (25,000) | (25,000) | - | 25,000 |
| Net Change in Fund Balance | (4,123) | (4,123) | 4,500 | 8,623 |
| Fund Balance - Beginning | 4,123 | 4,123 | 4,123 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,623</u> | <u>\$ 8,623</u> |
| COUNTY DRUG FUND | | | | |
| Receipts | \$ 6,231 | \$ 6,231 | \$ 3,561 | \$ (2,670) |
| Disbursements | (25,000) | (25,000) | - | 25,000 |
| Net Change in Fund Balance | (18,769) | (18,769) | 3,561 | 22,330 |
| Fund Balance - Beginning | 18,769 | 18,769 | 18,769 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 22,330</u> | <u>\$ 22,330</u> |
| MIDWEST NEBRASKA DRUG COURT FUND | | | | |
| Receipts | \$ 9,671 | \$ 9,671 | \$ 15,234 | \$ 5,563 |
| Disbursements | (24,400) | (24,400) | (14,494) | 9,906 |
| Net Change in Fund Balance | (14,729) | (14,729) | 740 | 15,469 |
| Fund Balance - Beginning | 14,729 | 14,729 | 14,729 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,469</u> | <u>\$ 15,469</u> |
| FEDERAL DRUG FORFEITURE FUND | | | | |
| Receipts | \$ 516 | \$ 516 | \$ - | \$ (516) |
| Disbursements | (1,000) | (1,000) | - | 1,000 |
| Net Change in Fund Balance | (484) | (484) | - | 484 |
| Fund Balance - Beginning | 484 | 484 | 484 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 484</u> | <u>\$ 484</u> |

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------|--------------------|-----------------|------------------|---|
| K-9 DOG FUND | | | | |
| Receipts | \$ 10,154 | \$ 10,154 | \$ 1,275 | \$ (8,879) |
| Disbursements | (15,000) | (15,000) | (3,560) | 11,440 |
| Net Change in Fund Balance | (4,846) | (4,846) | (2,285) | 2,561 |
| Fund Balance - Beginning | 4,846 | 4,846 | 4,846 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,561</u> | <u>\$ 2,561</u> |
| SCAAP FUND | | | | |
| Receipts | \$ 1,594 | \$ 1,594 | \$ - | \$ (1,594) |
| Disbursements | (29,000) | (29,000) | (2,538) | 26,462 |
| Net Change in Fund Balance | (27,406) | (27,406) | (2,538) | 24,868 |
| Fund Balance - Beginning | 27,406 | 27,406 | 27,406 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 24,868</u> | <u>\$ 24,868</u> |
| CASA GRANT FUND | | | | |
| Receipts | \$ 6,952 | \$ 6,952 | \$ 3,720 | \$ (3,232) |
| Disbursements | (8,000) | (8,000) | (795) | 7,205 |
| Transfers in | 1,048 | 1,048 | 1,048 | - |
| Transfers out | - | - | - | - |
| Net Change in Fund Balance | - | - | 3,973 | 3,973 |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,973</u> | <u>\$ 3,973</u> |
| COUNTY GRANT FUND | | | | |
| Receipts | \$ 317,446 | \$ 317,446 | \$ 194,356 | \$ (123,090) |
| Disbursements | (350,000) | (350,000) | (212,756) | 137,244 |
| Transfers in | 150,000 | 150,000 | 105,110 | (44,890) |
| Transfers out | (150,000) | (150,000) | (109,797) | 40,203 |
| Net Change in Fund Balance | (32,554) | (32,554) | (23,087) | 9,467 |
| Fund Balance - Beginning | 32,554 | 32,554 | 32,554 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,467</u> | <u>\$ 9,467</u> |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|-----------------|-------------------|---|
| VICTIM WITNESS FUND | | | | |
| Receipts | \$ 36,001 | \$ 36,001 | \$ 36,000 | \$ (1) |
| Disbursements | (64,765) | (64,765) | (46,390) | 18,375 |
| Transfers in | 18,400 | 18,400 | 23,400 | 5,000 |
| Transfers out | (9,500) | (9,500) | (20,107) | (10,607) |
| Net Change in Fund Balance | (19,864) | (19,864) | (7,097) | 12,767 |
| Fund Balance - Beginning | 19,864 | 19,864 | 19,864 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,767</u> | <u>\$ 12,767</u> |
| EMPLOYEE RECOGNITION FUND | | | | |
| Receipts | \$ 8,640 | \$ 8,640 | \$ 4,829 | \$ (3,811) |
| Disbursements | (15,000) | (15,000) | (3,354) | 11,646 |
| Net Change in Fund Balance | (6,360) | (6,360) | 1,475 | 7,835 |
| Fund Balance - Beginning | 6,360 | 6,360 | 6,360 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,835</u> | <u>\$ 7,835</u> |
| LOTTERY FUND | | | | |
| Receipts | \$ 139,539 | \$ 139,539 | \$ 132,441 | \$ (7,098) |
| Disbursements | (45,000) | (45,000) | (21,230) | 23,770 |
| Transfers in | - | - | - | - |
| Transfers out | (155,000) | (155,000) | (74,500) | 80,500 |
| Net Change in Fund Balance | (60,461) | (60,461) | 36,711 | 97,172 |
| Fund Balance - Beginning | 60,461 | 60,461 | 60,461 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 97,172</u> | <u>\$ 97,172</u> |
| E-911 FUND | | | | |
| Receipts | \$ 38,335 | \$ 38,335 | \$ 66,527 | \$ 28,192 |
| Disbursements | (200,418) | (200,418) | (44,590) | 155,828 |
| Transfers in | 80,000 | 80,000 | 26,126 | (53,874) |
| Transfers out | (69,582) | (69,582) | (73,737) | (4,155) |
| Net Change in Fund Balance | (151,665) | (151,665) | (25,674) | 125,991 |
| Fund Balance - Beginning | 151,665 | 151,665 | 151,665 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 125,991</u> | <u>\$ 125,991</u> |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| 911 ENHANCED WIRELESS SERVICE FUND | | | | |
| Receipts | \$ 79,381 | \$ 79,381 | \$ 79,449 | \$ 68 |
| Disbursements | (80,000) | (80,000) | - | 80,000 |
| Transfers in | - | - | 4,155 | 4,155 |
| Transfers out | (80,000) | (80,000) | (26,126) | 53,874 |
| Net Change in Fund Balance | (80,619) | (80,619) | 57,478 | 138,097 |
| Fund Balance - Beginning | 80,619 | 80,619 | 80,619 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 138,097</u> | <u>\$ 138,097</u> |
| RANGE MANAGEMENT FUND | | | | |
| Receipts | \$ 1,912 | \$ 1,912 | \$ 1,700 | \$ (212) |
| Disbursements | (3,000) | (3,000) | (1,268) | 1,732 |
| Net Change in Fund Balance | (1,088) | (1,088) | 432 | 1,520 |
| Fund Balance - Beginning | 1,088 | 1,088 | 1,088 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,520</u> | <u>\$ 1,520</u> |
| DISPATCH FUND | | | | |
| Receipts | \$ 197,128 | \$ 197,128 | \$ 210,249 | \$ 13,121 |
| Disbursements | (601,083) | (601,083) | (470,480) | 130,603 |
| Transfers in | 326,522 | 326,522 | 304,582 | (21,940) |
| Transfers out | - | - | (121,232) | (121,232) |
| Net Change in Fund Balance | (77,433) | (77,433) | (76,881) | 552 |
| Fund Balance - Beginning | 77,433 | 77,433 | 77,433 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 552</u> | <u>\$ 552</u> |
| BUILDING FUND | | | | |
| Receipts | \$ 36,030 | \$ 36,030 | \$ 66,115 | \$ 30,085 |
| Disbursements | (81,000) | (81,000) | (64,494) | 16,506 |
| Transfers in | 43,200 | 43,200 | 25,500 | (17,700) |
| Transfers out | - | - | - | - |
| Net Change in Fund Balance | (1,770) | (1,770) | 27,121 | 28,891 |
| Fund Balance - Beginning | 1,770 | 1,770 | 1,770 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28,891</u> | <u>\$ 28,891</u> |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| JAIL OBLIGATION BOND FUND | | | | |
| Receipts | \$ - | \$ - | \$ 9 | \$ 9 |
| Disbursements | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (62) | (62) | (71) | (9) |
| Net Change in Fund Balance | (62) | (62) | (62) | - |
| Fund Balance - Beginning | 62 | 62 | 62 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| COURTHOUSE REMODELING BOND FUND | | | | |
| Receipts | \$ - | \$ - | \$ 65,432 | \$ 65,432 |
| Disbursements | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (100,928) | (100,928) | - | 100,928 |
| Net Change in Fund Balance | (100,928) | (100,928) | 65,432 | 166,360 |
| Fund Balance - Beginning | 100,928 | 100,928 | 100,928 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 166,360</u> | <u>\$ 166,360</u> |
| SPRING CREEK WATERSHED FUND | | | | |
| Receipts | \$ 3,577 | \$ 3,577 | \$ 19,903 | \$ 16,326 |
| Disbursements | (315,000) | (315,000) | (764) | 314,236 |
| Net Change in Fund Balance | (311,423) | (311,423) | 19,139 | 330,562 |
| Fund Balance - Beginning | 311,423 | 311,423 | 311,423 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 330,562</u> | <u>\$ 330,562</u> |
| NOXIOUS WEED FUND | | | | |
| Receipts | \$ 107,997 | \$ 107,997 | \$ 114,379 | \$ 6,382 |
| Disbursements | (226,150) | (226,150) | (215,202) | 10,948 |
| Transfers in | 203,750 | 203,750 | 95,000 | (108,750) |
| Transfers out | - | - | - | - |
| Net Change in Fund Balance | 85,597 | 85,597 | (5,823) | (91,420) |
| Fund Balance - Beginning | 14,403 | 14,403 | 14,403 | - |
| Fund Balance - Ending | <u>\$ 100,000</u> | <u>\$ 100,000</u> | <u>\$ 8,580</u> | <u>\$ (91,420)</u> |

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-------------------|---|
| <u>INVENTORY MAINTENANCE FUND</u> | | | | |
| Receipts | \$ 577 | \$ 577 | \$ 108,944 | \$ 108,367 |
| Disbursements | (176,000) | (176,000) | (123,868) | 52,132 |
| Net Change in Fund Balance | (175,423) | (175,423) | (14,924) | 160,499 |
| Fund Balance - Beginning | 175,423 | 175,423 | 175,423 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 160,499</u> | <u>\$ 160,499</u> |
| <u>HISTORICAL SOCIETY FUND</u> | | | | |
| Receipts | \$ 49,737 | \$ 49,737 | \$ 43,490 | \$ (6,247) |
| Disbursements | (50,000) | (50,000) | (43,175) | 6,825 |
| Net Change in Fund Balance | (263) | (263) | 315 | 578 |
| Fund Balance - Beginning | 263 | 263 | 263 | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 578</u> | <u>\$ 578</u> |

(Concluded)

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

| | Visitor's Promotion Fund | Visitor's Improvement Fund | Register Deed Preservation Fund | Unemployment Compensation Fund | Parent Child Center Fund |
|---|--------------------------------|----------------------------------|--|--------------------------------------|-----------------------------|
| RECEIPTS | | | | | |
| Property Taxes | \$ 108,937 | \$ 108,936 | \$ - | \$ 9,661 | \$ - |
| Interest | - | - | - | - | - |
| Intergovernmental | - | - | - | 577 | - |
| Charges for Services | - | - | 14,578 | - | - |
| Miscellaneous | - | - | - | - | - |
| TOTAL RECEIPTS | <u>108,937</u> | <u>108,936</u> | <u>14,578</u> | <u>10,238</u> | <u>-</u> |
| DISBURSEMENTS | | | | | |
| General Government | - | - | 1,480 | 354 | - |
| Public Safety | - | - | - | - | - |
| Public Works | - | - | - | - | - |
| Public Assistance | - | - | - | - | 15,000 |
| Culture and Recreation | 116,953 | 70,868 | - | - | - |
| TOTAL DISBURSEMENTS | <u>116,953</u> | <u>70,868</u> | <u>1,480</u> | <u>354</u> | <u>15,000</u> |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | <u>(8,016)</u> | <u>38,068</u> | <u>13,098</u> | <u>9,884</u> | <u>(15,000)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | 15,000 |
| Transfers out | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,000</u> |
| Net Change in Fund Balances | (8,016) | 38,068 | 13,098 | 9,884 | - |
| FUND BALANCES - BEGINNING | <u>107,898</u> | <u>80,306</u> | <u>7,038</u> | <u>54,010</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 99,882</u> | <u>\$ 118,374</u> | <u>\$ 20,136</u> | <u>\$ 63,894</u> | <u>\$ -</u> |
| FUND BALANCES: | | | | | |
| Restricted for: | | | | | |
| Visitor Promotion | 99,882 | 118,374 | - | - | - |
| 911 Emergency Services | - | - | - | - | - |
| Drug Education | - | - | - | - | - |
| Law Enforcement | - | - | - | - | - |
| Preservation of Records | - | - | 20,136 | - | - |
| Debt Service | - | - | - | - | - |
| Committed to: | | | | | |
| Law Enforcement | - | - | - | - | - |
| Employee Recognition | - | - | - | - | - |
| Aid and Assistance | - | - | - | - | - |
| County Buildings | - | - | - | - | - |
| Unemployment Benefits | - | - | - | 63,894 | - |
| Miscellaneous Projects | - | - | - | - | - |
| Watershed Management | - | - | - | - | - |
| Noxious Weed | - | - | - | - | - |
| Historical Society | - | - | - | - | - |
| TOTAL FUND BALANCES | <u>\$ 99,882</u> | <u>\$ 118,374</u> | <u>\$ 20,136</u> | <u>\$ 63,894</u> | <u>\$ -</u> |

(Continued)

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

| | Institutions Fund | Veteran's Aid Fund | Veteran's Money Market Fund | CASA Fund | STOP Fund | County Drug Fund |
|---|-------------------|--------------------|-----------------------------|-----------------|-----------------|------------------|
| RECEIPTS | | | | | | |
| Property Taxes | \$ 50,413 | \$ 2,485 | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | 2 | - | - | - |
| Intergovernmental | 647 | 146 | - | 2,850 | - | - |
| Charges for Services | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 34,687 | 4,500 | 3,561 |
| TOTAL RECEIPTS | <u>51,060</u> | <u>2,631</u> | <u>2</u> | <u>37,537</u> | <u>4,500</u> | <u>3,561</u> |
| DISBURSEMENTS | | | | | | |
| General Government | - | - | - | 55,246 | - | - |
| Public Safety | - | - | - | - | - | - |
| Public Works | - | - | - | - | - | - |
| Public Assistance | - | 1,787 | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - |
| TOTAL DISBURSEMENTS | <u>-</u> | <u>1,787</u> | <u>-</u> | <u>55,246</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | <u>51,060</u> | <u>844</u> | <u>2</u> | <u>(17,709)</u> | <u>4,500</u> | <u>3,561</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | 24,397 | - | - |
| Transfers out | - | - | - | (14,765) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,632</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 51,060 | 844 | 2 | (8,077) | 4,500 | 3,561 |
| FUND BALANCES - BEGINNING | <u>60,001</u> | <u>992</u> | <u>20,031</u> | <u>8,181</u> | <u>4,123</u> | <u>18,769</u> |
| FUND BALANCES - ENDING | <u>\$ 111,061</u> | <u>\$ 1,836</u> | <u>\$ 20,033</u> | <u>\$ 104</u> | <u>\$ 8,623</u> | <u>\$ 22,330</u> |
| FUND BALANCES: | | | | | | |
| Restricted for: | | | | | | |
| Visitor Promotion | - | - | - | - | - | - |
| 911 Emergency Services | - | - | - | - | - | - |
| Drug Education | - | - | - | - | - | 22,330 |
| Law Enforcement | - | - | - | - | - | - |
| Preservation of Records | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Committed to: | | | | | | |
| Law Enforcement | - | - | - | - | 8,623 | - |
| Employee Recognition | - | - | - | - | - | - |
| Aid and Assistance | 111,061 | 1,836 | 20,033 | 104 | - | - |
| County Buildings | - | - | - | - | - | - |
| Unemployment Benefits | - | - | - | - | - | - |
| Miscellaneous Projects | - | - | - | - | - | - |
| Watershed Management | - | - | - | - | - | - |
| Noxious Weed | - | - | - | - | - | - |
| Historical Society | - | - | - | - | - | - |
| TOTAL FUND BALANCES | <u>\$ 111,061</u> | <u>\$ 1,836</u> | <u>\$ 20,033</u> | <u>\$ 104</u> | <u>\$ 8,623</u> | <u>\$ 22,330</u> |

(Continued)

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

For the Year Ended June 30, 2014

| | Midwest Nebraska Drug Court Fund | Federal Drug Forfeiture Fund | K-9 Dog Fund | SCAAP Fund | CASA Grant Fund | County Grant Fund |
|---|---|------------------------------------|-----------------|------------------|--------------------|----------------------|
| RECEIPTS | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | 194,356 |
| Charges for Services | - | - | - | - | - | - |
| Miscellaneous | 15,234 | - | 1,275 | - | 3,720 | - |
| TOTAL RECEIPTS | 15,234 | - | 1,275 | - | 3,720 | 194,356 |
| DISBURSEMENTS | | | | | | |
| General Government | - | - | - | - | - | - |
| Public Safety | 14,494 | - | 3,560 | 2,538 | 795 | 212,756 |
| Public Works | - | - | - | - | - | - |
| Public Assistance | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - |
| TOTAL DISBURSEMENTS | 14,494 | - | 3,560 | 2,538 | 795 | 212,756 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | 740 | - | (2,285) | (2,538) | 2,925 | (18,400) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | 1,048 | 105,110 |
| Transfers out | - | - | - | - | - | (109,797) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | 1,048 | (4,687) |
| Net Change in Fund Balances | 740 | - | (2,285) | (2,538) | 3,973 | (23,087) |
| FUND BALANCES - BEGINNING | 14,729 | 484 | 4,846 | 27,406 | - | 32,554 |
| FUND BALANCES - ENDING | \$ 15,469 | \$ 484 | \$ 2,561 | \$ 24,868 | \$ 3,973 | \$ 9,467 |
| FUND BALANCES: | | | | | | |
| Restricted for: | | | | | | |
| Visitor Promotion | - | - | - | - | - | - |
| 911 Emergency Services | - | - | - | - | - | - |
| Drug Education | - | - | - | - | - | - |
| Law Enforcement | - | 484 | - | 24,868 | - | 9,467 |
| Preservation of Records | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Committed to: | | | | | | |
| Law Enforcement | 15,469 | - | 2,561 | - | - | - |
| Employee Recognition | - | - | - | - | 3,973 | - |
| Aid and Assistance | - | - | - | - | - | - |
| County Buildings | - | - | - | - | - | - |
| Unemployment Benefits | - | - | - | - | - | - |
| Miscellaneous Projects | - | - | - | - | - | - |
| Watershed Management | - | - | - | - | - | - |
| Noxious Weed | - | - | - | - | - | - |
| Historical Society | - | - | - | - | - | - |
| TOTAL FUND BALANCES | \$ 15,469 | \$ 484 | \$ 2,561 | \$ 24,868 | \$ 3,973 | \$ 9,467 |

(Continued)

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

| | Victim Witness Fund | Employee Recognition Fund | Lottery Fund | E-911 Fund | 911 Enhanced Wireless Service Fund | Range Management Fund |
|---|------------------------|---------------------------------|------------------|-------------------|--|-----------------------------|
| RECEIPTS | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ 66,527 | \$ 79,449 | \$ - |
| Interest | - | - | 178 | - | - | - |
| Intergovernmental | 36,000 | - | - | - | - | - |
| Charges for Services | - | - | - | - | - | - |
| Miscellaneous | - | 4,829 | 132,263 | - | - | 1,700 |
| TOTAL RECEIPTS | <u>36,000</u> | <u>4,829</u> | <u>132,441</u> | <u>66,527</u> | <u>79,449</u> | <u>1,700</u> |
| DISBURSEMENTS | | | | | | |
| General Government | - | 3,354 | 21,230 | - | - | - |
| Public Safety | 46,390 | - | - | 44,590 | - | 1,268 |
| Public Works | - | - | - | - | - | - |
| Public Assistance | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - |
| TOTAL DISBURSEMENTS | <u>46,390</u> | <u>3,354</u> | <u>21,230</u> | <u>44,590</u> | <u>-</u> | <u>1,268</u> |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | <u>(10,390)</u> | <u>1,475</u> | <u>111,211</u> | <u>21,937</u> | <u>79,449</u> | <u>432</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 23,400 | - | - | 26,126 | 4,155 | - |
| Transfers out | (20,107) | - | (74,500) | (73,737) | (26,126) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>3,293</u> | <u>-</u> | <u>(74,500)</u> | <u>(47,611)</u> | <u>(21,971)</u> | <u>-</u> |
| Net Change in Fund Balances | (7,097) | 1,475 | 36,711 | (25,674) | 57,478 | 432 |
| FUND BALANCES - BEGINNING | <u>19,864</u> | <u>6,360</u> | <u>60,461</u> | <u>151,665</u> | <u>80,619</u> | <u>1,088</u> |
| FUND BALANCES - ENDING | <u>\$ 12,767</u> | <u>\$ 7,835</u> | <u>\$ 97,172</u> | <u>\$ 125,991</u> | <u>\$ 138,097</u> | <u>\$ 1,520</u> |
| FUND BALANCES: | | | | | | |
| Restricted for: | | | | | | |
| Visitor Promotion | - | - | - | - | - | - |
| 911 Emergency Services | - | - | - | 125,991 | 138,097 | - |
| Drug Education | - | - | - | - | - | - |
| Law Enforcement | - | - | - | - | - | - |
| Preservation of Records | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Committed to: | | | | | | |
| Law Enforcement | - | - | - | - | - | 1,520 |
| Employee Recognition | - | 7,835 | - | - | - | - |
| Aid and Assistance | 12,767 | - | - | - | - | - |
| County Buildings | - | - | - | - | - | - |
| Unemployment Benefits | - | - | - | - | - | - |
| Miscellaneous Projects | - | - | 97,172 | - | - | - |
| Watershed Management | - | - | - | - | - | - |
| Noxious Weed | - | - | - | - | - | - |
| Historical Society | - | - | - | - | - | - |
| TOTAL FUND BALANCES | <u>\$ 12,767</u> | <u>\$ 7,835</u> | <u>\$ 97,172</u> | <u>\$ 125,991</u> | <u>\$ 138,097</u> | <u>\$ 1,520</u> |

(Continued)

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

| | Dispatch Fund | Building Fund | Jail Obligation Bond Fund | Courthouse Remodeling Bond Fund | Spring Creek Watershed Fund |
|---|------------------|------------------|------------------------------|---------------------------------------|-----------------------------------|
| RECEIPTS | | | | | |
| Property Taxes | \$ - | \$ - | \$ 9 | \$ 64,603 | \$ - |
| Interest | - | - | - | - | 2,740 |
| Intergovernmental | 210,249 | 36,032 | - | 829 | - |
| Charges for Services | - | 30,083 | - | - | 17,163 |
| Miscellaneous | - | - | - | - | - |
| TOTAL RECEIPTS | 210,249 | 66,115 | 9 | 65,432 | 19,903 |
| DISBURSEMENTS | | | | | |
| General Government | - | 64,494 | - | - | - |
| Public Safety | 470,480 | - | - | - | - |
| Public Works | - | - | - | - | 764 |
| Public Assistance | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - |
| TOTAL DISBURSEMENTS | 470,480 | 64,494 | - | - | 764 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (260,231) | 1,621 | 9 | 65,432 | 19,139 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 304,582 | 25,500 | - | - | - |
| Transfers out | (121,232) | - | (71) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 183,350 | 25,500 | (71) | - | - |
| Net Change in Fund Balances | (76,881) | 27,121 | (62) | 65,432 | 19,139 |
| FUND BALANCES - BEGINNING | 77,433 | 1,770 | 62 | 100,928 | 311,423 |
| FUND BALANCES - ENDING | \$ 552 | \$ 28,891 | \$ - | \$ 166,360 | \$ 330,562 |
| FUND BALANCES: | | | | | |
| Restricted for: | | | | | |
| Visitor Promotion | - | - | - | - | - |
| 911 Emergency Services | - | - | - | - | - |
| Drug Education | - | - | - | - | - |
| Law Enforcement | - | - | - | - | - |
| Preservation of Records | - | - | - | - | - |
| Debt Service | - | - | - | 166,360 | - |
| Committed to: | | | | | |
| Law Enforcement | 552 | - | - | - | - |
| Employee Recognition | - | - | - | - | - |
| Aid and Assistance | - | - | - | - | - |
| County Buildings | - | 28,891 | - | - | - |
| Unemployment Benefits | - | - | - | - | - |
| Miscellaneous Projects | - | - | - | - | - |
| Watershed Management | - | - | - | - | 330,562 |
| Noxious Weed | - | - | - | - | - |
| Historical Society | - | - | - | - | - |
| TOTAL FUND BALANCES | \$ 552 | \$ 28,891 | \$ - | \$ 166,360 | \$ 330,562 |

(Continued)

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

| | Noxious Weed Fund | Inventory Maintenance Fund | Historical Society Fund | Total Nonmajor Governmental Funds |
|---|----------------------|-------------------------------|----------------------------|---|
| RECEIPTS | | | | |
| Property Taxes | \$ - | \$ - | \$ 40,713 | \$ 531,733 |
| Interest | - | - | - | 2,920 |
| Intergovernmental | 33,011 | 11,271 | 2,777 | 528,745 |
| Charges for Services | 81,368 | 70,641 | - | 213,833 |
| Miscellaneous | - | 27,032 | - | 228,801 |
| TOTAL RECEIPTS | 114,379 | 108,944 | 43,490 | 1,506,032 |
| DISBURSEMENTS | | | | |
| General Government | - | - | - | 146,158 |
| Public Safety | - | 123,868 | - | 920,739 |
| Public Works | 215,202 | - | - | 215,966 |
| Public Assistance | - | - | - | 16,787 |
| Culture and Recreation | - | - | 43,175 | 230,996 |
| TOTAL DISBURSEMENTS | 215,202 | 123,868 | 43,175 | 1,530,646 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (100,823) | (14,924) | 315 | (24,614) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 95,000 | - | - | 624,318 |
| Transfers out | - | - | - | (440,335) |
| TOTAL OTHER FINANCING SOURCES (USES) | 95,000 | - | - | 183,983 |
| Net Change in Fund Balances | (5,823) | (14,924) | 315 | 159,369 |
| FUND BALANCES - BEGINNING | 14,403 | 175,423 | 263 | 1,443,130 |
| FUND BALANCES - ENDING | \$ 8,580 | \$ 160,499 | \$ 578 | \$ 1,602,499 |
| FUND BALANCES: | | | | |
| Restricted for: | | | | |
| Visitor Promotion | - | - | - | 218,256 |
| 911 Emergency Services | - | - | - | 264,088 |
| Drug Education | - | - | - | 22,330 |
| Law Enforcement | - | - | - | 34,819 |
| Preservation of Records | - | - | - | 20,136 |
| Debt Service | - | - | - | 166,360 |
| Committed to: | | | | |
| Law Enforcement | - | - | - | 28,725 |
| Employee Recognition | - | - | - | 7,835 |
| Aid and Assistance | - | - | - | 149,774 |
| County Buildings | - | 160,499 | - | 189,390 |
| Unemployment Benefits | - | - | - | 63,894 |
| Miscellaneous Projects | - | - | - | 97,172 |
| Watershed Management | - | - | - | 330,562 |
| Noxious Weed | 8,580 | - | - | 8,580 |
| Historical Society | - | - | 578 | 578 |
| TOTAL FUND BALANCES | \$ 8,580 | \$ 160,499 | \$ 578 | \$ 1,602,499 |

(Concluded)

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

| | County Clerk | Register of Deeds | Clerk of the District Court | County Sheriff | County Attorney | Weed Superintendent | Highway Superintendent |
|------------------------------|-----------------|----------------------|--------------------------------|-------------------|--------------------|------------------------|---------------------------|
| BALANCES JULY 1, 2013 | \$ 3,265 | \$ 26,739 | \$ 168,864 | \$ 69,811 | \$ 11,808 | \$ 19,018 | \$ - |
| RECEIPTS | | | | | | | |
| Licenses and Permits | 5,848 | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 795,874 | - | - | - |
| Charges for Services | 9,747 | 149,197 | 87,083 | 108,425 | 6,600 | 123,437 | - |
| Miscellaneous | 142,800 | - | - | - | 1 | - | 23,063 |
| State Fees | - | 178,757 | 94,689 | - | - | - | - |
| Other Liabilities | - | - | 865,132 | 467,701 | 11,033 | - | - |
| TOTAL RECEIPTS | 158,395 | 327,954 | 1,046,904 | 1,372,000 | 17,634 | 123,437 | 23,063 |
| DISBURSEMENTS | | | | | | | |
| Payments to County Treasurer | 155,142 | 149,025 | 73,871 | 913,161 | 6,600 | 114,368 | 23,063 |
| Payments to State Treasurer | - | 180,089 | 95,196 | - | - | - | - |
| Other Liabilities | 3,201 | - | 878,974 | 473,315 | 16,325 | - | - |
| TOTAL DISBURSEMENTS | 158,343 | 329,114 | 1,048,041 | 1,386,476 | 22,925 | 114,368 | 23,063 |
| BALANCES JUNE 30, 2014 | <u>\$ 3,317</u> | <u>\$ 25,579</u> | <u>\$ 167,727</u> | <u>\$ 55,335</u> | <u>\$ 6,517</u> | <u>\$ 28,087</u> | <u>\$ -</u> |
| BALANCES CONSIST OF: | | | | | | | |
| Due to County Treasurer | \$ 517 | \$ 13,007 | \$ 16,197 | \$ 28,341 | \$ 5,716 | \$ 28,087 | \$ - |
| Petty Cash | 2,800 | - | 450 | 1,825 | 800 | - | - |
| Due to State Treasurer | - | 12,572 | 6,399 | - | - | - | - |
| Due to Others | - | - | 144,681 | 25,169 | 1 | - | - |
| BALANCES JUNE 30, 2014 | <u>\$ 3,317</u> | <u>\$ 25,579</u> | <u>\$ 167,727</u> | <u>\$ 55,335</u> | <u>\$ 6,517</u> | <u>\$ 28,087</u> | <u>\$ -</u> |

(Continued)

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

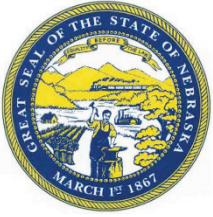
| | Veterans' Service Officer | County Surveyor | County Child Support | County Planning and Zoning | County Handi-Bus | County CASA | Total |
|------------------------------|---------------------------------|--------------------|----------------------------|----------------------------------|---------------------|----------------|-------------------|
| BALANCES JULY 1, 2013 | \$ 1,748 | \$ 4,870 | \$ 1,500 | \$ - | \$ 91 | \$ - | \$ 307,714 |
| RECEIPTS | | | | | | | |
| Licenses and Permits | - | - | - | 1,630 | - | - | 7,478 |
| Intergovernmental | - | - | - | - | - | 2,850 | 798,724 |
| Charges for Services | - | 26,256 | - | - | 32 | - | 510,777 |
| Miscellaneous | - | - | - | - | - | 34,687 | 200,551 |
| State Fees | - | - | - | - | - | - | 273,446 |
| Other Liabilities | - | - | 6,127 | - | - | - | 1,349,993 |
| TOTAL RECEIPTS | <u>-</u> | <u>26,256</u> | <u>6,127</u> | <u>1,630</u> | <u>32</u> | <u>37,537</u> | <u>3,140,969</u> |
| DISBURSEMENTS | | | | | | | |
| Payments to County Treasurer | - | 26,781 | - | 1,630 | 123 | 37,537 | 1,501,301 |
| Payments to State Treasurer | - | - | - | - | - | - | 275,285 |
| Other Liabilities | 890 | - | 6,057 | - | - | - | 1,378,762 |
| TOTAL DISBURSEMENTS | <u>890</u> | <u>26,781</u> | <u>6,057</u> | <u>1,630</u> | <u>123</u> | <u>37,537</u> | <u>3,155,348</u> |
| BALANCES JUNE 30, 2014 | <u>\$ 858</u> | <u>\$ 4,345</u> | <u>\$ 1,570</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 293,335</u> |
| BALANCES CONSIST OF: | | | | | | | |
| Due to County Treasurer | \$ 858 | \$ 4,345 | \$ 70 | \$ - | \$ - | \$ - | \$ 97,138 |
| Petty Cash | - | - | 1,500 | - | - | - | 7,375 |
| Due to State Treasurer | - | - | - | - | - | - | 18,971 |
| Due to Others | - | - | - | - | - | - | 169,851 |
| BALANCES JUNE 30, 2014 | <u>\$ 858</u> | <u>\$ 4,345</u> | <u>\$ 1,570</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 293,335</u> |

(Concluded)

DAWSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2014

| Item | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|
| Tax Certified by Assessor | | | | | |
| Real Estate | \$ 29,407,114 | \$ 31,806,065 | \$ 34,110,324 | \$ 35,557,314 | \$ 39,104,543 |
| Personal and Specials | 2,043,535 | 2,228,160 | 2,328,426 | 2,668,838 | 2,979,583 |
| Total | 31,450,649 | 34,034,225 | 36,438,750 | 38,226,152 | 42,084,126 |
| Corrections | | | | | |
| Additions | 34,522 | 67,948 | 112,720 | 21,901 | 9,334 |
| Deductions | (106,942) | (72,036) | (118,387) | (57,994) | (21,718) |
| Net Additions/ (Deductions) | (72,420) | (4,088) | (5,667) | (36,093) | (12,384) |
| Corrected Certified Tax | 31,378,229 | 34,030,137 | 36,433,083 | 38,190,059 | 42,071,742 |
| Net Tax Collected by County Treasurer during Fiscal Year Ending: | | | | | |
| June 30, 2010 | 18,273,494 | - | - | - | - |
| June 30, 2011 | 13,067,124 | 19,825,351 | - | - | - |
| June 30, 2012 | 31,283 | 14,161,752 | 21,450,683 | - | - |
| June 30, 2013 | 3,216 | 36,477 | 14,955,590 | 23,041,233 | - |
| June 30, 2014 | 528 | 2,096 | 18,556 | 15,117,674 | 25,890,140 |
| Total Net Collections | 31,375,645 | 34,025,676 | 36,424,829 | 38,158,907 | 25,890,140 |
| Total Uncollected Tax | \$ 2,584 | \$ 4,461 | \$ 8,254 | \$ 31,152 | \$ 16,181,602 |
| Percentage Uncollected Tax | 0.01% | 0.01% | 0.02% | 0.08% | 38.46% |

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

DAWSON COUNTY
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Dawson County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Dawson County's basic financial statements, and have issued our report thereon dated March 9, 2015. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dawson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dawson County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters

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

Additional Items

We also noted certain matters that we reported to the management of Dawson County in a separate letter dated March 9, 2015.


Dawson County's Response to Findings

Dawson County declined to respond to the finding described above.

Purpose of this Report

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

March 9, 2015


Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

March 9, 2015

Board of Commissioners
Dawson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawson County (County) for the fiscal year ended June 30, 2014, and have issued our report thereon dated March 9, 2015. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the areas, as follows:

COUNTY OVERALL

Segregation of Duties

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

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

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

COUNTY TREASURER

Deposit Coverage

During our audit, we noted the County Treasurer had two bank accounts, which did not have sufficient pledged securities during the fiscal year. Deposits exceeded coverage in one account for 47 days during the fiscal year, with amounts ranging between \$4,180 and \$3,773,753; in the other account, deposits exceeded coverage 101 days during the fiscal year, with amounts ranging from \$665 to \$79,899.

Neb. Rev. Stat § 77-2395(1) (Reissue 2009) states, in relevant part:

[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.

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

We recommend the County Treasurer implement procedures to ensure bank deposits are adequately secured at all times.

County's Response: A daily audit of the pledged collateral for Dawson County's accounts held at Pinnacle Bank is now in place. The amount of the pledged collateral amount will continue to be based on the last day of the previous month. A drop or rise in market value and changes in collateral during the month will not be reflected until the following month.

In Lieu of Tax Distribution

The distribution of the Public Power District In Lieu of Tax payments was not correct for the City of Lexington. The full amount collected was being split between the School District and the County, resulting in an underpayment of \$8,242 to the City of Lexington.

Neb. Rev. Stat. § 70-651.04 (Cum. Supp. 2014) states:

All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies

When distributions are not made according to State statute, there is an increased risk of loss or misuse of funds.

We recommend the County Treasurer correct the distribution of the In Lieu of Tax payments and implement procedures to ensure future distributions are correct.

County's Response: The County Attorney and City Attorney are currently in negotiation to determine how far back the correction should apply. The city began annexing portions of the county that were serviced by the Dawson Public Power District in 1995 without bringing that to the attention of the former or present treasurer. When that determination is made, a correction will be made.

COUNTY SHERIFF

Balancing Procedures

During our audit, we noted the following issues with the County Sheriff's balancing procedures at June 30, 2014:

- September and November 2013 fees and mileage earned, totaling \$9,055, were not remitted to the County Treasurer as of February 2, 2015.
- The inmate trust bank account was not reconciled on a monthly basis and indicated a negative book balance of \$15,534 as of June 30, 2014. The variance appears to be due to failure to void or clear certain transaction amounts on the books, including duplicate checks being written when the original checks were not voided. Due to the inaccuracy of the listing of uncleared transactions for this account, it was not possible to perform an accurate reconciliation of this bank account.
- The Sheriff's fee bank account was not being reconciled on a monthly basis, causing an unknown variance between the bank balance and book balance of \$31, as of June 30, 2014.

Neb. Rev. Stat. § 33-117(3) (Cum. Supp. 2014) requires the County Sheriff to report all fees earned to the County Board on the first Tuesday in January, April, July, and October. Those fees must be paid to the County Treasurer for credit to the County's General Fund. In addition, good internal control requires procedures be in place to ensure the following: assets (cash on hand, reconciled bank statement, and accounts receivable) agree with office liabilities (fees, trust accounts, and accounts payable); bank reconciliations are performed timely and accurately; all monies received are recorded and timely deposited; and all financial records are complete and accurate.

When collections are not timely remitted to the County Treasurer, the County Sheriff's office is not compliant with State statute. Additionally, failure to complete monthly balancing procedures, including identifying and resolving asset-to-liability balancing variances, increases risk of loss, theft, or misuse of funds and allows errors to go undetected more easily.

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

County's Response: We had two previous employees doing the bookkeeping whom are no longer employed with Dawson County Sheriff's Office. We have taken measures and put into place procedures to make sure these errors don't occur in the future. In reference to the above bullet points:

- The checks were issued on February 6, 2015, check numbers 849 and 8418 in the total amount of \$9,054.68.*
- We have went into our Records Management and QuickBooks to verify and are working on clearing and voiding inaccurate transactions. Due to the research we are having to do in order to complete this it is taking some time. If and when we are completely finished with this we will send in any unclaimed property needed or submit any extra funds to Dawson County Treasurer.*
- This account is being cleaned up and reconciled. With a \$525 starting balance.*

Petty Cash Funds

We noted the County Sheriff was not reconciling the petty cash funds maintained back to the authorized amount.

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

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of any expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

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

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

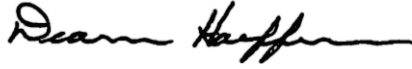
* * * * *

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Deann Haeffner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Deann Haeffner
Assistant Deputy Auditor