

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2015 THROUGH JUNE 30, 2016

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Issued on February 17, 2017

SAUNDERS COUNTY

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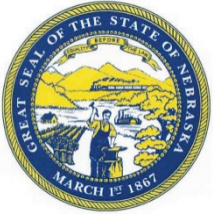
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SAUNDERS COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2016

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Craig Breunig	Jan. 2019
	Leroy Hanson	Jan. 2019
	Doris Karloff	Jan. 2017
	Dave Lutton	Jan. 2019
	Larry Mach	Jan. 2019
	Ed Rastovski	Jan. 2017
	Scott Sukstorf	Jan. 2017
Assessor	Cathy Gusman	Jan. 2019
Attorney	Steven Twohig	Jan. 2019
Clerk Election Commissioner	Patti Lindgren	Jan. 2019
Register of Deeds	Don Clark	Jan. 2019
Clerk of the District Court	Patty McEvoy	Jan. 2019
Sheriff	Kevin Stukenholtz	Jan. 2019
Treasurer	Marilyn Kelley	Jan. 2019
Public Defender	Thomas Klein	Jan. 2019
Surveyor	Jerry Charles	Jan. 2019
Veterans' Service Officer	Herbert Barnes	Appointed
Weed Superintendent	Ed Sladky	Appointed
Highway Superintendent	Steve Mika	Appointed
Emergency Manager	Terry Miller	Appointed
Planning & Zoning	George Borreson	Appointed
Youth Services	Pamela Lausterer	Appointed



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SAUNDERS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Saunders County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

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

Basis for Adverse Opinion on the Discretely Presented Component Unit

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Saunders County, as of June 30, 2016, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Saunders County, as of June 30, 2016, 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.

Emphasis of Matters – 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.


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, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 20-37, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2017, on our consideration of Saunders County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Saunders County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

February 7, 2017

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2016

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 16,495,434
TOTAL ASSETS	\$ 16,495,434
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 18,997
911 Emergency Services	420,523
Drug Education	2,049
Law Enforcement	2,106
Preservation of Records	3,531
Debt Service	3,879,116
Road Maintenance	1,419,019
Child Support Enforcement	91,447
Unrestricted	10,658,646
TOTAL NET POSITION	\$ 16,495,434

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

SAUNDERS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2016

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (6,020,587)	\$ 874,866	\$ 139,483	\$ (5,006,238)
Public Safety	(4,417,475)	1,904,395	120,479	(2,392,601)
Public Works	(7,241,632)	3,333	3,563,508	(3,674,791)
Health and Sanitation	(1,572)	-	-	(1,572)
Public Assistance	(223,436)	-	63,679	(159,757)
Culture and Recreation	(44,267)	-	-	(44,267)
Debt Payments	(2,087,369)	-	-	(2,087,369)
Total Governmental Activities	<u>\$ (20,036,338)</u>	<u>\$ 2,782,594</u>	<u>\$ 3,887,149</u>	<u>(13,366,595)</u>

General Receipts:

Property Taxes	11,847,919
Grants and Contributions Not Restricted to Specific Programs	1,149,840
Investment Income	39,824
Licenses and Permits	181,507
Bond Reimbursements	1,200,000
Miscellaneous	344,130
Total General Receipts	<u>14,763,220</u>
Increase in Net Position	1,396,625
Net Position - Beginning of year	15,098,809
Net Position - End of year	<u>\$ 16,495,434</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2016

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 2,855,044	\$3,574,492	\$ 2,843,952	\$3,275,722	\$ 3,946,224	\$ 16,495,434
TOTAL ASSETS	<u>\$ 2,855,044</u>	<u>\$3,574,492</u>	<u>\$ 2,843,952</u>	<u>\$3,275,722</u>	<u>\$ 3,946,224</u>	<u>\$ 16,495,434</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	18,997	18,997
911 Emergency Services	-	-	-	-	420,523	420,523
Drug Education	-	-	-	-	2,049	2,049
Law Enforcement	-	-	-	-	2,106	2,106
Preservation of Records	-	-	-	-	3,531	3,531
Debt Service	-	-	-	3,275,722	603,394	3,879,116
Road Maintenance	-	-	-	-	1,419,019	1,419,019
Child Support Enforcement	-	-	-	-	91,447	91,447
Committed to:						
Law Enforcement	-	-	-	-	115,361	115,361
Road Maintenance	-	3,574,492	-	-	13,365	3,587,857
Aid and Assistance	-	-	-	-	162,426	162,426
County Buildings	-	-	-	-	520,432	520,432
Emergency Services	-	-	-	-	568,093	568,093
Youth Camp	-	-	-	-	5,481	5,481
Assigned to:						
Other Purposes	-	-	2,843,952	-	-	2,843,952
Unassigned	2,855,044	-	-	-	-	2,855,044
TOTAL CASH BASIS FUND BALANCES	<u>\$ 2,855,044</u>	<u>\$3,574,492</u>	<u>\$ 2,843,952</u>	<u>\$3,275,722</u>	<u>\$ 3,946,224</u>	<u>\$ 16,495,434</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$9,124,290	\$ -	\$ 1,446,952	\$ 7	\$ 1,276,670	\$ 11,847,919
Licenses and Permits	165,109	16,398	-	-	-	181,507
Investment Income	23,212	-	-	14,440	2,172	39,824
Intergovernmental	864,518	3,210,040	-	68	962,363	5,036,989
Charges for Services	2,735,620	3,333	-	-	43,641	2,782,594
Miscellaneous	67,952	44,447	-	1,200,000	231,731	1,544,130
TOTAL RECEIPTS	<u>12,980,701</u>	<u>3,274,218</u>	<u>1,446,952</u>	<u>1,214,515</u>	<u>2,516,577</u>	<u>21,432,963</u>
DISBURSEMENTS						
General Government	5,767,821	-	-	-	252,766	6,020,587
Public Safety	3,886,769	-	-	-	530,706	4,417,475
Public Works	95,360	7,073,759	-	-	72,513	7,241,632
Health and Sanitation	-	-	-	1,572	-	1,572
Public Assistance	165,844	-	-	-	57,592	223,436
Culture and Recreation	25,000	-	-	-	19,267	44,267
Debt Service:						
Principal Payments	-	-	-	700,000	765,000	1,465,000
Interest and Fiscal Charges	-	-	-	401,020	221,349	622,369
Capital Outlay	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>9,940,794</u>	<u>7,073,759</u>	<u>-</u>	<u>1,102,592</u>	<u>1,919,193</u>	<u>20,036,338</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,039,907</u>	<u>(3,799,541)</u>	<u>1,446,952</u>	<u>111,923</u>	<u>597,384</u>	<u>1,396,625</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	69,381	4,033,312	-	-	163,418	4,266,111
Transfers out	(2,364,162)	(69,381)	(1,832,568)	-	-	(4,266,111)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,294,781)</u>	<u>3,963,931</u>	<u>(1,832,568)</u>	<u>-</u>	<u>163,418</u>	<u>-</u>
Net Change in Fund Balances	745,126	164,390	(385,616)	111,923	760,802	1,396,625
CASH BASIS FUND BALANCES - BEGINNING	<u>2,109,918</u>	<u>3,410,102</u>	<u>3,229,568</u>	<u>3,163,799</u>	<u>3,185,422</u>	<u>15,098,809</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$2,855,044</u>	<u>\$ 3,574,492</u>	<u>\$ 2,843,952</u>	<u>\$3,275,722</u>	<u>\$ 3,946,224</u>	<u>\$ 16,495,434</u>

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

SAUNDERS COUNTY
**STATEMENT OF FIDUCIARY ASSETS AND
LIABILITIES - CASH BASIS**
FIDUCIARY FUNDS
June 30, 2016

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 5,031,402
 LIABILITIES	
Due to other governments	
State	449,829
Schools	3,723,073
Educational Service Units	8,582
Technical College	41,146
Natural Resource Districts	23,222
Fire Districts	33,701
Municipalities	107,906
Agricultural Society	3,701
Drainage Districts	19,589
Townships	22,459
Sanitary and Improvement Districts	536,103
Others	62,091
TOTAL LIABILITIES	5,031,402
 TOTAL NET ASSETS	 \$ -

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2016

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

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

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

County contributed \$86,542 toward the operation of the Region during fiscal year 2016. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with Three Rivers Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2016).

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 2016. 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) (Cum. Supp. 2016). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities and the Hospital. Internal activities in these statements were considered immaterial and have not been eliminated. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 the following: 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify, or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for financial resources of the general government, except those required to be accounted for in another fund.

Public Works Fund. This fund is used to account for costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

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

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

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

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

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

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County designates fund balances as follows:

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

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

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

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

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

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

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial 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.

SAUNDERS 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 \$5,836,788 of restricted net position, which is fully restricted by enabling legislation.

SAUNDERS 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.

Excess of Disbursements Over Appropriations. For the year ended June 30, 2016, disbursements exceeded budgeted appropriations in the Building Security function of the General Fund by \$1,978.

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 \$16,495,434 for County funds and \$5,031,402 for Fiduciary funds. The bank balances for all funds totaled \$21,613,207. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2016, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes**

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

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

The levy set in October 2015, for the 2015 taxes, which will be materially collected in May and September 2016, was set at \$.255431/\$100 of assessed valuation. The levy set in October 2014, for the 2014 taxes, which were materially collected in May and September 2015, was set at \$.265865/\$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. 2016) 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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Continued)

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. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

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

For the year ended June 30, 2016, 210 employees contributed \$311,775, and the County contributed \$462,958. Contributions included \$9,281 in cash contributions towards the supplemental law enforcement plan for 20 law enforcement employees. Lastly, the County paid \$1,152 directly to 10 retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 80 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Risk Management (Concluded)

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	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 2017. 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, 2016, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Inheritance Fund	Public Works Fund	Nonmajor Funds	
Public Works Fund	\$ 2,200,744	\$ 1,832,568	\$ -	\$ -	\$ 4,033,312
General Fund	-	-	69,381	-	69,381
Nonmajor Funds	163,418	-	-	-	163,418
Total	\$ 2,364,162	\$ 1,832,568	\$ 69,381	\$ -	\$ 4,266,111

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

7. Contingent Liabilities

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

8. Long-Term Debt

Hospital Bonds. The County issued bonds in November 2005 in the amount of \$9,400,000 and in January 2006 in the amount of \$12,740,000 – a total of \$22,140,000 for the purpose of paying the costs of acquiring a site, constructing, and equipping a new hospital clinic and long-term care facility. During fiscal years 2012 and 2014, the County

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

8. Long-Term Debt (Concluded)

Board partially refinanced both these bonds. The bond payable balance, as of June 30, 2016, was \$16,185,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Receipts generated at the Hospital and future tax resources will be used to pay off the bonds. Complete financial statements of the facility can be obtained from its administrative office

Future Payments:

Year	Principal	Interest	Total
2017	\$ 705,000	\$ 396,465	\$ 1,101,465
2018	725,000	390,265	1,115,265
2019	775,000	381,714	1,156,714
2020	780,000	370,665	1,150,665
2021	790,000	357,065	1,147,065
2022-2026	4,265,000	1,508,154	5,773,154
2027-2031	4,385,000	920,080	5,305,080
2032-2036	3,760,000	324,827	4,084,827
Total Payments	<u>\$ 16,185,000</u>	<u>\$ 4,649,235</u>	<u>\$ 20,834,235</u>

Law Enforcement Center Bonds. The County issued bonds in December 2006 in the amount of \$7,990,000 and in January 2007 in the amount of \$5,000,000 – a total of \$12,990,000 for the purpose of paying the costs of acquiring a site, constructing, and equipping a new law enforcement facility. During fiscal year 2012, the County Board partially refinanced both these bonds. The bond payable balance, as of June 30, 2016, was \$9,405,000. The County Board authorized early redemption of the Series 2011 bonds that were refinanced in fiscal year 2012, and issued refunding bonds, Series 2016, on October 12, 2016. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2017	\$ 785,000	\$ 213,393	\$ 998,393
2018	790,000	203,357	993,357
2019	795,000	191,092	986,092
2020	810,000	176,248	986,248
2021	825,000	158,874	983,874
2022-2026	4,445,000	465,706	4,910,706
2027	955,000	14,596	969,596
Total Payments	<u>\$ 9,405,000</u>	<u>\$ 1,423,266</u>	<u>\$ 10,828,266</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 9,639,949	\$ 9,639,949	\$ 9,124,290	\$ (515,659)
Licenses and Permits	146,802	146,802	165,109	18,307
Interest	20,000	20,000	23,212	3,212
Intergovernmental	270,280	270,280	864,518	594,238
Charges for Services	2,717,834	2,717,834	2,735,620	17,786
Miscellaneous	85,000	85,000	67,952	(17,048)
TOTAL RECEIPTS	12,879,865	12,879,865	12,980,701	100,836
DISBURSEMENTS				
General Government:				
County Board	170,842	170,842	169,150	1,692
County Clerk	162,283	162,283	161,856	427
County Treasurer	259,231	259,231	256,830	2,401
Register of Deeds	111,372	111,372	111,348	24
County Assessor	237,010	237,010	228,339	8,671
Election Commissioner	110,658	110,658	93,852	16,806
Planning and Zoning	75,620	75,620	63,856	11,764
Board of Equalization	7,300	8,925	8,925	-
Clerk of the District Court	104,958	104,958	104,131	827
District Judge	43,579	43,579	43,493	86
Public Defender	238,000	238,000	223,119	14,881
Building Security	105,831	105,831	107,809	(1,978)
Unemployment Compensation	20,000	20,000	4,504	15,496
Agricultural Extension Agent	89,314	89,314	74,971	14,343
Administrative	97,212	97,212	73,607	23,605
Child Support Services CDC	35,973	35,973	34,354	1,619
Child Support Services Attorney	98,009	98,009	84,587	13,422
Miscellaneous	4,806,864	4,805,239	3,923,090	882,149
Public Safety				
County Sheriff	1,327,655	1,327,655	1,293,777	33,878
County Attorney	385,958	385,958	384,253	1,705
County Jail	1,922,047	1,922,047	1,847,385	74,662
Sheriff Grant	28,380	28,380	15,482	12,898
Dodge County Jail	365,717	365,717	334,346	31,371
Miscellaneous	41,000	41,000	11,526	29,474
Public Works				
County Surveyor	96,614	96,614	95,360	1,254

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS (Continued)				
Public Assistance				
Veterans' Service Officer	50,536	50,536	50,533	3
Institutions	36,500	36,500	4,206	32,294
Medical Relief	30,000	30,000	11,534	18,466
Miscellaneous	111,542	111,542	99,571	11,971
Culture and Recreation				
Miscellaneous	25,000	25,000	25,000	-
TOTAL DISBURSEMENTS	<u>11,195,005</u>	<u>11,195,005</u>	<u>9,940,794</u>	<u>1,254,211</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,684,860</u>	<u>1,684,860</u>	<u>3,039,907</u>	<u>1,355,047</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	69,381	69,381	69,381	-
Transfers out	(2,364,159)	(2,364,159)	(2,364,162)	(3)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,294,778)</u>	<u>(2,294,778)</u>	<u>(2,294,781)</u>	<u>(3)</u>
Net Change in Fund Balance	(609,918)	(609,918)	745,126	1,355,044
FUND BALANCE - BEGINNING	<u>2,109,918</u>	<u>2,109,918</u>	<u>2,109,918</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,855,044</u>	<u>\$ 1,355,044</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC WORKS FUND				
RECEIPTS				
Licenses and Permits	\$ 16,398	\$ 16,398	\$ 16,398	\$ -
Intergovernmental	1,950,000	1,950,000	3,210,040	1,260,040
Charges for Services	500	500	3,333	2,833
Miscellaneous	15,000	15,000	44,447	29,447
TOTAL RECEIPTS	<u>1,981,898</u>	<u>1,981,898</u>	<u>3,274,218</u>	<u>1,292,320</u>
DISBURSEMENTS	<u>9,372,931</u>	<u>9,372,931</u>	<u>7,073,759</u>	<u>2,299,172</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(7,391,033)</u>	<u>(7,391,033)</u>	<u>(3,799,541)</u>	<u>3,591,492</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,033,312	4,033,312	4,033,312	-
Transfers out	(69,381)	(69,381)	(69,381)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,963,931</u>	<u>3,963,931</u>	<u>3,963,931</u>	<u>-</u>
Net Change in Fund Balance	(3,427,102)	(3,427,102)	164,390	3,591,492
FUND BALANCE - BEGINNING	<u>3,427,102</u>	<u>3,427,102</u>	<u>3,410,102</u>	<u>(17,000)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,574,492</u>	<u>\$ 3,574,492</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 603,000	\$ 603,000	\$ 1,446,952	\$ 843,952
TOTAL RECEIPTS	<u>603,000</u>	<u>603,000</u>	<u>1,446,952</u>	<u>843,952</u>
DISBURSEMENTS	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,397,000)</u>	<u>(1,397,000)</u>	<u>1,446,952</u>	<u>2,843,952</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,832,568)	(1,832,568)	(1,832,568)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,832,568)</u>	<u>(1,832,568)</u>	<u>(1,832,568)</u>	<u>-</u>
Net Change in Fund Balance	(3,229,568)	(3,229,568)	(385,616)	2,843,952
FUND BALANCE - BEGINNING	<u>3,229,568</u>	<u>3,229,568</u>	<u>3,229,568</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,843,952</u>	<u>\$ 2,843,952</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HEALTH SERVICES BOND FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 7	\$ 7
Interest	8,000	8,000	14,440	6,440
Intergovernmental	-	-	68	68
Miscellaneous	1,200,000	1,200,000	1,200,000	-
TOTAL RECEIPTS	<u>1,208,000</u>	<u>1,208,000</u>	<u>1,214,515</u>	<u>6,515</u>
DISBURSEMENTS	<u>4,371,799</u>	<u>4,371,799</u>	<u>1,102,592</u>	<u>3,269,207</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,163,799)</u>	<u>(3,163,799)</u>	<u>111,923</u>	<u>3,275,722</u>
Net Change in Fund Balance	(3,163,799)	(3,163,799)	111,923	3,275,722
FUND BALANCE - BEGINNING	3,163,799	3,163,799	3,163,799	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,275,722</u>	<u>\$ 3,275,722</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ -	\$ -	\$ 636,936	\$ 636,936
Disbursements	(854,596)	(854,596)	(72,513)	782,083
Net Change in Fund Balance	(854,596)	(854,596)	564,423	1,419,019
Fund Balance - Beginning	854,596	854,596	854,596	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,419,019</u>	<u>\$ 1,419,019</u>
COMMUNICATIONS TOWER FUND				
Receipts	\$ 37,613	\$ 37,613	\$ 8,500	\$ (29,113)
Disbursements	(45,886)	(45,886)	(25,103)	20,783
Net Change in Fund Balance	(8,273)	(8,273)	(16,603)	(8,330)
Fund Balance - Beginning	8,273	8,273	25,273	17,000
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,670</u>	<u>\$ 8,670</u>
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 1,001	\$ 1,001	\$ 37,613	\$ 36,612
Disbursements	(55,005)	(55,005)	(170)	54,835
Net Change in Fund Balance	(54,004)	(54,004)	37,443	91,447
Fund Balance - Beginning	54,004	54,004	54,004	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,447</u>	<u>\$ 91,447</u>
VISITOR'S PROMOTION FUND				
Receipts	\$ 8,001	\$ 8,001	\$ 9,590	\$ 1,589
Disbursements	(14,698)	(14,698)	(5,077)	9,621
Net Change in Fund Balance	(6,697)	(6,697)	4,513	11,210
Fund Balance - Beginning	6,697	6,697	6,697	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,210</u>	<u>\$ 11,210</u>
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 8,000	\$ 8,000	\$ 9,590	\$ 1,590
Disbursements	(12,447)	(12,447)	(6,250)	6,197
Net Change in Fund Balance	(4,447)	(4,447)	3,340	7,787
Fund Balance - Beginning	4,447	4,447	4,447	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,787</u>	<u>\$ 7,787</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 15,400	\$ 15,400	\$ 15,948	\$ 548
Disbursements	(31,296)	(31,296)	(28,313)	2,983
Net Change in Fund Balance	(15,896)	(15,896)	(12,365)	3,531
Fund Balance - Beginning	15,896	15,896	15,896	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,531</u>	<u>\$ 3,531</u>
VETERANS' RELIEF FUND				
Receipts	\$ 150	\$ 150	\$ 145	\$ (5)
Disbursements	(92,722)	(92,722)	-	92,722
Net Change in Fund Balance	(92,572)	(92,572)	145	92,717
Fund Balance - Beginning	92,572	92,572	92,572	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,717</u>	<u>\$ 92,717</u>
TRANSPORTATION FUND				
Receipts	\$ 50,800	\$ 50,800	\$ 67,238	\$ 16,438
Disbursements	(100,045)	(100,045)	(57,592)	42,453
Net Change in Fund Balance	(49,245)	(49,245)	9,646	58,891
Fund Balance - Beginning	49,245	49,245	49,245	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,891</u>	<u>\$ 58,891</u>
COURT APPOINTED SPECIAL ADVOCATE FUND				
Receipts	\$ 33,000	\$ 33,000	\$ 24,861	\$ (8,139)
Disbursements	(53,625)	(53,625)	(34,668)	18,957
Transfers in	10,000	10,000	10,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(10,625)	(10,625)	193	10,818
Fund Balance - Beginning	10,625	10,625	10,625	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,818</u>	<u>\$ 10,818</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DIVERSION PROGRAM FUND				
Receipts	\$ 69,322	\$ 69,322	\$ 84,209	\$ 14,887
Disbursements	(202,830)	(202,830)	(193,374)	9,456
Transfers in	124,329	124,329	124,332	3
Transfers out	-	-	-	-
Net Change in Fund Balance	(9,179)	(9,179)	15,167	24,346
Fund Balance - Beginning	9,179	9,179	9,179	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,346</u>	<u>\$ 24,346</u>
SAFETY TRAINING OPTION PROGRAM FUND				
Receipts	\$ 9,318	\$ 9,318	\$ 7,060	\$ (2,258)
Disbursements	(17,470)	(17,470)	(1,847)	15,623
Net Change in Fund Balance	(8,152)	(8,152)	5,213	13,365
Fund Balance - Beginning	8,152	8,152	8,152	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,365</u>	<u>\$ 13,365</u>
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
Disbursements	(5,849)	(5,849)	-	5,849
Net Change in Fund Balance	(2,049)	(2,049)	-	2,049
Fund Balance - Beginning	2,049	2,049	2,049	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 2,049</u>
DRUG TESTING FUND				
Receipts	\$ 300	\$ 300	\$ -	\$ (300)
Disbursements	(300)	(300)	-	300
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 9,501	\$ 9,501	\$ -	\$ (9,501)
Disbursements	(11,607)	(11,607)	-	11,607
Net Change in Fund Balance	(2,106)	(2,106)	-	2,106
Fund Balance - Beginning	2,106	2,106	2,106	-
Fund Balance - Ending	\$ -	\$ -	\$ 2,106	\$ 2,106
CANINE FUND				
Receipts	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Disbursements	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
FEDERAL GRANT FUND				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
911 WIRELESS SERVICE FUND				
Receipts	\$ 60,001	\$ 60,001	\$ 63,810	\$ 3,809
Disbursements	(229,294)	(229,294)	(3,850)	225,444
Net Change in Fund Balance	(169,293)	(169,293)	59,960	229,253
Fund Balance - Beginning	169,293	169,293	169,293	-
Fund Balance - Ending	\$ -	\$ -	\$ 229,253	\$ 229,253
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 22,000	\$ 22,000	\$ 29,620	\$ 7,620
Disbursements	(59,120)	(59,120)	(48,377)	10,743
Transfers in	29,086	29,086	29,086	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(8,034)	(8,034)	10,329	18,363
Fund Balance - Beginning	8,034	8,034	8,034	-
Fund Balance - Ending	\$ -	\$ -	\$ 18,363	\$ 18,363

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CORRECTIONAL CENTER COMMISSARY FUND				
Receipts	\$ 203,500	\$ 203,500	\$ 196,892	\$ (6,608)
Disbursements	(277,033)	(277,033)	(188,080)	88,953
Net Change in Fund Balance	(73,533)	(73,533)	8,812	82,345
Fund Balance - Beginning	73,533	73,533	73,533	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,345</u>	<u>\$ 82,345</u>
LAW ENFORCEMENT CENTER AND JAIL BOND FUND				
Receipts	\$ 1,024,370	\$ 1,024,370	\$ 1,031,651	\$ 7,281
Disbursements	(1,433,510)	(1,433,510)	(987,397)	446,113
Net Change in Fund Balance	(409,140)	(409,140)	44,254	453,394
Fund Balance - Beginning	559,140	559,140	559,140	-
Fund Balance - Ending	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 603,394</u>	<u>\$ 453,394</u>
COUNTY BUILDING FUND				
Receipts	\$ 100,625	\$ 100,625	\$ 102,960	\$ 2,335
Disbursements	(682,609)	(682,609)	(164,512)	518,097
Net Change in Fund Balance	(581,984)	(581,984)	(61,552)	520,432
Fund Balance - Beginning	581,984	581,984	581,984	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,432</u>	<u>\$ 520,432</u>
FLOOD CONTROL PROJECT FUND				
Receipts	\$ 76,765	\$ 76,765	\$ 77,769	\$ 1,004
Disbursements	(548,726)	(548,726)	-	548,726
Net Change in Fund Balance	(471,961)	(471,961)	77,769	549,730
Fund Balance - Beginning	471,961	471,961	471,961	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,730</u>	<u>\$ 549,730</u>
CULTURAL & RECREATION YOUTH SERVICES FUND				
Receipts	\$ 7,002	\$ 7,002	\$ 8,772	\$ 1,770
Disbursements	(11,651)	(11,651)	(7,940)	3,711
Net Change in Fund Balance	(4,649)	(4,649)	832	5,481
Fund Balance - Beginning	4,649	4,649	4,649	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,481</u>	<u>\$ 5,481</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>E911 EMERGENCY SERVICE FUND</u>				
Receipts	\$ 84,900	\$ 84,900	\$ 103,413	\$ 18,513
Disbursements	(266,887)	(266,887)	(94,130)	172,757
Net Change in Fund Balance	(181,987)	(181,987)	9,283	191,270
Fund Balance - Beginning	181,987	181,987	181,987	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,270</u>	<u>\$ 191,270</u>

(Concluded)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Highway Bridge Buyback Fund	Communications Tower Fund	Child Support Incentive Fund	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preservation Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ 9,590	\$ 9,590	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	636,936	-	37,613	-	-	-
Charges for Services	-	-	-	-	-	15,948
Miscellaneous	-	8,500	-	-	-	-
TOTAL RECEIPTS	<u>636,936</u>	<u>8,500</u>	<u>37,613</u>	<u>9,590</u>	<u>9,590</u>	<u>15,948</u>
DISBURSEMENTS						
General Government	-	25,103	170	-	-	28,313
Public Safety	-	-	-	-	-	-
Public Works	72,513	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	5,077	6,250	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>72,513</u>	<u>25,103</u>	<u>170</u>	<u>5,077</u>	<u>6,250</u>	<u>28,313</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>564,423</u>	<u>(16,603)</u>	<u>37,443</u>	<u>4,513</u>	<u>3,340</u>	<u>(12,365)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	564,423	(16,603)	37,443	4,513	3,340	(12,365)
FUND BALANCES - BEGINNING	<u>854,596</u>	<u>25,273</u>	<u>54,004</u>	<u>6,697</u>	<u>4,447</u>	<u>15,896</u>
FUND BALANCES - ENDING	<u>\$ 1,419,019</u>	<u>\$ 8,670</u>	<u>\$ 91,447</u>	<u>\$ 11,210</u>	<u>\$ 7,787</u>	<u>\$ 3,531</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	11,210	7,787	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	3,531
Debt Service	-	-	-	-	-	-
Road Maintenance	1,419,019	-	-	-	-	-
Child Support Enforcement	-	-	91,447	-	-	-
Committed to:						
Law Enforcement	-	8,670	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,419,019</u>	<u>\$ 8,670</u>	<u>\$ 91,447</u>	<u>\$ 11,210</u>	<u>\$ 7,787</u>	<u>\$ 3,531</u>

(Continued)

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

For the Year Ended June 30, 2016

	Veterans' Relief Fund	Transportation Fund	Court Appointed Special Advocate Fund	Diversion Program Fund	Safety Training Option Program Fund	Drug Law Enforcement and Education Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	145	-	-	-	15	-
Intergovernmental	-	63,679	22,061	77,090	-	-
Charges for Services	-	-	-	3,830	-	-
Miscellaneous	-	3,559	2,800	3,289	7,045	-
TOTAL RECEIPTS	<u>145</u>	<u>67,238</u>	<u>24,861</u>	<u>84,209</u>	<u>7,060</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	34,668	-	-	-
Public Safety	-	-	-	193,374	1,847	-
Public Works	-	-	-	-	-	-
Public Assistance	-	57,592	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>57,592</u>	<u>34,668</u>	<u>193,374</u>	<u>1,847</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>145</u>	<u>9,646</u>	<u>(9,807)</u>	<u>(109,165)</u>	<u>5,213</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	10,000	124,332	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>124,332</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	145	9,646	193	15,167	5,213	-
FUND BALANCES - BEGINNING	<u>92,572</u>	<u>49,245</u>	<u>10,625</u>	<u>9,179</u>	<u>8,152</u>	<u>2,049</u>
FUND BALANCES - ENDING	<u>\$ 92,717</u>	<u>\$ 58,891</u>	<u>\$ 10,818</u>	<u>\$ 24,346</u>	<u>\$ 13,365</u>	<u>\$ 2,049</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	2,049
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	24,346	-	-
Road Maintenance	-	-	-	-	13,365	-
Aid and Assistance	92,717	58,891	10,818	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 92,717</u>	<u>\$ 58,891</u>	<u>\$ 10,818</u>	<u>\$ 24,346</u>	<u>\$ 13,365</u>	<u>\$ 2,049</u>

(Continued)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Federal Drug Law Enforcement Fund	911 Wireless Service Fund	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement Center and Jail Bond Fund
RECEIPTS					
Property Taxes	\$ -	\$ 63,810	\$ -	\$ -	\$ 949,158
Investment Income	-	-	-	-	1,213
Intergovernmental	-	-	29,577	-	81,280
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	43	196,892	-
TOTAL RECEIPTS	-	63,810	29,620	196,892	1,031,651
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	3,850	48,377	188,080	1,048
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	765,000
Interest and Fiscal Charges	-	-	-	-	221,349
TOTAL DISBURSEMENTS	-	3,850	48,377	188,080	987,397
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	59,960	(18,757)	8,812	44,254
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	29,086	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	29,086	-	-
Net Change in Fund Balances	-	59,960	10,329	8,812	44,254
FUND BALANCES - BEGINNING	2,106	169,293	8,034	73,533	559,140
FUND BALANCES - ENDING	\$ 2,106	\$ 229,253	\$ 18,363	\$ 82,345	\$ 603,394
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	229,253	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	2,106	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	603,394
Road Maintenance	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	82,345	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Emergency Services	-	-	18,363	-	-
Youth Camp	-	-	-	-	-
TOTAL FUND BALANCES	\$ 2,106	\$ 229,253	\$ 18,363	\$ 82,345	\$ 603,394

(Continued)

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

For the Year Ended June 30, 2016

	County Building Fund	Flood Control Project Fund	Cultural & Recreation Youth Services Fund	E911 Emergency Service Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ 93,335	\$ 71,637	\$ -	\$ 79,550	\$ 1,276,670
Investment Income	797	-	2	-	2,172
Intergovernmental	7,995	6,132	-	-	962,363
Charges for Services	-	-	-	23,863	43,641
Miscellaneous	833	-	8,770	-	231,731
TOTAL RECEIPTS	102,960	77,769	8,772	103,413	2,516,577
DISBURSEMENTS					
General Government	164,512	-	-	-	252,766
Public Safety	-	-	-	94,130	530,706
Public Works	-	-	-	-	72,513
Public Assistance	-	-	-	-	57,592
Culture and Recreation	-	-	7,940	-	19,267
Debt Service:					
Principal Payments	-	-	-	-	765,000
Interest and Fiscal Charges	-	-	-	-	221,349
TOTAL DISBURSEMENTS	164,512	-	7,940	94,130	1,919,193
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(61,552)	77,769	832	9,283	597,384
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	163,418
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	163,418
Net Change in Fund Balances	(61,552)	77,769	832	9,283	760,802
FUND BALANCES - BEGINNING	581,984	471,961	4,649	181,987	3,185,422
FUND BALANCES - ENDING	\$ 520,432	\$ 549,730	\$ 5,481	\$ 191,270	\$ 3,946,224
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	18,997
911 Emergency Services	-	-	-	191,270	420,523
Drug Education	-	-	-	-	2,049
Law Enforcement	-	-	-	-	2,106
Preservation of Records	-	-	-	-	3,531
Debt Service	-	-	-	-	603,394
Road Maintenance	-	-	-	-	1,419,019
Child Support Enforcement	-	-	-	-	91,447
Committed to:					
Law Enforcement	-	-	-	-	115,361
Road Maintenance	-	-	-	-	13,365
Aid and Assistance	-	-	-	-	162,426
County Buildings	520,432	-	-	-	520,432
Emergency Services	-	549,730	-	-	568,093
Youth Camp	-	-	5,481	-	5,481
TOTAL FUND BALANCES	\$ 520,432	\$ 549,730	\$ 5,481	\$ 191,270	\$ 3,946,224

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2016

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2015	\$ 13,681	\$ 48,140	\$ 420,008	\$ 41,146	\$ 1,105	\$ -	\$ 100
RECEIPTS							
Property Taxes	9,340	-	-	58,830	-	-	-
Licenses and Permits	3,870	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	283,223
Charges for Services	8,090	183,045	35,273	2,101,054	1,120	3,333	-
Miscellaneous	-	-	-	-	-	-	51,967
State Fees	65	209,210	37,280	1,148	-	-	-
Other Liabilities	-	-	453,228	1,064,486	85,878	-	-
TOTAL RECEIPTS	21,365	392,255	525,781	3,225,518	86,998	3,333	335,190
DISBURSEMENTS							
Payments to County Treasurer	21,683	182,633	36,371	2,089,180	1,160	3,333	335,190
Payments to State Treasurer	64	208,830	37,455	1,113	-	-	-
Other Liabilities	-	-	769,720	1,131,493	83,989	-	-
TOTAL DISBURSEMENTS	21,747	391,463	843,546	3,221,786	85,149	3,333	335,190
BALANCES JUNE 30, 2016	<u>\$ 13,299</u>	<u>\$ 48,932</u>	<u>\$ 102,243</u>	<u>\$ 44,878</u>	<u>\$ 2,954</u>	<u>\$ -</u>	<u>\$ 100</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 764	\$ 19,740	\$ 3,624	\$ 36,564	\$ -	\$ -	\$ -
Petty Cash	12,500	500	200	4,400	200	-	100
Due to State Treasurer	35	28,692	2,790	106	-	-	-
Due to Others	-	-	95,629	3,808	2,754	-	-
BALANCES JUNE 30, 2016	<u>\$ 13,299</u>	<u>\$ 48,932</u>	<u>\$ 102,243</u>	<u>\$ 44,878</u>	<u>\$ 2,954</u>	<u>\$ -</u>	<u>\$ 100</u>

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2016

	Veterans' Service Officer	County Surveyor	County Youth Services	County Planning and Zoning	County Transportation	County Assessor	Total
BALANCES JULY 1, 2015	\$ 8,556	\$ -	\$ 280	\$ 100	\$ 34	\$ 200	\$ 533,350
RECEIPTS							
Property Taxes	-	-	-	-	-	-	68,170
Licenses and Permits	-	-	-	118,851	-	-	122,721
Intergovernmental	-	-	3,288	-	60,626	-	347,137
Charges for Services	-	-	3,830	-	3,386	-	2,339,131
Miscellaneous	4	-	8,770	-	3,217	-	63,958
State Fees	-	-	-	-	-	-	247,703
Other Liabilities	-	-	4,786	-	-	-	1,608,378
TOTAL RECEIPTS	4	-	20,674	118,851	67,229	-	4,797,198
DISBURSEMENTS							
Payments to County Treasurer	-	-	15,888	118,489	67,238	-	2,871,165
Payments to State Treasurer	-	-	-	-	-	-	247,462
Other Liabilities	550	-	4,966	-	-	-	1,990,718
TOTAL DISBURSEMENTS	550	-	20,854	118,489	67,238	-	5,109,345
BALANCES JUNE 30, 2016	\$ 8,010	\$ -	\$ 100	\$ 462	\$ 25	\$ 200	\$ 221,203
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 8,010	\$ -	\$ -	\$ 362	\$ 25	\$ -	\$ 69,089
Petty Cash	-	-	100	100	-	200	18,300
Due to State Treasurer	-	-	-	-	-	-	31,623
Due to Others	-	-	-	-	-	-	102,191
BALANCES JUNE 30, 2016	\$ 8,010	\$ -	\$ 100	\$ 462	\$ 25	\$ 200	\$ 221,203

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2016

Item	2011	2012	2013	2014	2015
Tax Certified by Assessor					
Real Estate	\$ 39,184,525	\$ 42,154,906	\$ 47,553,119	\$ 50,276,322	\$ 53,460,786
Personal and Specials	1,821,926	2,072,137	2,233,556	2,425,467	2,559,192
Total	41,006,451	44,227,043	49,786,675	52,701,789	56,019,978
Corrections					
Additions	222,454	89,602	17,271	28,597	19,810
Deductions	(482,974)	(347,245)	(34,976)	(18,106)	(25,901)
Net Additions/ (Deductions)	(260,520)	(257,643)	(17,705)	10,491	(6,091)
Corrected Certified Tax	40,745,931	43,969,400	49,768,970	52,712,280	56,013,887
Net Tax Collected by					
County Treasurer during					
Fiscal Year Ending:					
June 30, 2012	24,128,948	-	-	-	-
June 30, 2013	16,994,820	26,536,409	-	-	-
June 30, 2014	(384,462)	17,416,882	30,470,890	-	-
June 30, 2015	3,409	(8,339)	19,256,040	32,604,771	-
June 30, 2016	2,721	23,568	14,466	20,039,364	34,411,261
Total Net Collections	40,745,436	43,968,520	49,741,396	52,644,135	34,411,261
Total Uncollected Tax	\$ 495	\$ 880	\$ 27,574	\$ 68,145	\$ 21,602,626
Percentage Uncollected Tax	0.00%	0.00%	0.06%	0.13%	38.57%

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

SAUNDERS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Passed through State Commission on Law Enforcement and Criminal Justice Crime Victim Assistance	16.575	15-VA-204	16,352
Total U.S. Department of Justice			<u>16,352</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department Disaster Grants - Public Assistance	97.036	574619	1,240,177 *
Emergency Management Performance Grants	97.042	15-SR-8751-03	24,176
Total U.S. Department of Homeland Security			<u>1,264,353</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	31155	116,468
Total U.S. Department of Health and Human Services			<u>116,468</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Roads Formula Grants for Rural Areas	20.509	3078	47,254
Total U.S. Department of Transportation			<u>47,254</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,444,427</u></u>

* Represents Major Program
See accompanying Notes to the Schedule of Expenditures of Federal Awards

SAUNDERS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

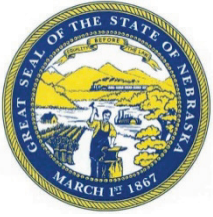
For the Year Ended June 30, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Saunders County (County) under programs of the Federal government for the year ended June 30, 2016, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Saunders County, it is not intended to, and does not, present the financial position, changes, or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agencies.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Saunders County has elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Supervisors
Saunders County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Saunders County's basic financial statements, and have issued our report thereon dated February 7, 2017. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Saunders Medical Center, a component unit of Saunders County.

Internal Control Over Financial Reporting

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

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

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

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. 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 Saunders County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Additional Items


We also noted certain matters that we reported to the management of Saunders County in a separate letter dated February 7, 2017.

Saunders County's Response to Findings

Saunders County declined to respond to the finding described above.

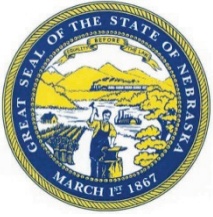
Purpose of this Report

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.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

February 7, 2017



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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SAUNDERS COUNTY
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Supervisors
Saunders County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Saunders County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Saunders County's major Federal programs for the year ended June 30, 2016. Saunders County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Saunders County's basic financial statements do not include the financial data of the Saunders Medical Center, a component unit of Saunders County.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Saunders County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance

requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Saunders County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Saunders County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Saunders County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

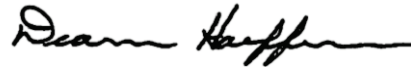
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Saunders County as of and for the year ended June 30, 2016, and have issued our report thereon dated February 7, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.



Deann Haeffner
Assistant Deputy Auditor
Lincoln, Nebraska

February 7, 2017

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u>	Yes	<u> X </u>	No
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Major programs: **Disaster Grants – Public Assistance CFDA 97.036**

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	<u> </u>	Yes	<u> X </u>	No
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SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2016-1

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

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

Context - Various County offices collect money, and most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.

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

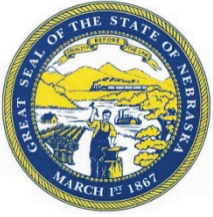
Cause - The County does not employ sufficient office personnel to properly segregate accounting functions.

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

View of Officials - The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Section III – Federal Award Findings and Questioned Costs

None Noted



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February 7, 2017

Board of Supervisors
Saunders County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Saunders County (County) for the fiscal year ended June 30, 2016, and have issued our report thereon dated February 7, 2017. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY OVERALL

Segregation of Duties

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

We noted the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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

COUNTY BOARD

Claims Process

During our audit, we noted the County did not have sufficient procedures in place to prevent duplicate payments and adequate support for all claims paid. We noted the following:

- One credit card claim, totaling \$1,573, did not have adequate supporting documentation attached. The credit card statement was attached to the claim, but the individual purchase receipts itemizing the specific purchases was not available.
- Five instances of duplicate payments were noted, totaling \$2,981, to various vendors.
- The County issued grants, totaling \$9,060, from the Visitor Promotion and Visitor Improvement Funds to various entities and groups; however, there was no oversight to ensure tax funds were spent on allowable costs.

The Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. §§ 13-2201 through 13-2204 (Reissue 2012), addresses various expenditures, aside from those otherwise authorized by law, that constitute allowable uses of public funds by designated political subdivisions.

Also, a good internal control plan and sound business practices require procedures to be in place to ensure adequate supporting documentation is obtained prior to payment of any claim, and invoices are paid only once. When such procedures are not in place, there is an increased risk for loss or misuse of County funds.

We recommend the County Board implement sufficient procedures to ensure claims are paid only once and have adequate supporting documentation.

Payroll Procedures

During testing of payroll, it was noted that salaried employees, who receive biweekly paychecks, are frequently paid in advance for time not yet worked. If an employee has not worked an entire pay period, there is no obligation to pay him or her for that time. Additionally, when salaries and benefits are paid before actually being earned, there is a potential for overpayment if, after the payroll, the employee should leave his or her position unexpectedly or not work the required number of days.

We also noted that, for one employee tested, there was no documentation on hand, such as a timecard or timesheet, to support the accrual of sick and vacation leave for the payroll period tested.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part:

All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor . . . have been furnished or performed

Furthermore, good internal control and sound accounting practices suggest the County Board should not approve the disbursement of money prior to ensuring the County actually owes the debt. Additionally, good internal control requires procedures to be in place to ensure documentation is maintained to support the amount paid to employees. When an employee's actual time worked is not adequately documented, and paychecks are approved and paid prior to hours earned, there is an increased risk of loss or misuse of County funds.

We recommend the County Board review payroll procedures of employees in order to prevent advance payments. We further recommend the County Board ensure all employee time is adequately documented.

Expenditures in Excess of Budget

The disbursements in the Building Security function within the General Fund exceeded the adopted budget by \$1,978.

Neb. Rev. Stat § 23-916 (Reissue 2012) states, in relevant part, the following:

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year.

When expenditures are made in excess of amounts budgeted, with no appropriation adjustments by the County Board to address those excesses, the County is not in compliance with State statute.

We recommend the County implement procedures to monitor closely its budget status on an ongoing basis to avoid individual functions incurring expenses in excess of the amount budgeted.

COUNTY TREASURER

In Lieu of Tax Distribution

Neb. Rev. Stat. § 70-651.04 (Cum. Supp. 2016) states the following, in relevant part:

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

The County Treasurer failed to include one school district levy in the distribution of the Public Power District In Lieu of Tax payments, resulting in an underpayment to that fund and overpayment to the other funds. The table below summarizes the underpayment and overpayments:

Description	Amount
County Funds	\$ 132
Cedar Bluffs	\$ 441
Cedar Bluffs School District	\$ (573)

**Positive amounts reflect overpayments, and negative amounts reflect underpayments.*

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 SHERIFF

Distress Warrant Report

Neb. Rev. Stat. § 77-1719.01 (Reissue 2009) states the following:

On or before August 1 of each year, the sheriff shall report to the county board showing the total amount collected on current distress warrants and the amount remaining uncollected.

We noted the distress warrant report was filed on September 10, 2015, which is 40 days after the required filing date. It was also noted the subsequent distress warrant report that was required to be filed by August 1, 2016, was filed on August 25, 2016, or 24 days late.

Neb. Rev. Stat. § 28-924 (Reissue 2016) provides the following:

(1) A public servant commits official misconduct if he knowingly violates any statute or lawfully adopted rule or regulation relating to his official duties.

(2) Official misconduct is a Class II misdemeanor.

Failure to file the distress warrant report with the County Board by the statutorily required filing date not only constitutes a violation of State law but also increases the risk that County funds will be lost or misused.

We recommend the County Sheriff file the distress warrant report by the statutorily required filing date.

COUNTY REGISTER OF DEEDS

Preservation Fees

During our testing, we noted \$1,462 in fees collected in May 2016 was coded to the General Fund; instead, these fees should have been coded to the Register of Deeds Preservation Fund.

Neb. Rev. Stat. § 33-109 (1)(a) (Reissue 2016) states, in relevant part, the following:

Two dollars and fifty cents of the ten-dollar fee for recording the first page and fifty cents of the six-dollar fee for recording each additional page shall be used exclusively for the purposes of preserving and maintaining public records of the office of the register of deeds and for modernization and technology needs relating to such records. The funds allocated under this subdivision shall not be substituted for other allocations of county general funds to the register of deeds for the purposes enumerated in this subdivision.

When the statutorily prescribed amount of recording fees collected by the Register of Deeds are not coded to the Register of Deeds Preservation Fund, as required by State statute, those fees are not properly restricted. There is also an increased risk of loss or misuse of County funds.

We also recommend the County implement procedures to ensure proper coding for preservation fees.

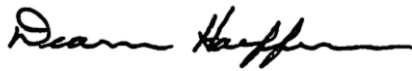
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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. The County declined to respond.

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

Sincerely,



Deann Haeffner
Assistant Deputy Auditor