

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2016, THROUGH JUNE 30, 2017

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Issued on February 27, 2018

SAUNDERS COUNTY

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SAUNDERS COUNTY
433 N Chestnut
Wahoo, NE 68066

LIST OF COUNTY OFFICIALS
At June 30, 2017

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Craig Breunig	Jan. 2019
	Leroy Hanson	Jan. 2019
	Doris Karloff	Jan. 2021
	Dave Lutton	Jan. 2019
	Larry Mach	Jan. 2019
	Ed Rastovski	Jan. 2021
	Scott Sukstorf	Jan. 2021
	Assessor	Cathy Gusman
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	Amber Pelan	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, 2017, 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, 2017, 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, 2017, 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, and schedule of taxes certified and collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-36, 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 20, 2018, 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.

February 20, 2018



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 17,531,264
TOTAL ASSETS	<u>\$ 17,531,264</u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 27,063
911 Emergency Services	453,155
Drug Education	2,049
Law Enforcement	2,106
Preservation of Records	26,887
Debt Service	4,078,746
Road Maintenance	1,748,440
Child Support Enforcement	91,447
Unrestricted	11,101,371
TOTAL NET POSITION	<u>\$ 17,531,264</u>

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, 2017

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	\$ (6,062,735)	\$ 936,679	\$ 110,711	\$ (5,015,345)
Public Safety	(4,441,381)	1,938,192	218,632	(2,284,557)
Public Works	(8,589,904)	3,239	3,707,886	(4,878,779)
Health and Sanitation	-	-	-	-
Public Assistance	(141,209)	-	58,951	(82,258)
Culture and Recreation	(21,688)	-	2,000	(19,688)
Debt Payments	(2,047,688)	-	-	(2,047,688)
Capital Outlay	(350,000)	-	-	(350,000)
Total Governmental Activities	<u>\$ (21,654,605)</u>	<u>\$ 2,878,110</u>	<u>\$ 4,098,180</u>	<u>(14,678,315)</u>

General Receipts:

Property Taxes	12,666,191
Grants and Contributions Not Restricted to Specific Programs	1,198,594
Investment Income	31,081
Licenses and Permits	252,271
Bond Proceeds	1,200,000
Miscellaneous	366,008
Total General Receipts	<u>15,714,145</u>
Increase in Net Position	1,035,830
Net Position - Beginning of year	16,495,434
Net Position - End of year	<u>\$ 17,531,264</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, 2017

	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)	\$ 4,613,881	\$ 1,884,732	\$ 3,307,885	\$ 3,379,438	\$ 4,345,328	\$ 17,531,264
TOTAL ASSETS	\$ 4,613,881	\$ 1,884,732	\$ 3,307,885	\$ 3,379,438	\$ 4,345,328	\$ 17,531,264
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	27,063	27,063
911 Emergency Services	-	-	-	-	453,155	453,155
Drug Education	-	-	-	-	2,049	2,049
Law Enforcement	-	-	-	-	2,106	2,106
Preservation of Records	-	-	-	-	26,887	26,887
Debt Service	-	-	-	3,379,438	699,308	4,078,746
Road Maintenance	-	-	-	-	1,748,440	1,748,440
Child Support Enforcement	-	-	-	-	91,447	91,447
Committed to:						
Law Enforcement	-	-	-	-	153,189	153,189
Road Maintenance	-	1,884,732	-	-	-	1,884,732
Aid and Assistance	-	-	-	-	151,224	151,224
County Buildings	-	-	-	-	345,885	345,885
Emergency Services	-	-	-	-	639,012	639,012
Youth Camp	-	-	-	-	5,563	5,563
Assigned to:						
Other Purposes	-	-	3,307,885	-	-	3,307,885
Unassigned	4,613,881	-	-	-	-	4,613,881
TOTAL CASH BASIS FUND BALANCES	\$ 4,613,881	\$ 1,884,732	\$ 3,307,885	\$ 3,379,438	\$ 4,345,328	\$ 17,531,264

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, 2017

	General Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$9,279,292	\$ -	\$ 2,119,866	\$ 11	\$ 1,267,022	\$ 12,666,191
Licenses and Permits	252,271	-	-	-	-	252,271
Investment Income	21,942	-	-	6,678	2,461	31,081
Intergovernmental	893,379	3,375,235	-	64	1,028,096	5,296,774
Charges for Services	2,822,652	3,239	-	-	52,219	2,878,110
Miscellaneous	132,575	4,953	-	1,200,000	228,480	1,566,008
TOTAL RECEIPTS	13,402,111	3,383,427	2,119,866	1,206,753	2,578,278	22,690,435
DISBURSEMENTS						
General Government	5,917,138	-	5,981	-	139,616	6,062,735
Public Safety	3,774,571	-	-	-	666,810	4,441,381
Public Works	99,384	8,156,604	-	-	333,916	8,589,904
Health and Sanitation	-	-	-	-	-	-
Public Assistance	68,979	-	-	-	72,230	141,209
Culture and Recreation	-	-	-	-	21,688	21,688
Debt Service:						
Principal Payments	-	-	-	705,385	817,739	1,523,124
Interest and Fiscal Charges	-	-	-	397,652	126,912	524,564
Capital Outlay	-	-	-	-	350,000	350,000
TOTAL DISBURSEMENTS	9,860,072	8,156,604	5,981	1,103,037	2,528,911	21,654,605
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,542,039	(4,773,177)	2,113,885	103,716	49,367	1,035,830
OTHER FINANCING SOURCES (USES)						
Transfers in	10,502	3,093,919	-	-	357,643	3,462,064
Transfers out	(1,793,704)	(10,502)	(1,649,952)	-	(7,906)	(3,462,064)
TOTAL OTHER FINANCING SOURCES (USES)	(1,783,202)	3,083,417	(1,649,952)	-	349,737	-
Net Change in Fund Balances	1,758,837	(1,689,760)	463,933	103,716	399,104	1,035,830
CASH BASIS FUND BALANCES - BEGINNING						
	2,855,044	3,574,492	2,843,952	3,275,722	3,946,224	16,495,434
CASH BASIS FUND BALANCES - ENDING						
	\$4,613,881	\$1,884,732	\$ 3,307,885	\$3,379,438	\$ 4,345,328	\$ 17,531,264

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 5,660,926
 LIABILITIES	
Due to other governments	
State	498,981
Schools	3,891,124
Educational Service Units	7,999
Technical College	38,141
Natural Resource Districts	18,998
Fire Districts	30,035
Municipalities	497,846
Agricultural Society	3,484
Drainage Districts	20,157
Townships	44,695
Sanitary and Improvement Districts	533,869
Others	75,597
TOTAL LIABILITIES	5,660,926
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, 2017

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 County contributed \$98,340 toward the operation of the Region during fiscal year 2017. 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with the 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, Supp. 2017).

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 2017. 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) (Supp. 2017). 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.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position 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 \$6,429,893 of restricted net position, which is fully restricted by enabling legislation.

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

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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, 2017, disbursements exceeded budgeted appropriations in the Register of Deeds function of the General Fund by \$513. These over expenditures were funded by the available fund balance in the General Fund.

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 \$17,531,264 for County funds and \$5,660,926 for Fiduciary funds. The bank balances for all funds totaled \$23,048,888. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2017, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

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

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

The levy set in October 2016, for the 2016 taxes, which will be materially collected in May and September 2017, was set at \$.246023/\$100 of assessed valuation. The levy set in October 2015, for the 2015 taxes, which were materially collected in May and September 2016, was set at \$.255431/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. 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, Supp. 2017) and may be amended through legislative action.

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

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. 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. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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, 2017, 204 employees contributed \$309,283, and the County contributed \$459,175. Contributions included \$9,494 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 89 counties and local governments 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.

	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 2018. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following:

<u>Transfers to</u>	Transfers from				<u>Total</u>
	General Fund	Inheritance Fund	Public Works Fund	Nonmajor Funds	
Public Works Fund	\$ 1,593,967	\$ 1,499,952	\$ -	\$ -	\$ 3,093,919
General Fund	-	-	10,502	-	10,502
Nonmajor Funds	199,737	150,000	-	7,906	357,643
Total	\$ 1,793,704	\$ 1,649,952	\$ 10,502	\$ 7,906	\$ 3,462,064

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

In the year ended June 30, 2017, the County made a one-time transfer of \$10,502 from the Public Works Fund to the General Fund to correct a receipt coding error.

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 the fiscal years 2012 and 2014, the County Board partially refinanced both of these bonds. The bond payable balance, as of June 30, 2017, was \$15,480,000. 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 Hospital can be obtained from its administrative office.

Future Payments:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	805,000	340,896	1,145,896
2023-2027	4,385,000	1,403,959	5,788,959
2028-2032	4,075,000	795,711	4,870,711
2033-2036	3,145,000	212,495	3,357,495
Total Payments	\$ 15,480,000	\$ 4,252,770	\$ 19,732,770

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

8. Long-Term Debt (Concluded)

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. In addition, 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 bond payable balance, as of June 30, 2017, was \$8,725,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 830,000	\$ 124,138	\$ 954,138
2019	835,000	116,992	951,992
2020	840,000	108,357	948,357
2021	850,000	98,250	948,250
2022	860,000	86,790	946,790
2023-2027	4,510,000	214,374	4,724,374
Total Payments	<u><u>\$ 8,725,000</u></u>	<u><u>\$ 748,901</u></u>	<u><u>\$ 9,473,901</u></u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$9,639,949	\$9,639,949	\$9,279,292	\$ (360,657)
Licenses and Permits	163,200	163,200	252,271	89,071
Interest	20,000	20,000	21,942	1,942
Intergovernmental	190,280	190,280	893,379	703,099
Charges for Services	3,086,567	3,086,567	2,822,652	(263,915)
Miscellaneous	85,000	85,000	132,575	47,575
TOTAL RECEIPTS	<u>13,184,996</u>	<u>13,184,996</u>	<u>13,402,111</u>	<u>217,115</u>
DISBURSEMENTS				
General Government:				
County Board	173,341	173,341	171,935	1,406
County Clerk	166,235	166,235	166,156	79
County Treasurer	273,528	275,366	275,287	79
Register of Deeds	113,607	113,607	114,120	(513)
County Assessor	253,348	253,348	249,791	3,557
Election Commissioner	112,753	112,753	112,562	191
Building and Zoning	80,761	80,761	73,809	6,952
Board of Equalization	7,300	7,300	5,293	2,007
Clerk of the District Court	107,166	107,166	106,830	336
County Court System	-	-	-	-
District Judge	44,827	44,827	43,864	963
Public Defender	246,700	246,700	234,068	12,632
Building Security	112,158	112,158	105,739	6,419
Unemployment Compensation	20,000	20,000	5,680	14,320
Agricultural Extension Agent	91,476	91,476	72,388	19,088
Administrative	101,260	101,260	97,959	3,301
Child Support Services CDC	36,846	36,846	35,892	954
Child Support Services Attorney	76,186	76,186	71,091	5,095
Miscellaneous	6,016,124	6,014,286	3,974,674	2,039,612
Public Safety				
County Sheriff	1,370,604	1,370,604	1,310,513	60,091
County Attorney	403,000	403,000	383,734	19,266
County Jail	2,429,445	2,429,445	2,067,049	362,396
Sheriff Grant	28,380	28,380	13,275	15,105
Public Works				
County Surveyor	99,624	99,624	99,384	240
Public Assistance				
Veterans' Service Officer	51,940	51,940	51,400	540
Institutions	36,500	36,500	4,926	31,574
Medical Relief	30,000	30,000	12,653	17,347
TOTAL DISBURSEMENTS	<u>12,483,109</u>	<u>12,483,109</u>	<u>9,860,072</u>	<u>2,623,037</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	701,887	701,887	3,542,039	2,840,152
OTHER FINANCING SOURCES (USES)				
Transfers in	10,500	10,500	10,502	2
Transfers out	(1,767,431)	(1,792,242)	(1,793,704)	(1,462)
TOTAL OTHER FINANCING SOURCES (USES)	(1,756,931)	(1,781,742)	(1,783,202)	(1,460)
Net Change in Fund Balance	(1,055,044)	(1,079,855)	1,758,837	2,838,692
FUND BALANCE - BEGINNING	2,855,044	2,855,044	2,855,044	-
FUND BALANCE - ENDING	<u>\$1,800,000</u>	<u>\$1,775,189</u>	<u>\$4,613,881</u>	<u>\$ 2,838,692</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>PUBLIC WORKS FUND</u>				
RECEIPTS				
Intergovernmental	\$ 2,900,000	\$ 2,900,000	\$ 3,375,235	\$ 475,235
Charges for Services	1,000	1,000	3,239	2,239
Miscellaneous	15,000	15,000	4,953	(10,047)
TOTAL RECEIPTS	2,916,000	2,916,000	3,383,427	467,427
 DISBURSEMENTS	 9,573,911	 9,573,911	 8,156,604	 1,417,307
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (6,657,911)	 (6,657,911)	 (4,773,177)	 1,884,734
 OTHER FINANCING SOURCES (USES)				
Transfers in	3,093,919	3,093,919	3,093,919	-
Transfers out	(10,500)	(10,500)	(10,502)	(2)
TOTAL OTHER FINANCING SOURCES (USES)	3,083,419	3,083,419	3,083,417	(2)
 Net Change in Fund Balance	 (3,574,492)	 (3,574,492)	 (1,689,760)	 1,884,732
FUND BALANCE - BEGINNING	3,574,492	3,574,492	3,574,492	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,884,732	\$ 1,884,732
 <u>INHERITANCE FUND</u>				
RECEIPTS				
Taxes	\$ 806,000	\$ 806,000	\$ 2,119,866	\$ 1,313,866
TOTAL RECEIPTS	806,000	806,000	2,119,866	1,313,866
 DISBURSEMENTS	 2,000,000	 2,000,000	 5,981	 1,994,019
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (1,194,000)	 (1,194,000)	 2,113,885	 3,307,885
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,649,952)	(1,649,952)	(1,649,952)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,649,952)	(1,649,952)	(1,649,952)	-
 Net Change in Fund Balance	 (2,843,952)	 (2,843,952)	 463,933	 3,307,885
FUND BALANCE - BEGINNING	2,843,952	2,843,952	2,843,952	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,307,885	\$ 3,307,885

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HEALTH SERVICES BOND FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 11	\$ 11
Interest	10,001	10,001	6,678	(3,323)
Intergovernmental	-	-	64	64
Miscellaneous	1,200,000	1,200,000	1,200,000	-
TOTAL RECEIPTS	<u>1,210,001</u>	<u>1,210,001</u>	<u>1,206,753</u>	<u>(3,248)</u>
DISBURSEMENTS	<u>4,485,723</u>	<u>4,485,723</u>	<u>1,103,037</u>	<u>3,382,686</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,275,722)</u>	<u>(3,275,722)</u>	<u>103,716</u>	<u>3,379,438</u>
Net Change in Fund Balance	(3,275,722)	(3,275,722)	103,716	3,379,438
FUND BALANCE - BEGINNING	3,275,722	3,275,722	3,275,722	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,379,438</u>	<u>\$ 3,379,438</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ 598,403	\$ 598,403	\$ 663,337	\$ 64,934
Disbursements	(2,017,422)	(2,017,422)	(333,916)	1,683,506
Net Change in Fund Balance	(1,419,019)	(1,419,019)	329,421	1,748,440
Fund Balance - Beginning	1,419,019	1,419,019	1,419,019	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,748,440	\$ 1,748,440
COMMUNICATIONS TOWER FUND				
Receipts	\$ 36,330	\$ 36,330	\$ -	\$ (36,330)
Disbursements	(45,000)	(45,000)	(3,000)	42,000
Net Change in Fund Balance	(8,670)	(8,670)	(3,000)	5,670
Fund Balance - Beginning	8,670	8,670	8,670	-
Fund Balance - Ending	\$ -	\$ -	\$ 5,670	\$ 5,670
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 1,001	\$ 1,001	\$ -	\$ (1,001)
Disbursements	(92,448)	(92,448)	-	92,448
Net Change in Fund Balance	(91,447)	(91,447)	-	91,447
Fund Balance - Beginning	91,447	91,447	91,447	-
Fund Balance - Ending	\$ -	\$ -	\$ 91,447	\$ 91,447
VISITOR'S PROMOTION FUND				
Receipts	\$ 8,001	\$ 8,001	\$ 10,744	\$ 2,743
Disbursements	(19,211)	(19,211)	(7,922)	11,289
Net Change in Fund Balance	(11,210)	(11,210)	2,822	14,032
Fund Balance - Beginning	11,210	11,210	11,210	-
Fund Balance - Ending	\$ -	\$ -	\$ 14,032	\$ 14,032
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 8,000	\$ 8,000	\$ 10,744	\$ 2,744
Disbursements	(15,787)	(15,787)	(5,500)	10,287
Net Change in Fund Balance	(7,787)	(7,787)	5,244	13,031
Fund Balance - Beginning	7,787	7,787	7,787	-
Fund Balance - Ending	\$ -	\$ -	\$ 13,031	\$ 13,031

(Continued)

SAUNDERS COUNTY
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS**

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 14,000	\$ 14,000	\$ 22,182	\$ 8,182
Disbursements	(17,531)	(17,531)	(288)	17,243
Transfers in	-	-	1,462	1,462
Transfers out	-	-	-	-
Net Change in Fund Balance	(3,531)	(3,531)	23,356	26,887
Fund Balance - Beginning	3,531	3,531	3,531	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,887</u>	<u>\$ 26,887</u>
VETERANS' RELIEF FUND				
Receipts	\$ 145	\$ 145	\$ 143	\$ (2)
Disbursements	(92,862)	(92,862)	-	92,862
Net Change in Fund Balance	(92,717)	(92,717)	143	92,860
Fund Balance - Beginning	92,717	92,717	92,717	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,860</u>	<u>\$ 92,860</u>
TRANSPORTATION FUND				
Receipts	\$ 59,550	\$ 59,550	\$ 61,659	\$ 2,109
Disbursements	(118,441)	(118,441)	(72,230)	46,211
Net Change in Fund Balance	(58,891)	(58,891)	(10,571)	48,320
Fund Balance - Beginning	58,891	58,891	58,891	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,320</u>	<u>\$ 48,320</u>
COURT APPOINTED SPECIAL ADVOCATE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(10,818)	(10,818)	(2,912)	7,906
Transfers in	-	-	-	-
Transfers out	-	-	(7,906)	(7,906)
Net Change in Fund Balance	(10,818)	(10,818)	(10,818)	-
Fund Balance - Beginning	10,818	10,818	10,818	-
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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>DIVERSION PROGRAM FUND</u>				
Receipts	\$ 209,552	\$ 209,552	\$ 188,668	\$ (20,884)
Disbursements	(337,317)	(337,317)	(305,270)	32,047
Transfers in	103,419	128,230	128,230	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(24,346)	465	11,628	11,163
Fund Balance - Beginning	24,346	24,346	24,346	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 24,811</u>	<u>\$ 35,974</u>	<u>\$ 11,163</u>
<u>SAFETY TRAINING OPTION PROGRAM FUND</u>				
Receipts	\$ 9,311	\$ 9,311	\$ 7,460	\$ (1,851)
Disbursements	(22,676)	(22,676)	(1,741)	20,935
Net Change in Fund Balance	(13,365)	(13,365)	5,719	19,084
Fund Balance - Beginning	13,365	13,365	13,365	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,084</u>	<u>\$ 19,084</u>
<u>DRUG LAW ENFORCEMENT AND EDUCATION FUND</u>				
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>
<u>DRUG TESTING FUND</u>				
Receipts	\$ 300	\$ 300	\$ 20	\$ (280)
Disbursements	(300)	(300)	-	300
Net Change in Fund Balance	-	-	20	20
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 2,106</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FEDERAL GRANT FUND				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
VICTIM'S ASSISTANCE PROGRAM FUND				
Receipts	\$ -	\$ 14,500	\$ 2,400	\$ (12,100)
Disbursements	-	(14,500)	(262)	14,238
Transfers in	-	-	7,906	7,906
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	10,044	10,044
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,044</u>	<u>\$ 10,044</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 WIRELESS SERVICE FUND				
Receipts	\$ 60,001	\$ 60,001	\$ 64,168	\$ 4,167
Disbursements	(289,254)	(289,254)	(54,767)	234,487
Net Change in Fund Balance	(229,253)	(229,253)	9,401	238,654
Fund Balance - Beginning	229,253	229,253	229,253	-
Fund Balance - Ending	\$ -	\$ -	\$ 238,654	\$ 238,654
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 22,000	\$ 22,000	\$ 28,753	\$ 6,753
Disbursements	(60,408)	(60,408)	(52,710)	7,698
Transfers in	20,045	20,045	20,045	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(18,363)	(18,363)	(3,912)	14,451
Fund Balance - Beginning	18,363	18,363	18,363	-
Fund Balance - Ending	\$ -	\$ -	\$ 14,451	\$ 14,451
CORRECTIONAL CENTER COMMISSARY FUND				
Receipts	\$ 193,501	\$ 193,501	\$ 181,303	\$ (12,198)
Disbursements	(275,846)	(275,846)	(171,207)	104,639
Net Change in Fund Balance	(82,345)	(82,345)	10,096	92,441
Fund Balance - Beginning	82,345	82,345	82,345	-
Fund Balance - Ending	\$ -	\$ -	\$ 92,441	\$ 92,441
LAW ENFORCEMENT CENTER AND JAIL BOND FUND				
Receipts	\$ 1,024,371	\$ 1,024,371	\$ 1,040,565	\$ 16,194
Disbursements	(1,477,765)	(1,477,765)	(944,651)	533,114
Net Change in Fund Balance	(453,394)	(453,394)	95,914	549,308
Fund Balance - Beginning	603,394	603,394	603,394	-
Fund Balance - Ending	\$ 150,000	\$ 150,000	\$ 699,308	\$ 549,308

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY BUILDING FUND				
Receipts	\$ 100,625	\$ 100,625	\$ 108,869	\$ 8,244
Disbursements	(821,057)	(821,057)	(483,416)	337,641
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(520,432)	(520,432)	(174,547)	345,885
Fund Balance - Beginning	520,432	520,432	520,432	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,885</u>	<u>\$ 345,885</u>
FLOOD CONTROL PROJECT FUND				
Receipts	\$ 76,765	\$ 76,765	\$ 77,416	\$ 651
Disbursements	(626,495)	(626,495)	(2,585)	623,910
Net Change in Fund Balance	(549,730)	(549,730)	74,831	624,561
Fund Balance - Beginning	549,730	549,730	549,730	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,561</u>	<u>\$ 624,561</u>
CULTURAL & RECREATION YOUTH SERVICES FUND				
Receipts	\$ 7,001	\$ 7,001	\$ 8,348	\$ 1,347
Disbursements	(12,482)	(12,482)	(8,266)	4,216
Net Change in Fund Balance	(5,481)	(5,481)	82	5,563
Fund Balance - Beginning	5,481	5,481	5,481	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,563</u>	<u>\$ 5,563</u>
E911 EMERGENCY SERVICE FUND				
Receipts	\$ 85,101	\$ 85,101	\$ 101,499	\$ 16,398
Disbursements	(276,371)	(276,371)	(78,268)	198,103
Net Change in Fund Balance	(191,270)	(191,270)	23,231	214,501
Fund Balance - Beginning	191,270	191,270	191,270	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,501</u>	<u>\$ 214,501</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, 2017

	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	\$ -	\$ -	\$ -	\$ 10,744	\$ 10,744	\$ -
Licenses and Permits	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Intergovernmental	663,337	-	-	-	-	-
Charges for Services	-	-	-	-	-	22,182
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>663,337</u>	<u>-</u>	<u>-</u>	<u>10,744</u>	<u>10,744</u>	<u>22,182</u>
DISBURSEMENTS						
General Government	-	3,000	-	-	-	288
Public Safety	-	-	-	-	-	-
Public Works	333,916	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	7,922	5,500	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>333,916</u>	<u>3,000</u>	<u>-</u>	<u>7,922</u>	<u>5,500</u>	<u>288</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>329,421</u>	<u>(3,000)</u>	<u>-</u>	<u>2,822</u>	<u>5,244</u>	<u>21,894</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	1,462
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,462</u>
Net Change in Fund Balances	329,421	(3,000)	-	2,822	5,244	23,356
FUND BALANCES - BEGINNING	<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 - ENDING	<u>\$ 1,748,440</u>	<u>\$ 5,670</u>	<u>\$ 91,447</u>	<u>\$ 14,032</u>	<u>\$ 13,031</u>	<u>\$ 26,887</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	14,032	13,031	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	26,887
Debt Service	-	-	-	-	-	-
Road Maintenance	1,748,440	-	-	-	-	-
Child Support Enforcement	-	-	91,447	-	-	-
Committed to:						
Law Enforcement	-	5,670	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,748,440</u>	<u>\$ 5,670</u>	<u>\$ 91,447</u>	<u>\$ 14,032</u>	<u>\$ 13,031</u>	<u>\$ 26,887</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, 2017

	Veterans' Relief Fund	Transportation Fund	Court Appointed Special Advocate Fund	Diversion Program Fund	Safety Training Option Program Fund	Drug Law Enforcement and Education Fund	Drug Testing Fund
RECEIPTS							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Investment Income	143	-	-	-	5	-	-
Intergovernmental	-	58,951	-	180,853	-	-	-
Charges for Services	-	-	-	4,012	-	-	-
Miscellaneous	-	2,708	-	3,803	7,455	-	20
TOTAL RECEIPTS	<u>143</u>	<u>61,659</u>	<u>-</u>	<u>188,668</u>	<u>7,460</u>	<u>-</u>	<u>20</u>
DISBURSEMENTS							
General Government	-	-	2,912	-	-	-	-
Public Safety	-	-	-	305,270	1,741	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	-	72,230	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>72,230</u>	<u>2,912</u>	<u>305,270</u>	<u>1,741</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>143</u>	<u>(10,571)</u>	<u>(2,912)</u>	<u>(116,602)</u>	<u>5,719</u>	<u>-</u>	<u>20</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	128,230	-	-	-
Transfers out	-	-	(7,906)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(7,906)</u>	<u>128,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	143	(10,571)	(10,818)	11,628	5,719	-	20
FUND BALANCES - BEGINNING	<u>92,717</u>	<u>58,891</u>	<u>10,818</u>	<u>24,346</u>	<u>13,365</u>	<u>2,049</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$92,860</u>	<u>\$ 48,320</u>	<u>\$ -</u>	<u>\$ 35,974</u>	<u>\$ 19,084</u>	<u>\$ 2,049</u>	<u>\$ 20</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	-	-	-	35,974	19,084	-	20
Road Maintenance	-	-	-	-	-	-	-
Aid and Assistance	92,860	48,320	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$92,860</u>	<u>\$ 48,320</u>	<u>\$ -</u>	<u>\$ 35,974</u>	<u>\$ 19,084</u>	<u>\$ 2,049</u>	<u>\$ 20</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, 2017

	Federal Drug Law Enforcement Fund	Victim's Assistance Program Fund	911 Wireless Service Fund	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement Center and Jail Bond Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ 64,168	\$ -	\$ -	\$ 943,793
Licenses and Permits	-	-	-	-	-	-
Investment Income	-	-	-	-	-	1,313
Intergovernmental	-	-	-	28,753	-	81,959
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	2,400	-	-	181,303	13,500
TOTAL RECEIPTS	<u>-</u>	<u>2,400</u>	<u>64,168</u>	<u>28,753</u>	<u>181,303</u>	<u>1,040,565</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	262	54,767	52,710	171,207	-
Public Works	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	817,739
Interest and Fiscal Charges	-	-	-	-	-	126,912
Capital Projects	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>262</u>	<u>54,767</u>	<u>52,710</u>	<u>171,207</u>	<u>944,651</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>2,138</u>	<u>9,401</u>	<u>(23,957)</u>	<u>10,096</u>	<u>95,914</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	7,906	-	20,045	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>7,906</u>	<u>-</u>	<u>20,045</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	10,044	9,401	(3,912)	10,096	95,914
FUND BALANCES - BEGINNING	<u>2,106</u>	<u>-</u>	<u>229,253</u>	<u>18,363</u>	<u>82,345</u>	<u>603,394</u>
FUND BALANCES - ENDING	<u>\$ 2,106</u>	<u>\$ 10,044</u>	<u>\$ 238,654</u>	<u>\$ 14,451</u>	<u>\$ 92,441</u>	<u>\$ 699,308</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	238,654	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	2,106	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	699,308
Road Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	92,441	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	10,044	-	-	-	-
County Buildings	-	-	-	-	-	-
Emergency Services	-	-	-	14,451	-	-
Youth Camp	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,106</u>	<u>\$ 10,044</u>	<u>\$ 238,654</u>	<u>\$ 14,451</u>	<u>\$ 92,441</u>	<u>\$ 699,308</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, 2017

	County Building Fund	Flood Control Project Fund	Cultural & Recreation Youth Services Fund	E911 Emergency Service Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ 92,811	\$ 71,231	\$ -	\$ 73,531	\$ 1,267,022
Licenses and Permits	-	-	-	-	-
Investment Income	999	-	1	-	2,461
Intergovernmental	8,058	6,185	-	-	1,028,096
Charges for Services	-	-	-	26,025	52,219
Miscellaneous	7,001	-	8,347	1,943	228,480
TOTAL RECEIPTS	108,869	77,416	8,348	101,499	2,578,278
DISBURSEMENTS					
General Government	133,416	-	-	-	139,616
Public Safety	-	2,585	-	78,268	666,810
Public Works	-	-	-	-	333,916
Health and Sanitation	-	-	-	-	-
Public Assistance	-	-	-	-	72,230
Culture and Recreation	-	-	8,266	-	21,688
Debt Service:					-
Principal Payments	-	-	-	-	817,739
Interest and Fiscal Charges	-	-	-	-	126,912
Capital Projects	350,000	-	-	-	350,000
TOTAL DISBURSEMENTS	483,416	2,585	8,266	78,268	2,528,911
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(374,547)	74,831	82	23,231	49,367
OTHER FINANCING SOURCES (USES)					
Transfers in	200,000	-	-	-	357,643
Transfers out	-	-	-	-	(7,906)
TOTAL OTHER FINANCING SOURCES (USES)	200,000	-	-	-	349,737
Net Change in Fund Balances	(174,547)	74,831	82	23,231	399,104
FUND BALANCES - BEGINNING	520,432	549,730	5,481	191,270	3,946,224
FUND BALANCES - ENDING	\$ 345,885	\$ 624,561	\$ 5,563	\$ 214,501	\$ 4,345,328
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	27,063
911 Emergency Services	-	-	-	214,501	453,155
Drug Education	-	-	-	-	2,049
Law Enforcement	-	-	-	-	2,106
Preservation of Records	-	-	-	-	26,887
Debt Service	-	-	-	-	699,308
Road Maintenance	-	-	-	-	1,748,440
Child Support Enforcement	-	-	-	-	91,447
Committed to:					
Law Enforcement	-	-	-	-	153,189
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	151,224
County Buildings	345,885	-	-	-	345,885
Emergency Services	-	624,561	-	-	639,012
Youth Camp	-	-	5,563	-	5,563
TOTAL FUND BALANCES	\$ 345,885	\$ 624,561	\$ 5,563	\$ 214,501	\$ 4,345,328

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	County Clerk	County Treasurer	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent
BALANCES JULY 1, 2016	\$ 13,299	\$ -	\$ 48,932	\$ 102,243	\$ 44,878	\$ 2,954	\$ -
RECEIPTS							
Property Taxes	10,140	-	-	-	61,432	-	-
Licenses and Permits	3,870	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	34,336	-	203,286	34,008	2,092,710	1,170	3,239
Miscellaneous	37,641	455	1,806	-	6,732	56	-
State Fees	51	-	232,274	37,302	999	-	-
Other Liabilities	-	-	-	610,399	862,000	80,892	-
TOTAL RECEIPTS	86,038	455	437,366	681,709	3,023,873	82,118	3,239
DISBURSEMENTS							
Payments to County Treasurer	19,066	-	205,887	35,337	2,094,955	1,024	3,239
Payments to State Treasurer	65	-	238,542	37,321	1,015	-	-
Other Liabilities	37,641	155	1,806	562,040	930,865	83,041	-
TOTAL DISBURSEMENTS	56,772	155	446,235	634,698	3,026,835	84,065	3,239
BALANCES JUNE 30, 2017	<u>\$ 42,565</u>	<u>\$ 300</u>	<u>\$ 40,063</u>	<u>\$ 149,254</u>	<u>\$ 41,916</u>	<u>\$ 1,007</u>	<u>\$ -</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 30,044	\$ -	\$ 17,139	\$ 2,295	\$ 35,859	\$ 150	\$ -
Petty Cash	12,500	300	500	200	4,400	200	-
Due to State Treasurer	21	-	22,424	2,771	90	-	-
Due to Others	-	-	-	143,988	1,567	657	-
BALANCES JUNE 30, 2017	<u>\$ 42,565</u>	<u>\$ 300</u>	<u>\$ 40,063</u>	<u>\$ 149,254</u>	<u>\$ 41,916</u>	<u>\$ 1,007</u>	<u>\$ -</u>

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	<u>Highway Superintendent</u>	<u>Veterans' Service Officer</u>	<u>County Surveyor</u>	<u>County Youth Services</u>	<u>County Planning and Zoning</u>	<u>County Transportation</u>	<u>County Assessor</u>	<u>Total</u>
BALANCES JULY 1, 2016	\$ 100	\$ 8,010	\$ -	\$ 100	\$ 462	\$ 25	\$ 200	\$ 221,203
RECEIPTS								
Property Taxes	-	-	-	-	-	-	-	71,572
Licenses and Permits	-	-	-	-	162,461	-	-	166,331
Intergovernmental	341,329	-	-	3,803	-	58,950	-	404,082
Charges for Services	-	-	95	4,013	-	2,692	-	2,375,549
Miscellaneous	14,429	4	-	8,360	-	-	25	69,508
State Fees	-	-	-	-	-	-	-	270,626
Other Liabilities	-	-	-	7,276	-	-	-	1,560,567
TOTAL RECEIPTS	<u>355,758</u>	<u>4</u>	<u>95</u>	<u>23,452</u>	<u>162,461</u>	<u>61,642</u>	<u>25</u>	<u>4,918,235</u>
DISBURSEMENTS								
Payments to County Treasurer	355,540	-	95	16,163	162,823	61,658	-	2,955,787
Payments to State Treasurer	-	-	-	-	-	-	-	276,943
Other Liabilities	218	200	-	7,289	-	-	25	1,623,280
TOTAL DISBURSEMENTS	<u>355,758</u>	<u>200</u>	<u>95</u>	<u>23,452</u>	<u>162,823</u>	<u>61,658</u>	<u>25</u>	<u>4,856,010</u>
BALANCES JUNE 30, 2017	<u>\$ 100</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 9</u>	<u>\$ 200</u>	<u>\$ 283,428</u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ -	\$ 7,814	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ 93,310
Petty Cash	100	-	-	100	100	-	200	18,600
Due to State Treasurer	-	-	-	-	-	-	-	25,306
Due to Others	-	-	-	-	-	-	-	146,212
BALANCES JUNE 30, 2017	<u>\$ 100</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 9</u>	<u>\$ 200</u>	<u>\$ 283,428</u>

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2017

Item	2012	2013	2014	2015	2016
Tax Certified by Assessor					
Real Estate	\$ 42,154,906	\$ 47,553,119	\$ 50,276,322	\$ 53,460,786	\$ 54,449,427
Personal and Specials	2,072,137	2,233,556	2,425,467	2,559,192	2,238,162
Total	44,227,043	49,786,675	52,701,789	56,019,978	56,687,589
Corrections					
Additions	89,602	17,303	31,221	23,799	3,616
Deductions	(347,245)	(35,008)	(21,010)	(31,581)	(20,245)
Net Additions/ (Deductions)	(257,643)	(17,705)	10,211	(7,782)	(16,629)
Corrected Certified Tax	43,969,400	49,768,970	52,712,000	56,012,196	56,670,960
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2013	26,536,409	-	-	-	-
June 30, 2014	17,416,882	30,470,890	-	-	-
June 30, 2015	(8,339)	19,256,040	32,604,771	-	-
June 30, 2016	23,568	14,466	20,039,364	34,411,261	-
June 30, 2017	298	26,998	65,223	21,587,396	34,909,552
Total Net Collections	43,968,818	49,768,394	52,709,358	55,998,657	34,909,552
Total Uncollected Tax	\$ 582	\$ 576	\$ 2,642	\$ 13,539	\$ 21,761,408
Percentage Uncollected Tax	0.00%	0.00%	0.01%	0.02%	38.40%

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



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, 2017, 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 20, 2018. The report notes that 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 20, 2018.

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.

February 20, 2018



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 20, 2018

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, 2017, and have issued our report thereon dated February 20, 2018. 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

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.

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 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.

Petty Cash Funds

During the audit, we noted multiple items regarding office petty cash funds, as described below.

- The County Treasurer held a \$100 long/short petty cash fund that was not authorized by the Board, nor was it included in the County's budget message.
- For three County Treasurer petty cash expenses, totaling \$17, reimbursement was not claimed to the County Board in a timely manner, with dates ranging from 132 to 365 days after expenses were incurred.
- For nine County Attorney petty cash expenses, reimbursement of postage paid, totaling \$9, was not claimed to the County Board in a timely manner, with dates ranging from 98 to 176 days after expenses were incurred.

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

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

A good internal control plan requires procedures to be in place to ensure all reimbursements of expenses are submitted in a timely manner.

When petty cash funds are not included in the County budget message, the County is not in compliance with State statutes. Moreover, failure to present claims in a timely manner increases the likelihood of accounting errors.

We recommend the County Board determine if the long/short petty cash account held by the County Treasurer is necessary and, if so, approve, by resolution, the authorized amount. We also recommend the County Attorney and County Treasurer implement procedures to ensure claims for petty cash reimbursements are submitted to the County timely.

COUNTY BOARD

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, the County has 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. This was also noted in prior audits.

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

A good internal control plan and sound accounting practices require the County Board to approve the disbursement of money only after ensuring the County actually owes the debt.

When employees' 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 pay each employee only for hours actually worked or earned through sick or vacation leave, as provided in that individual's employment contract.

Inadequate Claim Supporting Documentation

During the audit, we noted multiple claims, including petty cash claims, which did not contain adequate supporting documentation, as described below.

- The County issued grants, totaling \$13,423, from the Visitor Promotion and Visitor Improvement Funds to various entities and groups; however, there was no oversight to ensure funds were spent on allowable costs. A similar finding was noted in the prior audit.
- Multiple reimbursement requests from the County Treasurer for petty cash expenditures were not accompanied by original receipts; instead, only copies of receipts were provided. As a result, we noted that one petty cash expense, totaling \$7, was submitted to the Board during fieldwork in January 2018; however, this same receipt was previously reimbursed by the Board in February 2017. The petty cash fund was noted as being short \$7 at the end of the fiscal year.
- A reimbursement request from the County Treasurer for replenishment of a \$99 shortage in the petty cash fund was supported only by the ticker tapes from a calculator. No other supporting documentation was included with the claim to support the deficit in this fund.
- The petty cash fund held by the County Register of Deeds was reimbursed \$200 for labor costs incurred to move books. No other supporting documentation was included with the claim to support the individuals who moved the books, the hours they worked, or the amount paid to each.

A good internal control plan and sound business practices require procedures to ensure that adequate supporting documentation is obtained prior to payment of any claim, including petty cash reimbursements. Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Board implement procedures to ensure all claims have adequate supporting documentation prior to approval.

COUNTY TREASURER

In Lieu of Tax Distribution

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.

Subdivision	Over/(Under) Payment
County Funds	\$5
Village of Memphis	\$7
Ashland-Greenwood School District	(\$31)
Mead School District	\$19

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

When distributions are not made according to State statute, there is an increased risk of loss or misuse of funds. A similar finding was noted in the prior audit.

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

Pro-Rate Distribution

The distribution of the Motor Vehicle Pro-Rate receipts was incorrect for fiscal year 2017. The property tax figures from the 2015 Certificate of Taxes Levied (CTL) were used in error, instead of the 2016 CTL figures, causing the improper distribution. The table below summarizes the over/under payments for the incorrect distribution.

Subdivision	Over (Under) Payment
County Funds	\$141
East Butler School District	\$177
Ashland Greenwood School District (1)	\$84
Cedar Bluffs School District	\$77
Mead School District	\$48
North Bend School District	\$44
Prague School District	\$32

Subdivision	Over (Under) Payment
Wahoo School District	(\$102)
Raymond Central School District	(\$77)
Fremont School District	(\$61)
Yutan School District	(\$49)
Ceresco Rural Fire District	\$14
Valparaiso Rural Fire District	(\$200)
Ashland Rural Fire District	(\$8)
Prague Rural Fire District	(\$7)
Cedar Bluffs	\$23
Wahoo	\$19
Ashland	\$16
Ceresco	(\$21)
Yutan	(\$11)
Bohemia Township	(\$14)
Morse Bluff Township	(\$10)
Sanitary Improvement District 6	\$6
Sanitary Improvement District 8	(\$41)
Sanitary Improvement District 10	(\$14)
Lower Platte North NRD	\$189
Cedar Bluffs JPA Bond	(\$80)
Agricultural Society	(\$11)
ESU 2	(\$12)
ESU 7 (1)	(\$6)
Southeast Community College	(\$63)
Multiple (2)	(\$83)

(1) During testing, the APA noted these two subdivisions contained two funds in which monies should have been distributed; however, the monies were only paid to one of the funds.

(2) This contains 55 other subdivision funds that had an over/under payment of \$5 or less.

It should be noted that, after the fiscal year, the County made subsequent incorrect distributions based on the 2015 CTL figures. These figures are not included in the above table, however.

Neb. Rev. Stat. § 60-3,202(3) (Cum. Supp. 2016) states the following:

Upon receipt of motor vehicle tax funds from the State Treasurer, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.

When motor vehicle tax funds are not distributed in accordance to State statute, there is an increased risk of loss or misuse of County funds.

We recommend the County Treasurer correct the distribution of the Motor Vehicle Pro-Rate receipts and implement procedures to ensure future distributions are correct.

CLERK OF THE DISTRICT COURT

Trust Balance

During testing, it was noted that a refund on a civil case, totaling \$250, had been paid twice, once to the State and once to the individual in the case. This overpayment resulted in a negative \$250 balance on the case balance report at the end of the fiscal year.

A good internal control plan and sound accounting practices require only funds that are received to be paid out. Additionally, good internal controls require procedures for the review of the monthly case balance report and the resolution of any issues noted, such as negative balances, in a timely manner.

When trust balances are overpaid, and the monthly cash balance report is not reviewed monthly, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Clerk of the District Court implement procedures to ensure the monthly case balance report is reviewed monthly, and any issues, such as negative balances, are resolved in a timely manner.

Clerk of the District Court's Response: I am in receipt of this error and will have it corrected.

COUNTY HIGHWAY SUPERINTENDENT

Moving Permit Resolution

The County Board has not approved the House Moving Permit fee of \$25 charged by the County Highway Superintendent. During the fiscal year, the County Highway Superintendent received \$125 for issuing House Moving Permits.

Good internal controls and sound accounting practices require that all fees charged by County officers are approved by the County Board. When such fees are not approved by the County Board, there is an increased risk of loss or misuse of County funds.

We recommend the County Board approve the House Moving Permit fee charged by the County Highway Superintendent.

COUNTY REGISTER OF DEEDS

Preservation Fees

During November 2016, the County Register of Deeds incorrectly coded \$1,842 in preservation fees to the General Fund. These fees should have been coded instead to the Register of Deeds Preservation Fund. At the same time, however, the County Register of Deeds also mistakenly receipted to the Register of Deeds Preservation Fund \$4,790 in document stamp fees that should have been coded to the County General Fund. As a result of these offsetting errors, a net \$2,948 in fees was coded incorrectly to the Register of Deeds Preservation Fund.

Neb. Rev. Stat. § 33-109(1) (Supp. 2017) 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 and preserving and maintaining public records of a register of deeds office that has been consolidated with another county office pursuant to section 22-417 and for modernization and technology needs relating to such records. The funds allocated under this subsection shall not be substituted for other allocations of county general funds to the register of deeds office or any other county office for the purposes enumerated in this subsection.

When the statutorily prescribed amount of recording fees collected by the County Register of Deeds is not correctly coded to the Register of Deeds Preservation Fund, there is an increased risk these fees will not be properly restricted. There is also an increased risk of loss or misuse of County funds. A similar finding was also noted in the prior audit.

We recommend the County implement procedures to ensure preservation fees are coded as outlined in State statute.

Expenditures in Excess of Budget

For the year ended June 30, 2017, the disbursements in the Register of Deeds function within the General Fund exceeded the adopted budget by \$513.

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. A similar finding was noted in the prior audit.

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.

* * * * *

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Deann Haeffner", with a long horizontal flourish extending to the right.

Deann Haeffner, CPA
Assistant Deputy Auditor