

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2018, THROUGH JUNE 30, 2019

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the Auditor of Public Accounts.**

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Issued on February 19, 2020

SAUNDERS COUNTY

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SAUNDERS COUNTY
433 N. Chestnut
Wahoo, NE 68066

LIST OF COUNTY OFFICIALS
At June 30, 2019

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Dave Lutton	Jan. 2023
	Doris Karloff	Jan. 2021
	Scott Sukstorf	Jan. 2021
	Frank J. Albrecht	Jan. 2023
	Edward Rastovski	Jan. 2021
	Craig Breunig	Jan. 2023
	Larry Mach	Jan. 2023
Assessor Register of Deeds	Rhonda Andresen	Jan. 2023
Attorney	Joseph Dobesh	Jan. 2023
Clerk Election Commissioner	Patti Lindgren	Jan. 2023
Clerk of the District Court	Patty McEvoy	Jan. 2023
Sheriff	Kevin Stukenholtz	Jan. 2023
Treasurer	Amber Scanlon	Jan. 2023
Veterans' Service Officer	Mary Pace	Appointed
Weed Superintendent	Ed Sladky	Appointed
Highway Superintendent	Steve Mika	Appointed
Emergency Manager	Terry Miller	Appointed
Planning and Zoning	George Borreson	Appointed
Public Defender	Thomas Klein	Appointed
Surveyor	Jerry Charles	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, 2019, 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 audit 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, 2019, 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, 2019, 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.

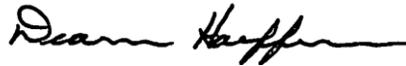
Report on Supplementary Information

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 11, 2020, 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 11, 2020

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 18,408,103
TOTAL ASSETS	<u><u>\$ 18,408,103</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 55,556
911 Emergency Services	306,111
Drug Education	2,049
Law Enforcement	19,255
Preservation of Records	60,037
Debt Service	4,433,247
Road Maintenance	955,111
Child Support Enforcement	39,279
Unrestricted	12,537,458
TOTAL NET POSITION	<u><u>\$ 18,408,103</u></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, 2019

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	\$ (6,357,382)	\$ 921,437	\$ 98,964	\$ (5,336,981)
Public Safety	(4,645,465)	2,073,550	143,507	(2,428,408)
Public Works	(8,588,342)	-	4,519,979	(4,068,363)
Public Assistance	(152,047)	2,902	56,909	(92,236)
Culture and Recreation	(22,435)	-	-	(22,435)
Debt Payments	(2,110,443)	-	-	(2,110,443)
Total Governmental Activities	\$ (21,876,114)	\$ 2,997,889	\$ 4,819,359	(14,058,866)

General Receipts:

Property Taxes	11,328,955
Grants and Contributions Not Restricted to Specific Programs	1,213,449
Investment Income	136,776
Licenses and Permits	244,292
Bond Proceeds	1,200,000
Miscellaneous	144,773
Total General Receipts	14,268,245
Increase in Net Position	209,379
Net Position - Beginning of year	18,198,724
Net Position - End of year	\$ 18,408,103

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, 2019

	General Fund	Public Works Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 5,955,023	\$ 3,336,689	\$ 3,565,786	\$ 5,550,605	\$ 18,408,103
TOTAL ASSETS	\$ 5,955,023	\$ 3,336,689	\$ 3,565,786	\$ 5,550,605	\$ 18,408,103
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	55,556	55,556
911 Emergency Services	-	-	-	306,111	306,111
Drug Education	-	-	-	2,049	2,049
Law Enforcement	-	-	-	19,255	19,255
Preservation of Records	-	-	-	60,037	60,037
Debt Service	-	-	3,565,786	867,461	4,433,247
Road Maintenance	-	-	-	955,111	955,111
Child Support Enforcement	-	-	-	39,279	39,279
Committed to:					
Law Enforcement	-	-	-	133,806	133,806
Road Maintenance & Improvements	-	3,336,689	-	36,098	3,372,787
Aid and Assistance	-	-	-	110,150	110,150
County Buildings	-	-	-	574,380	574,380
Disaster Recovery	-	-	-	877	877
Emergency Services	-	-	-	796,551	796,551
Youth Camp	-	-	-	5,044	5,044
Assigned to:					
Other Purposes	-	-	-	1,588,840	1,588,840
Unassigned	5,955,023	-	-	-	5,955,023
TOTAL CASH BASIS FUND BALANCES	\$ 5,955,023	\$ 3,336,689	\$ 3,565,786	\$ 5,550,605	\$ 18,408,103

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, 2019

	General Fund	Public Works Fund	Health Services Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$ 9,189,567	\$ -	\$ -	\$ 2,139,388	\$ 11,328,955
Licenses and Permits	234,515	9,777	-	-	244,292
Investment Income	97,364	-	33,206	6,206	136,776
Intergovernmental	1,012,575	4,033,010	33	987,190	6,032,808
Charges for Services	2,732,455	-	-	265,434	2,997,889
Miscellaneous	44,172	46,301	1,200,000	54,300	1,344,773
TOTAL RECEIPTS	13,310,648	4,089,088	1,233,239	3,452,518	22,085,493
DISBURSEMENTS					
General Government	6,088,705	-	-	268,677	6,357,382
Public Safety	3,898,190	-	-	747,275	4,645,465
Public Works	103,633	6,914,161	-	1,570,548	8,588,342
Public Assistance	86,780	-	-	65,267	152,047
Culture and Recreation	-	-	-	22,435	22,435
Debt Service:					
Principal Payments	-	-	775,000	835,000	1,610,000
Interest and Fiscal Charges	-	-	382,589	117,854	500,443
TOTAL DISBURSEMENTS	10,177,308	6,914,161	1,157,589	3,627,056	21,876,114
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,133,340	(2,825,073)	75,650	(174,538)	209,379
OTHER FINANCING SOURCES (USES)					
Transfers in	71,877	5,636,777	-	864,807	6,573,461
Transfers out	(4,214,108)	-	-	(2,359,353)	(6,573,461)
TOTAL OTHER FINANCING SOURCES (USES)	(4,142,231)	5,636,777	-	(1,494,546)	-
Net Change in Fund Balances	(1,008,891)	2,811,704	75,650	(1,669,084)	209,379
CASH BASIS FUND BALANCES - BEGINNING					
	6,963,914	524,985	3,490,136	7,219,689	18,198,724
CASH BASIS FUND BALANCES - ENDING					
	\$ 5,955,023	\$ 3,336,689	\$ 3,565,786	\$ 5,550,605	\$ 18,408,103

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, 2019

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 6,210,489
 LIABILITIES	
Due to other governments	
State	525,037
Schools	4,551,632
Educational Service Units	9,213
Technical College	55,596
Natural Resource Districts	21,606
Fire Districts	31,392
Municipalities	111,796
Agricultural Society	4,387
Drainage Districts	24,120
Townships	67,796
Sanitary and Improvement Districts	646,815
Others	161,099
TOTAL LIABILITIES	6,210,489
 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, 2019

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. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

the operation of the Region during fiscal year 2019. 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 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 2018).

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 2019. 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. 2018). 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 Net Position presents the County’s non-fiduciary assets in two categories:

Restricted. This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. 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.

Unrestricted. This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 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 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.

Health Services Bond Fund. This fund is used to account for receipts from interest and from the Hospital designated for the payment of long-term debt principal, interest, and related costs associated with bonds issued for the construction of hospital facilities.

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

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2018) 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 \$5,870,645 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.

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 2018).

At year end, the County's carrying amount of deposits was \$18,408,103 for County funds and \$6,210,489 for Fiduciary funds. The bank balances for all funds totaled \$24,859,474. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2019, 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 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.230880/\$100 of assessed valuation. The levy set in October 2017, for the 2017 taxes, which were materially collected in May and September 2018, was set at \$.236718/\$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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2018) 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, 2019, 199 employees contributed \$312,392, and the County contributed \$463,527. Contributions included \$10,326 in cash contributions towards the supplemental law enforcement plan for 19 law enforcement employees. Lastly, the County paid \$948 directly to seven 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 96 counties and local governments throughout Nebraska.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. 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 or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2019, consisted of the following:

	Transfers from		
Transfers to	General Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 71,877	\$ 71,877
Public Works Fund	4,032,506	1,604,271	5,636,777
Nonmajor Funds	181,602	683,205	864,807
Total	\$ 4,214,108	\$ 2,359,353	\$ 6,573,461

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, 2019, the County made several one-time transfers. Two transfers were completed to correct coding errors during the fiscal year. Transfers for this purpose were made from the Child Support Incentive Fund to the General Fund, totaling \$9,775, and from the 911 Wireless Service Fund to the E911 Emergency Management Fund, totaling \$2,168. Three

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers (Concluded)

transfers were completed to share personnel costs based on time worked and other agreements. Transfers for this purpose were made from the Diversion Program – Youth Services Grant Fund to the Juvenile Diversion Fund, totaling \$31,037, from the Transportation Fund to the General Fund, totaling \$19,160, and from the 911 Wireless Service Fund to the General Fund, totaling \$42,942.

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 Board partially refinanced both of these bonds. The bond payable balance, as of June 30, 2019, was \$13,980,000. 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:

Year	Principal	Interest	Total
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	820,000	322,559	1,142,559
2024	870,000	302,740	1,172,740
2025-2029	4,575,000	1,175,419	5,750,419
2030-2034	3,730,000	552,437	4,282,437
2035-2036	1,610,000	59,010	1,669,010
Total Payments	<u>\$ 13,980,000</u>	<u>\$ 3,480,791</u>	<u>\$ 17,460,791</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 of 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, 2019, was \$7,060,000. 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

8. Long-Term Debt (Concluded)

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 840,000	\$ 108,357	\$ 948,357
2021	850,000	98,250	948,250
2022	860,000	86,790	946,790
2023	880,000	73,861	953,861
2024	880,000	59,659	939,659
2025-2027	2,750,000	80,854	2,830,854
Total Payments	<u>\$ 7,060,000</u>	<u>\$ 507,771</u>	<u>\$ 7,567,771</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 9,640,449	\$ 9,640,449	\$ 9,189,567	\$ (450,882)
Licenses and Permits	203,200	203,200	234,515	31,315
Interest	30,000	30,000	97,364	67,364
Intergovernmental	336,100	336,100	1,012,575	676,475
Charges for Services	2,484,925	2,484,925	2,732,455	247,530
Miscellaneous	100,000	100,000	44,172	(55,828)
TOTAL RECEIPTS	<u>12,794,674</u>	<u>12,794,674</u>	<u>13,310,648</u>	<u>515,974</u>
DISBURSEMENTS				
General Government:				
County Board	180,451	180,451	177,729	2,722
County Clerk	175,534	175,534	174,742	792
County Treasurer	284,842	284,842	274,636	10,206
Register of Deeds	106,000	106,000	100,704	5,296
County Assessor	245,500	245,500	242,550	2,950
Election Commissioner	118,989	126,589	126,581	8
Building and Zoning	82,299	82,299	78,644	3,655
Administrative	159,250	159,250	99,289	59,961
Board of Equalization	11,800	11,800	6,631	5,169
Clerk of the District Court	111,844	111,844	111,518	326
District Judge	47,000	47,000	37,245	9,755
Public Defender	267,000	267,000	225,458	41,542
Child Support District Court	38,736	38,736	8,715	30,021
Agricultural Extension Agent	100,436	100,436	100,435	1
Child Support Attorney	52,405	57,105	57,044	61
Building Security	89,942	104,242	104,221	21
Unemployment Compensation	20,000	20,000	9,576	10,424
Miscellaneous	7,230,632	7,204,032	4,152,987	3,051,045
Public Safety				
County Sheriff	1,444,778	1,444,778	1,438,337	6,441
County Attorney	392,008	392,008	360,066	31,942
County Sheriff Grant	28,380	28,380	8,738	19,642
County Jail	2,139,695	2,139,695	2,091,049	48,646
Public Works				
County Surveyor	103,791	103,791	103,633	158
Public Assistance				
Veterans' Service Officer	46,668	46,668	46,364	304
Institutions	36,500	36,500	21,083	15,417
Medical Relief	30,000	30,000	19,333	10,667
TOTAL DISBURSEMENTS	<u>13,544,480</u>	<u>13,544,480</u>	<u>10,177,308</u>	<u>3,367,172</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(749,806)	(749,806)	3,133,340	3,883,146
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	71,877	71,877
Transfers out	(4,214,108)	(4,214,108)	(4,214,108)	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,214,108)	(4,214,108)	(4,142,231)	71,877
Net Change in Fund Balance	(4,963,914)	(4,963,914)	(1,008,891)	3,955,023
FUND BALANCE - BEGINNING	6,963,914	6,963,914	6,963,914	-
FUND BALANCE - ENDING	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 5,955,023</u>	<u>\$ 3,955,023</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC WORKS FUND				
RECEIPTS				
Licenses and Permits	\$ -	\$ -	\$ 9,777	\$ 9,777
Intergovernmental	3,175,000	3,175,000	4,033,010	858,010
Charges for Services	1,500	1,500	-	(1,500)
Miscellaneous	1,001	1,001	46,301	45,300
TOTAL RECEIPTS	3,177,501	3,177,501	4,089,088	911,587
DISBURSEMENTS	9,339,323	9,339,323	6,914,161	2,425,162
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(6,161,822)	(6,161,822)	(2,825,073)	3,336,749
OTHER FINANCING SOURCES (USES)				
Transfers in	5,636,837	5,636,837	5,636,777	(60)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,636,837	5,636,837	5,636,777	(60)
Net Change in Fund Balance	(524,985)	(524,985)	2,811,704	3,336,689
FUND BALANCE - BEGINNING	524,985	524,985	524,985	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,336,689</u>	<u>\$ 3,336,689</u>
HEALTH SERVICES BOND FUND				
RECEIPTS				
Interest	\$ 10,001	\$ 10,001	\$ 33,206	\$ 23,205
Intergovernmental	-	-	33	33
Miscellaneous	1,200,000	1,200,000	1,200,000	-
TOTAL RECEIPTS	1,210,001	1,210,001	1,233,239	23,238
DISBURSEMENTS	4,700,137	4,700,137	1,157,589	3,542,548
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,490,136)	(3,490,136)	75,650	3,565,786
Net Change in Fund Balance	(3,490,136)	(3,490,136)	75,650	3,565,786
FUND BALANCE - BEGINNING	3,490,136	3,490,136	3,490,136	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,565,786</u>	<u>\$ 3,565,786</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ 663,337	\$ 663,337	\$ 664,754	\$ 1,417
Disbursements	(2,025,119)	(2,025,119)	(1,071,425)	953,694
Net Change in Fund Balance	(1,361,782)	(1,361,782)	(406,671)	955,111
Fund Balance - Beginning	1,361,782	1,361,782	1,361,782	-
Fund Balance - Ending	\$ -	\$ -	\$ 955,111	\$ 955,111
COMMUNICATIONS TOWER FUND				
Receipts	\$ 36,330	\$ 36,330	\$ 25,500	\$ (10,830)
Disbursements	(53,344)	(53,344)	(6,416)	46,928
Net Change in Fund Balance	(17,014)	(17,014)	19,084	36,098
Fund Balance - Beginning	17,014	17,014	17,014	-
Fund Balance - Ending	\$ -	\$ -	\$ 36,098	\$ 36,098
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 1,001	\$ 1,001	\$ 28,894	\$ 27,893
Disbursements	(19,589)	(19,589)	(320)	19,269
Transfers in	-	-	-	-
Transfers out	(1,892)	(1,892)	(9,775)	(7,883)
Net Change in Fund Balance	(20,480)	(20,480)	18,799	39,279
Fund Balance - Beginning	20,480	20,480	20,480	-
Fund Balance - Ending	\$ -	\$ -	\$ 39,279	\$ 39,279
VISITOR'S PROMOTION FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 12,705	\$ 2,705
Disbursements	(27,911)	(27,911)	(11,655)	16,256
Net Change in Fund Balance	(17,911)	(17,911)	1,050	18,961
Fund Balance - Beginning	17,911	17,911	17,911	-
Fund Balance - Ending	\$ -	\$ -	\$ 18,961	\$ 18,961
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 9,001	\$ 9,001	\$ 12,705	\$ 3,704
Disbursements	(35,391)	(35,391)	(2,500)	32,891
Net Change in Fund Balance	(26,390)	(26,390)	10,205	36,595
Fund Balance - Beginning	26,390	26,390	26,390	-
Fund Balance - Ending	\$ -	\$ -	\$ 36,595	\$ 36,595

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 17,621	\$ 2,621
Disbursements	(57,779)	(57,779)	(363)	57,416
Net Change in Fund Balance	(42,779)	(42,779)	17,258	60,037
Fund Balance - Beginning	42,779	42,779	42,779	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,037</u>	<u>\$ 60,037</u>
VETERANS' AID FUND				
Receipts	\$ 145	\$ 145	\$ 336	\$ 191
Disbursements	(93,150)	(93,150)	-	93,150
Net Change in Fund Balance	(93,005)	(93,005)	336	93,341
Fund Balance - Beginning	93,005	93,005	93,005	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,341</u>	<u>\$ 93,341</u>
TRANSPORTATION FUND				
Receipts	\$ 65,600	\$ 65,600	\$ 65,891	\$ 291
Disbursements	(100,600)	(100,600)	(64,922)	35,678
Transfers in	6,428	6,428	6,428	-
Transfers out	-	-	(19,160)	(19,160)
Net Change in Fund Balance	(28,572)	(28,572)	(11,763)	16,809
Fund Balance - Beginning	28,572	28,572	28,572	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,809</u>	<u>\$ 16,809</u>
DIVERSION PROGRAM FUND				
Receipts	\$ 9,600	\$ 9,600	\$ 9,297	\$ (303)
Disbursements	(151,028)	(151,028)	(143,199)	7,829
Transfers in	127,011	127,011	123,215	(3,796)
Transfers out	-	-	-	-
Net Change in Fund Balance	(14,417)	(14,417)	(10,687)	3,730
Fund Balance - Beginning	14,417	14,417	14,417	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,730</u>	<u>\$ 3,730</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SAFETY TRAINING OPTION PROGRAM FUND				
Receipts	\$ 7,515	\$ 7,515	\$ 8,745	\$ 1,230
Disbursements	(23,549)	(23,549)	(15,131)	8,418
Net Change in Fund Balance	(16,034)	(16,034)	(6,386)	9,648
Fund Balance - Beginning	16,034	16,034	16,034	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,648</u>	<u>\$ 9,648</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	\$ 280	\$ 280	\$ -	\$ (280)
Disbursements	(300)	(300)	-	300
Net Change in Fund Balance	(20)	(20)	-	20
Fund Balance - Beginning	20	20	20	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
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>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DIVERSION PROGRAM - YOUTH SERVICES GRANT FUND				
Receipts	\$ 80,518	\$ 80,518	\$ 90,518	\$ 10,000
Disbursements	(61,161)	(61,161)	(57,808)	3,353
Transfers in	-	-	-	-
Transfers out	(34,833)	(34,833)	(31,037)	3,796
Net Change in Fund Balance	(15,476)	(15,476)	1,673	17,149
Fund Balance - Beginning	15,476	15,476	15,476	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,149</u>	<u>\$ 17,149</u>
VICTIM'S ASSISTANCE PROGRAM FUND				
Receipts	\$ 6,001	\$ 6,001	\$ 1,051	\$ (4,950)
Disbursements	(16,525)	(16,525)	(1,050)	15,475
Net Change in Fund Balance	(10,524)	(10,524)	1	10,525
Fund Balance - Beginning	10,524	10,524	10,524	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,525</u>	<u>\$ 10,525</u>
DISASTER FUND				
Receipts	\$ -	\$ 500,000	\$ -	\$ (500,000)
Disbursements	-	(500,000)	(499,123)	877
Transfers in	-	-	500,000	500,000
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	877	877
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 877</u>	<u>\$ 877</u>
INHERITANCE FUND				
Receipts	\$ 800,001	\$ 800,001	\$ 888,952	\$ 88,951
Disbursements	(2,000,000)	(2,000,000)	(111)	1,999,889
Transfers in	-	-	-	-
Transfers out	(1,754,271)	(1,754,271)	(2,254,271)	(500,000)
Net Change in Fund Balance	(2,954,270)	(2,954,270)	(1,365,430)	1,588,840
Fund Balance - Beginning	2,954,270	2,954,270	2,954,270	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,588,840</u>	<u>\$ 1,588,840</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>E911 EMERGENCY MANAGEMENT FUND</u>				
Receipts	\$ 101,001	\$ 101,001	\$ 93,441	\$ (7,560)
Disbursements	(338,650)	(338,650)	(266,212)	72,438
Transfers in	-	-	2,168	2,168
Transfers out	-	-	-	-
Net Change in Fund Balance	(237,649)	(237,649)	(170,603)	67,046
Fund Balance - Beginning	237,649	237,649	237,649	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,046</u>	<u>\$ 67,046</u>
<u>911 WIRELESS SERVICE FUND</u>				
Receipts	\$ 63,001	\$ 63,001	\$ 79,555	\$ 16,554
Disbursements	(277,060)	(277,060)	(9,439)	267,621
Transfers in	-	-	-	-
Transfers out	-	-	(45,110)	(45,110)
Net Change in Fund Balance	(214,059)	(214,059)	25,006	239,065
Fund Balance - Beginning	214,059	214,059	214,059	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,065</u>	<u>\$ 239,065</u>
<u>EMERGENCY MANAGEMENT FUND</u>				
Receipts	\$ 24,000	\$ 24,000	\$ 37,634	\$ 13,634
Disbursements	(62,150)	(62,150)	(58,787)	3,363
Transfers in	32,996	32,996	32,996	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(5,154)	(5,154)	11,843	16,997
Fund Balance - Beginning	5,154	5,154	5,154	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,997</u>	<u>\$ 16,997</u>
<u>CORRECTIONAL CENTER COMMISSARY FUND</u>				
Receipts	\$ 187,700	\$ 187,700	\$ 209,688	\$ 21,988
Disbursements	(283,544)	(283,544)	(195,649)	87,895
Net Change in Fund Balance	(95,844)	(95,844)	14,039	109,883
Fund Balance - Beginning	95,844	95,844	95,844	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,883</u>	<u>\$ 109,883</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT CENTER AND JAIL BOND FUND				
Receipts	\$ 1,025,570	\$ 1,025,570	\$ 1,023,572	\$ (1,998)
Disbursements	(1,672,313)	(1,672,313)	(952,854)	719,459
Net Change in Fund Balance	(646,743)	(646,743)	70,718	717,461
Fund Balance - Beginning	796,743	796,743	796,743	-
Fund Balance - Ending	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 867,461</u>	<u>\$ 717,461</u>
COUNTY BUILDING FUND				
Receipts	\$ 105,190	\$ 105,190	\$ 98,998	\$ (6,192)
Disbursements	(842,039)	(842,039)	(261,467)	580,572
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(536,849)	(536,849)	37,531	574,380
Fund Balance - Beginning	536,849	536,849	536,849	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,380</u>	<u>\$ 574,380</u>
FLOOD CONTROL PROJECT FUND				
Receipts	\$ 77,090	\$ 77,090	\$ 75,985	\$ (1,105)
Disbursements	(781,004)	(781,004)	(345)	780,659
Net Change in Fund Balance	(703,914)	(703,914)	75,640	779,554
Fund Balance - Beginning	703,914	703,914	703,914	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 779,554</u>	<u>\$ 779,554</u>
YOUTH CAMP FUND				
Receipts	\$ 7,501	\$ 7,501	\$ 6,676	\$ (825)
Disbursements	(14,149)	(14,149)	(8,280)	5,869
Net Change in Fund Balance	(6,648)	(6,648)	(1,604)	5,044
Fund Balance - Beginning	6,648	6,648	6,648	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,044</u>	<u>\$ 5,044</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, 2019

	Highway Bridge Buyback Fund	Communications Tower Fund	Child Support Incentive Fund	Visitor's Promotion Fund	Visitor's Improvement Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 12,705	\$ 12,705
Investment Income	-	-	-	-	-
Intergovernmental	664,754	-	28,894	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	25,500	-	-	-
TOTAL RECEIPTS	<u>664,754</u>	<u>25,500</u>	<u>28,894</u>	<u>12,705</u>	<u>12,705</u>
DISBURSEMENTS					
General Government	-	6,416	320	-	-
Public Safety	-	-	-	-	-
Public Works	1,071,425	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	11,655	2,500
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>1,071,425</u>	<u>6,416</u>	<u>320</u>	<u>11,655</u>	<u>2,500</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(406,671)</u>	<u>19,084</u>	<u>28,574</u>	<u>1,050</u>	<u>10,205</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(9,775)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(9,775)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(406,671)	19,084	18,799	1,050	10,205
FUND BALANCES - BEGINNING	<u>1,361,782</u>	<u>17,014</u>	<u>20,480</u>	<u>17,911</u>	<u>26,390</u>
FUND BALANCES - ENDING	<u>\$ 955,111</u>	<u>\$ 36,098</u>	<u>\$ 39,279</u>	<u>\$ 18,961</u>	<u>\$ 36,595</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	18,961	36,595
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road Maintenance	955,111	-	-	-	-
Child Support Enforcement	-	-	39,279	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance & Improvements	-	36,098	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
Emergency Services	-	-	-	-	-
Youth Camp	-	-	-	-	-
Assigned to:					
Other Purposes	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 955,111</u>	<u>\$ 36,098</u>	<u>\$ 39,279</u>	<u>\$ 18,961</u>	<u>\$ 36,595</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, 2019

	Register of Deeds Preservation and Modernization Fund	Veterans' Aid Fund	Transportation Fund	Diversion Program Fund	Safety Training Option Program Fund	Drug Law Enforcement and Education Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	336	-	-	-	-
Intergovernmental	-	-	56,925	1,768	-	-
Charges for Services	17,621	-	2,902	3,895	8,745	-
Miscellaneous	-	-	6,064	3,634	-	-
TOTAL RECEIPTS	<u>17,621</u>	<u>336</u>	<u>65,891</u>	<u>9,297</u>	<u>8,745</u>	<u>-</u>
DISBURSEMENTS						
General Government	363	-	-	-	-	-
Public Safety	-	-	-	143,199	15,131	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	64,922	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>363</u>	<u>-</u>	<u>64,922</u>	<u>143,199</u>	<u>15,131</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>17,258</u>	<u>336</u>	<u>969</u>	<u>(133,902)</u>	<u>(6,386)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	6,428	123,215	-	-
Transfers out	-	-	(19,160)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(12,732)</u>	<u>123,215</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,258	336	(11,763)	(10,687)	(6,386)	-
FUND BALANCES - BEGINNING	<u>42,779</u>	<u>93,005</u>	<u>28,572</u>	<u>14,417</u>	<u>16,034</u>	<u>2,049</u>
FUND BALANCES - ENDING	<u>\$ 60,037</u>	<u>\$ 93,341</u>	<u>\$ 16,809</u>	<u>\$ 3,730</u>	<u>\$ 9,648</u>	<u>\$ 2,049</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	2,049
Law Enforcement	-	-	-	-	-	-
Preservation of Records	60,037	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	3,730	9,648	-
Road Maintenance & Improvements	-	-	-	-	-	-
Aid and Assistance	-	93,341	16,809	-	-	-
County Buildings	-	-	-	-	-	-
Disaster Recovery	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
Assigned to:						
Other Purposes	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 60,037</u>	<u>\$ 93,341</u>	<u>\$ 16,809</u>	<u>\$ 3,730</u>	<u>\$ 9,648</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, 2019

	Drug Testing Fund	Federal Drug Law Enforcement Fund	Diversion Program - Youth Services Grant Fund	Victim's Assistance Program Fund	Disaster Fund	Inheritance Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 888,952
Investment Income	-	-	-	-	-	-
Intergovernmental	-	-	90,518	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	1,051	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>90,518</u>	<u>1,051</u>	<u>-</u>	<u>888,952</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	111
Public Safety	-	-	57,808	1,050	-	-
Public Works	-	-	-	-	499,123	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>57,808</u>	<u>1,050</u>	<u>499,123</u>	<u>111</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>32,710</u>	<u>1</u>	<u>(499,123)</u>	<u>888,841</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	500,000	-
Transfers out	-	-	(31,037)	-	-	(2,254,271)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(31,037)</u>	<u>-</u>	<u>500,000</u>	<u>(2,254,271)</u>
Net Change in Fund Balances	-	-	1,673	1	877	(1,365,430)
FUND BALANCES - BEGINNING	<u>20</u>	<u>2,106</u>	<u>15,476</u>	<u>10,524</u>	<u>-</u>	<u>2,954,270</u>
FUND BALANCES - ENDING	<u>\$ 20</u>	<u>\$ 2,106</u>	<u>\$ 17,149</u>	<u>\$ 10,525</u>	<u>\$ 877</u>	<u>\$ 1,588,840</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	2,106	17,149	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	20	-	-	10,525	-	-
Road Maintenance & Improvements	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Disaster Recovery	-	-	-	-	877	-
Emergency Services	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
Assigned to:						
Other Purposes	-	-	-	-	-	1,588,840
TOTAL FUND BALANCES	<u>\$ 20</u>	<u>\$ 2,106</u>	<u>\$ 17,149</u>	<u>\$ 10,525</u>	<u>\$ 877</u>	<u>\$ 1,588,840</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, 2019

	E911 Emergency Management Fund	911 Wireless Service Fund	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement Center and Jail Bond Fund
RECEIPTS					
Property Taxes	\$ 70,858	\$ 68,180	\$ -	\$ -	\$ 926,727
Investment Income	-	-	-	-	5,870
Intergovernmental	-	-	37,634	-	90,975
Charges for Services	22,583	-	-	209,688	-
Miscellaneous	-	11,375	-	-	-
TOTAL RECEIPTS	<u>93,441</u>	<u>79,555</u>	<u>37,634</u>	<u>209,688</u>	<u>1,023,572</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	266,212	9,439	58,787	195,649	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	835,000
Interest and Fiscal Charges	-	-	-	-	117,854
TOTAL DISBURSEMENTS	<u>266,212</u>	<u>9,439</u>	<u>58,787</u>	<u>195,649</u>	<u>952,854</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(172,771)</u>	<u>70,116</u>	<u>(21,153)</u>	<u>14,039</u>	<u>70,718</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,168	-	32,996	-	-
Transfers out	-	(45,110)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,168</u>	<u>(45,110)</u>	<u>32,996</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(170,603)	25,006	11,843	14,039	70,718
FUND BALANCES - BEGINNING	<u>237,649</u>	<u>214,059</u>	<u>5,154</u>	<u>95,844</u>	<u>796,743</u>
FUND BALANCES - ENDING	<u>\$ 67,046</u>	<u>\$ 239,065</u>	<u>\$ 16,997</u>	<u>\$ 109,883</u>	<u>\$ 867,461</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	67,046	239,065	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	867,461
Road Maintenance	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	109,883	-
Road Maintenance & Improvements	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
Emergency Services	-	-	16,997	-	-
Youth Camp	-	-	-	-	-
Assigned to:					
Other Purposes	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 67,046</u>	<u>\$ 239,065</u>	<u>\$ 16,997</u>	<u>\$ 109,883</u>	<u>\$ 867,461</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, 2019

	County Building Fund	Flood Control Project Fund	Youth Camp Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ 90,104	\$ 69,157	\$ -	\$ 2,139,388
Investment Income	-	-	-	6,206
Intergovernmental	8,894	6,828	-	987,190
Charges for Services	-	-	-	265,434
Miscellaneous	-	-	6,676	54,300
TOTAL RECEIPTS	98,998	75,985	6,676	3,452,518
DISBURSEMENTS				
General Government	261,467	-	-	268,677
Public Safety	-	-	-	747,275
Public Works	-	-	-	1,570,548
Public Assistance	-	345	-	65,267
Culture and Recreation	-	-	8,280	22,435
Debt Service:				
Principal Payments	-	-	-	835,000
Interest and Fiscal Charges	-	-	-	117,854
TOTAL DISBURSEMENTS	261,467	345	8,280	3,627,056
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(162,469)	75,640	(1,604)	(174,538)
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	-	-	864,807
Transfers out	-	-	-	(2,359,353)
TOTAL OTHER FINANCING SOURCES (USES)	200,000	-	-	(1,494,546)
Net Change in Fund Balances	37,531	75,640	(1,604)	(1,669,084)
FUND BALANCES - BEGINNING	536,849	703,914	6,648	7,219,689
FUND BALANCES - ENDING	\$ 574,380	\$ 779,554	\$ 5,044	\$ 5,550,605
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	55,556
911 Emergency Services	-	-	-	306,111
Drug Education	-	-	-	2,049
Law Enforcement	-	-	-	19,255
Preservation of Records	-	-	-	60,037
Debt Service	-	-	-	867,461
Road Maintenance	-	-	-	955,111
Child Support Enforcement	-	-	-	39,279
Committed to:				
Law Enforcement	-	-	-	133,806
Road Maintenance & Improvements	-	-	-	36,098
Aid and Assistance	-	-	-	110,150
County Buildings	574,380	-	-	574,380
Disaster Recovery	-	-	-	877
Emergency Services	-	779,554	-	796,551
Youth Camp	-	-	5,044	5,044
Assigned to:				
Other Purposes	-	-	-	1,588,840
TOTAL FUND BALANCES	\$ 574,380	\$ 779,554	\$ 5,044	\$ 5,550,605

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2019

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Service Officer
BALANCES JULY 1, 2018	\$ 13,207	\$ 41,042	\$ 91,381	\$ 42,230	\$ 555	\$ 100	\$ 7,480
RECEIPTS							
Property Taxes	11,605	-	-	71,637	-	-	-
Licenses and Permits	9,063	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	188,041	-
Charges for Services	39,166	195,227	36,714	2,097,878	850	-	-
Miscellaneous	32,606	1,269	-	6,380	26	46,444	4
State Fees	53	251,549	35,740	1,128	-	-	-
Other Liabilities	-	182	633,883	771,215	43,089	-	-
TOTAL RECEIPTS	<u>92,493</u>	<u>448,227</u>	<u>706,337</u>	<u>2,948,238</u>	<u>43,965</u>	<u>234,485</u>	<u>4</u>
DISBURSEMENTS							
Payments to County Treasurer	18,223	195,726	37,118	2,165,672	790	234,342	-
Payments to State Treasurer	45	252,413	36,953	1,123	-	-	-
Other Liabilities	36,689	1,451	639,970	775,016	43,460	143	399
TOTAL DISBURSEMENTS	<u>54,957</u>	<u>449,590</u>	<u>714,041</u>	<u>2,941,811</u>	<u>44,250</u>	<u>234,485</u>	<u>399</u>
BALANCES JUNE 30, 2019	<u>\$ 50,743</u>	<u>\$ 39,679</u>	<u>\$ 83,677</u>	<u>\$ 48,657</u>	<u>\$ 270</u>	<u>\$ 100</u>	<u>\$ 7,085</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 38,213	\$ 17,029	\$ 2,696	\$ 37,028	\$ 70	\$ -	\$ 7,085
Petty Cash	12,500	500	200	4,400	200	100	-
Due to State Treasurer	30	22,150	1,706	100	-	-	-
Due to Others	-	-	79,075	7,129	-	-	-
BALANCES JUNE 30, 2019	<u>\$ 50,743</u>	<u>\$ 39,679</u>	<u>\$ 83,677</u>	<u>\$ 48,657</u>	<u>\$ 270</u>	<u>\$ 100</u>	<u>\$ 7,085</u>

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2019

	<u>County Surveyor</u>	<u>County Youth Services</u>	<u>County Planning and Zoning</u>	<u>County Transportation</u>	<u>County Treasurer</u>	<u>County Assessor</u>	<u>Total</u>
BALANCES JULY 1, 2018	\$ -	\$ 100	\$ 100	\$ -	\$ 300	\$ 200	\$ 196,695
RECEIPTS							
Property Taxes	-	-	-	-	-	-	83,242
Licenses and Permits	-	-	196,451	-	-	-	205,514
Intergovernmental	-	3,604	-	56,925	-	-	248,570
Charges for Services	15	3,925	-	2,909	-	1,693	2,378,377
Miscellaneous	-	6,687	-	6,064	-	-	99,480
State Fees	-	-	-	-	-	-	288,470
Other Liabilities	-	9,050	-	-	-	-	1,457,419
TOTAL RECEIPTS	<u>15</u>	<u>23,266</u>	<u>196,451</u>	<u>65,898</u>	<u>-</u>	<u>1,693</u>	<u>4,761,072</u>
DISBURSEMENTS							
Payments to County Treasurer	15	14,205	195,480	65,891	-	1,693	2,929,155
Payments to State Treasurer	-	-	-	-	-	-	290,534
Other Liabilities	-	9,061	-	-	-	-	1,506,189
TOTAL DISBURSEMENTS	<u>15</u>	<u>23,266</u>	<u>195,480</u>	<u>65,891</u>	<u>-</u>	<u>1,693</u>	<u>4,725,878</u>
BALANCES JUNE 30, 2019	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 1,071</u>	<u>\$ 7</u>	<u>\$ 300</u>	<u>\$ 200</u>	<u>\$ 231,889</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ -	\$ -	\$ 971	\$ 7	\$ -	\$ -	\$ 103,099
Petty Cash	-	100	100	-	300	200	18,600
Due to State Treasurer	-	-	-	-	-	-	23,986
Due to Others	-	-	-	-	-	-	86,204
BALANCES JUNE 30, 2019	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 1,071</u>	<u>\$ 7</u>	<u>\$ 300</u>	<u>\$ 200</u>	<u>\$ 231,889</u>

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2019

Item	2014	2015	2016	2017	2018
Tax Certified by Assessor					
Real Estate	\$ 50,276,322	\$ 53,460,786	\$ 54,449,427	\$ 56,141,605	\$ 56,947,817
Personal and Specials	2,425,467	2,559,192	2,238,162	2,075,220	1,954,647
Total	<u>52,701,789</u>	<u>56,019,978</u>	<u>56,687,589</u>	<u>58,216,825</u>	<u>58,902,464</u>
Corrections					
Additions	32,804	26,763	15,985	17,046	26,499
Deductions	(22,358)	(111,929)	(41,003)	(23,328)	(45,807)
Net Additions/ (Deductions)	<u>10,446</u>	<u>(85,166)</u>	<u>(25,018)</u>	<u>(6,282)</u>	<u>(19,308)</u>
Corrected Certified Tax	<u>52,712,235</u>	<u>55,934,812</u>	<u>56,662,571</u>	<u>58,210,543</u>	<u>58,883,156</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2015	32,604,771	-	-	-	-
June 30, 2016	20,039,364	34,411,261	-	-	-
June 30, 2017	65,223	21,587,396	34,909,552	-	-
June 30, 2018	555	(67,943)	21,701,981	37,212,270	-
June 30, 2019	1,161	3,058	42,520	20,981,080	36,173,401
Total Net Collections	<u>52,711,074</u>	<u>55,933,772</u>	<u>56,654,053</u>	<u>58,193,350</u>	<u>36,173,401</u>
Total Uncollected Tax	<u>\$ 1,161</u>	<u>\$ 1,040</u>	<u>\$ 8,518</u>	<u>\$ 17,193</u>	<u>\$ 22,709,755</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.02%</u>	<u>0.03%</u>	<u>38.57%</u>

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, 2019, 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 11, 2020. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Saunders County Hospital, a component unit of Saunders County.

Internal Control Over Financial Reporting

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

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

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

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. 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

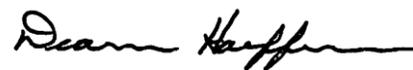
We also noted certain matters that we reported to the management of Saunders County in a separate letter dated February 11, 2020.

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 11, 2020



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 11, 2020

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, 2019, and have issued our report thereon dated February 11, 2020. 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 that 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

Interest in Contracts

During the fiscal year, a County Board member, Dave Lutton, did not abstain from voting on claims, totaling \$13,630, payable to Lutton Law Office, an entity in which he has a financial interest. We also noted that the County did not have a ledger with the required information about such claims.

The table below details the Lutton Law Office claims approved by Supervisor Lutton:

Claim Number	Claim Date	Amount
18070100	7/24/2018	\$ 3,190
18100132	10/23/2018	1,411
18110199	11/20/2018	746
19010100	1/22/2019	4,136
19050162	5/21/2019	4,147
Total		\$ 13,630

The Nebraska Political Accountability and Disclosure Act (Act) is set out at Neb. Rev. Stat. § 49-1401 (Cum. Supp. 2018) et seq. Neb. Rev. Stat. § 49-14,103.01(2) (Reissue 2010) of the Act prohibits various public officers, including an elected county official, from having “an interest in any contract to which his or her governing body, or anyone for its benefit, is a party.”

Section 49-14,103.01(4) states the following:

The prohibition in this section shall apply only when the officer or his or her parent, spouse, or child (a) has a business association as defined in section 49-1408 with the business involved in the contract or (b) will receive a direct pecuniary fee or commission as a result of the contract.

Neb. Rev. Stat. § 49-1408 (Reissue 2010), provides, in relevant part, the following:

Business with which the individual is associated or business association shall mean a business: (1) In which the individual is a partner, limited liability company member, director, or officer; or (2) in which the individual or a member of the individual’s immediate family is a stockholder of closed corporation stock worth one thousand dollars or more at fair market value or which represents more than a five percent equity interest or is a stockholder of publicly traded stock worth ten thousand dollars or more at fair market value or which represents more than ten percent equity interest.

Section 49-14,103.01(5) states the following:

The prohibition in this section does not apply if the contract is an agenda item approved at a board meeting and the interested officer:

- (a) Makes a declaration on the record to the governing body responsible for approving the contract regarding the nature and extent of his or her interest prior to official consideration of the contract;*

- (b) Does not vote on the matters of granting the contract, making payments pursuant to the contract, or accepting performance of work under the contract, or similar matters relating to the contract, except that if the number of members of the governing body declaring an interest in the contract would prevent the body with all members present from securing a quorum on the issue, then all members may vote on the matters; and*

- (c) Does not act for the governing body which is party to the contract as to inspection or performance under the contract in which he or she has an interest.*

(Emphasis added.) Additionally, Neb. Rev. Stat. § 49-14,103.02 (Reissue 2010) requires the retention of specific information regarding any contract covered by § 49-14,103.01, as follows:

(1) The person charged with keeping records for each governing body shall maintain separately from other records a ledger containing the information listed in subdivisions (1)(a) through (e) of this section about every contract entered into by the governing body in which an officer of the body has an interest and for which disclosure is made pursuant to section 49-14,103.01. Such information shall be kept in the ledger for five years from the date of the officer's last day in office and shall include the:

- (a) Names of the contracting parties;*
- (b) Nature of the interest of the officer in question;*
- (c) Date that the contract was approved by the governing body;*
- (d) Amount of the contract; and*
- (e) Basic terms of the contract.*

(2) The information supplied relative to the contract shall be provided no later than ten days after the contract has been signed by both parties. The ledger kept pursuant to this section shall be available for public inspection during the normal working hours of the office in which it is kept.

Neb. Rev. Stat. § 49-14,103.04 (Reissue 2010) of the Act provides a criminal penalty for failure to comply with the above statutes:

(1) Any officer who knowingly violates sections 49-14,103.01 to 49-14,103.03 shall be guilty of a Class III misdemeanor.

(2) Any officer who negligently violates sections 49-14,103.01 to 49-14,103.03 shall be guilty of a Class V misdemeanor.

Failure by County Board members to abstain from voting on claims arising from contracts in which they have an interest not only constitutes a violation of State law but also increases the risk of loss or misuse of County funds.

We recommend the County Board implement procedures to ensure that its members refrain from voting on claims arising from contracts in which they have an interest and a ledger be maintained if such claims occur with the information required by statute. Because this comment addresses an apparent violation of the Act, we are forwarding the information herein to the Nebraska Accountability and Disclosure Commission for further review.

County Attorney's Response: Attorneys associated with Lutton Law Office are currently appointed to represent indigent parties before the courts of Saunders County. All claims made by appointed counsel are reviewed by the courts and must adhere to a predetermined hourly rate.

Going forward, the Saunders County Clerk will separate all claims made by attorneys from Lutton Law Office and maintain a permanent ledger of such claims. Supervisor Lutton will abstain from any future vote on the payment of claims made by attorneys with Lutton Law Office.

Over-Budget Projects and Bidding Issues

As of June 30, 2019, the County Board had approved claims for road projects with two contractors that exceeded the awarded bid amounts by \$789,923. The County Board never approved change orders or other such documentation to increase the estimated project costs.

The following table provides a summary of the claim amounts paid by the County Board in excess of the bids accepted:

Contractor	Claim Number	Claim Date	Amount Paid
Constructors Inc.	18100228	10/23/2018	\$ 796,069
	19010190	1/22/2019	\$ 72,396
Total Paid			\$ 868,465
Constructors Inc. Bid Amount			\$ 715,665
Total Paid to Constructors Inc. Over Bid			\$ 152,800
Pavers Inc.	19050267	5/21/2019	\$ 274,144
	19060211	6/18/2019	\$ 793,379
Total Paid			\$ 1,067,523
Pavers Inc. Bid Amount			\$ 430,400
Total Paid to Pavers Inc.*Over Bid			\$ 637,123
Total Overpayment			\$ 789,923

*Per subsequent invoices received, the County still owes Pavers Inc. \$1,230,646 for work performed. The payments in excess of the bid will continue to increase as the project progresses.

Per discussion with the County Highway Department, the Pavers Inc. projects were upgraded due to damage caused during the spring flood; however, the County Board did not vote on any such upgrades, nor did it vote to waive the bidding requirements.

In addition, we noted that the County Board approved payment to another contractor, M.E. Collins, for a road project, totaling \$68,475, for which no bids were received. Again, according to the County Highway Department, this project was not bid because it was related to flood damage. However, as previously noted, the County Board did not vote to waive bidding requirements for this project.

Neb. Rev. Stat. § 39-1407 (Cum. Supp. 2018) states, in relevant part, the following:

Whenever contracts are to be let for road improvements, it shall be the duty of the county board to cause to be prepared and filed with the county clerk an estimate of the nature of the work and the cost thereof. After such estimate has been filed, bids for such contracts shall be advertised by publication of a notice thereof once a week for three consecutive weeks in a legal newspaper of the county prior to the date set for receiving bids. Bids shall be let to the lowest responsible bidder.

Good internal control and sound business practice require procedures to ensure that all payments made on County contracts comply with the awarded bid amount, or any increase thereto has been approved by the County Board. Those same procedures should also ensure compliance with all applicable bidding statutes.

Without such procedures, there is an increased risk for not only violation of State law but also waste or other mismanagement of public funds.

We recommend the County implement procedures to ensure: 1) all payments on County contracts comply with the awarded bid amount; 2) any increase to such contract amounts has been approved by the County Board; and 3) all applicable bidding statutes are observed.

Payroll Issues

During testing of payroll, we noted that salaries for several employees were made in advance of time worked, and salaries paid for two employees were not in compliance with County Board resolutions.

Both concerns are discussed in greater detail below.

Pay in Advance

During testing of payroll, it was noted that multiple salaried employees who receive biweekly paychecks are frequently paid in advance for time not yet worked. If an employee has not worked half a pay period, there is no legal 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 fail to work the required number of days.

This has been noted in prior audits.

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

All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, 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.

Salary Discrepancies

During testing of payroll, it was noted that the pay for the County Attorney and the Deputy Clerk of the District Court were not in compliance with resolutions set by the County Board. The following discrepancies were noted:

- The County Attorney was underpaid by \$120 for calendar year 2019.
- The Deputy Clerk of the District Court was overpaid by \$2,268 for calendar year 2019.

Saunders County Resolution 43-2017, dated January 3, 2019, provides the following:

NOW, THEREFORE, BE IT RESOLVED BY THE SAUNDERS COUNTY BOARD OF SUPERVISORS AS FOLLOWS:

1. *That the starting salary for the following elected officials of Saunders County, for the term beginning January 2019, shall be as follows:*

** * * **

County Attorney 90,814.00

Additionally, a motion made by the County Board, dated August 20, 2019, provides the following:

Motion by Breunig, seconded by Rastovski to authorize the following wage increases for the County Employees holding the following positions:

- 1) *Deputies of the County Assessor, County Treasurer and Clerk of District Court will be 75% of their Official's Salary*

A good internal control plan and sound accounting practices require procedures to ensure that County employees are not paid prior to providing the services for which they are to receive remuneration. Those same procedures should ensure also that all Board-approved salaries are paid at the authorized rates.

Without such procedures, there is an increased risk of not only loss, theft, or misuse of County funds but also noncompliance with applicable statutory or administrative directives.

We recommend the County Board pay each employee only for hours actually worked or earned. We further recommend the County Board implement procedures to ensure all Board-approved salaries are paid at the authorized rates.

Duplicate Payments

We noted that two claims, totaling \$676, were duplicate payments, which the County did not discover through its internal review process. One duplicate payment, totaling \$91, was discovered by the vendor, who applied a credit on the County’s account. The other duplicate payment, totaling \$585, was also discovered by the vendor; however, only a partial credit of \$61 was applied to the County’s account. The County was unable to provide support that the remaining overpayment of \$524 was credited back to the County.

Payee	Amount	Original Claim		Duplicate Claim	
		Claim #	Date	Claim #	Date
Bomgaars Supply, Inc.	\$ 91	18120198	12/18/2018	19010186	1/22/2019
Egan Supply	\$ 585	19020064	2/19/2019	19030066	3/19/2019
	\$ 676				

A good internal control plan requires procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

Without such procedures, there is an increased risk for the loss and/or misuse of County funds.

We recommend the County Board implement procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

COUNTY SHERIFF

Donation Account

Our audit revealed that the County Sheriff maintained a bank account for flowers, memorials, and appreciation dinners. The bank account was opened with the County’s tax identification number, and deposits into that account were from donations and vending machine proceeds in the Sheriff’s office. During the fiscal years ended June 30, 2019, and June 30, 2018, the County Sheriff collected \$100 and \$5,000 in donations, respectively. During fiscal year 2019, \$982 was spent from the account without the County Board’s approval. The donations collected were not remitted to the County Treasurer, and payments were not being approved by the County Board.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states the following:

It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) provides the following:

The county board shall manage the county funds and county business except as otherwise specifically provided.

Furthermore, the Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. §§ 13-2201 through 13-2204 (Reissue 2012, Cum. Supp. 2018), addresses various expenditures, aside from those otherwise authorized by law, that constitute allowable uses of public funds by designated political subdivisions.

The provisions of the Act are made applicable to counties, among numerous other entities, by § 13-2202(2), which states, in relevant part: “Governing body shall mean . . . in the case of a county, the county board” Similarly, § 13-2202(3) provides, also in relevant part: “Local government shall mean . . . counties”

Section 13-2203 of the Act specifies the types of miscellaneous expenditures permitted by the governing bodies of local governments. Flower purchases for funerals or other personal occasions are not found among that select statutory list of allowable expenditures. Because § 13-2203 does not expressly include the purchase of flowers for such occasions among the permissible expenditures listed, such disbursements must be considered disallowed by law.

On September 17, 1993, following adoption of the Act, the Nebraska Accountability and Disclosure Commission issued a document titled “A Guideline to the Use of Public Funds by Cities and Villages – Revised” (Guideline). Therein are discussed, in light of the provisions of the Act, a number of specific scenarios involving the expenditure of public funds. Although issued more than two decades ago, the Guideline remains relevant, as the Act has not been amended in a way that would invalidate that document.

Regarding the issue of flower purchases, the Guideline provides the following:

Question #6 – May municipal funds be expended for flowers and memorials for deceased elected officials, employees or their families?

Response – No.

The failure to remit public money to the County Treasurer or to receive approval from the County Board for its disbursements not only conflicts with State statute but also increases the risk of loss, theft, or misuse of County funds. Likewise, the expenditure of such funds for items not specified in the Act is problematic.

We recommend the donation account, along with all future gifts and other monies deposited to it, be turned over to the County Treasurer. We further recommend all payments of County funds be made through the claims and warrants process and be for purchases allowed by statute.

County Sheriff’s Response: The Saunders County Sheriff’s Office opened a Law Enforcement Memorial Fund account in January of 2012. The County Board authorized this account. This account was set up to give memorials or send flowers to those employees who lost family members. Funds were expended for awards at the department’s annual banquet. Funding from private donations and internal vending machine sales funded the account.

We believed this to be an open and transparent account that included no taxpayers’ funds. The State Auditors’ position is that since this account has a County tax I.D. number that it has to comply with all other county funding requirements.

While we disagree with this finding, we will abide by the auditors' recommendation and close this account. This has been discussed with the County Board members.

COUNTY TREASURER

Gross In-Lieu Distribution

During the audit, we noted that two distributions of the 5% Gross In-Lieu Tax were not calculated correctly. This error was due to the inappropriate inclusion of the Wahoo School District Bond levy. An additional error was noted involving the Yutan School District, which was due to a journal entry posting error by the County Treasurer.

The following table summarizes the results of the distribution error:

Subdivision	Over/(Under) Payments
County Funds*	\$ (54)
Wahoo School District 39*	\$ (220)
Wahoo School District 39 Bond Fund	\$ 345
Yutan School District 9 Building Fund	\$ (119)
Yutan School District 9 QCPUF Fund	\$ 119
Village of Malmo	\$ (14)
Village of Ithaca	\$ (57)

*Balance is associated with multiple funds within the entity.

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) states the following:

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 for payments distributed prior to September 1, 2017, 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, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.

Good internal controls and sound business practices require procedures to ensure that gross in-lieu taxes are distributed in accordance with State statute.

Without such procedures, there is an increased risk of not only political subdivisions receiving the incorrect amount of revenue but also noncompliance with State statute.

We recommend the County Treasurer correct the erroneous distributions addressed herein. Additionally, we recommend the County Treasurer implement procedures to ensure future in-lieu tax distributions are calculated correctly.

Trust Balances

As of June 30, 2019, we noted the following issues related to the County Treasurer's trust fund balances:

- Tentative Inheritance Taxes, totaling \$56,219, were still held in the fund despite the cases being closed before August 2018. See the table below for more details. In addition, there were two recording errors, totaling \$90, from 2018, which had not been corrected.

Case Number	Date Received	Date Closed	Amount
PR 14-23	12/15/2014	7/12/2018	\$ 18,670
PR 15-64	7/19/2016	11/22/2016	\$ 22,262
PR 16-57	4/24/2017	6/18/2018	\$ 15,287
Total			\$ 56,219

- Four redemption certificates, totaling \$7,260, were still held in the fund despite the redemption occurring prior to 2013. See the table below for more details.

Tax Sale No.	Date Redeemed	Amount
1556	3/2/2011	\$ 2,269
1833	10/22/2012	\$ 1,800
1834	12/17/2012	\$ 1,322
1915	12/17/2012	\$ 1,869
Total		\$ 7,260

Good internal controls and sound business practices require procedures to ensure that trust balances are reviewed on an ongoing, timely basis to determine what action should be taken to refund and/or resolve those balances. The procedures utilized should include reviewing the trust balances reflected on the County Treasurer's monthly financial reports.

Without such procedures, there is an increased risk of loss, theft, or improper payment of monies held by the County Treasurer.

We recommend the County Treasurer implement procedures, including the monitoring of monthly financial reports, to ensure that trust balances are reviewed timely for completeness, accuracy, and proper disposition.

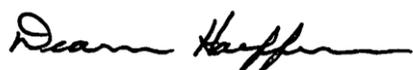
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

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

Sincerely,



Deann Haeffner, CPA
Assistant Deputy Auditor