

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2022, THROUGH JUNE 30, 2023

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

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

Issued on March 6, 2024

SAUNDERS COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Fiduciary Funds	9
Notes to Financial Statements	10 - 17
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	18 - 19
Budgetary Comparison Schedule - Budget and Actual - Major Funds	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	22 - 27
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Funds	28 - 31
Schedule of Office Activities	32 - 33
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	34
Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	36
Government Auditing Standards Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37 - 38
Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	39 - 41
Schedule of Findings and Questioned Costs	42 - 46
Auditee Section	
Corrective Action Plan	47 - 48

SAUNDERS COUNTY
433 N Chestnut
Wahoo, NE 68066

LIST OF COUNTY OFFICIALS
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Frank Albrecht	Jan. 2027
	Tom Hrdlicka	Jan. 2025
	Dave Lutton	Jan. 2027
	Bill Reece	Jan. 2027
	John Smaus	Jan. 2027
	Scott Sukstorf	Jan. 2025
	John Zaugg	Jan. 2025
Assessor Register of Deeds	Rhonda Andresen	Jan. 2027
Attorney	Jennifer Joakim	Jan. 2027
Clerk Election Commissioner	Dee Anne Nice	Jan. 2027
Clerk of the District Court	Patty McEvoy	Jan. 2027
Sheriff	Christopher Lichtenberg	Jan. 2027
Treasurer	Amber Scanlon	Jan. 2027
Surveyor	Jerry Charles	Jan. 2027
Veterans' Service Officer	Bill Bonney	Appointed
Weed Superintendent	Ed Sladky	Appointed
Highway Superintendent	Andy Nordstrom	Appointed
Planning & Zoning	Mitch Polacek	Appointed
Emergency Manager	Terry Miller	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

SAUNDERS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Saunders County, Nebraska

Report on the Audit of Financial Statements

Adverse and Unmodified Opinions

We have audited the 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, 2023, 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.

Summary of Opinions

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

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, 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, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of June 30, 2023, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, and unmodified audit opinions.

Matters Giving Rise to 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.

Emphasis of Matter – 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 18-35, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 27, 2024, 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Saunders County's internal control over financial reporting and compliance.



Dakota Christensen, CPA, CISA, CFE
Audit Manager
Lincoln, Nebraska

February 27, 2024

SAUNDERS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2023

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 29,142,040
Investments (Note 1.D)	5,067,524
TOTAL ASSETS	<u>\$ 34,209,564</u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 132,918
Emergency Services	1,466,621
Drug Education	2,049
Law Enforcement	16,982
Preservation of Records	143,642
Debt Service	4,718,562
Road/Bridge Maintenance	1,535,266
Communications Towers	1,777,647
Child Support Enforcement	79,662
Federal Relief	714,411
Unrestricted	23,621,804
TOTAL NET POSITION	<u>\$ 34,209,564</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, 2023

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	\$ (7,430,255)	\$ 1,843,939	\$ 141,054	\$ (5,445,262)
Public Safety	(8,520,934)	2,886,833	290,792	(5,343,309)
Public Works	(6,660,917)	10,529	5,267,823	(1,382,565)
Public Assistance	(172,338)	3,834	69,553	(98,951)
Culture and Recreation	(42,448)	-	-	(42,448)
Debt Payments	(1,841,644)	-	1,200,000	(641,644)
Total Governmental Activities	<u>\$ (24,668,536)</u>	<u>\$ 4,745,135</u>	<u>\$ 6,969,222</u>	<u>(12,954,179)</u>
General Receipts:				
Taxes:				
Property				11,134,748
Motor Vehicle				1,542,230
Inheritance				1,723,001
E911 Payments				122,975
Other				196,737
Grants and Contributions Not Restricted to				
Specific Programs				214,116
Investment Income				511,330
Miscellaneous				174,863
Total General Receipts				<u>15,620,000</u>
Change in Net Position				2,665,821
Net Position - Beginning of year				31,543,743
Net Position - End of year				<u>\$ 34,209,564</u>

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

SAUNDERS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Public Safety Radio System Project Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 7,289,001	\$ 4,248,320	\$ 7,627,815	\$ -	\$ 3,434,993	\$ 6,541,911	\$ 29,142,040
Investments (Note 1.D)	1,632,162	-	-	3,435,362	-	-	5,067,524
TOTAL ASSETS	<u>\$ 8,921,163</u>	<u>\$ 4,248,320</u>	<u>\$ 7,627,815</u>	<u>\$ 3,435,362</u>	<u>\$ 3,434,993</u>	<u>\$ 6,541,911</u>	<u>\$ 34,209,564</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	132,918	132,918
Emergency Services	-	-	-	-	-	1,466,621	1,466,621
Drug Education	-	-	-	-	-	2,049	2,049
Law Enforcement	-	-	-	-	-	16,982	16,982
Preservation of Records	-	-	-	-	-	143,642	143,642
Debt Service	-	-	-	-	3,434,993	1,283,569	4,718,562
Road/Bridge Maintenance	-	-	-	-	-	1,535,266	1,535,266
Communications Towers	-	1,748,320	-	-	-	29,327	1,777,647
Child Support Enforcement	-	-	-	-	-	79,662	79,662
Federal Relief	-	-	-	-	-	714,411	714,411
Committed to:							
Law Enforcement	-	-	-	-	-	168,504	168,504
Road Maintenance	-	-	7,627,815	-	-	-	7,627,815
Aid and Assistance	-	-	-	-	-	100,255	100,255
County Buildings	-	-	-	-	-	448,897	448,897
Youth Camp	-	-	-	-	-	7,932	7,932
Disaster Recovery	-	-	-	-	-	397,934	397,934
Emergency Services	-	-	-	-	-	13,942	13,942
Communications Towers	-	2,500,000	-	-	-	-	2,500,000
Assigned to:							
Other Purposes	-	-	-	3,435,362	-	-	3,435,362
Unassigned	8,921,163	-	-	-	-	-	8,921,163
TOTAL CASH BASIS FUND BALANCES	<u>\$ 8,921,163</u>	<u>\$ 4,248,320</u>	<u>\$ 7,627,815</u>	<u>\$ 3,435,362</u>	<u>\$ 3,434,993</u>	<u>\$ 6,541,911</u>	<u>\$ 34,209,564</u>

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

SAUNDERS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Public Safety Radio System Project Fund	Public Works Fund	Inheritance Fund	Health Services Bond Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS							
Taxes:							
Property	\$9,945,840	\$ -	\$ -	\$ -	\$ -	\$ 1,188,908	\$ 11,134,748
Motor Vehicle	1,542,230	-	-	-	-	-	1,542,230
Inheritance	-	-	-	1,723,001	-	-	1,723,001
E911 Payments	-	-	-	-	-	122,975	122,975
Other	149,996	-	244	-	-	46,497	196,737
Investment Income	413,828	-	-	-	71,116	26,386	511,330
Intergovernmental	165,613	-	4,343,391	-	1,200,000	1,474,334	7,183,338
Charges for Services	4,308,030	-	10,529	-	-	426,576	4,745,135
Miscellaneous	131,013	-	12,740	-	-	31,110	174,863
TOTAL RECEIPTS	16,656,550	-	4,366,904	1,723,001	1,271,116	3,316,786	27,334,357
DISBURSEMENTS							
General Government	7,131,860	-	-	566	-	297,829	7,430,255
Public Safety	5,860,036	1,751,680	-	-	-	909,218	8,520,934
Public Works	124,872	-	6,379,117	-	-	156,928	6,660,917
Public Assistance	82,757	-	-	-	-	89,581	172,338
Culture and Recreation	-	-	-	-	-	42,448	42,448
Debt Service:							
Principal Payments	-	-	-	-	635,000	890,000	1,525,000
Interest and Fiscal Charges	-	-	-	-	263,448	53,196	316,644
TOTAL DISBURSEMENTS	13,199,525	1,751,680	6,379,117	566	898,448	2,439,200	24,668,536
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	3,457,025	(1,751,680)	(2,012,213)	1,722,435	372,668	877,586	2,665,821
OTHER FINANCING SOURCES (USES)							
Transfers in	86,676	6,000,000	2,933,976	-	-	344,686	9,365,338
Transfers out	(3,628,662)	-	-	(2,150,000)	-	(3,586,676)	(9,365,338)
TOTAL OTHER FINANCING SOURCES (USES)	(3,541,986)	6,000,000	2,933,976	(2,150,000)	-	(3,241,990)	-
Net Change in Fund Balances	(84,961)	4,248,320	921,763	(427,565)	372,668	(2,364,404)	2,665,821
CASH BASIS FUND BALANCES - BEGINNING	9,006,124	-	6,706,052	3,862,927	3,062,325	8,906,315	31,543,743
CASH BASIS FUND BALANCES - ENDING	\$8,921,163	\$ 4,248,320	\$ 7,627,815	\$ 3,435,362	\$ 3,434,993	\$ 6,541,911	\$ 34,209,564

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**
FIDUCIARY FUNDS
For the Year Ended June 30, 2023

	Custodial Fund Balances July 1, 2022	Receipts	Disbursements	Custodial Fund Balances June 30, 2023
ASSETS				
Cash and Cash Equivalents	\$ 2,700,771	\$ 77,361,329	\$ 76,946,854	\$ 3,115,246
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	696,720	8,392,843	8,270,508	819,055
State - Collected by Other Offices	45,114	438,276	458,839	24,551
Schools	623,717	47,991,762	47,944,686	670,793
Educational Service Units	13,676	674,545	672,214	16,007
Technical College	85,428	4,213,179	4,198,617	99,990
Natural Resource Districts	29,471	1,391,914	1,388,796	32,589
Fire Districts	47,911	2,276,042	2,270,286	53,667
Municipalities	133,547	5,815,653	5,769,376	179,824
Agricultural Society	6,878	329,220	328,372	7,726
Drainage Districts	25,904	48,201	47,173	26,932
Townships	39,121	2,035,772	2,031,814	43,079
Sanitary and Improvement Districts	534,982	1,694,424	1,421,131	808,275
Airport Authorities	2,578	105,761	104,648	3,691
Others - Collected by County Treasurer	120,074	731,250	677,134	174,190
Others - Collected by Other Offices	295,650	1,222,487	1,363,260	154,877
TOTAL LIABILITIES	2,700,771	77,361,329	76,946,854	3,115,246
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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, 2023

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 \$116,963 toward the operation of the Region during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Health Department – The County has entered into an agreement with the Three Rivers Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 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 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2023). 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.

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:

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Public Safety Radio Project Fund. This fund is used to account for costs associated with the County's Public Safety Radio Project and is primarily funded by aid received from the Federal government through the American Rescue Plan Act and inheritance taxes.

Health Services Bond Fund. This fund is used to account for debt service payments related to the Hospital and is primarily funded by monies from the Hospital.

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.

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

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

The County designates fund balances as follows:

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

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

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 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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, certificates of deposit, and demand deposits.

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations 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 \$10,587,760 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 and County Budget Act of 1937. 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 30, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

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

2. **Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$29,142,040 for County funds and \$3,115,246 for Fiduciary funds. The bank balances for all funds totaled \$32,416,044. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2023, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$974,287 in U.S. Government Securities and of \$4,093,237 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name. The U.S. Government Securities were held by the County or its agent in the name of the County.

3. **Taxes**

Property taxes are levied by the County Board on or before October 20 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes** (Concluded)

The levy set in October 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.246046/\$100 of assessed valuation. The levy set in October 2021, for the 2021 taxes, which were materially collected in May and September 2022, was set at \$.246046/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

The Retirement System for Nebraska Counties (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 2022, Supp. 2023) 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, 2023, 201 employees contributed \$394,682, and the County contributed \$585,423. Contributions included \$13,110 in cash contributions towards the supplemental law enforcement plan for 25 law enforcement employees. Lastly, the County paid \$600 directly to five 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 107 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 the county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during the 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	\$ 500,000	\$ 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, 2023, consisted of the following:

Transfers to	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 86,676	\$ 86,676
Public Works Fund	2,933,976	-	-	2,933,976
Public Safety Radio System Project Fund	500,000	2,000,000	3,500,000	6,000,000
Nonmajor Funds	194,686	150,000	-	344,686
Total	\$ 3,628,662	\$ 2,150,000	\$ 3,586,676	\$ 9,365,338

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, 2023, the County made a one-time transfer of \$3,500,000 from the COVID American Rescue Plan Fund to the Public Safety Radio System Project Fund to finance the County's Public Safety Radio System Project.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Long-Term Obligations

Bonds

Hospital Bonds. The County issued bonds in November 2005 in the amount of \$9,400,000 for the purpose of paying the costs of acquiring a site, constructing, and equipping a new hospital clinic and long-term care facility. During the fiscal years 2012 and 2014, the County Board partially refinanced these bonds. In February 2020, the County again partially refinanced the Series 2012 bonds. The bond payable balance, as of June 30, 2023, was \$8,525,000. 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. Complete financial statements of the Hospital can be obtained from its administrative office.

Future Payments:

Year	Principal	Interest	Total
2024	\$ 675,000	\$ 245,625	\$ 920,625
2025	690,000	225,150	915,150
2026	700,000	204,300	904,300
2027	730,000	182,850	912,850
2028	735,000	160,875	895,875
2029-2033	3,210,000	496,200	3,706,200
2034-2036	1,785,000	86,925	1,871,925
Total Payments	<u>\$ 8,525,000</u>	<u>\$ 1,601,925</u>	<u>\$ 10,126,925</u>

Law Enforcement Center Bonds. The County issued bonds on October 12, 2016, in the amount of \$5,525,000 for the purpose of refunding the County's outstanding General Obligation Refunding Bonds, Series 2011. Additionally, the County issued bonds on August 12, 2020, in the amount of \$2,335,000 for the purpose of refunding the County's outstanding General Obligation Refunding Bonds, Series 2012. The original bonds were issued for the purpose of paying the costs of acquiring a site, constructing, and equipping a new law enforcement facility. The bond payable balance, as of June 30, 2023, was \$3,625,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2024	\$ 885,000	\$ 43,204	\$ 928,204
2025	905,000	32,272	937,272
2026	915,000	20,190	935,190
2027	920,000	6,945	926,945
Total Payments	<u>\$ 3,625,000</u>	<u>\$ 102,611</u>	<u>\$ 3,727,611</u>

8. 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.

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$11,398,475	\$11,398,475	\$11,638,066	\$ 239,591
Investment Income	80,000	80,000	413,828	333,828
Intergovernmental	130,500	130,500	165,613	35,113
Charges for Services	2,676,150	2,676,150	4,308,030	1,631,880
Miscellaneous	105,000	105,000	131,013	26,013
TOTAL RECEIPTS	14,390,125	14,390,125	16,656,550	2,266,425
DISBURSEMENTS				
General Government:				
County Board	204,127	204,127	200,133	3,994
County Clerk	210,314	216,314	216,264	50
County Treasurer	359,331	359,331	356,872	2,459
County Assessor/Register of Deeds	411,381	411,381	397,932	13,449
Election Commissioner	145,861	168,161	168,113	48
Building and Zoning	97,986	102,686	102,640	46
Board of Equalization	14,300	14,300	12,549	1,751
Clerk of the District Court	131,154	133,454	133,318	136
District Judge	67,783	67,783	65,093	2,690
Public Defender	292,926	292,926	264,113	28,813
Agricultural Extension Agent	122,460	122,460	122,355	105
Administrative Division	246,441	246,441	92,416	154,025
Unemployment Compensation	20,000	20,000	584	19,416
Child Support - District Court	6,000	6,000	3,268	2,732
Miscellaneous	8,851,665	8,729,090	4,996,210	3,732,880
Public Safety				
County Sheriff	2,373,927	2,373,927	2,368,045	5,882
County Attorney	469,078	469,078	448,286	20,792
County Jail	2,745,930	2,824,830	2,824,737	93
Child Support - County Attorney	96,408	102,058	102,042	16
County Sheriff Grant	57,880	57,880	12,741	45,139
Building Security	109,334	109,334	104,185	5,149
Public Works				
County Surveyor	122,168	124,893	124,872	21
Public Assistance				
County Relief - Medical	38,500	38,500	14,965	23,535
Veterans Service	57,590	57,590	54,903	2,687
Institutions	36,500	36,500	12,889	23,611
TOTAL DISBURSEMENTS	17,289,044	17,289,044	13,199,525	4,089,519
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,898,919)	(2,898,919)	3,457,025	6,355,944

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	86,676	86,676
Transfers out	(3,607,205)	(3,607,205)	(3,628,662)	(21,457)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,607,205)</u>	<u>(3,607,205)</u>	<u>(3,541,986)</u>	<u>65,219</u>
Net Change in Fund Balance	(6,506,124)	(6,506,124)	(84,961)	6,421,163
FUND BALANCE - BEGINNING	<u>9,006,124</u>	<u>9,006,124</u>	<u>9,006,124</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 2,500,000</u></u>	<u><u>\$ 2,500,000</u></u>	<u><u>\$ 8,921,163</u></u>	<u><u>\$ 6,421,163</u></u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY RADIO SYSTEM PROJECT FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	6,000,000	6,000,000	1,751,680	4,248,320
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,000,000)	(6,000,000)	(1,751,680)	4,248,320
OTHER FINANCING SOURCES (USES)				
Transfers in	6,000,000	6,000,000	6,000,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	6,000,000	6,000,000	6,000,000	-
Net Change in Fund Balance	-	-	4,248,320	4,248,320
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,248,320	\$ 4,248,320
PUBLIC WORKS FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 244	\$ 244
Intergovernmental	3,475,000	3,475,000	4,343,391	868,391
Charges for Services	3,000	3,000	10,529	7,529
Miscellaneous	200,000	200,000	12,740	(187,260)
TOTAL RECEIPTS	3,678,000	3,678,000	4,366,904	688,904
DISBURSEMENTS				
Building & Grounds	260,946	260,946	243,033	17,913
County Roads	12,984,052	12,984,052	6,067,565	6,916,487
Noxious Weed Control	73,030	73,030	68,519	4,511
TOTAL DISBURSEMENTS	13,318,028	13,318,028	6,379,117	6,938,911
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,640,028)	(9,640,028)	(2,012,213)	7,627,815
OTHER FINANCING SOURCES (USES)				
Transfers in	2,933,976	2,933,976	2,933,976	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,933,976	2,933,976	2,933,976	-
Net Change in Fund Balance	(6,706,052)	(6,706,052)	921,763	7,627,815
FUND BALANCE - BEGINNING	6,706,052	6,706,052	6,706,052	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 7,627,815	\$ 7,627,815

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 885,000	\$ 885,000	\$ 1,723,001	\$ 838,001
TOTAL RECEIPTS	885,000	885,000	1,723,001	838,001
DISBURSEMENTS	2,597,927	2,597,927	566	2,597,361
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,712,927)	(1,712,927)	1,722,435	3,435,362
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,150,000)	(2,150,000)	(2,150,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,150,000)	(2,150,000)	(2,150,000)	-
Net Change in Fund Balance	(3,862,927)	(3,862,927)	(427,565)	3,435,362
FUND BALANCE - BEGINNING	3,862,927	3,862,927	3,862,927	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,435,362	\$ 3,435,362
HEALTH SERVICES BOND FUND				
RECEIPTS				
Investment Income	\$ 10,000	\$ 10,000	\$ 71,116	\$ 61,116
Intergovernmental	1,200,000	1,200,000	1,200,000	-
TOTAL RECEIPTS	1,210,000	1,210,000	1,271,116	61,116
DISBURSEMENTS	4,272,325	4,272,325	898,448	3,373,877
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,062,325)	(3,062,325)	372,668	3,434,993
Net Change in Fund Balance	(3,062,325)	(3,062,325)	372,668	3,434,993
FUND BALANCE - BEGINNING	3,062,325	3,062,325	3,062,325	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,434,993	\$ 3,434,993

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK PROGRAM				
FUND				
Receipts	\$ 815,000	\$ 815,000	\$ 1,102,190	\$ 287,190
Disbursements	(1,405,004)	(1,405,004)	(156,928)	1,248,076
Net Change in Fund Balance	(590,004)	(590,004)	945,262	1,535,266
Fund Balance - Beginning	590,004	590,004	590,004	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,535,266</u>	<u>\$ 1,535,266</u>
COMMUNICATIONS TOWER FUND				
Receipts	\$ 8,500	\$ 8,500	\$ 17,000	\$ 8,500
Disbursements	(32,902)	(32,902)	(12,075)	20,827
Net Change in Fund Balance	(24,402)	(24,402)	4,925	29,327
Fund Balance - Beginning	24,402	24,402	24,402	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,327</u>	<u>\$ 29,327</u>
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 20,761	\$ 761
Disbursements	(90,585)	(90,585)	(6,049)	84,536
Transfers in	-	-	-	-
Transfers out	-	-	(5,635)	(5,635)
Net Change in Fund Balance	(70,585)	(70,585)	9,077	79,662
Fund Balance - Beginning	70,585	70,585	70,585	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,662</u>	<u>\$ 79,662</u>
VISITORS PROMOTION FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 20,334	\$ 5,334
Disbursements	(55,489)	(55,489)	(17,186)	38,303
Net Change in Fund Balance	(40,489)	(40,489)	3,148	43,637
Fund Balance - Beginning	40,489	40,489	40,489	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,637</u>	<u>\$ 43,637</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 20,334	\$ 5,334
Disbursements	(101,447)	(101,447)	(17,500)	83,947
Net Change in Fund Balance	(86,447)	(86,447)	2,834	89,281
Fund Balance - Beginning	86,447	86,447	86,447	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,281</u>	<u>\$ 89,281</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 20,001	\$ 20,001	\$ 18,011	\$ (1,990)
Disbursements	(150,232)	(150,232)	(4,600)	145,632
Net Change in Fund Balance	(130,231)	(130,231)	13,411	143,642
Fund Balance - Beginning	130,231	130,231	130,231	-
Fund Balance - Ending	\$ -	\$ -	\$ 143,642	\$ 143,642
VETERANS' AID FUND				
Receipts	\$ 1,001	\$ 1,001	\$ 1,069	\$ 68
Disbursements	(97,308)	(97,308)	-	97,308
Net Change in Fund Balance	(96,307)	(96,307)	1,069	97,376
Fund Balance - Beginning	96,307	96,307	96,307	-
Fund Balance - Ending	\$ -	\$ -	\$ 97,376	\$ 97,376
YOUTH CAMP FUND				
Receipts	\$ 500	\$ 500	\$ 5,475	\$ 4,975
Disbursements	(10,719)	(10,719)	(7,762)	2,957
Net Change in Fund Balance	(10,219)	(10,219)	(2,287)	7,932
Fund Balance - Beginning	10,219	10,219	10,219	-
Fund Balance - Ending	\$ -	\$ -	\$ 7,932	\$ 7,932
TRANSPORTATION FUND				
Receipts	\$ 77,400	\$ 77,400	\$ 73,387	\$ (4,013)
Disbursements	(120,634)	(120,634)	(89,581)	31,053
Transfers in	16,286	16,286	16,286	-
Transfers out	-	-	(24,161)	(24,161)
Net Change in Fund Balance	(26,948)	(26,948)	(24,069)	2,879
Fund Balance - Beginning	26,948	26,948	26,948	-
Fund Balance - Ending	\$ -	\$ -	\$ 2,879	\$ 2,879
DIVERSION PROGRAM FUND				
Receipts	\$ 295,047	\$ 295,047	\$ 242,196	\$ (52,851)
Disbursements	(408,890)	(408,890)	(350,033)	58,857
Transfers in	78,602	78,602	100,059	21,457
Transfers out	-	-	(1,350)	(1,350)
Net Change in Fund Balance	(35,241)	(35,241)	(9,128)	26,113
Fund Balance - Beginning	35,241	35,241	35,241	-
Fund Balance - Ending	\$ -	\$ -	\$ 26,113	\$ 26,113

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>SAFETY TRAINING OPTION PROGRAM FUND</u>				
Receipts	\$ 8,000	\$ 8,000	\$ 11,740	\$ 3,740
Disbursements	(21,984)	(21,984)	(15,406)	6,578
Net Change in Fund Balance	(13,984)	(13,984)	(3,666)	10,318
Fund Balance - Beginning	13,984	13,984	13,984	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,318</u>	<u>\$ 10,318</u>

<u>COUNTY DRUG LAW ENFORCEMENT & EDUCATION FUND</u>				
Receipts	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
Disbursements	(5,849)	(5,849)	-	5,849
Net Change in Fund Balance	(2,049)	(2,049)	-	2,049
Fund Balance - Beginning	2,049	2,049	2,049	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 2,049</u>

<u>DRUG TESTING FUND</u>				
Receipts	\$ 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>

<u>DRUG COURT PROGRAM FUND</u>				
Receipts	\$ 8,573	\$ 8,573	\$ 1,530	\$ (7,043)
Disbursements	(10,000)	(10,000)	(450)	9,550
Net Change in Fund Balance	(1,427)	(1,427)	1,080	2,507
Fund Balance - Beginning	1,427	1,427	1,427	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,507</u>	<u>\$ 2,507</u>

<u>FEDERAL DRUG LAW ENFORCEMENT FUND</u>				
Receipts	\$ 9,500	\$ 9,500	\$ -	\$ (9,500)
Disbursements	(9,500)	(9,500)	-	9,500
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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DARE FUND				
Receipts	\$ 4,992	\$ 4,992	\$ 1,657	\$ (3,335)
Disbursements	(5,000)	(5,000)	(1,123)	3,877
Net Change in Fund Balance	(8)	(8)	534	542
Fund Balance - Beginning	8	8	8	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 542</u>
K-9 FUND				
Receipts	\$ 14,800	\$ 14,800	\$ 970	\$ (13,830)
Disbursements	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	(200)	(200)	970	1,170
Fund Balance - Beginning	200	200	200	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,170</u>	<u>\$ 1,170</u>
DIVERSION PROGRAM - YOUTH SERVICES GRANT FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 10,922	\$ 922
Disbursements	(34,298)	(34,298)	(18,238)	16,060
Net Change in Fund Balance	(24,298)	(24,298)	(7,316)	16,982
Fund Balance - Beginning	24,298	24,298	24,298	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,982</u>	<u>\$ 16,982</u>
VICTIM'S ASSISTANCE FUND				
Receipts	\$ 6,000	\$ 6,000	\$ 1,000	\$ (5,000)
Disbursements	(16,796)	(16,796)	(3,457)	13,339
Net Change in Fund Balance	(10,796)	(10,796)	(2,457)	8,339
Fund Balance - Beginning	10,796	10,796	10,796	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,339</u>	<u>\$ 8,339</u>
DISASTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(397,934)	(397,934)	-	397,934
Net Change in Fund Balance	(397,934)	(397,934)	-	397,934
Fund Balance - Beginning	397,934	397,934	397,934	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,934</u>	<u>\$ 397,934</u>
E911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 75,000	\$ 75,000	\$ 89,049	\$ 14,049
Disbursements	(190,375)	(190,375)	(73,615)	116,760
Net Change in Fund Balance	(115,375)	(115,375)	15,434	130,809
Fund Balance - Beginning	115,375	115,375	115,375	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,809</u>	<u>\$ 130,809</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 WIRELESS SERVICE FUND				
Receipts	\$ 60,000	\$ 60,000	\$ 68,180	\$ 8,180
Disbursements	(306,724)	(306,724)	(12,562)	294,162
Transfers in	-	-	-	-
Transfers out	-	-	(55,530)	(55,530)
Net Change in Fund Balance	(246,724)	(246,724)	88	246,812
Fund Balance - Beginning	246,724	246,724	246,724	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,812</u>	<u>\$ 246,812</u>
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 34,000	\$ 34,000	\$ 43,082	\$ 9,082
Disbursements	(85,212)	(85,212)	(80,352)	4,860
Transfers in	28,341	28,341	28,341	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(22,871)	(22,871)	(8,929)	13,942
Fund Balance - Beginning	22,871	22,871	22,871	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,942</u>	<u>\$ 13,942</u>
CORRECTIONAL CENTER COMMISSARY FUND				
Receipts	\$ 268,000	\$ 268,000	\$ 345,136	\$ 77,136
Disbursements	(378,217)	(378,217)	(335,858)	42,359
Net Change in Fund Balance	(110,217)	(110,217)	9,278	119,495
Fund Balance - Beginning	110,217	110,217	110,217	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,495</u>	<u>\$ 119,495</u>
LAW ENFORCEMENT CENTER & JAIL BOND FUND				
Receipts	\$ 1,025,570	\$ 1,025,570	\$ 1,027,458	\$ 1,888
Disbursements	(2,049,877)	(2,049,877)	(943,196)	1,106,681
Net Change in Fund Balance	(1,024,307)	(1,024,307)	84,262	1,108,569
Fund Balance - Beginning	1,199,307	1,199,307	1,199,307	-
Fund Balance - Ending	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 1,283,569</u>	<u>\$ 1,108,569</u>
COUNTY BUILDING FUND				
Receipts	\$ 105,012	\$ 105,012	\$ 100,332	\$ (4,680)
Disbursements	(746,806)	(746,806)	(293,229)	453,577
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(441,794)	(441,794)	7,103	448,897
Fund Balance - Beginning	441,794	441,794	441,794	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 448,897</u>	<u>\$ 448,897</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FLOOD CONTROL PROJECT FUND				
Receipts	\$ 77,420	\$ 77,420	\$ 76,995	\$ (425)
Disbursements	(1,089,425)	(1,089,425)	-	1,089,425
Net Change in Fund Balance	(1,012,005)	(1,012,005)	76,995	1,089,000
Fund Balance - Beginning	1,012,005	1,012,005	1,012,005	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089,000</u>	<u>\$ 1,089,000</u>
COVID AMERICAN RESCUE PLAN FUND				
Receipts	\$ -	\$ -	\$ 17,978	\$ 17,978
Disbursements	(696,433)	(696,433)	-	696,433
Transfers in	-	-	-	-
Transfers out	(3,500,000)	(3,500,000)	(3,500,000)	-
Net Change in Fund Balance	(4,196,433)	(4,196,433)	(3,482,022)	714,411
Fund Balance - Beginning	4,196,433	4,196,433	4,196,433	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,411</u>	<u>\$ 714,411</u>
				(Concluded)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Highway Bridge Buyback Program Fund	Communications Tower Fund	Child Support Incentive Fund	Visitors Promotion Fund	Visitors Improvement Fund	Register of Deeds Preservation & Modernization Fund
RECEIPTS						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E911 Payments	-	-	-	-	-	-
Other	-	-	-	20,334	20,334	-
Investment Income	-	-	-	-	-	-
Intergovernmental	1,102,190	-	20,761	-	-	-
Charges for Services	-	17,000	-	-	-	18,011
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	1,102,190	17,000	20,761	20,334	20,334	18,011
DISBURSEMENTS						
General Government	-	-	-	-	-	4,600
Public Safety	-	12,075	6,049	-	-	-
Public Works	156,928	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	17,186	17,500	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	156,928	12,075	6,049	17,186	17,500	4,600
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	945,262	4,925	14,712	3,148	2,834	13,411
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(5,635)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(5,635)	-	-	-
Net Change in Fund Balances	945,262	4,925	9,077	3,148	2,834	13,411
FUND BALANCES - BEGINNING	590,004	24,402	70,585	40,489	86,447	130,231
FUND BALANCES - ENDING	\$ 1,535,266	\$ 29,327	\$ 79,662	\$ 43,637	\$ 89,281	\$ 143,642
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	43,637	89,281	-
Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	143,642
Debt Service	-	-	-	-	-	-
Road/Bridge Maintenance	1,535,266	-	-	-	-	-
Communications Towers	-	29,327	-	-	-	-
Child Support Enforcement	-	-	79,662	-	-	-
Federal Relief	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
Disaster Recovery	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 1,535,266	\$ 29,327	\$ 79,662	\$ 43,637	\$ 89,281	\$ 143,642

(Continued)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Veterans' Aid Fund	Youth Camp Fund	Transportation Fund	Diversion Program Fund	Safety Training Option Program Fund	County Drug Law Enforcement & Education Fund	Drug Testing Fund
RECEIPTS							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E911 Payments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment Income	1,069	-	-	-	-	-	-
Intergovernmental	-	-	69,553	236,039	-	-	-
Charges for Services	-	-	3,834	2,370	11,740	-	-
Miscellaneous	-	5,475	-	3,787	-	-	-
TOTAL RECEIPTS	<u>1,069</u>	<u>5,475</u>	<u>73,387</u>	<u>242,196</u>	<u>11,740</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	350,033	15,406	-	-
Public Works	-	-	-	-	-	-	-
Public Assistance	-	-	89,581	-	-	-	-
Culture and Recreation	-	7,762	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>7,762</u>	<u>89,581</u>	<u>350,033</u>	<u>15,406</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,069</u>	<u>(2,287)</u>	<u>(16,194)</u>	<u>(107,837)</u>	<u>(3,666)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	16,286	100,059	-	-	-
Transfers out	-	-	(24,161)	(1,350)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(7,875)</u>	<u>98,709</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,069	(2,287)	(24,069)	(9,128)	(3,666)	-	-
FUND BALANCES - BEGINNING	<u>96,307</u>	<u>10,219</u>	<u>26,948</u>	<u>35,241</u>	<u>13,984</u>	<u>2,049</u>	<u>20</u>
FUND BALANCES - ENDING	<u>\$ 97,376</u>	<u>\$ 7,932</u>	<u>\$ 2,879</u>	<u>\$ 26,113</u>	<u>\$ 10,318</u>	<u>\$ 2,049</u>	<u>\$ 20</u>
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-	-
Drug Education	-	-	-	-	-	2,049	-
Law Enforcement	-	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Road/Bridge Maintenance	-	-	-	-	-	-	-
Communications Towers	-	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-	-
Federal Relief	-	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	-	26,113	10,318	-	20
Aid and Assistance	97,376	-	2,879	-	-	-	-
County Buildings	-	-	-	-	-	-	-
Youth Camp	-	7,932	-	-	-	-	-
Disaster Recovery	-	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 97,376</u>	<u>\$ 7,932</u>	<u>\$ 2,879</u>	<u>\$ 26,113</u>	<u>\$ 10,318</u>	<u>\$ 2,049</u>	<u>\$ 20</u>

(Continued)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Drug Court Program Fund	DARE Fund	K-9 Fund	Diversion Program - Youth Services Grant Fund	Victim's Assistance Fund	Disaster Fund	E911 Emergency Management Fund	911 Wireless Service Fund
RECEIPTS								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E911 Payments	-	-	-	-	-	-	54,795	68,180
Other	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,530	-	-	-	-	-	33,944	-
Miscellaneous	-	1,657	970	10,922	1,000	-	310	-
TOTAL RECEIPTS	1,530	1,657	970	10,922	1,000	-	89,049	68,180
DISBURSEMENTS								
General Government	-	-	-	-	-	-	-	-
Public Safety	450	1,123	-	18,238	3,457	-	73,615	12,562
Public Works	-	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	450	1,123	-	18,238	3,457	-	73,615	12,562
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,080	534	970	(7,316)	(2,457)	-	15,434	55,618
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(55,530)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	(55,530)
Net Change in Fund Balances	1,080	534	970	(7,316)	(2,457)	-	15,434	88
FUND BALANCES - BEGINNING	1,427	8	200	24,298	10,796	397,934	115,375	246,724
FUND BALANCES - ENDING	\$ 2,507	\$ 542	\$1,170	\$ 16,982	\$ 8,339	\$ 397,934	\$ 130,809	\$ 246,812
FUND BALANCES:								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-	130,809	246,812
Drug Education	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	16,982	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Road/Bridge Maintenance	-	-	-	-	-	-	-	-
Communications Towers	-	-	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-	-	-
Federal Relief	-	-	-	-	-	-	-	-
Committed to:								
Law Enforcement	2,507	542	1,170	-	8,339	-	-	-
Aid and Assistance	-	-	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-	-	-
Disaster Recovery	-	-	-	-	-	397,934	-	-
Emergency Services	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 2,507	\$ 542	\$1,170	\$ 16,982	\$ 8,339	\$ 397,934	\$ 130,809	\$ 246,812

(Continued)

SAUNDERS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement Center & Jail Bond Fund	County Building Fund	Flood Control Project Fund	COVID American Rescue Plan Fund	Total Nonmajor Funds
RECEIPTS							
Taxes:							
Property	\$ -	\$ -	\$ 1,012,843	\$ 99,618	\$ 76,447	\$ -	\$ 1,188,908
E911 Payments	-	-	-	-	-	-	122,975
Other	-	-	4,968	487	374	-	46,497
Investment Income	-	-	7,339	-	-	17,978	26,386
Intergovernmental	43,082	-	2,308	227	174	-	1,474,334
Charges for Services	-	338,147	-	-	-	-	426,576
Miscellaneous	-	6,989	-	-	-	-	31,110
TOTAL RECEIPTS	43,082	345,136	1,027,458	100,332	76,995	17,978	3,316,786
DISBURSEMENTS							
General Government	-	-	-	293,229	-	-	297,829
Public Safety	80,352	335,858	-	-	-	-	909,218
Public Works	-	-	-	-	-	-	156,928
Public Assistance	-	-	-	-	-	-	89,581
Culture and Recreation	-	-	-	-	-	-	42,448
Debt Service:							
Principal Payments	-	-	890,000	-	-	-	890,000
Interest and Fiscal Charges	-	-	53,196	-	-	-	53,196
TOTAL DISBURSEMENTS	80,352	335,858	943,196	293,229	-	-	2,439,200
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(37,270)	9,278	84,262	(192,897)	76,995	17,978	877,586
OTHER FINANCING SOURCES (USES)							
Transfers in	28,341	-	-	200,000	-	-	344,686
Transfers out	-	-	-	-	-	(3,500,000)	(3,586,676)
TOTAL OTHER FINANCING SOURCES (USES)	28,341	-	-	200,000	-	(3,500,000)	(3,241,990)
Net Change in Fund Balances	(8,929)	9,278	84,262	7,103	76,995	(3,482,022)	(2,364,404)
FUND BALANCES - BEGINNING	22,871	110,217	1,199,307	441,794	1,012,005	4,196,433	8,906,315
FUND BALANCES - ENDING	\$ 13,942	\$ 119,495	\$ 1,283,569	\$ 448,897	\$ 1,089,000	\$ 714,411	\$ 6,541,911
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	132,918
Emergency Services	-	-	-	-	1,089,000	-	1,466,621
Drug Education	-	-	-	-	-	-	2,049
Law Enforcement	-	-	-	-	-	-	16,982
Preservation of Records	-	-	-	-	-	-	143,642
Debt Service	-	-	1,283,569	-	-	-	1,283,569
Road/Bridge Maintenance	-	-	-	-	-	-	1,535,266
Communications Towers	-	-	-	-	-	-	29,327
Child Support Enforcement	-	-	-	-	-	-	79,662
Federal Relief	-	-	-	-	-	714,411	714,411
Committed to:							
Law Enforcement	-	119,495	-	-	-	-	168,504
Aid and Assistance	-	-	-	-	-	-	100,255
County Buildings	-	-	-	448,897	-	-	448,897
Youth Camp	-	-	-	-	-	-	7,932
Disaster Recovery	-	-	-	-	-	-	397,934
Emergency Services	13,942	-	-	-	-	-	13,942
TOTAL FUND BALANCES	\$ 13,942	\$ 119,495	\$ 1,283,569	\$ 448,897	\$ 1,089,000	\$ 714,411	\$ 6,541,911

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2023

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent
BALANCES JULY 1, 2022	\$ 13,327	\$ 69,062	\$ 272,590	\$ 61,085	\$ 200	\$ 100
RECEIPTS						
Taxes	11,940	-	-	58,553	-	-
Intergovernmental	-	-	-	-	-	188,258
Charges for Services	51,108	242,677	27,674	2,101,633	120	-
Miscellaneous	57,551	-	543	28,321	23	13,037
State Fees	21	403,489	33,607	1,159	-	-
Other Liabilities	4,670	-	476,218	713,608	27,440	-
TOTAL RECEIPTS	125,290	646,166	538,042	2,903,274	27,583	201,295
DISBURSEMENTS						
Payments to County Treasurer	55,365	251,817	27,977	2,157,282	122	200,963
Payments to State Treasurer	35	423,491	34,273	1,040	-	-
Petty Cash & Other Payments	57,551	-	543	15,234	21	332
Other Liabilities	4,670	-	600,276	730,323	27,440	-
TOTAL DISBURSEMENTS	117,621	675,308	663,069	2,903,879	27,583	201,295
BALANCES JUNE 30, 2023	\$ 20,996	\$ 39,920	\$ 147,563	\$ 60,480	\$ 200	\$ 100
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 8,487	\$ 16,486	\$ 2,063	\$ 41,395	\$ -	\$ -
Petty Cash	12,500	500	500	7,600	200	100
Due to State Treasurer	9	22,934	1,481	127	-	-
Due to Others	-	-	143,519	11,358	-	-
BALANCES JUNE 30, 2023	\$ 20,996	\$ 39,920	\$ 147,563	\$ 60,480	\$ 200	\$ 100

(Continued)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2023

	Veterans' Service Officer	County Youth Services	County Planning & Zoning	County Transportation	County Treasurer	County Assessor	Total
BALANCES JULY 1, 2022	\$ 6,770	\$ 600	\$ 24,384	\$ -	\$ 300	\$ 200	\$ 448,618
RECEIPTS							
Taxes	-	-	-	-	-	-	70,493
Intergovernmental	-	-	-	69,553	-	-	257,811
Charges for Services	-	6,125	524,355	3,833	-	-	2,957,525
Miscellaneous	11	16,497	-	-	22,354	15	138,352
State Fees	-	-	-	-	-	-	438,276
Other Liabilities	-	551	-	-	-	-	1,222,487
TOTAL RECEIPTS	11	23,173	524,355	73,386	22,354	15	5,084,944
DISBURSEMENTS							
Payments to County Treasurer	-	22,554	548,639	73,386	-	-	3,338,105
Payments to State Treasurer	-	-	-	-	-	-	458,839
Petty Cash & Other Payments	2,014	68	-	-	22,354	15	98,132
Other Liabilities	-	551	-	-	-	-	1,363,260
TOTAL DISBURSEMENTS	2,014	23,173	548,639	73,386	22,354	15	5,258,336
BALANCES JUNE 30, 2023	\$ 4,767	\$ 600	\$ 100	\$ -	\$ 300	\$ 200	\$ 275,226
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 4,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,198
Petty Cash	-	600	100	-	300	200	22,600
Due to State Treasurer	-	-	-	-	-	-	24,551
Due to Others	-	-	-	-	-	-	154,877
BALANCES JUNE 30, 2023	\$ 4,767	\$ 600	\$ 100	\$ -	\$ 300	\$ 200	\$ 275,226

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2023

Item	2018	2019	2020	2021	2022
Tax Certified by Assessor					
Real Estate	\$ 56,947,817	\$ 57,866,424	\$ 59,030,131	\$ 59,553,188	\$ 64,876,978
Personal and Specials	1,954,647	2,013,219	2,151,689	3,455,927	3,687,038
Total	<u>58,902,464</u>	<u>59,879,643</u>	<u>61,181,820</u>	<u>63,009,115</u>	<u>68,564,016</u>
Corrections					
Additions	41,356	50,870	18,149	13,779	11,258
Deductions	<u>(54,981)</u>	<u>(50,354)</u>	<u>(19,154)</u>	<u>(2,258)</u>	<u>(7,956)</u>
Net Additions/ (Deductions)	<u>(13,625)</u>	<u>516</u>	<u>(1,005)</u>	<u>11,521</u>	<u>3,302</u>
Corrected Certified Tax	<u>58,888,839</u>	<u>59,880,159</u>	<u>61,180,815</u>	<u>63,020,636</u>	<u>68,567,318</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	36,173,401	-	-	-	-
June 30, 2020	22,502,351	36,362,915	-	-	-
June 30, 2021	4,910	23,253,751	39,014,384	-	-
June 30, 2022	5,926	13,556	21,908,487	41,623,000	-
June 30, 2023	<u>440</u>	<u>5,045</u>	<u>(56)</u>	<u>21,344,746</u>	<u>44,973,739</u>
Total Net Collections	<u>58,687,028</u>	<u>59,635,267</u>	<u>60,922,815</u>	<u>62,967,746</u>	<u>44,973,739</u>
Total Uncollected Tax	<u>\$ 201,811</u>	<u>\$ 244,892</u>	<u>\$ 258,000</u>	<u>\$ 52,890</u>	<u>\$ 23,593,579</u>
Percentage Uncollected Tax	<u>0.34%</u>	<u>0.41%</u>	<u>0.42%</u>	<u>0.08%</u>	<u>34.41%</u>

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

SAUNDERS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	155-014CE-00	\$ 500,433
Emergency Management Performance Grants	97.042	22-GA 8751-02	38,438
COVID-19 - Emergency Management Performance Grants	97.042	21-GA 8751-05	1,500
Total - Emergency Management Performance Grants			<u>39,938</u>
Passed through Platte County, Nebraska			
Homeland Security Grant Program	97.067	20SHSP009 22SHSP009	<u>5,283</u>
Total U.S. Department of Homeland Security			<u>545,654</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51458 Y3 51507 Y3	<u>124,415</u>
Total U.S. Department of Health and Human Services			<u>124,415</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	C781 (222)	79,074
Highway Safety Cluster			
State and Community Highway Safety	20.600	402-22-27-55 402-23-05-24 4021-23-12-32 402-23-27-38	5,670
National Priority Safety Programs	20.616	405d-22-51-63 405d-22-52-03 405b-23-14-05	5,752
Total - Highway Safety Cluster			<u>11,422</u>
Total U.S. Department of Transportation			<u>90,496</u>
DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable *	<u>1,751,680</u>
Total U.S. Department of the Treasury			<u>1,751,680</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,512,245</u></u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

SAUNDERS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

1. **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Saunders County (County) under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. **Summary of Significant Accounting Policies**

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

3. **Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$500,433 for this program, all of which were incurred and paid during the fiscal year ended June 30, 2023.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 27, 2024. 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 Medical Center, a component unit of Saunders County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- 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.

County Board Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. Also, there are many checks and balances in place to prevent fraud.

Report on 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 financial statements. 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 27, 2024.

Saunders County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 results 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.



Dakota Christensen, CPA, CISA, CFE
Audit Manager
Lincoln, Nebraska

February 27, 2024



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

SAUNDERS COUNTY INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors
Saunders County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Saunders County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Saunders County's major Federal programs for the year ended June 30, 2023. Saunders County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Saunders County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Saunders County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Saunders County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Saunders County's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Saunders County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Saunders County's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Saunders County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Saunders County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Saunders County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding #2023-002 and #2023-003. Our opinion on each major Federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Saunders County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Saunders County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Saunders County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Saunders County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items #2023-002 and #2023-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Saunders County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Saunders County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Saunders County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Saunders County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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



Dakota Christensen, CPA, CISA, CFE
Audit Manager
Lincoln, Nebraska

February 27, 2024

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified? ☒ Yes ☐ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified? ☒ Yes ☐ None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☒ Yes ☐ No

Major programs: **COVID-19 – Coronavirus State and Local Fiscal Recovery Funds: AL #21.027**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Section II – Financial Statement Findings

Finding # 2023-001

<u>Condition</u> -	There is a lack of segregation of accounting functions among various County offices and personnel.
<u>Criteria</u> -	Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
<u>Context</u> -	Various County offices collect money; most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
<u>Effect</u> -	This lack of segregation of duties results in an inadequate overall internal control structure design.
<u>Cause</u> -	The County does not employ sufficient office personnel to properly segregate accounting functions.
<u>Recommendation</u> -	The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
<u>View of Officials</u> -	The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. Also, there are many checks and balances in place to prevent fraud.

Section III – Federal Award Findings and Questioned Cost

Finding # 2023-002

<u>Program</u> -	AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment
<u>Grant Number & Year</u> -	SLFRP3004, March 3, 2021, through December 31, 2024
<u>Federal Grantor Agency</u> -	U.S. Department of the Treasury
<u>Criteria</u> -	Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2023) states the following, in relevant part:

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) . . .

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

The U.S. Department of the Treasury adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR § 1000.10 (January 1, 2023), which states the following:

Except for the deviations set forth elsewhere in this Part, the Department of the Treasury adopts the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200.

2 CFR § 200.214 (January 1, 2023) states the following:

Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

2 CFR § 180.300 (January 1, 2023) requires non-Federal entities to verify that an entity is not excluded or disqualified prior to entering into a covered transaction by: “(a) Checking SAM Exclusions; or (b) Collecting a certification from that . . . [entity]; or (c) Adding a clause or condition to the covered transaction with that . . . [entity].”

A good internal control plan requires the County to have proper procedures in place to verify that contractors paid with Federal funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Condition -

Saunders County could not provide documentation to support the County implemented effective internal controls to ensure that suspension and debarment requirements were followed and adequately documented.

We noted the County used Coronavirus State and Local Fiscal Recovery Funds to pay two vendors over \$25,000, totaling \$1,750,730, during the fiscal year ended June 30, 2023. The County failed to ensure that these vendors were not excluded or disqualified prior to entering into these covered transactions.

We reviewed SAM.gov, and noted these vendors were not suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date tested was performed.

Repeat Finding -

No

Questioned Costs -

None

Statistical Sample -

No

Context -

The following table provides details of the covered transactions noted:

VENDOR	AMOUNT
MOTOROLA SOLUTIONS INC	\$ 1,705,550
RFCC LLC	45,180
TOTAL	\$ 1,750,730

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

<u>Cause</u> -	Lack of procedures and knowledge regarding suspension and debarment requirements.
<u>Effect</u> -	Without adequate procedures to ensure contractors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations, leading to possible Federal sanctions.
<u>Recommendation</u> -	We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that a contractor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, and those procedures are adequately documented.
<u>View of Officials</u> -	The County Attorney is writing up a policy.

Finding # 2023-003

<u>Program</u> -	AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Reporting
<u>Grant Number & Year</u> -	SLFRP3004, March 3, 2021, through December 31, 2024
<u>Federal Grantor Agency</u> -	U.S. Department of the Treasury

<u>Criteria</u> -	Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2023) states the following, in relevant part:
-------------------	---

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The U.S. Department of the Treasury adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR § 1000.10 (January 1, 2023), which states the following:

Except for the deviations set forth elsewhere in this Part, the Department of the Treasury adopts the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200.

The U.S. Department of the Treasury issued “Compliance and Reporting Guidance” and frequently asked questions, which specify the reporting requirements related to Coronavirus State and Local Fiscal Recovery Funds.

A good internal control plan includes establishing effective internal controls through written policies and procedures to ensure Federal reporting requirements are completed accurately. Such plan should include, among other things, appropriate training on Federal reporting requirements and require a documented, detailed review of each report to be completed by a knowledgeable individual, who did not prepare the report, prior to submission.

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Concluded)

Condition - Saunders County did not implement effective internal controls to ensure that the reporting requirements of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) were completed accurately. The Project and Expenditure report submitted on April 28, 2023, did not contain accurate information. The table below in the “Context” section summarizes the variances noted.

Repeat Finding - No

Questioned Costs - None

Statistical Sample - No

Context - The following table summarizes the variances between the 2023 report and the underlying accounting system and County records.

Row Categories on SLFRF Report	Amount Reported	Amount Recorded in Accounting System	Over/(Under) Reported
Total Cumulative Expenditures	\$ 3,500,000	\$ 1,740,364	\$ 1,759,636
Current Period Obligations	1,705,550	4,191,000	(2,485,450)
Current Period Expenditures	1,705,550	1,740,364	(34,814)

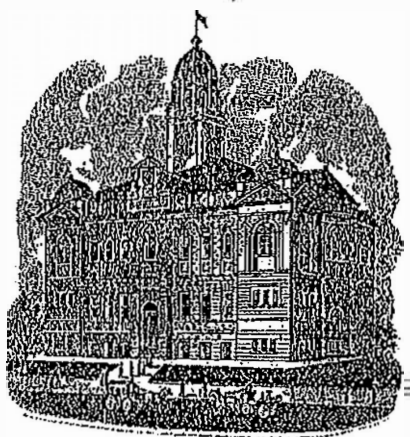
Additionally, Saunders County incorrectly listed Motorola Solutions Inc., a communications vendor, as a subrecipient.

Cause - Lack of procedures and knowledge regarding the reporting requirements.

Effect - Inaccurate information was reported to the U.S. Department of the Treasury on the 2023 Project and Expenditure report. Additionally, there is an increased risk of the County not being in compliance with the reporting requirements set by the U.S Department of the Treasury.

Recommendation - We recommend the County implement procedures to ensure Federal reporting requirements are completed accurately. Such procedures could include, among other things, appropriate training on Federal reporting requirements and a documented review by a knowledgeable individual who was not involved in the preparation of the report.

View of Officials - The County Attorney is writing up a policy.



Saunders County Board of Supervisors

P.O. Box 61
Wahoo, NE 68066
(402) 443-8101
Fax (402) 443-5709

CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

I. Findings Related to the Financial Statements

Finding 2023-001: Segregation of Duties

Corrective Action Planned:

The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. Also, there are many checks and balances in place to prevent fraud.

Anticipated Completion Date:

Ongoing

Responsible Party:

Dave Lutton, Bill Reece, Tom Hrdlicka, John Zaugg, Scott Sukstorf, Frank Albrecht & Scott Sukstorf, County Board

II. Findings Related to Federal Awards

Finding 2023-002: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment

Program:

AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Corrective Action Planned:

The County Attorney is writing up a policy

Anticipated Completion Date:

ASAP

Responsible Party:

Dave Lutton, Bill Reece, Tom Hrdlicka, John Zaugg, Scott Sukstorf, Frank Albrecht & Scott Sukstorf, County Board

Dave Lutton
District #1

John Zaugg
District #2

Bill Reece
District #3

Scott Sukstorf
District #4

John Smaus
District #5

Tom Hrdlicka
District #6

Frank Albrecht
District #7

Finding 2023-003: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Reporting

Program:

AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Corrective Action Planned:

The County Attorney is writing up a policy

Anticipated Completion Date:

ASAP

Responsible Party:

Dave Lutton, Bull Reece, tom Hrdlicka, John Zaugg, Scott Sukstorf, Frank Albrecht & Scott Sukstorf, County Board



Dave Lutton, Chairman, Saunders County Board of Supervisors



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

February 27, 2024

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, 2023, and have issued our report thereon dated February 27, 2024. 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:

CLERK OF THE DISTRICT COURT

Overdue Case Account Report

We tested ten balances due to the District Court and noted that nine of those balances, totaling \$11,901, lacked subsequent action by the District Court to ensure collection and/or resolution of the balances. Additionally, we followed up on the eight cases noted during the prior year's audit and noted that for these outstanding balances, totaling \$11,111, no additional follow-up has been performed.

As of December 29, 2023, the report contained 469 criminal case overdue balances, totaling \$163,621, an increase from the prior year's report balance of \$154,891. Only 14 cases noted had a current warrant or suspension issued.

Good internal controls and sound business practices require procedures to ensure that overdue amounts of the District Court are reviewed on an ongoing, timely basis to determine what action should be taken to collect, or otherwise resolve, those balances.

Without a regular, detailed review of the Overdue Case Account Report, there is an increased risk that balances listed therein may either have no proper follow-up action taken timely or have been resolved previously and should no longer be reflected as an overdue balance in the accounting system.

A similar finding was noted in the prior audit.

We recommend the District Court implement an ongoing, timely review of the monthly financial reports, including the Overdue Case Account Report, to ensure the timely collection and/or resolution of the balances listed therein.

County Clerk of the District Court Response: [I] acknowledge the issue with the overdue case account report. I will try to do some research to find the defendants that owe costs to the court but a lot of them are monies that were owed for Probation. I will reach out to Probation and the County Attorney to see if these people can be found and make payments.

COUNTY BOARD

Lack of Employee Reimbursement Policy

During our audit, we noted that the County lacked an employee reimbursement policy outlining allowable reimbursements for meals and other reasonable, necessary expenses. One employee reimbursement, totaling \$525, was for an employee who had traveled to Kearney, Nebraska, to attend a conference. This claim included receipts for lunch and dinner at various restaurants in Kearney. One dinner, totaling \$32, exceeded the Federal General Services Administration per diem rate allocation for dinners of \$26.

The Local Government Miscellaneous Expenditure Act (Act), which is found at Neb. Rev. Stat. § 13-2201 et seq. (Reissue 2022), places strict parameters upon certain expenditures of public funds by local governments, including counties.

Specifically, Neb. Rev. Stat. § 13-2203 (Reissue 2022) states the following, in relevant part:

In addition to other expenditures authorized by law, each governing body may approve:

(1)(a) The expenditure of public funds for the payment or reimbursement of actual and necessary expenses incurred by elected and appointed officials, employees, or volunteers at educational workshops, conferences, training programs, official functions, hearings, or meetings, whether incurred within or outside the boundaries of the local government, if the governing body gave prior approval for participation or attendance at the event and for payment or reimbursement either by the formal adoption of a uniform policy or by a formal vote of the governing body. Authorized expenses may include:

(i) Registration costs, tuition costs, fees, or charges;

(ii) Mileage at the rate allowed by section 81-1176 for travel by personal automobile, but if travel by rental vehicle or commercial or charter means is economical and practical, then authorized expenses shall include only the actual cost of the rental vehicle or commercial or charter means. The governing body may establish different mileage rates based on whether the personal automobile usage is at the convenience of the local government or at the convenience of the local government's elected or appointed official, employee, or volunteer; and

(iii) Meals and lodging at a rate not exceeding the applicable federal rate unless a fully itemized claim is submitted substantiating the costs actually incurred in excess of such rate and such additional expenses are expressly approved by the governing body; and

(b) Authorized expenditures shall not include expenditures for meals of paid members of a governing body provided while such members are attending a public meeting of the governing body unless such meeting is a joint public meeting with one or more other governing bodies;

(Emphasis added.) While the County Board approved this employee's reimbursement claim, the County Board lacked a formal employee reimbursement policy that outlines allowable and reasonable expenses to ensure consistent and equitable employee reimbursements.

Good internal controls and sound business practices require the County Board to approve a formal reimbursement policy for the cost of meals and other expenses incurred by employees while attending conferences and other official functions to ensure consistent and equitable employee reimbursements.

Without such a formal reimbursement policy, there is an increased risk for theft, loss, or misuse of County funds.

We recommend the County implement a formal employee reimbursement policy for the cost of meals and other expenses incurred by employees while attending conferences and other official functions.

Lack of Purchasing Card Policy

We noted that the County made multiple purchases, totaling at least \$29,000, with County credit cards during fiscal year 2023. The County credit cards are utilized primarily for smaller general purchases.

During testing, it was noted that one County credit card was earning cash back rewards, and one claim tested by the APA identified \$600 in cash back rewards that were used to offset the purchase price. Due to the high risk associated with cash back rewards, the APA asked whether the County Board had approved a formal policy to govern the use of the County credit cards, including any rewards earned through their use. The County was found to lack a purchasing card policy that outlines allowable purchases, authorized users, and how credit card rewards (e.g. points, cash back, etc.) are to be used and limited for the County's benefit.

Neb. Rev. Stat. § 13-610 (Reissue 2022) specifies the requirements for a political subdivision's purchasing card program, as provided below, in relevant part:

(1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card. Under the direction of its governing body, any political subdivision may contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third-party merchant banks capable of operating the purchasing card program on behalf of the political subdivision. Expenses associated with the political subdivision's purchasing card program shall be considered, for purposes of this section, as an administrative or operational expense.

* * * *

(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

* * * *

(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.

(Emphasis added.) Good internal controls and sound business practices require procedures to ensure the adoption of a formal policy for any purchasing card program authorized by the County Board. That policy should specify, among other things, allowable purchases, authorized users, and the proper disposition of credit card rewards.

Without such procedures, there is an increased risk for the misuse of the County's credit cards, leading to the possible loss or theft of public funds.

We recommend the County Board implement procedures to ensure the adoption of a formal policy for any purchasing card program authorized by the County Board. That policy should specify, among other things, allowable purchases, authorized users, and the proper disposition of credit card rewards.

Duplicate Payments

During the audit, we noted that one claim contained two duplicate payments. The total amount of overpayment was \$1,039, which is summarized in the table below:

Vendor	Claim #	Claim Date	Claim Register Description	Amount
Summit Fire Protection Co.	22100132	10/18/22	INV#110400353	\$ 55
Summit Fire Protection Co.	22100132	10/18/22	INV#110400354	147
Summit Fire Protection Co.	22100132	10/18/22	INV#110401117	66
Summit Fire Protection Co.	22100132	10/18/22	INV#110401118	65
Summit Fire Protection Co.	22100132	10/18/22	INV#110401119	100
Summit Fire Protection Co.	22100132	10/18/22	INV#110401120	107
Summit Fire Protection Co.	22100199	10/18/22	INV#110401478	174
Summit Fire Protection Co.	22100199	10/18/22	INV#110401725	325
			Original Claims Total	\$ 1,039
Summit Fire Protection Co.	22110263	11/22/22	INV#110400353	\$ 55
Summit Fire Protection Co.	22110263	11/22/22	INV#110400354	147
Summit Fire Protection Co.	22110263	11/22/22	INV#110401117	66
Summit Fire Protection Co.	22110263	11/22/22	INV#110401118	65
Summit Fire Protection Co.	22110263	11/22/22	INV#110401119	100
Summit Fire Protection Co.	22110263	11/22/22	INV#110401120	107
Summit Fire Protection Co.	22110328	11/22/22	INV#110401478	174
Summit Fire Protection Co.	22110328	11/22/22	INV#110401725	325
			Duplicate Payments Total	\$ 1,039

The County failed to identify this duplicate payment; instead, the vendor discovered the overpayment months later and refunded that amount to the County.

Good internal controls and sound business practices require 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 loss 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 CLERK

Election Reimbursement Costs

During our audit, we noted that reimbursement costs for the July 12, 2022, recall election at the Village of Malmo were overbilled by \$172.

Name of Expense	Billed Election Costs	Actual Election Expenses	Overage
Ballot Printing, stock, coding, and programming	\$ 1,858	\$ 1,438	\$ 420
Publication Cost	512	513	(1)
Election Supplies	420	667	(247)
Totals	\$ 2,790	\$ 2,618	\$ 172

Good internal controls and sound accounting practices require procedures to ensure that the amount charged for election reimbursement costs agrees to the actual costs incurred for such election, and supporting expense documentation is maintained.

Without such procedures, there is an increased risk for loss, misuse, or theft of county funds.

We recommend that the implement procedures to ensure the amount charged for election reimbursement costs agrees to the actual costs incurred for such election, and supporting expense documentation is maintained.

COUNTY OVERALL

Segregation of Duties

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.

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.

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 Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. Also, there are many checks and balances in place to prevent fraud.

* * * * *

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.

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.

Sincerely,



Dakota Christensen, CPA, CISA, CFE
Audit Manager