

SALINE COUNTY, NEBRASKA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

SALINE COUNTY

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INDEPENDENT AUDITORS' REPORT

County Board of Commissioners
Saline County, Nebraska
Wilber, Nebraska

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saline County, Nebraska as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Saline County, Nebraska, as of June 30, 2019, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters - Basis of Accounting

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Saline County, Nebraska's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, and schedules of office activity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, and schedules of office activity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statement, budgetary comparison information, and schedules of office activity are 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 December 18, 2019, on our consideration of Saline County, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Saline County, Nebraska's internal control over financial reporting and compliance.

Schulz & Associates

Schulz & Associates, P.C.
Certified Public Accountants
December 18, 2019

SALINE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2019

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ <u>8,657,603</u>
Total Assets	\$ <u><u>8,657,603</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	43,213
Emergency Services	375,308
Law Enforcement	4,716
Preservation of Records	39,520
Debt Service	643,657
Bridge/Road Projects	647,808
Child Support Enforcement	89,017
Unrestricted	<u>6,814,364</u>
Total Net Position	\$ <u><u>8,657,603</u></u>

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

SALINE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (4,717,112)	\$ 808,723	\$ 61,699	\$ (3,846,690)
Public Safety	(3,885,898)	2,172,294	40,129	(1,673,475)
Public Works	(4,847,515)	169,281	2,345,991	(2,332,243)
Public Welfare and Social Services	(184,286)		15,984	(168,302)
Culture and Recreation	(20,462)			(20,462)
Debt Service	<u>(1,053,496)</u>			<u>(1,053,496)</u>
 Total Governmental Activities	 <u>(14,708,769)</u>	 <u>3,150,298</u>	 <u>2,463,803</u>	 <u>(9,094,668)</u>
 General Receipts:				
Taxes				7,787,833
Intergovernmental				788,193
Interest Income				169,383
Licenses and Permits				72,435
Miscellaneous				<u>150,202</u>
 Total General Receipts				 <u>8,968,046</u>
 Change in Net Position				 (126,622)
 Net Position - Beginning				 <u>8,784,225</u>
 Net Position - Ending				 <u>\$ 8,657,603</u>

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

SALINE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2019

	Total Governmental Funds	General Fund	Inheritance Tax Fund	Road Fund	Other Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 8,657,603	\$ 600,988	\$ 5,171,583	\$ 223,042	\$ 2,661,990
Total Assets	\$ 8,657,603	\$ 600,988	\$ 5,171,583	\$ 223,042	\$ 2,661,990
FUND BALANCES					
Restricted for:					
Visitor Promotion	43,213				43,213
Emergency Services	375,308				375,308
Law Enforcement and Crime Prevention	4,716				4,716
Preservation of Records	39,520				39,520
Debt Service	643,657				643,657
Bridge/Road Projects	647,808				647,808
Child Support Enforcement	89,017				89,017
Committed to:					
Law Enforcement	479,971				479,971
Bridge/Road Maintenance	541,695			223,042	318,653
Aid and Assistance	9,759				9,759
Bailliff Services	10,173				10,173
Employee Wellness	195				195
Assigned to:					
Other Purposes	5,171,583		5,171,583		
Unassigned	600,988	600,988			
Total Cash Basis Fund Balances	\$ 8,657,603	600,988	5,171,583	223,042	2,661,990

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

SALINE COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Total Governmental Funds	General Fund	Inheritance Tax Fund	Road Fund	Other Governmental Funds
Receipts					
Taxes	\$ 7,787,833	\$ 6,416,051	\$ 671,909		\$ 699,873
Licenses and Permits	72,435	40,935		31,500	
Intergovernmental	3,251,996	649,107		1,605,132	997,757
Charges for Services	3,150,298	2,720,560		139,083	290,655
Interest	169,383	163,256	6,127		
Miscellaneous	150,202	44,835		26,449	78,918
Total Receipts	<u>14,582,147</u>	<u>10,034,744</u>	<u>678,036</u>	<u>1,802,164</u>	<u>2,067,203</u>
Disbursements					
General Government	4,717,112	4,555,474	79,953		81,685
Public Safety	3,885,898	3,462,791			423,107
Public Works	4,847,515	225,490		4,512,977	109,048
Public Assistance	184,286	40,988			143,298
Culture and Recreation	20,462				20,462
Debt Service:					
Principal Payments	670,000				670,000
Interest Payments	383,496				383,496
Total Disbursements	<u>14,708,769</u>	<u>8,284,743</u>	<u>79,953</u>	<u>4,512,977</u>	<u>1,831,096</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(126,622)</u>	<u>1,750,001</u>	<u>598,083</u>	<u>(2,710,813)</u>	<u>236,107</u>
Other Financing Sources (Uses)					
Transfers from Other Funds	8,764,200	1,524,134	2,627,712	3,831,706	780,648
Transfers to Other Funds	(8,764,200)	(3,973,761)	(2,847,789)	(1,241,364)	(701,286)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(2,449,627)</u>	<u>(220,077)</u>	<u>2,590,342</u>	<u>79,362</u>
Net Change in Fund Balances	(126,622)	(699,626)	378,006	(120,471)	315,469
Cash Basis Fund Balance - Beginning	<u>8,784,225</u>	<u>1,300,614</u>	<u>4,793,577</u>	<u>343,513</u>	<u>2,346,521</u>
Cash Basis Fund Balance - Ending	<u>\$ 8,657,603</u>	<u>\$ 600,988</u>	<u>\$ 5,171,583</u>	<u>\$ 223,042</u>	<u>\$ 2,661,990</u>

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

SALINE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS:				
Cash and Deposits	\$ 736,996	\$ 34,125,810	\$ 34,163,936	\$ 698,870
Total Assets	736,996	34,125,810	34,163,936	698,870
 LIABILITIES:				
Due to Other Governments:				
State	265,614	3,012,903	3,027,893	250,624
Schools	360,011	23,647,215	23,686,563	320,663
Educational Service Units	3,626	367,281	367,854	3,053
Technical Colleges	20,582	2,126,668	2,129,472	17,778
Natural Resources Districts	5,588	570,266	571,101	4,753
Fire Districts	4,187	282,731	283,210	3,708
Municipalities	69,212	2,736,557	2,721,445	84,324
Airport Authority	358	24,483	24,482	359
Agricultural Society	1,007	200,553	199,423	2,137
Historical Society	246	23,543	23,588	201
Hospital	1,254	151,853	152,280	827
Others	5,311	981,757	976,625	10,443
Total Liabilities	736,996	34,125,810	34,163,936	698,870
TOTAL NET POSITION	\$ 0	\$ 0	\$ 0	\$ 0

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

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies and procedures adopted by Saline County, Nebraska:

A. Reporting Entity

Saline County, Nebraska (County) is a governmental entity established under and governed by the laws of the state of Nebraska (State). A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the county are not misleading. The County, for financial purposes, includes all of the funds relevant to the operation of Saline County. The financial statements of the County include those of separately administered organizations that are controlled by, or dependent on, the County. Control or dependence is determined on the criteria of 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 benefits to or impose specific financial burdens on the county.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently received by the County Treasurer is reflected in the County's financial statements. Accountabilities of the monies for the various other offices of the county are presented in page 34 of this 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 (the primary government), and are in the format of government-wide financial statements as required by GASB Statement Number 34. These statements include all the financial activities of the County except for fiduciary activities. Internal activities in these statements have not been eliminated. Governmental GAAP would require internal activity to be eliminated to minimize double counting. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

1) Charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grant contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Continued):

Fund Financial Statements:

During the year, the county segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county at the more detailed level. The county uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Saline County's major governmental funds:

General Fund:

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

Inheritance Tax Fund:

The Inheritance Tax Fund is used to account for inheritance tax collected in accordance with Nebraska State Statute. The fund balance is available to the county for any purpose.

Road Fund:

This Road fund is a special revenue fund that accounts for revenues and expenditures for the maintenance, construction, and improvements of the roads of the county.

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

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

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

Debt Service Funds. These funds account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as:

Restricted - The fund balance is restricted by external impositions such as creditors, grantors, or law 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 has been separated based on the type of revenue.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Concluded):

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

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The County's only fiduciary funds are agency funds. The agency funds account for assets held by the County for political subdivisions in which the county acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

C. Measurement Focus and 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. Revenues are recognized when received and expenditures are recognized when warrants are paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which require 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 generally are recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

D. Assets and Net Position:

Cash and Cash Equivalents:

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

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):

D. Assets and Net Position (Concluded):

Investments:

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

Capital Assets:

Depreciation expense on capital assets were not recorded on the cash basis financial statements. Under GAAP, depreciation expense 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.

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 selected 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.

Compensated Absences:

Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as an expenditure 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 their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

NOTE 2: PROPERTY TAXES:

Property taxes are levied by the County by October 15 of each year for all political subdivisions in the County. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of Motor Vehicle.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2: PROPERTY TAXES (CONCLUDED):

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-Local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people.

The levy set in October for 2019 taxes which will be materially collected in May and September, 2020, was set at \$0.308551/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State Statute.

In addition, there is currently a legislative imposed lid limitation, which limits taxation to the prior year's level with provisions for growth. It may be increased by 1% by a three/fourths majority of the County Board.

NOTE 3: DEPOSITS AND INVESTMENTS:

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Each fund's portion of total cash and investments is summarized by fund type on the combined statement of assets and other debits, liabilities, and fund balances arising from cash transactions as "equity in pooled cash and investments". Interest earned on pooled funds is credited to County General Fund in accordance with Section 77-2315, (Reissue 2009). Investments made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

The types of investments the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest.

At year end, the County's carrying amount of deposits was \$8,657,603 and \$698,870 for Fiduciary funds. The bank balance for all funds totaled \$ 9,317,294. For purposes of classifying categories of custodial risk, the bank balances of deposits as of June 30, 2019 were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County had \$3,050,000 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven 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 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 participant's 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.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4: RETIREMENT PROGRAM:

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2014, Supp. 2015) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees upon the completion of 12 months of continuous service and of all full time elected officials upon taking office.

Full or part time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 25 and completing a total of 12 months service within a five-year period. Part time elected officials may exercise the option to join. County employees and elected officials contribute 4.5% of their total compensation except for Certified Law Enforcement employees who contribute 5.5%. In addition, the County contributes an amount equal to 150% of the employee's contribution.

The contribution rates are established by Neb. Rev. Stat. Sections 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, including the twelve-month eligibility period or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

For the year ended June 30, 2019, the employees contributed \$244,305 and the County contributed \$360,810, which consisted of cash contributions. Lastly, the County paid \$96 directly to two retired employees for prior service benefits.

NOTE 5: DEFERRED COMPENSATION PLAN:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. The plan is recorded as an agency fund of the county.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the County (without being restricted to the revisions of the plan) subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5: DEFERRED COMPENSATION PLAN (CONCLUDED):

The following is a summary of the increases and decreases of the fund for the year ended June 30, 2019:

Fund Assets (at market value), July 1, 2018	\$ 880,209
Deferrals of compensation	57,953
Withdrawals	(338,101)
Net earnings and adjustments to market value	<u>61,982</u>
Fund Assets (at market value), June 30, 2019	<u>\$ 662,043</u>

NOTE 6: INTERFUND TRANSFERS:

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

Transfers to	<u>Transfers from</u>				Total
	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Nonmajor Funds</u>	
General Fund		1,364	1,499,699	23,071	1,524,134
Road Fund	2,359,006		1,250,000	222,700	3,831,706
Inheritance Fund	1,322,000	960,000		345,712	2,627,712
Nonmajor Funds	292,755	280,000	98,090	109,803	780,648
Total	<u>3,973,761</u>	<u>1,241,364</u>	<u>2,847,789</u>	<u>701,286</u>	<u>8,764,200</u>

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. During the fiscal year, the County made multiple transfers from the General Fund and Inheritance Fund to other nonmajor funds, which were eventually repaid back to the General and Inheritance Funds.

NOTE 7: FEDERALLY ASSISTED PROGRAMS:

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursements.

It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2019.

NOTE 8: RELATED PARTY TRANSACTIONS:

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2019.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9: ACCUMULATED COMPENSATED ABSENCES:

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's services, the accumulated vacation would be paid but the sick leave would be forfeited. The cost of vacation and sick leave are recognized when payments are made to the individual.

NOTE 10: JOINT VENTURE:

Saline County has entered into an agreement with the other counties in Region V in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region V consists of sixteen counties. Separate agreements were established under the authority of the Inter-Local Cooperation Act for services to be provided under each of the acts. The governing boards for Region V services are established by Statute and the agreements and include 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 boards and as required by the Acts. Funding is provided by a combination of federal, state, local, and private funding. Saline County contributed \$91,169 towards the operation of Region V during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Public Institutions requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

NOTE 11: LONG-TERM DEBT:

Bonds

Highway Allocation Bond

The County issued bonds in 2012, in the amount of \$6,015,000 for the purpose of paying the costs of certain streets, highways, and roads within Saline County. The bond payable, as of June 30, 2019, was \$4,465,000. 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.

Law Enforcement Center Jail Bond

The County originally issued bonds to construct a new jail and certain costs of issuing a bond. The original bond was refinanced with Series 2014 refunding bonds to lower the interest rate. The original amount of refunding bonds was \$2,550,000. The bond payable balance, as of June 30, 2019, was \$545,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of the bonds. Future tax resources will be used to pay off bonds.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11: LONG-TERM DEBT (CONCLUDED):

Courthouse Building Bond

The County issued bonds on June 11, 2015, in the amount of \$7,715,000 for the purpose of paying the costs of renovating and improving its existing courthouse and constructing an addition thereto, which has not yet been completed, and certain costs of issuing the bonds. The bond payable balance, as of June 30, 2019, was \$7,715,000. 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 payments will be used to pay off these bonds.

Total Future Payments on All Bonds:

<u>Fiscal Year</u> <u>End June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 680,000	\$ 373,708	\$ 1,053,708
2021	675,000	361,553	1,036,553
2022	690,000	347,515	1,037,515
2023	705,000	332,118	1,037,118
2024	715,000	315,238	1,030,238
2025-29	3,890,000	1,260,863	5,150,863
2030-34	4,155,000	578,923	4,733,923
2035-39	<u>1,215,000</u>	<u>45,883</u>	<u>1,260,883</u>
Total	<u>12,725,000</u>	<u>3,615,801</u>	<u>16,340,801</u>

NOTE 12: RISK MANAGEMENT:

The County is exposed to various risks of loss related to 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 68 counties throughout Nebraska.

The County pays an annual deposit premium as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire Pool.

If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, shall be sent to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each county shall remain liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such county's period of membership.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 12: RISK MANAGEMENT (CONCLUDED):

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

	<u>NIRMA Coverage</u>	<u>Maximum Coverage</u>
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost
General Liability Claim	300,000	5,000,000
Worker's Compensation Claim	500,000	Statutory Limits

The County has not paid any additional assessments to the Pool in the last three fiscal years and no assessments are anticipated for fiscal year 2019. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

NOTE 13: COMMITMENTS:

The County has three capital projects for which bids have been accepted but not paid. No work was started on any of these projects before June 30, 2019. The first capital project is DeWitt bridge project with Herbst Construction for \$858,504. The second project was for box culverts with Vogtsapes Incorporated for \$303,045. The last project is a road shop in Friend with Astro Buildings for \$159,636. These total commitments add up to \$1,321,185.

NOTE 14: CONTINGENT LIABILITIES

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

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
RECEIPTS				
Property Taxes	\$ 7,002,449	\$ 7,002,449	\$ 6,416,051	\$ (586,398)
Licenses and Permits	37,000	37,000	40,935	3,935
Intergovernmental	82,400	82,400	649,107	566,707
Charges for Services	2,487,100	2,487,100	2,720,560	233,460
Interest	50,000	50,000	163,256	113,256
Miscellaneous	<u>25,500</u>	<u>25,500</u>	<u>44,835</u>	<u>19,335</u>
TOTAL RECEIPTS	<u>9,684,449</u>	<u>9,684,449</u>	<u>10,034,744</u>	<u>350,295</u>
DISBURSEMENTS				
General Government:				
Board of Supervisors	166,850	166,850	157,082	9,768
Clerk	207,919	207,919	199,363	8,556
Treasurer	300,000	300,000	268,316	31,684
Assessor	299,520	299,520	274,253	25,267
Election Commissioner	47,500	47,500	43,251	4,249
Planning & Zoning	20,681	20,681	19,492	1,189
Data Processing	27,000	27,000	26,838	162
Administrative Services	54,794	54,794	52,575	2,219
Clerk of District Court	107,259	107,259	101,275	5,984
County Court System	18,000	18,000	12,000	6,000
Building & Grounds	290,400	290,400	275,043	15,357
Agricultural Extension Agent	159,880	159,880	159,514	366
Miscellaneous	3,316,326	3,316,326	2,966,472	349,854
Public Safety:				
Sheriff	959,579	959,579	949,123	10,456
County Attorney	232,365	232,365	218,491	13,874
Attorney-Child Support	118,225	118,225	86,869	31,356
CDC-Child Support	349,078	349,078	49,431	299,647
County Jail	1,843,192	1,843,192	1,812,221	30,971
911 Emergency	278,820	278,820	271,771	7,049
Emergency Management	74,900	74,900	74,885	15
Public Works:				
Highway Superintendent	156,750	156,750	139,779	16,971
Surveyor	32,592	32,592	29,993	2,599
Noxious Weed	57,124	57,124	55,718	1,406
Public Assistance:				
Veterans' Service Officer	44,531	44,531	40,988	3,543
TOTAL DISBURSEMENTS	<u>9,163,285</u>	<u>9,163,285</u>	<u>8,284,743</u>	<u>878,542</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>521,164</u>	<u>521,164</u>	<u>1,750,001</u>	<u>1,228,837</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,281,105	1,281,105	1,524,134	243,029
Transfers to Other Funds	<u>(2,727,349)</u>	<u>(2,727,349)</u>	<u>(3,973,761)</u>	<u>(1,246,412)</u>
Net Change in Fund Balance	(925,080)	(925,080)	(699,626)	225,454
FUND BALANCES - BEGINNING	<u>1,300,614</u>	<u>1,300,614</u>	<u>1,300,614</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 375,534</u>	<u>\$ 375,534</u>	<u>\$ 600,988</u>	<u>\$ 225,454</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>INHERITANCE TAX</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Taxes	\$ 250,000	\$ 250,000	\$ 671,909	\$ 421,909
Interest	<u>0</u>	<u>0</u>	<u>6,127</u>	<u>6,127</u>
Total Receipts	<u>250,000</u>	<u>250,000</u>	<u>678,036</u>	<u>428,036</u>
Disbursements	<u>5,141,849</u>	<u>5,141,849</u>	<u>79,953</u>	<u>5,061,896</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(4,891,849)</u>	<u>(4,891,849)</u>	<u>598,083</u>	<u>5,489,932</u>
Other Financing Sources				
Transfer from Other Fund	98,272	98,272	2,627,712	2,529,440
Transfer to Other Fund	<u>0</u>	<u>0</u>	<u>(2,847,789)</u>	<u>(2,847,789)</u>
Total Other Financing Sources (Uses)	<u>98,272</u>	<u>98,272</u>	<u>(220,077)</u>	<u>(318,349)</u>
Net Change in Fund Balance	(4,793,577)	(4,793,577)	378,006	5,171,583
Fund Balance at Beginning of Year	<u>4,793,577</u>	<u>4,793,577</u>	<u>4,793,577</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,171,583</u>	<u>\$ 5,171,583</u>
<u>ROAD FUND</u>				
Receipts				
License and Permits	\$ 5,000	\$ 5,000	\$ 31,500	\$ 26,500
Intergovernmental	1,920,819	1,920,819	1,605,132	(315,687)
Charges for Services	179,500	179,500	139,083	(40,417)
Miscellaneous	<u>70,000</u>	<u>70,000</u>	<u>26,449</u>	<u>(43,551)</u>
Total Receipts	<u>2,175,319</u>	<u>2,175,319</u>	<u>1,802,164</u>	<u>(373,155)</u>
Disbursements	<u>4,714,400</u>	<u>4,714,400</u>	<u>4,512,977</u>	<u>201,423</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(2,539,081)</u>	<u>(2,539,081)</u>	<u>(2,710,813)</u>	<u>(171,732)</u>
Other Financing Sources:				
Transfer from Other Fund	2,496,000	2,496,000	3,831,706	1,335,706
Transfer to Other Fund	<u>0</u>	<u>0</u>	<u>(1,241,364)</u>	<u>(1,241,364)</u>
Net Change in Fund Balance	(43,081)	(43,081)	(120,471)	(77,390)
Fund Balance at Beginning of Year	<u>343,513</u>	<u>343,513</u>	<u>343,513</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 300,432</u>	<u>\$ 300,432</u>	<u>\$ 223,042</u>	<u>\$ (77,390)</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>DISTRICT COURT - BALIFF FUND</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Intergovernmental	\$ 47,491	\$ 47,491	\$ 47,491	\$ 0
Disbursements	76,721	76,721	71,449	5,272
Transfer from Other Funds	26,887	26,887	33,487	6,600
Transfer to Other Funds	0	0	(7,600)	(7,600)
Net Change in Fund Balance	(2,343)	(2,343)	1,929	4,272
Fund Balance at Beginning of Year	8,244	8,244	8,244	0
Fund Balance at End of Year	<u>\$ 5,901</u>	<u>\$ 5,901</u>	<u>\$ 10,173</u>	<u>\$ 4,272</u>
<u>CHILD SUPPORT ENFORCEMENT FUND</u>				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 15,984	\$ 15,984
Disbursements	73,033	73,033	0	73,033
Net Change in Fund Balance	(73,033)	(73,033)	15,984	89,017
Fund Balance at Beginning of Year	73,033	73,033	73,033	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 89,017</u>	<u>\$ 89,017</u>
<u>VISITOR PROMOTION FUND</u>				
Receipts				
Taxes	\$ 13,917	\$ 13,917	\$ 11,432	\$ (2,485)
Disbursements	32,000	32,000	8,465	23,535
Transfer from Other Funds	0	0	4,530	4,530
Net Change in Fund Balance	(18,083)	(18,083)	7,497	25,580
Fund Balance at Beginning of Year	18,083	18,083	18,083	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,580</u>	<u>\$ 25,580</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>VISITORS IMPROVEMENT FUND</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Taxes	\$ 5,929	\$ 5,929	\$ 6,531	\$ 602
Disbursements	16,000	16,000	3,499	12,501
Transfer from Other Funds	0	0	4,530	4,530
Net Change in Fund Balance	(10,071)	(10,071)	7,562	17,633
Fund Balance at Beginning of Year	10,071	10,071	10,071	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,633</u>	<u>\$ 17,633</u>
<u>REAPPRAISAL FUND</u>				
Receipts				
Miscellaneous	\$ 0	\$ 0	\$ 11,050	\$ 11,050
Disbursements	75,400	75,400	44,561	30,839
Transfer from Other Funds	75,140	75,140	33,251	(41,889)
Net Change in Fund Balance	(260)	(260)	(260)	0
Fund Balance at Beginning of Year	260	260	260	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>JUVENILE SERVICES AND GRANT</u>				
Receipts				
Intergovernmental	\$ 50,502	\$ 50,502	\$ 40,137	\$ (10,365)
Disbursements	54,097	54,097	39,285	14,812
Transfer from Other Fund	0	0	269	269
Net Change in Fund Balance	(3,595)	(3,595)	1,121	4,716
Fund Balance at Beginning of Year	3,595	3,595	3,595	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,716</u>	<u>\$ 4,716</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>EMPLOYMENT SECURITY</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Miscellaneous	\$ 0	\$ 0	\$ 0	\$ 0
Disbursements	2,106	2,106	1,104	1,002
Transfer from Other Fund	2,002	2,002	3,003	1,001
Transfer to Other Fund	0	0	(2,003)	(2,003)
Net Change in Fund Balance	(104)	(104)	(104)	0
Fund Balance at Beginning of Year	104	104	104	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>VETERAN'S AID FUND</u>				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 2	\$ 2
Disbursements	4,330	4,330	0	4,330
Net Change in Fund Balance	(4,330)	(4,330)	2	4,332
Fund Balance at Beginning of Year	4,330	4,330	4,330	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,332</u>	<u>\$ 4,332</u>
<u>DRUG LAW ENFORCEMENT</u>				
Receipts				
Miscellaneous	\$ 100	\$ 100	\$ 0	\$ (100)
Disbursements	100	100	0	100
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>AGING SERVICES FUND</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Intergovernmental	\$ 74,995	\$ 74,995	\$ 66,518	(8,477)
Miscellaneous	90,316	90,316	63,811	\$ (26,505)
Disbursements	188,438	188,438	143,298	45,140
Transfer from Other Fund	15,258	15,258	12,842	(2,416)
Transfer to Other Fund	0	0	(2,315)	(2,315)
Net Change in Fund Balance	(7,869)	(7,869)	(2,442)	5,427
Fund Balance at Beginning of Year	7,869	7,869	7,869	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,427</u>	<u>\$ 5,427</u>
<u>JUVENILE DIVERSION</u>				
Receipts				
Charges for Services	\$ 900	\$ 900	\$ 650	\$ (250)
Disbursements	9,990	9,990	381	9,609
Transfer to Other Fund	0	0	(269)	(269)
Net Change in Fund Balance	(9,090)	(9,090)	0	9,090
Fund Balance at Beginning of Year	9,090	9,090	9,090	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,090</u>	<u>\$ 9,090</u>
<u>VETERANS' MEMORIAL FUND</u>				
Receipts				
Taxes	\$ 5,929	\$ 5,929	\$ 4,900	\$ (1,029)
Disbursements	18,587	18,587	8,498	10,089
Transfer to Other Fund	0	0	(9,060)	(9,060)
Net Change in Fund Balance	(12,658)	(12,658)	(12,658)	0
Fund Balance at Beginning of Year	12,658	12,658	12,658	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

DRUG COURT FUND	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Intergovernmental	\$ 14,877	\$ 14,877	\$ 14,877	0
Miscellaneous	4,050	4,050	4,057	\$ 7
Disbursements	32,474	32,474	25,327	7,147
Transfer from Other Fund	4,626	4,626	4,626	0
Net Change in Fund Balance	(8,921)	(8,921)	(1,767)	7,154
Fund Balance at Beginning of Year	8,921	8,921	8,921	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,154</u>	<u>\$ 7,154</u>
GRANT FUND				
Receipts				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 14,206	\$ (85,794)
Disbursements	100,345	100,345	13,268	87,077
Transfer from Other Fund	0	0	13,082	13,082
Transfer to Other Fund	0	0	(14,142)	(14,142)
Net Change in Fund Balance	(345)	(345)	(122)	223
Fund Balance at Beginning of Year	345	345	345	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 223</u>	<u>\$ 223</u>
EMPLOYEE WELLNESS FUND				
Receipts				
Charges for Service	\$ 4,300	\$ 4,300	\$ 3,032	\$ (1,268)
Disbursements	24,350	24,350	17,844	6,506
Transfer from Other Fund	13,173	13,173	8,130	(5,043)
Net Change in Fund Balance	(6,877)	(6,877)	(6,682)	195
Fund Balance at Beginning of Year	6,877	6,877	6,877	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 195</u>	<u>\$ 195</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>HOMELAND SECURITY FUND</u>				
Receipts				
Intergovernmental	\$ 26,373	\$ 26,373	\$ 0	\$ (26,373)
Disbursements	27,000	27,000	0	27,000
Net Change in Fund Balance	(627)	(627)	0	627
Fund Balance at Beginning of Year	627	627	627	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 627</u>	<u>\$ 627</u>
<u>EMERGENCY PREPAREDNESS FUND</u>				
Receipts				
Intergovernmental	\$ 28,679	\$ 28,679	\$ 0	\$ (28,679)
Disbursements	50,650	50,650	10,727	39,923
Transfer from Other Fund	0	0	5,696	5,696
Transfer to Other Fund	0	0	(16,922)	(16,922)
Net Change in Fund Balance	(21,971)	(21,971)	(21,953)	18
Fund Balance at Beginning of Year	21,971	21,971	21,971	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18</u>	<u>\$ 18</u>
<u>911 WIRELESS SERVICE FUND</u>				
Receipts				
Intergovernmental	\$ 62,524	\$ 62,524	\$ 63,498	\$ 974
Disbursements	111,000	111,000	16,365	94,635
Transfer to other Fund	0	0	(45,625)	(45,625)
Net Change in Fund Balance	(48,476)	(48,476)	1,508	49,984
Fund Balance at Beginning of Year	48,476	48,476	48,476	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 49,984</u>	<u>\$ 49,984</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

911 EMERGENCY MANAGEMENT FUND	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Charges for Service	\$ 30,440	\$ 30,440	\$ 30,198	\$ (242)
Disbursements	113,000	113,000	29,145	83,855
Net Change in Fund Balance	(82,560)	(82,560)	1,053	83,613
Fund Balance at Beginning of Year	82,560	82,560	82,560	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 83,613	\$ 83,613
COMMISSARY FUND				
Receipts				
Charges for Services	\$ 175,488	\$ 175,488	\$ 232,839	\$ 57,351
Disbursements	424,000	424,000	155,022	268,978
Net Change in Fund Balance	(248,512)	(248,512)	77,817	326,329
Fund Balance at Beginning of Year	248,512	248,512	248,512	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 326,329	\$ 326,329
HIGHWAY BRIDGE BUYBACK				
Receipts				
Intergovernmental	\$ 338,371	\$ 338,371	\$ 338,371	\$ 0
Disbursements	756,633	756,633	109,048	647,585
Net Change in Fund Balance	(418,262)	(418,262)	229,323	647,585
Fund Balance at Beginning of Year	418,262	418,262	418,262	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 647,585	\$ 647,585

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>CRIME PREVENTION FUND</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Charges for Service	\$ 10,865	\$ 10,865	\$ 15,475	\$ 4,610
Disbursements	145,000	145,000	12,212	132,788
Net Change in Fund Balance	(134,135)	(134,135)	3,263	137,398
Fund Balance at Beginning of Year	134,135	134,135	134,135	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 137,398</u>	<u>\$ 137,398</u>
<u>INFRA DAMAGE/DISASTER FUND</u>				
Receipts	\$ 0	\$ 0	\$ 0	\$ 0
Disbursements	1,100	1,100	0	1,100
Net Change in Fund Balance	(1,100)	(1,100)	0	1,100
Fund Balance at Beginning of Year	1,100	1,100	1,100	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>
<u>COUNTY BUILDING FUND</u>				
Receipts				
Miscellaneous	\$ 0	\$ 0	\$ 0	\$ 0
Disbursements	17,500	17,500	18,176	(676)
Transfer from Other Fund	12,913	12,913	13,589	676
Net Change in Fund Balance	(4,587)	(4,587)	(4,587)	0
Fund Balance at Beginning of Year	4,587	4,587	4,587	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REGISTER OF DEEDS PRESERVATION & MODERNIZATION				
Receipts				
Charges for Services	\$ 8,941	\$ 8,941	\$ 8,461	\$ (480)
Disbursements	40,000	40,000	0	40,000
Net Change in Fund Balance	(31,059)	(31,059)	8,461	39,520
Fund Balance at Beginning of Year	31,059	31,059	31,059	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,520</u>	<u>\$ 39,520</u>
EMERGENCY BRIDGE FUND				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 12	\$ 12
Disbursements	173,256	173,256	0	173,256
Transfer from Other Funds	0	0	300,000	300,000
Transfer from Other Funds	0	0	(300,000)	(300,000)
Net Change in Fund Balance	(173,256)	(173,256)	12	173,268
Fund Balance at Beginning of Year	173,256	173,256	173,256	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 173,268</u>	<u>\$ 173,268</u>
COURTHOUSE BUILDING BOND				
Receipts				
Taxes	\$ 247,860	\$ 247,860	\$ 227,623	\$ (20,237)
Intergovernmental	800	800	21,327	20,527
Total Receipts	<u>248,660</u>	<u>248,660</u>	<u>248,950</u>	<u>290</u>
Disbursements				
Interest Payments	274,516	274,516	237,528	36,988
Transfer from Other Funds	81,350	81,350	170,000	88,650
Transfer to Other Funds	(81,350)	(81,350)	(173,350)	(92,000)
Net Change in Fund Balance	(25,856)	(25,856)	8,072	33,928
Fund Balance at Beginning of Year	25,856	25,856	25,856	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,928</u>	<u>\$ 33,928</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL ROAD FUND	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>144,285</u>	<u>144,285</u>	<u>0</u>	<u>144,285</u>
Transfer from Other Fund	0	0	130,000	130,000
Transfer to Other Fund	<u>0</u>	<u>0</u>	<u>(130,000)</u>	<u>(130,000)</u>
Net Change in Fund Balance	(144,285)	(144,285)	0	144,285
Fund Balance at Beginning of Year	<u>144,285</u>	<u>144,285</u>	<u>144,285</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 144,285</u>	<u>\$ 144,285</u>
FED DRUG LAW ENFORCEMENT				
Receipts				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 0	\$ (2,000)
Disbursements	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
HIGHWAY BOND				
Receipts				
Intergovernmental	\$ 402,681	\$ 402,681	\$ 402,681	\$ 0
Disbursements				
Principal Payments	265,000	265,000	265,000	0
Interest Payments	<u>370,635</u>	<u>370,635</u>	<u>134,891</u>	<u>235,744</u>
Net Change in Fund Balance	(232,954)	(232,954)	2,790	235,744
Fund Balance at Beginning of Year	<u>232,954</u>	<u>232,954</u>	<u>232,954</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 235,744</u>	<u>\$ 235,744</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

JAIL BOND	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts				
Property Taxes	\$ 420,146	\$ 420,146	\$ 385,889	\$ (34,257)
Intergovernmental	<u>1,400</u>	<u>1,400</u>	<u>36,151</u>	<u>34,751</u>
Disbursements				
Principal	778,490	778,490	405,000	373,490
Interest	<u>11,078</u>	<u>11,078</u>	<u>11,077</u>	<u>1</u>
Net Change in Fund Balance	(368,022)	(368,022)	5,963	373,985
Fund Balance at Beginning of Year	<u>368,022</u>	<u>368,022</u>	<u>368,022</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 373,985</u>	<u>\$ 373,985</u>
WIRELESS SERVICE-HOLDING				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Disbursements	<u>291,515</u>	<u>291,515</u>	<u>49,926</u>	<u>241,589</u>
Transfer from Other Fund	<u>44,136</u>	<u>44,136</u>	<u>43,613</u>	<u>523</u>
Net Change in Fund Balance	(247,379)	(247,379)	(6,313)	(241,066)
Fund Balance at Beginning of Year	<u>247,379</u>	<u>247,379</u>	<u>247,379</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 241,066</u>	<u>\$ (241,066)</u>

**SALINE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Total Nonmajor Governmental Funds	District Court - Bailliff Fund	Child Support Enforcement Fund	Visitors Promotion Fund	Visitor Improvement Fund
Receipts:					
Intergovernmental	\$ 997,757	\$ 47,491	\$ 15,984		\$
Taxes	699,873			11,432	6,531
Charges for Service	290,655				
Miscellaneous	78,918				
Total Receipts	<u>2,067,203</u>	<u>47,491</u>	<u>15,984</u>	<u>11,432</u>	<u>6,531</u>
Disbursements:					
General Government	81,685				
Public Safety	423,107	71,449	0		
Public Works	109,048				
Public Assistance	143,298				
Culture and Recreation	20,462				
Debt Service: Principal Payments	670,000			8,465	3,499
Interest Payments	383,496				
Total Disbursement	<u>1,831,096</u>	<u>71,449</u>	<u>0</u>	<u>8,465</u>	<u>3,499</u>
Other Financing Sources					
Transfers In	780,648	33,487		4,530	4,530
Transfers Out	(701,286)	(7,600)			
Total Other Financing Sources	<u>79,362</u>	<u>25,887</u>	<u>0</u>	<u>4,530</u>	<u>4,530</u>
Net Change in Fund Balance	315,469	1,929	15,984	7,497	7,562
Fund Balances at Beginning of Year	<u>2,346,521</u>	<u>8,244</u>	<u>73,033</u>	<u>18,083</u>	<u>10,071</u>
Fund Balances at End of Year	<u>\$ 2,661,990</u>	<u>\$ 10,173</u>	<u>\$ 89,017</u>	<u>\$ 25,580</u>	<u>\$ 17,633</u>

Reappraisal Fund	Employment Security	Veterans' Aid Fund	Aging Services Fund	Juvenile Diversion	Drug Court Fund	Grant Fund	Homeland Security Fund	Emergency Preparedness Fund
\$	\$	\$ 2	\$ 66,518	\$	\$ 14,877	\$ 14,206	\$ 0	\$ 0
<u>11,050</u>	<u>0</u>		<u>63,811</u>	650	<u>4,057</u>			
<u>11,050</u>	<u>0</u>	<u>2</u>	<u>130,329</u>	<u>650</u>	<u>18,934</u>	<u>14,206</u>	<u>0</u>	<u>0</u>
44,561	1,104							
		0	143,298					
<u>44,561</u>	<u>1,104</u>	<u>0</u>	<u>143,298</u>	<u>381</u>	<u>25,327</u>	<u>13,268</u>	<u>0</u>	<u>10,727</u>
33,251	3,003		12,842		4,626	13,082		5,696
	(2,003)		(2,315)	(269)		(14,142)		(16,922)
<u>33,251</u>	<u>1,000</u>	<u>0</u>	<u>10,527</u>	<u>(269)</u>	<u>4,626</u>	<u>(1,060)</u>	<u>0</u>	<u>(11,226)</u>
(260)	(104)	2	(2,442)	0	(1,767)	(122)	0	(21,953)
<u>260</u>	<u>104</u>	<u>4,330</u>	<u>7,869</u>	<u>9,090</u>	<u>8,921</u>	<u>345</u>	<u>627</u>	<u>21,971</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,332</u>	<u>\$ 5,427</u>	<u>\$ 9,090</u>	<u>\$ 7,154</u>	<u>\$ 223</u>	<u>\$ 627</u>	<u>\$ 18</u>

911 Emergency Management Fund	Commissary Fund	Crime Prevention Fund	Infra Damage/ Disaster Fund	Jail Bond Fund	Register of Deeds Preservation and Modernization	Emergency Bridge Fund	Special Road Fund	Fed Drug Law Enforcement Fund
\$	\$	\$	\$ 0	\$ 36,151 385,889	\$	\$ 12	\$ 0	\$ 0
30,198	232,839	15,475			8,461			
<u>30,198</u>	<u>232,839</u>	<u>15,475</u>	<u>0</u>	<u>422,040</u>	<u>8,461</u>	<u>12</u>	<u>0</u>	<u>0</u>
29,145	155,022	12,212	0		0	0	0	0
				405,000 11,077				
<u>29,145</u>	<u>155,022</u>	<u>12,212</u>	<u>0</u>	<u>416,077</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						300,000 (300,000)	130,000 (130,000)	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,053	77,817	3,263	0	5,963	8,461	12	0	0
<u>82,560</u>	<u>248,512</u>	<u>134,135</u>	<u>1,100</u>	<u>368,022</u>	<u>31,059</u>	<u>173,256</u>	<u>144,285</u>	<u>0</u>
<u>\$ 83,613</u>	<u>\$ 326,329</u>	<u>\$ 137,398</u>	<u>\$ 1,100</u>	<u>\$ 373,985</u>	<u>\$ 39,520</u>	<u>\$ 173,268</u>	<u>\$ 144,285</u>	<u>\$ 0</u>

County Buildling Fund	Highway Bond	Highway Bridge Buyback	Employee Wellness	911 Wireless Services	Veterans Memorial	Wireless Service-Holding	Juvenile Services and Grant	Courthouse Building Bond Fund
\$	\$ 402,681	\$ 338,371	\$	\$ 63,498	\$ 4,900	\$	\$ 40,137	\$ 21,327
			3,032					227,623
<u>0</u>								
<u>0</u>	<u>402,681</u>	<u>338,371</u>	<u>3,032</u>	<u>63,498</u>	<u>4,900</u>	<u>0</u>	<u>40,137</u>	<u>248,950</u>
18,176			17,844	16,365		49,926	39,285	
		109,048						
	265,000				8,498			
	<u>134,891</u>							<u>237,528</u>
<u>18,176</u>	<u>399,891</u>	<u>109,048</u>	<u>17,844</u>	<u>16,365</u>	<u>8,498</u>	<u>49,926</u>	<u>39,285</u>	<u>237,528</u>
13,589			8,130	(45,625)	(9,060)	43,613	269	170,000
								(173,350)
<u>13,589</u>	<u>0</u>	<u>0</u>	<u>8,130</u>	<u>(45,625)</u>	<u>(9,060)</u>	<u>43,613</u>	<u>269</u>	<u>(3,350)</u>
(4,587)	2,790	229,323	(6,682)	1,508	(12,658)	(6,313)	1,121	8,072
<u>4,587</u>	<u>232,954</u>	<u>418,262</u>	<u>6,877</u>	<u>48,476</u>	<u>12,658</u>	<u>247,379</u>	<u>3,595</u>	<u>25,856</u>
<u>\$ 0</u>	<u>\$ 235,744</u>	<u>\$ 647,585</u>	<u>\$ 195</u>	<u>\$ 49,984</u>	<u>\$ 0</u>	<u>\$ 241,066</u>	<u>\$ 4,716</u>	<u>\$ 33,928</u>

**SALINE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>County Clerk</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Highway Superintendent</u>	<u>Veterans' Aid</u>	<u>County Planning and Zoning</u>	<u>County Aging Service</u>	<u>UNL Extension</u>	<u>County Wellness Program</u>	<u>Total Memorandum Only</u>
BALANCE, JULY 1, 2018	\$ 13,513	\$ 84,652	\$ 30,658	\$ 2,546	\$ 0	\$ 3,017	\$ 0	\$ 2,277	\$ 6,817	\$ 0	\$ 143,480
RECEIPTS											
License and Permits			890		500		1,025				2,415
Intergovernmental					668,858			10,171			679,029
Charges for Services	96,470	30,491	276,250	190	69,201			22,866			495,468
State Fees	104,477	25,643						83,141	18,163		231,424
Other Liabilities		187,489	315,420	14,249							517,158
Miscellaneous				3,512				14,251		3,032	17,763
Total Receipts	<u>200,947</u>	<u>243,623</u>	<u>592,560</u>	<u>17,951</u>	<u>738,559</u>	<u>0</u>	<u>1,025</u>	<u>130,429</u>	<u>18,163</u>	<u>3,032</u>	<u>1,943,257</u>
DISBURSEMENTS											
Payments to County Treasurer	95,672	31,959	278,245	190	732,954		1,025	132,606		3,032	1,272,651
Payments to State Treasurer	102,884	26,404									129,288
Other Liabilities		201,755	310,807	17,761		439			18,128		548,890
Total Disbursements	<u>198,556</u>	<u>260,118</u>	<u>589,052</u>	<u>17,951</u>	<u>732,954</u>	<u>439</u>	<u>1,025</u>	<u>132,606</u>	<u>18,128</u>	<u>3,032</u>	<u>1,950,829</u>
BALANCE, JUNE 30, 2019	<u>\$ 15,904</u>	<u>\$ 68,157</u>	<u>\$ 34,166</u>	<u>\$ 2,546</u>	<u>\$ 5,605</u>	<u>\$ 2,578</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 6,852</u>	<u>\$ 0</u>	<u>\$ 135,908</u>
BALANCE CONSISTS OF:											
Petty Cash				2,500				100			2,600
Due to County Treasurer	8,054	1,470	21,901	46	5,605	2,578					39,654
Due to State Treasurer	7,850	1,571									9,421
Due to Others		65,116	12,265						6,852		84,233
BALANCE, JUNE 30, 2019	<u>\$ 15,904</u>	<u>\$ 68,157</u>	<u>\$ 34,166</u>	<u>\$ 2,546</u>	<u>\$ 5,605</u>	<u>\$ 2,578</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 6,852</u>	<u>\$ 0</u>	<u>\$ 135,908</u>

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INDEPENDENT AUDITORS' 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

County Board of Commissioners
Saline County
Wilber, Nebraska

We have audited, in accordance with the 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 Saline County, Nebraska as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 18, 2019. The report states that the financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saline County, Nebraska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saline County, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Saline County, Nebraska'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Internal Control over Financial Reporting, continued

We identified the following deficiency in internal control described below that we consider to be a significant deficiency in internal control over financial reporting:

- The County offices had a lack of segregation of duties since 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. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost.

County's Response: We are aware of this concern and understand that it is at times impossible for proper segregation of duties due to limited staff. It is correct to say that funds are also limited to hire more staffing to separate these duties.

Compliance and Other Matters

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

Additional Items

We also noted matters that we reported to the management of Saline County in a separate letter dated December 18, 2019.

Saline County's Response to Findings

Saline County's response to the findings identified in our audit is described above. Saline County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Saline County, Nebraska'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.

Schulz & Associates

SCHULZ & ASSOCIATES, P.C.
Certified Public Accountants

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MANAGEMENT LETTER

December 18, 2019

Board of Supervisors
Saline County
Wilber, Nebraska

During the course of our audit of the financial statements of Saline County for the fiscal year ended June 30, 2019, we noted the following items we wish to bring to your attention:

COUNTY OVERALL

Segregation of Duties

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

During our examination we noted the following:

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

A lack of segregation of duties contributes to an increased risk of loss, theft, or misuse of funds.

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

It should be noted this report is critical in nature since 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.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Schulz & Associates

SCHULZ & ASSOCIATES, P.C.
Certified Public Accountants

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December 18, 2019

County Board of Commissioners
Saline County, Nebraska
Wilber, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saline County for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have such information in our engagement letter to you dated July 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Saline County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2019. We noted no transactions entered into by Saline County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of measurement focus and basis of accounting in Note 1C to the financial statements indicate the financial statements are reported on the basis of cash receipts and disbursements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statement taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2019.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Saline County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the combining nonmajor fund financial statements, budgetary comparison information and schedule of office activities, which accompany the financial statements, but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting described in Note 1 of the financial statements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Saline County Board of Commissioners and management of Saline County and is not intended to be, and should not be, used by anyone other than these specified parties.

Schulz & Associates

SCHULZ & ASSOCIATES, P.C.
Certified Public Accountants