

**AUDIT REPORT
OF
DAWSON COUNTY**

JULY 1, 2011 THROUGH JUNE 30, 2012

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the Auditor of Public Accounts.**

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Issued on March 20, 2013

DAWSON COUNTY

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DAWSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2012

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Everett Hagan	Board of Commissioners	Jan. 2013
P.J. Jacobson		Jan. 2013
Dean Kugler		Jan. 2013
Dennis Rickertsen		Jan. 2015
Bill Stewart		Jan. 2015
John Moore	Assessor	Jan. 2015
Elizabeth Waterman	Attorney	Jan. 2015
Karla Zlatkovsky	Clerk Election Commissioner	Jan. 2015
Sherry Warner	Clerk of the District Court	Jan. 2015
Ruth Meyer	Register of Deeds	Jan. 2015
Gary Reiber	Sheriff	Jan. 2015
Jake Ripp	Surveyor	Jan. 2015
Sharon Wood	Treasurer	Jan. 2015
Earl Linn	Veterans' Service Officer	Appointed
Marty Craig	Weed Superintendent	Appointed
John Mooberry	Highway Superintendent	Appointed
Pam Holbrook	Planning / Zoning	Appointed



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DAWSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dawson County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the County as listed in the Table of Contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash position of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of June 30, 2012, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013, on our consideration of Dawson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

SIGNED ORIGINAL ON FILE

March 15, 2013

Deann Haeffner, CPA
Assistant Deputy Auditor

DAWSON COUNTY
STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 7,330,557
TOTAL ASSETS	<u><u>\$ 7,330,557</u></u>
NET ASSETS	
Restricted for:	
Visitor Promotion	\$ 150,338
911 Emergency Services	244,232
Drug Education	9,971
Law Enforcement	47,882
Debt Service	101,543
Unrestricted	6,776,591
TOTAL NET ASSETS	<u><u>\$ 7,330,557</u></u>

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

DAWSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2012

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Assets
Governmental Activities:				
General Government	\$ (5,627,017)	\$ 666,152	\$ 136,883	\$ (4,823,982)
Public Safety	(4,289,425)	1,335,793	184,565	(2,769,067)
Public Works	(3,392,649)	122,846	2,069,690	(1,200,113)
Public Assistance	(329,448)	-	90,302	(239,146)
Culture and Recreation	(190,039)	-	-	(190,039)
Debt Payments	(750,076)	-	-	(750,076)
Total Governmental Activities	<u><u>\$ (14,578,654)</u></u>	<u><u>\$ 2,124,791</u></u>	<u><u>\$ 2,481,440</u></u>	<u><u>(9,972,423)</u></u>
General Receipts:				
Property Taxes				9,020,072
Grants and Contributions Not Restricted to Specific Programs				904,849
Investment Income				34,523
Licenses and Permits				98,451
Insurance Reimbursements				267,051
Miscellaneous				467,233
Total General Receipts				<u><u>10,792,179</u></u>
Change in Net Assets				819,756
Net Assets - Beginning				6,510,801
Net Assets - Ending				<u><u>\$ 7,330,557</u></u>

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

DAWSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2012

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Insurance Claim Fund</u>	<u>Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents (Note 1.D)	\$ 1,790,781	\$ 349,082	\$ 1,164,897	\$ 1,131,940	\$ 1,500,000	\$ 1,393,857	\$ 7,330,557
TOTAL ASSETS	<u>\$ 1,790,781</u>	<u>\$ 349,082</u>	<u>\$ 1,164,897</u>	<u>\$ 1,131,940</u>	<u>\$ 1,500,000</u>	<u>\$ 1,393,857</u>	<u>\$ 7,330,557</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,338	\$ 150,338
911 Emergency Services	-	-	-	-	-	244,232	244,232
Drug Education	-	-	-	-	-	9,971	9,971
Law Enforcement	-	-	-	-	-	47,882	47,882
Debt Service	-	-	-	-	-	101,543	101,543
Committed to:							
Law Enforcement	-	-	-	-	-	94,957	94,957
Road Maintenance	-	349,082	-	-	-	-	349,082
Aid and Assistance	-	-	-	-	-	100,926	100,926
County Buildings & Equipment	-	-	-	-	-	161,134	161,134
Unemployment Benefits	-	-	-	-	-	50,859	50,859
Insurance Costs	-	-	-	1,131,940	-	-	1,131,940
Miscellaneous Projects	-	-	-	-	1,500,000	110,605	1,610,605
Watershed Management	-	-	-	-	-	300,054	300,054
Noxious Weeds	-	-	-	-	-	20,939	20,939
Historical Society	-	-	-	-	-	417	417
Assigned to:							
Other Purposes	-	-	1,164,897	-	-	-	1,164,897
Unassigned	<u>1,790,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,790,781</u>
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,790,781</u>	<u>\$ 349,082</u>	<u>\$ 1,164,897</u>	<u>\$ 1,131,940</u>	<u>\$ 1,500,000</u>	<u>\$ 1,393,857</u>	<u>\$ 7,330,557</u>

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

DAWSON COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General Fund	Road Fund	Inheritance Fund	Insurance Claim Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$ 7,775,527	\$ -	\$ 611,182	\$ -	\$ -	\$ 633,363	\$ 9,020,072
Licenses and Permits	98,451	-	-	-	-	-	98,451
Interest	29,148	-	-	5,375	-	-	34,523
Intergovernmental	972,539	2,023,886	-	-	-	389,864	3,386,289
Charges for Services	1,865,177	-	-	-	-	259,614	2,124,791
Miscellaneous	28,745	22,099	-	429,506	-	253,934	734,284
TOTAL RECEIPTS	10,769,587	2,045,985	611,182	434,881	-	1,536,775	15,398,410
DISBURSEMENTS							
General Government	3,810,081	-	52,270	1,536,245	-	228,421	5,627,017
Public Safety	3,560,675	-	-	-	-	728,750	4,289,425
Public Works	190,721	3,009,986	-	-	-	191,942	3,392,649
Public Assistance	186,109	-	-	-	-	143,339	329,448
Culture and Recreation	-	-	-	-	-	190,039	190,039
Debt Service:							
Principal Payments	-	540,000	-	-	-	166,000	706,000
Interest and Fiscal Charges	-	36,425	-	-	-	7,651	44,076
TOTAL DISBURSEMENTS	7,747,586	3,586,411	52,270	1,536,245	-	1,656,142	14,578,654
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,022,001	(1,540,426)	558,912	(1,101,364)	-	(119,367)	819,756
OTHER FINANCING SOURCES (USES)							
Transfers in	40,641	1,432,401	-	1,519,652	1,500,000	474,453	4,967,147
Transfers out	(3,171,951)	-	(1,500,000)	-	-	(295,196)	(4,967,147)
TOTAL OTHER FINANCING SOURCES (USES)	(3,131,310)	1,432,401	(1,500,000)	1,519,652	1,500,000	179,257	-
Net Change in Fund Balances	(109,309)	(108,025)	(941,088)	418,288	1,500,000	59,890	819,756
CASH BASIS FUND BALANCES - BEGINNING	1,900,090	457,107	2,105,985	713,652	-	1,333,967	6,510,801
CASH BASIS FUND BALANCES - ENDING	\$ 1,790,781	\$ 349,082	\$ 1,164,897	\$ 1,131,940	\$ 1,500,000	\$ 1,393,857	\$ 7,330,557

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

DAWSON COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
CASH BASIS
FIDUCIARY FUNDS
 June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,415,132
LIABILITIES	
Due to other governments:	
State	371,836
Schools	494,128
Educational Service Units	4,096
Technical College	30,945
Natural Resource Districts	13,934
Fire Districts	1,783
Municipalities	174,308
Agricultural Society	3,058
Drainage Districts	24,073
Cemetery Districts	233
Railroad Transportation Districts	245,731
Sanitary and Improvement Districts	43,269
Hospital	4,238
Others	3,500
TOTAL LIABILITIES	1,415,132
TOTAL NET ASSETS	\$ -

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

Dawson 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 which 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.

As required by generally accepted accounting principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

Joint Organization.

Behavioral Health Region II - 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 II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

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 \$105,986 toward the operation of the Region during fiscal year 2012.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with Two Rivers Public Health Department (Department) to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Supp. 2011).

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 2012. 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 required to be audited annually in accordance with Neb. Rev. Stat. § 84-304(4) (Reissue 2008). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-wide Financial Statements. The Statement of Net Assets – 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. 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 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 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The County reports the following major governmental funds:

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

Road Fund. This fund is used to account for costs associated with the repair and maintenance of roads and bridges which 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.

Insurance Fund. This fund is used to account for employee insurance premiums, health insurance reimbursements, and expenditures for health insurance claims.

Sinking Fund. This fund is used to account for transfers from other funds which will be used for special projects.

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. The Courthouse Remodeling Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County designates fund balances as:

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 balances has not been designated by the County Board for a specific purpose, but has been separated based on the type of revenue.

Unassigned. The portion of the General Fund 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 Assets – Cash Basis and the Statement of Activities – Cash Basis. Receipts are recognized when received and disbursements are recognized when warrants are paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting receipts are recorded when earned and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

D. Assets and Net Assets

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

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

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

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

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

Restricted Net Assets. 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 assets are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$553,966 of restricted net assets, of which \$404,541 is restricted by enabling legislation.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

2. **Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$7,330,557 for County funds and \$1,415,132 for Fiduciary funds. The bank balances for all funds totaled \$9,817,091. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2012, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **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 other than the payment of principal and interest on bonded debt. They may levy taxes in addition to the 50 cent limitation upon a vote of the people.

The levy set in October 2011, for the 2011 taxes, which will be materially collected in May and September 2012, was set at \$.404265/\$100 of assessed valuation. The levy set in October 2010, for the 2010 taxes, which were materially collected in May and September 2011, was set at \$.406878/\$100 of assessed valuation. The amount collected for 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. It may be increased by 1% by a three-fourths majority of the County Board.

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 (Reissue 2012) 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. Prior service benefits are paid directly by the County to the retired employee.

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2012, 185 employees contributed \$268,574, and the County contributed \$395,782. Contributions included \$14,327 in cash contributions towards the supplemental law enforcement plan for 35 law enforcement employees. Lastly, the County paid \$262 directly to 3 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 78 counties throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, is sent to each county in writing, and each county has sixty days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the Pool incurred during such county's period of membership.

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

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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 2013. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2012, consisted of the following:

Transfers to	General Fund	Inheritance Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ -	\$ 40,641	\$ 40,641
Road Fund	1,432,401	-	-	1,432,401
Insurance Fund	1,393,500	-	126,152	1,519,652
Sinking Fund	-	1,500,000	-	1,500,000
Nonmajor Funds	346,050	-	128,403	474,453
Total	\$ 3,171,951	\$ 1,500,000	\$ 295,196	\$ 4,967,147

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

7. Contingent Liabilities

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

8. Long-Term Debt

Highway Allocation Bonds

The County issued bonds on July 30, 2010, in the amount of \$2,735,000 for the purpose of paying the costs of road improvements. The bond payable balance, as of June 30, 2012, was \$1,660,000. 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. The County plans to use future highway allocation receipts to pay off the bonds. Principal and interest payments are due January 15 and July 15. Interest rates range from .9% to 2.2%.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

8. Long-Term Debt (Concluded)

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ 15,242	\$ 15,242
2014	545,000	23,398	568,398
2015	555,000	17,315	572,315
2016	560,000	6,160	566,160
Total Payments	<u>\$ 1,660,000</u>	<u>\$ 62,115</u>	<u>\$ 1,722,115</u>

Courthouse Remodel Bonds

The County issued bonds on June 1, 2009, in the amount of \$660,000 for the purpose of paying the costs of a courthouse remodeling project. The bond payable balance, as of June 30, 2012, was \$170,000. 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. Principal and interest payments are due June 1 and December 1. Interest rates range from 2.1% to 2.45%.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$ 170,000</u>	<u>\$ 4,165</u>	<u>\$ 174,165</u>

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 8,240,609	\$ 8,240,609	\$ 7,775,527	\$ (465,082)
Licenses and Permits	93,060	93,060	98,451	5,391
Interest	42,650	42,650	29,148	(13,502)
Intergovernmental	749,860	749,860	972,539	222,679
Charges for Services	1,734,270	1,734,270	1,865,177	130,907
Miscellaneous	61,200	61,200	28,745	(32,455)
TOTAL RECEIPTS	10,921,649	10,921,649	10,769,587	(152,062)
DISBURSEMENTS				
General Government:				
County Board	85,800	85,800	84,562	1,238
County Clerk	134,275	134,275	125,870	8,405
County Treasurer	239,752	245,162	245,162	-
Register of Deeds	113,050	113,050	107,171	5,879
County Assessor	383,608	412,128	412,128	-
Election Commissioner	68,800	68,800	52,871	15,929
Zoning Administration	17,610	17,610	11,020	6,590
Clerk of the District Court	260,691	260,691	243,592	17,099
County Court System	203,950	203,950	191,858	12,092
District Judge	103,620	103,620	89,197	14,423
Public Defender	234,652	234,652	231,246	3,406
Building and Grounds	331,810	331,810	281,317	50,493
Agricultural Extension Agent	139,600	139,600	124,257	15,343
GIS	27,200	27,200	25,994	1,206
Child Support	143,859	143,859	141,904	1,955
Miscellaneous	3,150,900	2,970,473	1,441,932	1,528,541
Public Safety:				
County Sheriff	2,795,587	2,940,696	2,940,696	-
County Attorney	422,998	422,998	385,874	37,124
Grants	100,000	100,000	-	100,000
Homeland Security	26,000	26,000	-	26,000
Emergency Management	83,690	83,690	82,116	1,574
COPS	43,500	43,500	41,795	1,705
Child Support Attorney	23,576	23,576	23,445	131
Sheriff Grants	136,420	136,420	41,356	95,064
Miscellaneous	64,500	64,500	45,393	19,107

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
County Surveyor	189,333	190,721	190,721	-
Public Assistance:				
Veterans' Service Officer	53,579	53,579	49,710	3,869
Senior Citizen Handi-Bus	113,995	113,995	105,506	8,489
County Relief	150,000	150,000	30,893	119,107
TOTAL DISBURSEMENTS	<u>9,842,355</u>	<u>9,842,355</u>	<u>7,747,586</u>	<u>2,094,769</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,079,294</u>	<u>1,079,294</u>	<u>3,022,001</u>	<u>1,942,707</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	734,172	734,172	40,641	(693,531)
Transfers out	(2,943,556)	(2,943,556)	(3,171,951)	(228,395)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,209,384)</u>	<u>(2,209,384)</u>	<u>(3,131,310)</u>	<u>(921,926)</u>
Net Change in Fund Balance	(1,130,090)	(1,130,090)	(109,309)	1,020,781
FUND BALANCE - BEGINNING	<u>1,900,090</u>	<u>1,900,090</u>	<u>1,900,090</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 770,000</u>	<u>\$ 770,000</u>	<u>\$ 1,790,781</u>	<u>\$ 1,020,781</u>

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 1,661,005	\$ 1,661,005	\$ 2,023,886	\$ 362,881
Miscellaneous	21,000	21,000	22,099	1,099
TOTAL RECEIPTS	1,682,005	1,682,005	2,045,985	363,980
DISBURSEMENTS	4,141,260	4,141,260	3,586,411	554,849
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,459,255)	(2,459,255)	(1,540,426)	918,829
OTHER FINANCING SOURCES (USES)				
Transfers in	2,502,148	2,502,148	1,432,401	(1,069,747)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,502,148	2,502,148	1,432,401	(1,069,747)
Net Change in Fund Balance	42,893	42,893	(108,025)	(150,918)
FUND BALANCE - BEGINNING	457,107	457,107	457,107	-
FUND BALANCE - ENDING	\$ 500,000	\$ 500,000	\$ 349,082	\$ (150,918)
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 250,015	\$ 250,015	\$ 611,182	\$ 361,167
TOTAL RECEIPTS	250,015	250,015	611,182	361,167
DISBURSEMENTS	106,000	106,000	52,270	53,730
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	144,015	144,015	558,912	414,897
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,250,000)	(2,250,000)	(1,500,000)	750,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,250,000)	(2,250,000)	(1,500,000)	750,000
Net Change in Fund Balance	(2,105,985)	(2,105,985)	(941,088)	1,164,897
FUND BALANCE - BEGINNING	2,105,985	2,105,985	2,105,985	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,164,897	\$ 1,164,897

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INSURANCE CLAIM FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 5,375	\$ 5,375
Miscellaneous	1,186,348	1,186,348	429,506	(756,842)
TOTAL RECEIPTS	<u>1,186,348</u>	<u>1,186,348</u>	<u>434,881</u>	<u>(751,467)</u>
DISBURSEMENTS	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,536,245</u>	<u>363,755</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(713,652)</u>	<u>(713,652)</u>	<u>(1,101,364)</u>	<u>(387,712)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,519,652	1,519,652
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,519,652</u>	<u>1,519,652</u>
Net Change in Fund Balance	(713,652)	(713,652)	418,288	1,131,940
FUND BALANCE - BEGINNING	713,652	713,652	713,652	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,940</u>	<u>\$ 1,131,940</u>
SINKING FUND				
RECEIPTS				
	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>1,500,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500,000	1,500,000	1,500,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,500,000	1,500,000
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

(Concluded)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITOR'S PROMOTION FUND				
RECEIPTS	\$ 49,321	\$ 49,321	\$ 98,266	\$ 48,945
DISBURSEMENTS	111,000	111,000	77,587	33,413
Net Change in Fund Balance	(61,679)	(61,679)	20,679	82,358
FUND BALANCE - BEGINNING	61,679	61,679	61,679	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 82,358	\$ 82,358
VISITOR'S DEVELOPMENT IMPROVEMENT FUND				
RECEIPTS	\$ 77,592	\$ 77,592	\$ 108,770	\$ 31,178
DISBURSEMENTS	118,500	118,500	81,698	36,802
Net Change in Fund Balance	(40,908)	(40,908)	27,072	67,980
FUND BALANCE - BEGINNING	40,908	40,908	40,908	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 67,980	\$ 67,980
UNEMPLOYMENT COMPENSATION FUND				
RECEIPTS	\$ 11,258	\$ 11,258	\$ 12,565	\$ 1,307
DISBURSEMENTS	54,000	54,000	14,448	39,552
Net Change in Fund Balance	(42,742)	(42,742)	(1,883)	40,859
FUND BALANCE - BEGINNING	52,742	52,742	52,742	-
FUND BALANCE - ENDING	\$ 10,000	\$ 10,000	\$ 50,859	\$ 40,859
PARENT CHILD CENTER FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	9,000	9,000	9,000	-
OTHER FINANCING SOURCES (USES)				
Transfers in	9,000	9,000	9,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,000	9,000	9,000	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STATE INSTITUTION FUND				
RECEIPTS	\$ 127,251	\$ 127,251	\$ 122,474	\$ (4,777)
DISBURSEMENTS	137,500	137,500	128,115	9,385
Net Change in Fund Balance	(10,249)	(10,249)	(5,641)	4,608
FUND BALANCE - BEGINNING	60,249	60,249	60,249	-
FUND BALANCE - ENDING	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 54,608</u>	<u>\$ 4,608</u>
VETERANS' AID FUND				
RECEIPTS	\$ 1,486	\$ 1,486	\$ 1,928	\$ 442
DISBURSEMENTS	2,500	2,500	2,224	276
Net Change in Fund Balance	(1,014)	(1,014)	(296)	718
FUND BALANCE - BEGINNING	1,014	1,014	1,014	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 718</u>	<u>\$ 718</u>
VETERANS' MONEY MARKET FUND				
RECEIPTS	\$ 62	\$ 62	\$ -	\$ (62)
DISBURSEMENTS	24,000	24,000	4,000	20,000
Net Change in Fund Balance	(23,938)	(23,938)	(4,000)	19,938
FUND BALANCE - BEGINNING	23,938	23,938	23,938	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,938</u>	<u>\$ 19,938</u>
CASA FUND				
RECEIPTS	\$ 37,868	\$ 37,868	\$ 39,723	\$ 1,855
DISBURSEMENTS	58,730	58,730	46,768	11,962
OTHER FINANCING SOURCES (USES)				
Transfers in	19,492	19,492	17,636	(1,856)
Transfers out	-	-	(9,664)	(9,664)
TOTAL OTHER FINANCING SOURCES (USES)	<u>19,492</u>	<u>19,492</u>	<u>7,972</u>	<u>(11,520)</u>
Net Change in Fund Balance	(1,370)	(1,370)	927	2,297
FUND BALANCE - BEGINNING	1,370	1,370	1,370	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,297</u>	<u>\$ 2,297</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STOP FUND				
RECEIPTS	\$ 17,386	\$ 17,386	\$ 6,250	\$ (11,136)
DISBURSEMENTS	25,000	25,000	4,904	20,096
Net Change in Fund Balance	(7,614)	(7,614)	1,346	8,960
FUND BALANCE - BEGINNING	7,614	7,614	7,614	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,960</u>	<u>\$ 8,960</u>
COUNTY DRUG FUND				
RECEIPTS	\$ 20,773	\$ 20,773	\$ 5,744	\$ (15,029)
DISBURSEMENTS	25,000	25,000	-	25,000
Net Change in Fund Balance	(4,227)	(4,227)	5,744	9,971
FUND BALANCE - BEGINNING	4,227	4,227	4,227	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,971</u>	<u>\$ 9,971</u>
MID WEST NEBRASKA DRUG COURT FUND				
RECEIPTS	\$ 20,905	\$ 20,905	\$ 11,416	\$ (9,489)
DISBURSEMENTS	24,400	24,400	8,155	16,245
Net Change in Fund Balance	(3,495)	(3,495)	3,261	6,756
FUND BALANCE - BEGINNING	3,495	3,495	3,495	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,756</u>	<u>\$ 6,756</u>
K-9 DOG FUND				
RECEIPTS	\$ 11,960	\$ 11,960	\$ 1,535	\$ (10,425)
DISBURSEMENTS	15,000	15,000	-	15,000
Net Change in Fund Balance	(3,040)	(3,040)	1,535	4,575
FUND BALANCE - BEGINNING	3,040	3,040	3,040	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,575</u>	<u>\$ 4,575</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CRIME COMMISSION FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	8,461	8,461	-	8,461
Net Change in Fund Balance	(8,461)	(8,461)	-	8,461
FUND BALANCE - BEGINNING	8,461	8,461	8,461	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,461</u>	<u>\$ 8,461</u>
SCAAP FUND				
RECEIPTS	\$ 18,803	\$ 18,803	\$ -	\$ (18,803)
DISBURSEMENTS	72,000	72,000	16,467	55,533
Net Change in Fund Balance	(53,197)	(53,197)	(16,467)	36,730
FUND BALANCE - BEGINNING	53,197	53,197	53,197	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,730</u>	<u>\$ 36,730</u>
CASA GRANT FUND				
RECEIPTS	\$ 6,999	\$ 6,999	\$ 19,375	\$ 12,376
DISBURSEMENTS	18,261	18,261	11,562	6,699
Net Change in Fund Balance	(11,262)	(11,262)	7,813	19,075
FUND BALANCE - BEGINNING	11,262	11,262	11,262	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,075</u>	<u>\$ 19,075</u>
COUNTY GRANT FUND				
RECEIPTS	\$ 840,718	\$ 840,718	\$ 52,105	\$ (788,613)
DISBURSEMENTS	950,000	950,000	56,560	893,440
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	(2,136)	(2,136)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	(2,136)	(102,136)
Net Change in Fund Balance	(9,282)	(9,282)	(6,591)	2,691
FUND BALANCE - BEGINNING	9,282	9,282	9,282	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,691</u>	<u>\$ 2,691</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VICTIM WITNESS FUND				
RECEIPTS	\$ 36,076	\$ 36,076	\$ 31,065	\$ (5,011)
DISBURSEMENTS	63,800	63,800	44,852	18,948
OTHER FINANCING SOURCES (USES)				
Transfers in	22,726	22,726	22,726	-
Transfers out	-	-	(9,647)	(9,647)
TOTAL OTHER FINANCING SOURCES (USES)	22,726	22,726	13,079	(9,647)
Net Change in Fund Balance	(4,998)	(4,998)	(708)	4,290
FUND BALANCE - BEGINNING	4,998	4,998	4,998	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,290	\$ 4,290
LOTTERY FUND				
RECEIPTS	\$ 37,824	\$ 96,694	\$ 129,770	\$ 33,076
DISBURSEMENTS	40,100	98,970	98,870	100
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(136,655)	(136,655)	(59,226)	77,429
TOTAL OTHER FINANCING SOURCES (USES)	(136,655)	(136,655)	(59,226)	77,429
Net Change in Fund Balance	(138,931)	(138,931)	(28,326)	110,605
FUND BALANCE - BEGINNING	138,931	138,931	138,931	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 110,605	\$ 110,605
E-911 FUND				
RECEIPTS	\$ 145,757	\$ 145,757	\$ 77,292	\$ (68,465)
DISBURSEMENTS	303,818	303,818	57,537	246,281
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,105	15,105
Transfers out	(51,232)	(51,232)	(51,936)	(704)
TOTAL OTHER FINANCING SOURCES (USES)	(51,232)	(51,232)	(36,831)	14,401
Net Change in Fund Balance	(209,293)	(209,293)	(17,076)	192,217
FUND BALANCE - BEGINNING	209,293	209,293	209,293	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 192,217	\$ 192,217

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 ENHANCED WIRELESS SERVICE FUND				
RECEIPTS	\$ 8,125	\$ 8,125	\$ 41,170	\$ 33,045
DISBURSEMENTS	40,000	40,000	5,925	34,075
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(15,105)	(15,105)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(15,105)	(15,105)
Net Change in Fund Balance	(31,875)	(31,875)	20,140	52,015
FUND BALANCE - BEGINNING	31,875	31,875	31,875	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 52,015	\$ 52,015
RANGE MANAGEMENT FUND				
RECEIPTS	\$ -	\$ -	\$ 300	\$ 300
DISBURSEMENTS	-	-	-	-
Net Change in Fund Balance	-	-	300	300
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 300	\$ 300
DISPATCH FUND				
RECEIPTS	\$ 198,490	\$ 198,490	\$ 250,000	\$ 51,510
DISBURSEMENTS	542,340	542,340	413,289	129,051
OTHER FINANCING SOURCES (USES)				
Transfers in	317,340	317,340	317,986	646
Transfers out	-	-	(106,841)	(106,841)
TOTAL OTHER FINANCING SOURCES (USES)	317,340	317,340	211,145	(106,195)
Net Change in Fund Balance	(26,510)	(26,510)	47,856	74,366
FUND BALANCE - BEGINNING	26,510	26,510	26,510	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 74,366	\$ 74,366

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISPATCH REMODEL FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	2,755	2,755	2,755	-
Net Change in Fund Balance	(2,755)	(2,755)	(2,755)	-
FUND BALANCE - BEGINNING	2,755	2,755	2,755	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
COPS GRANT FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(28,107)	(28,107)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(28,107)	(28,107)
Net Change in Fund Balance	-	-	(28,107)	(28,107)
FUND BALANCE - BEGINNING	28,107	28,107	28,107	-
FUND BALANCE - ENDING	\$ 28,107	\$ 28,107	\$ -	\$ (28,107)
4-M BUILDING FUND				
RECEIPTS	\$ 36,033	\$ 36,033	\$ 33,029	\$ (3,004)
DISBURSEMENTS	54,300	54,300	47,639	6,661
OTHER FINANCING SOURCES (USES)				
Transfers in	13,815	13,815	12,000	(1,815)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	13,815	13,815	12,000	(1,815)
Net Change in Fund Balance	(4,452)	(4,452)	(2,610)	1,842
FUND BALANCE - BEGINNING	4,452	4,452	4,452	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,842	\$ 1,842

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JAIL OBLIGATION BOND FUND				
RECEIPTS	\$ -	\$ -	\$ 385	\$ 385
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(12,421)	(12,421)	(12,421)	-
TOTAL OTHER FINANCING SOURCES (USES)	(12,421)	(12,421)	(12,421)	-
Net Change in Fund Balance	(12,421)	(12,421)	(12,036)	385
FUND BALANCE - BEGINNING	12,421	12,421	12,421	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 385	\$ 385
COURTHOUSE REMODELING BOND FUND				
RECEIPTS	\$ 162,964	\$ 162,964	\$ 162,773	\$ (191)
DISBURSEMENTS	175,000	175,000	173,651	1,349
Net Change in Fund Balance	(12,036)	(12,036)	(10,878)	1,158
FUND BALANCE - BEGINNING	112,036	112,036	112,036	-
FUND BALANCE - ENDING	\$ 100,000	\$ 100,000	\$ 101,158	\$ 1,158
SPRING CREEK WATERSHED FUND				
RECEIPTS	\$ 3,703	\$ 3,703	\$ 9,353	\$ 5,650
DISBURSEMENTS	225,000	225,000	6,379	218,621
Net Change in Fund Balance	(221,297)	(221,297)	2,974	224,271
FUND BALANCE - BEGINNING	297,080	297,080	297,080	-
FUND BALANCE - ENDING	\$ 75,783	\$ 75,783	\$ 300,054	\$ 224,271

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
NOXIOUS WEED FUND				
RECEIPTS	\$ 113,475	\$ 113,475	\$ 122,856	\$ 9,381
DISBURSEMENTS	198,800	198,800	191,942	6,858
OTHER FINANCING SOURCES (USES)				
Transfers in	175,300	175,300	80,000	(95,300)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	175,300	175,300	80,000	(95,300)
Net Change in Fund Balance	89,975	89,975	10,914	(79,061)
FUND BALANCE - BEGINNING	10,025	10,025	10,025	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 20,939</u>	<u>\$ (79,061)</u>
INVENTORY MAINTENANCE FUND				
RECEIPTS	\$ 49,353	\$ 49,353	\$ 167,706	\$ 118,353
DISBURSEMENTS	162,000	162,000	121,061	40,939
Net Change in Fund Balance	(112,647)	(112,647)	46,645	159,292
FUND BALANCE - BEGINNING	112,647	112,647	112,647	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,292</u>	<u>\$ 159,292</u>
HISTORICAL SOCIETY FUND				
RECEIPTS	\$ 30,650	\$ 30,650	\$ 30,821	\$ 171
DISBURSEMENTS	31,000	31,000	30,754	246
Net Change in Fund Balance	(350)	(350)	67	417
FUND BALANCE - BEGINNING	350	350	350	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417</u>	<u>\$ 417</u>
RELIEF FUND				
RECEIPTS	\$ 120	\$ 120	\$ 104	\$ (16)
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(129)	(129)	(113)	16
TOTAL OTHER FINANCING SOURCES (USES)	(129)	(129)	(113)	16
Net Change in Fund Balance	(9)	(9)	(9)	-
FUND BALANCE - BEGINNING	9	9	9	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

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

For the Year Ended June 30, 2012

	Visitor's Promotion Fund	Visitor's Development Improvement Fund	Unemployment Compensation Fund	Parent Child Center Fund
RECEIPTS				
Property Taxes	\$ 98,266	\$ 108,770	\$ 11,855	\$ -
Intergovernmental	-	-	710	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>98,266</u>	<u>108,770</u>	<u>12,565</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	-	14,448	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Assistance	-	-	-	9,000
Culture and Recreation	77,587	81,698	-	-
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	<u>77,587</u>	<u>81,698</u>	<u>14,448</u>	<u>9,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>20,679</u>	<u>27,072</u>	<u>(1,883)</u>	<u>(9,000)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	9,000
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
Net Change in Fund Balances	20,679	27,072	(1,883)	-
FUND BALANCES - BEGINNING	<u>61,679</u>	<u>40,908</u>	<u>52,742</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 82,358</u>	<u>\$ 67,980</u>	<u>\$ 50,859</u>	<u>\$ -</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	\$ 82,358	\$ 67,980	\$ -	\$ -
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Debt Service	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings & Equipment	-	-	-	-
Unemployment Benefits	-	-	50,859	-
Miscellaneous Projects	-	-	-	-
Watershed Management	-	-	-	-
Noxious Weeds	-	-	-	-
Historical Society	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 82,358</u>	<u>\$ 67,980</u>	<u>\$ 50,859</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2012

	State Institution Fund	Veterans' Aid Fund	Veterans' Money Market Fund	CASA Fund
RECEIPTS				
Property Taxes	\$ 114,123	\$ 837	\$ -	\$ -
Intergovernmental	8,351	91	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	1,000	-	39,723
TOTAL RECEIPTS	<u>122,474</u>	<u>1,928</u>	<u>-</u>	<u>39,723</u>
DISBURSEMENTS				
General Government	-	-	-	46,768
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Assistance	128,115	2,224	4,000	-
Culture and Recreation	-	-	-	-
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	<u>128,115</u>	<u>2,224</u>	<u>4,000</u>	<u>46,768</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(5,641)</u>	<u>(296)</u>	<u>(4,000)</u>	<u>(7,045)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	17,636
Transfers out	-	-	-	(9,664)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,972</u>
Net Change in Fund Balances	(5,641)	(296)	(4,000)	927
FUND BALANCES - BEGINNING	<u>60,249</u>	<u>1,014</u>	<u>23,938</u>	<u>1,370</u>
FUND BALANCES - ENDING	<u>\$ 54,608</u>	<u>\$ 718</u>	<u>\$ 19,938</u>	<u>\$ 2,297</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Debt Service	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Aid and Assistance	54,608	718	19,938	2,297
County Buildings & Equipment	-	-	-	-
Unemployment Benefits	-	-	-	-
Miscellaneous Projects	-	-	-	-
Watershed Management	-	-	-	-
Noxious Weeds	-	-	-	-
Historical Society	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 54,608</u>	<u>\$ 718</u>	<u>\$ 19,938</u>	<u>\$ 2,297</u>

(Continued)

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

For the Year Ended June 30, 2012

	STOP Fund	County Drug Fund	Mid West Nebraska Drug Court Fund	K-9 Dog Fund	Crime Commission Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,535	-
Charges for Services	-	-	-	-	-
Miscellaneous	6,250	5,744	11,416	-	-
TOTAL RECEIPTS	<u>6,250</u>	<u>5,744</u>	<u>11,416</u>	<u>1,535</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	4,904	-	8,155	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>4,904</u>	<u>-</u>	<u>8,155</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,346</u>	<u>5,744</u>	<u>3,261</u>	<u>1,535</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,346	5,744	3,261	1,535	-
FUND BALANCES - BEGINNING	<u>7,614</u>	<u>4,227</u>	<u>3,495</u>	<u>3,040</u>	<u>8,461</u>
FUND BALANCES - ENDING	<u>\$ 8,960</u>	<u>\$ 9,971</u>	<u>\$ 6,756</u>	<u>\$ 4,575</u>	<u>\$ 8,461</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	9,971	-	-	-
Law Enforcement	-	-	-	-	8,461
Debt Service	-	-	-	-	-
Committed to:					
Law Enforcement	8,960	-	6,756	4,575	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weeds	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 8,960</u>	<u>\$ 9,971</u>	<u>\$ 6,756</u>	<u>\$ 4,575</u>	<u>\$ 8,461</u>

(Continued)

DAWSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	SCAAP Fund	CASA Grant Fund	County Grant Fund	Victim Witness Fund	Lottery Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	52,105	31,000	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	19,375	-	65	129,770
TOTAL RECEIPTS	<u>-</u>	<u>19,375</u>	<u>52,105</u>	<u>31,065</u>	<u>129,770</u>
DISBURSEMENTS					
General Government	-	11,562	-	-	98,870
Public Safety	16,467	-	56,560	44,852	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>16,467</u>	<u>11,562</u>	<u>56,560</u>	<u>44,852</u>	<u>98,870</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(16,467)</u>	<u>7,813</u>	<u>(4,455)</u>	<u>(13,787)</u>	<u>30,900</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	22,726	-
Transfers out	-	-	(2,136)	(9,647)	(59,226)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(2,136)</u>	<u>13,079</u>	<u>(59,226)</u>
Net Change in Fund Balances	(16,467)	7,813	(6,591)	(708)	(28,326)
FUND BALANCES - BEGINNING	<u>53,197</u>	<u>11,262</u>	<u>9,282</u>	<u>4,998</u>	<u>138,931</u>
FUND BALANCES - ENDING	<u>\$ 36,730</u>	<u>\$ 19,075</u>	<u>\$ 2,691</u>	<u>\$ 4,290</u>	<u>\$ 110,605</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	36,730	-	2,691	-	-
Debt Service	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	19,075	-	4,290	-
County Buildings & Equipment	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	110,605
Watershed Management	-	-	-	-	-
Noxious Weeds	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 36,730</u>	<u>\$ 19,075</u>	<u>\$ 2,691</u>	<u>\$ 4,290</u>	<u>\$ 110,605</u>

(Continued)

DAWSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	E-911 Fund	911 Enhanced Wireless Service Fund	Range Management Fund	Dispatch Fund	Dispatch Remodel Fund
RECEIPTS					
Property Taxes	\$ 77,292	\$ 41,170	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	250,000	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	300	-	-
TOTAL RECEIPTS	<u>77,292</u>	<u>41,170</u>	<u>300</u>	<u>250,000</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	2,755
Public Safety	57,537	5,925	-	413,289	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>57,537</u>	<u>5,925</u>	<u>-</u>	<u>413,289</u>	<u>2,755</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>19,755</u>	<u>35,245</u>	<u>300</u>	<u>(163,289)</u>	<u>(2,755)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	15,105	-	-	317,986	-
Transfers out	(51,936)	(15,105)	-	(106,841)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(36,831)</u>	<u>(15,105)</u>	<u>-</u>	<u>211,145</u>	<u>-</u>
Net Change in Fund Balances	(17,076)	20,140	300	47,856	(2,755)
FUND BALANCES - BEGINNING	<u>209,293</u>	<u>31,875</u>	<u>-</u>	<u>26,510</u>	<u>2,755</u>
FUND BALANCES - ENDING	<u>\$ 192,217</u>	<u>\$ 52,015</u>	<u>\$ 300</u>	<u>\$ 74,366</u>	<u>\$ -</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	192,217	52,015	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	300	74,366	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weeds	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 192,217</u>	<u>\$ 52,015</u>	<u>\$ 300</u>	<u>\$ 74,366</u>	<u>\$ -</u>

(Continued)

DAWSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	COPS Grant Fund	4-M Building Fund	Jail Obligation Bond Fund	Courthouse Remodeling Bond Fund	Spring Creek Watershed Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 385	\$ 151,847	\$ -
Intergovernmental	-	33,029	-	10,926	-
Charges for Services	-	-	-	-	9,353
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	33,029	385	162,773	9,353
DISBURSEMENTS					
General Government	-	47,639	-	-	6,379
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Principal Payments	-	-	-	166,000	-
Interest and Fiscal Charges	-	-	-	7,651	-
TOTAL DISBURSEMENTS	-	47,639	-	173,651	6,379
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	(14,610)	385	(10,878)	2,974
OTHER FINANCING SOURCES (USES)					
Transfers in	-	12,000	-	-	-
Transfers out	(28,107)	-	(12,421)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(28,107)	12,000	(12,421)	-	-
Net Change in Fund Balances	(28,107)	(2,610)	(12,036)	(10,878)	2,974
FUND BALANCES - BEGINNING	28,107	4,452	12,421	112,036	297,080
FUND BALANCES - ENDING	\$ -	\$ 1,842	\$ 385	\$ 101,158	\$ 300,054
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	385	101,158	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	1,842	-	-	-
Unemployment Benefits	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	300,054
Noxious Weeds	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	\$ -	\$ 1,842	\$ 385	\$ 101,158	\$ 300,054

(Continued)

DAWSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	Noxious Weed Fund	Inventory Maintenance Fund	Historical Society Fund	Relief Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 28,796	\$ 22	\$ 633,363
Intergovernmental	10	-	2,025	82	389,864
Charges for Services	122,846	127,415	-	-	259,614
Miscellaneous	-	40,291	-	-	253,934
TOTAL RECEIPTS	<u>122,856</u>	<u>167,706</u>	<u>30,821</u>	<u>104</u>	<u>1,536,775</u>
DISBURSEMENTS					
General Government	-	-	-	-	228,421
Public Safety	-	121,061	-	-	728,750
Public Works	191,942	-	-	-	191,942
Public Assistance	-	-	-	-	143,339
Culture and Recreation	-	-	30,754	-	190,039
Principal Payments	-	-	-	-	166,000
Interest and Fiscal Charges	-	-	-	-	7,651
TOTAL DISBURSEMENTS	<u>191,942</u>	<u>121,061</u>	<u>30,754</u>	<u>-</u>	<u>1,656,142</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(69,086)</u>	<u>46,645</u>	<u>67</u>	<u>104</u>	<u>(119,367)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	80,000	-	-	-	474,453
Transfers out	-	-	-	(113)	(295,196)
TOTAL OTHER FINANCING SOURCES (USES)	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>(113)</u>	<u>179,257</u>
Net Change in Fund Balances	10,914	46,645	67	(9)	59,890
FUND BALANCES - BEGINNING	<u>10,025</u>	<u>112,647</u>	<u>350</u>	<u>9</u>	<u>1,333,967</u>
FUND BALANCES - ENDING	<u>\$ 20,939</u>	<u>\$ 159,292</u>	<u>\$ 417</u>	<u>\$ -</u>	<u>\$ 1,393,857</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ 150,338
911 Emergency Services	-	-	-	-	244,232
Drug Education	-	-	-	-	9,971
Law Enforcement	-	-	-	-	47,882
Debt Service	-	-	-	-	101,543
Committed to:					
Law Enforcement	-	-	-	-	94,957
Aid and Assistance	-	-	-	-	100,926
County Buildings & Equipment	-	159,292	-	-	161,134
Unemployment Benefits	-	-	-	-	50,859
Miscellaneous Projects	-	-	-	-	110,605
Watershed Management	-	-	-	-	300,054
Noxious Weeds	20,939	-	-	-	20,939
Historical Society	-	-	417	-	417
TOTAL FUND BALANCES	<u>\$ 20,939</u>	<u>\$ 159,292</u>	<u>\$ 417</u>	<u>\$ -</u>	<u>\$ 1,393,857</u>

(Concluded)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2012

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Weed Superintendent</u>	<u>Highway Superintendent</u>
BALANCES JULY 1, 2011	\$ 3,207	\$ 26,029	\$ 274,296	\$ 34,515	\$ 11,422	\$ 12,909	\$ -
RECEIPTS							
Licenses and Permits	5,790	-	-	1,720	-	-	-
Intergovernmental	15,014	-	-	750,397	500	-	-
Charges for Services	69	115,720	90,482	732,612	8,630	123,096	22,099
Miscellaneous	213,297	-	-	188	284	-	-
State Fees	-	143,626	86,550	-	-	-	-
Other Liabilities	-	-	579,701	542,632	17,483	-	-
TOTAL RECEIPTS	<u>234,170</u>	<u>259,346</u>	<u>756,733</u>	<u>2,027,549</u>	<u>26,897</u>	<u>123,096</u>	<u>22,099</u>
DISBURSEMENTS							
Payments to County Treasurer	228,830	115,821	101,156	1,465,625	8,610	122,846	22,099
Payments to State Treasurer	-	145,620	86,827	-	-	-	-
Other Liabilities	3,382	-	702,037	530,646	17,498	-	-
TOTAL DISBURSEMENTS	<u>232,212</u>	<u>261,441</u>	<u>890,020</u>	<u>1,996,271</u>	<u>26,108</u>	<u>122,846</u>	<u>22,099</u>
BALANCES JUNE 30, 2012	<u>\$ 5,165</u>	<u>\$ 23,934</u>	<u>\$ 141,009</u>	<u>\$ 65,793</u>	<u>\$ 12,211</u>	<u>\$ 13,159</u>	<u>\$ -</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 5,165	\$ 10,271	\$ 4,583	\$ 43,310	\$ 6,218	\$ 13,159	\$ -
Petty Cash	-	-	324	-	727	-	-
Due to State Treasurer	-	13,663	5,701	-	-	-	-
Due to Others	-	-	130,401	22,483	5,266	-	-
BALANCES JUNE 30, 2012	<u>\$ 5,165</u>	<u>\$ 23,934</u>	<u>\$ 141,009</u>	<u>\$ 65,793</u>	<u>\$ 12,211</u>	<u>\$ 13,159</u>	<u>\$ -</u>

(Continued)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES

For the Year Ended June 30, 2012

	Veterans' Service Officer	County Surveyor	County Child Support	County Planning and Zoning	County Handibus	County CASA	Total
BALANCES JULY 1, 2011	\$ 1,205	\$ -	\$ 640	\$ -	\$ 464	\$ -	\$ 364,687
RECEIPTS							
Licenses and Permits	-	-	-	1,940	-	-	9,450
Intergovernmental	-	-	-	-	-	29,552	795,463
Charges for Services	-	47,336	-	-	10,813	-	1,150,857
Miscellaneous	5,001	-	5,077	-	-	37,507	261,354
State Fees	-	-	-	-	-	-	230,176
Other Liabilities	-	-	-	-	-	-	1,139,816
TOTAL RECEIPTS	5,001	47,336	5,077	1,940	10,813	67,059	3,587,116
DISBURSEMENTS							
Payments to County Treasurer	-	39,556	-	1,890	10,818	67,059	2,184,310
Payments to State Treasurer	-	-	-	-	-	-	232,447
Other Liabilities	4,384	-	4,598	-	-	-	1,262,545
TOTAL DISBURSEMENTS	4,384	39,556	4,598	1,890	10,818	67,059	3,679,302
BALANCES JUNE 30, 2012	\$ 1,822	\$ 7,780	\$ 1,119	\$ 50	\$ 459	\$ -	\$ 272,501
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 1,822	\$ 7,780	\$ 1,119	\$ 50	\$ 459	\$ -	\$ 93,936
Petty Cash	-	-	-	-	-	-	1,051
Due to State Treasurer	-	-	-	-	-	-	19,364
Due to Others	-	-	-	-	-	-	158,150
BALANCES JUNE 30, 2012	\$ 1,822	\$ 7,780	\$ 1,119	\$ 50	\$ 459	\$ -	\$ 272,501

(Concluded)

DAWSON COUNTY
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR
 ALL POLITICAL SUBDIVISIONS IN THE COUNTY**

June 30, 2012

Item	2007	2008	2009	2010	2011
Tax Certified by Assessor					
Real Estate	\$ 27,124,453	\$ 28,216,837	\$ 29,407,114	\$ 31,806,065	\$ 34,110,324
Personal and Specials	2,144,973	2,049,084	2,043,535	2,228,160	2,328,426
Total	<u>29,269,426</u>	<u>30,265,921</u>	<u>31,450,649</u>	<u>34,034,225</u>	<u>36,438,750</u>
Corrections					
Additions	26,705	66,238	34,521	67,947	104,329
Deductions	<u>(77,367)</u>	<u>(114,837)</u>	<u>(105,843)</u>	<u>(70,827)</u>	<u>(113,007)</u>
Net Additions/ (Deductions)	<u>(50,662)</u>	<u>(48,599)</u>	<u>(71,322)</u>	<u>(2,880)</u>	<u>(8,678)</u>
Corrected Certified Tax	<u>29,218,764</u>	<u>30,217,322</u>	<u>31,379,327</u>	<u>34,031,345</u>	<u>36,430,072</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2008	16,734,149	-	-	-	-
June 30, 2009	12,447,513	17,425,703	-	-	-
June 30, 2010	31,623	12,749,636	18,273,494	-	-
June 30, 2011	2,855	33,614	13,067,124	19,825,351	-
June 30, 2012	<u>1,121</u>	<u>4,925</u>	<u>31,283</u>	<u>14,161,752</u>	<u>21,450,683</u>
Total Net Collections	<u>29,217,261</u>	<u>30,213,878</u>	<u>31,371,901</u>	<u>33,987,103</u>	<u>21,450,683</u>
Total Uncollected Tax	<u>\$ 1,503</u>	<u>\$ 3,444</u>	<u>\$ 7,426</u>	<u>\$ 44,242</u>	<u>\$ 14,979,389</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.13%</u>	<u>41.12%</u>



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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DAWSON 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 Commissioners
Dawson County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County as of and for the year ended June 30, 2012, and have issued our report thereon dated March 15, 2013. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. Except as noted above, 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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, detect, or 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, detected or corrected on a timely basis. We consider the following deficiency to be a material weakness:

- 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 may not be possible without additional cost.

Compliance and Other Matters

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

We also noted certain matters that we reported to the management of Dawson County in a separate letter dated March 15, 2013.

This report is intended solely for the information and use of management, the County Board, others within the entity, the State Legislature, 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. However, this report is a matter of public record and its distribution is not limited.

SIGNED ORIGINAL ON FILE

Deann Haeffner, CPA
Assistant Deputy Auditor

March 15, 2013



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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March 15, 2013

Board of Commissioners
Dawson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawson County (County) for the fiscal year ended June 30, 2012, and have issued our report thereon dated March 15, 2013. 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 areas as follows:

COUNTY OVERALL

Segregation of Duties

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

We noted the offices of the County each 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.

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

Petty Cash Funds

We noted petty cash funds included in the budget message were not established and set to a specific dollar amount and County offices were not reconciling the amounts maintained back to the authorized amount.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states, in part,

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

When petty cash funds are not properly established at a set amount by the County Board, the County is not in compliance with the State statute. In addition, the County is exposed to an increased risk of loss, theft, or misuse of County funds.

We recommend the County Board review petty cash funds used by County offices and, if it is the intention of the County Board for those offices to have petty cash funds, establish authorized amounts. We further recommend all authorized petty cash funds be stated in the budget message of the County budget document at the authorized amount.

County Clerk’s Response: Petty Cash Funds and Fee Rate Approval Resolutions are scheduled to be presented at the March 15, 2013 Board of Commissioners meeting to be approved for all offices.

Fee Rate Approval

We noted the following offices charged fees for services provided; however, the amounts of the fees were not set by State statute or the County Board:

- County Surveyor – Hourly rate charged and charges for map copies.
- County Handi-Bus – Fees charged to ride the Handibus.
- County Highway Department – Rates charged for the sale of surplus items.
- County Weed Department – Rates charged for spraying services.
- County Clerk – Fees charged for various items such as copies, searches, and plat books.
- County Planning and Zoning – Fees charged for zoning permits.

Neb. Rev. Stat. § 23-106 (Reissue 2007) assigns the responsibility to the County Board for managing the County funds and County business. In addition, good internal control and sound accounting practice requires fees be set by the County Board and documented in Board minutes. When the County Board is not approving fees charged, there is an increased risk of loss or misuse of County funds.

We recommend the County Board approve any fees collected that are not established by State statute.

County Clerk's Response: Petty Cash Funds and Fee Rate Approval Resolutions are scheduled to be presented at the March 15, 2013 Board of Commissioners meeting to be approved for all offices.

Unclaimed Property

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states that personal property held by public entities or political subdivisions which remained unclaimed for more than three years is presumed abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding.

During our audit we noted the following offices held funds which had remained unclaimed for more than three years and had not been remitted to the State Treasurer in accordance with the Unclaimed Property Act:

- Clerk of the District Court – one check for \$55.
- County Attorney – unknown trust balances totaling \$5,188.
- County Register of Deeds – 16 checks totaling \$214.
- County Sheriff – 455 checks totaling \$7,845.

We recommend all personal property, including uncashed checks and unclaimed trust balances, which remain unclaimed for more than three years be remitted to the State Treasurer in accordance with the Unclaimed Property Act.

COUNTY BOARD

Deposit Coverage

During our audit we noted one day in September 2011 and five days in June 2012 where the County Board bank accounts did not have adequate pledged securities to fully secure bank deposits. The uncollateralized deposits ranged from \$90,134 to \$448,785.

Neb. Rev. Stat. § 77-2395 (Reissue 2009) states

“the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.”

When deposits are not fully secured at all times, the County Board is not in compliance with State statute and there is an increased risk of loss should financial institutions holding County deposits fail.

We recommend the County Board implement procedures to ensure bank accounts are adequately collateralized at all times.

County Clerk's Response: I called the bank today, March 1, 2013 to increase our secured collateral by \$500,000. This amount should always cover the County.

COUNTY REGISTER OF DEEDS

Restrictive Endorsement of Checks

During our audit we noted the County Register of Deeds did not restrictively endorse checks immediately when received.

Good internal control requires checks be restrictively endorsed immediately upon receipt. When checks are not restrictively endorsed at the time of receipt, there is an increased risk for loss or misuse of funds.

We recommend the County Register of Deeds restrictively endorse each check immediately upon receipt.

COUNTY SHERIFF

Balancing Procedures

Sound accounting practice and good internal control require procedures be in place to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fees and trust accounts) on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted.

At June 30, 2012, a listing of trust balances could not be provided for \$2,940 in the Inmate Account. When all monies received are not appropriately accounted for and there is a failure to determine asset-to-liability balancing variances, there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff implement documented monthly balancing procedures and follow up on variances in a timely manner.

COUNTY SURVEYOR

Questionable Claims

During our audit, we noted claims submitted by the County Surveyor for credit card purchases and personal reimbursement included a number of questionable items that were paid or reimbursed by the County Board consisted of the following:

- Questionable reimbursements or payments, totaling \$641, regarding mileage reimbursement and alcohol purchases included:
 - Mileage reimbursed for the use of a personal vehicle to Kearney for a NACO conference held December 14 – 16, 2011, totaling \$126, also purchased gas for \$35 in Kearney on December 16, 2011, at 12:26 a.m. using the County credit card.
 - Mileage reimbursed for the use of a personal vehicle to Columbus for a PSAN conference held February 1, 2012, totaling \$172, also purchased gas for \$75 in Grand Island on February 1, 2012, using the County credit card.
 - Mileage reimbursed for the use of a personal vehicle to La Vista for a SENSLA conference held March 16 – 17, 2012, totaling \$237, also purchased gas for \$75 in Kearney on March 16, 2012, and for \$83 in Lincoln on March 17, 2012, using the County credit card.
 - Mileage reimbursed for the use of a personal vehicle to Grand Island for a GIS conference held March 28 – 30, 2012, totaling \$94, also purchased gas for \$75 in Kearney on March 28, 2012, using the County credit card.
 - Purchase of alcohol on the County credit card at a Texas T-Bone restaurant in Grand Island on March 28, 2012, totaling \$12.
- Five requests, totaling \$127, were submitted to the County Board for payment or reimbursement by the County Surveyor without an itemized receipt attached.
 - Purchase at Legacy 272 in Kearney on December 15, 2011, for \$14
 - Meal at a Chili's Bar and Grill for \$30
 - Purchase made at the Merrick Machine Co. for \$22
 - Charge at Nines Lounge in the Embassy Suites in La Vista for \$26
 - Purchase made at Power Sports Nation for \$35
- Six receipts submitted for payment by the County Surveyor included Nebraska Sales tax. Purchases made by the County, within Nebraska, are tax exempt. This resulted in the County incurring the expense of \$37 in sales tax that it should not have.

Good internal controls require the County Surveyor complete accurate, appropriate reviews of claims prior to submission to the County Board. Adequate procedures should be in place, including a review of original supporting documents, to ensure claims are accurate, reasonable, and allowable. Without proper internal controls and documentation, there is an increased risk for loss, theft, or misuse of funds.

Neb. Rev. Stat. § 23-135.01 (Reissue 2012) states,

“Whoever shall file any claim against any county as provided in section 23-135, knowing said claim to contain any false statement or representation as to a material fact or whoever shall obtain or receive any money or any warrant for money from any county knowing that the claim therefore was based on a false statement or representation as to a material fact, if the amount claimed or money obtained or received, or if the face value of the warrant for money shall be one thousand dollars or more shall be guilty of a Class IV felony. If the amount is more than one hundred dollars but less than one thousand dollars, the person so offending shall be guilty of a Class II misdemeanor. If the amount is less than one hundred dollars, the person so offending shall be guilty of a Class III misdemeanor.”

We recommend the County Surveyor and the County Board implement procedures to ensure claims are appropriate and accurate prior to submission to the County Board. All claims submitted for reimbursement should include the original itemized receipts and procedures should be established to prevent payment of Nebraska sales tax on County purchases. We further recommend the County Attorney review this situation for any action deemed necessary.

COUNTY TREASURER

Tax Credit Distribution

During our audit we noted the County Treasurer received a State property tax credit payment totaling \$698,765 on January 31, 2012. This money was not distributed to local governing bodies until May 24, 2012.

Neb. Rev. Stat. § 77-4212 (Reissue 2009) states “after retaining one percent of the receipts for costs, the county treasurer shall allocate the remaining receipts to each taxing unit.” When funds are not distributed in a timely manner, tax districts do not receive the timely benefit of State funds.

We recommend the County Treasurer distribute all property tax credit payments received in a timely manner.

* * * * *

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.

Draft copies of this report were furnished to the County to provide them 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 will be verified in the next audit.

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

Sincerely,

SIGNED ORIGINAL ON FILE

Deann Haeffner, CPA
Assistant Deputy Auditor