

**BOARD OF COUNTY COMMISSIONERS
SARPY COUNTY, NEBRASKA**

RESOLUTION ACCEPTING THE SARPY COUNTY FINANCIAL AUDIT REPORT

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6)(Reissue 1997), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103(Reissue 1997), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, a County financial audit required pursuant to Neb. Rev. Stat. §23-1608, et. seq. has been performed by the firm of Orizon CPA's, LLC.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Commissioners of Sarpy County, Nebraska, that the attached financial audit report of Sarpy County is hereby accepted and the Sarpy County Clerk is hereby directed to file such report.

DATED this 8th day of March, 2011.

MOVED by Rusty Hike, seconded by Jim Warren, that the above Resolution be adopted. Carried.

YEAS:	NAYS:	ABSENT:
<u>Rusty Hike</u>	<u>none</u>	<u>none</u>
<u>Jim Warren</u>	_____	_____
<u>Jim Stanger</u>	_____	ABSTAIN:
<u>Tom Richard</u>	_____	<u>none</u>
_____	_____	_____

Attest:
SEAL

Dee Vaughtal
County Clerk



Sarpy County Board of Commissioners

1210 GOLDEN GATE DRIVE
PAPILLION, NE
593-4155
www.sarpy.com

ADMINISTRATOR Mark Wayne
DEPUTY ADMINISTRATOR Scott Bovick
FISCAL ADMIN./PURCHASING AGT. Brian Hanson



COMMISSIONERS

Rusty Hike District 1
Jim Thompson District 2
Tom Richards District 3
Jim Nekuda District 4
Jim Warren District 5

MEMO

To: Sarpy County Board

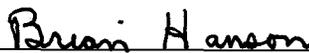
From: Brian Hanson

Re: Acceptance of Financial Audit Report

At the March 8, 2011 Board meeting, the County Board will be asked to accept the attached Financial Audit Report for Sarpy County. A few highlights are as follows:

1. The Independent Auditor's Report on page 1 gives us a "clean opinion" stating, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2010 . . ."
2. Management's Discussion and Analysis (MD&A) on pages 3-11 provides a summary of the County's financial statements and activity. I feel that the MD&A shows that Sarpy County is in solid financial condition.
3. The Report on Internal Control on page 58 indicates that no deficiencies in internal control over financial reporting that would be considered to be material weaknesses were identified.
4. The Schedule of Findings and Questioned Costs on page 62 indicate there were no Financial Statement Findings and no Federal Award Findings or Questioned Costs..
5. The Letter to Those Charged With Governance (included as a separate document) does indicate a number of areas where various County departments can improve accounting procedures (see last four pages of document).
6. Jodi Rinne from Orizon CPA's LLC will be in attendance to answer questions.

March 1, 2011



Brian E. Hanson

BEH/dp

cc: Mark Wayne
Deb Houghthaling
Scott Bovick

ORIZON CPAs LLC
CERTIFIED PUBLIC ACCOUNTANTS
16924 FRANCES STREET, SUITE 210
OMAHA, NEBRASKA 68130



402 330/7008 / PHONE
330/6851 / FAX
www.orizongroup.com

February 23, 2011

Board of Commissioners
Sarpy County, Nebraska
Papillion, Nebraska

We have audited the basic financial statements of Sarpy County as of and for the year ended June 30, 2010, and have issued our report thereon dated February 7, 2011. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards Government Auditing Standards

As communicated in our engagement letter dated, May 26, 2010 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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 entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Sarpy County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding control deficiencies and other matters, if any, noted during our audit in our "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on our Audit of the financial Statement Performed in Accordance with *Government Auditing Standards*".

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Sarpy County is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2010. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are current compensated absences, landfill closure and post closure costs, and other postemployment benefit liability.

Management's estimate of the current compensated absences is based on the percentage of compensated absences used during the last fiscal year. We evaluated the key factors and assumptions used to develop the landfill closure and post closure costs liability and the other postemployment benefits liability and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Sarpy County's financial statements relate to deposits and investments, the employees' retirement system, commitments and contingencies, landfill closure and post closure costs, and the public entity risk pool.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements. The two attached schedules (Schedule 1 and 2) summarize the misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management. The purpose of each schedule are as follows:

1. To appropriately report the County's governmental fund financial statements presented on the modified accrual basis of accounting and the County's proprietary fund financial statements on the full accrual basis of accounting (see Schedule 1); and
2. To appropriately report the County's governmental activities financial statements on the full accrual basis of accounting (see Schedule 2)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Sarpy County's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management and elected officials. Copies of these letters are maintained by us.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with Sarpy County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Sarpy County's auditors.

Other Matters

We also noted other matters that we believe warrant the attention of the County. These items are detailed in Schedule 3, attached.

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


ORIZON CPAs LLC

SCHEDULE 1
 MODIFIED ACCRUAL ADJUSTING JOURNAL ENTRIES
 FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010

GENERAL FUND

To record interest earned & in the accounts but not on the books for the fund financials

00100-11000	Cash	191,495.00	
00100-44000	Local		191,495.00

SPECIAL REVENUE FUNDS

To record due to /do from in the current year

02700-12800	Due from	319,100.00	
02700-21800	Due to		319,100.00

To record interest earned & in the accounts but not on the books for fund financials

03401-11000	CASH	12,110.00	
03401-44000	Local		12,110.00

PROPRIETARY FUNDS

To record increase in accumulated depreciation for 2010 FY and prior

05200-52000	Operating Expenses	13,068.00	
05200-16900	Accumulated depreciation		13,068.00

FIDUCIARY FUND

To record interest earned & in the accounts but not on the books for fund financials

99999-11000	Cash and Investments	20,277.00	
99999-21000	Due to other governmental entities		20,277.00

SCHEDULE 2
 FULL ACCRUAL ADJUSTING JOURNAL ENTRIES
 FOR THE PERIOD JULY 1, 2009 to JUNE 30, 2010

GOVERNMENTAL ACTIVITIES

To record additions and reductions to fixed assets for 2009 FY and prior

00200-16100	Roads, Bridges, Infrastructures, and Improvements	31,079.00	
00200-16200	Buildings	84,004.00	
00200-55000	Capital Outlays	530,163.00	
00941-55000	Capital Outlays	143,263.00	
00990-55000	Capital Outlays	40,324.00	
02599-55000	Capital Outlays	8,259.00	
00200-16300	Machinery and Equipment		837,092.00

To record increase in accumulated depreciation for FY2009 and prior

00200-16900	Accumulated Depreciation	625,157.00	
00200-55000	Capital Outlays		277,167.00
00941-55000	Capital Outlays		114,657.00
00990-55000	Capital Outlays		225,078.00
02599-55000	Capital Outlays		8,255.00

To record current year accrued other post employment benefits

00200-51000	Personal Services	9,318.00	
00941-51000	Personal Services	82,267.00	
00990-51000	Personal Services	25,429.00	
01500-51000	Personal Services	481.00	
05400-51000	Personal Services	449.00	
00200-22100	Accrued Other Post Employment Benefits - Current		90,555.00
00200-22200	Accrued Other Post Employment Benefits - Long-term		27,389.00

SCHEDULE 3 RECOMMENDATIONS

AUDITOR'S ROLE

Each department head and board member should be informed of the auditor's role. The auditor's role includes not only stating an opinion on the financial statements but considering internal control over financial reporting. This allows the auditor to provide recommendations for the County to improve their internal controls and efficiency. The more accurate the information is provided to the auditor, the more effective and relevant the recommendations. Each department should be encouraged to keep an electronic file with questions and/or situations that occur through the year that may be of interest to the auditor. Additionally, department heads and the Board of Commissioners should be informed that the auditor is available by phone or e-mail throughout the year as questions or situations arise.

Each year the auditor attempts to look at various items, gaining a better understanding through information provided with perhaps some variance as associated with the associates and experience levels in order to provide effective and relevant recommendations. So, although there may be different recommendations each year it may not be due to different circumstances occurring but perhaps more refining of the recommendations based on the new knowledge, understanding, and outlook of the auditors. This year we have listed the recommendations from the prior year that were perhaps not fully addressed during fiscal year ending June 30, 2010.

PRIOR YEAR RECOMMENDATIONS

SUSPENSION AND DEBARMENT CERTIFICATION

The Roads department receives federal funding for roads projects passed through the State of Nebraska Department of Roads. One of the requirements to receiving these funds is that the County affirms that contractors they pay with these federal funds are not on the Excluded Party List System, prior to payments being made to the contractors by either 1) printing off the excluded party list located at www.epls.gov or 2) obtaining a suspension and debarment certification completed by the contractor. Orizon recommends that the Roads department have documented support that such an affirmation has been done prior to payments being made.

RISK ASSESSMENT

The County does not currently document the performance of an annual risk assessment. We recommend that a risk assessment be performed and documented at least annually.

Theoretically, you should have one person handling the cash (with supervision), someone different inputting the information into the system, and a third person reviewing the information.

PERSONNEL MANUAL

During the audit it was noted that the Sarpy County Policies and Procedures Manual (Personnel Manual), revised July 20, 2004 includes many pertinent sections relating to not just employment contracts, County employment process, classification and compensation, and benefits but also includes the expected employee conduct and general policies, and discipline procedures. Because a number of the county employees are tenured we recommend an annual review of the personnel manual with all employees and request employees sign a statement of their understanding to affirm that employees continue to think about and engage in proper conduct.

TRANSFERS AND LOANS

The County currently records transfers to other funds and loans to other funds as transfers. We recommend the County record loans to other funds on the balance sheet.

ACCOUNTING POLICIES AND PROCEDURES MANUAL

Each department should have an accounting policies and procedures manual describing their procedures. This manual should contain accounting policies and step by step instructions regarding how their work is accomplished in the department. Most of the departments currently are on the job training, meaning a new individual is shown by someone in the department how things are done. A policy and procedure manual would assist with training and with consistency in the handling and recording of transactions.

Landfill has a great policy and procedures manual that details their operations. The landfill should include a revision date as information is updated or when the policy is written.

Sheriff's office, County Attorney, Fiscal Administrator, Register of Deeds, County Clerk, Clerk of the District Court, Building Inspector, Diversion, and Treasurer's department should each create a policy and procedures manual detailing the department's operations. As policies and procedures are updated, they should be dated to show that they are reviewed on a regular basis. Some of these offices already have a manual started and the Roads department has completed their manual.

MANDATORY VACATION

Mandatory vacation with a rotation of duties (meaning when an individual is gone, another employee performs that individual's job) provides many benefits including, possible improvement of processes from replacement, fraud discovery, and cross training to allow for flexibility of individuals.

We recommend all departments have mandatory vacations if at all possible. If your department is too small, perhaps another larger department could step in to assist with rotating duties. This allows for cross-training, which is beneficial when an employee is sick or requires an extended period of leave. Additionally, the mandatory vacation should be included in the department's policies and procedures manual.

RECEIPTS

Each department should be tracking receipts (revenues) for their department that are expected to be received in the Treasurer's office and then follow-up if not receipted in a reasonable amount of time. For example, if the Roads Department bills a city for its portion of a joint project, then the Roads Department should be tracking what they are expecting to receive and if the funds are not received in a reasonable amount of time, they should follow-up with the County.

Each applicable department should develop a Treasurer's Department receipts procedure to ensure that all monies to be collected are collected timely and procedures to follow-up when monies are not collected timely.

SEGREGATION OF DUTIES

Improvements in separation of duties could be made to ensure that those in a department responsible for maintaining accounting records and initiating transactions also do not have access to cash and cash items.

Due to the limited number of people working in the Planning and Building Inspector's office and the many critical duties are combined and given to available employees. Different employees should perform the separate duties of preparing accounts receivable, processing cash receipts, maintaining books of original entry, and the review of this information.

Theoretically, you should have one person handling the cash (with supervision), someone different inputting the information into the system, and a third person reviewing the information.

SARPY COUNTY, NEBRASKA

JUNE 30, 2010

SARPY COUNTY, NEBRASKA

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SARPY COUNTY, NEBRASKA

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February 7, 2011

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sarpy County, Nebraska (the "County") as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements 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 basic 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2011, on our consideration of the County's internal control over financial reporting and 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.

The Management's Discussion and Analysis on pages 3 - 11, the budgetary comparison schedules on pages 38 - 43, and the other postemployment benefit schedule on page 44 are not required parts of the basic financial statements but are supplementary information required by generally accepted accounting principles in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was performed for the purpose of forming an opinion on the financial statements of Sarpy County, Nebraska taken as a whole. The supplemental financial information presented on pages 45 - 55, is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Orizon CPAs LLC
ORIZON CPAs LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Sarpy County, Nebraska, we offer readers of Sarpy County, Nebraska's financial statements this narrative overview and analysis of the financial activities of Sarpy County, Nebraska for the fiscal year ended June 30, 2010. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes to the financial statements.

This discussion focuses on the County as the primary government but also includes activity of the Sarpy County Leasing Corporation as a blended component unit because it meets the requirements for inclusion in the financial statements as set forth by the Governmental Accounting Standards Board.

Financial Highlights

As of June 30, 2010, the County's total assets exceeded its total liabilities by \$150,981,831.

Total net assets are comprised of the following:

- Capital assets, net of related debt, of \$96,266,399. This represents the property and equipment, net of accumulated depreciation, and reduced for outstanding debt and amortized bond issue costs related to the purchase or construction of the County's capital assets.
- Restricted net assets of \$14,551,510.
- Unrestricted net assets of \$40,195,898.

The County's total revenues exceeded its total expenses by \$951,859.

The County's governmental activities reported a net increase in net assets of \$1,219,094 and a total ending net asset balance of \$146,938,086.

The County's proprietary funds reported a net decrease in net assets of \$267,235 and a total ending net asset balance of \$4,043,745.

For the year ending June 30, 2010, the General Fund reported revenues in excess of expenditures of \$2,353,101 and had an ending fund balance of \$22,357,062.

The County's total debt increased by \$23,971,532 during the current fiscal year (largely due to the addition of \$18,985,000 of debt for the baseball stadium) to a total debt balance of \$42,392,428 as of June 30, 2010.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Sarpy County, Nebraska's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Sarpy County, Nebraska's finances, in a manner similar to a private sector business. The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall status. Financial reporting at this level uses a full accrual basis of accounting and the elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the County-wide statement of position presenting information that includes the County's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating.

Evaluation of the overall economic health of the County would extend to other financial factors such as diversification of the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the County's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities include general government, public safety, public health, social services, special roads and debt service interest. Business-type activities include landfill functions and activities of the Sarpy County Leasing Corporation which was created for the construction of the baseball stadium project.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Sarpy County, Nebraska, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Sarpy County, Nebraska can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on near-term spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Sarpy County, Nebraska maintains nearly sixty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, and special roads fund, each of which are considered to be major funds. All other special revenue funds are combined and are shown as non-major funds.

Budgetary comparison schedules are included in the basic financial statements for the general fund and special revenue funds. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. There are two kinds of proprietary funds. There are enterprise funds and internal services funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization such as the landfill function. Internal service funds provide services and charge fees to customers within the County organization.

The County's landfill functions as well as the activity of the Sarpy County Leasing Corporation are accounted for and reported as an enterprise fund. The County currently has no internal service funds.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also includes certain other supplementary information. This section includes the tax reconciliation and statements of accountability for individual offices. Supplementary information follows the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sarpy County, Nebraska, assets exceeded liabilities by \$150,981,831, as of June 30, 2010.

A significant portion of Sarpy County, Nebraska's net assets (62.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Sarpy County, Nebraska's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides a summary of the County's net assets:

	Government Activities	Business-type Activities	Total
Current and other assets	\$ 52,500,488	\$ 22,816,212	\$ 75,316,700
Capital assets	<u>128,810,230</u>	<u>9,184,011</u>	<u>137,994,241</u>
Total assets	<u>181,310,718</u>	<u>32,000,223</u>	<u>213,310,941</u>
Current liabilities	8,612,490	2,302,665	10,915,155
Long-term liabilities	<u>25,760,142</u>	<u>25,653,813</u>	<u>51,413,955</u>
Total Liabilities	<u>34,372,632</u>	<u>27,956,478</u>	<u>62,329,110</u>
Net assets			
Invested in capital assets, Net of related debt	105,682,057	(9,415,658)	96,266,399
Restricted	3,419,590	11,099,944	14,519,534
Unrestricted	<u>37,836,439</u>	<u>2,359,459</u>	<u>40,195,898</u>
Total net assets	<u>\$146,938,086</u>	<u>\$ 4,043,745</u>	<u>\$150,981,831</u>

This reflects an increase in net assets of \$951,859 or 0.6% for the County from the previous year net asset balance of \$150,029,972; an indication that the County's overall financial position remained stable during the fiscal year 2010.

The governmental activities had an increase in net assets of \$1,219,094 and the business-type activities had a decrease of \$267,235 for a total increase in net assets for the County of \$951,859. A summary of the government-wide operations is presented below:

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
General revenues and transfers	\$ 44,963,898	\$ 42,534,769	\$ 2,429,129
Charges for services	11,775,879	15,546,858	(3,770,979)
Operating grants and contributions	10,940,076	10,217,869	722,207
Capital grants and contributions	<u>77,642</u>	<u>1,459,803</u>	<u>(1,382,161)</u>
Total revenues	67,757,495	69,759,299	(2,001,804)
Expenses	<u>(66,805,636)</u>	<u>(61,459,489)</u>	<u>(5,346,147)</u>
Changes in net assets	<u>\$ 951,859</u>	<u>\$ 8,299,810</u>	<u>\$ (7,347,951)</u>

Property tax commissions and other commissions totaling \$2,783,975 were reclassified from Charges for Services to General Revenues accounting for the large increase in the General Revenues category and decrease in the Charges for Services category. The decrease in capital grants and contributions was due to the fact that a road project paid for with federal revenues was completed in the 2009 fiscal year.

GOVERNMENTAL ACTIVITY REVENUES

General revenues from governmental activities totaled \$44,888,206 in 2010, an increase of \$2,357,660 or 5.5% from 2009. The amount of general revenues by source and increase or decrease from the prior year are summarized below:

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Property taxes	\$ 41,014,176	\$ 40,543,076	\$ 471,100
Investment income	727,847	1,585,033	(857,186)
Miscellaneous	<u>3,146,183</u>	<u>402,437</u>	<u>2,743,746</u>
Total general revenues	<u>\$ 44,888,206</u>	<u>\$ 42,530,546</u>	<u>\$ 2,357,660</u>

Investment income decreased from \$1,585,033 to \$727,847 because of lower interest rates.

The County relies heavily on property taxes to support its governmental operations. Tax revenue provided approximately 63.3% of the County's total governmental revenues.

GOVERNMENTAL ACTIVITY EXPENDITURES

Expenditures of governmental activities totaled \$63,056,748 for 2010, an increase of \$4,563,232 from 2009 expenditures of \$58,493,516. As shown below, there are a variety of factors affecting the increase in governmental activity expenditures such as general salary and operational cost increases. In addition, a variety of court related departments totaling approximately \$3 million were reclassified from General Government to Public Safety to more accurately reflect their function.

These expenditures, by function, are summarized below:

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
General government	\$ 13,789,785	\$ 20,863,877	\$ (7,074,092)
Public health	971,767	333,022	638,745
Public safety	36,629,407	24,610,650	12,018,757
Public health and social services	1,098,846	987,130	111,716
Special roads	9,976,075	11,191,664	(1,215,589)
Debt service interest	<u>590,868</u>	<u>507,173</u>	<u>83,695</u>
	<u>\$ 63,056,748</u>	<u>\$ 58,493,516</u>	<u>\$ 4,563,232</u>

BUSINESS-TYPE ACTIVITIES

Business-type activities are shown comparing costs to revenues generated by related services. The landfill functions are designated to be self-supporting with user charges and other revenues designed to recover costs. For the year ending June 30, 2010 landfill expenditures exceeded revenues by \$223,309. Stadium activity is also shown as a business-type activity for the 2010 fiscal year and the expenditures exceeded revenues by \$43,926. A summary of these activities is presented below.

	<u>2010</u>		<u>2009</u>
	<u>Landfill</u>	<u>Stadium</u>	<u>Landfill</u>
Operating revenues	\$2,893,018	\$ 1,331	\$ 3,266,950
Operating expenses	<u>(3,192,019)</u>	<u>(13,281)</u>	<u>(2,965,973)</u>
Operating income (loss)	(299,001)	(11,950)	300,977
Non-operating revenues	75,692		4,241
Non-operating expenses		(543,588)	(18)
Transfers	<u> </u>	<u>511,612</u>	<u> </u>
Increase (decrease) in net assets	<u>\$ (223,309)</u>	<u>\$ (43,926)</u>	<u>\$ 305,200</u>

Financial Analysis of the County's Funds

Governmental funds

As previously discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending cash balances and investments of \$36,413,670 as of June 30, 2010, which represents 57.7% of the current total expenses.

The Governmental Fund information is summarized below:

	<u>Total Governmental Funds</u>	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments	\$ 36,413,670	\$ 30,490,986
Accounts receivable	99,799	122,319
Taxes receivable	14,385,670	14,035,974
Due from	319,100	354,100
Prepaid expenses	491,308	466,943
Inventory	<u>414,803</u>	<u>422,191</u>
Total assets	<u>\$ 52,124,350</u>	<u>\$ 45,892,513</u>
LIABILITIES		
Accounts payable	\$ 3,311,166	\$ 2,804,643
Due to	319,100	354,100
Wages and benefits payable	1,477,235	931,601
Deferred revenue	918,938	1,012,089
Compensated absences	<u>193,002</u>	<u>187,901</u>
Total liabilities	<u>6,219,441</u>	<u>5,290,334</u>
FUND BALANCES		
Reserved		
Prepaid expenses	491,308	466,943
Inventory	414,803	422,191
Debt services	3,419,590	3,093,835
Unreserved	<u>41,579,208</u>	<u>36,619,210</u>
Total fund balances	<u>45,904,909</u>	<u>40,602,179</u>
Total liabilities and fund balances	<u>\$ 52,124,350</u>	<u>\$ 45,892,513</u>

The General Fund is the County's primary operating fund and largest source of day-to-day service delivery. The General Fund had a Net Fund Balance increase of \$2,353,101 based on the modified accrual basis of accounting.

Proprietary funds

The proprietary fund statements share the same focus as the government-wide statement, reporting both short-term and long-term information about financial status. We have summarized the operating results of these funds above.

General Fund Budgetary Highlights

The General Fund budgeted revenues for the 2010 fiscal year were \$44,311,816 while actual revenues were \$45,219,205 on a cash basis of accounting, for a favorable variance of \$907,389. The General Fund budgeted expenses were \$41,972,421 while actual expenses were \$38,251,710 on a cash basis of accounting, for a favorable variance of \$3,720,711. These amounts are exclusive of transfers.

Assessed Valuation and Property Taxes

Assessed valuation of \$10,977,324,419 represented a 2.4% increase over the preceding year's valuation of \$10,716,831,121. Property taxes are assessed on actual valuation. The tax rates are applied to each \$100 of actual valuation. The breakdown of tax rates for 2010 fiscal year and the preceding two years are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund	.2591	.2501	.2531
All other funds	<u>.0408</u>	<u>.0498</u>	<u>.0468</u>
Total	<u>.2999</u>	<u>.2999</u>	<u>.2999</u>
Total valuation	\$10,977,324,419	\$ 10,716,831,121	\$ 9,969,144,239
% valuation increase over preceding year	2.4%	7.5%	10.1%

Capital Assets

As of June 30, 2010, the County had \$137,994,241 invested in capital assets, including roads, bridges, buildings, machinery, equipment, etc. This is an increase of \$9,634,263 from the previous year amount. The net book value of these assets are summarized below.

Land	\$ 4,770,251
Construction in progress	15,239,757
Infrastructure	92,623,901
Buildings	21,449,938
Land improvements	15,245
Machinery and equipment	<u>3,895,149</u>
Net capital assets	<u>\$137,994,241</u>

The increase in capital assets during the year is due primarily to significant additions to new building projects, including the stadium, in excess of the current year depreciation and asset disposals. The annual depreciation for the County for 2010 was \$5,084,652.

Debt Administration

At the end of the fiscal year, the County had total bonded debt and notes payable outstanding of \$42,392,428. During the current year, the County issued new governmental bonds in the amount of \$7,790,000 for the sheriff remodel and made principal payments on outstanding bonds totaling \$2,740,000. In addition, during the current year, the Sarpy County Leasing Corporation issued Lease Rental Revenue Bonds in the amount of \$18,985,000 to fund construction of the new baseball stadium.

The County's total future debt service requirements for bonded debt and notes payable are presented below.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 3,419,590	\$ 1,535,083	\$ 4,954,673
2012	3,318,426	1,505,014	4,823,440
2013	3,690,088	1,431,816	5,121,904
2014	4,675,524	1,333,887	6,009,411
2015	2,592,262	1,236,070	3,828,332
2016 and beyond	<u>24,696,538</u>	<u>12,815,631</u>	<u>37,512,169</u>
	<u>\$42,392,428</u>	<u>\$19,857,501</u>	<u>\$62,249,929</u>

Economic Environment

Sarpy County encompasses approximately 249 square miles, or 159,360 acres in area, and is located on the eastern border of Nebraska. Papillion, the county seat of Sarpy County, is located ten miles from Omaha, Nebraska, and 45 miles from Lincoln, Nebraska. The current population of Sarpy County is estimated at 153,504.

Sarpy County, unlike most of Nebraska, does not have an agriculturally oriented economy. Offutt Air Force Base is located in the County, making the U.S. military the County's largest employer. Offutt is the headquarters for the Strategic Command ("STRATCOM")

According to the Nebraska Department of Labor, the average monthly civilian labor force in Sarpy County in 2009 was 78,641. According to Offutt Air Force Base, there are 9,049 military and civilian personnel employed on the base in Bellevue.

In 2008, the per capita personal income of Sarpy County residents was \$38,243, which was 97.6 percent of the Nebraska average per capita income of \$39,182. The lower per capita income is explained by Sarpy County's 28.0% population under age 18.

In 2008, the median income of households in Sarpy County was \$65,789. Ninety percent of the households received earnings and 18 percent received retirement income other than Social Security. Eighteen percent of the households received Social Security. The average income from Social Security was \$16,077. These income sources are not mutually exclusive; that is, some households received income from more than one source.

Net taxable sales (excluding motor vehicles) within Sarpy County decreased from \$1,047,406,948 in 2008 to \$1,020,721,260 in 2009, representing a 2.5 percent decrease over the prior year.

The five largest employers located in Sarpy County and the natures of their business are as follows:

<u>Company</u>	<u>Industry</u>
Offutt Air Force Base	Military
PayPal, Inc.	Service
Papillion-La Vista Schools	Education
Werner Enterprises	Trucking
Bellevue Public Schools	Education

Sarpy County's population figures from 2004 through 2009 are as follows:

<u>Year</u>	<u>Population</u>
July, 2004 (estimate)	135,973
July, 2005 (estimate)	139,371
July, 2006 (estimate)	142,637
July, 2007 (estimate)	146,756
July, 2008 (estimate)	150,467
July, 2009 (estimate)	153,504

Information for the number of building permits for single-family dwellings issued for Sarpy County (outside city zoning jurisdictions) from 2005 through 2010 are as follows:

<u>Year</u>	<u>Permits</u>	<u>Value</u>
2005	685	\$72,518,595
2006	689	\$75,054,119
2007	400	\$48,871,958
2008	359	\$58,579,543
2009	216	\$43,714,130
2010	78	\$34,085,230

Information for the number of building permits for commercial/industrial buildings issued for Sarpy County from 2005 through 2010 are as follows:

<u>Year</u>	<u>Permits</u>	<u>Value</u>
2005	29	\$20,637,828
2006	25	\$15,496,200
2007	20	\$18,089,880
2008	12	\$13,027,139
2009	7	\$ 3,016,475
2010	4	\$ 2,742,806

2009-2010 Budget

The County adopted a total budget for the year ending June 30, 2010 of \$109,052,242. This is a decrease of \$1,736,627 over the previous year budget of \$110,788,869. The property tax request for the 2009-10 fiscal year is \$33,218,332 on assessed valuation of \$10,716,831,121 which results in a tax levy of \$0.2999 per \$100 of valuation. This is the same rate as the previous year levy of \$0.2999.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Sarpy County Fiscal Administrator, 1210 Golden Gate Drive, Suite 1129, Papillion, Nebraska 68046.

SARPY COUNTY, NEBRASKA

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 36,413,670	\$ 2,411,615	\$ 38,825,285
Accounts receivable	515,784	278,372	794,156
Taxes receivable	14,385,668		14,385,668
Prepaid expense	491,308	20,527	511,835
Inventory	414,803		414,803
Restricted cash		19,720,367	19,720,367
Capital assets			
Land	4,094,234	676,017	4,770,251
Construction in progress	7,122,451	8,117,306	15,239,757
Depreciable assets	187,619,546	3,523,750	191,143,296
Less accumulated depreciation	(70,026,001)	(3,133,062)	(73,159,063)
Bond issue costs	397,666	398,612	796,278
Less accumulated amortization	(118,411)	(13,281)	(131,692)
Total assets	181,310,718	32,000,223	213,310,941
LIABILITIES			
Accounts payable	3,311,166	2,185,147	5,496,313
Wages and benefits payable	1,477,235	39,833	1,517,068
Interest payable	25,826	31,976	57,802
Other liability		43,299	43,299
Compensated absences			
Current	193,002		193,002
Non-current	5,744,915	143,783	5,888,698
Accrued other post employment benefits			
Current	185,671	2,410	188,081
Non-current	27,389	4,410	31,799
Accrued landfill closure and post closure costs		6,520,620	6,520,620
Bonds payable			
Current	3,095,000		3,095,000
Non-current	19,385,000	18,985,000	38,370,000
Notes payable			
Current	324,590		324,590
Non-current	602,838		602,838
Total liabilities	34,372,632	27,956,478	62,329,110
NET ASSETS			
Invested in capital assets, net of related debt	105,682,057	(9,415,658)	96,266,399
Restricted for:			
Debt service	3,419,590		3,419,590
Post closure costs		661,507	661,507
Stadium construction		10,438,437	10,438,437
Unrestricted	37,836,439	2,359,459	40,195,898
Total net assets	\$ 146,938,086	\$ 4,043,745	\$ 150,981,831

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Expenses	Program Revenues		Change in Net Assets		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	\$ 13,789,785	\$ 4,023,727	\$ 1,830,505	\$ (7,935,553)		\$ (7,935,553)
Public health	971,767	528,184	152,777	(290,806)		(290,806)
Public safety	36,629,407	3,535,310	3,316,174	(29,777,923)		(29,777,923)
Public health and social services	1,098,846	8,056	675	(1,090,115)		(1,090,115)
Special roads	9,976,075	787,584	5,638,614	\$ 77,642	(3,472,235)	(3,472,235)
Debt service interest	590,868			(590,868)		(590,868)
Total governmental activities	<u>63,056,748</u>	<u>8,882,861</u>	<u>10,938,745</u>	<u>77,642</u>	<u>(43,157,500)</u>	<u>(43,157,500)</u>
Business-type activities						
Landfill	3,192,019	2,893,018			\$ (299,001)	(299,001)
Stadium	<u>556,869</u>		<u>1,331</u>		<u>(555,538)</u>	<u>(555,538)</u>
Total business-type activities	<u>3,748,888</u>	<u>2,893,018</u>	<u>1,331</u>		<u>(854,539)</u>	<u>(854,539)</u>
	<u>\$ 66,805,636</u>	<u>\$ 11,775,879</u>	<u>\$ 10,940,076</u>	<u>\$ 77,642</u>	<u>(43,157,500)</u>	<u>(854,539)</u>
						<u>(44,012,039)</u>
General revenues						
Property taxes and assessments				41,014,176		41,014,176
Investment income				727,847		727,847
Miscellaneous				<u>3,146,183</u>	<u>75,692</u>	<u>3,221,875</u>
Total general revenues				<u>44,888,206</u>	<u>75,692</u>	<u>44,963,898</u>
Operating transfers				<u>(511,612)</u>	<u>511,612</u>	
Change in net assets				1,219,094	(267,235)	951,859
Net assets, beginning of year				<u>145,718,992</u>	<u>4,310,980</u>	<u>150,029,972</u>
Net assets, end of year				<u>\$ 146,938,086</u>	<u>\$ 4,043,745</u>	<u>\$ 150,981,831</u>

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010**

	General Fund	Special Roads	Non-major Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 13,414,103	\$ 4,772,699	\$ 18,226,868	\$ 36,413,670
Accounts receivable	11,223		88,576	99,799
Taxes receivable	12,425,397		1,960,271	14,385,668
Due from			319,100	319,100
Prepaid expenses	351,707	57,939	81,662	491,308
Inventory		392,139	22,664	414,803
Total assets	<u>\$ 26,202,430</u>	<u>\$ 5,222,777</u>	<u>\$ 20,699,141</u>	<u>\$ 52,124,348</u>
LIABILITIES				
Accounts payable	\$ 1,826,895	\$ 567,289	\$ 916,982	\$ 3,311,166
Due to			319,100	319,100
Wages and benefits payable	1,076,148	122,194	278,893	1,477,235
Deferred revenue	792,128		126,810	918,938
Compensated absences	150,197	14,430	28,375	193,002
Total liabilities	<u>3,845,368</u>	<u>703,913</u>	<u>1,670,160</u>	<u>6,219,441</u>
FUND BALANCES				
Reserved				
Prepaid expenses	351,707	57,939	81,662	491,308
Inventory		392,139	22,664	414,803
Debt services	124,730	1,394,860	1,900,000	3,419,590
Unreserved	21,880,625	2,673,926	17,024,655	41,579,206
Total fund balances	<u>22,357,062</u>	<u>4,518,864</u>	<u>19,028,981</u>	<u>45,904,907</u>
Total liabilities and fund balances	<u>\$ 26,202,430</u>	<u>\$ 5,222,777</u>	<u>\$ 20,699,141</u>	<u>\$ 52,124,348</u>
RECONCILIATION				
Total fund balances - Governmental Funds				\$ 45,904,907
Amounts reported for governmental activities in the statement of net assets are different because:				
Deferred revenues represents funds not available in the current period and, therefore, are not recognized as revenue in the governmental funds.				918,938
Other accounts receivable are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds.				415,985
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				128,810,230
Some liabilities, including bonds payable, notes payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. Other related amounts include capitalized bond issue costs of \$279,255, interest payable of \$25,826, and post employment benefit accruals of \$213,060.				<u>(29,111,974)</u>
Net assets of Governmental Activities				<u>\$ 146,938,086</u>

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Special Roads	Non-major Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 28,033,722		\$ 4,460,487	\$ 32,494,209
Intergovernmental				
Federal	221,994	\$ 77,642	2,128,635	2,428,271
State	2,499,731	6,214,234	531,274	9,245,239
Local	14,849,383	338,875	5,504,678	20,692,936
Total revenues	<u>45,604,830</u>	<u>6,630,751</u>	<u>12,625,074</u>	<u>64,860,655</u>
EXPENDITURES				
Current				
Personal services	30,089,284	2,947,452	7,871,452	40,908,188
Operating expenses	6,174,052	955,843	3,048,639	10,178,534
Supplies and materials	1,090,208	1,712,589	302,805	3,105,602
Equipment and office rentals	187,751	38,076	39,082	264,909
Capital outlay	661,021	2,275,912	5,628,281	8,565,214
Debt service				
Debt service principal	227,099	1,369,544	1,545,001	3,141,644
Debt service interest	7,745	90,228	468,227	566,200
Total expenditures	<u>38,437,160</u>	<u>9,389,644</u>	<u>18,903,487</u>	<u>66,730,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,167,670</u>	<u>(2,758,893)</u>	<u>(6,278,413)</u>	<u>(1,869,636)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from new bond offering			7,683,979	7,683,979
Operating transfers in	1,867,000	3,302,948	4,521,253	9,691,201
Operating transfers out	(6,681,569)		(3,521,244)	(10,202,813)
Net other financing sources (uses)	<u>(4,814,569)</u>	<u>3,302,948</u>	<u>8,683,988</u>	<u>7,172,367</u>
NET CHANGE IN FUND BALANCES	2,353,101	544,055	2,405,575	5,302,731
FUND BALANCES, BEGINNING OF YEAR	<u>20,003,961</u>	<u>3,974,810</u>	<u>16,623,405</u>	<u>40,602,176</u>
FUND BALANCES, END OF YEAR	<u>\$ 22,357,062</u>	<u>\$ 4,518,864</u>	<u>\$ 19,028,981</u>	<u>\$ 45,904,907</u>
RECONCILIATION				
Total net change in fund balances for the governmental funds.				\$ 5,302,731
Amounts reported in the governmental activities in the government-wide statement of activities are different because:				
Deferred revenues represent funds not available in the current period and, therefore, are not recognized as revenues in the governmental funds.				(93,151)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense.				1,594,059
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.				(598,013)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net assets.				(4,986,532)
Changes in net assets of governmental activities.				<u>\$ 1,219,094</u>

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

**STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010**

	Landfill	Stadium	Total
CURRENT ASSETS			
Cash and investments	\$ 2,411,615		\$ 2,411,615
Accounts receivable	278,372		278,372
Prepaid expenses	20,527		20,527
Total current assets	2,710,514		2,710,514
NON-CURRENT ASSETS			
Restricted cash	7,182,127	12,538,240	19,720,367
Bond Issue Costs		398,612	398,612
Less accumulated amortization		(13,281)	(13,281)
Capital assets			
Construction in Progress		8,117,306	8,117,306
Land	676,017		676,017
Land improvements	586,898		586,898
Buildings	474,500		474,500
Machinery and equipment	2,462,352		2,462,352
Less accumulated depreciation	(3,133,062)		(3,133,062)
Total non-current assets	8,248,832	21,040,877	29,289,709
TOTAL ASSETS	\$ 10,959,346	\$ 21,040,877	\$ 32,000,223
CURRENT LIABILITIES			
Accounts payable	\$ 117,320	2,067,827	\$ 2,185,147
Wages and benefits payable	39,833		39,833
Interest payable		31,976	31,976
Other liability	43,299		43,299
Compensated absences			
Accrued other post employment benefits	2,410		2,410
Total current liabilities	202,862	2,099,803	2,302,665
NON-CURRENT LIABILITIES			
Compensated absences	143,783		143,783
Bonds payable		18,985,000	18,985,000
Accrued other post employment benefits	4,410		4,410
Accrued landfill closure and post closure costs	6,520,620		6,520,620
Total non-current liabilities	6,668,813	18,985,000	25,653,813
Total liabilities	6,871,675	21,084,803	27,956,478
NET ASSETS			
Invested in capital assets, net of related debt	1,066,705	(10,482,363)	(9,415,658)
Unrestricted	2,359,459		2,359,459
Restricted for post closure costs	661,507		661,507
Restricted for stadium construction		10,438,437	10,438,437
Total net assets	4,087,671	(43,926)	4,043,745
TOTAL LIABILITIES AND NET ASSETS	\$ 10,959,346	\$ 21,040,877	\$ 32,000,223

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Landfill	Stadium	Total
OPERATING REVENUES			
Charges for services	\$ 2,893,018		\$ 2,893,018
Operating Grants and Contributions		1,331	1,331
Total operating revenues	2,893,018	1,331	2,894,349
OPERATING EXPENSES			
Personal services	861,691		861,691
Operating expenses	1,664,339	13,281	1,677,620
Supplies/materials	228,924		228,924
Equipment rental	11,775		11,775
Small equipment	425,290		425,290
Total operating expenses	3,192,019	13,281	3,205,300
OPERATING LOSS	(299,001)	(11,950)	(310,951)
NON-OPERATING REVENUE			
FEMA reimbursement	706		706
Miscellaneous	74,986		74,986
NON-OPERATING EXPENSE			
Interest Expense		(543,588)	(543,588)
OPERATING TRANSFERS IN		511,612	511,612
CHANGE IN NET ASSETS	(223,309)	(43,926)	(267,235)
NET ASSETS, BEGINNING OF YEAR	4,310,980		4,310,980
NET ASSETS, END OF YEAR	\$ 4,087,671	\$ (43,926)	\$ 4,043,745

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Landfill	Stadium	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss from operations	\$ (299,001)	\$ (11,950)	\$ (310,951)
Adjustment to reconcile operating loss to net cash provided by operating activities			
Depreciation and amortization	104,100	13,281	117,381
Change in accounts receivable	44,793		44,793
Change in prepaid expenses	(2,648)		(2,648)
Change in accounts payable	(375,068)	2,067,827	1,692,759
Change in accrued wages and benefits payable	17,669		17,669
Change in interest payable		31,976	31,976
Change in other liability	3,299		3,299
Change in compensated absences	11,960		11,960
Change in accrued other post employment benefits	2,410		2,410
Change in accrued landfill closure and post closure costs	663,317		663,317
Net cash provided by operating activities	170,831	2,101,134	2,271,965
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(26,999)	(8,117,306)	(8,144,305)
Net cash received from issuance of new debt		18,586,388	18,586,388
Interest and other charges paid on debt		(543,588)	(543,588)
Net cash provided by (used in) capital and related financing activities	(26,999)	9,925,494	9,898,495
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Operating transfers in		511,612	511,612
CASH FLOWS FROM INVESTING ACTIVITIES:			
FEMA reimbursement	706		706
NET INCREASE IN CASH AND INVESTMENTS	144,538	12,538,240	12,682,778
CASH AND INVESTMENTS, BEGINNING OF YEAR	9,374,218		9,374,218
CASH AND INVESTMENTS, END OF YEAR	\$ 9,518,756	\$ 12,538,240	\$ 22,056,996
CASH AND INVESTMENTS ON THE STATEMENT OF NET ASSETS			
Cash and investments	\$ 2,411,615		\$ 2,411,615
Restricted cash	7,182,127	\$ 12,538,240	19,720,367
Total cash and investments	\$ 9,593,742	\$ 12,538,240	\$ 22,131,982
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Issuance of new debt		\$ 18,985,000	\$ 18,985,000
Charges paid for new debt		(398,612)	(398,612)
Total net cash received from issuance of new debt		\$ 18,586,388	\$ 18,586,388

The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

**STATEMENT OF NET ASSETS - FIDUCIARY FUND
JUNE 30, 2010**

ASSETS

Cash and investments	\$ 83,692,707
Taxes receivable	<u>91,504,298</u>

Total assets	<u>\$ 175,197,005</u>
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LIABILITIES

Due to other governmental entities	<u>\$ 175,197,005</u>
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The accompanying notes are an integral part of the financial statements.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The accounting and reporting framework and the more significant accounting principles and practices of Sarpy County, Nebraska (the "County") are discussed in the subsequent section of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures of the County's financial activities for the fiscal year ended June 30, 2010.

Organization

Sarpy County, Nebraska is a governmental entity established under and governed by the laws of the State of Nebraska. As a political subdivision of the State, the County is exempt from state and federal income taxes.

Reporting Entity

The County has given consideration to potential component units for which it is financially accountable. 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 the Organization's governing body and the ability of the County to impose its will on that Organization to provide specific financial benefits to, or impose specific financial burdens on the Organization.

The County has one component unit that has been blended into on the financial statements, the Sarpy County Leasing Corporation ("SCLC"). SCLC is an entity established to acquire, construct, furnish and equip a baseball stadium and related infrastructure and other facilities necessary to run the baseball stadium. SCLC issued Lease Rental Revenue Bonds in the amount of \$18,985,000 to fund the construction project.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The County is a governmental entity established under the laws of the State of Nebraska. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The County's reporting entity applies all relevant Governmental Accounting Standards Board ("GASB") pronouncements and applicable Financial Accounting Standards Board ("FASB") and Accounting Principles Board ("APB") opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. Governments have the option of following subsequently issued FASB statements subject to this same limitation. The County has elected not to follow the subsequently issued FASB statements.

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds and aggregate non-major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements

The government-wide financial statements include a statement of net assets and a statement of activities. These statements present summaries of governmental and business-type activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements.

These statements are presented on an "economic resources" measurement focus and on the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Accordingly, all of the County's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the statement of net assets. The statement of activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Fund Financial Statements

The financial transactions of the County are reported in major funds and aggregate non-major funds in the fund financial statements. A fund is considered major if it is the primary operating fund of the County, meets specific mathematical criteria set forth by GASB or is identified as a major fund by the County's management.

Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Funds

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and non-major funds aggregated. Accompanying schedules are presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements. The County has presented all major funds that met those qualifications and has aggregated its non-major funds.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period and that it is legally available for such purposes. Property taxes, intergovernmental revenues, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures and other long-term liabilities, which are recorded only when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from issuance of long-term debt are reported as other financing sources.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds, Continued

The following is a description of the County's major governmental funds:

- (1) General fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- (2) The Special Roads fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for these specified purposes.

Proprietary Fund

The County's proprietary fund accounts for the operations of the landfill and the Sarpy County Leasing Corporation. Proprietary fund financial statements include a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities are included on the statement of net assets. The statement of revenues, expenses, and changes in net assets presents increases and decreases in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund and all other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund

Fiduciary fund financial statements include a statement of net assets. The County's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above. These funds are not incorporated into the government-wide statements since these funds are held for the benefit of a third party and cannot be used to address activities or obligations of the County.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1, the County Board of Commissioners ("County Board") prepares and transmits a budget for each County fund showing the projected requirements, outstanding warrants, operating reserve, cash on hand at the close of the preceding fiscal year, projected revenue collected from sources other than property tax and amount to be raised by property taxation. The budget is prepared on the cash receipts and disbursements basis of accounting. At least one public hearing must be held by the County Board.

On or before September 20 each year, the County Board, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, Continued

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held. During the year ended June 30, 2010 the County amended its original budget for the purpose of new federal fund expenditures and stadium bond expenditures.

Investments

The types of investments the County is authorized to invest funds in are enumerated in Nebraska State Statutes Sections 77-2315, 77-2340 and 77-2341, R.R.S. 1943, and generally include United States Government bonds, bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, United States Treasury notes, bills or certificates of indebtedness maturing within two years from the date of purchase, or in certificates of deposit. Investments are stated at fair value.

Receivables

The County believes the amount of outstanding taxes and accounts receivable is fully collectible, therefore no allowance for doubtful accounts has been established.

Property Taxes

Based on the assessed valuation certified annually by the County Assessor, 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 each due December 31 of the year in which the property is appraised. One-half of the taxes become delinquent April 1 and August 1 of the following year.

The County collects its own property taxes and those of certain other taxing entities. Collections of the taxes for others, pending distribution, are accounted for in agency funds.

Counties are permitted by the State Constitution to levy a tax up to \$0.50 per \$100 of assessed valuation for general governmental services other than the payment of principle and interest on bonded debt. They may levy taxes in addition to the \$.50 limitation upon a vote of the people. The tax levy remained below the \$.50 limitation for 2010.

Also, \$.05 of the \$.50 limit may only be levied to provide services offered jointly with another government under an inter-local agreement. The County may share \$0.15 of its levy authority with rural fire districts and other political subdivisions no longer having any levy authority. Additionally, the legislature, as part of a property tax relief package, prohibited counties from adopting a budget containing "restricted funds" which are greater than 2.5% of the prior year budgeted restricted funds, plus the percentage change in valuation increase attributable to new construction and additions to buildings in excess of 2.5%. Restricted funds include property taxes, payments in lieu of taxes, and state aid less amounts budgeted for capital improvements and bonded indebtedness.

Inventories

Inventories are valued at cost, using the average cost method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory held by the governmental funds consists primarily of road construction and maintenance materials.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

Within the government-wide financial statements and the proprietary fund financial statements, capital assets, including infrastructure, are recorded at historical cost or at estimated historical cost if actual cost is not available. Contributed assets are reported at estimated fair market value as of the date received. The County defines capital assets as assets with individual cost of more than \$5,000. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method with a modified full month conversion. The estimated useful lives are as follows: infrastructure (includes roads, bridges, traffic signals, sewer, etc.) 15 - 50 years; buildings 20 - 50 years; machines and equipment 5 - 20 years.

Long-term Debt, Deferred Debt Expense and Bond Discounts/Premiums

In government-wide and proprietary financial statements, outstanding debt is reported as a liability. Bond issuance costs, bond discounts or premiums and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using the method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Compensated Absence

The liability for compensated absences reported in the government-wide and proprietary fund financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability for the governmental funds financial statements consists of only compensated absences due and payable.

Use of Restricted Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County's policy is to apply restricted net assets first.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The County has generally pooled the cash resources of the various funds for investment purposes unless the agency to whom the funds belong has specified otherwise. Interest earned on pooled funds is credited to the County's general fund in accordance with Nebraska State Statute Section 77-2315, R.R.S. 1943.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

2. DEPOSITS AND INVESTMENTS, CONTINUED

Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County has not adopted a specific policy for custodial credit risk, but requires compliance with the provisions of state statutes regarding investment practices. Statutes authorize the County to invest in time deposits at banks selected as depositories of County funds, direct debt securities of the United States Government, and certain government agency bonds.

Deposits

Cash and investments are stated at cost, which approximates fair value. The County's cash deposits, including certificates of deposit, are with institutions insured by the Federal Deposit Insurance Corporation ("FDIC") and other collateral. As of June 30, 2010, \$3,016,800 was not insured or collateralized with securities held by the County's agent in the County's name.

Investments

County funds are invested in conformity with the Public Funds Security Act, Chapter 77, Article 23, specifically 77-2387, of the Nebraska Revised Statutes.

The County's investments, totaling \$74,553,766 consisted of U.S. Government Securities, U.S. Treasury Bills, Fannie Mae, and the Nebraska Public Agency Investment Trust ("NPAIT"), which is an external investment pool not subject to custodial credit risk disclosure. NPAIT is similar to a mutual fund. Its portfolio consists of investments in which public entities are permitted to invest under Nebraska State Statutes. The NPAIT investment is carried at fair value, which was \$3,362,674 as of June 30, 2010. The Fannie Mae investments were rated AAA by Standard and Poors and NPAIT was not rated.

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State statute does not restrict the concentration of investment in any issuer. The County places no limit on the amount the County may invest in any one issuer.

The County's investments, including the fiduciary fund, at June 30, 2010 are:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Included in internal investment pool:		
NPAIT money market	Various	\$ 3,362,674
U.S. Treasury Bills	Various	58,018,286
Federal National Mortgage Association	Various	2,997,600
Other money market	Various	<u>6,812,532</u>
		<u>\$ 71,191,092</u>

Interest Rate Risk

Interest rate risk is the risk that the value of deposits and investments will decrease as a result of a rise in interest rates. The County limits its inherent rate risk by investing only in the short-term pool, which consists primarily of government agency or government securitized investments with maturities of less than one year.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

2. DEPOSITS AND INVESTMENTS, CONTINUED

Summary of Cash and Investments

The carrying value (fair value) for cash and investments for the governmental funds, proprietary fund, and fiduciary fund at June 30, 2010, consists of the following:

	<u>Carrying Value</u>
Cash:	
Cash on hand	\$ 562,210
Cash in bank (checking, money market)	<u>36,059,672</u>
Total cash	<u>36,624,882</u>
Certificates of deposit:	
NPAIT certificates of deposit	5,640,080
Bank certificates of deposit	<u>28,782,305</u>
Total certificates of deposit	<u>34,422,385</u>
Investments:	
U.S. Treasury Bills	58,018,286
Federal National Mortgage Association	2,997,600
NPAIT money market	3,362,674
Other money market	<u>6,812,532</u>
Total investments	<u>71,191,092</u>
Total cash, certificates of deposits, and investments	<u>\$142,238,359</u>
Governmental funds	\$ 36,413,670
Proprietary fund	14,949,855
Proprietary fund – restricted for landfill post closure costs	7,182,127
Fiduciary funds	<u>83,692,707</u>
Total cash and investments	<u>\$142,238,359</u>

3. INTERFUND BALANCES AND TRANSFERS

At June 30, 2010, there was a balance of \$319,100 due to one non-major fund from thirteen various non-major funds resulting from temporary loans to cover cash shortages at year-end.

Interfund transfers for the year ended June 30, 2010 consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Road fund	\$ 3,302,948	Provide funds for normal operating expenditures
General fund	Non-major funds	3,378,621	Provide funds for normal operating expenditures
Non-major funds	Non-major funds	396,105	Provide funds for normal operating expenditures
Non-major funds	General	1,867,000	Provide funds for normal operating expenditures
Non-major funds	Non-major funds	427,427	Repayment of temp loans from prior fiscal year
Non-major funds	Non-major funds	319,100	Temporary loan to be repaid in next fiscal year
Non-major funds	Stadium funds	511,612	Payment of interest expense for stadium

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental Activities</u>				
Not being depreciated				
Land and improvements	\$ 3,923,234	\$ 171,000		\$ 4,094,234
Construction in progress	<u>3,696,366</u>	<u>3,426,085</u>		<u>7,122,451</u>
Subtotal	<u>7,619,600</u>	<u>3,597,085</u>		<u>11,216,685</u>
Other capital assets				
Infrastructure	133,924,399	2,236,226	\$ (166,804)	135,993,821
Buildings	30,061,599	84,004		30,145,603
Machines and equipment	<u>21,871,159</u>	<u>975,170</u>	<u>(1,366,207)</u>	<u>21,480,122</u>
Subtotal	<u>185,857,157</u>	<u>3,295,400</u>	<u>(1,533,011)</u>	<u>187,619,546</u>
Accumulated depreciation				
Infrastructure	(39,858,825)	(3,531,320)	20,225	(43,369,920)
Buildings	(8,222,792)	(702,326)		(8,925,118)
Machines and equipment	<u>(18,178,969)</u>	<u>(724,016)</u>	<u>1,172,022</u>	<u>(17,730,963)</u>
Subtotal	<u>(66,260,586)</u>	<u>(4,957,662)</u>	<u>1,192,247</u>	<u>(70,026,001)</u>
Net other capital assets	<u>119,596,571</u>	<u>(1,662,262)</u>	<u>(340,764)</u>	<u>117,593,545</u>
Net capital assets	<u>\$127,216,171</u>	<u>\$ 1,934,823</u>	<u>\$ (340,764)</u>	<u>\$128,810,230</u>
<u>Business-type Activities</u>				
Not being depreciated				
Land and improvements	\$ 676,017			\$ 676,017
Construction in progress	<u> </u>	<u>\$ 8,117,306</u>		<u>8,117,306</u>
Subtotal	<u>676,017</u>	<u>8,117,306</u>		<u>8,793,323</u>
Other capital assets				
Land Improvements	586,898			586,898
Buildings	474,500			474,500
Machines and equipment	<u>2,435,355</u>	<u>35,921</u>	<u>\$ (8,924)</u>	<u>2,462,352</u>
Subtotal	<u>3,496,753</u>	<u>35,921</u>	<u>(8,924)</u>	<u>3,523,750</u>
Accumulated depreciation				
Land improvements	(542,340)	(29,316)	3	(571,653)
Buildings	(235,568)	(9,481)	2	(245,047)
Machines and equipment	<u>(2,251,055)</u>	<u>(88,193)</u>	<u>22,886</u>	<u>(2,316,362)</u>
Subtotal	<u>(3,028,963)</u>	<u>(126,990)</u>	<u>22,890</u>	<u>(3,133,062)</u>
Net other capital assets	<u>467,790</u>	<u>(91,069)</u>	<u>13,966</u>	<u>390,688</u>
Net capital assets	<u>\$ 1,143,807</u>	<u>\$ 8,026,237</u>	<u>\$ 13,966</u>	<u>\$ 9,184,011</u>

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

4. CAPITAL ASSETS, CONTINUED

Depreciation for the governmental activities was charged to functions as follows:

General government	\$ 650,072
Public health	2,401
Public safety	373,679
Special roads	<u>3,931,510</u>
Total governmental activities depreciation expense	<u>\$ 4,957,662</u>

Construction Commitments

The County has active construction projects of approximately \$15,290,680 at June 30, 2010 for the completion of the courthouse remodeling project, the completion of the law enforcement center project and for the baseball stadium project.

5. LEASES

Operating Leases

The County has non-cancelable operating lease agreements for many copiers and five office and storage spaces with unrelated parties. The monthly copier rental amounts are \$97 to \$397 a month, with the last lease expiring January 2013. The office and storage spaces lease are for \$860 to \$2,508 a month with the last lease expiring June 30, 2013.

Future minimum lease payments for all leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2011	\$ 77,809
2012	51,893
2013	31,951

Lease payments for the year ended June 30, 2010 were approximately \$100,069.

Lessor

The County also leases its building space to three unrelated entities under non-cancelable operating leases. These lease amounts vary between \$1,000 and \$1,730 per month, with the last lease expiring June 2011.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

5. LEASES, CONTINUED

Future minimum lease receipts for all leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2011	\$ 35,165

Lease receipts for these operating leases were approximately \$60,282 during the year ended June 30, 2010.

Stadium

The County, upon completion of the stadium, expected March 15, 2011, will lease the stadium property to the Omaha Royals Organization. This lease is a twenty-five year lease with rent to be adjusted every five years. The initial payments will be \$450,000 annually, paid in two installments. In addition, the County will receive two equal capital contributions of \$1,000,000 each from the Omaha Royals, one upon completion of the stadium and the other within fifteen days after the end of the 2nd lease year.

Future minimum lease receipts for the stadium project are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2011	\$ 1,225,000
2012	450,000
2013	1,450,000
2014	450,000
2015	450,000
Thereafter	9,225,000

6. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2010:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental Activities</u>				
Compensated absences	\$ 5,233,069	\$ 511,846		\$ 5,744,915
General obligation bonds	17,430,000	7,790,000	\$ 2,740,000	22,480,000
Notes payable	<u>990,896</u>	<u>391,928</u>	<u>455,396</u>	<u>927,428</u>
Governmental activities long-term liabilities	<u>\$23,653,965</u>	<u>\$ 8,693,774</u>	<u>\$ 3,195,396</u>	<u>\$29,152,343</u>
<u>Business-type Activities</u>				
Compensated absences	\$ 128,927	\$ 14,856		\$ 143,783
Bonds	<u> </u>	<u>18,985,000</u>		<u>18,985,000</u>
Business-type activities long-term liabilities	<u>\$ 128,927</u>	<u>\$18,999,856</u>		<u>\$ 19,128,783</u>

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

6. LONG-TERM LIABILITIES, CONTINUED

Long-term debt consisted of the following at June 30, 2010:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
<u>Governmental Activities:</u>					
<u>Bonds Payable</u>					
Administration bond	Dec. 2016	3.50 - 4.00%	\$ 615,000 - 815,000	\$ 7,000,000	\$ 5,125,000
Remodel bond	June 2018	2.05 - 3.70%	500,000 - 655,000	5,700,000	4,685,000
Highway allocation bond	Dec. 2013	2.05 - 3.70%	1,195,000 - 1,250,000	6,075,000	4,880,000
Sheriff remodel bond	Dec. 2019	3.35 - 3.80%	715,000 - 870,000	7,790,000	7,790,000
					<u>\$22,480,000</u>
<u>Notes Payable</u>					
ENSA house 2	Nov. 2010	5.10%	\$ 11,700 - 12,300	\$ 101,782	\$ 5,354
ENSA house 3	Dec. 2018	4.65%	8,500 - 13,400	153,061	99,372
ENSA house 4	June 2019	5.00%	10,700 - 17,100	190,000	130,448
ENSA house 5	June 2023	4.70%	8,300 - 16,200	178,575	161,437
Loader	June 2011	2.89%	73,800 - 78,200	228,047	71,662
Investigation car	April 2011	18.58%	3,650 - 4,300	7,963	3,981
8 sheriff's cruisers	May 2011	3.24%	69,000 - 70,900	222,808	84,613
Motor graders	May 2013	2.89%	135,000	391,928	370,561
					<u>\$ 927,428</u>
<u>Business-Type Activities:</u>					
<u>Bonds Payable</u>					
Stadium series A bond	June 2025	1.50 - 3.75%	\$ 335,000 - 465,000	\$ 4,195,000	\$ 4,195,000
Stadium series B bond	June 2036	6.05 - 6.25%	615,000 - 1,115,000	9,290,000	9,290,000
Stadium series C bond	June 2030	2.75 - 6.00%	100,000 - 1,000,000	5,500,000	5,500,000
					<u>\$18,985,000</u>

The annual requirements to pay principal and interest on outstanding bonds and notes payable for governmental activities are shown below:

GOVERNMENTAL ACTIVITIES – BONDS:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 3,095,000	\$ 578,440	\$ 3,673,440
2012	3,155,000	516,375	3,671,375
2013	3,210,000	447,508	3,657,508
2014	3,300,000	368,551	3,668,551
2015	2,110,000	293,505	2,403,505
2016 - 2020	<u>7,610,000</u>	<u>531,291</u>	<u>8,141,291</u>
	<u>\$22,480,000</u>	<u>\$ 2,735,670</u>	<u>\$25,215,670</u>

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

6. LONG-TERM LIABILITIES, CONTINUED

GOVERNMENTAL ACTIVITIES - NOTES PAYABLE:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 324,590	\$ 28,078	\$ 352,668
2012	163,426	20,453	183,879
2013	145,088	16,124	161,212
2014	35,524	13,413	48,937
2015	37,262	11,675	48,937
2016 - 2020	175,120	30,099	205,219
2021 - 2025	46,418	3,440	49,858
	<u>\$927,428</u>	<u>\$123,282</u>	<u>\$1,050,710</u>

BUSINES-TYPE ACTIVITIES – BONDS:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011		\$ 928,565	\$ 928,565
2012		968,186	968,186
2013	\$ 335,000	968,184	1,303,184
2014	1,340,000	951,923	2,291,923
2015	445,000	930,890	1,375,890
2016 - 2020	2,625,000	4,400,675	7,025,675
2021 - 2025	2,745,000	3,992,138	6,737,138
2026 - 2030	5,710,000	2,715,706	8,425,706
2031 - 2035	4,670,000	1,107,438	5,777,438
2036	1,115,000	34,844	1,149,844
	<u>\$18,985,000</u>	<u>\$16,998,549</u>	<u>\$35,983,549</u>

7. NET ASSETS\FUND BALANCE

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in capital assets, net of related debt, groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted net assets presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions enabling legislation.
- Unrestricted net assets represent net assets of the County not restricted for any project or purpose.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

7. NET ASSETS\FUND BALANCE, CONTINUED

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions. As of June 30, 2010, reservations of fund balances are described below:

- Prepaid items – to reflect the portion of assets that do not represent available spendable resources.
- Inventories – to reflect the portion of assets that do not represent available spendable resources.
- Debt service – to reflect the portion of assets that are held for payment of debt service.

8. EMPLOYEES' RETIREMENT SYSTEM

Pension Plan

The County has adopted the provisions of Sections 23-2301 to 23-2331, R.R.S. 1942, known as the County Employees Retirement Act. The retirement system for Nebraska counties is administered by the Public Employees Retirement Board and is a defined contribution cost-sharing multi-employer plan. Participating noncommissioned employees contribute 4.5% and the County contributes 6.75% on their behalf. Commissioned officers of the Sheriffs department contribute 6.75% and the County contributes 8.75% on their behalf. The employee's account is fully vested, while the employer's account is fully vested after three (3) years in the plan. Employees over age 55 are vested immediately upon eligibility to participate in the retirement plan. Prior service benefits are paid by the County on a pay-as-you-go basis directly to the retired employee. No actuarial calculation has been made of the plan because future service benefits are on a money purchase basis and prior service benefits are on a pay-as-you-go basis.

For the year ended June 30, 2010, the County's payroll for covered employees was \$30,586,614, and the total payroll for the County was \$30,886,367. The County contributed \$2,244,893 to the employees account and paid \$1,496 for prior service benefits. The employees contributed \$1,557,224 to the plan for the year ended June 30, 2010.

Deferred Compensation Plan

The County offers employees a deferred compensation plan created in accordance with provisions in IRS Section 457. The deferred compensation plan allows employees to defer a portion of current salary to future years, but the deferred balance is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, property rights purchased with such amounts, and income attributed to such amounts are placed in a trust which is not in the property of the County. Therefore, assets and liabilities related to the deferred compensation plan are not included in the basic financial statements.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

8. EMPLOYEES' RETIREMENT SYSTEM, CONTINUED

Other Postemployment Benefits

Plan Description – The County provides certain post-employment health care benefits ("OPEB Plan") to eligible retirees and their spouses. An employee (and spouse) is eligible to elect medical coverage upon retiring and meeting specific criteria under the Nebraska Public Retirement System and attaining an age varying between 55 and 62, based upon their job classification. Participants pay a percentage of the premiums, based upon their age and job classification. A prescription drug program is also available to those who elect health coverage. The OPEB Plan is a single-employer defined benefit healthcare plan administered by the County. The OPEB Plan does not issue separate financial statements.

Funding Policy – The contribution requirements of OPEB Plan members and the County are established by, the Sarpy County Board of Commissioners. Contributions are made to the OPEB Plan based on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The County is required to contribute the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize an unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County's annual OPEB cost and the net OPEB obligation is as follows:

	<u>Governmental</u>	<u>Proprietary</u>
Annual required contribution	\$ 189,449	\$ 2,410
Interest on net OPEB obligation	4,479	
Adjustments to annual required contribution	<u>(5,847)</u>	
Annual OPEB cost (expense)	188,081	<u>2,410</u>
Contributions made	<u>(70,137)</u>	
Increase in net OPEB obligation	117,944	2,410
Net OPEB obligation – beginning of year	<u>95,116</u>	<u>4,410</u>
Net OPEB obligation – end of year	<u>\$ 213,060</u>	<u>\$ 6,820</u>

As required by GASB 45, the County, acting with the advice of the actuary, has allocated the cost of benefits to years of active service, using the Unit Credit Actuarial Cost Method. This method determines an annual required contribution ("ARC") that represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period of thirty years. The actuarial liability, representing the contributions which would have been accumulated if this method of funding had always been used is \$1,739,926 at July 1, 2010.

The County has not made any contributions to the postemployment benefit plan as of June 30, 2010. The funding policy is on a pay-as-you-go basis.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

8. EMPLOYEES' RETIREMENT SYSTEM, CONTINUED

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As required by GASB 45, the County, acting with the advice of the actuary, has allocated the cost of benefits to years of active service using the Unit Credit Actuarial Cost Method. In the most current valuation, July 1, 2010, the actuarial assumptions used for the calculation of costs and liabilities are as follows:

Discount rate	4.5% per annum, compounded annually
Annual medical trend rate	9.3% initially, reduced in increments
Participation rate	50% will elect coverage
Spouse participation rate	50% will elect coverage

The valuation involves estimates of the value of reported amounts and assumptions about the probability of future events and is subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. These calculations are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of cost sharing between employer and plan members to this point and reflects a long-term perspective.

9. COMMITMENTS AND CONTINGENCIES

Federal Financial Awards

The County participates in a number of federally assisted grant programs. Compliance with the grants is subject to audit by various governmental agencies that may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions, and the results of adjustments, if any, related to such audits would be immaterial to the accompanying basic financial statements.

Litigation

The County is involved in lawsuits arising in the ordinary course of business, including claims for property damage and personal injury. In the opinion of County management, based on the advice of the County Attorney with respect to litigation, these matters are not expected to have a materially adverse effect on the County's financial position at June 30, 2010.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

10. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill site and perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used during the year. Based on a cost estimate done in 2010, closure costs will be \$3,875,823 and an additional \$3,211,807 will be required for post-closure care. The estimated total of the landfill closure and post-closure care of \$7,087,630 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were to be completed.

Based on the capacity of the landfill and the current rate of consumption it is estimated that the landfill is 92% used (filled). The County expects to close the landfill in 2014. The County has accrued 92% of the total landfill closure and post-closure care of \$6,366,634 as of June 30, 2010.

However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County is required by State and Federal laws and regulations to make annual contributions to finance closure and post-closure care. The County is in compliance with these requirements and at June 30, 2010, investments of \$7,182,127 are held for these purposes. These are reported as restricted assets on the proprietary fund statement of net assets.

11. PUBLIC ENTITY RISK POOL

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 75 counties throughout Nebraska. NIRMA was created as a result of the Intergovernmental Risk Management Act authorized by State Statute Section 44-4301 R.R.S. 1943, which resulted in two programs being established, NIRMA and NIRMA II. The County has the option of participating in one or both of the programs.

The County pays an annual deposit premium as calculated by the administrator of the pool. Nine months following the close of the fiscal year and at annual intervals thereafter, the pool may calculate each County's retrospective premium or premium credit for the year. The retrospective formula will be adopted by the Board prior to the beginning of the fiscal year. The formula will consider the losses and exposures of each County and the entire pool. The deposit premium paid for the fiscal year may be applied as a credit against the retrospective premium. If it is determined that the deposit premium paid is in excess of the retrospective premiums calculated, such excess may be applied as a credit toward the next annual deposit premium. Retrospective premium adjustments for each fiscal year may continue until all claims are closed or until the Board determines that sufficient facts are known to make a final adjustment for the year. 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 equal to its contribution for the current fiscal year divided by the contributions of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, will be to each County in writing, and each County will thereafter have sixty (60) days in which to pay the amount of such assessment.

Each County will 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, as provided by State Statute Section 44-4312, R.R.S. 1943.

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

11. PUBLIC ENTITY RISK POOL, CONTINUED

The following schedule is a summary of the NIRMA AND NIRMA II coverage, in effect for the period July 1, 2009 through July 1, 2010. Similar coverage will be in effect for the period July 1, 2010 through July 1, 2011:

<u>Type of Coverage</u>	<u>Insurance Carrier</u>	<u>Total Coverage Per Occurrence</u>	<u>County Deductible</u>	<u>Pool S.I.R.</u>
General Liability Auto Liability Law Enforcement Liability	NIRMA/County Reinsurance, LTD	\$5,000,000 (No Annual Aggregate)	-0-	\$300,000
Public Officials Employment Practices Employment Benefits Liability	NIRMA/County Reinsurance, LTD	\$5,000,000 \$7,000,000 Aggregate	\$25,000	\$300,000
Personal & Real Property Boiler & Machinery/ Equipment Breakdown	NIRMA/County Reinsurance, LTD	100% replacement cost \$500,000,000 maximum/occ. \$25,000,000 flood & quake \$10,000,000 extra exp. \$25,000,000 valuable papers \$5,000,000 fine arts \$10,000,000 Accts receivable \$2,000,000 transit	\$500	\$250,000
Auto Phys. Damage	NIRMA/County Reinsurance, LTD	Actual Cash Value	\$250	\$250,000
Inland Marine	NIRMA/County Reinsurance, LTD	Actual Cash Value	\$500	\$250,000
Crime: Public Employee Dishonesty (Incl. Faithful Performance of Duty)	NIRMA	\$300,000	\$1,000	\$300,000
Crime: Money & Securities	NIRMA	\$50,000 Inside/Outside	\$1,000	\$50,000
Crime: Depositor's Forgery	NIRMA	\$100,000	\$1,000	\$100,000
Worker's Comp. Employers Liab.	County Reinsurance, LTD	Statutory \$2,000,000	-0-	\$500,000

SARPY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, CONTINUED

12. SUBSEQUENT EVENTS

On October 13, 2010, Sarpy County issued \$8,070,000 of Lease Rental Revenue Bonds, Omaha Royals Stadium Project Series 2010 payable from the amounts received by the County from the Omaha Royals Lease Rental Revenues which have been pledged by the County for the payment of principal and interest on the Series 2010 Bonds. These bonds are Recovery Zone Facility Bonds with an interest rate of 1.90% - 4.40%, and maturity dates are annual from December 15, 2015 through December 15, 2035.

REQUIRED SUPPLEMENTARY INFORMATION

SARPY COUNTY, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES COLLECTED				
Tax	\$ 28,439,190	\$ 28,439,190	\$ 27,262,292	\$ (1,176,898)
Federal	124,003	124,003	221,994	97,991
State	1,586,000	1,586,000	2,499,731	913,731
Local	<u>14,162,623</u>	<u>14,162,623</u>	<u>15,235,188</u>	<u>1,072,565</u>
Total revenues collected	<u>44,311,816</u>	<u>44,311,816</u>	<u>45,219,205</u>	<u>907,389</u>
EXPENDITURES PAID				
General Government				
County Board	152,804	152,804	147,819	4,985
County Clerk	971,634	978,426	944,735	33,691
County Treasurer	985,368	996,714	941,958	54,756
Register of Deeds	514,054	517,529	495,707	21,822
County Assessor	1,125,804	1,145,569	1,143,985	1,584
Election Commissioner	464,943	467,596	441,549	26,047
Planning and Zoning	355,136	355,136	332,096	23,040
Administration	287,816	287,816	283,091	4,725
Personnel	235,634	237,634	237,355	279
Records Management	208,280	209,033	204,933	4,100
Fiscal Administration	218,740	218,740	216,962	1,778
Board of Equalization	48,206	48,206	30,122	18,084
Building and Grounds	1,010,314	1,046,314	1,046,094	220
Public Property Utilities	600,000	600,000	536,925	63,075
Jail Maintenance	307,846	271,846	267,900	3,946
Juvenile Justice Center Maintenance	84,010	84,010	80,445	3,565
Extension Agent	121,831	121,831	121,147	684
Other Intergovernmental	727,500	727,500	642,882	84,618
Miscellaneous General	6,879,803	6,660,725	4,974,839	1,685,886
Payroll Accrual	1,000,000	1,000,000		1,000,000
Capital Projects	300,000	300,000	51,500	248,500

SARPY COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CONTINUED

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		
EXPENDITURES PAID - CONTINUED				
Public Safety				
Sheriff	\$ 1,876,463	\$ 2,082,463	\$ 2,082,369	\$ 94
County Attorney	2,546,223	2,655,359	2,651,124	4,235
Investigations	1,433,234	1,433,234	1,350,824	82,410
Road Patrol	4,423,475	4,423,475	4,342,442	81,033
Sheriff Merit Commission	17,500	18,300	18,260	40
Vehicle Inspection	96,068	96,068	91,513	4,555
Tow Lot	258,847	270,847	270,837	10
Juvenile Intake	286,132	288,449	273,373	15,076
Victim Witness	182,203	185,243	166,928	18,315
Adult Pre-trial	167,907	170,307	170,218	89
Adult Drug Court	7,750	7,750	4,415	3,335
Juvenile Justice Center	2,225,189	2,355,189	2,354,172	1,017
County Jail	4,857,478	4,501,478	4,483,497	17,981
Court Services	1,326,700	1,334,700	1,334,045	655
Warrants Extradition	490,964	490,964	480,208	10,756
Adult Probation	81,355	84,555	84,459	96
Community Services	154,404	154,404	151,440	2,964
Emergency Management	188,666	188,666	184,420	4,246
Animal Control	416,605	416,605	392,957	23,648
Mental Health	130,387	130,387	85,866	44,521
Veterans Services	199,929	199,929	196,684	3,245
Human Services	926,165	926,165	862,435	63,730
Clerk of the District Court	577,253	577,253	574,003	3,250
County Court	144,265	144,265	123,856	20,409
Juvenile Probation	26,762	27,562	27,546	16
Juvenile Court	497,327	497,775	477,885	19,890
District Judge	533,513	558,513	557,203	1,310
Public Defender	1,107,930	1,110,711	1,106,247	4,464
Jury Commissioner	89,930	112,302	111,993	309
CASA	102,074	102,074	98,447	3,627
Total expenditures paid	<u>41,972,421</u>	<u>41,972,421</u>	<u>38,251,710</u>	<u>3,720,711</u>
Operating transfer in	617,000	617,000	1,867,000	1,250,000
Operating transfer out	<u>(6,681,569)</u>	<u>(6,681,569)</u>	<u>(6,681,569)</u>	
Total transfers	<u>(6,064,569)</u>	<u>(6,064,569)</u>	<u>(4,814,569)</u>	<u>1,250,000</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>\$ (3,725,174)</u>	<u>\$ (3,725,174)</u>	<u>\$ 2,152,926</u>	<u>\$ 5,878,100</u>

SARPY COUNTY, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES COLLECTED				
Tax	\$ 4,481,809	\$ 4,481,809	\$ 4,789,070	\$ 307,261
Federal	2,508,920	2,587,116	2,206,277	(380,839)
State	6,603,871	6,603,871	6,745,508	141,637
Local	4,931,709	5,386,709	5,873,099	486,390
Total revenues collected	<u>18,526,309</u>	<u>19,059,505</u>	<u>19,613,954</u>	<u>554,449</u>
EXPENDITURES PAID				
Special Road	14,084,080	14,084,080	9,326,944	4,757,136
E911	3,432,152	3,432,152	3,387,428	44,724
Wireless	45,000	45,000	3,549	41,451
E911 Rebanding	66,350	66,350	670	65,680
District Court - Child Support	164,241	164,241	146,768	17,473
County Attorney - Child Support	979,932	979,932	961,158	18,774
Child Support Incentive	100,000	100,000	36,807	63,193
Tourism	488,430	488,430	293,734	194,696
Visitors Improvement	1,154,164	1,154,164	535,000	619,164
Employment Security Act	35,000	35,000	35,049	(49)
County Medical	238,500	238,500	106,169	132,331
Institutions	40,000	40,000	15,214	24,786
Alcohol Diversion	421,201	421,201	416,499	4,702
County Drug Enforcement	7,000	7,000		7,000
Federal Grant - Drug Court	3,500	3,500	382	3,118
Federal Grant - JAIBG	18,684	18,684	15,484	3,200
Federal Grant - Title 1D	70,143	70,143	40,390	29,753
Federal Grant - Juv Pre-trial	24,183	24,183	22,982	1,201
State Education Reimbursement	120,005	120,005	220,024	(100,019)
FG-ARRA TITLE 1D		30,846	25,078	5,768
Federal Forfeiture	286,000	286,000	111,270	174,730
SCAAP	70,000	70,000	65,819	4,181
STOP Program	99,199	99,199	23,425	75,774
Federal Grant - Victim Witness	115,900	115,900	121,548	(5,648)
CDBG - Oakdale Park	600,000	600,000	2,500	597,500
FG-Energy Efficiency	312,600	312,600	3,480	309,120
FG-Homeland Security		47,350	47,350	
Federal Grant - Project Engage	37,125	37,125	34,124	3,001
CCP Community Service	5,156	5,156	2,880	2,276
Federal Grant - GREAT	45,000	45,000	45,146	(146)
FG-JAG Recruitment	91,764	91,764	60,124	31,640
Federal Grant - Drug Enforcement	400	400	74,506	(74,106)
Juvenile Services LB640	113,089	113,089	113,089	
County Aid Enhancement	22,365	22,365	12,115	10,250
FG-JAG Equipment	14,093	14,093	14,093	
FG-Traffic Enforcement	384,504	384,504	290,465	94,039

SARPY COUNTY, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - CONTINUED
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		
EXPENDITURES PAID - CONTINUED				
Federal Grant - Brownfield	\$ 200,000	\$ 200,000	\$ 92,425	\$ 107,575
Federal Grant - GIS Transportation	110,000	110,000	109,107	893
Federal Grant - Adult Drug Court	45,000	45,000	18,965	26,035
Federal Grant - LETPP	4,600	4,600	4,600	
Federal Grant - Buffer Zone	71,353	71,353	34,982	36,371
Federal Grant - Drug Eradication	13,335	13,335	9,911	3,424
Federal Grant - Juv Day\Evening	52,285	52,285	44,166	8,119
Federal Grant - MIP Mini Grant	3,785	3,785	3,177	608
Federal Grant - Accident	5,100	5,100	4,364	736
Federal Grant - Boat Patrol	529	529	1,587	(1,058)
State Grant - Stormwater	281,485	281,485	101,610	179,875
Inheritance Tax	3,367,442	3,367,442	732,090	2,635,352
Keno	267,500	267,500	154,786	112,714
800 MHZ Bond Fund	413,500	413,500	404,444	9,056
Courthouse Bond			3,289	(3,289)
Courthouse Administration	1,589,255	1,589,255	838,604	750,651
Courthouse Remodel	752,298	752,298	677,100	75,198
Sheriff/Comm Bond	1,344,000	1,344,000	100,762	1,243,238
Stadium Bonds - Public		500,000	327,805	172,195
Stadium Bonds - Private		400,000	183,808	216,192
Landfill Bond Surplus	3,483,100	3,483,100		3,483,100
Sinking Fund	900,000	900,000	384,106	515,894
Sewer	1,320,000	1,320,000	169,098	1,150,902
Sewer Operations	160,000	160,000	23,461	136,539
Phase II Stormwater Fees	50,000	50,000		50,000
Connection Fee Fund		55,000	80,500	(25,500)
Noxious Weed	88,274	88,274	90,811	(2,537)
Information Systems	1,540,970	1,540,970	1,556,077	(15,107)
GIS	410,212	410,212	399,604	10,608
Purchasing Agent	131,709	131,709	126,976	4,733
Fleet Services	1,182,635	1,182,635	1,176,939	5,696
Total expenditures paid	<u>41,478,127</u>	<u>42,511,323</u>	<u>24,466,417</u>	<u>18,044,906</u>
Operating transfer in	7,431,774	8,187,745	7,824,201	363,544
Operating transfer out	<u>(1,367,205)</u>	<u>(1,623,176)</u>	<u>(3,009,632)</u>	<u>1,386,456</u>
Total transfers	<u>6,064,569</u>	<u>6,564,569</u>	<u>4,814,569</u>	<u>1,750,000</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>\$ (16,887,249)</u>	<u>\$ (16,887,249)</u>	<u>\$ (37,894)</u>	<u>\$ (16,849,355)</u>

SARPY COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ROADS FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES COLLECTED				
Tax				
Federal			\$ 77,642	\$ 77,642
State	\$ 6,111,750	\$ 6,111,750	6,214,234	102,484
Local	503,486	503,486	338,875	(164,611)
Total revenues collected	<u>6,615,236</u>	<u>6,615,236</u>	<u>6,630,751</u>	<u>15,515</u>
EXPENDITURES PAID				
Personal services	2,890,327	2,890,327	2,886,834	3,493
Operating expenses	692,369	692,369	952,021	(259,652)
Supplies and materials	1,520,800	1,520,800	1,904,148	(383,348)
Equipment and office rental	23,500	23,500	38,931	(15,431)
Capital outlays	7,677,864	7,677,864	2,264,704	5,413,160
Principal and interest	1,279,220	1,279,220	1,280,306	(1,086)
Total expenditures paid	<u>14,084,080</u>	<u>14,084,080</u>	<u>9,326,944</u>	<u>4,757,136</u>
Operating transfer in	<u>3,302,948</u>	<u>3,302,948</u>	<u>3,302,948</u>	
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID				
	<u>\$ (4,165,896)</u>	<u>\$ (4,165,896)</u>	<u>\$ 606,755</u>	<u>\$ 4,772,651</u>

SARPY COUNTY, NEBRASKA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES FOR THE YEAR ENDED JUNE 30, 2010

1. BUDGETARY ACCOUNTING

The County prepares its budgets on the cash basis of accounting, based on funds received at the County Treasurer. Accordingly, revenues are recognized when cash is received by the County Treasurer and expenditures are recognized when disbursed. This results in twelve months of revenues and expenditures being reported; however, revenues received by departments but not yet submitted to the County Treasurer are not included in the budget amounts since the County Treasurer does not have these funds in hand as of year-end. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this method of accounting, all unexpended appropriations lapse at the end of the budget year.

**SARPY COUNTY, NEBRASKA
OTHER POSTEMPLOYMENT BENEFIT
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2008	\$ 0	\$ 1,702,642	\$ 1,702,642	0.00%	N/A	N/A
7/1/2009	\$ 0	\$ 1,646,774	\$ 1,646,774	0.00%	N/A	N/A
7/1/2010	\$ 0	\$ 1,739,926	\$ 1,739,926	0.00%	N/A	N/A

A copy of the actuarial report may be obtained from Brian Hanson, Fiscal Administrator, Sarpy County, 1210 Golden Gate Drive, Suite 1129, Papillion, Nebraska 68046.

SUPPLEMENTAL INFORMATION

SARPY COUNTY, NEBRASKA

**TAX CERTIFICATION, CORRECTION AND COLLECTIONS
AS OF JUNE 30, 2010**

	RELATED TO THE TAXABLE YEAR		
	2007	2008	2009
TAX CERTIFIED BY THE ASSESSOR:			
Real estate	\$ 197,679,053	\$ 211,314,206	\$ 220,231,090
Personal	5,122,563	6,067,055	7,119,256
Centrally assessed	1,158,083	1,166,863	1,454,081
	<u>\$ 203,959,699</u>	<u>\$ 218,548,124</u>	<u>\$ 228,804,427</u>
NET TAX COLLECTED BY THE COUNTY TREASURER DURING YEARS ENDED:			
June 30, 2007	\$ 197,597,235	\$ 211,063,147	\$ 118,023,436
June 30, 2008	5,104,921	5,968,000	4,310,536
June 30, 2009	1,158,083	1,166,863	905,364
	<u>\$ 203,860,239</u>	<u>\$ 218,198,010</u>	<u>\$ 123,239,336</u>
TOTAL UNCOLLECTED TAX AS OF JUNE 30, 2009:			
Real estate	\$ 81,818	\$ 251,059	\$ 102,207,654
Personal	17,642	99,055	2,808,720
Centrally assessed			548,717
	<u>\$ 99,460</u>	<u>\$ 350,114</u>	<u>\$ 105,565,091</u>
PERCENTAGE UNCOLLECTED TAX	0.05%	0.16%	46.14%

NOTE: This schedule shows three years of activity. The financial statements receivables are all-inclusive.

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY CLERK
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	\$ 600
Cash in bank	57,617
	<u>58,217</u>
 COLLECTIONS	
Recording and miscellaneous fees	3,173
Title fees	573,430
Marriage licenses	16,665
Prepaid certified marriage licenses	5,985
Miscellaneous	197
Other licenses	11,994
Interest	438
	<u>611,882</u>
 CREDITS	
Paid to County Treasurer	
Recording and miscellaneous fees	3,184
Title fee	196,280
Marriage licenses	16,410
Prepaid certified marriage licenses	6,005
Miscellaneous	181
Other licenses	12,559
Interest	433
	<u>235,052</u>
Paid to state	
Title fees	373,921
	<u>373,921</u>
 BALANCE ON HAND, END OF YEAR	 \$ 61,126
 SUMMARY OF BALANCE, END OF YEAR	
Cash on hand	\$ 600
Cash in bank	60,526
	<u>61,126</u>
	\$ 61,126

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
REGISTER OF DEEDS
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	\$ 150
Cash in bank	211,779
Accounts receivable	27,699
	<u>239,628</u>
 COLLECTIONS	
Recording fees	702,345
Copies fees	9,284
Miscellaneous fees	142
Federal lien	1,083
State tax lien	540
Documentary stamp tax	1,520,269
Interest	1,466
SID penalties	70
	<u>2,235,199</u>
 CREDITS	
Paid to County Treasurer	
Recording fees	732,427
Copy fees	10,113
Non-credit refunds	137
Federal tax lien	1,026
State tax lien	549
Documentary stamp tax	332,242
Interest	1,449
SID penalty fees	70
	<u>1,078,013</u>
Paid to state	
Documentary stamp tax	1,162,997
	<u>1,162,997</u>
BALANCE ON HAND, END OF YEAR	\$ <u>233,817</u>
 SUMMARY OF BALANCE, END OF YEAR	
Cash on hand	\$ 150
Cash in bank	222,443
Accounts receivable	11,224
	<u>233,817</u>
	\$ 233,817

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
CLERK OF THE DISTRICT COURT
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR		
Cash on hand	\$	650
Cash in bank		1,368,643
		<u>1,369,293</u>
COLLECTIONS		
Dissolution fees		19,925
State fees		171,315
Regular fees		301,773
Retirement fees		22,568
Law enforcement fees		1,135
Trust		5,774,326
Drug court		
County fees		12,978
State fees		8,036
		<u>6,312,056</u>
CREDITS		
Dissolution fees		19,925
State fees		183,476
Regular fees		301,773
Retirement fees		23,314
Law enforcement fees		1,254
Trust		5,889,816
Drug court		
County fees		13,457
State fees		8,445
		<u>6,441,460</u>
BALANCE ON HAND, END OF YEAR	\$	<u>1,239,889</u>
SUMMARY OF BALANCE, END OF YEAR		
Cash on hand	\$	650
Cash in bank		1,239,239
		<u>1,239,889</u>
	\$	<u>1,239,889</u>

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY SHERIFF
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	\$ 270
Cash in bank	145,754
	146,024
 COLLECTIONS	
Civil process	263,818
House arrest	
Inmate	510,195
Distress warrants	468,703
Miscellaneous and administrative	171,600
VIN	102,380
CID	23,411
DARE	6,233
Juvenile center	
GREAT	10,998
Tow lot	393,735
	1,951,073
 CREDITS	
Paid to County Treasurer:	
Civil process	244,880
House arrest	
Inmate	506,217
Distress warrants	468,703
Miscellaneous and administrative	171,600
VIN	102,380
CID	19,775
DARE	2,667
Juvenile center	
GREAT	1,858
Tow lot	446,624
	1,964,704
 BALANCE ON HAND, END OF YEAR	 \$ 132,393
 SUMMARY OF BALANCE, END OF YEAR	
Cash on hand	\$ 297
Cash in bank	132,096
	\$ 132,393

SARPY COUNTY, NEBRASKA

SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY ATTORNEY
FOR THE YEAR ENDED JUNE 30, 2010

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	\$ 20
Cash in bank	11,751
	<u>11,771</u>
COLLECTIONS	
Restitution	96,258
Collection on bad checks	98,040
Collection fees	2,741
Law enforcement fund	847
Miscellaneous	696
	<u>198,582</u>
CREDITS	
Restitution payments	89,726
Payments on bad checks collected	102,729
Collection fees remitted to the County Treasurer	2,518
Subpoena and miscellaneous expenditures paid	676
Miscellaneous	1,547
	<u>197,196</u>
BALANCE ON HAND, END OF YEAR	<u>\$ 13,157</u>
SUMMARY OF BALANCE, END OF YEAR	
Cash on hand	\$ 30
Cash in bank	13,127
	<u>\$ 13,157</u>

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY SURVEYOR
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	\$ 50
COLLECTIONS	493
CREDITS	<u>493</u>
BALANCE ON HAND, END OF YEAR	<u>\$ 50</u>
SUMMARY OF BALANCE, END OF YEAR	
Cash on hand	<u>\$ 50</u>

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY ELECTION COMMISSIONER
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	\$	<u> </u>
COLLECTIONS		
Certification of registration		9
Election cost recoveries		6,170
Registration lists and fees		<u>10,394</u>
		<u>16,573</u>
CREDITS		
Paid to County Treasurer		<u>16,573</u>
BALANCE ON HAND, END OF YEAR	\$	<u> </u>

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY BUILDING INSPECTOR
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash in bank	\$ 128,765
Contractor deposits	96,000
	224,765
COLLECTIONS	
Permit fees	433,250
Sewer fees	207,755
Watershed fees	95,500
Tiburon water fees	2,000
Interest	1,135
Other	12,820
Contractor deposits	5,500
Zoning fees	13,802
Wireless Tower fees	42,500
	814,262
CREDITS	
Paid to County Treasurer	
Permit fees	433,250
Sewer fees	207,755
Watershed fees	95,500
Tiburon water fees	2,000
Other	134,369
Zoning fees	13,802
Wireless Tower fees	42,500
	929,176
Refunds to contractors	4,500
	933,676
BALANCE ON HAND, END OF YEAR	\$ 105,351
SUMMARY OF BALANCE ON HAND, END OF YEAR	
Cash in bank	\$ 7,851
Contractor deposits	97,500
	\$ 105,351

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY LANDFILL
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	\$ 230
Accounts receivable	<u>323,165</u>
	323,395
COLLECTIONS	2,894,733
CREDITS	
Paid to County Treasurer	<u>2,939,226</u>
BALANCE ON HAND, END OF YEAR	<u>\$ 278,902</u>
SUMMARY OF BALANCE ON HAND, END OF YEAR	
Cash on hand	\$ 530
Accounts receivable	<u>278,372</u>
	<u>\$ 278,902</u>

SARPY COUNTY, NEBRASKA

**SCHEDULE OF STATEMENT OF ACCOUNTABILITY
COUNTY ALCOHOL DIVERSION
FOR THE YEAR ENDED JUNE 30, 2010**

BALANCE ON HAND, BEGINNING OF YEAR	
Cash on hand	<u>\$ 1,705</u>
COLLECTIONS	
Alcohol diversion	271,750
Adult education	48,867
Adult shoplifters	13,008
Adult community service	1,725
Victim impact panel	5,290
Juvenile intake	55,993
Juvenile community service	1,970
Teen court	5,520
Restitution	2,685
Miscellaneous	140
	<u>406,948</u>
CREDITS	
Alcohol diversion	271,946
Adult education	48,867
Adult shoplifters	13,208
Adult community service	1,700
Victim impact panel	5,280
Juvenile intake	55,733
Juvenile community service	1,980
Teen court	5,570
Restitution	2,735
Miscellaneous	140
	<u>407,159</u>
BALANCE ON HAND, END OF YEAR	
Cash on hand	<u>\$ 1,494</u>

SARPY COUNTY, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Health and Human Services</u>		
Passed through Nebraska Department of Health and Human Services		
Child Support		
District Court	93.563	\$ 172,221
County Attorney	93.563	886,767
Incentive Program	93.563	29,948
Tobacco Free Sarpy-Tobacco Compliance Checks	93.xxx	535
Total U.S. Department of Health and Human Services		<u>1,089,471</u>
<u>U.S. Department of Education</u>		
Passed through Papillion/La Vista School District		
FG-Title 1D	84.010	46,401
FG-ARRA Title 1D	84.389	12,554
Passed through Nebraska Department of Education		
FG-Project Engage	84.048	<u>33,652</u>
Total U.S. Department of Education		<u>92,507</u>
<u>U.S. Department of Energy</u>		
FG-Energy Efficiency	81.128	<u>3,000</u>
<u>U.S. Department of Justice</u>		
Passed through Nebraska Crime Commission		
FG - JAIBC	16.523	15,484
FG - Victim Witness	16.575	120,514
FG - Juvenile Pre-Trial Assessment	16.540	21,722
FG - Juvenile Day/Evening Reporting Center	16.540	37,491
Passed through City of Omaha		
Drug Enforcement	16.738	72,193
Project Safe Neighborhoods	16.609	782
COPS Meth Grant	16.710	2,529
Passed through Heartland Family Services		
Domestic Violence Attorney	16.588	28,240
Domestic Violence Sheriff	16.588	9,129
FG - Dog Eradication	16.xxx	10,000
U.S. Marshall	16.xxx	5,880
Drug Enforcement Reimbursement	16.xxx	2,571
Federal Forfeitures	16.xxx	17,194
Justice Benefits Reimbursement	16.608	85,819
FBI Overtime Reimbursement - OCDETF	16.xxx	4,828
FG-JAG Equipment	16.738	6,976
FC-JAG Recruitment	16.804	16,702
Ballistic Vest Grant	16.607	8,014
FG-Boat Patrol	16.738	<u>2,191</u>
Total U.S. Department of Justice		<u>448,059</u>
<u>U.S. Environmental Protection Agency</u>		
FG-Brownfield	66.xxx	<u>35,364</u>
<u>U.S. Department of Transportation</u>		
Passed through Nebraska Office of Highway Safety		
Traffic Enforcement Grant	20.600	268,344
Traffic Enforcement Grants- Click it or Ticket	20.602	5,477
Alcohol Enforcement Grant - You Drink You Drive You Lose	20.601	24,772
Passed through Metro Area Planning Agency		
FG - GIS Transportation	20.505	102,067
FG - Computers (In-Car Camera System)	20.601	<u>28,000</u>
Total U.S. Department of Transportation		<u>428,660</u>
<u>U.S. Department of Homeland Security</u>		
Passed through Nebraska Emergency Management Association		
Civil Defense Reimbursement	97.042	62,324
FG - Buffer Zone	97.078	120,025
FEMA Storm Reimbursement - Landfill	97.036	707
FG-Homeland Security-Radios	97.067	47,350
FG-LETPP	97.067	4,600
TERT Reimbursement	97.067	7,224
UASI Grant (CBRNE Training)	97.067	5,672
Passed through Serve Nebraska		
Citizen Corp Reimbursement	97.067	<u>2,860</u>
Total U.S. Department of Homeland Security		<u>250,782</u>
<u>Immigration and Customs Enforcement</u>		
U.S. Immigrations - Juveniles	16.606	<u>3,341</u>
<u>Supplemental Disclosure</u>		
Federal Secondary Money Passed through State		
Federal Aid Secondary	20.205	<u>77,642</u>
Total Expenditures of Federal Awards		\$ <u>2,428,826</u>

SARPY COUNTY, NEBRASKA

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") presents the activity of all federal awards programs of Sarpy County, Nebraska. The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included in the Schedule.

Basis of Accounting

The accompanying supplementary Schedule of Expenditures of Federal Awards has been prepared on a cash receipts basis of accounting, which differs from generally accepted accounting principles in the United States of America. Under this method, expenditures are recognized when reimbursement is received.

The accompanying Schedule presents total expenditures paid for each federal awards program in accordance with Office of Management and Budget ("OMB") Circular A-133. Federal programs in titles are reported as presented in the Catalog of Federal Domestic Assistance ("CFDA"), whenever possible.

February 7, 2011

**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
Sarpy County, Nebraska

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sarpy County, Nebraska (the "County") as of and for the year ended June 30, 2010 which collectively comprise the County's basic financial statements and have issued our report thereon dated February 7, 2011. 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 the County's internal control over financial reporting 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Orizon CPAs LLC
ORIZON CPAs LLC

February 7, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Sarpy County, Nebraska

Compliance

We have audited Sarpy County, Nebraska's (the "County") compliance of with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs are the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Orizon CPAs LLC
ORIZON CPAs LLC

SARPY COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.
2. No material weaknesses in internal control over financial reporting were reported.
3. No instances of noncompliance considered material to the financial statements was disclosed by the audit.
4. No material weaknesses in internal control over compliance with requirements applicable to major federal award programs were reported.
5. The independent auditor's report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit did not disclose any findings required to be reported by OMB Circular A-133.
7. The major programs for the County for the year ended June 30, 2010 are as follows:
 - Traffic Enforcement Grant – CFDA # 20.600
 - Child Support – CFDA # 93.563
8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The County did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

B. FINANCIAL STATEMENT FINDINGS

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None