

Sarpy County, Nebraska

Independent Auditor's Report and Financial Statements

June 30, 2013



Sarpy County, Nebraska
June 30, 2013

Contents

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Independent Auditor's Report..... | 1 |
| Management's Discussion and Analysis | 4 |
| Basic Financial Statements | |
| <i>Government-Wide Financial Statements</i> | |
| Statement of Net Position..... | 15 |
| Statement of Activities | 16 |
| <i>Fund Financial Statements</i> | |
| Balance Sheet - Governmental Funds | 17 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 18 |
| Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 19 |
| Balance Sheet - Proprietary Funds | 20 |
| Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds..... | 21 |
| Statement of Cash Flows - Proprietary Funds | 22 |
| Statement of Net Position - Fiduciary Fund..... | 23 |
| Notes to Financial Statements | 24 |
| Required Supplementary Information | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Cash Basis) - General Fund..... | 46 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Cash Basis) - Special Roads Fund..... | 48 |
| Note to Required Supplementary Information | 49 |
| Other Postemployment Benefits Schedule of Funding Progress | 50 |

Sarpy County, Nebraska
June 30, 2013

Contents - Continued

Other Supplementary Information

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Tax Certification, Correction and Collections..... | 51 |
| Statements of Accountability | |
| County Clerk | 52 |
| Register of Deeds | 53 |
| Clerk of District Court..... | 54 |
| County Sheriff | 55 |
| County Attorney | 56 |
| County Surveyor | 57 |
| County Election Commissioner..... | 58 |
| County Building Inspector | 59 |
| County Landfill | 60 |
| County Alcohol Diversion | 61 |
| County Pretrial Diversion..... | 62 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Cash Basis) - All Special Revenue Funds | 63 |
| Schedule of Receipts and Disbursements (Cash Basis) - All Special Revenue Funds..... | 65 |
| Schedule of Expenditures of Federal Awards | 66 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>..... | 69 |
| 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..... | 71 |
| Schedule of Findings and Questioned Costs..... | 73 |
| Summary Schedule of Prior Audit Findings..... | 76 |

Independent Auditor's Report

Board of Commissioners
Sarpy County, Nebraska

Report on the Financial Statements

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, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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 Sarpy County, Nebraska as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and other post-employment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the schedule of receipts and disbursements for the non-major special revenue funds, as listed in the table of contents, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Statements of Accountability, schedule of revenues, expenditures and changes in fund balances-budget and actual for the non-major special revenue funds and tax certification, correction and collections information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January __, 2014, 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* in considering the County's internal control over financial reporting and compliance.

BKD, LLP

Omaha, Nebraska
February 3, 2014

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, 2013. 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, 2013, the County's total assets exceeded its total liabilities by \$169,571,940.

Total net position is comprised of the following:

- Net investment in capital assets, of \$128,425,600. This represents the property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of the County's capital assets.
- Restricted net position of \$11,142,949
- Unrestricted net position of \$30,003,391

The County's total revenues exceeded its total expenses by \$6,866,057.

The County's governmental activities reported a net increase in net position of \$4,984,193 and a total ending net position balance of \$155,520,995.

The County's proprietary funds reported a net increase in net position of \$1,881,864 and a total ending net position balance of \$14,050,945.

For the year ending June 30, 2013, the General Fund reported revenues in excess of expenditures before transfers of \$6,327,284 and had an ending fund balance of \$30,929,224.

The County's total debt decreased by \$4,281,811 during the current fiscal year to a total debt balance of \$41,164,270 as of June 30, 2013.

Overview of the Financial Statements

This discussion and analysis is 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 Position. This is the County-wide statement of position presenting information that includes the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position 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, public welfare and social services, special roads and debt service interest. Business-type activities include landfill and sewer 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 over 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 and sewer functions as well as the activity of the Sarpy County Leasing Corporation are accounted for and reported as enterprise funds. 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 position 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 \$169,571,940, as of June 30, 2013.

A significant portion of Sarpy County, Nebraska's net position (75.7%) reflects its investment in capital assets (e.g., land, infrastructure, 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 position:

| | Governmental Activities | Business-type Activities | Total |
|----------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Current and other assets | \$ 49,211,827 | \$ 16,952,170 | \$ 66,163,997 |
| Capital assets | 135,300,046 | 32,848,013 | 168,148,059 |
| Total assets | <u>184,511,873</u> | <u>49,800,183</u> | <u>234,312,056</u> |
| Current liabilities | 10,928,125 | 3,579,305 | 14,507,430 |
| Long-term liabilities | 18,062,753 | 32,169,933 | 50,232,686 |
| Total liabilities | <u>28,990,878</u> | <u>35,749,238</u> | <u>64,740,116</u> |
| Net position | | | |
| Net investment in capital assets | 120,443,841 | 7,981,759 | 128,425,600 |
| Restricted | 10,769,342 | 373,607 | 11,142,949 |
| Unrestricted | 24,307,812 | 5,695,579 | 30,003,391 |
| Total net position | <u>\$ 155,520,995</u> | <u>\$ 14,050,945</u> | <u>\$ 169,571,940</u> |

This reflects an increase in net position of \$6,866,057 or 4.2% for the County from the previous year net position balance of \$162,705,883; an indication that the County's overall financial position remained stable during the fiscal year 2013.

The governmental activities had an increase in net position of \$4,984,193 and the business-type activities had an increase of \$1,881,864 for a total increase in net position for the County of \$6,866,057. A summary of the government-wide operations is presented below:

| | 2013 | 2012 | Increase (Decrease) |
|------------------------------------|---------------------|---------------------|--------------------------------|
| General revenues and transfers | \$ 48,216,680 | \$ 46,534,127 | \$ 1,682,553 |
| Charges for services | 16,142,020 | 14,097,275 | 2,044,745 |
| Operating grants and contributions | 13,286,979 | 12,449,939 | 837,040 |
| Capital grants and contributions | 157,681 | 4,478 | 153,203 |
| Total revenues | <u>77,803,360</u> | <u>73,085,819</u> | <u>4,717,541</u> |
| Expenses | <u>(70,937,303)</u> | <u>(71,262,443)</u> | <u>325,140</u> |
| Change in net position | <u>\$ 6,866,057</u> | <u>\$ 1,823,376</u> | <u>\$ 5,042,681</u> |

The \$5MM increase in the change in net position from the 2012 FY to the 2013 FY was caused by a number of factors:

1. General revenues increased by approximately \$1.7MM. Factors contributing to that are:
 - a. Property tax collections increased as a result of higher tax dollars levied.
 - b. Miscellaneous income increased in 2013 due to a refund in 2012 that decreased miscellaneous income.
2. Charges for service increased by approximately \$2.0MM mostly in the business-type activities.
 - a. The landfill fund had higher revenues as the County moves to fill the final cells.
 - b. Several governmental activity revenues also increased, such as Register of Deeds revenue, building permit revenue and juveniles held for Douglas County.
3. Operating grants and contributions increased by approximately \$.8MM due to increases in a CDBG grant, child support-county attorney reimbursement and highway allocation revenues.

GOVERNMENTAL ACTIVITY REVENUES

General revenues from governmental activities totaled \$47,315,486 in 2013, an increase of \$1,245,212 or 2.7% from 2012. The amount of general revenues by source and increase or decrease from the prior year is summarized below:

| | 2013 | 2012 | Increase (Decrease) |
|------------------------|----------------------|----------------------|--------------------------------|
| Property taxes | \$ 43,962,808 | \$ 42,436,910 | \$ 1,525,898 |
| Investment income | 227,089 | 419,664 | (192,575) |
| Miscellaneous | 3,799,589 | 3,313,700 | 485,889 |
| Transfers | (674,000) | (100,000) | (574,000) |
| Total general revenues | \$ 47,315,486 | \$ 46,070,274 | \$ 1,245,212 |

The County relies heavily on property taxes to support its governmental operations. Tax revenue provided approximately 61.9% of the County's total governmental revenues.

GOVERNMENTAL ACTIVITY EXPENDITURES

Expenditures of governmental activities totaled \$66,055,062 for 2013, a decrease of \$447,066 from 2012 expenditures of \$66,502,128. As shown below, there are a variety of offsetting factors affecting the decrease in governmental activity expenditures such as a larger amount of road fund expenditures that were capitalized in the 2013 FY.

These expenditures, by function, are summarized below:

| | 2013 | 2012 | Increase (Decrease) |
|-----------------------------------|----------------------|----------------------|--------------------------------|
| General government | \$ 20,400,444 | \$ 20,786,550 | \$ (386,106) |
| Public health | 1,397,099 | 406,988 | 990,111 |
| Public safety | 33,627,373 | 32,983,444 | 643,929 |
| Public health and social services | 1,196,841 | 1,176,047 | 20,794 |
| Special roads | 9,024,222 | 10,647,285 | (1,623,063) |
| Debt service interest | 409,083 | 501,814 | (92,731) |
| | <u>\$ 66,055,062</u> | <u>\$ 66,502,128</u> | <u>\$ (447,066)</u> |

BUSINESS-TYPE ACTIVITIES

Business-type activities are shown comparing costs to revenues generated by related services. The landfill and sewer functions are designated to be self-supporting with user charges and other revenues designed to recover costs. For the year ending June 30, 2013, landfill revenues exceeded expenditures by \$2,220,728. Sewer expenditures exceeded revenues by \$105,375 for the 2013 FY. Stadium activity is also shown as a business-type activity for the 2013 fiscal year and the expenditures exceeded revenues by \$233,489. A summary of this activity is presented below.

| | 2013 | | | 2012 | | |
|-------------------------------------|---------------------|---------------------|---------------------|------------------|-------------------|---------------------|
| | Sewer | Landfill | Stadium | Sewer | Landfill | Stadium |
| Operating revenues | \$ 138,769 | \$ 4,925,105 | \$ 799,037 | \$ 404,915 | \$ 3,145,852 | \$ 1,286,967 |
| Operating expenses | (244,144) | (2,739,539) | (637,264) | (441,312) | (2,431,820) | (622,660) |
| Operating income (loss) | (105,375) | 2,185,566 | 161,773 | (36,397) | 714,032 | 664,307 |
| Non-operating revenues | - | 35,162 | 192,032 | 96,477 | 17,822 | 249,554 |
| Non-operating expenses | - | - | (1,261,294) | - | - | (1,264,523) |
| Transfers | - | - | 674,000 | - | - | 100,000 |
| Increase (decrease) in net position | <u>\$ (105,375)</u> | <u>\$ 2,220,728</u> | <u>\$ (233,489)</u> | <u>\$ 60,080</u> | <u>\$ 731,854</u> | <u>\$ (250,662)</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 \$32,876,124 as of June 30, 2013, which represents 50.8% of the current total expenditures.

The Governmental Fund information is summarized below:

| | Total Governmental Funds | |
|-------------------------------------|---------------------------------|----------------------|
| | 2013 | 2012 |
| Assets | | |
| Cash and investments | \$ 32,876,124 | \$ 34,458,134 |
| Accounts receivable | 210,510 | 220,076 |
| Taxes receivable | 14,392,920 | 14,457,220 |
| Grants receivable | 752,912 | 1,010,407 |
| Due from other funds | 359,000 | 520,500 |
| Inventory | 512,386 | 560,515 |
| | <u>512,386</u> | <u>560,515</u> |
| Total assets | <u>\$ 49,103,852</u> | <u>\$ 51,226,852</u> |
| Liabilities | | |
| Accounts payable | \$ 5,220,634 | \$ 8,745,790 |
| Due to other funds | 335,000 | 520,500 |
| Wages and benefits payable | 245,905 | 124,564 |
| Deferred revenue | 1,396,502 | 1,388,831 |
| Compensated absences | 147,783 | 273,116 |
| | <u>147,783</u> | <u>273,116</u> |
| Total liabilities | <u>7,345,824</u> | <u>11,052,801</u> |
| Fund Balances | | |
| Nonspendable | 512,386 | 560,515 |
| Restricted | 10,767,758 | 10,835,064 |
| Assigned | 1,027,253 | 3,767,252 |
| Unassigned | 29,450,631 | 25,011,220 |
| | <u>29,450,631</u> | <u>25,011,220</u> |
| Total fund balances | <u>41,758,028</u> | <u>40,174,051</u> |
| Total liabilities and fund balances | <u>\$ 49,103,852</u> | <u>\$ 51,226,852</u> |

The Governmental Funds cash and investments decreased by \$1,582,010 from the 2012 FY to the 2013 FY. A major cause for this decrease is that the General fund cash decreased by approximately \$1.1MM due to a large decrease in cash being held by the Clerk of District Court for a court case.

General Fund Budgetary Highlights

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 \$1,726,725 based on the modified accrual basis of accounting.

The General Fund budgeted revenues (cash basis) for the 2013 fiscal year were \$46,677,095 while actual revenues (cash basis) were \$50,518,387 for a favorable variance of \$3,841,292. The General Fund budgeted expenses (cash basis) were \$53,881,594 while actual expenses (cash basis) were \$44,815,111 for a favorable variance of \$9,066,483. Some of the major factors influencing these variances are shown below:

| | <u>Variation</u> |
|-----------------------|------------------|
| <u>Revenues</u> | |
| General Fund - Local | \$ 3.6 MM |
| General Fund - Taxes | (600k) |
| General Fund - State | 800k |
| <u>Expenditures</u> | |
| Miscellaneous General | \$ 2.1MM |
| Inheritance Tax | 4.4MM |
| Landfill Bond Surplus | 1.3MM |
| Capital Projects | .4MM |

Assessed Valuation and Property Taxes

Assessed valuation of \$11,451,696,861 represented a 2.3% increase over the preceding year’s valuation of \$11,197,886,358. Property taxes are assessed on actual valuation. The tax rates are applied to each \$100 of actual valuation. The breakdown of tax rates for 2013 fiscal year and the preceding two years are as follows:

| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|------------------------------------------|------------------|------------------|------------------|
| General fund | .2596 | .2604 | .2552 |
| All other funds | <u>.0403</u> | <u>.0395</u> | <u>.0447</u> |
| Total | <u>.2999</u> | <u>.2999</u> | <u>.2999</u> |
| Total valuation | \$11,451,696,861 | \$11,197,886,358 | \$11,076,469,531 |
| % valuation increase over preceding year | 2.3% | 1.1% | 0.9% |

Capital Assets

As of June 30, 2013, the County had \$168,148,059 invested in capital assets, including roads, bridges, buildings, machinery, equipment, etc. This is a decrease of \$640,001 from the previous year amount. The net book value of these assets are summarized below.

| | |
|----------------------------------|-----------------------|
| Land | \$ 5,906,122 |
| Infrastructure | 96,933,614 |
| Buildings | 58,362,003 |
| Intangible assets | 36,841 |
| Machinery and equipment | <u>6,909,479</u> |
| Net investment in capital assets | <u>\$ 168,148,059</u> |

The minimal decrease in capital assets during the year is due primarily to the fact that asset additions were offset by increases in depreciation. The annual depreciation for the County for 2013 was \$6,005,573.

Debt Administration

At the end of the fiscal year, the County had total bonded debt and notes payable outstanding of \$41,164,270. During the current year, the County made principal payments on outstanding bonds totaling \$3,610,000. 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> |
|-----------------------------|----------------------|----------------------|---------------------------|
| 2014 | \$ 5,538,052 | \$ 1,556,923 | \$ 7,094,975 |
| 2015 | 2,869,680 | 1,468,364 | 4,338,044 |
| 2016 | 2,814,080 | 1,406,410 | 4,220,490 |
| 2017 | 2,915,999 | 1,335,635 | 4,251,634 |
| 2018 | 2,218,001 | 1,262,492 | 3,480,493 |
| 2019 and beyond | <u>24,808,458</u> | <u>12,889,187</u> | <u>37,697,645</u> |
| | <u>\$ 41,164,270</u> | <u>\$ 19,919,011</u> | <u>\$ 61,083,281</u> |

Economic Environment

Sarpy County encompasses approximately 241 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 165,853.

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 2012 was 83,941. According to Offutt Air Force Base, there are 9,980 military and civilian personnel employed on the base in Bellevue.

In 2012, the per capita personal income of Sarpy County residents was \$44,323 which was 98.5 percent of the Nebraska average per capita income of \$45,012. The lower per capita income is explained by Sarpy County's 28.2% population under age 18.

Net taxable sales (excluding motor vehicles) within Sarpy County increased from \$1,118,043,437 in 2011 to \$1,316,902,534 in 2012, representing a 17.79 percent increase over the prior year.

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

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

Sarpy County's population figures from 2007 through 2012 are as follows:

| Year | Population |
|-----------------------|-------------------|
| July, 2007 (estimate) | 146,756 |
| July, 2008 (estimate) | 150,467 |
| July, 2009 (estimate) | 153,504 |
| July, 2010 (census) | 158,840 |
| July, 2011 (estimate) | 162,561 |
| July, 2012 (estimate) | 165,853 |

Information for the number of building permits for single-family dwellings issued for Sarpy County (outside city zoning jurisdictions) from 2008 through 2013 are as follows:

| Year | Permits | Value |
|-------------|----------------|---------------|
| 2008 | 359 | \$ 58,579,543 |
| 2009 | 216 | 43,714,130 |
| 2010 | 78 | 34,085,230 |
| 2011 | 169 | 36,527,462 |
| 2012 | 195 | 38,787,474 |
| 2013 | 318 | 63,519,462 |

Information for the number of building permits for commercial/industrial buildings issued for Sarpy County from 2008 through 2013 are as follows:

| Year | Permits | Value |
|-------------|----------------|---------------|
| 2008 | 12 | \$ 13,027,139 |
| 2009 | 7 | 3,016,475 |
| 2010 | 4 | 2,742,806 |
| 2011 | 12 | 1,727,142 |
| 2012 | 17 | 6,540,526 |
| 2013 | 33 | 3,354,267 |

2012-2013 Budget

For the year ending June 30, 2013, the County adopted a total budget of \$116,493,527, which was subsequently amended to a total of \$116,757,927. This is an increase of \$6,193,812 over the previous year budget of \$110,564,115. This increase is due mainly to a \$4.8MM increase in the Public Works budget. The property tax request for the 2012-13 fiscal year is \$34,343,753 on assessed valuation of \$11,451,696,861 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 Position
June 30, 2013

| | Governmental Activities | Business-type Activities | Total |
|-----------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Assets | | | |
| Cash and investments | \$ 32,876,124 | \$ 6,773,744 | \$ 39,649,868 |
| Accounts receivable | 504,834 | 893,238 | 1,398,072 |
| Grants receivable | 752,912 | - | 752,912 |
| Taxes receivable | 14,392,920 | - | 14,392,920 |
| Internal balances | 24,000 | (24,000) | - |
| Inventory | 512,386 | - | 512,386 |
| Restricted cash | - | 8,896,132 | 8,896,132 |
| Capital assets | | | |
| Land | 4,610,105 | 1,296,017 | 5,906,122 |
| Depreciable | 207,573,100 | 37,570,251 | 245,143,351 |
| Less accumulated depreciation | (76,883,159) | (6,018,255) | (82,901,414) |
| Bond issue costs | 321,162 | 484,805 | 805,967 |
| Less accumulated amortization | (172,511) | (71,749) | (244,260) |
| Total assets | <u>184,511,873</u> | <u>49,800,183</u> | <u>234,312,056</u> |
| Liabilities | | | |
| Accounts payable | 6,171,134 | 248,170 | 6,419,304 |
| Wages and benefits payable | 245,905 | 7,209 | 253,114 |
| Interest payable | 13,955 | 51,426 | 65,381 |
| Deferred revenue | - | 1,932,500 | 1,932,500 |
| Compensated absences | | | |
| Current | 147,783 | - | 147,783 |
| Non-current | 7,419,580 | 145,217 | 7,564,797 |
| Other post-employment benefits | | | |
| Current | 151,296 | - | 151,296 |
| Non-current | 496,380 | 12,765 | 509,145 |
| Landfill closure and post closure costs | - | 6,808,520 | 6,808,520 |
| Bonds payable | | | |
| Current | 3,345,000 | 1,340,000 | 4,685,000 |
| Non-current | 9,635,575 | 25,203,431 | 34,839,006 |
| Notes Payable | | | |
| Current | 853,052 | - | 853,052 |
| Non-current | 511,218 | - | 511,218 |
| Total liabilities | <u>28,990,878</u> | <u>35,749,238</u> | <u>64,740,116</u> |
| Net Position | | | |
| Net investment in capital assets | 120,443,841 | 7,981,759 | 128,425,600 |
| Restricted for: | | | |
| Debt service | 4,518,483 | - | 4,518,483 |
| Post closure costs | - | 373,607 | 373,607 |
| Grant stipulations | 817,531 | - | 817,531 |
| Other | 5,433,328 | - | 5,433,328 |
| Unrestricted | <u>24,307,812</u> | <u>5,695,579</u> | <u>30,003,391</u> |
| Total net position | <u>\$ 155,520,995</u> | <u>\$ 14,050,945</u> | <u>\$ 169,571,940</u> |

Sarpy County, Nebraska
Statement of Activities
Year Ended June 30, 2013

| | <u>Program Revenues</u> | | | | <u>Net Revenues (Expenses) and Changes in Net Assets</u> | | |
|--------------------------------------|-------------------------|---------------------------------|---------------------------------------------------|-------------------------------------------------|----------------------------------------------------------|-------------------------------------|-----------------------|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| Primary government | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 20,400,444 | \$ 5,024,470 | \$ 1,366,392 | \$ 8,340 | \$ (14,001,242) | \$ - | \$ (14,001,242) |
| Public health | 1,397,099 | 513,581 | 205,760 | - | (677,758) | - | (677,758) |
| Public safety | 33,627,373 | 3,659,515 | 3,310,642 | - | (26,657,216) | - | (26,657,216) |
| Public welfare and social services | 1,196,841 | 22,814 | 215 | - | (1,173,812) | - | (1,173,812) |
| Special roads | 9,024,222 | 1,058,729 | 8,403,970 | 149,341 | 587,818 | - | 587,818 |
| Debt service interest | 409,083 | - | - | - | (409,083) | - | (409,083) |
| Total governmental activities | <u>66,055,062</u> | <u>10,279,109</u> | <u>13,286,979</u> | <u>157,681</u> | <u>(42,331,293)</u> | <u>-</u> | <u>(42,331,293)</u> |
| Business-type activities | | | | | | | |
| Landfill | 2,739,539 | 4,925,105 | - | - | - | 2,185,566 | 2,185,566 |
| Stadium | 1,898,558 | 799,037 | - | - | - | (1,099,521) | (1,099,521) |
| Sewer | 244,144 | 138,769 | - | - | - | (105,375) | (105,375) |
| Total business-type activities | <u>4,882,241</u> | <u>5,862,911</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>980,670</u> | <u>980,670</u> |
| Total | <u>\$ 70,937,303</u> | <u>\$ 16,142,020</u> | <u>\$ 13,286,979</u> | <u>\$ 157,681</u> | <u>(42,331,293)</u> | <u>980,670</u> | <u>(41,350,623)</u> |
| General revenues | | | | | | | |
| Property taxes and assessments | | | | | 43,962,808 | - | 43,962,808 |
| Investment income | | | | | 227,089 | - | 227,089 |
| Miscellaneous | | | | | 3,799,589 | 227,194 | 4,026,783 |
| Transfers | | | | | (674,000) | 674,000 | - |
| Total general revenues and transfers | | | | | <u>47,315,486</u> | <u>901,194</u> | <u>48,216,680</u> |
| Change in net position | | | | | 4,984,193 | 1,881,864 | 6,866,057 |
| Net position - beginning of year | | | | | <u>150,536,802</u> | <u>12,169,081</u> | <u>162,705,883</u> |
| Net position - end of year | | | | | <u>\$ 155,520,995</u> | <u>\$ 14,050,945</u> | <u>\$ 169,571,940</u> |

Sarpy County, Nebraska

Balance Sheet Governmental Funds

June 30, 2013

| | General Fund | Special Roads Fund | Other Governmental Funds | Total |
|-------------------------------------|----------------------|--------------------------|--------------------------------|----------------------|
| Assets | | | | |
| Cash and investments | \$ 23,056,701 | \$ 4,620,016 | \$ 5,199,407 | \$ 32,876,124 |
| Accounts receivable | 116,067 | 5,527 | 88,916 | 210,510 |
| Grants receivable | 84,888 | 25,007 | 643,017 | 752,912 |
| Taxes receivable | 12,456,871 | - | 1,936,049 | 14,392,920 |
| Due from other funds | 359,000 | - | - | 359,000 |
| Inventory | 19,873 | 492,513 | - | 512,386 |
| | <u>36,093,400</u> | <u>5,143,063</u> | <u>7,867,389</u> | <u>49,103,852</u> |
| Total assets | <u>\$ 36,093,400</u> | <u>\$ 5,143,063</u> | <u>\$ 7,867,389</u> | <u>\$ 49,103,852</u> |
| Liabilities | | | | |
| Accounts payable | \$ 4,125,912 | \$ 836,279 | \$ 258,443 | \$ 5,220,634 |
| Due to other funds | - | - | 335,000 | 335,000 |
| Wages and benefits payable | 147,655 | 4,771 | 93,479 | 245,905 |
| Deferred revenue | 768,503 | 25,007 | 602,992 | 1,396,502 |
| Compensated absences | 122,106 | 9,581 | 16,096 | 147,783 |
| | <u>5,164,176</u> | <u>875,638</u> | <u>1,306,010</u> | <u>7,345,824</u> |
| Total liabilities | <u>5,164,176</u> | <u>875,638</u> | <u>1,306,010</u> | <u>7,345,824</u> |
| Fund balances | | | | |
| Nonspendable | 19,873 | 492,513 | - | 512,386 |
| Restricted | 241,825 | 3,774,912 | 6,751,021 | 10,767,758 |
| Assigned | 1,027,253 | - | - | 1,027,253 |
| Unassigned | 29,640,273 | - | (189,642) | 29,450,631 |
| | <u>30,929,224</u> | <u>4,267,425</u> | <u>6,561,379</u> | <u>41,758,028</u> |
| Total fund balances | <u>30,929,224</u> | <u>4,267,425</u> | <u>6,561,379</u> | <u>41,758,028</u> |
| Total liabilities and fund balances | <u>\$ 36,093,400</u> | <u>\$ 5,143,063</u> | <u>\$ 7,867,389</u> | <u>\$ 49,103,852</u> |

Total fund balance - total governmental funds \$ 41,758,028

Amounts reported for governmental activities in the statement of net position are different because:

Deferred revenues represent funds not available in the current period and, therefore, are not recognized as revenue in the governmental funds. 1,396,502

Other accounts receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds. 294,233

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 135,300,046

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 \$148,651, capital asset additions included in accounts payable of \$950,500, interest payable of \$13,955, and post employment benefit accruals of \$647,676. (23,227,814)

Net position of governmental activities \$ 155,520,995

Sarpy County, Nebraska
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

| | General Fund | Special Roads | Other Governmental Funds | Total |
|----------------------------------------------------------|-------------------------|--------------------------|-----------------------------------------|----------------------|
| Revenues | | | | |
| Taxes | \$ 29,103,863 | \$ - | \$ 4,530,226 | \$ 33,634,089 |
| Intergovernmental | | | | |
| Federal | 168,268 | 149,341 | 2,441,539 | 2,759,148 |
| State | 1,732,678 | 9,117,131 | 652,240 | 11,502,049 |
| Local | 19,703,739 | 424,442 | 3,682,114 | 23,810,295 |
| Total revenues | <u>50,708,548</u> | <u>9,690,914</u> | <u>11,306,119</u> | <u>71,705,581</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 15,658,460 | - | 2,912,909 | 18,571,369 |
| Special roads | - | 5,376,910 | - | 5,376,910 |
| Public safety | 25,929,603 | - | 5,893,087 | 31,822,690 |
| Public health | 626,053 | - | 622,494 | 1,248,547 |
| Public welfare and social services | 1,057,474 | - | 131,230 | 1,188,704 |
| Capital outlay | 844,369 | 4,515,407 | 1,141,859 | 6,501,635 |
| Debt service | | | | |
| Debt service principal | 260,862 | 1,541,018 | 2,552,492 | 4,354,372 |
| Debt service interest | 4,443 | 40,605 | 338,329 | 383,377 |
| Total expenditures | <u>44,381,264</u> | <u>11,473,940</u> | <u>13,592,400</u> | <u>69,447,604</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>6,327,284</u> | <u>(1,783,026)</u> | <u>(2,286,281)</u> | <u>2,257,977</u> |
| Other Financing Sources (Uses) | | | | |
| Operating transfers in | 520,534 | 2,281,315 | 2,739,778 | 5,541,627 |
| Operating transfers out | (5,121,093) | - | (1,094,534) | (6,215,627) |
| Total other financing sources (uses) | <u>(4,600,559)</u> | <u>2,281,315</u> | <u>1,645,244</u> | <u>(674,000)</u> |
| Net Change in Fund Balances | 1,726,725 | 498,289 | (641,037) | 1,583,977 |
| Fund Balances - Beginning of Year | <u>29,202,499</u> | <u>3,769,136</u> | <u>7,202,416</u> | <u>40,174,051</u> |
| Fund Balances - End of Year | <u>\$ 30,929,224</u> | <u>\$ 4,267,425</u> | <u>\$ 6,561,379</u> | <u>\$ 41,758,028</u> |

Sarpy County, Nebraska
Reconciliation of Statement of Revenues, Expenditures, and
Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2013

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net change in fund balances - total governmental funds | \$ 1,583,977 |
| Amounts reported for governmental activities in the 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. | 7,671 |
| 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 depreciation expense exceeded capital outlays. | (598,449) |
| 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. | (363,378) |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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 position. | <u>4,354,372</u> |
| Change in net position of governmental activities | <u>\$ 4,984,193</u> |

Sarpy County, Nebraska
Balance Sheet
Proprietary Funds
June 30, 2013

| | Landfill Fund | Stadium Fund | Sewer Fund | Total |
|-------------------------------------------------|--------------------------|-------------------------|-----------------------|----------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 5,343,525 | \$ - | \$ 1,430,219 | \$ 6,773,744 |
| Accounts receivable | 822,811 | 70,427 | - | 893,238 |
| Total current assets | <u>6,166,336</u> | <u>70,427</u> | <u>1,430,219</u> | <u>7,666,982</u> |
| Noncurrent Assets | | | | |
| Restricted cash | 7,182,127 | 1,714,005 | - | 8,896,132 |
| Bond issue costs | - | 484,805 | - | 484,805 |
| Less accumulated amortization | - | (71,749) | - | (71,749) |
| Capital assets | | | | |
| Land | 676,017 | 620,000 | - | 1,296,017 |
| Land improvements | 586,898 | 18,284 | - | 605,182 |
| Infrastructure | - | - | 5,255,707 | 5,255,707 |
| Buildings | 474,500 | 28,284,996 | - | 28,759,496 |
| Machinery and equipment | 2,943,556 | 6,310 | - | 2,949,866 |
| Less accumulated depreciation | <u>(3,183,265)</u> | <u>(1,280,694)</u> | <u>(1,554,296)</u> | <u>(6,018,255)</u> |
| Total noncurrent assets | <u>8,679,833</u> | <u>29,775,957</u> | <u>3,701,411</u> | <u>42,157,201</u> |
| Total assets | <u>\$ 14,846,169</u> | <u>\$ 29,846,384</u> | <u>\$ 5,131,630</u> | <u>\$ 49,824,183</u> |
| Liabilities and Net Position | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 207,153 | \$ 37,703 | \$ 3,314 | \$ 248,170 |
| Wages and benefits payable | 7,209 | - | - | 7,209 |
| Interest payable | - | 51,426 | - | 51,426 |
| Due to other funds | - | 24,000 | - | 24,000 |
| Current maturities of long-term debt | - | 1,340,000 | - | 1,340,000 |
| Total current liabilities | <u>214,362</u> | <u>1,453,129</u> | <u>3,314</u> | <u>1,670,805</u> |
| Noncurrent Liabilities | | | | |
| Compensated absences | 145,217 | - | - | 145,217 |
| Deferred revenue | - | 1,932,500 | - | 1,932,500 |
| Bonds payable | - | 25,203,431 | - | 25,203,431 |
| Accrued other post-employment benefits | 12,765 | - | - | 12,765 |
| Accrued landfill closure and post-closure costs | <u>6,808,520</u> | <u>-</u> | <u>-</u> | <u>6,808,520</u> |
| Total noncurrent liabilities | <u>6,966,502</u> | <u>27,135,931</u> | <u>-</u> | <u>34,102,433</u> |
| Total liabilities | <u>7,180,864</u> | <u>28,589,060</u> | <u>3,314</u> | <u>35,773,238</u> |
| Net Position | | | | |
| Net investment in capital assets | 1,497,706 | 2,782,642 | 3,701,411 | 7,981,759 |
| Restricted for post closure costs | 373,607 | - | - | 373,607 |
| Unrestricted | <u>5,793,992</u> | <u>(1,525,318)</u> | <u>1,426,905</u> | <u>5,695,579</u> |
| Total net position | <u>7,665,305</u> | <u>1,257,324</u> | <u>5,128,316</u> | <u>14,050,945</u> |
| Total Liabilities and Net Position | <u>\$ 14,846,169</u> | <u>\$ 29,846,384</u> | <u>\$ 5,131,630</u> | <u>\$ 49,824,183</u> |

Sarpy County, Nebraska
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

| | Landfill Fund | Stadium Fund | Sewer Fund | Total |
|--------------------------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Operating Revenues | | | | |
| Charges for services and facilities | \$ 4,925,105 | \$ 799,037 | \$ 138,769 | \$ 5,862,911 |
| Total operating revenues | <u>4,925,105</u> | <u>799,037</u> | <u>138,769</u> | <u>5,862,911</u> |
| Operating Expenses | | | | |
| Personal services | 949,743 | - | - | 949,743 |
| Operating expenses | 850,549 | 637,264 | 244,144 | 1,731,957 |
| Estimated closure and post-closure care costs | 307,372 | - | - | 307,372 |
| Supplies and materials | 353,987 | - | - | 353,987 |
| Small equipment | 277,888 | - | - | 277,888 |
| Total operating expenses | <u>2,739,539</u> | <u>637,264</u> | <u>244,144</u> | <u>3,620,947</u> |
| Operating Income (Loss) | <u>2,185,566</u> | <u>161,773</u> | <u>(105,375)</u> | <u>2,241,964</u> |
| Non-Operating Revenues (Expenses) | | | | |
| Federal interest rate subsidy | - | 192,032 | - | 192,032 |
| Miscellaneous | 35,162 | - | - | 35,162 |
| Interest expense | - | (1,261,294) | - | (1,261,294) |
| Total non-operating revenues (expenses) | <u>35,162</u> | <u>(1,069,262)</u> | <u>-</u> | <u>(1,034,100)</u> |
| Income (Loss) Before Transfers | 2,220,728 | (907,489) | (105,375) | 1,207,864 |
| Transfers In | <u>-</u> | <u>674,000</u> | <u>-</u> | <u>674,000</u> |
| Change in Net Position | 2,220,728 | (233,489) | (105,375) | 1,881,864 |
| Net Position - Beginning of Year | <u>5,444,577</u> | <u>1,490,813</u> | <u>5,233,691</u> | <u>12,169,081</u> |
| Net Position - End of Year | <u><u>\$ 7,665,305</u></u> | <u><u>\$ 1,257,324</u></u> | <u><u>\$ 5,128,316</u></u> | <u><u>\$ 14,050,945</u></u> |

Sarpy County, Nebraska
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

| | Landfill Fund | Stadium Fund | Sewer Fund | Total |
|----------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|-----------------------|----------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts from customers | \$ 4,510,131 | \$ 1,710,532 | \$ 138,769 | \$ 6,359,432 |
| Payments to suppliers | (1,318,895) | (50,180) | (161,193) | (1,530,268) |
| Payments to employees | (960,095) | - | - | (960,095) |
| | <u>2,231,141</u> | <u>1,660,352</u> | <u>(22,424)</u> | <u>3,869,069</u> |
| Net cash provided by (used in) operating activities | | | | |
| Cash Flows from Noncapital Financing Activities | | | | |
| Transfers from other funds | - | 674,000 | - | 674,000 |
| Advances from General Fund | - | 24,000 | - | 24,000 |
| Other noncapital financing receipts | 35,162 | - | - | 35,162 |
| | <u>35,162</u> | <u>698,000</u> | <u>-</u> | <u>733,162</u> |
| Net cash provided by noncapital financing activities | | | | |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Purchase of capital assets | (145,770) | (24,589) | - | (170,359) |
| Receipt of federal interest subsidy | - | 192,032 | - | 192,032 |
| Principal payments on capital debt | - | (335,000) | - | (335,000) |
| Interest payments on capital debt | - | (1,253,623) | - | (1,253,623) |
| | <u>(145,770)</u> | <u>(1,421,180)</u> | <u>-</u> | <u>(1,566,950)</u> |
| Net cash used in capital and related financing activities | | | | |
| Increase (Decrease) in Cash | 2,120,533 | 937,172 | (22,424) | 3,035,281 |
| Cash - Beginning of Year | 10,405,119 | 776,833 | 1,452,643 | 12,634,595 |
| Cash - End of Year | \$ 12,525,652 | \$ 1,714,005 | \$ 1,430,219 | \$ 15,669,876 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | |
| Operating income (loss) | \$ 2,185,566 | \$ 161,773 | \$ (105,375) | \$ 2,241,964 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 95,980 | 586,209 | 105,114 | 787,303 |
| Changes in operating assets and liabilities: | | | | |
| Receivables | (414,974) | (8,505) | - | (423,479) |
| Accounts payable | 67,549 | 875 | (22,163) | 46,261 |
| Deferred revenue | - | 920,000 | - | 920,000 |
| Other liabilities | (10,352) | - | - | (10,352) |
| Landfill closure and post closure costs | 307,372 | - | - | 307,372 |
| | <u>\$ 2,231,141</u> | <u>\$ 1,660,352</u> | <u>\$ (22,424)</u> | <u>\$ 3,869,069</u> |
| Net cash provided by (used in) operating activities | | | | |
| Supplemental Cash Flows Information | | | | |
| Capital asset acquisitions included in accounts payable | \$ - | \$ 36,828 | \$ - | \$ 36,828 |

Sarpy County, Nebraska
Statement of Net Position
Fiduciary Fund
June 30, 2013

Assets

| | |
|----------------------|------------------------------|
| Cash and investments | \$ 64,627,183 |
| Taxes receivable | <u>93,318,643</u> |
| Total assets | <u><u>\$ 157,945,826</u></u> |

Liabilities

| | |
|------------------------------------|------------------------------|
| Due to employees | \$ 57,017 |
| Due to other governmental entities | <u>157,888,809</u> |
| Total liabilities | <u><u>\$ 157,945,826</u></u> |

Sarpy County, Nebraska

Notes to Financial Statements

June 30, 2013

Note 1: Summary of Significant Accounting Policies

Organization

Sarpy County, Nebraska (the “County”) is a governmental entity established under and governed by the laws of the State of Nebraska and acts as a political subdivision of the State. The County is governed by a five-member Board of Commissioners (the “Board”), who are elected, by each district, by a vote of the public. The County’s responsibilities include general social welfare; corrections; maintenance of streets and highways not within any incorporated city, village or sanitary and improvement district; legal court-related activities; licensing, recording, and assessment of real property; tax collection for all public entities within the County; conducting elections; law enforcement; and sanitary landfill.

Reporting Entity

The accompanying financial statements present the government of Sarpy County, Nebraska (the primary government) and its blended component unit, the Sarpy County Leasing Corporation (“SCLC”). 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.

Blended component units, although legally separate entities, are, in substance, part of the County’s operations. The governing body of the SCLC is comprised of members of the County Board and the SCLC was established to acquire, construct, furnish and equip a baseball stadium and related infrastructure and other facilities necessary to run a baseball stadium within the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 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
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

Government-Wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the County accompanied by a total column. The material effect of interfund activity has been removed or eliminated from these statements. 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. 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 position. The statement of activities presents changes in net position and demonstrates the degree to which the direct expense of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

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 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/net position, 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 aggregate 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, or 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.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

Governmental Funds - Continued

For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. Accompanying schedules are presented to reconcile and explain the difference in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

The County reports the following major governmental funds:

- (1) The 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. Revenues are derived primarily from property and other taxes, state and federal distributions, licenses, permits, charges for services and interest income.
- (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. Revenues are typically derived from state and federal resources.

Proprietary Funds

Proprietary fund financial statements include a balance sheet, a statement of revenues, expenses, and changes in net position, 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 balance sheet. 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, regardless of the timing of related cash flows. 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.

The County reports the following major proprietary funds:

- (1) The landfill fund is used to account for the activities of the County's solid waste system and related facilities.
- (2) The sewer fund is used to account for the activities of the County's sanitary sewer system and related facilities.
- (3) The stadium fund is used to account for the activities of the Sarpy County Leasing Corporation, a blended component unit of the County, established to construct and operate a baseball stadium within the County.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

Fiduciary Fund

Fiduciary fund financial statements include a statement of net position. The County's fiduciary fund represents an agency fund, which is custodial in nature and does not involve measurement of results of operations. The agency fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This fund is not incorporated into the government-wide statements since monies within this fund 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 of each year, the County Board of Commissioners 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 of each year, the County Board, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, adopts the budget, as revised, and the amounts provided therein are appropriated.

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, 2013, the County amended its original budget for the purpose of accommodating unanticipated 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 Treasury securities, United States agencies obligations, certificates of deposit and time deposits. Investments in negotiable certificates of deposit are carried at fair value, which is based upon quoted market prices. The County's investment in the NPAIT investment pool is measured at the net asset value per share provided by the pool, which approximates fair value, as the pool is considered a 2a7-like pool in accordance with Securities and Exchange Commission regulations. All other investments are carried at amortized cost.

Receivables

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

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

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 the fiduciary fund.

Counties are permitted by State Constitution to levy a tax up to \$0.50 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. The County may levy taxes in addition to the \$0.50 limitation upon a vote of the people. The tax levy remained below the \$0.50 limitation for 2013.

Additionally, \$.05 of the \$0.50 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. Also, 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 reported as expenditures when used (consumption method). Inventory held by the governmental funds consist primarily of road construction and maintenance materials.

Capital Assets (Including Intangible Assets)

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Intangible assets consist of internally developed software utilized by the County.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

Capital Assets (Including Intangible Assets) - Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. No interest costs were capitalized during 2013.

The following useful lives are being used by the County:

| | |
|----------------------------|---------------|
| Infrastructure | 15 – 50 years |
| Buildings and improvements | 20 – 50 years |
| Machinery and equipment | 5 – 20 years |
| Computer software | 5 years |

Bond Issue Costs

Bond issue costs represent costs incurred in connection with the issuance of long-term debt and are presented in the financial statements net of accumulated amortization. Such costs are being amortized over the term of the respective debt using the effective interest method.

Compensated Absences

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 in the current period.

Fund Balance - Governmental Funds

The fund balances for the County's governmental funds are displayed in five components:

Nonspendable - Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted - Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed - Committed fund balances may be used only for the specific purposes determined by resolution of the Board of Commissioners. Commitments may be changed or lifted only by issuance of a resolution by the County Board of Commissioners.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

Fund Balance - Governmental Funds - Continued

Assigned - Assigned fund balances are intended to be used by the County for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

The County considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The County applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net Position Classification

Net position is required to be classified into three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 1: Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Principles

In 2013, the County implemented the provisions of the following accounting principles:

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This standard was created to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in pre-November 30, 1989 FASB and AICPA pronouncements, which do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement amends the net asset reporting requirements in GASB Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The implementation of these standards did not have a significant impact on the County's financial statements.

Note 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.

Deposits

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 law. The County's cash deposits, including nonnegotiable certificates of deposit, are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2013, the County's cash accounts at one financial institution exceeded federally insured limits by approximately \$116,000.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 2: Deposits and Investments - Continued

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.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County limits its interest rate risk by investing primarily in securities with original maturities of less than one year. Money market mutual funds and the NPAIT investment pool are presented as investments with a maturity of less than one year because they are redeemable in full immediately. The County has two repurchase agreements for \$1,000,000 and \$1,377,273, which mature in July 2013 and March 2015, respectively, and is invested in nonnegotiable certificates of deposit totaling \$10,370,792 that are scheduled to mature during the 2015 fiscal year. All other investment securities held at June 30, 2013 have a maturity of less than one year.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. Treasury securities are not exposed to credit risk as they are backed by the full faith and credit of the United States Government. All other investments were not rated.

Concentration 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 that may be invested in any one issuer. At June 30, 2013, the County's investment in the NPAIT investment pool comprised approximately 64% of the County's total investments.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 2: Deposits and Investments - Continued

Summary of Carrying Values

The carrying values of deposits and investments at June 30, 2013, and reconciliation to amounts shown in the financial statements, are as follows:

| | |
|---------------------------------------------------|------------------------------|
| Carrying Values | |
| Cash on hand | <u>\$ 1,010,446</u> |
| Deposits | |
| Cash in bank (checking, money market) | 49,998,294 |
| Nonnegotiable certificates of deposit | <u>19,379,786</u> |
| Total deposits | <u>69,378,080</u> |
| Investments | |
| Money market mutual funds | 1,683,077 |
| NPAIT investment pool | 27,330,849 |
| U.S. Treasury Bills | 6,982,451 |
| Negotiable certificates of deposit | 4,411,007 |
| Repurchase agreements (with NPAIT) | <u>2,377,273</u> |
| Total investments | <u>42,784,657</u> |
| Total cash, deposits and investments | <u><u>\$ 113,173,183</u></u> |
| Reconciliation to the Financial Statements | |
| Government Wide cash and investments | \$ 39,649,868 |
| Government Wide restricted cash | 8,896,132 |
| Fiduciary fund cash and investments | <u>64,627,183</u> |
| Total cash and investments | <u><u>\$ 113,173,183</u></u> |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 3: Interfund Balances and Transfers

“Due to” and “Due from” balances are recorded as a result of temporary loans from the general fund to cover cash shortages in other County funds. Balances due to/from other funds at June 30, 2013, consisted of \$359,000 owed to the general fund, of which \$335,000 is owed by the other governmental funds and \$24,000 owed is by the stadium fund.

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers to/from other funds for the year ended June 30, 2013, consist of the following:

| Transfer To | Transfer From General Fund | Transfer From Other Governmental Funds |
|--------------------------|-----------------------------------------------|---------------------------------------------------------------|
| General Fund | \$ - | \$ 520,534 |
| Special Roads Fund | 2,281,315 | - |
| Other Governmental Funds | 2,739,778 | - |
| Stadium Fund | 100,000 | 574,000 |
| | \$ 5,121,093 | \$ 1,094,534 |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|----------------------------------------------|------------------------------|---------------------|--------------------|---------------------------|
| Governmental Activities | | | | |
| Nondepreciable capital assets | | | | |
| Land | \$ 4,182,904 | \$ 427,201 | \$ - | \$ 4,610,105 |
| Total nondepreciable capital assets | <u>4,182,904</u> | <u>427,201</u> | <u>-</u> | <u>4,610,105</u> |
| Depreciable capital assets | | | | |
| Intangible assets | 106,638 | - | - | 106,638 |
| Infrastructure | 139,937,476 | 3,829,885 | - | 143,767,361 |
| Buildings and improvements | 42,195,068 | 103,373 | - | 42,298,441 |
| Machinery and equipment | 21,005,251 | 832,735 | (437,326) | 21,400,660 |
| Total depreciable capital assets | <u>203,244,433</u> | <u>4,765,993</u> | <u>(437,326)</u> | <u>207,573,100</u> |
| Accumulated depreciation | | | | |
| Intangible assets | (76,173) | (21,328) | 27,704 | (69,797) |
| Infrastructure | (47,253,181) | (3,281,977) | - | (50,535,158) |
| Buildings and improvements | (10,317,962) | (842,660) | - | (11,160,622) |
| Machinery and equipment | (14,398,294) | (1,094,101) | 374,813 | (15,117,582) |
| Total accumulated depreciation | <u>(72,045,610)</u> | <u>(5,240,066)</u> | <u>402,517</u> | <u>(76,883,159)</u> |
| Capital assets being depreciated, net | <u>131,198,823</u> | <u>(474,073)</u> | <u>(34,809)</u> | <u>130,689,941</u> |
| Governmental activities capital assets, net | <u>\$ 135,381,727</u> | <u>\$ (46,872)</u> | <u>\$ (34,809)</u> | <u>\$ 135,300,046</u> |
| Business-type Activities | | | | |
| Nondepreciable capital assets | | | | |
| Land | \$ 1,296,017 | \$ - | \$ - | \$ 1,296,017 |
| Total nondepreciable capital assets | <u>1,296,017</u> | <u>-</u> | <u>-</u> | <u>1,296,017</u> |
| Depreciable capital assets | | | | |
| Infrastructure | 5,255,707 | - | - | 5,255,707 |
| Buildings and improvements | 29,309,571 | 55,107 | - | 29,364,678 |
| Machinery and equipment | 2,816,983 | 152,099 | (19,216) | 2,949,866 |
| Total depreciable capital assets | <u>37,382,261</u> | <u>207,206</u> | <u>(19,216)</u> | <u>37,570,251</u> |
| Accumulated depreciation | | | | |
| Infrastructure | (1,449,182) | (105,114) | - | (1,554,296) |
| Buildings and improvements | (1,566,600) | (573,894) | - | (2,140,494) |
| Machinery and equipment | (2,256,163) | (86,499) | 19,197 | (2,323,465) |
| Total accumulated depreciation | <u>(5,271,945)</u> | <u>(765,507)</u> | <u>19,197</u> | <u>(6,018,255)</u> |
| Capital assets being depreciated, net | <u>32,110,316</u> | <u>(558,301)</u> | <u>(19)</u> | <u>31,551,996</u> |
| Business-type activities capital assets, net | <u>\$ 33,406,333</u> | <u>\$ (558,301)</u> | <u>\$ (19)</u> | <u>\$ 32,848,013</u> |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 4: Capital Assets - Continued

Depreciation expense was charged to the functions/programs as follows:

| | |
|-----------------------------------------------------|----------------------------|
| General government | \$ 410,294 |
| Public health | 1,487 |
| Public safety | 1,166,116 |
| Roads | <u>3,662,169</u> |
| Total governmental activities depreciation expense | <u><u>\$ 5,240,066</u></u> |
| Business-type Activities | |
| Landfill | \$ 95,980 |
| Stadium | 564,413 |
| Sewer | <u>105,114</u> |
| Total business-type activities depreciation expense | <u><u>\$ 765,507</u></u> |

Note 5: Leases

Operating Lease – Stadium

The County leases the stadium property to the Omaha Storm Chasers. 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 lease agreement provided for the County to receive two equal capital contributions of \$1,000,000 each from the Omaha Storm Chasers. The first contribution was received during the 2011 fiscal year upon completion of the stadium and the second contribution was received in the 2013 fiscal year, after the end of the second lease year.

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

| Year Ending June 30, | Amount |
|----------------------|-----------------------------|
| 2014 | \$ 450,000 |
| 2015 | 450,000 |
| 2016 | 450,000 |
| 2017 | 450,000 |
| 2018 | 450,000 |
| Thereafter | <u>7,875,000</u> |
| | <u><u>\$ 10,125,000</u></u> |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 6: Long-term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2013:

| | Beginning Balance | Increases | Decreases | Ending Balances | Due Within One Year |
|---------------------------------------------------|------------------------------|-------------------|-----------------------|----------------------------|--------------------------------|
| <u>Governmental Activities</u> | | | | | |
| General obligation bonds | \$ 16,355,000 | \$ - | \$ (3,275,000) | \$ 13,080,000 | \$ 3,345,000 |
| Deferred loss from refunding | (130,823) | - | 31,398 | (99,425) | - |
| Total general obligation bonds | 16,224,177 | - | (3,243,602) | 12,980,575 | 3,345,000 |
| Notes payable | 2,036,081 | 429,241 | (1,101,052) | 1,364,270 | 853,052 |
| Compensated absences | 7,535,982 | 178,551 | (147,170) | 7,567,363 | 147,783 |
| Other post-employment benefits | 511,842 | 135,834 | - | 647,676 | 151,296 |
| Governmental activities long-term liabilities | <u>\$ 26,308,082</u> | <u>\$ 743,626</u> | <u>\$ (4,491,824)</u> | <u>\$ 22,559,884</u> | <u>\$ 4,497,131</u> |
| <u>Business-type Activities</u> | | | | | |
| Revenue bonds | \$ 27,055,000 | \$ - | \$ (335,000) | \$ 26,720,000 | \$ 1,340,000 |
| Bond issue discount | (185,048) | - | 8,479 | (176,569) | - |
| Total revenue bonds | 26,869,952 | - | (326,521) | 26,543,431 | 1,340,000 |
| Compensated absences | 158,712 | - | (13,495) | 145,217 | - |
| Other post-employment benefits | 11,016 | 1,749 | - | 12,765 | - |
| Landfill closure and post closure costs | 6,501,148 | 307,372 | - | 6,808,520 | - |
| Business-type activities long-term liabilities | <u>\$ 33,540,828</u> | <u>\$ 309,121</u> | <u>\$ (340,016)</u> | <u>\$ 33,509,933</u> | <u>\$ 1,340,000</u> |

| Type of Indebtedness (Purpose) | Maturity | Interest Rates | Original Issue Amount | Date Callable | Outstanding at June 30, 2013 |
|-------------------------------------------|---------------------------------|---------------------------|--------------------------------------|--------------------------|---------------------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Bonds Payable | | | | | |
| Limited tax refunding bonds | December 2016 | 0.25% - 1.60% | \$ 4,165,000 | N/A | \$ 3,150,000 |
| Remodel bond | June 2018 | 2.05% - 3.70% | 5,700,000 | 2013 | 3,060,000 |
| Highway allocation bond | December 2013 | 1.00% - 1.90% | 6,075,000 | 2011 | 1,250,000 |
| Sheriff remodel bond | December 2019 | 3.35% - 3.80% | 7,790,000 | 2014 | 5,620,000 |
| | | | | | <u>\$ 13,080,000</u> |
| <u>Notes payable</u> | | | | | |
| ENHSA house 3 | December 2018 | 4.65% | \$ 153,061 | N/A | \$ 68,637 |
| ENHSA house 4 | June 2019 | 5.00% | 190,000 | N/A | 93,289 |
| ENHSA house 5 | June 2023 | 4.70% | 178,575 | N/A | 132,398 |
| Equipment notes | Monthly through October 2014 | 1.75% - 2.10% | 2,844,094 | Various | 1,069,946 |
| | | | | | <u>\$ 1,364,270</u> |
| <u>Business-Type Activities</u> | | | | | |
| Bonds Payable | | | | | |
| Stadium revenue bonds - Series A | June 2025 | 1.50% - 3.75% | \$ 4,195,000 | 2019 | \$ 3,860,000 |
| Stadium revenue bonds - Series B | June 2036 | 6.05% - 6.25% | 9,290,000 | 2019 | 9,290,000 |
| Stadium revenue bonds - Series C | June 2030 | 2.75% - 6.00% | 5,500,000 | 2019 | 5,500,000 |
| Stadium COPS - Series 2010 | December 2035 | 1.50% - 4.0% | 8,070,000 | 2020 | 8,070,000 |
| | | | | | <u>\$ 26,720,000</u> |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 6: Long-term Liabilities - Continued

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

Governmental Activities – Bonds

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|---------------------|----------------------|
| 2014 | \$ 3,345,000 | \$ 297,356 | \$ 3,642,356 |
| 2015 | 2,135,000 | 243,624 | 2,378,624 |
| 2016 | 2,180,000 | 197,385 | 2,377,385 |
| 2017 | 2,230,000 | 144,470 | 2,374,470 |
| 2018 | 1,475,000 | 92,720 | 1,567,720 |
| 2019-2020 | 1,715,000 | 57,238 | 1,772,238 |
| | <u>\$ 13,080,000</u> | <u>\$ 1,032,793</u> | <u>\$ 14,112,793</u> |

Governmental Activities – Notes Payable

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|------------------|---------------------|
| 2014 | \$ 853,052 | \$ 25,351 | \$ 878,403 |
| 2015 | 289,680 | 12,926 | 302,606 |
| 2016 | 39,080 | 9,857 | 48,937 |
| 2017 | 40,999 | 7,937 | 48,936 |
| 2018 | 43,001 | 5,934 | 48,935 |
| 2019-2023 | 98,458 | 9,812 | 108,270 |
| | <u>\$ 1,364,270</u> | <u>\$ 71,817</u> | <u>\$ 1,436,087</u> |

Business-Type Activities – Bonds

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|----------------------|----------------------|
| 2014 | \$ 1,340,000 | \$ 1,234,216 | \$ 2,574,216 |
| 2015 | 445,000 | 1,211,814 | 1,656,814 |
| 2016 | 595,000 | 1,199,168 | 1,794,168 |
| 2017 | 645,000 | 1,183,228 | 1,828,228 |
| 2018 | 700,000 | 1,163,838 | 1,863,838 |
| 2019-2023 | 3,990,000 | 5,433,350 | 9,423,350 |
| 2024-2028 | 5,650,000 | 4,399,944 | 10,049,944 |
| 2029-2033 | 7,770,000 | 2,538,249 | 10,308,249 |
| 2034-2036 | 5,585,000 | 450,594 | 6,035,594 |
| | <u>\$ 26,720,000</u> | <u>\$ 18,814,401</u> | <u>\$ 45,534,401</u> |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 6: Long-term Liabilities - Continued

Compensated absences and other post-employment benefit obligations in the governmental activities are primarily liquidated by the General Fund.

The 2009 Series A and B Stadium revenue bonds, the 2009 Series C Stadium revenue bonds and the Series 2010 Stadium COPS are secured by a pledge of the revenues derived from lease payments received pursuant to a Public Payment Lease and a Private Payment Lease, respectively. The total principal and interest remaining to be paid on the bonds and certificates of participation is \$45,534,401, with annual payments expected to require 100 percent of the revenues derived from the lease payments. Principal and interest for the current year and revenues from lease payments and other sources were \$1,588,623 and \$1,581,966, respectively.

The 2009 Series B Stadium revenue bonds were issued as direct pay Build America Bonds in accordance with the American Recovery and Reinvestment Act of 2009, which allows the County to receive a U.S. Treasury subsidy equal to 35% of the amount of interest payable on those bonds. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6341 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. The refund payments processed on or after October 1, 2013 and on or before September 30, 2014 will be reduced by the fiscal year 2014 sequestration rate of 7.2%.

Note 7: Employees' Retirement System

Pension Plan

The County has adopted the provision 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 Sheriff's 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, 2013, the County's payroll for covered employees was \$34,594,556 and the total payroll for the County was \$34,897,857. The County contributed \$2,538,183 to the employees account and paid \$1,248 for prior service benefits during 2013. The employees contributed \$1,759,247 to the plan for the year ended June 30, 2013.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 7: Employees' Retirement System - Continued

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. Employees contributed \$533,180 to the plan for the year ended June 30, 2013.

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.

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) on an open basis over a period not to exceed thirty years.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 7: Employees' Retirement System - Continued

Other Postemployment Benefits - Continued

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

| | Governmental | Proprietary |
|---------------------------------------------|--------------------------|-------------------------|
| Annual required contribution | \$ 271,507 | \$ 1,911 |
| Interest on net OPEB obligation | 20,769 | 146 |
| Adjustments to annual required contribution | (28,767) | (318) |
| Annual OPEB cost (expense) | <u>263,509</u> | <u>1,739</u> |
| Contributions made | (127,675) | - |
| Increase in net OPEB obligation | 135,834 | 1,739 |
| Net OPEB obligation - beginning of year | <u>511,842</u> | <u>11,026</u> |
| Net OPEB obligation - end of year | <u><u>\$ 647,676</u></u> | <u><u>\$ 12,765</u></u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

| Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------|-----------------------------|---------------------------------------------------------------|--------------------------------|
| June 30, 2013 | 265,248 | 48.1% | 660,441 |
| June 30, 2012 | 267,852 | 38.0% | 522,868 |
| June 30, 2011 | 198,641 | 31.1% | 356,676 |

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$2,453,569, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,453,569.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 7: Employees' Retirement System - Continued

Other Postemployment Benefits - 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 Projected Unit Credit Actuarial Cost Method. In the most current valuation, July 1, 2012, the actuarial assumptions used for the calculation of costs and liabilities are as follows:

| | |
|---------------------------|---------------------------------------|
| Discount rate | 4.0% per annum, compounded annually |
| Annual medical trend rate | 8.5% initially, reduced in increments |
| Participation rate | 70% 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.

Note 8: 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, 2013.

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 9: 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 performed in 2013, closure costs will be \$4,065,517 and an additional \$2,913,286 will be required for post-closure care. The estimated total of the landfill closure and post-closure care of \$6,978,803 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 98% used (filled). The County expects to close the landfill in 2014. The County has accrued 98% of the total landfill closure and post-closure care of \$6,808,520 as of June 30, 2013.

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, 2013, investments of \$7,182,127 are held for these purposes. These are reported as restricted assets on the proprietary fund statement of net position.

The County, in a review by the Nebraska Department of Environmental Quality (NDEQ), has demonstrated compliance with the financial assurance requirements as specified in Title 132 *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

Note 10: 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 79 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 pays for 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

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 10: Public Entity Risk Pool - Continued

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 provided 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.

There were no significant insurance recoveries in the current year, and settled claims have not exceeded coverage in any of the past three fiscal years.

Note 11: Governmental Fund Balances

Governmental fund balances are classified as follows at June 30, 2013:

| | General Fund | Special Roads Fund | Other Governmental Funds | Total |
|---------------------------|-------------------------|-----------------------------------|-----------------------------------------|-------------------|
| Nonspendable: | | | | |
| Inventory | \$ 19,873 | \$ 492,513 | \$ - | \$ 512,386 |
| Restricted for: | | | | |
| Debt service | 241,825 | 1,374,013 | 2,901,061 | 4,516,899 |
| Emergency communications | - | - | 385,986 | 385,986 |
| Social services | - | - | 46,421 | 46,421 |
| Tourism | - | - | 1,285,575 | 1,285,575 |
| Public health and welfare | - | - | 292,290 | 292,290 |
| Grant stipulations | - | - | 817,531 | 817,531 |
| Community betterment | - | - | 77,030 | 77,030 |
| Capital projects | - | 2,400,899 | 243,405 | 2,644,304 |
| Information systems | - | - | 701,722 | 701,722 |
| | <u>241,825</u> | <u>3,774,912</u> | <u>6,751,021</u> | <u>10,767,758</u> |

Sarpy County, Nebraska
Notes to Financial Statements
June 30, 2013

Note 11: Governmental Fund Balances - Continued

| | General Fund | Special Roads Fund | Other Governmental Funds | Total |
|---------------------------|-----------------------------|-----------------------------------|-----------------------------------------|-----------------------------|
| Assigned to: | | | | |
| Wireless communications | \$ 91,126 | \$ - | \$ - | \$ 91,126 |
| Public health and welfare | 57 | - | - | 57 |
| Public safety | 74,883 | - | - | 74,883 |
| Future contingencies | 769,734 | - | - | 769,734 |
| Fleet services | 85,005 | - | - | 85,005 |
| Other purposes | 6,448 | - | - | 6,448 |
| | <u>1,027,253</u> | <u>-</u> | <u>-</u> | <u>1,027,253</u> |
| Unassigned: | <u>29,640,273</u> | <u>-</u> | <u>(189,642)</u> | <u>29,450,631</u> |
| Total fund balances | <u><u>\$ 30,929,224</u></u> | <u><u>\$ 4,267,425</u></u> | <u><u>\$ 6,561,379</u></u> | <u><u>\$ 41,758,028</u></u> |

Note 12: Subsequent Events

In September 2013, the County issued \$2,900,000 of Limited Tax Refunding Building Bonds, Series 2013, to refund the outstanding principal of \$3,060,000 of the Limited Tax Building Bonds, Series 2008. Interest rates range on the Series 2013 bonds from 0.35% to 1.7% and have a final maturity of June 15, 2018. The County completed the refunding to reduce its total debt service payments by \$159,014, which resulted in an economic gain of \$152,968.

Required Supplementary Information

Sarpy County, Nebraska
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis)
General Fund
For the Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------------------------|
| Revenues | | | | |
| Tax | \$ 29,724,653 | \$ 29,724,653 | \$ 29,177,604 | \$ (547,049) |
| Federal | 201,787 | 201,787 | 176,427 | (25,360) |
| State | 926,000 | 926,000 | 1,732,678 | 806,678 |
| Local | 15,804,655 | 15,824,655 | 19,431,678 | 3,607,023 |
| | <u>46,657,095</u> | <u>46,677,095</u> | <u>50,518,387</u> | <u>3,841,292</u> |
| Total revenues | | | | |
| Expenditures | | | | |
| General government | | | | |
| County Board | 152,016 | 152,016 | 149,513 | 2,503 |
| County Clerk | 673,370 | 673,370 | 668,608 | 4,762 |
| County Treasurer | 1,475,847 | 1,475,847 | 1,446,788 | 29,059 |
| Register of Deeds | 487,911 | 487,911 | 479,117 | 8,794 |
| County Assessor | 1,278,613 | 1,278,613 | 1,253,100 | 25,513 |
| Election Commissioner | 526,955 | 520,855 | 519,770 | 1,085 |
| Planning and Zoning | 311,808 | 311,808 | 304,380 | 7,428 |
| Administration | 316,266 | 316,266 | 314,404 | 1,862 |
| Personnel | 315,822 | 315,822 | 296,369 | 19,453 |
| Records Management | 189,723 | 189,723 | 188,892 | 831 |
| Fiscal Administration | 238,886 | 238,886 | 236,523 | 2,363 |
| Board of Equalization | 23,000 | 23,000 | 20,975 | 2,025 |
| Facilities Management | 1,051,283 | 1,028,283 | 1,026,578 | 1,705 |
| Public Property Utilities | 696,225 | 696,225 | 574,305 | 121,920 |
| Jail Maintenance | 219,500 | 230,500 | 230,034 | 466 |
| Juvenile Justice Center Maintenance | 77,061 | 92,561 | 91,871 | 690 |
| Sheriff Admin Maintenance | 94,519 | 91,019 | 87,999 | 3,020 |
| Extension Agent | 134,500 | 134,500 | 134,449 | 51 |
| Other Intergovernmental | 836,000 | 836,000 | 698,124 | 137,876 |
| Miscellaneous General | 7,929,381 | 7,815,338 | 5,704,542 | 2,110,796 |
| Capital Projects | 498,000 | 498,000 | 101,717 | 396,283 |
| Wireless Communications | 65,000 | 65,000 | 49,945 | 15,055 |
| Inheritance Tax | 5,100,000 | 5,100,000 | 644,771 | 4,455,229 |
| Purchasing | 148,800 | 148,800 | 142,897 | 5,903 |
| Fleet | 1,227,338 | 1,227,338 | 1,100,079 | 127,259 |
| Public Safety | | | | |
| Sheriff | 2,102,118 | 2,141,118 | 2,139,783 | 1,335 |
| County Attorney | 3,070,639 | 3,083,639 | 3,083,331 | 308 |
| Investigations | 1,494,512 | 1,494,512 | 1,490,121 | 4,391 |
| Road Patrol | 5,069,435 | 5,069,435 | 5,069,373 | 62 |
| Sheriff Merit Commission | 11,758 | 11,758 | 1,792 | 9,966 |
| Vehicle Inspection | 118,395 | 118,695 | 118,667 | 28 |

Sarpy County, Nebraska
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis) - Continued
General Fund
For the Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------------|----------------------------|-------------------------|----------------------|---------------------------------------------------------------|
| Expenditures - Continued | | | | |
| Public Safety - Continued | | | | |
| Tow Lot | \$ 273,897 | \$ 255,097 | \$ 250,277 | \$ 4,820 |
| Juvenile Diversion | 330,546 | 332,546 | 331,091 | 1,455 |
| Victim Witness | 226,259 | 224,259 | 222,297 | 1,962 |
| Pre-Trial/Community Service | 344,297 | 412,340 | 411,440 | 900 |
| Juvenile Justice Center | 2,451,873 | 2,381,873 | 2,376,078 | 5,795 |
| County Jail | 5,051,269 | 5,065,769 | 5,062,462 | 3,307 |
| Court Services | 1,378,497 | 1,386,497 | 1,385,181 | 1,316 |
| Warrants Extradition | 544,837 | 571,837 | 571,647 | 190 |
| Adult Probation | 89,240 | 89,240 | 78,405 | 10,835 |
| Adult Diversion | 527,101 | 530,601 | 509,791 | 20,810 |
| Emergency Management | 220,550 | 220,550 | 181,548 | 39,002 |
| Clerk of the District Court | 594,140 | 594,140 | 585,397 | 8,743 |
| County Court | 118,390 | 125,390 | 125,186 | 204 |
| Juvenile Probation | 19,050 | 19,050 | 17,366 | 1,684 |
| Juvenile Court Judge | 541,382 | 541,382 | 535,502 | 5,880 |
| District Judge | 566,700 | 566,700 | 550,012 | 16,688 |
| Public Defender | 1,298,647 | 1,298,647 | 1,290,600 | 8,047 |
| Federal Grant - Drug Court | 1,000 | 1,000 | - | 1,000 |
| STOP Program | 93,000 | 93,000 | 7,432 | 85,568 |
| Jury Commissioner | 120,413 | 126,513 | 126,433 | 80 |
| CASA | 140,107 | 140,107 | 139,497 | 610 |
| Public Health | | | | |
| Animal Control | 498,055 | 498,055 | 485,421 | 12,634 |
| Mental Health | 116,778 | 116,778 | 76,211 | 40,567 |
| Landfill Bond Surplus | 1,274,108 | 1,274,108 | - | 1,274,108 |
| Connection Fee | - | 20,000 | 475 | 19,525 |
| Noxious Weed | 64,221 | 65,421 | 65,078 | 343 |
| Public Welfare and Social Services | | | | |
| Veterans Services | 235,999 | 235,999 | 235,414 | 585 |
| Human Services | 801,857 | 827,857 | 826,053 | 1,804 |
| Total expenditures | 53,856,894 | 53,881,594 | 44,815,111 | 9,066,483 |
| Other Financing Sources (Uses) | | | | |
| Operating transfer in | 1,726,652 | 1,731,352 | 3,240,186 | 1,508,834 |
| Operating transfer out | (5,686,545) | (5,686,545) | (7,679,245) | (1,992,700) |
| Total transfers | (3,959,893) | (3,955,193) | (4,439,059) | (483,866) |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (11,159,692) | (11,159,692) | 1,264,217 | 12,423,909 |
| Fund Balance - Beginning of Year | 17,259,692 | 17,259,692 | 17,259,692 | - |
| Fund Balance - End of Year | \$ 6,100,000 | \$ 6,100,000 | \$ 18,523,909 | \$ 12,423,909 |

Sarpy County, Nebraska
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis)
Special Roads Fund
For the Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------------------------------|----------------------------|-------------------------|----------------------------|---------------------------------------------------------------|
| Revenues | | | | |
| Federal | \$ 164,600 | \$ 164,600 | \$ 182,505 | \$ 17,905 |
| State | 7,870,741 | 7,870,741 | 9,117,131 | 1,246,390 |
| Local | 1,088,616 | 1,088,616 | 418,913 | (669,703) |
| Total revenues | <u>9,123,957</u> | <u>9,123,957</u> | <u>9,718,549</u> | <u>594,592</u> |
| Expenditures | | | | |
| Personal services | 3,272,246 | 3,272,246 | 3,301,325 | (29,079) |
| Operating expenses | 801,808 | 801,808 | 819,043 | (17,235) |
| Supplies and materials | 1,172,500 | 1,172,500 | 1,326,789 | (154,289) |
| Equipment and office rental | 34,250 | 34,250 | 30,260 | 3,990 |
| Capital outlays | 9,198,850 | 9,198,850 | 5,018,856 | 4,179,994 |
| Principal and interest | 1,258,856 | 1,258,856 | 1,259,478 | (622) |
| Total expenditures | <u>15,738,510</u> | <u>15,738,510</u> | <u>11,755,751</u> | <u>3,982,759</u> |
| Operating transfer in | <u>2,281,315</u> | <u>2,281,315</u> | <u>2,281,315</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(4,333,238)</u> | <u>(4,333,238)</u> | <u>244,113</u> | <u>4,577,351</u> |
| Fund Balance - Beginning of Year | <u>4,333,238</u> | <u>4,333,238</u> | <u>4,333,238</u> | <u>-</u> |
| Fund Balance - End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 4,577,351</u></u> | <u><u>\$ 4,577,351</u></u> |

Sarpy County, Nebraska
Note to Required Supplementary Information –
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis)
For the Year Ended June 30, 2013

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 Benefits
Schedule of Funding Progress
For the Year Ended June 30, 2013

| 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 % of Covered Payroll ((b-a)/c) |
|--------------------------------|----------------------------------------|----------------------------------------------------------------|--------------------------------|--------------------------|---------------------------|-------------------------------------------------|
| 7/1/2009 | \$ - | \$ 1,646,774 | \$ 1,646,774 | 0.00% | N/A | N/A |
| 7/1/2010 | - | 1,739,926 | 1,739,926 | 0.00% | N/A | N/A |
| 7/1/2012 | - | 2,453,569 | 2,453,569 | 0.00% | \$ 31,001,141 | 7.9% |

Other Supplementary Information

Sarpy County, Nebraska
Tax Certification, Correction and Collections
As of June 30, 2013

| | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|----------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| Tax Certified by the Assessor | | | |
| Real estate | \$ 223,669,089 | \$ 228,991,725 | \$ 234,965,835 |
| Personal | 6,415,192 | 5,752,590 | 6,135,521 |
| Centrally assessed | <u>1,210,009</u> | <u>1,088,752</u> | <u>1,291,352</u> |
| Total certified tax | <u><u>\$ 231,294,290</u></u> | <u><u>\$ 235,833,067</u></u> | <u><u>\$ 242,392,708</u></u> |
| Net Tax Collected by the County Treasurer as of June 30, 2013 | | | |
| Real estate | \$ 223,571,720 | \$ 228,867,146 | \$ 130,423,402 |
| Personal | 6,360,572 | 5,721,235 | 3,985,614 |
| Centrally assessed | <u>1,207,451</u> | <u>1,088,752</u> | <u>750,017</u> |
| Total collected tax | <u><u>\$ 231,139,743</u></u> | <u><u>\$ 235,677,133</u></u> | <u><u>\$ 135,159,033</u></u> |
| Total Uncollected Tax as of June 30, 2013 | | | |
| Real estate | \$ 97,369 | \$ 124,579 | \$ 104,542,433 |
| Personal | 54,620 | 31,355 | 2,149,907 |
| Centrally assessed | <u>2,558</u> | <u>-</u> | <u>541,335</u> |
| Total uncollected | <u><u>\$ 154,547</u></u> | <u><u>\$ 155,934</u></u> | <u><u>\$ 107,233,675</u></u> |
| Percentage Uncollected Tax | 0.07% | 0.07% | 44.24% |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Clerk
For the Year Ended June 30, 2013

| | |
|-------------------------------------|----------|
| Balance on hand, beginning of year | |
| Cash on hand | \$ 600 |
| Cash in bank | 2,696 |
| | 3,296 |
| Collections | |
| Recording and miscellaneous fees | 3,023 |
| Marriage licenses | 16,401 |
| Prepaid certified marriage licenses | 6,090 |
| Miscellaneous | 77 |
| Other licenses | 13,504 |
| | 39,095 |
| Credits | |
| Paid to County Treasurer | |
| Recording and miscellaneous fees | 3,004 |
| Marriage licenses | 16,575 |
| Prepaid certified marriage licenses | 6,120 |
| Miscellaneous | 229 |
| Other licenses | 13,504 |
| | 39,432 |
| Paid to State of Nebraska | |
| Title fees | - |
| | - |
| Balance on hand, end of year | \$ 2,959 |
| Summary of balance, end of year | |
| Cash on hand | \$ 600 |
| Cash in bank | 2,359 |
| | \$ 2,959 |
| | \$ 2,959 |

Sarpy County, Nebraska
Schedule of Statement of Accountability
Register of Deeds
For the Year Ended June 30, 2013

| | |
|-------------------------------------|--------------------------|
| Balance on hand, beginning of year | |
| Cash on hand | \$ 150 |
| Cash in bank | 246,007 |
| Accounts receivable | <u>4,849</u> |
| | <u>251,006</u> |
| Collections | |
| Recording fees | 1,242,331 |
| Copies fees | 7,110 |
| Non-credit refunds | 159 |
| Federal tax liens | 2,591 |
| State tax liens | 1,024 |
| Documentary stamp tax | 1,654,902 |
| Interest | 207 |
| SID penalties | <u>440</u> |
| | <u>2,908,764</u> |
| Credits | |
| Paid to County Treasurer | |
| Recording fees | 1,206,531 |
| Copies fees | 7,005 |
| Non-credit refunds | 168 |
| Federal tax liens | 2,269 |
| State tax liens | 918 |
| Documentary stamp tax | 362,241 |
| Interest | 204 |
| SID penalties | <u>440</u> |
| | <u>1,579,776</u> |
| Paid to State of Nebraska | |
| Documentary stamp tax | <u>1,268,007</u> |
| Balance on hand, end of year | <u><u>\$ 311,987</u></u> |
| Summary of balance, end of year | |
| Cash on hand | \$ 150 |
| Cash in bank | 308,228 |
| Accounts receivable | <u>3,609</u> |
| | <u><u>\$ 311,987</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
Clerk of the District Court
For the Year Ended June 30, 2013

| | | |
|------------------------------------|----|----------------------------|
| Balance on hand, beginning of year | | |
| Cash on hand | \$ | 650 |
| Cash in bank | | <u>5,942,783</u> |
| | | <u>5,943,433</u> |
| | | |
| Collections | | |
| Dissolution fees | | 66,575 |
| State fees | | 171,462 |
| Regular fees | | 352,375 |
| Retirement fees | | 23,740 |
| Law enforcement fees | | 1,352 |
| Trust | | 8,161,919 |
| Drug court | | |
| County fees | | 16,478 |
| State fees | | 10,155 |
| Miscellaneous receipts | | <u>28,090</u> |
| | | <u>8,832,146</u> |
| | | |
| Credits | | |
| Dissolution fees | | 70,850 |
| State fees | | 201,471 |
| Regular fees | | 352,375 |
| Retirement fees | | 25,526 |
| Law enforcement fees | | 1,904 |
| Trust | | 10,940,187 |
| Drug court | | |
| County fees | | 16,723 |
| State fees | | <u>10,082</u> |
| | | <u>11,619,118</u> |
| | | |
| Balance on hand, end of year | \$ | <u><u>3,156,461</u></u> |
| | | |
| Summary of balance, end of year | | |
| Cash on hand | \$ | 650 |
| Cash in bank | | <u>3,155,811</u> |
| | | <u><u>\$ 3,156,461</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Sheriff
For the Year Ended June 30, 2013

| | | |
|------------------------------------|----|-----------------------|
| Balance on hand, beginning of year | | |
| Cash on hand | \$ | 246 |
| Cash in bank | | <u>145,330</u> |
| | | <u>145,576</u> |
| | | |
| Collections | | |
| Civil process | | 241,389 |
| Inmate | | 1,772,583 |
| Distress warrants | | 161,663 |
| Miscellaneous and administrative | | 164,410 |
| VIN | | 103,916 |
| CID | | 5,522 |
| DARE | | 6,271 |
| Tow lot | | <u>399,664</u> |
| | | <u>2,855,418</u> |
| | | |
| Credits | | |
| Paid to County Treasurer | | |
| Civil process | | 230,215 |
| Inmate | | 1,763,584 |
| Distress warrants | | 161,663 |
| Miscellaneous and administrative | | 164,411 |
| VIN | | 103,916 |
| CID | | 8,550 |
| DARE | | 6,377 |
| Tow lot | | <u>397,124</u> |
| | | <u>2,835,840</u> |
| | | |
| Balance on hand, end of year | \$ | <u><u>165,154</u></u> |
| | | |
| Summary of balance, end of year | | |
| Cash on hand | \$ | 200 |
| Cash in bank | | <u>164,954</u> |
| | \$ | <u><u>165,154</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Attorney
For the Year Ended June 30, 2013

| | |
|--------------------------------------------------|-------------------------|
| Balance on hand, beginning of year | |
| Cash in bank | <u>\$ 29,411</u> |
| Collections | |
| Restitution | 115,687 |
| Collection on bad checks | 53,147 |
| Collection fees | 1,630 |
| Law enforcement fund | 1,503 |
| Miscellaneous | <u>88</u> |
| | <u>172,055</u> |
| Credits | |
| Restitution payment | 113,720 |
| Payments on bad checks collected | 53,972 |
| Collection fees remitted to the County Treasurer | 1,570 |
| Subpoena and miscellaneous expenditures paid | 1,582 |
| Miscellaneous | <u>260</u> |
| | <u>171,104</u> |
| Summary of balance, end of year | |
| Cash in bank | <u><u>\$ 30,362</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Surveyor
For the Year Ended June 30, 2013

| | |
|------------------------------------|--------------|
| Balance on hand, beginning of year | |
| Cash on hand | \$ 50 |
| Collections | 39 |
| Credits | <u>39</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, 2013

| | |
|------------------------------------|--------------------|
| Balance on hand, beginning of year | <u>\$ -</u> |
| Collections | |
| Certification of registration | 15 |
| Election cost recoveries | <u>135,793</u> |
| | <u>135,808</u> |
| Credits | |
| Paid to County Treasurer | <u>135,808</u> |
| Balance on hand, end of year | <u><u>\$ -</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Building Inspector
For the Year Ended June 30, 2013

| | | |
|-------------------------------------|--------|---------------------------|
| Balance on hand, beginning of year | | |
| Cash in bank | \$ | 897 |
| Contractor deposits | | 105,223 |
| | | <u>106,120</u> |
| Collections | | |
| Permit fees | | 629,529 |
| Sewer fees | | 113,392 |
| Watershed fees | | 246,010 |
| Tiburon water fees | | 13,500 |
| Other grading deposits | | 32,450 |
| Wireless tower fees | | 101,706 |
| | | <u>1,136,587</u> |
| Credits | | |
| Paid to County Treasurer | | |
| Permit fees | | 630,627 |
| Sewer fees | | 122,764 |
| Watershed fees | | 228,512 |
| Tiburon water fees | | 16,256 |
| Other grading deposits | | 14,442 |
| Wireless tower fees | | 101,706 |
| | | <u>1,114,307</u> |
| Balance on hand, end of year | \$ | <u><u>128,400</u></u> |
| Summary of balance, end of year | | |
| Cash in bank | \$ | 23,571 |
| Contractor deposits | | 104,829 |
| | | <u>128,400</u> |
| | \$ | <u><u>128,400</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Landfill
For the Year Ended June 30, 2013

| | |
|-------------------------------------|------------------------------|
| Balance on hand, beginning of year | |
| Cash on hand | \$ 530 |
| Accounts receivable | <u>407,787</u> |
| | <u>408,317</u> |
| Collections | <u>4,995,259</u> |
| Credits | |
| Paid to County Treasurer | <u>4,580,235</u> |
| Balance on hand, end of year | <u><u>\$ 823,341</u></u> |
| Summary of balance, end of year | |
| Cash on hand | \$ 530 |
| Accounts receivable | <u>822,811</u> |
| | <u><u>\$ 823,341</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Alcohol Diversion
For the Year Ended June 30, 2013

| | |
|------------------------------------|------------------------|
| Balance on hand, beginning of year | |
| Cash on hand | <u>\$ 1,653</u> |
| | |
| Collections | |
| Alcohol diversion | 232,823 |
| Adult education | 41,852 |
| Adult shoplifters | 14,522 |
| Adult community service | 1,895 |
| Victim impact panel | 5,685 |
| Juvenile intake | 61,511 |
| Juvenile community service | 2,820 |
| Teen court | 5,323 |
| Restitution | 6,050 |
| Miscellaneous | <u>2,940</u> |
| | <u>375,421</u> |
| | |
| Credits | |
| Alcohol diversion | 232,709 |
| Adult education | 41,767 |
| Adult shoplifters | 14,614 |
| Adult community service | 1,870 |
| Victim impact panel | 5,675 |
| Juvenile intake | 61,821 |
| Juvenile community service | 2,830 |
| Teen court | 5,273 |
| Restitution | 6,050 |
| Miscellaneous | <u>2,940</u> |
| | <u>375,549</u> |
| | |
| Balance on hand, end of year | |
| Cash on hand | <u><u>\$ 1,525</u></u> |

Sarpy County, Nebraska
Schedule of Statement of Accountability
County Pretrial Diversion
For the Year Ended June 30, 2013

| | |
|------------------------------------|--------------------|
| Balance on hand, beginning of year | <u>\$ -</u> |
| Collections | |
| Drug testing | 90 |
| Electronic monitoring | 1,907 |
| Supervision | <u>10,740</u> |
| | <u>12,737</u> |
| Credits | |
| Paid to County Treasurer | <u>12,737</u> |
| Balance on hand, end of year | <u><u>\$ -</u></u> |

Sarpy County, Nebraska
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis)
All Special Revenue Funds
For the Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------------|----------------------------|-------------------------|-----------------------|---------------------------------------------------------------|
| Revenues | | | | |
| Tax | \$ 4,618,986 | \$ 4,618,986 | \$ 4,499,378 | \$ (119,608) |
| Federal | 2,483,656 | 2,483,656 | 2,686,789 | 203,133 |
| State | 792,227 | 792,227 | 652,240 | (139,987) |
| Local | <u>3,320,805</u> | <u>3,320,805</u> | <u>3,986,255</u> | <u>665,450</u> |
| Total revenues | <u>11,215,674</u> | <u>11,215,674</u> | <u>11,824,662</u> | <u>608,988</u> |
| Expenditures | | | | |
| E911 Communications | 3,650,091 | 3,650,091 | 3,513,438 | 136,653 |
| E911 Rebanding | 67,300 | 67,300 | - | 67,300 |
| District Court - Child Support | 231,346 | 231,346 | 176,869 | 54,477 |
| County Attorney - Child Support | 1,063,754 | 1,063,754 | 1,000,779 | 62,975 |
| Child Support Incentive | 170,283 | 170,283 | 144,981 | 25,302 |
| Tourism | 937,165 | 937,165 | 449,510 | 487,655 |
| Visitor's Improvement | 1,145,000 | 1,145,000 | 897,000 | 248,000 |
| Employment Security Act | 50,000 | 50,000 | 23,779 | 26,221 |
| County Medical | 245,500 | 245,500 | 87,737 | 157,763 |
| Institutions | 40,000 | 45,500 | 43,541 | 1,959 |
| County Drug Enforcement | 10,000 | 10,000 | 5,000 | 5,000 |
| Federal Grant - JAIBG | 21,437 | 21,437 | 16,728 | 4,709 |
| Federal Grant - Title 1D | 60,970 | 60,970 | 46,374 | 14,596 |
| State Education Reimbursement | 529,557 | 529,557 | 286,618 | 242,939 |
| Federal Grant -Juvenile Detention - JDAI | 25,000 | 25,000 | 7,956 | 17,044 |
| Federal Forfeiture | 165,000 | 165,000 | 49,320 | 115,680 |
| SCAAP | 60,000 | 60,000 | 36,858 | 23,142 |
| Federal Grant - Victim Witness | 107,527 | 107,527 | 107,527 | - |
| Federal Grant -Energy Efficiency | 68,000 | 68,000 | - | 68,000 |
| Federal Grant - Perkins Corrections | 76,000 | 76,000 | 40,000 | 36,000 |
| CCP Community Service | 3,000 | 3,000 | - | 3,000 |
| Federal Grant - Drug Enforcement | 51,495 | 51,495 | 50,422 | 1,073 |
| Juvenile Services LB640 | 113,089 | 134,089 | 134,011 | 78 |
| County Aid Enhancement | 11,045 | 11,045 | 11,045 | - |
| Federal Grant -JAG Equipment | 10,855 | 12,055 | 11,951 | 104 |
| Federal Grant-Traffic Enforcement | 217,694 | 217,694 | 163,444 | 54,250 |

Sarpy County, Nebraska
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis) - Continued
All Special Revenue Funds
For the Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------|
| Expenditures - Continued | | | | |
| Federal Grant - GIS Transportation | \$ 130,745 | \$ 130,745 | \$ 110,745 | \$ 20,000 |
| Federal Grant - Adult Drug Court | 52,400 | 52,400 | 9,808 | 42,592 |
| Federal Grant - Buffer Zone | 49,100 | 49,100 | - | 49,100 |
| Federal Grant - Drug Eradication | 20,250 | 20,250 | 19,458 | 792 |
| State Grant - Stormwater | 272,000 | 272,000 | 138,502 | 133,498 |
| Keno | 205,500 | 205,500 | 135,775 | 69,725 |
| Courthouse Administration | 1,596,350 | 1,596,350 | 803,293 | 793,057 |
| Courthouse Remodel | 746,719 | 746,719 | 676,610 | 70,109 |
| Sheriff Admin Bond | 1,554,642 | 1,554,642 | 730,000 | 824,642 |
| Sinking Fund | 1,336,155 | 1,336,155 | 876,563 | 459,592 |
| Phase II Stormwater Fees | 50,000 | 50,000 | - | 50,000 |
| Watershed Fee Fund | 416,000 | 466,000 | 464,839 | 1,161 |
| Information Systems | 2,069,637 | 2,069,637 | 1,705,082 | 364,555 |
| CDBG - Revolving Loan Fund | 546,700 | 546,700 | 508,340 | 38,360 |
| GIS | 389,846 | 389,846 | 382,407 | 7,439 |
| Social Security Incentive | 15,000 | 15,000 | 4,800 | 10,200 |
| Register of Deeds Tech | 80,000 | 80,000 | - | 80,000 |
| Early Retiree Reinsurance | 120,000 | 120,000 | 120,000 | - |
| E911 Wireless Service | 219,000 | 272,000 | 197,506 | 74,494 |
| E911 Wireless Sinking | 233,000 | 233,000 | 95,301 | 137,699 |
| Federal Grant - Truancy | 33,957 | 44,957 | 44,478 | 479 |
| Learning Comm - Truancy | 75,552 | 75,552 | 61,542 | 14,010 |
| | <u>19,343,661</u> | <u>19,485,361</u> | <u>14,389,937</u> | <u>5,095,424</u> |
| Other Financing Sources (Uses) | | | | |
| Operating transfer in | 2,587,830 | 2,729,530 | 2,922,830 | 193,300 |
| Operating transfer out | - | - | (889,086) | (889,086) |
| | <u>2,587,830</u> | <u>2,729,530</u> | <u>2,033,744</u> | <u>(695,786)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | | | | |
| | <u>(5,540,157)</u> | <u>(5,540,157)</u> | <u>(531,531)</u> | <u>5,008,626</u> |
| Fund Balance - Beginning of Year | | | | |
| | <u>5,540,157</u> | <u>5,540,157</u> | <u>5,540,157</u> | <u>-</u> |
| Fund Balance - End of Year | | | | |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,008,626</u> | <u>\$ 5,008,626</u> |

Sarpy County, Nebraska
Schedule of Receipts and Disbursements (Cash Basis)
All Special Revenue Funds
For the Year Ended June 30, 2013

| | Fund Balance July 1, 2012 | Receipts | Disbursements | Fund Balance June 30, 2013 |
|-------------------------------------|---------------------------------|----------------------|----------------------|----------------------------------|
| Special Revenue Funds | | | | |
| E911 Communications | \$ 259,386 | \$ 3,479,132 | \$ 3,513,439 | \$ 225,079 |
| E911 Rebanding | 723 | 9,000 | 9,000 | 723 |
| District Court - Child Support | 1,055 | 223,589 | 223,869 | 775 |
| County Attorney - Child Support | 3,025 | 1,335,841 | 1,058,779 | 280,087 |
| Child Support Incentive | 37,523 | 131,904 | 144,981 | 24,446 |
| Tourism | 482,858 | 566,318 | 449,510 | 599,666 |
| Visitor's Improvement | 693,144 | 889,318 | 897,000 | 685,462 |
| Employment Security Act | 24,252 | 36,045 | 23,779 | 36,518 |
| County Medical | 142,156 | 105,949 | 87,736 | 160,369 |
| Institutions | 4,985 | 39,744 | 43,541 | 1,188 |
| County Drug Enforcement | 9,109 | - | 5,000 | 4,109 |
| Federal Grant - JAIBG | 2,359 | 14,369 | 16,728 | - |
| Federal Grant - Title 1D | 1,669 | 48,437 | 47,874 | 2,232 |
| State Education Reimbursement | 6,069 | 464,206 | 466,619 | 3,656 |
| FG-Juvenile Detention - JDAI | - | 8,294 | 7,955 | 339 |
| Federal Forfeiture | 154,187 | 80,074 | 49,320 | 184,941 |
| SCAAP | 2,800 | 36,858 | 36,858 | 2,800 |
| Federal Grant - Victim Witness | - | 107,626 | 107,527 | 99 |
| FG-Energy Efficiency | 781 | 67,219 | 68,000 | - |
| Federal Grant - Perkins Corrections | 1,114 | 75,012 | 76,000 | 126 |
| CCP Community Service | 471 | 2,529 | 3,000 | - |
| Federal Grant - Drug Enforcement | 388 | 50,416 | 50,422 | 382 |
| Juvenile Services LB640 | - | 134,011 | 134,011 | - |
| County Aid Enhancement | - | 11,045 | 11,045 | - |
| FG-JAG Equipment | - | 12,095 | 11,951 | 144 |
| FG-Traffic Enforcement | 13,810 | 192,873 | 188,443 | 18,240 |
| Federal Grant - GIS Transportation | 1,462 | 129,334 | 130,745 | 51 |
| Federal Grant - Adult Drug Court | 38,526 | 16,723 | 9,808 | 45,441 |
| Federal Grant - Buffer Zone | 49,034 | - | 49,034 | - |
| Federal Grant - Drug Eradication | 7,741 | 23,010 | 19,458 | 11,293 |
| State Grant - Stormwater | 137,158 | 175,449 | 138,503 | 174,104 |
| Keno | 51,429 | 161,376 | 135,775 | 77,030 |
| Courthouse Administration | 1,079,630 | 541,539 | 803,293 | 817,876 |
| Courthouse Remodel | 7,746 | 771,933 | 695,610 | 84,069 |
| Sheriff Admin Bond | 834,233 | 648,866 | 730,000 | 753,099 |
| Sinking Fund | 808,135 | 537,867 | 876,563 | 469,439 |
| Phase II Stormwater Fees | 29,500 | 2,500 | - | 32,000 |
| Watershed Fee Fund | 253,282 | 244,788 | 464,839 | 33,231 |
| Information Systems | 45,145 | 2,006,093 | 2,004,634 | 46,604 |
| CDBG - Revolving Loan Fund | - | 508,340 | 508,340 | - |
| GIS | 31,561 | 355,364 | 382,407 | 4,518 |
| Social Security Incentive | - | 6,400 | 4,800 | 1,600 |
| Register of Deeds Technology | - | 75,426 | - | 75,426 |
| Early Retiree Reinsurance | 120,000 | - | 120,000 | - |
| E911 Wireless Service | 19,369 | 252,137 | 271,506 | - |
| E911 Wireless Sinking | 158,755 | 74,000 | 95,301 | 137,454 |
| Federal Grant - Truancy | 403 | 44,075 | 44,478 | - |
| Learning Comm - Truancy | 25,184 | 50,368 | 61,542 | 14,010 |
| Totals | \$ 5,540,157 | \$ 14,747,492 | \$ 15,279,023 | \$ 5,008,626 |

Sarpy County, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

| Cluster / Program | Federal Agency/ Pass-Through Entity | CFDA Number | Amount Expended |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------|--------------------|
| CDBG - State-Administered Small Cities Program Cluster | | | |
| Community Development Block Grants | U.S. Department of Housing & Urban Development / NE Department of Economic Development | 14.228 | \$ 504,500 |
| | | | <u>504,500</u> |
| JAG Program Cluster | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | U.S. Department of Justice / City of Omaha | 16.738 | 50,416 |
| Edward Byrne Memorial Justice Assistance Grant Program | U.S. Department of Justice / NE Crime Commission & Heartland Family Services | 16.738 | 11,951 |
| | | | <u>62,367</u> |
| Highway Planning and Construction Cluster | | | |
| Recreational Trails Program | U.S. Department of Transportation / NE Game & Parks Commission | 20.219 | 9,113 |
| Highway Planning and Construction | U.S. Department of Transportation / Stae of Nebraska | 20.205 | 165,235 |
| Highway Planning and Construction | U.S. Department of Transportation / Nebraska Office of Highway Safety | 20.205 | 18,455 |
| | | | <u>192,803</u> |
| Highway Safety Cluster | | | |
| State and Community Highway Safety | U.S. Department of Transportation / Nebraska Office of Highway Safety | 20.600 | 163,444 |
| Alcohol Impaired Driving Countermeasures Incentive Grant | U.S. Department of Transportation / Nebraska Office of Highway Safety | 20.601 | 21,158 |
| | | | <u>184,602</u> |
| Title I, Part A Cluster | | | |
| Title I Grants to Local Educational Agencies | U.S. Department of Education / Papillion/ La Vista School District | 84.010 | 46,374 |
| | | | <u>46,374</u> |
| Medicaid Cluster | | | |
| Medical Assistance Program | U.S. Department of Health and Human Services / Nebraska Department of Health and Human Services | 93.778 | 16,366 |
| | | | <u>16,366</u> |

Sarpy County, Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2013

| Cluster / Program | Federal Agency/ Pass-Through Entity | CFDA Number | Amount Expended |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------|---------------------|
| Juvenile Accountability Block Grants | U.S. Department of Justice / Nebraska Crime Commission | 16.523 | \$ 16,100 |
| Juvenile Justice & Delinquency Prevention - Allocation to States | U.S. Department of Justice / Nebraska Crime Commission | 16.540 | 44,458 |
| Crime Victim Assistance | U.S. Department of Justice / Nebraska Crime Commission | 16.575 | 107,527 |
| Violence Against Women Formula Grants | U.S. Department of Justice / Nebraska Crime Commission & Heartland Family Services | 16.588 | 28,200 |
| State Criminal Alien Assistance Program | U.S. Department of Justice | 16.606 | 41,658 |
| Bulletproof Vest Partnership Program | U.S. Department of Justice | 16.607 | 1,595 |
| Equitable Sharing Program | U.S. Department of Justice | 16.922 | 49,320 |
| Drug Eradication | U.S. Department of Justice | 16.xxx | 19,458 |
| FBI Overtime Reimbursement - Cyber Crimes Task Force | U.S. Department of Justice | 16.xxx | 4,152 |
| Prisoner Housing - Military Prisoner | U.S. Department of Justice | 16.xxx | 1,512 |
| Juvenile Detention Alternatives Initiative | U.S. Department of Justice | 16.xxx | 7,955 |
| Metropolitan Transportation Planning | U.S. Department of Transportation / Metropolitan Area Planning Agency | 20.505 | 110,738 |
| U.S. Immigrations - Juveniles | Immigration & Customs Enforcement | 16.xxx | 3,147 |
| Career and Technical Education - Basic Grants to States | U.S. Department of Education / Nebraska Department of Education | 84.048 | 40,000 |
| Child Support Enforcement | U.S. Department of Health and Human Services / Nebraska Department of Health and Human Services | 93.563 | 1,175,764 |
| Homeland Security Grant Program | U.S. Department of Homeland Security / State of Nebraska / City of Omaha | 97.067 | 16,981 |
| Emergency Management Performance Grants | U.S. Department of Homeland Security / Nebraska Emergency Management Agency | 97.042 | <u>100,204</u> |
| | | | <u>\$ 2,775,781</u> |

Sarpy County, Nebraska
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

1. This schedule presents the federal awards activity of Sarpy County, Nebraska presented on the cash disbursements basis of accounting, which differs from generally accepted accounting principles in the United States of America. Under this method, expenditures are recognized when disbursements are made. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Of the federal expenditures presented in this schedule, the County provided federal awards to subrecipients as follows:

| Program | CFDA Number | Subrecipient | Amount Provided |
|-----------------------------------------------------------|------------------------|---------------------|----------------------------|
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | City of Bellevue | \$ 5,570 |
| State and Community Highway Safety | 20.600 | City of Bellevue | <u>67,478</u> |
| | | | <u>\$ 73,048</u> |

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Commissioners
Sarpy County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 3, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Compliance

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*.

Other Matters

We noted certain matters that we reported to the County's management in a separate letter dated February 3, 2014.

The purpose of this communication is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Omaha, Nebraska
February 3, 2014

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of Sarpy County, Nebraska (the County) 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 its major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above.

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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Sarpy County, Nebraska 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, 2013.

Report on Internal Control Over Compliance

The management of Sarpy County, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 or corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Omaha, Nebraska
February 3, 2014

Sarpy County, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2013

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$300,000.

9. The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133?

Yes

No

Sarpy County, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2013

Findings Required to be Reported by *Government Auditing Standards*

| Reference Number | Finding | Questioned Costs |
|---------------------------|---------|---------------------|
| No matters are reportable | | |

Findings Required to be Reported by OMB Circular A-133

| Reference Number | Finding | Questioned Costs |
|---------------------------|---------|---------------------|
| No matters are reportable | | |

Sarpy County, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013

| Reference Number | Summary of Finding | Status |
|-----------------------------|---------------------------|---------------|
| No matters are reportable | | |