

**AUDIT REPORT
OF
ANTELOPE COUNTY**

JULY 1, 2014 THROUGH JUNE 30, 2015

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Issued on December 3, 2015

ANTELOPE COUNTY

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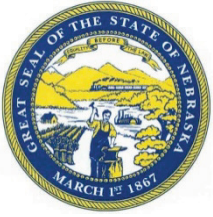
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ANTELOPE COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2015

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jerald Schwager	Board of Supervisors	Jan. 2019
Neil Williby		Jan. 2019
Eddie Schindler		Jan. 2019
Leroy Kerkman		Jan. 2019
Charles Henery		Jan. 2017
Merlin Bolling		Jan. 2017
Greg Koinzan		Jan. 2017
Kelly Mueller	Assessor	Jan. 2019
Joseph Abler	Attorney	Jan. 2019
Lisa Payne	Clerk Election Commissioner Register of Deeds	Jan. 2019
Judy Cole	Clerk of the District Court	Jan. 2019
Robert Moore	Sheriff	Jan. 2019
Deb Branstiter	Treasurer	Jan. 2019
Ronald Marshall	Veterans' Service Officer	Appointed
Bruce Ofe	Weed Superintendent	Appointed
Brian McDonald	Highway Superintendent	Appointed
Charlayne Carpenter	Planning / Zoning Office	Appointed



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ANTELOPE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Antelope County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Antelope County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Antelope County as of June 30, 2015, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

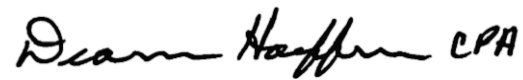
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes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

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-29, are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015, on our consideration of Antelope County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Antelope County's internal control over financial reporting and compliance.

November 25, 2015



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

ANTELOPE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2015

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,189,086
TOTAL ASSETS	\$ 4,189,086
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 55,985
Drug Education	1,640
Preservation of Records	562
Debt Service	260,130
Unrestricted	3,870,769
TOTAL NET POSITION	\$ 4,189,086

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

ANTELOPE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2015

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
Governmental Activities:				
General Government	\$ (1,925,269)	\$ 353,117	\$ 39,869	\$ (1,532,283)
Public Safety	(738,659)	89,658	1,173,065	524,064
Public Works	(3,862,474)	90,851	1,590,002	(2,181,621)
Public Assistance	(66,123)	-	-	(66,123)
Culture and Recreation	(35,639)	-	-	(35,639)
Debt Payments	(1,998,300)	-	-	(1,998,300)
Capital Outlay	(3,302,958)	-	-	(3,302,958)
Total Governmental Activities	<u><u>\$ (11,929,422)</u></u>	<u><u>\$ 533,626</u></u>	<u><u>\$ 2,802,936</u></u>	<u><u>(8,592,860)</u></u>

General Receipts:

Property Taxes	4,343,527
Grants and Contributions Not Restricted to Specific Programs	611,728
Investment Income	17,248
Licenses and Permits	40,216
Miscellaneous	65,947
Total General Receipts	<u>5,078,666</u>
 Increase in Net Position	 (3,514,194)
Net Position - Beginning of year	7,703,280
Net Position - End of year	<u><u>\$ 4,189,086</u></u>

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

ANTELOPE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Road Fund	Inheritance Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 1,930,624	\$ 339,298	\$ 1,530,524	\$ 34,199	\$ 354,441	\$ 4,189,086
TOTAL ASSETS	\$ 1,930,624	\$ 339,298	\$ 1,530,524	\$ 34,199	\$ 354,441	\$ 4,189,086
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	55,985	55,985
Drug Education	-	-	-	-	1,640	1,640
Preservation of Records	-	-	-	-	562	562
Debt Service	-	-	-	-	260,130	260,130
Committed to:						
Law Enforcement	-	-	-	-	6,577	6,577
Road Maintenance	-	339,298	-	-	-	339,298
Aid and Assistance	-	-	-	-	22,457	22,457
County Buildings	-	-	-	34,199	-	34,199
Property Appraisal	-	-	-	-	7,090	7,090
Assigned to:						
Other Purposes	-	-	1,530,524	-	-	1,530,524
Unassigned	1,930,624	-	-	-	-	1,930,624
TOTAL CASH BASIS FUND BALANCES	\$ 1,930,624	\$ 339,298	\$ 1,530,524	\$ 34,199	\$ 354,441	\$ 4,189,086

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

ANTELOPE COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General Fund	Road Fund	Inheritance Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$3,623,505	\$ -	\$ 383,528	\$ 30,700	\$ 305,794	\$ 4,343,527
Licenses and Permits	40,216	-	-	-	-	40,216
Interest	17,248	-	-	-	-	17,248
Intergovernmental	397,935	2,218,665	751,500	2,873	43,691	3,414,664
Charges for Services	435,980	90,851	-	-	6,795	533,626
Miscellaneous	14,294	41,653	-	10,000	-	65,947
TOTAL RECEIPTS	<u>4,529,178</u>	<u>2,351,169</u>	<u>1,135,028</u>	<u>43,573</u>	<u>356,280</u>	<u>8,415,228</u>
DISBURSEMENTS						
General Government	1,901,303	-	-	-	23,966	1,925,269
Public Safety	705,601	-	32,390	-	668	738,659
Public Works	94,021	3,768,453	-	-	-	3,862,474
Public Assistance	66,123	-	-	-	-	66,123
Culture and Recreation	28,373	-	-	-	7,266	35,639
Debt Service:						
Principal Payments	-	750,000	750,000	-	350,000	1,850,000
Interest and Fiscal Charges	-	1,500	1,500	-	145,300	148,300
Capital Outlay	-	-	-	3,302,958	-	3,302,958
TOTAL DISBURSEMENTS	<u>2,795,421</u>	<u>4,519,953</u>	<u>783,890</u>	<u>3,302,958</u>	<u>527,200</u>	<u>11,929,422</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,733,757</u>	<u>(2,168,784)</u>	<u>351,138</u>	<u>(3,259,385)</u>	<u>(170,920)</u>	<u>(3,514,194)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	1,226,500	-	25,940	374,059	1,626,499
Transfers out	(1,251,840)	-	(374,659)	-	-	(1,626,499)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,251,840)</u>	<u>1,226,500</u>	<u>(374,659)</u>	<u>25,940</u>	<u>374,059</u>	<u>-</u>
Net Change in Fund Balances	481,917	(942,284)	(23,521)	(3,233,445)	203,139	(3,514,194)
CASH BASIS FUND BALANCES - BEGINNING	<u>1,448,707</u>	<u>1,281,582</u>	<u>1,554,045</u>	<u>3,267,644</u>	<u>151,302</u>	<u>7,703,280</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$1,930,624</u>	<u>\$ 339,298</u>	<u>\$ 1,530,524</u>	<u>\$ 34,199</u>	<u>\$ 354,441</u>	<u>\$ 4,189,086</u>

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

ANTELOPE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND
LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
 June 30, 2015

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 924,468
 LIABILITIES	
Due to other governments	
State	169,218
Schools	179,529
Educational Service Units	2,164
Technical College	16,842
Natural Resource Districts	3,048
Fire Districts	17,378
Municipalities	30,369
Agricultural Society	994
Airport Authority	263
Townships	276,974
Others	227,689
TOTAL LIABILITIES	924,468
 TOTAL NET ASSETS	 \$ -

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2015

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

Antelope County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

Joint Organization.

Behavioral Health Region IV – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region IV (Region) consists of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Knox, Cedar, Dixon, Dakota, Thurston, Wayne, Pierce, Antelope, Boone, Nance, Madison, Stanton, Cuming, Burt, Colfax, and Platte.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$28,492 toward the operation of the Region during fiscal year 2015.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Health Department – The County has entered into an agreement with North Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2014).

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2015. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Reissue 2014). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions.

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The County reports the following major governmental funds:

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

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

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

Building Fund. This fund accounts for all resources received and used for the capital projects of the new law enforcement building.

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

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

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

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

The County designates fund balances as:

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

Assigned. The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

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

C. **Measurement Focus, Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when warrants are paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recorded when earned, and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

D. **Assets and Net Position**

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$318,317 of restricted net position, of which \$58,187 is restricted by enabling legislation.

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2015, disbursements exceeded budgeted appropriations in the Treasurer function of the General Fund by \$5,162, and in the Building Fund by \$21,650. These over-expenditures were funded by greater than anticipated receipts and the available fund balance.

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$4,189,086 for County funds and \$924,468 for Fiduciary funds. The bank balances for all funds totaled \$4,895,718. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2015, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2014, for the 2014 taxes, which will be materially collected in May and September 2015, was set at \$.166352/\$100 of assessed valuation. The levy set in October 2013, for the 2013 taxes, which were materially collected in May and September 2014, was set at \$.225680/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2014) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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

For the year ended June 30, 2015, 84 employees contributed \$85,704, and the County contributed \$127,643. Contributions included \$1,823 in cash contributions towards the supplemental law enforcement plan for 7 law enforcement employees. Lastly, the County paid \$2,259 directly to 15 retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 80 counties throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, is sent to each county in writing, and each county has 60 days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Risk Management (Concluded)

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the pool in the last three fiscal years, and no assessments are anticipated for fiscal year 2016. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2015, consisted of the following:

<u>Transfers to</u>	<u>Transfers from</u>		Total
	General Fund	Inheritance Fund	
Road Fund	\$ 1,225,900	\$ 600	\$ 1,226,500
Building Fund	25,940	-	25,940
Nonmajor Funds	-	374,059	374,059
Total	\$ 1,251,840	\$ 374,659	\$ 1,626,499

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

7. Capital Leases Payable

Changes to the commitments under a lease agreement for equipment and amounts to provide for annual rental payments are as follows:

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

7. **Capital Leases Payable** (Concluded)

	Asphalt Recycler	Motor Grader	Wheel Loader	Total
Balance July 1, 2014	\$ 49,762	\$ 235,867	\$ 1,559	\$ 287,188
Purchases	-	-	-	-
Payments	-	100,977	1,559	102,536
Balance June 30, 2015	<u>\$ 49,762</u>	<u>\$ 134,890</u>	<u>\$ -</u>	<u>\$ 184,652</u>
Future Payments:				
Year				
2016	\$ 51,328	\$ 68,901	\$ -	\$ 120,229
2017	-	68,875	-	68,875
Total Payments	<u>51,328</u>	<u>137,776</u>	<u>-</u>	<u>189,104</u>
Less Interest	<u>1,566</u>	<u>2,886</u>	<u>-</u>	<u>-</u>
Present Value of Future Minimum Lease Payments	<u>\$ 49,762</u>	<u>\$ 134,890</u>	<u>\$ -</u>	<u>\$ 184,652</u>
Carrying Value of the Related Fixed Asset	<u>\$ 241,450</u>	<u>\$ 268,004</u>	<u>\$ 121,712</u>	<u>\$ 631,166</u>

8. **Contingent Liabilities**

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

9. **Long-Term Debt**

Law Enforcement Facility Bond Fund

The County issued bonds on November 26, 2013, in the amount of \$5,910,000 for the purpose of paying the costs of a new law enforcement facility. The bond payable balance, as of June 30, 2015, was \$5,560,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2016	\$ 350,000	\$ 143,463	\$ 493,463
2017	355,000	140,815	495,815
2018	355,000	137,087	492,807
2019	360,000	132,258	492,258
2020	365,000	126,090	491,090
2021-2025	1,965,000	487,067	2,452,067
2026-2030	1,810,000	142,449	1,952,449
Total Payments	<u>\$ 5,560,000</u>	<u>\$ 1,599,829</u>	<u>\$ 7,159,829</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,513,070	\$ 3,513,070	\$ 3,623,505	\$ 110,435
Licenses and Permits	32,300	32,300	40,216	7,916
Interest	15,000	15,000	17,248	2,248
Intergovernmental	50,150	50,150	397,935	347,785
Charges for Services	333,875	333,875	435,980	102,105
Miscellaneous	13,825	13,825	14,294	469
TOTAL RECEIPTS	<u>3,958,220</u>	<u>3,958,220</u>	<u>4,529,178</u>	<u>570,958</u>
DISBURSEMENTS				
General Government:				
County Board	102,270	102,270	94,538	7,732
County Clerk	133,151	133,151	124,597	8,554
County Treasurer	127,580	127,580	132,742	(5,162)
County Assessor	126,063	126,063	103,620	22,443
Election Commissioner	34,215	37,415	34,881	2,534
Planning and Zoning	12,940	12,940	11,719	1,221
Clerk of the District Court	90,763	90,763	86,000	4,763
County Court System	3,750	3,750	1,386	2,364
District Judge	6,200	6,200	4,627	1,573
Building and Grounds	107,925	107,925	100,631	7,294
Agricultural Extension Agent	43,864	43,864	36,519	7,345
Unemployment Compensation	15,000	22,900	15,911	6,989
Miscellaneous	1,198,470	1,187,370	1,154,132	33,238
Public Safety				
County Sheriff	605,278	605,278	603,247	2,031
County Attorney	93,017	93,017	84,466	8,551
Miscellaneous	17,088	17,088	17,888	(800)
Public Works				
Noxious Weed Control	116,256	116,256	94,021	22,235
Public Assistance				
Veterans' Service Officer	31,330	31,330	31,029	301
Institutions	4,500	4,500	2,190	2,310
Relief	5,000	5,000	420	4,580
Miscellaneous	32,484	32,484	32,484	-
Culture and Recreation				
Historical Society	14,050	14,050	10,465	3,585
Miscellaneous	17,908	17,908	17,908	-
TOTAL DISBURSEMENTS	<u>2,939,102</u>	<u>2,939,102</u>	<u>2,795,421</u>	<u>143,681</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,019,118</u>	<u>1,019,118</u>	<u>1,733,757</u>	<u>714,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(2,179,353)</u>	<u>(2,179,353)</u>	<u>(1,251,840)</u>	<u>927,513</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,179,353)</u>	<u>(2,179,353)</u>	<u>(1,251,840)</u>	<u>927,513</u>
Net Change in Fund Balance	(1,160,235)	(1,160,235)	481,917	1,642,152
FUND BALANCE - BEGINNING	<u>1,360,235</u>	<u>1,360,235</u>	<u>1,448,707</u>	<u>88,472</u>
FUND BALANCE - ENDING	<u><u>\$ 200,000</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ 1,930,624</u></u>	<u><u>\$ 1,730,624</u></u>

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 2,210,077	\$ 2,210,077	\$2,218,665	\$ 8,588
Charges for Services	95,000	95,000	90,851	(4,149)
Miscellaneous	8,200	8,200	41,653	33,453
TOTAL RECEIPTS	<u>2,313,277</u>	<u>2,313,277</u>	<u>2,351,169</u>	<u>37,892</u>
DISBURSEMENTS	<u>5,774,212</u>	<u>5,774,212</u>	<u>4,519,953</u>	<u>1,254,259</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,460,935)</u>	<u>(3,460,935)</u>	<u>(2,168,784)</u>	<u>1,292,151</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,179,353	2,179,353	1,226,500	(952,853)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,179,353</u>	<u>2,179,353</u>	<u>1,226,500</u>	<u>(952,853)</u>
Net Change in Fund Balance	(1,281,582)	(1,281,582)	(942,284)	339,298
FUND BALANCE - BEGINNING	<u>1,281,582</u>	<u>1,281,582</u>	<u>1,281,582</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,298</u>	<u>\$ 339,298</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 945,955	\$ 945,955	\$ 383,528	\$ (562,427)
Intergovernmental	-	-	751,500	751,500
TOTAL RECEIPTS	<u>945,955</u>	<u>945,955</u>	<u>1,135,028</u>	<u>189,073</u>
DISBURSEMENTS	<u>2,500,000</u>	<u>2,500,000</u>	<u>783,890</u>	<u>1,716,110</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,554,045)</u>	<u>(1,554,045)</u>	<u>351,138</u>	<u>1,905,183</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(374,659)	(374,659)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(374,659)</u>	<u>(374,659)</u>
Net Change in Fund Balance	(1,554,045)	(1,554,045)	(23,521)	1,530,524
FUND BALANCE - BEGINNING	<u>1,554,045</u>	<u>1,554,045</u>	<u>1,554,045</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,530,524</u>	<u>\$ 1,530,524</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUILDING FUND				
RECEIPTS				
Taxes	\$ 27,530	\$ 27,530	\$ 30,700	\$ 3,170
Intergovernmental	250	250	2,873	2,623
Miscellaneous	-	-	10,000	10,000
TOTAL RECEIPTS	<u>27,780</u>	<u>27,780</u>	<u>43,573</u>	<u>15,793</u>
DISBURSEMENTS	<u>3,281,308</u>	<u>3,281,308</u>	<u>3,302,958</u>	<u>(21,650)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,253,528)</u>	<u>(3,253,528)</u>	<u>(3,259,385)</u>	<u>(5,857)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	25,940	25,940
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>25,940</u>	<u>25,940</u>
Net Change in Fund Balance	(3,253,528)	(3,253,528)	(3,233,445)	20,083
FUND BALANCE - BEGINNING	3,268,528	3,268,528	3,267,644	-
FUND BALANCE - ENDING	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 34,199</u>	<u>\$ 20,083</u>

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT CENTER BOND FUND				
Receipts	\$ 457,465	\$ 457,465	\$ 332,436	\$ (125,029)
Disbursements	(495,300)	(495,300)	(495,300)	-
Transfers in	-	-	373,159	373,159
Net Change in Fund Balance	(37,835)	(37,835)	210,295	248,130
Fund Balance - Beginning	49,835	49,835	49,835	-
Fund Balance - Ending	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 260,130</u>	<u>\$ 248,130</u>
VISITORS PROMOTION FUND				
Receipts	\$ 9,173	\$ 9,173	\$ 4,847	\$ (4,326)
Disbursements	(35,000)	(35,000)	(1,500)	33,500
Net Change in Fund Balance	(25,827)	(25,827)	3,347	29,174
Fund Balance - Beginning	25,827	25,827	25,827	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,174</u>	<u>\$ 29,174</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 7,270	\$ 7,270	\$ 4,847	\$ (2,423)
Disbursements	(35,000)	(35,000)	(5,766)	29,234
Net Change in Fund Balance	(27,730)	(27,730)	(919)	26,811
Fund Balance - Beginning	27,730	27,730	27,730	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,811</u>	<u>\$ 26,811</u>
REAPPRAISAL FUND				
Receipts	\$ 3,604	\$ 3,604	\$ 7,356	\$ 3,752
Disbursements	(15,250)	(15,250)	(14,597)	653
Net Change in Fund Balance	(11,646)	(11,646)	(7,241)	4,405
Fund Balance - Beginning	14,646	14,646	14,331	-
Fund Balance - Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 7,090</u>	<u>\$ 4,405</u>
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 11,513	\$ 11,513	\$ 5,544	\$ (5,969)
Disbursements	(15,000)	(15,000)	(9,369)	5,631
Transfers in	-	-	900	900
Net Change in Fund Balance	(3,487)	(3,487)	(2,925)	562
Fund Balance - Beginning	3,487	3,487	3,487	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 562</u>	<u>\$ 562</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(19,457)	(19,457)	-	19,457
Net Change in Fund Balance	(19,457)	(19,457)	-	19,457
Fund Balance - Beginning	22,457	22,457	22,457	-
Fund Balance - Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 22,457</u>	<u>\$ 19,457</u>
STOP PROGRAM FUND				
Receipts	\$ 2,000	\$ 2,000	\$ 1,250	\$ (750)
Disbursements	(7,995)	(7,995)	(668)	7,327
Net Change in Fund Balance	(5,995)	(5,995)	582	6,577
Fund Balance - Beginning	5,995	5,995	5,995	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,577</u>	<u>\$ 6,577</u>
FEDERAL GRANTS FUND				
Receipts	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Disbursements	(30,000)	(30,000)	-	30,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DRUG FORFEITURE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,640)	(1,640)	-	1,640
Net Change in Fund Balance	(1,640)	(1,640)	-	1,640
Fund Balance - Beginning	1,640	1,640	1,640	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,640</u>	<u>\$ 1,640</u>

(Concluded)

ANTELOPE COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	Law Enforcement Center Bond Fund	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund
RECEIPTS				
Property Taxes	\$ 289,146	\$ 4,847	\$ 4,847	\$ 6,954
Intergovernmental	43,290	-	-	401
Charges for Services	-	-	-	1
TOTAL RECEIPTS	<u>332,436</u>	<u>4,847</u>	<u>4,847</u>	<u>7,356</u>
DISBURSEMENTS				
General Government	-	-	-	14,597
Public Safety	-	-	-	-
Culture and Recreation	-	1,500	5,766	-
Debt Service:				
Principal Payments	350,000	-	-	-
Interest and Fiscal Charges	145,300	-	-	-
TOTAL DISBURSEMENTS	<u>495,300</u>	<u>1,500</u>	<u>5,766</u>	<u>14,597</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(162,864)</u>	<u>3,347</u>	<u>(919)</u>	<u>(7,241)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	373,159	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>373,159</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	210,295	3,347	(919)	(7,241)
FUND BALANCES - BEGINNING	<u>49,835</u>	<u>25,827</u>	<u>27,730</u>	<u>14,331</u>
FUND BALANCES - ENDING	<u>\$ 260,130</u>	<u>\$ 29,174</u>	<u>\$ 26,811</u>	<u>\$ 7,090</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	29,174	26,811	-
Drug Education	-	-	-	-
Preservation of Records	-	-	-	-
Debt Service	260,130	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Aid and Assistance	-	-	-	-
Property Appraisal	-	-	-	7,090
TOTAL FUND BALANCES	<u>\$ 260,130</u>	<u>\$ 29,174</u>	<u>\$ 26,811</u>	<u>\$ 7,090</u>

(Continued)

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

For the Year Ended June 30, 2015

	Register of Deeds Preservation Fund	Veterans' Aid Fund	STOP Program Fund	Drug Forfeiture Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 305,794
Intergovernmental	-	-	-	-	43,691
Charges for Services	5,544	-	1,250	-	6,795
TOTAL RECEIPTS	<u>5,544</u>	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>356,280</u>
DISBURSEMENTS					
General Government	9,369	-	-	-	23,966
Public Safety	-	-	668	-	668
Culture and Recreation	-	-	-	-	7,266
Debt Service:					
Principal Payments	-	-	-	-	350,000
Interest and Fiscal Charges	-	-	-	-	145,300
TOTAL DISBURSEMENTS	<u>9,369</u>	<u>-</u>	<u>668</u>	<u>-</u>	<u>527,200</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,825)</u>	<u>-</u>	<u>582</u>	<u>-</u>	<u>(170,920)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	900	-	-	-	374,059
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>374,059</u>
Net Change in Fund Balances	(2,925)	-	582	-	203,139
FUND BALANCES - BEGINNING	<u>3,487</u>	<u>22,457</u>	<u>5,995</u>	<u>1,640</u>	<u>151,302</u>
FUND BALANCES - ENDING	<u>\$ 562</u>	<u>\$ 22,457</u>	<u>\$ 6,577</u>	<u>\$ 1,640</u>	<u>\$ 354,441</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	55,985
Drug Education	-	-	-	1,640	1,640
Preservation of Records	562	-	-	-	562
Debt Service	-	-	-	-	260,130
Committed to:					
Law Enforcement	-	-	6,577	-	6,577
Aid and Assistance	-	22,457	-	-	22,457
Property Appraisal	-	-	-	-	7,090
TOTAL FUND BALANCES	<u>\$ 562</u>	<u>\$ 22,457</u>	<u>\$ 6,577</u>	<u>\$ 1,640</u>	<u>\$ 354,441</u>

(Concluded)

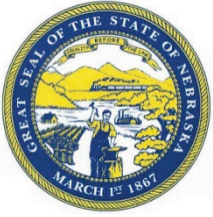
ANTELOPE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2015

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Veterans' Service Officer	County Planning and Zoning	Total
BALANCES JULY 1, 2014	\$ 7,229	\$ 66,396	\$ 9,341	\$ 12,975	\$ 1,093	\$ 3,852	\$ -	\$ 100,886
RECEIPTS								
Licenses and Permits	660	-	840	-	-	-	12,850	14,350
Charges for Services	69,857	15,887	100,896	1,820	5,937	-	-	194,397
Miscellaneous	20	-	3,630	-	40	2	-	3,692
State Fees	97,719	5,616	-	-	-	-	-	103,335
Other Liabilities	144	721,642	79,921	15,374	-	-	-	817,081
TOTAL RECEIPTS	168,400	743,145	185,287	17,194	5,977	2	12,850	1,132,855
DISBURSEMENTS								
Payments to County Treasurer	68,792	16,610	87,290	2,250	6,655	-	12,850	194,447
Payments to State Treasurer	98,195	5,274	-	-	-	-	-	103,469
Other Liabilities	144	561,250	95,144	25,262	40	1,912	-	683,752
TOTAL DISBURSEMENTS	167,131	583,134	182,434	27,512	6,695	1,912	12,850	981,668
BALANCES JUNE 30, 2015	<u>\$ 8,498</u>	<u>\$ 226,407</u>	<u>\$ 12,194</u>	<u>\$ 2,657</u>	<u>\$ 375</u>	<u>\$ 1,942</u>	<u>\$ -</u>	<u>\$ 252,073</u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 5,667	\$ 604	\$ 11,696	\$ 285	\$ 275	\$ 1,942	\$ -	\$ 20,469
Petty Cash	50	250	450	600	100	-	-	1,450
Due to State Treasurer	2,781	695	-	-	-	-	-	3,476
Due to Others	-	224,858	48	1,772	-	-	-	226,678
BALANCES JUNE 30, 2015	<u>\$ 8,498</u>	<u>\$ 226,407</u>	<u>\$ 12,194</u>	<u>\$ 2,657</u>	<u>\$ 375</u>	<u>\$ 1,942</u>	<u>\$ -</u>	<u>\$ 252,073</u>

ANTELOPE COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2015

Item	2010	2011	2012	2013	2014
Tax Certified by Assessor					
Real Estate	\$ 15,385,101	\$ 16,333,933	\$ 18,116,467	\$ 19,439,141	\$ 21,970,397
Personal and Specials	1,271,178	1,395,663	1,678,827	1,834,483	1,607,273
Total	16,656,279	17,729,596	19,795,294	21,273,624	23,577,670
Corrections					
Additions	17,252	12,949	15,137	28,610	8,569
Deductions	(23,876)	(22,833)	(39,656)	(46,842)	(17,256)
Net Additions/ (Deductions)	(6,624)	(9,884)	(24,519)	(18,232)	(8,687)
Corrected Certified Tax	16,649,655	17,719,712	19,770,775	21,255,392	23,568,983
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2011	9,997,281	-	-	-	-
June 30, 2012	6,607,315	10,806,327	-	-	-
June 30, 2013	23,634	6,889,823	12,446,405	-	-
June 30, 2014	7,192	12,752	7,298,786	13,385,858	-
June 30, 2015	10,767	4,817	14,447	7,847,729	15,152,674
Total Net Collections	16,646,189	17,713,719	19,759,638	21,233,587	15,152,674
Total Uncollected Tax	\$ 3,466	\$ 5,993	\$ 11,137	\$ 21,805	\$ 8,416,309
Percentage Uncollected Tax	0.02%	0.03%	0.06%	0.10%	35.71%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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ANTELOPE COUNTY
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Board of Supervisors
Antelope County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Antelope County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Antelope County's basic financial statements, and have issued our report thereon dated November 25, 2015. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiency to be a material weakness:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antelope 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*.

Additional Items

We also noted certain matters that we reported to the management of Antelope County in a separate letter dated November 25, 2015.


Antelope County's Response to Findings

Antelope County declined to respond to the finding described above.

Purpose of this Report

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

November 25, 2015


Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 25, 2015

Board of Supervisors
Antelope County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Antelope County (County) for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 25, 2015. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the areas, as follows:

COUNTY OVERALL

Segregation of Duties

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

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

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

COUNTY BOARD

Claim Procedures

During our audit, we noted:

- Two claims to different vendors, totaling \$238, that were each paid twice during the fiscal year.
- The County Board was approving and paying salaried employees' paychecks at the beginning of the month. This practice results in employees receiving paychecks prior to earning the hours included on the check.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part, "All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor . . . have been furnished or performed . . ." Furthermore, good accounting and control procedures suggest the County Board should not approve the disbursement of money prior to ensuring the County actually owes the debt.

Good internal controls require procedures to be in place to review all claims prior to approval to ensure the claims are supported with adequate documentation and are not duplicate payments. When paychecks are paid prior to hours earned and procedures are not in place to catch duplicate claim submissions, there is an increased risk of loss or misuse of funds.

We recommend the County Board implement procedures to ensure that paychecks are not paid in advance of hours worked and claims are not paid twice for the same invoice.

Expenditures In Excess of Budget

The County Treasurer expenditures in the General Fund and the Building Fund exceeded the adopted budget by \$5,162, and \$21,650, respectively, with no budget amendment adopted by the County Board.

Neb. Rev. Stat. § 23-916 (Reissue 2012) states:

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.

When expenditures are made in excess of the County's adopted budget, the County is not in compliance with State statute.

We recommend the County implement procedures to closely monitor expenditures throughout the year and, if necessary, amend the County's budget prior to the fiscal year end to avoid expending in excess of the County's adopted budget.

Inventory Policy

During our audit, we noted the County Board had not developed a policy to consistently inventory its assets.

Good internal controls require standardized policies be established to ensure all offices use the same guidelines when filing inventory statements of the personal property in the possession of County officers. A lack of guidance for completing inventory statements increases the risk of inaccurate accounting of the County's personal property.

We recommend the County Board develop policies to consistently inventory its assets.

COUNTY ASSESSOR

Real Property Valuations

The former County Assessor failed to apply valuation models consistently across the County. During our audit, we noted real properties selected for testing did not document professionally accepted mass appraisal techniques and had valuations which did not appear reasonable or did not have documentation to support the assessed value. Examples include:

- Two properties had decreases in value, totaling \$14,740 and \$86,410, from 2013 to 2014 with no documentation to support the decrease.
- One property was sold in December 2014 for \$414,000; however the property was only valued at \$226,390 for 2015. There was no documentation indicating that the property was reviewed to determine the difference between the assessed value and the sold value was reasonable.

Neb. Rev. Stat. § 77-201 (Reissue 2009) states in part, "all real property in this state, not expressly exempt therefrom, shall be subject to taxation and shall be valued at its actual value."

Per Title 350 NAC 10-002.01, "Actual value means the market value or fair market value of real property in the ordinary course of trade." This section also indicates that actual value, "may be determined using professionally-accepted mass appraisal methods, including, but limited to, the: (1) sales comparison approach; (2) income approach; and (3) cost approach."

When properties are not consistently valued, property owners are not paying their equitable share of property taxes.

We recommend the County determine an appropriate valuation model to be used by the County to ensure the uniform and proportionate valuation of real property.

COUNTY ATTORNEY

Attorney Accounting Procedures

During our audit, we noted the following:

- The County Attorney did not complete monthly bank reconciliations between the accounting records and bank account, resulting in an unknown variance of \$102.
- Two checks totaling \$39, remained unclaimed for more than three years.
- Receipts are issued only when money is received in the form of cash.
- Money is held and not deposited or remitted to the County Treasurer in a timely manner. During our testing, cash was retained for up to 169 days prior to its deposit and checks held up to 226 days before being remitted to the County Treasurer.
- Collections for restitution were not disbursed to the proper individuals in a timely manner. As of June 30, 2015, the County Attorney was holding \$1,581 of restitution collections, which were received as far back as September 5, 2013.
- Two claims for petty cash totaling \$239, were not filed with the County Clerk in a timely manner. During testing, we noted claims were held up to 360 days before a request for reimbursement was made.

The Uniform Disposition of Unclaimed Property Act (Act) is set out in Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2012). Section 69-1307.01 of the Act states that personal property held by public entities or political subdivisions that remains unclaimed for more than three years is presumed abandoned. Section 69-1310 requires that such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding. In addition, sound accounting practices require that old accounts be followed up on to determine if they should still be active.

Neb. Rev. Stat. § 23-1207 (Reissue 2012) states, “It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts . . .”

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) states, in relevant part: “All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . .”

Good internal controls and sound accounting practices require bank reconciliations be performed monthly and money be deposited in a timely manner. A good internal control plan and sound business practices also requires the timely payout of restitution when the funds are received and/or the case is satisfied. Without good internal control and sound accounting, there is an increased risk of abuse or misuse of funds.

We recommend the County Attorney reconcile the accounting records to the bank on a monthly basis and follow up on any variances. We also recommend outstanding checks be followed up on and relevant State statute be compiled with. Further, we recommend receipts be issued when money is received and deposits be made in a timely manner. We also recommend that restitution funds received by the County Attorney are paid out timely to the proper individuals and petty cash claims are submitted in a timely manner.

COUNTY CLERK OF DISTRICT COURT

Bond Forfeitures

During our audit, we noted the Clerk of the District Court remitted \$4,365 in bond forfeiture money to the County General Fund, rather than the School Fines Fund, resulting in money not being distributed to the County schools.

Neb. Rev. Stat § 29-2708 (Reissue 2008) states, “All money arising from fines and recognizances shall be credited by the county treasurer to the county school fund except as provided by Article VII, Section 5, Constitution of Nebraska.”

We recommend procedures be implemented to ensure bond forfeitures are deposited in the school fines account to ensure monies are correctly distributed to the schools.

COUNTY SHERIFF

Sheriff Balancing Procedures

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

During our audit, we noted the following issues with the County Sheriff’s accounting procedures at June 30, 2015:

- The County Sheriff was unable to provide an accurate listing of accounts payable at June 30, 2015, causing an unknown variance of \$2,299 in assets compared to liabilities.
- Deposits were not timely. The County Sheriff received \$103 in cash on August 24, 2015, for a transport; however, the money was not deposited as of November 3, 2015.

When all monies received are not appropriately accounted for and there is a failure to determine asset-to-liability balancing variances, there is an increased risk of loss, theft, or misuse of funds allowing errors to go undetected more easily.

We recommend the County Sheriff maintain adequate records at all times to support all balances and to make timely deposits.

Purchase of Commissary Items

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states, in part:

It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided, and all other money which is by law directed to be paid to him or her . All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.

During our audit, we noted the following:

- The County Sheriff maintains a commissary account, which is used for inmate purchases of candy, soda, personal hygiene products, etc. However, the expenditures were not paid through the County's claims and warrant process.
- The entire amount of revenue generated from the sale of commissary items has not been remitted to the County Treasurer. As of June 30, 2015, the commissary bank account had a balance of \$7,921.

When all funds received are not appropriately accounted for, there is an increased risk of loss, theft, or misuse of funds.

We recommend all money generated from the commissary activity be deposited with the County Treasurer. We further recommend all payments for goods and/or services be paid through the County's claim and warrant process.

COUNTY TREASURER

Distribution Procedures

Instead of recording certain transactions as expenditures in the accounting records, we noted eight negative miscellaneous receipts, totaling \$1,738,903, used to distribute State Property Tax Credit and Homestead reimbursements to the political subdivisions of the County. In addition, we noted one negative miscellaneous receipt totaling \$3,670, used to remit the excess Property Tax Credit to the State Treasurer.

Good accounting practices and sound business procedures require receipts to be used for their intended function of receipting monies into the accounting records. Furthermore, all distributions and payments of monies should be recorded as an expenditure in the accounting records.

When negative receipts are used in place of expenditures, there is an increased risk of errors, loss, or misuse of funds.

We recommend the County Treasurer implement procedures to ensure that all distributions are accurately entered into the system. Additionally, we recommend the County Treasurer implement procedures to ensure that the receipt function is only used for receipting monies, not distributions.

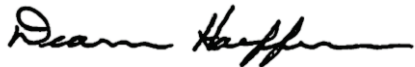
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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

Sincerely,



Deann Haeffner
Assistant Deputy Auditor