

**AUDIT REPORT  
OF  
BUTLER COUNTY**

**JULY 1, 2013 THROUGH JUNE 30, 2014**

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**Issued on March 5, 2015**

BUTLER COUNTY

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BUTLER COUNTY

**LIST OF COUNTY OFFICIALS**

At June 30, 2014

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
David Mach	Board of Supervisors	Jan. 2015
Kevin Slama		Jan. 2015
William Kozisek		Jan. 2015
Irvin Cidlik		Jan. 2015
Gregory Janak		Jan. 2017
Tony Krafka		Jan. 2017
Max Birkel		Jan. 2017
Vickie Donoghue	Assessor	Jan. 2015
Julie Reiter	Attorney	Jan. 2015
Vicki Truksa	Clerk Election Commissioner Register of Deeds	Jan. 2015
Nancy Prochaska	Clerk of the District Court	Jan. 2015
Mark Hecker	Sheriff	Jan. 2015
Karey Adamy	Treasurer	Jan. 2015
Dean Kriz	Veterans' Service Officer	Appointed
Max Birkel	Weed Superintendent	Appointed
Jim Truksa	Highway Superintendent	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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### BUTLER COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Butler 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 Butler County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, 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.

**Summary of Opinions**

<b>Opinion Unit</b>	<b>Type of Opinion</b>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

**Basis for Adverse Opinion on the Discretely Presented Component Unit**

The financial statements do not include financial data for the County’s legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County’s primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

**Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Butler County, as of June 30, 2014, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

**Unmodified Opinions**

In our opinion, the financial statements referred to previously 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 Butler County, as of June 30, 2014, 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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which 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 21 - 36, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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.

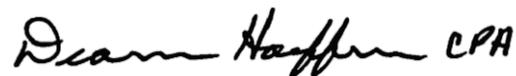
## **Basis of Accounting**

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.

## **Other Reporting Required by Government Auditing Standards**

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

February 25, 2015



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

BUTLER COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2014

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 1,793,004
Investments (Note 1.D)	5,185,745
<b>TOTAL ASSETS</b>	<b>\$ 6,978,749</b>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 19,614
911 Emergency Services	56,720
Drug Education	462
Aid and Assistance	9,672
Preservation of Records	8,909
Debt Service	363,863
Bridge/Road Projects	136,902
Child Support Enforcement	25,504
Unrestricted	6,357,103
<b>TOTAL NET POSITION</b>	<b>\$ 6,978,749</b>

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

BUTLER COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2014

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (1,847,968)	\$ 384,120	\$ 61,320	\$ (1,402,528)
Public Safety	(2,111,673)	38,395	69,518	(2,003,760)
Public Works	(2,566,181)	317	1,480,255	(1,085,609)
Public Assistance	(316,985)	49,910	79,789	(187,286)
Culture and Recreation	(360)	-	491	131
Debt Payments	(235,907)	-	-	(235,907)
Capital Outlay	(8,153)	-	-	(8,153)
<b>Total Governmental Activities</b>	<b><u><u>\$ (7,087,227)</u></u></b>	<b><u><u>\$ 472,742</u></u></b>	<b><u><u>\$ 1,691,373</u></u></b>	<b><u><u>(4,923,112)</u></u></b>

General Receipts:

Property Taxes	4,704,207
Grants and Contributions Not Restricted to Specific Programs	1,381,664
Investment Income	12,396
Licenses and Permits	31,180
Miscellaneous	75,521
<b>Total General Receipts</b>	<b><u><u>6,204,968</u></u></b>
Increase in Net Position	1,281,856
Net Position - Beginning of year	5,696,893
<b>Net Position - End of year</b>	<b><u><u>\$ 6,978,749</u></u></b>

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

**BUTLER COUNTY**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2014

	General Fund	Road Fund	Inheritance Fund	Special Road Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 615,027	\$ 723,635	\$ -	\$ -	\$ 454,342	\$ 1,793,004
Investments (Note 1.D)	381,167	300,000	2,792,455	1,153,332	558,791	5,185,745
<b>TOTAL ASSETS</b>	<b>\$ 996,194</b>	<b>\$ 1,023,635</b>	<b>\$ 2,792,455</b>	<b>\$ 1,153,332</b>	<b>\$ 1,013,133</b>	<b>\$ 6,978,749</b>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	19,614	19,614
911 Emergency Services	-	-	-	-	56,720	56,720
Drug Education	-	-	-	-	462	462
Aid and Assistance	-	-	-	-	9,672	9,672
Preservation of Records	-	-	-	-	8,909	8,909
Debt Service	-	-	-	-	363,863	363,863
Bridge/Road Projects	-	-	-	-	136,902	136,902
Child Support Enforcement	-	-	-	-	25,504	25,504
Committed to:						
Law Enforcement	-	-	-	-	10,492	10,492
Road Maintenance	-	1,023,635	-	1,153,332	-	2,176,967
Aid and Assistance	-	-	-	-	348,525	348,525
Equipment	-	-	-	-	12,000	12,000
Weed Control	-	-	-	-	20,470	20,470
Assigned to:						
Other Purposes	-	-	2,792,455	-	-	2,792,455
Unassigned	996,194	-	-	-	-	996,194
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 996,194</b>	<b>\$ 1,023,635</b>	<b>\$ 2,792,455</b>	<b>\$ 1,153,332</b>	<b>\$ 1,013,133</b>	<b>\$ 6,978,749</b>

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

**BUTLER COUNTY**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	General Fund	Road Fund	Inheritance Fund	Special Road Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 3,331,555	\$ -	\$ 1,019,317	\$ -	\$ 353,335	\$ 4,704,207
Licenses and Permits	31,080	100	-	-	-	31,180
Interest	7,478	-	-	-	4,918	12,396
Intergovernmental	746,334	2,048,472	-	3,815	274,416	3,073,037
Charges for Services	415,775	-	-	-	56,967	472,742
Miscellaneous	9,546	39,465	-	-	26,510	75,521
<b>TOTAL RECEIPTS</b>	<u>4,541,768</u>	<u>2,088,037</u>	<u>1,019,317</u>	<u>3,815</u>	<u>716,146</u>	<u>8,369,083</u>
<b>DISBURSEMENTS</b>						
General Government	1,709,067	-	137,377	-	1,524	1,847,968
Public Safety	1,646,675	-	-	-	464,998	2,111,673
Public Works	66,008	2,455,210	-	-	44,963	2,566,181
Public Assistance	126,998	-	-	-	189,987	316,985
Culture and Recreation	-	-	-	-	360	360
Debt Service:						
Principal Payments	-	-	-	-	185,000	185,000
Interest and Fiscal Charges	-	-	-	-	50,907	50,907
Capital Outlay	-	-	-	-	8,153	8,153
<b>TOTAL DISBURSEMENTS</b>	<u>3,548,748</u>	<u>2,455,210</u>	<u>137,377</u>	<u>-</u>	<u>945,892</u>	<u>7,087,227</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>993,020</u>	<u>(367,173)</u>	<u>881,940</u>	<u>3,815</u>	<u>(229,746)</u>	<u>1,281,856</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	200,000	940,486	-	100,000	376,195	1,616,681
Transfers out	(1,266,681)	(100,000)	(200,000)	-	(50,000)	(1,616,681)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,066,681)</u>	<u>840,486</u>	<u>(200,000)</u>	<u>100,000</u>	<u>326,195</u>	<u>-</u>
Net Change in Fund Balances	(73,661)	473,313	681,940	103,815	96,449	1,281,856
<b>CASH BASIS FUND BALANCES - BEGINNING</b>						
	<u>1,069,855</u>	<u>550,322</u>	<u>2,110,515</u>	<u>1,049,517</u>	<u>916,684</u>	<u>5,696,893</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>						
	<u>\$ 996,194</u>	<u>\$ 1,023,635</u>	<u>\$ 2,792,455</u>	<u>\$ 1,153,332</u>	<u>\$ 1,013,133</u>	<u>\$ 6,978,749</u>

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

BUTLER COUNTY  
**STATEMENT OF FIDUCIARY ASSETS AND  
 LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
 June 30, 2014

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 551,876
 <b>LIABILITIES</b>	
Due to other governments	
State	207,085
Schools	189,098
Educational Service Units	1,880
Technical College	14,112
Natural Resource Districts	5,182
Fire Districts	4,944
Municipalities	28,191
Agricultural Society	1,245
Townships	10,507
Sanitary and Improvement Districts	26,500
Others	63,132
<b>TOTAL LIABILITIES</b>	<b>551,876</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Butler 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.

**Component Unit.** These financial statements present the County (the primary government). The Butler County Health Care Center (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

**Joint Organization.**

**Behavioral Health Region V** – 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 V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$29,724 toward the operation of the Region during fiscal year 2014. 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 Four Corners 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 2014. 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 and the Hospital. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

**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.

**Special Road Fund.** This fund is used to account for funds set aside and costs associated with specific road projects.

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

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

**Capital Project Funds.** The Senior Service Savings Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

**Debt Service Fund.** The Courthouse 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.

**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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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.

**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-

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$621,646 of restricted net position, of which \$248,111 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.

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.

BUTLER COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**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 \$1,793,004 for County funds and \$551,876 for Fiduciary funds. The bank balances for all funds totaled 2,282,279. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2014, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$8,490 in Cole Real Estate Investments, \$50,301 in Butler County Area Foundation Fund, and \$5,126,954 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name. The Cole Real Estate Investments and Butler County Area Foundation Fund were held by the County or its agent in the name of the County.

**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.

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 2013, for the 2013 taxes, which were materially collected in May and September 2014, was set at \$.189665/\$100 of assessed valuation. The levy set in October 2012, for the 2012 taxes, which were materially collected in May and September 2013, was set at \$.206342/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

BUTLER COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**3. Property Taxes (Concluded)**

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 (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. Prior service benefits are paid directly by the County to the retired employee.

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

For the year ended June 30, 2014, 99 employees contributed \$129,069, and the County contributed \$191,457. Contributions included \$4,294 in cash contributions towards the supplemental law enforcement plan for 11 law enforcement employees. Lastly, the County paid \$1,166 directly to 16 retired employees for prior service benefits.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 79 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.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 500,000	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 2015. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2014, consisted of the following:

<b>Transfers to</b>	Transfers from				<b>Total</b>
	<b>General Fund</b>	<b>Inheritance Fund</b>	<b>Road Fund</b>	<b>Nonmajor Funds</b>	
Road Fund	\$ 940,486	\$ -	\$ -	\$ -	\$ 940,486
General Fund	-	200,000	-	-	200,000
Special Road Fund	-	-	100,000	-	100,000
Nonmajor Funds	326,195	-	-	50,000	376,195
<b>Total</b>	<b>\$ 1,266,681</b>	<b>\$ 200,000</b>	<b>\$ 100,000</b>	<b>\$ 50,000</b>	<b>\$ 1,616,681</b>

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. **Long-Term Debt**

**General Obligation Bond**

The County issued bonds on May 3, 2010, in the amount of \$2,230,000 for the purpose of paying the costs of refunding the County's General Obligation Building Bonds, Series 2002, dated May 1, 2002, which were issued for the purpose of paying the costs of constructing additions and improvements to the Butler County Courthouse. The bond payable balance, as of June 30, 2014, was \$1,505,000. 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:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 190,000	\$ 47,485	\$ 237,785
2016	195,000	43,305	238,305
2017	195,000	38,138	233,138
2018	205,000	32,385	237,385
2019	210,000	25,723	235,723
2020-2022	510,000	32,157	542,157
<b>Total Payments</b>	<b>\$ 1,505,000</b>	<b>\$ 219,193</b>	<b>\$ 1,724,193</b>

BUTLER COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

7. **Long-Term Debt** (Concluded)

**Hospital Bond**

In May 2012, the County issued General Obligation Bonds in the original amount of \$8,000,000 for the purpose of paying for costs related to the construction of additions and improvements to the existing hospital facility. In January 2013, the County issued General Obligation Refunding Bonds in the amount of \$2,580,000 for the purpose of redeeming Series 2009 bonds. The bond payable balance as of June 30, 2014, was \$9,530,000. Butler County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds; however, it is the intent of the Hospital and the County Board to use proceeds from the Hospital to pay off the bonds. Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

**BUTLER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,387,758	\$ 3,387,758	\$ 3,331,555	\$ (56,203)
Licenses and Permits	25,800	25,800	31,080	5,280
Interest	15,000	15,000	7,478	(7,522)
Intergovernmental	559,871	559,871	746,334	186,463
Charges for Services	327,500	327,500	415,775	88,275
Miscellaneous	-	-	9,546	9,546
<b>TOTAL RECEIPTS</b>	<b>4,315,929</b>	<b>4,315,929</b>	<b>4,541,768</b>	<b>225,839</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	230,440	230,440	227,630	2,810
County Clerk	159,151	159,151	154,213	4,938
County Treasurer	157,477	157,477	156,585	892
County Assessor	190,492	190,492	187,283	3,209
Election Commissioner	60,066	60,066	44,296	15,770
Data Processing Department	54,590	54,590	52,561	2,029
Clerk of the District Court	174,474	174,474	158,030	16,444
County Court System	10,500	10,500	9,434	1,066
Public Defender	122,000	122,000	103,691	18,309
Building and Grounds	228,429	228,429	212,039	16,390
Reappraisal	45,342	45,342	43,747	1,595
Agricultural Extension Agent	90,311	90,311	85,411	4,900
Miscellaneous	336,574	336,574	274,147	62,427
Public Safety				
County Sheriff	973,985	973,985	745,757	228,228
County Attorney	220,179	220,179	213,603	6,576
County Jail	670,480	670,480	657,232	13,248
County Attorney - Child Support	17,864	17,864	97	17,767
Diversion Program	16,880	16,880	16,880	-
Law Enforcement Grant	5,000	5,000	1,756	3,244
Miscellaneous	36,500	36,500	11,350	25,150
Public Works				
County Surveyor	67,349	67,349	66,008	1,341

(Continued)

**BUTLER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>DISBURSEMENTS (Continued)</b>				
Public Assistance				
Veterans' Service Officer	40,315	40,315	39,125	1,190
Victims Assistance Program	27,832	27,832	27,822	10
Miscellaneous	72,471	72,471	60,051	12,420
<b>TOTAL DISBURSEMENTS</b>	<u>4,008,701</u>	<u>4,008,701</u>	<u>3,548,748</u>	<u>459,953</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>307,228</u>	<u>307,228</u>	<u>993,020</u>	<u>685,792</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,000	200,000	200,000	-
Transfers out	(1,227,083)	(1,227,083)	(1,266,681)	(39,598)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,027,083)</u>	<u>(1,027,083)</u>	<u>(1,066,681)</u>	<u>(39,598)</u>
Net Change in Fund Balance	(719,855)	(719,855)	(73,661)	646,194
<b>FUND BALANCE - BEGINNING</b>	<u>1,069,855</u>	<u>1,069,855</u>	<u>1,069,855</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 996,194</u>	<u>\$ 646,194</u>

(Concluded)

**BUTLER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ -	\$ -	\$ 100	\$ 100
Intergovernmental	1,938,643	1,938,643	2,048,472	109,829
Miscellaneous	20,000	20,000	39,465	19,465
<b>TOTAL RECEIPTS</b>	<b>1,958,643</b>	<b>1,958,643</b>	<b>2,088,037</b>	<b>129,394</b>
<b>DISBURSEMENTS</b>	<b>3,099,451</b>	<b>3,099,451</b>	<b>2,455,210</b>	<b>644,241</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,140,808)</b>	<b>(1,140,808)</b>	<b>(367,173)</b>	<b>773,635</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	940,486	940,486	940,486	-
Transfers out	(100,000)	(100,000)	(100,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>840,486</b>	<b>840,486</b>	<b>840,486</b>	<b>-</b>
Net Change in Fund Balance	(300,322)	(300,322)	473,313	773,635
FUND BALANCE - BEGINNING	550,322	550,322	550,322	-
FUND BALANCE - ENDING	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 1,023,635</b>	<b>\$ 773,635</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 200,250	\$ 200,250	\$ 1,019,317	\$ 819,067
<b>TOTAL RECEIPTS</b>	<b>200,250</b>	<b>200,250</b>	<b>1,019,317</b>	<b>819,067</b>
<b>DISBURSEMENTS</b>	<b>2,110,765</b>	<b>2,110,765</b>	<b>137,377</b>	<b>1,973,388</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,910,515)</b>	<b>(1,910,515)</b>	<b>881,940</b>	<b>2,792,455</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(200,000)	(200,000)	(200,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>-</b>
Net Change in Fund Balance	(2,110,515)	(2,110,515)	681,940	2,792,455
FUND BALANCE - BEGINNING	2,110,515	2,110,515	2,110,515	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,792,455</b>	<b>\$ 2,792,455</b>

(Continued)

**BUTLER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>SPECIAL ROAD FUND</u></b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 3,815	\$ 3,815
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>3,815</u>	<u>3,815</u>
 <b>DISBURSEMENTS</b>	 <u>1,149,517</u>	 <u>1,149,517</u>	 <u>-</u>	 <u>1,149,517</u>
 <b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	 <u>(1,149,517)</u>	 <u>(1,149,517)</u>	 <u>3,815</u>	 <u>1,153,332</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
 Net Change in Fund Balance	 (1,049,517)	 (1,049,517)	 103,815	 1,153,332
FUND BALANCE - BEGINNING	1,049,517	1,049,517	1,049,517	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,153,332</u>	<u>\$ 1,153,332</u>

(Concluded)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>HIGHWAY BRIDGE BUYBACK FUND</u></b>				
Receipts	\$ 136,902	\$ 136,902	\$ 136,902	\$ -
Disbursements	(136,902)	(136,902)	-	136,902
Net Change in Fund Balance	-	-	136,902	136,902
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,902</u>	<u>\$ 136,902</u>
<b><u>EMERGENCY MANAGEMENT FUND</u></b>				
Receipts	\$ 40,841	\$ 40,841	\$ 38,121	\$ (2,720)
Disbursements	(94,539)	(94,539)	(90,339)	4,200
Transfers in	31,116	31,116	31,116	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(22,582)	(22,582)	(21,102)	1,480
Fund Balance - Beginning	22,582	22,582	22,582	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,480</u>	<u>\$ 1,480</u>
<b><u>EQUIPMENT SINKING FUND</u></b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(12,000)	(12,000)	-	12,000
Transfers in	4,000	4,000	4,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(8,000)	(8,000)	4,000	12,000
Fund Balance - Beginning	8,000	8,000	8,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>
<b><u>CHILD SUPPORT INCENTIVE FUND</u></b>				
Receipts	\$ -	\$ -	\$ 7,103	\$ 7,103
Disbursements	-	-	-	-
Transfers in	-	-	18,401	18,401
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	25,504	25,504
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,504</u>	<u>\$ 25,504</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>VISITOR'S PROMOTION FUND</u></b>				
Receipts	\$ 2,000	\$ 2,000	\$ 3,208	\$ 1,208
Disbursements	(10,804)	(10,804)	(360)	10,444
Net Change in Fund Balance	(8,804)	(8,804)	2,848	11,652
Fund Balance - Beginning	8,804	8,804	8,804	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,652</u>	<u>\$ 11,652</u>
<b><u>VISITOR'S IMPROVEMENT FUND</u></b>				
Receipts	\$ 2,000	\$ 2,000	\$ 3,208	\$ 1,208
Disbursements	(6,754)	(6,754)	-	6,754
Net Change in Fund Balance	(4,754)	(4,754)	3,208	7,962
Fund Balance - Beginning	4,754	4,754	4,754	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,962</u>	<u>\$ 7,962</u>
<b><u>REGISTER OF DEEDS PRESERVATION FUND</u></b>				
Receipts	\$ 5,000	\$ 5,000	\$ 6,740	\$ 1,740
Disbursements	(8,169)	(8,169)	(1,000)	7,169
Net Change in Fund Balance	(3,169)	(3,169)	5,740	8,909
Fund Balance - Beginning	3,169	3,169	3,169	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,909</u>	<u>\$ 8,909</u>
<b><u>RELIEF MEDICAL FUND</u></b>				
Receipts	\$ 12,170	\$ 12,170	\$ 13,617	\$ 1,447
Disbursements	(30,000)	(30,000)	(8,960)	21,040
Net Change in Fund Balance	(17,830)	(17,830)	4,657	22,487
Fund Balance - Beginning	17,830	17,830	17,830	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,487</u>	<u>\$ 22,487</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INSTITUTION FUND</b>				
Receipts	\$ 13,770	\$ 13,770	\$ 15,026	\$ 1,256
Disbursements	(35,000)	(35,000)	(5,087)	29,913
Net Change in Fund Balance	(21,230)	(21,230)	9,939	31,169
Fund Balance - Beginning	21,230	21,230	21,230	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,169</u>	<u>\$ 31,169</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ 7,403	\$ 7,403	\$ 6,196	\$ (1,207)
Disbursements	(27,500)	(27,500)	(2,000)	25,500
Net Change in Fund Balance	(20,097)	(20,097)	4,196	24,293
Fund Balance - Beginning	20,097	20,097	20,097	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,293</u>	<u>\$ 24,293</u>
<b>RURAL TRANSIT SERVICE FUND</b>				
Receipts	\$ 28,536	\$ 28,536	\$ 31,040	\$ 2,504
Disbursements	(53,281)	(53,281)	(37,266)	16,015
Transfers in	10,821	10,821	1,974	(8,847)
Transfers out	-	-	-	-
Net Change in Fund Balance	(13,924)	(13,924)	(4,252)	9,672
Fund Balance - Beginning	13,924	13,924	13,924	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,672</u>	<u>\$ 9,672</u>
<b>SENIOR SERVICES PROGRAM FUND</b>				
Receipts	\$ 94,328	\$ 94,328	\$ 113,235	\$ 18,907
Disbursements	(159,728)	(159,728)	(136,674)	23,054
Transfers in	16,500	16,500	16,500	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(98,900)	(98,900)	(56,939)	41,961
Fund Balance - Beginning	128,900	128,900	128,900	-
Fund Balance - Ending	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 71,961</u>	<u>\$ 41,961</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SENIOR SERVICES SAVINGS FUND</b>				
Receipts	\$ -	\$ -	\$ 4,918	\$ 4,918
Disbursements	(201,806)	(201,806)	(8,153)	193,653
Transfers in	50,000	50,000	50,044	44
Transfers out	-	-	-	-
Net Change in Fund Balance	(151,806)	(151,806)	46,809	198,615
Fund Balance - Beginning	151,806	151,806	151,806	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,615</u>	<u>\$ 198,615</u>
<b>STOP PROGRAM FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 5,600	\$ 600
Disbursements	(20,866)	(20,866)	(12,849)	8,017
Net Change in Fund Balance	(15,866)	(15,866)	(7,249)	8,617
Fund Balance - Beginning	15,866	15,866	15,866	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,617</u>	<u>\$ 8,617</u>
<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 462	\$ (4,538)
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	-	-	462	462
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 462</u>	<u>\$ 462</u>
<b>FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CANINE (K-9) FUND</b>				
Receipts	\$ -	\$ -	\$ 50	\$ 50
Disbursements	(3,922)	(3,922)	(3,577)	345
Net Change in Fund Balance	(3,922)	(3,922)	(3,527)	395
Fund Balance - Beginning	3,922	3,922	3,922	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 395</u>
<b>FEDERAL GRANT FUND</b>				
Receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 49,270	\$ 49,270	\$ 49,270	\$ -
Disbursements	(59,393)	(59,393)	(43,453)	15,940
Net Change in Fund Balance	(10,123)	(10,123)	5,817	15,940
Fund Balance - Beginning	10,123	10,123	10,123	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,940</u>	<u>\$ 15,940</u>
<b>911 WIRELESS SERVICE HOLDING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(82,452)	(82,452)	(50,220)	32,232
Net Change in Fund Balance	(82,452)	(82,452)	(50,220)	32,232
Fund Balance - Beginning	82,452	82,452	82,452	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,232</u>	<u>\$ 32,232</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>COURTHOUSE BOND FUND</u></b>				
Receipts	\$ 236,431	\$ 236,431	\$ 248,532	\$ 12,101
Disbursements	(588,193)	(588,193)	(236,431)	351,762
Net Change in Fund Balance	(351,762)	(351,762)	12,101	363,863
Fund Balance - Beginning	351,762	351,762	351,762	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,863</u>	<u>\$ 363,863</u>
<b><u>NOXIOUS WEED CONTROL FUND</u></b>				
Receipts	\$ -	\$ -	\$ 317	\$ 317
Disbursements	(65,116)	(65,116)	(44,963)	20,153
Transfers in	38,415	38,415	38,415	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(26,701)	(26,701)	(6,231)	20,470
Fund Balance - Beginning	26,701	26,701	26,701	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,470</u>	<u>\$ 20,470</u>
<b><u>E911 EMERGENCY ASSISTANCE FUND</u></b>				
Receipts	\$ 30,000	\$ 30,000	\$ 32,601	\$ 2,601
Disbursements	(240,507)	(270,507)	(264,560)	5,947
Transfers in	185,745	215,745	215,745	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(24,762)	(24,762)	(16,214)	8,548
Fund Balance - Beginning	24,762	24,762	24,762	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,548</u>	<u>\$ 8,548</u>

(Concluded)

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	Highway Bridge Buyback Fund	Emergency Management Fund	Equipment Sinking Fund	Child Support Incentive Fund	Visitor's Promotion Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,208
Interest	-	-	-	-	-
Intergovernmental	136,902	35,121	-	7,103	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	3,000	-	-	-
<b>TOTAL RECEIPTS</b>	<b>136,902</b>	<b>38,121</b>	<b>-</b>	<b>7,103</b>	<b>3,208</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	90,339	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	360
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>90,339</b>	<b>-</b>	<b>-</b>	<b>360</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>136,902</b>	<b>(52,218)</b>	<b>-</b>	<b>7,103</b>	<b>2,848</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	31,116	4,000	18,401	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>31,116</b>	<b>4,000</b>	<b>18,401</b>	<b>-</b>
Net Change in Fund Balances	136,902	(21,102)	4,000	25,504	2,848
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>22,582</b>	<b>8,000</b>	<b>-</b>	<b>8,804</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 136,902</b>	<b>\$ 1,480</b>	<b>\$ 12,000</b>	<b>\$ 25,504</b>	<b>\$ 11,652</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	11,652
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Bridge/Road Projects	136,902	-	-	-	-
Child Support Enforcement	-	-	-	25,504	-
Committed to:					
Law Enforcement	-	1,480	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Equipment	-	-	12,000	-	-
Weed Control	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 136,902</b>	<b>\$ 1,480</b>	<b>\$ 12,000</b>	<b>\$ 25,504</b>	<b>\$ 11,652</b>

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

For the Year Ended June 30, 2014

	Visitor's Improvement Fund	Register of Deeds Preservation Fund	Relief Medical Fund	Institution Fund	Veterans' Aid Fund	Rural Transit Service Fund
<b>RECEIPTS</b>						
Property Taxes	\$ 3,208	\$ -	\$ 12,903	\$ 11,467	\$ 5,759	\$ -
Interest	-	-	-	-	-	-
Intergovernmental	-	-	714	767	407	23,466
Charges for Services	-	6,740	-	-	-	7,574
Miscellaneous	-	-	-	2,792	30	-
<b>TOTAL RECEIPTS</b>	<u>3,208</u>	<u>6,740</u>	<u>13,617</u>	<u>15,026</u>	<u>6,196</u>	<u>31,040</u>
<b>DISBURSEMENTS</b>						
General Government	-	1,000	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	8,960	5,087	2,000	37,266
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>1,000</u>	<u>8,960</u>	<u>5,087</u>	<u>2,000</u>	<u>37,266</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,208</u>	<u>5,740</u>	<u>4,657</u>	<u>9,939</u>	<u>4,196</u>	<u>(6,226)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	1,974
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,974</u>
Net Change in Fund Balances	3,208	5,740	4,657	9,939	4,196	(4,252)
<b>FUND BALANCES - BEGINNING</b>	<u>4,754</u>	<u>3,169</u>	<u>17,830</u>	<u>21,230</u>	<u>20,097</u>	<u>13,924</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 7,962</u>	<u>\$ 8,909</u>	<u>\$ 22,487</u>	<u>\$ 31,169</u>	<u>\$ 24,293</u>	<u>\$ 9,672</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	7,962	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	9,672
Preservation of Records	-	8,909	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	22,487	31,169	24,293	-
Equipment	-	-	-	-	-	-
Weed Control	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 7,962</u>	<u>\$ 8,909</u>	<u>\$ 22,487</u>	<u>\$ 31,169</u>	<u>\$ 24,293</u>	<u>\$ 9,672</u>

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

For the Year Ended June 30, 2014

	Senior Services Program Fund	Senior Services Savings Fund	STOP Program Fund	Drug Law Enforcement And Education Fund	Canine (K-9) Fund	911 Wireless Service Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,270
Interest	-	4,918	-	-	-	-
Intergovernmental	56,323	-	-	-	-	-
Charges for Services	42,336	-	-	-	-	-
Miscellaneous	14,576	-	5,600	462	50	-
<b>TOTAL RECEIPTS</b>	<u>113,235</u>	<u>4,918</u>	<u>5,600</u>	<u>462</u>	<u>50</u>	<u>49,270</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	12,849	-	3,577	43,453
Public Works	-	-	-	-	-	-
Public Assistance	136,674	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	8,153	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>136,674</u>	<u>8,153</u>	<u>12,849</u>	<u>-</u>	<u>3,577</u>	<u>43,453</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(23,439)</u>	<u>(3,235)</u>	<u>(7,249)</u>	<u>462</u>	<u>(3,527)</u>	<u>5,817</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	16,500	50,044	-	-	-	-
Transfers out	(50,000)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(33,500)</u>	<u>50,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(56,939)	46,809	(7,249)	462	(3,527)	5,817
<b>FUND BALANCES - BEGINNING</b>	<u>128,900</u>	<u>151,806</u>	<u>15,866</u>	<u>-</u>	<u>3,922</u>	<u>10,123</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 71,961</u>	<u>\$ 198,615</u>	<u>\$ 8,617</u>	<u>\$ 462</u>	<u>\$ 395</u>	<u>\$ 15,940</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	15,940
Drug Education	-	-	-	462	-	-
Aid and Assistance	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	8,617	-	395	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	71,961	198,615	-	-	-	-
Equipment	-	-	-	-	-	-
Weed Control	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 71,961</u>	<u>\$ 198,615</u>	<u>\$ 8,617</u>	<u>\$ 462</u>	<u>\$ 395</u>	<u>\$ 15,940</u>

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	911 Wireless Service Holding Fund	Courthouse Bond Fund	Noxious Weed Control Fund	E911 Emergency Assistance Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ 234,919	\$ -	\$ 32,601	\$ 353,335
Interest	-	-	-	-	4,918
Intergovernmental	-	13,613	-	-	274,416
Charges for Services	-	-	317	-	56,967
Miscellaneous	-	-	-	-	26,510
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>248,532</u>	<u>317</u>	<u>32,601</u>	<u>716,146</u>
<b>DISBURSEMENTS</b>					
General Government	-	524	-	-	1,524
Public Safety	50,220	-	-	264,560	464,998
Public Works	-	-	44,963	-	44,963
Public Assistance	-	-	-	-	189,987
Culture and Recreation	-	-	-	-	360
Debt Service:					
Principal Payments	-	185,000	-	-	185,000
Interest and Fiscal Charges	-	50,907	-	-	50,907
Capital Projects	-	-	-	-	8,153
<b>TOTAL DISBURSEMENTS</b>	<u>50,220</u>	<u>236,431</u>	<u>44,963</u>	<u>264,560</u>	<u>945,892</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(50,220)</u>	<u>12,101</u>	<u>(44,646)</u>	<u>(231,959)</u>	<u>(229,746)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	38,415	215,745	376,195
Transfers out	-	-	-	-	(50,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>38,415</u>	<u>215,745</u>	<u>326,195</u>
Net Change in Fund Balances	(50,220)	12,101	(6,231)	(16,214)	96,449
<b>FUND BALANCES - BEGINNING</b>	<u>82,452</u>	<u>351,762</u>	<u>26,701</u>	<u>24,762</u>	<u>916,684</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 32,232</u>	<u>\$ 363,863</u>	<u>\$ 20,470</u>	<u>\$ 8,548</u>	<u>\$ 1,013,133</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	19,614
911 Emergency Services	32,232	-	-	8,548	56,720
Drug Education	-	-	-	-	462
Aid and Assistance	-	-	-	-	9,672
Preservation of Records	-	-	-	-	8,909
Debt Service	-	363,863	-	-	363,863
Bridge/Road Projects	-	-	-	-	136,902
Child Support Enforcement	-	-	-	-	25,504
Committed to:					
Law Enforcement	-	-	-	-	10,492
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	348,525
Equipment	-	-	-	-	12,000
Weed Control	-	-	20,470	-	20,470
<b>TOTAL FUND BALANCES</b>	<u>\$ 32,232</u>	<u>\$ 363,863</u>	<u>\$ 20,470</u>	<u>\$ 8,548</u>	<u>\$ 1,013,133</u>

**BUTLER COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2014

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Detention Center	Highway Superintendent	Veterans' Service Officer	County Senior Services	Total
BALANCES JULY 1, 2013	\$ 9,698	\$ 34,801	\$ 6,974	\$ 462	\$ 63,753	\$ 129,608	\$ 3,161	\$ 1,226	\$ 249,683
<b>RECEIPTS</b>									
Licenses and Permits	460	-	-	-	-	100	-	-	560
Intergovernmental	-	-	26,000	-	-	625,583	2,000	53,458	707,041
Charges for Services	80,044	7,159	20,518	-	79,208	49,488	-	63,626	300,043
Miscellaneous	-	-	15,437	507	-	-	-	4,024	19,968
State Fees	81,597	11,728	-	-	55	-	-	-	93,380
Other Liabilities	-	620,864	11,378	1,806	152,882	-	-	-	786,930
<b>TOTAL RECEIPTS</b>	<u>162,101</u>	<u>639,751</u>	<u>73,333</u>	<u>2,313</u>	<u>232,145</u>	<u>675,171</u>	<u>2,000</u>	<u>121,108</u>	<u>1,907,922</u>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	80,848	8,517	57,922	462	127,315	747,572	-	116,855	1,139,491
Payments to State Treasurer	83,486	12,201	-	-	416	-	-	-	96,103
Other Liabilities	-	621,954	10,484	1,813	159,703	-	1,076	4,210	799,240
<b>TOTAL DISBURSEMENTS</b>	<u>164,334</u>	<u>642,672</u>	<u>68,406</u>	<u>2,275</u>	<u>287,434</u>	<u>747,572</u>	<u>1,076</u>	<u>121,065</u>	<u>2,034,834</u>
BALANCES JUNE 30, 2014	<u>\$ 7,465</u>	<u>\$ 31,880</u>	<u>\$ 11,901</u>	<u>\$ 500</u>	<u>\$ 8,464</u>	<u>\$ 57,207</u>	<u>\$ 4,085</u>	<u>\$ 1,269</u>	<u>\$ 122,771</u>
<b>BALANCES CONSIST OF:</b>									
Due to County Treasurer	\$ 4,494	\$ 443	\$ 1,040	\$ -	\$ 136	\$ 57,207	\$ 4,085	\$ 658	\$ 68,063
Petty Cash	-	-	8,390	500	3,500	-	-	500	12,890
Due to State Treasurer	2,971	809	-	-	169	-	-	-	3,949
Due to Others	-	30,628	2,471	-	4,659	-	-	111	37,869
BALANCES JUNE 30, 2014	<u>\$ 7,465</u>	<u>\$ 31,880</u>	<u>\$ 11,901</u>	<u>\$ 500</u>	<u>\$ 8,464</u>	<u>\$ 57,207</u>	<u>\$ 4,085</u>	<u>\$ 1,269</u>	<u>\$ 122,771</u>

**BUTLER COUNTY**  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2014

Item	2009	2010	2011	2012	2013
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 15,956,016	\$ 18,088,063	\$ 19,719,390	\$ 20,676,238	\$ 22,415,146
Personal and Specials	1,166,900	1,374,706	1,813,626	2,780,915	2,753,915
<b>Total</b>	<b>17,122,916</b>	<b>19,462,769</b>	<b>21,533,016</b>	<b>23,457,153</b>	<b>25,169,061</b>
<b>Corrections</b>					
Additions	7,099	7,233	8,777	2,760	2,363
Deductions	(11,582)	(17,321)	(8,089)	(13,961)	(3,858)
Net Additions/ (Deductions)	(4,483)	(10,088)	688	(11,201)	(1,495)
<b>Corrected Certified Tax</b>	<b>17,118,433</b>	<b>19,452,681</b>	<b>21,533,704</b>	<b>23,445,952</b>	<b>25,167,566</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2010	10,394,792	-	-	-	-
June 30, 2011	6,723,333	12,044,987	-	-	-
June 30, 2012	(4,936)	7,398,151	13,429,098	-	-
June 30, 2013	3,638	6,190	8,085,187	14,805,410	-
June 30, 2014	985	1,663	7,793	8,618,828	16,288,243
<b>Total Net Collections</b>	<b>17,117,812</b>	<b>19,450,991</b>	<b>21,522,078</b>	<b>23,424,238</b>	<b>16,288,243</b>
<b>Total Uncollected Tax</b>	<b>\$ 621</b>	<b>\$ 1,690</b>	<b>\$ 11,626</b>	<b>\$ 21,714</b>	<b>\$ 8,879,323</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.05%</b>	<b>0.09%</b>	<b>35.28%</b>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

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BUTLER 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  
Butler 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 Butler County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements, and have issued our report thereon dated February 25, 2015. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Butler County Hospital, a component unit of Butler County.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Butler 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 Butler 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. 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 Butler 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**

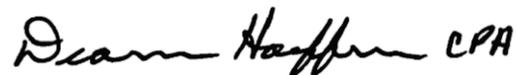
We also noted certain matters that we reported to the management of Butler County in a separate letter dated February 25, 2015.

### **Butler County's Response to Findings**

Butler County declined to respond to the findings identified in our audit.

### **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.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

February 25, 2015



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

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February 25, 2015

Board of Supervisors  
Butler County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Butler County (County) for the fiscal year ended June 30, 2014, and have issued our report thereon dated February 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 following areas:

### **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**

### **Lack of Adequate Security for Deposits**

During our audit, we noted deposits in the County Board imprest bank account exceeded FDIC coverage for 35 days during the fiscal year. Amounts not covered ranged between \$14,126 and \$443,764.

Neb. Rev. Stat § 77-2395(1) (Reissue 2009) states, in relevant part:

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

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

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

### **Claim Payments**

During our audit, we noted the County did not have adequate procedures in place to prevent duplicate payments being charged to the County. We noted two instances where the County Board approved and paid duplicate payments in the amounts of \$51 and \$1,930.

A good internal control plan and sound business practice require policies and procedures be in place to ensure invoices are for legitimate County expenses and are paid only once. When adequate procedures are not in place to prevent duplicate payments, there is an increased risk for loss or misuse of County funds.

We recommend the County Board implement adequate policies and procedures to ensure all claims are legitimate County expenses and are paid only once.

## **COUNTY SHERIFF**

### **Office Accountability**

During our audit, we noted the following issues with the County Sheriff's balancing procedures at June 30, 2014:

- Office records indicated assets exceeded liabilities by \$183.

- A detailed listing of accounts payable for an amount of \$1,324 was not available.
- One month of law enforcement services provided to a village in the amount of \$1,000 were invoiced and collected twice.
- Money remitted to the State Treasurer as unclaimed property for the civil bank account, totaling \$132, and the detention center bank account, totaling \$284, consisted of checks that had previously cleared the bank or had previously been paid to the State Treasurer.

Good internal control requires procedures be in place to ensure assets (cash on hand, reconciled bank statement, and accounts receivable) are in agreement with office liabilities (fees and trust accounts). Without proper oversight of transaction activity and a failure to determine asset to liability balancing variances, there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff implement balancing procedures to insure assets agree to liabilities at all times and remit excess amounts to the County Treasurer. We further recommend adequate records be maintained to prevent over billing and improper payments. Additionally, we recommend that improper payments to the State Treasurer be resolved.

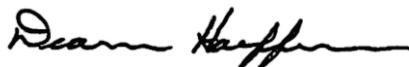
\* \* \* \* \*

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