

**AUDIT REPORT
OF
ANTELOPE COUNTY**

JULY 1, 2015 THROUGH JUNE 30, 2016

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the Auditor of Public Accounts.**

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Issued on November 30, 2016

ANTELOPE COUNTY

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ANTELOPE COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2016

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Jerald Schwager	Jan. 2019
	Greg Koinzan	Jan. 2017
	Eddie Schindler	Jan. 2019
	LeRoy Kerkman	Jan. 2019
	Neil Williby	Jan. 2019
	Merlin Bolling	Jan. 2017
	Charles Henery	Jan. 2017
Assessor	Kelly Mueller	Jan. 2019
Attorney	Joseph Abler	Jan. 2019
Clerk Election Commissioner Register of Deeds	Lisa Payne	Jan. 2019
Clerk of the District Court	Judy Cole	Jan. 2019
Sheriff	Robert Moore	Jan. 2019
Treasurer	Deb Branstiter	Jan. 2019
Veterans' Service Officer	Ronald Marshall	Appointed
Weed Superintendent	Bruce Ofe	Appointed
Highway Superintendent	Brian McDonald	Appointed
Emergency Manager	Faythe Petersen	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, 2016, 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, 2016, 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, 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 20-30, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016, 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 17, 2016


Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

ANTELOPE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2016

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,171,676
TOTAL ASSETS	\$ 4,171,676
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 64,363
Drug Education	1,640
Preservation of Records	4,165
Debt Service	101,902
Unrestricted	3,999,606
TOTAL NET POSITION	\$ 4,171,676

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, 2016

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (2,038,216)	\$ 359,182	\$ 9,100	\$ (1,669,934)
Public Safety	(757,969)	92,124	-	(665,845)
Public Works	(4,617,488)	130,160	1,845,956	(2,641,372)
Public Assistance	(67,808)	-	-	(67,808)
Culture and Recreation	(31,860)	-	-	(31,860)
Debt Payments	(493,863)	-	-	(493,863)
Capital Outlay	(69,639)	-	-	(69,639)
Total Governmental Activities	<u>\$ (8,076,843)</u>	<u>\$ 581,466</u>	<u>\$ 1,855,056</u>	<u>(5,640,321)</u>

General Receipts:

Property Taxes	4,969,598
Grants and Contributions Not Restricted to Specific Programs	453,789
Investment Income	19,318
Licenses and Permits	42,729
Miscellaneous	137,477
Total General Receipts	<u>5,622,911</u>
Increase in Net Position	(17,410)
Net Position - Beginning of year	4,189,086
Net Position - End of year	<u>\$ 4,171,676</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, 2016

	General Fund	Road & Bridge Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 1,104,596	\$ 144,891	\$ 2,629,447	\$ 292,742	\$ 4,171,676
TOTAL ASSETS	\$ 1,104,596	\$ 144,891	\$ 2,629,447	\$ 292,742	\$ 4,171,676
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	64,363	64,363
Drug Education	-	-	-	1,640	1,640
Preservation of Records	-	-	-	4,165	4,165
Debt Service	-	-	-	101,902	101,902
Committed to:					
Law Enforcement	-	-	-	88,954	88,954
Road Maintenance	-	144,891	-	-	144,891
Aid and Assistance	-	-	-	22,458	22,458
County Buildings	-	-	-	6,717	6,717
Property Appraisal	-	-	-	2,543	2,543
Assigned to:					
Other Purposes	-	-	2,629,447	-	2,629,447
Unassigned	1,104,596	-	-	-	1,104,596
TOTAL CASH BASIS FUND BALANCES	\$ 1,104,596	\$ 144,891	\$ 2,629,447	\$ 292,742	\$ 4,171,676

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, 2016

	General Fund	Road & Bridge Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$3,534,453	\$ -	\$ 1,078,242	\$ 356,903	\$ 4,969,598
Licenses and Permits	42,729	-	-	-	42,729
Investment Income	19,318	-	-	-	19,318
Intergovernmental	429,340	1,845,577	-	33,928	2,308,845
Charges for Services	418,192	130,160	-	33,114	581,466
Miscellaneous	20,451	58,677	-	58,349	137,477
TOTAL RECEIPTS	<u>4,464,483</u>	<u>2,034,414</u>	<u>1,078,242</u>	<u>482,294</u>	<u>8,059,433</u>
DISBURSEMENTS					
General Government	2,014,553	-	3,319	20,344	2,038,216
Public Safety	725,350	-	-	32,619	757,969
Public Works	88,667	4,528,821	-	-	4,617,488
Health and Sanitation	-	-	-	-	-
Public Assistance	67,808	-	-	-	67,808
Culture and Recreation	29,760	-	-	2,100	31,860
Debt Service:					
Principal Payments	-	-	-	350,200	350,200
Interest and Fiscal Charges	-	-	-	143,663	143,663
Capital Outlay	-	-	-	69,639	69,639
TOTAL DISBURSEMENTS	<u>2,926,138</u>	<u>4,528,821</u>	<u>3,319</u>	<u>618,565</u>	<u>8,076,843</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,538,345</u>	<u>(2,494,407)</u>	<u>1,074,923</u>	<u>(136,271)</u>	<u>(17,410)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,300,000	24,000	58,015	2,382,015
Transfers out	<u>(2,364,373)</u>	<u>-</u>	<u>-</u>	<u>(17,642)</u>	<u>(2,382,015)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,364,373)</u>	<u>2,300,000</u>	<u>24,000</u>	<u>40,373</u>	<u>-</u>
Net Change in Fund Balances	(826,028)	(194,407)	1,098,923	(95,898)	(17,410)
CASH BASIS FUND BALANCES - BEGINNING					
	<u>1,930,624</u>	<u>339,298</u>	<u>1,530,524</u>	<u>388,640</u>	<u>4,189,086</u>
CASH BASIS FUND BALANCES - ENDING					
	<u>\$ 1,104,596</u>	<u>\$ 144,891</u>	<u>\$ 2,629,447</u>	<u>\$ 292,742</u>	<u>\$ 4,171,676</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, 2016

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 674,638
 LIABILITIES	
Due to other governments	
State	143,519
Schools	167,200
Educational Service Units	1,843
Technical College	13,916
Natural Resource Districts	2,492
Fire Districts	13,926
Municipalities	36,308
Agricultural Society	748
Airport Authority	205
Townships	274,273
Others	20,208
TOTAL LIABILITIES	674,638
 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, 2016

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 \$30,832 toward the operation of the Region during fiscal year 2016. 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2016. 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) (Supp. 2015). 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 the following: 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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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 & Bridge 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.

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.

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

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 follows:

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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$172,070 of restricted net position, which is fully 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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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, 2016, disbursements exceeded budgeted appropriations in the Planning and Zoning and the County Attorney functions of the General Fund by \$4,877 and \$1,827, respectively, and in the Law Enforcement Center Bond Fund by \$17,611. These over-expenditures were funded by greater than anticipated receipts.

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 \$4,171,676 for County funds and \$674,638 for Fiduciary funds. The bank balances for all funds totaled \$5,333,529. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2016, 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.

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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes (Concluded)

The levy set in October 2015, for the 2015 taxes, which will be materially collected in May and September 2016, was set at \$.144174/\$100 of assessed valuation. The levy set in October 2014, for the 2014 taxes, which were materially collected in May and September 2015, was set at \$.166352/\$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, Supp. 2015) 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.

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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2016, 90 employees contributed \$96,259, and the County contributed \$143,403. Contributions included \$1,970 in cash contributions towards the supplemental law enforcement plan for six law enforcement employees. Lastly, the County paid \$2,184 directly to 14 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.

	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 2017. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2016, consisted of the following:

Transfers to	Transfers from		Total
	General Fund	Nonmajor Funds	
Road & Bridge Fund	\$ 2,300,000	\$ -	\$ 2,300,000
Inheritance Fund	24,000	-	24,000
Nonmajor Funds	40,373	17,642	58,015
Total	<u>\$ 2,364,373</u>	<u>\$ 17,642</u>	<u>\$ 2,382,015</u>

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

In the year ended June 30, 2016, the County made one-time transfers of \$9,246 and \$8,396 from the Building Fund to the Law Enforcement Center Bond Fund and Law Enforcement Center Fund, respectively, to correct payments initially claimed out of the incorrect Funds.

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:

	Asphalt Recycler	John Deere Motor Grader	Caterpillar Motor Grader	Total
Balance July 1, 2015	\$ 49,762	\$ 134,890	\$ -	\$ 184,652
Purchases	-	-	288,600	288,600
Payments	49,762	66,501	144,000	260,263
Balance June 30, 2016	<u>\$ -</u>	<u>\$ 68,389</u>	<u>\$ 144,600</u>	<u>\$ 212,989</u>
Future Payments:				
Year				
2017	\$ -	\$ 69,838	\$ 49,938	\$ 119,776
2018	-	-	49,938	49,938
2019	-	-	49,938	49,938
Total Payments	-	69,838	149,814	219,652
Less Interest	-	1,449	5,214	6,663
Present Value of Future Minimum Lease Payments	<u>\$ -</u>	<u>\$ 68,389</u>	<u>\$ 144,600</u>	<u>\$ 212,989</u>
Carrying Value of the Related Fixed Asset	<u>\$ 241,450</u>	<u>\$ 268,004</u>	<u>\$ 288,350</u>	<u>\$ 797,804</u>

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

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

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, 2016, was \$5,210,000. 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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 355,000	\$ 140,815	\$ 495,815
2018	355,000	137,087	492,087
2019	360,000	132,258	492,258
2020	365,000	126,090	491,090
2021	375,000	118,310	493,310
2022-2026	2,020,000	429,020	2,449,020
2027-2031	1,380,000	82,186	1,462,186
Total Payments	<u>\$ 5,210,000</u>	<u>\$ 1,165,766</u>	<u>\$ 6,375,766</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,827,704	\$ 3,827,704	\$ 3,534,453	\$ (293,251)
Licenses and Permits	24,400	24,400	42,729	18,329
Interest	10,000	10,000	19,318	9,318
Intergovernmental	104,949	104,949	429,340	324,391
Charges for Services	251,020	251,020	418,192	167,172
Miscellaneous	18,025	18,025	20,451	2,426
TOTAL RECEIPTS	<u>4,236,098</u>	<u>4,236,098</u>	<u>4,464,483</u>	<u>228,385</u>
DISBURSEMENTS				
General Government:				
County Board	108,400	108,400	107,357	1,043
County Clerk	137,945	137,945	130,928	7,017
County Treasurer	142,356	142,356	141,206	1,150
Register of Deeds	-	-	-	-
County Assessor	114,636	114,636	106,332	8,304
Election Commissioner	46,300	46,300	29,637	16,663
Planning and Zoning	13,328	13,328	18,205	(4,877)
Clerk of the District Court	95,523	95,523	87,157	8,366
County Court System	3,750	3,750	2,207	1,543
District Judge	6,200	6,200	3,308	2,892
Building and Grounds	113,250	113,250	100,917	12,333
Agricultural Extension Agent	66,075	66,075	56,972	9,103
Unemployment Contribution	20,000	20,000	8,415	11,585
Miscellaneous	1,535,480	1,535,480	1,221,912	313,568
Public Safety				
County Sheriff	639,199	639,199	613,484	25,715
County Attorney	91,244	91,244	93,071	(1,827)
Miscellaneous	18,795	18,795	18,795	-
Public Works				
Noxious Weed Control	120,306	120,306	88,667	31,639
Public Assistance				
Veterans' Service Officer	32,623	32,623	30,618	2,005
Relief	5,000	5,000	-	5,000
Institutions	4,000	4,000	2,196	1,804
Miscellaneous	37,994	37,994	34,994	3,000
Culture and Recreation				
Historical Society	14,300	14,300	10,452	3,848
Miscellaneous	20,308	20,308	19,308	1,000
TOTAL DISBURSEMENTS	<u>3,387,012</u>	<u>3,387,012</u>	<u>2,926,138</u>	<u>460,874</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	849,086	849,086	1,538,345	689,259
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,586,901)	(2,586,901)	(2,364,373)	222,528
TOTAL OTHER FINANCING SOURCES (USES)	(2,586,901)	(2,586,901)	(2,364,373)	222,528
Net Change in Fund Balance	(1,737,815)	(1,737,815)	(826,028)	911,787
FUND BALANCE - BEGINNING	1,937,815	1,937,815	1,930,624	(7,191)
FUND BALANCE - ENDING	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 1,104,596</u>	<u>\$ 904,596</u>

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD & BRIDGE FUND				
RECEIPTS				
Intergovernmental	\$ 1,760,757	\$ 1,760,757	\$ 1,845,577	\$ 84,820
Charges for Services	80,000	80,000	130,160	50,160
Miscellaneous	10,000	10,000	58,677	48,677
TOTAL RECEIPTS	<u>1,850,757</u>	<u>1,850,757</u>	<u>2,034,414</u>	<u>183,657</u>
DISBURSEMENTS	<u>4,550,093</u>	<u>4,550,093</u>	<u>4,528,821</u>	<u>21,272</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,699,336)</u>	<u>(2,699,336)</u>	<u>(2,494,407)</u>	<u>204,929</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,536,961	2,536,961	2,300,000	(236,961)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,536,961</u>	<u>2,536,961</u>	<u>2,300,000</u>	<u>(236,961)</u>
Net Change in Fund Balance	(162,375)	(162,375)	(194,407)	(32,032)
FUND BALANCE - BEGINNING	<u>339,298</u>	<u>339,298</u>	<u>339,298</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 176,923</u>	<u>\$ 176,923</u>	<u>\$ 144,891</u>	<u>\$ (32,032)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 445,476	\$ 445,476	\$ 1,078,242	\$ 632,766
TOTAL RECEIPTS	<u>445,476</u>	<u>445,476</u>	<u>1,078,242</u>	<u>632,766</u>
DISBURSEMENTS	<u>2,000,000</u>	<u>2,000,000</u>	<u>3,319</u>	<u>1,996,681</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,554,524)</u>	<u>(1,554,524)</u>	<u>1,074,923</u>	<u>2,629,447</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,000	24,000	24,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Net Change in Fund Balance	(1,530,524)	(1,530,524)	1,098,923	2,629,447
FUND BALANCE - BEGINNING	<u>1,530,524</u>	<u>1,530,524</u>	<u>1,530,524</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,629,447</u>	<u>\$ 2,629,447</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT CENTER BOND FUND				
Receipts	\$ 247,170	\$ 247,170	\$ 325,437	\$ 78,267
Disbursements	(495,300)	(495,300)	(512,911)	(17,611)
Transfers in	-	-	29,246	29,246
Transfers out	-	-	-	-
Net Change in Fund Balance	(248,130)	(248,130)	(158,228)	89,902
Fund Balance - Beginning	260,130	260,130	260,130	-
Fund Balance - Ending	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 101,902</u>	<u>\$ 89,902</u>
VISITORS PROMOTION FUND				
Receipts	\$ 5,826	\$ 5,826	\$ 5,239	\$ (587)
Disbursements	(35,000)	(35,000)	(600)	34,400
Net Change in Fund Balance	(29,174)	(29,174)	4,639	33,813
Fund Balance - Beginning	29,174	29,174	29,174	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,813</u>	<u>\$ 33,813</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 8,189	\$ 8,189	\$ 5,239	\$ (2,950)
Disbursements	(35,000)	(35,000)	(1,500)	33,500
Net Change in Fund Balance	(26,811)	(26,811)	3,739	30,550
Fund Balance - Beginning	26,811	26,811	26,811	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,550</u>	<u>\$ 30,550</u>
REAPPRAISAL FUND				
Receipts	\$ 15,660	\$ 15,660	\$ 12,288	\$ (3,372)
Disbursements	(19,750)	(19,750)	(16,835)	2,915
Net Change in Fund Balance	(4,090)	(4,090)	(4,547)	(457)
Fund Balance - Beginning	7,090	7,090	7,090	-
Fund Balance - Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 2,543</u>	<u>\$ (457)</u>
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 9,438	\$ 9,438	\$ 7,112	\$ (2,326)
Disbursements	(10,000)	(10,000)	(3,509)	6,491
Net Change in Fund Balance	(562)	(562)	3,603	4,165
Fund Balance - Beginning	562	562	562	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,165</u>	<u>\$ 4,165</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS AID FUND				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(19,457)	(19,457)	-	19,457
Net Change in Fund Balance	(19,457)	(19,457)	1	19,458
Fund Balance - Beginning	22,457	22,457	22,457	-
Fund Balance - Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 22,458</u>	<u>\$ 19,458</u>
JUVENILE DIVERSION FUND				
Receipts	\$ 13,331	\$ 13,331	\$ 469	\$ (12,862)
Disbursements	(13,331)	(13,331)	(403)	12,928
Net Change in Fund Balance	-	-	66	66
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 66</u>
STOP PROGRAM FUND				
Receipts	\$ 1,418	\$ 1,418	\$ 1,975	\$ 557
Disbursements	(7,995)	(7,995)	-	7,995
Net Change in Fund Balance	(6,577)	(6,577)	1,975	8,552
Fund Balance - Beginning	6,577	6,577	6,577	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,552</u>	<u>\$ 8,552</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>
LAW ENFORCEMENT CENTER FUND				
Receipts	\$ 70,000	\$ 70,000	\$ 82,376	\$ 12,376
Disbursements	(70,000)	(70,000)	(30,809)	39,191
Transfers in	-	-	28,769	28,769
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	80,336	80,336
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,336</u>	<u>\$ 80,336</u>

(Continued)

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
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>
BUILDING FUND				
Receipts	\$ 46,861	\$ 46,861	\$ 42,158	\$ (4,703)
Disbursements	(92,000)	(92,000)	(51,998)	40,002
Transfers in	25,940	25,940	-	(25,940)
Transfers out	-	-	(17,642)	(17,642)
Net Change in Fund Balance	(19,199)	(19,199)	(27,482)	(8,283)
Fund Balance - Beginning	34,199	34,199	34,199	-
Fund Balance - Ending	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 6,717</u>	<u>\$ (8,283)</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, 2016

	Law Enforcement Center Bond Fund	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund
RECEIPTS				
Property Taxes	\$ 298,930	\$ 5,239	\$ 5,239	\$ 10,537
Intergovernmental	26,507	-	-	1,751
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>325,437</u>	<u>5,239</u>	<u>5,239</u>	<u>12,288</u>
DISBURSEMENTS				
General Government	-	-	-	16,835
Public Safety	1,407	-	-	-
Culture and Recreation	-	600	1,500	-
Debt Service:				
Principal Payments	350,200	-	-	-
Interest and Fiscal Charges	143,663	-	-	-
Capital Projects	17,641	-	-	-
TOTAL DISBURSEMENTS	<u>512,911</u>	<u>600</u>	<u>1,500</u>	<u>16,835</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(187,474)</u>	<u>4,639</u>	<u>3,739</u>	<u>(4,547)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	29,246	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>29,246</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(158,228)	4,639	3,739	(4,547)
FUND BALANCES - BEGINNING	<u>260,130</u>	<u>29,174</u>	<u>26,811</u>	<u>7,090</u>
FUND BALANCES - ENDING	<u>\$ 101,902</u>	<u>\$ 33,813</u>	<u>\$ 30,550</u>	<u>\$ 2,543</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	33,813	30,550	-
Drug Education	-	-	-	-
Preservation of Records	-	-	-	-
Debt Service	101,902	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings	-	-	-	-
Property Appraisal	-	-	-	2,543
TOTAL FUND BALANCES	<u>\$ 101,902</u>	<u>\$ 33,813</u>	<u>\$ 30,550</u>	<u>\$ 2,543</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, 2016

	Register of Deeds Preservation Fund	Veterans Aid Fund	Juvenile Diversion Fund	STOP Program Fund	Federal Grants Fund
RECEIPTS					
Property Taxes	\$ -	\$ 1	\$ -	\$ -	\$ -
Intergovernmental	-	-	469	-	-
Charges for Services	7,112	-	-	1,975	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>7,112</u>	<u>1</u>	<u>469</u>	<u>1,975</u>	<u>-</u>
DISBURSEMENTS					
General Government	3,509	-	-	-	-
Public Safety	-	-	403	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>3,509</u>	<u>-</u>	<u>403</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,603</u>	<u>1</u>	<u>66</u>	<u>1,975</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,603	1	66	1,975	-
FUND BALANCES - BEGINNING	<u>562</u>	<u>22,457</u>	<u>-</u>	<u>6,577</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,165</u>	<u>\$ 22,458</u>	<u>\$ 66</u>	<u>\$ 8,552</u>	<u>\$ -</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	4,165	-	-	-	-
Debt Service	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	66	8,552	-
Aid and Assistance	-	22,458	-	-	-
County Buildings	-	-	-	-	-
Property Appraisal	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 4,165</u>	<u>\$ 22,458</u>	<u>\$ 66</u>	<u>\$ 8,552</u>	<u>\$ -</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, 2016

	Law Enforcement Center Fund	Drug Forfeiture Fund	Building Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ -	\$36,957	\$ 356,903
Intergovernmental	-	-	5,201	33,928
Charges for Services	24,027	-	-	33,114
Miscellaneous	58,349	-	-	58,349
TOTAL RECEIPTS	<u>82,376</u>	<u>-</u>	<u>42,158</u>	<u>482,294</u>
DISBURSEMENTS				
General Government	-	-	-	20,344
Public Safety	30,809	-	-	32,619
Culture and Recreation	-	-	-	2,100
Debt Service:				-
Principal Payments	-	-	-	350,200
Interest and Fiscal Charges	-	-	-	143,663
Capital Projects	-	-	51,998	69,639
TOTAL DISBURSEMENTS	<u>30,809</u>	<u>-</u>	<u>51,998</u>	<u>618,565</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>51,567</u>	<u>-</u>	<u>(9,840)</u>	<u>(136,271)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	28,769	-	-	58,015
Transfers out	-	-	(17,642)	(17,642)
TOTAL OTHER FINANCING SOURCES (USES)	<u>28,769</u>	<u>-</u>	<u>(17,642)</u>	<u>40,373</u>
Net Change in Fund Balances	80,336	-	(27,482)	(95,898)
FUND BALANCES - BEGINNING	<u>-</u>	<u>1,640</u>	<u>34,199</u>	<u>388,640</u>
FUND BALANCES - ENDING	<u>\$ 80,336</u>	<u>\$ 1,640</u>	<u>\$ 6,717</u>	<u>\$ 292,742</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	64,363
Drug Education	-	1,640	-	1,640
Preservation of Records	-	-	-	4,165
Debt Service	-	-	-	101,902
Committed to:				
Law Enforcement	80,336	-	-	88,954
Aid and Assistance	-	-	-	22,458
County Buildings	-	-	6,717	6,717
Property Appraisal	-	-	-	2,543
TOTAL FUND BALANCES	<u>\$ 80,336</u>	<u>\$ 1,640</u>	<u>\$ 6,717</u>	<u>\$ 292,742</u>

(Concluded)

ANTELOPE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2016

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Veterans' Service Officer	County Planning and Zoning	Total
BALANCES JULY 1, 2015	\$ 8,498	\$ 226,407	\$ 12,194	\$ 2,657	\$ 375	\$ 1,942	\$ -	\$ 252,073
RECEIPTS								
Licenses and Permits	760	-	1,439	-	-	-	12,530	14,729
Charges for Services	76,669	9,815	137,527	2,150	3,279	-	-	229,440
Miscellaneous	-	-	18,675	-	-	2	-	18,677
State Fees	84,003	8,092	-	-	-	-	-	92,095
Other Liabilities	102	1,972,112	81,509	2,228	-	-	-	2,055,951
TOTAL RECEIPTS	161,534	1,990,019	239,150	4,378	3,279	2	12,530	2,410,892
DISBURSEMENTS								
Payments to County Treasurer	75,817	10,069	148,170	2,285	2,530	-	12,530	251,401
Payments to State Treasurer	77,870	8,272	-	-	-	-	-	86,142
Other Liabilities	102	2,186,710	89,350	2,372	-	-	-	2,278,534
TOTAL DISBURSEMENTS	153,789	2,205,051	237,520	4,657	2,530	-	12,530	2,616,077
BALANCES JUNE 30, 2016	<u>\$ 16,243</u>	<u>\$ 11,375</u>	<u>\$ 13,824</u>	<u>\$ 2,378</u>	<u>\$ 1,124</u>	<u>\$ 1,944</u>	<u>\$ -</u>	<u>\$ 46,888</u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 7,279	\$ 349	\$ 12,507	\$ 150	\$ 1,024	\$ 1,944	\$ -	\$ 23,253
Petty Cash	50	250	725	600	100	-	-	1,725
Due to State Treasurer	8,914	516	-	-	-	-	-	9,430
Due to Others	-	10,260	592	1,628	-	-	-	12,480
BALANCES JUNE 30, 2016	<u>\$ 16,243</u>	<u>\$ 11,375</u>	<u>\$ 13,824</u>	<u>\$ 2,378</u>	<u>\$ 1,124</u>	<u>\$ 1,944</u>	<u>\$ -</u>	<u>\$ 46,888</u>

ANTELOPE COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2016

Item	2011	2012	2013	2014	2015
Tax Certified by Assessor					
Real Estate	\$ 16,333,933	\$ 18,116,467	\$ 19,439,141	\$ 21,970,397	\$ 22,082,402
Personal and Specials	1,395,663	1,678,827	1,834,483	1,607,273	1,657,312
Total	17,729,596	19,795,294	21,273,624	23,577,670	23,739,714
Corrections					
Additions	12,950	15,858	37,203	22,865	17,542
Deductions	(22,802)	(39,637)	(48,583)	(29,078)	(14,198)
Net Additions/ (Deductions)	(9,852)	(23,779)	(11,380)	(6,213)	3,344
Corrected Certified Tax	17,719,744	19,771,515	21,262,244	23,571,457	23,743,058
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2012	10,806,327	-	-	-	-
June 30, 2013	6,889,823	12,446,405	-	-	-
June 30, 2014	12,752	7,298,786	13,385,858	-	-
June 30, 2015	4,817	14,447	7,847,729	15,152,674	-
June 30, 2016	3,972	7,655	20,107	8,406,255	15,575,295
Total Net Collections	17,717,691	19,767,293	21,253,694	23,558,929	15,575,295
Total Uncollected Tax	\$ 2,053	\$ 4,222	\$ 8,550	\$ 12,528	\$ 8,167,763
Percentage Uncollected Tax	0.01%	0.02%	0.04%	0.05%	34.40%

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, 2016, 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 17, 2016. 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 17, 2016.

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.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

November 17, 2016



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 17, 2016

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, 2016, and have issued our report thereon dated November 17, 2016. 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

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. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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 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

Related Party Transactions

During testing, the APA noted that three Board members did not comply with the relevant provisions of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat §§ 49-1401 to 49-14141 (Reissue 2010, Cum. Supp. 2014), applicable to voting on claims paid to related parties during the year. The following is a summary of the payments by party:

Supervisor	Related Party	Relationship	Total Claims
Supervisor Schindler	Employee of County	Spouse	\$ 19,554
Supervisor Schindler	Employee of County	Daughter	\$ 17,871
		Total Paid	\$ 37,425

Section 49-1499.03 of the Act, states, in relevant part, the following:

(1)(a) An official of a political subdivision designated in section 49-1493 who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated . . . shall take the following actions as soon as he or she is aware of such potential conflict or should reasonably be aware of such potential conflict, whichever is sooner:

(i) Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict; and

(ii) Deliver a copy of the statement to the commission and to the person in charge of keeping records for the political subdivision who shall enter the statement onto the public records of the subdivision.

(b) The official shall take such action as the commission shall advise or prescribe to remove himself or herself from influence over the action or decision on the matter.

Section 49-1493(10) specifically designates an “elected county official.” Likewise, § 49-1425 defines “immediate family” as “a child residing in an individual's household, a spouse of an individual, or an individual claimed by that individual or that individual's spouse as a dependent for federal income tax purposes.”

Furthermore, the Board has direct supervision over Supervisor Schindler’s spouse; however, no Accountability and Disclosure Form C-4 (“Employment of Immediate Family Members Disclosure Statement”) or other written disclosure was on file with the Secretary of the County Board.

Section 49-1499.04(1) of the Act provides the following:

An official or employee of a political subdivision may employ or recommend or supervise the employment of an immediate family member if (a) he or she does not abuse his or her official position as described in section 49-1499.05, (b) he or she makes a full disclosure on the record to the governing body of the political subdivision and a written disclosure to the person in charge of keeping records for the governing body, and (c) the governing body of the political subdivision approves the employment or supervisory position.

Finally, it should be noted that § 49-14,100 of the Act offers a mechanism for obtaining from the Nebraska Accountability and Disclosure Commission (Commission) guidance regarding compliance matters, as follows:

Any person who is in doubt as to the propriety of action proposed to be taken by him may apply to the commission for an advisory opinion relating thereto, and the commission shall have authority to render such opinions. When an advisory opinion is issued pursuant to a complete and accurate request, such opinion shall be a complete defense to any charge of violation of sections 49-1493 to 49-14,104 as to any action taken strictly subject to the terms of such opinion.

We recommend the County Board implement procedures to ensure that Board members adhere to the requirements of the Act when voting on claims paid to related parties or employing, recommending, or supervising the employment of such parties. Additionally, when in question as to compliance with the provisions of the Act, we recommend the County Board seek guidance from the Commission.

Expenditures in Excess of Budget

The disbursements in the Planning and Zoning function and County Attorney function within the General Fund exceeded the adopted budget by \$4,877 and \$1,827, respectively. Furthermore, the Law Enforcement Center Bond Fund disbursements exceeded the adopted budget by \$17,611, with no budget amendment approved by the County Board.

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

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 Board implement procedures to monitor closely disbursements 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.

Approval of Transfers

During the fiscal year, transfers between funds, totaling \$2,358,015, were completed without specific County Board approval. The County Board approved a blanket authorization form at the beginning of the calendar year for the County Clerk and County Treasurer to make transfers whenever necessary.

Good internal control and sound accounting practice require the County Board to be aware of financial situations and to approve such transfers prior to the transfer actually occurring. When transfers are not appropriately authorized by the Board, there is an increased risk that the County Board will not be fully apprised of the financial status of the funds.

We recommend the County Board implement procedures to ensure that all transfers between funds are approved and documented prior to taking place.

Inventory Policy and Filings

During our audit, we noted documentation was not on file to show that 19 of the 21 County Offices filed their inventories with the County Clerk by August 31, 2016. Furthermore, we noted the County Board had not developed a policy for consistently inventorying County assets.

Neb. Rev. Stat. § 23-347 (Reissue 2012) states the following:

Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer. The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.

Additionally, good internal controls require that standardized policies be established to ensure all offices use the same guidelines when filing inventory statements of 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 for consistently inventorying County assets and ensuring that all such inventories are filed with the County Clerk in accordance with State statute.

COUNTY CLERK

Bond Forfeitures

In the prior year, we reported that \$4,365 in bond forfeiture money was paid to the County General Fund rather than to the School Fines Fund. During this audit, we noted the County attempted to correct the error, but the monies were paid and remitted once again to the General Fund and have not yet been distributed to the County Schools.

Neb. Rev. Stat § 29-2708 (Reissue 2008) states, in relevant part, "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 the County correct the error noted and implement procedures to ensure bond forfeitures are deposited into the School Fines Fund for proper distribution.

Financial Discrepancies

During the audit, we noted multiple financial discrepancies between the disbursements recorded in the County Clerk's claim records and the actual disbursements by the County Treasurer. A majority of these discrepancies were due to transfers completed by the County Treasurer that were not recorded by the County Clerk. The remaining variances were largely due to miscommunications between the County Clerk and the County Treasurer regarding the correct fund for the payment of claims. The following summarizes the discrepancies noted:

- In the General Fund, the County Treasurer's records showed transfers out of \$44,373 more than indicated by the County Clerk's records.
- The disbursements in the Road and Bridge Fund and Building Fund were reflected \$28 and \$1,122 higher, respectively, in the County Clerk's records than the actual disbursements recorded in the County Treasurer's records. The variance was a result of voided checks not being correctly recorded.
- The County Treasurer disbursed \$19,048 from the Law Enforcement Center Bond Fund; however, due to a miscommunication between the offices, the County Clerk recorded disbursements of \$17,642 from the Building Fund and \$1,406 from the Law Enforcement Center Fund.

Good internal control and sound accounting practices require the County Clerk's claim records and the County Treasurer's actual disbursements to agree. Without such consistency, there is an increased risk of loss, theft, or misuse of County funds.

We recommend the County Clerk implement procedures to ensure all claim activity is accurately recorded into the disbursement system and reconciles to the County Treasurer's actual disbursements.

COUNTY ATTORNEY

Attorney Accounting Procedures

During our audit, we noted the following:

- Monthly reconciliations between the bank balance and the office records were not completed, resulting in an unknown variance of \$58 from prior years in the restitution account.
- Interest earned from the petty cash bank account, totaling \$10, was not properly remitted to the County.
- Two checks, totaling \$39, have remained unclaimed for more than three years and are past due for being reported as unclaimed property.

- Two reimbursement claims for petty cash, totaling, \$289, were not deposited timely. Deposits were made 168 and 191 days after reimbursement of expenses by the County.
- An accurate book balance was unable to be determined, as receipts were issued only when money was received in the form of cash. Furthermore, receipt activity was recorded in the accounting records only prior to making the deposit.
- Money was held and not deposited or remitted to the County Treasurer in a timely manner.
 - Three checks from the Antelope County Clerk of the District Court, totaling \$150, were not deposited into the bank account for 101 and 144 days after the checks were written.
 - One cash receipt for \$108, received on May 4, 2016, had not been deposited as of October 26, 2016, or 174 days after the amount was received.
 - One cash receipt for \$52 was deposited 57 days after it was received.
 - Checks received for the Safety Training Option Program were held up to 228 days before being remitted to the County Treasurer.
- For one \$250 receipt tested, the case file could not be located to ensure the correct amount was collected and paid out.
- Collections for restitution were not disbursed to the proper individuals in a timely manner. As of June 30, 2016, the County Attorney was holding \$1,520, which was received as far back as September 5, 2013.

The Uniform Disposition of Unclaimed Property Act (Act) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2014). Section 69-1307.01 of the Act states that intangible personal property held by public entities or political subdivisions that remains unclaimed for more than three years is presumed abandoned. Section 69-1310 requires such items to 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(1) (Reissue 2012) states, in relevant part “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”

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

We recommend the County Attorney reconcile the accounting records to the bank balance on a monthly basis and follow up on any variances. We also recommend outstanding checks be followed up on and unclaimed property laws be followed. Further, we recommend receipts be issued when money is received and deposits be made in a timely manner. We also recommend restitution funds be paid out timely to the proper individuals and petty cash claims be deposited in a timely manner.

COUNTY SHERIFF

Sheriff Balancing Procedures

During the audit, we noted the following issues with the County Sheriff's accounting procedures:

- The County Sheriff had an unknown balance in the bank account at June 30, 2016, totaling \$6,190. The office was unable to provide an accurate listing of accounts payable to fully determine the proper recipients of these funds.
- Receipts totaling \$2,400, received between September and December 2015, for Social Security payments of an inmate, were not properly remitted to the County Treasurer. As of October 27, 2016, these funds had not yet been remitted.

Sound accounting practices and good internal control require procedures to 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.

The failure to account appropriately for all monies received and to determine asset-to-liability balancing variances increases the 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.

COUNTY TREASURER

1957 In Lieu of Tax Distribution

During the audit, we noted the County Treasurer is not accurately distributing \$3,895 of in lieu taxes in accordance with State statute. The funds received from the public power districts of the County were distributed only to the school districts, municipalities, and County funds.

Neb. Rev. Stat. § 70-651.02 (Reissue 2009) states, in relevant part, the following:

The officer receiving payment under section 70-651.01 shall distribute to the state and to each governmental subdivision of the state entitled thereto a part of such payment equivalent to that part of the payment which it received in 1957 in lieu of taxes for property located within its boundaries.

We recommend the County Treasurer implement procedures to ensure that all payments received from the public power districts of the County are properly distributed according to State statute.

COUNTY WEED SUPERINTENDENT

Petty Cash Reimbursements

During the fiscal year, we noted the Weed Superintendent only requested one petty cash reimbursement, totaling \$85, for which 15 individual expenses were incurred between 113 to 412 days prior to the request for reimbursement. We also noted 7 petty cash expense receipts, totaling \$38, on hand that had not yet been claimed to the County Board for which expenses were incurred between 199 and 409 days prior to October 27, 2016.

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”

We recommend the County Weed Superintendent implement procedures to ensure each claim for reimbursement of expenses is submitted within 90 days of when the expense was incurred.

* * * * *

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