

**AUDIT REPORT
OF
ANTELOPE COUNTY**

JULY 1, 2016, THROUGH JUNE 30, 2017

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Issued on January 17, 2018

ANTELOPE COUNTY

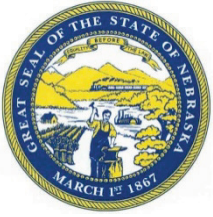
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ANTELOPE COUNTY
501 Main Street
Neligh, NE 68756

LIST OF COUNTY OFFICIALS
At June 30, 2017

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Jerald Schwager	Jan. 2019
	Eli Jacob	Jan. 2021
	Charles Henery	Jan. 2021
	Eddie Schindler	Jan. 2019
	LeRoy Kerkman	Jan. 2019
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



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ANTELOPE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
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, 2017, 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, 2017, 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

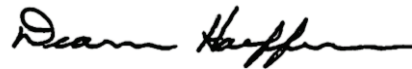
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes 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 20-31, 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 January 11, 2018, 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.

January 11, 2018



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

ANTELOPE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2017

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 5,081,383
TOTAL ASSETS	\$ 5,081,383
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 66,197
Drug Education	1,640
Preservation of Records	6,314
Debt Service	530,445
Unrestricted	4,476,787
TOTAL NET POSITION	\$ 5,081,383

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, 2017

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	\$ (2,385,238)	\$ 331,872	\$ 14,264	\$ (2,039,102)
Public Safety	(937,548)	273,756	-	(663,792)
Public Works	(4,999,752)	75,186	1,935,104	(2,989,462)
Public Assistance	(34,647)	-	-	(34,647)
Culture and Recreation	(15,889)	-	-	(15,889)
Debt Payments	(496,215)	-	-	(496,215)
Total Governmental Activities	\$ (8,869,289)	\$ 680,814	\$ 1,949,368	(6,239,107)

General Receipts:

Property Taxes	5,550,850
Grants and Contributions Not Restricted to Specific Programs	889,188
Investment Income	21,869
Licenses and Permits	71,967
Road & Bridge Damage Settlements	482,991
Miscellaneous	131,949
Total General Receipts	7,148,814
 Increase in Net Position	 909,707
Net Position - Beginning of year	4,171,676
Net Position - End of year	\$ 5,081,383

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, 2017

	General Fund	Road & Bridge Fund	Inheritance Fund	Law Enforcement Center Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 1,048,047	\$ 9,749	\$ 3,166,211	\$ 530,445	\$ 326,931	\$ 5,081,383
TOTAL ASSETS	<u>\$ 1,048,047</u>	<u>\$ 9,749</u>	<u>\$ 3,166,211</u>	<u>\$ 530,445</u>	<u>\$ 326,931</u>	<u>\$ 5,081,383</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	66,197	66,197
Drug Education	-	-	-	-	1,640	1,640
Preservation of Records	-	-	-	-	6,314	6,314
Debt Service	-	-	-	530,445	-	530,445
Committed to:						
Law Enforcement	-	-	-	-	193,764	193,764
Road Maintenance	-	9,749	-	-	-	9,749
Aid and Assistance	-	-	-	-	22,458	22,458
County Buildings	-	-	-	-	30,550	30,550
Property Appraisal	-	-	-	-	6,008	6,008
Assigned to:						
Other Purposes	-	-	3,166,211	-	-	3,166,211
Unassigned	1,048,047	-	-	-	-	1,048,047
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,048,047</u>	<u>\$ 9,749</u>	<u>\$ 3,166,211</u>	<u>\$ 530,445</u>	<u>\$ 326,931</u>	<u>\$ 5,081,383</u>

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, 2017

	General Fund	Road & Bridge Fund	Inheritance Fund	Law Enforcement Center Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$3,937,620	\$ -	\$ 964,945	\$ 549,120	\$ 99,165	\$ 5,550,850
Licenses and Permits	71,967	-	-	-	-	71,967
Investment Income	21,869	-	-	-	-	21,869
Intergovernmental	743,657	1,949,607	-	126,127	19,165	2,838,556
Charges for Services	347,236	75,186	-	-	258,392	680,814
Miscellaneous	28,306	567,944	-	-	18,690	614,940
TOTAL RECEIPTS	5,150,655	2,592,737	964,945	675,247	395,412	9,778,996
DISBURSEMENTS						
General Government	2,274,392	-	-	-	110,846	2,385,238
Public Safety	768,917	-	-	-	168,631	937,548
Public Works	93,098	4,906,654	-	-	-	4,999,752
Public Assistance	34,647	-	-	-	-	34,647
Culture and Recreation	8,989	-	-	-	6,900	15,889
Debt Service:						
Principal Payments	-	-	178,000	177,000	-	355,000
Interest and Fiscal Charges	-	-	71,406	69,809	-	141,215
TOTAL DISBURSEMENTS	3,180,043	4,906,654	249,406	246,809	286,377	8,869,289
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,970,612	(2,313,917)	715,539	428,438	109,035	909,707
OTHER FINANCING SOURCES (USES)						
Transfers in	-	2,178,775	-	105	27,056	2,205,936
Transfers out	(2,027,161)	-	(178,775)	-	-	(2,205,936)
TOTAL OTHER FINANCING SOURCES (USES)	(2,027,161)	2,178,775	(178,775)	105	27,056	-
Net Change in Fund Balances	(56,549)	(135,142)	536,764	428,543	136,091	909,707
CASH BASIS FUND BALANCES - BEGINNING	1,104,596	144,891	2,629,447	101,902	190,840	4,171,676
CASH BASIS FUND BALANCES - ENDING	\$ 1,048,047	\$ 9,749	\$ 3,166,211	\$ 530,445	\$ 326,931	\$ 5,081,383

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

ANTELOPE COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
 June 30, 2017

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 704,148
 LIABILITIES	
Due to other governments	
State	142,761
Schools	146,434
Educational Service Units	1,815
Technical College	13,012
Natural Resource Districts	2,326
Fire Districts	12,483
Municipalities	26,941
Agricultural Society	715
Airport Authority	353
Townships	349,483
Others	7,825
TOTAL LIABILITIES	704,148
 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, 2017

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 \$42,383 toward the operation of the Region during fiscal year 2017. 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 the 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. 2016, Supp. 2017).

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 2017. 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. 2017). Financial information for the Department is available in that report.

Antelope County 911 Emergency Service System – The County has entered into an agreement with the Antelope County 911 Emergency Service System (System) to establish a County-wide 911 service. Participating members of the System are the cities of Neligh and Elgin, and the villages of Oakdale, Clearwater, Brunswick, Orchard, and Royal.

The System’s governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by 911 surcharges collected by the State of Nebraska and local telephone companies. The County did not contribute any additional funds toward the operation of the System during the fiscal year. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The System has an agreed-upon procedures engagement performed on its financial schedule. Financial information for the System is available in that report.

Region 11 Emergency Management (Region) – The County has entered into an agreement with the governing boards of Madison County, Pierce County, and the City of Norfolk to provide services to carry out the provisions of the Emergency Management Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under Neb. Rev. Stat. §§ 81-829.36 to 81-829.75 (Reissue 2014, Cum. Supp. 2016). The governing board for the Region is established by statute and the agreement includes representatives from the participating member boards. Each member contributes to the financial support of the Region based on formulas developed by the agreement. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$19,751 toward the operation of the Region during fiscal year 2017. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Law Enforcement Center Bond Fund. This fund is used to account for the resources for, and payment of, general long-term debt principal, interest, and related costs of bonds issued for the purpose of paying the costs of building a new law enforcement facility.

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.

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.

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.

ANTELOPE 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-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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$604,596 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 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, 2017, disbursements exceeded budgeted appropriations in the Agricultural Extension Agent function of the General Fund by \$378. These over-expenditures were funded by the available fund balance in the General Fund.

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).

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. **Deposits and Investments** (Concluded)

At year end, the County's carrying amount of deposits was \$5,081,383 for County funds and \$704,148 for Fiduciary funds. The bank balances for all funds totaled \$6,225,151. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2017, 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.

The levy set in October 2016, for the 2016 taxes, which will be materially collected in May and September 2017, was set at \$.194740/\$100 of assessed valuation. The levy set in October 2015, for the 2015 taxes, which were materially collected in May and September 2016, was set at \$.144174/\$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. 2016, Supp. 2017) 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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, 2017, 98 employees contributed \$99,609, and the County contributed \$148,329. Contributions included \$2,168 in cash contributions towards the supplemental law enforcement plan for seven law enforcement employees. Lastly, the County paid \$2,304 directly to 16 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 89 counties and local governments 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Risk Management (Concluded)

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 2018. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following:

<u>Transfers to</u>	Transfers from		Total
	General Fund	Inheritance Fund	
Road & Bridge Fund	\$ 2,000,000	\$ 178,775	\$ 2,178,775
Law Enforcement Center Bond Fund	105	-	105
Nonmajor Funds	27,056	-	27,056
Total	<u>\$ 2,027,161</u>	<u>\$ 178,775</u>	<u>\$ 2,205,936</u>

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

7. Capital Leases Payable

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

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

	John Deere Motor Grader	Caterpillar Motor Grader	Total
Balance July 1, 2016	\$ 68,389	\$ 144,600	\$ 212,989
Purchases	-	-	-
Payments	68,389	144,600	212,989
Balance June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrying Value of the Related Fixed Asset	<u>\$ 268,004</u>	<u>\$ 288,350</u>	<u>\$ -</u>

8. **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, 2017, was \$4,855,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
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	380,000	109,057	489,057
2023-2027	2,085,000	364,794	2,449,794
2028-2029	935,000	37,355	972,355
Total Payments	<u>\$ 4,855,000</u>	<u>\$ 1,024,951</u>	<u>\$ 5,879,951</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 4,553,247	\$ 4,553,247	\$ 3,937,620	\$ (615,627)
Licenses and Permits	28,400	28,400	71,967	43,567
Interest	12,000	12,000	21,869	9,869
Intergovernmental	326,300	326,300	743,657	417,357
Charges for Services	268,345	268,345	347,236	78,891
Miscellaneous	104,800	104,800	28,306	(76,494)
TOTAL RECEIPTS	<u>5,293,092</u>	<u>5,293,092</u>	<u>5,150,655</u>	<u>(142,437)</u>
DISBURSEMENTS				
General Government:				
County Board	98,400	98,400	93,973	4,427
County Clerk	144,474	144,474	143,171	1,303
County Treasurer	144,301	144,301	142,911	1,390
County Assessor	121,332	121,332	111,408	9,924
Election Commissioner	31,400	31,400	27,548	3,852
Building and Zoning	35,400	35,400	23,725	11,675
Clerk of the District Court	99,444	99,444	94,322	5,122
County Court System	3,750	3,750	2,221	1,529
District Judge	3,637	3,637	3,542	95
Building and Grounds	113,650	113,650	108,416	5,234
Agricultural Extension Agent	69,775	69,775	70,153	(378)
Unemployment Contribution	20,000	20,000	7,733	12,267
Miscellaneous	1,747,019	1,747,019	1,445,269	301,750
Public Safety				
County Sheriff	673,483	673,483	671,883	1,600
County Attorney	111,540	111,540	97,034	14,506
Public Works				
Noxious Weed Control	121,621	121,621	93,098	28,523
Public Assistance				
Veterans' Service Officer	33,544	33,544	32,144	1,400
Institutions	4,000	4,000	2,503	1,497
Relief	5,000	5,000	-	5,000
Culture and Recreation				
Historical Society	14,500	14,500	8,989	5,511
TOTAL DISBURSEMENTS	<u>3,596,270</u>	<u>3,596,270</u>	<u>3,180,043</u>	<u>416,227</u>
EXCESS (DEFICIENCY) OF RECEIPTS				
OVER DISBURSEMENTS	<u>1,696,822</u>	<u>1,696,822</u>	<u>1,970,612</u>	<u>273,790</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(2,601,418)</u>	<u>(2,601,418)</u>	<u>(2,027,161)</u>	<u>574,257</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,601,418)</u>	<u>(2,601,418)</u>	<u>(2,027,161)</u>	<u>574,257</u>
Net Change in Fund Balance	(904,596)	(904,596)	(56,549)	848,047
FUND BALANCE - BEGINNING	<u>1,104,596</u>	<u>1,104,596</u>	<u>1,104,596</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 200,000</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ 1,048,047</u></u>	<u><u>\$ 848,047</u></u>

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD & BRIDGE FUND				
RECEIPTS				
Intergovernmental	\$ 1,856,891	\$ 1,856,891	\$ 1,949,607	\$ 92,716
Charges for Services	75,000	75,000	75,186	186
Miscellaneous	610,000	610,000	567,944	(42,056)
TOTAL RECEIPTS	<u>2,541,891</u>	<u>2,541,891</u>	<u>2,592,737</u>	<u>50,846</u>
DISBURSEMENTS	<u>6,088,200</u>	<u>6,088,200</u>	<u>4,906,654</u>	<u>1,181,546</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,546,309)</u>	<u>(3,546,309)</u>	<u>(2,313,917)</u>	<u>1,232,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,401,418	3,401,418	2,178,775	(1,222,643)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,401,418</u>	<u>3,401,418</u>	<u>2,178,775</u>	<u>(1,222,643)</u>
Net Change in Fund Balance	(144,891)	(144,891)	(135,142)	9,749
FUND BALANCE - BEGINNING	144,891	144,891	144,891	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,749</u>	<u>\$ 9,749</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 300,000	\$ 300,000	\$ 964,945	\$ 664,945
TOTAL RECEIPTS	<u>300,000</u>	<u>300,000</u>	<u>964,945</u>	<u>664,945</u>
DISBURSEMENTS	<u>2,129,447</u>	<u>2,129,447</u>	<u>249,406</u>	<u>1,880,041</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,829,447)</u>	<u>(1,829,447)</u>	<u>715,539</u>	<u>2,544,986</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(800,000)	(800,000)	(178,775)	621,225
TOTAL OTHER FINANCING SOURCES (USES)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(178,775)</u>	<u>621,225</u>
Net Change in Fund Balance	(2,629,447)	(2,629,447)	536,764	3,166,211
FUND BALANCE - BEGINNING	2,629,447	2,629,447	2,629,447	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,166,211</u>	<u>\$ 3,166,211</u>

(Continued)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT CENTER BOND				
FUND				
RECEIPTS				
Taxes	\$ 801,908	\$ 801,908	\$ 549,120	\$ (252,788)
Intergovernmental	17,300	17,300	126,127	108,827
TOTAL RECEIPTS	819,208	819,208	675,247	(143,961)
DISBURSEMENTS	496,110	496,110	246,809	249,301
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	323,098	323,098	428,438	105,340
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	105	105
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	105	105
Net Change in Fund Balance	323,098	323,098	428,543	105,445
FUND BALANCE - BEGINNING	101,902	101,902	101,902	-
FUND BALANCE - ENDING	\$ 425,000	\$ 425,000	\$ 530,445	\$ 105,445

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS PROMOTION FUND				
Receipts	\$ 4,187	\$ 4,187	\$ 4,367	\$ 180
Disbursements	(38,000)	(38,000)	(900)	37,100
Net Change in Fund Balance	(33,813)	(33,813)	3,467	37,280
Fund Balance - Beginning	33,813	33,813	33,813	-
Fund Balance - Ending	\$ -	\$ -	\$ 37,280	\$ 37,280
VISITORS IMPROVEMENT FUND				
Receipts	\$ 7,450	\$ 7,450	\$ 4,367	\$ (3,083)
Disbursements	(38,000)	(38,000)	(6,000)	32,000
Net Change in Fund Balance	(30,550)	(30,550)	(1,633)	28,917
Fund Balance - Beginning	30,550	30,550	30,550	-
Fund Balance - Ending	\$ -	\$ -	\$ 28,917	\$ 28,917
REAPPRAISAL FUND				
Receipts	\$ 21,157	\$ 21,157	\$ 20,535	\$ (622)
Disbursements	(20,700)	(20,700)	(17,070)	3,630
Net Change in Fund Balance	457	457	3,465	3,008
Fund Balance - Beginning	2,543	2,543	2,543	-
Fund Balance - Ending	\$ 3,000	\$ 3,000	\$ 6,008	\$ 3,008
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 5,835	\$ 5,835	\$ 5,697	\$ (138)
Disbursements	(10,000)	(10,000)	(3,548)	6,452
Net Change in Fund Balance	(4,165)	(4,165)	2,149	6,314
Fund Balance - Beginning	4,165	4,165	4,165	-
Fund Balance - Ending	\$ -	\$ -	\$ 6,314	\$ 6,314
VETERANS AID FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(19,458)	(19,458)	-	19,458
Net Change in Fund Balance	(19,458)	(19,458)	-	19,458
Fund Balance - Beginning	22,458	22,458	22,458	-
Fund Balance - Ending	\$ 3,000	\$ 3,000	\$ 22,458	\$ 19,458

(Continued)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE DIVERSION FUND				
Receipts	\$ 14,934	\$ 14,934	\$ 603	\$ (14,331)
Disbursements	(15,000)	(15,000)	(2,725)	12,275
Transfers in	-	-	2,056	2,056
Transfers out	-	-	-	-
Net Change in Fund Balance	(66)	(66)	(66)	-
Fund Balance - Beginning	66	66	66	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
STOP PROGRAM FUND				
Receipts	\$ 1,000	\$ 1,000	\$ 1,275	\$ 275
Disbursements	(9,552)	(9,552)	-	9,552
Net Change in Fund Balance	(8,552)	(8,552)	1,275	9,827
Fund Balance - Beginning	8,552	8,552	8,552	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,827</u>	<u>\$ 9,827</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	\$ 100,000	\$ 100,000	\$ 269,507	\$ 169,507
Disbursements	(180,336)	(180,336)	(165,906)	14,430
Net Change in Fund Balance	(80,336)	(80,336)	103,601	183,937
Fund Balance - Beginning	80,336	80,336	80,336	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,937</u>	<u>\$ 183,937</u>
DRUG LAW ENFORCEMENT AND EDUCATION 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>

(Continued)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUILDING FUND				
Receipts	\$ 100,283	\$ 100,283	\$ 89,061	\$ (11,222)
Disbursements	(92,000)	(92,000)	(90,228)	1,772
Transfers in	-	-	25,000	25,000
Transfers out	-	-	-	-
Net Change in Fund Balance	8,283	8,283	23,833	15,550
Fund Balance - Beginning	6,717	6,717	6,717	-
Fund Balance - Ending	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 30,550</u>	<u>\$ 15,550</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, 2017

	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund	Register of Deeds Preservation Fund
RECEIPTS				
Property Taxes	\$ 4,367	\$ 4,367	\$ 17,097	\$ -
Intergovernmental	-	-	3,438	-
Charges for Services	-	-	-	5,697
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>4,367</u>	<u>4,367</u>	<u>20,535</u>	<u>5,697</u>
DISBURSEMENTS				
General Government	-	-	17,070	3,548
Public Safety	-	-	-	-
Culture and Recreation	900	6,000	-	-
TOTAL DISBURSEMENTS	<u>900</u>	<u>6,000</u>	<u>17,070</u>	<u>3,548</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,467</u>	<u>(1,633)</u>	<u>3,465</u>	<u>2,149</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,467	(1,633)	3,465	2,149
FUND BALANCES - BEGINNING	<u>33,813</u>	<u>30,550</u>	<u>2,543</u>	<u>4,165</u>
FUND BALANCES - ENDING	<u>\$ 37,280</u>	<u>\$ 28,917</u>	<u>\$ 6,008</u>	<u>\$ 6,314</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	37,280	28,917	-	-
Drug Education	-	-	-	-
Preservation of Records	-	-	-	6,314
Committed to:				
Law Enforcement	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings	-	-	-	-
Property Appraisal	-	-	6,008	-
TOTAL FUND BALANCES	<u>\$ 37,280</u>	<u>\$ 28,917</u>	<u>\$ 6,008</u>	<u>\$ 6,314</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, 2017

	Veterans Aid Fund	Juvenile Diversion Fund	STOP Program Fund	Federal Grants Fund
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	603	1,275	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>603</u>	<u>1,275</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	2,725	-	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>2,725</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(2,122)</u>	<u>1,275</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,056	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,056</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(66)	1,275	-
FUND BALANCES - BEGINNING	<u>22,458</u>	<u>66</u>	<u>8,552</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 22,458</u>	<u>\$ -</u>	<u>\$ 9,827</u>	<u>\$ -</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Drug Education	-	-	-	-
Preservation of Records	-	-	-	-
Committed to:				
Law Enforcement	-	-	9,827	-
Aid and Assistance	22,458	-	-	-
County Buildings	-	-	-	-
Property Appraisal	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 22,458</u>	<u>\$ -</u>	<u>\$ 9,827</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, 2017

	Law Enforcement Center Fund	Drug Law Enforcement and Education Fund	Building Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ -	\$73,334	\$ 99,165
Intergovernmental	-	-	15,727	19,165
Charges for Services	250,817	-	-	258,392
Miscellaneous	18,690	-	-	18,690
TOTAL RECEIPTS	269,507	-	89,061	395,412
DISBURSEMENTS				
General Government	-	-	90,228	110,846
Public Safety	165,906	-	-	168,631
Culture and Recreation	-	-	-	6,900
TOTAL DISBURSEMENTS	165,906	-	90,228	286,377
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	103,601	-	(1,167)	109,035
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	25,000	27,056
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	25,000	27,056
Net Change in Fund Balances	103,601	-	23,833	136,091
FUND BALANCES - BEGINNING	80,336	1,640	6,717	190,840
FUND BALANCES - ENDING	\$ 183,937	\$ 1,640	\$30,550	\$ 326,931
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	66,197
Drug Education	-	1,640	-	1,640
Preservation of Records	-	-	-	6,314
Committed to:				
Law Enforcement	183,937	-	-	193,764
Aid and Assistance	-	-	-	22,458
County Buildings	-	-	30,550	30,550
Property Appraisal	-	-	-	6,008
TOTAL FUND BALANCES	\$ 183,937	\$ 1,640	\$30,550	\$ 326,931

(Concluded)

ANTELOPE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Veterans' Service Officer	County Planning and Zoning	County Health Benefits	Total
BALANCES JULY 1, 2016	\$ 16,243	\$ 11,375	\$ 13,824	\$ 2,378	\$ 1,124	\$ 1,944	\$ -	\$ -	\$ 46,888
RECEIPTS									
Licenses and Permits	1,600	-	828	-	-	-	43,500	-	45,928
Charges for Services	64,536	12,010	278,608	2,310	2,030	-	-	-	359,494
Miscellaneous	115	216	5,557	140	80	2	-	61,286	67,396
State Fees	90,565	5,587	-	-	-	-	-	-	96,152
Other Liabilities	128	333,344	111,515	5,152	-	-	-	-	450,139
TOTAL RECEIPTS	156,944	351,157	396,508	7,602	2,110	2	43,500	61,286	1,019,109
DISBURSEMENTS									
Payments to County Treasurer	66,199	11,017	290,887	2,085	2,387	-	43,500	-	416,075
Payments to State Treasurer	87,728	6,003	-	-	-	-	-	-	93,731
Other Liabilities	243	331,174	109,269	5,737	80	-	-	43,286	489,789
TOTAL DISBURSEMENTS	154,170	348,194	400,156	7,822	2,467	-	43,500	43,286	999,595
BALANCES JUNE 30, 2017	<u>\$ 19,017</u>	<u>\$ 14,338</u>	<u>\$ 10,176</u>	<u>\$ 2,158</u>	<u>\$ 767</u>	<u>\$ 1,946</u>	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 66,402</u>
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 7,217	\$ 1,343	\$ 6,531	\$ 375	\$ 667	\$ 1,946	\$ -	\$ -	\$ 18,079
Petty Cash	50	250	725	600	100	-	-	18,000	19,725
Due to State Treasurer	11,750	100	-	-	-	-	-	-	11,850
Due to Others	-	12,645	2,920	1,183	-	-	-	-	16,748
BALANCES JUNE 30, 2017	<u>\$ 19,017</u>	<u>\$ 14,338</u>	<u>\$ 10,176</u>	<u>\$ 2,158</u>	<u>\$ 767</u>	<u>\$ 1,946</u>	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 66,402</u>

ANTELOPE COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2017

Item	2012	2013	2014	2015	2016
Tax Certified by Assessor					
Real Estate	\$ 18,116,467	\$ 19,439,141	\$ 21,970,397	\$ 22,082,402	\$ 22,781,953
Personal and Specials	1,678,827	1,834,483	1,607,273	1,657,312	1,343,168
Total	19,795,294	21,273,624	23,577,670	23,739,714	24,125,121
Corrections					
Additions	15,858	37,203	27,420	25,701	5,437
Deductions	(39,636)	(48,583)	(29,131)	(25,424)	(24,053)
Net Additions/ (Deductions)	(23,778)	(11,380)	(1,711)	277	(18,616)
Corrected Certified Tax	19,771,516	21,262,244	23,575,959	23,739,991	24,106,505
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2013	12,446,405	-	-	-	-
June 30, 2014	7,298,786	13,385,858	-	-	-
June 30, 2015	14,447	7,847,729	15,152,674	-	-
June 30, 2016	7,655	20,107	8,406,255	15,575,295	-
June 30, 2017	2,460	4,966	12,072	8,137,402	15,708,450
Total Net Collections	19,769,753	21,258,660	23,571,001	23,712,697	15,708,450
Total Uncollected Tax	\$ 1,763	\$ 3,584	\$ 4,958	\$ 27,294	\$ 8,398,055
Percentage Uncollected Tax	0.01%	0.02%	0.02%	0.11%	34.84%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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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 Commissioners
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, 2017, and the related notes to the financial statements, which collectively comprise Antelope County's basic financial statements, and have issued our report thereon dated January 11, 2018. 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

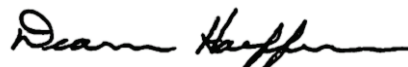
We also noted certain matters that we reported to the management of Antelope County in a separate letter dated January 11, 2018.

Antelope County's Response to Findings

Antelope County declined to respond to the finding described above.

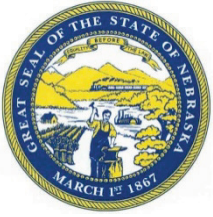
Purpose of this Report

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

January 11, 2018



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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January 11, 2018

Board of Commissioners
Antelope County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Antelope County (County) for the fiscal year ended June 30, 2017, and have issued our report thereon dated January 11, 2018. 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 ATTORNEY

Attorney Accounting Procedures

During our audit, we noted multiple issues regarding the County Attorney's accounting procedures, as described below.

An accurate book balance was not maintained by the County Attorney, 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. Office records indicated a balance of \$532 less than the bank balance at June 30, 2017. This difference was due to funds received in April 2017 not being receipted into the accounting records.

In addition, the County Attorney lacked monthly reconciliations between the bank balance and the office records, resulting in an unknown variance of \$58 from prior years in the restitution account. No follow-up was completed regarding the variance.

Neb. Rev. Stat § 23-1207(1) (Reissue 2012) states, in relevant part, the following:

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

A good internal control plan and sound accounting practices require procedures to be in place to ensure all activity is recorded in the accounting system in a timely manner to ensure an accurate book balance is maintained. A good internal control plan and sound accounting practices also require bank reconciliations to be performed monthly and any variances to be resolved in a timely manner. Without such procedures, there is an increased risk of loss and/or misuse of funds. A similar comment was also noted in the prior audit.

We recommend the County Attorney implement procedures to ensure the following: 1) receipts are issued for all monies received, as required by State statute; 2) all financial activity is recorded in the accounting records in a timely manner; and 3) bank reconciliations are performed on a monthly basis, and any variances are resolved in a timely manner.

Timely Remittance of Receipts and Restitution

During testing, the APA noted money was held and not deposited, remitted to the County Treasurer, or disbursed to the proper individual in a timely manner, as described below.

- One cash receipt on May 4, 2016, for \$108 was held 555 days until deposited on November 9, 2017. This receipt was also noted in the prior-year audit and was still not deposited for 380 days after notification during that audit.
- Three cash receipts, totaling \$208, were held 289 and 380 days before being deposited into the bank account.

- Checks totaling \$1,500 received for the Safety Training Option Program were held between 23 and 223 days before being remitted to the County Treasurer.
- Collections for restitution were not disbursed to the proper individuals in a timely manner. As of June 30, 2017, the County Attorney was holding \$1,183 in nine restitution accounts, dating as far back as September 5, 2013.

A good internal control plan and sound accounting practices require procedures for ensuring that money is deposited, remitted to the County Treasurer, or disbursed to the proper individuals in a timely manner. Without such procedures, there is an increased risk of loss and/or misuse of funds. A similar comment was also noted in the prior audit.

We recommend the County Attorney implement procedures to ensure all money received is deposited, remitted to the County Treasurer, or disbursed to the proper individuals in a timely manner.

Property Presumed Abandoned

During the audit, it was noted two checks, totaling \$39, were outstanding for over three years.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009), which is found in the Uniform Disposition of Unclaimed Property Act, presumes intangible personal property held by a County and unclaimed for more than three years to be abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires any property presumed abandoned, as of June 30 each year, to be reported and remitted to the State Treasurer by November 1 annually. A similar comment was also noted in the prior audit.

We recommend the County Attorney's office work to remit promptly to the State Treasurer all property in its possession that is presumed abandoned, as required by State statute.

Petty Cash

We noted the following regarding a petty cash account in the County Attorney's office:

- The County Attorney maintained a \$100 petty cash account that was not approved by the County Board and not included in the County budget message, as required by State statute.
- Interest earned on the petty cash bank account, totaling \$35, had not been properly remitted to the County Treasurer, as required by State statute.
- The County Attorney purchased stamps, totaling \$140, in February 2017, which was not claimed to the County Board within 90 days, as required by State statute. At the time of the audit fieldwork in December 2017, this purchase was still not claimed to the County.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) provides the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

Neb. Rev. Stat. § 23-1207(2) (Reissue 2012) states, in relevant part, “Any interest accrued from such deposit shall be paid over to the county treasurer to be credited to the county general fund”

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”

A good internal control plan requires procedures for ensuring the following: 1) all petty cash accounts are approved by the County Board and included in the County budget message; 2) interest earned on a petty cash bank account is remitted to the County Treasurer; and 3) all claims against the County are filed with the County Clerk within 90 days. Without such procedures, there is an increased risk of not only loss and/or misuse of funds but also statutory noncompliance. A similar comment was also noted in the prior audit.

We recommend the County Board determine if the petty cash account for the County Attorney is necessary and, if so, establish, by resolution, the amount of such account and state that amount in the fiscal policy of the County Board budget message. We also recommend the County Attorney implement procedures to ensure that interest earned on any petty cash fund is remitted to the County Treasurer, and all claims against the County are filed with the County Clerk within 90 days.

COUNTY BOARD

Expenditures in Excess of Budget

Actual expenditures in the Agricultural Extension Agent function within the General Fund exceeded the adopted budget by \$378.

Neb. Rev. Stat. § 23-916 (Reissue 2012) states, in relevant part, 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.

When expenditures are made in excess of amounts budgeted, with no appropriation adjustments by the County Board to address those excesses, the County is not in compliance with State statute. A similar comment was also noted in the prior audit.

We recommend the County Board implement procedures for monitoring closely expenditures throughout the year and, if necessary or determined appropriate, amending the County's budget.

Approval of Transfers

During the audit, the APA noted the County Board has adopted a blanket form for the approval of transfers between funds, rather than approving each transfer separately.

As a result of the County Board's failure to review and approve each individual fund transfer, the following errors occurred:

- A transfer from the General Fund to the Law Enforcement Bond Fund, totaling \$249,406, was approved by the Board, but was not completed appropriately. The funds were paid out of the Law Enforcement Center Bond Fund and deposited back into the same fund. The actual transfer should have been to the Inheritance Fund, as the bond payment was paid out of that fund.
- Ten transfers, totaling \$1,127,161, from the General Fund to the Road and Bridge Fund, Juvenile Diversion Fund, Building Fund, and the Law Enforcement Center Bond Fund were not recorded through the County Clerk's records. Five of the transfers, totaling \$800,631, were never subsequently reported to the Board.

Good internal control and sound accounting practices require procedures for ensuring that the County Board is aware of all fund transfers, as well as the financial situations giving rise to them, and approves such transfers prior to their occurrence. Additionally, good internal controls require procedures for ensuring that all transfers are properly recorded in the County Clerk's financial records.

Without such procedures, there is an increased risk for not only the County Board to be left unaware of the cause and occurrence of certain fund transfers but also the loss, theft, or misuse of public funds. A similar comment was also noted in the prior audit.

We recommend the County Board implement procedures to ensure that all fund transfers are approved and documented prior to taking place. Furthermore, we recommend the County Clerk implement procedures to ensure that all such fund transfers are appropriately recorded in the financial records.

Issuance of Tax Sale Certificates

During the audit, we noted the County Board did not issue tax sale certificates or foreclose on 21 delinquent real estate taxes over three years old, totaling \$12,313.

Neb. Rev. Stat. § 77-1918 (Reissue 2009) states, in relevant part, the following:

It shall be the duty of the county board, at its first meeting held after the making of such report, to carefully examine the same, and while it may direct the issuance of tax sale certificates to the county upon any real property upon which there are any delinquent taxes, it shall, as to all real property upon which taxes are delinquent for three or more years, either enter an order directing the foreclosure of the lien of such taxes . . . or enter an order for the county treasurer to issue tax sale certificates to the county covering the delinquent taxes upon such real property, to be foreclosed upon in the manner and at the time provided in sections 77-1901 to 77-1918.

The county board shall have authority to direct the county attorney to commence foreclosure of such liens or certificates or it may designate another attorney to commence such actions, and the county board is authorized to pay any reasonable fee for such foreclosures to be assessed as costs

Any county treasurer, county attorney, or member of the county board who willfully fails, neglects, or refuses to perform the duties imposed by such sections shall be guilty of official misdemeanor and subject to removal from office

Failure to issue tax sale certificates or foreclose on delinquent real estate taxes constitutes a violation of § 77-1918 and subjects the individual(s) responsible to the penalty provided therein.

We recommend the County Board implement procedures for either issuing tax sale certificates or foreclosing on any real property upon which taxes are delinquent for three or more years, as required by State statute.

Vision Insurance

During payroll testing, we noted taxes were incorrectly calculated for employees with vision insurance due to the vision insurance being classified as taxable income within the payroll system. As a result, all employees with vision insurance had their taxes over-withheld.

26 U.S.C. § 125(a) states, “[N]o amount shall be included in the gross income of a participant in a cafeteria plan solely because, under the plan, the participant may choose among the benefits of the plan.” Per 26 U.S.C. § 125(d)(1), a cafeteria plan is defined as a “written plan under which . . . the participants may choose among 2 or more benefits consisting of cash and qualified benefits.” 26 U.S.C. § 125(f)(1) defines a qualified benefit as “any benefit which, with the application of subsection (a), is not includible in the gross income of the employee by reason of an express provision of this chapter”

A good internal control plan requires procedures for ensuring that all non-taxable and taxable deductions are correctly classified within the payroll system. Without such procedures, there is an increased risk of error.

We recommend the County Board implement procedures for ensuring that all deductions are correctly classified in the payroll system.

Inventory Policy

During the audit, we noted the County Board had not developed and approved a policy for consistently inventorying County assets. In addition, one of five assets tested could not be traced to the County's current inventory listing.

A good internal control plan requires a standardized policy for ensuring the following: 1) all offices use the same guidelines when filing inventory statements of personal property in the possession of County officers; and 2) all significant property in the possession of County officers is included on the inventory listing. The lack of such policies increases the risk of inaccurate accounting of the County's personal property. A similar comment was also noted in the prior audit.

We recommend the County Board develop a policy for consistently inventorying County assets and ensuring all significant property in possession of a County officer is included on inventory listings.

COUNTY SHERIFF

Office Procedures

During our audit, we noted the following issues with the procedures of the County Sheriff's office:

- At June 30, 2017, office records indicated an unexplained cash long of \$2,275. The County Sheriff was unable to designate the proper recipient of these funds.
- All civil process fees earned were not remitted to the County. When completing the monthly remittance to the County Treasurer, the County Sheriff's office reviewed only the civil process system for service requests received during that month to determine if any fees were earned. The office did not review any service requests from prior months to determine if any additional amounts were earned during the current month. Consequently, if service was completed in a month subsequent to the original received date, the fees were not remitted to the County.
- The Sheriff's office has accounts receivable, totaling \$3,328, dating back to 2010 that remain uncollected. Adequate follow-up procedures have not been performed to collect on, or otherwise resolve, the outstanding balances.
- In February 2017, \$52 was withdrawn from the Sheriff's bank account for the purchase of new checks; however, this amount has not yet been submitted to the County Board for reimbursement.
- October 2016 fee collections, totaling \$1,192, were not remitted to the County until June 2017. Additionally, we also noted the following fees have not yet been remitted to the County at the time of the audit:

Fee Type	Period Originally Collected	Amount
Work Release	September - December 2016	\$ 2,500
DARE Donation	September - October 2016; April 2017	\$ 200

- The Sheriff’s office was not able to provide a detailed listing of inmate balances as of June 30, 2017, nor was it able to provide documentation of the amount of cash on hand in the office at June 30, 2017.

A good internal control plan and sound business practices require procedures to ensure the following: 1) Assets (cash on hand, reconciled bank balances, and accounts receivable) agree with office liabilities (fees on hand, trust accounts, and accounts payable), and any variances noted are resolved timely; 2) all monies collected are remitted timely to the County; 3) adequate follow-up procedures are performed to resolve accounts receivable balances; 4) bank charges are submitted timely to the County for reimbursement; and 5) inmate balances, as well as other office funds, are documented.

Without such procedures, there is an increased risk for financial errors and/or irregularities to occur and remain undetected. A similar comment was also noted in the prior audit.

We recommend procedures be implemented to ensure the following: 1) office assets are in agreement with office liabilities, and any variances noted are resolved timely; 2) all money collected is remitted timely to the County; 3) accounts receivable are actively pursued for collection or otherwise resolved; 4) bank charges are claimed for reimbursement timely; and 5) inmate balances, as well as other office funds, are documented.

COUNTY WEED SUPERINTENDENT

Petty Cash Reimbursements

We noted expenses incurred by the County Weed Superintendent were not filed with the County Clerk within 90 days, as required by State statute. During the fiscal year, the County Weed Superintendent was reimbursed for 13 expenses, totaling \$93, which were incurred between 112 to 432 days prior to the request for reimbursement.

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”

When expenses are not filed with the County Clerk within 90 days, the County Weed Superintendent is not in compliance with State statute. A similar comment was also noted in the prior audit.

We recommend the County Weed Superintendent implement procedures to ensure each claim for reimbursement of expenses is filed with the County Clerk within 90 days of when the expense was incurred, as required by State statute.

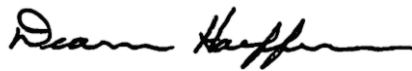
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Deann Haeffner".

Deann Haeffner, CPA
Assistant Deputy Auditor