

**AUDIT REPORT  
OF  
ANTELOPE COUNTY**

**JULY 1, 2017, THROUGH JUNE 30, 2018**

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on November 5, 2018**

ANTELOPE COUNTY

TABLE OF CONTENTS

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Cash Basis Net Position - Fiduciary Funds	8
Notes to Financial Statements	9 - 17
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	18 - 19
Budgetary Comparison Schedule - Budget and Actual - Major Funds	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	22 - 24
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	25 - 26
Schedule of Office Activities	27
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	28
<b>Government Auditing Standards Section</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29 - 30

ANTELOPE COUNTY  
501 Main Street  
Neligh, NE 68756

**LIST OF COUNTY OFFICIALS**  
At June 30, 2018

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	LeRoy Kerkman	Jan. 2019
	Jerald Schwager	Jan. 2019
	Eli Jacob	Jan. 2021
	Charles Henery	Jan. 2021
	Eddie Schindler	Jan. 2019
Assessor	Kelly Mueller	Jan. 2019
Attorney	Joseph Abler	Jan. 2019
Clerk	Lisa Payne	Jan. 2019
Election Commissioner		
Register of Deeds		
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	Trenton Howard	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

---

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

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, 2018, 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, 2018, 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.

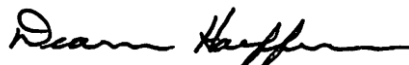
### **Report on Supplementary Information**

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 18-28, 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 October 22, 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.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

October 22, 2018

ANTELOPE COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2018

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,198,754
<b>TOTAL ASSETS</b>	<b>\$ 5,198,754</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 71,787
Drug Education	1,241
Preservation of Records	8,537
Debt Service	550,480
Unrestricted	4,566,709
<b>TOTAL NET POSITION</b>	<b>\$ 5,198,754</b>

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, 2018

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (2,306,403)	\$ 345,953	\$ 13,589	\$ (1,946,861)
Public Safety	(1,210,803)	412,943	-	(797,860)
Public Works	(5,331,025)	-	1,773,920	(3,557,105)
Public Assistance	(36,089)	-	-	(36,089)
Culture and Recreation	(17,298)	-	-	(17,298)
Debt Payments	(492,288)	-	-	(492,288)
<b>Total Governmental Activities</b>	<b>\$ (9,393,906)</b>	<b>\$ 758,896</b>	<b>\$ 1,787,509</b>	<b>(6,847,501)</b>
General Receipts:				
Property Taxes				5,725,625
Grants and Contributions Not Restricted to Specific Programs				1,012,935
Investment Income				22,101
Licenses and Permits				37,288
Miscellaneous				166,923
<b>Total General Receipts</b>				<b>6,964,872</b>
Increase in Net Position				117,371
Net Position - Beginning of year				5,081,383
Net Position - End of year				<b>\$ 5,198,754</b>

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, 2018

	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Inheritance Fund</u>	<u>Law Enforcement Center Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 795,292	\$ 39,541	\$ 3,246,461	\$ 550,480	\$ 566,980	\$ 5,198,754
<b>TOTAL ASSETS</b>	<u>\$ 795,292</u>	<u>\$ 39,541</u>	<u>\$ 3,246,461</u>	<u>\$ 550,480</u>	<u>\$ 566,980</u>	<u>\$ 5,198,754</u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	71,787	71,787
Drug Education	-	-	-	-	1,241	1,241
Preservation of Records	-	-	-	-	8,537	8,537
Debt Service	-	-	-	550,480	-	550,480
Committed to:						
Law Enforcement	-	-	-	-	370,266	370,266
Road Maintenance	-	39,541	-	-	-	39,541
Aid and Assistance	-	-	-	-	22,458	22,458
County Buildings	-	-	-	-	90,116	90,116
Property Appraisal	-	-	-	-	2,575	2,575
Assigned to:						
Other Purposes	-	-	3,246,461	-	-	3,246,461
Unassigned	795,292	-	-	-	-	795,292
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 795,292</u>	<u>\$ 39,541</u>	<u>\$ 3,246,461</u>	<u>\$ 550,480</u>	<u>\$ 566,980</u>	<u>\$ 5,198,754</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, 2018

	General Fund	Road & Bridge Fund	Inheritance Fund	Law Enforcement Center Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$4,387,716	\$ -	\$ 759,583	\$ 457,470	\$ 120,856	\$ 5,725,625
Licenses and Permits	37,288	-	-	-	-	37,288
Investment Income	22,101	-	-	-	-	22,101
Intergovernmental	720,304	2,006,703	-	54,853	18,584	2,800,444
Charges for Services	360,772	-	-	-	398,124	758,896
Miscellaneous	33,430	123,493	10,000	-	-	166,923
<b>TOTAL RECEIPTS</b>	<b>5,561,611</b>	<b>2,130,196</b>	<b>769,583</b>	<b>512,323</b>	<b>537,564</b>	<b>9,511,277</b>
<b>DISBURSEMENTS</b>						
General Government	2,279,489	-	362	-	26,552	2,306,403
Public Safety	814,769	-	128,971	-	267,063	1,210,803
Public Works	120,621	5,210,404	-	-	-	5,331,025
Public Assistance	36,089	-	-	-	-	36,089
Culture and Recreation	13,398	-	-	-	3,900	17,298
Debt Service:						
Principal Payments	-	-	-	355,000	-	355,000
Interest and Fiscal Charges	-	-	-	137,288	-	137,288
Capital Outlay	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>3,264,366</b>	<b>5,210,404</b>	<b>129,333</b>	<b>492,288</b>	<b>297,515</b>	<b>9,393,906</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>2,297,245</b>	<b>(3,080,208)</b>	<b>640,250</b>	<b>20,035</b>	<b>240,049</b>	<b>117,371</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	3,110,000	600,000	-	60,000	3,770,000
Transfers out	(2,550,000)	-	(1,160,000)	-	(60,000)	(3,770,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,550,000)</b>	<b>3,110,000</b>	<b>(560,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(252,755)	29,792	80,250	20,035	240,049	117,371
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>1,048,047</b>	<b>9,749</b>	<b>3,166,211</b>	<b>530,445</b>	<b>326,931</b>	<b>5,081,383</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 795,292</b>	<b>\$ 39,541</b>	<b>\$ 3,246,461</b>	<b>\$ 550,480</b>	<b>\$ 566,980</b>	<b>\$ 5,198,754</b>

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, 2018

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 671,599
 <b>LIABILITIES</b>	
Due to other governments	
State	151,270
Schools	208,531
Educational Service Units	4,460
Technical College	30,811
Natural Resource Districts	5,213
Fire Districts	15,226
Municipalities	26,037
Agricultural Society	1,445
Airport Authority	854
Townships	158,309
Others	69,443
<b>TOTAL LIABILITIES</b>	<b>671,599</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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, 2018

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 \$35,421 toward the operation of the Region during fiscal year 2018. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with 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).

## ANTELOPE COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2018. 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 countywide 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 \$20,553 toward the operation of the Region during fiscal year 2018. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

#### **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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 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 & 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.

**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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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

**D. Assets and Net Position**

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$632,045 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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 \$5,198,754 for County funds and \$671,599 for Fiduciary funds. The bank balances for all funds totaled \$5,514,003. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2018, 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 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.200111/\$100 of assessed valuation. The levy set in October 2016, for the 2016 taxes, which were materially collected in May and September 2017, was set at \$.194740/\$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.



ANTELOPE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System**

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

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, 2018, 83 employees contributed \$102,173, and the County contributed \$152,124. Contributions included \$2,270 in cash contributions towards the supplemental law enforcement plan for six law enforcement employees. Lastly, the County paid \$2,036 directly to 15 retired employees for prior service benefits.

**5. Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 91 counties and local governments throughout Nebraska.

ANTELOPE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management** (Concluded)

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 for an additional contribution. 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 or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2018, consisted of the following:

<b>Transfers to</b>	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
Road Fund	\$ 1,950,000	\$ 1,160,000	\$ -	\$ 3,110,000
Inheritance Fund	600,000	-	-	600,000
Nonmajor Funds	-	-	60,000	60,000
Total	\$ 2,550,000	\$ 1,160,000	\$ 60,000	\$ 3,770,000

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. In the year ended June 30, 2018, the County made a one-time transfer of \$60,000 from the Law Enforcement Center Fund to the Inmate Commissary Fund to provide the original funding for the creation of the Inmate Commissary Fund.

**7. 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.

ANTELOPE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Concluded)

**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, 2018, was \$4,500,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	390,000	98,560	488,560
2024-2028	2,155,000	294,089	2,449,089
2029	475,000	9,500	484,500
<b>Total Payments</b>	<b>\$ 4,500,000</b>	<b>\$ 887,864</b>	<b>\$ 5,387,864</b>

After the fiscal year 2018, the County refinanced this bond in August 2018 for \$4,185,000. The schedule shown above reflects the bond payable balance as of June 30, 2018; however, the debt schedule will be adjusted accordingly due to this bond refinancing.

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 4,981,846	\$ 4,981,846	\$ 4,387,716	\$ (594,130)
Licenses and Permits	33,400	33,400	37,288	3,888
Interest	16,000	16,000	22,101	6,101
Intergovernmental	469,875	469,875	720,304	250,429
Charges for Services	286,345	286,345	360,772	74,427
Miscellaneous	35,500	35,500	33,430	(2,070)
<b>TOTAL RECEIPTS</b>	<u>5,822,966</u>	<u>5,822,966</u>	<u>5,561,611</u>	<u>(261,355)</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	86,050	86,050	81,935	4,115
County Clerk	149,530	149,530	147,503	2,027
County Treasurer	149,351	149,351	148,612	739
County Assessor	125,579	125,579	125,506	73
Election Commissioner	32,499	32,499	23,447	9,052
Building and Zoning	31,900	31,900	16,865	15,035
Clerk of the District Court	102,965	102,965	96,399	6,566
County Court System	3,175	3,175	1,163	2,012
District Judge	5,121	5,121	5,021	100
Building and Grounds	117,628	117,628	108,499	9,129
Agricultural Extension Agent	74,575	74,575	69,716	4,859
Unemployment Contribution	15,000	15,000	10,132	4,868
Miscellaneous	1,584,453	1,584,453	1,444,691	139,762
Public Safety				
County Sheriff	703,483	703,483	702,231	1,252
County Attorney	115,444	115,444	112,538	2,906
Juvenile Diversion Program	5,000	5,000	-	5,000
Public Works				
Noxious Weed Control	121,621	121,621	120,621	1,000
Public Assistance				
Veterans' Service Officer	34,730	34,730	33,899	831
Institutions	4,000	4,000	2,190	1,810
Relief	5,000	5,000	-	5,000
Culture and Recreation				
Historical Society	13,500	13,500	13,398	102
<b>TOTAL DISBURSEMENTS</b>	<u>3,480,604</u>	<u>3,480,604</u>	<u>3,264,366</u>	<u>216,238</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,342,362</u>	<u>2,342,362</u>	<u>2,297,245</u>	<u>(45,117)</u>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(3,090,409)	(3,090,409)	(2,550,000)	540,409
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(3,090,409)	(3,090,409)	(2,550,000)	540,409
Net Change in Fund Balance	(748,047)	(748,047)	(252,755)	495,292
<b>FUND BALANCE - BEGINNING</b>	1,048,047	1,048,047	1,048,047	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 795,292</u>	<u>\$ 495,292</u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD &amp; BRIDGE FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,977,092	\$ 1,977,092	\$ 2,006,703	\$ 29,611
Charges for Services	150,000	150,000	-	(150,000)
Miscellaneous	23,000	23,000	123,493	100,493
<b>TOTAL RECEIPTS</b>	<u>2,150,092</u>	<u>2,150,092</u>	<u>2,130,196</u>	<u>(19,896)</u>
<b>DISBURSEMENTS</b>	<u>5,890,250</u>	<u>5,890,250</u>	<u>5,210,404</u>	<u>679,846</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(3,740,158)</u>	<u>(3,740,158)</u>	<u>(3,080,208)</u>	<u>659,950</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,730,409	3,730,409	3,110,000	(620,409)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,730,409</u>	<u>3,730,409</u>	<u>3,110,000</u>	<u>(620,409)</u>
Net Change in Fund Balance	(9,749)	(9,749)	29,792	39,541
FUND BALANCE - BEGINNING	9,749	9,749	9,749	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,541</u>	<u>\$ 39,541</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 400,000	\$ 400,000	\$ 759,583	\$ 359,583
Miscellaneous	-	-	10,000	10,000
<b>TOTAL RECEIPTS</b>	<u>400,000</u>	<u>400,000</u>	<u>769,583</u>	<u>369,583</u>
<b>DISBURSEMENTS</b>	<u>2,926,211</u>	<u>2,926,211</u>	<u>129,333</u>	<u>2,796,878</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(2,526,211)</u>	<u>(2,526,211)</u>	<u>640,250</u>	<u>3,166,461</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	600,000	600,000
Transfers out	(640,000)	(640,000)	(1,160,000)	(520,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(640,000)</u>	<u>(640,000)</u>	<u>(560,000)</u>	<u>80,000</u>
Net Change in Fund Balance	(3,166,211)	(3,166,211)	80,250	3,246,461
FUND BALANCE - BEGINNING	3,166,211	3,166,211	3,166,211	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,246,461</u>	<u>\$ 3,246,461</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT CENTER BOND</b>				
<b>FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 355,055	\$ 355,055	\$ 457,470	\$ 102,415
Intergovernmental	32,500	32,500	54,853	22,353
<b>TOTAL RECEIPTS</b>	<u>387,555</u>	<u>387,555</u>	<u>512,323</u>	<u>124,768</u>
 DISBURSEMENTS	 493,000	 493,000	 492,288	 712
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (105,445)	 (105,445)	 20,035	 125,480
 Net Change in Fund Balance	 (105,445)	 (105,445)	 20,035	 125,480
FUND BALANCE - BEGINNING	530,445	530,445	530,445	-
FUND BALANCE - ENDING	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 550,480</u>	<u>\$ 125,480</u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>VISITORS PROMOTION FUND</u></b>				
Receipts	\$ 3,720	\$ 3,720	\$ 4,745	\$ 1,025
Disbursements	(41,000)	(41,000)	(900)	40,100
Net Change in Fund Balance	(37,280)	(37,280)	3,845	41,125
Fund Balance - Beginning	37,280	37,280	37,280	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,125</u>	<u>\$ 41,125</u>
<b><u>VISITORS IMPROVEMENT FUND</u></b>				
Receipts	\$ 9,083	\$ 9,083	\$ 4,745	\$ (4,338)
Disbursements	(38,000)	(38,000)	(3,000)	35,000
Net Change in Fund Balance	(28,917)	(28,917)	1,745	30,662
Fund Balance - Beginning	28,917	28,917	28,917	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,662</u>	<u>\$ 30,662</u>
<b><u>REAPPRAISAL FUND</u></b>				
Receipts	\$ 18,992	\$ 18,992	\$ 19,490	\$ 498
Disbursements	(25,000)	(25,000)	(22,923)	2,077
Net Change in Fund Balance	(6,008)	(6,008)	(3,433)	2,575
Fund Balance - Beginning	6,008	6,008	6,008	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,575</u>	<u>\$ 2,575</u>
<b><u>REGISTER OF DEEDS PRESERVATION FUND</u></b>				
Receipts	\$ 5,000	\$ 5,000	\$ 5,852	\$ 852
Disbursements	(11,314)	(11,314)	(3,629)	7,685
Net Change in Fund Balance	(6,314)	(6,314)	2,223	8,537
Fund Balance - Beginning	6,314	6,314	6,314	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,537</u>	<u>\$ 8,537</u>
<b><u>VETERANS' AID FUND</u></b>				
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	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 22,458</u>	<u>\$ 19,458</u>

(Continued)



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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STOP PROGRAM FUND</b>				
Receipts	\$ 4,000	\$ 4,000	\$ 775	\$ (3,225)
Disbursements	(13,827)	(13,827)	-	13,827
Net Change in Fund Balance	(9,827)	(9,827)	775	10,602
Fund Balance - Beginning	9,827	9,827	9,827	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,602</u>	<u>\$ 10,602</u>
<b>FEDERAL GRANTS FUND</b>				
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>
<b>LAW ENFORCEMENT CENTER FUND</b>				
Receipts	\$ 126,063	\$ 126,063	\$ 364,487	\$ 238,424
Disbursements	(250,000)	(250,000)	(174,206)	75,794
Transfers in	-	-	-	-
Transfers out	(60,000)	(60,000)	(60,000)	-
Net Change in Fund Balance	(183,937)	(183,937)	130,281	314,218
Fund Balance - Beginning	183,937	183,937	183,937	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,218</u>	<u>\$ 314,218</u>
<b>INMATE COMMISSARY FUND</b>				
Receipts	\$ 60,000	\$ 60,000	\$ 27,010	\$ (32,990)
Disbursements	(120,000)	(120,000)	(41,564)	78,436
Transfers in	60,000	60,000	60,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	45,446	45,446
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,446</u>	<u>\$ 45,446</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,640)	(1,640)	(399)	1,241
Net Change in Fund Balance	(1,640)	(1,640)	(399)	1,241
Fund Balance - Beginning	1,640	1,640	1,640	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241</u>	<u>\$ 1,241</u>
<b>BUILDING FUND</b>				
Receipts	\$ 110,450	\$ 110,450	\$ 110,460	\$ 10
Disbursements	(116,000)	(116,000)	(50,894)	65,106
Net Change in Fund Balance	(5,550)	(5,550)	59,566	65,116
Fund Balance - Beginning	30,550	30,550	30,550	-
Fund Balance - Ending	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 90,116</u>	<u>\$ 65,116</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, 2018

	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund	Register of Deeds Preservation Fund	Veterans' Aid Fund	STOP Program Fund
<b>RECEIPTS</b>						
Property Taxes	\$ 4,745	\$ 4,745	\$ 16,852	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,638	-	-	-
Charges for Services	-	-	-	5,852	-	775
<b>TOTAL RECEIPTS</b>	<u>4,745</u>	<u>4,745</u>	<u>19,490</u>	<u>5,852</u>	<u>-</u>	<u>775</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	22,923	3,629	-	-
Public Safety	-	-	-	-	-	-
Culture and Recreation	900	3,000	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>900</u>	<u>3,000</u>	<u>22,923</u>	<u>3,629</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,845</u>	<u>1,745</u>	<u>(3,433)</u>	<u>2,223</u>	<u>-</u>	<u>775</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,845	1,745	(3,433)	2,223	-	775
<b>FUND BALANCES - BEGINNING</b>	<u>37,280</u>	<u>28,917</u>	<u>6,008</u>	<u>6,314</u>	<u>22,458</u>	<u>9,827</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 41,125</u>	<u>\$ 30,662</u>	<u>\$ 2,575</u>	<u>\$ 8,537</u>	<u>\$ 22,458</u>	<u>\$ 10,602</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	41,125	30,662	-	-	-	-
Drug Education	-	-	-	-	-	-
Preservation of Records	-	-	-	8,537	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	10,602
Aid and Assistance	-	-	-	-	22,458	-
County Buildings	-	-	-	-	-	-
Property Appraisal	-	-	2,575	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 41,125</u>	<u>\$ 30,662</u>	<u>\$ 2,575</u>	<u>\$ 8,537</u>	<u>\$ 22,458</u>	<u>\$ 10,602</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, 2018

	Federal Grants Fund	Law Enforcement Center Fund	Inmate Commissary Fund	Drug Law Enforcement and Education Fund	Building Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$94,514	\$ 120,856
Intergovernmental	-	-	-	-	15,946	18,584
Charges for Services	-	364,487	27,010	-	-	398,124
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>364,487</u>	<u>27,010</u>	<u>-</u>	<u>110,460</u>	<u>537,564</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	26,552
Public Safety	-	174,206	41,564	399	50,894	267,063
Culture and Recreation	-	-	-	-	-	3,900
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>174,206</u>	<u>41,564</u>	<u>399</u>	<u>50,894</u>	<u>297,515</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>190,281</u>	<u>(14,554)</u>	<u>(399)</u>	<u>59,566</u>	<u>240,049</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	60,000	-	-	60,000
Transfers out	-	(60,000)	-	-	-	(60,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(60,000)</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	130,281	45,446	(399)	59,566	240,049
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>183,937</u>	<u>-</u>	<u>1,640</u>	<u>30,550</u>	<u>326,931</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ 314,218</u>	<u>\$ 45,446</u>	<u>\$ 1,241</u>	<u>\$90,116</u>	<u>\$ 566,980</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	71,787
Drug Education	-	-	-	1,241	-	1,241
Preservation of Records	-	-	-	-	-	8,537
Committed to:						
Law Enforcement	-	314,218	45,446	-	-	370,266
Aid and Assistance	-	-	-	-	-	22,458
County Buildings	-	-	-	-	90,116	90,116
Property Appraisal	-	-	-	-	-	2,575
<b>TOTAL FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 314,218</u>	<u>\$ 45,446</u>	<u>\$ 1,241</u>	<u>\$90,116</u>	<u>\$ 566,980</u>

(Concluded)

**ANTELOPE COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2018

	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, 2017	\$ 19,017	\$ 14,338	\$ 10,176	\$ 2,158	\$ 767	\$ 1,946	\$ -	\$ 18,000	\$ 66,402
<b>RECEIPTS</b>									
Property Taxes	-	-	-	-	-	-	-	-	-
Licenses and Permits	3,540	-	908	-	-	-	6,545	-	10,993
Intergovernmental	-	-	1,200	-	-	-	-	-	1,200
Charges for Services	74,322	14,583	406,994	2,850	3,175	-	-	-	501,924
Miscellaneous	4,300	135	2,982	62	-	2	-	147	7,628
State Fees	115,221	6,192	-	-	-	-	-	-	121,413
Other Liabilities	96	615,195	171,694	11,540	-	-	-	-	798,525
<b>TOTAL RECEIPTS</b>	<b>197,479</b>	<b>636,105</b>	<b>583,778</b>	<b>14,452</b>	<b>3,175</b>	<b>2</b>	<b>6,545</b>	<b>147</b>	<b>1,441,683</b>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	84,014	13,428	411,533	2,775	2,366	-	6,520	7,517	528,153
Payments to State Treasurer	123,489	6,142	-	-	-	-	-	-	129,631
Other Liabilities	163	568,641	170,129	11,222	-	-	-	10,630	760,785
<b>TOTAL DISBURSEMENTS</b>	<b>207,666</b>	<b>588,211</b>	<b>581,662</b>	<b>13,997</b>	<b>2,366</b>	<b>-</b>	<b>6,520</b>	<b>18,147</b>	<b>1,418,569</b>
BALANCES JUNE 30, 2018	\$ 8,830	\$ 62,232	\$ 12,292	\$ 2,613	\$ 1,576	\$ 1,948	\$ 25	\$ -	\$ 89,516
<b>BALANCES CONSIST OF:</b>									
Due to County Treasurer	\$ 5,299	\$ 2,498	\$ 6,856	\$ 450	\$ 1,476	\$ 1,948	\$ 25	\$ -	\$ 18,552
Petty Cash	50	250	725	500	100	-	-	-	1,625
Due to State Treasurer	3,481	150	-	-	-	-	-	-	3,631
Due to Others	-	59,334	4,711	1,663	-	-	-	-	65,708
BALANCES JUNE 30, 2018	\$ 8,830	\$ 62,232	\$ 12,292	\$ 2,613	\$ 1,576	\$ 1,948	\$ 25	\$ -	\$ 89,516

ANTELOPE COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2018

Item	2013	2014	2015	2016	2017
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 19,439,141	\$ 21,970,397	\$ 22,082,402	\$ 22,781,953	\$ 22,138,532
Personal and Specials	1,834,483	1,607,273	1,657,312	1,343,168	1,301,732
<b>Total</b>	<b>21,273,624</b>	<b>23,577,670</b>	<b>23,739,714</b>	<b>24,125,121</b>	<b>23,440,264</b>
<b>Corrections</b>					
Additions	37,203	29,273	28,984	9,285	5,670
Deductions	(48,583)	(29,131)	(26,089)	(25,131)	(1,644)
Net Additions/ (Deductions)	(11,380)	142	2,895	(15,846)	4,026
<b>Corrected Certified Tax</b>	<b>21,262,244</b>	<b>23,577,812</b>	<b>23,742,609</b>	<b>24,109,275</b>	<b>23,444,290</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2014	13,385,858	-	-	-	-
June 30, 2015	7,847,729	15,152,674	-	-	-
June 30, 2016	20,107	8,406,255	15,575,295	-	-
June 30, 2017	4,966	12,072	8,137,401	15,708,450	-
June 30, 2018	1,627	4,949	23,682	8,387,769	15,321,253
<b>Total Net Collections</b>	<b>21,260,287</b>	<b>23,575,950</b>	<b>23,736,378</b>	<b>24,096,219</b>	<b>15,321,253</b>
<b>Total Uncollected Tax</b>	<b>\$ 1,957</b>	<b>\$ 1,862</b>	<b>\$ 6,231</b>	<b>\$ 13,056</b>	<b>\$ 8,123,037</b>
<b>Percentage Uncollected Tax</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.03%</b>	<b>0.05%</b>	<b>34.65%</b>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.nebraska.gov

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, 2018, and the related notes to the financial statements, which collectively comprise Antelope County's basic financial statements, and have issued our report thereon dated October 22, 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 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 October 22, 2018.

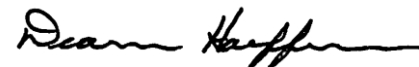
### **Antelope County's Response to Findings**

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.

October 22, 2018



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska





## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

---

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

October 22, 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, 2018, and have issued our report thereon dated October 22, 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.

## **Board Approval of Fees**

During our audit, we noted that offices charged service fees not approved by the County Board or for amounts different than those approved, as described below.

- The County Sheriff's office charged \$3 for a duplicate gun permit, \$17.50 per day for work release, \$5 for an insurance report, commissary at cost plus a 30% markup, and \$2 a day for impound fees. None of these fee amounts charged were approved by the County Board.
- The County Weed Superintendent charged \$0.14 for hay inspections tags, instead of the \$0.12 approved by the County Board on May 9, 2016.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) assigns to the County Board responsibility for managing County funds and business. In addition, good internal control and sound accounting practice require fees to be set by the County Board and documented in board minutes, so the public is aware of amounts that should be charged for services.

We recommend the County review this situation and ensure the County Board approves, as well as documents such approval, all fees charged by County offices not authorized by State statute.

## **COUNTY ATTORNEY**

### **Attorney Accounting Procedures**

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

- Monthly reconciliations between bank balance and office records were not performed. As of June 30, 2018, the office liabilities (fees and trust accounts) exceeded office assets (cash on hand, reconciled bank balance, accounts receivable, etc.), resulting in an unknown short of \$641. Part of this short is due to two check deposits for restitution, totaling \$184, that did not clear the bank; however, the County Attorney had already issued checks for the restitution amount to the vendors.
- Money, including County and trust collections, was not remitted to the County Treasurer or disbursed to the proper individuals in a timely manner. Multiple receipts from the Safety Training Option Program were deposited into the bank account throughout the fiscal year; however, only one disbursement, totaling \$775, was made to the County Treasurer in November 2017.
- Interest earned on the petty cash account, totaling \$36 for fiscal year 2018, had not been properly remitted to the County Treasurer.
- An accurate book balance was unable to be determined, as the County Attorney does not issue receipts each time money is collected.

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 . . . .*

Neb. Rev. Stat § 23-1207(2) (Reissue 2012) states the following:

*Any interest accrued from such deposit shall be paid over to the county treasurer to be credited to the county general fund, except that when the funds so deposited belonged to a deceased person whose personal representative has not yet been appointed by a court of competent jurisdiction, then the interest accruing on such money shall be paid to the estate of such person after the appointment of a personal representative and upon order of the court.*

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, monthly bank reconciliations are performed, receipts are issued for all monies received, an accurate book balance is maintained, and checks are written after deposits clear the bank. 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) all money received is deposited, remitted to the County Treasurer, or disbursed to the proper individuals in a timely manner; 2) receipts are issued for all monies received, as required by State statute; 3) checks are written after deposits clear the bank; and 4) bank reconciliations are performed on a monthly basis, and any variances are resolved in a timely manner.

### **Attorney Petty Cash Procedures**

We noted the following regarding the County Attorney's petty cash procedures:

- Two claims, totaling \$62, for expenses incurred in August and September 2017 were not claimed to the County Board within 90 days, as required by State statute. At the time of fieldwork in mid-September 2018, these purchases, in addition to a purchase in February 2017, totaling \$140, were still not claimed to the County 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 . . . ."

A good internal control plan requires procedures for ensuring 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 Attorney implement procedures to ensure all claims against the County are filed with the County Clerk within 90 days, as required by State statute.

### **Foreclosure of Delinquent Real Estate**

During the audit, we noted the County Attorney did not foreclose on eight parcels from the delinquent tax listing, as directed by the County Board on May 8, 2018.

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 . . . .*

When the County Board directs foreclosure due to delinquent real estate taxes, failure by the County Attorney to comply not only conflicts with State statute but also increases the risk of County funds being lost. Furthermore, such failure to perform by the County Attorney could result in a charge of official misconduct and removal from office.

We recommend the County Attorney implement procedures to ensure compliance with the County Board's directive to foreclose on any real property for delinquent taxes, as required by State statute.

## **COUNTY BOARD**

### **Claim Procedures**

During testing, we noted the following issues regarding the County Board's claim procedures:

- Two claims, totaling \$966, were duplicate payments for claims paid previously. One of the duplicate payments was discovered by the vendor and refunded to the County. The County was unaware of the second duplicate payment.
- For one claim tested, payable to Walmart for \$206, the County did not have adequate supporting documentation on hand to support the expense.
- Rebates from Menards were not tracked. Two receipts from Menards indicated that \$175 in rebates were earned; however, we could not verify that the County received the benefits of these rebates on subsequent purchases.

A good internal control plan and sound accounting practices require procedures to ensure claims are supported by adequate documentation, invoices are paid only once, and rebates earned are properly tracked.

We recommend the County Board implement procedures to ensure the following: 1) all claims are adequately supported; 2) invoices are paid only once and any duplicate payments are resolved in a timely manner; and 3) rebates earned are properly tracked to ensure the County receives the benefit of those rebates.

## COUNTY SHERIFF

### Accounting Procedures

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

- At June 30, 2018, office records indicated an unexplained cash long of \$4,048. 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 County Sheriff's office has accounts receivable, totaling \$4,211, 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. The County Sheriff was made aware of this issue during the prior year's audit.
- January 2018 fee collections, totaling \$1,208, were not remitted to the County until March 2018. May 2018 fee collections, totaling \$1,589, were not remitted to the County until August 2018. We also noted the following fees have not yet been remitted to the County at the time audit fieldwork was completed on September 20, 2018.

Fee Type	Period Collected	Amount
Work Release	September - December 2016	\$ 2,500
DARE Donation	September - October 2016; April 2017	\$ 200
Social Security Incentive	Throughout Fiscal Year	\$ 1,200
<b>Total</b>		<b>\$ 3,900</b>

- The County Sheriff's office was not able to provide a detailed listing of inmate balances as of June 30, 2018, nor was it able to provide documentation of the amount of cash on hand in the office at June 30, 2018.
- The bank account holding commissary funds was not properly reconciled each month, which resulted in a negative bank balance for 11 days during the fiscal year and \$8 in overdraft fees charged by the bank.

A good internal control plan and sound business practices require procedures to ensure the following: 1) office 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; 5) inmate balances, as well as other office funds, are documented; and 6) bank balances are reviewed to ensure no overdraft fees are charged.

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 the County Sheriff implement procedures 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; 5) inmate balances, as well as other office funds, are documented; and 6) bank balances are reviewed to ensure no overdraft fees are charged.

### **Sheriff Petty Cash Procedures**

During our audit, we noted the following regarding the County Sheriff's petty cash procedures:

- Expenses incurred by the County Sheriff were not filed with the County Clerk within 90 days, as required by State statute.
- The petty cash account was not reconciled to the authorized amount during the fiscal year. Expenses of \$19 were not been properly claimed to the County Board.
- The County Sheriff spent \$14 on holiday cards from the petty cash fund, which is not a reasonable petty cash expense.
- During a surprise cash count of the petty cash, we noted the County Sheriff's petty cash fund was \$43 short.

Neb Rev. Stat. § 23-135(1) (Reissue 2012) states, in relevant part, the following:

*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 . . . .*

Additionally, the Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. §§ 13-2201 through 13-2204 (Reissue 2012, Neb. Laws 2018, LB1036, § 1), establishes strict parameters for the expenditure of public funds by designated public entities, including county officials. The purchase of Christmas cards does not represent an allowable disbursement of public funds under the Act.

Additionally, a good internal control plan and sound accounting practices require petty cash funds to be expended for reasonable and lawful purposes.

When the petty cash fund is not reconciled to the authorized amount, petty cash reimbursements are not submitted in a timely manner, and expenditures of petty cash funds are not reasonable, there is an increased risk of loss or misuse of funds.

We recommend the County Sheriff ensure compliance with the provisions of the Act by refraining from expending public funds improperly. Additionally, we recommend the County Sheriff implement procedures to ensure each claim for reimbursement of expenses is filed with the County Clerk within 90 days of when the expense is incurred, as required by State statute. We further recommend the County Sheriff ensure the petty cash fund is reconciled to the authorized amount.

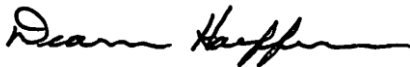
\* \* \* \* \*

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 that reads "Deann Haeffner".

Deann Haeffner, CPA  
Assistant Deputy Auditor