

**AUDIT REPORT  
OF  
BUTLER COUNTY**

**JULY 1, 2018, THROUGH JUNE 30, 2019**

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**Issued on February 27, 2020**

BUTLER COUNTY

TABLE OF CONTENTS

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Basis Net Position - Fiduciary Funds	9
Notes to Financial Statements	10 - 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 - 26
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	27 - 30
Schedule of Office Activities	31
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	32
<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>	33 - 34

BUTLER COUNTY  
451 N. 5<sup>th</sup> Street  
David City, NE 68632

**LIST OF COUNTY OFFICIALS**  
At June 30, 2019

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	David Mach	Jan. 2023
	Gregory Janak	Jan. 2021
	Scott Steager	Jan. 2023
	Scot Bauer	Jan. 2023
	Max Birkel	Jan. 2021
	Anthony Whitmore	Jan. 2023
	Tony Krafka	Jan. 2021
Assessor	Vickie Donoghue	Jan. 2023
Attorney	Julie Reiter	Jan. 2023
Clerk	Stephanie Laska	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Sandy Hoeft	Jan. 2023
Sheriff	Tom Dion	Jan. 2023
Treasurer	Karey Adamy	Jan. 2023
Surveyor	Brian Foral	Jan. 2023
Veterans' Service Officer	Joey Ossian	Appointed
Weed Superintendent	Max Birkel	Appointed
Highway Superintendent	Jim McDonald	Appointed
Emergency Manager	Scott Steager	Appointed
Floodplain Administrator	Gregory Janak	Appointed
Senior Services	Diana McDonald	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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BUTLER COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Butler County, Nebraska

### Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butler County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Summary of Opinions

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

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

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

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Butler County, as of June 30, 2019, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Butler County, as of June 30, 2019, 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 18-32, 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 February 26, 2020, on our consideration of Butler County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Butler County’s internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

February 26, 2020

BUTLER COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2019

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 1.D)	\$	862,860
Investments (Note 1.D)		7,731,043
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>8,593,903</b>
<b>NET POSITION</b>		
Restricted for:		
Visitor Promotion	\$	24,065
911 Emergency Services		242,742
Drug Education		7,092
Law Enforcement		966
Preservation of Records		6,491
Debt Service		116,983
Road/Bridge Projects		506,813
Child Support Enforcement		14,341
Aid and Assistance		69,392
Unrestricted		7,605,018
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>8,593,903</b>

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

BUTLER COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2019

<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	\$ (2,596,775)	\$ 440,962	\$ 47,195	\$ (2,108,618)
Public Safety	(2,435,014)	684,773	110	(1,750,131)
Public Works	(3,569,751)	175	1,859,341	(1,710,235)
Public Assistance	(331,810)	49,859	56,500	(225,451)
Culture and Recreation	(4,460)	-	-	(4,460)
Debt Payments	(154,587)	-	-	(154,587)
<b>Total Governmental Activities</b>	<b>\$ (9,092,397)</b>	<b>\$ 1,175,769</b>	<b>\$ 1,963,146</b>	<b>(5,953,482)</b>

General Receipts:

Property Taxes	4,753,038
Grants and Contributions Not Restricted to Specific Programs	1,293,269
Investment Income	190,729
Licenses and Permits	31,344
Miscellaneous	134,047
<b>Total General Receipts</b>	<b>6,402,427</b>
 Increase in Net Position	 448,945
Net Position - Beginning of year	8,144,958
Net Position - End of year	<u>\$ 8,593,903</u>

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

BUTLER COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2019

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Special Road Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 862,860	\$ -	\$ -	\$ -	\$ -	\$ 862,860
Investments (Note 1.D)	589,660	808,709	3,219,421	1,415,169	1,698,084	7,731,043
<b>TOTAL ASSETS</b>	<u>\$ 1,452,520</u>	<u>\$ 808,709</u>	<u>\$ 3,219,421</u>	<u>\$ 1,415,169</u>	<u>\$ 1,698,084</u>	<u>\$ 8,593,903</u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	24,065	24,065
911 Emergency Services	-	-	-	-	242,742	242,742
Drug Education	-	-	-	-	7,092	7,092
Law Enforcement	-	-	-	-	966	966
Preservation of Records	-	-	-	-	6,491	6,491
Debt Service	-	-	-	-	116,983	116,983
Road/Bridge Projects	-	-	-	-	506,813	506,813
Child Support Enforcement	-	-	-	-	14,341	14,341
Aid and Assistance	-	-	-	-	69,392	69,392
Committed to:						
Law Enforcement	-	-	-	-	22,920	22,920
Road Maintenance	-	808,709	-	1,415,169	-	2,223,878
Aid and Assistance	-	-	-	-	532,881	532,881
Equipment	-	-	-	-	153,398	153,398
Assigned to:						
Other Purposes	-	-	3,219,421	-	-	3,219,421
Unassigned	1,452,520	-	-	-	-	1,452,520
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 1,452,520</u>	<u>\$ 808,709</u>	<u>\$ 3,219,421</u>	<u>\$ 1,415,169</u>	<u>\$ 1,698,084</u>	<u>\$ 8,593,903</u>

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

BUTLER COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	General Fund	Road Fund	Inheritance Fund	Special Road Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 3,591,537	\$ -	\$ 930,017	\$ -	\$ 231,484	\$ 4,753,038
Licenses and Permits	30,219	1,125	-	-	-	31,344
Investment Income	189,690	-	-	-	1,039	190,729
Intergovernmental	427,711	2,498,514	18,148	3,317	308,725	3,256,415
Charges for Services	1,113,539	175	-	-	62,055	1,175,769
Miscellaneous	24,337	72,629	-	-	37,081	134,047
<b>TOTAL RECEIPTS</b>	<u>5,377,033</u>	<u>2,572,443</u>	<u>948,165</u>	<u>3,317</u>	<u>640,384</u>	<u>9,541,342</u>
<b>DISBURSEMENTS</b>						
General Government	2,087,185	-	421,551	-	88,039	2,596,775
Public Safety	2,134,036	-	-	-	300,978	2,435,014
Public Works	94,602	2,910,837	-	400,000	164,312	3,569,751
Public Assistance	43,171	-	-	-	288,639	331,810
Culture and Recreation	-	-	-	-	4,460	4,460
Debt Service:						
Principal Payments	-	-	-	-	120,000	120,000
Interest and Fiscal Charges	-	-	-	-	34,587	34,587
<b>TOTAL DISBURSEMENTS</b>	<u>4,358,994</u>	<u>2,910,837</u>	<u>421,551</u>	<u>400,000</u>	<u>1,001,015</u>	<u>9,092,397</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,018,039</u>	<u>(338,394)</u>	<u>526,614</u>	<u>(396,683)</u>	<u>(360,631)</u>	<u>448,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	250,060	796,497	-	500,000	928,595	2,475,152
Transfers out	(1,171,755)	(500,000)	(750,000)	-	(53,397)	(2,475,152)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(921,695)</u>	<u>296,497</u>	<u>(750,000)</u>	<u>500,000</u>	<u>875,198</u>	<u>-</u>
Net Change in Fund Balances	96,344	(41,897)	(223,386)	103,317	514,567	448,945
<b>CASH BASIS FUND BALANCES - BEGINNING</b>						
	<u>1,356,176</u>	<u>850,606</u>	<u>3,442,807</u>	<u>1,311,852</u>	<u>1,183,517</u>	<u>8,144,958</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>						
	<u>\$ 1,452,520</u>	<u>\$ 808,709</u>	<u>\$ 3,219,421</u>	<u>\$ 1,415,169</u>	<u>\$ 1,698,084</u>	<u>\$ 8,593,903</u>

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

BUTLER COUNTY  
**STATEMENT OF CASH BASIS NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2019

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 572,739
 <b>LIABILITIES</b>	
Due to other governments	
State	204,064
Schools	164,423
Educational Service Units	1,869
Technical College	12,027
Natural Resource Districts	3,960
Fire Districts	4,087
Municipalities	28,962
Agricultural Society	1,237
Townships	8,441
Sanitary and Improvement Districts	34,072
Others	109,597
<b>TOTAL LIABILITIES</b>	<b>572,739</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Butler County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

**Joint Organization.**

Behavioral Health Region V – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

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 \$36,860 toward the operation of the Region during fiscal year 2019. 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 Four Corners Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

BUTLER 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 2019. 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) (Cum. Supp. 2018). Financial information for the Department is available in that report.

**B. Basis of Presentation**

**Government-Wide Financial Statements.** The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities and the Hospital. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The County is reported separately from certain legally separate component units for which the primary government is financially accountable. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

**Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. 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.

**Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

**Debt Service Fund.** The Agricultural Society Building Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

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

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

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

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

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

**D. Assets and Net Position**

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

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) 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 \$988,885 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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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 2018).

At year end, the County's carrying amount of deposits was \$862,860 for County funds and \$572,739 for Fiduciary funds. The bank balances for all funds totaled \$1,413,765. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2019, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$10,372 in TD Ameritrade Investments, \$59,951 in the Butler County Area Foundation Fund, and \$7,660,720 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name. The TD Ameritrade Investments and the Butler County Area Foundation Fund were held by the County or its agent in the name of the County.

3. **Property Taxes**

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

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.149716/\$100 of assessed valuation. The levy set in October 2017, for the 2017 taxes, which were materially collected in May and September 2018, was set at \$.149606/\$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 (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. 2018) 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, 2019, 116 employees contributed \$155,726, and the County contributed \$231,154. Contributions included \$4,863 in cash contributions towards the supplemental law enforcement plan for 16 law enforcement employees. Lastly, the County paid \$1,491 directly to 21 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 96 counties and local governments throughout Nebraska.

BUTLER 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, 2019, consisted of the following:

<b>Transfers to</b>	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 250,000	\$ 60	\$ 250,060
Road Fund	796,497	-	-	-	796,497
Special Road Fund	-	500,000	-	-	500,000
Nonmajor Funds	375,258	-	500,000	53,337	928,595
Total	<u>\$ 1,171,755</u>	<u>\$ 500,000</u>	<u>\$ 750,000</u>	<u>\$ 53,397</u>	<u>\$ 2,475,152</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.

In the year ended June 30, 2019, the County made a one-time transfer of \$60 from the Institutions Fund to the General Fund because the County closed the Institutions Fund during the fiscal year.

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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

8. Long-Term Debt

**Hospital Bond.** In May 2012, the County issued General Obligation bonds in the original amount of \$8,000,000 for the purpose of paying the costs related to the construction of additions and improvements to the existing hospital facility. In January 2013, the County issued General Obligation Refunding Bonds in the amount of \$2,580,000 for the purpose of redeeming Series 2009 bonds. The bond payable balance, as of June 30, 2019, was \$6,125,000. 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; however, it is the intent of the Hospital and County Board to use proceeds from the Hospital to pay off the bonds. Complete financial statements of the Hospital can be obtained from the Hospital’s administrative office.

After the fiscal year 2019, the County issued General Obligation Refunding Bonds, Series 2019, in October 2019 for \$4,925,000 for the purpose of paying and redeeming \$4,815,000 of the County’s General Obligation Bonds, Series 2012, and to pay costs associated with issuance of the Series 2019 Refunding Bonds.

**Agricultural Project Bond.** The County issued bonds on August 17, 2016, in the amount of \$1,950,000 for the purpose of paying the costs of acquiring, constructing, furnishing, and equipping a multi-purpose facility on the Butler County Fairgrounds. The bond payable balance, as of June 30, 2019, was \$1,710,000. 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>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 120,000	\$ 31,798	\$ 151,798
2021	120,000	30,508	150,508
2022	120,000	29,037	149,037
2023	125,000	27,351	152,351
2024	125,000	25,445	150,445
2025-2029	665,000	91,399	756,399
2030-2032	435,000	17,351	452,351
Total Payments	<u>\$ 1,710,000</u>	<u>\$ 252,889</u>	<u>\$ 1,962,889</u>

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,810,456	\$ 3,810,456	\$ 3,591,537	\$ (218,919)
Licenses and Permits	24,150	24,150	30,219	6,069
Interest	30,000	30,000	189,690	159,690
Intergovernmental	95,550	95,550	427,711	332,161
Charges for Services	804,900	804,900	1,113,539	308,639
Miscellaneous	-	-	24,337	24,337
<b>TOTAL RECEIPTS</b>	<u>4,765,056</u>	<u>4,765,056</u>	<u>5,377,033</u>	<u>611,977</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	278,815	278,815	274,992	3,823
County Clerk	185,031	185,031	178,349	6,682
County Treasurer	181,477	181,477	175,549	5,928
County Assessor	224,961	224,961	221,723	3,238
Election Commissioner	65,000	65,000	59,692	5,308
Data Processing Dept	89,500	89,500	72,440	17,060
Clerk of the District Court	198,969	198,969	170,938	28,031
County Court System	11,410	11,410	9,651	1,759
Public Defender	130,000	130,000	115,801	14,199
Building and Grounds	241,289	241,289	199,192	42,097
Reappraisal	55,650	55,650	42,844	12,806
Agricultural Extension Agent	117,296	117,296	112,174	5,122
Miscellaneous	600,598	600,598	453,840	146,758
Public Safety				
County Sheriff	978,640	978,640	976,396	2,244
County Attorney	260,993	260,993	260,607	386
Diversion Program	14,500	14,500	14,500	-
Law Enforcement Grant	14,500	14,500	5,219	9,281
County Jail	868,017	868,017	838,106	29,911
Floodplain Administrator	10,111	10,111	9,113	998
Emergency Management	49,160	49,160	30,095	19,065
Public Works				
County Surveyor	24,659	24,659	23,565	1,094
Noxious Weed Control	81,170	81,170	71,037	10,133
Public Assistance				
Veterans' Service Officer	51,605	51,605	43,115	8,490
Victims Assistance Program	1,500	1,500	56	1,444
<b>TOTAL DISBURSEMENTS</b>	<u>4,734,851</u>	<u>4,734,851</u>	<u>4,358,994</u>	<u>375,857</u>

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	30,205	30,205	1,018,039	987,834
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,000	250,000	250,060	60
Transfers out	(1,136,381)	(1,136,381)	(1,171,755)	(35,374)
TOTAL OTHER FINANCING SOURCES (USES)	(886,381)	(886,381)	(921,695)	(35,314)
Net Change in Fund Balance	(856,176)	(856,176)	96,344	952,520
<b>FUND BALANCE - BEGINNING</b>	1,356,176	1,356,176	1,356,176	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,452,520</u>	<u>\$ 952,520</u>

(Concluded)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ -	\$ -	\$ 1,125	\$ 1,125
Intergovernmental	2,342,930	2,342,930	2,498,514	155,584
Charges for Services	-	-	175	175
Miscellaneous	-	-	72,629	72,629
<b>TOTAL RECEIPTS</b>	<b>2,342,930</b>	<b>2,342,930</b>	<b>2,572,443</b>	<b>229,513</b>
<b>DISBURSEMENTS</b>	<b>3,190,033</b>	<b>3,190,033</b>	<b>2,910,837</b>	<b>279,196</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(847,103)</b>	<b>(847,103)</b>	<b>(338,394)</b>	<b>508,709</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	796,497	796,497	796,497	-
Transfers out	(500,000)	(500,000)	(500,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>296,497</b>	<b>296,497</b>	<b>296,497</b>	<b>-</b>
Net Change in Fund Balance	(550,606)	(550,606)	(41,897)	508,709
FUND BALANCE - BEGINNING	850,606	850,606	850,606	-
FUND BALANCE - ENDING	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 808,709</b>	<b>\$ 508,709</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 206,000	\$ 206,000	\$ 930,017	\$ 724,017
Intergovernmental	-	-	18,148	18,148
<b>TOTAL RECEIPTS</b>	<b>206,000</b>	<b>206,000</b>	<b>948,165</b>	<b>742,165</b>
<b>DISBURSEMENTS</b>	<b>3,398,807</b>	<b>2,898,807</b>	<b>421,551</b>	<b>2,477,256</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(3,192,807)</b>	<b>(2,692,807)</b>	<b>526,614</b>	<b>3,219,421</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(250,000)	(750,000)	(750,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(250,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>-</b>
Net Change in Fund Balance	(3,442,807)	(3,442,807)	(223,386)	3,219,421
FUND BALANCE - BEGINNING	3,442,807	3,442,807	3,442,807	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,219,421</b>	<b>\$ 3,219,421</b>

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 3,317	\$ 3,317
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>3,317</b>	<b>3,317</b>
<b>DISBURSEMENTS</b>	<b>1,811,852</b>	<b>1,811,852</b>	<b>400,000</b>	<b>1,411,852</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,811,852)</b>	<b>(1,811,852)</b>	<b>(396,683)</b>	<b>1,415,169</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	500,000	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>
Net Change in Fund Balance	(1,311,852)	(1,311,852)	103,317	1,415,169
FUND BALANCE - BEGINNING	1,311,852	1,311,852	1,311,852	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,415,169</u>	<u>\$ 1,415,169</u>

(Concluded)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BRIDGE BUYBACK FUND</b>				
Receipts	\$ 164,091	\$ 164,091	\$ 163,830	\$ (261)
Disbursements	(507,074)	(507,074)	-	507,074
Net Change in Fund Balance	(342,983)	(342,983)	163,830	506,813
Fund Balance - Beginning	342,983	342,983	342,983	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,813</u>	<u>\$ 506,813</u>
<b>COMMUNICATION EQUIPMENT SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(90,000)	(90,000)	-	90,000
Transfers in	30,000	30,000	30,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(60,000)	(60,000)	30,000	90,000
Fund Balance - Beginning	60,000	60,000	60,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>
<b>EQUIPMENT SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(103,565)	(103,565)	(80,167)	23,398
Transfers in	5,500	5,500	45,500	40,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(98,065)	(98,065)	(34,667)	63,398
Fund Balance - Beginning	98,065	98,065	98,065	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,398</u>	<u>\$ 63,398</u>
<b>CHILD SUPPORT INCENTIVE FUND</b>				
Receipts	\$ -	\$ -	\$ 5,808	\$ 5,808
Disbursements	(18,593)	(18,593)	(10,060)	8,533
Net Change in Fund Balance	(18,593)	(18,593)	(4,252)	14,341
Fund Balance - Beginning	18,593	18,593	18,593	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,341</u>	<u>\$ 14,341</u>
<b>VISITOR'S PROMOTION FUND</b>				
Receipts	\$ -	\$ -	\$ 2,888	\$ 2,888
Disbursements	(15,098)	(15,098)	(1,160)	13,938
Net Change in Fund Balance	(15,098)	(15,098)	1,728	16,826
Fund Balance - Beginning	15,098	15,098	15,098	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,826</u>	<u>\$ 16,826</u>

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VISITOR'S IMPROVEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 2,888	\$ 2,888
Disbursements	(7,651)	(7,651)	(3,300)	4,351
Net Change in Fund Balance	(7,651)	(7,651)	(412)	7,239
Fund Balance - Beginning	7,651	7,651	7,651	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,239</u>	<u>\$ 7,239</u>
<b>REGISTER OF DEEDS PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 7,196	\$ 2,196
Disbursements	(12,167)	(12,167)	(7,872)	4,295
Net Change in Fund Balance	(7,167)	(7,167)	(676)	6,491
Fund Balance - Beginning	7,167	7,167	7,167	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,491</u>	<u>\$ 6,491</u>
<b>MEDICAL RELIEF FUND</b>				
Receipts	\$ -	\$ -	\$ 7	\$ 7
Disbursements	(31,083)	(31,083)	(6,371)	24,712
Net Change in Fund Balance	(31,083)	(31,083)	(6,364)	24,719
Fund Balance - Beginning	31,083	31,083	31,083	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,719</u>	<u>\$ 24,719</u>
<b>INSTITUTIONS FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(18,984)	(18,984)	(18,924)	60
Transfers in	-	-	-	-
Transfers out	-	-	(60)	(60)
Net Change in Fund Balance	(18,984)	(18,984)	(18,984)	-
Fund Balance - Beginning	18,984	18,984	18,984	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>VETERAN'S AID FUND</b>				
Receipts	\$ -	\$ -	\$ 4	\$ 4
Disbursements	(30,208)	(30,208)	-	30,208
Net Change in Fund Balance	(30,208)	(30,208)	4	30,212
Fund Balance - Beginning	30,208	30,208	30,208	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,212</u>	<u>\$ 30,212</u>

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>RURAL TRANSIT SERVICE FUND</u></b>				
Receipts	\$ 49,036	\$ 49,036	\$ 66,782	\$ 17,746
Disbursements	(86,207)	(86,207)	(69,867)	16,340
Transfers in	14,596	14,596	9,970	(4,626)
Transfers out	-	-	-	-
Net Change in Fund Balance	(22,575)	(22,575)	6,885	29,460
Fund Balance - Beginning	22,575	22,575	22,575	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,460</u>	<u>\$ 29,460</u>
<b><u>SENIOR SERVICES PROGRAM FUND</u></b>				
Receipts	\$ 129,132	\$ 129,132	\$ 122,541	\$ (6,591)
Disbursements	(196,125)	(196,125)	(179,602)	16,523
Transfers in	36,012	36,012	36,012	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(30,981)	(30,981)	(21,049)	9,932
Fund Balance - Beginning	60,981	60,981	60,981	-
Fund Balance - Ending	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 39,932</u>	<u>\$ 9,932</u>
<b><u>SENIOR SERVICES SAVINGS FUND</u></b>				
Receipts	\$ -	\$ -	\$ 22,859	\$ 22,859
Disbursements	(133,278)	(133,278)	(13,875)	119,403
Net Change in Fund Balance	(133,278)	(133,278)	8,984	142,262
Fund Balance - Beginning	133,278	133,278	133,278	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,262</u>	<u>\$ 142,262</u>
<b><u>STOP PROGRAM FUND</u></b>				
Receipts	\$ -	\$ -	\$ 5,000	\$ 5,000
Disbursements	(13,488)	(13,488)	-	13,488
Net Change in Fund Balance	(13,488)	(13,488)	5,000	18,488
Fund Balance - Beginning	13,488	13,488	13,488	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,488</u>	<u>\$ 18,488</u>
<b><u>DRUG LAW ENFORCEMENT AND EDUCATION FUND</u></b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(7,092)	(7,092)	-	7,092
Net Change in Fund Balance	(7,092)	(7,092)	-	7,092
Fund Balance - Beginning	7,092	7,092	7,092	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,092</u>	<u>\$ 7,092</u>

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(966)	(966)	-	966
Net Change in Fund Balance	(966)	(966)	-	966
Fund Balance - Beginning	966	966	966	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 966</u>	<u>\$ 966</u>
<b>CANINE FUND</b>				
Receipts	\$ -	\$ -	\$ 250	\$ 250
Disbursements	(4,550)	(4,550)	(368)	4,182
Net Change in Fund Balance	(4,550)	(4,550)	(118)	4,432
Fund Balance - Beginning	4,550	4,550	4,550	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,432</u>	<u>\$ 4,432</u>
<b>DISASTER FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	(500,000)	(164,312)	335,688
Transfers in	-	500,000	500,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	335,688	335,688
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,688</u>	<u>\$ 335,688</u>
<b>911 EMERGENCY MANAGEMENT FUND</b>				
Receipts	\$ 25,000	\$ 25,000	\$ 29,648	\$ 4,648
Disbursements	(335,350)	(335,350)	(250,862)	84,488
Transfers in	283,776	283,776	283,776	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Net Change in Fund Balance	(56,574)	(56,574)	32,562	89,136
Fund Balance - Beginning	56,574	56,574	56,574	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,136</u>	<u>\$ 89,136</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 50,319	\$ 50,319	\$ 50,319	\$ -
Disbursements	(50,319)	(50,319)	(39,688)	10,631
Transfers in	-	-	-	-
Transfers out	(23,337)	(23,337)	(23,337)	-
Net Change in Fund Balance	(23,337)	(23,337)	(12,706)	10,631
Fund Balance - Beginning	23,337	23,337	23,337	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,631</u>	<u>\$ 10,631</u>

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>911 WIRELESS SERVICE HOLDING FUND</u></b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(142,975)	(142,975)	-	142,975
Transfers in	23,337	23,337	23,337	-
Transfers out	-	-	-	-
Net Change in Fund Balance	<u>(119,638)</u>	<u>(119,638)</u>	<u>23,337</u>	<u>142,975</u>
Fund Balance - Beginning	119,638	119,638	119,638	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 142,975</u></u>	<u><u>\$ 142,975</u></u>
<b><u>AGRICULTURAL SOCIETY BUILDING FUND</u></b>				
Receipts	\$ 154,348	\$ 154,348	\$ 160,364	\$ 6,016
Disbursements	<u>(265,554)</u>	<u>(265,554)</u>	<u>(154,587)</u>	<u>110,967</u>
Net Change in Fund Balance	<u>(111,206)</u>	<u>(111,206)</u>	<u>5,777</u>	<u>116,983</u>
Fund Balance - Beginning	111,206	111,206	111,206	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 116,983</u></u>	<u><u>\$ 116,983</u></u>

(Concluded)

BUTLER COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	Highway Bridge Buyback Fund	Communication Equipment Sinking Fund	Equipment Sinking Fund	Child Support Incentive Fund	Visitor's Promotion Fund	Visitor's Improvement Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,888	\$ 2,888
Investment Income	-	-	-	-	-	-
Intergovernmental	163,830	-	-	5,808	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>163,830</u>	<u>-</u>	<u>-</u>	<u>5,808</u>	<u>2,888</u>	<u>2,888</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	80,167	-	-	-
Public Safety	-	-	-	10,060	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	1,160	3,300
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>80,167</u>	<u>10,060</u>	<u>1,160</u>	<u>3,300</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>163,830</u>	<u>-</u>	<u>(80,167)</u>	<u>(4,252)</u>	<u>1,728</u>	<u>(412)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	30,000	45,500	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>30,000</u>	<u>45,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	163,830	30,000	(34,667)	(4,252)	1,728	(412)
<b>FUND BALANCES - BEGINNING</b>	<u>342,983</u>	<u>60,000</u>	<u>98,065</u>	<u>18,593</u>	<u>15,098</u>	<u>7,651</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 506,813</u>	<u>\$ 90,000</u>	<u>\$ 63,398</u>	<u>\$ 14,341</u>	<u>\$ 16,826</u>	<u>\$ 7,239</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	16,826	7,239
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	506,813	-	-	-	-	-
Child Support Enforcement	-	-	-	14,341	-	-
Aid and Assistance	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
Equipment	-	90,000	63,398	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 506,813</u>	<u>\$ 90,000</u>	<u>\$ 63,398</u>	<u>\$ 14,341</u>	<u>\$ 16,826</u>	<u>\$ 7,239</u>

(Continued)

BUTLER COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	Register of Deeds Preservation & Modernization Fund	Medical Relief Fund	Institutions Fund	Veteran's Aid Fund	Rural Transit Service Fund	Senior Services Program Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 4	\$ -	\$ 2	\$ -	\$ -
Investment Income	-	-	-	2	-	-
Intergovernmental	-	3	-	-	53,558	70,897
Charges for Services	7,196	-	-	-	13,224	36,635
Miscellaneous	-	-	-	-	-	15,009
<b>TOTAL RECEIPTS</b>	<u>7,196</u>	<u>7</u>	<u>-</u>	<u>4</u>	<u>66,782</u>	<u>122,541</u>
<b>DISBURSEMENTS</b>						
General Government	7,872	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	6,371	18,924	-	69,867	179,602
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>7,872</u>	<u>6,371</u>	<u>18,924</u>	<u>-</u>	<u>69,867</u>	<u>179,602</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(676)</u>	<u>(6,364)</u>	<u>(18,924)</u>	<u>4</u>	<u>(3,085)</u>	<u>(57,061)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	9,970	36,012
Transfers out	-	-	(60)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>9,970</u>	<u>36,012</u>
Net Change in Fund Balances	(676)	(6,364)	(18,984)	4	6,885	(21,049)
<b>FUND BALANCES - BEGINNING</b>	<u>7,167</u>	<u>31,083</u>	<u>18,984</u>	<u>30,208</u>	<u>22,575</u>	<u>60,981</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 6,491</u>	<u>\$ 24,719</u>	<u>\$ -</u>	<u>\$ 30,212</u>	<u>\$ 29,460</u>	<u>\$ 39,932</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	6,491	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	29,460	39,932
Committed to:						
Law Enforcement	-	-	-	-	-	-
Aid and Assistance	-	24,719	-	30,212	-	-
Equipment	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 6,491</u>	<u>\$ 24,719</u>	<u>\$ -</u>	<u>\$ 30,212</u>	<u>\$ 29,460</u>	<u>\$ 39,932</u>

(Continued)

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	Senior Services Savings Fund	STOP Program Fund	Drug Law Enforcement and Education Fund	Federal Drug Law Enforcement Fund	Canine Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	1,037	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	5,000	-	-	-
Miscellaneous	21,822	-	-	-	250
<b>TOTAL RECEIPTS</b>	<u>22,859</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>250</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	368
Public Works	-	-	-	-	-
Public Assistance	13,875	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>13,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>8,984</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>(118)</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>
Net Change in Fund Balances	8,984	5,000	-	-	(118)
<b>FUND BALANCES - BEGINNING</b>	<u>133,278</u>	<u>13,488</u>	<u>7,092</u>	<u>966</u>	<u>4,550</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 142,262</u>	<u>\$ 18,488</u>	<u>\$ 7,092</u>	<u>\$ 966</u>	<u>\$ 4,432</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	7,092	-	-
Law Enforcement	-	-	-	966	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	18,488	-	-	4,432
Aid and Assistance	142,262	-	-	-	-
Equipment	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 142,262</u>	<u>\$ 18,488</u>	<u>\$ 7,092</u>	<u>\$ 966</u>	<u>\$ 4,432</u>

(Continued)

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	Disaster Fund	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Agricultural Society Building Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 29,648	\$ 50,319	\$ -	\$ 145,735	\$ 231,484
Investment Income	-	-	-	-	-	1,039
Intergovernmental	-	-	-	-	14,629	308,725
Charges for Services	-	-	-	-	-	62,055
Miscellaneous	-	-	-	-	-	37,081
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>29,648</u>	<u>50,319</u>	<u>-</u>	<u>160,364</u>	<u>640,384</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	88,039
Public Safety	-	250,862	39,688	-	-	300,978
Public Works	164,312	-	-	-	-	164,312
Public Assistance	-	-	-	-	-	288,639
Culture and Recreation	-	-	-	-	-	4,460
Debt Service:						
Principal Payments	-	-	-	-	120,000	120,000
Interest and Fiscal Charges	-	-	-	-	34,587	34,587
<b>TOTAL DISBURSEMENTS</b>	<u>164,312</u>	<u>250,862</u>	<u>39,688</u>	<u>-</u>	<u>154,587</u>	<u>1,001,015</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(164,312)</u>	<u>(221,214)</u>	<u>10,631</u>	<u>-</u>	<u>5,777</u>	<u>(360,631)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	500,000	283,776	-	23,337	-	928,595
Transfers out	-	(30,000)	(23,337)	-	-	(53,397)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>500,000</u>	<u>253,776</u>	<u>(23,337)</u>	<u>23,337</u>	<u>-</u>	<u>875,198</u>
Net Change in Fund Balances	335,688	32,562	(12,706)	23,337	5,777	514,567
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>56,574</u>	<u>23,337</u>	<u>119,638</u>	<u>111,206</u>	<u>1,183,517</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 335,688</u>	<u>\$ 89,136</u>	<u>\$ 10,631</u>	<u>\$ 142,975</u>	<u>\$ 116,983</u>	<u>\$ 1,698,084</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	24,065
911 Emergency Services	-	89,136	10,631	142,975	-	242,742
Drug Education	-	-	-	-	-	7,092
Law Enforcement	-	-	-	-	-	966
Preservation of Records	-	-	-	-	-	6,491
Debt Service	-	-	-	-	116,983	116,983
Road/Bridge Projects	-	-	-	-	-	506,813
Child Support Enforcement	-	-	-	-	-	14,341
Aid and Assistance	-	-	-	-	-	69,392
Committed to:						
Law Enforcement	-	-	-	-	-	22,920
Aid and Assistance	335,688	-	-	-	-	532,881
Equipment	-	-	-	-	-	153,398
<b>TOTAL FUND BALANCES</b>	<u>\$ 335,688</u>	<u>\$ 89,136</u>	<u>\$ 10,631</u>	<u>\$ 142,975</u>	<u>\$ 116,983</u>	<u>\$ 1,698,084</u>

(Concluded)

**BUTLER COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2019

	<u>County Clerk</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Highway Superintendent</u>	<u>Veterans' Service Officer</u>	<u>County Senior Services</u>	<u>County Detention Center</u>	<u>Total</u>
BALANCES JULY 1, 2018	\$ 9,210	\$ 34,445	\$ 19,641	\$ 500	\$ 103,091	\$ 4,292	\$ 658	\$ 45,783	\$ 217,620
<b>RECEIPTS</b>									
Property Taxes	-	-	-	-	-	-	-	-	-
Licenses and Permits	1,257	-	965	-	1,125	-	-	-	3,347
Intergovernmental	-	-	24,000	-	851,512	-	250	-	875,762
Charges for Services	90,107	16,347	23,346	-	69,551	-	49,619	310,927	559,897
Miscellaneous	-	-	56	562	2,511	2	39,434	-	42,565
State Fees	83,817	13,263	-	-	-	-	-	-	97,080
Other Liabilities	-	305,060	6,358	-	-	-	-	277,887	589,305
<b>TOTAL RECEIPTS</b>	<u>175,181</u>	<u>334,670</u>	<u>54,725</u>	<u>562</u>	<u>924,699</u>	<u>2</u>	<u>89,303</u>	<u>588,814</u>	<u>2,167,956</u>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	89,703	17,150	50,415	-	924,884	2	86,134	321,554	1,489,842
Payments to State Treasurer	80,945	13,576	-	-	-	-	-	-	94,521
Other Liabilities	-	318,370	9,564	562	-	470	3,056	273,449	605,471
<b>TOTAL DISBURSEMENTS</b>	<u>170,648</u>	<u>349,096</u>	<u>59,979</u>	<u>562</u>	<u>924,884</u>	<u>472</u>	<u>89,190</u>	<u>595,003</u>	<u>2,189,834</u>
BALANCES JUNE 30, 2019	<u>\$ 13,743</u>	<u>\$ 20,019</u>	<u>\$ 14,387</u>	<u>\$ 500</u>	<u>\$ 102,906</u>	<u>\$ 3,822</u>	<u>\$ 771</u>	<u>\$ 39,594</u>	<u>\$ 195,742</u>
<b>BALANCES CONSIST OF:</b>									
Due to County Treasurer	\$ 6,981	\$ 290	\$ 9,340	\$ -	\$ 102,906	\$ 3,822	\$ 271	\$ 30,135	\$ 153,745
Petty Cash	-	-	4,035	500	-	-	500	-	5,035
Due to State Treasurer	6,762	723	-	-	-	-	-	-	7,485
Due to Others	-	19,006	1,012	-	-	-	-	9,459	29,477
BALANCES JUNE 30, 2019	<u>\$ 13,743</u>	<u>\$ 20,019</u>	<u>\$ 14,387</u>	<u>\$ 500</u>	<u>\$ 102,906</u>	<u>\$ 3,822</u>	<u>\$ 771</u>	<u>\$ 39,594</u>	<u>\$ 195,742</u>

BUTLER COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2019

Item	2014	2015	2016	2017	2018
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 22,563,682	\$ 23,992,690	\$ 24,498,864	\$ 25,335,045	\$ 25,663,012
Personal and Specials	2,524,445	2,645,920	2,645,919	2,117,117	2,053,068
Total	<u>25,088,127</u>	<u>26,638,610</u>	<u>27,144,783</u>	<u>27,452,162</u>	<u>27,716,080</u>
<b>Corrections</b>					
Additions	2,057	6,539	9,982	13,775	2,957
Deductions	(4,229)	(2,442)	(1,187)	(7,217)	(1,885)
Net Additions/ (Deductions)	<u>(2,172)</u>	<u>4,097</u>	<u>8,795</u>	<u>6,558</u>	<u>1,072</u>
Corrected Certified Tax	<u>25,085,955</u>	<u>26,642,707</u>	<u>27,153,578</u>	<u>27,458,720</u>	<u>27,717,152</u>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2015	16,421,742	-	-	-	-
June 30, 2016	8,648,374	17,501,780	-	-	-
June 30, 2017	7,155	9,130,454	17,594,421	-	-
June 30, 2018	2,182	6,641	9,549,854	18,270,821	-
June 30, 2019	1,550	1,618	5,071	9,178,565	18,415,424
Total Net Collections	<u>25,081,003</u>	<u>26,640,493</u>	<u>27,149,346</u>	<u>27,449,386</u>	<u>18,415,424</u>
 Total Uncollected Tax	 <u>\$ 4,952</u>	 <u>\$ 2,214</u>	 <u>\$ 4,232</u>	 <u>\$ 9,334</u>	 <u>\$ 9,301,728</u>
 Percentage Uncollected Tax	 <u>0.02%</u>	 <u>0.01%</u>	 <u>0.02%</u>	 <u>0.03%</u>	 <u>33.56%</u>

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



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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

Board of Supervisors  
Butler County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butler County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements, and have issued our report thereon dated February 26, 2020. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Butler County Hospital, a component unit of Butler County.

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

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency to be a material weakness:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. 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 Butler County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Additional Items**

We also noted certain matters that we reported to the management of Butler County in a separate letter dated February 26, 2020.

**Butler County's Response to Findings**

Butler 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

February 26, 2020



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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February 26, 2020

Board of Supervisors  
Butler County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Butler County (County) for the fiscal year ended June 30, 2019, and have issued our report thereon dated February 26, 2020. 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 that the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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

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

## COUNTY BOARD

### Claims Testing

During the testing of claims, we noted the following issues regarding the County's claims procedures:

- During our audit, we noted two instances, totaling \$703, in which the County had issued duplicate payments to a vendor. The County did not have support on file that showed the \$53 was refunded by the first vendor, and the second vendor cashed only one of the checks for \$650.

Vendor	Claim Number	Date	Amount
Chief Supply	19020055	2/19/2019	\$ 53
Chief Supply	19030047	3/18/2019	\$ 53
Axon Academy	18100031	10/15/2018	\$ 650
Policeone.com	18110117	11/19/2018	\$ 650

*Note: Axon Academy and Policeone.com are the same entity.*

- During testing of credit card purchases, we noted that the September credit card statement included two pizza purchases, totaling \$114, for the County Sheriff's office; however, there was no documentation to support that the purchases were necessary and reasonable for the County. In addition, we noted that the credit card statement included \$12 of interest due to a late payment.

A good internal control plan requires procedures to ensure that only necessary and reasonable claims are paid for the County, and invoices are paid only once.

Without such procedures, there is an increased risk of County funds being expended for improper purposes, such as paying an invoice twice or paying for food and interest that is not necessary for the County.

We recommend the County implement procedures to ensure invoices are paid only once, and only necessary expenditures are made with County funds.

### **COUNTY CLERK OF THE DISTRICT COURT**

#### **Overdue Case Balance Report**

We noted that the Clerk of the District Court (District Court) was not performing adequate follow-up procedures to resolve the overdue balances on the Overdue Case Account Report (Report). Seven of 10 balances tested, totaling \$7,130, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances.

As of January 17, 2020, the Report contained 94 overdue criminal case balances, totaling \$38,159. Of these 94 cases, only 8 had a current warrant or suspension issued for nonpayment. The following table provides details of those balances:

Year Case Filed	# of Cases	Case Amount
1999	6	\$ 1,604
2000	6	\$ 515
2001	3	\$ 200
2002	7	\$ 1,920
2003	2	\$ 1,095
2004	1	\$ 197
2005	4	\$ 849
2006	3	\$ 1,070
2007	4	\$ 516
2008	7	\$ 2,757
2009	7	\$ 5,038
2010	2	\$ 295
2011	2	\$ 1,427
2012	3	\$ 475

<b>Year Case Filed</b>	<b># of Cases</b>	<b>Case Amount</b>
2013	1	\$ 600
2014	2	\$ 635
2015	3	\$ 911
2016	2	\$ 733
2017	2	\$ 7,030
2018	16	\$ 8,900
2019	4	\$ 1,392
<b>Totals</b>	<b>94</b>	<b>\$ 38,159</b>

Good internal control and sound business practices require procedures to ensure that the Report is reviewed on an ongoing, timely basis to determine what action, if any, should be taken to collect or otherwise resolve overdue case balances.

Without such procedures, there is an increased risk for the loss of funds.

We recommend the District Court implement procedures to ensure the Report is reviewed on an ongoing basis, and appropriate follow-up action is taken. Potential courses of action for follow-up would include issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a declaration of certain balances as uncollectible.

## COUNTY SHERIFF

### Accounting Procedures

During our audit, we noted several issues with the County Sheriff's financial record-keeping and balancing procedures as of June 30, 2019. We noted the following:

- There is an unknown variance of \$99 between the book balance and reconciled bank balance.
- The County Sheriff did not complete monthly asset-to-liability reconciliations, resulting in an unknown payable balance of \$1,012.
- The accounts payable and accounts receivable balances recorded in the accounting system were not complete and accurate. The accounts payable amount per the accounting system was \$3,651, which included \$1,000 owed to a local church and \$751 owed to the County District Court. The accounts receivable amount per the accounting system was \$4,836 and included \$3,096 as showing owed from the County District Court. County personnel do not believe these accounts reflect the accurate balances.
- The County Sheriff did not maintain the June 2019 bank reconciliation and did not have a listing of the outstanding checks as of June 30, 2019.
- Fee collections of \$3,857 received in prior years were not remitted to the County Treasurer.
- During a cash count in January 2020, two checks, totaling \$15, were not restrictively endorsed at the time they were received.
- During a cash count in January 2020, the office could not locate \$35 in petty cash maintained on hand or otherwise provide documentation to support the location of the monies.

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) states, in part, “The sheriff shall . . . pay all fees earned to the county treasurer . . . .”

Additionally, good internal control requires procedures to ensure that assets (cash on hand, reconciled bank balances, and accounts receivable) are in agreement with office liabilities (fees, mileage, and refunds), and any variances identified are resolved in a timely manner. Those same procedures should ensure not only that funds received by the Sheriff are remitted timely to the County Treasurer but also that petty cash amounts are properly documented and any checks are restrictively endorsed immediately upon receipt.

Without such procedures, there is an increased risk of loss, theft, or misuse of public funds, as well as noncompliance with State statute.

We recommend the County Sheriff implement balancing procedures to ensure assets agree to liabilities at all times, and all accounts receivable and payable balances recorded in the accounting system are complete and accurate. Further, we recommend that all fees received, including the remittance of any outstanding balances, be paid to the County Treasurer in a timely manner. We also recommend that petty cash amounts be properly documented and checks be endorsed immediately upon receipt.

**Donation Bank Account**

We noted that the County Sheriff collected donations, which were held in a separate bank account titled “Stuff the Cruiser.” Stuff the Cruiser is a program to purchase presents for children and to hold a Santa event during the holiday season.

During the fiscal year, the County Sheriff collected \$120 in donations, and there was a \$2,098 bank balance at June 30, 2019. No donations were remitted to the County Treasurer. The County Sheriff spent \$835 during the fiscal year, and these payments were not approved by the County Board.

The following table contains a listing of items purchased using the Stuff the Cruiser donations:

Date	Payee	Amount	Description
12/13/2018	Walmart	\$ 68	DVD’s and bath sets
12/13/2018	Bath & Body Works	\$ 17	Hand creams
12/13/2018	T.J. Maxx	\$ 152	Toys, beauty accessories, clothing
12/13/2018	Walmart	\$ 221	Toys, crayons, coloring books
12/20/2018	Family Dollar	\$ 61	Toys, gift sets, clothing
1/16/2019	Butler Public Power District*	\$ 316	Energy Assistance Bill
<b>Total</b>		<b>\$ 835</b>	

Documentation was not available to substantiate that all donations into this account were received specifically for the Stuff the Cruiser Program. Without such documentation, it could not be determined if the expenditure noted with an asterisk (\*) in the above table was in line with the purpose of the donations.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment county money is otherwise made by law.*

Further, good internal control requires procedures to ensure that all donations received by County officers in their official capacity are both remitted timely to the County Treasurer and used, at the direction of the County Board, for the purposes intended by the donors.

Without such procedures, there is an increased risk of not only misuse of funds but also noncompliance with State statute.

We recommend all donations received by County officers in their official capacity be remitted to the County Treasurer and used, at the direction of the County Board, for the purposes intended by the donors.

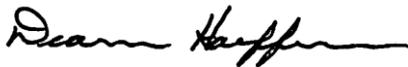
\* \* \* \* \*

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

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

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

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor