

**AUDIT REPORT
OF
ANTELOPE COUNTY**

JULY 1, 2018, THROUGH JUNE 30, 2019

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the Auditor of Public Accounts.**

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Issued on August 26, 2019

ANTELOPE COUNTY

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ANTELOPE COUNTY
501 Main Street
Neligh, NE 68756

LIST OF COUNTY OFFICIALS
At June 30, 2019

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Tom Borer	Jan. 2023
	Dean Smith	Jan. 2023
	Eli Jacob	Jan. 2021
	Allan Bentley	Jan. 2023
	Charles Henery	Jan. 2021
Assessor	Kelly Mueller	Jan. 2023
Attorney	Joseph Abler	Jan. 2023
Clerk Election Commissioner Register of Deeds	Lisa Payne	Jan. 2023
Clerk of the District Court	Judy Cole	Jan. 2023
Sheriff	Robert Moore	Jan. 2023
Treasurer	Deb Branstiter	Jan. 2023
Veterans' Service Officer	Tom Nelson	Appointed
Weed Superintendent	Bruce Ofe	Appointed
Highway Superintendent	Brian McDonald	Appointed
Emergency Manager	Trenton Howard	Appointed
Zoning Administrator	Liz Doerr	Appointed



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ANTELOPE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Antelope County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Antelope County, as of and for the year ended June 30, 2019, 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, 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

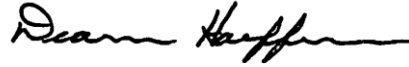
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 20-32, 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 August 14, 2019, 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

August 14, 2019

ANTELOPE COUNTY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,217,465
TOTAL ASSETS	<u><u>\$ 4,217,465</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 72,385
Drug Education	1,241
Preservation of Records	3,692
Debt Service	438,163
Unrestricted	<u>3,701,984</u>
TOTAL NET POSITION	<u><u>\$ 4,217,465</u></u>

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, 2019

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (2,479,654)	\$ 335,915	\$ 11,672	\$ (2,132,067)
Public Safety	(1,225,794)	486,815	-	(738,979)
Public Works	(6,680,511)	91,556	1,855,649	(4,733,306)
Public Assistance	(37,574)	-	-	(37,574)
Culture and Recreation	(18,680)	-	-	(18,680)
Debt Payments	(4,708,469)	-	-	(4,708,469)
Total Governmental Activities	<u>\$ (15,150,682)</u>	<u>\$ 914,286</u>	<u>\$ 1,867,321</u>	<u>(12,369,075)</u>

General Receipts:

Property Taxes	5,536,518
Grants and Contributions Not Restricted to Specific Programs	1,286,472
Investment Income	68,691
Licenses and Permits	46,175
Bond Refinancing Proceeds	4,240,731
Miscellaneous	209,199
Total General Receipts	<u>11,387,786</u>
Increase in Net Position	(981,289)
Net Position - Beginning of year	5,198,754
Net Position - End of year	<u>\$ 4,217,465</u>

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

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

	General Fund	Road & Bridge Fund	Inheritance Fund	Law Enforcement Center Bond Fund	Disaster Fund	Bond Refinancing Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents (Note 1.D)	\$ 1,203,615	\$ 272,593	\$ 1,681,324	\$ 438,163	\$ 13,986	\$ -	\$ 607,784	\$ 4,217,465
TOTAL ASSETS	<u>\$ 1,203,615</u>	<u>\$ 272,593</u>	<u>\$ 1,681,324</u>	<u>\$ 438,163</u>	<u>\$ 13,986</u>	<u>\$ -</u>	<u>\$ 607,784</u>	<u>\$ 4,217,465</u>
FUND BALANCES								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	72,385	72,385
Drug Education	-	-	-	-	-	-	1,241	1,241
Preservation of Records	-	-	-	-	-	-	3,692	3,692
Debt Service	-	-	-	438,163	-	-	-	438,163
Committed to:								
Law Enforcement	-	-	-	-	-	-	424,973	424,973
Road Maintenance	-	272,593	-	-	-	-	-	272,593
Aid and Assistance	-	-	-	-	-	-	21,934	21,934
County Buildings	-	-	-	-	-	-	79,822	79,822
Property Appraisal	-	-	-	-	-	-	3,737	3,737
Disaster Recovery	-	-	-	-	13,986	-	-	13,986
Assigned to:								
Other Purposes	-	-	1,681,324	-	-	-	-	1,681,324
Unassigned	1,203,615	-	-	-	-	-	-	1,203,615
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,203,615</u>	<u>\$ 272,593</u>	<u>\$ 1,681,324</u>	<u>\$ 438,163</u>	<u>\$ 13,986</u>	<u>\$ -</u>	<u>\$ 607,784</u>	<u>\$ 4,217,465</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, 2019

	General Fund	Road & Bridge Fund	Inheritance Fund	Law Enforcement Center Bond Fund	Disaster Fund	Bond Refinancing Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS								
Property Taxes	\$4,711,525	\$ -	\$ 429,428	\$ 304,017	\$ -	\$ -	\$ 91,548	\$ 5,536,518
Licenses and Permits	46,175	-	-	-	-	-	-	46,175
Investment Income	68,691	-	-	-	-	-	-	68,691
Intergovernmental	796,605	2,293,107	-	51,404	-	-	12,677	3,153,793
Charges for Services	357,332	91,556	-	-	-	-	465,398	914,286
Miscellaneous	10,150	179,217	6,600	-	-	4,240,731	13,232	4,449,930
TOTAL RECEIPTS	<u>5,990,478</u>	<u>2,563,880</u>	<u>436,028</u>	<u>355,421</u>	<u>-</u>	<u>4,240,731</u>	<u>582,855</u>	<u>14,169,393</u>
DISBURSEMENTS								
General Government	2,362,584	-	1,165	-	-	-	115,905	2,479,654
Public Safety	847,272	-	-	-	-	-	378,522	1,225,794
Public Works	121,669	3,622,828	-	-	2,936,014	-	-	6,680,511
Public Assistance	37,050	-	-	-	-	-	524	37,574
Culture and Recreation	10,580	-	-	-	-	-	8,100	18,680
Debt Service:								
Principal Payments	-	-	-	360,750	-	4,185,000	-	4,545,750
Interest and Fiscal Charges	-	-	-	106,988	-	55,731	-	162,719
TOTAL DISBURSEMENTS	<u>3,379,155</u>	<u>3,622,828</u>	<u>1,165</u>	<u>467,738</u>	<u>2,936,014</u>	<u>4,240,731</u>	<u>503,051</u>	<u>15,150,682</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,611,323</u>	<u>(1,058,948)</u>	<u>434,863</u>	<u>(112,317)</u>	<u>(2,936,014)</u>	<u>-</u>	<u>79,804</u>	<u>(981,289)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	7,000	1,292,000	-	-	2,950,000	-	-	4,249,000
Transfers out	(2,210,000)	-	(2,000,000)	-	-	-	(39,000)	(4,249,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,203,000)</u>	<u>1,292,000</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,950,000</u>	<u>-</u>	<u>(39,000)</u>	<u>-</u>
Net Change in Fund Balances	408,323	233,052	(1,565,137)	(112,317)	13,986	-	40,804	(981,289)
CASH BASIS FUND BALANCES - BEGINNING								
	<u>795,292</u>	<u>39,541</u>	<u>3,246,461</u>	<u>550,480</u>	<u>-</u>	<u>-</u>	<u>566,980</u>	<u>5,198,754</u>
CASH BASIS FUND BALANCES - ENDING								
	<u>\$1,203,615</u>	<u>\$ 272,593</u>	<u>\$ 1,681,324</u>	<u>\$ 438,163</u>	<u>\$ 13,986</u>	<u>\$ -</u>	<u>\$ 607,784</u>	<u>\$ 4,217,465</u>

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, 2019

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 488,896
 LIABILITIES	
Due to other governments	
State	144,300
Schools	137,896
Educational Service Units	1,524
Technical College	11,059
Natural Resource Districts	1,818
Fire Districts	13,141
Municipalities	23,653
Agricultural Society	500
Airport Authority	292
Townships	93,813
Others	60,900
TOTAL LIABILITIES	488,896
 TOTAL NET ASSETS	 \$ -

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

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. 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.

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 \$34,778 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with the North Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

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.

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 (Reissue 2014) et seq. 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 \$22,593 toward the operation of the Region during fiscal year 2019. 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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The Statement of 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.

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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

Disaster Fund. This fund is used to account for costs associated with the repair of roads, bridges, and other infrastructure damaged during nature disasters and will be primarily funded by Federal receipts.

Bond Refinancing Fund. This fund is used to account for the refinancing of the Law Enforcement Center Bond.

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

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

D. Assets and Net Position

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

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$515,481 of restricted net position, which is fully restricted by enabling legislation.

Budgetary Process. The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

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

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

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 \$4,217,465 for County funds and \$488,896 for Fiduciary funds. The bank balances for all funds totaled \$4,792,553. 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.

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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.219317/\$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 \$.200111/\$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 at Neb. Rev. Stat. § 23-2301 (Cum. Supp. 2018) et seq. 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2019, 93 employees contributed \$106,693, and the County contributed \$159,106. Contributions included \$1,866 in cash contributions towards the supplemental law enforcement plan for five law enforcement employees. Lastly, the County paid \$1,727 directly to 13 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.

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:

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Interfund Transfers (Concluded)

<u>Transfers to</u>	<u>Transfers from</u>			<u>Total</u>
	<u>General Fund</u>	<u>Inheritance Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ -	\$ 7,000	\$ 7,000
Road & Bridge Fund	1,260,000	-	32,000	1,292,000
Disaster	950,000	2,000,000	-	2,950,000
Total	\$ 2,210,000	\$ 2,000,000	\$ 39,000	\$ 4,249,000

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, 2019, the County made a one-time transfer of \$39,000 from the Law Enforcement Center Fund to the General and Road & Bridge funds to offset insurance premiums.

7. Contingent Liabilities

The County is a defendant in a lawsuit. Although the outcome of the lawsuit is not presently determinable, the County Attorney believes the resolution of the matter will not have a materially adverse effect on the financial condition of the County.

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. In August 2018, the County refinanced this bond for \$4,185,000. The bond payable balance, as of June 30, 2019, was \$4,185,000. 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 380,000	\$ 106,490	\$ 486,490
2021	390,000	97,315	487,315
2022	400,000	87,465	487,465
2023	410,000	77,315	487,315
2024	425,000	66,065	491,065
2025-2029	2,180,000	156,165	2,336,165
Total Payments	\$ 4,185,000	\$ 590,815	\$ 4,775,815

9. Capital Leases Payable

During the fiscal year 2018, the County entered into two agreements to purchase a motorgrader and tractor. Changes to the commitments under a lease agreement for equipment and amounts to provide for annual rental payments are noted below. The future payments noted below include principle and interest.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Capital Leases Payable (Concluded)

	CAT Motorgrader	MMK Tractor	Total
Balance July 1	\$ -	\$ -	\$ -
Purchases	162,500.00	88,000.00	250,500.00
Payments	-	9,000.00	9,000.00
Balance June 30	<u>\$ 162,500.00</u>	<u>\$ 79,000.00</u>	<u>\$ 241,500.00</u>
Future Payments:			
Year			
2020	\$ 85,543.98	\$ 19,749.75	\$ 105,293.73
2021	85,543.98	19,749.75	105,293.73
2022	-	19,749.75	19,749.75
2023	-	19,750.75	19,750.75
2024	-	-	-
2025-2029	-	-	-
Total Payments	<u>\$ 171,087.96</u>	<u>\$ 79,000.00</u>	<u>\$ 250,087.96</u>

ANTELOPE 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)
RECEIPTS				
Taxes	\$ 5,352,843	\$ 5,352,843	\$ 4,711,525	\$ (641,318)
Licenses and Permits	31,800	31,800	46,175	14,375
Interest	16,000	16,000	68,691	52,691
Intergovernmental	522,925	522,925	796,605	273,680
Charges for Services	292,075	292,075	357,332	65,257
Miscellaneous	6,000	6,000	10,150	4,150
TOTAL RECEIPTS	<u>6,221,643</u>	<u>6,221,643</u>	<u>5,990,478</u>	<u>(231,165)</u>
DISBURSEMENTS				
General Government:				
County Board	82,250	86,250	84,497	1,753
County Clerk	154,305	154,305	154,046	259
County Treasurer	153,961	153,961	153,789	172
County Assessor	137,974	137,974	123,796	14,178
Election Commissioner	27,499	27,499	26,589	910
Building and Zoning	24,700	24,700	18,516	6,184
Clerk of the District Court	104,445	104,445	103,221	1,224
County Court System	3,000	3,000	1,342	1,658
District Judge	6,100	6,100	5,448	652
Building and Grounds	116,100	116,100	113,858	2,242
Agricultural Extension Agent	79,738	79,738	71,068	8,670
Unemployment Contribution	15,000	15,000	10,449	4,551
Miscellaneous	1,649,299	1,645,299	1,495,965	149,334
Public Safety				
County Sheriff	741,555	741,555	741,377	178
County Attorney	117,698	117,698	105,895	11,803
Juvenile Diversion Program	5,000	5,000	-	5,000
Public Works				
Noxious Weed Control	122,508	122,508	121,669	839
Public Assistance				
Veterans' Service Officer	36,732	36,732	34,863	1,869
Institutions	4,000	4,000	2,187	1,813
Relief	2,000	2,000	-	2,000
Culture and Recreation				
Historical Society	14,800	14,800	10,580	4,220
TOTAL DISBURSEMENTS	<u>3,598,664</u>	<u>3,598,664</u>	<u>3,379,155</u>	<u>219,509</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,622,979</u>	<u>2,622,979</u>	<u>2,611,323</u>	<u>(11,656)</u>

ANTELOPE 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)
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	140,000	7,000	(133,000)
Transfers out	(3,258,271)	(3,258,271)	(2,210,000)	1,048,271
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,118,271)</u>	<u>(3,118,271)</u>	<u>(2,203,000)</u>	<u>915,271</u>
Net Change in Fund Balance	(495,292)	(495,292)	408,323	903,615
FUND BALANCE - BEGINNING	<u>795,292</u>	<u>795,292</u>	<u>795,292</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 300,000</u></u>	<u><u>\$ 300,000</u></u>	<u><u>\$ 1,203,615</u></u>	<u><u>\$ 903,615</u></u>

(Concluded)

ANTELOPE 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)
ROAD & BRIDGE FUND				
RECEIPTS				
Intergovernmental	\$ 2,191,738	\$ 2,191,738	\$ 2,293,107	\$ 101,369
Charges for Services	10,000	10,000	91,556	81,556
Miscellaneous	172,500	172,500	179,217	6,717
TOTAL RECEIPTS	2,374,238	2,374,238	2,563,880	189,642
DISBURSEMENTS	5,672,050	5,672,050	3,622,828	2,049,222
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,297,812)	(3,297,812)	(1,058,948)	2,238,864
OTHER FINANCING SOURCES (USES)				
Transfers in	3,258,271	3,258,271	1,292,000	(1,966,271)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,258,271	3,258,271	1,292,000	(1,966,271)
Net Change in Fund Balance	(39,541)	(39,541)	233,052	272,593
FUND BALANCE - BEGINNING	39,541	39,541	39,541	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,593</u>	<u>\$ 272,593</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 400,000	\$ 400,000	\$ 429,428	\$ 29,428
Miscellaneous	-	-	6,600	6,600
TOTAL RECEIPTS	400,000	400,000	436,028	36,028
DISBURSEMENTS	3,646,461	1,646,461	1,165	1,645,296
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,246,461)	(1,246,461)	434,863	1,681,324
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(2,000,000)	(2,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(2,000,000)	(2,000,000)	-
Net Change in Fund Balance	(3,246,461)	(3,246,461)	(1,565,137)	1,681,324
FUND BALANCE - BEGINNING	3,246,461	3,246,461	3,246,461	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,681,324</u>	<u>\$ 1,681,324</u>

(Continued)

ANTELOPE 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)
LAW ENFORCEMENT CENTER BOND FUND				
RECEIPTS				
Taxes	\$ 335,020	\$ 335,020	\$ 304,017	\$ (31,003)
Intergovernmental	32,500	32,500	51,404	18,904
TOTAL RECEIPTS	367,520	367,520	355,421	(12,099)
DISBURSEMENTS	493,000	493,000	467,738	25,262
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(125,480)	(125,480)	(112,317)	13,163
Net Change in Fund Balance	(125,480)	(125,480)	(112,317)	13,163
FUND BALANCE - BEGINNING	550,480	550,480	550,480	-
FUND BALANCE - ENDING	\$ 425,000	\$ 425,000	\$ 438,163	\$ 13,163
DISASTER FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ 2,000,000	\$ -	\$ (2,000,000)
TOTAL RECEIPTS	-	2,000,000	-	(2,000,000)
DISBURSEMENTS	-	4,000,000	2,936,014	1,063,986
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	(2,000,000)	(2,936,014)	(936,014)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,000,000	2,950,000	950,000
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	2,000,000	2,950,000	950,000
Net Change in Fund Balance	-	-	13,986	13,986
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 13,986	\$ 13,986

(Continued)

ANTELOPE 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)
<u>BOND REFINANCING FUND</u>				
RECEIPTS				
Miscellaneous	\$ 4,300,000	\$ 4,300,000	\$ 4,240,731	\$ (59,269)
TOTAL RECEIPTS	<u>4,300,000</u>	<u>4,300,000</u>	<u>4,240,731</u>	<u>(59,269)</u>
DISBURSEMENTS	<u>4,300,000</u>	<u>4,300,000</u>	<u>4,240,731</u>	<u>59,269</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

ANTELOPE 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)
<u>VISITORS PROMOTION FUND</u>				
Receipts	\$ 4,500	\$ 4,500	\$ 4,349	\$ (151)
Disbursements	(45,625)	(45,625)	(2,100)	43,525
Net Change in Fund Balance	(41,125)	(41,125)	2,249	43,374
Fund Balance - Beginning	41,125	41,125	41,125	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,374</u>	<u>\$ 43,374</u>
<u>VISITORS IMPROVEMENT FUND</u>				
Receipts	\$ 4,500	\$ 4,500	\$ 4,349	\$ (151)
Disbursements	(35,162)	(35,162)	(6,000)	29,162
Net Change in Fund Balance	(30,662)	(30,662)	(1,651)	29,011
Fund Balance - Beginning	30,662	30,662	30,662	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,011</u>	<u>\$ 29,011</u>
<u>REAPPRAISAL FUND</u>				
Receipts	\$ 23,300	\$ 23,300	\$ 21,961	\$ (1,339)
Disbursements	(25,875)	(25,875)	(20,799)	5,076
Net Change in Fund Balance	(2,575)	(2,575)	1,162	3,737
Fund Balance - Beginning	2,575	2,575	2,575	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,737</u>	<u>\$ 3,737</u>
<u>REGISTER OF DEEDS PRESERVATION FUND</u>				
Receipts	\$ 5,000	\$ 5,000	\$ 6,296	\$ 1,296
Disbursements	(13,537)	(13,537)	(11,141)	2,396
Net Change in Fund Balance	(8,537)	(8,537)	(4,845)	3,692
Fund Balance - Beginning	8,537	8,537	8,537	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,692</u>	<u>\$ 3,692</u>
<u>VETERANS' AID FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(19,458)	(19,458)	(524)	18,934
Net Change in Fund Balance	(19,458)	(19,458)	(524)	18,934
Fund Balance - Beginning	22,458	22,458	22,458	-
Fund Balance - Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 21,934</u>	<u>\$ 18,934</u>

(Continued)

ANTELOPE 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)
STOP PROGRAM FUND				
Receipts	\$ 3,218	\$ 3,218	\$ 1,450	\$ (1,768)
Disbursements	(13,820)	(13,820)	-	13,820
Net Change in Fund Balance	(10,602)	(10,602)	1,450	12,052
Fund Balance - Beginning	10,602	10,602	10,602	-
Fund Balance - Ending	\$ -	\$ -	\$ 12,052	\$ 12,052
FEDERAL GRANTS FUND				
Receipts	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Disbursements	(30,000)	(30,000)	-	30,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
LAW ENFORCEMENT CENTER FUND				
Receipts	\$ 220,000	\$ 220,000	\$ 416,524	\$ 196,524
Disbursements	(394,218)	(394,218)	(339,131)	55,087
Transfers out	(140,000)	(140,000)	(39,000)	101,000
Net Change in Fund Balance	(314,218)	(314,218)	38,393	352,611
Fund Balance - Beginning	314,218	314,218	314,218	-
Fund Balance - Ending	\$ -	\$ -	\$ 352,611	\$ 352,611
INMATE COMMISSARY FUND				
Receipts	\$ 74,554	\$ 74,554	\$ 54,255	\$ (20,299)
Disbursements	(120,000)	(120,000)	(39,391)	80,609
Net Change in Fund Balance	(45,446)	(45,446)	14,864	60,310
Fund Balance - Beginning	45,446	45,446	45,446	-
Fund Balance - Ending	\$ -	\$ -	\$ 60,310	\$ 60,310
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,241)	(1,241)	-	1,241
Net Change in Fund Balance	(1,241)	(1,241)	-	1,241
Fund Balance - Beginning	1,241	1,241	1,241	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,241	\$ 1,241

ANTELOPE 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)
BUILDING FUND				
Receipts	\$ 54,884	\$ 54,884	\$ 73,671	\$ 18,787
Disbursements	(120,000)	(120,000)	(83,965)	36,035
Net Change in Fund Balance	(65,116)	(65,116)	(10,294)	54,822
Fund Balance - Beginning	90,116	90,116	90,116	-
Fund Balance - Ending	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 79,822</u>	<u>\$ 54,822</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, 2019

	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund	Register of Deeds Preservation Fund	Veterans' Aid Fund	STOP Program Fund
RECEIPTS						
Property Taxes	\$ 4,349	\$ 4,349	\$ 18,541	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,315	-	-	-
Charges for Services	-	-	-	6,296	-	1,450
Miscellaneous	-	-	105	-	-	-
TOTAL RECEIPTS	<u>4,349</u>	<u>4,349</u>	<u>21,961</u>	<u>6,296</u>	<u>-</u>	<u>1,450</u>
DISBURSEMENTS						
General Government	-	-	20,799	11,141	-	-
Public Safety	-	-	-	-	-	-
Public Assistance	-	-	-	-	524	-
Culture and Recreation	2,100	6,000	-	-	-	-
TOTAL DISBURSEMENTS	<u>2,100</u>	<u>6,000</u>	<u>20,799</u>	<u>11,141</u>	<u>524</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,249</u>	<u>(1,651)</u>	<u>1,162</u>	<u>(4,845)</u>	<u>(524)</u>	<u>1,450</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,249	(1,651)	1,162	(4,845)	(524)	1,450
FUND BALANCES - BEGINNING	<u>41,125</u>	<u>30,662</u>	<u>2,575</u>	<u>8,537</u>	<u>22,458</u>	<u>10,602</u>
FUND BALANCES - ENDING	<u>\$ 43,374</u>	<u>\$ 29,011</u>	<u>\$ 3,737</u>	<u>\$ 3,692</u>	<u>\$ 21,934</u>	<u>\$ 12,052</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	43,374	29,011	-	-	-	-
Drug Education	-	-	-	-	-	-
Preservation of Records	-	-	-	3,692	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	12,052
Aid and Assistance	-	-	-	-	21,934	-
County Buildings	-	-	-	-	-	-
Property Appraisal	-	-	3,737	-	-	-
TOTAL FUND BALANCES	<u>\$ 43,374</u>	<u>\$ 29,011</u>	<u>\$ 3,737</u>	<u>\$ 3,692</u>	<u>\$ 21,934</u>	<u>\$ 12,052</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, 2019

	Law Enforcement Center Fund	Inmate Commissary Fund	Drug Law Enforcement and Education Fund	Building Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 64,309	\$ 91,548
Intergovernmental	-	-	-	9,362	12,677
Charges for Services	416,524	41,128	-	-	465,398
Miscellaneous	-	13,127	-	-	13,232
TOTAL RECEIPTS	416,524	54,255	-	73,671	582,855
DISBURSEMENTS					
General Government	-	-	-	83,965	115,905
Public Safety	339,131	39,391	-	-	378,522
Public Assistance	-	-	-	-	524
Culture and Recreation	-	-	-	-	8,100
TOTAL DISBURSEMENTS	339,131	39,391	-	83,965	503,051
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	77,393	14,864	-	(10,294)	79,804
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(39,000)	-	-	-	(39,000)
TOTAL OTHER FINANCING SOURCES (USES)	(39,000)	-	-	-	(39,000)
Net Change in Fund Balances	38,393	14,864	-	(10,294)	40,804
FUND BALANCES - BEGINNING	314,218	45,446	1,241	90,116	566,980
FUND BALANCES - ENDING	\$ 352,611	\$ 60,310	\$ 1,241	\$ 79,822	\$ 607,784
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	72,385
Drug Education	-	-	1,241	-	1,241
Preservation of Records	-	-	-	-	3,692
Committed to:					
Law Enforcement	352,611	60,310	-	-	424,973
Aid and Assistance	-	-	-	-	21,934
County Buildings	-	-	-	79,822	79,822
Property Appraisal	-	-	-	-	3,737
TOTAL FUND BALANCES	\$ 352,611	\$ 60,310	\$ 1,241	\$ 79,822	\$ 607,784

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Veterans' Service Officer	County Planning and Zoning	Total
BALANCES JULY 1, 2017	\$ 8,830	\$ 62,232	\$ 12,292	\$ 2,613	\$ 1,576	\$ 1,948	\$ 25	\$ 89,516
RECEIPTS								
Licenses and Permits	5,770	-	914	-	-	-	14,925	21,609
Charges for Services	69,169	12,654	471,652	1,461	751	-	-	555,687
Miscellaneous	9,466	273	10,678	276	-	528	-	21,221
State Fees	83,541	11,284	-	-	-	-	-	94,825
Other Liabilities	74	197,617	165,209	7,275	-	-	-	370,175
TOTAL RECEIPTS	168,020	221,828	648,453	9,012	751	528	14,925	1,063,517
DISBURSEMENTS								
Payments to County Treasurer	82,984	14,589	484,841	1,901	1,751	-	14,950	601,016
Payments to State Treasurer	82,931	10,978	-	-	-	-	-	93,909
Other Liabilities	151	229,712	166,134	7,923	-	524	-	404,444
TOTAL DISBURSEMENTS	166,066	255,279	650,975	9,824	1,751	524	14,950	1,099,369
BALANCES JUNE 30, 2018	\$ 10,784	\$ 28,781	\$ 9,770	\$ 1,801	\$ 576	\$ 1,952	\$ -	\$ 53,664
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 6,643	\$ 563	\$ 4,926	\$ 10	\$ 476	\$ 1,952	\$ -	\$ 14,570
Petty Cash	50	250	725	500	100	-	-	1,625
Due to State Treasurer	4,091	456	-	-	-	-	-	4,547
Due to Others	-	27,512	4,119	1,291	-	-	-	32,922
BALANCES JUNE 30, 2018	\$ 10,784	\$ 28,781	\$ 9,770	\$ 1,801	\$ 576	\$ 1,952	\$ -	\$ 53,664

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

Item	2014	2015	2016	2017	2018
Tax Certified by Assessor					
Real Estate	\$ 21,970,397	\$ 22,082,402	\$ 22,781,953	\$ 22,138,532	\$ 22,128,594
Personal and Specials	1,607,273	1,657,312	1,343,168	1,301,732	1,345,257
Total	23,577,670	23,739,714	24,125,121	23,440,264	23,473,851
Corrections					
Additions	29,303	29,008	9,766	8,409	4,215
Deductions	(29,131)	(26,089)	(25,512)	(9,281)	(9,745)
Net Additions/ (Deductions)	172	2,919	(15,746)	(872)	(5,530)
Corrected Certified Tax	23,577,842	23,742,633	24,109,375	23,439,392	23,468,321
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2015	15,152,674	-	-	-	-
June 30, 2016	8,406,255	15,575,295	-	-	-
June 30, 2017	12,072	8,137,401	15,708,450	-	-
June 30, 2018	4,949	23,682	8,387,769	15,321,253	-
June 30, 2019	803	4,305	9,717	8,107,052	15,135,050
Total Net Collections	23,576,753	23,740,683	24,105,936	23,428,305	15,135,050
Total Uncollected Tax	\$ 1,089	\$ 1,950	\$ 3,439	\$ 11,087	\$ 8,333,271
Percentage Uncollected Tax	0.00%	0.01%	0.01%	0.05%	35.51%

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

ANTELOPE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department Disaster Grants - Public Assistance	97.036	unavailable	* <u>1,217,607</u>
Total U.S. Department of Homeland Security			<u>1,217,607</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	unavailable	<u>14,888</u>
Total U.S. Department of Health and Human Services			<u>14,888</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation Highway Planning and Construction	20.205	unavailable	* <u>1,050,030</u>
Total U.S. Department of Transportation			<u>1,050,030</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,282,525</u></u>

* Represents Major Program
 See accompanying Notes to the Schedule of Expenditures of Federal Awards

ANTELOPE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Antelope County (County) under programs of the Federal government for the year ended June 30, 2019, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes, or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Antelope County has elected to use the 10 percent de minimis indirect cost rate, as allowed under Uniform Guidance.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of 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, 2019, and the related notes to the financial statements, which collectively comprise Antelope County's basic financial statements, and have issued our report thereon dated August 14, 2019. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

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

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

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

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antelope County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Additional Items

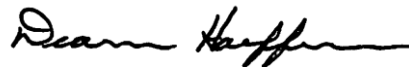
We also noted certain matters that we reported to the management of Antelope County in a separate letter dated August 14, 2019.

Antelope County’s Response to Findings

Antelope County declined to respond to the finding described above

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

August 14, 2019



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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ANTELOPE COUNTY
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Commissioners
Antelope County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Antelope County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Antelope County's major Federal programs for the year ended June 30, 2019. Antelope County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Antelope County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Antelope County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Antelope County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Antelope County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Antelope County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Antelope County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Antelope County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

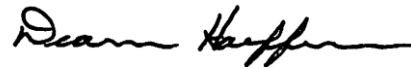
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Antelope County as of and for the year ended June 30, 2019, and have issued our report thereon dated August 14, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes that the financial statements were prepared on the basis of cash receipts and disbursements.



August 14, 2019

Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

ANTELOPE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u>	Yes	<u> X </u>	No
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Major programs: **Highway Planning and Construction: CFDA 20.205**
Disaster Grants – Public Assistance: CFDA 97.036

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	<u> </u>	Yes	<u> X </u>	No
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ANTELOPE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2019-1

- Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
- Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
- Context - Various County offices collect money, most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
- Effect - This lack of segregation of duties results in an inadequate overall internal control structure design.
- Cause - The County does not employ sufficient office personnel to properly segregate accounting functions.
- Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
- View of Officials - The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Section III – Federal Award Findings and Questioned Costs

None Noted



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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August 14, 2019

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, 2019, and have issued our report thereon dated August 14, 2019. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

COUNTY OVERALL

Segregation of Duties

We noted the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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

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

County Attorney's Response: As noted and discussed during the previous audits, my office is very small and employs only one full-time clerical employee and one part-time clerical employee so it is very difficult to implement a perfect segregation of duties as described and recommended, especially on a very small and limited budget.

COUNTY SHERIFF

Sheriff Accounting Procedures

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

- At June 30, 2019, office records indicated an unexplained cash long of \$1,586 in the County Sheriff's Fee bank account. The County Sheriff was unable to designate the proper recipient of these funds.
- The County Sheriff's office has accounts receivable, totaling \$3,051, dating back to 2010 that remain uncollected. Some follow-up procedures have been performed to collect on the outstanding balances; however, the outstanding balances have not been resolved.
- The bank account holding commissary funds was not properly reconciled each month, which resulted in an unexplained cash long of \$67. The County Sheriff was unable to designate the proper recipient of these funds.

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) adequate follow-up procedures are performed to resolve accounts receivable balances; and 3) inmate balances, as well as other office funds, are documented.

Without such procedures, there is an increased risk for financial errors and/or irregularities to occur and remain undetected.

A similar comment was also noted in the prior audit.

We recommend 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) accounts receivable are actively pursued for collection or otherwise resolved; and 3) inmate balances, as well as other office funds, are documented.

County Sheriff's Response: We wrote a check to the Treasurer for the unexplained cash long of \$1,586. We are working on having only one person handling paper service. We believe this will help with designating funds to the proper recipients.

For the accounts receivable, totaling \$3,051 that remain uncollected, we will turn in a claim for the Antelope County fees and ask the board to consider writing off all others. Attempts to collect the fees have been made unsuccessfully.

The commissary bank account unexplained long, as discussed with the auditor at the exit interview, will be held until December 1st. If the \$67 still remains undesignated, we will turn in the funds to the Treasurer.

Sheriff Petty Cash Procedures

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

- Expenses, totaling \$39, incurred by the County Sheriff were not filed with the County Clerk within 90 days, as required by State statute.

Claim Number	Date Filed	Date Incurred	Days Between Date Filed and Date Incurred	Amount
18100061	10/03/18	7/3/18	92	\$ 7.41
18110081	11/13/18*	7/18/18	118	\$ 1.50
18110081	11/13/18*	7/9/18	127	\$ 1.50
N/A**	N/A	12/18/18	211**	\$ 20.25
Total				\$ 30.66

*The claim was not date stamped showing when it was filed with the County; the claim date was used as the date filed.

**This amount has not been claimed to the board; the date of fieldwork was used to calculate the number of days from when the expense was incurred.

- The petty cash account was not reconciled to the authorized amount during the fiscal year, resulting in an unexplained cash short of \$9.

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

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

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 incurred, as required by State statute. We further recommend the County Sheriff ensure the petty cash fund is reconciled to the authorized amount.

County Sheriff's Response: The petty cash account will be reconciled in a timely manner as per state statute. The \$9 shortage has been fixed. A claim for \$20.25 has been turned in for the purchase of checks.

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 the bank balance and office records were not completed. As of June 30, 2019, the office liabilities (fee and trust accounts) exceeded office assets (cash on hand, reconciled bank balance, etc.), resulting in an unknown short of \$75, and a known short of \$56 due to a fee assessed by Western Union for not cashing two money orders in a timely manner.
- Interest earned on the petty cash account, totaling \$37, as of June 30, 2019, had not been properly remitted to the County Treasurer.
- One petty cash claim, totaling \$23, for expenses incurred in March 2019 was not claimed to the County Board within 90 days, as required by State statute. At the time of fieldwork in mid-July 2019, this claim was still not claimed to the County for reimbursement.

Neb. Rev. Stat. § 23-1207(2) (Reissue 2012) states, in relevant part, 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.

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 and sound accounting practices require procedures for ensuring monthly bank reconciliations are performed, interest is remitted to the County Treasurer in a timely manner, and all claims against the County are filed with the County Clerk within 90 days.

Without such procedures, there is not only an increased risk of noncompliance with State statute, but also 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) bank reconciliations are performed on a monthly basis, and any variances are resolved in a timely manner; 2) interest earned is remitted in a timely manner; and 3) all claims against the County are filed with the County Clerk within 90 days, as required by State statute.

County Attorney's Response:

- a) Your report/letter states that monthly reconciliations between bank records and office records were not being completed. I do not believe that statement is completely accurate or correct. My part-time employee that is responsible for the monthly reconciliations had been doing them each and every month. However, the type of reconciliation being done was not sufficient for the auditor's needs or requirements. This issue was immediately addressed by the auditors while they were present, as they took some time to discuss this and educate my part-time employee of the correct and acceptable way to perform them from that date forward.*
- b) Your report/letter indicated an unknown short of \$75.00 in the trust account. That amount has been noted as a known short for at least the last 2-3 years of audits and is undeterminable as to where the error originated. Before the conclusion of the audit, an auditor instructed my employee to note the shortage in the account register and deduct/adjust the amount from the same with a notation, to allow for further reconciliation and balancing of the account register from that date forward.*
- c) Your report/letter indicated a known short of \$56.00 in the trust account due to a fee assessed by Western Union for an untimely deposit/cashing of money orders. That statement is correct and was discussed during the previous audit and since resolved as follows: My office received two money orders from Western Union for payment of restitution in a criminal matter. The money orders were received however did not get deposited immediately at the bank. When they were deposited at the bank, Western Union returned them and refused to pay or honor them due to its policy of assessing and charging fees on certified money orders not cashed within 60 days of their*

issuance. My office was able to complete the process of getting the funds from Western Union minus the \$56.00 in fees assessed as previously described. The new money orders received from Western Union were immediately deposited into my trust account to avoid any additional fees or loss. Before the conclusion of the audit, auditors instructed my employee to note an adjustment in the account register to remove the shortage for further reconciliation and balancing of the account register from that date forward.

- d) Your report/letter states that interest from the petty cash account has not been properly remitted to the County Treasurer. This issue has been remedied as the petty cash account has been switched to a non-interest accruing checking account rather than a savings account. Once the claim discussed in paragraph (e) below is paid. The petty cash account will be balanced and the remaining interest will be immediately paid or transferred to the Antelope County Treasurer's Office. Also, to further remedy a similar issue that was addressed in last year's audit report, the interest from my office's trust account has now been corrected to be deposited directly into Antelope County's general fund account held by the Antelope County Treasurer rather than with the Nebraska Lawyers Trust Account Foundation.
- e) Your report/letter states that a petty cash claim, totaling \$23.00 for expenses incurred in March, 2019, was not claimed to the County Board within 90 days. That is correct. Unfortunately, that small claim was missed and hadn't been filed with the County Board. When discovered during the audit, the claim was immediately completed and filed with the county clerk and is currently pending approval and payment by the Board of Commissioners.

Abandoned Property

As of June 30, 2019, we noted the County Attorney had six checks, totaling \$3,242, that were outstanding for over three years and, therefore, qualified as abandoned property required to be remitted to the State Treasurer. The issue dates for these checks range from July 2009 to April 2015.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) states the following:

Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.

Neb. Rev. Stat. § 69-1310 (Reissue 2018) states, in relevant part, the following:

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding . . . The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report.

Without procedures to ensure that outstanding checks qualifying as abandoned property are remitted timely to the State Treasurer, there is an increased risk of noncompliance with State statute.

We recommend the County Attorney implement procedures to ensure that outstanding checks qualifying as abandoned property are remitted to the State Treasurer in accordance with State statute.

County Attorney's Response: As noted in your report/letter, as of June 30, 2019, my office had six (6) checks that had been uncashed and unclaimed from a time frame between July 2009 to April 2015. My office completed the necessary submittal forms for the unclaimed property that was eligible to be transferred to the Secretary of State's Office. A check was then issued to the State of Nebraska, Secretary of State, in the amount of \$3,214.66, under reference # 26545, on July 23, 2019

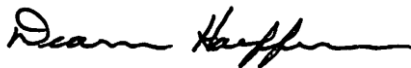
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

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