

**AUDIT REPORT  
OF  
BUTLER COUNTY**

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

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**Issued on March 5, 2019**

BUTLER COUNTY

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

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

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	David Mach	Jan. 2019
	Gregory Janak	Jan. 2021
	Scott Steager	Jan. 2019
	Kevin Slama	Jan. 2019
	Max Birkel	Jan. 2021
	David Potter	Jan. 2019
	Tony Krafka	Jan. 2021
Assessor	Vickie Donoghue	Jan. 2019
Attorney	Julie Reiter	Jan. 2019
Clerk	Vicki Truksa	Jan. 2019
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Sandy Hoeft	Jan. 2019
Sheriff	Marcus Siebken	Jan. 2019
Treasurer	Karey Adamy	Jan. 2019
Surveyor	Brian Foral	Jan. 2019
Veterans' Service Officer	Joey Ossian	Appointed
Weed Superintendent	Max Birkel	Appointed
Highway Superintendent	Jim Rerucha	Appointed
Emergency Manager	Scott Steager	Appointed
Floodplain Administrator	Robin Sullivan	Appointed
Senior Services	Diana McDonald	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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BUTLER COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Butler County, Nebraska

### Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butler County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Summary of Opinions

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

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

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

### Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Butler County, as of June 30, 2018, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Butler County, as of June 30, 2018, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

### Emphasis of Matters – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

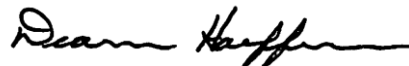
### Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County’s basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-34, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019, on our consideration of Butler County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Butler County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

February 25, 2019

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

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 1.D)	\$	1,160,151
Investments (Note 1.D)		<u>6,984,807</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>8,144,958</u></u></b>
<b>NET POSITION</b>		
Restricted for:		
Visitor Promotion	\$	22,749
911 Emergency Services		199,549
Drug Education		7,092
Law Enforcement		966
Preservation of Records		7,167
Debt Service		111,206
Road/Bridge Projects		342,983
Child Support Enforcement		18,593
Aid and Assistance		83,556
Unrestricted		<u>7,351,097</u>
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u><u>8,144,958</u></u></b>

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

BUTLER COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2018

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (2,168,887)	\$ 428,819	\$ 76,669	\$ (1,663,399)
Public Safety	(2,284,161)	522,502	2,759	(1,758,900)
Public Works	(2,657,548)	-	1,910,996	(746,552)
Health and Sanitation	-	-	-	-
Public Assistance	(352,097)	55,847	55,070	(241,180)
Culture and Recreation	(10,171)	-	-	(10,171)
Debt Payments	(155,230)	-	-	(155,230)
Capital Outlay	(711,293)	-	-	(711,293)
Total Governmental Activities	<u>\$ (8,339,387)</u>	<u>\$ 1,007,168</u>	<u>\$ 2,045,494</u>	<u>(5,286,725)</u>

General Receipts:

Property Taxes	4,404,478
Grants and Contributions Not Restricted to Specific Programs	1,214,880
Investment Income	97,074
Licenses and Permits	31,178
Miscellaneous	127,711
Total General Receipts	<u>5,875,321</u>
Increase in Net Position	588,596
Net Position - Beginning of year	7,556,362
Net Position - End of year	<u>\$ 8,144,958</u>

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



**BUTLER COUNTY**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2018

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Special Road Fund</u>	<u>Agricultural Society Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 160,302	\$ -	\$ -	\$ -	\$ -	\$ 999,849	\$ 1,160,151
Investments (Note 1.D)	1,195,874	850,606	3,442,807	1,311,852	111,206	72,462	6,984,807
<b>TOTAL ASSETS</b>	<u>\$ 1,356,176</u>	<u>\$ 850,606</u>	<u>\$ 3,442,807</u>	<u>\$ 1,311,852</u>	<u>\$ 111,206</u>	<u>\$ 1,072,311</u>	<u>\$ 8,144,958</u>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	22,749	22,749
911 Emergency Services	-	-	-	-	-	199,549	199,549
Drug Education	-	-	-	-	-	7,092	7,092
Law Enforcement	-	-	-	-	-	966	966
Preservation of Records	-	-	-	-	-	7,167	7,167
Debt Service	-	-	-	-	111,206	-	111,206
Road/Bridge Projects	-	-	-	-	-	342,983	342,983
Child Support Enforcement	-	-	-	-	-	18,593	18,593
Aid and Assistance	-	-	-	-	-	83,556	83,556
Committed to:							
Law Enforcement	-	-	-	-	-	18,038	18,038
Road Maintenance	-	850,606	-	1,311,852	-	-	2,162,458
Aid and Assistance	-	-	-	-	-	213,553	213,553
Equipment	-	-	-	-	-	158,065	158,065
Assigned to:							
Other Purposes	-	-	3,442,807	-	-	-	3,442,807
Unassigned	1,356,176	-	-	-	-	-	1,356,176
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 1,356,176</u>	<u>\$ 850,606</u>	<u>\$ 3,442,807</u>	<u>\$ 1,311,852</u>	<u>\$ 111,206</u>	<u>\$ 1,072,311</u>	<u>\$ 8,144,958</u>

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

**BUTLER COUNTY**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	General Fund	Road Fund	Inheritance Fund	Special Road Fund	Agricultural Society Building Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$3,598,911	\$ -	\$ 559,059	\$ -	\$ 160,555	\$ 85,953	\$ 4,404,478
Licenses and Permits	31,103	75	-	-	-	-	31,178
Investment Income	92,092	-	-	-	-	4,982	97,074
Intergovernmental	446,025	2,343,032	142,240	3,552	16,512	309,013	3,260,374
Charges for Services	940,044	-	-	-	-	67,124	1,007,168
Miscellaneous	66,429	35,788	-	-	-	25,494	127,711
<b>TOTAL RECEIPTS</b>	<u>5,174,604</u>	<u>2,378,895</u>	<u>701,299</u>	<u>3,552</u>	<u>177,067</u>	<u>492,566</u>	<u>8,927,983</u>
<b>DISBURSEMENTS</b>							
General Government	2,001,775	-	160,186	-	-	6,926	2,168,887
Public Safety	1,967,084	-	-	-	-	317,077	2,284,161
Public Works	82,505	2,575,043	-	-	-	-	2,657,548
Public Assistance	48,379	-	-	-	-	303,718	352,097
Culture and Recreation	-	-	-	-	-	10,171	10,171
Debt Service:							
Principal Payments	-	-	-	-	120,000	-	120,000
Interest and Fiscal Charges	-	-	-	-	35,230	-	35,230
Capital Outlay	-	-	-	-	711,293	-	711,293
<b>TOTAL DISBURSEMENTS</b>	<u>4,099,743</u>	<u>2,575,043</u>	<u>160,186</u>	<u>-</u>	<u>866,523</u>	<u>637,892</u>	<u>8,339,387</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,074,861</u>	<u>(196,148)</u>	<u>541,113</u>	<u>3,552</u>	<u>(689,456)</u>	<u>(145,326)</u>	<u>588,596</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	250,000	732,542	-	460,000	-	387,645	1,830,187
Transfers out	(1,080,652)	(460,000)	(250,000)	-	-	(39,535)	(1,830,187)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(830,652)</u>	<u>272,542</u>	<u>(250,000)</u>	<u>460,000</u>	<u>-</u>	<u>348,110</u>	<u>-</u>
Net Change in Fund Balances	244,209	76,394	291,113	463,552	(689,456)	202,784	588,596
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>1,111,967</u>	<u>774,212</u>	<u>3,151,694</u>	<u>848,300</u>	<u>800,662</u>	<u>869,527</u>	<u>7,556,362</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$1,356,176</u>	<u>\$ 850,606</u>	<u>\$ 3,442,807</u>	<u>\$1,311,852</u>	<u>\$ 111,206</u>	<u>\$ 1,072,311</u>	<u>\$ 8,144,958</u>

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

BUTLER COUNTY  
**STATEMENT OF CASH BASIS NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2018

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 672,759
 <b>LIABILITIES</b>	
Due to other governments	
State	268,326
Schools	195,356
Educational Service Units	2,243
Technical College	13,596
Natural Resource Districts	4,605
Fire Districts	4,692
Municipalities	26,812
Agricultural Society	1,430
Townships	10,449
Sanitary and Improvement Districts	26,655
Others	118,595
<b>TOTAL LIABILITIES</b>	<b>672,759</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

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

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$36,860 toward

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Health Department – The County has entered into an agreement with the Four Corners Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 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 2018. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2018). Financial information for the Department is available in that report.

**B. Basis of Presentation**

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

**Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then the unrestricted resources as they are needed.

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include the following: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

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

**Agricultural Society Building Fund.** This fund is used to account for costs associated with acquiring, constructing, and furnishing a multi-purpose building on the Butler County Fairgrounds. It is primarily funded by a bond issuance. This fund also accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**D. Assets and Net Position**

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

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$793,861 of restricted net position, which is fully restricted by enabling legislation.

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



BUTLER COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

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

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

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

**2. Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$1,160,151 for County funds and \$672,759 for Fiduciary funds. The bank balances for all funds totaled \$1,790,622. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2018, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$10,225 in Cole Real Estate Investments, \$62,238 in Butler County Area Foundation Fund, and \$6,912,345 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name. The Cole Real Estate Investments and the Butler County Area Foundation Fund were held by the County or its agent in the name of the County.

**3. Property Taxes**

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

BUTLER 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 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.149606/\$100 of assessed valuation. The levy set in October 2016, for the 2016 taxes, which were materially collected in May and September 2017, was set at \$.144605/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

**4. Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2018) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2018, 109 employees contributed \$151,604, and the County contributed \$224,757. Contributions included \$5,299 in cash contributions towards the supplemental law enforcement plan for 15 law enforcement employees. Lastly, the County paid \$1,376 directly to 18 retired employees for prior service benefits.

5. **Risk Management**

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

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the pool or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

6. **Interfund Transfers**

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

BUTLER COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**6. Interfund Transfers** (Concluded)

<b>Transfers to</b>	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
Road Fund	732,542	-	-	-	732,542
Special Road Fund	-	460,000	-	-	460,000
Nonmajor Funds	348,110	-	-	39,535	387,645
Total	\$ 1,080,652	\$ 460,000	\$ 250,000	\$ 39,535	\$ 1,830,187

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

**7. Contingent Liabilities**

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

**8. Long-Term Debt**

**Hospital Bond.** In May 2012, the County issued General Obligation bonds in the original amount of \$8,000,000 for the purpose of paying the costs related to the construction of additions and improvements to the existing hospital facility. In January 2013, the County issued General Obligation Refunding Bonds in the amount of \$2,580,000 for the purpose of redeeming Series 2009 bonds. The bond payable balance, as of June 30, 2018, was \$6,690,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds; however, it is the intent of the Hospital and County Board to use proceeds from the Hospital to pay off the bonds. Complete financial statements of the Hospital can be obtained from the Hospital’s administrative office.

**Agricultural Project Bond.** The County issued bonds on August 17, 2016, in the amount of \$1,950,000 for the purpose of paying the costs of acquiring, constructing, furnishing, and equipping a multi-purpose facility on the Butler County Fairgrounds. The bond payable balance, as of June 30, 2018, was \$1,830,000. 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.

BUTLER COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**8. Long-Term Debt** (Concluded)

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 120,000	\$ 32,938	\$ 152,938
2020	120,000	31,797	151,797
2021	120,000	30,508	150,508
2022	120,000	29,037	149,037
2023	125,000	27,351	152,351
2024-2028	650,000	104,126	754,126
2029-2033	575,000	30,069	605,069
<b>Total Payments</b>	<b>\$ 1,830,000</b>	<b>\$ 285,826</b>	<b>\$ 2,115,826</b>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,786,368	\$ 3,786,368	\$ 3,598,911	\$ (187,457)
Licenses and Permits	23,900	23,900	31,103	7,203
Interest	15,000	15,000	92,092	77,092
Intergovernmental	84,550	84,550	446,025	361,475
Charges for Services	833,750	833,750	940,044	106,294
Miscellaneous	-	-	66,429	66,429
<b>TOTAL RECEIPTS</b>	<u>4,743,568</u>	<u>4,743,568</u>	<u>5,174,604</u>	<u>431,036</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	270,038	270,038	259,609	10,429
County Clerk	177,562	177,562	176,568	994
County Treasurer	176,171	176,171	173,777	2,394
County Assessor	214,630	214,630	210,835	3,795
Election Commissioner	63,563	63,563	52,191	11,372
Data Processing Department	57,000	57,000	45,608	11,392
Clerk of the District Court	199,008	199,008	178,560	20,448
County Court System	11,410	11,410	9,427	1,983
Public Defender	130,000	130,000	115,538	14,462
Building and Grounds	235,404	235,404	220,731	14,673
Reappraisal	48,290	48,290	45,102	3,188
Agricultural Extension Agent	100,080	100,080	93,618	6,462
Miscellaneous	598,034	598,034	420,211	177,823
Public Safety				
County Sheriff	959,260	959,260	873,900	85,360
County Attorney	254,625	254,625	243,401	11,224
Diversion Program	14,500	14,500	14,500	-
Law Enforcement Grant	14,500	14,500	10,237	4,263
County Jail	833,608	833,608	777,597	56,011
Floodplain Administrator	10,111	10,111	8,380	1,731
Emergency Management	48,910	48,910	39,069	9,841
Victim's Assistance Program	1,500	1,500	-	1,500
Public Works				
County Surveyor	22,832	22,832	22,436	396
Noxious Weed Control	73,874	73,874	60,069	13,805
Public Assistance				
Veterans' Service Officer	55,112	55,112	48,379	6,733
<b>TOTAL DISBURSEMENTS</b>	<u>4,570,022</u>	<u>4,570,022</u>	<u>4,099,743</u>	<u>470,279</u>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	173,546	173,546	1,074,861	901,315
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,000	250,000	250,000	-
Transfers out	(1,035,513)	(1,035,513)	(1,080,652)	(45,139)
TOTAL OTHER FINANCING SOURCES (USES)	(785,513)	(785,513)	(830,652)	(45,139)
Net Change in Fund Balance	(611,967)	(611,967)	244,209	856,176
<b>FUND BALANCE - BEGINNING</b>	1,111,967	1,111,967	1,111,967	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,356,176</u>	<u>\$ 856,176</u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ -	\$ -	\$ 75	\$ 75
Intergovernmental	2,226,088	2,226,088	2,343,032	116,944
Miscellaneous	-	-	35,788	35,788
<b>TOTAL RECEIPTS</b>	<u>2,226,088</u>	<u>2,226,088</u>	<u>2,378,895</u>	<u>152,807</u>
<b>DISBURSEMENTS</b>	<u>2,972,842</u>	<u>2,972,842</u>	<u>2,575,043</u>	<u>397,799</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(746,754)</u>	<u>(746,754)</u>	<u>(196,148)</u>	<u>550,606</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	732,542	732,542	732,542	-
Transfers out	(460,000)	(460,000)	(460,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>272,542</u>	<u>272,542</u>	<u>272,542</u>	<u>-</u>
Net Change in Fund Balance	(474,212)	(474,212)	76,394	550,606
FUND BALANCE - BEGINNING	774,212	774,212	774,212	-
FUND BALANCE - ENDING	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 850,606</u>	<u>\$ 550,606</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 201,500	\$ 201,500	\$ 559,059	\$ 357,559
Intergovernmental	-	-	142,240	142,240
Miscellaneous	160,000	160,000	-	(160,000)
<b>TOTAL RECEIPTS</b>	<u>361,500</u>	<u>361,500</u>	<u>701,299</u>	<u>339,799</u>
<b>DISBURSEMENTS</b>	<u>3,263,194</u>	<u>3,263,194</u>	<u>160,186</u>	<u>3,103,008</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(2,901,694)</u>	<u>(2,901,694)</u>	<u>541,113</u>	<u>3,442,807</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(250,000)	(250,000)	(250,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balance	(3,151,694)	(3,151,694)	291,113	3,442,807
FUND BALANCE - BEGINNING	3,151,694	3,151,694	3,151,694	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,442,807</u>	<u>\$ 3,442,807</u>



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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 3,552	\$ 3,552
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>3,552</b>	<b>3,552</b>
<b>DISBURSEMENTS</b>	<b>1,308,300</b>	<b>1,308,300</b>	<b>-</b>	<b>1,308,300</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,308,300)</b>	<b>(1,308,300)</b>	<b>3,552</b>	<b>1,311,852</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	460,000	460,000	460,000	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>460,000</b>	<b>460,000</b>	<b>460,000</b>	<b>-</b>
Net Change in Fund Balance	(848,300)	(848,300)	463,552	1,311,852
FUND BALANCE - BEGINNING	848,300	848,300	848,300	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,311,852</u>	<u>\$ 1,311,852</u>
<b>AGRICULTURAL SOCIETY BUILDING FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 171,676	\$ 171,676	\$ 160,555	\$ (11,121)
Intergovernmental	-	-	16,512	16,512
<b>TOTAL RECEIPTS</b>	<b>171,676</b>	<b>171,676</b>	<b>177,067</b>	<b>5,391</b>
<b>DISBURSEMENTS</b>	<b>972,338</b>	<b>972,338</b>	<b>866,523</b>	<b>105,815</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(800,662)</b>	<b>(800,662)</b>	<b>(689,456)</b>	<b>111,206</b>
Net Change in Fund Balance	(800,662)	(800,662)	(689,456)	111,206
FUND BALANCE - BEGINNING	800,662	800,662	800,662	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,206</u>	<u>\$ 111,206</u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BRIDGE BUYBACK FUND</b>				
Receipts	\$ 159,366	\$ 159,366	\$ 159,366	\$ -
Disbursements	(342,983)	(342,983)	-	342,983
Net Change in Fund Balance	(183,617)	(183,617)	159,366	342,983
Fund Balance - Beginning	183,617	183,617	183,617	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,983</u>	<u>\$ 342,983</u>
<b>COMMUNICATION EQUIPMENT SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(60,000)	(60,000)	-	60,000
Transfers in	30,000	30,000	30,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(30,000)	(30,000)	30,000	60,000
Fund Balance - Beginning	30,000	30,000	30,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
<b>EQUIPMENT SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(49,500)	(49,500)	-	49,500
Transfers in	5,500	5,500	54,065	48,565
Transfers out	-	-	-	-
Net Change in Fund Balance	(44,000)	(44,000)	54,065	98,065
Fund Balance - Beginning	44,000	44,000	44,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,065</u>	<u>\$ 98,065</u>
<b>CHILD SUPPORT INCENTIVE FUND</b>				
Receipts	\$ -	\$ -	\$ 7,241	\$ 7,241
Disbursements	(21,991)	(21,991)	(10,639)	11,352
Net Change in Fund Balance	(21,991)	(21,991)	(3,398)	18,593
Fund Balance - Beginning	21,991	21,991	21,991	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,593</u>	<u>\$ 18,593</u>
<b>VISITOR'S PROMOTION FUND</b>				
Receipts	\$ -	\$ -	\$ 3,100	\$ 3,100
Disbursements	(14,769)	(14,769)	(2,771)	11,998
Net Change in Fund Balance	(14,769)	(14,769)	329	15,098
Fund Balance - Beginning	14,769	14,769	14,769	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,098</u>	<u>\$ 15,098</u>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VISITOR'S IMPROVEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 3,099	\$ 3,099
Disbursements	(11,952)	(11,952)	(7,400)	4,552
Net Change in Fund Balance	(11,952)	(11,952)	(4,301)	7,651
Fund Balance - Beginning	11,952	11,952	11,952	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,651</u>	<u>\$ 7,651</u>
<b>REGISTER OF DEEDS PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 5,777	\$ 777
Disbursements	(13,316)	(13,316)	(6,926)	6,390
Net Change in Fund Balance	(8,316)	(8,316)	(1,149)	7,167
Fund Balance - Beginning	8,316	8,316	8,316	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,167</u>	<u>\$ 7,167</u>
<b>MEDICAL RELIEF FUND</b>				
Receipts	\$ -	\$ -	\$ 14	\$ 14
Disbursements	(38,373)	(38,373)	(7,304)	31,069
Net Change in Fund Balance	(38,373)	(38,373)	(7,290)	31,083
Fund Balance - Beginning	38,373	38,373	38,373	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,083</u>	<u>\$ 31,083</u>
<b>INSTITUTIONS FUND</b>				
Receipts	\$ -	\$ -	\$ 7	\$ 7
Disbursements	(30,332)	(30,332)	(11,355)	18,977
Net Change in Fund Balance	(30,332)	(30,332)	(11,348)	18,984
Fund Balance - Beginning	30,332	30,332	30,332	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,984</u>	<u>\$ 18,984</u>
<b>VETERAN'S AID FUND</b>				
Receipts	\$ -	\$ -	\$ 5	\$ 5
Disbursements	(33,203)	(33,203)	(3,000)	30,203
Net Change in Fund Balance	(33,203)	(33,203)	(2,995)	30,208
Fund Balance - Beginning	33,203	33,203	33,203	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,208</u>	<u>\$ 30,208</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RURAL TRANSIT SERVICE FUND</b>				
Receipts	\$ 52,529	\$ 52,529	\$ 64,619	\$ 12,090
Disbursements	(84,128)	(84,128)	(70,217)	13,911
Transfers in	11,390	11,390	7,964	(3,426)
Transfers out	-	-	-	-
Net Change in Fund Balance	(20,209)	(20,209)	2,366	22,575
Fund Balance - Beginning	20,209	20,209	20,209	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,575</u>	<u>\$ 22,575</u>
<b>SENIOR SERVICES PROGRAM FUND</b>				
Receipts	\$ 117,031	\$ 117,031	\$ 131,587	\$ 14,556
Disbursements	(189,498)	(189,498)	(173,073)	16,425
Transfers in	33,989	33,989	33,989	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(38,478)	(38,478)	(7,497)	30,981
Fund Balance - Beginning	68,478	68,478	68,478	-
Fund Balance - Ending	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 60,981</u>	<u>\$ 30,981</u>
<b>SENIOR SERVICES SAVINGS FUND</b>				
Receipts	\$ 16,800	\$ 16,800	\$ 27,071	\$ 10,271
Disbursements	(161,776)	(161,776)	(38,769)	123,007
Net Change in Fund Balance	(144,976)	(144,976)	(11,698)	133,278
Fund Balance - Beginning	144,976	144,976	144,976	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,278</u>	<u>\$ 133,278</u>
<b>STOP PROGRAM FUND</b>				
Receipts	\$ 12	\$ 12	\$ 5,500	\$ 5,488
Disbursements	(8,000)	(8,000)	-	8,000
Net Change in Fund Balance	(7,988)	(7,988)	5,500	13,488
Fund Balance - Beginning	7,988	7,988	7,988	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,488</u>	<u>\$ 13,488</u>
<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(7,092)	(7,092)	-	7,092
Net Change in Fund Balance	(7,092)	(7,092)	-	7,092
Fund Balance - Beginning	7,092	7,092	7,092	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,092</u>	<u>\$ 7,092</u>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(966)	(966)	-	966
Net Change in Fund Balance	(966)	(966)	-	966
Fund Balance - Beginning	966	966	966	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 966</u>	<u>\$ 966</u>
<b>CANINE FUND</b>				
Receipts	\$ -	\$ -	\$ 2,615	\$ 2,615
Disbursements	(3,484)	(3,484)	(1,549)	1,935
Net Change in Fund Balance	(3,484)	(3,484)	1,066	4,550
Fund Balance - Beginning	3,484	3,484	3,484	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,550</u>	<u>\$ 4,550</u>
<b>911 EMERGENCY MANAGEMENT FUND</b>				
Receipts	\$ 25,000	\$ 25,000	\$ 30,224	\$ 5,224
Disbursements	(327,235)	(327,235)	(275,885)	51,350
Transfers in	259,216	259,216	259,216	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Net Change in Fund Balance	(73,019)	(73,019)	(16,445)	56,574
Fund Balance - Beginning	73,019	73,019	73,019	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,574</u>	<u>\$ 56,574</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 49,821	\$ 49,821	\$ 52,341	\$ 2,520
Disbursements	(49,821)	(49,821)	(29,004)	20,817
Transfers in	-	-	-	-
Transfers out	(9,535)	(9,535)	(9,535)	-
Net Change in Fund Balance	(9,535)	(9,535)	13,802	23,337
Fund Balance - Beginning	9,535	9,535	9,535	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,337</u>	<u>\$ 23,337</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>911 WIRELESS SERVICE HOLDING FUND</u></b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(119,638)	(119,638)	-	119,638
Transfers in	2,411	2,411	2,411	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(117,227)	(117,227)	2,411	119,638
Fund Balance - Beginning	117,227	117,227	117,227	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,638</u>	<u>\$ 119,638</u>

(Concluded)

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2018

	Highway Bridge Buyback Fund	Communication Equipment Sinking Fund	Equipment Sinking Fund	Child Support Incentive Fund	Visitor's Promotion Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,100
Investment Income	-	-	-	-	-
Intergovernmental	159,366	-	-	7,241	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>159,366</u>	<u>-</u>	<u>-</u>	<u>7,241</u>	<u>3,100</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	10,639	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	2,771
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,639</u>	<u>2,771</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>					
	<u>159,366</u>	<u>-</u>	<u>-</u>	<u>(3,398)</u>	<u>329</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	30,000	54,065	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>30,000</u>	<u>54,065</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	159,366	30,000	54,065	(3,398)	329
<b>FUND BALANCES - BEGINNING</b>	<u>183,617</u>	<u>30,000</u>	<u>44,000</u>	<u>21,991</u>	<u>14,769</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 342,983</u>	<u>\$ 60,000</u>	<u>\$ 98,065</u>	<u>\$ 18,593</u>	<u>\$ 15,098</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	15,098
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road/Bridge Projects	342,983	-	-	-	-
Child Support Enforcement	-	-	-	18,593	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Equipment	-	60,000	98,065	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 342,983</u>	<u>\$ 60,000</u>	<u>\$ 98,065</u>	<u>\$ 18,593</u>	<u>\$ 15,098</u>

(Continued)

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	Visitor's Improvement Fund	Register of Deeds Preservation & Modernization Fund	Medical Relief Fund	Institutions Fund	Veteran's Aid Fund
<b>RECEIPTS</b>					
Property Taxes	\$ 3,099	\$ -	\$ 11	\$ 7	\$ 3
Investment Income	-	-	-	-	2
Intergovernmental	-	-	3	-	-
Charges for Services	-	5,777	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>3,099</u>	<u>5,777</u>	<u>14</u>	<u>7</u>	<u>5</u>
<b>DISBURSEMENTS</b>					
General Government	-	6,926	-	-	-
Public Safety	-	-	-	-	-
Public Assistance	-	-	7,304	11,355	3,000
Culture and Recreation	7,400	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>7,400</u>	<u>6,926</u>	<u>7,304</u>	<u>11,355</u>	<u>3,000</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(4,301)</u>	<u>(1,149)</u>	<u>(7,290)</u>	<u>(11,348)</u>	<u>(2,995)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,301)	(1,149)	(7,290)	(11,348)	(2,995)
<b>FUND BALANCES - BEGINNING</b>	<u>11,952</u>	<u>8,316</u>	<u>38,373</u>	<u>30,332</u>	<u>33,203</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 7,651</u>	<u>\$ 7,167</u>	<u>\$ 31,083</u>	<u>\$ 18,984</u>	<u>\$ 30,208</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	7,651	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	7,167	-	-	-
Road/Bridge Projects	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	31,083	18,984	30,208
Equipment	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 7,651</u>	<u>\$ 7,167</u>	<u>\$ 31,083</u>	<u>\$ 18,984</u>	<u>\$ 30,208</u>

(Continued)



**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	Rural Transit Service Fund	Senior Services Program Fund	Senior Services Savings Fund	STOP Program Fund	Drug Law Enforcement and Education Fund	Federal Drug Law Enforcement Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	274	4,706	-	-	-
Intergovernmental	50,756	74,847	16,800	-	-	-
Charges for Services	13,863	41,984	-	5,500	-	-
Miscellaneous	-	14,482	5,565	-	-	-
<b>TOTAL RECEIPTS</b>	<u>64,619</u>	<u>131,587</u>	<u>27,071</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Assistance	70,217	173,073	38,769	-	-	-
Culture and Recreation	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>70,217</u>	<u>173,073</u>	<u>38,769</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(5,598)</u>	<u>(41,486)</u>	<u>(11,698)</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	7,964	33,989	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>7,964</u>	<u>33,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,366	(7,497)	(11,698)	5,500	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>20,209</u>	<u>68,478</u>	<u>144,976</u>	<u>7,988</u>	<u>7,092</u>	<u>966</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 22,575</u>	<u>\$ 60,981</u>	<u>\$ 133,278</u>	<u>\$ 13,488</u>	<u>\$ 7,092</u>	<u>\$ 966</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	7,092	-
Law Enforcement	-	-	-	-	-	966
Preservation of Records	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Aid and Assistance	22,575	60,981	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	13,488	-	-
Aid and Assistance	-	-	133,278	-	-	-
Equipment	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 22,575</u>	<u>\$ 60,981</u>	<u>\$ 133,278</u>	<u>\$ 13,488</u>	<u>\$ 7,092</u>	<u>\$ 966</u>

(Continued)

**BUTLER COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	Canine Fund	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ 29,912	\$ 49,821	\$ -	\$ 85,953
Investment Income	-	-	-	-	4,982
Intergovernmental	-	-	-	-	309,013
Charges for Services	-	-	-	-	67,124
Miscellaneous	2,615	312	2,520	-	25,494
<b>TOTAL RECEIPTS</b>	<u>2,615</u>	<u>30,224</u>	<u>52,341</u>	<u>-</u>	<u>492,566</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	6,926
Public Safety	1,549	275,885	29,004	-	317,077
Public Assistance	-	-	-	-	303,718
Culture and Recreation	-	-	-	-	10,171
<b>TOTAL DISBURSEMENTS</b>	<u>1,549</u>	<u>275,885</u>	<u>29,004</u>	<u>-</u>	<u>637,892</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,066</u>	<u>(245,661)</u>	<u>23,337</u>	<u>-</u>	<u>(145,326)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	259,216	-	2,411	387,645
Transfers out	-	(30,000)	(9,535)	-	(39,535)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>229,216</u>	<u>(9,535)</u>	<u>2,411</u>	<u>348,110</u>
Net Change in Fund Balances	1,066	(16,445)	13,802	2,411	202,784
<b>FUND BALANCES - BEGINNING</b>	<u>3,484</u>	<u>73,019</u>	<u>9,535</u>	<u>117,227</u>	<u>869,527</u>
<b>FUND BALANCES - ENDING</b>	<u>\$4,550</u>	<u>\$ 56,574</u>	<u>\$ 23,337</u>	<u>\$ 119,638</u>	<u>\$ 1,072,311</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	22,749
911 Emergency Services	-	56,574	23,337	119,638	199,549
Drug Education	-	-	-	-	7,092
Law Enforcement	-	-	-	-	966
Preservation of Records	-	-	-	-	7,167
Road/Bridge Projects	-	-	-	-	342,983
Child Support Enforcement	-	-	-	-	18,593
Aid and Assistance	-	-	-	-	83,556
Committed to:					
Law Enforcement	4,550	-	-	-	18,038
Aid and Assistance	-	-	-	-	213,553
Equipment	-	-	-	-	158,065
<b>TOTAL FUND BALANCES</b>	<u>\$4,550</u>	<u>\$ 56,574</u>	<u>\$ 23,337</u>	<u>\$ 119,638</u>	<u>\$ 1,072,311</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Service Officer	County Senior Services	County Detention Center	Total
BALANCES JULY 1, 2017	\$ 11,017	\$ 26,654	\$ 15,583	\$ 500	\$ 88,815	\$ 4,424	\$ 1,035	\$ 28,434	\$ 176,462
<b>RECEIPTS</b>									
Property Taxes	-	-	-	-	-	-	-	-	-
Licenses and Permits	585	-	1,055	-	75	-	-	-	1,715
Intergovernmental	-	-	305,907	-	782,778	3,000	1,750	-	1,093,435
Charges for Services	71,951	11,041	24,096	-	43,474	-	56,574	187,570	394,706
Miscellaneous	-	-	7,194	428	-	2	22,515	-	30,139
State Fees	74,419	15,349	-	-	-	-	-	-	89,768
Other Liabilities	-	777,326	10,268	-	-	-	-	250,810	1,038,404
<b>TOTAL RECEIPTS</b>	<b>146,955</b>	<b>803,716</b>	<b>348,520</b>	<b>428</b>	<b>826,327</b>	<b>3,002</b>	<b>80,839</b>	<b>438,380</b>	<b>2,648,167</b>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	73,094	10,455	335,640	-	812,051	-	78,747	182,450	1,492,437
Payments to State Treasurer	75,668	15,666	-	-	-	-	-	-	91,334
Other Liabilities	-	769,804	8,822	428	-	3,134	2,469	238,581	1,023,238
<b>TOTAL DISBURSEMENTS</b>	<b>148,762</b>	<b>795,925</b>	<b>344,462</b>	<b>428</b>	<b>812,051</b>	<b>3,134</b>	<b>81,216</b>	<b>421,031</b>	<b>2,607,009</b>
BALANCES JUNE 30, 2018	<u>\$ 9,210</u>	<u>\$ 34,445</u>	<u>\$ 19,641</u>	<u>\$ 500</u>	<u>\$ 103,091</u>	<u>\$ 4,292</u>	<u>\$ 658</u>	<u>\$ 45,783</u>	<u>\$ 217,620</u>
<b>BALANCES CONSIST OF:</b>									
Due to County Treasurer	\$ 5,320	\$ 1,094	\$ 12,434	\$ -	\$ 103,091	\$ 4,292	\$ 158	\$ 15,886	\$ 142,275
Petty Cash	-	-	4,035	500	-	-	500	-	5,035
Due to State Treasurer	3,890	1,036	-	-	-	-	-	-	4,926
Due to Others	-	32,315	3,172	-	-	-	-	29,897	65,384
BALANCES JUNE 30, 2018	<u>\$ 9,210</u>	<u>\$ 34,445</u>	<u>\$ 19,641</u>	<u>\$ 500</u>	<u>\$ 103,091</u>	<u>\$ 4,292</u>	<u>\$ 658</u>	<u>\$ 45,783</u>	<u>\$ 217,620</u>

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

Item	2013	2014	2015	2016	2017
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 22,415,146	\$ 22,563,682	\$ 23,992,690	\$ 24,498,864	\$ 25,335,045
Personal and Specials	2,753,915	2,524,445	2,645,920	2,645,919	2,117,117
<b>Total</b>	<b>25,169,061</b>	<b>25,088,127</b>	<b>26,638,610</b>	<b>27,144,783</b>	<b>27,452,162</b>
<b>Corrections</b>					
Additions	2,363	1,530	6,068	7,283	10,173
Deductions	(8,713)	(4,230)	(2,317)	(418)	(6,333)
Net Additions/ (Deductions)	(6,350)	(2,700)	3,751	6,865	3,840
<b>Corrected Certified Tax</b>	<b>25,162,711</b>	<b>25,085,427</b>	<b>26,642,361</b>	<b>27,151,648</b>	<b>27,456,002</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2014	16,288,243	-	-	-	-
June 30, 2015	8,862,794	16,421,742	-	-	-
June 30, 2016	7,522	8,648,374	17,501,780	-	-
June 30, 2017	2,170	7,155	9,130,454	17,594,421	-
June 30, 2018	1,440	2,182	6,641	9,549,854	18,270,821
<b>Total Net Collections</b>	<b>25,162,169</b>	<b>25,079,453</b>	<b>26,638,875</b>	<b>27,144,275</b>	<b>18,270,821</b>
<b>Total Uncollected Tax</b>	<b>\$ 542</b>	<b>\$ 5,974</b>	<b>\$ 3,486</b>	<b>\$ 7,373</b>	<b>\$ 9,185,181</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.01%</b>	<b>0.03%</b>	<b>33.45%</b>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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BUTLER COUNTY

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

Board of Supervisors  
Butler County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butler County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements, and have issued our report thereon dated February 25, 2019. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Butler County Hospital, a component unit of Butler County.

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

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

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

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

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

### **Compliance and Other Matters**

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

### **Additional Items**

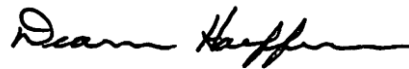
We also noted certain matters that we reported to the management of Butler County in a separate letter dated February 25, 2019.

### **Butler County’s Response to Findings**

Butler County declined to respond to the finding described above.

### **Purpose of this Report**

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



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

February 25, 2019



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 25, 2019

Board of Supervisors  
Butler County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Butler County (County) for the fiscal year ended June 30, 2018, and have issued our report thereon dated February 25, 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 BOARD**

**Claims Procedures**

During our audit, we noted two instances, totaling \$674, in which the County had issued duplicate payments to a vendor. The vendor issued refunds on subsequent purchases for these overpayments.

<b>Vendor</b>	<b>Claim Number</b>	<b>Date</b>	<b>Amount</b>
Bob Barker Company, Inc.	17090032	9/18/17	\$ 68.30
Bob Barker Company, Inc.	17100030	10/16/17	\$ 68.30
Bob Barker Company, Inc.	18020041	2/20/18	\$ 605.45
Bob Barker Company, Inc.	18030025	3/19/18	\$ 605.45

A good internal control plan and sound business practices require policies and procedures to ensure claims are not paid twice. Without such policies and procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Board implement adequate policies and procedures to ensure that payments are issued only once.

**COUNTY CLERK OF THE DISTRICT COURT**

**Review of Overdue Case Balance Report**

We noted the Clerk of the District Court was not adequately reviewing the Overdue Case Balance Report to ensure the balances were proper, and appropriate action was taken timely. Seven of 10 overdue balances tested, totaling \$1,329, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. As of January 18, 2019, the report contained 264 overdue cases with a total owed of \$50,437. On the report provided, only seven cases had a current warrant or suspension issued for nonpayment.

Good internal control and sound business practices require overdue balances of the District Court to be reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or resolve those balances.

Without a regular review of overdue case balances, there is an increased risk of loss, theft, or misuse of funds. A similar issue was noted in prior audits.

We recommend the District Court implement procedures to ensure the Overdue Case Balance Report is reviewed on an ongoing basis. Potential courses of action for follow up would include: 1) issuance of warrants; 2) judge’s determination and order to waive certain costs, if allowable; or 3) declaration of certain balances as uncollectible.

**Insufficient Pledged Collateral**

During our audit, we noted the District Court did not maintain securities to cover fully the deposits held in its bank account. The bank account was uncollateralized for five days during the fiscal year, with uncollateralized amounts ranging from \$131,418 to \$134,140.



Neb Rev. Stat. § 77-2395(1) (Reissue 2018) provides the following:

*[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.*

When adequate pledged collateral is not kept to cover bank accounts containing public monies, the District Court is not in compliance with State statute, and there is an increased risk for the loss of funds.

We recommend the District Court closely monitor the account on high-volume days to ensure coverage is adequate to cover deposits fully.

### **Non-Monetary Receipt Procedures**

During testing, it was noted that 3 of 10 non-monetary receipts tested were inappropriate, as follows:

- Fines and costs, totaling \$680, were waived; however, because documentation indicates that the defendant was credited for only four days of jail time served, calculated at \$90 per day, only \$360 should have been waived.
- Fines and costs, totaling \$243, were waived; however, no documentation was on file to support amount waived.
- Judgment costs, totaling \$212, were waived due to a garnishment check received; however, documentation was not on file to support the amount waived.

Neb. Rev. Stat § 29-2412(3) (Reissue 2016) states, in relevant part, “A person held in custody for nonpayment of a fine or costs or for default on an installment shall be entitled to a credit on the fine, costs, or installment of ninety dollars for each day so held.”

Good internal control requires procedures to ensure that adequate supporting documentation is on file for non-monetary receipts. Without such procedures, there is an increased risk for the loss, theft, or misuse of funds.

We recommend the District Court establish procedures to ensure that adequate supporting documentation is on file for all non-monetary receipts, as well as the appropriate jail rate to be assessed.

## **COUNTY HIGHWAY SUPERINTENDENT**

### **Accounts Receivable**

During the audit, we noted one delinquent accounts receivable balance, totaling \$295, which has been outstanding since August 2012.

Sound accounting practices and good internal controls require procedures to ensure a periodic review of overdue accounts receivable with the County Board is completed to consider the feasibility of collection and/or the need for write-off approval if those accounts appear to be uncollectible. Without such procedures, there is an increased risk delinquent accounts will not be collected and/or resolved in a timely manner.

We recommend the County Highway Superintendent implement procedures to ensure the County Board is consulted, at least annually, to determine whether accounts receivable should be pursued or approved to be written off.

## **COUNTY SHERIFF**

### **Office Accountability**

During our audit, we noted several issues with the County Sheriff's financial record keeping and balancing procedures. As of June 30, 2018, office records indicated a cash long of \$156. We also noted the following issues, which are likely contributing to the long amount noted:

- The accounts payable and accounts receivable balances recorded in the accounting system were not complete and accurate.
- Fee collections of \$4,151 received in prior years and the current year were not remitted timely to the County Treasurer.

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) states, in part, "The sheriff shall . . . pay all fees earned to the county treasurer . . ." Additionally, good internal control requires procedures to ensure assets (cash on hand, reconciled bank balances, and accounts receivable) are in agreement with office liabilities (fees, commissions, mileage, and refunds), and any variances identified are resolved in a timely manner.

Failure to oversee transaction activity, as well as to determine asset-to-liability balancing variances, increases the risk of loss, theft, or misuse of funds, allowing errors to go undetected more easily. Additionally, when fees earned are not remitted to the County Treasurer, there is an increased risk for the loss or misuse of funds and noncompliance with State statute.

We recommend the County Sheriff implement balancing procedures to ensure assets agree to liabilities at all times, and all accounts receivable and payable balances recorded in the accounting system are complete and accurate. Further, we recommend that all fees are paid to the County Treasurer in a timely manner, including the remittance of any outstanding balances.

### **Donation Bank Account**

Our audit revealed that the County Sheriff's office was collecting donations held in a separate bank account titled "Stuff the Cruiser." The office indicated that Stuff the Cruiser is a program to purchase presents for children and to hold a Santa event during the holiday season. During the fiscal year, the County Sheriff collected \$1,148 in donations, of which \$866 was spent. The donations collected were not remitted to the County Treasurer, and payments were not being approved by the County Board.

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

Date	Payee		Amount	Description
9/23/2017	Shell	*	\$ 15	Gasoline
11/14/2017	Oriental Trading		\$ 113	Christmas Decorations
11/17/2017	Columbus Dry Cleaners		\$ 5	Cleaning of Santa Suit
11/21/2017	Walmart		\$ 99	Pop, crayons, and Santa snacks
8/2/2017	Pharmacy	*	\$ 16	Diapers for Foster Care Children
8/23/2017	Butler Public Power District	*	\$ 147	Energy Assistance Bill
12/15/2017	Ace Hardware		\$ 28	Basketball
12/13/2017	Walmart		\$ 265	Toys
12/16/2017	Walmart		\$ 103	Toys
12/16/2017	Hobby Lobby		\$ 13	Crafts
2/5/2018	Rose Motel	*	\$ 62	Hotel Room
	<b>Total</b>		<b>\$ 866</b>	

Documentation was not available to determine that all donations into this account were specifically received for the Stuff the Cruiser Program. Without such documentation, the APA could not determine if the items noted with an asterisk (\*) in the table above were in line with the purpose in which the donations were received.

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

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

Further, good internal control requires procedures to be in place to adequately support the purpose for which all donations were received to ensure compliance with the intentions of the donor.

Failure to remit monies collected to the County Treasurer and have payments approved by the County Board is not in keeping with State statute. Further, without adequate documentation to support donations, there is an increased risk of misuse of funds.

We recommend all donations be remitted to the County Treasurer and payments be approved by the County Board; such payments should be in line with the purpose for which the donations were received.

### **Victim's Assistance Account**

The County Sheriff was carrying excess funds, totaling \$1,104, over the amount authorized by the County Board for victim's assistance. In addition, the County Sheriff received \$163 in donations for the victim's assistance program that was not remitted to the County Treasurer. Further, the office spent \$153 during the fiscal year that was never requested for reimbursement and, therefore, not approved by the County Board.

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

*(1) The county board shall manage the county funds and county business except as otherwise specifically provided.*

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

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

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

Maintaining a balance of more than the authorized petty cash amount, as well as failing to remit monies collected to the County Treasurer and have payments approved by the County Board, is not in keeping with the requirements of State statute.

We recommend the County Sheriff implement procedures to ensure that the office is carrying only the authorized petty cash amount. We further recommend that all monies received are remitted to the County Treasurer.

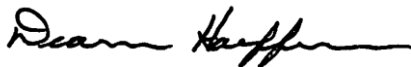
\* \* \* \* \*

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

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

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

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor