

**AUDIT REPORT
OF
ANTELOPE COUNTY**

JULY 1, 2021, THROUGH JUNE 30, 2022

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the Auditor of Public Accounts.**

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Issued on November 4, 2022

ANTELOPE COUNTY

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ANTELOPE COUNTY
501 Main Street
Neligh, NE 68756

LIST OF COUNTY OFFICIALS
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Charles Henery	Jan. 2025
	Eli Jacob	Jan. 2025
	Regina Krebs	Jan. 2023
	Carolyn Pedersen	Jan. 2023
	Dean Smith	Jan. 2023
Assessor	Kelly Mueller-Oltjenbruns	Jan. 2023
Attorney	Joseph Abler	Jan. 2023
Clerk	Lisa Payne	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Angela Mortensen	Jan. 2023
Sheriff	Robert Moore	Jan. 2023
Treasurer	Deb Branstiter	Jan. 2023
Veterans' Service Officer	Tom Nelson	Appointed
Weed Superintendent	Bryan Cornett	Appointed
Highway Superintendent	Brian McDonald	Appointed
Planning & Zoning	Megan Wingate	Appointed
Emergency Manager	Bobbi Risor	Appointed



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ANTELOPE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Antelope County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 the aggregate remaining fund information of Antelope County as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that 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, pages 19 - 30, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, 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 solely 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 effectiveness of the County's 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.

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE
Audit Manager
Lincoln, Nebraska

October 24, 2022

ANTELOPE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2022

	Governmental Activities
	<hr/>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 10,415,698
TOTAL ASSETS	<hr/> \$ 10,415,698 <hr/>
 NET POSITION	
Restricted for:	
Visitor Promotion	\$ 53,694
Drug Education	841
Preservation of Records	11,510
Debt Service	1,250,118
Federal Relief	1,221,435
Aid and Assistance	10,237
Unrestricted	<hr/> 7,867,863
TOTAL NET POSITION	<hr/> \$ 10,415,698 <hr/>

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, 2022

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	\$ (2,448,476)	\$ 386,834	\$ 13,528	\$ (2,048,114)
Public Safety	(1,185,388)	317,783	-	(867,605)
Public Works	(6,161,732)	40,280	2,685,643	(3,435,809)
Public Assistance	(42,216)	-	-	(42,216)
Culture and Recreation	(35,149)	-	-	(35,149)
Debt Payments	(802,566)	-	-	(802,566)
Total Governmental Activities	<u>\$ (10,675,527)</u>	<u>\$ 744,897</u>	<u>\$ 2,699,171</u>	<u>(7,231,459)</u>

General Receipts:

Taxes	6,976,374
Grants and Contributions Not Restricted to Specific Programs	1,859,063
Investment Income	13,158
Licenses and Permits	51,976
Miscellaneous	5,791
Total General Receipts	<u>8,906,362</u>
Change in Net Position	1,674,903
Net Position - Beginning of year	8,740,795
Net Position - End of year	<u>\$ 10,415,698</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, 2022

	General Fund	Road & Bridge Fund	Inheritance Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 3,984,975	\$ 333,801	\$ 2,288,517	\$ 1,221,435	\$ 2,586,970	\$ 10,415,698
TOTAL ASSETS	<u>\$ 3,984,975</u>	<u>\$ 333,801</u>	<u>\$ 2,288,517</u>	<u>\$ 1,221,435</u>	<u>\$ 2,586,970</u>	<u>\$ 10,415,698</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	53,694	53,694
Drug Education	-	-	-	-	841	841
Preservation of Records	-	-	-	-	11,510	11,510
Debt Service	-	-	-	-	1,250,118	1,250,118
Federal Relief	-	-	-	1,221,435	-	1,221,435
Aid and Assistance	-	-	-	-	10,237	10,237
Committed to:						
Law Enforcement	-	-	-	-	570,125	570,125
Road Maintenance	-	333,801	-	-	-	333,801
Aid and Assistance	-	-	-	-	8,685	8,685
County Buildings	-	-	-	-	73,327	73,327
Disaster Recovery	-	-	-	-	608,433	608,433
Assigned to:						
Other Purposes	-	-	2,288,517	-	-	2,288,517
Unassigned	3,984,975	-	-	-	-	3,984,975
TOTAL CASH BASIS FUND BALANCES	<u>\$ 3,984,975</u>	<u>\$ 333,801</u>	<u>\$ 2,288,517</u>	<u>\$ 1,221,435</u>	<u>\$ 2,586,970</u>	<u>\$ 10,415,698</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, 2022

	General Fund	Road & Bridge Fund	Inheritance Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$ 5,961,031	\$ -	\$ 405,962	\$ -	\$ 609,381	\$ 6,976,374
Licenses and Permits	51,976	-	-	-	-	51,976
Investment Income	12,536	-	-	622	-	13,158
Intergovernmental	1,152,490	2,491,617	-	611,656	302,471	4,558,234
Charges for Services	397,995	40,280	-	-	306,622	744,897
Miscellaneous	481	60	-	-	5,250	5,791
TOTAL RECEIPTS	<u>7,576,509</u>	<u>2,531,957</u>	<u>405,962</u>	<u>612,278</u>	<u>1,223,724</u>	<u>12,350,430</u>
DISBURSEMENTS						
General Government	2,318,156	-	-	-	130,320	2,448,476
Public Safety	1,013,348	-	-	2,500	169,540	1,185,388
Public Works	68,287	5,960,389	-	-	133,056	6,161,732
Public Assistance	41,357	-	-	-	859	42,216
Culture and Recreation	14,711	-	-	-	20,438	35,149
Debt Service:						
Principal Payments	-	-	-	-	685,000	685,000
Interest and Fiscal Charges	-	-	-	-	117,566	117,566
TOTAL DISBURSEMENTS	<u>3,455,859</u>	<u>5,960,389</u>	<u>-</u>	<u>2,500</u>	<u>1,256,779</u>	<u>10,675,527</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>4,120,650</u>	<u>(3,428,432)</u>	<u>405,962</u>	<u>609,778</u>	<u>(33,055)</u>	<u>1,674,903</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,351	3,400,000	-	-	-	3,410,351
Transfers out	<u>(3,400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,351)</u>	<u>(3,410,351)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,389,649)</u>	<u>3,400,000</u>	<u>-</u>	<u>-</u>	<u>(10,351)</u>	<u>-</u>
Net Change in Fund Balances	731,001	(28,432)	405,962	609,778	(43,406)	1,674,903
CASH BASIS FUND BALANCES - BEGINNING	<u>3,253,974</u>	<u>362,233</u>	<u>1,882,555</u>	<u>611,657</u>	<u>2,630,376</u>	<u>8,740,795</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 3,984,975</u>	<u>\$ 333,801</u>	<u>\$ 2,288,517</u>	<u>\$ 1,221,435</u>	<u>\$ 2,586,970</u>	<u>\$ 10,415,698</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
FIDUCIARY FUNDS
 For the Year Ended June 30, 2022

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
ASSETS				
Cash and Cash Equivalents	\$ 528,163	\$ 30,170,938	\$ 29,778,249	\$ 920,852
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	192,181	2,735,783	2,724,094	203,870
State - Collected by Other Offices	12,027	116,223	116,779	11,471
Schools	225,950	19,638,754	19,710,013	154,691
Educational Service Units	3,161	391,300	392,728	1,733
Technical College	22,048	2,535,480	2,546,687	10,841
Natural Resource Districts	4,205	489,409	491,501	2,113
Fire Districts	10,809	490,698	493,368	8,139
Municipalities	26,000	1,396,867	1,394,399	28,468
Agricultural Society	1,441	171,891	172,576	756
Airport Authority	563	60,099	60,414	248
Others - Collected by County Treasurer	22,755	590,959	145,352	468,362
Others - Collected by Other Offices	7,023	1,553,475	1,530,338	30,160
TOTAL LIABILITIES	<u>528,163</u>	<u>30,170,938</u>	<u>29,778,249</u>	<u>920,852</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022

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, Cumming, 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 \$36,459 toward the operation of the Region during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2021). 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 \$25,560 toward the operation of the Region during fiscal year 2022. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

The County reports the following major governmental funds:

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

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

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

COVID American Rescue Plan Act Fund. This fund is used to account for aid received from the American Rescue Plan Act and is used for various relief and assistance in accordance with Federal guidelines.

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.

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

Debt Service Funds. The Law Enforcement Center Bond Fund and Highway Allocation Bond Fund accounts for the resources for, and the payment of, long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recorded when earned, and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

D. **Assets and Net Position**

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$2,547,835 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 and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

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

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2022, disbursements exceeded budgeted appropriations in the Historical Society function of the General Fund by \$11. These over-expenditures were funded by greater than anticipated receipts in the case of the General Fund.

2. **Deposits and Investments**

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

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

At year end, the County's carrying amount of deposits was \$10,415,698 for County funds and \$920,852 for Fiduciary funds. The bank balances for all funds totaled \$11,280,484. The County did not have sufficient collateral securities to protect deposits at all times during the fiscal year.

3. **Taxes**

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

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.27793/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.251707/\$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.

The tax receipts classification also contains collections from the assessment of inheritance taxes and lodging taxes.

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. 2020, 2022 Neb. Laws LB 700, §§ 1-3) 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. Retirement System (Concluded)

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

For the year ended June 30, 2022, 105 employees contributed \$131,447, and the County contributed \$196,128. Contributions included \$2,083 in cash contributions towards the supplemental law enforcement plan for five law enforcement employees. Lastly, the County paid \$1,250 directly to eight 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 106 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 the county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during the 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, 2022, consisted of the following:

<u>Transfers to</u>	<u>Transfers from</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ 10,351	\$ 10,351
Road & Bridge Fund	3,400,000	-	3,400,000
Total	<u>\$ 3,400,000</u>	<u>\$ 10,351</u>	<u>\$ 3,410,351</u>

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. **Interfund Transfers** (Concluded)

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

In the year ended June 30, 2022, the County made a one-time transfer of \$10,351 from the Reappraisal Fund to the General Fund in September 2021 when the Reappraisal Fund was closed.

7. **Long-Term Obligations**

Lease-Purchase Agreements

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

	MMK Tractor	County Motorgraders	County Trucks	Total
Balance July 1, 2021	\$ 39,501	\$ -	\$ -	\$ 39,501
Purchases	-	988,481	449,361	1,437,842
Payments	19,750	78,743	77,714	176,207
Balance June 30, 2022	<u>\$ 19,751</u>	<u>\$ 909,738</u>	<u>\$ 371,647</u>	<u>\$ 1,301,136</u>

Future Payments:

Year

2023	\$ 19,751	\$ 156,653	\$ 83,356	\$ 259,760
2024	-	156,653	83,356	240,009
2025	-	156,653	83,356	240,009
2026	-	156,653	83,356	240,009
2027	-	156,653	27,938	184,591
2028-2029	-	219,319	27,938	247,257
Total Payments	<u>19,751</u>	<u>1,002,584</u>	<u>389,300</u>	<u>1,411,635</u>
Less Interest	<u>-</u>	<u>92,846</u>	<u>17,653</u>	<u>110,499</u>
Present Value of Future Minimum Lease Payments	<u>\$ 19,751</u>	<u>\$ 909,738</u>	<u>\$ 371,647</u>	<u>\$ 1,301,136</u>
Carrying Value of the Related Fixed Asset	<u>\$ 88,000</u>	<u>\$ 988,481</u>	<u>\$ 467,385</u>	<u>\$ 1,543,866</u>

Bonds

Law Enforcement Center Bonds. 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, 2022, was \$3,015,000. 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.

ANTELOPE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. **Long-Term Obligations** (Concluded)

Future Payments:

Year	Principal	Interest	Total
2023	\$ 410,000	\$ 77,315	\$ 487,315
2024	425,000	66,065	491,065
2025	430,000	55,590	485,590
2026	445,000	44,319	489,319
2027	455,000	31,939	486,939
2028-2029	850,000	24,317	874,317
Total Payments	\$ 3,015,000	\$ 299,545	\$ 3,314,545

Highway Allocation Bonds. The County issued bonds on August 28, 2020, in the amount of \$3,000,000 for the purpose of financing the construction of certain roads of the County and related improvements. The bond payable balance, as of June 30, 2022, was \$2,715,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2023	\$ 290,000	\$ 27,360	\$ 317,360
2024	295,000	25,239	320,239
2025	295,000	22,953	317,953
2026	300,000	20,423	320,423
2027	300,000	17,572	317,572
2028-2031	1,235,000	33,921	1,268,921
Total Payments	\$ 2,715,000	\$ 147,468	\$ 2,862,468

Antelope Memorial Hospital – Conduit Debt. To provide for the financing to pay the costs of acquiring, constructing, furnishing, and equipping improvements to the facilities of the Antelope Memorial Hospital (Hospital), a non-profit entity, the County issued revenue bonds on October 15, 2015, in the amount of \$2,290,000. These bonds are special limited obligations of the County payable solely from and secured by loan payments to be received from the Hospital. The bonds do not constitute a debt or pledge of faith of the County and, accordingly, have not been reported in the accompanying financial statements. The outstanding principal debt balance as of June 30, 2022, was \$605,000 per the Hospital's audit report. Additional information may be obtained from the Hospital's Administrative Office.

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 6,659,745	\$ 6,659,745	\$ 5,961,031	\$ (698,714)
Licenses and Permits	37,000	37,000	51,976	14,976
Investment Income	10,000	10,000	12,536	2,536
Intergovernmental	322,775	322,775	1,152,490	829,715
Charges for Services	239,050	239,050	397,995	158,945
Miscellaneous	-	-	481	481
TOTAL RECEIPTS	<u>7,268,570</u>	<u>7,268,570</u>	<u>7,576,509</u>	<u>307,939</u>
DISBURSEMENTS				
General Government:				
County Board	82,500	82,500	80,193	2,307
County Clerk	162,900	162,900	143,246	19,654
County Treasurer	166,144	166,144	163,389	2,755
County Assessor	143,600	143,600	130,665	12,935
Election Commissioner	35,000	35,000	25,842	9,158
Building and Zoning	24,000	28,100	27,486	614
Clerk of the District Court	112,516	112,516	106,884	5,632
County Court System	2,500	2,500	1,129	1,371
District Judge	7,000	7,000	5,955	1,045
Building and Grounds	132,500	132,500	99,568	32,932
Reappraisal	25,956	25,956	24,074	1,882
Agricultural Extension Agent	84,719	84,719	78,749	5,970
Unemployment Contributions	15,000	15,000	4,161	10,839
Miscellaneous	2,020,500	2,016,400	1,426,815	589,585
Public Safety				
County Sheriff	942,510	942,510	916,277	26,233
County Attorney	128,840	128,840	97,071	31,769
Public Works				
Noxious Weed Control	111,850	111,850	68,287	43,563
Public Assistance				
Veterans' Service Officer	39,615	39,615	38,724	891
Institutions	6,000	6,000	2,633	3,367
Relief	2,000	2,000	-	2,000
Culture and Recreation				
Historical Society	14,700	14,700	14,711	(11)
TOTAL DISBURSEMENTS	<u>4,260,350</u>	<u>4,260,350</u>	<u>3,455,859</u>	<u>804,491</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,008,220</u>	<u>3,008,220</u>	<u>4,120,650</u>	<u>1,112,430</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	52,000	52,000	10,351	(41,649)
Transfers out	<u>(5,314,194)</u>	<u>(5,314,194)</u>	<u>(3,400,000)</u>	<u>1,914,194</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,262,194)</u>	<u>(5,262,194)</u>	<u>(3,389,649)</u>	<u>1,872,545</u>
Net Change in Fund Balance	(2,253,974)	(2,253,974)	731,001	2,984,975
FUND BALANCE - BEGINNING	<u>3,253,974</u>	<u>3,253,974</u>	<u>3,253,974</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 3,984,975</u></u>	<u><u>\$ 2,984,975</u></u>

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD & BRIDGE FUND				
RECEIPTS				
Intergovernmental	2,318,576	2,318,576	2,491,617	173,041
Charges for Services	2,500	2,500	40,280	37,780
Miscellaneous	-	-	60	60
TOTAL RECEIPTS	2,321,076	2,321,076	2,531,957	210,881
DISBURSEMENTS	7,543,950	7,543,950	5,960,389	1,583,561
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(5,222,874)	(5,222,874)	(3,428,432)	1,794,442
OTHER FINANCING SOURCES (USES)				
Transfers in	5,314,194	5,314,194	3,400,000	(1,914,194)
Transfers out	(434,218)	(434,218)	-	434,218
TOTAL OTHER FINANCING SOURCES (USES)	4,879,976	4,879,976	3,400,000	(1,479,976)
Net Change in Fund Balance	(342,898)	(342,898)	(28,432)	314,466
FUND BALANCE - BEGINNING	342,898	342,898	362,233	19,335
FUND BALANCE - ENDING	\$ -	\$ -	\$ 333,801	\$ 333,801
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 400,000	\$ 400,000	\$ 405,962	\$ 5,962
TOTAL RECEIPTS	400,000	400,000	405,962	5,962
DISBURSEMENTS	3,782,555	3,782,555	-	3,782,555
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,382,555)	(3,382,555)	405,962	3,788,517
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000,000	4,000,000	-	(4,000,000)
Transfers out	(2,500,000)	(2,500,000)	-	2,500,000
TOTAL OTHER FINANCING SOURCES (USES)	1,500,000	1,500,000	-	(1,500,000)
Net Change in Fund Balance	(1,882,555)	(1,882,555)	405,962	2,288,517
FUND BALANCE - BEGINNING	1,882,555	1,882,555	1,882,555	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,288,517	\$ 2,288,517

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COVID AMERICAN RESCUE PLAN ACT FUND				
RECEIPTS				
Investment Income	26,687	26,687	622	(26,065)
Intergovernmental	611,656	611,656	611,656	-
TOTAL RECEIPTS	638,343	638,343	612,278	(26,065)
DISBURSEMENTS	1,250,000	1,250,000	2,500	1,247,500
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(611,657)	(611,657)	609,778	1,221,435
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(611,657)	(611,657)	609,778	1,221,435
FUND BALANCE - BEGINNING	611,657	611,657	611,657	-
FUND BALANCE - ENDING	\$ -	\$ -	\$1,221,435	\$ 1,221,435

(Concluded)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT CENTER BOND FUND				
Receipts	\$ 504,761	\$ 504,761	\$ 535,435	\$ 30,674
Disbursements	(488,000)	(488,000)	(487,865)	135
Net Change in Fund Balance	16,761	16,761	47,570	30,809
Fund Balance - Beginning	408,239	408,239	408,239	-
Fund Balance - Ending	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 455,809</u>	<u>\$ 30,809</u>
VISITORS PROMOTION FUND				
Receipts	\$ 2,686	\$ 2,686	\$ 4,779	\$ 2,093
Disbursements	(50,000)	(50,000)	(4,688)	45,312
Net Change in Fund Balance	(47,314)	(47,314)	91	47,405
Fund Balance - Beginning	47,314	47,314	47,314	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,405</u>	<u>\$ 47,405</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 2,740	\$ 2,740	\$ 4,779	\$ 2,039
Disbursements	(20,000)	(20,000)	(15,750)	4,250
Net Change in Fund Balance	(17,260)	(17,260)	(10,971)	6,289
Fund Balance - Beginning	17,260	17,260	17,260	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,289</u>	<u>\$ 6,289</u>
REAPPRAISAL FUND				
Receipts	\$ 5,554	\$ 5,554	\$ 4,405	\$ (1,149)
Disbursements	(11,500)	(11,500)	-	11,500
Transfers in	-	-	-	-
Transfers out	-	-	(10,351)	(10,351)
Net Change in Fund Balance	(5,946)	(5,946)	(5,946)	-
Fund Balance - Beginning	5,946	5,946	5,946	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 4,881	\$ 4,881	\$ 6,908	\$ 2,027
Disbursements	(13,500)	(13,500)	(4,017)	9,483
Net Change in Fund Balance	(8,619)	(8,619)	2,891	11,510
Fund Balance - Beginning	8,619	8,619	8,619	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,510</u>	<u>\$ 11,510</u>

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS' AID FUND				
Receipts	\$ 16,861	\$ 16,861	\$ 13,642	\$ (3,219)
Disbursements	(20,000)	(20,000)	(859)	19,141
Net Change in Fund Balance	(3,139)	(3,139)	12,783	15,922
Fund Balance - Beginning	6,139	6,139	6,139	-
Fund Balance - Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 18,922</u>	<u>\$ 15,922</u>
STOP PROGRAM FUND				
Receipts	\$ 273	\$ 273	\$ 300	\$ 27
Disbursements	(13,500)	(13,500)	(5,000)	8,500
Net Change in Fund Balance	(13,227)	(13,227)	(4,700)	8,527
Fund Balance - Beginning	13,227	13,227	13,227	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,527</u>	<u>\$ 8,527</u>
CANINE FUND				
Receipts	\$ 24,000	\$ 24,000	\$ 1,000	\$ (23,000)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(1,000)	(1,000)	1,000	2,000
Fund Balance - Beginning	1,000	1,000	1,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
FEDERAL GRANTS FUND				
Receipts	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Disbursements	(30,000)	(30,000)	-	30,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISASTER FUND				
Receipts	\$ 2,018,537	\$ 2,018,537	\$ 198,276	\$ (1,820,261)
Disbursements	(1,000,000)	(1,000,000)	(71,306)	928,694
Transfers in	-	-	-	-
Transfers out	(1,500,000)	(1,500,000)	-	1,500,000
Net Change in Fund Balance	(481,463)	(481,463)	126,970	608,433
Fund Balance - Beginning	481,463	481,463	481,463	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,433</u>	<u>\$ 608,433</u>

(Continued)

ANTELOPE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT CENTER FUND				
Receipts	\$ 251,307	\$ 251,307	\$ 279,867	\$ 28,560
Disbursements	(598,000)	(598,000)	(137,005)	460,995
Transfers in	-	-	-	-
Transfers out	(52,000)	(52,000)	-	52,000
Net Change in Fund Balance	(398,693)	(398,693)	142,862	541,555
Fund Balance - Beginning	398,693	398,693	398,693	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 541,555</u>	<u>\$ 541,555</u>
INMATE COMMISSARY FUND				
Receipts	\$ 73,969	\$ 73,969	\$ 19,547	\$ (54,422)
Disbursements	(100,000)	(100,000)	(27,535)	72,465
Net Change in Fund Balance	(26,031)	(26,031)	(7,988)	18,043
Fund Balance - Beginning	26,031	26,031	26,031	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,043</u>	<u>\$ 18,043</u>
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(841)	(841)	-	841
Net Change in Fund Balance	(841)	(841)	-	841
Fund Balance - Beginning	841	841	841	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841</u>	<u>\$ 841</u>
HIGHWAY ALLOCATION BOND FUND				
Receipts	\$ 6,710	\$ 6,710	\$ 111,688	\$ 104,978
Disbursements	(1,200,000)	(1,200,000)	(376,451)	823,549
Transfers in	434,218	434,218	-	(434,218)
Transfers out	-	-	-	-
Net Change in Fund Balance	(759,072)	(759,072)	(264,763)	494,309
Fund Balance - Beginning	1,059,072	1,059,072	1,059,072	-
Fund Balance - Ending	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 794,309</u>	<u>\$ 494,309</u>
BUILDING FUND				
Receipts	\$ 29,468	\$ 29,468	\$ 43,098	\$ 13,630
Disbursements	(161,000)	(161,000)	(126,303)	34,697
Net Change in Fund Balance	(131,532)	(131,532)	(83,205)	48,327
Fund Balance - Beginning	156,532	156,532	156,532	-
Fund Balance - Ending	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 73,327</u>	<u>\$ 48,327</u>

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

For the Year Ended June 30, 2022

	Law Enforcement Center Bond Fund	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund	Register of Deeds Preservation Fund
RECEIPTS					
Taxes	\$ 447,500	\$ 4,779	\$ 4,779	\$ 4,211	\$ -
Intergovernmental	87,935	-	-	194	-
Charges for Services	-	-	-	-	6,908
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>535,435</u>	<u>4,779</u>	<u>4,779</u>	<u>4,405</u>	<u>6,908</u>
DISBURSEMENTS					
General Government	-	-	-	-	4,017
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	4,688	15,750	-	-
Debt Service:					
Principal Payments	400,000	-	-	-	-
Interest and Fiscal Charges	87,865	-	-	-	-
TOTAL DISBURSEMENTS	<u>487,865</u>	<u>4,688</u>	<u>15,750</u>	<u>-</u>	<u>4,017</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>47,570</u>	<u>91</u>	<u>(10,971)</u>	<u>4,405</u>	<u>2,891</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(10,351)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,351)</u>	<u>-</u>
Net Change in Fund Balances	47,570	91	(10,971)	(5,946)	2,891
FUND BALANCES - BEGINNING	<u>408,239</u>	<u>47,314</u>	<u>17,260</u>	<u>5,946</u>	<u>8,619</u>
FUND BALANCES - ENDING	<u>\$ 455,809</u>	<u>\$ 47,405</u>	<u>\$ 6,289</u>	<u>\$ -</u>	<u>\$ 11,510</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	47,405	6,289	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	11,510
Debt Service	455,809	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 455,809</u>	<u>\$ 47,405</u>	<u>\$ 6,289</u>	<u>\$ -</u>	<u>\$ 11,510</u>

ANTELOPE COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2022

	Veterans' Aid Fund	STOP Program Fund	Canine Fund	Disaster Fund	Law Enforcement Center Fund
RECEIPTS					
Taxes	\$ 11,096	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,546	-	-	194,026	-
Charges for Services	-	300	-	-	279,867
Miscellaneous	-	-	1,000	4,250	-
TOTAL RECEIPTS	<u>13,642</u>	<u>300</u>	<u>1,000</u>	<u>198,276</u>	<u>279,867</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	5,000	-	-	137,005
Public Works	-	-	-	71,306	-
Public Assistance	859	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>859</u>	<u>5,000</u>	<u>-</u>	<u>71,306</u>	<u>137,005</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>12,783</u>	<u>(4,700)</u>	<u>1,000</u>	<u>126,970</u>	<u>142,862</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	12,783	(4,700)	1,000	126,970	142,862
FUND BALANCES - BEGINNING	<u>6,139</u>	<u>13,227</u>	<u>1,000</u>	<u>481,463</u>	<u>398,693</u>
FUND BALANCES - ENDING	<u>\$ 18,922</u>	<u>\$ 8,527</u>	<u>\$ 2,000</u>	<u>\$ 608,433</u>	<u>\$ 541,555</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Aid and Assistance	10,237	-	-	-	-
Committed to:					
Law Enforcement	-	8,527	2,000	-	541,555
Aid and Assistance	8,685	-	-	-	-
County Buildings	-	-	-	-	-
Disaster Recovery	-	-	-	608,433	-
TOTAL FUND BALANCES	<u>\$ 18,922</u>	<u>\$ 8,527</u>	<u>\$ 2,000</u>	<u>\$ 608,433</u>	<u>\$ 541,555</u>

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

For the Year Ended June 30, 2022

	Inmate Commissary Fund	Drug Law Enforcement and Education Fund	Highway Allocation Bond Fund	Building Fund	Total Nonmajor Funds
RECEIPTS					
Taxes	\$ -	\$ -	\$ 100,129	\$ 36,887	\$ 609,381
Intergovernmental	-	-	11,559	6,211	302,471
Charges for Services	19,547	-	-	-	306,622
Miscellaneous	-	-	-	-	5,250
TOTAL RECEIPTS	<u>19,547</u>	<u>-</u>	<u>111,688</u>	<u>43,098</u>	<u>1,223,724</u>
DISBURSEMENTS					
General Government	-	-	-	126,303	130,320
Public Safety	27,535	-	-	-	169,540
Public Works	-	-	61,750	-	133,056
Public Assistance	-	-	-	-	859
Culture and Recreation	-	-	-	-	20,438
Debt Service:					
Principal Payments	-	-	285,000	-	685,000
Interest and Fiscal Charges	-	-	29,701	-	117,566
TOTAL DISBURSEMENTS	<u>27,535</u>	<u>-</u>	<u>376,451</u>	<u>126,303</u>	<u>1,256,779</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(7,988)</u>	<u>-</u>	<u>(264,763)</u>	<u>(83,205)</u>	<u>(33,055)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(10,351)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,351)</u>
Net Change in Fund Balances	(7,988)	-	(264,763)	(83,205)	(43,406)
FUND BALANCES - BEGINNING	<u>26,031</u>	<u>841</u>	<u>1,059,072</u>	<u>156,532</u>	<u>2,630,376</u>
FUND BALANCES - ENDING	<u>\$ 18,043</u>	<u>\$ 841</u>	<u>\$ 794,309</u>	<u>\$ 73,327</u>	<u>\$ 2,586,970</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	53,694
Drug Education	-	841	-	-	841
Preservation of Records	-	-	-	-	11,510
Debt Service	-	-	794,309	-	1,250,118
Aid and Assistance	-	-	-	-	10,237
Committed to:					
Law Enforcement	18,043	-	-	-	570,125
Aid and Assistance	-	-	-	-	8,685
County Buildings	-	-	-	73,327	73,327
Disaster Recovery	-	-	-	-	608,433
TOTAL FUND BALANCES	<u>\$ 18,043</u>	<u>\$ 841</u>	<u>\$ 794,309</u>	<u>\$ 73,327</u>	<u>\$ 2,586,970</u>

ANTELOPE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2022

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Veterans' Service Officer	County Planning and Zoning	Total
BALANCES JULY 1, 2021	\$ 20,789	\$ 6,472	\$ 3,083	\$ 1,806	\$ 125	\$ 2,001	\$ -	\$ 34,276
RECEIPTS								
Licenses and Permits	6,405	-	887	-	-	-	5,900	13,192
Intergovernmental	-	-	800	-	-	-	-	800
Charges for Services	75,195	8,124	326,613	300	-	-	-	410,232
Miscellaneous	2,199	274	6,132	-	-	898	-	9,503
State Fees	110,295	5,928	-	-	-	-	-	116,223
Other Liabilities	244	872,766	679,843	622	-	-	-	1,553,475
TOTAL RECEIPTS	194,338	887,092	1,014,275	922	-	898	5,900	2,103,425
DISBURSEMENTS								
Payments to County Treasurer	85,772	8,670	332,194	300	25	1	5,900	432,862
Payments to State Treasurer	111,070	5,709	-	-	-	-	-	116,779
Petty Cash & Other Payments	61	274	301	-	-	897	-	1,533
Other Liabilities	244	851,323	678,149	622	-	-	-	1,530,338
TOTAL DISBURSEMENTS	197,147	865,976	1,010,644	922	25	898	5,900	2,081,512
BALANCES JUNE 30, 2022	\$ 17,980	\$ 27,588	\$ 6,714	\$ 1,806	\$ 100	\$ 2,001	\$ -	\$ 56,189
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 6,990	\$ 237	\$ 1,705	\$ -	\$ -	\$ 1	\$ -	\$ 8,933
Petty Cash	50	250	2,725	500	100	2,000	-	5,625
Due to State Treasurer	10,940	531	-	-	-	-	-	11,471
Due to Others	-	26,570	2,284	1,306	-	-	-	30,160
BALANCES JUNE 30, 2022	\$ 17,980	\$ 27,588	\$ 6,714	\$ 1,806	\$ 100	\$ 2,001	\$ -	\$ 56,189

ANTELOPE COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2022

Item	2017	2018	2019	2020	2021
Tax Certified by Assessor					
Real Estate	\$ 22,138,532	\$ 22,128,594	\$ 23,042,787	\$ 23,788,986	\$ 24,667,752
Personal and Specials	1,301,732	1,345,257	1,221,613	1,330,141	1,329,722
Total	<u>23,440,264</u>	<u>23,473,851</u>	<u>24,264,400</u>	<u>25,119,127</u>	<u>25,997,474</u>
Corrections					
Additions	10,869	12,747	9,269	53,753	55,418
Deductions	(9,639)	(11,262)	(10,298)	(6,339)	(924)
Net Additions/ (Deductions)	<u>1,230</u>	<u>1,485</u>	<u>(1,029)</u>	<u>47,414</u>	<u>54,494</u>
Corrected Certified Tax	<u>23,441,494</u>	<u>23,475,336</u>	<u>24,263,371</u>	<u>25,166,541</u>	<u>26,051,968</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	15,321,253	-	-	-	-
June 30, 2019	8,107,052	15,135,050	-	-	-
June 30, 2020	9,211	8,325,478	15,451,263	-	-
June 30, 2021	2,020	10,901	8,802,839	16,367,631	-
June 30, 2022	219	1,811	7,594	8,789,205	18,017,053
Total Net Collections	<u>23,439,755</u>	<u>23,473,240</u>	<u>24,261,696</u>	<u>25,156,836</u>	<u>18,017,053</u>
Total Uncollected Tax	<u>\$ 1,739</u>	<u>\$ 2,096</u>	<u>\$ 1,675</u>	<u>\$ 9,705</u>	<u>\$ 8,034,915</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.04%</u>	<u>30.84%</u>

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



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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 24, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Additional Items

We also noted certain matters that we reported to the management of Antelope County in a separate letter dated October 24, 2022.

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 results 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.

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE
Audit Manager
Lincoln, Nebraska

October 24, 2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 24, 2022

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, 2022, and have issued our report thereon dated October 24, 2022. 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 BOARD

Gravel Bids

During testing, we noted that the County paid \$56,972 to Spud Construction, LLC, on September 14, 2021 (claim #21090181). This claim payment included \$26,420 for gravel, as summarized below, in the months of July and August 2021. However, the County failed to approve a gravel bid from Spud Construction, LLC, for purchasing gravel for the period July 1, 2021, to June 30, 2022.

Invoice	Billing Month	Amount
1314	July 2021	\$ 11,153
1315	August 2021	\$ 15,267
	Total	\$ 26,420

Per our review of the Board meeting minutes for March 9, 2021, the County Board approved a motion to accept all gravel bids for fiscal year 2022. However, a bid for Spud Construction, LLC, was not listed as approved. Subsequently, on April 6, 2021, the County Board meeting minutes noted the "SPUD Sand and Gravel – gravel bid 2021" was under the "Correspondence was reviewed" section of the meeting minutes. No other discussion or approval of the bid was noted.

Neb. Rev. Stat. § 39-810(1) (Cum. Supp. 2020) states the following, in relevant part:

(c) All contracts for materials for repairing, erecting, and constructing bridges and approaches thereto or culverts or for the purchase of gravel for roads, the cost and expense of which exceed twenty thousand dollars, shall be let to the lowest responsible bidder, but the board may reject any and all bids submitted for such materials.

(d) Upon rejection of any bid or bids by the board of such a county, such board shall have power and authority to purchase materials to repair, erect, or construct the bridges of such county, approaches thereto, or culverts or to purchase gravel for roads.

State statute does not permit the County to use another vendor when, as stated in the meeting minutes, all bids have been accepted. Per the above statutory provisions, the Board may utilize any vendor only after having previously rejected the submitted bids. In this case, the meeting minutes contain no indication that the original bids were rejected; to the contrary, they state that the Board “accept[ed] any and all bids for gravel.”

Good internal control requires procedures to ensure adherence to applicable statutory bidding requirements for County purchases.

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

We recommend the County Board implement procedures to ensure that County purchases are awarded in compliance with applicable statutory bidding requirements.

COUNTY SHERIFF

Accounting Procedures

During our audit, we noted the following issues regarding the County Sheriff’s accounting procedures:

- On June 30, 2022, office records indicated a cash long of \$609 in the County Sheriff’s Fee account, and a cash shortage of \$1,419 in the County Sheriff’s Commissary account.
- The Commissary check register was not maintained properly, and bank reconciliations were not completed. The check register showed a negative book balance of (\$11,521), which was \$10,690 less than our calculated reconciled book balance of (\$831). Errors noted in the check register included: 1) \$11,886 of bank deposits not recorded in the check register; 2) an unknown increase in the beginning balance of \$402 compared to the prior year’s ending book balance; 3) two checks issued for different amounts than were recorded in the check register, resulting in an understatement of \$7; 4) \$608 of outstanding checks sent erroneously to the County Treasurer; and 5) other unknown book errors causing an overstatement of \$1,410.
- The Commissary bank account was overdrawn in both July and August 2021, with the largest negative balance being \$205. As a result, overdraft fees of \$64 were incurred.
- The County Sheriff purchased \$43 of business checks through the Commissary bank account; however, this purchase was not claimed for reimbursement from the County Board, resulting in a shortage in the account.
- The Fee account bank reconciliation for June 30, 2022, did not include one outstanding check for \$67.

Good internal control 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) reconciliations, including book balances, are completed and accurate; and 3) bank charges that are not credited by the bank are submitted to the County Board for reimbursement.

Without such procedures, there is increased risk for not only the loss, theft, or misuse of funds but also noncompliance with State Statute.

A similar finding was included in the prior report.

We recommend the County Sheriff implement 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) reconciliations, including book balances, are completed and accurate; and 3) bank charges that are not credited by the bank are submitted to the County Board for reimbursement.

County Sheriff Response: The cash long for the Sheriff's general account was submitted to the treasurer. The outstanding check for \$67 has been included in the Fee account bank reconciliation. The Sheriff's commissary account cash shortage will be corrected by submitting a claim to the County Board for reimbursement. The commissary account: the check register is now being adequately maintained and reconciled, and all errors have been corrected. We should have considered the outstanding checks when we wrote the check to the treasures for money earned. A claim has already been submitted for the purchase of checks and NSF incurred. The Sheriff's office has hired a part-time employee specifically to oversee the commissary account to ensure that the commissary account is kept up to date and reconciled.

Unclaimed Property

During our audit, we noted that the County Sheriff has continued to hold four checks, totaling \$237, which were issued in fiscal year 2018 or prior, in the Commissary and Fee bank account. Given that they had been issued more than three years ago, these checks qualify as unclaimed property and should have been remitted to the State Treasurer.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) provides 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 (Supp. 2021) 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

Good internal control requires procedures, including the proper performance and review of bank reconciliations, to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer.

Without such procedures, there is an increased risk of noncompliance with State statute.

A similar finding was included in the prior report.

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

County Sheriff Response: Unclaimed property has been submitted to the Nebraska State Treasurer.

Lack of Pledged Collateral

Deposits in the fee bank account and the civil process bank account exceeded the Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. During the period of November 12, 2021, through April 12, 2022, the largest balance was \$423,956. The County Sheriff failed to obtain pledged collateral to ensure deposits in excess of FDIC coverage were adequately protected.

Neb. Rev. Stat § 77-2395(1) (Supp. 2021) states the following:

If a bank, capital stock financial institution, or qualifying mutual financial institution designated as a depository provides a deposit guaranty bond or furnishes securities or any combination thereof, pursuant to section 77-2389, the 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 provided a deposit guaranty bond or furnished securities, or any combination thereof, to the custodial official, and the total value of such deposit guaranty bond and the market value of such securities 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.

Good internal control and sound business practices require procedures to ensure that all deposits held in the County Sheriff's bank account are adequately protected by FDIC coverage or, if such coverage is exceeded, the appropriate amount of pledged collateral.

A lack of such procedures increases the risk for not only loss of public funds but also noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure deposits are adequately protected by FDIC coverage or pledged collateral.

County Sheriff Response: We just learned that we had to obtain pledged collateral to ensure deposits in excess of FDIC coverage were adequately protected. The attorney had to have a bond for the replevin, and we thought that was sufficient. Now we know the procedure and will implement such moving forward.

COUNTY ATTORNEY

Attorney Accounting and Receipting Procedures

During our audit, we noted the following issues with the County Attorney's accounting and receipting procedures:

- Bad check restitution, totaling \$1,307, was not paid out in a timely manner. As of June 30, 2022, the County Attorney had not paid out these collections. The following table summarizes the fiscal year end during which the restitution was received:

Fiscal Year End	Amount
6/30/2014	\$ 204
6/30/2015	\$ 316
6/30/2016	\$ 108
6/30/2017	\$ 534
6/30/2019	\$ 125
6/30/2021	\$ 20
Total	\$ 1,307

- Monthly reconciliations between the bank balance and office records were not completed. As of June 30, 2022, the office liabilities (fee and trust accounts) exceeded office assets (cash on hand, reconciled bank balance, etc.), resulting in an unknown short of \$72. A known short of \$56, due to a fee assessed by Western Union for not cashing two money orders in a timely manner, was also noted.
- No receipt was written for a bad check fee of \$10.

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

It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts . . .

Good internal control and sound accounting practices require procedures for ensuring: 1) bad check restitution and other monies collected are remitted or disbursed in a timely manner; 2) monthly bank and asset-to-liability reconciliations are performed; and 3) receipts are issued for funds received.

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

A similar finding was included in the prior audit report.

We recommend the County Attorney implement procedures to ensure bad check restitution and other monies collected are remitted or disbursed in a timely manner. Those same procedures should ensure also that monthly bank and asset-to-liability reconciliations are performed, and receipts are written for all collections by the County Attorney, as required by State statute.

COUNTY OVERALL

Segregation of Duties

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

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.

This issue was also noted in prior audits.

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.

* * * * *

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.

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.

Sincerely,

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE
Audit Manager