

**AUDIT REPORT
OF
BUTLER COUNTY**

JULY 1, 2022, THROUGH JUNE 30, 2023

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the Auditor of Public Accounts.**

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Issued on March 25, 2024

BUTLER COUNTY

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BUTLER COUNTY
451 N. 5th Street
David City, NE 68632

LIST OF COUNTY OFFICIALS
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Scott Steager	Jan. 2027
	Tony Krafka	Jan. 2025
	Scot Bauer	Jan. 2027
	Robert Coufal	Jan. 2025
	Jan Sypal	Jan. 2027
	Ryan Svoboda	Jan. 2025
	Anthony Whitmore	Jan. 2027
Assessor	Vickie Donoghue	Jan. 2027
Attorney	Julie Reiter	Jan. 2027
Clerk	Stephanie Laska	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Sandy Hoeft	Jan. 2027
Sheriff	Tom Dion	Jan. 2027
Treasurer	Karey Adamy	Jan. 2027
Surveyor	Brian Foral	Jan. 2027
Veterans' Service Officer	Erin Robinson	Appointed
Weed Superintendent	Max Birkel	Appointed
Highway Superintendent	Randy Isham	Appointed
Floodplain Administrator	Breann Whitmore	Appointed
Emergency Manager	Mark Doehling	Appointed
Senior Services	Diana McDonald	Appointed



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BUTLER COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Butler County, Nebraska

Report on the Audit of Financial Statements

Adverse and Unmodified Opinions

We have audited the 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, 2023, 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.

Summary of Opinions

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

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, 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, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

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 Butler County, as of June 30, 2023, 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 Adverse and Unmodified 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, and unmodified audit opinions.

Matters Giving Rise to 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.

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.

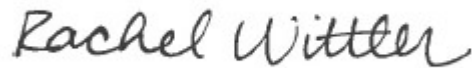
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 19-35, 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 March 12, 2024, 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 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 Butler County's internal control over financial reporting and compliance.



March 12, 2024

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

BUTLER COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2023

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 582,476
Investments (Note 1.D)	11,703,988
TOTAL ASSETS	<hr/> \$ 12,286,464 <hr/>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 26,208
911 Emergency Services	234,273
Drug Education	7,092
Law Enforcement	7,423
Preservation of Records	13,004
Debt Service	142,830
Road and Bridge Projects	580,454
Child Support Enforcement	17,685
Federal Relief	751,617
Unrestricted	10,505,878
TOTAL NET POSITION	<hr/> \$ 12,286,464 <hr/>

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, 2023

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	\$ (3,041,728)	\$ 508,170	\$ 15,031	\$ (2,518,527)
Public Safety	(2,957,984)	351,167	-	(2,606,817)
Public Works	(3,560,285)	3,533	2,192,912	(1,363,840)
Public Assistance	(349,849)	69,818	169,199	(110,832)
Culture and Recreation	(8,700)	-	-	(8,700)
Debt Payments	(146,413)	-	-	(146,413)
Total Governmental Activities	<u>\$ (10,064,959)</u>	<u>\$ 932,688</u>	<u>\$ 2,377,142</u>	<u>(6,755,129)</u>

General Receipts:

Taxes:

Property	4,449,753
Motor Vehicle	464,016
Inheritance	1,120,761
Other	126,500

Grants and Contributions Not Restricted to

Specific Programs	186,446
Investment Income	428,144
Proceeds from Sale of Capital Assets	62,688
Miscellaneous	137,541

Total General Receipts	<u>6,975,849</u>
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Change in Net Position	220,720
Net Position - Beginning of year	12,065,744
Net Position - End of year	<u>\$ 12,286,464</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, 2023

	General Fund	Road Fund	Inheritance Fund	Special Road Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 89,319	\$ 48,753	\$ 260,054	\$ 102,168	\$ 82,182	\$ 582,476
Investments (Note 1.D)	1,677,539	915,655	4,884,221	1,918,881	2,307,692	11,703,988
TOTAL ASSETS	<u>\$ 1,766,858</u>	<u>\$ 964,408</u>	<u>\$ 5,144,275</u>	<u>\$ 2,021,049</u>	<u>\$ 2,389,874</u>	<u>\$ 12,286,464</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	26,208	26,208
911 Emergency Services	-	-	-	-	234,273	234,273
Drug Education	-	-	-	-	7,092	7,092
Law Enforcement	-	-	-	-	7,423	7,423
Preservation of Records	-	-	-	-	13,004	13,004
Debt Service	-	-	-	-	142,830	142,830
Road and Bridge Projects	-	-	-	-	580,454	580,454
Child Support Enforcement	-	-	-	-	17,685	17,685
Federal Relief	-	-	-	-	751,617	751,617
Committed to:						
Law Enforcement	-	-	-	-	35,441	35,441
Road Maintenance	-	964,408	-	2,021,049	-	2,985,457
Aid and Assistance	-	-	-	-	283,321	283,321
Equipment	-	-	-	-	259,223	259,223
Problem Solving Court	-	-	-	-	3,385	3,385
Disaster Recovery	-	-	-	-	27,918	27,918
Assigned to:						
Other Purposes	-	-	5,144,275	-	-	5,144,275
Unassigned	1,766,858	-	-	-	-	1,766,858
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,766,858</u>	<u>\$ 964,408</u>	<u>\$ 5,144,275</u>	<u>\$ 2,021,049</u>	<u>\$ 2,389,874</u>	<u>\$ 12,286,464</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, 2023

	General Fund	Road Fund	Inheritance Fund	Special Road Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes:						
Property	\$4,299,651	\$ -	\$ -	\$ -	\$ 150,102	\$ 4,449,753
Motor Vehicle	464,016	-	-	-	-	464,016
Inheritance	3	-	1,120,758	-	-	1,120,761
Other	46,155	17	-	-	80,328	126,500
Investment Income	386,515	-	-	-	41,629	428,144
Intergovernmental	20,854	2,144,784	-	2,376	395,574	2,563,588
Charges for Services	848,159	3,533	-	-	80,996	932,688
Miscellaneous	46,374	43,937	-	-	47,230	137,541
TOTAL RECEIPTS	<u>6,111,727</u>	<u>2,192,271</u>	<u>1,120,758</u>	<u>2,376</u>	<u>795,859</u>	<u>10,222,991</u>
DISBURSEMENTS						
General Government	3,009,762	-	3,797	-	28,169	3,041,728
Public Safety	2,145,000	-	-	-	812,984	2,957,984
Public Works	94,415	2,834,272	-	-	631,598	3,560,285
Public Assistance	42,578	-	-	-	307,271	349,849
Culture and Recreation	-	-	-	-	8,700	8,700
Debt Service:						
Principal Payments	-	-	-	-	135,000	135,000
Interest and Fiscal Charges	-	-	-	-	11,413	11,413
TOTAL DISBURSEMENTS	<u>5,291,755</u>	<u>2,834,272</u>	<u>3,797</u>	<u>-</u>	<u>1,935,135</u>	<u>10,064,959</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>819,972</u>	<u>(642,001)</u>	<u>1,116,961</u>	<u>2,376</u>	<u>(1,139,276)</u>	<u>158,032</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	770,000	1,013,215	-	650,000	605,932	3,039,147
Transfers out	(1,606,857)	(650,000)	(600,000)	-	(182,290)	(3,039,147)
Proceeds from Sale of Capital Assets	19,156	43,532	-	-	-	62,688
TOTAL OTHER FINANCING SOURCES (USES)	<u>(817,701)</u>	<u>406,747</u>	<u>(600,000)</u>	<u>650,000</u>	<u>423,642</u>	<u>62,688</u>
Net Change in Fund Balances	<u>2,271</u>	<u>(235,254)</u>	<u>516,961</u>	<u>652,376</u>	<u>(715,634)</u>	<u>220,720</u>
CASH BASIS FUND BALANCES - BEGINNING	<u>1,764,587</u>	<u>1,199,662</u>	<u>4,627,314</u>	<u>1,368,673</u>	<u>3,105,508</u>	<u>12,065,744</u>
CASH BASIS FUND BALANCES - ENDING	<u><u>\$1,766,858</u></u>	<u><u>\$ 964,408</u></u>	<u><u>\$ 5,144,275</u></u>	<u><u>\$ 2,021,049</u></u>	<u><u>\$ 2,389,874</u></u>	<u><u>\$ 12,286,464</u></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**
FIDUCIARY FUNDS
For the Year Ended June 30, 2023

	Custodial Fund Balances July 1, 2022	Receipts	Disbursements	Custodial Fund Balances June 30, 2023
ASSETS				
Cash and Cash Equivalents (Note 1.D)	\$ 68,721	\$ 32,933,827	\$ 32,962,107	\$ 40,441
Investments (Note 1.D)	787,677	-	28,131	759,546
TOTAL ASSETS	\$ 856,398	\$ 32,933,827	\$ 32,990,238	\$ 799,987
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	211,771	2,921,546	2,894,250	239,067
State - Collected by Other Offices	12,181	141,588	143,006	10,763
Schools	228,560	20,819,899	20,846,093	202,366
Educational Service Units	2,723	370,934	371,412	2,245
Technical College	16,661	2,238,877	2,242,031	13,507
Natural Resource Districts	5,422	674,690	675,916	4,196
Fire Districts	5,939	839,862	840,927	4,874
Municipalities	31,585	1,576,791	1,576,352	32,024
Agricultural Society	1,801	244,592	244,907	1,486
Townships	13,345	2,248,541	2,250,809	11,077
Sanitary and Improvement Districts	34,661	37,284	34,890	37,055
Others - Collected by County Treasurer	92,253	168,000	132,733	127,520
Others - Collected by Other Offices	199,496	651,223	736,912	113,807
TOTAL LIABILITIES	856,398	32,933,827	32,990,238	799,987
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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, 2023

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 \$29,960 toward the operation of the Region during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2023. 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. 2023). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

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

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

D. Assets and Net Position

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

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 \$1,780,586 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.

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 30, 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 \$582,476 for County funds and \$40,441 for Fiduciary funds. The bank balances for all funds totaled \$623,801. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2023, 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 \$12,566 in TD Ameritrade Investments, \$6,998,916 in U.S. Treasury Bills, \$1,036,066 deposited in Nebraska Federal Investment Trust (NFIT) and of \$4,415,986 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name. The U.S. Treasury Bills and TD Ameritrade Investments were held by the County or its agent in the name of the County. NFIT is a public entity investment pool. 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 NFIT are not held in the County's name.

3. **Taxes**

Property taxes are levied by the County Board on or before October 20 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. **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 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.178052/\$100 of assessed valuation. The levy set in October 2021, for the 2021 taxes, which were materially collected in May and September 2022, was set at \$.181813/\$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, 911 surcharges, and lodging taxes.

4. **Retirement System**

The Retirement System for Nebraska Counties (the 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 2022, Supp. 2023) and may be amended through legislative action.

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

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

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

For the year ended June 30, 2023, 115 employees contributed \$185,190, and the County contributed \$275,216. Contributions included \$5,200 in cash contributions towards the supplemental law enforcement plan for 12 law enforcement employees. Lastly, the County paid \$1,634 directly to 20 retired employees for prior service benefits.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 107 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	\$ 500,000	\$ 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, 2023, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Inheritance Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 1,013,215	\$ -	\$ -	\$ -	\$ 1,013,215
General Fund	-	600,000	-	170,000	770,000
Special Road Fund	-	-	650,000	-	650,000
Nonmajor Funds	593,642	-	-	12,290	605,932
Total	\$ 1,606,857	\$ 600,000	\$ 650,000	\$ 182,290	\$ 3,039,147

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.

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers (Concluded)

In the year ended June 30, 2023, the County made a one-time transfer of \$12,082 from the 911 Wireless Service Fund to the 911 Wireless Service Holding Fund to set aside surcharge fees collected for future equipment or software purchases and upgrades. Additionally, the County made a one-time transfer of \$170,000 from the Equipment Sinking Fund to the General Fund to reimburse the fund for previous unspent transfers. Lastly, the County approved a one-time transfer of \$650,000 from the Road Fund to the Special Road Fund to pay the costs of County road projects and equipment purchases.

7. Long-Term Obligations

Hospital Bonds. The County issued bonds in March 2009 in the amount of \$3,180,000 for the purpose of refunding the Series 2004 Hospital Building Bonds originally issued in January 2004 for the purpose of paying the costs of constructing and remodeling the 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, 2023, was \$275,000. 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.

Additionally, the County issued General Obligation bonds in May 2012 in the 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 October 2019, the County issued General Obligation Refunding Bonds, Series 2019, in the amount of \$4,925,000 for the purpose of paying and redeeming \$4,815,000 of the County's General Obligation Bonds, Series 2012, and to pay costs associated with the issuance of the Series 2019 Refunding Bonds. The bond payable balance, as of June 30, 2023, was \$3,890,000. 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 Society 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 County issued General Obligation Bonds, Series 2021, on July 6, 2021, in the amount of \$1,485,000 for the purpose of refunding and redeeming the Agricultural Society Project, Series 2016 bonds. The bond payable balance, as of June 30, 2023, was \$1,225,000. 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
2024	\$ 130,000	\$ 10,665	\$ 140,665
2025	135,000	10,068	145,068
2026	135,000	9,325	144,325
2027	130,000	8,432	138,432
2028	135,000	7,338	142,338
2029-2032	560,000	14,290	574,290
Total Payments	\$ 1,225,000	\$ 60,118	\$ 1,285,118

BUTLER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

8. **Subsequent Event**

The County issued Limited Tax General Obligation Bonds, Series 2023, on December 1, 2023, in the amount of \$9,900,000 for the purpose of paying the costs of additions to, improvements for, and equipment for the existing hospital facilities of the County, and paying certain costs of issuance. 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.

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 4,710,186	\$ 4,710,186	\$ 4,809,825	\$ 99,639
Investment Income	50,000	50,000	386,515	336,515
Intergovernmental	30,500	30,500	20,854	(9,646)
Charges for Services	898,425	898,425	848,159	(50,266)
Miscellaneous	-	-	46,374	46,374
TOTAL RECEIPTS	5,689,111	5,689,111	6,111,727	422,616
DISBURSEMENTS				
General Government:				
County Board	245,845	245,845	241,613	4,232
County Clerk	189,550	189,550	182,197	7,353
County Treasurer	186,311	186,311	185,784	527
County Assessor	227,141	227,141	221,098	6,043
Election Commissioner	75,487	75,487	62,088	13,399
Data Processing Dept	140,200	140,200	116,626	23,574
Personnel Department	76,805	76,805	73,450	3,355
Insurance	910,000	910,000	758,060	151,940
Clerk of the District Court	224,440	224,440	186,082	38,358
County Court System	13,000	13,000	11,542	1,458
Public Defender	145,000	145,000	144,495	505
Building and Grounds	269,851	269,851	243,492	26,359
Reappraisal	49,006	49,006	46,397	2,609
Agricultural Extension Agent	132,465	132,465	132,534	(69)
Miscellaneous	627,596	627,596	404,304	223,292
Public Safety				
County Sheriff	935,514	935,514	815,181	120,333
County Attorney	354,062	354,062	302,837	51,225
Diversion Program	14,500	14,500	14,500	-
Law Enforcement Grant	11,000	11,000	-	11,000
County Jail	991,795	991,795	981,896	9,899
Floodplain Administrator	11,536	11,536	2,684	8,852
Emergency Management	31,980	31,980	27,902	4,078
Public Works				
County Surveyor	28,114	28,114	27,400	714
Noxious Weed Control	84,070	84,070	67,015	17,055
Public Assistance				
Veterans' Service Officer	49,852	49,852	39,330	10,522
Institutions	20,000	20,000	3,248	16,752
Victims Assistance Program	1,000	1,000	-	1,000
TOTAL DISBURSEMENTS	6,046,120	6,046,120	5,291,755	754,365
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(357,009)	(357,009)	819,972	1,176,981

(Continued)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	770,000	170,000
Transfers out	(1,507,578)	(1,507,578)	(1,606,857)	(99,279)
Proceeds from Sale of Capital Assets	-	-	19,156	19,156
TOTAL OTHER FINANCING SOURCES (USES)	<u>(907,578)</u>	<u>(907,578)</u>	<u>(817,701)</u>	<u>89,877</u>
Net Change in Fund Balance	(1,264,587)	(1,264,587)	2,271	1,266,858
FUND BALANCE - BEGINNING	<u>1,764,587</u>	<u>1,764,587</u>	<u>1,764,587</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 500,000</u></u>	<u><u>\$ 500,000</u></u>	<u><u>\$ 1,766,858</u></u>	<u><u>\$ 1,266,858</u></u>
				(Concluded)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental	2,144,348	2,144,348	2,144,784	436
Charges for Services	-	-	3,533	3,533
Miscellaneous	-	-	43,937	43,937
TOTAL RECEIPTS	<u>2,144,348</u>	<u>2,144,348</u>	<u>2,192,271</u>	<u>47,923</u>
DISBURSEMENTS	<u>3,957,225</u>	<u>3,957,225</u>	<u>2,834,272</u>	<u>1,122,953</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,812,877)</u>	<u>(1,812,877)</u>	<u>(642,001)</u>	<u>1,170,876</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,013,215	1,013,215	1,013,215	-
Transfers out	(100,000)	(100,000)	(650,000)	(550,000)
Proceeds from Sale of Capital Assets	-	-	43,532	43,532
TOTAL OTHER FINANCING SOURCES (USES)	<u>913,215</u>	<u>913,215</u>	<u>406,747</u>	<u>(506,468)</u>
Net Change in Fund Balance	(899,662)	(899,662)	(235,254)	664,408
FUND BALANCE - BEGINNING	<u>1,199,662</u>	<u>1,199,662</u>	<u>1,199,662</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 964,408</u>	<u>\$ 664,408</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 306,000	\$ 306,000	\$ 1,120,758	\$ 814,758
TOTAL RECEIPTS	<u>306,000</u>	<u>306,000</u>	<u>1,120,758</u>	<u>814,758</u>
DISBURSEMENTS	<u>4,333,314</u>	<u>4,333,314</u>	<u>3,797</u>	<u>4,329,517</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(4,027,314)</u>	<u>(4,027,314)</u>	<u>1,116,961</u>	<u>5,144,275</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(600,000)	(600,000)	(600,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net Change in Fund Balance	(4,627,314)	(4,627,314)	516,961	5,144,275
FUND BALANCE - BEGINNING	<u>4,627,314</u>	<u>4,627,314</u>	<u>4,627,314</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,144,275</u>	<u>\$ 5,144,275</u>

(Continued)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL ROAD FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 2,376	\$ 2,376
TOTAL RECEIPTS	-	-	2,376	2,376
DISBURSEMENTS	1,468,673	1,468,673	-	1,468,673
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,468,673)	(1,468,673)	2,376	1,471,049
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	650,000	550,000
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	650,000	550,000
Net Change in Fund Balance	(1,368,673)	(1,368,673)	652,376	2,021,049
FUND BALANCE - BEGINNING	1,368,673	1,368,673	1,368,673	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,021,049	\$ 2,021,049
				(Concluded)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ 203,229	\$ 203,229	\$ 221,259	\$ 18,030
Disbursements	(694,022)	(694,022)	(131,598)	562,424
Net Change in Fund Balance	(490,793)	(490,793)	89,661	580,454
Fund Balance - Beginning	490,793	490,793	490,793	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,454</u>	<u>\$ 580,454</u>
COMMUNICATION EQUIPMENT SINKING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(70,000)	(70,000)	-	70,000
Transfers in	10,000	10,000	-	(10,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	(60,000)	(60,000)	-	60,000
Fund Balance - Beginning	60,000	60,000	60,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
EQUIPMENT SINKING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(269,733)	(269,733)	(15,010)	254,723
Transfers in	5,500	5,500	120,000	114,500
Transfers out	-	-	(170,000)	(170,000)
Net Change in Fund Balance	(264,233)	(264,233)	(65,010)	199,223
Fund Balance - Beginning	264,233	264,233	264,233	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,223</u>	<u>\$ 199,223</u>
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ -	\$ -	\$ 4,784	\$ 4,784
Disbursements	(12,901)	(12,901)	-	12,901
Net Change in Fund Balance	(12,901)	(12,901)	4,784	17,685
Fund Balance - Beginning	12,901	12,901	12,901	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,685</u>	<u>\$ 17,685</u>
VISITORS PROMOTION FUND				
Receipts	\$ -	\$ -	\$ 2,719	\$ 2,719
Disbursements	(18,460)	(18,460)	(1,200)	17,260
Transfers in	-	-	104	104
Transfers out	-	-	-	-
Net Change in Fund Balance	(18,460)	(18,460)	1,623	20,083
Fund Balance - Beginning	18,460	18,460	18,460	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,083</u>	<u>\$ 20,083</u>

(Continued)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ 2,719	\$ 2,719
Disbursements	(10,802)	(10,802)	(7,500)	3,302
Transfers in	-	-	104	104
Transfers out	-	-	-	-
Net Change in Fund Balance	(10,802)	(10,802)	(4,677)	6,125
Fund Balance - Beginning	10,802	10,802	10,802	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,125</u>	<u>\$ 6,125</u>
REGISTER OF DEEDS PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 6,462	\$ 1,462
Disbursements	(16,800)	(16,800)	(5,258)	11,542
Net Change in Fund Balance	(11,800)	(11,800)	1,204	13,004
Fund Balance - Beginning	11,800	11,800	11,800	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,004</u>	<u>\$ 13,004</u>
MEDICAL RELIEF FUND				
Receipts	\$ -	\$ -	\$ 3	\$ 3
Disbursements	(7,531)	(7,531)	(6,400)	1,131
Net Change in Fund Balance	(7,531)	(7,531)	(6,397)	1,134
Fund Balance - Beginning	7,531	7,531	7,531	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,134</u>	<u>\$ 1,134</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(27,214)	(27,214)	-	27,214
Net Change in Fund Balance	(27,214)	(27,214)	-	27,214
Fund Balance - Beginning	27,214	27,214	27,214	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,214</u>	<u>\$ 27,214</u>
RURAL TRANSIT SERVICE FUND				
Receipts	\$ -	\$ 5,000	\$ 108,767	\$ 103,767
Disbursements	(112,863)	(117,863)	(95,599)	22,264
Transfers in	29,257	29,257	14,036	(15,221)
Transfers out	-	-	-	-
Net Change in Fund Balance	(83,606)	(83,606)	27,204	110,810
Fund Balance - Beginning	83,606	83,606	83,606	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,810</u>	<u>\$ 110,810</u>

(Continued)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SENIOR SERVICES PROGRAM FUND				
Receipts	\$ 108,600	\$ 113,600	\$ 152,422	\$ 38,822
Disbursements	(190,189)	(195,189)	(193,529)	1,660
Transfers in	42,938	42,938	42,938	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(38,651)	(38,651)	1,831	40,482
Fund Balance - Beginning	68,651	68,651	68,651	-
Fund Balance - Ending	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 70,482</u>	<u>\$ 40,482</u>

SENIOR SERVICES SAVINGS FUND				
Receipts	\$ -	\$ -	\$ 18,109	\$ 18,109
Disbursements	(67,315)	(67,315)	(11,743)	55,572
Net Change in Fund Balance	(67,315)	(67,315)	6,366	73,681
Fund Balance - Beginning	67,315	67,315	67,315	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,681</u>	<u>\$ 73,681</u>

OPIOID RECOVERY FUND				
Receipts	\$ 5,412	\$ 5,412	\$ 6,457	\$ 1,045
Disbursements	(5,412)	(5,412)	-	5,412
Net Change in Fund Balance	-	-	6,457	6,457
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,457</u>	<u>\$ 6,457</u>

STOP PROGRAM FUND				
Receipts	\$ -	\$ -	\$ 2,500	\$ 2,500
Disbursements	(30,396)	(30,396)	(945)	29,451
Net Change in Fund Balance	(30,396)	(30,396)	1,555	31,951
Fund Balance - Beginning	30,396	30,396	30,396	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,951</u>	<u>\$ 31,951</u>

DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(7,092)	(7,092)	-	7,092
Net Change in Fund Balance	(7,092)	(7,092)	-	7,092
Fund Balance - Beginning	7,092	7,092	7,092	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,092</u>	<u>\$ 7,092</u>

(Continued)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROBLEM SOLVING COURT FUND				
Receipts	\$ 3,055	\$ 3,055	\$ 2,216	\$ (839)
Disbursements	(5,000)	(5,000)	(776)	4,224
Net Change in Fund Balance	(1,945)	(1,945)	1,440	3,385
Fund Balance - Beginning	1,945	1,945	1,945	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,385</u>	<u>\$ 3,385</u>

FEDERAL DRUG LAW ENFORCEMENT FUND				
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>

D.A.R.E. FUND				
Receipts	\$ 1,000	\$ 1,000	\$ 200	\$ (800)
Disbursements	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	-	-	200	200
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>

CANINE FUND				
Receipts	\$ 710	\$ 710	\$ -	\$ (710)
Disbursements	(4,000)	(4,000)	-	4,000
Net Change in Fund Balance	(3,290)	(3,290)	-	3,290
Fund Balance - Beginning	3,290	3,290	3,290	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,290</u>	<u>\$ 3,290</u>

DISASTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(27,918)	(27,918)	-	27,918
Net Change in Fund Balance	(27,918)	(27,918)	-	27,918
Fund Balance - Beginning	27,918	27,918	27,918	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,918</u>	<u>\$ 27,918</u>

(Continued)

BUTLER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COVID AMERICAN RESCUE PLAN ACT FUND				
Receipts	\$ -	\$ -	\$ 41,921	\$ 41,921
Disbursements	(1,546,463)	(1,546,463)	(836,767)	709,696
Net Change in Fund Balance	(1,546,463)	(1,546,463)	(794,846)	751,617
Fund Balance - Beginning	1,546,463	1,546,463	1,546,463	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 751,617</u>	<u>\$ 751,617</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 24,149	\$ 14,149
Disbursements	(476,358)	(476,358)	(447,169)	29,189
Transfers in	416,668	416,668	416,668	-
Transfers out	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(59,690)	(59,690)	(6,352)	53,338
Fund Balance - Beginning	59,690	59,690	59,690	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,338</u>	<u>\$ 53,338</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 50,319	\$ 50,319	\$ 50,319	\$ -
Disbursements	(50,319)	(50,319)	(35,228)	15,091
Transfers in	-	-	-	-
Transfers out	(12,082)	(12,082)	(12,290)	(208)
Net Change in Fund Balance	(12,082)	(12,082)	2,801	14,883
Fund Balance - Beginning	12,082	12,082	12,082	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,883</u>	<u>\$ 14,883</u>
911 WIRELESS SERVICE HOLDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(166,052)	(166,052)	-	166,052
Transfers in	12,082	12,082	12,082	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(153,970)	(153,970)	12,082	166,052
Fund Balance - Beginning	153,970	153,970	153,970	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,052</u>	<u>\$ 166,052</u>
AGRICULTURAL SOCIETY BUILDING FUND				
Receipts	\$ 150,403	\$ 150,403	\$ 150,853	\$ 450
Disbursements	(288,793)	(288,793)	(146,413)	142,380
Net Change in Fund Balance	(138,390)	(138,390)	4,440	142,830
Fund Balance - Beginning	138,390	138,390	138,390	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,830</u>	<u>\$ 142,830</u>

(Concluded)

BUTLER COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Highway Bridge Buyback Fund	Communication Equipment Sinking Fund	Equipment Sinking Fund	Child Support Incentive Fund	Visitors Promotion Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	2,719
Investment Income	-	-	-	-	-
Intergovernmental	221,259	-	-	4,784	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	221,259	-	-	4,784	2,719
DISBURSEMENTS					
General Government	-	-	911	-	-
Public Safety	-	-	14,099	-	-
Public Works	131,598	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	1,200
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	131,598	-	15,010	-	1,200
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	89,661	-	(15,010)	4,784	1,519
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	120,000	-	104
Transfers out	-	-	(170,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(50,000)	-	104
Net Change in Fund Balances	89,661	-	(65,010)	4,784	1,623
FUND BALANCES - BEGINNING	490,793	60,000	264,233	12,901	18,460
FUND BALANCES - ENDING	\$ 580,454	\$ 60,000	\$ 199,223	\$ 17,685	\$ 20,083
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	20,083
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	580,454	-	-	-	-
Child Support Enforcement	-	-	-	17,685	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Equipment	-	60,000	199,223	-	-
Problem Solving Court	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
TOTAL FUND BALANCES	\$ 580,454	\$ 60,000	\$ 199,223	\$ 17,685	\$ 20,083

(Continued)

BUTLER COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Visitors Improvement Fund	Register of Deeds Preservation & Modernization Fund	Medical Relief Fund	Veterans' Aid Fund	Rural Transit Service Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	2,719	-	3	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	89,827
Charges for Services	-	6,462	-	-	10,136
Miscellaneous	-	-	-	-	8,804
TOTAL RECEIPTS	<u>2,719</u>	<u>6,462</u>	<u>3</u>	<u>-</u>	<u>108,767</u>
DISBURSEMENTS					
General Government	-	5,258	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	6,400	-	95,599
Culture and Recreation	7,500	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,500</u>	<u>5,258</u>	<u>6,400</u>	<u>-</u>	<u>95,599</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(4,781)</u>	<u>1,204</u>	<u>(6,397)</u>	<u>-</u>	<u>13,168</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	104	-	-	-	14,036
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,036</u>
Net Change in Fund Balances	(4,677)	1,204	(6,397)	-	27,204
FUND BALANCES - BEGINNING	<u>10,802</u>	<u>11,800</u>	<u>7,531</u>	<u>27,214</u>	<u>83,606</u>
FUND BALANCES - ENDING	<u>\$ 6,125</u>	<u>\$ 13,004</u>	<u>\$ 1,134</u>	<u>\$ 27,214</u>	<u>\$ 110,810</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	6,125	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	13,004	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	1,134	27,214	110,810
Equipment	-	-	-	-	-
Problem Solving Court	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 6,125</u>	<u>\$ 13,004</u>	<u>\$ 1,134</u>	<u>\$ 27,214</u>	<u>\$ 110,810</u>

(Continued)

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

For the Year Ended June 30, 2023

	Senior Services Program Fund	Senior Services Savings Fund	Opioid Recovery Fund	STOP Program Fund	Drug Law Enforcement and Education Fund	Problem Solving Court Fund
RECEIPTS						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Investment Income	-	(292)	-	-	-	-
Intergovernmental	74,172	5,200	-	-	-	-
Charges for Services	59,682	-	-	2,500	-	2,216
Miscellaneous	18,568	13,201	6,457	-	-	-
TOTAL RECEIPTS	<u>152,422</u>	<u>18,109</u>	<u>6,457</u>	<u>2,500</u>	<u>-</u>	<u>2,216</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	945	-	776
Public Works	-	-	-	-	-	-
Public Assistance	193,529	11,743	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>193,529</u>	<u>11,743</u>	<u>-</u>	<u>945</u>	<u>-</u>	<u>776</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(41,107)</u>	<u>6,366</u>	<u>6,457</u>	<u>1,555</u>	<u>-</u>	<u>1,440</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	42,938	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>42,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,831	6,366	6,457	1,555	-	1,440
FUND BALANCES - BEGINNING	<u>68,651</u>	<u>67,315</u>	<u>-</u>	<u>30,396</u>	<u>7,092</u>	<u>1,945</u>
FUND BALANCES - ENDING	<u>\$ 70,482</u>	<u>\$ 73,681</u>	<u>\$ 6,457</u>	<u>\$ 31,951</u>	<u>\$ 7,092</u>	<u>\$ 3,385</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	7,092	-
Law Enforcement	-	-	6,457	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Federal Relief	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	31,951	-	-
Aid and Assistance	70,482	73,681	-	-	-	-
Equipment	-	-	-	-	-	-
Problem Solving Court	-	-	-	-	-	3,385
Disaster Recovery	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 70,482</u>	<u>\$ 73,681</u>	<u>\$ 6,457</u>	<u>\$ 31,951</u>	<u>\$ 7,092</u>	<u>\$ 3,385</u>

(Continued)

BUTLER COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Federal Drug Law Enforcement Fund	D.A.R.E. Fund	Canine Fund	Disaster Fund	COVID American Rescue Plan Act Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Investment Income	-	-	-	-	41,921
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	200	-	-	-
TOTAL RECEIPTS	-	200	-	-	41,921
DISBURSEMENTS					
General Government	-	-	-	-	22,000
Public Safety	-	-	-	-	314,767
Public Works	-	-	-	-	500,000
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	836,767
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	200	-	-	(794,846)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balances	-	200	-	-	(794,846)
FUND BALANCES - BEGINNING	966	-	3,290	27,918	1,546,463
FUND BALANCES - ENDING	\$ 966	\$ 200	\$ 3,290	\$ 27,918	\$ 751,617
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	966	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Federal Relief	-	-	-	-	751,617
Committed to:					
Law Enforcement	-	200	3,290	-	-
Aid and Assistance	-	-	-	-	-
Equipment	-	-	-	-	-
Problem Solving Court	-	-	-	-	-
Disaster Recovery	-	-	-	27,918	-
TOTAL FUND BALANCES	\$ 966	\$ 200	\$ 3,290	\$ 27,918	\$ 751,617

(Continued)

BUTLER COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Agricultural Society Building Fund	Total Nonmajor Funds
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ 150,102	\$ 150,102
Other	24,149	50,319	-	419	80,328
Investment Income	-	-	-	-	41,629
Intergovernmental	-	-	-	332	395,574
Charges for Services	-	-	-	-	80,996
Miscellaneous	-	-	-	-	47,230
TOTAL RECEIPTS	24,149	50,319	-	150,853	795,859
DISBURSEMENTS					
General Government	-	-	-	-	28,169
Public Safety	447,169	35,228	-	-	812,984
Public Works	-	-	-	-	631,598
Public Assistance	-	-	-	-	307,271
Culture and Recreation	-	-	-	-	8,700
Debt Service:					
Principal Payments	-	-	-	135,000	135,000
Interest and Fiscal Charges	-	-	-	11,413	11,413
TOTAL DISBURSEMENTS	447,169	35,228	-	146,413	1,935,135
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(423,020)	15,091	-	4,440	(1,139,276)
OTHER FINANCING SOURCES (USES)					
Transfers in	416,668	-	12,082	-	605,932
Transfers out	-	(12,290)	-	-	(182,290)
TOTAL OTHER FINANCING SOURCES (USES)	416,668	(12,290)	12,082	-	423,642
Net Change in Fund Balances	(6,352)	2,801	12,082	4,440	(715,634)
FUND BALANCES - BEGINNING	59,690	12,082	153,970	138,390	3,105,508
FUND BALANCES - ENDING	\$ 53,338	\$ 14,883	\$ 166,052	\$ 142,830	\$ 2,389,874
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	26,208
911 Emergency Services	53,338	14,883	166,052	-	234,273
Drug Education	-	-	-	-	7,092
Law Enforcement	-	-	-	-	7,423
Preservation of Records	-	-	-	-	13,004
Debt Service	-	-	-	142,830	142,830
Road and Bridge Projects	-	-	-	-	580,454
Child Support Enforcement	-	-	-	-	17,685
Federal Relief	-	-	-	-	751,617
Committed to:					
Law Enforcement	-	-	-	-	35,441
Aid and Assistance	-	-	-	-	283,321
Equipment	-	-	-	-	259,223
Problem Solving Court	-	-	-	-	3,385
Disaster Recovery	-	-	-	-	27,918
TOTAL FUND BALANCES	\$ 53,338	\$ 14,883	\$ 166,052	\$ 142,830	\$ 2,389,874
					(Concluded)

BUTLER COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2023

	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, 2022	\$ 18,135	\$ 195,623	\$ 14,752	\$ 500	\$ -	\$ 4,107	\$ 500	\$ 23,851	\$ 257,468
RECEIPTS									
Intergovernmental	-	-	-	-	176,617	-	169,199	-	345,816
Charges for Services	94,899	17,866	185,689	-	-	-	67,910	161,611	527,975
Miscellaneous	191	-	-	515	87,474	-	45,507	-	133,687
State Fees	117,985	23,603	-	-	-	-	-	-	141,588
Other Liabilities	-	309,676	18,676	-	-	-	-	322,871	651,223
TOTAL RECEIPTS	213,075	351,145	204,365	515	264,091	-	282,616	484,482	1,800,289
DISBURSEMENTS									
Payments to County Treasurer	95,510	17,925	192,992	-	264,091	-	279,590	158,827	1,008,935
Payments to State Treasurer	120,285	22,721	-	-	-	-	-	-	143,006
Petty Cash & Other Payments	-	-	-	515	-	433	2,998	-	3,946
Other Liabilities	-	388,934	20,924	-	-	-	-	327,054	736,912
TOTAL DISBURSEMENTS	215,795	429,580	213,916	515	264,091	433	282,588	485,881	1,892,799
BALANCES JUNE 30, 2023	\$ 15,415	\$ 117,188	\$ 5,201	\$ 500	\$ -	\$ 3,674	\$ 528	\$ 22,452	\$ 164,958
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 6,813	\$ 1,762	\$ 2,201	\$ -	\$ -	\$ 3,674	\$ 28	\$ 18,210	\$ 32,688
Petty Cash	200	-	3,000	500	-	-	500	3,500	7,700
Due to State Treasurer	8,402	2,361	-	-	-	-	-	-	10,763
Due to Others	-	113,065	-	-	-	-	-	742	113,807
BALANCES JUNE 30, 2023	\$ 15,415	\$ 117,188	\$ 5,201	\$ 500	\$ -	\$ 3,674	\$ 528	\$ 22,452	\$ 164,958

BUTLER COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2023

Item	2018	2019	2020	2021	2022
Tax Certified by Assessor					
Real Estate	\$ 25,663,012	\$ 25,612,462	\$ 26,239,346	\$ 26,212,107	\$ 26,863,749
Personal and Specials	2,053,068	2,190,522	2,221,358	2,632,049	2,503,162
Total	<u>27,716,080</u>	<u>27,802,984</u>	<u>28,460,704</u>	<u>28,844,156</u>	<u>29,366,911</u>
Corrections					
Additions	8,710	9,963	20,362	9,167	9,139
Deductions	(4,605)	(9,200)	(2,569)	(1,319)	(792)
Net Additions/ (Deductions)	<u>4,105</u>	<u>763</u>	<u>17,793</u>	<u>7,848</u>	<u>8,347</u>
Corrected Certified Tax	<u>27,720,185</u>	<u>27,803,747</u>	<u>28,478,497</u>	<u>28,852,004</u>	<u>29,375,258</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	18,415,424	-	-	-	-
June 30, 2020	9,295,441	18,351,802	-	-	-
June 30, 2021	5,700	9,442,259	19,164,713	-	-
June 30, 2022	3,204	8,211	9,302,809	19,744,401	-
June 30, 2023	414	546	6,617	9,102,356	20,221,357
Total Net Collections	<u>27,720,183</u>	<u>27,802,818</u>	<u>28,474,139</u>	<u>28,846,757</u>	<u>20,221,357</u>
Total Uncollected Tax	<u>\$ 2</u>	<u>\$ 929</u>	<u>\$ 4,358</u>	<u>\$ 5,247</u>	<u>\$ 9,153,901</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.02%</u>	<u>0.02%</u>	<u>31.16%</u>

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

BUTLER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51246 Y3	\$ 8,933
Social Services Block Grant	93.667	Not Available	277
Passed through City of Lincoln, Nebraska			
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	119128581	3
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	119128581	915
Nutrition Services Incentive Program	93.053	Not Available	9,071
Total Aging Cluster			<u>9,989</u>
Total U.S. Department of Health and Human Services			<u>19,199</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Z4RZWMCVJCK4	<u>51,717</u>
Total U.S. Department of Transportation			<u>51,717</u>
DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	* <u>836,767</u>
Total U.S. Department of the Treasury			<u>836,767</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 907,683</u></u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

BUTLER COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Butler County (County) under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Butler County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. Summary of Significant Accounting Policies

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 12, 2024. 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 Health Care Center (Hospital), a component unit of Butler County.

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.

County Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. At this time the cost to maintain segregation of duties is not fiscally responsible regarding hiring additional personnel, therefore the county board will continue to monitor the transactions of county.

Report on 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 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 Butler County in a separate letter dated March 12, 2024.

Butler County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



March 12, 2024

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska



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BUTLER COUNTY INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors
Butler County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Butler County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Butler County's major Federal programs for the year ended June 30, 2023. Butler County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Butler County's basic financial statements do not include the financial data of the Butler County Health Care Center (Hospital), a component unit of Butler County.

In our opinion, Butler County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Butler County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Butler County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Butler County's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Butler County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Butler County's compliance with the requirements of each major Federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Butler County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Butler County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Butler County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding #2023-002. Our opinion on each major Federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Butler County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Butler County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Butler County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Butler County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

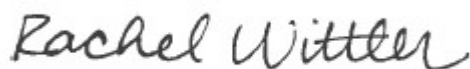
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding #2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Butler County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Butler County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Butler County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Butler County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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



Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

March 12, 2024

BUTLER COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified?

X Yes ___ None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified?

X Yes ___ None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

X Yes ___ No

Major programs: **COVID-19 – Coronavirus State and Local Fiscal Recovery Funds: AL #21.027**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

___ Yes X No

BUTLER COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Section II – Financial Statement Findings

Finding # 2023-001

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

Section III – Federal Award Findings and Questioned Costs

Finding # 2023-002

<u>Program</u> -	AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment
<u>Grant Number & Year</u> -	SLFRP0977, March 3, 2021, through December 31, 2024
<u>Federal Grantor Agency</u> -	U.S. Department of the Treasury
<u>Criteria</u> -	Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2023) states the following, in relevant part:

The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).*

BUTLER COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

The U.S. Department of the Treasury adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR § 1000.10 (January 1, 2023), which states the following:

Except for the deviations set forth elsewhere in this Part, the Department of the Treasury adopts the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200.

2 CFR § 200.214 (January 1, 2023) states the following:

Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

2 CFR § 180.300 (January 1, 2023) requires non-Federal entities to verify that an entity is not excluded or disqualified prior to entering into a covered transaction by, “(a) Checking SAM Exclusions; or (b) Collecting a certification from that . . . [entity]; or (c) Adding a clause or condition to the covered transaction with that . . . [entity].”

A good internal control plan requires the County to have proper procedures in place to verify that vendors paid with Federal funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Condition -

The County could not provide documentation to support that the County implemented effective internal controls to ensure that suspension and debarment requirements were followed and adequately documented.

We noted the County used Coronavirus State and Local Fiscal Recovery Funds to pay four vendors over \$25,000, totaling \$737,967 during the fiscal year ended June 30, 2023. The County failed to ensure that these vendors were not excluded or disqualified prior to entering into these covered transactions.

We reviewed SAM.gov, and noted that none of these vendors were suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date testing was performed.

Repeat Finding -

No

Questioned Costs -

None

Statistical Sample -

No

Context -

The following table provides details of the covered transactions noted:

Vendor	Amount
Norfolk Contracting	\$ 477,247
Inteconnex	138,070
Sandry Fire Supply	91,131
Municipal Emergency Services	31,519
Total	\$ 737,967

BUTLER COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Concluded)

<u>Cause</u> -	Lack of procedures and knowledge regarding suspension and debarment requirements.
<u>Effect</u> -	Without adequate procedures to ensure vendors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations, leading to possible Federal sanctions.
<u>Recommendation</u> -	We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that a vendor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, and those procedures are adequately documented.
<u>View of Officials</u> -	The County has implemented a process to ensure when a contractor is paid with federal funds that the vendor will be looked up on sam.gov to verify the entity has not been suspended or debarred, upon which time a printout will be printed and put with the claim that is being paid as well as attaching the verification to the ARPA binder that has a copy of all claims paid with the ARPA funds

BUTLER COUNTY BOARD OF SUPERVISORS

ANTHONY WHITMORE, CHAIRPERSON

TONY KRAFKA
ROBERT COUFAL
RYAN SVOBODA
March 12, 2024

SCOT BAUER
SCOTT STEAGER
JAN SYPAL

CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

I. Findings Related to the Financial Statements

Finding 2023-001: Segregation of Duties

Corrective Action Planned:

The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. At this time the cost to maintain segregation of duties is not fiscally responsible regarding hiring additional personnel, therefore the county board will continue to monitor the transactions of county.

Anticipated Completion Date:

Ongoing

Responsible Party:

Butler County Board of Supervisors: Anthony Whitmore, Scott Steager, Tony Krafka, Scot Bauer, Robert Coufal, Jan Sypal, and Ryan Svoboda.

II. Findings Related to Federal Awards

Finding 2023-002: Coronavirus State and Local Fiscal Recovery Funds – Suspension and Debarment

Program:

AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension and Debarment

Corrective Action Planned:

The County has implemented a process to ensure when a contractor is paid with federal funds that the vendor will be looked up on sam.gov to verify the entity has not been suspended or debarred, upon which time a printout will be printed and put with the claim that is being paid as well as attaching the verification to the ARPA binder that has a copy of all claims paid with the ARPA funds.

Anticipated Completion Date:

Completed 3/13/2024.

Responsible Party:

Butler County Board of Supervisors: Anthony Whitmore, Scott Steager, Tony Krafka, Scot Bauer, Robert Coufal, Jan Sypal, and Ryan Svoboda.

Sincerely,



Anthony Whitmore

Butler County Board of Supervisors – Chairman



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March 12, 2024

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, 2023, and have issued our report thereon dated March 12, 2024. 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 CLERK OF THE DISTRICT COURT

Overdue Case Account Report

We noted that the Clerk of the District Court (District Court) was not performing adequate follow-up procedures to resolve the overdue balances on the Overdue Case Balance Report (Report). One of 10 balances tested, totaling \$731, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balance.

As of December 29, 2023, the Report contained 32 overdue criminal case balances, totaling \$19,255. Of these 32 cases, only four has a current warrant or suspension issued for nonpayment.

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

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

A similar issue was noted in the prior year reports.

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

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 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.

County Board Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money. At this time the cost to maintain segregation of duties is not fiscally responsible regarding hiring additional personnel, therefore the county board will continue to monitor the transactions of county.

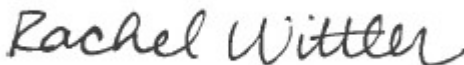
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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

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,



Rachel Wittler, CPA, CFE
Audit Manager