

**AUDIT REPORT  
OF  
LINCOLN COUNTY, NEBRASKA**

**Year Ended June 30, 2014**

**Donald D. Wilson, Certified Public Accountant  
McCook, Nebraska**

**AUDIT REPORT  
OF  
LINCOLN COUNTY, NEBRASKA  
Year Ended June 30, 2014**

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**AUDIT REPORT  
OF  
LINCOLN COUNTY, NEBRASKA  
Year Ended June 30, 2014**

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**DONALD D. WILSON**  
**Certified Public Accountant**

*Member American Institute Certified Public Accountants*

405 Pawnee Drive  
McCook, Nebraska 69001

Phone (308) 345-3070  
Cell (308) 340-5837

**INDEPENDENT AUDITOR'S REPORT**

County Board of Commissioners  
Lincoln County  
North Platte, Nebraska 69101

Board Members:

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Unmodified Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska as of June 30, 2014, and the respective changes in financial position for the year then ended in conformity with the basis of accounting described in Note 1.

**Basis of Accounting**

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

**Report on Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lincoln County, Nebraska financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements and the schedule of office activity, are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information, combining and individual nonmajor fund financial statements and the schedule of office activity, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the 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*, I have also issued my report dated October 17, 2014 on my consideration of Lincoln County, Nebraska internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit conducted in accordance with *Government Auditing Standards* in considering Lincoln County, Nebraska internal control over financial reporting and compliance.

  
Donald D. Wilson, CPA  
McCook, Nebraska

October 17, 2014

LINCOLN COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2014

EXHIBIT A

PRIMARY  
GOVERNMENT

GOVERNMENTAL  
ACTIVITIES

**ASSETS**

Pooled Cash and Cash Equivalents	7,806,485
Designated Investments	<u>2,449,565</u>
Total Assets	<u>10,256,050</u>

**NET POSITION**

Restricted for:	
Jail Bond/Building	1,657,429
Visitor's Promotion/Improvement	1,154,418
Bridge/Road Projects	260,444
Veteran's Aid	43,684
Keno Lottery	157,692
Federal Forfeitures	38,723
Child Support	182,323
Register of Deeds P&M	19,239
Unrestricted	<u>6,742,098</u>
Total Net Position	<u><u>10,256,050</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

LINCOLN COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

FOR THE YEAR ENDED June 30, 2014

Exhibit B

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipt and Changes in Net Assets Governmental Activities
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	6,905,418	1,374,515	435,580	(5,095,323)
Public Safety	4,714,671	482,352	179,207	(4,053,112)
Public Works	5,181,616	186,425	46,553	(4,948,638)
Public Health	59,149			(59,149)
Public Assistance	344,753	2,700	37,819	(304,234)
Culture and Recreation	689,581		12,038	(677,543)
Capital Outlay	932,565			(932,565)
Debt Service	1,128,506			(1,128,506)
Total Governmental Activities	<u>19,956,259</u>	<u>2,045,992</u>	<u>711,197</u>	<u>(17,199,070)</u>
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				9,268,775
Property taxes, levied for public works				31,903
Property taxes, levied for public assistance				74,067
Property taxes, levied for capital outlay				940,556
Property taxes, levied for debt service				1,087,459
Motor Vehicle Tax				1,203,744
Intergovernmental				4,180,084
Inheritance Tax				1,285,569
Interest				29,457
Miscellaneous				100,033
Total General Receipts				<u>18,201,647</u>
Changes in Net Position				1,002,577
Net position - Beginning of Year				<u>9,253,473</u>
Net position - End of Year				<u><u>10,256,050</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

LINCOLN COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS  
GOVERNMENTAL FUNDS

June 30, 2014

EXHIBIT C

	General	Road	Inheritance Tax	Jail Bond	Other Governmental Funds	Total
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	2,745,610	326,744	2,823,973	11,078	1,899,080	7,806,485
Designated Investments				1,159,094	1,290,471	2,449,565
Total Assets	<u>2,745,610</u>	<u>326,744</u>	<u>2,823,973</u>	<u>1,170,172</u>	<u>3,189,551</u>	<u>10,256,050</u>
<b>FUND BALANCES:</b>						
Restricted				1,170,172	2,343,780	3,513,952
Assigned		326,744	2,823,973		845,771	3,996,488
Unassigned	<u>2,745,610</u>					<u>2,745,610</u>
Total Fund Balances	<u>2,745,610</u>	<u>326,744</u>	<u>2,823,973</u>	<u>1,170,172</u>	<u>3,189,551</u>	<u>10,256,050</u>

The Notes to the Financial Statements are an Integral Part of this Statement



LINCOLN COUNTY, NEBRASKA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2014

EXHIBIT D

	General	Special Revenue		Debt Service	NonMajor Governmental Funds	Total Governmental Funds
		Road	Inheritance Tax	Jail Bond		
<b>CASH RECEIPTS</b>						
Property Taxes	9,167,788			1,087,459	1,147,513	11,402,760
Motor Vehicle Tax	1,203,744					1,203,744
Federal Grants	480,928				115,677	596,605
Intergovernmental	187,308	2,914,578		10,984	1,181,806	4,294,676
Inheritance Tax			1,285,569			1,285,569
Charges for Services	1,927,729				118,263	2,045,992
Interest	27,430			904	1,123	29,457
Miscellaneous	42,982	13,152			43,899	100,033
<b>Total Cash Receipts</b>	<b>13,037,909</b>	<b>2,927,730</b>	<b>1,285,569</b>	<b>1,099,347</b>	<b>2,608,281</b>	<b>20,958,836</b>
<b>CASH DISBURSEMENTS</b>						
General Government	6,539,930		60,583	2,000	302,905	6,905,418
Public Safety	4,605,039				109,632	4,714,671
Public Works	458,925	4,598,707			123,984	5,181,616
Public Health	59,149					59,149
Public Assistance	217,608				127,145	344,753
Culture and Recreation	42,220				647,361	689,581
Capital Outlay					932,565	932,565
Debt Service						
Principal Retirement				780,000		780,000
Interest				348,506		348,506
<b>Total Cash Disbursements</b>	<b>11,922,871</b>	<b>4,598,707</b>	<b>60,583</b>	<b>1,130,506</b>	<b>2,243,592</b>	<b>19,956,259</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	1,115,038	(1,670,977)	1,224,986	(31,159)	364,689	1,002,577
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In		1,658,000			210,000	1,868,000
Transfers (Out)	(878,000)		(840,000)		(150,000)	(1,868,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(878,000)</b>	<b>1,658,000</b>	<b>(840,000)</b>	<b>0</b>	<b>60,000</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>237,038</b>	<b>(12,977)</b>	<b>384,986</b>	<b>(31,159)</b>	<b>424,689</b>	<b>1,002,577</b>
Fund Balances, Beginning of Year	2,508,572	339,721	2,438,987	1,201,331	2,764,862	9,253,473
Fund Balances, End of Year	2,745,610	326,744	2,823,973	1,170,172	3,189,551	10,256,050

The Notes to the Financial Statements are an Integral Part of this Statement

LINCOLN COUNTY, NEBRASKA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS

AGENCY FUNDS

Year Ended June 30, 2014

EXHIBIT E

	Balance July 1, 2013	Receipts	Disbursements	Balance June 30, 2014
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	6,168,831	69,776,531	71,450,184	4,495,178
Total Assets	<u>6,168,831</u>	<u>69,776,531</u>	<u>71,450,184</u>	<u>4,495,178</u>
<b>LIABILITIES</b>				
State	612,592	7,119,342	7,067,458	664,476
Schools	2,493,399	43,033,381	42,618,827	2,907,953
Educational Service Units	6,781	534,235	535,525	5,491
Community College	39,757	3,097,803	3,105,905	31,655
Natural Resource Districts	31,347	4,208,295	4,188,474	51,168
Cemetery Districts	22,729	96,352	87,571	31,510
Fire Districts	4,940	789,517	788,960	5,497
Hospital Districts	5,146	50,085	42,611	12,620
Drainage Districts	6,061	15,481	14,549	6,993
Irrigation Districts	114,043	309,664	414,252	9,455
Municipalities	2,732,681	7,833,548	10,414,297	151,932
Agricultural Society	3,608	275,904	276,712	2,800
Airport Authority	18,897	830,161	836,609	12,449
Partial Payments	21,487	41,851	53,503	9,835
Property Tax Credit	0	552,306	444,115	108,191
Tax Increment Financing	54,863	988,606	560,316	483,153
Unclaimed Funds	500		500	0
Total Liabilities	<u>6,168,831</u>	<u>69,776,531</u>	<u>71,450,184</u>	<u>4,495,178</u>
<b>NET POSITION</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and procedures adopted by Lincoln County, Nebraska:

A. Reporting Entity:

A Reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the county are not misleading. The County, for financial purposes, includes all of the funds relevant to the operation of Lincoln County. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from Lincoln County. The financial statements of the County include those of separately administered organizations that are controlled by, or dependent on, the County. Control or dependence is determined on the criteria of 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 benefits to or impose specific financial burdens on the county.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements. Accountabilities of the monies for the various other offices of the county are presented on Schedule 6 of this report.

B. Basis of Presentation:

Government-wide Financial Statements:

The Statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the county's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in two categories:

*Restricted Net Position* – results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The amount of restricted net position was \$3,513,952 as of June 30, 2014.

*Unrestricted Net Position*– has constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

LINCOLN COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements (Concluded):

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

During the year, the county segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county at this more detailed level. The county uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Lincoln County's major governmental funds:

General Fund:

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the county for any purpose provided it is expended or transferred according to the general laws of Nebraska.

Road Fund (Special Revenue):

The Road Fund is used to account for revenues and expenditures for necessary road and bridge construction and improvements in accordance with Nebraska State Statute.

Inheritance Tax (Special Revenue):

The Inheritance Tax Fund is used to account for inheritance tax collected in accordance with Nebraska State Statute. The fund balance is available to the county for any purpose.

Jail Bond (Debt Service):

The Jail Bond Fund is used to account for the accumulation of funds necessary to pay interest and redemption of bonds issued for the purpose of construction of new jail facilities.

LINCOLN COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Concluded):

In the fund financial statements, governmental fund balances are required to be reported according to the following classifications:

*Restricted fund balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – Amounts that can only be used for specific purposes because of a formal action (resolution) by the County’s highest level of decision-making authority, the County Board.

*Assigned fund balance* – Amounts that are constrained by the County’s intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

*Unassigned fund balance* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The County’s only fiduciary funds are agency funds. The agency funds account for assets held by the County for political subdivisions in which the county acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Reservation of Fund Balance:

Reservations of fund balances are reported for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose.

C. Basis of Accounting:

The funds of the County and the financial statements have been prepared on the cash receipts and disbursements basis of accounting. Revenues are taken into account only when received by the county and expenditures are recorded when warrants are issued. This differs from generally accepted accounting principles, which require governmental fund accounting to follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual and obligations are generally recognized when they are incurred.

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):**

**D. Capital Assets:**

Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, culverts, and similar items which are immovable and of value only to the government), are not reported in the governmental activities column in the government-wide statement of net assets. The capital assets acquisitions are reflected as expenditures in governmental funds, and not capitalized.

**E. Revenue Recognition – Property Taxes:**

Property taxes are levied by October 15 based on valuations as of April 1. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of a Motor Vehicle. Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire Districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people.

The levy set in October, 2013 for 2013 taxes which will be materially collected in May and September, 2014, was set at \$.318191/\$100 of assessed valuation. Assessed valuation for Lincoln County for the 2013 tax levy was \$3,616,498,098. Additionally, there is currently a legislatively imposed lid limitation, which limits taxation to the prior year's level, with provisions for growth and the reduction of state aid. It may be increased by 2.5%, plus allowable growth, and an additional 1% by a three-fourths majority of the County Board, or to any level by a vote of the people in the county.

**NOTE 2: CASH AND POOLED INVESTMENTS:**

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Cash and cash equivalents are considered to be cash on hand and demand deposits. Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943. Investments made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

The types of investments the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest. As defined by Governmental Accounting Standards Board Statement #3, the County had no investments as of June 30, 2014. Lincoln County is a participant in an external investment pool, the Nebraska Public Agency Investment Trust (NPAIT).

LINCOLN COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended June 30, 2014

NOTE 2: CASH AND POOLED INVESTMENTS (CONCLUDED):

NPAIT is a separate legal and administrative entity organized and existing pursuant to the Inter-Local Cooperation Act and other Nebraska law. NPAIT was established as of July 11, 1996, by the adoption of an Inter-Local Agreement and Declaration of Trust by the Initial Participants and Settlers. The County Treasurer had \$751,286 invested with NPAIT as of June 30, 2014. Securities held by NPAIT are not held in the County's name.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government policy requires pledged securities to be at least 120% of the amount of deposits over and above the amounts insured by the FDIC. State law restricts the type of collateral securities allowed. The deposits for Lincoln County as of June 30, 2014 were entirely covered by federal depository insurance or by collateral securities pledged to the County Treasurer and held by the safekeeping department of the depository's correspondent bank.

NOTE 3: INTERFUND TRANSFERS:

The details of the interfund transfers for the year ended June 30, 2014 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Road	General	878,000
Road	Inheritance Tax	780,000
Institutions	Inheritance Tax	40,000
Juvenile Facility	Inheritance Tax	20,000
Visitor's Promotion	Visitor's Improvement	150,000

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to expend the resources. Transfers from the Inheritance Tax move reserve funds over to other funds as needed. The transfer from Visitor's Improvement moved over funds to reimburse salaries paid from Visitor's Promotion.

NOTE 4: RETIREMENT PROGRAM:

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 23-2301.

Each member who is employed and participating in the retirement system prior to January 1, 2003, may either elect to continue participation in the defined contribution benefit plan or elect to participate in the cash balance benefit plan. All new members as of January 1, 2003 will participate in the cash balance benefit plan. In a cash balance benefit plan, benefits depend on amounts contributed to the plan plus interest credits. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. All elected officials and full-time employees who have attained the age of twenty will begin immediate plan participation upon hire.

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2014**

**NOTE 4: RETIREMENT PROGRAM (CONCLUDED):**

Permanently employed part-time employees may exercise the option to begin immediate participation. Employees contribute 4.5% of their salary and the county match is 6.75% of the salary. Commissioned law enforcement personnel employed by the county contribute 5.5% of their salary and the county match is 7.75% of the salary. The employee and employer's contributions are kept in separate accounts. The employer's account is fully vested. The employee's account is vested 100% after three years participation in the plan. Prior service benefits are paid directly by the County to the retired employee. The county's contributions to NPERB for the years ended June 30, 2014, 2013, and 2012 were \$511,587, \$491,952, and \$474,457, respectively. Prior service benefit paid was \$3,404, \$3,722, and \$3,833, for the three fiscal years.

**NOTE 5: CHANGES IN LONG-TERM COMMITMENTS:**

The following is a summary of changes in long-term commitments of the County for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
<b><u>Bonds:</u></b>				
Jail Bond	14,910,000		780,000	14,130,000

A summary of the annual requirements to service the bonds as of June 30, 2014, is as follows:

Year Ended	2012 Jail Bond Series			2011 Jail Bond Series		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2015	485,000	171,897	656,897	295,000	164,673	459,673
June 30, 2016	490,000	168,118	658,118	300,000	161,545	461,545
June 30, 2017	490,000	163,708	653,708	305,000	157,458	462,458
June 30, 2018	500,000	158,505	658,505	305,000	152,272	457,272
June 30, 2019	505,000	152,095	657,095	310,000	145,887	455,887
June 30, 2020	510,000	144,353	654,353	320,000	138,320	458,320
June 30, 2021	515,000	135,510	650,510	330,000	129,537	459,537
June 30, 2022	520,000	125,675	645,675	340,000	119,735	459,735
June 30, 2023	525,000	114,831	639,831	350,000	109,035	459,035
June 30, 2024	535,000	102,901	637,901	360,000	97,405	457,405
June 30, 2025	545,000	89,802	634,802	375,000	84,813	459,813
June 30, 2026	550,000	75,840	625,840	380,000	71,410	451,410
June 30, 2027	560,000	61,130	621,130	395,000	57,262	452,262
June 30, 2028	570,000	44,870	614,870	410,000	42,165	452,165
June 30, 2029	585,000	27,242	612,242	425,000	26,088	451,088
June 30, 2030	600,000	9,158	609,158	445,000	8,900	453,900
<b>Total</b>	<b>8,485,000</b>	<b>1,745,635</b>	<b>10,230,635</b>	<b>5,645,000</b>	<b>1,666,505</b>	<b>7,311,505</b>



**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2014**

**NOTE 5: CHANGES IN LONG-TERM COMMITMENTS (CONCLUDED):**

The ratio of the commitments to assessed valuation was .39% as of June 30, 2014.

**Jail Bond 2012 Series:**

Due serially in annual principal payments of \$95,000 to \$600,000, plus interest not to exceed 3.5%. These are General Obligation Refunding Bonds issued during 2012 in the amount of \$8,705,000 to refund the original 2009 series bonds. Bonds maturing on or after the fifth anniversary of the original issuance date are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually June 15 and December 15 of each year.

**Jail Bond 2011 Series:**

Due serially in annual principal payments of \$80,000 to \$445,000, plus interest not to exceed 4.0%. These are General Obligation Refunding Bonds issued during 2011 in the amount of \$5,805,000 to refund the original 2008 series bonds. Bonds maturing on or after the fifth anniversary of the original issuance date are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually June 15 and December 15 of each year.

The Jail Bond Series 2012/2011 is a general obligation of Lincoln County. The county agrees that it will annually levy a tax on all taxable property, which may exceed the constitutional limitation, sufficient to pay the interest and principal of this bond.

**NOTE 6: FEDERALLY ASSISTED PROGRAMS:**

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2014.

**NOTE 7: RELATED PARTY TRANSACTIONS:**

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2014.

**NOTE 8: ACCUMULATED COMPENSATED ABSENCES:**

It is the County's Policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's service, the accumulated vacation would be paid but the sick leave would be forfeited. The cost of vacation and sick leave are recognized when payments are made to the individual.

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONCLUDED**

**For the Year Ended June 30, 2014**

NOTE 9: JOINT VENTURE:

Lincoln County has entered into an agreement with the other counties in Region II in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region II consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock and Red Willow. The governing boards for Region II services are established by Statute and the agreements and include representatives from the participating county boards. Funding is provided by a combination of federal, state, local, and private funding. Lincoln County contributed \$168,393 toward the operation of Region II during fiscal year 2014. The Nebraska Department of Public Institutions requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

NOTE 10: COUNTY INSURANCE:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to offset these certain risks. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2014

EXHIBIT F

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>CASH RECEIPTS:</b>				
Taxes	9,727,501	9,727,501	10,371,532	644,031
Federal	632,370	632,370	480,928	(151,442)
State	218,700	218,700	162,748	(55,952)
Local	1,962,351	1,962,351	2,022,701	60,350
<b>Total Cash Receipts</b>	<b>12,540,922</b>	<b>12,540,922</b>	<b>13,037,909</b>	<b>496,987</b>
<b>CASH DISBURSEMENTS:</b>				
General Government:				
Board of Commissioners	109,800	109,800	107,816	1,984
Clerk	273,445	273,445	241,445	32,000
Treasurer	408,980	408,980	386,359	22,621
Register of Deeds	151,290	151,290	142,286	9,004
Assessor	497,595	497,595	488,992	8,603
Planning Commission	33,790	33,790	31,001	2,789
Data Processing	149,109	149,109	122,680	26,429
Adv., Insurance and Bonds	2,094,350	2,094,350	1,678,527	415,823
Federal Payroll Tax	424,000	424,000	418,914	5,086
Clerk of the District Court	286,540	286,540	260,170	26,370
County Court System	43,505	43,505	43,262	243
District Court	55,500	55,500	55,244	256
Child Support	271,100	271,100	251,650	19,450
Public Defender	446,595	446,595	405,221	41,374
Building and Grounds	362,500	362,500	362,292	208
Jail Building and Grounds	130,500	130,500	128,912	1,588
Extension Office	154,465	154,465	154,424	41
Photostat Department	67,495	67,495	59,330	8,165
Retirement	402,000	402,000	400,448	1,552
Unemployment	28,000	28,000	7,736	20,264
Miscellaneous	703,995	703,995	793,221	(89,226)
<b>Total General Government</b>	<b>7,094,554</b>	<b>7,094,554</b>	<b>6,539,930</b>	<b>554,624</b>
Public Safety:				
Sheriff	1,901,100	1,901,100	1,857,934	43,166
Attorney	554,240	554,240	531,230	23,010
Communication Center	140,350	140,350	140,097	253
Merit Commission	1,250	1,250	125	1,125
Jail	1,756,000	1,756,000	1,709,957	46,043
Probation Office	84,000	84,000	83,961	39
Emergency Management	168,975	168,975	100,020	68,955
Dive & Rescue Team	18,700	18,700	17,611	1,089
Grant Funds	250,000	250,000		250,000
Miscellaneous	178,340	178,340	164,104	14,236
<b>Total Public Safety</b>	<b>5,052,955</b>	<b>5,052,955</b>	<b>4,605,039</b>	<b>447,916</b>
Public Works:				
Surveyor	97,250	97,250	66,720	30,530
Noxious Weed	379,070	379,070	371,409	7,661
Miscellaneous	20,800	20,800	20,796	4
<b>Total Public Works</b>	<b>497,120</b>	<b>497,120</b>	<b>458,925</b>	<b>38,195</b>

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2014

EXHIBIT F  
CONCLUDED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH DISBURSEMENTS, CONCLUDED:				
Public Health:				
Miscellaneous	59,150	59,150	59,149	1
Total Public Health	59,150	59,150	59,149	1
Public Assistance:				
Relief	143,550	143,550	136,226	7,324
Veteran's Service Officer	69,260	69,260	65,698	3,562
Miscellaneous	15,685	15,685	15,684	1
Total Public Assistance	228,495	228,495	217,608	10,887
Culture and Recreation:				
Miscellaneous	42,220	42,220	42,220	0
Total Culture and Recreation	42,220	42,220	42,220	0
Total Cash Disbursements	12,974,494	12,974,494	11,922,871	1,051,623
Excess of Cash Receipts Over (Under) Cash Disbursements	(433,572)	(433,572)	1,115,038	1,548,610
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers (Out)	(950,000)	(950,000)	(878,000)	72,000
Total Other Financing Sources (Uses)	(950,000)	(950,000)	(878,000)	72,000
Net Change in Fund Balance	(1,383,572)	(1,383,572)	237,038	1,620,610
Fund Balance, Beginning of Year	2,508,572	2,508,572	2,508,572	
Fund Balance, End of Year	1,125,000	1,125,000	2,745,610	1,620,610

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
ROAD FUND

For the Year Ended June 30, 2014

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	86,600	86,600		(86,600)
State	2,824,912	2,824,912	2,914,471	89,559
Local	24,562	24,562	13,259	(11,303)
Total Cash Receipts	2,936,074	2,936,074	2,927,730	(8,344)
CASH DISBURSEMENTS:				
Public Works:				
Road Department	4,805,795	4,805,795	4,598,707	207,088
Total Cash Disbursements	4,805,795	4,805,795	4,598,707	207,088
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,869,721)	(1,869,721)	(1,670,977)	198,744
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	1,730,000	1,730,000	1,658,000	(72,000)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	1,730,000	1,730,000	1,658,000	(72,000)
Net Change in Fund Balance	(139,721)	(139,721)	(12,977)	126,744
Fund Balance, Beginning of Year	339,721	339,721	339,721	0
Fund Balance, End of Year	200,000	200,000	326,744	126,744

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
INHERITANCE TAX

For the Year Ended June 30, 2014

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	<u>3,263</u>	<u>3,263</u>	<u>1,285,569</u>	<u>1,282,306</u>
Total Cash Receipts	<u>3,263</u>	<u>3,263</u>	<u>1,285,569</u>	<u>1,282,306</u>
CASH DISBURSEMENTS:				
General Government	<u>812,250</u>	<u>812,250</u>	<u>60,583</u>	<u>751,667</u>
Total Cash Disbursements	<u>812,250</u>	<u>812,250</u>	<u>60,583</u>	<u>751,667</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(808,987)</u>	<u>(808,987)</u>	<u>1,224,986</u>	<u>2,033,973</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	<u>(920,000)</u>	<u>(920,000)</u>	<u>(840,000)</u>	<u>80,000</u>
Total Other Financing Sources (Uses)	<u>(920,000)</u>	<u>(920,000)</u>	<u>(840,000)</u>	<u>80,000</u>
Net Change in Fund Balance	<u>(1,728,987)</u>	<u>(1,728,987)</u>	<u>384,986</u>	<u>2,113,973</u>
Fund Balance, Beginning of Year	<u>2,438,987</u>	<u>2,438,987</u>	<u>2,438,987</u>	<u>0</u>
Fund Balance, End of Year	<u>710,000</u>	<u>710,000</u>	<u>2,823,973</u>	<u>2,113,973</u>

See Accompanying Notes to Budgetary Reporting

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO SUPPLEMENTARY INFORMATION  
BUDGETARY REPORTING**

**For the Year Ended June 30, 2014**

**NOTE 1: GAAP REQUIREMENTS:**

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue funds that have a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the original budget and final budget amounts. The original budget is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board.

**NOTE 2: BUDGET POLICY:**

The County follows these procedures in establish the budgetary data reflected in the schedules in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1 the finance committee or other designated budget-making authority prepares and transmits a budget for each County fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those revenues, which have actually been received by the County Treasurer.

The County Board must hold at least one public hearing. Prior to September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held. Appropriations lapse at year-end.

**LINCOLN COUNTY, NEBRASKA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**June 30, 2014**

**SCHEDULE 1**

	<u>Special Revenue Funds (Schedule 3)</u>	<u>Capital Project Funds Courthouse Building</u>	<u>Jail Building</u>	<u>Total Nonmajor Governmental Funds (Exhibit C)</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	1,870,550		28,530	1,899,080
Designated Investments	<u>278,947</u>	<u>552,797</u>	<u>458,727</u>	<u>1,290,471</u>
Total Assets	<u><u>2,149,497</u></u>	<u><u>552,797</u></u>	<u><u>487,257</u></u>	<u><u>3,189,551</u></u>
<b>FUND BALANCES:</b>				
Restricted	1,856,523		487,257	2,343,780
Assigned	<u>292,974</u>	<u>552,797</u>		<u>845,771</u>
Total Fund Balances	<u><u>2,149,497</u></u>	<u><u>552,797</u></u>	<u><u>487,257</u></u>	<u><u>3,189,551</u></u>



LINCOLN COUNTY, NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2014

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Capital Project Funds		Total Nonmajor Governmental Funds (Exhibit D)
		Courthouse Building	Jail Building	
<b>CASH RECEIPTS</b>				
Property Taxes	206,957	940,556		1,147,513
Federal Grants	115,677			115,677
Intergovernmental	1,171,197	10,609		1,181,806
Charges for Services	118,263			118,263
Interest	54	586	483	1,123
Miscellaneous	43,899			43,899
Total Cash Receipts	<u>1,656,047</u>	<u>951,751</u>	<u>483</u>	<u>2,608,281</u>
<b>CASH DISBURSEMENTS</b>				
General Government	153,809		149,096	302,905
Public Safety	109,632			109,632
Public Works	123,984			123,984
Public Assistance	127,145			127,145
Culture and Recreation	647,361			647,361
Capital Outlay		932,565		932,565
Total Cash Disbursements	<u>1,161,931</u>	<u>932,565</u>	<u>149,096</u>	<u>2,243,592</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>494,116</u>	<u>19,186</u>	<u>(148,613)</u>	<u>364,689</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	210,000			210,000
Transfers Out	(150,000)			(150,000)
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
Net Change in Fund Balances	554,116	19,186	(148,613)	424,689
Fund Balances, Beginning of Year	<u>1,595,381</u>	<u>533,611</u>	<u>635,870</u>	<u>2,764,862</u>
Fund Balances, End of Year	<u><u>2,149,497</u></u>	<u><u>552,797</u></u>	<u><u>487,257</u></u>	<u><u>3,189,551</u></u>

**LINCOLN COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2014

**SCHEDULE 3**

	<u>Highway Buyback</u>	<u>Special Road</u>	<u>Child Support Incentive</u>	<u>Visitor's Promotion</u>	<u>Visitor's Improvement</u>	<u>Register of Deeds P&amp;M</u>
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	260,444	62,370	182,323	135,626	1,018,792	19,239
Designated Investments						
<b>Total Assets</b>	<u>260,444</u>	<u>62,370</u>	<u>182,323</u>	<u>135,626</u>	<u>1,018,792</u>	<u>19,239</u>
<b>FUND BALANCES:</b>						
Restricted	260,444		182,323	135,626	1,018,792	19,239
Assigned		62,370				
<b>Total Fund Balances</b>	<u>260,444</u>	<u>62,370</u>	<u>182,323</u>	<u>135,626</u>	<u>1,018,792</u>	<u>19,239</u>
	<u>Self Funded Insurance</u>	<u>Institutions</u>	<u>Veteran's Aid</u>	<u>Drug Law Enforcement</u>	<u>Federal Forfeitures</u>	<u>Victims Assistance</u>
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	1,049	19,281		897	38,723	13,759
Designated Investments	97,617		43,684			
<b>Total Assets</b>	<u>98,666</u>	<u>19,281</u>	<u>43,684</u>	<u>897</u>	<u>38,723</u>	<u>13,759</u>
<b>FUND BALANCES:</b>						
Restricted			43,684		38,723	
Assigned	98,666	19,281		897		13,759
<b>Total Fund Balances</b>	<u>98,666</u>	<u>19,281</u>	<u>43,684</u>	<u>897</u>	<u>38,723</u>	<u>13,759</u>
	<u>Keno Lottery</u>	<u>Juvenile Facility</u>	<u>Handicapped Accessibility</u>			<u>Total Nonmajor Special Revenue Funds (Schedule 1)</u>
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	20,046	11,566	86,435			1,870,550
Designated Investments	137,646					278,947
<b>Total Assets</b>	<u>157,692</u>	<u>11,566</u>	<u>86,435</u>			<u>2,149,497</u>
<b>FUND BALANCES:</b>						
Restricted	157,692					1,856,523
Assigned		11,566	86,435			292,974
<b>Total Fund Balances</b>	<u>157,692</u>	<u>11,566</u>	<u>86,435</u>			<u>2,149,497</u>

LINCOLN COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2014

SCHEDULE 4

	Highway Buyback	Special Road	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M
<b>CASH RECEIPTS</b>						
Property Taxes		31,903				
Federal Grants			76,333			
Intergovernmental	260,444	33,071		415,978	403,941	24,918
Charges for Services						
Interest						
Miscellaneous				43,899		
Total Cash Receipts	260,444	64,974	76,333	459,877	403,941	24,918
<b>CASH DISBURSEMENTS</b>						
General Government			26,764			18,675
Public Safety						
Public Works		2,891				
Public Assistance						
Culture and Recreation				624,201	23,160	
Total Cash Disbursements	0	2,891	26,764	624,201	23,160	18,675
Excess of Cash Receipts Over (Under) Cash Disbursements	260,444	62,083	49,569	(164,324)	380,781	6,243
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In				150,000		
Transfers (Out)					(150,000)	
Total Other Financing Sources (Uses)	0	0	0	150,000	(150,000)	0
Net Change in Fund Balances	260,444	62,083	49,569	(14,324)	230,781	6,243
Fund Balances, Beginning of Year		287	132,754	149,950	788,011	12,996
Fund Balances, End of Year	260,444	62,370	182,323	135,626	1,018,792	19,239

LINCOLN COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2014

SCHEDULE 4  
CONTINUED

	Self Funded Insurance	Institutions	Veteran's Aid	Drug Law Enforcement	Federal Forfeitures	Victims Assistance
<b>CASH RECEIPTS</b>						
Property Taxes	100,987	74,067				
Federal Grants					541	36,303
Intergovernmental Charges for Services	1,027	735				
Interest	8		6			
Miscellaneous						
<b>Total Cash Receipts</b>	<b>102,022</b>	<b>74,802</b>	<b>6</b>	<b>0</b>	<b>541</b>	<b>36,303</b>
<b>CASH DISBURSEMENTS</b>						
General Government	105,770					
Public Safety					17,824	27,373
Public Works						
Public Assistance		127,145				
Culture and Recreation						
<b>Total Cash Disbursements</b>	<b>105,770</b>	<b>127,145</b>	<b>0</b>	<b>0</b>	<b>17,824</b>	<b>27,373</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	(3,748)	(52,343)	6	0	(17,283)	8,930
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In		40,000				
Transfers (Out)						
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(3,748)</b>	<b>(12,343)</b>	<b>6</b>	<b>0</b>	<b>(17,283)</b>	<b>8,930</b>
Fund Balances, Beginning of Year	102,414	31,624	43,678	897	56,006	4,829
Fund Balances, End of Year	98,666	19,281	43,684	897	38,723	13,759

**LINCOLN COUNTY NEBRASKA**  
**COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**

For The Year Ended June 30, 2014

**SCHEDULE 4**  
**CONCLUDED**

Total Nonmajor  
Special Revenue  
Funds  
(Schedule 2)

	Community Block Grant	Keno Lottery	Juvenile Facility	Handicapped Accessibility	
<b>CASH RECEIPTS</b>					
Property Taxes					206,957
Federal Grants	2,500				115,677
Intergovernmental			56,001		1,171,197
Charges for Services		93,345			118,263
Interest		40			54
Miscellaneous					43,899
<b>Total Cash Receipts</b>	2,500	93,385	56,001	0	1,656,047
<b>CASH DISBURSEMENTS</b>					
General Government	2,500	100			153,809
Public Safety			64,435		109,632
Public Works		121,093			123,984
Public Assistance					127,145
Culture and Recreation					647,361
<b>Total Cash Disbursements</b>	2,500	121,193	64,435	0	1,161,931
Excess of Cash Receipts Over (Under) Cash Disbursements	0	(27,808)	(8,434)	0	494,116
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			20,000		210,000
Transfers (Out)					(150,000)
<b>Total Other Financing Sources (Uses)</b>	0	0	20,000	0	60,000
<b>Net Change in Fund Balances</b>	0	(27,808)	11,566	0	554,116
<b>Fund Balances, Beginning of Year</b>	0	185,500	0	86,435	1,595,381
<b>Fund Balances, End of Year</b>	0	157,692	11,566	86,435	2,149,497

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2014

SCHEDULE 5

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HIGHWAY BUYBACK</b>				
CASH RECEIPTS	400,000	400,000	260,444	(139,556)
CASH DISBURSEMENTS	400,000	400,000	0	400,000
Net Change in Fund Balance	0	0	260,444	260,444
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	260,444	260,444
<b>SPECIAL ROAD</b>				
CASH RECEIPTS	550,080	550,080	64,974	(485,106)
CASH DISBURSEMENTS	550,367	550,367	2,891	547,476
Net Change in Fund Balance	(287)	(287)	62,083	62,370
Fund Balance, Beginning of Year	287	287	287	
Fund Balance, End of Year	0	0	62,370	62,370
<b>CHILD SUPPORT INCENTIVE</b>				
CASH RECEIPTS	167,246	167,246	76,333	(90,913)
CASH DISBURSEMENTS	300,000	300,000	26,764	273,236
Net Change in Fund Balance	(132,754)	(132,754)	49,569	182,323
Fund Balance, Beginning of Year	132,754	132,754	132,754	
Fund Balance, End of Year	0	0	182,323	182,323
<b>VISITOR'S PROMOTION</b>				
CASH RECEIPTS	450,719	450,719	459,877	9,158
CASH DISBURSEMENTS	766,790	766,790	624,201	142,589
OTHER FINANCING SOURCES Operating Transfers In	193,121	193,121	150,000	(43,121)
Net Change in Fund Balance	(122,950)	(122,950)	(14,324)	108,626
Fund Balance, Beginning of Year	149,950	149,950	149,950	
Fund Balance, End of Year	27,000	27,000	135,626	108,626
<b>VISITOR'S IMPROVEMENT</b>				
CASH RECEIPTS	445,000	445,000	403,941	(41,059)
CASH DISBURSEMENTS	1,019,890	1,019,890	23,160	996,730
OTHER FINANCING (Uses): Operating Transfers (Out)	(193,121)	(193,121)	(150,000)	43,121
Net Change in Fund Balance	(768,011)	(768,011)	230,781	998,792
Fund Balance, Beginning of Year	788,011	788,011	788,011	
Fund Balance, End of Year	20,000	20,000	1,018,792	998,792

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2014

SCHEDULE 5  
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REGISTER OF DEEDS P&amp;M</b>				
CASH RECEIPTS	26,000	26,000	24,918	(1,082)
CASH DISBURSEMENTS	38,996	38,996	18,675	20,321
Net Change in Fund Balance	(12,996)	(12,996)	6,243	19,239
Fund Balance, Beginning of Year	12,996	12,996	12,996	
Fund Balance, End of Year	0	0	19,239	19,239
<b>SELF FUNDED INSURANCE</b>				
CASH RECEIPTS	99,586	99,586	102,022	2,436
CASH DISBURSEMENTS	202,000	202,000	105,770	96,230
Net Change in Fund Balance	(102,414)	(102,414)	(3,748)	98,666
Fund Balance, Beginning of Year	102,414	102,414	102,414	
Fund Balance, End of Year	0	0	98,666	98,666
<b>INSTITUTIONS</b>				
CASH RECEIPTS	67,876	67,876	74,802	6,926
CASH DISBURSEMENTS	132,500	132,500	127,145	5,355
OTHER FINANCING SOURCES				
Operating Transfers In	40,000	40,000	40,000	0
Net Change in Fund Balance	(24,624)	(24,624)	(12,343)	12,281
Fund Balance, Beginning of Year	31,624	31,624	31,624	
Fund Balance, End of Year	7,000	7,000	19,281	12,281
<b>VETERAN'S AID</b>				
CASH RECEIPTS	0	0	6	6
CASH DISBURSEMENTS	43,678	43,678	0	43,678
Net Change in Fund Balance	(43,678)	(43,678)	6	43,684
Fund Balance, Beginning of Year	43,678	43,678	43,678	
Fund Balance, End of Year	0	0	43,684	43,684
<b>DRUG LAW ENFORCEMENT</b>				
CASH RECEIPTS	155,203	155,203	0	(155,203)
CASH DISBURSEMENTS	156,100	156,100	0	156,100
Net Change in Fund Balance	(897)	(897)	0	897
Fund Balance, Beginning of Year	897	897	897	
Fund Balance, End of Year	0	0	897	897

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2014

SCHEDULE 5  
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>FEDERAL FORFEITURES</b>				
CASH RECEIPTS	143,994	143,994	541	(143,453)
CASH DISBURSEMENTS	200,000	200,000	17,824	182,176
Net Change in Fund Balance	(56,006)	(56,006)	(17,283)	38,723
Fund Balance, Beginning of Year	56,006	56,006	56,006	
Fund Balance, End of Year	0	0	38,723	38,723
<b>VICTIMS ASSISTANCE</b>				
CASH RECEIPTS	46,166	46,166	36,303	(9,863)
CASH DISBURSEMENTS	50,995	50,995	27,373	23,622
Net Change in Fund Balance	(4,829)	(4,829)	8,930	13,759
Fund Balance, Beginning of Year	4,829	4,829	4,829	
Fund Balance, End of Year	0	0	13,759	13,759
<b>COMMUNITY BLOCK GRANT</b>				
CASH RECEIPTS	1,002,500	1,002,500	2,500	(1,000,000)
CASH DISBURSEMENTS	1,002,500	1,002,500	2,500	1,000,000
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	0	0
<b>KENO LOTTERY</b>				
CASH RECEIPTS	94,817	94,817	93,385	(1,432)
CASH DISBURSEMENTS	272,000	272,000	121,193	150,807
Net Change in Fund Balance	(177,183)	(177,183)	(27,808)	149,375
Fund Balance, Beginning of Year	177,183	177,183	185,500	8,317
Fund Balance, End of Year	0	0	157,692	157,692
<b>JUVENILE FACILITY</b>				
CASH RECEIPTS	117,000	117,000	56,001	(60,999)
CASH DISBURSEMENTS	217,000	217,000	64,435	152,565
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	100,000	100,000	20,000	(80,000)
Net Change in Fund Balance	0	0	11,566	11,566
Fund Balance, Beginning of Year				
Fund Balance, End of Year	0	0	11,566	11,566



LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2014

SCHEDULE 5  
CONCLUDED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HANDICAPPED ACCESSIBILITY</b>				
CASH RECEIPTS	100,565	100,565	0	(100,565)
CASH DISBURSEMENTS	187,000	187,000	0	187,000
Net Change in Fund Balance	(86,435)	(86,435)	0	86,435
Fund Balance, Beginning of Year	86,435	86,435	86,435	
Fund Balance, End of Year	0	0	86,435	86,435
<b>COURTHOUSE BUILDING</b>				
CASH RECEIPTS	1,168,389	1,168,389	951,751	(216,638)
CASH DISBURSEMENTS	1,700,000	1,700,000	932,565	767,435
Net Change in Fund Balance	(531,611)	(531,611)	19,186	550,797
Fund Balance, Beginning of Year	533,611	533,611	533,611	
Fund Balance, End of Year	2,000	2,000	552,797	550,797
<b>JAIL BUILDING</b>				
CASH RECEIPTS	600	600	483	(117)
CASH DISBURSEMENTS	636,470	636,470	149,096	487,374
Net Change in Fund Balance	(635,870)	(635,870)	(148,613)	487,257
Fund Balance, Beginning of Year	635,870	635,870	635,870	
Fund Balance, End of Year	0	0	487,257	487,257

**LINCOLN COUNTY, NEBRASKA**  
**SCHEDULE OF OFFICE ACTIVITIES**  
**For The Year Ended June 30, 2014**

**SCHEDULE 6**

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>
Balance July 1, 2013	1,866	38,987	169,445	26,220	6,127
Receipts					
Licenses and Permits	4,035			20,135	
Charges for Services	3,503	253,457	74,227	191,910	33,970
Miscellaneous			825	102,431	
State Fees		241,600	65,186		
Inmate Account				938,406	
Other Liabilities			1,644,640	134,754	21,194
Total Receipts	<u>7,538</u>	<u>495,057</u>	<u>1,784,878</u>	<u>1,387,636</u>	<u>55,164</u>
Disbursements					
Payments to County Treasurer	7,496	253,317	74,456	431,894	34,941
Payments to State Treasurer		233,668	65,426		
Inmate Account				926,717	
Other Liabilities			1,623,926	11,261	21,911
Total Disbursements	<u>7,496</u>	<u>486,985</u>	<u>1,763,808</u>	<u>1,369,872</u>	<u>56,852</u>
Balance June 30, 2014	<u><u>1,908</u></u>	<u><u>47,059</u></u>	<u><u>190,515</u></u>	<u><u>43,984</u></u>	<u><u>4,439</u></u>
BALANCE CONSISTS OF:					
Due to County Treasurer	908	21,181	4,923	25,562	3,147
Due to State Treasurer		25,878	5,278		
Petty Cash	1,000			2,000	799
Drug Fund					484
Inmate Account				16,121	
Due to Others			180,314	301	9
Balance June 30, 2014	<u><u>1,908</u></u>	<u><u>47,059</u></u>	<u><u>190,515</u></u>	<u><u>43,984</u></u>	<u><u>4,439</u></u>

**LINCOLN COUNTY, NEBRASKA**  
**SCHEDULE OF OFFICE ACTIVITIES**  
**For The Year Ended June 30, 2014**

**SCHEDULE 6  
CONCLUDED**

	Noxious Weed	Veteran's Service Officer	County Assessor	Total
Balance July 1, 2013	42,178	4,560	207	289,590
Receipts				
Licenses and Permits				24,170
Charges for Services	205,640		888	763,595
Miscellaneous		1		103,257
State Fees				306,786
Inmate Account				938,406
Other Liabilities				1,800,588
Total Receipts	205,640	1	888	3,936,802
Disbursements				
Payments to County Treasurer	165,348		926	968,378
Payments to State Treasurer				299,094
Inmate Account				926,717
Other Liabilities		1,232		1,658,330
Total Disbursements	165,348	1,232	926	3,852,519
Balance June 30, 2014	82,470	3,329	169	373,873
BALANCE CONSISTS OF:				
Due to County Treasurer	82,470		169	138,360
Due to State Treasurer				31,156
Petty Cash				3,799
Drug Fund				484
Inmate Account				16,121
Due to Others		3,329		183,953
Balance June 30, 2014	82,470	3,329	169	373,873

**DONALD D. WILSON**  
**Certified Public Accountant**

*Member American Institute Certified Public Accountants*

405 Pawnee Drive  
McCook, Nebraska 69001

Phone (308) 345-3070

Cell (308) 340-5837

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

County Board of Commissioners  
Lincoln County  
North Platte, Nebraska 69101

Board Members:

I have audited, in accordance with the 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 Lincoln County, Nebraska, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Lincoln County, Nebraska financial statements, and have issued my report thereon dated October 17, 2014. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

**Internal Control Over Financial Reporting**

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control that I consider to be significant deficiencies. I consider the following deficiency to be a significant deficiency:

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*

Page 2

The County offices had a lack of segregation of duties since 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.

Management Response: Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Also, I consider deficiencies 2014-1 and 2014-2, as described in the accompanying schedule of findings and responses to be significant deficiencies.

**Compliance and Other Matters**

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

**Response to Findings**

Lincoln County, Nebraska management response to the findings identified in my audit is described above, and in the accompanying schedule of findings and responses. Lincoln County, Nebraska responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly I express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donald D. Wilson, CPA  
McCook, Nebraska

October 17, 2014

**LINCOLN COUNTY, NEBRASKA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2014**

2014-1 Noxious Weed Department Accounts Receivable Not Correct:

Good Internal Control requires that accounts receivable records be reviewed at least monthly to ensure accuracy.

During my review of the noxious weed department's billings, payments, and unpaid invoices, I noted the following errors:

- 20 accounts totaling \$16,621, marked as unpaid on the "Open Invoice Report," were actually paid. When the payments are received, they were not recorded.
- One spraying work-ticket for \$1,340 was not invoiced. This resulted in a loss of revenue.
- One payment for \$390 was recorded twice, resulting in an incorrect credit balance for that customer.

I recommend that all payments be recorded upon receipt, all spraying work-tickets be reviewed to ensure that all work is invoiced, and the unpaid invoice report be reviewed at least monthly to ensure accuracy.

Commissioners Response:

*The Lincoln County Board of Commissioners is now in the process of filling the position of Noxious Weed Superintendent due to a vacancy. An interim superintendent has been named to handle the day to day operations of the facility at this time. The new Noxious Weed Superintendent will be trained in accounts receivable and will be responsible to sure all invoices, billings and receipts are recorded timely and appropriately. The Lincoln County Noxious Weed Board members will be issued a report of accounts receivable at each meeting of the board and will review these items for accuracy.*

2014-2 Hours Worked not Substantiated with Timesheets:

Good Internal Control requires timesheets to substantiate hours worked.

During my review of timesheets, I noted some timesheets did not include total hours worked, and some employees were paid with no documentation of hours worked.

In order to improve accountability and to enforce the requirement for substantiation of hours worked, I recommend that all timesheets be filed with the County Clerk.

Commissioners Response:

*The Lincoln County Board of Commissioners will direct all departments that have access to a time clock to use them starting immediately. Timesheets/cards will be turned into the County Clerk's Office monthly beginning in January 2015. After payroll conversion plan is complete in December, 2015 all timesheets/cards will be turned in with the Payroll Claim Form.*