

**AUDIT REPORT  
OF  
LINCOLN COUNTY, NEBRASKA**

**Year Ended June 30, 2015**

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

**AUDIT REPORT  
OF  
LINCOLN COUNTY, NEBRASKA  
Year Ended June 30, 2015**

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**AUDIT REPORT  
OF  
LINCOLN COUNTY, NEBRASKA  
Year Ended June 30, 2015**

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**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, 2015, 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, 2015, 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.

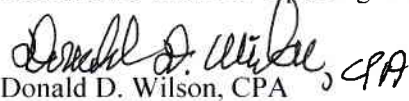
**Report on Supplementary Information**

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 19, 2015 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 19, 2015

**LINCOLN COUNTY, NEBRASKA**  
**STATEMENT OF NET POSITION - CASH BASIS**

**June 30, 2015**

**EXHIBIT A**

PRIMARY  
GOVERNMENT

GOVERNMENTAL  
ACTIVITIES

**ASSETS**

Pooled Cash and Cash Equivalents	8,557,796
Designated Investments	<u>3,512,474</u>
Total Assets	<u>12,070,270</u>

**NET POSITION**

Restricted for:	
Jail Bond	1,903,926
Visitor's Promotion/Improvement	860,417
Bridge/Road Projects	545,207
Veteran's Aid	43,688
Keno Lottery	62,677
Federal Forfeitures	32,829
Child Support	191,823
Register of Deeds P&M	10,716
Unrestricted	<u>8,418,987</u>
Total Net Position	<u><u>12,070,270</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, 2015**

**Exhibit B**

		Program Cash Receipts		Net (Disbursements) Receipt and Changes in Net Assets
	Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	7,593,490	1,595,522	366,615	(5,631,353)
Public Safety	4,680,606	574,328	217,445	(3,888,833)
Public Works	5,548,279	190,061	336,216	(5,022,002)
Public Health	60,600			(60,600)
Public Assistance	375,375	2,700	33,746	(338,929)
Culture and Recreation	1,283,435		16,744	(1,266,691)
Capital Outlay	253,061			(253,061)
Debt Service	1,116,570			(1,116,570)
<b>Total Governmental Activities</b>	<b>20,911,416</b>	<b>2,362,611</b>	<b>970,766</b>	<b>(17,578,039)</b>
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				9,564,609
Property taxes, levied for public works				39,892
Property taxes, levied for public assistance				20,309
Property taxes, levied for capital outlay				1,120,833
Property taxes, levied for debt service				1,374,829
Motor Vehicle Tax				1,277,553
Intergovernmental				4,557,503
Inheritance Tax				1,300,800
Interest				28,840
Miscellaneous				107,091
				<b>19,392,259</b>
Changes in Net Position				1,814,220
Net position - Beginning of Year				10,256,050
Net position - End of Year				<b>12,070,270</b>

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

LINCOLN COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS  
GOVERNMENTAL FUNDS

June 30, 2015

EXHIBIT C

	General	Road	Inheritance Tax	Jail Bond	Courthouse Building	Other Governmental Funds	Total
<b>ASSETS</b>							
Equity in Pooled Cash and Cash Equivalents	2,603,751	732,366	3,121,402	18,381	12,536	2,069,360	8,557,796
Designated Investments				1,885,545	1,422,325	204,604	3,512,474
Total Assets	<u>2,603,751</u>	<u>732,366</u>	<u>3,121,402</u>	<u>1,903,926</u>	<u>1,434,861</u>	<u>2,273,964</u>	<u>12,070,270</u>
<b>FUND BALANCES:</b>							
Restricted				1,903,926		1,747,357	3,651,283
Assigned		732,366	3,121,402		1,434,861	526,607	5,815,236
Unassigned	2,603,751						2,603,751
Total Fund Balances	<u>2,603,751</u>	<u>732,366</u>	<u>3,121,402</u>	<u>1,903,926</u>	<u>1,434,861</u>	<u>2,273,964</u>	<u>12,070,270</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, 2015

EXHIBIT D

	General	Special Revenue Road	Inheritance Tax	Debt Service Jail Bond	Capital Project Courthouse Building	NonMajor Governmental Funds	Total Governmental Funds
<b>CASH RECEIPTS</b>							
Property Taxes	9,444,284			1,374,829	1,120,833	180,526	12,120,472
Motor Vehicle Tax	1,277,553						1,277,553
Federal Grants	391,212	73,056				71,619	535,887
Intergovernmental	291,327	3,125,367		17,786	13,501	1,544,401	4,992,382
Inheritance Tax			1,300,800				1,300,800
Charges for Services	2,216,749	34,075				111,787	2,362,611
Interest	26,696			925	791	428	28,840
Miscellaneous	62,678	11,609				32,804	107,091
<b>Total Cash Receipts</b>	<b>13,710,499</b>	<b>3,244,107</b>	<b>1,300,800</b>	<b>1,393,540</b>	<b>1,135,125</b>	<b>1,941,565</b>	<b>22,725,636</b>
<b>CASH DISBURSEMENTS</b>							
General Government	7,359,296		25,271	800		208,123	7,593,490
Public Safety	4,568,725					111,881	4,680,606
Public Works	234,146	4,769,585	328,100			216,448	5,548,279
Public Health	60,600						60,600
Public Assistance	345,179					30,196	375,375
Culture and Recreation	43,064					1,240,371	1,283,435
Capital Outlay					253,061		253,061
Debt Service							
Principal Retirement				780,000			780,000
Interest				336,570			336,570
<b>Total Cash Disbursements</b>	<b>12,611,010</b>	<b>4,769,585</b>	<b>353,371</b>	<b>1,117,370</b>	<b>253,061</b>	<b>1,807,019</b>	<b>20,911,416</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	1,099,489	(1,525,478)	947,429	276,170	882,064	134,546	1,814,220
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	39,752	2,061,100	130,000	457,584		233,238	2,921,674
Transfers (Out)	(1,281,100)	(130,000)	(780,000)			(730,574)	(2,921,674)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,241,348)</b>	<b>1,931,100</b>	<b>(650,000)</b>	<b>457,584</b>	<b>0</b>	<b>(497,336)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(141,859)</b>	<b>405,622</b>	<b>297,429</b>	<b>733,754</b>	<b>882,064</b>	<b>(362,790)</b>	<b>1,814,220</b>
Fund Balances, Beginning of Year	2,745,610	326,744	2,823,973	1,170,172	552,797	2,636,754	10,256,050
Fund Balances, End of Year	2,603,751	732,366	3,121,402	1,903,926	1,434,861	2,273,964	12,070,270

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, 2015

EXHIBIT E

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	4,495,178	73,218,024	73,379,810	4,333,392
Total Assets	<u>4,495,178</u>	<u>73,218,024</u>	<u>73,379,810</u>	<u>4,333,392</u>
<b>LIABILITIES</b>				
State	664,476	7,913,335	7,877,946	699,865
Schools	2,907,953	45,489,633	45,290,465	3,107,121
Educational Service Units	5,491	580,380	578,774	7,097
Community College	31,655	3,240,571	3,233,311	38,915
Natural Resource Districts	51,168	4,818,819	4,827,717	42,270
Cemetery Districts	31,510	95,952	93,442	34,020
Fire Districts	5,497	861,345	860,154	6,688
Hospital Districts	12,620	49,751	61,478	893
Drainage Districts	6,993	15,150	16,121	6,022
Irrigation Districts	9,455	307,071	211,928	104,598
Municipalities	151,932	8,135,612	8,118,241	169,303
Agricultural Society	2,800	285,543	284,904	3,439
Airport Authority	12,449	879,068	875,466	16,051
Partial Payments	9,835	10,151	6,638	13,348
Tentative Inheritance Tax	108,191	117,563	214,657	11,097
Tax Increment Financing	483,153	221,310	702,592	1,871
Clearinghouse	0	196,770	125,976	70,794
Total Liabilities	<u>4,495,178</u>	<u>73,218,024</u>	<u>73,379,810</u>	<u>4,333,392</u>
<b>NET POSITION</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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, 2015**

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 5 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 \$3,651,283 as of June 30, 2015.

*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, 2015

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.

Courthouse Building (Capital Project):

The Courthouse Building Fund is used to account for taxes levied and collected for the repairing of courthouse facilities.

LINCOLN COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
For the Year Ended June 30, 2015

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, 2015

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 position. 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, 2014 for 2014 taxes which will be materially collected in May and September, 2015, was set at \$.309748/\$100 of assessed valuation. Assessed valuation for Lincoln County for the 2014 tax levy was \$3,951,696,393. 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, 2015. 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, 2015

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 \$51,521 invested with NPAIT as of June 30, 2015. 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, 2015 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 LOANS AND TRANSFERS:

The details of interfund loans between funds as of June 30, 2015 were as follows:

<u>Due To:</u>	<u>Due From:</u>	<u>Amount:</u>
Inheritance Tax	Road	198,100

The loan, for road equipment paid from the Inheritance Tax, will be paid back by annual payments of \$130,000 from the Road Fund.

The details of the interfund transfers and loan for the year ended June 30, 2015 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Road	General	1,281,100
Road	Inheritance Tax	780,000
Inheritance Tax	Road	130,000
Visitor's Promotion	Visitor's Improvement	233,238
General	Institutions	39,752
Jail Bond	Jail Building	457,584

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. The transfers from Institutions and Jail Building closed those respective funds.

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

**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. 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, 2015, 2014, and 2013 were \$508,129, \$511,587, and \$491,952, respectively. Prior service benefit paid was \$3,062, \$3,404, and \$3,722, 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, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
<b><u>Bonds:</u></b>				
Jail Bond	14,130,000	_____	780,000	13,350,000

A summary of the annual requirements to service the bonds as of June 30, 2015, are as follows:



**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

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

Year Ended	2012 Jail Bond Series			2011 Jail Bond Series		
	Principal	Interest	Total	Principal	Interest	Total
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	<u>600,000</u>	<u>9,158</u>	<u>609,158</u>	<u>445,000</u>	<u>8,900</u>	<u>453,900</u>
<b>Total</b>	<u><b>8,000,000</b></u>	<u><b>1,573,738</b></u>	<u><b>9,573,738</b></u>	<u><b>5,350,000</b></u>	<u><b>1,501,832</b></u>	<u><b>6,851,832</b></u>

The ratio of the commitments to assessed valuation was .34% as of June 30, 2015.

**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.

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONCLUDED**

**For the Year Ended June 30, 2015**

**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, 2015.

**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, 2015.

**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.

**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 \$173,121 toward the operation of Region II during fiscal year 2015. 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, 2015

EXHIBIT F

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>CASH RECEIPTS:</b>				
Taxes	10,244,985	10,244,985	10,721,837	476,852
Federal	636,450	636,450	391,212	(245,238)
State	211,700	211,700	258,956	47,256
Local	2,014,761	2,014,761	2,338,494	323,733
Total Cash Receipts	13,107,896	13,107,896	13,710,499	602,603
<b>CASH DISBURSEMENTS:</b>				
General Government:				
Board of Commissioners	118,350	118,350	112,308	6,042
Clerk	286,445	286,445	262,306	24,139
Treasurer	436,520	436,520	407,297	29,223
Register of Deeds	161,510	161,510	152,423	9,087
Assessor	508,320	508,320	486,878	21,442
Planning Commission	34,930	34,930	31,955	2,975
Data Processing	139,407	139,407	104,093	35,314
Adv., Insurance and Bonds	2,088,000	2,088,000	2,087,913	87
Federal Payroll Tax	434,000	434,000	415,336	18,664
Clerk of the District Court	291,335	291,335	270,164	21,171
County Court System	44,800	44,800	44,410	390
District Court	57,500	57,500	54,153	3,347
Child Support	271,600	271,600	234,977	36,623
Public Defender	394,615	394,615	376,309	18,306
Building and Grounds	376,000	376,000	375,804	196
Jail Building and Grounds	135,000	135,000	134,719	281
Extension Office	154,485	154,485	154,484	1
Photostat Department	66,530	66,530	57,693	8,837
Retirement	419,000	419,000	397,669	21,331
Unemployment	20,000	20,000	2,027	17,973
PBX	156,050	156,050	118,248	37,802
Miscellaneous	1,096,625	1,096,625	1,078,130	18,495
Total General Government	7,691,022	7,691,022	7,359,296	331,726
Public Safety:				
Sheriff	1,928,000	1,928,000	1,871,819	56,181
Attorney	573,655	573,655	554,198	19,457
Merit Commission	1,250	1,250	53	1,197
Jail	1,790,600	1,790,600	1,738,831	51,769
Probation Office	108,500	108,500	108,500	0
Emergency Management	177,785	177,785	105,733	72,052
Dive & Rescue Team	18,700	18,700	14,857	3,843
Grant Funds	250,000	250,000	8,880	241,120
Miscellaneous	178,849	178,849	165,854	12,995
Total Public Safety	5,027,339	5,027,339	4,568,725	458,614
Public Works:				
Surveyor	72,250	72,250	46,959	25,291
Noxious Weed	393,050	393,050	166,391	226,659
Miscellaneous	20,796	20,796	20,796	0
Total Public Works	486,096	486,096	234,146	251,950

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, 2015

EXHIBIT F  
CONCLUDED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH DISBURSEMENTS, CONCLUDED:				
Public Health:				
Miscellaneous	60,601	60,601	60,600	1
Total Public Health	60,601	60,601	60,600	1
Public Assistance:				
Relief	152,300	152,300	133,867	18,433
Institutions	135,500	135,500	129,204	6,296
Veteran's Service Officer	70,740	70,740	66,424	4,316
Miscellaneous	15,684	15,684	15,684	0
Total Public Assistance	374,224	374,224	345,179	29,045
Culture and Recreation:				
Miscellaneous	43,064	43,064	43,064	0
Total Culture and Recreation	43,064	43,064	43,064	0
Total Cash Disbursements	13,682,346	13,682,346	12,611,010	1,071,336
Excess of Cash Receipts Over (Under) Cash Disbursements	(574,450)	(574,450)	1,099,489	1,673,939
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	215,280	215,280	39,752	(175,528)
Operating Transfers (Out)	(1,281,100)	(1,281,100)	(1,281,100)	
Total Other Financing Sources (Uses)	(1,065,820)	(1,065,820)	(1,241,348)	(175,528)
Net Change in Fund Balance	(1,640,270)	(1,640,270)	(141,859)	1,498,411
Fund Balance, Beginning of Year	2,765,270	2,765,270	2,745,610	(19,660)
Fund Balance, End of Year	1,125,000	1,125,000	2,603,751	1,478,751

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, 2015

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	15,000	15,000	73,056	58,056
State	3,015,849	3,015,849	3,125,260	109,411
Local	4,107	4,107	45,791	41,684
Total Cash Receipts	<u>3,034,956</u>	<u>3,034,956</u>	<u>3,244,107</u>	<u>209,151</u>
CASH DISBURSEMENTS:				
Public Works:				
Road Department	5,222,800	5,222,800	4,769,585	453,215
Total Cash Disbursements	<u>5,222,800</u>	<u>5,222,800</u>	<u>4,769,585</u>	<u>453,215</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(2,187,844)</u>	<u>(2,187,844)</u>	<u>(1,525,478)</u>	<u>662,366</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,061,100	2,061,100	2,061,100	0
Operating Transfers (Out)			(130,000)	(130,000)
Total Other Financing Sources (Uses)	<u>2,061,100</u>	<u>2,061,100</u>	<u>1,931,100</u>	<u>(130,000)</u>
Net Change in Fund Balance	(126,744)	(126,744)	405,622	532,366
Fund Balance, Beginning of Year	<u>326,744</u>	<u>326,744</u>	<u>326,744</u>	<u>0</u>
Fund Balance, End of Year	<u>200,000</u>	<u>200,000</u>	<u>732,366</u>	<u>532,366</u>

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, 2015

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	6,027	6,027	1,300,800	1,294,773
Total Cash Receipts	6,027	6,027	1,300,800	1,294,773
CASH DISBURSEMENTS:				
General Government	554,000	554,000	25,271	528,729
Public Works	490,000	490,000	328,100	161,900
Total Cash Disbursements	1,044,000	1,044,000	353,371	690,629
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,037,973)	(1,037,973)	947,429	1,985,402
OTHER FINANCING SOURCES (USES)				
Operating Transfers In			130,000	130,000
Operating Transfers (Out)	(1,076,000)	(1,076,000)	(780,000)	296,000
Total Other Financing Sources (Uses)	(1,076,000)	(1,076,000)	(650,000)	426,000
Net Change in Fund Balance	(2,113,973)	(2,113,973)	297,429	2,411,402
Fund Balance, Beginning of Year	2,823,973	2,823,973	2,823,973	0
Fund Balance, End of Year	710,000	710,000	3,121,402	2,411,402

See Accompanying Notes to Budgetary Reporting

**LINCOLN COUNTY, NEBRASKA**

**NOTES TO SUPPLEMENTARY INFORMATION  
BUDGETARY REPORTING**

**For the Year Ended June 30, 2015**

**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.

**NOTE 3: EXCESS OF EXPENDITURES OVER BUDGETED APPROPRIATIONS:**

The Institutions exceeded the budget appropriation by \$20,471.

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

June 30, 2015

**SCHEDULE 1**

	Highway Buyback	Special Road	Child Support Incentive	Visitor's Promotion	Visitor's Improvement
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	545,207	315,766	191,823	103,152	757,265
Designated Investments					
Total Assets	<u>545,207</u>	<u>315,766</u>	<u>191,823</u>	<u>103,152</u>	<u>757,265</u>
<b>FUND BALANCES:</b>					
Restricted	545,207		191,823	103,152	757,265
Assigned		315,766			
Total Fund Balances	<u>545,207</u>	<u>315,766</u>	<u>191,823</u>	<u>103,152</u>	<u>757,265</u>

	Register of Deeds P&M	Self Funded Insurance	Veteran's Aid	Drug Law Enforcement	Federal Forfeitures
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	10,716	1,551		897	32,829
Designated Investments		104,358	43,688		
Total Assets	<u>10,716</u>	<u>105,909</u>	<u>43,688</u>	<u>897</u>	<u>32,829</u>
<b>FUND BALANCES:</b>					
Restricted	10,716		43,688		32,829
Assigned		105,909		897	
Total Fund Balances	<u>10,716</u>	<u>105,909</u>	<u>43,688</u>	<u>897</u>	<u>32,829</u>

	Victims Assistance	Keno Lottery	Juvenile Facility	Handicapped Accessibility	Total Nonmajor Special Revenue Funds (Exhibit C)
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	12,574	6,119	5,026	86,435	2,069,360
Designated Investments		56,558			204,604
Total Assets	<u>12,574</u>	<u>62,677</u>	<u>5,026</u>	<u>86,435</u>	<u>2,273,964</u>
<b>FUND BALANCES:</b>					
Restricted		62,677			1,747,357
Assigned	12,574		5,026	86,435	526,607
Total Fund Balances	<u>12,574</u>	<u>62,677</u>	<u>5,026</u>	<u>86,435</u>	<u>2,273,964</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, 2015

SCHEDULE 2

	Special Revenue Funds (Schedule 3)	Capital Project Jail Building	Total Nonmajor Governmental Funds (Exhibit D)
<b>CASH RECEIPTS</b>			
Property Taxes	180,526		180,526
Federal Grants	71,619		71,619
Intergovernmental	1,544,401		1,544,401
Charges for Services	111,787		111,787
Interest	39	389	428
Miscellaneous	32,804		32,804
Total Cash Receipts	<u>1,941,176</u>	<u>389</u>	<u>1,941,565</u>
<b>CASH DISBURSEMENTS</b>			
General Government	178,061	30,062	208,123
Public Safety	111,881		111,881
Public Works	216,448		216,448
Public Assistance	30,196		30,196
Culture and Recreation	1,240,371		1,240,371
Total Cash Disbursements	<u>1,776,957</u>	<u>30,062</u>	<u>1,807,019</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>164,219</u>	<u>(29,673)</u>	<u>134,546</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	233,238		233,238
Transfers Out	<u>(272,990)</u>	<u>(457,584)</u>	<u>(730,574)</u>
Total Other Financing Sources (Uses)	<u>(39,752)</u>	<u>(457,584)</u>	<u>(497,336)</u>
Net Change in Fund Balances	124,467	(487,257)	(362,790)
Fund Balances, Beginning of Year	<u>2,149,497</u>	<u>487,257</u>	<u>2,636,754</u>
Fund Balances, End of Year	<u><u>2,273,964</u></u>	<u><u>0</u></u>	<u><u>2,273,964</u></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, 2015

SCHEDULE 3

	Highway Buyback	Special Road	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M
<b>CASH RECEIPTS</b>						
Property Taxes		39,892				
Federal Grants			39,881			
Intergovernmental Charges for Services	284,763	247,657		465,155	448,411	24,534
Interest						
Miscellaneous				32,804		
<b>Total Cash Receipts</b>	<b>284,763</b>	<b>287,549</b>	<b>39,881</b>	<b>497,959</b>	<b>448,411</b>	<b>24,534</b>
<b>CASH DISBURSEMENTS</b>						
General Government			30,381			33,057
Public Safety						
Public Works		34,153				
Public Assistance						
Culture and Recreation				763,671	476,700	
<b>Total Cash Disbursements</b>	<b>0</b>	<b>34,153</b>	<b>30,381</b>	<b>763,671</b>	<b>476,700</b>	<b>33,057</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	284,763	253,396	9,500	(265,712)	(28,289)	(8,523)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In				233,238		
Transfers (Out)					(233,238)	
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>233,238</b>	<b>(233,238)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>284,763</b>	<b>253,396</b>	<b>9,500</b>	<b>(32,474)</b>	<b>(261,527)</b>	<b>(8,523)</b>
Fund Balances, Beginning of Year	260,444	62,370	182,323	135,626	1,018,792	19,239
<b>Fund Balances, End of Year</b>	<b>545,207</b>	<b>315,766</b>	<b>191,823</b>	<b>103,152</b>	<b>757,265</b>	<b>10,716</b>

**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, 2015

**SCHEDULE 3**  
**CONTINUED**

	Self Funded Insurance	Institutions	Veteran's Aid	Drug Law Enforcement	Federal Forfeitures	Victims Assistance
<b>CASH RECEIPTS</b>						
Property Taxes	120,325	20,309				
Federal Grants					2,727	29,011
Intergovernmental Charges for Services	1,533	162				
Interest	8		4			
Miscellaneous						
<b>Total Cash Receipts</b>	<u>121,866</u>	<u>20,471</u>	<u>4</u>	<u>0</u>	<u>2,727</u>	<u>29,011</u>
<b>CASH DISBURSEMENTS</b>						
General Government	114,623					
Public Safety					8,621	
Public Works						
Public Assistance						30,196
Culture and Recreation						
<b>Total Cash Disbursements</b>	<u>114,623</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,621</u>	<u>30,196</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>7,243</u>	<u>20,471</u>	<u>4</u>	<u>0</u>	<u>(5,894)</u>	<u>(1,185)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In						
Transfers (Out)		(39,752)				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(39,752)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>7,243</u>	<u>(19,281)</u>	<u>4</u>	<u>0</u>	<u>(5,894)</u>	<u>(1,185)</u>
Fund Balances, Beginning of Year	<u>98,666</u>	<u>19,281</u>	<u>43,684</u>	<u>897</u>	<u>38,723</u>	<u>13,759</u>
Fund Balances, End of Year	<u>105,909</u>	<u>0</u>	<u>43,688</u>	<u>897</u>	<u>32,829</u>	<u>12,574</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, 2015

**SCHEDULE 3**  
**CONCLUDED**

	Keno Lottery	Juvenile Facility	Handicapped Accessibility	Total Nonmajor Special Revenue Funds (Schedule 2)
<b>CASH RECEIPTS</b>				
Property Taxes				180,526
Federal Grants				71,619
Intergovernmental		96,720		1,544,401
Charges for Services	87,253			111,787
Interest	27			39
Miscellaneous				32,804
Total Cash Receipts	87,280	96,720	0	1,941,176
<b>CASH DISBURSEMENTS</b>				
General Government				178,061
Public Safety		103,260		111,881
Public Works	182,295			216,448
Public Assistance				30,196
Culture and Recreation				1,240,371
Total Cash Disbursements	182,295	103,260	0	1,776,957
Excess of Cash Receipts Over (Under) Cash Disbursements	(95,015)	(6,540)	0	164,219
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				233,238
Transfers (Out)				(272,990)
Total Other Financing Sources (Uses)	0	0	0	(39,752)
Net Change in Fund Balances	(95,015)	(6,540)	0	124,467
Fund Balances, Beginning of Year	157,692	11,566	86,435	2,149,497
Fund Balances, End of Year	62,677	5,026	86,435	2,273,964

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, 2015

SCHEDULE 4

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HIGHWAY BUYBACK</b>				
CASH RECEIPTS	284,077	284,077	284,763	686
CASH DISBURSEMENTS	544,521	544,521	0	544,521
Net Change in Fund Balance	(260,444)	(260,444)	284,763	545,207
Fund Balance, Beginning of Year	260,444	260,444	260,444	
Fund Balance, End of Year	0	0	545,207	545,207
<b>SPECIAL ROAD</b>				
CASH RECEIPTS	499,664	499,664	287,549	(212,115)
CASH DISBURSEMENTS	562,034	562,034	34,153	527,881
Net Change in Fund Balance	(62,370)	(62,370)	253,396	315,766
Fund Balance, Beginning of Year	62,370	62,370	62,370	
Fund Balance, End of Year	0	0	315,766	315,766
<b>CHILD SUPPORT INCENTIVE</b>				
CASH RECEIPTS	117,677	117,677	39,881	(77,796)
CASH DISBURSEMENTS	300,000	300,000	30,381	269,619
Net Change in Fund Balance	(182,323)	(182,323)	9,500	191,823
Fund Balance, Beginning of Year	182,323	182,323	182,323	
Fund Balance, End of Year	0	0	191,823	191,823
<b>VISITOR'S PROMOTION</b>				
CASH RECEIPTS	421,765	421,765	497,959	76,194
CASH DISBURSEMENTS	847,455	847,455	763,671	83,784
OTHER FINANCING SOURCES Operating Transfers In	317,064	317,064	233,238	(83,826)
Net Change in Fund Balance	(108,626)	(108,626)	(32,474)	76,152
Fund Balance, Beginning of Year	135,626	135,626	135,626	
Fund Balance, End of Year	27,000	27,000	103,152	76,152
<b>VISITOR'S IMPROVEMENT</b>				
CASH RECEIPTS	420,000	420,000	448,411	28,411
CASH DISBURSEMENTS	1,101,728	1,101,728	476,700	625,028
OTHER FINANCING (Uses): Operating Transfers (Out)	(317,064)	(317,064)	(233,238)	83,826
Net Change in Fund Balance	(998,792)	(998,792)	(261,527)	737,265
Fund Balance, Beginning of Year	1,018,792	1,018,792	1,018,792	
Fund Balance, End of Year	20,000	20,000	757,265	737,265

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REGISTER OF DEEDS P&amp;M</b>				
CASH RECEIPTS	25,000	25,000	24,534	(466)
CASH DISBURSEMENTS	44,239	44,239	33,057	11,182
Net Change in Fund Balance	(19,239)	(19,239)	(8,523)	10,716
Fund Balance, Beginning of Year	19,239	19,239	19,239	
Fund Balance, End of Year	0	0	10,716	10,716
<b>SELF FUNDED INSURANCE</b>				
CASH RECEIPTS	123,834	123,834	121,866	(1,968)
CASH DISBURSEMENTS	222,500	222,500	114,623	107,877
Net Change in Fund Balance	(98,666)	(98,666)	7,243	105,909
Fund Balance, Beginning of Year	98,666	98,666	98,666	
Fund Balance, End of Year	0	0	105,909	105,909
<b>INSTITUTIONS</b>				
CASH RECEIPTS			20,471	20,471
CASH DISBURSEMENTS			0	0
OTHER FINANCING SOURCES				
Operating Transfers In	(19,281)	(19,281)	(39,752)	(20,471)
Net Change in Fund Balance	(19,281)	(19,281)	(19,281)	0
Fund Balance, Beginning of Year	19,281	19,281	19,281	
Fund Balance, End of Year	0	0	0	0
<b>VETERAN'S AID</b>				
CASH RECEIPTS	0	0	4	4
CASH DISBURSEMENTS	43,684	43,684	0	43,684
Net Change in Fund Balance	(43,684)	(43,684)	4	43,688
Fund Balance, Beginning of Year	43,684	43,684	43,684	
Fund Balance, End of Year	0	0	43,688	43,688
<b>DRUG LAW ENFORCEMENT</b>				
CASH RECEIPTS	155,203	155,203	0	(155,203)
CASH DISBURSEMENTS	150,000	150,000	0	150,000
Net Change in Fund Balance	5,203	5,203	0	(5,203)
Fund Balance, Beginning of Year	897	897	897	
Fund Balance, End of Year	6,100	6,100	897	(5,203)

SCHEDULE 4  
CONTINUED

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, 2015

SCHEDULE 4  
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>FEDERAL FORFEITURES</b>				
CASH RECEIPTS	161,277	161,277	2,727	(158,550)
CASH DISBURSEMENTS	200,000	200,000	8,621	191,379
Net Change in Fund Balance	(38,723)	(38,723)	(5,894)	32,829
Fund Balance, Beginning of Year	38,723	38,723	38,723	
Fund Balance, End of Year	0	0	32,829	32,829
<b>VICTIMS ASSISTANCE</b>				
CASH RECEIPTS	42,091	42,091	29,011	(13,080)
CASH DISBURSEMENTS	48,350	48,350	30,196	18,154
Net Change in Fund Balance	(6,259)	(6,259)	(1,185)	5,074
Fund Balance, Beginning of Year	13,759	13,759	13,759	
Fund Balance, End of Year	7,500	7,500	12,574	5,074
<b>KENO LOTTERY</b>				
CASH RECEIPTS	65,008	65,008	87,280	22,272
CASH DISBURSEMENTS	222,700	222,700	182,295	40,405
Net Change in Fund Balance	(157,692)	(157,692)	(95,015)	62,677
Fund Balance, Beginning of Year	157,692	157,692	157,692	
Fund Balance, End of Year	0	0	62,677	62,677
<b>JUVENILE FACILITY</b>				
CASH RECEIPTS	117,000	117,000	96,720	(20,280)
CASH DISBURSEMENTS	228,566	228,566	103,260	125,306
OTHER FINANCING SOURCES				
Operating Transfers In	100,000	100,000		(100,000)
Net Change in Fund Balance	(11,566)	(11,566)	(6,540)	5,026
Fund Balance, Beginning of Year	11,566	11,566	11,566	
Fund Balance, End of Year	0	0	5,026	5,026

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, 2015

SCHEDULE 4  
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>JAIL BUILDING</b>				
CASH RECEIPTS	600	600	389	(211)
CASH DISBURSEMENTS	491,037	491,037	30,062	460,975
OTHER FINANCING (Uses): Operating Transfers (Out)			(457,584)	(457,584)
Net Change in Fund Balance	(490,437)	(490,437)	(487,257)	3,180
Fund Balance, Beginning of Year	490,437	490,437	487,257	(3,180)
Fund Balance, End of Year	0	0	0	0



**LINCOLN COUNTY, NEBRASKA**  
**SCHEDULE OF OFFICE ACTIVITIES**  
**For The Year Ended June 30, 2015**

**SCHEDULE 5**

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney
Balance July 1, 2014	1,908	47,059	190,515	43,984	4,439
Receipts					
Licenses and Permits	3,915		18,400	24,755	
Charges for Services	3,303	274,544	72,185	343,845	27,089
Miscellaneous			978	51,341	3,044
State Fees		298,979	57,735		
Inmate Account				776,648	
Other Liabilities			1,602,296	81,733	22,283
Total Receipts	7,218	573,523	1,751,594	1,278,322	52,416
Disbursements					
Payments to County Treasurer	8,270	268,968	90,619	481,523	21,744
Payments to State Treasurer		288,622	58,959		
Inmate Account				770,649	
Other Liabilities			1,558,394	8,177	29,201
Total Disbursements	8,270	557,590	1,707,972	1,260,349	50,945
Balance June 30, 2015	856	62,992	234,137	61,957	5,910
BALANCE CONSISTS OF:					
Due to County Treasurer	856	26,757	5,867	37,836	3,663
Due to State Treasurer		36,235	4,054		
Petty Cash				2,000	1,754
Drug Fund					484
Inmate Account				22,121	
Due to Others			224,216		9
Balance June 30, 2015	856	62,992	234,137	61,957	5,910

**LINCOLN COUNTY, NEBRASKA**  
**SCHEDULE OF OFFICE ACTIVITIES**  
**For The Year Ended June 30, 2015**

**SCHEDULE 5  
CONCLUDED**

	<u>Noxious Weed</u>	<u>Veteran's Service Officer</u>	<u>County Assessor</u>	<u>Total</u>
Balance July 1, 2014	82,470	3,329	169	373,873
Receipts				
Licenses and Permits				47,070
Charges for Services	82,611			803,577
Miscellaneous		1	1,389	56,753
State Fees				356,714
Inmate Account				776,648
Other Liabilities				1,706,312
Total Receipts	<u>82,611</u>	<u>1</u>	<u>1,389</u>	<u>3,747,074</u>
Disbursements				
Payments to County Treasurer	135,190		1,407	1,007,721
Payments to State Treasurer				347,581
Inmate Account				770,649
Other Liabilities		1,588		1,597,360
Total Disbursements	<u>135,190</u>	<u>1,588</u>	<u>1,407</u>	<u>3,723,311</u>
Balance June 30, 2015	<u>29,891</u>	<u>1,742</u>	<u>151</u>	<u>397,636</u>
BALANCE CONSISTS OF:				
Due to County Treasurer	29,891		151	105,021
Due to State Treasurer				40,289
Petty Cash		1,742		5,496
Drug Fund				484
Inmate Account				22,121
Due to Others				224,225
Balance June 30, 2015	<u>29,891</u>	<u>1,742</u>	<u>151</u>	<u>397,636</u>

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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, 2015, and the related notes to the financial statements, which collectively comprise Lincoln County, Nebraska financial statements, and have issued my report thereon dated October 19, 2015. 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 deficiency 2015-1 as described in the accompanying schedule of findings and responses to be a significant deficiency.

**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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2015-2.

**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 19, 2015

**LINCOLN COUNTY, NEBRASKA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2015**

2015-1 Noxious Weed Department Accounts Receivables:

Good Internal Control requires that accounts receivables be followed up on to ensure collection.

During my audit, I noted that the Noxious Weed Department has 24 accounts from 2013-2014 that remain uncollected. The uncollected accounts total \$8,753. Collection procedures should be implemented on these accounts, or when collection is not possible the accounts need to be written off by the County Board of Commissioners.

I recommend that the Noxious Weed Department review the uncollected accounts to determine if collection procedures can be implemented.

Official's Response:

*Lincoln County Noxious Weed Control Department has implemented collection procedures concerning accounts that had not been collected in the amount of \$8,753. Accounts that have not been collected as of May 2016, will be written off by the Lincoln County Board of Commissioners.*

2015-2 Budget Appropriations Exceeded:

State Statute §23-916 states that after the adoption of the county budget, expenditures by an officer or department shall not exceed the adopted budget. The procedures to amend the adopted budget are prescribed in State Statute §13-511.

Expenditures of the Institutions Fund exceeded the adopted budget by \$20,471. When expenditures are made in excess of the County's adopted budget, the County does not comply with State Statute.

I recommend the County Board monitor the expenditures to ensure that budget appropriations are not exceeded.

Official's Response:

*The Institutions Fund was closed out per a Resolution adopted by the Lincoln County Board of Commissioners on August 11, 2014 and was transferred to the General Fund along with all future collections. The intent was to transfer the beginning balance in the Institutions Fund as of July 1, 2014 along with any future collections. Additional revenue was not estimated for the Institutions Fund, so therefore there was not an increase in expenditures. Additional revenue was collected by the County Treasurer prior to the adoption of the Resolution.*