AUDIT REPORT
OF
LINCOLN COUNTY, NEBRASKA

Year Ended June 30, 2017

Donald D. Wilson, Certified Public Accountant
McCook, Nebraska

AUDIT REPORT
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Year Ended June 30, 2017

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DONALD D. WILSON
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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 cash basis 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, 2017, 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 the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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.

Opinions

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, 2017, 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.

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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The budgetary comparison information, combining and individual nonmajor fund financial statements, schedule of office activity, and the schedule of expenditures of federal awards 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 20, 2017 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

Donald D. Wilson, CPA
McCook, Nebraska

October 20, 2017

LINCOLN COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2017

EXHIBIT A

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
ASSETS	
Pooled Cash and Cash Equivalents	11,908,163
Designated Investments	3,418,737
Total Assets	15,326,900
NET POSITION	
Restricted for:	
Jail Bond	2,256,789
Visitor's Promotion/Improvement	1,076,848
Bridge/Road Projects	1,175,613
Veteran's Aid	43,804
Keno Lottery	204,840
Federal Forfeitures	23,862
Child Support	78,808
Register of Deeds P&M	37,744
Unrestricted	10,428,592
Total Net Position	15,326,900

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, 2017

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	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	7,664,727	1,522,529	395,257		(5,746,941)
Public Safety	5,512,491	721,979	265,226		(4,525,286)
Public Works	5,518,311	69,856			(5,448,455)
Public Health	100,156				(100,156)
Public Assistance	301,756				(301,756)
Culture and Recreation	1,366,017			250,000	(1,116,017)
Capital Outlay	443,118				(443,118)
Debt Service	1,051,072				(1,051,072)
Total Governmental Activities	21,957,648	2,314,364	660,483	250,000	(18,732,801)

General Receipts:	
Taxes:	
Property taxes, levied for general purposes	10,265,737
Property taxes, levied for public works	888,203
Property taxes, levied for capital outlay	397,128
Property taxes, levied for debt service	1,067,847
Motor Vehicle Tax	1,345,213
Intergovernmental	5,316,239
Inheritance Tax	1,012,802
Interest	43,362
Miscellaneous	136,818
Total General Receipts	20,473,349
Changes in Net Position	1,740,548
Net position - Beginning of Year	13,586,352
Net position - End of Year	15,326,900

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

LINCOLN COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2017

EXHIBIT C

	General	Road	Inheritance Tax	Jail Bond	Other Governmental Funds	Total
ASSETS						
Equity in Pooled Cash and Cash Equivalents	3,194,850	1,153,875	3,687,056	16,033	3,856,349	11,908,163
Designated Deposits				2,240,756	1,177,981	3,418,737
Total Assets	3,194,850	1,153,875	3,687,056	2,256,789	5,034,330	15,326,900
FUND BALANCES:						
Restricted				2,256,789	2,641,519	4,898,308
Assigned		1,153,875	3,687,056		2,392,811	7,233,742
Unassigned	3,194,850					3,194,850
Total Fund Balances	3,194,850	1,153,875	3,687,056	2,256,789	5,034,330	15,326,900

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, 2017

EXHIBIT D

		Special Revenue		Debt Service	NonMajor	Total
	General	Road	Inheritance Tax	Jail Bond	Governmental Funds	Governmental Funds
CASH RECEIPTS						
Property Taxes	10,072,444			1,067,847	1,478,624	12,618,915
Motor Vehicle Tax	1,345,213					1,345,213
Federal Grants	826,721				11,654	838,375
Intergovernmental	668,518	3,342,188		8,666	1,368,975	5,388,347
Inheritance Tax			1,012,802			1,012,802
Charges for Services	2,201,185	17,658			95,521	2,314,364
Interest	40,835			1,849	678	43,362
Miscellaneous	84,044	7,275		8,187	37,312	136,818
Total Cash Receipts	15,238,960	3,367,121	1,012,802	1,086,549	2,992,764	23,698,196
CASH DISBURSEMENTS						
General Government	7,430,710		2,094	1,350	230,573	7,664,727
Public Safety	5,430,371				82,120	5,512,491
Public Works	247,287	5,252,905			18,119	5,518,311
Public Health	100,156					100,156
Public Assistance	301,756					301,756
Culture and Recreation	408,732				957,285	1,366,017
Capital Outlay					443,118	443,118
Debt Service						
Principal Retirement				805,000		805,000
Interest				246,072		246,072
Total Cash Disbursements	13,919,012	5,252,905	2,094	1,052,422	1,731,215	21,957,648
Excess of Cash Receipts Over (Under) Cash Disbursements	1,319,948	(1,885,784)	1,010,708	34,127	1,261,549	1,740,548
OTHER FINANCING SOURCES (USES)						
Transfers In	9,590	2,170,000	130,000		310,000	2,619,590
Transfers (Out)	(1,390,000)	(130,000)	(790,000)		(309,590)	(2,619,590)
Total Other Financing Sources (Uses)	(1,380,410)	2,040,000	(660,000)	0	410	0
Net Change in Fund Balances	(60,462)	154,216	350,708	34,127	1,261,959	1,740,548
Fund Balances, Beginning of Year	3,255,312	999,659	3,336,348	2,222,662	3,772,371	13,586,352
Fund Balances, End of Year	3,194,850	1,153,875	3,687,056	2,256,789	5,034,330	15,326,900

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, 2017

EXHIBIT E

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
ASSETS				
Equity in Pooled Cash and Cash Equivalents	4,081,105	79,018,901	78,630,861	4,469,145
Total Assets	4,081,105	79,018,901	78,630,861	4,469,145
LIABILITIES				
State	666,175	7,978,515	7,891,872	752,818
Schools	2,930,838	51,390,086	51,083,464	3,237,460
Educational Service Units	6,026	688,454	687,001	7,479
Community College	31,655	3,591,175	3,583,984	38,846
Natural Resource Districts	31,373	4,418,512	4,407,554	42,331
Cemetery Districts	38,828	83,936	84,368	38,396
Fire Districts	6,335	1,045,649	1,043,318	8,666
Hospital Districts	2,726	50,434	50,227	2,933
Drainage Districts	6,174	14,261	14,008	6,427
Irrigation Districts	120,098	330,405	316,828	133,675
Municipalities	142,231	7,745,762	7,735,650	152,343
Agricultural Society	2,711	481,192	477,623	6,280
Airport Authority	12,511	940,998	938,863	14,646
Partial Payments	12,180	6,676	11,036	7,820
Tentative Inheritance Tax	69,509		69,509	0
Tax Increment Financing	1,735	209,678	211,413	0
Clearinghouse	0	43,168	24,143	19,025
Total Liabilities	4,081,105	79,018,901	78,630,861	4,469,145
NET POSITION	0	0	0	0

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, 2017

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 $4,898,308 as of June 30, 2017.

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.

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.

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.

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 2016 for 2016 taxes which will be materially collected in May and September 2017, was set at $.268850/$100 of assessed valuation. Assessed valuation for Lincoln County for the 2016 tax levy was $4,739,032,877. 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: DEPOSITS AND 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 Deposits". 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, 2017. Lincoln County is a participant in an external investment pool, the Nebraska Public Agency Investment Trust (NPAIT).

NOTE 2: DEPOSITS AND INVESTMENTS (CONCLUDED):

Lincoln County is a participant in an external investment pool, the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a separate legal and administrative entity organized and existing pursuant to the Inter-Local Cooperation Act and other Nebraska law. The County Treasurer had $1,065,927 invested with NPAIT as of June 30, 2017. This carrying value of investment is stated at cost, which approximates market. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Since net income of the fund is allocated among participates each time net income is determined, the net asset value remains at $1.00 per unit. Securities held by NPAIT are not held in the County's name.

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, 2017 were not 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, 2017 were as follows:

Due To:	Due From:	Amount:
Inheritance Tax	Road	50,183

The loan, for road equipment paid from the Inheritance Tax, will be paid with annual payments from the Road Fund.

The details of the interfund transfers and loan for the year ended June 30, 2017 were as follows:

Transfers To	Transfers From	Amount
Road	General	1,390,000
Road	Inheritance Tax	780,000
Inheritance Tax	Road	130,000
Visitor's Promotion	Visitor's Improvement	300,000
Juvenile Facility	Inheritance Tax	10,000
General	Victims Assistance	9,590

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 transfer from Victims Assistance closed this fund.

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, 2017, 2016, and 2015 were $550,389, $532,697, and $508,129, respectively. Prior service benefit paid was $2,882, $2,832, and $3,062, 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, 2017:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Bonds:				
Jail Bond	12,560,000	90,000	805,000	11,845,000

A summary of the annual requirements to service the bonds as of June 30, 2017, are as follows:

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

Year Ended	2017 Jail Bond Series			2016 Jail Bond Series		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2018	515,000	140,721	655,721	325,000	91,377	416,377
June 30, 2019	525,000	129,237	654,237	330,000	86,615	416,615
June 30, 2020	515,000	122,641	637,641	340,000	79,915	419,915
June 30, 2021	520,000	114,480	634,480	345,000	73,065	418,065
June 30, 2022	530,000	103,980	633,980	355,000	66,065	421,065
June 30, 2023	530,000	93,380	623,380	360,000	58,915	418,915
June 30, 2024	540,000	82,680	622,680	370,000	51,615	421,615
June 30, 2025	550,000	71,780	621,780	380,000	44,115	424,115
June 30, 2026	550,000	60,505	610,505	380,000	36,515	416,515
June 30, 2027	560,000	48,570	608,570	385,000	28,865	413,865
June 30, 2028	565,000	35,771	600,771	395,000	21,065	416,065
June 30, 2029	575,000	22,089	597,089	400,000	12,915	412,915
June 30, 2030	590,000	7,523	597,523	415,000	4,358	419,358
Total	7,065,000	1,033,357	8,098,357	4,780,000	655,400	5,435,400

The ratio of the commitments to assessed valuation was .25% as of June 30, 2017.

Jail Bond 2017 Series:
Due serially in annual principal payments of $515,000 to $590,000, plus interest not to exceed 2.55%. These are General Obligation Refunding Bonds issued during 2017 in the amount of $6,060,000 to refund the 2012 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 2016 Series:
Due serially in annual principal payments of $325,000 to $415,000, plus interest not to exceed 2.55%. These are General Obligation Refunding Bonds issued during 2016 in the amount of $5,095,000 to refund the 2011 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 2017/2016 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, 2017.

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, 2017.

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 $183,242 toward the operation of Region II during fiscal year 2017. 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, 2017

EXHIBIT F

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Taxes	10,766,304	10,766,304	11,417,657	651,353
Federal	1,248,220	1,248,220	826,721	(421,499)
State	628,700	628,700	577,675	(51,025)
Local	2,234,778	2,234,778	2,416,907	182,129
Total Cash Receipts	14,878,002	14,878,002	15,238,960	360,958
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	120,700	120,700	114,807	5,893
Clerk	423,362	423,362	404,575	18,787
Treasurer	464,900	464,900	436,233	28,667
Register of Deeds	186,150	186,150	174,016	12,134
Assessor	536,615	536,615	506,421	30,194
Planning Commission	36,622	36,622	33,487	3,135
Information Technology	138,515	138,515	101,151	37,364
Adv., Insurance and Bonds	2,187,000	2,187,000	2,092,690	94,310
Federal Payroll Tax	467,000	467,000	456,525	10,475
Clerk of the District Court	304,700	304,700	270,250	34,450
County Court System	42,285	42,285	42,282	3
District Court	59,800	59,800	58,148	1,652
Public Defender	444,100	444,100	435,035	9,065
Building and Grounds	446,900	446,900	360,829	86,071
Jail Building and Grounds	173,700	173,700	166,681	7,019
Extension Office	157,235	157,235	150,969	6,266
Photostat Department	78,914	78,914	71,068	7,846
Retirement	440,150	440,150	433,449	6,701
Unemployment	10,000	10,000	1,273	8,727
Communications Center (P.B.X.)	135,950	135,950	123,909	12,041
Miscellaneous	1,298,441	1,298,441	996,912	301,529
Total General Government	8,153,039	8,153,039	7,430,710	722,329
Public Safety:				
Sheriff	2,083,800	2,083,800	2,030,143	53,657
Attorney	617,540	617,540	581,952	35,588
Child Support Division	288,360	288,360	230,416	57,944
Merit Commission	1,250	1,250	35	1,215
Jail	2,020,200	2,020,200	2,004,476	15,724
Probation Office	144,000	144,000	124,568	19,432
Emergency Management	263,240	263,240	197,970	65,270
Dive & Rescue Team	19,400	19,400	19,097	303
Victims Assistance	87,930	87,930	65,934	21,996
Grant Funds	150,000	150,000	1,040	148,960
Miscellaneous	178,871	178,871	174,740	4,131
Total Public Safety	5,854,591	5,854,591	5,430,371	424,220
Public Works:				
Surveyor	70,585	70,585	56,088	14,497
Noxious Weed	264,525	264,525	170,403	94,122
Miscellaneous	20,796	20,796	20,796	0
Total Public Works	355,906	355,906	247,287	108,619

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, 2017

EXHIBIT F CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH DISBURSEMENTS, CONCLUDED:				
Public Health:				
Miscellaneous	100,156	100,156	100,156	0
Total Public Health	100,156	100,156	100,156	0
Public Assistance:				
Relief	140,075	140,075	79,824	60,251
Institutions	142,874	142,874	130,447	12,427
Veteran's Service Officer	76,980	76,980	75,801	1,179
Miscellaneous	15,684	15,684	15,684	0
Total Public Assistance	375,613	375,613	301,756	73,857
Culture and Recreation:				
Lake Maloney Trail Grant	785,000	785,000	363,929	421,071
Miscellaneous	44,803	44,803	44,803	0
Total Culture and Recreation	829,803	829,803	408,732	421,071
Total Cash Disbursements	15,669,108	15,669,108	13,919,012	1,750,096
Excess of Cash Receipts Over (Under) Cash Disbursements	(791,106)	(791,106)	1,319,948	2,111,054
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	9,590	9,590	9,590	
Operating Transfers (Out)	(1,390,000)	(1,390,000)	(1,390,000)	
Total Other Financing Sources (Uses)	(1,380,410)	(1,380,410)	(1,380,410)	0
Net Change in Fund Balance	(2,171,516)	(2,171,516)	(60,462)	2,111,054
Fund Balance, Beginning of Year	3,296,516	3,296,516	3,255,312	(41,204)
Fund Balance, End of Year	1,125,000	1,125,000	3,194,850	2,069,850

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, 2017

EXHIBIT G

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
State	3,298,932	3,298,932	3,342,081	43,149
Local	9,009	9,009	25,040	16,031
Total Cash Receipts	3,307,941	3,307,941	3,367,121	59,180
CASH DISBURSEMENTS:				
Public Works:				
Road Department	6,277,600	6,277,600	5,252,905	1,024,695
Total Cash Disbursements	6,277,600	6,277,600	5,252,905	1,024,695
Excess of Cash Receipts Over (Under) Cash Disbursements	(2,969,659)	(2,969,659)	(1,885,784)	1,083,875
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,170,000	2,170,000	2,170,000	
Operating Transfers (Out)			(130,000)	(130,000)
Total Other Financing Sources (Uses)	2,170,000	2,170,000	2,040,000	(130,000)
Net Change in Fund Balance	(799,659)	(799,659)	154,216	953,875
Fund Balance, Beginning of Year	999,659	999,659	999,659	0
Fund Balance, End of Year	200,000	200,000	1,153,875	953,875

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, 2017

EXHIBIT H

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Local	10,000	10,000	1,012,802	1,002,802
Total Cash Receipts	10,000	10,000	1,012,802	1,002,802
CASH DISBURSEMENTS:				
General Government	1,166,348	1,166,348	2,094	1,164,254
Public Works	500,000	500,000		500,000
Total Cash Disbursements	1,666,348	1,666,348	2,094	1,664,254
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,656,348)	(1,656,348)	1,010,708	2,667,056
OTHER FINANCING SOURCES (USES)				
Operating Transfers In			130,000	130,000
Operating Transfers (Out)	(880,000)	(880,000)	(790,000)	90,000
Total Other Financing Sources (Uses)	(880,000)	(880,000)	(660,000)	220,000
Net Change in Fund Balance	(2,536,348)	(2,536,348)	350,708	2,887,056
Fund Balance, Beginning of Year	3,336,348	3,336,348	3,336,348	0
Fund Balance, End of Year	800,000	800,000	3,687,056	2,887,056

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING

For the Year Ended June 30, 2017

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, 2017

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	Capital Project Fund Courthouse Building	Total Nonmajor Governmental Funds (Exhibit C)
ASSETS			
Equity in Pooled Cash and Cash Equivalents	3,852,755	3,594	3,856,349
Designated Deposits	370,411	807,570	1,177,981
Total Assets	4,223,166	811,164	5,034,330
FUND BALANCES:			
Restricted	2,641,519		2,641,519
Assigned	1,581,647	811,164	2,392,811
Total Fund Balances	4,223,166	811,164	5,034,330

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, 2017

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Capital Project Courthouse Building	Total Nonmajor Governmental Funds (Exhibit D)
CASH RECEIPTS			
Property Taxes	1,081,496	397,128	1,478,624
Federal Grants	11,654		11,654
Intergovernmental	1,365,753	3,222	1,368,975
Charges for Services	95,521		95,521
Interest	156	522	678
Miscellaneous	37,312		37,312
Total Cash Receipts	2,591,892	400,872	2,992,764
CASH DISBURSEMENTS			
General Government	230,573		230,573
Public Safety	82,120		82,120
Public Works	18,119		18,119
Culture and Recreation	957,285		957,285
Capital Outlay		443,118	443,118
Total Cash Disbursements	1,288,097	443,118	1,731,215
Excess of Cash Receipts Over (Under) Cash Disbursements	1,303,795	(42,246)	1,261,549
OTHER FINANCING SOURCES (USES)			
Transfers In	310,000		310,000
Transfers Out	(309,590)		(309,590)
Total Other Financing Sources (Uses)	410	0	410
Net Change in Fund Balances	1,304,205	(42,246)	1,261,959
Fund Balances, Beginning of Year	2,918,961	853,410	3,772,371
Fund Balances, End of Year	4,223,166	811,164	5,034,330

LINCOLN COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2017

SCHEDULE 3

	Highway Buyback	Special Road	Child Support Incentive	Visitor's Promotion	Visitor's Improvement
ASSETS					
Equity in Pooled Cash and Cash Equivalents	1,175,613	1,226,203	78,808	355,595	721,253
Designated Deposits					
Total Assets	1,175,613	1,226,203	78,808	355,595	721,253
FUND BALANCES:					
Restricted	1,175,613		78,808	355,595	721,253
Assigned		1,226,203			
Total Fund Balances	1,175,613	1,226,203	78,808	355,595	721,253

	Register of Deeds P&M	Self Funded Insurance	Veteran's Aid	Federal Forfeitures	Keno Lottery
ASSETS					
Equity in Pooled Cash and Cash Equivalents	37,744	10,088		23,862	6,000
Designated Deposits		127,767	43,804		198,840
Total Assets	37,744	137,855	43,804	23,862	204,840
FUND BALANCES:					
Restricted	37,744		43,804	23,862	204,840
Assigned		137,855			
Total Fund Balances	37,744	137,855	43,804	23,862	204,840

	Juvenile Facility	Handicapped Accessibility	Total Nonmajor Special Revenue Funds (Schedule 1)
ASSETS			
Equity in Pooled Cash and Cash Equivalents	3,945	213,644	3,852,755
Designated Deposits			370,411
Total Assets	3,945	213,644	4,223,166
FUND BALANCES:			
Restricted			2,641,519
Assigned	3,945	213,644	1,581,647
Total Fund Balances	3,945	213,644	4,223,166

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, 2017

SCHEDULE 4

	Highway Buyback	Special Road	Child Support Incentive	Visitor's Promotion	Visitor's Improvement
CASH RECEIPTS					
Property Taxes		888,203			
Federal Grants					
Intergovernmental	323,361	10,318		494,518	463,930
Charges for Services					
Interest					
Miscellaneous				37,312	
Total Cash Receipts	323,361	898,521	0	531,830	463,930
CASH DISBURSEMENTS					
General Government			98,792		
Public Safety					
Public Works		18,119			
Culture and Recreation				843,007	114,278
Total Cash Disbursements	0	18,119	98,792	843,007	114,278
Excess of Cash Receipts Over (Under) Cash Disbursements	323,361	880,402	(98,792)	(311,177)	349,652
OTHER FINANCING SOURCES (USES)					
Transfers In				300,000	
Transfers (Out)					(300,000)
Total Other Financing Sources (Uses)	0	0	0	300,000	(300,000)
Net Change in Fund Balances	323,361	880,402	(98,792)	(11,177)	49,652
Fund Balances, Beginning of Year	852,252	345,801	177,600	366,772	671,601
Fund Balances, End of Year	1,175,613	1,226,203	78,808	355,595	721,253

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, 2017

SCHEDULE 4 CONTINUED

	Register of Deeds P&M	Self Funded Insurance	Veteran's Aid	Federal Forfeitures	Victims Assistance
CASH RECEIPTS					
Property Taxes		133,050			
Federal Grants				11,654	
Intergovernmental		1,151			
Charges for Services	26,516				
Interest		10	100		
Miscellaneous					
Total Cash Receipts	26,516	134,211	100	11,654	0
CASH DISBURSEMENTS					
General Government	15,586	116,195			
Public Safety					
Public Works					
Culture and Recreation					
Total Cash Disbursements	15,586	116,195	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	10,930	18,016	100	11,654	0
OTHER FINANCING SOURCES (USES)					
Transfers In					
Transfers (Out)					(9,590)
Total Other Financing Sources (Uses)	0	0	0	0	(9,590)
Net Change in Fund Balances	10,930	18,016	100	11,654	(9,590)
Fund Balances, Beginning of Year	26,814	119,839	43,704	12,208	9,590
Fund Balances, End of Year	37,744	137,855	43,804	23,862	0

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, 2017

SCHEDULE 4 CONCLUDED

	Keno Lottery	Juvenile Facility	Handicapped Accessibility	Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS				
Property Taxes			60,243	1,081,496
Federal Grants				11,654
Intergovernmental		72,070	405	1,365,753
Charges for Services	69,005			95,521
Interest	46			156
Miscellaneous				37,312
Total Cash Receipts	69,051	72,070	60,648	2,591,892
CASH DISBURSEMENTS				
General Government				230,573
Public Safety		82,120		82,120
Public Works				18,119
Culture and Recreation				957,285
Total Cash Disbursements	0	82,120	0	1,288,097
Excess of Cash Receipts Over (Under) Cash Disbursements	69,051	(10,050)	60,648	1,303,795
OTHER FINANCING SOURCES (USES)				
Transfers In		10,000		310,000
Transfers (Out)				(309,590)
Total Other Financing Sources (Uses)	0	10,000	0	410
Net Change in Fund Balances	69,051	(50)	60,648	1,304,205
Fund Balances, Beginning of Year	135,789	3,995	152,996	2,918,961
Fund Balances, End of Year	204,840	3,945	213,644	4,223,166

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, 2017

SCHEDULE 5

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HIGHWAY BUYBACK				
CASH RECEIPTS	323,360	323,360	323,361	1
CASH DISBURSEMENTS	1,175,612	1,175,612	0	1,175,612
Net Change in Fund Balance	(852,252)	(852,252)	323,361	1,175,613
Fund Balance, Beginning of Year	852,252	852,252	852,252	
Fund Balance, End of Year	0	0	1,175,613	1,175,613
SPECIAL ROAD				
CASH RECEIPTS	1,335,199	1,335,199	898,521	(436,678)
CASH DISBURSEMENTS	1,681,000	1,681,000	18,119	1,662,881
Net Change in Fund Balance	(345,801)	(345,801)	880,402	1,226,203
Fund Balance, Beginning of Year	345,801	345,801	345,801	
Fund Balance, End of Year	0	0	1,226,203	1,226,203
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	163,604	163,604	0	(163,604)
CASH DISBURSEMENTS	300,000	300,000	98,792	201,208
Net Change in Fund Balance	(136,396)	(136,396)	(98,792)	37,604
Fund Balance, Beginning of Year	136,396	136,396	177,600	41,204
Fund Balance, End of Year	0	0	78,808	78,808
VISITOR'S PROMOTION				
CASH RECEIPTS	600,590	600,590	531,830	(68,760)
CASH DISBURSEMENTS	1,217,362	1,217,362	843,007	374,355
OTHER FINANCING SOURCES				
Operating Transfers In	300,000	300,000	300,000	0
Net Change in Fund Balance	(316,772)	(316,772)	(11,177)	305,595
Fund Balance, Beginning of Year	366,772	366,772	366,772	
Fund Balance, End of Year	50,000	50,000	355,595	305,595
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	480,590	480,590	463,930	(16,660)
CASH DISBURSEMENTS	852,191	852,191	114,278	737,913
OTHER FINANCING (Uses):				
Operating Transfers (Out)	(300,000)	(300,000)	(300,000)	0
Net Change in Fund Balance	(671,601)	(671,601)	49,652	721,253
Fund Balance, Beginning of Year	671,601	671,601	671,601	
Fund Balance, End of Year	0	0	721,253	721,253

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, 2017

SCHEDULE 5 CONTINUED

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REGISTER OF DEEDS P&M				
CASH RECEIPTS	25,000	25,000	26,516	1,516
CASH DISBURSEMENTS	51,814	51,814	15,586	36,228
Net Change in Fund Balance	(26,814)	(26,814)	10,930	37,744
Fund Balance, Beginning of Year	26,814	26,814	26,814	
Fund Balance, End of Year	0	0	37,744	37,744
SELF FUNDED INSURANCE				
CASH RECEIPTS	122,661	122,661	134,211	11,550
CASH DISBURSEMENTS	242,500	242,500	116,195	126,305
Net Change in Fund Balance	(119,839)	(119,839)	18,016	137,855
Fund Balance, Beginning of Year	119,839	119,839	119,839	
Fund Balance, End of Year	0	0	137,855	137,855
VETERAN'S AID				
CASH RECEIPTS	0	0	100	100
CASH DISBURSEMENTS	43,704	43,704	0	43,704
Net Change in Fund Balance	(43,704)	(43,704)	100	43,804
Fund Balance, Beginning of Year	43,704	43,704	43,704	
Fund Balance, End of Year	0	0	43,804	43,804
FEDERAL FORFEITURES				
CASH RECEIPTS	187,792	187,792	11,654	(176,138)
CASH DISBURSEMENTS	200,000	200,000	0	200,000
Net Change in Fund Balance	(12,208)	(12,208)	11,654	23,862
Fund Balance, Beginning of Year	12,208	12,208	12,208	
Fund Balance, End of Year	0	0	23,862	23,862

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, 2017

SCHEDULE 5 CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
VICTIMS ASSISTANCE				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	9,590	9,590	9,590	0
Net Change in Fund Balance	(9,590)	(9,590)	(9,590)	0
Fund Balance, Beginning of Year	9,590	9,590	9,590	
Fund Balance, End of Year	0	0	0	0
KENO LOTTERY				
CASH RECEIPTS	75,311	75,311	69,051	(6,260)
CASH DISBURSEMENTS	211,100	211,100	0	211,100
Net Change in Fund Balance	(135,789)	(135,789)	69,051	204,840
Fund Balance, Beginning of Year	135,789	135,789	135,789	
Fund Balance, End of Year	0	0	204,840	204,840
JUVENILE FACILITY				
CASH RECEIPTS	186,005	186,005	72,070	(113,935)
CASH DISBURSEMENTS	290,000	290,000	82,120	207,880
OTHER FINANCING SOURCES				
Operating Transfers In	100,000	100,000	10,000	(90,000)
Net Change in Fund Balance	(3,995)	(3,995)	(50)	3,945
Fund Balance, Beginning of Year	3,995	3,995	3,995	
Fund Balance, End of Year	0	0	3,945	3,945
HANDICAPPED ACCESSIBILITY				
CASH RECEIPTS	34,004	34,004	60,648	26,644
CASH DISBURSEMENTS	187,000	187,000	0	187,000
Net Change in Fund Balance	(152,996)	(152,996)	60,648	213,644
Fund Balance, Beginning of Year	152,996	152,996	152,996	
Fund Balance, End of Year	0	0	213,644	213,644
COURTHOUSE BUILDING				
CASH RECEIPTS	326,590	326,590	400,872	74,282
CASH DISBURSEMENTS	1,180,000	1,180,000	443,118	736,882
Net Change in Fund Balance	(853,410)	(853,410)	(42,246)	811,164
Fund Balance, Beginning of Year	853,410	853,410	853,410	
Fund Balance, End of Year	0	0	811,164	811,164

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2017

SCHEDULE 6

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney
Balance July 1, 2016	1,435	47,870	1,303,216	104,646	17,061
Receipts					
Licenses and Permits	5,825		17,350	23,100	
Charges for Services	4,496	282,229	62,672	926,565	29,125
Miscellaneous		13,785	1,558	1,247	555
State Fees		302,373	64,133		
Inmate Account				682,544	
Other Liabilities			1,911,046	105,664	17,506
Total Receipts	10,321	598,387	2,056,759	1,739,120	47,186
Disbursements					
Payments to County Treasurer	10,356	291,797	81,042	983,547	39,766
Payments to State Treasurer		298,643	64,343		
Inmate Account				683,210	
Other Liabilities			2,923,123	24,316	17,732
Total Disbursements	10,356	590,440	3,068,508	1,691,073	57,498
Balance June 30, 2017	1,400	55,817	291,467	152,693	6,749
BALANCE CONSISTS OF:					
Due to County Treasurer	1,350	28,528	5,086	121,151	5,183
Due to State Treasurer		27,289	4,378		
Petty Cash	50			2,000	1,370
Drug Fund					187
Inmate Account				29,542	
Due to Others			282,003		9
Balance June 30, 2017	1,400	55,817	291,467	152,693	6,749

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2017

SCHEDULE 6
CONCLUDED

	Noxious Weed	Veteran's Service Officer	County Assessor	Total
Balance July 1, 2016	15,012	1,743	7	1,490,990
Receipts				
Licenses and Permits				46,275
Charges for Services	37,455			1,342,542
Miscellaneous			419	17,564
State Fees				366,506
Inmate Account				682,544
Other Liabilities		7,001		2,041,217
Total Receipts	37,455	7,001	419	4,496,648
Disbursements				
Payments to County Treasurer	32,403		394	1,439,305
Payments to State Treasurer				362,986
Inmate Account				683,210
Other Liabilities				2,965,171
Total Disbursements	32,403	0	394	5,450,672
Balance June 30, 2017	20,064	8,744	32	536,966
BALANCE CONSISTS OF:				
Due to County Treasurer	20,064		32	181,394
Due to State Treasurer				31,667
Petty Cash		8,744		12,164
Drug Fund				187
Inmate Account				29,542
Due to Others				282,012
Balance June 30, 2017	20,064	8,744	32	536,966

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title/	Federal CFDA Number	Pass-Through Entity Identifying Number	Subrecipients Amount	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE:				
U.S. Department of Justice Pass-Through Program From Nebraska Commission on Law Enforcement and Criminal Justice:				
Crime Victim Assistance	16.575	15 VA 207, 16 VA 210		67,718
Toal U.S. Department of Justice			-	67,718
U.S. Department of Transportation:				
Passed Through Nebraska Game and Parks Commission:				
Recreational Trails Program	20.219	Lake Maloney Trail		250,000
Subtotal Nebraska Game and Parks Commission			-	250,000
Passed Through Nebraska Office of Highway Safety:				
State and Community Highway Safety	20.600	402-17-12		14,617
National Priority Safety Programs	20.616	405B-17-14, 405D-16-05		15,350
Subtotal Nebraska Office of Highway Safety			-	29,967
Total U.S. Department of Transportation			-	279,967
U.S. Department of Health and Human Services:				
Passed Through Nebraska Health and Human Services:				
Child Support Enforcement - County Attorney	93.563	1704NECSES		322,946
Child Support Enforcement -Clerk of District Court	93.563	1704NECSES		61,416
Total U.S. Department of Health and Human Services			-	384,362
U.S. Department of Homeland Security:				
Passed Through Nebraska Emergency Management Agency:				
Emergency Management Performance Grant	97.042	EMK-2016-EP-00002-SO1		48,906
State Homeland Security Program	97.067	EMW:2014-SS-0054, 2015-SS-00079 2016-SS-00084		24,389
Total U.S. Department of Homeland Security			-	73,295
TOTAL EXPENDITURES OF FEDERAL AWARDS			-	805,342

The accompanying notes are an integral part of this schedule

LINCOLN COUNTY, NEBRASKA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

NOTE 1: BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal awards activity of Lincoln County under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lincoln County, it is not intended to and does not present the financial position of Lincoln County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE:

Lincoln County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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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, 2017, and the related notes to the financial statements, which collectively comprise Lincoln County, Nebraska financial statements, and have issued my report thereon dated October 20, 2017. 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 of the financial statements, 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 have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control that I consider to be significant deficiencies. These were identified in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-003, and 2017-004.

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 questioned costs as item 2017-002.

Response to Findings

Lincoln County, Nebraska management response to the findings identified in my audit is described in the accompanying corrective action plan, and schedule of prior year audit findings. 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
Donald D. Wilson, CPA
McCook, Nebraska

October 20, 2017

DONALD D. WILSON
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

County Board of Commissioners
Lincoln County
North Platte, Nebraska 69101

Report on Compliance for Each Major Federal Program

I have audited Lincoln County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lincoln County's major federal programs for the year ended June 30, 2017. Lincoln County's major federal program was identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Lincoln County's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln County's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Lincoln County's compliance.

Opinion on Each Major Federal Program

In my opinion, Lincoln County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Lincoln County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Lincoln County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express such an opinion on the effectiveness of Lincoln County's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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

Donald D. Wilson, CPA

Donald D. Wilson, CPA
McCook, Nebraska

October 20, 2017

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor Results

Financial Statements:

The auditor's report issued an unmodified opinion on the financial statements.

Internal control over financial reporting:

▪ Material Weakness identified?	________yes ___X___No
▪ Significant Deficiencies identified?	___X___yes ________None Reported
▪ Noncompliance material to financial statements noted?	_______ yes ___X___No

Federal Awards:

Internal control over major programs:

▪ Material weakness identified?	________yes ___X_____ No
▪ Significant Deficiencies identified?	________yes ____X____ None Reported

The auditor's report issued an unmodified report on compliance for major programs.

No audit findings were disclosed that are required to be reported in accordance with section 2 CFR 200.516(a).

Identification of Major Program:

Child Support Enforcement (CFDA Number 93.563)

The dollar threshold for distinguishing Type A and B programs was $750,000

Lincoln County was not determined to be a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

COUNTY OVERALL:

2017-001 **Internal Control**:

Criteria: Good internal control requires authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

Condition and Context: I noted that there is a lack of segregation of accounting functions among various county offices and personnel.

Effect: This lack of segregation of duties results in an inadequate overall internal control structure design.

Cause: The County's limited size and staffing resources have made it difficult for management to fully segregate duties in a cost-effective manner.

Recommendation: The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with improper segregation of accounting functions.

Views of responsible officials and planned corrective actions: See the Auditee prepared corrective action plan for this information.

COUNTY TREASURER:

2017-002 **Deposits Were Not Insured**:

Criteria: Nebraska State Statute §77-2318 states the county treasurer shall not have on deposit in any bank more money than the amount insured or guaranteed by the Federal Deposit Insurance Corporation, plus pledged securities issued by the depository.

Condition and Context: The amount of deposits in Gothenburg State Bank, and Adams Bank and Trust held by the county treasurer exceeded FDIC coverage plus pledged securities.

Effect: The amount of deposits unprotected as of June 30, 2017 was $42,385, and $8,866, respectively.

Cause: County Treasurer did not monitor the deposits to ensure that they were protected.

Recommendation: The county treasurer should continually monitor all deposits to ensure that they are protected.

Views of responsible officials and planned corrective actions: See the Auditee prepared corrective action plan for this information.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONCLUDED)

COUNTY SHERIFF:

2017-003 **Controls over Receipts Needs Improvement**:

Criteria: Good Internal Control requires adequate controls to ensure that all receipts remitted to the County Treasurer are correct.

Conditions and Context: A payment received from the Nebraska Crime Commission on December 3, 2016 for $5,163 was not remitted to the County Treasurer. Another payment from the Nebraska Crime Commission received on February 3, 2017 for $2,791 was remitted twice to the County Treasurer.

Effect: Incorrect remittance amounts to the County Treasurer.

Cause: Variance amounts identified on the daily balance sheets were not followed up with to determine the reasons causing the variance.

Recommendation: Procedures be improved to ensure accuracy of remittances to the County Treasurer.

Views of responsible officials and planned corrective actions: See the Auditee prepared corrective action plan for this information.

2017-004 **Civil Process Fee Remittances Were Not Reconciled**

Criteria: Good Internal Control requires adequate controls to ensure that remittances to the County Treasurer are correct.

Conditions and Context: The Civil Process monthly remittance amount to the County Treasurer were being manually computed without being reconciled to the software system on a monthly basis.

Effect: Without proper controls, the remittance amount to the County Treasurer may not be correct.

Cause: A new software system was implemented during the year.

Recommendation: In order to verify the remittance amount, the Fee Report “Payments” reflected on the software should be reconciled monthly to the manually computed amount.

Views of responsible officials and planned corrective actions: See the Auditee prepared corrective action plan for this information.

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)

YEAR ENDED JUNE 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE NOTED

Board of Commissioners *Lincoln County, Nebraska*

JOSEPH R. HEWGLEY
DUANE K. DETERDING
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LINCOLN COUNTY, NEBRASKA
CORRECTIVE ACTION PLAN

Donald D. Wilson, CPA
405 Pawnee Drive
McCook, Nebraska 69001

Lincoln County respectfully submits the following corrective action plan for the year ended June 30, 2017 for the findings identified in the schedule of findings and questioned costs.

FINDING – FINANCIAL STATEMENT AUDIT

2017-001 Internal Control:

The Board of Commissioners recognizes that we are unable to provide the necessary resources to fully segregate duties. However, we have implemented a written document titled "Lincoln County, Nebraska, Accounting Policies and Procedures". This was implemented to ensure that accounting functions among the various county offices and personnel are adequately segregated.

2017-002 County Treasurer Deposits Were Not Insured:

In response to your audit findings, deposits have been adjusted, and additional pledging has been secured to ensure that they are protected.

2017-003, and 2017-004

County Sheriff Controls over Remittances to Treasurer Needs Improvement:

In both cases the money was remitted but it was from the Federal Traffic Grant rather than the Nebraska Crime Commission. Also we had some balancing issues with the money in the Civil Process System. Our accounting system failed about mid-year and we struggled with getting the issue resolved. We plan to have more training as the system grows.

Board of Commissioners *Lincoln County, Nebraska*

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LINCOLN COUNTY, NEBRASKA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

<u>Internal Control Segregation of Duties:</u>

Condition: This finding was a significant deficiency relating to inadequate overall internal control structure design.

Current Status: Finding not cleared. The County has limited resources to fully correct this deficiency.

<u>Finding 2016-001: County Treasurer Deposits Were Not Insured:</u>

Condition: This finding noted that the deposits exceeded FDIC coverage plus pledged securities.

Current Status: Finding not corrected. Addressed during the current fiscal year.