FINANCIAL STATEMENTS WITH

INDEPENDENT AUDIT REPORTS THEREON

LINCOLN COUNTY, NEBRASKA

Year Ended June 30, 2018

Donald D. Wilson, Certified Public Accountant
McCook, Nebraska

LINCOLN COUNTY, NEBRASKA

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INDEPENDENT AUDITOR 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, 2018, 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 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 cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska as of June 30, 2018, and the respective changes in the cash-basis 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 cash-basis of accounting, which is a 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 budgetary comparison information, combining and individual nonmajor fund financial statements, and 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 18, 2018 on my consideration of Lincoln County, Nebraska's 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 18, 2018

LINCOLN COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2018

EXHIBIT A

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
ASSETS	
Pooled Cash and Cash Equivalents	13,488,643
Designated Deposits	3,495,861
Total Assets	16,984,504
NET POSITION	
Restricted for:	
Jail Bond	2,113,750
Visitor's Promotion/Improvement	951,832
Bridge/Road Projects	1,494,179
Veteran's Aid	44,187
Keno Lottery	287,518
Federal Forfeitures	21,424
Child Support	86,661
Register of Deeds P&M	34,525
Unrestricted	11,950,428
Total Net Position	16,984,504

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, 2018

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	7,783,095	1,529,116	408,126	(5,845,853)
Public Safety	5,872,943	762,762	401,246	(4,708,935)
Public Works	6,275,856	135,680		(6,140,176)
Public Health	68,050			(68,050)
Public Assistance	311,427	900		(310,527)
Culture and Recreation	1,211,348			(1,211,348)
Capital Outlay	186,627			(186,627)
Debt Service	1,072,098			(1,072,098)
Total Governmental Activities	22,781,444	2,428,458	809,372	(19,543,614)

General Receipts:	
Taxes:	
Property taxes, levied for general purposes	10,820,276
Property taxes, levied for public works	845,112
Property taxes, levied for capital outlay	467,531
Property taxes, levied for debt service	916,833
Motor Vehicle Tax	1,369,674
Intergovernmental	5,667,029
Inheritance Tax	847,734
Interest	103,751
Miscellaneous	163,278
Total General Receipts	21,201,218
Changes in Net Position	1,657,604
Net position - Beginning of Year	15,326,900
Net position - End of Year	16,984,504

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

LINCOLN COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2018

EXHIBIT C

	General	Road	Special Road	Inheritance Tax	Jail Bond	Other Governmental Funds	Total
ASSETS							
Equity in Pooled Cash and Cash Equivalents	3,672,030	875,211	2,082,815	3,878,968	87,166	2,892,453	13,488,643
Designated Investments					2,026,584	1,469,277	3,495,861
Total Assets	3,672,030	875,211	2,082,815	3,878,968	2,113,750	4,361,730	16,984,504
FUND BALANCES:							
Restricted					2,113,750	2,920,326	5,034,076
Assigned		875,211	2,082,815	3,878,968		1,441,404	8,278,398
Unassigned	3,672,030						3,672,030
Total Fund Balances	3,672,030	875,211	2,082,815	3,878,968	2,113,750	4,361,730	16,984,504

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, 2018

EXHIBIT D

		Special Revenue			Debt Service	NonMajor	Total
	General	Road	Special Road	Inheritance Tax	Jail Bond	Governmental Funds	Governmental Funds
CASH RECEIPTS							
Property Taxes	10,693,586		845,112		916,833	594,221	13,049,752
Motor Vehicle Tax	1,369,674						1,369,674
Federal Grants	569,678					45,470	615,148
Intergovernmental	1,073,253	3,498,125	14,716		11,741	1,263,416	5,861,251
Inheritance Tax				847,736			847,736
Charges for Services	2,247,553	73,773				107,132	2,428,458
Interest	101,726				1,485	540	103,751
Miscellaneous	56,390	3,431				103,457	163,278
Total Cash Receipts	16,111,860	3,575,329	859,828	847,736	930,059	2,114,236	24,439,048
CASH DISBURSEMENTS							
General Government	7,579,091			1,049	1,000	201,955	7,783,095
Public Safety	5,841,764					31,179	5,872,943
Public Works	208,647	6,063,993	3,216				6,275,856
Public Health	68,050						68,050
Public Assistance	311,427						311,427
Culture and Recreation	45,701					1,165,647	1,211,348
Capital Outlay						186,627	186,627
Debt Service							
Principal Retirement					840,000		840,000
Interest					232,098		232,098
Total Cash Disbursements	14,054,680	6,063,993	3,216	1,049	1,073,098	1,585,408	22,781,444
Excess of Cash Receipts Over (Under) Cash Disbursements	2,057,180	(2,488,664)	856,612	846,687	(143,039)	528,828	1,657,604
OTHER FINANCING SOURCES (USES)							
Transfers In		2,360,000		151,280		426,055	2,937,335
Transfers (Out)	(1,580,000)	(150,000)		(806,055)		(401,280)	(2,937,335)
Total Other Financing Sources (Uses)	(1,580,000)	2,210,000	0	(654,775)	0	24,775	0
Net Change in Fund Balances	477,180	(278,664)	856,612	191,912	(143,039)	553,603	1,657,604
Fund Balances, Beginning of Year	3,194,850	1,153,875	1,226,203	3,687,056	2,256,789	3,808,127	15,326,900
Fund Balances, End of Year	3,672,030	875,211	2,082,815	3,878,968	2,113,750	4,361,730	16,984,504

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, 2018

EXHIBIT E

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
ASSETS				
Equity in Pooled Cash and Cash Equivalents	4,469,145	87,274,199	87,015,810	4,727,534
Total Assets	4,469,145	87,274,199	87,015,810	4,727,534
LIABILITIES				
State	752,818	7,854,449	7,893,106	714,161
Schools	3,237,460	54,713,996	54,483,617	3,467,839
Educational Service Units	7,479	738,374	739,273	6,580
Community College	38,846	3,773,270	3,778,868	33,248
Natural Resource Districts	42,331	4,249,831	4,264,866	27,296
Cemetery Districts	38,396	86,289	96,053	28,632
Fire Districts	8,666	1,107,991	1,110,029	6,628
Hospital Districts	2,933	54,187	54,431	2,689
Drainage Districts	6,427	15,455	10,097	11,785
Irrigation Districts	133,675	341,074	255,489	219,260
Municipalities	152,343	8,246,385	8,247,222	151,506
Agricultural Society	6,280	429,907	433,302	2,885
Airport Authority	14,646	953,663	955,676	12,633
Partial Payments	7,820	7,344	8,188	6,976
Property Tax Credit	0	4,483,785	4,448,369	35,416
Tax Increment Financing	0	192,609	192,609	0
Clearinghouse	19,025	25,590	44,615	0
Total Liabilities	4,469,145	87,274,199	87,015,810	4,727,534
NET POSITION	0	0	0	0

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

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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:

Lincoln County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the county is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. 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.

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 cash activities of the primary government.

The statement of net position, cash-basis, 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.

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

The statement of activities, cash-basis, demonstrates the degree to which the direct expenses of a given function are offset by program receipts. 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 receipts 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 contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

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 separately.

The following are Lincoln County's major governmental funds:

General Fund:

The General Fund is the County's primary operating fund. 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 costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

Special Road Fund (Special Revenue):

The Special Road Fund is used to account for costs associated with the repair and maintenance of roads and bridges and is primarily funded by property taxes.

Inheritance Tax (Special Revenue):

The Inheritance Tax Fund is used to account for receipts generated from inheritance taxes collected in accordance with 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.

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

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

B. Basis of Presentation (Concluded):

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 receipts, and fines and forfeitures collected and distributed to other political subdivisions.

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. Receipts are taken into account only when received by the County and disbursements 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.

D. Capital Assets:
Under the cash receipts and disbursements basis of accounting capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, culverts, and similar items which are immovable and of value only to the government), to be reported in the applicable governmental activities columns in the government-wide financial statements.

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

E. 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 receipts 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 2017 for 2017 taxes which will be materially collected in May and September 2018, was set at $.260520/$100 of assessed valuation. Assessed valuation for Lincoln County for the 2017 tax levy was $4,931,687,883. 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 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 in which 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.

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 $3,639,058 invested with NPAIT as of June 30, 2018. 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 participant's 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.

NOTE 2: DEPOSITS AND INVESTMENTS (CONCLUDED):

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State law restricts the type of collateral securities allowed. For the purposes of classifying categories of custodial risk, the deposits for the County as of June 30, 2018 were entirely insured or collateralized with securities held by the County's agent in the County's name.

NOTE 3: INTERFUND LOANS AND TRANSFERS:

The details of interfund loans between funds as of June 30, 2018 were as follows:

Due To:	Due From:	Amount:
Inheritance Tax	Road	96,302

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, 2018 were as follows:

Transfers To	Transfers From	Amount
Road	General	1,580,000
Road	Inheritance Tax	780,000
Inheritance Tax	Road	150,000
Inheritance Tax	Juvenile Facility	1,280
Visitor's Promotion	Visitor's Improvement	350,000
Visitor's Improvement	Visitor's Promotion	50,000
Juvenile Facility	Inheritance Tax	26,055

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to disburse 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 as necessary.

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, 2018, 2017, and 2016 were $562,214, $550,389, and $532,697, respectively. Prior service benefit paid was $3,848, $2,882, and $2,832, 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, 2018:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Bonds:				
Jail Bond	11,845,000		840,000	11,005,000

A summary of the annual requirements to service the bonds as of June 30, 2018, 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, 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	6,550,000	892,636	7,442,636	4,455,000	564,023	5,019,023

The ratio of the commitments to assessed valuation was .22% as of June 30, 2018.

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 disbursements 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, 2018.

NOTE 7: 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 8: 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 $188,275 toward the operation of Region II during fiscal year 2018. 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 from Region II.

NOTE 9: 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, 2018

EXHIBIT F

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Taxes	12,162,000	12,162,000	12,063,260	(98,740)
Federal	874,890	874,890	569,679	(305,211)
State	406,700	406,700	901,997	495,297
Local	2,240,300	2,240,300	2,576,924	336,624
Total Cash Receipts	15,683,890	15,683,890	16,111,860	427,970
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	124,600	124,600	117,763	6,837
Clerk	337,529	337,529	299,512	38,017
Treasurer	470,765	470,765	431,477	39,288
Register of Deeds	191,385	191,385	168,408	22,977
Assessor	549,215	549,215	487,510	61,705
Planning Commission	37,845	37,845	34,804	3,041
Information Technology	107,817	107,817	91,902	15,915
Adv., Insurance and Bonds	2,365,345	2,365,345	2,340,374	24,971
Federal Payroll Tax	474,785	474,785	467,054	7,731
Clerk of the District Court	323,525	323,525	285,800	37,725
County Court System	43,785	43,785	43,777	8
District Court	61,669	61,669	55,682	5,987
Public Defender	456,800	456,800	450,795	6,005
Building and Grounds	432,400	432,400	348,092	84,308
Jail Building and Grounds	188,500	188,500	146,256	42,244
Extension Office	161,255	161,255	161,217	38
Photostat Department	84,000	84,000	70,282	13,718
Retirement	450,000	450,000	448,730	1,270
Unemployment	8,000	8,000	486	7,514
Communications Center (P.B.X.)	137,850	137,850	102,993	34,857
Miscellaneous	1,472,220	1,472,220	1,026,177	446,043
Total General Government	8,479,290	8,479,290	7,579,091	900,199
Public Safety:				
Sheriff	2,138,300	2,138,300	2,099,200	39,100
Attorney	640,415	640,415	579,736	60,679
Child Support Division	319,540	319,540	290,552	28,988
Merit Commission	1,250	1,250	161	1,089
Jail	2,234,900	2,234,900	2,129,133	105,767
Probation Office	137,000	137,000	129,178	7,822
Emergency Management	303,562	303,562	218,765	84,797
Dive & Rescue Team	19,900	19,900	18,319	1,581
Victims Assistance	113,460	113,460	68,987	44,473
Grant Funds	253,575	253,575	125,949	127,626
Miscellaneous	269,146	269,146	181,784	87,362
Total Public Safety	6,431,048	6,431,048	5,841,764	589,284
Public Works:				
Surveyor	69,525	69,525	38,387	31,138
Noxious Weed	235,375	235,375	149,464	85,911
Miscellaneous	20,796	20,796	20,796	0
Total Public Works	325,696	325,696	208,647	117,049

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, 2018

EXHIBIT F
CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH DISBURSEMENTS, CONCLUDED:				
Public Health:				
Miscellaneous	68,050	68,050	68,050	0
Total Public Health	68,050	68,050	68,050	0
Public Assistance:				
Relief	128,075	128,075	74,520	53,555
Institutions	146,455	146,455	139,729	6,726
Veteran's Service Officer	81,780	81,780	79,533	2,247
Miscellaneous	17,645	17,645	17,645	0
Total Public Assistance	373,955	373,955	311,427	62,528
Culture and Recreation:				
Lake Maloney Trail Grant	450,000	450,000		450,000
Miscellaneous	45,701	45,701	45,701	0
Total Culture and Recreation	495,701	495,701	45,701	450,000
Total Cash Disbursements	16,173,740	16,173,740	14,054,680	2,119,060
Excess of Cash Receipts Over (Under) Cash Disbursements	(489,850)	(489,850)	2,057,180	2,547,030
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers (Out)	(1,580,000)	(1,580,000)	(1,580,000)	
Total Other Financing Sources (Uses)	(1,580,000)	(1,580,000)	(1,580,000)	0
Net Change in Fund Balance	(2,069,850)	(2,069,850)	477,180	2,547,030
Fund Balance, Beginning of Year	3,194,850	3,194,850	3,194,850	
Fund Balance, End of Year	1,125,000	1,125,000	3,672,030	2,547,030

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, 2018

EXHIBIT G

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
State	3,464,034	3,464,034	3,498,019	33,985
Local	4,941	4,941	77,310	72,369
Total Cash Receipts	3,468,975	3,468,975	3,575,329	106,354
CASH DISBURSEMENTS:				
Public Works:				
Road Department	6,782,850	6,782,850	6,063,993	718,857
Total Cash Disbursements	6,782,850	6,782,850	6,063,993	718,857
Excess of Cash Receipts Over (Under) Cash Disbursements	(3,313,875)	(3,313,875)	(2,488,664)	825,211
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,360,000	2,360,000	2,360,000	
Operating Transfers (Out)			(150,000)	(150,000)
Total Other Financing Sources (Uses)	2,360,000	2,360,000	2,210,000	(150,000)
Net Change in Fund Balance	(953,875)	(953,875)	(278,664)	675,211
Fund Balance, Beginning of Year	1,153,875	1,153,875	1,153,875	0
Fund Balance, End of Year	200,000	200,000	875,211	675,211

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

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

For the Year Ended June 30, 2018

EXHIBIT H

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Taxes	490,000	490,000	845,112	355,112
State	7,200	7,200	13,313	6,113
Local	7,597	7,597	1,403	(6,194)
Total Cash Receipts	504,797	504,797	859,828	355,031
CASH DISBURSEMENTS:				
Public Works	1,731,000	1,731,000	3,216	1,727,784
Total Cash Disbursements	1,731,000	1,731,000	3,216	1,727,784
Net Change in Fund Balance	(1,226,203)	(1,226,203)	856,612	2,082,815
Fund Balance, Beginning of Year	1,226,203	1,226,203	1,226,203	0
Fund Balance, End of Year	0	0	2,082,815	2,082,815

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, 2018

EXHIBIT I

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Local	9,000	9,000	847,736	838,736
Total Cash Receipts	9,000	9,000	847,736	838,736
CASH DISBURSEMENTS:				
General Government	1,920,001	1,920,001	1,049	1,918,952
Total Cash Disbursements	1,920,001	1,920,001	1,049	1,918,952
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,911,001)	(1,911,001)	846,687	2,757,688
OTHER FINANCING SOURCES (USES)				
Operating Transfers In			151,280	151,280
Operating Transfers (Out)	(876,055)	(876,055)	(806,055)	70,000
Total Other Financing Sources (Uses)	(876,055)	(876,055)	(654,775)	221,280
Net Change in Fund Balance	(2,787,056)	(2,787,056)	191,912	2,978,968
Fund Balance, Beginning of Year	3,687,056	3,687,056	3,687,056	0
Fund Balance, End of Year	900,000	900,000	3,878,968	2,978,968

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING

For the Year Ended June 30, 2018

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 receipts, 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 disbursements 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, 2018

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	2,840,851	51,602	2,892,453
Designated Investments	422,653	1,046,624	1,469,277
Total Assets	3,263,504	1,098,226	4,361,730
FUND BALANCES:			
Restricted	2,920,326		2,920,326
Assigned	343,178	1,098,226	1,441,404
Total Fund Balances	3,263,504	1,098,226	4,361,730

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, 2018

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Capital Project Courthouse Building	Total Nonmajor Governmental Funds (Exhibit D)
CASH RECEIPTS			
Property Taxes	126,690	467,531	594,221
Federal Grants	45,470		45,470
Intergovernmental	1,257,335	6,081	1,263,416
Charges for Services	107,132		107,132
Interest	463	77	540
Miscellaneous	103,457		103,457
Total Cash Receipts	1,640,547	473,689	2,114,236
CASH DISBURSEMENTS			
General Government	201,955		201,955
Public Safety	31,179		31,179
Culture and Recreation	1,165,647		1,165,647
Capital Outlay		186,627	186,627
Total Cash Disbursements	1,398,781	186,627	1,585,408
Excess of Cash Receipts Over (Under) Cash Disbursements	241,766	287,062	528,828
OTHER FINANCING SOURCES (USES)			
Transfers In	426,055		426,055
Transfers Out	(401,280)		(401,280)
Total Other Financing Sources (Uses)	24,775	0	24,775
Net Change in Fund Balances	266,541	287,062	553,603
Fund Balances, Beginning of Year	2,996,963	811,164	3,808,127
Fund Balances, End of Year	3,263,504	1,098,226	4,361,730

LINCOLN COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2018

SCHEDULE 3

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Self Funded Insurance
ASSETS						
Equity in Pooled Cash and Cash Equivalents	1,494,179	86,661	268,192	683,640	34,525	9,980
Designated Investments						103,181
Total Assets	1,494,179	86,661	268,192	683,640	34,525	113,161
FUND BALANCES:						
Restricted	1,494,179	86,661	268,192	683,640	34,525	
Assigned						113,161
Total Fund Balances	1,494,179	86,661	268,192	683,640	34,525	113,161

	Veteran's Aid	Federal Forfeitures	Keno Lottery	Juvenile Facility	Handicapped Accessibility	Total Nonmajor Special Revenue Funds (Schedule 1)
ASSETS						
Equity in Pooled Cash and Cash Equivalents		21,424	12,233	3,595	226,422	2,840,851
Designated Investments	44,187		275,285			422,653
Total Assets	44,187	21,424	287,518	3,595	226,422	3,263,504
FUND BALANCES:						
Restricted	44,187	21,424	287,518			2,920,326
Assigned				3,595	226,422	343,178
Total Fund Balances	44,187	21,424	287,518	3,595	226,422	3,263,504

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, 2018

SCHEDULE 4

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Self Funded Insurance
CASH RECEIPTS						
Property Taxes						114,058
Federal Grants		41,854				
Intergovernmental	318,566		468,587	468,587		1,449
Charges for Services					24,423	
Interest						11
Miscellaneous			103,457			
Total Cash Receipts	318,566	41,854	572,044	468,587	24,423	115,518
CASH DISBURSEMENTS						
General Government		34,001			27,642	140,212
Public Safety						
Culture and Recreation			959,447	206,200		
Total Cash Disbursements	0	34,001	959,447	206,200	27,642	140,212
Excess of Cash Receipts Over (Under) Cash Disbursements	318,566	7,853	(387,403)	262,387	(3,219)	(24,694)
OTHER FINANCING SOURCES (USES)						
Transfers In			350,000	50,000		
Transfers (Out)			(50,000)	(350,000)		
Total Other Financing Sources (Uses)	0	0	300,000	(300,000)	0	0
Net Change in Fund Balances	318,566	7,853	(87,403)	(37,613)	(3,219)	(24,694)
Fund Balances, Beginning of Year	1,175,613	78,808	355,595	721,253	37,744	137,855
Fund Balances, End of Year	1,494,179	86,661	268,192	683,640	34,525	113,161

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, 2018

SCHEDULE 4 CONCLUDED

	Veteran's Aid	Federal Forfeitures	Keno Lottery	Juvenile Facility	Handicapped Accessibility	Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS						
Property Taxes					12,632	126,690
Federal Grants		3,616				45,470
Intergovernmental					146	1,257,335
Charges for Services			82,709			107,132
Interest	383		69			463
Miscellaneous						103,457
Total Cash Receipts	383	3,616	82,778	0	12,778	1,640,547
CASH DISBURSEMENTS						
General Government			100			201,955
Public Safety		6,054		25,125		31,179
Culture and Recreation						1,165,647
Total Cash Disbursements	0	6,054	100	25,125	0	1,398,781
Excess of Cash Receipts Over (Under) Cash Disbursements	383	(2,438)	82,678	(25,125)	12,778	241,766
OTHER FINANCING SOURCES (USES)						
Transfers In				26,055		426,055
Transfers (Out)				(1,280)		(401,280)
Total Other Financing Sources (Uses)	0	0	0	24,775	0	24,775
Net Change in Fund Balances	383	(2,438)	82,678	(350)	12,778	266,541
Fund Balances, Beginning of Year	43,804	23,862	204,840	3,945	213,644	2,996,963
Fund Balances, End of Year	44,187	21,424	287,518	3,595	226,422	3,263,504

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, 2018

SCHEDULE 5

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HIGHWAY BUYBACK				
CASH RECEIPTS	318,566	318,566	318,566	0
CASH DISBURSEMENTS	1,494,179	1,494,179	0	1,494,179
Net Change in Fund Balance	(1,175,613)	(1,175,613)	318,566	1,494,179
Fund Balance, Beginning of Year	1,175,613	1,175,613	1,175,613	
Fund Balance, End of Year	0	0	1,494,179	1,494,179
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	221,192	221,192	41,854	(179,338)
CASH DISBURSEMENTS	300,000	300,000	34,001	265,999
Net Change in Fund Balance	(78,808)	(78,808)	7,853	86,661
Fund Balance, Beginning of Year	78,808	78,808	78,808	
Fund Balance, End of Year	0	0	86,661	86,661
VISITOR'S PROMOTION				
CASH RECEIPTS	625,447	625,447	572,044	(53,403)
CASH DISBURSEMENTS	1,281,042	1,281,042	959,447	321,595
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	350,000	350,000	350,000	0
Operating Transfers (Out)			(50,000)	(50,000)
Total Other Financing Sources (Uses)	350,000	350,000	300,000	(50,000)
Net Change in Fund Balance	(305,595)	(305,595)	(87,403)	218,192
Fund Balance, Beginning of Year	355,595	355,595	355,595	
Fund Balance, End of Year	50,000	50,000	268,192	218,192
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	475,498	475,498	468,587	(6,911)
CASH DISBURSEMENTS	846,751	846,751	206,200	640,551
OTHER FINANCING (USES):				
Operating Transfers In			50,000	50,000
Operating Transfers (Out)	(350,000)	(350,000)	(350,000)	0
Total Other Financing Sources (Uses)	(350,000)	(350,000)	(300,000)	50,000
Net Change in Fund Balance	(721,253)	(721,253)	(37,613)	683,640
Fund Balance, Beginning of Year	721,253	721,253	721,253	
Fund Balance, End of Year	0	0	683,640	683,640
REGISTER OF DEEDS P&M				
CASH RECEIPTS	25,000	25,000	24,423	(577)
CASH DISBURSEMENTS	62,744	62,744	27,642	35,102
Net Change in Fund Balance	(37,744)	(37,744)	(3,219)	34,525
Fund Balance, Beginning of Year	37,744	37,744	37,744	
Fund Balance, End of Year	0	0	34,525	34,525

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, 2018

SCHEDULE 5 CONTINUED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
SELF FUNDED INSURANCE				
CASH RECEIPTS	104,645	104,645	115,518	10,873
CASH DISBURSEMENTS	242,500	242,500	140,212	102,288
Net Change in Fund Balance	(137,855)	(137,855)	(24,694)	113,161
Fund Balance, Beginning of Year	137,855	137,855	137,855	
Fund Balance, End of Year	0	0	113,161	113,161
VETERAN'S AID				
CASH RECEIPTS	0	0	383	383
CASH DISBURSEMENTS	43,804	43,804	0	43,804
Net Change in Fund Balance	(43,804)	(43,804)	383	44,187
Fund Balance, Beginning of Year	43,804	43,804	43,804	
Fund Balance, End of Year	0	0	44,187	44,187
FEDERAL FORFEITURES				
CASH RECEIPTS	176,138	176,138	3,616	(172,522)
CASH DISBURSEMENTS	200,000	200,000	6,054	193,946
Net Change in Fund Balance	(23,862)	(23,862)	(2,438)	21,424
Fund Balance, Beginning of Year	23,862	23,862	23,862	
Fund Balance, End of Year	0	0	21,424	21,424
KENO LOTTERY				
CASH RECEIPTS	71,110	71,110	82,778	11,668
CASH DISBURSEMENTS	275,950	275,950	100	275,850
Net Change in Fund Balance	(204,840)	(204,840)	82,678	287,518
Fund Balance, Beginning of Year	204,840	204,840	204,840	
Fund Balance, End of Year	0	0	287,518	287,518
JUVENILE FACILITY				
CASH RECEIPTS	0	0		0
CASH DISBURSEMENTS	100,000	100,000	25,125	74,875
OTHER FINANCING SOURCES				
Operating Transfers In	96,055	96,055	26,055	(70,000)
Operating Transfers (Out)			(1,280)	(1,280)
Total Other Financing Sources (Uses)	96,055	96,055	24,775	(71,280)
Net Change in Fund Balance	(3,945)	(3,945)	(350)	3,595
Fund Balance, Beginning of Year	3,945	3,945	3,945	
Fund Balance, End of Year	0	0	3,595	3,595

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, 2018

SCHEDULE 5 CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HANDICAPPED ACCESSIBILITY				
CASH RECEIPTS	600	600	12,778	12,178
CASH DISBURSEMENTS	214,244	214,244	0	214,244
Net Change in Fund Balance	(213,644)	(213,644)	12,778	226,422
Fund Balance, Beginning of Year	213,644	213,644	213,644	
Fund Balance, End of Year	0	0	226,422	226,422
COURTHOUSE BUILDING				
CASH RECEIPTS	538,836	538,836	473,689	(65,147)
CASH DISBURSEMENTS	1,348,000	1,348,000	186,627	1,161,373
Net Change in Fund Balance	(809,164)	(809,164)	287,062	1,096,226
Fund Balance, Beginning of Year	811,164	811,164	811,164	
Fund Balance, End of Year	2,000	2,000	1,098,226	1,096,226

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2018

SCHEDULE 6

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Noxious Weed
Balance July 1, 2017	1,400	55,817	291,467	152,693	6,749	20,064
Receipts						
Licenses and Permits	5,800		19,235	24,455		
Charges for Services	4,638	277,121	56,851	1,085,034	25,355	28,719
Miscellaneous			1,178	23,197	3,616	
State Fees		292,264	74,467			
Inmate Account				605,587		
Other Liabilities			1,159,835	78,742	14,272	
Total Receipts	10,438	569,385	1,311,566	1,817,015	43,243	28,719
Disbursements						
Payments to County Treasurer	10,707	281,468	76,347	1,184,365	23,856	42,110
Payments to State Treasurer		287,316	73,314			
Inmate Account				616,798		
Other Liabilities			1,196,542	11,631	21,141	
Total Disbursements	10,707	568,784	1,346,203	1,812,794	44,997	42,110
Balance June 30, 2018	1,131	56,418	256,830	156,914	4,995	6,673
BALANCE CONSISTS OF:						
Due to County Treasurer	1,081	24,182	6,003	136,584	3,043	6,673
Due to State Treasurer		32,236	5,531			
Petty Cash	50			2,000	1,756	
Drug Fund					187	
Inmate Account				18,330		
Due to Others			245,296		9	
Balance June 30, 2018	1,131	56,418	256,830	156,914	4,995	6,673

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2018

SCHEDULE 6
CONCLUDED

	Veteran's Service Officer	County Assessor	Visitor's Center	Dive Team	Total
Balance July 1, 2017	8,744	32	0	0	536,966
Receipts					
Licenses and Permits					49,490
Charges for Services					1,477,718
Miscellaneous		314			28,305
State Fees					366,731
Inmate Account					605,587
Other Liabilities	5,004		6,584	2,031	1,266,468
Total Receipts	5,004	314	6,584	2,031	3,794,299
Disbursements					
Payments to County Treasurer		346			1,619,199
Payments to State Treasurer					360,630
Inmate Account					616,798
Other Liabilities	932		6,484	1,796	1,238,526
Total Disbursements	932	346	6,484	1,796	3,835,153
Balance June 30, 2018	12,816	0	100	235	496,112
BALANCE CONSISTS OF:					
Due to County Treasurer	12,816			235	190,617
Due to State Treasurer					37,767
Petty Cash			100		3,906
Drug Fund					187
Inmate Account					18,330
Due to Others					245,305
Balance June 30, 2018	12,816	0	100	235	496,112

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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, 2018, and the related notes to the financial statements, which collectively comprise Lincoln County, Nebraska financial statements, and have issued my report thereon dated October 18, 2018. 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's 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's internal control. Accordingly, I do not express an opinion on the effectiveness of Lincoln County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the 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 preceding paragraph 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. I did identify a certain deficiency in internal control that I consider to be a significant deficiency. I consider the following deficiency to be a significant deficiency:

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.

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 finding and response as item 2018-001.

Response to Findings

Lincoln County, Nebraska management responses to the findings identified in my audit is described above, and in the accompanying schedule of finding and response. 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 18, 2018

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDING AND RESPONSE

COUNTY BOARD:

2018-001 <u>Dive Team Unauthorized Bank Account:</u>

State Statute §23-109 states "the county board shall have the power to examine and settle all accounts against the county and accounts concerning receipts and expenditures of the county." Also, State Statute §23-1601 states "It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived…"

During the audit, it was discovered that the Lincoln County Dive Team had a bank account in which donations were being accepted and checks written. From 2016 to July 2018, the activity in the bank account consisted of donations totaling $2,483 and checks totaling $1,991. The donations and checks were mainly related to a trailer in 2018. The balance in the account as of July 31, 2018 was $780.

> I recommend the state statutes quoted above be complied with by closing the account balance to the county treasurer, and all future donations be remitted to the county treasurer. All activity associated with the donations will then be approved through the claims process by the county board.

<u>*County Board Response*</u>:
The Lincoln County Board of Commissioners were not aware the Lincoln County Dive Team had an outside bank account. The Lincoln County Dive Team has undergone many internal changes and funding structures in the last 20 plus years working with various municipalities and the Lincoln County Sheriff's office. The Lincoln County Dive Team is currently using the Lincoln County, NE Tax ID number. The donations were being accepted and used to lower the proposed Lincoln County Dive team budget request through Lincoln County.

The Lincoln County Board of Commissioners are requesting the Lincoln County Dive Team to close the checking account and remit the account balance to the Lincoln County Treasurer along with any and all future donations/receipts. All activity associated with the donations will then be approved through the claims process by the County Board.