Lincoln County, Nebraska

Independent Auditor's Report

and

Financial Statements
(Including Uniform Guidance Reports)

June 30, 2024

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Independent Auditor's Report

To the County Board of Commissioners
Lincoln County, Nebraska
North Platte, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska (County), as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 the County as of June 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter — Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

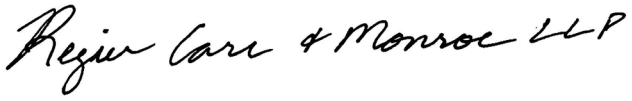
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements, budgetary comparison schedules, schedule of office activities and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



September 4, 2025
Wichita, Kansas

Lincoln County, Nebraska
Statement of Net Position – Cash Basis
June 30, 2024

	Governmental Activities
ASSETS:	
Cash	$ 10,344,888
Investments	3,191,238
Restricted cash	7,274,060
TOTAL ASSETS	20,810,186
NET POSITION:	
Restricted for:	
Child support enforcement	82,870
Visitors promotion	63,958
Visitors improvement	64,172
Record preservation and modernization	50,525
Federal relief	366,678
Community betterment	549,777
Drug enforcement and education	25,211
Road and bridge improvements	3,247,573
Debt service	2,823,296
Unrestricted	13,536,126
TOTAL NET POSITION	$ 20,810,186

The accompanying notes are an integral part of the financial statements.

Lincoln County, Nebraska
Statement of Activities – Cash Basis
For the Year Ended June 30, 2024

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES:				
General government	$ 11,550,235	$ 1,629,909	$ -	$ (9,920,326)
Public safety	8,811,216	1,579,798	1,114,692	(6,116,726)
Public works	14,989,783	93,558	-	(14,896,225)
Public welfare and social services	351,097	-	58,508	(292,589)
Culture and recreation	1,332,270	-	-	(1,332,270)
Debt payments and issue costs	2,768,084	-	-	(2,768,084)
TOTAL GOVERNMENTAL ACTIVITIES	$ 39,802,685	$ 3,303,265	$ 1,173,200	(35,326,220)
GENERAL RECEIPTS:				
Taxes				
Property				15,088,885
Motor vehicle				1,550,077
Inheritance				799,466
Other				1,285,098
Intergovernmental				10,140,704
Interest income				740,739
Miscellaneous				367,479
TOTAL GENERAL RECEIPTS				29,972,448
CHANGE IN NET POSITION				(5,353,772)
Net position - beginning of year				26,163,958
NET POSITION - END OF YEAR				$ 20,810,186

The accompanying notes are an integral part of the financial statements.

Lincoln County, Nebraska
Statement of Assets and Fund Balances – Cash Basis
Governmental Funds
June 30, 2024

	General Fund	Road Fund	Highway Buyback Fund	Jail Bond Fund	Nonmajor Funds	Total Governmental Funds
ASSETS:						
Cash	$5,735,073	$ 1,275,128	$ -	$ -	$ 3,334,687	$ 10,344,888
Investments	3,191,238	-	-	-	-	3,191,238
Restricted cash	-	-	3,247,573	2,183,503	1,842,984	7,274,060
TOTAL ASSETS	8,926,311	1,275,128	3,247,573	2,183,503	5,177,671	20,810,186
FUND BALANCES:						
Restricted for:						
Child support enforcement	-	-	-	-	82,870	82,870
Visitors promotion	-	-	-	-	63,958	63,958
Visitors improvement	-	-	-	-	64,172	64,172
Record preservation and modernization	-	-	-	-	50,525	50,525
Federal relief	-	-	-	-	366,678	366,678
Community betterment	-	-	-	-	549,777	549,777
Drug enforcement and education	-	-	-	-	25,211	25,211
Road and bridge improvements	-	-	3,247,573	-	-	3,247,573
Debt service	-	-	-	2,183,503	639,793	2,823,296
Committed to:						
Insurance costs	-	-	-	-	30,131	30,131
Veterans' aid	-	-	-	-	45,685	45,685
Juvenile services	-	-	-	-	10,852	10,852
Building maintenance, accessibility and improvement	-	-	-	-	2,252,572	2,252,572
Road maintenance and improvement	-	1,275,128	-	-	995,447	2,270,575
Unassigned	8,926,311	-	-	-	-	8,926,311
Total fund balances	8,926,311	1,275,128	3,247,573	2,183,503	5,177,671	20,810,186
TOTAL FUND BALANCES	$8,926,311	$ 1,275,128	$ 3,247,573	$ 2,183,503	$ 5,177,671	$ 20,810,186

The accompanying notes are an integral part of the financial statements.

Lincoln County, Nebraska
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Road Fund	Highway Buyback Fund	Jail Bond Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS:						
Taxes	$ 14,441,820	$ -	$ -	$ 1,643,257	$ 1,838,983	$ 17,924,060
Inheritance tax	799,466	-	-	-	-	799,466
Intergovernmental	2,749,493	4,607,226	438,023	171,720	3,347,442	11,313,904
Local	4,166,117	48,483	-	39,048	157,835	4,411,483
TOTAL RECEIPTS	22,156,896	4,655,709	438,023	1,854,025	5,344,260	34,448,913
DISBURSEMENTS:						
Current:						
General government	10,167,166	-	-	-	787,052	10,954,218
Public safety	7,956,211	-	-	1,200	102,513	8,059,924
Public works	277,045	5,155,647	-	-	400	5,433,092
Public welfare & social services	338,573	-	-	-	-	338,573
Culture and recreation	-	-	-	-	1,332,270	1,332,270
Capital outlay	1,012,563	5,734,405	89,358	-	4,080,198	10,916,524
Debt service:						
Principal and interest	-	-	-	2,046,284	721,800	2,768,084
TOTAL DISBURSEMENTS	19,751,558	10,890,052	89,358	2,047,484	7,024,233	39,802,685
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,405,338	(6,234,343)	348,665	(193,459)	(1,679,973)	(5,353,772)
OTHER FINANCING SOURCES (USES):						
Transfers - in	-	4,168,000	-	-	48,000	4,216,000
Transfers - out	(4,216,000)	-	-	-	-	(4,216,000)
TOTAL OTHER FINANCING SOURCES (USES)	(4,216,000)	4,168,000	-	-	48,000	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(1,810,662)	(2,066,343)	348,665	(193,459)	(1,631,973)	(5,353,772)
Fund balances - beginning of year	10,736,973	3,341,471	2,898,908	2,376,962	6,809,644	26,163,958
FUND BALANCES - END OF YEAR	$ 8,926,311	$ 1,275,128	$ 3,247,573	$ 2,183,503	$ 5,177,671	$ 20,810,186

The accompanying notes are an integral part of the financial statements.

Lincoln County, Nebraska
Statement of Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
Fiduciary Funds
June 30, 2024

	Custodial Fund Balances June 30, 2023	Receipts	Disbursements	Custodial Fund Balances June 30, 2024
ASSETS:				
Cash	$ 4,663,438	$ 97,672,889	$ 99,700,804	$ 2,635,523
Investments	582,655	1,328	-	583,983
	5,246,093	97,674,217	99,700,804	3,219,506
LIABILITIES:				
Due to other governments				
State - collected by County Treasurer	963,826	10,195,503	10,290,894	868,435
State - collected by other offices	46,703	518,040	529,381	35,362
Schools	895,654	61,396,565	61,338,923	953,296
Educational Service Units	7,825	839,324	838,293	8,856
Technical College	40,783	4,249,934	4,246,463	44,254
Natural Resource Districts	16,030	3,002,992	3,004,704	14,318
Fire Districts	7,433	1,274,585	1,272,653	9,365
Municipalities	212,975	9,597,886	9,633,351	177,510
Agricultural Society	4,239	456,707	456,099	4,847
Drainage Districts	57,430	356,095	316,370	97,155
Cemetery Districts	52,038	131,965	154,130	29,873
Airport Authority	20,930	1,360,434	1,361,040	20,324
Hospitals	427	59,875	59,747	555
Holding funds	-	1,309,943	1,307,697	2,246
Others - collected by County Treasurer	2,804	-	-	2,804
Others - collected by other offices	2,916,996	2,924,369	4,891,059	950,306
TOTAL LIABILITIES	5,246,093	97,674,217	99,700,804	3,219,506
TOTAL NET POSITION	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

Note 1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies utilized in the accounting system of Lincoln County, Nebraska, Nebraska.

As discussed further in the Basis of Accounting note below, these financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

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. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. As required by GAAP, these financial statements present the County (the primary government). No component units were identified.

Joint Organizations

Behavioral Health Region II – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

Note 1. Summary of Significant Accounting Policies (Continued)

Joint Organizations (continued)

Behavioral Health Region II (continued) – The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed $219,219 toward the operation of the Region during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the West Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per State statute.

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with State statute. Financial information for the Department is available in that report.

Inland Port Authority –The County previously contributed to the North Platte Area Chamber of Commerce and Development Corporation Inc. (Chamber) for the purchase of real property from Greenbrier Railcar Services to assist in developing the Hershey Industrial Rail Park. Upon closing of the property, the County entered into a long-term lease agreement with the Chamber with the County making $1.00 annual lease payments, as well as holding a purchase option for $1.00. The County received approval from the Nebraska Department of Economic Development (DED) to use the purchased property to create an Inland Port District and Inland Port Authority which has been named the "Nebraska International Port of the Plains" (Port of the Plains). On September 25, 2023, the County Board voted to approve a $75,000 loan to the Port of the Plains to be repaid over a two-year period.

The governing board of the Port of the Plains consists of nine members appointed by the Lincoln County Board who are residents of Lincoln County. The Port of the Plains is a separate legal entity created pursuant to the Municipal Inland Port Authority Act (Act). Funding is provided by a combination of State and private funding. In the event of the termination of the Port of the Plains, assets would be disposed of in accordance with the Act. The Port of the Plains will be audited annually. Financial information will be available in those audit reports.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting

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

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

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the activities of the County and are in the format of government-wide statements, as required by GASB. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Some individual County offices also maintain accounting records for monies received and disbursed directly by that office. Only that portion of those monies which is remitted by that office to the County Treasurer would be reflected in the County's financial statements.

Fund Financial Statements
The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The County reserves the right, however, to selectively spend unassigned fund balances first to defer the use of these other classified funds.

The County reports the following governmental fund types:

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

Special Revenue Funds: These funds account for the proceeds from specific receipt sources that are restricted or committed to disbursements for specified purposes other than debt service or capital projects.

Capital Project Funds: These funds account for and report financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds: These funds account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

The County uses fiduciary funds to report assets held in a trust or agency capacity for individuals, private organizations, other governments, and/or other funds. Custodial funds are used to report fiduciary activities that are not reported in pension trust funds, investment trust funds, or private-purpose trust funds. The County's fiduciary funds consist of custodial funds and are presented on the Fiduciary Statement of Cash Receipts, Disbursements, and Changes in Fund Balances.

The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. GASB prescribes minimum criteria for the determination of major funds. Some funds may have been reclassified as major and nonmajor from the prior year.

The County reports the following major governmental funds:

General Fund: As previously described.

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

Highway Buyback Fund: This fund is used to account for costs associated with the improvement of roads and bridges in the County. It is funded by receipts from the State of Nebraska through the Federal Funds Purchase Program.

Jail Bond Fund: This fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs on general obligation bonds issued for the purpose of acquiring real estate and constructing a sheriff's office and county jail facility.

The County designates fund balances as follows:

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

Committed: The fund balance can be spent only for specific purposes determined by formal action of the Board of Commissioners, which is the highest level of authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (continued)

Assigned: The fund balance is intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Assigned fund balances may be established only by the Board.

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

Cash and Cash Equivalents

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

Investments

The types of investments in which the County is authorized to invest funds are enumerated in State statute and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

Capital Assets

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

Depreciation expense on capital assets is not recorded in the cash basis financial statements. Under GAAP, depreciation expense would be recorded in the Statement of Activities. The cost of normal maintenance and repairs that does not add to the value of the asset or extend asset life is not capitalized.

Compensated Absences

Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation leave. Under the cash basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

Disbursements

Disbursements are classified by function for government-wide activities. In the governmental fund statements, disbursements are classified by character (current, capital outlay, and debt service).

Note 1. Summary of Significant Accounting Policies (Continued)

Budgetary Process

The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. The budget is prepared on the cash basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 30, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the other fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

Note 2. Deposits and Investments

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with State statute. At year end, the County's carrying amount of deposits was $17,621,600 for County funds and $2,233,838 for Fiduciary funds. The bank balances for all funds totaled $24,654,559. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2024, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of $3,191,238 deposited in U.S. Government Securities held by the County or its agent in the name of the County.

Note 3. Restricted Assets

Cash and investments have been restricted in amounts agreeing to restricted net position and fund balances as displayed on the face of the Statement of Net Position and Statement of Assets and Fund Balances.

Note 4. Interfund Balances and Activity

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Transfers Out	Transfers In		
	Road Fund	Nonmajor Funds	Total
General Fund	$ 4,168,000	$ 48,000	$ 4,216,000

Transfers are used to move receipts collected in certain funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 5. Property Taxes

Property taxes are levied by the County Board on or before October 20 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

Counties are permitted by the State Constitution to levy a tax of up to $.50/$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the $.50 limitation upon a vote of the people.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

The levy set in October 2023, for the 2023 taxes, which will be materially collected in May and September 2024, was set at $.286776/$100 of assessed valuation. The levy set in October 2022, for the 2022 taxes, which were materially collected in May and September 2023, was set at $.314110/$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Note 6. Employee Retirement System

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under State statute and may be amended through legislative action.

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

Note 6. Employee Retirement System (Continued)

The contribution rates are established by State statute and may be amended through legislative action. County employees and elected officials contribute 4.5% of their total compensation and the County contributes an amount equal to 150% of the employee's contribution. In addition, a supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In September, 2023, this rate was increased to 2% for both employees and the County. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the Plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

The County's total payroll for all employees was $11,176,757 for the year ended June 30, 2024. Total covered payroll was $11,076,129. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan. For the year ended June 30, 2024, 254 employees contributed $516,575, and the County contributed $760,177. The County also paid $968 directly to certain retired employees for prior service benefits.

Payment of Benefits

Upon termination of employment, including death, disability and retirement, a member may begin taking distributions from their vested account balances. A member is eligible for retirement after attaining age 55 and, if actively employed by a participating county at the time of retirement, is automatically vested, regardless of service.

Cash Balance Benefit Options

The normal form of payment under the Cash Balance Benefit Fund is a single life annuity with five-year certain, payable monthly. Members have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5% annually. Other optional forms of payment are available that are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

Defined Contribution Benefit Options

Members in the Defined Contribution Benefit Fund may elect to defer their benefits until a later date or to receive their benefits in a lump sum distribution, rollover distribution, systematic withdrawal, or monthly annuity. Members may also elect a combination of any of these options.

Note 7. Risk Management

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures.

The County has not paid out any amounts that exceeded coverage in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

Note 8. Contingencies

Federal and State Award Programs

The County receives funds under various federal and state grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

Contingent Liabilities

The County is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its operations. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the County.

Note 9. Commitments

2022 Jail General Obligation Bond

The County issued Series 2022 refunding bonds in March 2022, in the amount of $4,535,000, for the purpose of paying the costs of constructing a sheriff's office and county jail facility, as well as acquiring real estate. These costs were originally financed through Series 2012 bonds in March 2012, which were refunded by Series 2017 bonds in June 2017 and Series 2022 bonds in March 2022. The bond payable balance, as of June 30, 2024, was $3,420,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

	Principal	Interest	Total
2025	$ 565,000	$ 49,271	$ 614,271
2026	560,000	41,820	601,820
2027	565,000	33,663	598,663
2028	570,000	24,865	594,865
2029	575,000	15,418	590,418
2030	585,000	5,265	590,265
Total Payments	$ 3,420,000	$ 170,302	$ 3,590,302

2021 Jail General Obligation Bond

The County issued Series 2021 refunding bonds in May 2021, in the amount of $3,530,000, for the purpose of paying the costs of constructing a sheriff's office and county jail facility, as well as acquiring real estate. These costs were originally financed through Series 2011 bonds in September 2011, which were refunded by Series 2016 bonds in July 2016, and Series 2021 bonds in May 2021. The bond payable balance, as of June 30, 2024, was $2,370,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

	Principal	Interest	Total
2025	$ 395,000	$ 14,764	$ 409,764
2026	390,000	13,195	403,195
2027	390,000	11,245	401,245
2028	395,000	8,790	403,790
2029	395,000	5,729	400,729
2030	405,000	2,025	407,025
Total Payments	$ 2,370,000	$ 55,748	$ 2,425,748

Note 9. Commitments (Continued)

2020 Limited Tax County Building Bond

The County issued bonds in January 2020, in the amount of $4,700,00, for the purpose of paying the costs of constructing additions and improvements to the County law enforcement building. The bond payable balance, as of June 30, 2024 was $1,005,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

	Principal	Interest	Total
2025	$ 1,005,000	$ 20,100	$ 1,025,100

Highway Allocation Bond

The County issued bonds on May 1, 2019, in the amount of $3,270,000 for the purpose of making certain road improvements within the County. The bond payable balance, as of June 30, 2024, was $705,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and highway allocation funds will be used to pay off the bonds.

Future Payments:

	Principal	Interest	Total
2025	$ 705,000	$ 14,100	$ 719,100

Construction Commitments

In September, 2023, the County entered into a contract with Kea Construction, LLC for the Sutherland North Bridge Project in the amount of $5,240,480. As of June 30, 2024, the County had a remaining commitment of $753,950. This amount was paid in full by October, 2024.

In August, 2024, the County awarded the contract for North River Road project LCDOR 2024-2 to Western Engineering in the amount of $1,608,803. The contract was completed and paid in full in November, 2024.

In April, 2025 the County awarded the contract for a mill and overlay project LCDOR 2025-1 to Western Engineering in the amount of $1,879,840.

In May, 2025, the County awarded the contract for asphalt project LDCOR 2025-2 to Shelco Construction in the amount of $671,400.

Note 10. Subsequent Events

The County has evaluated subsequent events through September 4, 2025, the date the financial statements were available to be issued. See Note 9 for subsequent construction commitments.

SUPPLEMENTARY INFORMATION

Lincoln County, Nebraska
Combining Statement of Assets and
Fund Balances – Cash Basis
General Fund
June 30, 2024

	General Fund	Inheritance Tax Fund	Total General Fund
ASSETS:			
Cash	$ 2,895,004	$ 2,840,069	$ 5,735,073
Investments	-	3,191,238	3,191,238
TOTAL ASSETS	2,895,004	6,031,307	8,926,311
FUND BALANCES:			
Unassigned	2,895,004	6,031,307	8,926,311
TOTAL FUND BALANCES	$ 2,895,004	$ 6,031,307	$ 8,926,311

Lincoln County, Nebraska
Combining Statement of Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
General Fund
For the Year Ended June 30, 2024

	General Fund	Inheritance Tax Fund	Total General Fund
RECEIPTS:			
Taxes	$ 14,441,820	$ -	$ 14,441,820
Inheritance tax	-	799,466	799,466
Intergovernmental	2,749,493	-	2,749,493
Local	4,166,117	-	4,166,117
TOTAL RECEIPTS	21,357,430	799,466	22,156,896
DISBURSEMENTS:			
Current:			
General government	10,102,444	64,722	10,167,166
Public safety	7,956,211	-	7,956,211
Public works	277,045	-	277,045
Public welfare & social services	338,573	-	338,573
Capital outlay	1,012,563	-	1,012,563
TOTAL DISBURSEMENTS	19,686,836	64,722	19,751,558
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,670,594	734,744	2,405,338
OTHER FINANCING SOURCES (USES):			
Transfers - out	(3,036,000)	(1,180,000)	(4,216,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(1,365,406)	(445,256)	(1,810,662)
Fund balances - beginning of year	4,260,410	6,476,563	10,736,973
FUND BALANCES - END OF YEAR	$ 2,895,004	$ 6,031,307	$ 8,926,311

Lincoln County, Nebraska
Combining Statement of Assets and
Fund Balances – Cash Basis
Nonmajor Funds
June 30, 2024

	Special Revenue			
	Child Support Incentive	Visitor Promotion Fund	Visitor Improvement Fund	Preservation & Modernization Fund
ASSETS:				
Cash	$ -	$ -	$ -	$ -
Restricted cash	82,870	63,958	64,172	50,525
TOTAL ASSETS	82,870	63,958	64,172	50,525
FUND BALANCES:				
Restricted	82,870	63,958	64,172	50,525
Committed	-	-	-	-
Total fund balances	82,870	63,958	64,172	50,525
TOTAL FUND BALANCES	$ 82,870	$ 63,958	$ 64,172	$ 50,525

Lincoln County, Nebraska
Combining Statement of Assets and
Fund Balances – Cash Basis
Nonmajor Funds (Continued)
June 30, 2024

	Special Revenue			
	Insurance Fund	Veteran's Aid Fund	County Drug Law Enforcement & Education Fund	Federal Drug Forfeiture Fund
ASSETS:				
Cash	$ 30,131	$ 45,685	$ -	$ -
Restricted cash	-	-	13,077	12,134
TOTAL ASSETS	30,131	45,685	13,077	12,134
FUND BALANCES:				
Restricted	-	-	13,077	12,134
Committed	30,131	45,685	-	-
Total fund balances	30,131	45,685	13,077	12,134
TOTAL FUND BALANCES	$ 30,131	$ 45,685	$ 13,077	$ 12,134

Lincoln County, Nebraska
Combining Statement of Assets and
Fund Balances – Cash Basis
Nonmajor Funds (Continued)
June 30, 2024

	Special Revenue		
	COVID American Rescue Plan Fund	Keno Lottery Fund	Juvenile Facility Fund
ASSETS:			
Cash	$ -	$ -	$ 10,852
Restricted cash	366,678	549,777	-
TOTAL ASSETS	366,678	549,777	10,852
FUND BALANCES:			
Restricted	366,678	549,777	-
Committed	-	-	10,852
Total fund balances	366,678	549,777	10,852
TOTAL FUND BALANCES	$ 366,678	$ 549,777	$ 10,852

Lincoln County, Nebraska
Combining Statement of Assets and
Fund Balances – Cash Basis
Nonmajor Funds (Continued)
June 30, 2024

	Capital Projects			
	Special Road Fund	Road Improvement Fund	Handicapped Accessibility Fund	Courthouse Building Fund
ASSETS:				
Cash	$ 927,668	$ 67,779	$ 226,443	$ 2,026,129
Restricted cash	-	-	-	-
TOTAL ASSETS	927,668	67,779	226,443	2,026,129
FUND BALANCES:				
Restricted	-	-	-	-
Committed	927,668	67,779	226,443	2,026,129
Total fund balances	927,668	67,779	226,443	2,026,129
TOTAL FUND BALANCES	$ 927,668	$ 67,779	$ 226,443	$ 2,026,129

Lincoln County, Nebraska
Combining Statement of Assets and
Fund Balances – Cash Basis
Nonmajor Funds (Continued)
June 30, 2024

	Debt Service	
	Highway Road Bond Fund	Total Nonmajor Funds
ASSETS:		
Cash	$ -	$ 3,334,687
Restricted cash	639,793	1,842,984
TOTAL ASSETS	639,793	5,177,671
FUND BALANCES:		
Restricted	639,793	1,842,984
Committed	-	3,334,687
Total fund balances	639,793	5,177,671
TOTAL FUND BALANCES	$ 639,793	$ 5,177,671

Lincoln County, Nebraska
Combining Statement Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
Nonmajor Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Child Support Incentive	Visitor Promotion Fund	Visitor Improvement Fund	Preservation & Modernization Fund
RECEIPTS:				
Taxes	$ -	$ 638,584	$ 638,584	$ -
Intergovernmental	85,267	-	-	-
Local	-	-	-	21,771
TOTAL RECEIPTS	85,267	638,584	638,584	21,771
DISBURSEMENTS:				
Current:				
General government	-	-	-	38,655
Public safety	101,515	-	-	-
Public works	-	-	-	-
Culture and recreation	-	666,242	666,028	-
Capital outlay	-	-	-	-
Debt Service:				
Principal and interest	-	-	-	-
TOTAL DISBURSEMENTS	101,515	666,242	666,028	38,655
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,248)	(27,658)	(27,444)	(16,884)
OTHER FINANCING SOURCES (USES):				
Transfers - in	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(16,248)	(27,658)	(27,444)	(16,884)
Fund balances - beginning of year	99,118	91,616	91,616	67,409
FUND BALANCE - END OF YEAR	$ 82,870	$ 63,958	$ 64,172	$ 50,525

Lincoln County, Nebraska
Combining Statement Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
Nonmajor Funds (Continued)
For the Year Ended June 30, 2024

	Special Revenue			
	Insurance Fund	Veteran's Aid Fund	County Drug Law Enforcement & Education Fund	Federal Forfeiture Fund
RECEIPTS:				
Taxes	$ 11	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Local	3,580	-	1,306	-
TOTAL RECEIPTS	3,591	-	1,306	-
DISBURSEMENTS:				
Current:				
General government	137,029	-	-	-
Public safety	-	-	998	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal and interest	-	-	-	-
TOTAL DISBURSEMENTS	137,029	-	998	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(133,438)	-	308	-
OTHER FINANCING SOURCES (USES):				
Transfers - in	48,000	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(85,438)	-	308	-
Fund balances - beginning of year	115,569	45,685	12,769	12,134
FUND BALANCE - END OF YEAR	$ 30,131	$ 45,685	$ 13,077	$ 12,134

Lincoln County, Nebraska
Combining Statement Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
Nonmajor Funds (Continued)
For the Year Ended June 30, 2024

	Special Revenue		
	COVID American Rescue Plan Fund	Keno Lottery Fund	Juvenile Facility Fund
RECEIPTS:			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Local	-	66,398	-
TOTAL RECEIPTS	-	66,398	-
DISBURSEMENTS:			
Current:			
General government	609,857	100	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal and interest	-	-	-
TOTAL DISBURSEMENTS	609,857	100	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(609,857)	66,298	-
OTHER FINANCING SOURCES (USES):			
Transfers - in	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(609,857)	66,298	-
Fund balances - beginning of year	976,535	483,479	10,852
FUND BALANCE - END OF YEAR	$ 366,678	$ 549,777	$ 10,852

Lincoln County, Nebraska
Combining Statement Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
Nonmajor Funds (Continued)
For the Year Ended June 30, 2024

	Capital Projects			
	Special Road Fund	Road Improvement Fund	Handicapped Accessibility Fund	Courthouse Building Fund
RECEIPTS:				
Taxes	$ -	$ -	$ -	$ 55
Intergovernmental	3,202,808	-	-	-
Local	-	-	-	52,481
TOTAL RECEIPTS	3,202,808	-	-	52,536
DISBURSEMENTS:				
Current:				
General government	-	-	-	1,411
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	3,675,517	-	-	404,681
Debt Service:				
Principal and interest	-	-	-	-
TOTAL DISBURSEMENTS	3,675,517	-	-	406,092
RECEIPTS OVER (UNDER) DISBURSEMENTS	(472,709)	-	-	(353,556)
OTHER FINANCING SOURCES (USES):				
Transfers - in	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(472,709)	-	-	(353,556)
Fund balances - beginning of year	1,400,377	67,779	226,443	2,379,685
FUND BALANCE - END OF YEAR	$ 927,668	$ 67,779	$ 226,443	$ 2,026,129

Lincoln County, Nebraska
Combining Statement Receipts, Disbursements and
Changes in Fund Balances – Cash Basis
Nonmajor Funds (Continued)
For the Year Ended June 30, 2024

	Debt Service	
	Highway Road Bond Fund	Total Nonmajor Funds
RECEIPTS:		
Taxes	$ 561,749	$ 1,838,983
Intergovernmental	59,367	3,347,442
Local	12,299	157,835
TOTAL RECEIPTS	633,415	5,344,260
DISBURSEMENTS:		
Current:		
General government	-	787,052
Public safety	-	102,513
Public works	400	400
Culture and recreation	-	1,332,270
Capital outlay	-	4,080,198
Debt Service:		
Principal and interest	721,800	721,800
TOTAL DISBURSEMENTS	722,200	7,024,233
RECEIPTS OVER (UNDER) DISBURSEMENTS	(88,785)	(1,679,973)
OTHER FINANCING SOURCES (USES):		
Transfers - in	-	48,000
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(88,785)	(1,631,973)
Fund balances - beginning of year	728,578	6,809,644
FUND BALANCE - END OF YEAR	$ 639,793	$ 5,177,671

Lincoln County, Nebraska
Budgetary Comparison Schedule – Cash Basis
General Fund
For the Year Ended June 30, 2024

	Original/ Final Budget	Actual
RECEIPTS:		
Taxes	$ 15,783,974	$ 14,441,820
Intergovernmental	2,585,262	2,749,493
Local	3,221,085	4,166,117
TOTAL RECEIPTS	21,590,321	21,357,430
DISBURSEMENTS:		
General Government:		
County Board	280,000	264,143
County Clerk	495,515	426,785
County Treasurer	598,890	497,005
Register of Deeds	234,020	195,956
County Assessor	612,400	561,789
Planning and Zoning	104,876	97,482
Data Processing	208,490	195,994
Adv - Ins - Bonds - ETC	3,719,364	3,150,164
Federal Payroll (O.A.S.I.)	707,000	660,535
Clerk of the District Court	379,300	333,024
County Court	48,825	32,894
District Court	124,615	107,253
Public Defender	688,969	672,140
Building and Grounds	526,700	477,347
Grounds Jail	242,748	201,135
Agricultural Extension Agent	171,000	168,767
Phtostat Department	66,950	53,295
Retirement - (County's Share)	626,800	617,296
Employment Security	13,000	3,424
Miscellaneous	2,166,906	1,568,345
Grant Funds	379,220	203,977
Public Safety:		
County Sheriff	3,009,790	2,908,161
County Attorney	1,074,700	904,374
Communication Center (P.B.X.)	199,200	172,641
Merit Commission	1,250	38
Child Support Enforcement	316,730	232,594
County Jail	3,339,456	3,008,131
District Probation Office	158,000	133,793
City-County Fund	490,601	461,554
Emergency Management	1,226,295	593,195
Predator Control	123,200	98,052
Public Works:		
County Surveyor	84,000	83,212
Noxious Weed	342,930	251,244
Dive & Rescue Team	21,000	18,056
Public Welfare and Social Services:		
Medical Relief	67,800	20,423
Veterans Service	127,600	116,694
Instituions	172,591	155,899
Victim's Assistance Program	40,000	40,025
TOTAL DISBURSEMENTS	23,190,731	19,686,836
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,600,410)	1,670,594
OTHER FINANCING SOURCES (USES):		
Transfers - in	1,600,000	-
Transfers - out	(3,135,000)	(3,036,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,535,000)	(3,036,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	$ (3,135,410)	(1,365,406)
Fund balance - beginning of year		4,260,410
FUND BALANCE - END OF YEAR		$ 2,895,004

Lincoln County, Nebraska
Budgetary Comparison Schedule – Cash Basis
Road Fund
For the Year Ended June 30, 2024

	Original/ Final Budget	Actual
RECEIPTS:		
Intergovernmental	$ 4,525,734	$ 4,607,226
Local	5,450	48,483
TOTAL RECEIPTS	4,531,184	4,655,709
DISBURSEMENTS:	11,390,655	10,890,052
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,859,471)	(6,234,343)
OTHER FINANCING SOURCES (USES):		
Transfers - in	3,768,000	4,168,000
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	$ (3,091,471)	(2,066,343)
Fund balance - beginning of year		3,341,471
FUND BALANCE - END OF YEAR		$ 1,275,128

Lincoln County, Nebraska
Budgetary Comparison Schedule – Cash Basis
Highway Buyback Fund
For the Year Ended June 30, 2024

	Original/ Final Budget	Actual
RECEIPTS:		
Intergovernmental	$ 438,024	$ 438,023
DISBURSEMENTS:	3,336,932	89,358
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,898,908)	348,665
Fund balance - beginning of year		2,898,908
FUND BALANCE - END OF YEAR		$ 3,247,573

Lincoln County, Nebraska
Budgetary Comparison Schedule – Cash Basis
Jail Bond Fund
For the Year Ended June 30, 2024

	Original/ Final Budget	Actual
RECEIPTS:		
Taxes	$ 1,700,000	$ 1,643,257
Intergovernmental	13,200	171,720
Local	-	39,048
TOTAL RECEIPTS	1,713,200	1,854,025
DISBURSEMENTS:	4,090,162	2,047,484
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,376,962)	(193,459)
Fund balance - beginning of year		2,376,962
FUND BALANCE - END OF YEAR		$ 2,183,503

Lincoln County, Nebraska
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2024

Note 1. Budget and Budgetary Accounting

The appropriated budget adopted by the County is prepared on a cash basis. The actual results used in the Budgetary Comparison Schedule – Cash Basis General Fund differ from that used in the Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis General Fund due to *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*. Such perspective differences and their effect on the respective fund are summarized as follows:

Receipts over (under) disbursements and other financing sources (uses) per Budgetary Comparison Schedule - Cash Basis General Fund	(1,365,406)
Adjustments increase (decrease) for:	
Inheritance Tax Fund receipts and transfers in	799,466
Inheritance Tax Fund disbursements and transfers out	(1,244,722)
Receipts over (under) disbursements and other financing sources (uses) per Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis General Fund	(1,810,662)

Lincoln County, Nebraska
Schedule of Office Activities
For the Year Ended June 30, 2024

	County Clerk	Register of Deeds	Clerk of the Disctrict Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
RECEIPTS							
Taxes	$ -	$ -	$ -	$ 45,910	$ -	$ -	$ -
Charges for Services	10,074	280,782	154,835	380,051	10,820	56,270	30,381
Miscellaneous	-	5,876	-	6,320	1,550	-	988
State fees	-	443,379	74,661	-	-	-	-
Other liabilities	-	-	1,800,751	1,110,371	13,247	-	-
TOTAL RECEIPTS	10,074	730,037	2,030,247	1,542,652	25,617	56,270	31,369
DISBURSEMENTS							
Payments to County Treasurer	10,022	289,232	143,998	471,517	10,820	58,942	31,092
Payments to State Treasurer	-	455,122	74,259	-	-	-	-
Petty cash and other payments	-	-	-	25,501	1,378	-	-
Other liabilities	-	-	3,766,785	1,111,078	13,196	-	-
TOTAL DISBURSEMENTS	10,022	744,354	3,985,042	1,608,096	25,394	58,942	31,092
RECEIPTS OVER (UNDER) DISBURSEMENTS	52	(14,317)	(1,954,795)	(65,444)	223	(2,672)	277
Balance - beginning of year	1,144	64,839	2,877,418	142,073	1,269	12,356	25
BALANCE - END OF YEAR	$ 1,196	$ 50,522	$ 922,623	$ 76,629	$ 1,492	$ 9,684	$ 302
BALANCE CONSISTS OF:							
Due to State Treasurer	$ -	$ 28,456	$ 6,906	$ -	$ -	$ -	$ -
Due to County Treasurer	1,146	22,066	27,506	12,365	441	9,684	302
Due to others	-	-	887,991	62,264	51	-	-
Petty cash	50	-	220	2,000	1,000	-	-
	$ 1,196	$ 50,522	$ 922,623	$ 76,629	$ 1,492	$ 9,684	$ 302

Lincoln County, Nebraska
Schedule of Office Activities
For the Year Ended June 30, 2024

	Veterans' Service Officer	County Extension	County Planning & Zoning	County Dive Rescue Team	County Assessor	Total
RECEIPTS						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 45,910
Charges for Services	-	-	9,114	-	-	932,327
Miscellaneous	268	111	-	500	30	15,643
State fees	-	-	-	-	-	518,040
Other liabilities	-	-	-	-	-	2,924,369
TOTAL RECEIPTS	268	111	9,114	500	30	4,436,289
DISBURSEMENTS						
Payments to County Treasurer	-	-	9,114	-	65	1,024,802
Payments to State Treasurer	-	-	-	-	-	529,381
Petty cash and other payments	3,134	111	-	500	-	30,624
Other liabilities	-	-	-	-	-	4,891,059
TOTAL DISBURSEMENTS	3,134	111	9,114	500	65	6,475,866
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,866)	-	-	-	(35)	(2,039,577)
Balance - beginning of year	20,138	100	-	59	35	3,119,456
BALANCE - END OF YEAR	$ 17,272	$ 100	$ -	$ 59	$ -	$1,079,879
BALANCE CONSISTS OF:						
Due to State Treasurer	$ -	$ -	$ -	$ -	$ -	$ 35,362
Due to County Treasurer	17,272	-	-	59	-	90,841
Due to others	-	-	-	-	-	950,306
Petty cash	-	100	-	-	-	3,370
	$ 17,272	$ 100	$ -	$ 59	$ -	$1,079,879

Lincoln County, Nebraska
Schedule of Expenditures of Federal Awards – Cash Basis
For the Year Ended June 30, 2024

Federal Grantor Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Provided to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Nebraska Military Department				
Emergency Management Performance Grants	97.042	23-SR 31033-01	$ 60,502	$ -
COVID-19 - Emergency Management Performance Grants	97.042	21-GA 31003-06	2,487	-
			62,989	-
Homeland Security Grant Program	97.067	19-GA 8733-03 20-GA 8733-03 21-SR 8733-01 22-SR 8733-01 23-GA 8733-02	321,137	86,883
Total U.S. Department of Homeland Security			384,126	86,883
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Nebraska Department of Health and Human Services				
Child Support Services	93.563	52098 Y3 51449 Y3	423,637	-
Passed through National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	MRC 24-1556 MRC 23-1556	14,365	-
Total U.S. Department of Health and Human Services			438,002	-
U.S. DEPARTMENT OF JUSTICE				
Passed through Nebraska Commission on Law Enforcement and Criminal Justice				
Crime Victim Assistance	16.575	141-2024-VA1009	40,000	-
Passed through Rape and Domestic Abuse Program of North Platte, Inc.				
Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program	16.589	O-OVW-2023-171480	20,000	-
Total U.S. Department of Justice			60,000	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Nebraska Department of Transportation				
Highway Safety Cluster				
State and Community Highway Safety	20.600	402-23-27-65 402-24-28-04	37,324	-
National Priority Safety Program	20.616	405d-23-51-47 405d-23-53-34	7,973	-
Total - Highway Safety Cluster			45,297	-
Incentive Grant Program to Prohibit Racial Profiling	20.611	1906-24-01-17	30,000	-
Total U.S. Department of Transportation			75,297	-
U.S. DEPARTMENT OF THE TREASURY				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	609,857	-
Total U.S. Department of the Treasury			609,857	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,567,282	$ 86,883

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Lincoln County, Nebraska
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lincoln County, Nebraska (County) under programs of the federal government for the year ended June 30, 2024.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* 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 the County, it is not intended to and does not present the financial position, or changes in net position, of the County.

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

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

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*

To the Lincoln County Board of Commissioners
North Platte, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska (County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 4, 2025. These financial statements were prepared using a special purpose framework of reporting identified as the cash basis of accounting.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our 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 have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control, that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.

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Report on Compliance and Other Matters

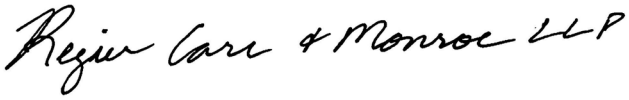
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Lincoln County, Nebraska's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



September 4, 2025
Wichita, Kansas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Lincoln County Board of Commissioners
North Platte, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lincoln County, Nebraska's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Lincoln County, Nebraska's major federal programs for the year ended June 30, 2024. Lincoln County, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lincoln County, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Lincoln County, Nebraska and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lincoln County, Nebraska's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lincoln County, Nebraska's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lincoln County, Nebraska's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County, Nebraska's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

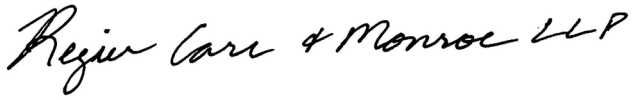
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a

federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



September 4, 2025
Wichita, Kansas

Lincoln County, Nebraska
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	X Yes	___ None reported
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ Yes	X No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	X Yes	___ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	X Yes	___ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
20.611	Incentive Grant Program to Prohibit Racial Profiling

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	___ Yes	X No

Lincoln County, Nebraska
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION II – Financial Statement Findings

2024-001 Reconciliations

Criteria: Internal controls should be in place to ensure that certain accounts and transactions are reconciled to prevent or detect unauthorized or inaccurate recording or presentation. In addition, a review of the reconciliation should be performed by an individual other than the individual performing the reconciliation.

Condition and Context: Throughout the performance of audit procedures, the auditor identified the following instances where appropriate reconciliations were either not performed and/or were not reviewed by an individual other than the individual performing the reconciliation:

- Transfers in recorded by the County Treasurer and transfers out recorded by the County Clerk are not actively being reconciled to one another or reviewed for accuracy resulting in a $400,000 transfer from the Inheritance Fund recorded as a transfer in to the Road Fund rather than the General Fund.

- Bank reconciliations in the County Clerk's office were not timely completed for the imprest and payroll accounts. Reconciliations for the 2024 fiscal year as a whole were delayed and the requested reconciliations for June 30, 2024 were not provided for audit purposes until June, 2025. The delayed reconciliations also appear to have contributed to errors within the accurate recording of payroll expenses and remittance of contributions to health savings accounts. In addition, bank reconciliations which were performed were not reviewed by an individual other than the individual performing the reconciliation.

- Bank reconciliations in the County Treasurer's office were not completed for the CDARS accounts at Equitable Bank and certificates of deposits at Dayspring Bank resulting in $113,652 unrecorded interest as of June 30, 2024. Reconciliation of the Treasury Notes held at First National Bank were also not completed resulting in an overstatement of the balance of $25,764. In addition, bank reconciliations which were performed were not reviewed by an individual other than the individual performing the reconciliation.

- It does not appear that the County Clerk and County Treasurer have a process for reconciling amounts expended by the Clerk to amounts disbursed by the Treasurer resulting in an ending fund balance difference of $6,952.

- The Highway and Bridge Buyback Annual Certification Form was not reconciled to the activity within the Highway Buyback fund (650) resulting in an overstatement of $542,580 in its remaining allocation reported on the certification form as of both July 1, 2023 and June 30, 2024.

SECTION II – Financial Statement Findings (Continued)

2024-001 Reconciliations (Continued)

Cause: Presently, the County lacks written procedures for the County as a whole and within individual offices to require the timely performance of specific reconciliations and provide instruction for performing the reconciliation including review by an individual other than the individual performing the reconciliation.

Effect or Potential Effect: The lack of reconciliation and review may result in the occurrence of unauthorized or inaccurate activity recorded within the County's records.

Repeat Finding: The finding is not a repeat finding.

Recommendation: We recommend Lincoln County, Nebraska develop a written policy for the County as a whole requiring timely reconciliations including a documented review by an individual other than the individual performing the reconciliation. We further recommend that individual County offices develop specific written procedures for reconciliations that are required within their office including identification of roles responsible for the preparation and review of such reconciliations.

View of Responsible Officials: Management and governance agree with the finding. See attached Corrective Action Plan.

SECTION II – Financial Statement Findings (Continued)

2024-002 Segregation of Duties

Criteria: Internal controls should be in place to ensure proper segregation of duties.

Condition and Context: Presently, in individual County offices, one individual is able to handle all parts of a transaction from initiation to recordkeeping to reconciliation. In addition, only limited oversight is provided in the conduct of daily functions.

Cause: Due to its size, Lincoln County, Nebraska does not have adequate office personnel to perform appropriate supervision and review functions. The limited number of employees results in an inadequate overall internal control structure design.

Effect or Potential Effect: Inadequate segregation of duties could lead to misappropriation of assets or improper reporting.

Repeat Finding: The finding is a repeat finding of 2023-001.

Recommendation: We recommend Lincoln County, Nebraska continue to monitor and evaluate its internal controls with the use of limited personnel and provide as much segregation of duties as determined to be feasible within its operations. We also recommend that the County establish written procedures within each office for the performance of key functions and conduct cross-training to provide adequate backup support in the event of employee absence.

View of Responsible Officials: Management and governance agree with the finding. See attached Corrective Action Plan.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-003 Reporting
Department of the U.S. Treasury
AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
Grant Period Year Ended June 30, 2024

Criteria: The Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds issued by the U.S. Treasury requires the County to complete an annual Project and Expenditure Report to be filed by April 30. Internal controls should be in place to ensure that this reporting requirement is completed accurately and should include a review of each report completed by an individual knowledgeable in the requirements of the award who did not prepare the report. Such review should occur prior to report submission and should be documented.

Condition and Context: The County has contracted with a third-party grant administrator to prepare the annual Project and Expenditure Report, however it currently has no controls in place for a knowledgeable individual within County management to review the report prior to its submission. The County's Project and Expenditure Report for the reporting period ended March 31, 2024 included cumulative expenditures of $6,414,956 and current period expenditures of $970,822 under one project in the Revenue Replacement category and Provision of Government Services subcategory. The project description references supplementing County infrastructure and other entities due to reduced revenue and increased volume during the pandemic along with additional information related to providing food assistance to low or moderate income households. None of the current period expenditures were related to the provision of food assistance, therefore, it appears that more clear and appropriate categorization and description of projects should be reported.

Cause: Presently, the County lacks written procedures to ensure that reporting services provided by its third-party grant administrator are completed accurately in accordance with the U.S. Treasury's reporting requirements.

Effect or Potential Effect: The lack of procedures may result in inaccurate or unclear reporting in relation to the reporting requirements.

Questioned Costs: None

Repeat Finding: The finding is a repeat finding of 2023-002.

Recommendation: We recommend Lincoln County, Nebraska develop written procedures requiring the review of the Project and Expenditure Report prior to its submission. This review should be performed by an individual within County management who is knowledgeable regarding the U.S. Treasury reporting requirements.

View of Responsible Officials: Management and governance agree with the finding. See attached Corrective Action Plan.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2024-004 Suspension and Debarment
Department of the U.S. Treasury
AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
Grant Period Year Ended June 30, 2024

Criteria: Federal regulations require that non-Federal entities verify that an entity is not excluded or disqualified prior to entering into a covered transaction. The County indicated it had developed procedures to verify through SAM.gov that all vendors are not suspended, debarred or excluded from receiving Federal dollars prior to payment of a claim.

Condition and Context: During our procedures, we noted that six claims tested out of a population of 19 claims did not include verification through SAM.gov that the vendor was not suspended, debarred or excluded. For these six claims, we performed a verification through SAM.gov and noted none of the vendors were suspended, debarred or excluded.

Cause: While the County indicated it had developed procedures to verify vendors were not suspended, debarred or excluded, its procedures lacked appropriate controls to ensure that these procedures had been implemented prior to the payment of a claim.

Effect or Potential Effect: The lack of controls may result in noncompliance with Federal regulations by entering into a covered transaction with an entity who is suspended, debarred or excluded from receiving Federal funds.

Questioned Costs: None

Repeat Finding: The finding is a repeat finding of 2023-003.

Recommendation: We recommend the Board of Commissioners of Lincoln County, Nebraska require documentation that a vendor has been verified through SAM.gov prior to the obligation of any federal funds. We further recommend that the County Clerk's office review all claims submitted against federal funds to ensure the SAM.gov verification is attached to the request for payment.

View of Responsible Officials: Management and governance agree with the finding. See attached Corrective Action Plan.

Lincoln County, Nebraska
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

SECTION II – Financial Statement Findings

2023-001 Segregation of Duties

Criteria: Authorization or approval of transactions, recording of transactions and custody of assets should normally be segregated from each other.

Condition and Context: There is a lack of segregation of accounting functions among various County offices and personnel as most offices that collect money employe one or two individuals and then remit the money to the County Treasurer.

Cause: The County does not employe sufficient office personnel to properly segregate accounting functions.

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

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 the improper segregation of accounting functions.

Current Year Status: On-going, see finding 2024-002.

Lincoln County, Nebraska
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-002 Reporting
Department of the U.S. Treasury
AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
Grant Period Year Ended June 30, 2023

Criteria: The Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds issued by the U.S. Treasury requires the County to complete an annual Project and Expenditure Report to be filed by April 30. Internal controls should be in place to ensure that this reporting requirement is completed accurately and should include a review of each report completed by an individual knowledgeable in the requirements of the award who did not prepare the report. Such review should occur prior to report submission and should be documented.

Condition and Context: Lincoln County did not implement effective internal controls to ensure that the reporting requirements of the Coronavirus State and Local Fiscal Recovery Funds were completed accurately. Consequently, the Project and Expenditure Report submitted on April 7, 2023, did not contain accurate information.

Lincoln County reported current project expenditures of $5,355,379, however, this amount did not include an expenditure of $253,681 made on November 28, 2022. Additionally, all expenditures were reported under one project using project expenditure category of Revenue Replacement and project expenditures subcategory of provision of government services. Based on the expenditures made by the County, it appears more appropriate for the County to have reported two projects. The first project provided $189,305 to local non-profits to support their food pantry operations. As such, it appears the project category of Negative Economic Impacts and a subcategory of Aid to Nonprofit Organizations would be more appropriate. The second project included expenses totaling $5,419,755 and was correctly reported using the project category of Revenue Replacement and subcategory of Provision of Government Services. The project description described the County's efforts to provide food assistance. As only $189,305 or 3.5% of the reported expenditures, was paid to non-profit entities, it appears that a project description outlining how the majority of funds were spent would be more appropriate.

Cause: Lack of procedures and knowledge relating to Federal reporting requirements.

Effect or Potential Effect: Inaccurate information was reported to the U.S. Department of the Treasury on the April 7, 2023, Project and Expenditure Report. Additionally, the County is not in compliance with the reporting requirements set by the U.S. Department of the Treasury.

Questioned Costs: None

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2023-002 Reporting (Continued)
Department of the U.S. Treasury
AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
Grant Period Year Ended June 30, 2023

Recommendation: We recommend Lincoln County establish written policies and procedures to ensure Federal reporting requirements are completed accurately. Such procedures should include, among other things, appropriate training on Federal reporting requirements and a documented review by a knowledgeable individual who was not involved in the preparation of the report.

Current Year Status: The County corrected the $253,681 expenditure that was not reported when they submitted the report for the March 2024 annual reporting period. The finding in relation to the reporting of only one project for the provision of government services and not reporting a project for aid to nonprofit organizations in on-going, see finding 2024-003.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2023-003 Suspension and Debarment
Department of the U.S. Treasury
AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
Grant Period Year Ended June 30, 2023

Criteria: Federal regulations require that non-Federal entities verify that an entity is not excluded or disqualified prior to entering into a covered transaction by a) checking SAM.gov exclusions, b) collecting information from the entity or c) adding a clause or condition to the covered transaction with the entity.

Condition and Context: Lincoln County had controls in place to ensure that suspension and debarment requirements were followed and adequately documented; however, the County did not follow these controls for every vendor. The Coronavirus State and Local Fiscal Recovery Funds were used to pay seven vendors over $25,000 each, totaling $5,540,320, during the fiscal year ended June 30, 2023. The County failed to ensure that these vendors, with whom the County regularly does business, were not excluded or disqualified prior to entering into these covered transactions. The auditor noted that none of these vendors were suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date the testing was performed.

Cause: Lack of procedures and knowledge regarding suspension and debarment requirements.

Effect or Potential Effect: Without adequate procedures to ensure all contractors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations, leading to possible Federal sanctions.

Questioned Costs: None

Recommendation: We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that all contractors are not suspended, debarred, or otherwise excluded or ineligible for participation in Federal programs or activities and those procedures are adequately documented.

Current Year Status: On-going. While the County developed a procedure to verify through SAM.gov that all claims submitted for payment using Federal funds are not suspended, debarred, or excluded from receiving Federal dollars prior to payment of the claim, it did not effectively implement those procedures, see finding 2024-004.

Board of Commissioners

JOSEPH R. HEWGLEY
KENT C. WEEMS
MICAELA M. WUEHLER
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September 4, 2025

This letter outlines Lincoln County's response to and corrective action plan for the findings identified in the audit for the year ending June 30, 2024.

Finding: 2024-001 Reconciliations

Corrective Action Planned: The Lincoln County Clerk and Lincoln County Treasurer have established written documentation to assist in reviewing transactions for accuracy between the two offices. There is now a series of checks and balances.

The Lincoln County Clerk's imprest and payroll imprest bank accounts are now up to date and reconciled every two weeks. An internal series of checks and balances has been implemented within the County Clerks's office where two staff members must review for accuracy.

The Lincoln County Treasurer has established a timely reconciliation process for all financial accounts held including CDARS, CD and Treasury Notes. All bank reconciliation is now also verified by someone other than the individual performing the reconciliation.

The Lincoln County Clerk and Lincoln County Treasurer have established written documentation to assist in reconciling expenditures and disbursements between the two offices. The County Clerk will give the County Treasurer a copy of all journal entries. Part of the issue is that the County Clerk's journal entries do not show until the next month. The County Treasurer can make journal entries within the same month.

The Highway and Bridge Buyback Annual Certification Form is completed by the County Highway Superintendent and approved by the County Board of Commissioners. The Lincoln County Treasurer will review reconciliation for accuracy before approval of the County Board.

Anticipated Completion Date: August 2025

Responsible Party: County Clerk and County Treasurer and County Board

Finding: 2024-002 Segregation of Duties

Corrective Action Planned: As it relates to the overall lack of segregation of duties, the County recognizes it does not have adequate personnel to achieve adequate segregation of duties because of the cost effectiveness of such actions. The Board of Commissioners is aware of this deficiency

Board of Commissioners

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and will continue to monitor the situation and continue with mitigating controls requiring review and approval of transactions by appropriate members of management.

Anticipated Completion Date: Ongoing

Responsible Party: Lincoln County Board of Commissioners

Finding: 2024-003 Reporting

Corrective Action Planned: Lincoln County Clerk and Lincoln County Treasurer will review the fiscal report prepared by the third party administrator prior to its submission to the U.S. Treasury.

Anticipated Completion Date: August 2025

Responsible Party: Lincoln County Board of Commissioners

Finding: 2024-004 Suspension and Debarment

Corrective Action Planned: The County Clerks office will review all claims submitted against federal funds will have the attached vendor verification though SAM.gov at the time of submittal. If the required documentation is not attached, it will be returned to the claimant. The Lincoln County Board of Commissioners will also review all claims prior to board approval for the necessary documentation against federal funds.

Anticipated Completion Date: August 2025

Responsible Party: Lincoln County Clerk and Lincoln County Board of Commissioners

Respectfully,

Micaela M Wuehler

Micaela Wuehler, Chairman