

**AUDIT REPORT  
OF  
LINCOLN COUNTY**

**JULY 1, 2020, THROUGH JUNE 30, 2021**

RECEIVED AND ORDERED FILED 10-18-2021  
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**Issued on October 15, 2021**

LINCOLN COUNTY

**TABLE OF CONTENTS**

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Fiduciary Funds	8
Notes to Financial Statements	9 - 17
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	18 - 19
Budgetary Comparison Schedule - Budget and Actual - Major Funds	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	22 - 25
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	26 - 28
Schedule of Office Activities	29 - 30
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	31
Schedule of Expenditures of Federal Awards	32
Notes to the Schedule of Expenditures of Federal Awards	33
<b>Government Auditing Standards Section</b>	
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 <i>Government Auditing Standards</i>	34 - 35
Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	36 - 37
Schedule of Findings and Questioned Costs	38 - 39
<b>Auditee Section</b>	
Schedule of Prior Audit Findings	40
Corrective Action Plan	41

LINCOLN COUNTY  
301 N Jeffers St.  
North Platte, NE 69101

**LIST OF COUNTY OFFICIALS**

At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Chris Bruns	Jan. 2025
	Bill Henry	Jan. 2023
	Joe Hewgley	Jan. 2025
	Kent Weems	Jan. 2023
	Jerry Woodruff	Jan. 2025
Assessor	Julie Stenger	Jan. 2023
Attorney	Rebecca Harling	Jan. 2023
Clerk Election Commissioner	Rebecca Rossell	Jan. 2023
Clerk of the District Court	Debra McCarthy	Jan. 2023
Public Defender	Robert Lindemeier	Jan. 2023
Register of Deeds	Lois Block	Jan. 2023
Sheriff	Jerome Kramer	Jan. 2023
Surveyor	Bonita Edwards	Jan. 2023
Treasurer	Shelli Franzen	Jan. 2023
Veterans' Service Officer	Paul Cooper	Appointed
Weed Superintendent	Todd Herndon	Appointed
Highway Superintendent	Carla O'Dell	Appointed
Planning & Zoning	Judy Clark	Appointed
Emergency Manager	Brandon Myers	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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LINCOLN COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Lincoln County, Nebraska

#### **Report on the Financial Statements**

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Lincoln County as of June 30, 2021, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

## Emphasis of Matters – 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 18-32, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021, on our consideration of Lincoln 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 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 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 Lincoln County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

October 7, 2021

LINCOLN COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2021

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 1.D)	\$	24,763,148
Investments (Note 1.D)		1,294,910
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>26,058,058</u></b>
<b>NET POSITION</b>		
Restricted for:		
Visitor Promotion	\$	919,510
Coronavirus Relief & Assistance		3,390,817
Drug Education		13,162
Law Enforcement		12,134
Preservation of Records		79,704
Debt Service		2,359,862
Road & Bridge Projects		2,493,238
Child Support Enforcement		80,185
Insurance		174,893
County Buildings		3,433,429
Unrestricted		13,101,124
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u>26,058,058</u></b>

The notes to the financial statements are an integral part of this statement.

LINCOLN COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2021

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (9,458,171)	\$ 1,746,335	\$ 3,700,379	\$ (4,011,457)
Public Safety	(7,151,662)	443,848	1,587,169	(5,120,645)
Public Works	(8,349,193)	16,162	4,453,810	(3,879,221)
Public Assistance	(359,441)	-	54,494	(304,947)
Culture and Recreation	(717,147)	-	-	(717,147)
Debt Payments	(2,803,399)	-	-	(2,803,399)
Capital Outlay	(3,363,168)	-	-	(3,363,168)
<b>Total Governmental Activities</b>	<b>\$ (32,202,181)</b>	<b>\$ 2,206,345</b>	<b>\$ 9,795,852</b>	<b>(20,199,984)</b>

General Receipts:

Property Taxes	19,579,926
Grants and Contributions Not Restricted to Specific Programs	2,382,450
Investment Income	47,213
Licenses and Permits	206,684
Miscellaneous	381,928
<b>Total General Receipts</b>	<b>22,598,201</b>
 Increase in Net Position	 2,398,217
Net Position - Beginning of year	23,659,841
<b>Net Position - End of year</b>	<b>\$ 26,058,058</b>

The notes to the financial statements are an integral part of this statement.

LINCOLN COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 June 30, 2021

	General Fund	Road Fund	Inheritance Fund	Jail Building Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 3,518,480	\$ 2,170,642	\$ 3,813,713	\$ 1,275,183	\$ 3,390,817	\$ 10,594,313	\$ 24,763,148
Investments (Note 1.D)	-	-	1,294,910	-	-	-	1,294,910
<b>TOTAL ASSETS</b>	<b>\$ 3,518,480</b>	<b>\$ 2,170,642</b>	<b>\$ 5,108,623</b>	<b>\$ 1,275,183</b>	<b>\$ 3,390,817</b>	<b>\$ 10,594,313</b>	<b>\$ 26,058,058</b>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	919,510	919,510
Coronavirus Relief & Assistance	-	-	-	-	3,390,817	-	3,390,817
Drug Education	-	-	-	-	-	13,162	13,162
Law Enforcement	-	-	-	-	-	12,134	12,134
Preservation of Records	-	-	-	-	-	79,704	79,704
Debt Service	-	-	-	-	-	2,359,862	2,359,862
Road & Bridge Projects	-	-	-	-	-	2,493,238	2,493,238
Child Support Enforcement	-	-	-	-	-	80,185	80,185
Insurance	-	-	-	-	-	174,893	174,893
County Buildings	-	-	-	1,275,183	-	2,158,246	3,433,429
Committed to:							
Road Maintenance & Improvements	-	2,170,642	-	-	-	1,550,244	3,720,886
Aid and Assistance	-	-	-	-	-	45,577	45,577
Miscellaneous Projects	-	-	-	-	-	470,380	470,080
Juvenile Court Costs	-	-	-	-	-	10,334	10,934
Handicapped Accessibility	-	-	-	-	-	226,444	226,444
Assigned to:							
Other Purposes	-	-	5,108,623	-	-	-	5,108,623
Unassigned	3,518,480	-	-	-	-	-	3,518,480
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 3,518,480</b>	<b>\$ 2,170,642</b>	<b>\$ 5,108,623</b>	<b>\$ 1,275,183</b>	<b>\$ 3,390,817</b>	<b>\$ 10,594,313</b>	<b>\$ 26,058,058</b>

The notes to the financial statements are an integral part of this statement.



**LINCOLN COUNTY**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2021

	General Fund	Road Fund	Inheritance Fund	Jail Building Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$ 14,314,821	\$ -	\$ 1,701,877	\$ -	\$ -	\$ 3,563,228	\$ 19,579,926
Licenses and Permits	206,684	-	-	-	-	-	206,684
Investment Income	43,984	-	-	-	-	3,229	47,213
Intergovernmental	3,758,594	4,083,253	-	-	3,390,817	945,638	12,178,302
Charges for Services	2,148,515	16,162	-	-	-	41,668	2,206,345
Miscellaneous	109,783	21,268	100,000	4,855	-	146,022	381,928
<b>TOTAL RECEIPTS</b>	<b>20,582,381</b>	<b>4,120,683</b>	<b>1,801,877</b>	<b>4,855</b>	<b>3,390,817</b>	<b>4,699,785</b>	<b>34,600,398</b>
<b>DISBURSEMENTS</b>							
General Government	8,976,911	-	152,799	-	-	328,461	9,458,171
Public Safety	7,048,991	-	-	-	-	102,671	7,151,662
Public Works	165,342	6,368,536	-	-	-	1,815,315	8,349,193
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	359,441	-	-	-	-	-	359,441
Culture and Recreation	-	-	-	-	-	717,147	717,147
Debt Service:							
Principal Payments	-	-	-	-	-	2,370,000	2,370,000
Interest and Fiscal Charges	-	-	-	-	-	433,399	433,399
Capital Outlay	-	-	-	3,363,168	-	-	3,363,168
<b>TOTAL DISBURSEMENTS</b>	<b>16,550,685</b>	<b>6,368,536</b>	<b>152,799</b>	<b>3,363,168</b>	<b>-</b>	<b>5,766,993</b>	<b>32,202,181</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>4,031,696</b>	<b>(2,247,853)</b>	<b>1,649,078</b>	<b>(3,358,313)</b>	<b>3,390,817</b>	<b>(1,067,208)</b>	<b>2,398,217</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	3,753,495	-	-	-	406,347	4,159,842
Transfers out	(3,073,842)	-	(800,000)	-	-	(286,000)	(4,159,842)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,073,842)</b>	<b>3,753,495</b>	<b>(800,000)</b>	<b>-</b>	<b>-</b>	<b>120,347</b>	<b>-</b>
Net Change in Fund Balances	957,854	1,505,642	849,078	(3,358,313)	3,390,817	(946,861)	2,398,217
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>2,560,626</b>	<b>665,000</b>	<b>4,259,545</b>	<b>4,633,496</b>	<b>-</b>	<b>11,541,174</b>	<b>23,659,841</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 3,518,480</b>	<b>\$ 2,170,642</b>	<b>\$ 5,108,623</b>	<b>\$ 1,275,183</b>	<b>\$ 3,390,817</b>	<b>\$ 10,594,313</b>	<b>\$ 26,058,058</b>

The notes to the financial statements are an integral part of this statement.

LINCOLN COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2021

	Custodial Fund Balances July 1, 2020 (As Restated)	Receipts	Disbursements	Custodial Fund Balances June 30, 2021
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,295,825	\$ 90,351,605	\$ 92,381,593	\$ 3,265,837
Investments (Note 1.D)	25,000	-	-	25,000
<b>TOTAL ASSETS</b>	<b>\$ 5,320,825</b>	<b>\$ 90,351,605</b>	<b>\$ 92,381,593</b>	<b>\$ 3,290,837</b>
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	1,197,538	9,371,249	9,787,250	781,537
State - Collected by Other Offices	38,391	543,583	537,141	44,833
Schools	3,087,528	56,095,519	57,887,958	1,295,089
Educational Service Units	10,545	764,729	761,547	13,727
Technical College	52,068	3,820,792	3,803,803	69,057
Natural Resource Districts	35,313	3,119,357	3,120,619	34,051
Fire Districts	10,665	1,089,502	1,088,292	11,875
Municipalities	233,894	9,431,849	9,335,497	330,246
Agricultural Society	4,862	360,217	358,494	6,585
Drainage Districts	123,774	373,627	348,720	148,681
Cemetery Districts	29,607	100,478	84,237	45,848
Airport Authority	22,884	1,157,926	1,146,818	33,992
Hospital	732	56,911	57,120	523
Others - Collected by County Treasurer	4,006	1,574,573	1,569,066	9,513
Others - Collected by Other Offices	469,018	2,491,293	2,495,031	465,280
<b>TOTAL LIABILITIES</b>	<b>5,320,825</b>	<b>90,351,605</b>	<b>92,381,593</b>	<b>3,290,837</b>
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Lincoln County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (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 Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

**Joint Organization.**

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.

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 \$207,001 toward the operation of the Region during fiscal year 2021. 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 Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

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 2021. 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 Neb. Rev. Stat. § 84-304(4) (2021 Neb. Laws, LB 528, § 51). Financial information for the Department is available in that report.

**B. Basis of Presentation**

**Government-Wide Financial Statements.** The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. 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. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. 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.

**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.

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.

**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 emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

The County reports the following major governmental funds:

**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.

**Road Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

**Inheritance Fund.** This fund is used to account for the receipts generated from inheritance taxes and is used for various projects.

**Jail Building Fund.** This fund is used to account for costs of constructing additions and improvements to the County law enforcement building and is primarily funded with bond proceeds.

**American Rescue Plan Act Fund.** This fund is used to account for aid received from the American Rescue Plan Act and is used for coronavirus aid and assistance in accordance with Federal guidelines.

The County reports the following additional non-major governmental fund types:

**Special Revenue Funds.** These funds account for the proceeds from a specific receipt source that is restricted to disbursements for a specified purpose.

**Custodial Funds.** These funds account for assets held by the County as an agent for various local governments.

**Debt Service Funds.** The Jail Bond Fund and the Highway Road Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

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 has been designated by the County Board for a specific purpose.

**Assigned.** The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

**Unassigned.** This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

C. **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. As such, the

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when warrants are 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 receipt and disbursement 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 claims, and judgments are recorded only when payment is due.

**D. Assets and Net Position**

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

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

**Capital Assets.** Under the cash receipts and disbursements basis of accounting, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would include property, 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 expenses on capital assets were not recorded on the cash basis financial statements. Under GAAP, depreciation expenses 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. Under the receipts and disbursements 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.

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Concluded)

**Restricted Net Position.** 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. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$12,956,934 of restricted net position, which is fully restricted by enabling legislation.

**Budgetary Process.** The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements 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 20, 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 special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

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 Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$24,763,148 for County funds and \$3,265,837 for Fiduciary funds. The bank balances for all funds totaled \$27,826,947. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, 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 \$1,294,910 deposited in Nebraska Federal Investment Trust (NFIT) and of \$25,000 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NFIT is a public entity investment pool. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NFIT are not held in the County's name. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. **Deposits and Investments** (Concluded)

each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 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-cent limitation upon a vote of the people.

The levy set in October 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.349541/\$100 of assessed valuation. The levy set in October 2019, for the 2019 taxes, which were materially collected in May and September 2020, was set at \$.306664/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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.

4. **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 Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2020) and may be amended through legislative action.

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

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. 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 pension 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.



LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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 a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2021, 250 employees contributed \$431,649, and the County contributed \$639,965. Contributions included \$15,066 in cash contributions towards the supplemental law enforcement plan for 26 law enforcement employees. Lastly, the County paid \$1,863 directly to 23 retired employees for prior service benefits.

5. **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.

There were no significant reductions in insurance coverage from the prior year coverage, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2021.

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2021, consisted of the following:

<b>Transfers to</b>	<b>Transfers from</b>			<b>Total</b>
	<b>General Fund</b>	<b>Inheritance Fund</b>	<b>Nonmajor Funds</b>	
Road Fund	\$ 2,973,495	\$ 780,000	\$ -	\$ 3,753,495
Nonmajor Funds	100,347	20,000	286,000	406,347
<b>Total</b>	<b>\$ 3,073,842</b>	<b>\$ 800,000</b>	<b>\$ 286,000</b>	<b>\$ 4,159,842</b>

Transfers are used to move unrestricted receipts collected in the General Fund and Inheritance Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended June 30, 2021, the County made a one-time transfer of \$286,000 from the Visitors' Improvement Fund to the Visitors' Promotion Fund to refund the portion of grants associated with improvement projects.

7. **Long-Term Obligations**

**Bonds**

**2017 Jail General Obligation Bond.** The County issued bonds on June 1, 2017, in the amount of \$6,060,000 for the purpose of redeeming Series 2012 Bonds, which were issued for the purpose of paying the costs of constructing a sheriff's office and County jail facilities, as well as acquiring real estate. The bond payable balance, as of June 30, 2021, was \$4,990,000. 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.

LINCOLN COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Long-Term Obligations** (Continued)

Future Payments:			
Year	Principal	Interest	Total
2022	\$ 530,000	\$ 103,980	\$ 633,980
2023	530,000	93,380	623,380
2024	540,000	82,680	622,680
2025	550,000	71,780	621,780
2026	550,000	60,505	610,505
2027-2030	2,290,000	113,953	2,403,953
Total Payments	\$ 4,990,000	\$ 526,278	\$ 5,516,278

**2020 Limited Tax County Building Bonds.** The County issued bonds on January 9, 2020, in the amount of \$4,700,000 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, 2021, was \$3,805,000. 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:			
Year	Principal	Interest	Total
2022	\$ 905,000	\$ 121,656	\$ 1,026,656
2023	930,000	97,400	1,027,400
2024	965,000	59,500	1,024,500
2025	1,005,000	20,100	1,025,100
Total Payments	\$ 3,805,000	\$ 298,656	\$ 4,103,656

**2021 Jail General Obligation Bond.** The County issued bonds on May 20, 2021, in the amount of \$3,530,000 for the purpose of refunding Series 2016 Bonds, which were issued for the purpose of redeeming Series 2011 Bonds issued for the purpose of paying the costs of constructing a sheriff's office and County jail facilities, as well as acquiring real estate. The bond payable balance, as of June 30, 2021, was \$3,530,000. 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:			
Year	Principal	Interest	Total
2022	\$ 385,000	\$ 19,247	\$ 404,247
2023	385,000	17,106	402,106
2024	390,000	16,040	406,040
2025	395,000	14,764	409,764
2026	390,000	13,195	403,195
2027-2030	1,585,000	27,789	1,612,789
Total Payments	\$ 3,530,000	\$ 108,141	\$ 3,638,141

**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, 2021, was \$2,660,000. 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. Highway Allocation resources will be used to pay off the bonds.

LINCOLN COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

7. **Long-Term Obligations** (Concluded)

Future Payments:			
<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 625,000	\$ 93,900	\$ 718,900
2023	650,000	68,400	718,400
2024	680,000	41,800	721,800
2025	705,000	14,100	719,100
Total Payments	<u>\$ 2,660,000</u>	<u>\$ 218,200</u>	<u>\$ 2,878,200</u>

8. **Contingent Liabilities**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County Attorney believes the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

9. **Prior Period Adjustment**

The beginning balances were increased by \$507,409 on the Fiduciary Fund Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances from the balances reported in the County's fiscal year 2020 financial statements. These adjustments were made to report the monies held by County officials other than the County Treasurer.

LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 15,668,564	\$ 15,668,564	\$ 14,314,821	\$ (1,353,743)
Licenses and Permits	126,900	126,900	206,684	79,784
Interest	50,000	50,000	43,984	(6,016)
Intergovernmental	2,229,220	2,229,220	3,758,594	1,529,374
Charges for Services	2,372,450	2,372,450	2,148,515	(223,935)
Miscellaneous	64,291	64,291	109,783	45,492
<b>TOTAL RECEIPTS</b>	<b>20,511,425</b>	<b>20,511,425</b>	<b>20,582,381</b>	<b>70,956</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	198,800	198,800	181,981	16,819
County Clerk	374,901	374,901	324,814	50,087
County Treasurer	439,855	439,855	425,031	14,824
Register of Deeds	189,890	189,890	151,121	38,769
County Assessor	544,370	544,370	515,056	29,314
Planning Commission	42,450	42,450	39,576	2,874
Information Technology	114,555	114,555	100,525	14,030
Advertising, Insurance, and Bonds	2,827,500	2,837,500	2,777,244	60,256
Federal Payroll	565,000	565,000	537,497	27,503
Clerk of the District Court	342,050	342,050	280,385	61,665
County Court System	46,015	46,015	45,850	165
District Judge	69,800	69,800	64,355	5,445
Public Defender	579,415	579,415	501,669	77,746
Building and Grounds	424,000	424,000	363,817	60,183
Jail Building and Grounds	198,100	198,100	156,085	42,015
Agricultural Extension Agent	167,090	167,090	147,811	19,279
Photostat Department	91,600	91,600	45,985	45,615
Retirement	504,000	514,000	494,154	19,846
Employment Security	13,000	13,000	5,627	7,373
Grant Funds	499,000	499,000	309,595	189,405
Miscellaneous	2,072,159	2,052,159	1,508,733	543,426
Public Safety				
County Sheriff	2,505,100	2,505,100	2,456,021	49,079
County Attorney	759,030	759,030	689,863	69,167
Communication Center	155,650	155,650	130,995	24,655
Merit Commission	1,250	1,250	128	1,122
Child Support Division	358,198	358,198	290,494	67,704

LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DISBURSEMENTS (Continued)</b>				
County Jail	2,696,150	2,696,150	2,575,283	120,867
Probation Office	166,000	166,000	153,694	12,306
City County	462,734	462,734	379,662	83,072
Emergency Management	730,824	730,824	354,321	376,503
Dive and Rescue Team	20,100	20,100	18,530	1,570
Public Works				
County Surveyor	69,960	69,960	64,506	5,454
Noxious Weed Control	197,215	197,215	100,836	96,379
Public Assistance				
Veterans' Service Officer	88,775	88,775	81,639	7,136
Institutions	167,465	167,465	148,150	19,315
County Relief	124,300	124,300	71,075	53,225
Victim's Assistance	70,750	70,750	58,577	12,173
<b>TOTAL DISBURSEMENTS</b>	<u>18,877,051</u>	<u>18,877,051</u>	<u>16,550,685</u>	<u>2,326,366</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,634,374</u>	<u>1,634,374</u>	<u>4,031,696</u>	<u>2,397,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(3,070,000)	(3,070,000)	(3,073,842)	(3,842)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,070,000)</u>	<u>(3,070,000)</u>	<u>(3,073,842)</u>	<u>(3,842)</u>
Net Change in Fund Balance	(1,435,626)	(1,435,626)	957,854	2,393,480
<b>FUND BALANCE - BEGINNING</b>	<u>2,560,626</u>	<u>2,560,626</u>	<u>2,560,626</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,125,000</u>	<u>\$ 1,125,000</u>	<u>\$ 3,518,480</u>	<u>\$ 2,393,480</u>

(Concluded)

LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 3,515,434	\$ 3,515,434	\$ 4,083,253	\$ 567,819
Charges for Services	-	-	16,162	16,162
Miscellaneous	22,161	22,161	21,268	(893)
<b>TOTAL RECEIPTS</b>	<u>3,537,595</u>	<u>3,537,595</u>	<u>4,120,683</u>	<u>583,088</u>
<b>DISBURSEMENTS</b>	<u>7,702,595</u>	<u>7,702,595</u>	<u>6,368,536</u>	<u>1,334,059</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(4,165,000)</u>	<u>(4,165,000)</u>	<u>(2,247,853)</u>	<u>1,917,147</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,750,000	3,750,000	3,753,495	3,495
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,753,495</u>	<u>3,495</u>
Net Change in Fund Balance	(415,000)	(415,000)	1,505,642	1,920,642
FUND BALANCE - BEGINNING	665,000	665,000	665,000	-
FUND BALANCE - ENDING	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 2,170,642</u>	<u>\$ 1,920,642</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 6,000	\$ 6,000	\$ 1,701,877	\$ 1,695,877
Miscellaneous	-	-	100,000	100,000
<b>TOTAL RECEIPTS</b>	<u>6,000</u>	<u>6,000</u>	<u>1,801,877</u>	<u>1,795,877</u>
<b>DISBURSEMENTS</b>	<u>2,525,515</u>	<u>2,525,515</u>	<u>152,799</u>	<u>2,372,716</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(2,519,515)</u>	<u>(2,519,515)</u>	<u>1,649,078</u>	<u>4,168,593</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(840,030)	(840,030)	(800,000)	40,030
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(840,030)</u>	<u>(840,030)</u>	<u>(800,000)</u>	<u>40,030</u>
Net Change in Fund Balance	(3,359,545)	(3,359,545)	849,078	4,208,623
FUND BALANCE - BEGINNING	4,259,545	4,259,545	4,259,545	-
FUND BALANCE - ENDING	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 5,108,623</u>	<u>\$ 4,208,623</u>

LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>JAIL BUILDING FUND</u></b>				
<b>RECEIPTS</b>				
Interest	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Miscellaneous	-	-	4,855	4,855
<b>TOTAL RECEIPTS</b>	<u>10,000</u>	<u>10,000</u>	<u>4,855</u>	<u>(5,145)</u>
<b>DISBURSEMENTS</b>	<u>4,643,496</u>	<u>4,643,496</u>	<u>3,363,168</u>	<u>1,280,328</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(4,633,496)</u>	<u>(4,633,496)</u>	<u>(3,358,313)</u>	<u>1,275,183</u>
Net Change in Fund Balance	(4,633,496)	(4,633,496)	(3,358,313)	1,275,183
FUND BALANCE - BEGINNING	4,633,496	4,633,496	4,633,496	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,275,183</u>	<u>\$ 1,275,183</u>
 <b><u>AMERICAN RESCUE PLAN ACT FUND</u></b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 3,390,817	\$ 3,390,817
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>3,390,817</u>	<u>3,390,817</u>
<b>DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>3,390,817</u>	<u>3,390,817</u>
Net Change in Fund Balance	-	-	3,390,817	3,390,817
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,390,817</u>	<u>\$ 3,390,817</u>

(Concluded)

LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BUYBACK FUND</b>				
Receipts	\$ 370,665	\$ 370,665	\$ 370,664	\$ (1)
Disbursements	(2,520,489)	(2,520,489)	(27,250)	2,493,239
Net Change in Fund Balance	(2,149,824)	(2,149,824)	343,414	2,493,238
Fund Balance - Beginning	2,149,824	2,149,824	2,149,824	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,493,238</u>	<u>\$ 2,493,238</u>
<b>SPECIAL ROAD FUND</b>				
Receipts	\$ -	\$ -	\$ 205,718	\$ 205,718
Disbursements	(1,364,093)	(1,364,093)	(188,773)	1,175,320
Net Change in Fund Balance	(1,364,093)	(1,364,093)	16,945	1,381,038
Fund Balance - Beginning	1,364,093	1,364,093	1,364,093	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,381,038</u>	<u>\$ 1,381,038</u>
<b>ROAD IMPROVEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,768,498)	(1,768,498)	(1,599,292)	169,206
Net Change in Fund Balance	(1,768,498)	(1,768,498)	(1,599,292)	169,206
Fund Balance - Beginning	1,768,498	1,768,498	1,768,498	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,206</u>	<u>\$ 169,206</u>
<b>CHILD SUPPORT INCENTIVE FUND</b>				
Receipts	\$ 44,832	\$ 44,832	\$ 42,957	\$ (1,875)
Disbursements	(154,000)	(154,000)	(71,940)	82,060
Net Change in Fund Balance	(109,168)	(109,168)	(28,983)	80,185
Fund Balance - Beginning	109,168	109,168	109,168	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,185</u>	<u>\$ 80,185</u>
<b>VISITORS' PROMOTION FUND</b>				
Receipts	\$ 496,230	\$ 496,230	\$ 417,221	\$ (79,009)
Disbursements	(1,146,034)	(1,146,034)	(699,813)	446,221
Transfers in	342,730	342,730	286,000	(56,730)
Transfers out	-	-	-	-
Net Change in Fund Balance	(307,074)	(307,074)	3,408	310,482
Fund Balance - Beginning	357,074	357,074	357,074	-
Fund Balance - Ending	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 360,482</u>	<u>\$ 310,482</u>

(Continued)



LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>VISITORS' IMPROVEMENT FUND</u></b>				
Receipts	\$ 342,730	\$ 342,730	\$ 374,169	\$ 31,439
Disbursements	(488,193)	(488,193)	(17,334)	470,859
Transfers in	-	-	-	-
Transfers out	(342,730)	(342,730)	(286,000)	56,730
Net Change in Fund Balance	(488,193)	(488,193)	70,835	559,028
Fund Balance - Beginning	488,193	488,193	488,193	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 559,028</u>	<u>\$ 559,028</u>
<b><u>PRESERVATION &amp; MODERNIZATION FUND</u></b>				
Receipts	\$ 23,000	\$ 23,000	\$ 31,312	\$ 8,312
Disbursements	(93,758)	(93,758)	(27,366)	66,392
Net Change in Fund Balance	(70,758)	(70,758)	3,946	74,704
Fund Balance - Beginning	75,758	75,758	75,758	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 79,704</u>	<u>\$ 74,704</u>
<b><u>SELF FUNDED INSURANCE FUND</u></b>				
Receipts	\$ 7	\$ 7	\$ 55,217	\$ 55,210
Disbursements	(262,000)	(262,000)	(142,317)	119,683
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(161,993)	(161,993)	12,900	174,893
Fund Balance - Beginning	161,993	161,993	161,993	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,893</u>	<u>\$ 174,893</u>
<b><u>VETERANS' AID FUND</u></b>				
Receipts	\$ -	\$ -	\$ 21	\$ 21
Disbursements	(45,656)	(45,656)	-	45,656
Net Change in Fund Balance	(45,656)	(45,656)	21	45,677
Fund Balance - Beginning	45,656	45,656	45,656	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,677</u>	<u>\$ 45,677</u>

(Continued)

**LINCOLN COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ 118,299	\$ 118,299	\$ 10,356	\$ (107,943)
Disbursements	(125,000)	(125,000)	(9,995)	115,005
Net Change in Fund Balance	(6,701)	(6,701)	361	7,062
Fund Balance - Beginning	12,801	12,801	12,801	-
Fund Balance - Ending	<u>\$ 6,100</u>	<u>\$ 6,100</u>	<u>\$ 13,162</u>	<u>\$ 7,062</u>
<b>FEDERAL FORFEITURE FUND</b>				
Receipts	\$ 161,166	\$ 161,166	\$ -	\$ (161,166)
Disbursements	(175,000)	(175,000)	(1,700)	173,300
Net Change in Fund Balance	(13,834)	(13,834)	(1,700)	12,134
Fund Balance - Beginning	13,834	13,834	13,834	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,134</u>	<u>\$ 12,134</u>
<b>KENO LOTTERY FUND</b>				
Receipts	\$ 50,002	\$ 50,002	\$ 64,882	\$ 14,880
Disbursements	(455,200)	(455,200)	-	455,200
Net Change in Fund Balance	(405,198)	(405,198)	64,882	470,080
Fund Balance - Beginning	405,198	405,198	405,198	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,080</u>	<u>\$ 470,080</u>
<b>JUVENILE FACILITY FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(70,000)	(70,000)	(19,036)	50,964
Transfers in	60,030	60,030	20,000	(40,030)
Transfers out	-	-	-	-
Net Change in Fund Balance	(9,970)	(9,970)	964	10,934
Fund Balance - Beginning	9,970	9,970	9,970	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,934</u>	<u>\$ 10,934</u>
<b>JAIL BOND FUND</b>				
Receipts	\$ 2,508,700	\$ 2,508,700	\$ 2,019,009	\$ (489,691)
Disbursements	(4,255,129)	(4,255,129)	(2,081,628)	2,173,501
Net Change in Fund Balance	(1,746,429)	(1,746,429)	(62,619)	1,683,810
Fund Balance - Beginning	1,746,429	1,746,429	1,746,429	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,683,810</u>	<u>\$ 1,683,810</u>

LINCOLN COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>HANDICAPPED ACCESSIBILITY FUND</u></b>				
Receipts	\$ -	\$ -	\$ 4	\$ 4
Disbursements	(226,440)	(226,440)	-	226,440
Net Change in Fund Balance	(226,440)	(226,440)	4	226,444
Fund Balance - Beginning	226,440	226,440	226,440	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,444</u>	<u>\$ 226,444</u>
<b><u>COURTHOUSE BUILDING FUND</u></b>				
Receipts	\$ 77,710	\$ 77,710	\$ 206,439	\$ 128,729
Disbursements	(2,186,295)	(2,186,295)	(158,778)	2,027,517
Net Change in Fund Balance	(2,108,585)	(2,108,585)	47,661	2,156,246
Fund Balance - Beginning	2,110,585	2,110,585	2,110,585	-
Fund Balance - Ending	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,158,246</u>	<u>\$ 2,156,246</u>
<b><u>HIGHWAY ROAD BOND FUND</u></b>				
Receipts	\$ 803,500	\$ 803,500	\$ 901,816	\$ 98,316
Disbursements	(1,299,160)	(1,299,160)	(721,771)	577,389
Transfers in	-	-	347	347
Transfers out	-	-	-	-
Net Change in Fund Balance	(495,660)	(495,660)	180,392	676,052
Fund Balance - Beginning	495,660	495,660	495,660	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,052</u>	<u>\$ 676,052</u>

(Concluded)

**LINCOLN COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2021

	Highway Buyback Fund	Special Road Fund	Road Improvement Fund	Child Support Incentive Fund	Visitors' Promotion Fund	Visitors' Improvement Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 115	\$ -	\$ -	\$ 374,169	\$ 374,169
Investment Income	-	-	-	-	-	-
Intergovernmental	370,664	205,603	-	42,957	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	43,052	-
<b>TOTAL RECEIPTS</b>	<u>370,664</u>	<u>205,718</u>	<u>-</u>	<u>42,957</u>	<u>417,221</u>	<u>374,169</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	71,940	-	-
Public Works	27,250	188,773	1,599,292	-	-	-
Culture and Recreation	-	-	-	-	699,813	17,334
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>27,250</u>	<u>188,773</u>	<u>1,599,292</u>	<u>71,940</u>	<u>699,813</u>	<u>17,334</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>343,414</u>	<u>16,945</u>	<u>(1,599,292)</u>	<u>(28,983)</u>	<u>(282,592)</u>	<u>356,835</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	286,000	-
Transfers out	-	-	-	-	-	(286,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,000</u>	<u>(286,000)</u>
Net Change in Fund Balances	343,414	16,945	(1,599,292)	(28,983)	3,408	70,835
<b>FUND BALANCES - BEGINNING</b>	<u>2,149,824</u>	<u>1,364,093</u>	<u>1,768,498</u>	<u>109,168</u>	<u>357,074</u>	<u>488,193</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,493,238</u>	<u>\$ 1,381,038</u>	<u>\$ 169,206</u>	<u>\$ 80,185</u>	<u>\$ 360,482</u>	<u>\$ 559,028</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	360,482	559,028
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road & Bridge Projects	2,493,238	-	-	-	-	-
Child Support Enforcement	-	-	-	80,185	-	-
Insurance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Committed to:						
Road Maintenance & Improvements	-	1,381,038	169,206	-	-	-
Aid and Assistance	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-
Juvenile Court Costs	-	-	-	-	-	-
Handicapped Accessibility	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,493,238</u>	<u>\$ 1,381,038</u>	<u>\$ 169,206</u>	<u>\$ 80,185</u>	<u>\$ 360,482</u>	<u>\$ 559,028</u>

(Continued)

LINCOLN COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2021

	Preservation & Modernization Fund	Self Funded Insurance Fund	Veterans' Aid Fund	County Drug Law Enforcement & Education Fund	Federal Forfeiture Fund	KENO Lottery Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 54,100	\$ -	\$ -	\$ -	\$ -
Investment Income	-	175	21	-	-	-
Intergovernmental	-	942	-	-	-	-
Charges for Services	31,312	-	-	10,356	-	-
Miscellaneous	-	-	-	-	-	64,882
<b>TOTAL RECEIPTS</b>	<u>31,312</u>	<u>55,217</u>	<u>21</u>	<u>10,356</u>	<u>-</u>	<u>64,882</u>
<b>DISBURSEMENTS</b>						
General Government	27,366	142,317	-	-	-	-
Public Safety	-	-	-	9,995	1,700	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>27,366</u>	<u>142,317</u>	<u>-</u>	<u>9,995</u>	<u>1,700</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,946</u>	<u>(87,100)</u>	<u>21</u>	<u>361</u>	<u>(1,700)</u>	<u>64,882</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	100,000	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,946	12,900	21	361	(1,700)	64,882
<b>FUND BALANCES - BEGINNING</b>	<u>75,758</u>	<u>161,993</u>	<u>45,656</u>	<u>12,801</u>	<u>13,834</u>	<u>405,198</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 79,704</u>	<u>\$ 174,893</u>	<u>\$ 45,677</u>	<u>\$ 13,162</u>	<u>\$ 12,134</u>	<u>\$ 470,080</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Drug Education	-	-	-	13,162	-	-
Law Enforcement	-	-	-	-	12,134	-
Preservation of Records	79,704	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road & Bridge Projects	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Insurance	-	174,893	-	-	-	-
County Buildings	-	-	-	-	-	-
Committed to:						
Road Maintenance & Improvements	-	-	-	-	-	-
Aid and Assistance	-	-	45,677	-	-	-
Miscellaneous Projects	-	-	-	-	-	470,080
Juvenile Court Costs	-	-	-	-	-	-
Handicapped Accessibility	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 79,704</u>	<u>\$ 174,893</u>	<u>\$ 45,677</u>	<u>\$ 13,162</u>	<u>\$ 12,134</u>	<u>\$ 470,080</u>

(Continued)

**LINCOLN COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2021

	Juvenile Facility Fund	Jail Bond Fund	Handicapped Accessibility Fund	Courthouse Building Fund	Highway Road Bond Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$1,745,256	\$ 4	\$ 191,757	\$ 823,658	\$ 3,563,228
Investment Income	-	480	-	2,441	112	3,229
Intergovernmental	-	238,265	-	9,161	78,046	945,638
Charges for Services	-	-	-	-	-	41,668
Miscellaneous	-	35,008	-	3,080	-	146,022
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>2,019,009</u>	<u>4</u>	<u>206,439</u>	<u>901,816</u>	<u>4,699,785</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	158,778	-	328,461
Public Safety	19,036	-	-	-	-	102,671
Public Works	-	-	-	-	-	1,815,315
Culture and Recreation	-	-	-	-	-	717,147
Debt Service:						-
Principal Payments	-	1,760,000	-	-	610,000	2,370,000
Interest and Fiscal Charges	-	321,628	-	-	111,771	433,399
<b>TOTAL DISBURSEMENTS</b>	<u>19,036</u>	<u>2,081,628</u>	<u>-</u>	<u>158,778</u>	<u>721,771</u>	<u>5,766,993</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(19,036)</u>	<u>(62,619)</u>	<u>4</u>	<u>47,661</u>	<u>180,045</u>	<u>(1,067,208)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	20,000	-	-	-	347	406,347
Transfers out	-	-	-	-	-	(286,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>120,347</u>
Net Change in Fund Balances	964	(62,619)	4	47,661	180,392	(946,861)
<b>FUND BALANCES - BEGINNING</b>	<u>9,970</u>	<u>1,746,429</u>	<u>226,440</u>	<u>2,110,585</u>	<u>495,660</u>	<u>11,541,174</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 10,934</u>	<u>\$1,683,810</u>	<u>\$ 226,444</u>	<u>\$ 2,158,246</u>	<u>\$ 676,052</u>	<u>\$ 10,594,313</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	919,510
Drug Education	-	-	-	-	-	13,162
Law Enforcement	-	-	-	-	-	12,134
Preservation of Records	-	-	-	-	-	79,704
Debt Service	-	1,683,810	-	-	676,052	2,359,862
Road & Bridge Projects	-	-	-	-	-	2,493,238
Child Support Enforcement	-	-	-	-	-	80,185
Insurance	-	-	-	-	-	174,893
County Buildings	-	-	-	2,158,246	-	2,158,246
Committed to:						
Road Maintenance & Improvements	-	-	-	-	-	1,550,244
Aid and Assistance	-	-	-	-	-	45,677
Miscellaneous Projects	-	-	-	-	-	470,080
Juvenile Court Costs	10,934	-	-	-	-	10,934
Handicapped Accessibility	-	-	226,444	-	-	226,444
<b>TOTAL FUND BALANCES</b>	<u>\$ 10,934</u>	<u>\$1,683,810</u>	<u>\$ 226,444</u>	<u>\$ 2,158,246</u>	<u>\$ 676,052</u>	<u>\$ 10,594,313</u>

(Concluded)

LINCOLN COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
 For the Year Ended June 30, 2021

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2020	\$ 790	\$ 64,333	\$ 426,317	\$ 83,832	\$ 6,633	\$ 2,795	\$ -
RECEIPTS							
Property Taxes	-	-	-	85,031	-	-	-
Licenses and Permits	4,100	-	-	2,620	-	-	425
Intergovernmental	-	-	-	43,664	-	-	-
Charges for Services	3,743	388,375	90,423	588,318	8,641	50,563	8,166
Miscellaneous	-	-	-	18,327	1,421	-	-
State Fees	-	464,351	79,232	-	-	-	-
Other Liabilities	-	12	1,419,828	1,041,605	6,283	-	-
<b>TOTAL RECEIPTS</b>	<b>7,843</b>	<b>852,738</b>	<b>1,589,483</b>	<b>1,779,565</b>	<b>16,345</b>	<b>50,563</b>	<b>8,591</b>
DISBURSEMENTS							
Payments to County Treasurer	7,657	386,949	84,173	653,268	4,690	29,112	8,591
Payments to State Treasurer	-	460,050	77,091	-	-	-	-
Petty Cash	-	-	-	3,013	1,780	-	-
Other Liabilities	-	12	1,444,417	1,020,964	6,073	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>7,657</b>	<b>847,011</b>	<b>1,605,681</b>	<b>1,677,245</b>	<b>12,543</b>	<b>29,112</b>	<b>8,591</b>
BALANCES JUNE 30, 2021	\$ 976	\$ 70,060	\$ 410,119	\$ 186,152	\$ 10,435	\$ 24,246	\$ -
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 926	\$ 32,529	\$ 12,890	\$ 108,864	\$ 9,150	\$ 24,246	\$ -
Petty Cash	50	-	220	2,000	1,000	-	-
Due to State Treasurer	-	37,531	7,302	-	-	-	-
Due to Others	-	-	389,707	75,288	285	-	-
<b>BALANCES JUNE 30, 2021</b>	<b>\$ 976</b>	<b>\$ 70,060</b>	<b>\$ 410,119</b>	<b>\$ 186,152</b>	<b>\$ 10,435</b>	<b>\$ 24,246</b>	<b>\$ -</b>

(Continued)

LINCOLN COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
 For the Year Ended June 30, 2021

	Veterans' Service Officer	County Extension	County Visitors' Center	County Planning and Zoning	County Dive Rescue Team	County Assessor	Total
<b>BALANCES JULY 1, 2020</b>	\$ 17,154	\$ 100	\$ 100	\$ -	\$ 5	\$ -	\$ 602,059
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	85,031
Licenses and Permits	-	-	-	9,653	-	-	16,798
Intergovernmental	5,000	-	-	-	-	-	48,664
Charges for Services	-	-	-	-	-	-	1,138,229
Miscellaneous	8	94	1,000	-	100	69	21,019
State Fees	-	-	-	-	-	-	543,583
Other Liabilities	-	-	23,565	-	-	-	2,491,293
<b>TOTAL RECEIPTS</b>	<b>5,008</b>	<b>94</b>	<b>24,565</b>	<b>9,653</b>	<b>100</b>	<b>69</b>	<b>4,344,617</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	-	-	1,000	9,653	-	69	1,185,162
Payments to State Treasurer	-	-	-	-	-	-	537,141
Petty Cash	830	94	-	-	-	-	5,717
Other Liabilities	-	-	23,565	-	-	-	2,495,031
<b>TOTAL DISBURSEMENTS</b>	<b>830</b>	<b>94</b>	<b>24,565</b>	<b>9,653</b>	<b>-</b>	<b>69</b>	<b>4,223,051</b>
<b>BALANCES JUNE 30, 2021</b>	<b>\$ 21,332</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 105</b>	<b>\$ -</b>	<b>\$ 723,625</b>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 21,332	\$ -	\$ -	\$ -	\$ 105	\$ -	\$ 210,042
Petty Cash	-	100	100	-	-	-	3,470
Due to State Treasurer	-	-	-	-	-	-	44,833
Due to Others	-	-	-	-	-	-	465,280
<b>BALANCES JUNE 30, 2021</b>	<b>\$ 21,332</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 105</b>	<b>\$ -</b>	<b>\$ 723,625</b>

(Concluded)



LINCOLN COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2021

Item	2016	2017	2018	2019	2020
Tax Certified by Assessor					
Real Estate	\$ 66,795,208	\$ 68,528,741	\$ 69,429,897	\$ 70,980,731	\$ 72,733,684
Personal and Specials	4,927,663	4,879,359	5,045,336	4,950,819	5,109,487
Total	<u>71,722,871</u>	<u>73,408,100</u>	<u>74,475,233</u>	<u>75,931,550</u>	<u>77,843,171</u>
Corrections					
Additions	26,819	20,306	36,109	49,793	10,617
Deductions	(17,260)	(11,635)	(7,668)	(70,971)	(20,540)
Net Additions/ (Deductions)	<u>9,559</u>	<u>8,671</u>	<u>28,441</u>	<u>(21,178)</u>	<u>(9,923)</u>
Corrected Certified Tax	<u>71,732,430</u>	<u>73,416,771</u>	<u>74,503,674</u>	<u>75,910,372</u>	<u>77,833,248</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	42,492,463	-	-	-	-
June 30, 2018	29,203,610	44,321,990	-	-	-
June 30, 2019	23,797	29,048,827	43,719,192	-	-
June 30, 2020	4,497	28,661	30,736,145	44,793,092	-
June 30, 2021	1,488	13,097	22,983	31,070,570	47,445,424
Total Net Collections	<u>71,725,855</u>	<u>73,412,575</u>	<u>74,478,320</u>	<u>75,863,662</u>	<u>47,445,424</u>
Total Uncollected Tax	<u>\$ 6,575</u>	<u>\$ 4,196</u>	<u>\$ 25,354</u>	<u>\$ 46,710</u>	<u>\$ 30,387,824</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.03%</u>	<u>0.06%</u>	<u>39.04%</u>

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.

**LINCOLN COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Subrecipients
<b>DEPARTMENT OF JUSTICE</b>				
Passed through Nebraska Commission on Law Enforcement and Criminal Justice Crime Victim Assistance	16.575	unavailable	\$ 56,119	\$ -
Total U.S. Department of Justice			<u>56,119</u>	<u>-</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through Nebraska Military Department Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	30,445	-
Emergency Management Performance Grants	97.042	unavailable	68,412	10,106
Homeland Security Grant Program	97.067	unavailable	<u>96,364</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>195,221</u>	<u>10,106</u>
<b>ELECTION ASSISTANCE COMMISSION</b>				
Passed through Nebraska Secretary of State COVID-19 2018 HAVA Election Security Grants	90.404	unavailable	<u>40,076</u>	<u>-</u>
Total U.S. Election Assistance Commission			<u>40,076</u>	<u>-</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	unavailable	<u>371,827</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>371,827</u>	<u>-</u>
<b>DEPARTMENT OF TRANSPORTATION</b>				
Passed through Nebraska Department of Transportation State and Community Highway Safety	20.600	unavailable	65,526	-
Hazardous Materials Emergency Preparedness Grant	20.703	unavailable	<u>33</u>	<u>-</u>
Total U.S. Department of Transportation			<u>65,559</u>	<u>-</u>
<b>DEPARTMENT OF TREASURY</b>				
Passed through Nebraska Military Department Coronavirus Relief Fund	21.019	unavailable	* <u>881,913</u>	<u>-</u>
Total U.S. Department of Treasury			<u>881,913</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,610,715</u>	<u>\$ 10,106</u>

\* Represents Major Program  
See accompanying Notes to the Schedule of Expenditures of Federal Awards

LINCOLN COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Fiscal Year Ended June 30, 2021

**1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Lincoln County (County) under programs of the Federal government for the year ended June 30, 2021, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes, or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

**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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10 percent de minimis indirect cost rate, as allowed under Uniform Guidance, except for the Child Support Enforcement Program.

**3. Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$30,445 for this program. This entire amount was incurred and paid in the fiscal year ended June 30, 2019.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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LINCOLN COUNTY  
**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**

Board of Commissioners  
Lincoln County, 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon dated October 7, 2021. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

### **Internal Control Over Financial Reporting**

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

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

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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

*Board Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.*

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lincoln County’s financial statements are free of 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 determination of financial statement amounts. 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 the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Additional Items**

We also noted certain matters that we reported to the management of Lincoln County in a separate letter dated October 7, 2021.

**Lincoln County’s Response to Findings**

Lincoln County’s response to the findings identified in our audit is described above. Lincoln County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 result 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.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

October 7, 2021



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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LINCOLN COUNTY  
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Commissioners  
Lincoln County, Nebraska

**Report on Compliance for Each Major Federal Program**

We have audited Lincoln County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Lincoln County's major Federal programs for the year ended June 30, 2021. Lincoln County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Lincoln County's compliance with those requirements.

**Opinion on Each Major Federal Program**

In our opinion, Lincoln County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the 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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Lincoln County as of and for the year ended June 30, 2021, and have issued our report thereon dated October 7, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

October 7, 2021

LINCOLN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified?

Yes  None Reported

Significant deficiencies identified?

Yes  No

Noncompliance material to financial statements noted?

Yes  None Reported

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?

Yes  None Reported

Significant deficiencies identified?

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 200.516(a)?

Yes  No

Major programs: **Coronavirus Relief Fund: CFDA #21.019**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No



LINCOLN COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Concluded)

**Section II – Financial Statement Findings**

**Finding # 2021-1**

- Condition** - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
- Criteria** - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
- Context** - Various County offices collect money, and most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
- Effect** - This lack of segregation of duties results in an inadequate overall internal control structure design.
- Cause** - The County does not employ sufficient office personnel to segregate accounting functions properly.
- Recommendation** - The County should be aware of the inherent risks associated with an 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.
- View of Officials** - The County has discussed the finding but must consider the cost of an adequate segregation of duties when determining the use of tax money.

**Section III – Federal Award Findings and Questioned Costs**

**None Noted**

**LINCOLN COUNTY TREASURER'S OFFICE**

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**SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended June 30, 2021

**Finding # 2020-1**

**Condition:** Due to a limited number of administrative personnel, a lack of segregation of duties exists. Proper segregation of duties ensures an adequate internal control structure and, without this segregation, a greater risk of fraud or error may exist.

**Status:** The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

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**CORRECTIVE ACTION PLAN**

Year Ended June 30, 2021

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

Finding 2021-1 Segregation of Duties

Corrective Action Planned: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Anticipated Completion Date: Ongoing

Responsible Party: County Board



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 7, 2021

Board of Commissioners  
Lincoln County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Lincoln County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated October 7, 2021. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

## COUNTY TREASURER

### Personal Credit Card Charges

On July 29, 2021, the Auditor of Public Accounts became aware that the County Treasurer, Shelli Franzen, had been arrested on charges of theft by deception and official misconduct. It was determined that the charges filed were in connection with alleged personal charges made on Ms. Franzen's County-issued credit card through U.S. Bank. In response to the charges, Ms. Franzen resigned effective July 30, 2021.

Consequently, we reviewed all activity on the card since its activation in November 2019 through August 2021, and we noted apparent personal charges, totaling \$3,345.42, and late fees of \$22.42. At the time of Ms. Franzen's resignation, the credit card had a balance of \$1,507.57, which was paid off by the County and refunded by Ms. Franzen in August 2021.

The table below reflects the purchases that Ms. Franzen made with the County's credit card:

Description	Amount
Personal Purchases – Reimbursed or Paid Directly by Ms. Franzen	\$ 3,367.84*
County Purchases – Paid by Lincoln County	385.74
<b>Total Charges 11/21/2019 – 8/6/2021</b>	<b>\$ 3,753.58</b>

\*Includes \$584.50 credited back to the card for vendor returns.

The following table provides the details of the personal purchases made with the County's credit card, which were reimbursed or paid by Ms. Franzen:

<b>Personal Purchases – Reimbursed or Paid Directly by Ms. Franzen</b>			
<b>Transaction Date</b>	<b>Vender</b>	<b>Location</b>	<b>Amount</b>
12/10/2019	Kwik Stop	North Platte, NE	\$ 35.03*
12/13/2019	Cenex	Kearney, NE	30.00*
12/22/2019	Gary Super Foods	North Platte, NE	10.00*
12/22/2019	King Buffet	North Platte, NE	21.92*
12/29/2019	Gary Super Foods	North Platte, NE	9.67*
12/29/2019	Gary Super Foods	North Platte, NE	15.65*
1/6/2020	Textbooks.com	Online	1.18*
1/29/2020	Taco Johns	North Platte, NE	38.82*
7/11/2020	Amazon	Online	584.50**
11/24/2020	Runza	North Platte, NE	4.91
11/24/2020	Margaritas El Moro	North Platte, NE	40.11
11/29/2020	Gary Super Foods	North Platte, NE	8.82
12/22/2020	Hobby Lobby	North Platte, NE	69.83
1/6/2021	Late Payment Charge	N/A	2.00
1/23/2021	Gary Super Foods	North Platte, NE	33.00
1/24/2021	Burger King	North Platte, NE	26.59
1/25/2021	Subway	North Platte, NE	14.64
1/25/2021	Wendy's	North Platte, NE	20.29
1/26/2021	Home Works Inc.	North Platte, NE	40.00
1/26/2021	King Buffet	North Platte, NE	24.61
1/26/2021	Runza	North Platte, NE	7.80
1/27/2021	Merricks Ranch House	North Platte, NE	36.55
1/27/2021	Gary Super Foods	North Platte, NE	7.78
1/26/2021	Kwik Stop	North Platte, NE	20.06
1/26/2021	Kwik Stop	North Platte, NE	7.51
4/9/2021	Target	Lincoln, NE	120.69
4/9/2021	Target	Lincoln, NE	18.22
4/9/2021	Russ's Market	Lincoln, NE	66.24
4/11/2021	Olive Garden	Lincoln, NE	47.34
4/12/2021	Walmart	North Platte, NE	65.52
4/10/2021	The Amazing Pizza Machine	Omaha, NE	85.90
4/13/2021	Kwik Stop	North Platte, NE	25.00
4/20/2021	Kwik Stop	North Platte, NE	20.07
5/9/2021	Penny's Diner	North Platte, NE	23.40
5/16/2021	Gary Super Foods	North Platte, NE	43.59
5/16/2021	Arby's	North Platte, NE	14.21
5/18/2021	Applebees	North Platte, NE	43.13
5/19/2021	McDonald's	North Platte, NE	8.32
5/19/2021	Burger King	North Platte, NE	12.84
5/19/2021	Casey's General Store	North Platte, NE	19.99
5/20/2021	Walmart	North Platte, NE	109.00
5/20/2021	Casey's General Store	North Platte, NE	7.86

<b>Personal Purchases – Reimbursed or Paid Directly by Ms. Franzen</b>			
<b>Transaction Date</b>	<b>Vendor</b>	<b>Location</b>	<b>Amount</b>
5/20/2021	Quiznos	North Platte, NE	26.91
5/21/2021	Runza	North Platte, NE	27.45
5/21/2021	Walmart	North Platte, NE	54.09
5/22/2021	Casey's General Store	North Platte, NE	30.07
5/22/2021	Home Works Inc.	North Platte, NE	40.00
5/22/2021	Ace Hardware	North Platte, NE	16.29
5/24/2021	Domino's	North Platte, NE	30.18
5/25/2021	McDonald's	North Platte, NE	4.16
5/25/2021	Gary Super Foods	North Platte, NE	11.81
5/24/2021	Quiznos	North Platte, NE	13.96
5/25/2021	Runza	North Platte, NE	13.54
5/24/2021	Pizza Hut	North Platte, NE	21.71
5/26/2021	Gary Super Foods	North Platte, NE	13.55
5/26/2021	Burger King	North Platte, NE	25.68
5/27/2021	Dairy Queen	North Platte, NE	18.35
5/27/2021	McDonald's	North Platte, NE	4.16
5/26/2021	Casey's General Store	North Platte, NE	11.16
5/26/2021	Casey's General Store	North Platte, NE	20.00
5/27/2021	Starting Gate Liquor	North Platte, NE	2.34
6/16/2021	Walmart	North Platte, NE	90.02
6/17/2021	Walmart	Ogallala, NE	319.32
6/17/2021	Gary Super Foods	North Platte, NE	63.70
6/23/2021	Burger King	North Platte, NE	24.61
6/24/2021	Runza	North Platte, NE	19.31
6/23/2021	Kwik Stop	North Platte, NE	27.00
6/25/2021	Gary Super Foods	North Platte, NE	6.25
6/25/2021	Wendy's	North Platte, NE	32.06
6/27/2021	Walmart	North Platte, NE	77.29
6/30/2021	Margaritas El Moro	North Platte, NE	41.59
7/1/2021	Subway	North Platte, NE	17.40
7/1/2021	Lincoln County 4-H	North Platte, NE	13.00
7/1/2021	Cody Park Concessions	North Platte, NE	8.50
7/1/2021	Cody Park Concessions	North Platte, NE	5.10
7/1/2021	Kwik Stop	North Platte, NE	20.00
7/6/2021	Late Payment Charge	N/A	3.67
7/7/2021	Stockman's Veterinary	North Platte, NE	346.12
7/13/2021	Gary Super Foods	North Platte, NE	8.15
8/6/2021	Late Payment Charge	N/A	16.75
<b>Total Personal Purchases</b>			<b>\$ 3,367.84</b>

\*These items were originally paid by the County and reimbursed by Ms. Franzen.

\*\*Amazon credited this purchase back to the account.

In addition to the above expenditures, the County paid for \$385.74 in credit card purchases for County related expenses, however supporting documentation was not provided for some of those payments.

The following table details the credit card purchases that were paid by the County:

<b>Purchases Paid with County Funds</b>			
<b>Transaction Date</b>	<b>Vendor</b>	<b>Location</b>	<b>Amount</b>
12/10/2019	Panera Bread	Kearney, NE	\$ 13.80
12/11/2019	Valentino's	Kearney, NE	8.63
12/11/2019	Red Lobster	Kearney, NE	34.55
1/6/2020	Textbooks.com	Online	122.84
1/6/2020	Textbooks.com	Online	118.30
5/30/2020	Hobby Lobby	North Platte, NE	55.61
7/16/2020	Hobby Lobby	North Platte, NE	32.01
<b>Total Purchases – Paid by County</b>			<b>\$ 385.74</b>

We noted that both of the above payments to Hobby Lobby, totaling \$87.62, lacked adequate supporting documentation. For the May 30, 2020, expenditure, a receipt was provided to the Board; however, that sales slip contained only a one-word description: "Art." For the July 16, 2020, purchase, no receipt was attached to the claim. Therefore, we were unable to determine if these payments were for County purposes. The remaining charges, totaling \$298.12, appear to have been appropriate uses of County funds and were properly supported.

Neb. Rev. Stat. § 13-610 (Reissue 2012) provides, in relevant part, the following:

*(1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card . . . .*

*(2) Any political subdivision may utilize its purchasing card program for the purchase of goods and services for and on behalf of the political subdivision.*

\* \* \* \*

*(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.*

\* \* \* \*

*(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.*

The County adopted a credit card policy on August 26, 2013, establishing formal guidelines for the acceptable usage of the cards. Among other things, that policy prohibits personal use of the credit cards. Further, an "Agreement to Accept" the U.S. Bank One Card signed by Ms. Franzen on February 19, 2021, states the following:

- 1. In [sic] understand the card is for county-approved purchases only and I agree not to charge personal purchases.*
- 2. Improper use of this card can be considered misappropriation of county funds.*

Neb. Rev. Stat. § 28-618(7) (Reissue 2016) defines as a "financial transaction device" as follows:

*Financial transaction device shall mean any instrument or device whether known as a credit card, credit plate, bank service card, banking card, check guarantee card, debit card, electronic funds transfer card, or account number representing a financial account. Such device shall affect the financial interest, standing, or obligation of the financial account for services or financial payments for money, credit, property, or services[.]*

Neb. Rev. Stat. § 28-620 (Reissue 2016) creates the criminal offense of “unauthorized use of a financial transaction device,” as shown, in relevant part, below:

*(1) A person commits the offense of unauthorized use of a financial transaction device if such person uses such device in an automated banking device, to imprint a sales form, or in any other manner:*

\* \* \* \*

*(d) When for any reason his or her use of the financial transaction device is unauthorized either by the issuer or by the account holder.*

\* \* \* \*

*(3) Any person committing the offense of unauthorized use of a financial transaction device shall be guilty of:*

*(a) A Class II misdemeanor if the total value of the money, credit, property, or services obtained or the financial payments made are less than five hundred dollars within a six-month period from the date of the first unauthorized use;*

*(b) A Class I misdemeanor if the total value of the money, credit, property, or services obtained or the financial payments made are five hundred dollars or more but less than one thousand five hundred dollars within a six-month period from the date of the first unauthorized use;*

*(c) A Class IV felony if the total value of the money, credit, property, or services obtained or the financial payments made are one thousand five hundred dollars or more but less than five thousand dollars within a six-month period from the date of the first unauthorized use; and*

*(d) A Class IIA felony if the total value of the money, credit, property, or services obtained or the financial payments made are five thousand dollars or more within a six-month period from the date of the first unauthorized use.*

Ms. Franzen’s personal use of the County’s credit appears problematic also in light of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2010, Cum. Supp. 2020). Specifically, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2010) of the Act provides the following:

*A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.*

Neb. Rev. Stat. § 49-1443 (Reissue 2010) defines “public official” to include “an official in the executive branch, an official in the legislative branch, or an elected or appointed official in the judicial branch of the state government or a political subdivision thereof . . . .”

In addition to the above concerns, good internal control and sound business practice require procedures for a systematic review of all County credit card usage to ensure compliance with both applicable statutory provisions and local governing policies.

Without such procedures, there is an increased risk for not only loss or misuse of County funds but also violation of State statute and County policies.

We recommend the County Board implement procedures for a systematic review of all County credit card usage to ensure compliance with both applicable statutory provisions and local governing policies. Because this comment addresses apparent violations of State law, including at least one provision of the Act, we are forwarding the information herein to both the County Attorney and the Nebraska Accountability and Disclosure Commission for further review.



**Disbursements Without Board Approval**

During the fiscal year, we noted that the County Treasurer made the following disbursements; however, these disbursements were not approved by the County Board and did not go through the claims process:

- Two checks, totaling \$2,799, were issued for refunds of inheritance taxes.
- Two transfers were completed by journal entry in April 2021, correcting prior year errors:
  - Transfer of \$3,495 from the General Fund to the Road Fund.
  - Transfer of \$347 from the General Fund to the Highway Road Bond Fund.

Neb. Rev. Stat. § 23-1601(1) (2021 Neb. Laws, LB 41, § 2) provides the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Good internal controls and sound business practices require procedures to ensure that all disbursements of the County Treasurer are properly approved by the County Board prior to payment.

Without such procedures, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Treasurer implement procedures to ensure all disbursements are properly approved by the County Board prior to payment.

**COUNTY SHERIFF**

**Sheriff Accounting Procedures**

During the audit, we noted several issues with the County Sheriff’s accounting procedures, as follows:

- A monthly asset-to-liability reconciliation was not performed for six of seven bank accounts maintained by the County Sheriff, resulting in an unknown long in the following accounts:

<b>Account</b>	<b>Overage Held</b>
New Fee Account	\$ 3,450
Old Fee Account	722
Civil Process Account	1,034
Inmate Account	19,149
Distress Warrant Account	129
Execution Account	3
<b>Total</b>	<b>\$ 24,487</b>

- A Balance Sheet Report was run from the County Sheriff’s Inmate Accounting System for June 30, 2021; however, the report appears inaccurate. For example, the report listed \$13,332 as being due to Lattice, the former inmate phone provider. This amount was noted also on the prior year report, but no amount was actually owed to Lattice. Therefore, we are unable to rely on the Balance Sheet Report from the County Sheriff’s Inmate Accounting System to determine the proper recipients of the balances in the account.

- An accurate monthly bank reconciliation was not performed for the County Sheriff's Inmate Fund bank account, resulting in an unknown long of \$115 between the reconciled bank balance and the balance noted in the County Sheriff's Inmate Accounting System as of June 30, 2021. The bank reconciliation report printed from the accounting system for the same period said, "Statement not Balanced."
- A monthly bank reconciliation was not performed on the County Sheriff's Distress Warrant Account. This resulted in a transfer of \$20 in outstanding checks from the old distress warrant account to the new distress warrant account, instead of the checks being remitted to the State Treasurer as unclaimed property.
- The County Sheriff remitted fees collected to the County Treasurer but not fees earned, as required by Neb. Rev. Stat. § 33-117(3) (Reissue 2016).

Section 33-117(3) states the following:

*The sheriff shall, on the first Tuesday in January, April, July, and October of each year, make a report to the county board showing (a) the different items of fees, except mileage, collected or earned, from whom, at what time, and for what service, (b) the total amount of the fees collected or earned by the officer since the last report, and (c) the amount collected or earned for the current year. He or she shall pay all fees earned to the county treasurer who shall credit the fees to the general fund of the county.*

Sound accounting practices and good internal controls require procedures to ensure: 1) adequate reconciliation and balancing methods are utilized for all accounts, including procedures to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis; 2) any variances noted during the reconciliation process are identified and resolved in a timely fashion; 3) proper documentation is maintained to support correct account balances; and 4) fees earned are remitted to the County Treasurer.

A lack of such procedures increases the risk for not only loss, theft, or misuse of County funds, allowing errors to go undetected more easily, but also noncompliance with State statute.

A similar comment was included in the prior year audit.

We recommend the County Sheriff implement monthly fund balancing procedures to ensure that regular bank and asset-to-liability reconciliations are performed for all accounts. Such procedures should also include the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances. We further recommend the County Sheriff review all funds held and remit excess funds to the appropriate parties, and ensure all fees collected or earned are handled in accordance with State statute.

## **COUNTY DIVE TEAM**

### **Bank Account Maintained**

During the audit, we noted that the Lincoln County Dive Rescue Team, created for the purpose of rescuing drowning victims and recovering lost property, had a bank account for which prior year donations were received and held and used to make payments without County Board approval. During the year, no disbursements were paid from, and one donation of \$100 was deposited into, the account. The balance at fiscal year-end was \$105.

We noted further that this bank account was created using the County's tax identification number, but no County employees were authorized as signers on the account. Additionally, no account activity reports were provided to the County Board or County Treasurer.

Neb. Rev. Stat. § 23-1601(1) (2021 Neb. Laws, LB 41, § 2) states the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Furthermore, sound accounting practices and good internal controls require procedures to ensure that designated County personnel are authorized signers on any bank account utilizing the County's tax identification number, and the County Board or County Treasurer is apprised of such account's activity.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of funds but also noncompliance with State statute.

A similar comment was noted in the prior year audit.

We recommend the implementation of procedures to ensure that designated County personnel are authorized signers on any bank account utilizing the County's tax identification number, and the County Board or County Treasurer is apprised of such account's activity.

### COUNTY ATTORNEY

#### Attorney Accounting Procedures

During our audit, we noted multiple issues regarding the County Attorney's accounting procedures, as described below.

- Diversion fees were not remitted timely to the County Treasurer. Diversion fees were remitted in July 2020, but no fees were remitted during the rest of the fiscal year. A total of \$8,950 in receipts were still held at June 30, 2021.
- The Drug Fund bank account had an unknown balance of \$187, and the County Attorney was unable to identify the proper recipient(s) of these funds.
- The Bad Check Restitution bank account had an unknown balance of \$9, and the County Attorney was unable to identify the proper recipient(s) of these funds.
- Two payments, totaling \$42, were made from the County Attorney's petty cash fund and not claimed in a timely manner. The claim was filed 98 and 207 days after the expenses were incurred.

Neb. Rev. Stat. § 23-1601(1) (2021 Neb. Laws, LB 41, § 2) states the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part, the following:

*All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . . .*

Sound accounting practices and good internal controls require procedures to ensure: 1) adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balance, accounts payable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis; 2) all variances noted during the reconciliation process are identified and resolved in a timely fashion; 3) proper documentation is maintained to support correct account balances; 4) all fees collected are remitted timely to the County Treasurer; and 5) petty cash claims are filed promptly with the County Clerk.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily.

A similar comment was included in the prior year audit.

We recommend the County Attorney implement monthly fund balancing procedures to ensure the performance of regular asset-to-liability reconciliations. Such procedures should also include the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances. We further recommend the County Attorney remit fees collected to the County Treasurer in a timely manner. Lastly, we recommend the County Attorney ensure all petty cash claims are filed promptly with the County Clerk.

## COUNTY BOARD

### Incorrect Retirement Withheld

For three law enforcement employees, we noted that payroll retirement contributions were not withheld in accordance with State statute, as follows:

- Two law enforcement employees received two separate paychecks in order to keep track of payments to be reimbursed with grant funds. Each month, one of these paychecks appropriately contributed 5.5% of wages to retirement; however, the other paycheck contributed only 4.5% of wages. This error resulted in a total underpayment of \$94 for the two employees for the year.
- One law enforcement employee was not certified until mid-April 2021; however, the May and June 2021 paychecks were not updated to contribute the additional 1% to retirement. Additionally, this same employee was mistakenly entered as certified in January and overcontributed the additional 1% for both the January and February paychecks, resulting in a net underpayment of \$34.

Neb. Rev. Stat. § 23-2307 (Cum. Supp. 2020) provides, in relevant part, the following:

*Each employee who is a member of the retirement system shall pay to the county or have picked up by the county a sum equal to four and one-half percent of his or her compensation for each pay period.*

Neb. Rev. Stat. § 23-2332.01 (Reissue 2012) contains the following:

*Any county with a population of eighty-five thousand inhabitants or less which participates in the Retirement System for Nebraska Counties established by the County Employees Retirement Act shall establish and fund a supplemental retirement plan for the benefit of all present and future commissioned law enforcement personnel employed by such county who possess a valid law enforcement officer certificate or diploma, as established by the Nebraska Police Standards Advisory Council. The auxiliary benefit plan shall be funded by additional contributions to the county employees retirement plan in excess of the amounts established by sections 23-2307 and 23-2308. The additional contributions made by employees shall be credited to the employee account, and contributions paid by the county shall be credited to the employer account, with each amount to be established at a rate of one percent of compensation.*

Good internal control and sound business practice require procedures to ensure that all law enforcement personnel are contributing appropriately to retirement at the statutory rates.

Without such procedures, there is an increased risk of not only inaccurate accrual of retirement benefits but also noncompliance with State statute.

We recommend the County Board implement procedures to ensure law enforcement personnel are contributing to retirement at rates set by State statute. We further recommend the County Board contact the Nebraska Public Employees Retirement System office to inquire about potential make-up contributions.

**Duplicate Payments**

During the audit, we noted that two claims, totaling \$315, were duplicate payments. A summary of these duplicate payments is provided in the table below:

Payee	Duplicate Amount	Original Claim		Duplicate Claim	
		Date	Claim #	Date	Claim #
Dr. Scrubs and More	\$ 112	8/10/2020	203367	8/17/2020	203440
Capital Business Systems	203	4/26/2021	211668	5/3/2021	211831
<b>Total</b>	<b>\$ 315</b>				

The duplicate payment was caught by neither the payee nor the County; therefore, at the time of audit fieldwork in August 2021, the County had not received a credit for the overpayment.

Good internal controls and sound accounting practices require procedures for periodically reviewing disbursements of County funds to vendors in order to prevent duplicate payments.

Without such procedures, there is an increased risk of loss or misuse of County funds.

We recommend the County Board implement procedures to ensure all claims are reviewed prior to approval to ensure that they are not duplicate payments.

**COUNTY CLERK OF THE DISTRICT COURT**

**Review of Overdue Case Account Report**

We tested 10 overdue balances, totaling \$8,353, owed to the District Court and noted that all 10 of those balances did not have subsequent action taken to ensure their collection and/or resolution. For all 10 balances, there has been no activity in at least two years. The last activity noted on these cases ranged from 1998 to 2019. As of July 30, 2021, the Overdue Case Account report contained 2,571 overdue criminal case balances, totaling \$576,326. Of the cases on the report, only 18 cases, totaling \$10,755, were flagged as having a suspension or warrant.

Sound accounting practices and good internal controls require procedures to ensure that the Overdue Case Account Report is reviewed on an ongoing, timely basis to determine what action should be taken to collect or otherwise resolve the overdue balances listed therein. Such review and follow-up should be adequately documented.

Without such procedures, there is an increased risk that overdue balances may either not have proper follow-up action taken timely, resulting in the District Court not collecting all funds owed to it, or have been resolved previously and should no longer be reflected as overdue in the accounting system.

A similar comment was included in the prior year audit.

We recommend the District Court implement procedures to ensure that the Overdue Case Account Report is reviewed on an ongoing, timely basis, and such review is adequately documented. Potential courses of action for follow-up on overdue case balances would include the issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a declaration of certain balances as being uncollectible.

*County Clerk of the District Court's Response: By the end of the year additional staff should be in place. That should allow the Overdue Case Account to be worked and defendants notified of the amount due in their court case.*

## COUNTY OVERALL

### Unclaimed Property

During our audit, we noted that the following offices had outstanding checks that qualified as unclaimed property that had not been remitted to the State Treasurer.

- The County Sheriff's Inmate Account had 121 checks, totaling \$448, and the Distress Warrant Account had five checks, totaling \$20, that were outstanding for over three years. These checks were originally issued in fiscal years 2011 through 2017.
- The County Attorney had four checks, totaling \$413, that were outstanding for over three years. For most of these checks, an actual issue date could not be provided; however, per the County Attorney's office, the checks were issued prior to 2017.
- The County Clerk had 22 checks, totaling \$1,865, that were outstanding for over three years. These checks were originally issued in fiscal years 2014 through 2017.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) states the following:

*Except as otherwise provided by law all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this State, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.*

Neb. Rev. Stat. § 69-1310 (2021 Neb. Laws, LB 532 § 4) states, in relevant part, the following:

*(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.*

\* \* \* \*

*(d) The report shall be filed before November 1 of each year as of June 30 next preceding . . . The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. . . .*

Sound accounting practices and good internal control require procedures to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer, as required by State statute.

Without such procedures, there is an increased risk of noncompliance with State statute.

A similar comment was included in the prior year audit.

We recommend the County Sheriff, County Attorney, and County Clerk implement procedures to ensure checks qualifying as unclaimed property are remitted to the State Treasurer in accordance with State statute.

**Segregation of Duties**

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted that the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

This was also noted in prior audits.

We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.

*Board Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.*

\* \* \* \* \*

It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor





## Becky J. Rossell

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**From:** Grof, Randa <Randa.Grof@nebraska.gov>  
**Sent:** Friday, October 15, 2021 2:42 PM  
**To:** Kent C. Weems; Christopher Bruns; jwoodruff@prairieinet.net; bjhenry1@charter.net; joe@jrarchitecture.com; Lincoln County Clerk; Julie J. Stenger; rebecca69101@yahoo.com; Mccarthy, Debra; Lois A. Block; Jerome J. Kramer; boniedwards@gmail.com; Sheri L. Newton  
**Cc:** Wittler, Rachel  
**Subject:** Lincoln County Audit Report and Management Letter FY21  
**Attachments:** Lincoln County Audit Report and Management Letter FY21.pdf

Dear County Officials:

Today, our office released the Lincoln County Audit Report and Management Letter for the fiscal year ended June 30, 2021. Please see the attached report and letter for further details.

Thanks,

### **Randa Grof**

Administrative Assistant II  
Auditor of Public Accounts  
Room 2303, State Capitol  
Lincoln, NE 68509  
Phone (402) 471-2111  
[Randa.grof@nebraska.gov](mailto:Randa.grof@nebraska.gov)

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