AUDIT REPORT
OF
LINCOLN COUNTY, NEBRASKA

Year Ended June 30, 2011

Donald D. Wilson, Certified Public Accountant
McCook, Nebraska

AUDIT REPORT
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Year Ended June 30, 2011

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AUDIT REPORT
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Year Ended June 30, 2011

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DONALD D. WILSON
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INDEPENDENT AUDITOR'S REPORT

County Board of Commissioners
Lincoln County
North Platte, Nebraska 69101

Board Members:

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska as of June 30, 2011, and the respective changes in cash balances thereof for the year then ended in conformity with basis of accounting described in Note 1.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Lincoln County's financial statements as a whole. The budgetary comparison information, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 6, 2011 on my consideration of Lincoln County, Nebraska's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit conducted in accordance with *Government Auditing Standards*, and should be considered in assessing the results of my audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Donald D. Wilson, CPA

Donald D. Wilson, CPA
McCook, Nebraska

October 6, 2011

LINCOLN COUNTY, NEBRASKA

STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2011

EXHIBIT A

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Pooled Cash and Cash Equivalents	5,742,434
Designated Investments	3,385,084
Total Assets	9,127,518
NET ASSETS	
Restricted for:	
Jail Bond	1,006,781
Jail Building	1,535,097
Visitor's Promotion/Improvement	675,896
Veteran's Aid	30,345
Keno Lottery	184,985
Unrestricted	5,694,414
Total Net Assets	9,127,518

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

LINCOLN COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

FOR THE YEAR ENDED June 30, 2011

Exhibit B

		Program Cash Receipts			Net (Disbursements) Receipt and Changes in Net Assets
	Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	6,365,062	1,284,431	378,136		(4,702,495)
Public Safety	4,239,625	386,508	123,557	187,670	(3,541,890)
Public Works	5,305,547	150,599	83,319		(5,071,629)
Public Health	51,948		70,127		18,179
Public Assistance	293,575	900			(292,675)
Culture and Recreation	677,001				(677,001)
Capital Outlay	6,189,649				(6,189,649)
Debt Service	1,179,147				(1,179,147)
Total Governmental Activities	24,301,554	1,822,438	655,139	187,670	(21,636,307)
General Receipts:					
Taxes:					
Property taxes, levied for general purposes					8,817,983
Property taxes, levied for public works					51
Property taxes, levied for public assistance					69,843
Property taxes, levied for capital outlay					184,098
Property taxes, levied for debt service					1,532,619
Motor Vehicle Tax					1,150,600
Intergovernmental					3,523,256
Inheritance Tax					456,356
Interest					64,091
Miscellaneous					68,616
Total General Receipts					15,867,513
Changes in Net Assets					(5,768,794)
Net assets - Beginning of Year					14,896,312
Net assets - End of Year					9,127,518

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

LINCOLN COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2011

EXHIBIT C

	General	Road	Inheritance Tax	Jail Building	Jail Bond	Other Governmental Funds	Total
ASSETS							
Equity in Pooled Cash and Cash Equivalents	2,474,804	41,342	2,153,837		20,757	1,051,694	5,742,434
Designated Investments				1,535,097	986,024	863,963	3,385,084
Total Assets	2,474,804	41,342	2,153,837	1,535,097	1,006,781	1,915,657	9,127,518
FUND BALANCES:							
Restricted				1,535,097		921,557	2,456,654
Assigned		41,342	2,153,837		1,006,781	994,100	4,196,060
Unassigned	2,474,804						2,474,804
Total Fund Balances	2,474,804	41,342	2,153,837	1,535,097	1,006,781	1,915,657	9,127,518

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

LINCOLN COUNTY, NEBRASKA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2011

EXHIBIT D

		Special Revenue		Capital Project	Debt Service	NonMajor	Total
	General	Road	Inheritance Tax	Jail Building	Jail Bond	Governmental Funds	Governmental Funds
CASH RECEIPTS							
Property Taxes	8,631,007				1,532,619	440,968	10,604,594
Motor Vehicle Tax	1,150,600						1,150,600
Federal Grants	506,345	83,319				219,815	809,479
Intergovernmental	415,453	2,364,375			24,290	752,468	3,556,586
Inheritance Tax			456,356				456,356
Charges for Services	1,598,392	2,907				221,139	1,822,438
Interest	53,608			7,300	1,853	1,330	64,091
Miscellaneous	34,374	645				33,597	68,616
Total Cash Receipts	12,389,779	2,451,246	456,356	7,300	1,558,762	1,669,317	18,532,760
CASH DISBURSEMENTS							
General Government	6,245,778					119,284	6,365,062
Public Safety	4,171,056					68,569	4,239,625
Public Works	108,505	4,802,950				394,092	5,305,547
Public Health	51,948						51,948
Public Assistance	186,295					107,280	293,575
Culture and Recreation	38,550					638,451	677,001
Capital Outlay				6,058,029		131,620	6,189,649
Debt Service							
Principal Retirement					535,000		535,000
Interest					644,147		644,147
Total Cash Disbursements	10,802,132	4,802,950	0	6,058,029	1,179,147	1,459,296	24,301,554
Excess of Cash Receipts Over (Under) Cash Disbursements	1,587,647	(2,351,704)	456,356	(6,050,729)	379,615	210,021	(5,768,794)
OTHER FINANCING SOURCES (USES)							
Transfers In	509,299	2,169,165	249,000			290,985	3,218,449
Transfers (Out)	(1,916,435)		(949,150)			(352,864)	(3,218,449)
Total Other Financing Sources (Uses)	(1,407,136)	2,169,165	(700,150)	0	0	(61,879)	0
Net Change in Fund Balances	180,511	(182,539)	(243,794)	(6,050,729)	379,615	148,142	(5,768,794)
Fund Balances, Beginning of Year	2,294,293	223,881	2,397,631	7,585,826	627,166	1,767,515	14,896,312
Fund Balances, End of Year	2,474,804	41,342	2,153,837	1,535,097	1,006,781	1,915,657	9,127,518

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

LINCOLN COUNTY, NEBRASKA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS

AGENCY FUNDS

Year Ended June 30, 2011

EXHIBIT E

	Balance July 1, 2010	Receipts	Disbursements	Balance June 30, 2011
ASSETS				
Equity in Pooled Cash and Cash Equivalents	5,277,290	61,875,687	61,448,927	5,704,050
Total Assets	5,277,290	61,875,687	61,448,927	5,704,050
LIABILITIES				
State	488,866	6,654,952	6,514,155	629,663
Schools	2,685,502	38,894,006	38,812,924	2,766,584
Educational Service Units	6,774	463,665	463,940	6,499
Community College	39,782	2,711,296	2,713,048	38,030
Natural Resource Districts	30,080	2,212,203	2,208,608	33,675
Cemetery Districts	41,121	108,416	129,558	19,979
Fire Districts	5,620	684,046	682,657	7,009
Hospital Districts	1,103	45,197	41,541	4,759
Drainage Districts	2,380	16,560	18,476	464
Irrigation Districts	37,019	293,291	328,561	1,749
Municipalities	1,911,406	7,148,318	6,895,500	2,164,224
Agricultural Society	3,706	247,615	247,860	3,461
Airport Authority	14,796	886,062	886,111	14,747
Partial Payments	8,635	14,106	10,918	11,823
Tax Increment Financing	0	1,495,954	1,495,070	884
Unclaimed Funds	500			500
Total Liabilities	5,277,290	61,875,687	61,448,927	5,704,050
NET ASSETS	0	0	0	0

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and procedures adopted by Lincoln County, Nebraska:

A. Reporting Entity:
A Reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the county are not misleading. The County, for financial purposes, includes all of the funds relevant to the operation of Lincoln County. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from Lincoln County. The financial statements of the County include those of separately administered organizations that are controlled by, or dependent on, the County. Control or dependence is determined on the criteria of appointing a voting majority of an organization's governing body and (1) the ability of the county to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the county.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements. Accountabilities of the monies for the various other offices of the county is presented on Schedule 6 of this report.

B. Basis of Presentation:
Government-wide Financial Statements:

The Statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government.

The statement of net assets presents the county's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in two categories:

Restricted Net Assets – result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The amount of restricted net assets was $3,433,104 as of June 30, 2011.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements (Concluded):
Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:
During the year, the county segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county at this more detailed level. The county uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Lincoln County's major governmental funds:

General Fund:
The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the county for any purpose provided it is expended or transferred according to the general laws of Nebraska.

Road Fund (Special Revenue):
The Road Fund is used to account for revenues and expenditures for necessary road and bridge construction and improvements in accordance with Nebraska State Statute.

Inheritance Tax (Special Revenue):
The Inheritance Tax Fund is used to account for inheritance tax collected in accordance with Nebraska State Statute. The fund balance is available to the county for any purpose.

Jail Building (Capital Project):
The Jail Building Fund is used to account for the proceeds of a bond issuance, and the expenditure of such funds for the purpose of constructing a new jail.

Jail Bond (Debt Service):
The Jail Bond Fund is used to account for the accumulation of funds necessary to pay interest and redemption of bonds issued for the purpose of construction of new jail facilities.

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

B. Basis of Presentation (Concluded):

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

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution) by the County's highest level of decision-making authority, the County Board.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. Intent can by stipulated by the County Board, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Fiduciary Funds:
Fiduciary fund reporting focuses on net assets and changes in net assets. The County's only fiduciary funds are agency funds. The agency funds account for assets held by the County for political subdivisions in which the county acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Reservation of Fund Balance:
Reservations of fund balances are reported for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose.

C. Basis of Accounting:
The funds of the County and the financial statements have been prepared on the cash receipts and disbursements basis of accounting. Revenues are taken into account only when received by the county and expenditures are recorded when warrants are issued. This differs from generally accepted accounting principles, which require governmental fund accounting to follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual and obligations are generally recognized when they are incurred.

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

D. Capital Assets:
Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, culverts, and similar items which are immovable and of value only to the government), are not reported in the governmental activities column in the government-wide statement of net assets. The capital assets acquisitions are reflected as expenditures in governmental funds, and not capitalized.

E. Revenue Recognition – Property Taxes:

Property taxes are levied by October 15 based on valuations as of April 1. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of a Motor Vehicle. Counties are permitted by the State Constitution to levy a tax of up to $.50/$100 of assessed valuation for general governmental services, except that $.05 of $100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire Districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people.

The levy set in October, 2010 for 2010 taxes which will be materially collected in May and September, 2011, was set at $.334970/$100 of assessed valuation. Assessed valuation for Lincoln County for the 2010 tax levy was $3,242,946,764. Additionally, there is currently a legislatively imposed lid limitation, which limits taxation to the prior year's level, with provisions for growth and the reduction of state aid. It may be increased by 2.5%, plus allowable growth, and an additional 1% by a three/fourths majority of the County Board, or to any level by a vote of the people in the county.

NOTE 2: CASH AND POOLED INVESTMENTS:

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Cash and cash equivalents are considered to be cash on hand and demand deposits. Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943. Investments made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

The types of investments the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest. As defined by Governmental Accounting Standards Board Statement #3, the County had no investments as of June 30, 2011.

NOTE 2: CASH AND POOLED INVESTMENTS (CONCLUDED):

Lincoln County is a participant in an external investment pool, the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a separate legal and administrative entity organized and existing pursuant to the Inter-Local Cooperation Act and other Nebraska law. NPAIT was established as of July 11, 1996, by the adoption of an Inter-Local Agreement and Declaration of Trust by the Initial Participants and Settlers. The County Treasurer had $110,329 invested with NPAIT as of June 30, 2011. Securities held by NPAIT are not held in the County's name.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government policy requires pledged securities to be at least 120% of the amount of deposits over and above the amounts insured by the FDIC. State law restricts the type of collateral securities allowed. The deposits for Lincoln County as of June 30, 2011 were entirely covered by federal depository insurance or by collateral securities pledged to the County Treasurer and held by the safekeeping department of the depository's correspondent bank.

NOTE 3: INTERFUND LOANS AND TRANSFERS:

The detail of interfund loans for the year ended June 30, 2011 were as follows:

Transfer To	Transfer From	Amount
Inheritance Tax	Self Funded Insurance	100,000
Inheritance Tax	Law Enforcement Grant	148,730
Inheritance Tax	General	270
General	Inheritance Tax	509,150

The amount due to the Inheritance Tax Fund from the Self Funded Insurance was $100,000 as of June 30, 2011. The amount due to the Inheritance Tax Fund from the General Fund was $549,825 as of June 30, 2011. The loan to the General Fund were for ROW purchases for the Birdwood project.

The detail of interfund transfers for the year ended June 30, 2011 were as follows:

Transfers To	Transfers From	Amount
Road	General	1,769,165
Noxious Weed	General	147,000
General	Road Bond	149
Road	Inheritance Tax	400,000
Institutions	Inheritance	40,000
Visitor's Promotion	Visitor's Improvement	103,985

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to expend the resources. Transfers from the Inheritance Tax move reserve funds over to other funds as needed.

NOTE 4: RETIREMENT PROGRAM:

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 23-2301.

Each member who is employed and participating in the retirement system prior to January 1, 2003, may either elect to continue participation in the defined contribution benefit plan or elect to participate in the cash balance benefit plan. All new members as of January 1, 2003 will participate in the cash balance benefit plan. In a cash balance benefit plan, benefits depend on amounts contributed to the plan plus interest credits. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. All elected officials and full-time employees who have attained the age of twenty will begin immediate plan participation upon hire. Permanently employed part-time employees may exercise the option to begin immediate participation. Employees contribute 4.5% of their salary and the county match is 6.75% of the salary. Commissioned law enforcement personnel employed by the county contribute 5.5% of their salary and the county match is 7.75% of the salary. The employee and employer's contributions are kept in separate accounts. The employer's account is fully vested. The employee's account is vested 100% after three years participation in the plan. Prior service benefits are paid directly by the County to the retired employee. The county's contributions to NPERB for the years ended June 30, 2011, 2010, and 2009 were $466,837, $448,529, and $428,354, respectively. Prior service benefit paid was $3,872, $4,044, and $4,051, for the three fiscal years.

NOTE 5: CHANGES IN LONG-TERM COMMITMENTS:

The following is a summary of changes in long-term commitments of the County for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Bonds:				
Jail Building	15,230,000		535,000	14,695,000

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

A summary of the annual requirements to service the bonds as of June 30, 2011, is as follows:

Year Ended	2008/2009 Jail Bond Series		
	Principal	Interest	Total
June 30, 2012	545,000	631,549	1,176,549
June 30, 2013	560,000	617,680	1,177,680
June 30, 2014	575,000	602,023	1,177,023
June 30, 2015	590,000	584,338	1,174,338
June 30, 2016	610,000	564,207	1,174,207
June 30, 2017	630,000	541,646	1,171,646
June 30, 2018-2022	3,550,000	2,295,908	5,845,908
June 30, 2023-2027	4,420,000	1,394,666	5,814,666
June 30, 2028-2030	3,215,000	254,405	3,469,405
Total	14,695,000	7,486,422	22,181,422

Jail Bond 2008 Series:
Due serially in annual principal payments of $195,000 to $460,000, plus interest at 3.25% to 5.4%. These are General Obligation Bonds issued December 30, 2008 in the amount of $6,000,000 to construct a sheriff's office, county jail facilities, and acquire real estate. Bonds maturing on and after December 15, 2014, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of $5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually June 15 and December 15 of each year.

Jail Bond 2009 Series:
Due serially in annual principal payments of $340,000 to $665,000, plus interest at 1.30% to 5.00%. These are General Obligation Bonds issued June 25, 2009 in the amount of $9,230,000 to construct a sheriff's office, county jail facilities, and acquire real estate. Bonds maturing on and after December 15, 2014, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of $5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually June 15 and December 15 of each year.

The Jail Bond Series 2008/2009 are a general obligation of Lincoln County. The county agrees that it will annually levy a tax on all taxable property, which may exceed the constitutional limitation, sufficient to pay the interest and principal of this bond.

NOTE 6: FEDERALLY ASSISTED PROGRAMS:

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2011.

NOTE 7: RELATED PARTY TRANSACTIONS:

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2011.

NOTE 8: ACCUMULATED COMPENSATED ABSENCES:

It is the County's Policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's service, the accumulated vacation would be paid but the sick leave would be forfeited. The cost of vacation and sick leave are recognized when payments are made to the individual.

NOTE 9: JOINT VENTURE:

Lincoln County has entered into an agreement with the other counties in Region II in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region II consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock and Red Willow. The governing boards for Region II services are established by Statute and the agreements and include representatives from the participating county boards. Funding is provided by a combination of federal, state, local, and private funding. Lincoln County contributed $147,456 toward the operation of Region II during fiscal year 2011. The Nebraska Department of Public Institutions requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

NOTE 10: COUNTY INSURANCE:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to offset these certain risks. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

LINCOLN COUNTY, NEBRASKA

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

For the Year Ended June 30, 2011

EXHIBIT F

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Taxes	9,145,963	9,145,963	9,781,607	635,644
Federal	377,100	377,100	506,345	129,245
State	900,000	900,000	385,774	(514,226)
Local	3,512,400	3,512,400	1,716,053	(1,796,347)
Total Cash Receipts	13,935,463	13,935,463	12,389,779	(1,545,684)
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	112,700	112,700	103,218	9,482
Clerk	268,320	268,320	253,667	14,653
Treasurer	405,635	405,635	366,474	39,161
Register of Deeds	149,125	149,125	141,145	7,980
Assessor	486,710	486,710	476,826	9,884
Planning Commission	46,510	46,510	44,927	1,583
Data Processing	91,800	91,800	78,773	13,027
Adv., Insurance and Bonds	1,437,000	1,437,000	1,433,692	3,308
Federal Payroll Tax	375,000	378,000	376,905	1,095
Clerk of the District Court	283,395	283,395	271,925	11,470
County Court System	41,900	41,900	40,835	1,065
District Court	50,890	50,890	48,076	2,814
Child Support	259,910	259,910	241,046	18,864
Public Defender	431,785	431,785	426,177	5,608
Building and Grounds	333,200	333,200	321,836	11,364
Extension Office	154,935	154,935	154,877	58
Photostat Department	69,700	69,700	64,962	4,738
Retirement	370,500	370,500	361,636	8,864
Unemployment	13,000	13,000	6,962	6,038
Miscellaneous	967,590	964,590	1,031,819	(67,229)
Total General Government	6,349,605	6,349,605	6,245,778	103,827
Public Safety:				
Sheriff	1,870,800	1,870,800	1,859,964	10,836
Attorney	539,475	539,475	493,252	46,223
Communication Center	139,710	139,710	119,952	19,758
Merit Commission	1,250	1,250	620	630
Jail	1,376,825	1,376,825	1,355,844	20,981
Jail Building and Grounds	90,000	90,000	13,801	76,199
Probation Office	83,400	83,400	75,658	7,742
Emergency Management	123,710	123,710	82,994	40,716
Dive & Rescue Team	15,600	15,600	15,155	445
Grant Funds	1,950,000	1,950,000		1,950,000
Miscellaneous	153,715	153,715	153,816	(101)
Total Public Safety	6,344,485	6,344,485	4,171,056	2,173,429
Public Works:				
Surveyor	88,600	88,600	87,709	891
Miscellaneous	20,800	20,800	20,796	4
Total Public Works	109,400	109,400	108,505	895

LINCOLN COUNTY, NEBRASKA

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

For the Year Ended June 30, 2011

EXHIBIT F CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH DISBURSEMENTS, CONCLUDED:				
Public Health:				
Miscellaneous	51,950	51,950	51,948	2
Total Public Health	51,950	51,950	51,948	2
Public Assistance:				
Relief	162,400	162,400	106,997	55,403
Veteran's Service Officer	68,645	68,645	65,598	3,047
Miscellaneous	13,700	13,700	13,700	0
Total Public Assistance	244,745	244,745	186,295	58,450
Culture and Recreation:				
Miscellaneous	38,555	38,555	38,550	5
Total Culture and Recreation	38,555	38,555	38,550	5
Total Cash Disbursements	13,138,740	13,138,740	10,802,132	2,336,608
Excess of Cash Receipts Over (Under) Cash Disbursements	796,723	796,723	1,587,647	790,924
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	400,149	400,149	509,299	109,150
Operating Transfers (Out)	(2,366,165)	(2,366,165)	(1,916,435)	449,730
Total Other Financing Sources (Uses)	(1,966,016)	(1,966,016)	(1,407,136)	558,880
Net Change in Fund Balance	(1,169,293)	(1,169,293)	180,511	1,349,804
Fund Balance, Beginning of Year	2,294,293	2,294,293	2,294,293	
Fund Balance, End of Year	1,125,000	1,125,000	2,474,804	1,349,804

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

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

For the Year Ended June 30, 2011

EXHIBIT G

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Federal			83,319	83,319
State	2,209,541	2,209,541	2,364,268	154,727
Local	9,233	9,233	3,659	(5,574)
Total Cash Receipts	2,218,774	2,218,774	2,451,246	232,472
CASH DISBURSEMENTS:				
Public Works:				
Road Department	4,911,820	4,911,820	4,802,950	108,870
Total Cash Disbursements	4,911,820	4,911,820	4,802,950	108,870
Excess of Cash Receipts Over (Under) Cash Disbursements	(2,693,046)	(2,693,046)	(2,351,704)	341,342
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,569,165	2,569,165	2,169,165	(400,000)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	2,569,165	2,569,165	2,169,165	(400,000)
Net Change in Fund Balance	(123,881)	(123,881)	(182,539)	(58,658)
Fund Balance, Beginning of Year	223,881	223,881	223,881	
Fund Balance, End of Year	100,000	100,000	41,342	(58,658)

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL INHERITANCE TAX

For the Year Ended June 30, 2011

EXHIBIT H

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Local	12,369	12,369	456,356	443,987
Total Cash Receipts	12,369	12,369	456,356	443,987
CASH DISBURSEMENTS:				
General Government	849,000	849,000		849,000
Total Cash Disbursements	849,000	849,000	0	849,000
Excess of Cash Receipts Over (Under) Cash Disbursements	(836,631)	(836,631)	456,356	1,292,987
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	649,000	649,000	249,000	(400,000)
Operating Transfers (Out)	(1,260,000)	(1,260,000)	(949,150)	310,850
Total Other Financing Sources (Uses)	(611,000)	(611,000)	(700,150)	(89,150)
Net Change in Fund Balance	(1,447,631)	(1,447,631)	(243,794)	1,203,837
Fund Balance, Beginning of Year	2,397,631	2,397,631	2,397,631	0
Fund Balance, End of Year	950,000	950,000	2,153,837	1,203,837

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING

For the Year Ended June 30, 2011

NOTE 1: GAAP REQUIREMENTS:

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue funds that have a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the original budget and final budget amounts. The original budget is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board.

NOTE 2: BUDGET POLICY:

The County follows these procedures in establish the budgetary data reflected in the schedules in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1 the finance committee or other designated budget-making authority prepares and transmits a budget for each County fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those revenues, which have actually been received by the County Treasurer.

The County Board must hold at least one public hearing. Prior to September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held. Appropriations lapse at year-end.

NOTE 3: AMENDED BUDGET:

The Federal Payroll Tax budget within the General Fund was properly amended by transferring $3,000 budget authority from Miscellaneous General.

LINCOLN COUNTY, NEBRASKA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	Capital Project Fund Courthouse Building	Total Nonmajor Governmental Funds (Exhibit C)
ASSETS			
Equity in Pooled Cash and Cash Equivalents	1,048,072	3,622	1,051,694
Designated Investments	325,419	538,544	863,963
Total Assets	1,373,491	542,166	1,915,657
FUND BALANCES:			
Restricted	921,557		921,557
Assigned	451,934	542,166	994,100
Total Fund Balances	1,373,491	542,166	1,915,657

LINCOLN COUNTY, NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2011

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Capital Project Fund Courthouse Building	Total Nonmajor Governmental Funds (Exhibit D)
CASH RECEIPTS			
Property Taxes	256,869	184,099	440,968
Federal Grants	219,815		219,815
Intergovernmental	749,077	3,391	752,468
Charges for Services	221,139		221,139
Interest	338	992	1,330
Miscellaneous	33,597		33,597
Total Cash Receipts	1,480,835	188,482	1,669,317
CASH DISBURSEMENTS			
General Government	119,284		119,284
Public Safety	68,569		68,569
Public Works	394,092		394,092
Public Assistance	107,280		107,280
Culture and Recreation	638,451		638,451
Capital Outlay		131,620	131,620
Total Cash Disbursements	1,327,676	131,620	1,459,296
Excess of Cash Receipts Over (Under) Cash Disbursements	153,159	56,862	210,021
OTHER FINANCING SOURCES (USES)			
Transfers In	290,985		290,985
Transfers Out	(352,864)		(352,864)
Total Other Financing Sources (Uses)	(61,879)	0	(61,879)
Net Change in Fund Balances	91,280	56,862	148,142
Fund Balances, Beginning of Year	1,282,211	485,304	1,767,515
Fund Balances, End of Year	1,373,491	542,166	1,915,657

LINCOLN COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2011

SCHEDULE 3

	Special Road	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Self Funded Insurance
ASSETS					
Equity in Pooled Cash and Cash Equivalents	102,986	66,331	107,331	568,565	
Designated Investments					151,164
Total Assets	102,986	66,331	107,331	568,565	151,164
FUND BALANCES:					
Restricted		66,331	107,331	568,565	
Assigned	102,986				151,164
Total Fund Balances	102,986	66,331	107,331	568,565	151,164

	Institutions	Veteran's Aid	Federal Forfeitures	Victims Assistance	Keno Lottery
ASSETS					
Equity in Pooled Cash and Cash Equivalents	46,061		6,174	17,922	5,075
Designated Investments		30,345			143,910
Total Assets	46,061	30,345	6,174	17,922	148,985
FUND BALANCES:					
Restricted		30,345			148,985
Assigned	46,061		6,174	17,922	
Total Fund Balances	46,061	30,345	6,174	17,922	148,985

	Handicapped Accessibility	Noxious Weed			Total Nonmajor Special Revenue Funds (Schedule 1)
ASSETS					
Equity in Pooled Cash and Cash Equivalents	86,432	41,195			1,048,072
Designated Investments					325,419
Total Assets	86,432	41,195			1,373,491
FUND BALANCES:					
Restricted					921,557
Assigned	86,432	41,195			451,934
Total Fund Balances	86,432	41,195			1,373,491

LINCOLN COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2011

SCHEDULE 4

	Special Road	Road Bond	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Self Funded Insurance
CASH RECEIPTS						
Property Taxes	51					186,974
Federal Grants			38,815			
Intergovernmental				355,860	355,860	2,995
Charges for Services						
Interest						82
Miscellaneous				27,425		
Total Cash Receipts	51	0	38,815	383,285	355,860	190,051
CASH DISBURSEMENTS						
General Government			156			119,128
Public Safety						
Public Works	16,816					
Public Assistance						
Culture and Recreation				442,032	196,419	
Total Cash Disbursements	16,816	0	156	442,032	196,419	119,128
Excess of Cash Receipts Over (Under) Cash Disbursements	(16,765)	0	38,659	(58,747)	159,441	70,923
OTHER FINANCING SOURCES (USES)						
Transfers In				103,985		
Transfers (Out)		(149)			(103,985)	(100,000)
Total Other Financing Sources (Uses)	0	(149)	0	103,985	(103,985)	(100,000)
Net Change in Fund Balances	(16,765)	(149)	38,659	45,238	55,456	(29,077)
Fund Balances, Beginning of Year	119,751	149	27,672	62,093	513,109	180,241
Fund Balances, End of Year	102,986	0	66,331	107,331	568,565	151,164

LINCOLN COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2011

SCHEDULE 4 CONTINUED

	Institutions	Veteran's Aid	Federal Forfeitures	Law Enforcement Grant	Victims Assistance	Keno Lottery
CASH RECEIPTS						
Property Taxes	69,844					
Federal Grants				148,730	32,270	
Intergovernmental	1,032					
Charges for Services						94,242
Interest		18				238
Miscellaneous			6,172			
Total Cash Receipts	70,876	18	6,172	148,730	32,270	94,480
CASH DISBURSEMENTS						
General Government						
Public Safety					35,239	
Public Works						103,794
Public Assistance	107,280					
Culture and Recreation						
Total Cash Disbursements	107,280	0	0	0	35,239	103,794
Excess of Cash Receipts Over (Under) Cash Disbursements	(36,404)	18	6,172	148,730	(2,969)	(9,314)
OTHER FINANCING SOURCES (USES)						
Transfers In	40,000					
Transfers (Out)				(148,730)		
Total Other Financing Sources (Uses)	40,000	0	0	(148,730)	0	0
Net Change in Fund Balances	3,596	18	6,172	0	(2,969)	(9,314)
Fund Balances, Beginning of Year	42,465	30,327	2		20,891	158,299
Fund Balances, End of Year	46,061	30,345	6,174	0	17,922	148,985

LINCOLN COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2011

SCHEDULE 4 CONCLUDED

	Juvenile Facility	Handicapped Accessibility	Noxious Weed	Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS				
Property Taxes				256,869
Federal Grants				219,815
Intergovernmental	33,330			749,077
Charges for Services			126,897	221,139
Interest				338
Miscellaneous				33,597
Total Cash Receipts	33,330	0	126,897	1,480,835
CASH DISBURSEMENTS				
General Government				119,284
Public Safety	33,330			68,569
Public Works			273,482	394,092
Public Assistance				107,280
Culture and Recreation				638,451
Total Cash Disbursements	33,330	0	273,482	1,327,676
Excess of Cash Receipts Over (Under) Cash Disbursements	0	0	(146,585)	153,159
OTHER FINANCING SOURCES (USES)				
Transfers In			147,000	290,985
Transfers (Out)				(352,864)
Total Other Financing Sources (Uses)	0	0	147,000	(61,879)
Net Change in Fund Balances	0	0	415	91,280
Fund Balances, Beginning of Year	0	86,432	40,780	1,282,211
Fund Balances, End of Year	0	86,432	41,195	1,373,491

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL NONMAJOR FUNDS

For the Year Ended June 30, 2011

SCHEDULE 5

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
SPECIAL ROAD				
CASH RECEIPTS	0	0	51	51
CASH DISBURSEMENTS	119,751	119,751	16,816	102,935
Net Change in Fund Balance	(119,751)	(119,751)	(16,765)	102,986
Fund Balance, Beginning of Year	119,751	119,751	119,751	
Fund Balance, End of Year	0	0	102,986	102,986
ROAD BOND				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	0	0	0	0
OTHER FINANCING (USES)				
Operating Transfers (OUT)	(149)	(149)	(149)	0
Net Change in Fund Balance	(149)	(149)	(149)	0
Fund Balance, Beginning of Year	149	149	149	
Fund Balance, End of Year	0	0	0	0
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	272,328	272,328	38,815	(233,513)
CASH DISBURSEMENTS	300,000	300,000	156	299,844
Net Change in Fund Balance	(27,672)	(27,672)	38,659	66,331
Fund Balance, Beginning of Year	27,672	27,672	27,672	
Fund Balance, End of Year	0	0	66,331	66,331
VISITOR'S PROMOTION				
CASH RECEIPTS	340,707	340,707	383,285	42,578
CASH DISBURSEMENTS	480,035	480,035	442,032	38,003
OTHER FINANCING SOURCES				
Operating Transfers In	103,985	103,985	103,985	0
Net Change in Fund Balance	(35,343)	(35,343)	45,238	80,581
Fund Balance, Beginning of Year	62,093	62,093	62,093	
Fund Balance, End of Year	26,750	26,750	107,331	80,581
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	506,646	506,646	355,860	(150,786)
CASH DISBURSEMENTS	897,270	897,270	196,419	700,851
OTHER FINANCING (Uses):				
Operating Transfers (Out)	(103,985)	(103,985)	(103,985)	0
Net Change in Fund Balance	(494,609)	(494,609)	55,456	550,065
Fund Balance, Beginning of Year	513,109	513,109	513,109	
Fund Balance, End of Year	18,500	18,500	568,565	550,065

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL NONMAJOR FUNDS

For the Year Ended June 30, 2011

SCHEDULE 5 CONTINUED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
SELF FUNDED INSURANCE				
CASH RECEIPTS	186,259	186,259	190,051	3,792
CASH DISBURSEMENTS	266,500	266,500	119,128	147,372
OTHER FINANCING USES:				
Operating Transfers (Out)	(100,000)	(100,000)	(100,000)	0
Net Change in Fund Balance	(180,241)	(180,241)	(29,077)	151,164
Fund Balance, Beginning of Year	180,241	180,241	180,241	
Fund Balance, End of Year	0	0	151,164	151,164
INSTITUTIONS				
CASH RECEIPTS	53,535	53,535	70,876	17,341
CASH DISBURSEMENTS	129,000	129,000	107,280	21,720
OTHER FINANCING SOURCES				
Operating Transfers In	40,000	40,000	40,000	0
Net Change in Fund Balance	(35,465)	(35,465)	3,596	39,061
Fund Balance, Beginning of Year	42,465	42,465	42,465	
Fund Balance, End of Year	7,000	7,000	46,061	39,061
VETERAN'S AID				
CASH RECEIPTS	10,000	10,000	18	(9,982)
CASH DISBURSEMENTS	40,327	40,327		40,327
Net Change in Fund Balance	(30,327)	(30,327)	18	30,345
Fund Balance, Beginning of Year	30,327	30,327	30,327	
Fund Balance, End of Year	0	0	30,345	30,345
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	156,100	156,100	0	(156,100)
CASH DISBURSEMENTS	150,000	150,000	0	150,000
Net Change in Fund Balance	6,100	6,100	0	(6,100)
Fund Balance, Beginning of Year				
Fund Balance, End of Year	6,100	6,100	0	(6,100)
FEDERAL FORFEITURES				
CASH RECEIPTS	200,000	200,000	6,172	(193,828)
CASH DISBURSEMENTS	200,002	200,002	0	200,002
Net Change in Fund Balance	(2)	(2)	6,172	6,174
Fund Balance, Beginning of Year	2	2	2	
Fund Balance, End of Year	0	0	6,174	6,174

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL NONMAJOR FUNDS

For the Year Ended June 30, 2011

SCHEDULE 5 CONTINUED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
LAW ENFORCEMENT GRANT				
CASH RECEIPTS	149,000	149,000	148,730	(270)
CASH DISBURSEMENTS	0	0	0	0
OTHER FINANCING (USES)				
Operating Transfers (Out)	(149,000)	(149,000)	(148,730)	270
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year				
Fund Balance, End of Year	0	0	0	0
VICTIMS ASSISTANCE				
CASH RECEIPTS	24,529	24,529	32,270	7,741
CASH DISBURSEMENTS	37,920	37,920	35,239	2,681
Net Change in Fund Balance	(13,391)	(13,391)	(2,969)	10,422
Fund Balance, Beginning of Year	20,891	20,891	20,891	
Fund Balance, End of Year	7,500	7,500	17,922	10,422
KENO LOTTERY				
CASH RECEIPTS	101,801	101,801	94,480	(7,321)
CASH DISBURSEMENTS	260,100	260,100	103,794	156,306
Net Change in Fund Balance	(158,299)	(158,299)	(9,314)	148,985
Fund Balance, Beginning of Year	158,299	158,299	158,299	
Fund Balance, End of Year	0	0	148,985	148,985
JUVENILE FACILITY				
CASH RECEIPTS	97,000	97,000	33,330	(63,670)
CASH DISBURSEMENTS	117,000	117,000	33,330	83,670
OTHER FINANCING SOURCES				
Operating Transfers In	20,000	20,000	0	(20,000)
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year				
Fund Balance, End of Year	0	0	0	0

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL NONMAJOR FUNDS

For the Year Ended June 30, 2011

SCHEDULE 5 CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HANDICAPPED ACCESSIBILITY				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	86,432	86,432	0	86,432
Net Change in Fund Balance	(86,432)	(86,432)	0	86,432
Fund Balance, Beginning of Year	86,432	86,432	86,432	
Fund Balance, End of Year	0	0	86,432	86,432
NOXIOUS WEED				
CASH RECEIPTS	126,735	126,735	126,897	162
CASH DISBURSEMENTS	362,515	362,515	273,482	89,033
OTHER FINANCING SOURCES				
Operating Transfers In	197,000	197,000	147,000	(50,000)
Net Change in Fund Balance	(38,780)	(38,780)	415	39,195
Fund Balance, Beginning of Year	40,780	40,780	40,780	
Fund Balance, End of Year	2,000	2,000	41,195	39,195
COURTHOUSE BUILDING				
CASH RECEIPTS	252,696	252,696	188,482	(64,214)
CASH DISBURSEMENTS	736,000	736,000	131,620	604,380
Net Change in Fund Balance	(483,304)	(483,304)	56,862	540,166
Fund Balance, Beginning of Year	485,304	485,304	485,304	
Fund Balance, End of Year	2,000	2,000	542,166	540,166

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2011

SCHEDULE 6

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney
Balance July 1, 2010	1,764	32,285	257,836	47,063	34,282
Receipts					
Licenses and Permits	3,630		17,250	21,510	4,570
Charges for Services	2,396	188,715	45,153	144,277	24,900
Miscellaneous			804		360
State Fees		187,836	53,153		
Inmate Account				157,363	
Other Liabilities	360		1,447,855	80,330	49,553
Total Receipts	6,386	376,551	1,564,215	403,480	79,383
Disbursements					
Payments to County Treasurer	5,913	188,766	63,626	231,147	56,778
Payments to State Treasurer		186,729	55,997		
Inmate Account				179,929	
Other Liabilities	440		1,523,429	2,449	26,306
Total Disbursements	6,353	375,495	1,643,052	413,525	83,084
Balance June 30, 2011	1,797	33,341	178,999	37,018	30,581
BALANCE CONSISTS OF:					
Due to County Treasurer	877	16,366	4,376	20,995	2,070
Due to State Treasurer		16,975	3,862		
Petty Cash	920			2,000	1,265
Drug Fund					27,236
Inmate Account				8,413	
Due to Others			170,761	5,610	10
Balance June 30, 2011	1,797	33,341	178,999	37,018	30,581

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2011

SCHEDULE 6
CONCLUDED

	Noxious Weed	Veteran's Service Officer	Photostat Department	Total
Balance July 1, 2010	59,580	12,725	308	445,843
Receipts				
Licenses and Permits				46,960
Charges for Services	116,567		1,516	523,524
Miscellaneous				1,164
State Fees				240,989
Inmate Account				157,363
Other Liabilities		5,010		1,583,108
Total Receipts	116,567	5,010	1,516	2,553,108
Disbursements				
Payments to County Treasurer	123,944		1,646	671,820
Payments to State Treasurer				242,726
Inmate Account				179,929
Other Liabilities		2,701		1,555,325
Total Disbursements	123,944	2,701	1,646	2,649,800
Balance June 30, 2011	52,203	15,034	178	349,151
BALANCE CONSISTS OF:				
Due to County Treasurer	52,203		178	97,065
Due to State Treasurer				20,837
Petty Cash				4,185
Drug Fund				27,236
Inmate Account				8,413
Due to Others		15,034		191,415
Balance June 30, 2011	52,203	15,034	178	349,151

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title/	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security:			
Passed Through Nebraska Emergency Management Agency:			
State Homeland Security Program	97.067	2005-GE-T7-0035	6,566
State Homeland Security Program	97.067	2008-GE-T8-0054	1,540
State Homeland Security Program	97.067	2009-SS-T9-0061	25,000
State Homeland Security Program	97.067	2010-SS-T0-0013	1,592
Subtotal CFDA Number			34,698
Emergency Management Performance Grant	97.042	2010-EP-E0-0029	28,173
Total U.S. Department of Homeland Security			62,871
U.S. Department of Health and Human Services:			
Passed Through Nebraska Health and Human Services:			
Child Support Enforcement	93.563	None	339,355
Medical Assistance Program	93.778	None	71,673
Total U.S. Department of Health and Human Services			411,028
U.S. Department of Transportation:			
Passed Through Nebraska Department of Roads:			
Public Transportation Assistance	20.509	RRZ-1390 (3)	447,912
Highway Planning and Construction	20.205	STPE-BR-1475(5)	719
Highway Planning and Construction	20.205	BR-1480(11)	6,579
Subtotal CFDA Number			7,298
Passed Through Nebraska Department of Roads Office of Highway Safety:			
Alcohol and Traffic Safety	20.601	None	26,341
Total U.S. Department of Transportation			481,551
U.S. DEPARTMENT OF JUSTICE:			
Passed Through Nebraska Crime Commission:			
Crime Victim Assistance	16.575	10-VA-209	29,574
Total U.S. Department of Justice			29,574
TOTAL EXPENDITURES OF FEDERAL AWARDS			985,024

The accompanying notes are an integral part of this schedule

LINCOLN COUNTY, NEBRASKA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

NOTE 1: BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lincoln County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements

NOTE 2: SUBRECIPIENTS:

Of the federal expenditures presented in the schedule, Lincoln County did not provide any of the federal awards to subrecipients.

NOTE 3: MAJOR FEDERAL PROGRAMS:

The Child Support Enforcement (CFDA number 93.563) and Public Transportation Assistance (CFDA number 20.509) are considered major federal programs as defined by OMB Circular A-133.

DONALD D. WILSON
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

County Board of Commissioners
Lincoln County
North Platte, Nebraska 69101

Board Members:

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln County, Nebraska, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued my report thereon dated October 6, 2011. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lincoln County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Lincoln County's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider findings 2011-1, and 2011-2, as described in the accompanying schedule of findings and questioned costs, to be significant deficiencies.

Compliance and Other Matters

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

Lincoln County's managements response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the responses and, accordingly, I express no opinion on them.

This report is intended solely for the information and use by County Board, management, the Nebraska State Auditor's Office and other state and federal regulatory authorities and is not intended to be and should not be used by anyone other than these specified parties.

Donald D. Wilson, CPA
McCook, Nebraska

October 6, 2011

DONALD D. WILSON
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

County Board of Commissioners
Lincoln County
North Platte, Nebraska 69101

Compliance

I have audited Lincoln County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lincoln County Board major federal programs for the year ended June 30, 2011. Lincoln County's major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lincoln County's management. My responsibility is to express an opinion on Lincoln County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln County's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Lincoln County's compliance with those requirements.

In my opinion, Lincoln County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Lincoln County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Lincoln County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I 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 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be a material weaknesses, as defined above.

This report is intended solely for the information and use of the County Board, management, the Nebraska State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be, and should not be used by anyone other than those specified parties.

Donald D. Wilson, CPA

Donald D. Wilson, CPA
McCook, Nebraska

October 6, 2011

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

Financial Statements:

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

Internal control over financial reporting:

- Material Weakness identified? _____ yes __X__ No
- Significant Deficiencies identified? __X__ yes _____ None Reported
- Noncompliance material to financial statements noted? _____ yes __X__ No

Federal Awards:

Internal control over major programs:

- Material weakness identified? _____ yes __X__ No
- Significant Deficiencies identified ? _____ yes __X__ None Reported

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

No audit findings were disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133.

Identification of Major Program:

Child Support Enforcement (CFDA Number 93.563)

Public Transportation Assistance (CFDA number 20.509)

The dollar threshold for distinguishing Type A and B programs was $300,000
Lincoln County was not determined to be a low-risk auditee.

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDING

2011-1 Internal Control:

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

During my audit, I noted that there is a lack of segregation of accounting functions among various county offices and personnel. This lack of segregation of duties results in an inadequate overall internal control structure design.

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

2011-2 Jail Building Fund Questioned Costs:

The Jail Building Bonds approved by a vote of the people on November 4, 2008 was for the purpose of constructing a sheriff's office, county jail facilities, and acquiring real estate.

During my review of the approved Jail Building Fund claims, I noted some questionable costs in the amount of $26,124. A breakdown of the questionable costs are as follows:

- A van to transport prisoners to the courthouse from the jail facilities for $15,001.
- Publication costs for employment advertising of $1,113.
- Employee medical tests of $2,185.
- Training costs and meals of $1,665.
- Uniforms cost of $1,122.
- Generator diesel of $1,683.
- Various radio, batteries, and programming costs of $1,951.
- Various miscellaneous supplies of $1,404

These costs should have been approved from the Jail or Sheriff's budgets within the General Fund, as they were operational rather than capital costs for the construction of the jail.

I recommend the County Board review the questioned costs. If they concur with these items, the Jail Building Fund should be reimbursed from the General fund.

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)

YEAR ENDED JUNE 30, 2011

2011-2 Jail Building Fund Questioned Costs (Concluded):

Official's Response:
The Lincoln County Board of Commissioners have reviewed your comments concerning items that were questioned during your 2011 Lincoln County audit that were pruchased with jail bond proceeds which were paid out of the Jail Building Fund.

The Lincoln County Board of Commissioners concur with your findings on these items. Therefore, Lincoln County will reimburse the Jail Building Fund in the amount of $26,124.

The Lincoln County Board of Commissioners have requested Lincoln County Sheriff, Jerome Kramer, to reimburse these expenses from the Lincoln County Sheriff and or Lincoln County Jail budget which are part of the General Fund in the amount of $26,124.00 from the 2011/2012 fiscal year budget.

If you require any further documentation concerning this matter please let us know.

Lincoln County Commissioners

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE NOTED

LINCOLN COUNTY, NEBRASKA

COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2011

The prior audit for Lincoln County disclosed no reportable matters for federal award findings and questioned costs.