AUDIT REPORT
OF
LINCOLN COUNTY, NEBRASKA

Year Ended June 30, 2010

Donald D. Wilson, Certified Public Accountant
McCook, Nebraska

AUDIT REPORT
OF
LINCOLN COUNTY, NEBRASKA
Year Ended June 30, 2010

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DONALD D. WILSON
Certified Public Accountant

Member American Institute Certified Public Accountants

405 Pawnee Drive
McCook, Nebraska 69001

Phone (308) 345-3070
Fax (308) 345-1675

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, 2010, 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, 2010, and the respective changes in cash balances thereof for the year then ended in conformity with basis of accounting described in Note 1.

The management's discussion and analysis and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the cash basis financial statements that collectively comprise Lincoln County's basic financial statements. The other supplementary information as listed in the financial section of the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the cash basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the respective financial statements, and in my opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 2, 2010 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
McCook, Nebraska

November 2, 2010

LINCOLN COUNTY, NEBRASKA
MANAGEMENT DISCUSSION AND ANALYSIS

This section of Lincoln County's financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ending June 30, 2010. Please read it in conjunction with the County's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Lincoln County's basic financial statements. The County's basic financial statements have three components: 1) government – wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains information in addition to the basic financial statements.

Governement- Wide Financial Statements. The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis provide a broad overview of the County's overall financial status. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. The County's financial statements are prepared on the cash basis of accounting and do not include capital assets, or accounts receivable and payable, which would need to be considered to assess the financial health of the County. Non-financial factors also need to be considered to assess the overall health of the County. Government-wide financial statements divide the County into two kinds of activities:

> Governmental Activities – The County's basic service are included here. These activities are generally financed through taxes, charges for services, and State and Federal grants/contributions.
>
> Component Units – No component units for the County were identified.

Fund Financial Statements. Fund financial statements focus on the individual parts of the County, reporting the County's operations in more detail than the government-wide statements by providing information about the County's most significant "major" funds. Funds are accounting devices used to keep track of specific sources of funding and spending for particular purposes.

The governmental funds statements tell how general governmental activities were financed in the short term as well as what remains for future spending.

Fiduciary funds statements provide information about financial relationships in which the County acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not included on the government-wide statements.

Notes to the Financial Statements. The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide essential information necessary for fair presentation of the financial statements.

Supplementary Information. This Management Discussion and Analysis and the Budgetary Comparison Schedules represent financial information which provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes. This report also includes optional financial information such as combining statements for non-major funds (which are shown in the fund financial statements in a single column), budgetary comparison information for non-major funds, a schedule of office activities, and a schedule of taxes certified and collected for political subdivisions in the County. This information is provided to address specific needs of various users of the report.

BASIS OF ACCOUNTING

The County's financial statements are presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing of recognizing revenues, expenses, and related assets and liabilities. Under the cash basis of accounting, receipts and disbursements and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for good or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Also, capital assets (land, buildings, furniture, equipment and infrastructure) and the related depreciation are not recorded. Therefore, when reviewing the financial information and discussion within this report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

GOVERNMENT –WIDE FINANCIAL ANALYSIS

Changes in Net Assets:

For the fiscal year ended June 30, 2010, net assets of the county decreased 27%.

	2009	2010
Restricted	$14,539,385	$8,976,820
Unrestricted	5,765,327	5,919,492
Total Net Assets	$ 20,304,712	$14,896,312

Governmental Activities:

Receipts for the County's governmental activities increased 9% and disbursements increased 36%.

	2009	2010	Percent Change
RECEIPTS:			
Property Taxes	$8,069,969	$9,744,082	21%
Motor Vehicle Tax	1,162,310	1,142,348	-2%
Federal Grants	670,263	452,415	-33%
Intergovernmental Receipts	3,640,672	3,421,210	-6%
Inheritance Tax	409,275	666,754	63%
Charges for Services	1,733,397	1,800,164	4%
Interest	276,890	101,615	-63%
Miscellaneous	25,614	46,595	82%
Total Cash Receipts:	15,988,390	17,405,183	9%
DISBURSEMENTS:			
General Government	$4,999,816	5,364,216	7%
Public Safety	4,589,469	4,545,356	-1%
Public Works	5,130,877	5,176,310	1%
Public Health	49,177	50,909	3%
Public Assistance	304,622	315,477	3%
Culture & Recreation	398,322	449,573	13%
Capital Outlay	1,270,750	6,142,031	383%
Debt Service:	0	769,711	100%
Total Disbursements	16,743,033	22,813,583	36%
Bond Issuance Proceeds	15,063,386	0	-100%

Increase (Decrease) in Net Assets	14,308,743	(5,408,400)	
Net Assets Beginning of Year	5,995,969	20,304,712	239%
Net Assets End of Year	20,304,712	14,896,312	-27%

(Discuss Significant Changes)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

** The dramatic percentage increases in assets and capital outlay disbursements is due to the construction of a new Sheriff's Office and Detention Center. The sale of bonds to finance the project was approved by the voters of Lincoln County at the General Election in 2008.

GENERAL FUND BUDGETARY HIGHLIGTS

Differences between the original budget and the final budget can be summarized as follows:

** There were no amendments to the budget in the fiscal year.

CAPITAL ASSET

As noted earlier, the financial statements are presented on the cash basis of accounting and therefore do not include capital assets.

LONG TERM COMMITMENTS:

Following is a description of long-term commitments activity during the year:

1. Jail Bond principal in the amount of $15,230,000 as of June 30, 2010.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Describe any currently known facts or conditions expected to have a significant effect on net assets or receipts, disbursements, changes in net assets, budget and tax levies:

Insurance rates are expected to increase again in the health insurance line item. This is an item over which the county has no control and would anticipate increases in the next budget year. Lincoln County has tried to be proactive and as July 1, 2009 has changed to a $1500 deductible with the county self-funding the difference in the deductible for the employees. Lincoln County has contracted with a third party administrator to facilitate the program. The county did save money in the last fiscal year by making this change.

Insurance rates for liability, motor vehicles and workmen's compensation are also anticipated to increase.

Lincoln County is near completion of our new Sheriff's Office and Detention Center and these direct and indirect costs will have an impact on the financial statements for the next year.

Declining interest rates have had an adverse effect on the interest earned by the County.

The economy of the nation may have an adverse effect on property tax collections and property valuations.

If state funding and grants are reduced this will create a negative impact on the county budget.

LINCOLN COUNTY, NEBRASKA

STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2010

EXHIBIT A

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Pooled Cash and Cash Equivalents	5,856,968
Designated Investments	9,039,344
Total Assets	14,896,312
NET ASSETS	
Restricted for:	
Jail Bond	627,166
Jail Building	7,585,826
Visitor's Promotion/Improvement	575,202
Veteran's Aid	30,327
Keno Lottery	158,299
Unrestricted	5,919,492
Total Net Assets	14,896,312

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, 2010

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	5,364,216	1,242,046	279,522	1,108	(3,841,540)
Public Safety	4,545,356	389,100	117,598	54,899	(3,983,759)
Public Works	5,176,310	162,130	32,758		(4,981,422)
Public Health	50,909				(50,909)
Public Assistance	315,477	6,888			(308,589)
Culture and Recreation	449,573				(449,573)
Capital Outlay	6,142,031				(6,142,031)
Debt Service	769,711				(769,711)
Total Governmental Activities	22,813,583	1,800,164	429,878	56,007	(20,527,534)
General Receipts:					
Taxes:					
Property taxes, levied for general purposes					8,682,768
Property taxes, levied for public works					184
Property taxes, levied for public assistance					82,627
Property taxes, levied for capital outlay					75,196
Property taxes, levied for debt service					933,307
Motor Vehicle Tax					1,142,348
Intergovernmental					3,387,740
Inheritance Tax					666,754
Interest					101,615
Miscellaneous					46,595
Total General Receipts					15,119,134
Changes in Net Assets					(5,408,400)
Net assets - Beginning of Year					20,304,712
Net assets - End of Year					14,896,312

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

LINCOLN COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2010

EXHIBIT C

	General	Road	Inheritance Tax	Jail Building	Other Governmental Funds	Total
ASSETS						
Equity in Pooled Cash and Cash Equivalents	2,294,293	223,881	2,397,631		941,163	5,856,968
Designated Investments				7,585,826	1,453,518	9,039,344
Total Assets	2,294,293	223,881	2,397,631	7,585,826	2,394,681	14,896,312
FUND BALANCES:						
Reserved for Capital Project				7,585,826		7,585,826
Reserved for Debt Service					627,166	627,166
Unreserved	2,294,293	223,881	2,397,631			4,915,805
Unreserved, reported in nonmajor:						
Special Revenue Funds					1,282,211	1,282,211
Capital Project Fund					485,304	485,304
Total Fund Balances	2,294,293	223,881	2,397,631	7,585,826	2,394,681	14,896,312

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, 2010

EXHIBIT D

		Special Revenue		Capital Project	NonMajor	Total
	General	Road	Inheritance Tax	Jail Building	Governmental Funds	Governmental Funds
CASH RECEIPTS						
Property Taxes	8,573,777				1,200,305	9,774,082
Motor Vehicle Tax	1,142,348					1,142,348
Federal Grants	385,786	32,758			33,871	452,415
Intergovernmental	415,258	2,222,004			783,948	3,421,210
Inheritance Tax			666,754			666,754
Charges for Services	1,536,406	2,162			261,596	1,800,164
Interest	75,275			22,575	3,765	101,615
Miscellaneous	12,787	1,557		3,250	29,001	46,595
Total Cash Receipts	12,141,637	2,258,481	666,754	25,825	2,312,486	17,405,183
CASH DISBURSEMENTS						
General Government	5,216,859				147,357	5,364,216
Public Safety	4,306,138				239,218	4,545,356
Public Works	103,255	4,434,493			638,562	5,176,310
Public Health	50,909					50,909
Public Assistance	207,454				108,023	315,477
Culture and Recreation	36,715				412,858	449,573
Capital Outlay				5,953,115	188,916	6,142,031
Debt Service						
Principal Retirement						0
Interest					769,711	769,711
Total Cash Disbursements	9,921,330	4,434,493	0	5,953,115	2,504,645	22,813,583
Excess of Cash Receipts Over (Under) Cash Disbursements	2,220,307	(2,176,012)	666,754	(5,927,290)	(192,159)	(5,408,400)
OTHER FINANCING SOURCES (USES)						
Transfers In	50,528	2,285,000			618,350	2,953,878
Transfers (Out)	(2,456,500)		(454,945)		(42,433)	(2,953,878)
Total Other Financing Sources (Uses)	(2,405,972)	2,285,000	(454,945)	0	575,917	0
Net Change in Fund Balances	(185,665)	108,988	211,809	(5,927,290)	383,758	(5,408,400)
Fund Balances, Beginning of Year	2,479,958	114,893	2,185,822	13,513,116	2,010,923	20,304,712
Fund Balances, End of Year	2,294,293	223,881	2,397,631	7,585,826	2,394,681	14,896,312

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, 2010

EXHIBIT E

	Balance July 1, 2009	Receipts	Disbursements	Balance June 30, 2010
ASSETS				
Equity in Pooled Cash and Cash Equivalents	4,801,144	60,473,550	59,997,404	5,277,290
Total Assets	4,801,144	60,473,550	59,997,404	5,277,290
LIABILITIES				
State	527,078	6,062,104	6,100,316	488,866
Schools	2,526,688	36,946,652	36,787,838	2,685,502
Educational Service Units	5,449	434,415	433,090	6,774
Community College	70,336	2,547,943	2,578,497	39,782
Natural Resource Districts	12,462	1,590,017	1,572,399	30,080
Cemetery Districts	54,772	103,033	116,684	41,121
Fire Districts	5,472	639,672	639,524	5,620
Hospital Districts	3,884	40,551	43,332	1,103
Drainage Districts	2,523	20,731	20,874	2,380
Irrigation Districts	27,052	281,847	271,880	37,019
Municipalities	1,442,000	7,164,206	6,694,800	1,911,406
Agricultural Society	3,084	239,633	239,011	3,706
Airport Authority	15,567	888,337	889,108	14,796
Partial Payments	52,721	121,111	165,197	8,635
Tax Increment Financing	52,056	1,109,569	1,161,625	0
Unclaimed Funds	0	500	0	500
Property Tax Credit	0	2,283,229	2,283,229	0
Total Liabilities	4,801,144	60,473,550	59,997,404	5,277,290
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 $8,976,820 as of June 30, 2010.

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.

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.

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

B. Basis of Presentation (Concluded):
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.

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, 2009 for 2009 taxes which will be materially collected in May and September, 2010, was set at $.361550/$100 of assessed valuation. Assessed valuation for Lincoln County for the 2009 tax levy was $2,958,497,954.

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

E. Revenue Recognition – Property Taxes (Concluded):

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, 2010.

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 $6,806,917 invested with NPAIT as of June 30, 2010. 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, 2010 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 between funds as of June 30, 2010 were as follows:

Due To:	Due From:	Amount
Inheritance Tax	Self Funded Insurance	200,000
Inheritance Tax	Law Enforcement Grant	149,000
Inheritance Tax	General	40,945

The loan to the Self Funded Insurance and Law Enforcement Grant were to temporarily pay claims until the resources are available to repay. The loan to the General Fund are for ROW purchases for the Birdwood project.

The detail of interfund transfers for the year ended June 30, 2010 were as follows:

Transfers To	Transfers From	Amount
Road	General	2,285,000
Noxious Weed	General	171,500
General	Road Bond	4,583
General	Inheritance Tax	5,000
Institutions	Inheritance	40,000
Juvenile Facility	Inheritance	20,000
Visitor's Promotion	Visitor's Improvement	37,850

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.

NOTE 4: RETIREMENT PROGRAM (CONCLUDED):

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, 2010, 2009, and 2008 were $448,529, $428,354, and $415,453, respectively. Prior service benefit paid was $4,044, $4,051, and $4,327, 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, 2010:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010
Bonds:				
Jail Building	15,230,000			15,230,000
Lease Purchase Agreements:				
Road Equipment	171,225		171,225	0
Total	15,401,225	0	171,225	15,230,000

A summary of the annual requirements to service the bonds as of June 30, 2010, is as follows:

Year Ended	2008/2009 Jail Bond Series		
	Principal	Interest	Total
June 30, 2011	535,000	643,448	1,178,448
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, 2017-2021	3,410,000	2,440,656	5,850,656
June 30, 2022-2026	4,220,000	1,600,964	5,820,964
June 30, 2027-2030	4,185,000	445,005	4,630,005
Total	15,230,000	8,129,870	23,359,870

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.

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

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, 2010.

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, 2010.

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.

NOTE 9: JOINT VENTURE (CONCLUDED):

Lincoln County contributed $144,544 toward the operation of Region II during fiscal year 2010. 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, 2010

EXHIBIT F

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Taxes	9,452,500	9,452,500	9,716,126	263,626
Federal	325,000	325,000	385,786	60,786
State	809,533	809,533	391,036	(418,497)
Local	1,708,085	1,708,085	1,648,689	(59,396)
Total Cash Receipts	12,295,118	12,295,118	12,141,637	(153,481)
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	113,800	113,800	105,708	8,092
Clerk	273,195	273,195	253,534	19,661
Treasurer	411,640	411,640	399,627	12,013
Register of Deeds	149,125	149,125	146,467	2,658
Assessor	477,615	477,615	477,613	2
Planning Commission	39,390	39,390	35,783	3,607
Data Processing	123,190	123,190	100,749	22,441
Adv., Insurance and Bonds	1,244,000	1,244,000	1,238,604	5,396
Federal Payroll Tax	359,000	359,000	359,000	0
Clerk of the District Court	283,645	283,645	272,362	11,283
County Court System	41,900	41,900	41,634	266
District Court	50,890	50,890	47,545	3,345
Public Defender	428,730	428,730	424,685	4,045
Building and Grounds	329,700	329,700	302,765	26,935
Extension Office	160,665	160,665	160,623	42
Photostat Department	61,400	61,400	58,845	2,555
Retirement	359,500	359,500	346,893	12,607
Unemployment	13,000	13,000	3,054	9,946
Miscellaneous	624,640	624,640	441,368	183,272
Total General Government	5,545,025	5,545,025	5,216,859	328,166
Public Safety:				
Sheriff	2,025,500	2,025,500	1,948,922	76,578
Attorney	551,475	551,475	497,634	53,841
Communication Center	133,350	133,350	119,872	13,478
Merit Commission	1,250	1,250	63	1,187
Child Support	259,910	259,910	233,152	26,758
Jail	1,273,200	1,273,200	1,149,709	123,491
Probation Office	86,200	86,200	76,652	9,548
Emergency Management	135,610	135,610	120,561	15,049
Dive & Rescue Team	15,500	15,500	14,647	853
Miscellaneous	155,320	155,320	144,926	10,394
Total Public Safety	4,637,315	4,637,315	4,306,138	331,177
Public Works:				
Surveyor	93,600	93,600	82,459	11,141
Miscellaneous	520,800	520,800	20,796	500,004
Total Public Works	614,400	614,400	103,255	511,145

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, 2010

EXHIBIT F CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH DISBURSEMENTS, CONCLUDED:				
Public Health:				
Miscellaneous	50,910	50,910	50,909	1
Total Public Health	50,910	50,910	50,909	1
Public Assistance:				
Relief	162,600	162,600	125,695	36,905
Veteran's Service Officer	68,645	68,645	68,059	586
Miscellaneous	13,700	13,700	13,700	0
Total Public Assistance	244,945	244,945	207,454	37,491
Culture and Recreation:				
Miscellaneous	36,720	36,720	36,715	5
Total Culture and Recreation	36,720	36,720	36,715	5
Total Cash Disbursements	11,129,315	11,129,315	9,921,330	1,207,985
Excess of Cash Receipts Over (Under) Cash Disbursements	1,165,803	1,165,803	2,220,307	1,054,504
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	509,583	509,583	50,528	(459,055)
Operating Transfers (Out)	(3,028,000)	(3,028,000)	(2,456,500)	571,500
Total Other Financing Sources (Uses)	(2,518,417)	(2,518,417)	(2,405,972)	112,445
Net Change in Fund Balance	(1,352,614)	(1,352,614)	(185,665)	1,166,949
Fund Balance, Beginning of Year	2,477,614	2,477,614	2,479,958	2,344
Fund Balance, End of Year	1,125,000	1,125,000	2,294,293	1,169,293

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, 2010

EXHIBIT G

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Federal			32,758	32,758
State	2,222,233	2,222,233	2,221,897	(336)
Local	2,109	2,109	3,826	1,717
Total Cash Receipts	2,224,342	2,224,342	2,258,481	34,139
CASH DISBURSEMENTS:				
Public Works:				
Road Department	4,924,235	4,924,235	4,434,493	489,742
Total Cash Disbursements	4,924,235	4,924,235	4,434,493	489,742
Excess of Cash Receipts Over (Under) Cash Disbursements	(2,699,893)	(2,699,893)	(2,176,012)	523,881
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,685,000	2,685,000	2,285,000	(400,000)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	2,685,000	2,685,000	2,285,000	(400,000)
Net Change in Fund Balance	(14,893)	(14,893)	108,988	123,881
Fund Balance, Beginning of Year	114,893	114,893	114,893	
Fund Balance, End of Year	100,000	100,000	223,881	123,881

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, 2010

EXHIBIT H

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CASH RECEIPTS:				
Local	4,178	4,178	666,754	662,576
Total Cash Receipts	4,178	4,178	666,754	662,576
CASH DISBURSEMENTS:				
General Government	795,000	795,000		795,000
Total Cash Disbursements	795,000	795,000	0	795,000
Excess of Cash Receipts Over (Under) Cash Disbursements	(790,822)	(790,822)	666,754	1,457,576
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	500,000	500,000		(500,000)
Operating Transfers (Out)	(1,165,000)	(1,165,000)	(454,945)	710,055
Total Other Financing Sources (Uses)	(665,000)	(665,000)	(454,945)	210,055
Net Change in Fund Balance	(1,455,822)	(1,455,822)	211,809	1,667,631
Fund Balance, Beginning of Year	2,185,822	2,185,822	2,185,822	0
Fund Balance, End of Year	730,000	730,000	2,397,631	1,667,631

See Accompanying Notes to Budgetary Reporting

LINCOLN COUNTY, NEBRASKA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING

For the Year Ended June 30, 2010

NOTE 1: GAAP REQUIREMENTS:

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

NOTE 2: BUDGET POLICY:

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

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

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

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

LINCOLN COUNTY, NEBRASKA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	Capital Project Fund Courthouse Building	Debt Service Fund Jail Bond	Total Nonmajor Governmental Funds (Exhibit C)
ASSETS				
Equity in Pooled Cash and Cash Equivalents	920,783	1,088	19,292	941,163
Designated Investments	361,428	484,216	607,874	1,453,518
Total Assets	1,282,211	485,304	627,166	2,394,681
FUND BALANCES:				
Reserved		485,304	627,166	1,112,470
Unreserved	1,282,211			1,282,211
Total Fund Balances	1,282,211	485,304	627,166	2,394,681

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, 2010

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Capital Project Fund Courthouse Building	Debt Service Fund Jail Bond	Total Nonmajor Governmental Funds (Exhibit D)
CASH RECEIPTS				
Property Taxes	191,918	75,196	933,191	1,200,305
Federal Grants	33,871			33,871
Intergovernmental	762,806	1,187	19,955	783,948
Charges for Services	261,596			261,596
Interest	1,098	1,421	1,246	3,765
Miscellaneous	29,001			29,001
Total Cash Receipts	1,280,290	77,804	954,392	2,312,486
CASH DISBURSEMENTS				
General Government	146,657		700	147,357
Public Safety	239,218			239,218
Public Works	638,562			638,562
Public Assistance	108,023			108,023
Culture and Recreation	412,858			412,858
Capital Outlay		188,916		188,916
Debt Service:				
Principal Retirement				
Interest			769,711	769,711
Total Cash Disbursements	1,545,318	188,916	770,411	2,504,645
Excess of Cash Receipts Over (Under) Cash Disbursements	(265,028)	(111,112)	183,981	(192,159)
OTHER FINANCING SOURCES (USES)				
Transfers In	618,350			618,350
Transfers Out	(42,433)			(42,433)
Total Other Financing Sources (Uses)	575,917	0	0	575,917
Net Change in Fund Balances	310,889	(111,112)	183,981	383,758
Fund Balances, Beginning of Year	971,322	596,416	443,185	2,010,923
Fund Balances, End of Year	1,282,211	485,304	627,166	2,394,681

LINCOLN COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2010

SCHEDULE 3

	Special Road	Road Bond	Child Support Incentive	Visitor's Promotion	Visitor's Improvement
ASSETS					
Equity in Pooled Cash and Cash Equivalents	119,751		27,672	62,093	513,109
Designated Investments		149			
Total Assets	119,751	149	27,672	62,093	513,109
FUND BALANCES:					
Unreserved	119,751	149	27,672	62,093	513,109
Total Fund Balances	119,751	149	27,672	62,093	513,109

	Self Funded Insurance	Institutions	Veteran's Aid	Federal Forfeitures	Victims Assistance
ASSETS					
Equity in Pooled Cash and Cash Equivalents	2,429	42,465		2	20,891
Designated Investments	177,812		30,327		
Total Assets	180,241	42,465	30,327	2	20,891
FUND BALANCES:					
Unreserved	180,241	42,465	30,327	2	20,891
Total Fund Balances	180,241	42,465	30,327	2	20,891

	Keno Lottery	Handicapped Accessibility	Noxious Weed		Total Nonmajor Special Revenue Funds (Schedule 1)
ASSETS					
Equity in Pooled Cash and Cash Equivalents	5,159	86,432	40,780		920,783
Designated Investments	153,140				361,428
Total Assets	158,299	86,432	40,780		1,282,211
FUND BALANCES:					
Unreserved	158,299	86,432	40,780		1,282,211
Total Fund Balances	158,299	86,432	40,780		1,282,211

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, 2010

SCHEDULE 4

	Special Road	Road Bond	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Self Funded Insurance
CASH RECEIPTS						
Property Taxes	184	115				108,977
Federal Grants						
Intergovernmental				370,297	325,285	2,330
Charges for Services						
Interest		34				46
Miscellaneous				11,394		5,000
Total Cash Receipts	184	149	0	381,691	325,285	116,353
CASH DISBURSEMENTS						
General Government			10,445			136,112
Public Safety						
Public Works	76,285					
Public Assistance						
Culture and Recreation				387,483	25,375	
Total Cash Disbursements	76,285	0	10,445	387,483	25,375	136,112
Excess of Cash Receipts Over (Under) Cash Disbursements	(76,101)	149	(10,445)	(5,792)	299,910	(19,759)
OTHER FINANCING SOURCES (USES)						
Transfers In				37,850		200,000
Transfers (Out)		(4,583)			(37,850)	
Total Other Financing Sources (Uses)	0	(4,583)	0	37,850	(37,850)	200,000
Net Change in Fund Balances	(76,101)	(4,434)	(10,445)	32,058	262,060	180,241
Fund Balances, Beginning of Year	195,852	4,583	38,117	30,035	251,049	0
Fund Balances, End of Year	119,751	149	27,672	62,093	513,109	180,241

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, 2010

SCHEDULE 4 CONTINUED

	Institutions	Veteran's Aid	Drug Law Enforcement	Federal Forfeitures	Law Enforcement Grant	Victims Assistance
CASH RECEIPTS						
Property Taxes	82,627					
Federal Grants						33,871
Intergovernmental	1,425	30,000				
Charges for Services						
Interest		327				
Miscellaneous					12,250	357
Total Cash Receipts	84,052	30,327	0	0	12,250	34,228
CASH DISBURSEMENTS						
General Government						
Public Safety			1,100		161,250	20,837
Public Works						
Public Assistance	108,023					
Culture and Recreation						
Total Cash Disbursements	108,023	0	1,100	0	161,250	20,837
Excess of Cash Receipts Over (Under) Cash Disbursements	(23,971)	30,327	(1,100)	0	(149,000)	13,391
OTHER FINANCING SOURCES (USES)						
Transfers In	40,000				149,000	
Transfers (Out)						
Total Other Financing Sources (Uses)	40,000	0	0	0	149,000	0
Net Change in Fund Balances	16,029	30,327	(1,100)	0	0	13,391
Fund Balances, Beginning of Year	26,436		1,100	2	0	7,500
Fund Balances, End of Year	42,465	30,327	0	2	0	20,891

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, 2010

SCHEDULE 4 CONCLUDED

	Keno Lottery	Juvenile Facility	Handicapped Accessibility	Noxious Weed	Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS					
Property Taxes			15		191,918
Federal Grants					33,871
Intergovernmental		33,469			762,806
Charges for Services	101,628			159,968	261,596
Interest	691				1,098
Miscellaneous					29,001
Total Cash Receipts	102,319	33,469	15	159,968	1,280,290
CASH DISBURSEMENTS					
General Government	100				146,657
Public Safety		56,031			239,218
Public Works	245,920			316,357	638,562
Public Assistance					108,023
Culture and Recreation					412,858
Total Cash Disbursements	246,020	56,031	0	316,357	1,545,318
Excess of Cash Receipts Over (Under) Cash Disbursements	(143,701)	(22,562)	15	(156,389)	(265,028)
OTHER FINANCING SOURCES (USES)					
Transfers In		20,000		171,500	618,350
Transfers (Out)					(42,433)
Total Other Financing Sources (Uses)	0	20,000	0	171,500	575,917
Net Change in Fund Balances	(143,701)	(2,562)	15	15,111	310,889
Fund Balances, Beginning of Year	302,000	2,562	86,417	25,669	971,322
Fund Balances, End of Year	158,299	0	86,432	40,780	1,282,211

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, 2010

SCHEDULE 5

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
SPECIAL ROAD				
CASH RECEIPTS	450	450	184	(266)
CASH DISBURSEMENTS	196,302	196,302	76,285	120,017
OTHER FINANCING SOURCES				
Operating Transfers In	0	0		0
Net Change in Fund Balance	(195,852)	(195,852)	(76,101)	119,751
Fund Balance, Beginning of Year	195,852	195,852	195,852	
Fund Balance, End of Year	0	0	119,751	119,751
ROAD BOND				
CASH RECEIPTS	0	0	149	149
CASH DISBURSEMENTS	0	0	0	0
OTHER FINANCING (USES)				
Operating Transfers (OUT)	(4,583)	(4,583)	(4,583)	0
Net Change in Fund Balance	(4,583)	(4,583)	(4,434)	149
Fund Balance, Beginning of Year	4,583	4,583	4,583	
Fund Balance, End of Year	0	0	149	149
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	259,539	259,539	0	(259,539)
CASH DISBURSEMENTS	300,000	300,000	10,445	289,555
Net Change in Fund Balance	(40,461)	(40,461)	(10,445)	30,016
Fund Balance, Beginning of Year	40,461	40,461	38,117	(2,344)
Fund Balance, End of Year	0	0	27,672	27,672
VISITOR'S PROMOTION				
CASH RECEIPTS	374,750	374,750	381,691	6,941
CASH DISBURSEMENTS	403,385	403,385	387,483	15,902
OTHER FINANCING SOURCES				
Operating Transfers In	37,850	37,850	37,850	0
Net Change in Fund Balance	9,215	9,215	32,058	22,843
Fund Balance, Beginning of Year	30,035	30,035	30,035	
Fund Balance, End of Year	39,250	39,250	62,093	22,843
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	459,500	459,500	325,285	(134,215)
CASH DISBURSEMENTS	656,699	656,699	25,375	631,324
OTHER FINANCING (Uses):				
Operating Transfers (Out)	(37,850)	(37,850)	(37,850)	0
Net Change in Fund Balance	(235,049)	(235,049)	262,060	497,109
Fund Balance, Beginning of Year	251,049	251,049	251,049	
Fund Balance, End of Year	16,000	16,000	513,109	497,109

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, 2010

SCHEDULE 5 CONTINUED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
SELF FUNDED INSURANCE				
CASH RECEIPTS	181,000	181,000	116,353	(64,647)
CASH DISBURSEMENTS	381,000	381,000	136,112	244,888
OTHER FINANCING SOURCES				
Operating Transfers In	200,000	200,000	200,000	0
Net Change in Fund Balance	0	0	180,241	180,241
Fund Balance, Beginning of Year				
Fund Balance, End of Year	0	0	180,241	180,241
INSTITUTIONS				
CASH RECEIPTS	87,704	87,704	84,052	(3,652)
CASH DISBURSEMENTS	147,140	147,140	108,023	39,117
OTHER FINANCING SOURCES				
Operating Transfers In	40,000	40,000	40,000	0
Net Change in Fund Balance	(19,436)	(19,436)	16,029	35,465
Fund Balance, Beginning of Year	26,436	26,436	26,436	
Fund Balance, End of Year	7,000	7,000	42,465	35,465
VETERAN'S AID				
CASH RECEIPTS	36,000	36,000	30,327	(5,673)
CASH DISBURSEMENTS	36,000	36,000	0	36,000
Net Change in Fund Balance	0	0	30,327	30,327
Fund Balance, Beginning of Year				
Fund Balance, End of Year	0	0	30,327	30,327
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	155,000	155,000	0	(155,000)
CASH DISBURSEMENTS	150,000	150,000	1,100	148,900
Net Change in Fund Balance	5,000	5,000	(1,100)	(6,100)
Fund Balance, Beginning of Year	1,100	1,100	1,100	
Fund Balance, End of Year	6,100	6,100	0	(6,100)
FEDERAL FORFEITURES				
CASH RECEIPTS	200,000	200,000	0	(200,000)
CASH DISBURSEMENTS	200,002	200,002	0	200,002
Net Change in Fund Balance	(2)	(2)	0	2
Fund Balance, Beginning of Year	2	2	2	
Fund Balance, End of Year	0	0	2	2

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, 2010

SCHEDULE 5 CONTINUED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
LAW ENFORCEMENT GRANT				
CASH RECEIPTS	1,228,420	1,228,420	12,250	(1,216,170)
CASH DISBURSEMENTS	1,228,420	1,228,420	161,250	1,067,170
OTHER FINANCING SOURCES				
Operating Transfers In	0	0	149,000	149,000
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	34,000	34,000	34,228	228
CASH DISBURSEMENTS	34,000	34,000	20,837	13,163
OTHER FINANCING (USES)				
Operating Transfers (Out)				0
Net Change in Fund Balance	0	0	13,391	13,391
Fund Balance, Beginning of Year	7,500	7,500	7,500	
Fund Balance, End of Year	7,500	7,500	20,891	13,391
KENO LOTTERY				
CASH RECEIPTS	90,000	90,000	102,319	12,319
CASH DISBURSEMENTS	392,000	392,000	246,020	145,980
Net Change in Fund Balance	(302,000)	(302,000)	(143,701)	158,299
Fund Balance, Beginning of Year	302,000	302,000	302,000	
Fund Balance, End of Year	0	0	158,299	158,299
JUVENILE FACILITY				
CASH RECEIPTS	95,000	95,000	33,469	(61,531)
CASH DISBURSEMENTS	117,562	117,562	56,031	61,531
OTHER FINANCING SOURCES				
Operating Transfers In	20,000	20,000	20,000	0
Net Change in Fund Balance	(2,562)	(2,562)	(2,562)	0
Fund Balance, Beginning of Year	2,562	2,562	2,562	
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, 2010

SCHEDULE 5 CONCLUDED

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HANDICAPPED ACCESSIBILITY				
CASH RECEIPTS	0	0	15	15
CASH DISBURSEMENTS	86,417	86,417		86,417
Net Change in Fund Balance	(86,417)	(86,417)	15	86,432
Fund Balance, Beginning of Year	86,417	86,417	86,417	
Fund Balance, End of Year	0	0	86,432	86,432
NOXIOUS WEED				
CASH RECEIPTS	104,231	104,231	159,968	55,737
CASH DISBURSEMENTS	371,240	371,240	316,357	54,883
OTHER FINANCING SOURCES				
Operating Transfers In	243,000	243,000	171,500	(71,500)
Net Change in Fund Balance	(24,009)	(24,009)	15,111	39,120
Fund Balance, Beginning of Year	25,669	25,669	25,669	
Fund Balance, End of Year	1,660	1,660	40,780	39,120
COURTHOUSE BUILDING				
CASH RECEIPTS	71,584	71,584	77,804	6,220
CASH DISBURSEMENTS	666,000	666,000	188,916	477,084
Net Change in Fund Balance	(594,416)	(594,416)	(111,112)	483,304
Fund Balance, Beginning of Year	596,416	596,416	596,416	
Fund Balance, End of Year	2,000	2,000	485,304	483,304
JAIL BOND				
CASH RECEIPTS	1,507,965	1,507,965	954,392	(553,573)
CASH DISBURSEMENTS	1,951,150	1,951,150	770,411	1,180,739
Net Change in Fund Balance	(443,185)	(443,185)	183,981	627,166
Fund Balance, Beginning of Year	443,185	443,185	443,185	
Fund Balance, End of Year	0	0	627,166	627,166

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2010

SCHEDULE 6

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney
Balance July 1, 2009	1,648	37,072	274,008	28,979	57,643
Receipts					
Licenses and Permits	4,275			22,030	
Charges for Services	2,744	184,640	66,852	121,845	42,387
Miscellaneous		7,201	2,097	10,296	695
State Fees		196,412	61,595		
Inmate Account				148,967	
Other Liabilities	1,461		2,165,492	418,011	43,434
Total Receipts	8,480	388,253	2,296,036	721,149	86,516
Disbursements					
Payments to County Treasurer	6,903	193,774	72,337	554,617	53,535
Payments to State Treasurer		199,266	59,808		
Inmate Account				135,593	
Other Liabilities	1,461		2,180,063	12,855	56,342
Total Disbursements	8,364	393,040	2,312,208	703,065	109,877
Balance June 30, 2010	1,764	32,285	257,836	47,063	34,282
BALANCE CONSISTS OF:					
Due to County Treasurer	764	16,417	4,795	13,936	3,275
Due to State Treasurer		15,868	6,882		
Petty Cash	1,000			2,000	1,306
Drug Fund					29,692
Inmate Account				30,979	
Due to Others			246,159	148	9
Balance June 30, 2010	1,764	32,285	257,836	47,063	34,282

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2010

SCHEDULE 6
CONCLUDED

	Noxious Weed	Veteran's Service Officer	Photostat Department	Total
Balance July 1, 2009	63,635	9,848	341	473,174
Receipts				
Licenses and Permits				26,305
Charges for Services	158,961			577,429
Miscellaneous			1,640	21,929
State Fees				258,007
Inmate Account				148,967
Other Liabilities		5,008		2,633,406
Total Receipts	158,961	5,008	1,640	3,666,043
Disbursements				
Payments to County Treasurer	163,016		1,673	1,045,855
Payments to State Treasurer				259,074
Inmate Account				135,593
Other Liabilities		2,131		2,252,852
Total Disbursements	163,016	2,131	1,673	3,693,374
Balance June 30, 2010	59,580	12,725	308	445,843
BALANCE CONSISTS OF:				
Due to County Treasurer	59,580		308	99,075
Due to State Treasurer				22,750
Petty Cash				4,306
Drug Fund				29,692
Inmate Account				30,979
Due to Others		12,725		259,041
Balance June 30, 2010	59,580	12,725	308	445,843

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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	97.073	2005-GE-T5-0020	31,456
State Homeland Security Program	97.073	2006-GE-T6-0016	16,792
Subtotal CFDA Number			48,248
Homeland Security Grant Program	97.067	2008-GE-T8-0054	23,443
Emergency Management Performance Grant	97.042	2009-EP-E9-0058	27,216
Public Assistance Disaster Grant	97.036	FEMA-1924-DR-NE	80,681
Subtotal Nebraska Emergency Management Agency			179,588
Passed Through Nebraska State Patrol:			
Buffer Zone Protection	97.078	08-BZ-01	148,730
Total U.S. Department of Homeland Security			328,318
U.S. Department of Health and Human Services:			
Passed Through Nebraska Health and Human Services:			
Child Support Enforcement	93.563	None	354,410
Passed Through Nebraska Secretary of State:			
Voting Access for Individuals	93.617	OGO503NEVOTE	1,108
Total U.S. Department of Health and Human Services			355,518
U.S. Department of Transportation:			
Passed Through Nebraska Department of Roads:			
Public Transportation Assistance	20.509	RRZ-1390 (3)	113,167
Passed Through Nebraska Department of Roads Office of Highway Safety:			
Alcohol and Traffic Safety	20.601		10,462
Traffic Overtime Enforcement	20.604		17,900
Total U.S. Department of Transportation			141,529
U.S. DEPARTMENT OF JUSTICE:			
Passed Through Nebraska Crime Commission:			
Crime Victim Assistance	16.575	09-VA-233	30,364
Total U.S. Department of Justice			30,364
TOTAL EXPENDITURES OF FEDERAL AWARDS			855,729

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, 2010

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 Buffer Zone Protection (CFDA number 97.078) are considered major federal programs as defined by OMB Circular A-133.

DONALD D. WILSON
Certified Public Accountant

Member American Institute Certified Public Accountants

405 Pawnee Drive
McCook, Nebraska 69001

Phone (308) 345-3070
Fax (308) 345-1675

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, 2010, which collectively comprise the County's basic financial statements and have issued my report thereon dated September 30, 2010. 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 a certain deficiency in internal control over financial reporting that I consider to be a significant deficiency.

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 finding 2010-1, as described in the accompanying schedule of findings and questioned costs, to be a significant deficiency.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as finding 2010-2.

No response was received from management on the findings discussed in the accompanying schedule of findings and questioned costs.

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

November 2, 2010

DONALD D. WILSON
Certified Public Accountant

Member American Institute Certified Public Accountants

405 Pawnee Drive
McCook, Nebraska 69001
Phone (308) 345-3070
Fax (308) 345-1675

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, 2010. 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, 2010.

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

November 2, 2010

LINCOLN COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

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? __X__ yes _____ 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)

Buffer Zone Protection Program (CFDA number 97.078)

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 (CONCLUDED)

YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDING

2010-1 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.

2010-2 Phone Commissions Not Remitted to Treasurer:

State Statute §23-1601, gives the county treasurer authority to receive all monies belonging to the county, from whatever source.

During my Testing, I noted that the County Sheriff was not remitting the inmate telephone commissions to the County Treasurer. This is a new commission that is being received from Lattice Systems Inc. The total monthly collections from November 2009 to June 2010 totalling $16,422 was deposited into the Jail Inmate bank account. No disbursements from the account were noted for these collections.

I recommend that all of the commissions received be remitted to the County Treasurer, who will receipt for it into the General Fund.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE NOTED

LINCOLN COUNTY, NEBRASKA

COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2009

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