**LANCASTER COUNTY BOARD OF COMMISSIONERS**
**STAFF MEETING**
**THURSDAY, APRIL 16, 2020**
**ZOOM MEETING**
**VIEWING AVAILABLE VIA YOUTUBE**
**8:30 A.M.**

*Location Announcement of the Nebraska Open Meetings Act: A copy of the Nebraska Open Meetings Act is located on the wall at the back of Room 112 and Chambers Room 113. People wishing to reach the County Board can do so by going to Lancaster.ne.gov and filling out the "Contact Us" Form.*

**AGENDA ITEM**

1. **APPROVAL OF STAFF MEETING MINUTES FOR APRIL 9, 2020**

   Documents:

   4.9.2020 Staff Meeting Minutes.pdf

2. **8:30 A.M. - LEGISLATIVE UPDATE**
   Joe Kohout and Brennen Miller, Kissel, Kohout, ES Associates LLC

3. **8:45 A.M. - UPDATED TIMELINE FOR FACILITIES STUDY**
   Kerin Peterson, Facilities and Properties Director

   Documents:

   LCFS Revised Submittal Dates 2020_04_08.pdf

4. **9:00 A.M. - SECOND CHANCE ACT: COMMUNITY- BASED REENTRY GRANT APPLICATION (TOTAL OF $750,000 FOR 3 ADDITIONAL YEARS)**
   Kim Etherton, Community Corrections Director

5. **9:15 A.M. - COVID-19 UPDATE AND RESPONSE**

   A. **Vacation Maximums**
   Doug McDaniel, Human Resources Director; and Kristy Bauer, Deputy County Attorney

6. **DEPUTY CHIEF ADMINISTRATIVE OFFICER REPORT**

7. **DISCUSSION OF BOARD MEMBER MEETINGS ATTENDED**

   A. **Realtors Association Government Affairs Committee**
      Friday, April 10,2020
      Amundson / Vest

   B. **Public Building Commission**
      Tuesday, April 14,2020
      Amundson / Flowerday

8. **SCHEDULE OF BOARD MEMBER MEETINGS**

   A. **Lancaster County Fairgrounds Joint Pubic Agency Meeting**
      Thursday, April 16, 2020 @ 7:30 p.m.
      Amundson / Vest

   B. **New Americans Task Force Meeting and Annual Quarterly Consultation**
      Friday, April 17, 2020 @ 12:00 p.m.
      Yoakum

   C. **Mutual Aid Meeting**
      Monday, April 20,2020 @ 8:00 p.m.
      Schorr

   D. **LIBA Elected Officials Forum**
      Tuesday, April 21,2020 @ 7:30 a.m.
      Amundson / Vest / Yoakum

   E. **Human Services Joint Budget Committee (JBC) Meeting**
      Tuesday, April 21, 2020 @ 2:00 p.m.
      Schorr / Yoakum

9. **EMERGENCY ITEMS**

10. **ADJOURNMENT**

**STAFF MEETING MINUTES**
**LANCASTER COUNTY BOARD OF COMMISSIONERS**
**ZOOM MEETING**
**THURSDAY, APRIL 9, 2020**
**VIEWING AVAILABLE VIA YOUTUBE**
**8:30 A.M.**

Commissioners Present: Sean Flowerday, Chair; Rick Vest, Vice Chair; Roma Amundson, Deb Schorr and Christa Yoakum

Others Present: Kerry Eagan, Chief Administrative Officer; Ann Ames, Deputy Chief Administrative Officer; and Dan Nolte, County Clerk

*Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska web site and provided to the media on April 8, 2020.*

The Chair called the meeting to order at 8:44 a.m. and announced the Open Meetings Act is available at Neb. Rev. Stat. § 84-1401-1414.

## AGENDA ITEM

### 1. APPROVAL OF STAFF MEETING MINUTES FOR APRIL 2, 2020

**MOTION:** Schorr moved and Yoakum seconded approval of the April 2, 2020 staff meeting minutes. Yoakum, Vest, Schorr, Amundson and Flowerday voted yes. Motion carried 5-0.

### 2. LEGISLATIVE UPDATE – Joe Kohout and Brennen Miller, Kissel, Kohout, ES Associates LLC

Joe Kohout, Kissel, Kohout, ES Associates LLC, noted that the Legislature is indefinitely suspended. He said that a letter from Douglas and Lancaster Counties was sent to Governor Ricketts earlier in the week. They are requesting funding to cover some of the additional expensed occurring in corrections, youth services, and community corrections due to the COVID 19 pandemic.

Kohout said that Senator Stinner in a web cast to the Platte Institute indicated that property tax relief is off the table as a result of the impact that the pandemic has on state revenue. The senator noted that Nebraska may receive up to $1.25 billion as a result of the pandemic stimulus bill that recently was approved by Congress.

Kohout said the County should be thinking about any proposals they may want to have considered for an interim study.

Brennen Miller, Kissel, Kohout, ES Associates LLC, informed the Board that an attorney has contacted Senator Geist regarding a registered sex offender residing in a nursing facility who needs to update his information in the Sheriff's Office. Due to the pandemic, they are concerned

about him going to that office. Sheriff Wagner said that currently offenders need to come into their office but will explore other potential options with the attorney.

Kohout and Flowerday noted that there is discussion at the Federal level that future pandemic emergency funding my include funding for cities, counties, and municipalities.

**3. HEALTH INSURANCE RENEWAL –** Doug McDaniel, Human Resources Director; and Paula Lueders, Benefits Specialist

Doug McDaniel, Human Resources Director, said they were planning to seek bids for the health insurance coverage for County employees. With the pandemic situation, he is recommending seeking a one year extension with the current provider, Aetna. He said it would bring some stability to the situation and that the payroll system is programmed for Aetna.

**MOTION:** Schorr moved and Amundson seconded to authorize Human Resources to negotiate a one-year extension of the County's health insurance plan with Aetna. Vest, Schorr, Amundson, Yoakum and Flowerday voted yes. Motion carried 5-0.

**4. AUDIT REPORT AND UPDATE –** Kevin Smith, Partner, and Robert Kreiser, Assurance Manager, RSM US LLP; and Dennis Meyer, Budget and Fiscal Officer

Dennis Meyer, Budget and Fiscal Officer, noted that the audit was completed about a month ago. Robert Kreiser, Assurance Manager, RSM US LLP, referenced several sections of the audit report, including the standards under which the audit is undertaken (Exhibit 1). Smith noted that they have issued a clean opinion for the County. The letter to the Board includes any issues (Exhibit 2). He said there was no difficulty in completing the audit. They tested two federal grants for compliance, the equitable share program and a prisoner re-entry program grant. They had no findings with those grants.

Kreiser said they have discussed findings with management that included implementation of new procedures. Meyer said that they have developed a corrective action plan for how fixed assets are dealt with that has included the County Engineer's Office and the Clerk's Office. He said new procedures developed will enhance how those are accounted for in the future.

**CHIEF ADMINISTRATIVE OFFICER REPORT**

**A. Potential Reschedule of County Board Meeting of Tuesday, May 12, 2020 to Thursday May 14, 2020**

Eagan said that since several Board members had indicated they wanted to serve as poll workers for the May 12th primary election, the Board meeting scheduled that day will need to be moved to May 14th.

**B. Request to Prepay for Furniture for Assessor/Register of Deeds Remodel Project**

Eagan said the furniture vendor has requested pre-payment for the furniture order. The Board would need to authorize this as pre-payments are not usually made. They are requesting this as they are shut down during the pandemic. Both the County Attorney's Office and Rob Ogden,

County Assessor/Register of Deeds, believed this presented a risk to the County as there is a risk that the company could cease to exist.

Purchasing Director Bob Walla was present later in the meeting. He explained that when the company begins production again, they will be first filling the orders for those customers who have pre-paid.

**DEPUTY CHIEF ADMINISTRATIVE OFFICER REPORT**

**A. Lancaster County 2020 Priorities**

Ames noted there have been some updates to the list. Amundson inquired about the County Code project, and Eagan said that it will require funding. It will be discussed during budget preparation.

Eagan said that Jeff Maul, Lincoln Convention and Visitors Bureau Executive Director, has suggested that the Visitors Promotion Fund be shut down for the rest of the year as funds are not being collected at a very high rate due to the pandemic. Eagan said there are several members on the committee whose terms expire in July. He suggested the Board may want to extend their terms until the end of the year, and then appoint their replacements.

Meyer said there will be cash flow issues with the Visitors Improvement grants that have been funded. He said that could change depending upon future events in Lincoln that could be delayed.

**5. COVID-19 UPDATE AND RESPONSE**

**A. Cares Act Directive for Lancaster County Employees Retirement Plan and Deferred Compensation Plan**

Eagan explained that under the Cares Act employees could withdraw funds from their pension or deferred compensation accounts with no penalty. The County would need to amend the plans to allow this option. Any amendment would have to meet federal guidelines. Two employees have requested this be considered.

Federal guidelines require that a person withdrawing under the suggested change would have had to had COVID-19.

The consensus of the Board was to forward this to the Pension Review Committee for their recommendation.

**B. Protocol for Providing Housing for Essential Employees –** Todd Duncan, Chief Deputy Sheriff

Todd Duncan, Chief Deputy Sheriff, told the Board that a local hotel has offered one floor of twenty-four rooms for first responders in the event they are not able to return home due to exposure to the virus (Exhibit 3). He said he would like to provide food service to the employees should this become necessary. He emphasized that this is a generous offer from a business in the community. He is going to contact the hotel and see if they consider corrections

employees as first responders.

Eagan said this would need to be approved at a Tuesday meeting. Doug McDaniel, Human Resources Director, suggested the County Attorney's Office examine this proposal to determine if it is a fringe benefit resulting in tax implications for the employee.

Duncan will bring more specifics about the proposal for consideration by the Board. He said the business offering this donation is the one that is setting the criteria and he does want to see this delayed by beaurocratic requirements. He said later in April is projected to be the peak of the pandemic outbreak in Lancaster County.

Vest agreed that this could become overly complicated.

**C. Vacation Maximums** – Doug McDaniel, Human Resources Director; and Kristy Bauer, Deputy County Attorney

Doug McDaniel, Human Resources Director said Sheriff Terry Wagner has requested that maximum vacation accrual be increased for his staff during the pandemic as he is unable to allow them to take leave during this time, which causes an employee to lose those days. He said if the Board wants to make this change, it will need to be negotiated with the bargaining units.

Amundson said she would want to limit this change to only during the time of the pandemic, and Wagner agreed.

Kevin Nelson, Accounting Operations Manager, County Clerk's Office, explained that this change would result in the need to make some programming changes in both the existing payroll system as well as the new system which is being implemented this year.

McDaniel noted that there are twenty-one members of the Sheriff's staff that are at or near the maximum vacation accrual. Nelson said there are approximately twenty Corrections Department staff who are also near the maximum on leave accrual.

Wagner said that by adopting this change, the Sheriff's Office will be able to handle vacation requests later versus now. Dennis Meyer, Budget and Fiscal Director, cautioned the Board that any decisions they make that increase spending will have budgetary implications for the next fiscal year.

McDaniel said his department will study this request further and provide the Board with a more definite concept, options and legal parameters.

**D. Quote from Crete Carrier for Use of Refrigerated Trailers (ACTION REQUIRED)**

James Davidsaver, County Emergency Management Director, explained the agreement would authorize the rent of refrigerated trailers to be on standby in the event that there are an excessive number of deaths resulting from the COVID-19. They would be utilized only if existing morgues could not handle a large number of casualties.

**MOTION:** Vest moved and Amundson seconded to approve the agreement. Amundson, Yoakum, Vest, Schorr, and Flowerday voted yes. Motion carried 5-0.

## 6. CHIEF ADMINISTRATIVE OFFICER REPORT

### A. Potential Reschedule of County Board Meeting of Tuesday, May 12, 2020 to Thursday May 14, 2020

### B. Request to Prepay for Furniture for Assessor/Register of Deeds Remodel Project

Items 6A-B moved forward on agenda.

## 7. DEPUTY CHIEF ADMINISTRATIVE OFFICER REPORT

### B. Lancaster County 2020 Priorities

Item moved forward on agenda.

## 8. SCHEDULE OF BOARD MEMBER MEETINGS

Informational only.

## 9. EMERGENCY ITEMS

There were no emergency items.

## 10. ADJOURNMENT

**MOTION:** Schorr moved and Amundson seconded to adjourn the meeting at 10:29 a.m. Yoakum, Vest, Schorr, Amundson and Flowerday voted yes. Motion carried 5-0.

Dan Nolte
Lancaster County Clerk

EXHIBIT

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# LANCASTER COUNTY, NEBRASKA

Financial Statements With Supplementary Information
Independent Auditor's Report
June 30, 2019

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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# LANCASTER COUNTY, NEBRASKA

FINANCIAL STATEMENTS

WITH

SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2019

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## Independent Auditor's Report

Board of Commissioners
Lancaster County, Nebraska

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, Nebraska, (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



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**Opinions**
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*
Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements, schedule of revenues, expenditures and changes in fund balance – budget and actual – budget basis and schedule of expenditures of federal awards, as required by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***
In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RSM US LLP

Lincoln, Nebraska
March 10, 2020

# Lancaster County, Nebraska
## Statement of Net Position
June 30, 2019

| | Governmental Activities |
|---|---|
| **Assets:** | |
| Cash and investments | $ 65,882,600 |
| Taxes receivable | 29,568,768 |
| Due from other governmental agencies | 4,029,744 |
| Accounts receivable | 2,535,887 |
| Interest receivable | 91,887 |
| Patient and insurance receivables, net of allowance for doubtful accounts of $548,458 | 140,828 |
| Capital assets: | |
| Land and construction in progress | 13,663,525 |
| Other capital assets, net of depreciation | 196,327,043 |
| Total assets | 312,240,282 |
| **Deferred outflows of resources:** | |
| Deferred loss on refunding | 542,914 |
| Total deferred inflows of resources | 542,914 |
| **Liabilities:** | |
| Accounts payable | 7,509,530 |
| Accrued salaries | 2,844,922 |
| Accrued interest payable | 132,907 |
| Claims payable | 2,625,422 |
| Long-term liabilities: | |
| Due within one year | 9,485,877 |
| Due in more than one year | 57,866,489 |
| Total liabilities | 80,465,147 |
| **Deferred inflows of resources:** | |
| Deferred gain on refunding | 1,380,037 |
| Total deferred inflows of resources | 1,380,037 |
| **Net position:** | |
| Net investment in capital assets | 148,923,079 |
| Restricted for: | |
| Visitor improvement | 2,303,600 |
| Rural library services | 309,644 |
| Building, land and road maintenance | 5,528,806 |
| Fleet management | 44,443 |
| Capital projects | 425,000 |
| Drug education | 3,705,052 |
| Economic development | 412,669 |
| Justice reinvestment | 74,400 |
| Debt service | 4,334,891 |
| Minor equipment | 604,028 |
| Emergency management | 198,773 |
| Public health and human services | 303,312 |
| Veterans aid | 5,838 |
| Unrestricted | 63,764,477 |
| Total net position | $ 230,938,012 |

See notes to financial statements.

**LANCASTER COUNTY, NEBRASKA**
Statement of Activities
Year Ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expenses) Revenue and Change in Net Position Total Governmental Activities |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| General government | $ 21,981,644 | $ 13,099,495 | $ - | $ 148,842 | $ 8,733,307 |
| Public safety | 73,019,771 | 5,532,874 | 5,613,629 | 62,534 | 61,810,734 |
| Public works | 20,579,944 | 927,307 | 10,547,820 | 146,557 | 8,958,260 |
| Public health and human services | 11,415,676 | 464,900 | 3,323,899 | - | 7,626,877 |
| Culture and recreation | 5,805,343 | - | - | - | 5,805,343 |
| Joint public agency services | 1,470,189 | - | - | - | 1,470,189 |
| Interest on long-term debt | 1,713,386 | - | - | - | 1,713,386 |
| Total primary government | $ 135,985,953 | $ 20,024,576 | $ 19,485,348 | $ 357,933 | $ 96,118,096 |

| | |
|---|---|
| **General revenues** | |
| Taxes: | |
| Property tax | 70,971,312 |
| Inheritance tax | 9,066,662 |
| Motor vehicle tax | 9,650,773 |
| Lodging tax | 3,500,419 |
| In-lieu-of tax | 1,951,550 |
| Occupation tax | 12,800 |
| Nameplate capacity tax | 3,231 |
| Drug tax | 11,527 |
| Other: | |
| Intergovernnmental, for general purposes | 6,398,758 |
| Interest income | 1,511,269 |
| Other income | 3,319,994 |
| Total general revenues | 106,398,295 |
| Change in net position | 10,280,199 |
| **Net position - beginning of year** | 220,657,813 |
| **Net position - end of year** | $ 230,938,012 |

See notes to financial statements.

**Lancaster County, Nebraska**
**Balance Sheet**
**Governmental Funds**
**June 30, 2019**

| | General | Capital Project Highway Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash and investments | $ 14,529,956 | $ 12,852,418 | $ 22,084,231 | $ 49,466,605 |
| Taxes receivable | 27,370,482 | - | 2,198,286 | 29,568,768 |
| Due from other governmental agencies | 1,716,638 | 827,652 | 1,485,454 | 4,029,744 |
| Accounts receivable | 827,292 | 180,614 | 342,004 | 1,349,910 |
| Interest receivable | 83,824 | - | 8,063 | 91,887 |
| Patient and insurance receivables, net of allowance for doubtful accounts of $548,458 | - | - | 140,828 | 140,828 |
| Total assets | $ 44,528,192 | $ 13,860,684 | $ 26,258,866 | $ 84,647,742 |
| **Liabilities:** | | | | |
| Accounts payable | $ 3,263,183 | $ 2,556,039 | $ 1,284,964 | $ 7,104,186 |
| Accrued salaries | 2,387,191 | 103,466 | 349,070 | 2,839,727 |
| Total liabilities | 5,650,374 | 2,659,505 | 1,634,034 | 9,943,913 |
| **Deferred inflows of resources** | | | | |
| Unavailable revenue - property taxes | 1,880,317 | - | 158,257 | 2,038,574 |
| Total deferred inflows of resources | $ 1,880,317 | $ - | $ 158,257 | $ 2,038,574 |
| **Fund balances:** | | | | |
| Restricted for: | | | | |
| Visitor improvement | $ - | $ - | $ 2,303,600 | $ 2,303,600 |
| Rural library services | - | - | 281,487 | 281,487 |
| Building, land and road maintenance | - | 1,454,507 | 4,055,951 | 5,510,458 |
| Fleet management | - | - | 44,443 | 44,443 |
| Capital projects | - | - | 425,000 | 425,000 |
| Drug education | - | - | 3,705,052 | 3,705,052 |
| Economic development | - | - | 412,669 | 412,669 |
| Justice reinvestment | - | - | 74,400 | 74,400 |
| Debt service | - | - | 4,356,046 | 4,356,046 |
| Minor equipment | - | - | 604,028 | 604,028 |
| Emergency management | - | - | 198,773 | 198,773 |
| Public health and human services | - | - | 303,312 | 303,312 |
| Veterans aid | 5,838 | - | - | 5,838 |
| Committed for: | | | | |
| Community betterment | - | - | 3,662,187 | 3,662,187 |
| Building maintenance | - | - | 458,198 | 458,198 |
| Law enforcement equipment | - | - | 251,997 | 251,997 |
| Public safety | 38,580 | - | - | 38,580 |
| Public works | 28,089 | - | - | 28,089 |
| General government | 83,060 | - | - | 83,060 |
| Assigned for: | | | | |
| Building, land and road maintenance | - | 9,746,672 | 3,329,432 | 13,076,104 |
| Unassigned | 36,841,934 | - | - | 36,841,934 |
| Total fund balances | 36,997,501 | 11,201,179 | 24,466,575 | 72,665,255 |
| Total liabilities, deferred inflows of resources and fund balances | $ 44,528,192 | $ 13,860,684 | $ 26,258,866 | $ 84,647,742 |

**Lancaster County, Nebraska**
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

| | | |
|---|---|---|
| **Total fund balance - governmental funds** | | $ 72,665,255 |
| Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds: | | |
| Cost | $ 329,474,090 | |
| Accumulated depreciation | (119,483,522) | 209,990,568 |
| Internal service funds are used by the County to charge the cost of certain activities to individual funds. The assets and certain liabilities of the internal service funds are included in the governmental activities in the statement of net position. | | 14,501,237 |
| Property tax revenues, not collected within 60 days of the fiscal year end, are not financial resources and, therefore, not reported in the governmental funds. | | 2,038,574 |
| Deferred outflows of resources are not due and payable in the current period and are therefore not reported in the funds: | | |
| Deferred loss on refunding | | 542,914 |
| Deferred inflows of resources do not increase net position until a future period and are therefore not reported in the funds: | | |
| Deferred gain on refunding | | (1,380,037) |
| Long-term liabilities are not due and payable in the current period and are therefore are not reported as liabilities in the funds: | | |
| General obligaton bonds payable - Joint Public Agency | (33,600,000) | |
| Premium on bonds | (5,500,366) | |
| Capital lease obligations | (21,130,000) | |
| Compensated absences | (7,057,226) | |
| Accrued interest payable | (132,907) | (67,420,499) |
| Net position - governmental activities | | $ 230,938,012 |

See notes to financial statements.

**Lancaster County, Nebraska**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2019

| | General | Capital Project Highway Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Taxes | $ 85,734,484 | $ - | $ 8,720,079 | $ 94,454,563 |
| Charges for services | 14,321,346 | 437,144 | 4,913,939 | 19,672,429 |
| Intergovernmental | 11,192,268 | 9,359,485 | 4,846,445 | 25,398,198 |
| Medicaid/Medicare/MRO Reimbursements | - | - | 486,876 | 486,876 |
| License, fees, and rental income | 54,000 | 4,010 | 909,709 | 967,719 |
| Interest income | 1,271,392 | 80,082 | 132,409 | 1,483,883 |
| Other Income | 239,353 | 7,975 | 3,072,484 | 3,319,812 |
| Total revenues | 112,812,843 | 9,888,696 | 23,081,941 | 145,783,480 |
| **Expenditures:** | | | | |
| Current: | | | | |
| General government | 15,834,630 | - | 4,610,372 | 20,445,002 |
| Public safety | 69,352,278 | - | 2,449,047 | 71,801,325 |
| Public works | 3,859,421 | 6,653,721 | 4,309,799 | 14,822,941 |
| Public health & human services | 7,927,912 | - | 3,460,904 | 11,388,816 |
| Culture and recreation | - | - | 5,805,343 | 5,805,343 |
| Capital outlay | 952,604 | 7,512,492 | 4,274,155 | 12,739,251 |
| Debt service: | | | | - |
| Principal | 1,426,500 | - | 2,761,000 | 4,187,500 |
| Interest | 653,619 | - | 1,783,651 | 2,437,270 |
| Total expenditures | 100,006,964 | 14,166,213 | 29,454,271 | 143,627,448 |
| Excess of revenues over (under) expenditures | 12,805,879 | (4,277,517) | (6,372,330) | 2,156,032 |
| **Other financing sources (uses):** | | | | |
| Sale of capital assets | 431,599 | 14,172 | - | 445,771 |
| Transfers in | 718,501 | 5,613,387 | 7,163,020 | 13,494,908 |
| Transfers out | (12,926,407) | - | (1,218,501) | (14,144,908) |
| Total other financing sources (uses) | (11,776,307) | 5,627,559 | 5,944,519 | (204,229) |
| Net change in fund balances | 1,029,572 | 1,350,042 | (427,811) | 1,951,803 |
| **Fund balance at beginning of year** | 35,967,929 | 9,851,137 | 24,894,386 | 70,713,452 |
| **Fund balance at end of year** | $ 36,997,501 | $ 11,201,179 | $ 24,466,575 | $ 72,665,255 |

See notes to financial statements.

**LANCASTER COUNTY, NEBRASKA**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2019

| | | |
|---|---|---|
| **Net Change in fund balances - total governmental funds** | | $ 1,951,803 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which assets capitalized exceeded the amount of depreciation expense in the current period. | | |
| Depreciation expense | (8,666,882) | |
| Capital assets capitalized | 11,367,914 | 2,701,032 |
| Contributions of capital assets are reported as capital contributions in the statement of activities. | | 357,933 |
| In the statement of activities, the gain or loss from the disposal of capital assets is reported, whereas in the governmental funds, only proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of capital assets disposed. | | (235,532) |
| Governmental funds recognize property tax revenues as revenues when received within 60 days of the end of the fiscal year. However, in the statement of activities, property tax revenues are recognized based on the total taxes levied. This is the amount of property tax revenues due to the County but not collected within 60 days of the fiscal year end. | | 747,355 |
| The amortization of bond premiums, discounts and deferred refundings affects the long term liabilities and deferred inflows and outflows of resources in the statement of net position, whereas these amounts are recorded as expenditures at the time of issuance in the governmental funds. | | 712,922 |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Bonds Payable | 2,675,000 | |
| Capital Lease | 1,512,500 | 4,187,500 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | | 10,960 |
| In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the following difference was noted: | | |
| Compensated absences earned were more than benefits paid out | | (444,453) |
| Internal service funds are used by the County to charge costs of certain activities to individual funds. The activities of the internal service funds are included in government activities in the statement of activities | | 290,679 |
| **Change in net position of governmental activities** | | $ 10,280,199 |

See notes to financial statements.

**Lancaster County, Nebraska**
Statement of Net Position
Proprietary Funds
Year Ended June 30, 2019

| | Internal Service Funds |
|---|---|
| **Assets:** | |
| Current assets: | |
| Cash | $ 16,415,995 |
| Accounts receivable | 1,185,977 |
| Total current assets | 17,601,972 |
| **Liabilities:** | |
| Current liabilities: | |
| Accounts payable | 405,344 |
| Claims payable | 2,625,422 |
| Accrued salaries | 5,195 |
| Current portion - accrued compensated absences | 10,000 |
| Total current liabilities | 3,045,961 |
| Noncurrent liabilities: | |
| Long-term accrued compensated absences | 54,774 |
| Total liabilities | 3,100,735 |
| **Net position:** | |
| Unrestricted | $ 14,501,237 |

See notes to financial statements.

**Lancaster County, Nebraska**
**Statement of Revenues, Expenses, and Changes in Net Position**
**Proprietary Funds**
**Year Ended June 30, 2019**

| | Internal Service Funds |
|---|---|
| **Operating revenues:** | |
| Charges for services | $ 15,502,951 |
| Other insurance reimbursements | 8,643 |
| Total operating revenues: | 15,511,594 |
| | |
| **Operating expenses:** | |
| Claims and insurance | 13,600,430 |
| Contractual services | 2,014,640 |
| Wages and benefits | 160,870 |
| Other | 53,388 |
| Rentals | 9,836 |
| Supplies | 667 |
| Claims reserve adjustment | 58,470 |
| Total operating expenses | 15,898,301 |
| | |
| Operating loss | (386,707) |
| | |
| **Nonoperating revenues:** | |
| Interest | 27,386 |
| Total nonoperating revenues | 27,386 |
| | |
| Loss before transfers | (359,321) |
| | |
| Transfers in | 650,000 |
| Change in net position | 290,679 |
| | |
| **Total net position - beginning of year** | 14,210,558 |
| **Total net position - end of year** | $ 14,501,237 |

See notes to financial statements.

**Statement of Cash Flows**
**Internal Service Funds**
**Year Ended June 30, 2019**

| | Internal Service Funds |
|---|---|
| **Cash flows from operating activities:** | |
| Cash received for services | $ 15,490,192 |
| Cash received from insurance companies | 8,643 |
| Cash payments for claims | (15,656,253) |
| Net cash flow used in operating activities | (157,418) |
| **Cash flows from non-capital financing activities:** | |
| Transfers from other funds | 650,000 |
| **Cash flows from investing activities:** | |
| Interest on investments | 27,386 |
| Change in cash | 519,968 |
| **Cash - beginning of the year** | 15,896,027 |
| **Cash - end of the year** | $ 16,415,995 |
| **Reconciliation of operating loss to net cash used in operating activities:** | |
| Operating loss | $ (386,707) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Change in accounts receivable | (13,714) |
| Change in interest receivable | 955 |
| Change in accrued liabilities | 183,579 |
| Change in claims payable | 58,469 |
| **Net cash used in operating activities** | $ (157,418) |

See notes to financial statements.

**LANCASTER COUNTY, NEBRASKA**

Statement of Net Position

Fiduciary Funds

Year Ended June 30, 2019

| | Employee Benefit Trust Funds | Agency Funds |
|---|---|---|
| **Assets:** | | |
| Cash | $ - | $ 19,767,779 |
| Investments: | | |
| Cash management fund | 173,171 | - |
| Certificates of deposit | - | 13,555,314 |
| Stable value fund | 40,890,591 | - |
| Mutual funds - domestic equities | 68,276,383 | - |
| Mutual funds - international equities | 26,506,929 | - |
| Mutual funds - balanced funds | 10,678,570 | - |
| Other fixed income | 16,678,576 | - |
| Total assets | 163,204,220 | 33,323,093 |
| **Liabilities:** | | |
| Due to others | - | 33,323,093 |
| Total liabilities | - | 33,323,093 |
| **Net position:** | | |
| Restricted for pension and other post-employment benefits | 163,204,220 | - |
| Total net position | $ 163,204,220 | $ - |

See notes to financial statements.

**LANCASTER COUNTY, NEBRASKA**
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2019

| | Employee Benefit Trust Funds |
|---|---|
| **Additions:** | |
| Contributions: | |
| Employee | $ 2,981,918 |
| Employer | 4,300,560 |
| Forfeitures | 261,532 |
| Rollovers | 480,345 |
| Total contributions | 8,024,355 |
| Investment Income: | |
| Net appreciation in fair value of investments | 2,727,700 |
| Dividends and interest | 4,824,728 |
| Miscellaneous | (49,404) |
| Total net investment income | 7,503,024 |
| Total additions | 15,527,379 |
| **Deductions:** | |
| Benefits paid | 8,417,034 |
| Forfeitures | 417,370 |
| Total deductions | 8,834,404 |
| Change in net position | 6,692,975 |
| **Net position - beginning of year** | 156,511,245 |
| **Net position - end of year** | $ 163,204,220 |

See notes to financial statements.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lancaster County, Nebraska (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### Organization and Principal Activity

The County is a governmental entity established by the laws of the State of Nebraska. The County is a political subdivision of the State of Nebraska and is governed by a five member Board of Commissioners elected by the citizens of Lancaster County, Nebraska. The County's responsibilities include general social welfare; operation of a County mental health crisis center; corrections; youth center; maintenance of streets and highways not within any incorporated city, village, or sanitary and improvement district; legal court-related activities; licensing, recording, and assessment of real property; tax collection for all Nebraska public entities within the County; conducting elections; and law enforcement.

### Reporting Entity

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The accompanying financial statements include the transactions of the County's primary government and a blended component unit, as discussed below.

Blended Component Unit - The Lancaster County Correctional Facility Joint Public Agency (JPA) was created pursuant to the Joint Public Agency Act and a Joint Public Agency Agreement dated September 9, 2008 between the County and the City of Lincoln. The JPA was created for the purpose of financing the construction, equipping and furnishing of new correctional facilities on land owned by the County and leased to the JPA pursuant to a Site Lease dated February 5, 2009, between the JPA and the County. The JPA will own the correctional facilities until the bonds are no longer outstanding, at which time the JPA will transfer ownership to the County. The County will operate and maintain the correctional facilities pursuant to a Facilities Agreement dated February 5, 2009 between the County and the JPA. The JPA is governed by a four-member board consisting of the Chair and Vice Chair of the Lancaster County Board of Commissioners, the Mayor of Lincoln and the Chair of the Lincoln City Council.

Although legally separate from the County, the JPA is reported as a blended component of the County because its sole purpose is to finance the construction and equipping of new correctional facilities for the benefit of the County. As noted above, the County operates and maintains the facilities, and will receive title to the facilities upon repayment of 100% of the bonds issued to finance construction.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Separate audited financial statements of the JPA may be obtained from the Lancaster County Budget & Fiscal Office, 555 South 10th Street, Suite 110, Lincoln, NE 68508.

### Joint Ventures

The County has entered into two multi-governmental arrangements creating two entities that are governed by representatives from each of the participating governments. These entities are considered to be joint ventures. The County does not have an ongoing financial interest (equity interest); therefore, these joint ventures are not included in the financial statements of the County.

Lincoln-Lancaster County Public Building Commission - In 1990, the City of Lincoln, Nebraska (the City) and the County, pursuant to State Statute, activated a separate governmental entity designated as the Lincoln-Lancaster County Public Building Commission (the Commission). The purpose of this joint venture is to design, acquire, construct, maintain, operate, improve, remodel, remove and reconstruct, so long as its corporate existence continues, public buildings, structures or facilities for use jointly by the City and the County. The City and the County each appoint two members to the five-member Commission, with the fifth member being appointed by the other four members. All property held or acquired by the Commission is held or acquired in the name of the City and the County for use by the Commission in its corporate capacity. The Commission's costs of operation and debt service are funded through rental payments made by the City and the County based upon their proportionate occupancy of such buildings to the extent not covered by a maximum property tax levy of 1.7 cents for each $100 of actual valuation of taxable property in the County. (See also Note 4).

Separate audited financial statements of the Commission may be obtained at the Lincoln- Lancaster County Public Building Commission, 920 "0" Street, Room 203, Lincoln, Nebraska 68508.

Lancaster County Fairgrounds Joint Public Agency - The Lancaster County Fairgrounds Joint Public Agency (the Agency) was established to acquire land and construct capital improvements thereon for the establishment and expansion of the Lancaster County Fairgrounds. The Agency is not accumulating significant financial resources and is not experiencing fiscal stress that could cause an additional financial benefit or burden to the County. The Board consists of five representatives, of whom the Lancaster County Agricultural Society (the Society) appoints three and the County appoints two.

Separate audited financial statements of the Agency may be obtained from the Lancaster County Agricultural Society, 4100 North 84th Street, Lincoln, Nebraska 68508.

### Basis of Presentation

Government-Wide Financial Statements - The government-wide financial statements (the statement of net position and statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities are primarily supported by taxes and intergovernmental revenues.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Each fund is accounted for by providing a separate set of self-balancing accounts. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as gross amounts as transfers in / out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

An emphasis is placed on major funds within the fund financial statements. Major governmental funds are reported as separate columns in the fund financial statements as applicable. All remaining governmental fund are aggregated and reported as nonmajor funds.

Major fund reporting requirements do not apply to internal service funds. The combined totals for all internal service funds are reported separately in a single column on the face of the proprietary fund financial statements.

The County reports the following major governmental funds:

*General Fund.* The general fund is the County's main operating fund. The general fund is used to account for all activities of the County not included in other specified funds. The general fund accounts for the normal recurring activities of the County (general government, public safety, health services, community services, etc.). These activities are funded primarily by tax revenues.

*Highway Fund.* The highway fund is a capital project fund. It accounts for repairs and improvements made to County highways.

Additionally, the County reports the following fund types:

*Special Revenue Funds* account for the proceeds of specific revenue sources (other than for major capital projects) that legally restrict expenditures for specified purposes.

*Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities or improvements.

*Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governmental units on a cost-reimbursement basis. For the County, this includes risk management services for workers' compensation, general liability and health insurance.

*Employee Benefit Trust Funds* include the pension trust fund and other postemployment benefit trust fund, which are used to report resources that are required to be held in trust for the members and beneficiaries of the County's defined contribution retirement plan, and defined contribution postemployment health plan, respectively.

*Agency Funds* are used to report resources held by the County in a purely custodial capacity, for tax collections and related distributions to other governments, as well as other amounts held for remittance to individuals, private organizations, or other governments.

**Measurement Focus / Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when the related payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, except to the extent amounts are not collected within 60 days of the end of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Charges for services to patients are recognized at the date the service is provided, net of estimated uncollectible amounts. All other revenue items are considered to be measurable and available only when cash is received by the County.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The proprietary, pension and other postemployment benefit trust fund financial statements are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. The agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds are charges to governmental agencies for services provided. Operating expenses include the cost of services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments with original maturities of three months or less are considered cash equivalents.

### Investments

Investments of the County (excluding the employee benefits trust fund) consist of interest-bearing money market accounts and nonnegotiable certificates of deposit which are reported at amortized cost.

Investments of the employee benefits trust funds are recorded at fair value in accordance with the requirements of GASB Statement No. 72.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Accounting guidance establishes a consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These different levels of valuation hierarchy are described as follows:

Level 1 - Quoted prices in active markets for identical assets and liabilities

Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable.

Level 3 - Significant unobservable prices or inputs.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Patient and Insurance Receivables / Due from Other Government Agencies

Receivables due from other government agencies consist of a variety of amounts due from federal or state agencies, or other local municipalities and agencies. Patient and insurance receivables consist of amounts billed for services provided by the Mental Health Crisis Center. Such receivables are recorded net of contractual adjustments made upon payment. Additionally, patient and insurance receivables are shown net of an allowance for doubtful accounts, estimated based on historical collection trends, a patient's credit history and current economic conditions.

### Taxes Receivable

Taxes receivable are all considered collectible by management. Based on prior experience with receipt of taxes, no allowance for doubtful accounts has been provided related to taxes receivable. Tax amounts not received within 60 days after year-end, if any, are recorded as deferred inflows of resources on the balance sheet of the governmental fund financial statements.

### Capital Assets and Depreciation

Capital assets are those assets which have been acquired for general government purposes. Capital assets are recorded at historical cost or estimated replacement cost if actual historical cost is not known. Contributed assets, including those from the federal government, are recorded at estimated acquisition value on the date received. The County's capitalization threshold for equipment, buildings and infrastructure is $5,000. Infrastructure assets include roads, bridges and culverts. Depreciation is calculated using the straight-line method with a mid-month convention.

The estimated useful lives for capital assets are as follows:

| | Years |
|---|---|
| Land improvements | 20 - 50 |
| Buildings | 25 - 50 |
| Machinery and equipment | 5 - 20 |
| Vehicles | 8 |
| Infrastructure | 20 - 50 |

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Deferred Inflows of Resources / Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred gains on refunding, which is reported only in the government-wide statement of net position, results from the difference in carrying value of the refunded debt and the reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County reports unavailable revenue and deferred amounts on refunding in this category. The governmental funds report unavailable revenues from property taxes not collected within the availability period. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred amounts on refunding, which is reported only in the government-wide statement of net position, results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

### Compensated Absences

It is the County's policy to permit employees to earn annual vacation and sick leave at various rates during their period of employment. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum carryover of 240 hours. Employees do not receive payment of unused sick leave upon termination of employment except for retirement, death, or if the employee has 15 years of service and has in excess of 1,000 hours of extended sick leave.

### Net Position

In the government-wide financial statement, net position represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources.

*Net investment in capital assets* - Consists of capital assets net of accumulated depreciation and net of outstanding balances of any debt used to finance those assets, such as capital leases and bonds.

*Restricted net position* – Consists of net position with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation as of June 30, 2019 consist of $18,250,896 for various purposes, the detail of which is included on the statement of net position.

*Unrestricted net position* – Consists of amounts that do not meet the definition of either net investment in capital assets or restricted net position.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fund Balance

Fund balance classifications are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances are classified as follows:

*Nonspendable fund balance* – Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained.

*Restricted fund balance* - Amounts that can be spent only for the specific purposes stipulated by constitutional provisions, external resource providers, or through enabling legislation.

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

*Assigned fund balance* - Amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by (1) The County Board of Commissioners or (2) a body or official to whom that has been given the authority to assign fund balance. The Board has delegated authority to the Lancaster County Budget and Fiscal officer to assign amounts to be used for specific purpose as prescribed by the County's Fund Balance Policy.

*Unassigned fund balance* - The residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. Residual deficit amounts of the other governmental funds would also be reported as unassigned fund balance.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The County considers restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### Property Taxes

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due December 31 of the year following the levy date. One-half of the taxes become delinquent April 1 and August 1 of the following year.

Counties are permitted by the State Constitution to levy a tax of up to $0.50 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Of the $0.50 limit, $0.05 may only be levied to provide services offered jointly with another government under an inter-local agreement. Additionally, the County may share $0.15 of its levy authority with rural fire districts and other political subdivisions no longer having any levy authority.

## 1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County may only levy taxes in addition to the $0.50 limitation upon a vote of the people. For 2019, the tax levy remained below the $0.50 limitation.

Additionally, the legislature, as part of a property tax relief package, prohibited counties from adopting a budget containing "restricted funds" which are greater than 2.5% of the prior year budgeted restricted funds, plus the percentage change in valuation attributable to new construction and additions to buildings in excess of 2.5%. Restricted funds include property taxes, payments in-lieu-of taxes, and state aid less amounts budgeted for capital improvements and bonded indebtedness.

### Budgets and Budgetary Accounting

The County follows the procedures described below in establishing the budgetary data reflected in the County's financial statements in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1, the County Board of Commissioners prepares and transmits a budget for the County showing the projected requirements, outstanding warrants, operating reserve, cash on hand at the close of the preceding fiscal year, projected revenue collected from sources other than property tax and amount to be raised by property taxation.

The budget is prepared on the modified cash basis of accounting, which includes cash receipts and disbursements, modified for encumbrances. Encumbrances, as described below, are also reflected as expenditures for budgetary purposes. At least one public hearing must be held by the County Board of Commissioners.

On or before September 20 each year, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the County Board of Commissioners adopts the budget, as revised, and the amounts provided therein are appropriated.

Encumbrances, which are purchase orders, contracts and other commitments for the expenditures of funds, are recorded for budgetary purposes as expenditures in order to reserve that portion of the applicable appropriation. At the end of each budget period, unencumbered, unexpended appropriations lapse.

### Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could vary from those estimates.

## 2. CASH AND INVESTMENTS

### Pooled Cash and Investments

The County has pooled cash resources of the various funds for investment purposes. Each fund's portion of total cash and investments is summarized by fund type on the combining balance sheets. Interest earned on pooled funds, except for interest earned on the employee benefit trust funds, is credited to the County General Fund in accordance with Nebraska State Statute Section 77-2315, R.R.S. 1943. The County's investment policy allows investments as authorized by Nebraska State Statute 77-2387, which includes U.S. government obligations and short-term interest bearing investments consisting of certificates of deposit and other income producing securities.

*Custodial credit risk, deposits.* In the case of deposits, 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 County's policy requires compliance with the provisions of state law. The Public Funds Deposit Security Act, State Statute Sections 77-2386 to 77-23,106, requires banks either to give bonds or to pledge government securities (types of which are specifically identified in the statutes) to the County Treasurer in the amount of the County's deposits. The statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

At June 30, 2019, the bank balance of the County's pooled cash deposits, including certificates of deposit and money market accounts, amounted to $98,780,941. All deposit balances were covered by FDIC insurance, or pledged collateral held by the County's agent in the County's name.

The County's investment in certificates of deposit and interest-bearing money market accounts are considered deposits for disclosure purposes.

*Interest rate risk.* This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with State law and its investment policy, the County manages its exposure to declines in fair values by changes in interest rates by limiting all investments to maturities of two years or less.

*Credit risk.* This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and internal policies limit the types of investments the County may make, as described previously.

*Concentration of credit risk.* This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy places no limits on the amount the County may invest in any one issuer.

## 2. CASH AND INVESTMENTS (CONTINUED)

Pooled deposits and investments at June 30, 2019 appear in the financial statements as summarized below:

| | |
|---|---|
| Deposits | $ 12,719,020 |
| Interest-bearing money market accounts | 52,832,226 |
| Investments-certificates of deposit | 33,654,447 |
| Total | $ 99,205,693 |

| | |
|---|---|
| Cash and investments - governmental funds balance sheet | $ 49,466,605 |
| Cash - internal service funds, statement of net position | 16,415,995 |
| Cash and investments - governmental activities, statement of net position | 65,882,600 |
| Cash - agency funds | 33,323,093 |
| Total | $ 99,205,693 |

**Employee Benefit Trust Funds:**

**Pension Trust Fund Investments**

The pension program operates in compliance with all state and federal statutes, particularly Nebraska State Statute 30-3209. County pension funds are invested according to a plan developed and reviewed annually by the County. The plan defines the purposes of the assets, identifies the parties responsible for managing the investment process, establishes both broad and specific written guidelines for the investment of the fund's assets and establishes criteria to monitor and evaluate the performance of the investment managers.

The plan authorizes investments in a variety of funds, which include investments in: stable value funds, domestic and foreign common and preferred stocks, corporate bonds, cash-equivalent securities, certificates of deposits of insured institutions, money market funds, and government bonds. They can be in mutual funds or privately managed accounts. Investments in the employees' retirement system are valued at fair value.

At June 30, 2019, the investments in the employees' retirement system were as follows:

| Investment Type | Fair Value | Concentration |
|---|---|---|
| Stable value fund (fixed income) | $ 40,890,591 | 26.47% |
| Mutual funds - domestic equities | 67,521,089 | 43.71% |
| Mutual funds - international equities | 26,411,504 | 17.10% |
| Mutual funds - balanced funds | 3,027,120 | 1.95% |
| Other fixed income | 16,609,216 | 10.75% |
| Total | $ 154,459,520 | 99.98% |

Under the contract that supports the stable value fund, participants may ordinarily direct the withdrawal or transfer of all or a portion of their account balance at contract value, which represents contributions made under the contract, plus earnings, less participant withdrawals and fees. Given these provisions, the contract is considered to be fully benefit responsive. The fair value of the contract at June 30, 2019 is $40,908,275 and the contract value is $40,890,591.

## 2. CASH AND INVESTMENTS (CONTINUED)

*Concentration of credit risk.* The pension trust's fixed income securities guidelines provide for a maximum of 2% of any single corporate issuer and 5% for other issuers; there is no limit on fixed income treasury or agency issues of the U.S. government. The mutual funds and stable value fund are not subject to concentration of credit risk disclosures. None of the other fixed income investments are greater than 5% of total investments.

*Credit risk.* Credit risk is the risk that an issuer of an investment will not fulfill its obligations. While the plan does not have a policy specific to credit risk of fixed income funds, the investment policy requires that all funds be benchmarked against a relevant index, with performance of the fund measured at least annually in the context of rolling three-year periods for the trailing five-year period. As of June 30, 2019, the fixed income funds of the plan held investments with credit ratings ranging from AAA to BBB.

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the plan does not have a policy specific to interest rate risk for fixed income funds, investment performance is measured at least annually, as described above. As of June 30, 2019, the fixed income funds of the plan had effective durations of 6.00 years for the stable value fund and 3.4 years for the other fixed income holdings.

**Other Postemployment Benefit Trust Fund Investments**

The other postemployment benefit (OPEB) trust operates in compliance with all state and federal statutes, particularly Nebraska State Statute 23-1118. County funds are invested according to a plan developed and reviewed annually by the County. As of June 30, 2019, 88% of the trust's investments were in a balanced mutual fund, which in turn invests in a combination of stocks, bonds and money markets, generally reflecting a moderate to conservative orientation. The overall credit quality of fixed income securities in the fund ranged from AAA to B, with approximately 63.3% in AAA securities, and 16.8% in AA or A securities.

*Concentration of credit risk.* The OPEB trust's fixed income securities guidelines provide for a maximum of 2% of any single corporate issuer and 5% for other issuers; there is no limit on fixed income treasury or agency issues of the U.S. government. The mutual funds (asset allocation funds and U.S. stock funds) and stable value fund are not subject to concentration of credit risk disclosures. None of the other fixed income investments are greater than 5% of total investments.

*Investments.* The OPEB trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the County's financial position. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

At June 30, 2019, the investments in the OPEB trust were as follows:

| Investment Type | Fair Value | Concentration |
|---|---|---|
| Stable value fund/cash management | $ 173,171 | 1.98% |
| Bond funds | 69,360 | 0.79% |
| Balanced/asset allocation funds | 7,651,450 | 87.50% |
| U.S. stock funds | 755,294 | 8.64% |
| Internation/global funds | 95,425 | 1.09% |
| Total | $ 8,744,700 | 100.00% |

## 2. CASH AND INVESTMENTS (CONTINUED)

### Fair Value Measurements

The Pension Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the trust's financial position. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

Fair value measurements for the County's investments held in pension and OPEB trusts are presented in the table below:

| Investment Type | Level 1 | Level 2 | Total |
|---|---|---|---|
| Domestic stock | $ 68,276,383 | $ - | $ 68,276,383 |
| International stock | 26,506,929 | - | 26,506,929 |
| Balanced funds | 10,678,570 | - | 10,678,570 |
| Fixed Income | 69,360 | 16,609,216 | 16,678,576 |
| Stable value fund | 173,171 | - | 173,171 |
| Total investments measured at fair value | $ 105,704,413 | $ 16,609,216 | $ 122,313,629 |
| Stable value fund measured at contract value | | | 40,890,591 |
| Total investments | | | $ 163,204,220 |

*Fair Value Measurement.* The following is a description of the valuation methodologies used for assets measured at fair value in the tables above. There have been no changes in the methodologies used for the year ended June 30, 2019.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Debt and equity securities classified in Level 1 are value using prices quoted in active markets for those securities.

Debt and equity securities classified as Level 2 are value used the following approaches:

- Domestic stock: quoted prices for similar securities in active markets;
- Variable annuity: quoted prices for identical securities in underlying funds with the bond, stock, and non-traditional weightings determined by the Glidepath;
- Fixed income: quoted prices for identical securities in markets that are not active.

## 3. CAPITAL ASSETS

The changes in capital assets designated for the operation of the County for the year ended June 30, 2019 are as follows:

| | Balance June 30, 2018 | Additions | Deletions | Balance June 30, 2019 |
|---|---|---|---|---|
| Non-depreciable assets: | | | | |
| Land | $ 11,181,250 | $ - | $ - | $ 11,181,250 |
| Construction in Progress | 902,870 | 2,456,436 | 877,031 | 2,482,275 |
| Total non-depreciable assets | 12,084,120 | 2,456,436 | 877,031 | 13,663,525 |
| Depreciable assets: | | | | |
| Land improvements | 1,716,343 | - | 10,754 | 1,705,589 |
| Buildings | 151,534,848 | 1,312,077 | 1,273,761 | 151,573,164 |
| Machinery & equipment | 19,616,804 | 1,005,878 | 33,055 | 20,589,627 |
| Vehicles | 9,129,279 | 1,020,843 | 485,898 | 9,664,224 |
| Infrastructure | 126,077,413 | 6,807,644 | 607,096 | 132,277,961 |
| Total depreciable assets | 308,074,687 | 10,146,442 | 2,410,564 | 315,810,565 |
| Less accumulated depreciation: | | | | |
| Land improvements | 1,193,465 | 65,720 | 10,754 | 1,248,431 |
| Building | 34,807,095 | 3,111,041 | 1,261,023 | 36,657,113 |
| Machinery & Equipment | 11,502,513 | 1,046,020 | 33,055 | 12,515,478 |
| Vehicles | 6,572,910 | 810,650 | 431,540 | 6,952,020 |
| Infrastructure | 58,915,689 | 3,633,451 | 438,660 | 62,110,480 |
| Total depreciation | 112,991,672 | 8,666,882 | 2,175,032 | 119,483,522 |
| Depreciable capital assets, net | 195,083,015 | 1,479,560 | 235,532 | 196,327,043 |
| Total capital assets | $ 207,167,135 | $ 3,935,996 | $ 1,112,563 | $ 209,990,568 |

Depreciation expense was charged to functions of the governmental activities as follows:

| | |
|---|---|
| **Governmental Activities:** | |
| General Government | $ 1,811,087 |
| Public Safety | 769,186 |
| Public Works | 4,597,118 |
| Public Health and Human Services | 19,302 |
| Joint Public Agency Services | 1,470,189 |
| Total Depreciation Expense | $ 8,666,882 |

## 4. LONG-TERM LIABILITIES

Changes in long-term obligations for the year ended June 30, 2019 were as follows:

| | Balance June 30, 2018 | Additions | Deletions | Balance June 30, 2019 | Due within one year |
|---|---|---|---|---|---|
| Bonds payable - JPA | $ 36,275,000 | $ - | $ 2,675,000 | $ 33,600,000 | $ 2,710,000 |
| Premiums | 6,084,476 | - | 584,110 | 5,500,366 | - |
| | 42,359,476 | - | 3,259,110 | 39,100,366 | 2,710,000 |
| Capital leases payable: Public Building Commission | 22,642,500 | - | 1,512,500 | 21,130,000 | 1,402,500 |
| Compensated absenses | 6,675,000 | 5,479,525 | 5,032,525 | 7,122,000 | 5,373,377 |
| Total long term liabilities | $ 71,676,976 | $ 5,479,525 | $ 9,804,135 | $ 67,352,366 | $ 9,485,877 |

Generally, compensated absences are liquidated by the fund where each employee's regular salary is charged (primarily the General Fund and various special revenue funds).

### Bonds Payable

*JPA.* On December 21, 2017, the JPA issued $36,275,000 Series 2017 advance refunding general obligation bonds at a premium of $6,376,531, with interest payable in scheduled semiannual installments due on June 1 and December 1, with principal amounts payable annually on December 1, ranging from $2,675,000 to $4,130,000, commencing December 1, 2018, with interest rates ranging from 4.0% to 5.0%, final payment due December 1, 2028. The average interest of these new bonds is 4.9%. The bonds payable are subject to acceleration in the event of default.

### Capital Leases Payable

*Public Building Commission.* The Public Building Commission (PBC) has assisted in the financing of buildings and facilities for Lancaster County and the City of Lincoln through the issuance of revenue bonds and by entering into lease agreements with the Board of County Commissioners and the City Council. This includes leases for the City / County Building, the 233 Building, the K Street Power Plant, the Justice and Law Enforcement Building, the 9th and J Building, Downtown Senior Center, Health Department Building, Courthouse Plaza, Northeast Senior Center, Benesch Building, and the 27th Street Police Building.

The PBC uses the facilities for the purpose of providing space to the County and City departments, agencies and functions. The PBC is responsible for furnishing services, including heat, water, electricity, air conditioning, elevator service, cleaning services and maintenance and repair to the City and County departments occupying the space. The operating costs to the PBC are funded through charges to tenants based upon the number of square feet of space allocated annually, as outlined in the respective lease agreements with the City and County. The amount charged to the occupants is based on total expenditures incurred in the previous year.

On November 10, 2017, the PBC issued $1,675,000 of Series 2017 bonds to refund $1,965,000 of Series 2010 bonds. The average interest rate of the new bonds is 2.27%. The PBC refunded these bonds to reduce total debt service payments over a period of thirteen years.

As of June 30, 2019, the PBC has bonds outstanding of $30,220,000 attributable to several revenue bond issues, proceeds of which were used to acquire, construct and/or renovate certain buildings occupied by the City and County. The County's proportionate share of such buildings is recorded as capital assets, and the corresponding debt is recorded as a capital lease in the County's financial statements. The leases for the buildings continue until the related bonds have been fully paid and are no longer outstanding. The bonds have final maturity dates ranging from fiscal 2026 to 2042.

## 4. LONG-TERM LIABILITIES (CONTINUED)

Principal and interest requirements to maturity on capital lease obligations and bonds outstanding at June 30, 2019 are as follows:

| | Bonds Payable | | Capital Leases | |
|---|---|---|---|---|
| | Principal | Interest | Principal | Interest |
| Year ending June 30 | | | | |
| 2020 | $ 2,710,000 | $ 1,567,600 | $ 1,402,500 | $ 699,184 |
| 2021 | 2,820,000 | 1,442,900 | 1,440,000 | 659,511 |
| 2022 | 2,960,000 | 1,298,400 | 1,487,500 | 614,785 |
| 2023 | 3,110,000 | 1,162,200 | 1,527,500 | 564,685 |
| 2024 | 3,235,000 | 1,019,125 | 1,292,500 | 515,127 |
| 2025-2029 | 18,765,000 | 2,437,375 | 4,385,000 | 1,953,892 |
| 2030-2034 | - | - | 3,305,000 | 1,266,300 |
| 2035-2039 | - | - | 3,745,000 | 716,869 |
| 2040-2044 | - | - | 2,545,000 | 125,856 |
| | $ 33,600,000 | $ 8,927,600 | $ 21,130,000 | $ 7,116,209 |

## 5. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended June 30, 2019 is as follows:

| | Transfers In | | | | |
|---|---|---|---|---|---|
| Transfers Out | General Fund | Capital Project Highway Fund | Other Governmental Funds | Internal Service Funds | Total |
| General fund | $ - | $ 5,613,387 | $ 6,663,020 | $ 650,000 | $ 12,926,407 |
| Other governmental funds | 718,501 | - | 500,000 | - | 1,218,501 |
| | $ 718,501 | $ 5,613,387 | $ 7,163,020 | $ 650,000 | $ 14,144,908 |

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside, to the fund in which the resources will be expended. During the year ended June 30, 2019, the most significant transfer was $5,613,387 from the General Fund to the Highway Fund for budgeted capital projects.

## 6. DEFICIT FUND EQUITY

At June 30, 2019, the Workers' Compensation fund (internal service fund) had a deficit of $1,104,523, which will be recovered from future internal charges to the County's other funds.

## 7. POST-EMPLOYMENT BENEFITS

### Post-Employment Health Plans

***Plan Description.*** The Board of Commissioners has adopted the provisions of Section 23-1118 R.R.S 1943, a Nebraska State Statute, which provides any county having a population of more than 150,000 inhabitants the authority to provide retirement benefits to its employees and establish a defined contribution retirement plan.

All eligible employees of Lancaster County have historically been covered under the County's post-employment health plans: Lancaster County Nebraska CB PEHP and Lancaster County Nebraska Non-CB PEHP, as administered by Nationwide Retirement Solutions (Nationwide). During fiscal 2013, the County adopted a resolution to transition from Nationwide Retirement Solutions to another provider, International City Management Association Retirement Corporation (ICMA-RC) for certain eligible employees as described below. In connection therewith, a new trust was created for the Lancaster County Post-Employment Health Plan, which provides for the County to act as trustee and administrator for the plan. This trust covers benefits for eligible employees not within a bargaining unit, and eligible employees within certain bargaining units that elected to participate the ICMA-RC plan. Eligible employees under certain other bargaining units are still covered by the plans administered by Nationwide Retirement Solutions described above.

Due to the ongoing managerial responsibility of the County for the ICMA-RC trust, the trust qualifies as an employee benefit trust fund, and is reported as a fiduciary fund of the County. The plan and trust administered by Nationwide Retirement Solutions does not qualify as an employee benefit trust fund, and therefore is not reported within the County's financial statements.

At June 30, 2019, membership in the plans totaled 1,101 for the ICMA-RC plan and 822 for the Nationwide plan (includes active members, plus retirees receiving benefits).

*Funding Policy.* The County sets aside $25 per pay period for each eligible employee. Employees are not required to contribute to the plans. Contributions to these post-employment health plans by the County on behalf of the participating employees amounted to $399,560 for the year ended June 30, 2019.

### Defined Contribution Retirement Pension Plan

The Lancaster County, Nebraska Employees Retirement Plan is a single-employer defined contribution plan administered by the County. The Plan does not issue a stand-alone audited financial report.

Summary of Significant Accounting Policies and Plan Asset Matters

*Basis of Accounting.* The Plan's financial statements (as reported in the Pension Trust Fund) are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which the contributions are due and payable in accordance with the terms of the Plan. Benefits are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Investments are reported at fair value based on quoted market prices. Investments that do not have an established market are reported at their estimated fair value.

## 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description and Contribution Information

*Plan Description.* The Plan is intended to qualify as a money purchase pension plan under Code Section 401(a). The pension program operates in compliance with all state and federal statutes, particularly Nebraska State Statute 30-3209. The County's pension funds are invested according to a plan developed and reviewed annually by the County. The plan defines the purposes of the assets, identifies the parties responsible for managing the investment process, establishes both broad and specific written guidelines for the investment of fund's assets and establishes criteria to monitor and evaluate the performance of the investment managers. For additional information on the plan's investments, see Note 2.

The plan automatically covers substantially all permanent employees who have attained age 25 and completed one year of continuous service. Upon attaining age 21 and after completing six months of continuous service, employees may voluntarily enter the plan. The employee has the choice of whether or not to participate in the plan if the employee has attained age 55 prior to the date of employment. As of June 30, 2019, membership totaled 1,167.

*Funding Policy.* For all participants employed by the County prior to July 1, 2012, the County is required to contribute 150% of each participant's mandatory contribution. The participant's mandatory contribution is 5.2% of the participant's salary. Effective July 1, 2012, the County's required contribution for participants covered by a collective bargaining agreement and who were hired on or after July 1, 2012 shall be determined in accordance with the applicable collective bargaining agreement. The County's required contribution for participants who are not covered by a collective bargaining agreement and who were hired on or after December 25, 2014 is 100% of each participant's mandatory contribution. The combined participant and County contributions may not exceed 16% of earned income.

The employees' and employer's contributions are maintained in separate accounts. The employee account is always fully vested. The employer account vests at 20% per year for year three through seven in the plans. Several different payment options, based upon the full accumulated value of participant contributions and the vested portion of employer contributions, are available to the participant upon death, disability, early retirement at age 50, or normal retirement at age 55, with ten consecutive years of participation in the plans.

Employer and plan member contributions are recognized in the period that the contributions are due. Total employer contributions were $3,910,000 and total employee contributions were $2,981,918 for the year ended June 30, 2019.

The following table provides condensed financial statements for both the post-employment health and pension trust:

| | Pension Trust | Postemployment Health Trust | Total |
|---|---|---|---|
| Total Assets | $ 154,459,520 | $ 8,744,700 | $ 163,204,220 |
| Net Position | 154,459,520 | 8,744,700 | 163,204,220 |
| | | | |
| Additions | $ 14,747,257 | $ 780,122 | $ 15,527,379 |
| Deductoins | 8,292,645 | 541,759 | 8,834,404 |
| Change in net position | 6,454,612 | 238,363 | 6,692,975 |
| Beginning net position | 148,004,908 | 8,506,337 | 156,511,245 |
| Ending net position | $ 154,459,520 | $ 8,744,700 | $ 163,204,220 |

## 8. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts: theft of, damage to, or destruction of assets; errors or omissions; injuries to employees, and natural disasters. These risks of loss are covered by various commercial insurance policies (with various deductibles) with the exception of workers' compensation, general liability and group health insurance.

*Workers' Compensation and General Liability.* The County has established the Workers' Compensation Loss Fund and Other Self-Insurance Loss Fund (internal service funds) to account for and finance a portion of its uninsured risks of loss. The County is self-insured up to $900,000 per occurrence for workers' compensation risks and up to $250,000 per occurrence for general liability risks. The self-insurance programs are administered by the Workers' Compensation and Risk Management Manager. Commercial insurance covers the excess of the self-insured amount to a maximum of $2,000,000 for employers' liability and $5,000,000 for general liability.

The County utilizes the services of an actuary to prepare an analysis of the self-insured workers' compensation and general liability risks. The analysis is used to assist the County with its financial planning, budgeting and management of the self-insurance programs.

The programs are funded on a cash basis with annual premiums charged to all governmental fund types, except Lancaster Manor Fund, based on past experience of incurred losses and remitted to the Workers' Compensation Loss and Self-Insurance Funds. Settled claims have not exceeded commercial coverage for the last three years.

*Health.* The County has established the Group Insurance Fund (internal service fund) to account for and finance a portion of its uninsured risk of loss. Health, prescription and dental benefits are provided through a self-funded program to County employees and all eligible dependents. The County is self-insured up to $200,000 per individual claim.

Changes in the claims liabilities during the past two years are as follows:

| | Workers' Compensation | Other Self Insurance Loss | Group Insurance | Total |
|---|---|---|---|---|
| Liability-June 30, 2017 | $ 1,368,324 | $ 453,245 | $ 554,000 | $ 2,375,569 |
| Claims incurred | 543,577 | 275,543 | 10,190,251 | 11,009,371 |
| Claims payments & adjustments | 695,937 | 327,799 | 9,794,251 | 10,817,987 |
| Liability-June 30, 2018 | 1,215,964 | 400,989 | 950,000 | 2,566,953 |
| Claims incurred | 615,356 | 322,542 | 12,662,532 | 13,600,430 |
| Claims payments & adjustments | 763,163 | 116,266 | 12,662,532 | 13,541,961 |
| Liability-June 30, 2019 | $ 1,068,157 | $ 607,265 | $ 950,000 | $ 2,625,422 |

## 9. COMMITMENTS AND CONTINGENT LIABILITIES

*Litigation.* Several claims were filed against the County relating to several wrongful death lawsuits, injuries, and medical expenses. In management's opinion, it is premature at this time to determine the likelihood of an unfavorable outcome or the range of potential loss on these claims.

*Construction Commitments and Encumbrances.* The County had outstanding purchase orders at June 30, 2019 that represented agreements to purchase goods and services. The balances by fund were as follows:

| | |
|---|---|
| General Fund | $ 149,729 |
| Highway Fund | 9,746,672 |
| Nonmajor Governmental Funds | 3,329,432 |
| Total | $ 13,225,833 |

## 10. CONDUIT DEBT

From time to time, the County has issued industrial development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private- sector entity served by the bond issuance. The County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2019, 14 series of bonds were outstanding, with an aggregate principal amount payable in the amount of $145,286,014

## 11. GASB 77 TAX ABATEMENTS

GASB 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or citizens of those governments.

During the year ended June 30, 2019, the County property tax revenues were reduced by $1,369,860 due to agreements entered into by the City of Lincoln relating to tax incremental financing of areas considered blighted. In addition, County property tax revenues were reduced by $40,536 due to agreements entered into by the Cities of Waverly and Hickman relating to tax incremental financing areas considered blighted.

The County disclosed all known tax abatements.

## 12. PENDING GOVERNMENTAL ACCOUNTING STANDARDS

GASB Statement No. 84, *Fiduciary Activities,* improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when demands for resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. The provisions of this statement are effective for financial statements for the County's fiscal year ending June 30, 2020.

GASB Statement No. 87, *Leases,* improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the County's fiscal year ending June 30, 2021

GASB Statement No. 90, Major Equity Interests, improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this statement are effective for financial statements for the County's year ending June 30, 2020.

GASB Statement No. 91 Conduit Debt Obligations, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. It clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. Provisions of this statement are effective for financial statements for the County's year ending June 30, 2022.

The County's management has not yet determined the effect these Statements will have on the County's financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***

**LANCASTER COUNTY, NEBRASKA**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budget Basis
General Fund
Year Ended June 30, 2019

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts Budgetary Basis | Variance with Final Budget Over/ (Under) |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Taxes | $ 86,950,378 | $ 86,950,378 | $ 83,107,881 | $ (3,842,497) |
| Charges for services | 14,521,317 | 14,521,317 | 14,385,540 | (135,777) |
| Federal revenue | 2,011,413 | 2,011,413 | 2,027,880 | 16,467 |
| State revenues | 3,777,625 | 3,777,625 | 7,980,594 | 4,202,969 |
| License, fees, and rental income | 58,838 | 58,838 | 54,000 | (4,838) |
| Interest income | 1,000,050 | 1,000,050 | 1,238,505 | 238,455 |
| Intergovernmental | 865,542 | 865,542 | 865,542 | - |
| Other income | 104,821 | 104,821 | 230,509 | 125,688 |
| Total revenues | 109,289,984 | 109,289,984 | 109,890,451 | 600,467 |
| **Expenditures:** | | | | |
| General Government | | | | |
| Board of Commissioners | 309,991 | 309,991 | 302,627 | 7,364 |
| County Clerk | 1,245,470 | 1,285,565 | 1,275,640 | 9,925 |
| County Treasurer | 3,594,846 | 3,594,846 | 3,410,083 | 184,763 |
| Assessor/Register of Deeds | 4,368,693 | 4,398,693 | 4,331,368 | 67,325 |
| ROD Technology | 330,843 | 330,843 | 150,455 | 180,388 |
| Election Commissioner | 1,569,533 | 1,569,533 | 1,507,358 | 62,175 |
| Information Services | 984,508 | 984,508 | 748,899 | 235,609 |
| Budget & Fiscal | 402,309 | 402,309 | 384,010 | 18,299 |
| General Government Miscellaneous | 4,008,605 | 2,898,764 | 1,965,498 | 933,266 |
| Administrative Services | 411,052 | 419,052 | 415,938 | 3,114 |
| Board of Equalization | 313,270 | 313,270 | 279,309 | 33,961 |
| Extension Service | 1,017,942 | 1,017,942 | 980,902 | 37,040 |
| Records & Information Management | 674,162 | 674,162 | 654,666 | 19,496 |
| Total general government | 19,231,224 | 18,199,478 | 16,406,753 | 1,792,725 |
| Public Safety | | | | |
| Clerk of District Court | 1,899,678 | 1,899,678 | 1,878,724 | 20,954 |
| County Court | 1,196,514 | 1,351,514 | 1,351,221 | 293 |
| Juvenile Court | 2,031,960 | 2,031,960 | 1,863,507 | 168,453 |
| District Court | 2,901,202 | 2,901,202 | 2,824,284 | 76,918 |
| Public Defender | 4,583,198 | 4,663,198 | 4,663,019 | 179 |
| Jury Commissioner | 410,809 | 410,809 | 388,711 | 22,098 |
| Justice System Miscellaneous | 2,478,873 | 2,478,873 | 2,019,565 | 459,308 |
| County Sheriff | 12,735,281 | 13,022,556 | 12,898,876 | 123,680 |
| County Attorney | 8,302,006 | 8,408,577 | 8,315,131 | 93,446 |
| Corrections | 24,726,020 | 25,101,020 | 25,100,457 | 563 |
| Juvenile Probation | 328,106 | 328,106 | 324,273 | 3,833 |
| Adult Probation | 573,750 | 573,750 | 550,627 | 23,123 |
| Community Corrections | 3,391,020 | 3,391,020 | 3,174,471 | 216,549 |
| Youth Services Center | 5,525,017 | 5,525,017 | 5,251,043 | 273,974 |
| Emergency Management | 564,297 | 564,297 | 514,816 | 49,481 |
| Mental Health Board | 148,467 | 160,467 | 155,271 | 5,196 |
| Total public safety | 71,796,198 | 72,812,044 | 71,273,996 | 1,538,048 |
| Public Works | | | | |
| County Engineer | 4,178,107 | 4,178,107 | 3,888,939 | 289,168 |
| Total public works | 4,178,107 | 4,178,107 | 3,888,939 | 289,168 |
| Public Health and Social Services | | | | |
| General Assistance | 1,884,500 | 1,884,500 | 1,502,624 | 381,876 |
| Veterans & General Assistance Admin | 779,926 | 795,826 | 791,505 | 4,321 |
| Health & Human Services | 5,001,238 | 5,001,238 | 4,919,150 | 82,088 |
| Human Services | 656,980 | 656,980 | 638,488 | 18,492 |
| Total public health and human services | 8,322,644 | 8,338,544 | 7,851,767 | 486,777 |
| Total expenditures | 103,528,173 | 103,528,173 | 99,421,455 | 4,106,718 |
| Revenue over expenditures | 5,761,811 | 5,761,811 | 10,468,996 | 4,707,185 |
| **Other financing sources (uses):** | | | | |
| Proceeds from sale of capital assets | 407,500 | 407,500 | 431,599 | 24,099 |
| Transfers In | 866,440 | 866,440 | 670,704 | (195,736) |
| Transfers out | (12,604,261) | (12,604,261) | (12,926,407) | (322,146) |
| Total other financing sources (uses) | (11,330,321) | (11,330,321) | (11,824,104) | (493,783) |
| Net change in fund balance | $ (5,568,510) | $ (5,568,510) | (1,355,108) | $ 4,213,402 |
| **Fund balance at beginning of year** | | | 11,758,510 | |
| Encumbrance Credit | | | 1,599 | |
| **Fund balance at end of year** | | | $ 10,405,001 | |
| **Explanation of difference between budgetary and GAAP:** | | | | |
| Net change in fund balance, budgetary basis | | | $ (1,355,108) | |
| Separately budgeted general fund subfunds: | | | | |
| Veterans Aid fund | | | (7,570) | |
| Revenue accruals | | | 2,499,438 | |
| Expenditure accruals | | | (256,917) | |
| Current year encumbrances | | | 149,729 | |
| Net change in fund balance, GAAP basis | | | 1,029,572 | |
| Fund balance, beginning of year, GAAP basis | | | 35,967,929 | |
| Fund balance, end of year, GAAP basis | | | $ 36,997,501 | |

**LANCASTER COUNTY, NEBRASKA**

NOTES TO BUDGETARY COMPARISON SCHEDULES

Year Ended June 30, 2019

## NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing budgetary data reflected in the required supplemental information and required supplementary information in accordance with the statutory requirements of the Nebraska Budget Act:

On or before August 1, the County Board of Commissioners prepares and transmits a budget for each County fund showing the projected requirements, outstanding warrants, operating reserve, cash on hand at the close of the preceding fiscal year, projected revenue collected from sources other than property tax and account to be raised by property taxation. The budget is prepared on a modified cash basis of accounting, which includes cash receipts and disbursements, modified for encumbrances. Encumbrances are also reflected as expenditures for budgetary purposes. At least one public hearing must be held by the County Board.

On or before September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the County Board of Commissioners adopts the budget, as revised, is 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.

## NOTE B - BASIS OF ACCOUNTING

Revenues and expenditures are not presented on a basis consistent with generally accepted accounting principles (GAAP) and are instead presented on a budgetary basis of accounting. The revenues and expenditures differ from revenues and expenditures presented in accordance with GAAP because of the different treatment of encumbrances and accruals (revenue recognition). All unexpended, unencumbered appropriations will lapse at the end of the budget year.

## NOTE C - BUDGET LAW

The County is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

*SUPPLEMENTARY INFORMATION*

**Lancaster County, Nebraska**
Combining Balance Sheet
General Fund
June 30, 2019

| | General Fund | Veterans Aid Fund | Total General |
|---|---|---|---|
| **Assets:** | | | |
| Cash, including investments | $ 14,524,118 | $ 5,838 | $ 14,529,956 |
| Taxes receivable | 27,370,482 | - | 27,370,482 |
| Due from other governmental agencies | 1,716,638 | - | 1,716,638 |
| Accounts receivable | 827,292 | - | 827,292 |
| Interest receivable | 83,824 | - | 83,824 |
| Total assets | $ 44,522,354 | $ 5,838 | $ 44,528,192 |
| **Liabilities:** | | | |
| Accounts payable | $ 3,263,183 | $ - | $ 3,263,183 |
| Accrued salaries | 2,387,191 | - | 2,387,191 |
| Total liabilities | 5,650,374 | - | 5,650,374 |
| **Deferred inflows of resources:** | | | |
| Unavailable revenue - property taxes | 1,880,317 | - | 1,880,317 |
| Total deferred inflows of resources | 1,880,317 | - | 1,880,317 |
| **Fund balances:** | | | |
| Committed for: | | | |
| Public safety | 38,580 | - | 38,580 |
| Public works | 28,089 | - | 28,089 |
| General government | 83,060 | - | 83,060 |
| Restricted for: | | | |
| Veterans aid | - | 5,838 | 5,838 |
| Unassigned | 36,841,933 | - | 36,841,934 |
| Total fund balances | 36,991,663 | 5,838 | 36,997,501 |
| Total liabilities, deferred inflows of resources and fund balances | $ 44,522,354 | $ 5,838 | $ 44,528,192 |

**LANCASTER COUNTY, NEBRASKA**

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

General Fund

Year Ended June 30, 2019

| | General Fund | Veterans Aid Fund | Total General |
|---|---|---|---|
| **Revenues:** | | | |
| Taxes | $ 85,734,484 | $ - | $ 85,734,484 |
| Charges for services | 14,321,346 | - | 14,321,346 |
| Intergovernmental | 11,192,268 | - | 11,192,268 |
| License, fees, and rental income | 54,000 | - | 54,000 |
| Interest income | 1,271,392 | - | 1,271,392 |
| Other income | 239,353 | - | 239,353 |
| Total revenues | 112,812,843 | - | 112,812,843 |
| **Expenditures:** | | | |
| Current: | | | |
| General government | 15,834,630 | - | 15,834,630 |
| Public safety | 69,352,278 | - | 69,352,278 |
| Public works | 3,859,421 | - | 3,859,421 |
| Public health & human services | 7,920,342 | 7,570 | 7,927,912 |
| Capital outlay | 952,604 | - | 952,604 |
| Debt service: | | | |
| Principal | 1,426,500 | - | 1,426,500 |
| Interest | 653,619 | - | 653,619 |
| Total expenditures | 99,999,394 | 7,570 | 100,006,964 |
| Excess of revenues over (under) expenditures | 12,813,449 | (7,570) | 12,805,879 |
| **Other financing sources (uses):** | | | |
| Sale of capital assets | 431,599 | - | 431,599 |
| Transfers in | 718,501 | - | 718,501 |
| Transfers out | (12,926,407) | - | (12,926,407) |
| | (11,776,307) | - | (11,776,307) |
| Net change in fund balances | 1,037,142 | (7,570) | 1,029,572 |
| **Fund balances at beginning of year** | 35,954,521 | 13,408 | 35,967,929 |
| **Fund balances at end of year** | $ 36,991,663 | $ 5,838 | $ 36,997,501 |

**Lancaster County, Nebraska**
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| | Special Revenue Funds | | | | | | | | Special Revenue Funds |
|---|---|---|---|---|---|---|---|---|---|
| | Visitors Improvement | County Visitors Promotion | County Rural Library | Federal Grants | Keno | Economic Development | Mental Health | Weed Control | Building |
| **Assets:** | | | | | | | | | |
| Cash, including investments | $ 650,090 | $ 883,510 | $ 395,316 | $ 3,794,604 | $ 3,590,124 | $ 410,851 | $ 273,291 | $ 98,638 | $ 1,039,787 |
| Taxes receivable | - | - | 296,008 | - | - | - | - | - | 197,072 |
| Due from other government agencies | 387,513 | 387,512 | 3,320 | 498,269 | - | - | 48,428 | - | 2,553 |
| Accounts receivable | - | - | - | 5,588 | 107,254 | - | - | - | - |
| Interest receivable | - | - | - | 1,751 | - | 1,818 | - | - | - |
| Patient and insurance receivables, net of allowance for doubtful accounts of $548,458 | - | - | - | - | - | - | 140,828 | - | - |
| Total assets | $ 1,037,603 | $ 1,271,022 | $ 694,644 | $ 4,300,212 | $ 3,697,378 | $ 412,669 | $ 462,547 | $ 98,638 | $ 1,239,412 |
| **Laibilities:** | | | | | | | | | |
| Accounts payable | $ 5,025 | $ - | $ 385,000 | $ 321,987 | $ 35,191 | $ - | $ 62,150 | $ 13,562 | $ 209,252 |
| Accrued salaries | - | - | - | - | - | - | 97,085 | 15,625 | - |
| Total liabilities | $ 5,025 | $ - | $ 385,000 | $ 321,987 | $ 35,191 | $ - | $ 159,235 | $ 29,187 | $ 209,252 |
| **Deferred inflows of resources:** | | | | | | | | | |
| Unavailable revenue - property taxes | - | - | 28,157 | - | - | - | - | - | 18,348 |
| Total deferred inflows of resources | $ - | $ - | $ 28,157 | $ - | $ - | $ - | $ - | $ - | $ 18,348 |
| **Restricted for:** | | | | | | | | | |
| Visitor improvement | $ 1,032,578 | $ 1,271,022 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Rural library services | - | - | 281,487 | - | - | - | - | - | - |
| Building, land, and road maintenance | - | - | - | - | - | - | - | 69,451 | 1,011,812 |
| Fleet management | - | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - | - |
| Drug education | - | - | - | 3,705,052 | - | - | - | - | - |
| Economic development | - | - | - | - | - | 412,669 | - | - | - |
| Justice reinvesment | - | - | - | 74,400 | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Minor equipment | - | - | - | - | - | - | - | - | - |
| Emergency management | - | - | - | 198,773 | - | - | - | - | - |
| Public health and human services | - | - | - | - | - | - | 303,312 | - | - |
| **Committed for:** | | | | | | | | | |
| Community betterment | - | - | - | - | 3,662,187 | - | - | - | - |
| Building maintenance | - | - | - | - | - | - | - | - | - |
| Law enforcement equipment | - | - | - | - | - | - | - | - | - |
| **Assigned for:** | | | | | | | | | |
| Building, land and road maintenance | - | - | - | - | - | - | - | - | - |
| Total fund balances | 1,032,578 | 1,271,022 | 281,487 | 3,978,225 | 3,662,187 | 412,669 | 303,312 | 69,451 | 1,011,812 |
| Total liabilities, deferred outflows of resources, and fund balances | $ 1,037,603 | $ 1,271,022 | $ 694,644 | $ 4,300,212 | $ 3,697,378 | $ 412,669 | $ 462,547 | $ 98,638 | $ 1,239,412 |

**Lancaster County, Nebraska**
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| | Special Revenue Funds | | | Debt Service Fund | Capital Project Funds | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fleet | County Property Mgmt | City Building Maintenance | Correctional Facility Joint Public Agency | Law Enf Equipment | Sinking Fund | Bridge and Special Road | Jail Savings | Total Nonmajor Governmental Funds |
| **Assets:** | | | | | | | | | |
| Cash, including investments | $ 46,421 | $ 16,615 | $ 293,217 | $ 2,738,920 | $ 257,585 | $ 425,000 | $ 6,566,234 | $ 604,028 | $ 22,084,231 |
| Taxes receivable | - | - | - | 1,705,206 | - | - | - | - | 2,198,286 |
| Due from other government agencies | - | 135,607 | - | 22,252 | - | - | - | - | 1,485,454 |
| Accounts receivable | - | 186,796 | - | - | - | - | 42,366 | - | 342,004 |
| Interest receivable | - | - | - | 1,420 | - | - | 3,074 | - | 8,063 |
| Patient and insurance receivables, net of allowance for doubtful accounts of $548,458 | - | - | - | - | - | - | - | - | 140,828 |
| Total assets | $ 46,421 | $ 339,018 | $ 293,217 | $ 4,467,798 | $ 257,585 | $ 425,000 | $ 6,611,674 | $ 604,028 | $ 26,258,866 |
| **Laibilities:** | | | | | | | | | |
| Accounts payable | $ 1,978 | $ 28,000 | $ 3,885 | $ - | $ 5,588 | $ - | $ 213,346 | $ - | $ 1,284,964 |
| Accrued salaries | - | 142,152 | - | - | - | - | 94,208 | - | 349,070 |
| Total liabilities | $ 1,978 | $ 170,152 | $ 3,885 | $ - | $ 5,588 | $ - | $ 307,554 | $ - | $ 1,634,034 |
| **Deferred inflows of resources:** | | | | | | | | | |
| Unavailable revenue - property taxes | - | - | - | 111,752 | - | - | - | - | 158,257 |
| Total deferred inflows of resources | $ - | $ - | $ - | $ 111,752 | $ - | $ - | $ - | $ - | $ 158,257 |
| **Restricted for:** | | | | | | | | | |
| Visitor improvement | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,303,600 |
| Rural library services | - | - | - | - | - | - | - | - | 281,487 |
| Building, land, and road maintenance | - | - | - | - | - | - | 2,974,688 | - | 4,055,951 |
| Fleet management | 44,443 | - | - | - | - | - | - | - | 44,443 |
| Capital projects | - | - | - | - | - | 425,000 | - | - | 425,000 |
| Drug education | - | - | - | - | - | - | - | - | 3,705,052 |
| Economic development | - | - | - | - | - | - | - | - | 412,669 |
| Justice reinvesment | - | - | - | - | - | - | - | - | 74,400 |
| Debt service | - | - | - | 4,356,046 | - | - | - | - | 4,356,046 |
| Minor equipment | - | - | - | - | - | - | - | 604,028 | 604,028 |
| Emergency management | - | - | - | - | - | - | - | - | 198,773 |
| Public health and human services | - | - | - | - | - | - | - | - | 303,312 |
| **Committed for:** | | | | | | | | | |
| Community betterment | - | - | - | - | - | - | - | - | 3,662,187 |
| Building maintenance | - | 168,866 | 289,332 | - | - | - | - | - | 458,198 |
| Law enforcement equipment | - | - | - | - | 251,997 | - | - | - | 251,997 |
| **Assigned for:** | | | | | | | | | |
| Building, land and road maintenance | - | - | - | - | - | - | 3,329,432 | - | 3,329,432 |
| Total fund balances | 44,443 | 168,866 | 289,332 | 4,356,046 | 251,997 | 425,000 | 6,304,120 | 604,028 | 24,466,575 |
| Total liabilities, deferred outflows of resources, and fund balances | $ 46,421 | $ 339,018 | $ 293,217 | $ 4,467,798 | $ 257,585 | $ 425,000 | $ 6,611,674 | $ 604,028 | $ 26,258,866 |

**Lancaster County, Nebraska**
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Govermental Funds
Year Ended June 30, 2019

| | Special Revenue Funds | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Visitors Improvement | County Visitors Promotion | County Rural Library | Federal Grants | Keno | Economic Development | Mental Health | Weed Control | Building |
| **Revenues:** | | | | | | | | | |
| Taxes | $ 1,750,210 | $ 1,750,209 | $ 731,384 | $ 11,527 | $ - | $ - | $ - | $ 35,055 | $ 478,216 |
| Charges for services | - | - | - | - | - | - | 335,730 | 25,751 | - |
| Intergovernmental | - | - | 60,096 | 2,358,336 | - | - | 1,372,218 | 156,807 | 37,238 |
| Medicaid/Medicare/MRO reimbursements | - | - | - | - | - | - | 486,876 | - | - |
| License, fees, and rental income | - | - | - | - | - | - | - | - | 111,911 |
| Interest income | - | - | - | 35,748 | - | 9,053 | - | - | - |
| Other Income | - | - | - | 1,492,941 | 1,321,475 | 14,289 | 2,894 | 492 | - |
| Total revenues | 1,750,210 | 1,750,209 | 791,480 | 3,898,552 | 1,321,475 | 23,342 | 2,197,718 | 218,105 | 627,365 |
| **Expenditures:** | | | | | | | | | |
| General Government | - | - | - | - | 65,590 | 367 | - | - | 72,512 |
| Public safety | - | - | - | 2,242,226 | - | - | - | - | 156,585 |
| Public works | - | - | - | - | - | - | - | 389,337 | - |
| Public health and human services | - | - | - | 318,464 | - | - | 3,142,440 | - | - |
| Culture and recreation | 3,155,138 | 1,850,000 | 800,205 | - | - | - | - | - | - |
| Capital outlays | - | - | - | 177,244 | - | - | - | 1,195 | 785,660 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | - | - | - | 86,000 | - | - |
| Interest | - | - | - | - | - | - | 94,575 | - | - |
| Total expenditures | 3,155,138 | 1,850,000 | 800,205 | 2,737,934 | 65,590 | 367 | 3,323,015 | 390,532 | 1,014,757 |
| Excess of revenues over (under) expenditures | (1,404,928) | (99,791) | (8,725) | 1,160,618 | 1,255,885 | 22,975 | (1,125,297) | (172,427) | (387,392) |
| **Other financing sources (uses):** | | | | | | | | | |
| Transfers in | - | - | - | 22,146 | - | - | 1,250,000 | 156,807 | - |
| Transfers out | - | - | - | (588,501) | (630,000) | - | - | - | - |
| Total other financing sources (uses) | - | - | - | (566,355) | (630,000) | - | 1,250,000 | 156,807 | - |
| Net change in fund balances | (1,404,928) | (99,791) | (8,725) | 594,263 | 625,885 | 22,975 | 124,703 | (15,620) | (387,392) |
| **Fund balance at beginning of year** | 2,437,506 | 1,370,813 | 290,212 | 3,383,962 | 3,036,302 | 389,694 | 178,609 | 85,071 | 1,399,204 |
| **Fund balance at end of year** | $ 1,032,578 | $ 1,271,022 | $ 281,487 | $ 3,978,225 | $ 3,662,187 | $ 412,669 | $ 303,312 | $ 69,451 | $ 1,011,812 |

**Lancaster County, Nebraska**
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Govermental Funds
Year Ended June 30, 2019

| | Special Revenue Funds | | | Debt Service Fund | Capital Project Funds | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fleet | County Property Mgmt | City Building Maintenance | Correctional Facility Joint Public Agency | Law Enf Equipment | Sinking Fund | Bridge and Special Road | Jail Savings | Total Nonmajor Governmental Funds |
| **Revenues:** | | | | | | | | | |
| Taxes | $ - | $ - | $ - | $ 3,963,478 | $ - | $ - | $ - | $ - | $ 8,720,079 |
| Charges for services | 2,518 | 3,450,681 | 601,412 | - | 69,430 | - | 428,417 | - | 4,913,939 |
| Intergovernmental | - | - | - | 319,580 | - | - | 542,170 | - | 4,846,445 |
| Medicaid/Medicare/MRO reimbursements | - | - | - | - | - | - | - | - | 486,876 |
| License, fees, and rental income | - | 797,798 | - | - | - | - | - | - | 909,709 |
| Interest income | - | - | - | 26,589 | - | - | 61,019 | - | 132,409 |
| Other Income | 5,153 | 2,262 | 175 | - | 232,803 | - | - | - | 3,072,484 |
| Total revenues | 7,671 | 4,250,741 | 601,587 | 4,309,647 | 302,233 | - | 1,031,606 | - | 23,081,941 |
| **Expenditures:** | | | | | | | | | |
| General Government | 4,851 | 4,175,899 | 291,153 | - | - | - | - | - | 4,610,372 |
| Public safety | - | - | - | - | 50,236 | - | - | - | 2,449,047 |
| Public works | - | - | - | - | - | - | 3,920,462 | - | 4,309,799 |
| Public health and human services | - | - | - | - | - | - | - | - | 3,460,904 |
| Culture and recreation | - | - | - | - | - | - | - | - | 5,805,343 |
| Capital outlays | 33,377 | 1,131 | 21,102 | - | - | - | 3,254,446 | - | 4,274,155 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | 2,675,000 | - | - | - | - | 2,761,000 |
| Interest | - | - | - | 1,689,076 | - | - | - | - | 1,783,651 |
| Total expenditures | 38,228 | 4,177,030 | 312,255 | 4,364,076 | 50,236 | - | 7,174,908 | - | 29,454,271 |
| Excess of revenues over (under) expenditures | (30,557) | 73,711 | 289,332 | (54,429) | 251,997 | - | (6,143,302) | - | (6,372,330) |
| **Other financing sources (uses):** | | | | | | | | | |
| Transfers in | 75,000 | - | - | - | - | 425,000 | 5,234,067 | - | 7,163,020 |
| Transfers out | - | - | - | - | - | - | - | - | (1,218,501) |
| Total other financing sources (uses) | 75,000 | - | - | - | - | 425,000 | 5,234,067 | - | 5,944,519 |
| Net change in fund balances | 44,443 | 73,711 | 289,332 | (54,429) | 251,997 | 425,000 | (909,235) | - | (427,811) |
| **Fund balance at beginning of year** | - | 95,155 | - | 4,410,475 | - | - | 7,213,355 | 604,028 | 24,894,386 |
| **Fund balance at end of year** | $ 44,443 | $ 168,866 | $ 289,332 | $ 4,356,046 | $ 251,997 | $ 425,000 | $ 6,304,120 | $ 604,028 | $ 24,466,575 |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Visitors Improvement Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ 1,850,000 | $ 1,850,000 | $ 1,708,402 | $ (141,598) |
| Total revenues | 1,850,000 | 1,850,000 | 1,708,402 | (141,598) |
| **Expenditures:** | | | | |
| Other contracted services | 4,138,660 | 4,138,660 | 3,346,971 | 791,689 |
| Total expenditures | 4,138,660 | 4,138,660 | 3,346,971 | 791,689 |
| Net change in fund balance | $ (2,288,660) | $ (2,288,660) | (1,638,569) | $ 650,091 |
| **Fund balance at beginning of year** | | | 2,288,660 | |
| **Fund balance at end of year** | | | $ 650,091 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Budget Basis

Visitors Promotion Fund

Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ 1,850,000 | $ 1,850,000 | $ 1,708,402 | $ (141,598) |
| Total revenues | 1,850,000 | 1,850,000 | 1,708,402 | (141,598) |
| **Expenditures:** | | | | |
| Other contracted services | 1,850,000 | 1,850,000 | 1,850,000 | - |
| Misc. fees & services | 1,025,107 | 1,025,107 | - | 1,025,107 |
| Total expenditures | 2,875,107 | 2,875,107 | 1,850,000 | 1,025,107 |
| Net change in fund balance | $ (1,025,107) | $ (1,025,107) | (141,598) | $ 883,509 |

| | |
|---|---|
| **Fund balance at beginning of year** | 1,025,107 |
| **Fund balance at end of year** | $ 883,509 |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
County Rural Library Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary | Variance with |
|---|---|---|---|---|
| | Original | Final | Basis | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 792,724 | $ 792,724 | $ 705,333 | $ (87,391) |
| State revenues | 3,000 | 3,000 | 59,997 | 56,997 |
| Intergovernmental | - | - | 5 | 5 |
| Total revenues | 795,724 | 795,724 | 765,335 | (30,389) |
| **Expenditures:** | | | | |
| City/County shared | 830,410 | 830,410 | 800,205 | 30,205 |
| Misc. fees & services | 500 | 500 | - | 500 |
| Total expenditures | 830,910 | 830,910 | 800,205 | 30,705 |
| Net change in fund balance | $ (35,186) | $ (35,186) | (34,870) | $ 316 |
| **Fund balance at beginning of year** | | | 45,186 | |
| **Fund balance at end of year** | | | $ 10,316 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Budget Basis

Federal Grants Fund

Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ - | $ - | $ 11,527 | $ 11,527 |
| Federal receipts | 3,293,948 | 3,293,948 | 1,173,485 | (2,120,463) |
| State revenues | 1,626,337 | 1,626,337 | 1,173,063 | (453,274) |
| Interest on investments | - | - | 35,156 | 35,156 |
| Other receipts | 32,263 | 32,263 | 1,504,592 | 1,472,329 |
| Total revenues | 4,952,548 | 4,952,548 | 3,897,823 | (1,054,725) |
| **Expenditures:** | | | | |
| Office supplies | 45 | 45 | 4,487 | (4,442) |
| Operating supplies | 998,349 | 998,349 | 88,960 | 909,389 |
| Medical supplies | - | - | 450 | (450) |
| Energy supplies | - | - | 596 | (596) |
| Other contracted services | 4,588,923 | 4,588,923 | 1,181,477 | 3,407,446 |
| Not-for-profit contracts | 1,114,379 | 1,114,379 | 868,832 | 245,547 |
| Trans, travel & subsistance | 59,393 | 59,393 | 98,908 | (39,515) |
| Communications | - | - | 1,979 | (1,979) |
| Postage, courier & freight | - | - | 78 | (78) |
| Printing & advertising | - | - | 364 | (364) |
| Misc. fees & services | 108,212 | 108,212 | 390,156 | (281,944) |
| Repair & maintenance costs | - | - | 10,618 | (10,618) |
| Rentals | - | - | 20,131 | (20,131) |
| Equipment | 1,121 | 1,121 | 243,048 | (241,927) |
| Total expenditures | 6,870,422 | 6,870,422 | 2,910,084 | 3,960,338 |
| Revenue over (under) expenditures | (1,917,874) | (1,917,874) | 987,739 | 2,905,613 |
| **Other financing sources (uses):** | | | | |
| Transfers in | - | - | 22,146 | 22,146 |
| Transfers out | (1,176,589) | (1,176,589) | (540,705) | 635,884 |
| Total other financing sources (uses) | (1,176,589) | (1,176,589) | (518,559) | 658,030 |
| Net change in fund balance | $ (3,094,463) | $ (3,094,463) | 469,180 | $ 3,563,643 |
| **Fund balance at beginning of year** | | | 3,094,460 | |
| **Fund balance at end of year** | | | $ 3,563,640 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Budget Basis

Keno Fund

Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Other receipts | $ 1,250,000 | $ 1,250,000 | $ 1,311,792 | $ 61,792 |
| Total revenues | 1,250,000 | 1,250,000 | 1,311,792 | 61,792 |
| **Expenditures:** | | | | |
| Other contracted services | 50,000 | 50,000 | - | 50,000 |
| City/County shared | 2,229,555 | 2,229,555 | - | 2,229,555 |
| Not-for-profit contracts | 60,000 | 60,000 | 62,723 | (2,723) |
| Total expenditures | 2,339,555 | 2,339,555 | 62,723 | 2,276,832 |
| Revenue over (under) expenditures | (1,089,555) | (1,089,555) | 1,249,069 | 2,338,624 |
| **Other financing sources (uses):** | | | | |
| Transfers out | (130,000) | (130,000) | (630,000) | (500,000) |
| Total other financing sources (uses) | (130,000) | (130,000) | (630,000) | (500,000) |
| Net change in fund balance | $ (1,219,555) | $ (1,219,555) | 619,069 | $ 1,838,624 |
| **Fund balance at beginning of year** | | | 2,971,055 | |
| **Fund balance at end of year** | | | $ 3,590,124 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Economic Development Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Interest on investments | $ 5,000 | $ 5,000 | $ 7,235 | $ 2,235 |
| Other receipts | 14,288 | 14,288 | 14,288 | - |
| Total revenues | 19,288 | 19,288 | 21,523 | 2,235 |
| **Expenditures:** | | | | |
| Other contracted services | 20,000 | 20,000 | 366 | 19,634 |
| Misc. fees & services | 388,982 | 388,982 | - | 388,982 |
| Total expenditures | 408,982 | 408,982 | 366 | 408,616 |
| Net change in fund balance | $ (389,694) | $ (389,694) | 21,157 | $ 410,851 |
| **Fund balance at beginning of year** | | | 389,694 | |
| **Fund balance at end of year** | | | $ 410,851 | |

**LANCASTER COUNTY, NEBRASKA**

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
Mental Health Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary | Variance with |
|---|---|---|---|---|
| **Revenues** | **Original** | **Final** | **Basis** | **Final Budget** |
| State revenues | $ 1,263,103 | $ 1,263,103 | $ 1,375,324 | $ 112,221 |
| Medicaid/Medicare/MRO reimbursements | 540,000 | 540,000 | 426,793 | (113,207) |
| County aid | 1,250,000 | 1,250,000 | 1,250,000 | - |
| Property tax | - | - | 5 | 5 |
| Charges for services | 325,000 | 325,000 | 338,373 | 13,373 |
| Other income | 2,500 | 2,500 | 2,450 | (50) |
| Total revenues | 3,380,603 | 3,380,603 | 3,392,945 | 12,342 |
| **Expenditures** | | | | |
| Salaries & wages | 2,014,941 | 2,014,941 | 2,022,055 | (7,114) |
| Employee benefits | 694,666 | 694,666 | 684,677 | 9,989 |
| Contracted services | 83,982 | 83,982 | 68,893 | 15,089 |
| Building use cost | 263,100 | 263,100 | 263,100 | - |
| Client services | 40,000 | 40,000 | 43,643 | (3,643) |
| Contracted medical services | 125,750 | 125,750 | 125,326 | 424 |
| Insurance | 32,385 | 32,385 | 31,470 | 915 |
| Communications | 3,250 | 3,250 | 2,650 | 600 |
| Miscellaneous fees & services | 10,900 | 10,900 | 15,274 | (4,374) |
| Repair & maintenance costs | 500 | 500 | 72 | 428 |
| Energy supplies | 100 | 100 | 55 | 45 |
| Other compensation | 14,320 | 14,320 | 14,320 | - |
| Operating supplies | 7,250 | 7,250 | 4,977 | 2,273 |
| Printing & advertising | 3,750 | 3,750 | 2,840 | 910 |
| Medical supplies | 23,000 | 23,000 | 20,468 | 2,532 |
| Transportation & travel | 2,340 | 2,340 | 2,480 | (140) |
| Postage, courier and freight | 750 | 750 | 533 | 217 |
| Office supplies | 2,000 | 2,000 | 1,919 | 81 |
| Equipment | 6,875 | 6,875 | 7,271 | (396) |
| Total expenditures | 3,329,859 | 3,329,859 | 3,312,023 | 17,836 |
| Net change in fund balance | **$ 50,744** | **$ 50,744** | **80,922** | **$ 30,178** |
| **Fund balance at beginning of year** | | | 49,258 | |
| **Fund balance at end of year** | | | 130,180 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Weed Control Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ 25,000 | $ 25,000 | $ 35,056 | $ 10,056 |
| Charges for services | 40,000 | 40,000 | 25,751 | (14,249) |
| Intergovernmental | 156,807 | 156,807 | 156,807 | - |
| Other receipts | 500 | 500 | 492 | (8) |
| Total revenues | 222,307 | 222,307 | 218,106 | (4,201) |
| **Expenditures:** | | | | |
| Salaries & wages | 219,015 | 219,015 | 218,297 | 718 |
| Employee benefits | 65,716 | 65,716 | 77,878 | (12,162) |
| Other compensation costs | 4,938 | 4,938 | 3,438 | 1,500 |
| Office supplies | 1,250 | 1,250 | 598 | 652 |
| Operating supplies | 2,150 | 2,150 | 1,572 | 578 |
| Energy supplies | 8,000 | 8,000 | 5,479 | 2,521 |
| Other contracted services | 44,244 | 44,244 | 33,246 | 10,998 |
| Transportation, travel & subsistance | 2,575 | 2,575 | 2,176 | 399 |
| Communications | 3,000 | 3,000 | 3,191 | (191) |
| Postage, courier & freight | 6,000 | 6,000 | 4,823 | 1,177 |
| Printing & advertising | 3,500 | 3,500 | 2,251 | 1,249 |
| Miscellaneous fees & services | 36,885 | 36,885 | 26,695 | 10,190 |
| Insurance & surety bonds | 4,788 | 4,788 | 4,916 | (128) |
| Utilities | 950 | 950 | - | 950 |
| Repair & maintenance costs | 5,000 | 5,000 | 4,013 | 987 |
| Equipment | 11,121 | 11,121 | 1,195 | 9,926 |
| Total expenditures | 419,132 | 419,132 | 389,768 | 29,364 |
| Revenue over (under) expenditures | (196,825) | (196,825) | (171,662) | 25,163 |
| **Other financing sources (uses):** | | | | |
| Transfers in | 156,807 | 156,807 | 156,807 | - |
| Total other financing sources (uses) | 156,807 | 156,807 | 156,807 | - |
| Net change in fund balance | $ (40,018) | $ (40,018) | (14,855) | $ 25,163 |
| **Fund balance at beginning of year** | | | 85,018 | |
| **Fund balance at end of year** | | | $ 70,163 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Budget Basis

Building Fund

Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ 525,000 | $ 525,000 | $ 472,124 | $ (52,876) |
| State revenues | 1,300 | 1,300 | 37,448 | 36,148 |
| Licenses, fees, and rental income | 117,502 | 117,502 | 111,911 | (5,591) |
| Intergovernmental | - | - | 44 | 44 |
| Total revenues | 643,802 | 643,802 | 621,527 | (22,275) |
| **Expenditures:** | | | | |
| Supplies | 9,000 | 9,000 | 8,600 | 400 |
| Other contracted services | - | - | 71,832 | (71,832) |
| Repair & maintenance costs | - | - | 985 | (985) |
| Rentals | 147,000 | 147,000 | 147,000 | - |
| Buildings | 1,591,582 | 1,591,582 | 717,177 | 874,405 |
| Improvements other than bldg | - | - | 24,391 | (24,391) |
| Equipment | 216,000 | 216,000 | 2,824 | 213,176 |
| Total expenditures | 1,963,582 | 1,963,582 | 972,809 | 990,773 |
| Net change in fund balance | $ (1,319,780) | $ (1,319,780) | (351,282) | $ 968,498 |
| **Fund balance at beginning of year** | | | 1,319,780 | |
| **Fund balance at end of year** | | | $ 968,498 | |

**Lancaster County, Nebraska**
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Fleet Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget Positive/ (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Charges for services | $ - | $ 50,000 | $ 2,518 | $ (47,482) |
| Other receipts | - | - | 5,153 | 5,153 |
| Total revenues | - | 50,000 | 7,671 | (42,329) |
| **Expenditures:** | | | | |
| Energy supplies | - | 10,000 | 503 | (9,497) |
| Repair & maintenance costs | - | 15,000 | 4,348 | (10,652) |
| Equipment | - | 95,000 | 68,458 | (26,543) |
| Total expenditures | - | 125,000 | 73,308 | (51,692) |
| **Other financing sources (uses):** | | | | |
| Transfers In | - | 75,000 | 75,000 | - |
| Total other financing sources (uses) | - | 75,000 | 75,000 | - |
| Net change in fund balance | $ - | $ - | 9,363 | $ 9,363 |
| **Fund balance at beginning of year** | | | - | |
| **Fund balance at end of year** | | | $ 9,363 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
County Property Management Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary | Variance with |
|---|---|---|---|---|
| | Original | Final | Basis | Final Budget |
| **Revenues:** | | | | |
| Charges for services | $ 3,439,536 | $ 3,439,536 | $ 3,299,539 | $ (139,997) |
| Licenses, fees, and rental income | 800,958 | 800,958 | 797,798 | (3,160) |
| Other receipts | - | - | 2,262 | 2,262 |
| Total revenues | 4,240,494 | 4,240,494 | 4,099,599 | (140,895) |
| **Expenditures:** | | | | |
| Salaries & wages | 2,886,956 | 2,886,956 | 2,640,176 | 246,780 |
| Employee benefits | 1,281,651 | 1,281,651 | 1,115,969 | 165,682 |
| Other compensation costs | 74,514 | 74,514 | 70,552 | 3,962 |
| Operating supplies | 7,050 | 7,050 | 5,330 | 1,720 |
| Medical supplies | 300 | 300 | - | 300 |
| Energy supplies | 3,325 | 3,325 | 3,745 | (420) |
| Traffic control supplies | 500 | 500 | - | 500 |
| Repair & maintenance supplies | 18,400 | 18,400 | 14,042 | 4,358 |
| Other contracted services | 132,646 | 132,646 | 74,726 | 57,920 |
| City/County shared | - | - | 2,032 | (2,032) |
| Communications | 2,105 | 2,105 | 1,943 | 162 |
| Postage, courier & freight | 80 | 80 | 42 | 38 |
| Printing & advertising | 225 | 225 | - | 225 |
| Contracted health services | 600 | 600 | 242 | 358 |
| Miscellaneous fees & services | 750 | 750 | 350 | 400 |
| Insurance & surety bonds | 42,977 | 42,977 | 13,572 | 29,405 |
| Utilities | 225,087 | 225,087 | 212,785 | 12,302 |
| Repair & maintenance costs | 59,560 | 59,560 | 50,843 | 8,717 |
| Rentals | 2,950 | 2,950 | 1,481 | 1,469 |
| Buildings | 3,000 | 3,000 | 558 | 2,442 |
| Improvements other than bldg | 1,000 | 1,000 | - | 1,000 |
| Equipment | 1,500 | 1,500 | 572 | 928 |
| Capitalized contracts | 13,125 | 13,125 | - | 13,125 |
| Total expenditures | 4,758,301 | 4,758,301 | 4,208,960 | 549,341 |
| Net change in fund balance | $ (517,807) | $ (517,807) | (109,361) | $ 408,446 |
| **Fund balance at beginning of year** | | | 517,696 | |
| **Fund balance at end of year** | | | $ 408,335 | |

**Lancaster County, Nebraska**
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
City Building Maintenance Fund
**Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Charges for services | $ 303,500 | $ 303,500 | $ 601,412 | $ 297,912 |
| Other receipts | - | - | 175 | 175 |
| Total revenues | 303,500 | 303,500 | 601,587 | 298,087 |
| **Expenditures:** | | | | |
| Personnel | - | - | 5,804 | (5,804) |
| Operating supplies | 3,000 | 3,000 | 2,154 | 846 |
| Energy supplies | 4,000 | 4,000 | 2,389 | 1,611 |
| Repair & maintenance supplies | 6,000 | 6,000 | 4,001 | 1,999 |
| Other contracted services | 272,000 | 272,000 | 218,565 | 53,435 |
| City/County shared | 3,000 | 3,000 | 1,255 | 1,745 |
| Communications | - | - | 988 | (988) |
| Miscellaneous fees & services | 2,000 | 2,000 | 1,707 | 293 |
| Insurance & surety bonds | 2,000 | 2,000 | 3,337 | (1,337) |
| Utilities | 25,500 | 25,500 | 24,046 | 1,454 |
| Repair & maintenance costs | 18,000 | 18,000 | 8,147 | 9,853 |
| Rentals | 20,000 | 20,000 | 18,759 | 1,241 |
| Buildings | 239,842 | 239,842 | 18,862 | 220,980 |
| Equipment | - | - | 400 | (400) |
| Capital contracts | - | - | 1,840 | (1,840) |
| Total expenditures | 595,342 | 595,342 | 312,254 | 283,088 |
| Net change in fund balance | $ (291,842) | $ (291,842) | 289,333 | $ 581,175 |
| **Fund balance at beginning of year** | | | - | |
| **Fund balance at end of year** | | | $ 289,333 | |

**LANCASTER COUNTY, NEBRASKA**
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
Correctional Facility Joint Public Agency
Year Ended June 30, 2019

| | Original Budget | Final Budget | Actual | Variance |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Taxes | $ 4,290,784 | $ 4,290,784 | $ 4,048,911 | $ (241,873) |
| State revenue | 16,000 | 16,000 | 323,097 | 307,097 |
| Interest income | 451,486 | 451,486 | 26,329 | (425,157) |
| Other intergovernmental | 1,500 | 1,500 | 1,320 | (180) |
| Total revenues | 4,759,770 | 4,759,770 | 4,399,657 | (360,113) |
| **Expenditures:** | | | | |
| Debt service: | | | | |
| Principal | 44,660,000 | 44,660,000 | 2,675,000 | 41,985,000 |
| Interest | 2,188,675 | 2,188,675 | 1,689,076 | 499,599 |
| Total expenditures | 46,848,675 | 46,848,675 | 4,364,076 | 42,484,599 |
| Net change in fund balance | $ (42,088,905) | $ (42,088,905) | 35,581 | $ 42,124,486 |
| **Fund balance at beginning of year** | | | 1,996,899 | |
| **Fund balance at end of year** | | | $ 2,032,480 | |

**Lancaster County, Nebraska**
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Law Enforcement Equipment Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget Positive/ (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Charges for services | $ 71,600 | $ 71,600 | $ 69,430 | $ (2,170) |
| Other receipts | 225,493 | 225,493 | 232,803 | 7,310 |
| Total Revenues | 297,093 | 297,093 | 302,233 | 5,140 |
| **Expenditures:** | | | | |
| Miscellaneous fees & services | 297,093 | 297,093 | 44,648 | 252,445 |
| Total expenditures | 297,093 | 297,093 | 44,648 | 252,445 |
| Net change in fund balance | $ - | $ - | 257,585 | $ 257,585 |
| **Fund balance at beginning of year** | | | - | |
| **Fund balance at end of year** | | | $ 257,585 | |

**Lancaster County, Nebraska**
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Sinking Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget Positive/ (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Expenditures:** | | | | |
| Other contracted services | $ - | $ 375,000 | $ - | $ (375,000) |
| Buildings | - | 50,000 | - | (50,000) |
| Total expenditures | - | 425,000 | - | (425,000) |
| **Other financing sources (uses):** | | | | |
| Transfers In | - | 425,000 | 425,000 | - |
| Total other financing sources (uses) | - | 425,000 | 425,000 | - |
| Net change in fund balance | $ - | $ - | 425,000 | $ 425,000 |
| **Fund balance at beginning of year** | | | - | |
| **Fund balance at end of year** | | | $ 425,000 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Bridge and Special Road Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ - | $ - | $ - | $ - |
| Charges for services | 303,575 | 303,575 | 564,939 | 261,364 |
| State revenues | 401,659 | 401,659 | 402,169 | 510 |
| Interest on investments | 21,000 | 21,000 | 60,940 | 39,940 |
| Total revenues | 726,234 | 726,234 | 1,028,048 | 301,814 |
| **Expenditures:** | | | | |
| Salaries & wages | 1,580,830 | 1,580,830 | 1,589,151 | (8,321) |
| Employee benefits | 667,797 | 667,797 | 704,559 | (36,762) |
| Other compensation costs | 60,626 | 60,626 | 60,626 | - |
| Operating supplies | 15,500 | 15,500 | 25,073 | (9,573) |
| Energy supplies | 336,000 | 336,000 | 355,800 | (19,800) |
| Highway & bridge supplies | 822,500 | 822,500 | 844,910 | (22,410) |
| Traffic control supplies | 9,000 | 9,000 | 55,360 | (46,360) |
| Repair & maintenance supplies | 125,000 | 125,000 | 161,051 | (36,051) |
| Postage, courier & freight | 1,100 | 1,100 | 110 | 990 |
| Miscellaneous fees & services | 3,000 | 3,000 | 4,029 | (1,029) |
| Repair & maintenance costs | 111,800 | 111,800 | 93,668 | 18,132 |
| Land | 27,500 | 27,500 | 51,557 | (24,057) |
| Equipment | 257,800 | 257,800 | 296,179 | (38,379) |
| Capitalized contracts | 4,931,036 | 4,931,036 | 4,241,331 | 689,705 |
| Total expenditures | 8,949,489 | 8,949,489 | 8,483,404 | 466,085 |
| Revenue over (under) expenditures | (8,223,255) | (8,223,255) | (7,455,356) | 767,899 |
| **Other financing sources (uses):** | | | | |
| Transfers in | 5,234,067 | 5,234,067 | 5,234,067 | - |
| Total other financing sources (uses) | 5,234,067 | 5,234,067 | 5,234,067 | - |
| Net change in fund balance | $ (2,989,188) | $ (2,989,188) | (2,221,289) | $ 767,899 |
| **Fund balance at beginning of year** | | | 5,196,744 | |
| Encumbrance credit | | | 139,527 | |
| **Fund balance at end of year** | | | $ 3,114,982 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Jail Savings Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Total revenues | $ - | $ - | $ - | $ - |
| **Expenditures:** | | | | |
| Total expenditures | - | - | - | - |
| Net change in fund balance | $ - | $ - | - | $ - |
| **Fund balance at beginning of year** | | | 604,028 | |
| **Fund balance at end of year** | | | $ 604,028 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Highway Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Charges for services | $ 10,000 | $ 10,000 | $ 256,530 | $ 246,530 |
| State revenues | 8,770,838 | 8,770,838 | 9,214,747 | 443,909 |
| Licenses, fees, and rental income | 4,000 | 4,000 | 4,010 | 10 |
| Interest on investments | 20,000 | 20,000 | 83,087 | 63,087 |
| Other receipts | 25,000 | 25,000 | 43,923 | 18,923 |
| Total revenues | 8,829,838 | 8,829,838 | 9,602,297 | 772,459 |
| **Expenditures:** | | | | |
| Salaries & wages | 1,923,234 | 1,923,234 | 1,917,194 | 6,040 |
| Employee benefits | 894,379 | 894,379 | 814,644 | 79,735 |
| Other compensation costs | 84,453 | 84,453 | 84,453 | - |
| Operating supplies | 180,000 | 180,000 | 194,168 | (14,168) |
| Medical supplies | 20,000 | 20,000 | 10,298 | 9,702 |
| Energy supplies | 545,000 | 545,000 | 574,822 | (29,822) |
| Highway & bridge supplies | 1,499,500 | 1,499,500 | 1,682,010 | (182,510) |
| Traffic control supplies | 315,000 | 315,000 | 191,931 | 123,069 |
| Repair & maintenance supplies | 470,000 | 470,000 | 555,279 | (85,279) |
| Postage, courier & freight | 3,500 | 3,500 | 5,768 | (2,268) |
| Printing & advertising | 1,500 | 1,500 | 870 | 630 |
| Miscellaneous fees & services | 60,000 | 60,000 | 54,890 | 5,110 |
| Utilities | 3,000 | 3,000 | 728 | 2,272 |
| Repair & maintenance costs | 657,400 | 657,400 | 391,395 | 266,005 |
| Rentals | 53,000 | 53,000 | 114,277 | (61,277) |
| Land | 137,500 | 137,500 | 85,607 | 51,893 |
| Equipment | 1,598,000 | 1,598,000 | 1,445,442 | 152,558 |
| Capitalized contracts | 8,172,137 | 8,172,137 | 8,402,585 | (230,448) |
| Total expenditures | 16,617,603 | 16,617,603 | 16,526,361 | 91,242 |
| Revenue over (under) expenditures | (7,787,765) | (7,787,765) | (6,924,064) | 863,701 |
| **Other financing sources (uses):** | | | | |
| Proceeds from sale of capital assets | 55,000 | 55,000 | 14,172 | (40,828) |
| Transfers in | 6,053,536 | 6,053,536 | 5,747,833 | (305,703) |
| Total other financing sources (uses) | 6,108,536 | 6,108,536 | 5,762,005 | (346,531) |
| Net change in fund balance | $ (1,679,229) | $ (1,679,229) | (1,162,059) | $ 517,170 |
| **Fund balance at beginning of year** | | | 2,914,379 | |
| Encumbrance credit | | | 585,803 | |
| **Fund balance at end of year** | | | $ 2,338,123 | |

**Lancaster County, Nebraska**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budget Basis
Veterans Aid Fund
Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amount Budgetary Basis | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | | |
| **Expenditures:** | | | | |
| Other client services | $ 10,147 | $ 10,147 | $ 7,570 | $ 2,577 |
| Total expenditures | 10,147 | 10,147 | 7,570 | 2,577 |
| Net change in fund balance | $ (10,147) | $ (10,147) | (7,570) | $ 2,577 |
| **Fund balance at beginning of year** | | | 13,408 | |
| **Fund balance at end of year** | | | $ 5,838 | |

**Lancaster County, Nebraska**
Combining Statement of Net Position
Internal Service Funds
Year Ended June 30, 2019

| | Workers' Compensation | Other Self Insurance Loss | Group Insurance | Total |
|---|---|---|---|---|
| **Assets:** | | | | |
| Current Assets: | | | | |
| Cash, including investments | $ 83,489 | $ 3,111,588 | $ 13,220,918 | **$ 16,415,995** |
| Accounts receivable | 7,836 | - | 1,178,141 | **1,185,977** |
| Total current assets | 91,325 | 3,111,588 | 14,399,059 | **17,601,972** |
| **Liabilities:** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 57,722 | 16,858 | 330,764 | **405,344** |
| Claims payable | 1,068,157 | 607,265 | 950,000 | **2,625,422** |
| Accrued salaries | 5,195 | - | - | **5,195** |
| Current portion - accrued compensated absences | 10,000 | - | - | **10,000** |
| Total current liabilities | 1,141,074 | 624,123 | 1,280,764 | **3,045,961** |
| Noncurrent liabilities: | | | | |
| Long-term accrued compensated absences | 54,774 | - | - | **54,774** |
| Total liabilities | 1,195,848 | 624,123 | 1,280,764 | **3,100,735** |
| **Net position:** | | | | |
| Unrestricted (deficit) | $ (1,104,523) | $ 2,487,465 | $ 13,118,295 | **$ 14,501,237** |

Lancaster County, Nebraska
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2019

| | Workers' Compensation | Other Self Insurance Loss | Group Insurance | Total |
|---|---|---|---|---|
| **Operating revenues:** | | | | |
| Charges for services | $ 767,055 | $ 446,652 | $ 14,289,244 | $ 15,502,951 |
| Other insurance reimbursements | 7,869 | 774 | - | 8,643 |
| Total operating revenues: | 774,924 | 447,426 | 14,289,244 | 15,511,594 |
| **Operating expenses:** | | | | |
| Claims and insurance | 615,356 | 322,542 | 12,662,532 | 13,600,430 |
| Contractual services | 598,713 | 48,706 | 1,367,221 | 2,014,640 |
| Wages and benefits | 160,870 | - | - | 160,870 |
| Other | 50,400 | - | 2,988 | 53,388 |
| Rentals | 9,836 | - | - | 9,836 |
| Supplies | 667 | - | - | 667 |
| Claims reserve adjustment | (147,807) | 206,277 | - | 58,470 |
| Total operating expenses | 1,288,035 | 577,525 | 14,032,741 | 15,898,301 |
| Operating income (loss) | (513,111) | (130,099) | 256,503 | (386,707) |
| **Nonoperating revenues:** | | | | |
| Interest | 1,052 | 26,334 | - | 27,386 |
| Total nonoperating revenues | 1,052 | 26,334 | - | 27,386 |
| Income (loss) before transfers | (512,059) | (103,765) | 256,503 | (359,321) |
| Transfers in | 650,000 | - | - | 650,000 |
| Change in net position | 137,941 | (103,765) | 256,503 | 290,679 |
| **Total net position - beginning of year** | (1,242,464) | 2,591,230 | 12,861,792 | 14,210,558 |
| **Total net position - end of year** | $ (1,104,523) | $ 2,487,465 | $ 13,118,295 | $ 14,501,237 |

Lancaster County, Nebraska
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019

| | Workers' Compensation | Other Self Insurance Loss | Group Insurance | Total |
|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | |
| Cash received for services | $ 759,219 | $ 447,607 | $ 14,283,366 | $ 15,490,192 |
| Cash received from insurance companies | 7,869 | 774 | - | 8,643 |
| Cash payments for claims | (1,405,358) | (360,067) | (13,890,828) | (15,656,253) |
| Net cash provided by (used in) operating activities | (638,270) | 88,314 | 392,538 | (157,418) |
| **Cash flows from non-capital financing activities:** | | | | |
| Transfers from other funds | 650,000 | - | - | 650,000 |
| **Cash flows from investing activities:** | | | | |
| Interest on investments | 1,052 | 26,334 | - | 27,386 |
| Change in cash and cash equivalents | 12,782 | 114,648 | 392,538 | 519,968 |
| **Cash and cash equivalents - beginning of the year** | 70,707 | 2,996,940 | 12,828,380 | 15,896,027 |
| **Cash and cash equivalents - end of the year** | $ 83,489 | $ 3,111,588 | $ 13,220,918 | $ 16,415,995 |
| **Reconciliation of operating income (loss) to net cash provided by (used in) operating activities** | | | | |
| Operating income (loss) | $ (513,111) | $ (130,099) | $ 256,503 | $ (386,707) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Change in accounts receivable | (7,836) | - | (5,878) | (13,714) |
| Change in interest receivable | - | 955 | - | 955 |
| Change in accrued liabilities | 30,484 | 11,182 | 141,913 | 183,579 |
| Change in claims payable | (147,807) | 206,276 | - | 58,469 |
| **Net cash provided by (used in) operating activities** | $ (638,270) | $ 88,314 | $ 392,538 | $ (157,418) |

LANCASTER COUNTY, NEBRASKA
Combining Statement of Fiduciary Net Position
Employee Benefit Trust Funds
Year Ended June 30, 2019

| | Pension Trust Fund | OPEB Trust Fund | Total |
|---|---|---|---|
| **Assets:** | | | |
| Investments: | | | |
| Cash management fund | $ - | $ 173,171 | $ 173,171 |
| Stable value fund | 40,890,591 | - | 40,890,591 |
| Mutual funds - domestic equities | 67,521,089 | 755,294 | 68,276,383 |
| Mutual funds - international equities | 26,411,504 | 95,425 | 26,506,929 |
| Mutual funds - balanced funds | 3,027,120 | 7,651,450 | 10,678,570 |
| Other fixed income | 16,609,216 | 69,360 | 16,678,576 |
| Total assets | 154,459,520 | 8,744,700 | 163,204,220 |
| **Net position:** | | | |
| Restricted for employee benefits | 154,459,520 | 8,744,700 | 163,204,220 |
| Total net position | $ 154,459,520 | $ 8,744,700 | $ 163,204,220 |

**LANCASTER COUNTY, NEBRASKA**

Combining Statement of Changes in Fiduciary Net Position

Employee Benefit Trust Funds

Year Ended June 30, 2019

| | Pension Trust Fund | OPEB Trust Fund | Total |
|---|---|---|---|
| **Additions:** | | | |
| Contributions: | | | |
| Employee | $ 2,981,918 | $ - | $ 2,981,918 |
| Employer | 3,901,000 | 399,560 | 4,300,560 |
| Forfeitures | 261,532 | - | 261,532 |
| Rollovers | 480,345 | - | 480,345 |
| Total Contributions | 7,624,795 | 399,560 | 8,024,355 |
| Investment Income: | | | |
| Net appreciation in fair value of investments | 2,321,927 | 405,773 | 2,727,700 |
| Dividends and interest | 4,824,728 | - | 4,824,728 |
| Miscellaneous | (24,193) | (25,211) | (49,404) |
| Total net investment income | 7,122,462 | 380,562 | 7,503,024 |
| Total additions | 14,747,257 | 780,122 | 15,527,379 |
| **Deductions:** | | | |
| Benefits paid | 7,875,275 | 541,759 | 8,417,034 |
| Forfeitures | 417,370 | - | 417,370 |
| Total deductions | 8,292,645 | 541,759 | 8,834,404 |
| Change in net position | 6,454,612 | 238,363 | 6,692,975 |
| **Net position - beginning of year** | 148,004,908 | 8,506,337 | 156,511,245 |
| **Net position - end of year** | $ 154,459,520 | $ 8,744,700 | $ 163,204,220 |

**LANCASTER COUNTY, NEBRASKA**

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2019

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|---|---|---|---|
| Assessor/Register of Deeds | | | | |
| **Assets** | | | | |
| Cash and investments | $ 330,228 | $ 5,511,597 | $ 5,528,812 | $ 313,012 |
| Total assets | $ 330,228 | $ 5,511,597 | $ 5,528,812 | $ 313,012 |
| **Liabilities** | | | | |
| Due to others | $ 330,228 | $ 5,511,597 | $ 5,528,812 | $ 313,012 |
| Total liabilities | $ 330,228 | $ 5,511,597 | $ 5,528,812 | $ 313,012 |
| Human Services Restitution | | | | |
| **Assets** | | | | |
| Cash and investments | $ - | $ 5,082 | $ 4,821 | $ 261 |
| Total assets | $ - | $ 5,082 | $ 4,821 | $ 261 |
| **Liabilities** | | | | |
| Due to others | $ - | $ 5,082 | $ 4,821 | $ 261 |
| Total liabilities | $ - | $ 5,082 | $ 4,821 | $ 261 |
| Community Corrections | | | | |
| **Assets** | | | | |
| Cash and investments | $ 2,288 | $ 237,286 | $ 236,941 | $ 2,633 |
| Total assets | $ 2,288 | $ 237,286 | $ 236,941 | $ 2,633 |
| **Liabilities** | | | | |
| Due to others | $ 2,288 | $ 237,286 | $ 236,941 | $ 2,633 |
| Total liabilities | $ 2,288 | $ 237,286 | $ 236,941 | $ 2,633 |
| Extension Board | | | | |
| **Assets** | | | | |
| Cash and investments | $ 167,600 | $ 68,586 | $ 84,613 | $ 151,573 |
| Total assets | $ 167,600 | $ 68,586 | $ 84,613 | $ 151,573 |
| **Liabilities** | | | | |
| Due to others | $ 167,600 | $ 68,586 | $ 84,613 | $ 151,573 |
| Total liabilities | $ 167,600 | $ 68,586 | $ 84,613 | $ 151,573 |

**LANCASTER COUNTY, NEBRASKA**

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2019

| | | | | |
|---|---|---|---|---|
| Public Building Commission | | | | |
| **Assets** | | | | |
| Cash and investments | $ 3,286,901 | $ 12,775,122 | $ 11,219,849 | $ 4,842,174 |
| Total assets | $ 3,286,901 | $ 12,775,122 | $ 11,219,849 | $ 4,842,174 |
| **Liabilities** | | | | |
| Due to others | $ 3,286,901 | $ 12,775,122 | $ 11,219,849 | $ 4,842,174 |
| Total liabilities | $ 3,286,901 | $ 12,775,122 | $ 11,219,849 | $ 4,842,174 |
| Railroad Transportation Safety District | | | | |
| **Assets** | | | | |
| Cash and investments | $ 14,262,788 | $ 6,052,585 | $ 11,260,197 | $ 9,055,176 |
| Total assets | $ 14,262,788 | $ 6,052,585 | $ 11,260,197 | $ 9,055,176 |
| **Liabilities** | | | | |
| Due to others | $ 14,262,788 | $ 6,052,585 | $ 11,260,197 | $ 9,055,176 |
| Total liabilities | $ 14,262,788 | $ 6,052,585 | $ 11,260,197 | $ 9,055,176 |
| Flexible Employee Benefits Account (FEBA) | | | | |
| **Assets** | | | | |
| Cash and investments | $ 25,129 | $ 534,119 | $ 524,352 | $ 34,896 |
| Total assets | $ 25,129 | $ 534,119 | $ 524,352 | $ 34,896 |
| **Liabilities** | | | | |
| Due to others | $ 25,129 | $ 534,119 | $ 524,352 | $ 34,896 |
| Total liabilities | $ 25,129 | $ 534,119 | $ 524,352 | $ 34,896 |
| Tax collection and distribution accounts | | | | |
| **Assets** | | | | |
| Cash and investments | $ 19,692,988 | $ 1,196,446,937 | $ 1,197,385,601 | $ 18,754,324 |
| Total assets | $ 19,692,988 | $ 1,196,446,937 | $ 1,197,385,601 | $ 18,754,324 |
| **Liabilities** | | | | |
| Due to others | $ 19,692,988 | $ 1,196,446,937 | $ 1,197,385,601 | $ 18,754,324 |
| Total liabilities | $ 19,692,988 | $ 1,196,446,937 | $ 1,197,385,601 | $ 18,754,324 |

**LANCASTER COUNTY, NEBRASKA**

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2019

| | | | | |
|---|---|---|---|---|
| Sheriff - Attorney Trust Account | | | | |
| **Assets** | | | | |
| Cash and investments | $ 46,798 | $ 66 | $ 38,461 | $ 8,403 |
| Total assets | $ 46,798 | $ 66 | $ 38,461 | $ 8,403 |
| **Liabilities** | | | | |
| Due to others | $ 46,798 | $ 66 | $ 38,461 | $ 8,403 |
| Total liabilities | $ 46,798 | $ 66 | $ 38,461 | $ 8,403 |
| Corrections - Inmate/Commissary | | | | |
| **Assets** | | | | |
| Cash and investments | $ 134,246 | $ 4,856,260 | $ 4,829,569 | $ 160,937 |
| Total assets | $ 134,246 | $ 4,856,260 | $ 4,829,569 | $ 160,937 |
| **Liabilities** | | | | |
| Due to others | $ 134,246 | $ 4,856,260 | $ 4,829,569 | $ 160,937 |
| Total liabilities | $ 134,246 | $ 4,856,260 | $ 4,829,569 | $ 160,937 |
| Youth Services Center - Resident | | | | |
| **Assets** | | | | |
| Cash and investments | $ 108 | $ 14,507 | $ 14,911 | $ (296) |
| Total assets | $ 108 | $ 14,507 | $ 14,911 | $ (296) |
| **Liabilities** | | | | |
| Due to others | $ 108 | $ 14,507 | $ 14,911 | $ (296) |
| Total liabilities | $ 108 | $ 14,507 | $ 14,911 | $ (296) |
| Total - all agency funds | | | | |
| **Assets** | | | | |
| Cash and investments | $ 37,949,074 | $ 1,226,502,147 | $ 1,231,128,127 | $ 33,323,093 |
| Total assets | $ 37,949,074 | $ 1,226,502,147 | $ 1,231,128,127 | $ 33,323,093 |
| **Liabilities** | | | | |
| Due to others | $ 37,949,074 | $ 1,226,502,147 | $ 1,231,128,127 | $ 33,323,093 |
| Total liabilities | $ 37,949,074 | $ 1,226,502,147 | $ 1,231,128,127 | $ 33,323,093 |

SINGLE AUDIT SECTION

RSM

RSM US LLP

**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***

**Independent Auditor's Report**

Board of Commissioners
Lancaster County, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, Nebraska (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 10, 2020.

The County's basic financial statements include the Mental Health Crisis Center (MHCC), a non-major special revenue fund. Our report on internal control does not extend to the MHCC because it is reported on in a separately issued financial statement.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be material weakness.



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

**Lancaster County, Nebraska's Response to the Finding**
The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

RSM US LLP

Lincoln, Nebraska
March 10, 2020

RSM

RSM US LLP

## Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

### Independent Auditor's Report

Board of Commissioners
Lancaster County, Nebraska

### Report on Compliance for Each Major Federal Program

We have audited Lancaster County, Nebraska's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditor's Responsibility*

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

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

#### *Opinion on Each Major Federal Program*

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.



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

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

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

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

RSM US LLP

Lincoln, Nebraska
March 10, 2020

## LANCASTER COUNTY, NEBRASKA

## Schedule of Findings and Questioned Costs
## Year Ended June 30, 2019

### I. Summary of the Independent Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

| | | |
|---|---|---|
| Material weakness(es) identified? | ☑ Yes | ☐ No |
| Significant deficiencies identified? | ☐ Yes | ☑ None Reported |
| Noncompliance material to financial statements noted? | ☐ Yes | ☑ No |

**Federal Awards**

Internal control over major programs:

| | | |
|---|---|---|
| Material weakness(es) identified? | ☐ Yes | ☑ No |
| Significant deficiencies identified? | ☐ Yes | ☑ None Reported |

Type of auditor's report issued on compliance for major programs: Unmodified

| | | |
|---|---|---|
| Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | ☐ Yes | ☑ No |

**Identification of major programs:**

| CFDA Number | Name of Federal Program or Cluster |
|---|---|
| 16.812 | Second Chance Act Prisoner Reentry Initiative |
| 21.016 | Equityable Sharing Program - treasury funds |

Dollar threshold used to distinguish between type A and type B programs: $750,000

| | | |
|---|---|---|
| Auditee qualified as low-risk auditee? | ☑ Yes | ☐ No |

(Continued)

## II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted *Government Auditing Standards*

### A. Internal Control

**2019-001**

Finding: Capital outlay for the highway fund was not accurately recorded.

Criteria: In accordance with accounting principles generally accepted in the United States of America (US GAAP), expenditures and accounts payable should be recorded on an accrual basis.

Condition: Capital outlay expenditures and accounts payable in the highway fund were understated by approximately $240,000.

Cause: Cutoff procedure controls related to capital outlay were not operating effectively at year-end and expenditures that were not related to 2019 were included and expenditures relating to 2019 were also excluded.

Effect: A misstatement to the financial statements could exist and not be detected in a timely manner.

Recommendation: We recommend the County implement additional controls related to the review of accruals related to capital outlay. We recommend the County implements a cutoff period for reviewing capital outlay based on historical knowledge and stick to that cutoff period and review expenditures through that period in a timely manner to properly record capital outlay accruals.

Management's response: Management agrees with the finding.

### B. Compliance findings

None reported.

## III. Findings and Questioned Costs for Federal Awards

### A. Internal Control

None reported.

### B. Compliance Findings

None reported.

**LANCASTER COUNTY, NEBRASKA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2019

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings.*

## LANCASTER COUNTY, NEBRASKA

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Passed Through to Subrecipient |
|---|---|---|---|---|
| **Department of Agriculture Pass-Through Programs From:** | | | | |
| Nebraska Department of Education | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | 55-0905 | $ 20,751 | $ - |
| National School Lunch Program | 10.555 | 55-0905 | 38,001 | - |
| *Subtotal Child Nutrition Cluster* | | | 58,752 | - |
| ***Total Department of Agriculture*** | | | **58,752** | - |
| **Department of the Interior Office of the Secretary** | | | | |
| Payments in Lieu of Taxes | 15.226 | N/A | 20,554 | - |
| ***Total Department of the Interior Office of the Secretary*** | | | **20,554** | - |
| **Department of Justice Direct Programs** | | | | |
| BJA - Drug Court Discretionary Grant Program | 16.585 | N/A | 204,978 | 125,595 |
| OVW - Grants to Encourage Arrest Policies & Enforcement of Protection Orders Program | 16.590 | N/A | 112,511 | 112,511 |
| BJA - State Criminal Alien Assistance Program (SCAAP) | 16.606 | N/A | 62,852 | - |
| BJA - Second Chance Act Prisoner Reentry Initiative | 16.812 | N/A | 340,747 | - |
| Equitable Sharing Program - Justice Funds | 16.922 | N/A | 36,099 | - |
| *Subtotal Department of Justice Direct Programs* | | | **757,187** | **238,106** |
| **Department of Justice Pass-Through Programs From:** | | | | |
| Nebraska Commission on Law Enforcement and Criminal Justice | | | | |
| Violence Against Women Formula Grants | 16.588 | 16-VW-0714, 17-VW-0709 | 263,445 | 108,715 |
| *Subtotal Department of Justice Pass-Through Programs* | | | **263,445** | **108,715** |
| ***Total Department of Justice*** | | | **1,020,632** | **346,821** |
| **Department of Transportation Pass-Through Programs From:** | | | | |
| Nebraska Department of Roads Highway Safety Office | | | | |
| Highway Safety Cluster: | | | | |
| State and Community Highway Safety | 20.600 | 402-18-12-1-60 | 3,504 | - |
| National Priority Safety Programs | 20.616 | 405b-19-14-25, 405d-19-52-11 | 5,969 | - |
| *Subtotal Highway Safety Cluster* | | | 9,473 | - |
| ***Total Department of Transportation*** | | | **9,473** | - |
| **Department of Treasury Direct Programs** | | | | |
| Equitable Sharing Program- Treasury Funds | 21.016 | N/A | 833,280 | - |
| ***Total Department of Treasury*** | | | **833,280** | - |
| **Department of Health and Human Services Direct Programs:** | | | | |
| Substance Abuse and Mental Health Services - Projects of Regional and National Significance | 93.243 | 1H79TI025927-01 | 48,614 | - |
| *Subtotal Department of Health and Human Services Direct Programs* | | | **48,614** | - |
| **Department of Health and Human Services Pass-Through Programs From:** | | | | |
| Nebraska Department of Health and Human Services | | | | |
| ACF- Child Support Enforcement, County Attorney | 93.563 | 1904NECSES | 1,247,768 | - |
| ACF- Child Support Enforcement, Clerk of District Court | 93.563 | 1904NECSES | 271,513 | - |
| ACF- Child Support Enforcement, Bailiff District Court | 93.563 | 1904NECSES | 217,068 | - |
| *Subtotal for Department of Health and Human Services Pass-Through Programs* | | | **1,736,349** | - |
| ***Total Department of Health and Human Services*** | | | **1,784,963** | - |
| **Department of Homeland Security Pass-Through Programs From:** | | | | |
| State of Nebraska Emergency Management Agency | | | | |
| Disaster Grants - Public Assistance | 97.036 | FEMA-4225-DR-NE, EMW-2015-EP-00051-S01 | 176,742 | - |
| Emergency Management Performance Grant | 97.042 | EMK-2018-EP-00004-S01 | 233,992 | - |
| ***Total Department of Homeland Security*** | | | **410,734** | - |
| ***TOTAL EXPENDITURES OF FEDERAL AWARDS*** | | | **$ 4,138,388** | **$ 346,821** |

**LANCASTER COUNTY, NEBRASKA**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

## NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lancaster County, Nebraska (the County). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## NOTE C - INDIRECT COST RATE

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

LANCASTER COUNTY BOARD OF COMMISSIONERS

Roma Amundson Sean Flowerday Deb Schorr Rick Vest Christa Yoakum

Kerry P. Eagan, *Chief Administrative Officer* Ann E. Ames, *Deputy Chief Administrative Officer*

Corrective Action Plan
Year ended June 30, 2019

**Material Weakness in Internal Control**

**2019-001**

Finding: Capital outlay for the highway fund was not accurately recorded.

Corrective Actions Taken or Planned: Lancaster County is in the process of reviewing and changing procedures related to capital outlay. The Lancaster County Clerk's Office has reassigned fixed asset responsibilities to an Accounting Specialist position that works with the purchase order process and the payment voucher process. The employee will work with departments to ensure the capital outlay amounts agree between the accounting system and the fixed asset system.

The Lancaster County Engineer's Office has recently filled their Account Clerk position which will establish a contact for capital outlay expenditures.

The Lancaster County Budget & Fiscal Office works with the accruals for audit purposes and will establish an August 31 date for cutoff purposes for reviewing capital outlay expenditures. The cutoff date is consistent with other revenue and expenditure accounts.

The effort to resolve this finding will be a combination of departments working together from start to finish. The Lancaster County Budget & Fiscal Office will take the lead and work with the departments to ensure capital outlay accruals are correctly recorded for the Lancaster County 6-30-20 audit.

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March 10, 2020

Board of Commissioners
Lancaster County, Nebraska
Lincoln, Nebraska

This letter is to inform the Board of Commissioners of Lancaster County, Nebraska (the County) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2019, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

**The Respective Responsibilities of the Auditor and Management**
Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated July 30, 2019. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

**Overview of the Planned Scope and Timing of the Financial Statement Audit**
We have issued a separate communication dated July 30, 2019 regarding the planned scope and timing of our audit and have discussed with you our identification of significant risks of material misstatement.

**Significant Accounting Practices, Including Policies, Estimates and Disclosures**
In our meeting with you, we will discuss our views about the qualitative aspects of the County's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

- Allowance for doubtful accounts, primarily related to the Mental Health Crisis Center
- Depreciable life of capital assets
- Claims Liability (IBNR)

**Audit Adjustments**
There were no audit adjustments made to the original trial balance presented to us to begin our audit.

**Uncorrected Misstatements**
The uncorrected misstatements we identified are summarized in the attached management representation letter. Management has concluded the uncorrected misstatements are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard.



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**Internal Control Matters and Compliance Findings**
We have separately issued a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements and major program, as required by *Government Auditing Standards* and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (Uniform Guidance). This communication is included within the County's Compliance Report for the year ended June 30, 2019.

**Disagreements with Management**
We encountered no significant difficulties with management over the application of significant accounting principles, the basis of management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

**Consultation with Other Accountants**
We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed with Management**
No significant issues arising from the audit were discussed or were the subject of correspondence with management.

**Difficulties Encountered in Performing the Audit**
We did not encounter any significant difficulties in dealing with management during the audit.

**Management Representations**
Attached is a copy of the management representation letter.

**Closing**
We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to Lancaster County, Nebraska.

This report is intended solely for the information and use of the Board of Commissioners and is not intended to be, and should not be, used by anyone other than these specified parties.

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LANCASTER COUNTY BOARD OF COMMISSIONERS

Roma Amundson Sean Flowerday Deb Schorr Rick Vest Christa Yoakum

Kerry P. Eagan, *Chief Administrative Officer* Ann E. Ames, *Deputy Chief Administrative Officer*

March 10, 2020

RSM US LLP
1221 N Street, Suite 221
Lincoln, NE 68508

This representation letter is provided in connection with your audit of the basic financial statements of Lancaster County, Nebraska (the County) as of and for the year ended June 30, 2019 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of March 10, 2020:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated July 30, 2019, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including those with component units for which the County is accountable, other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which the County has an interest, and jointly governed organizations in which the County participates, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. There are no events subsequent to the date of the financial statements for which U.S. GAAP requires adjustment or disclosure.

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7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

9. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

10. We have informed you of all uncorrected misstatements.

As of and for the year ended June 30, 2019, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the opinion units of the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

| **Highway Fund** | | | Debit (Credit) | | |
|---|---|---|---|---|---|
| | Assets | Liabilities | Net Position | Revenue | Expenditure |
| Description: | | | | | |
| Current year misstatement, factual misstatements: | | | | | |
| Accrual cutoff error | $ - | $ (3,700) | $ - | $ - | $ 3,700 |
| Current year misstatement, projected misstatements: | | | | | |
| Accrual cutoff error | - | (14,200) | - | - | 14,200 |
| | $ - | $ (17,900) | - | $ - | $ 17,900 |
| Effect of current year passed adjustment on net position | | | 17,900 | | |
| **Total** | | | $ 17,900 | | |

| **Aggregate remaining fund information** | | | Debit (Credit) | | |
|---|---|---|---|---|---|
| | Assets | Liabilities | Fund Balance | Revenue | Expenditure |
| Description: | | | | | |
| Current year misstatement, factual misstatements: | | | | | |
| Accrual cutoff error | $ - | $ (55,300) | $ - | $ - | $ 55,300 |
| Current year misstatement, projected misstatements: | | | | | |
| Accrual cutoff error | | (179,000) | | | 179,000 |
| | $ - | $ (234,300) | - | $ - | $ 234,300 |
| Effect of current year passed adjustment on fund balance | | | 234,300 | | |
| **Total** | | | $ 234,300 | | |

| **Governmental Activities** | | | Debit (Credit) | | |
|---|---|---|---|---|---|
| | Assets | Liabilities | Fund Balance | Revenue | Expenditure |
| Description: | | | | | |
| Current year misstatement, factual misstatements: | | | | | |
| Accrual cutoff error | $ - | $ (59,000) | $ - | $ - | $ 59,000 |
| Capital asset cutoff error | 240,300 | (240,300) | - | - | - |
| Compensated absencses payroll taxes not recorded | - | (544,800) | - | - | 544,800 |
| Current year misstatement, projected misstatements: | | | | | |
| Accrual cutoff error | - | (193,200) | - | - | 193,200 |
| Capital asset cutoff error | 339,300 | (339,300) | - | - | - |
| | $ 579,600 | $ (1,376,600) | - | $ - | $ 797,000 |
| Effect of current year passed adjustment on fund balance | | | 797,000 | | |
| **Total** | | | $ 797,000 | | |

**Information Provided**

11. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;

    b. Additional information that you have requested from us for the purpose of the audit;

    c. Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence; and

    d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All transactions have been recorded in the accounting records and are reflected in the financial statements.

13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of allegations of fraud or suspected fraud affecting the County's financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the County's financial statements received in communications from employees, former employees, analysts, regulators, or others.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

17. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

18. We have disclosed to you the identity of the County's related parties and all the related-party relationships and transactions of which we are aware.

19. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the County's ability to record, process, summarize and report financial data.

20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

**Supplementary Information**

21. With respect to supplementary information presented in relation to the financial statements as a whole:

    a. We acknowledge our responsibility for the presentation of such information.

    b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

    d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

22. With respect to the budgetary comparison information presented as required supplementary information by Governmental Accounting Standards Board to supplement the basic financial statements:

    a. We acknowledge our responsibility for the presentation of such required supplementary information.

    b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

    c. The methods or presentation have not changed from those used in the prior year period.

23. We have omitted management's discussion and analysis, which is required to supplement the basic financial statement. We do not believe this missing information has any impact on the basic financial statements.

**Compliance Considerations**

24. In connection with your audit conducted in accordance with Government Auditing Standards, we confirm that management:

    a. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

    b. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.

    c. Is unaware of any instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

d. Is unaware of any instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.

e. Is unaware of any all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.

f. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

g. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

h. Has a process to track the status of audit findings and recommendations, if any.

i. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.

j. Has provided views on the auditor's reporting findings, conclusions and recommendations, as well as management's planned corrected actions, for the report.

25. In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), we confirm:

a. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.

b. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.

c. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs.

d. Management has prepared the schedule of expenditures of federal awards in accordance with the Uniform Guidance and has included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.

e. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.

f. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

g. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

h. Management is unaware of any amounts questioned or known noncompliance with the direct and material compliance requirements of federal awards

i. Management believes that the auditee has complied with the direct and material compliance requirements.

j. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

k. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.

l. Management is unaware of any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

m. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

n. Management is unaware of any noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.

o. Management is unaware of any changes in internal control over compliance or other factors that might significantly affect internal control that have occurred subsequent to the period covered by the auditor's report.

p. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

q. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

r. Management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

s. Management has charged costs to federal awards in accordance with applicable cost principles and the Uniform Guidance.

t. The reporting package does not contain protected personally identifiable information.

u. Management acknowledges its responsibility for the accurate, complete and timely filing of the appropriate sections of the data collection form with the Federal Audit Clearinghouse.

During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Lancaster County

Dennis Meyer
Lancaster County Budget and Fiscal Officer

Sean Flowerday
Lancaster County Board Chair

EXHIBIT
3

**POLICY FOR PROVIDING QUARANTINE OR ISOLATION HOUSING FOR ESSENTIAL EMPLOYEES**

This policy begins with the recognition that the City of Lincoln places a very high value on protecting its Essential Employees (EEs)as defined in the Lincoln-Lancaster County Health Department Directive for Essential Employees of the City of Lincoln (and Lancaster County) Who Have Been Exposed to Individuals Suspected of, or Being Infected with, COVID-19 (hereinafter "the Essential Employee Policy" or "EEP") .

EEs are at an elevated risk for contracting COVID-19 because of their response for assistance to emergent requests when donning the proper Personal Protective Equipment ("PPE") is difficult without jeopardizing the safety and well-being of the citizens of Lincoln.

The need to maintain a healthy workforce and acceptable staffing levels of EEs, such as public safety workers is of critical importance to the City. To help protect the EEs and the families and loved ones of EEs, the City of Lincoln have developed protocols to provide alternative housing for EEs when the they have been exposed to COVID-19 at a medium or high risk level according to the EEP or have been found through laboratory testing to be infected with COVID-19. Offering alternative housing options for EEs who meet the criteria herein furthers three goals:

- Minimizing the risk of employees spreading COVID-19 to household members;
- Demonstrate to employees that the City believes in taking care of those who are protecting the community and are taking extra measures to promote the health and welfare of EEs; and
- Reducing EE absenteeism due to spread of COVID-19 in EE households.

There are two circumstances where an EE will be offered alternative housing at no cost to the EE:

Protocol #1

- EE is exhibiting one or more of the following symptoms: a measured fever of 100 degrees or more, cough, shortness of breath, or sore throat;
- If the EE meets the criteria above, the EE shall be tested at Bryan Urgent Care-Life Point immediately, or as soon as the facility opens unless otherwise instructed by the Health Director;
- After being granted permission to or instructed to take a COVID-19 test, while waiting for a facility to open to take the test or waiting for test results to return, the EE will be provided the option of where to be lodged pending the test results. The EE will be permitted to return home if he or she desires. If the EE is concerned about returning home due to reasons related to the spread of the COVID-19 virus, he or she may choose alternative housing provided by the City. Such housing will be at no cost to the EE and the EE may use Pandemic Leave, Sick Leave, other earned leave, or FMLA leave. Meals will be provided by the City during this waiting period;
- The housing and meals provided by the City will be discontinued upon a negative result in the test;
- If the COVID-19 test is positive, the EE will be isolated. The EE will have the choice of isolating at home or requesting alternative housing to be paid by the City.
- The EE will remain isolated until released by the Health Director, but it is expected to be approximately 14 days.

- During isolation, the EE may use Pandemic Leave, Sick Leave, other earned leave, or FMLA leave.
- EEs in isolation in alternative housing shall be provided meals by the City.
- EEs in quarantine or isolation shall not be permitted to have visitors in alternative housing.

Protocol #2

- For EEs that have a Medium or High-Risk exposure to someone that has tested positive for COVID-19 according to the EEP, such EEs will be offered alternative housing and the EE must be quarantined for 14 days or as otherwise instructed by the Health Director;
- The alternative housing will be at no cost to the EE. Meals will be provided to the EE by the City during the quarantine period while in alternative housing;
- The EE may use Pandemic Leave, Sick Leave, or other earned leave;
- If the EE begins to exhibit symptoms as set forth in Protocol #1 above, the EE shall be tested immediately or as soon as the facility opens unless otherwise instructed by the Health Director;
- If the EE's test is negative, any alternative housing provided by the City will be discontinued, however, the EE may go home and continue to convalesce as needed;
- If the EE's test is positive, the EE will remain in isolation until the EE is asymptomatic for 72 hours or as may be instructed by the Health Director.
- EEs in quarantine or isolation shall not be permitted to have visitors while in alternative housing.

*All EEs who request alternative housing are advised that the City has yet determined if use of alternative housing provided by the EE's employer will be considered a taxable benefit and should consult their tax professional with any questions.

# 01 STUDY SCHEDULE