

LANCASTER COUNTY, NEBRASKA

Financial Statements With Supplementary Information
Independent Auditor's Report
June 30, 2020

LANCASTER COUNTY, NEBRASKA
FINANCIAL STATEMENTS
WITH
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2020

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RSM US LLP

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, 2020, 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.

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, 2020, 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 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 18, 2021 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 18, 2021

Lancaster County, Nebraska

Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Cash and investments	\$ 66,112,841
Taxes receivable	32,551,081
Due from other governmental agencies	3,103,485
Accounts receivable	1,518,565
Interest receivable	43,429
Patient and insurance receivables, net of allowance for doubtful accounts \$782,402	122,126
Capital assets:	
Land and construction in progress	13,740,061
Other capital assets, net of depreciation	203,671,404
Total assets	<u>320,862,992</u>
Deferred outflows of resources	
Deferred charge on refunding	<u>485,259</u>
Liabilities	
Accounts payable	7,518,810
Accrued salaries	3,488,221
Accrued interest payable	124,023
Claims payable	2,440,953
Long-term liabilities:	
Due within one year	10,060,460
Due in more than one year	53,159,219
Total liabilities	<u>76,791,686</u>
Deferred inflows of resources	
Deferred gain on refunding	<u>1,193,571</u>
Net position	
Net investment in capital assets	161,169,397
Restricted for:	
Visitor improvement	1,631,815
Rural library services	329,459
Building, land and road maintenance	14,659,230
Fleet management	9,402
Capital projects	810,205
Drug education	5,607,020
Economic development	421,409
Justice reinvestment	74,400
Debt service	4,087,712
Minor equipment	554,940
Emergency management	220,320
Public health and human services	467,266
Veterans aid	12,498
Unrestricted	<u>53,307,921</u>
Total net position	<u>\$ 243,362,994</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Total Governmental Activities
Governmental activities					
General government	\$ 24,921,751	\$ 15,403,779	\$ 6,245	\$ 181,433	\$ 9,330,294
Public safety	75,275,470	5,325,794	6,623,691	-	63,325,985
Public works	24,194,592	510,784	12,991,030	-	10,692,778
Public health and human services	11,814,867	809,241	3,527,211	-	7,478,415
Culture and recreation	4,476,034	-	-	-	4,476,034
Joint public agency services	1,329,926	-	-	-	1,329,926
Interest on long-term debt	1,558,065	-	-	-	1,558,065
Total primary government	\$ 143,570,705	\$ 22,049,598	\$ 23,148,177	\$ 181,433	98,191,497
General revenues					
Taxes:					
Property tax					78,538,203
Inheritance tax					6,580,091
Motor vehicle tax					9,667,315
Lodging tax					2,916,981
In-lieu-of tax					1,997,745
Occupation tax					10,400
Nameplate capacity tax					3,183
Drug tax					14,676
Other:					
Intergovernmental, for general purposes					8,382,844
Interest income					1,379,212
Other income					1,091,516
Total general revenues					110,616,479
Change in net position					12,424,982
Net position—beginning of year					<u>230,938,012</u>
Net position—end of year					<u>\$ 243,362,994</u>

See notes to financial statements.

Lancaster County, Nebraska

**Balance Sheet
Governmental Funds
June 30, 2020**

	General	Capital Project Highway Fund	Bridge and Special Road	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 16,084,140	\$ 9,175,788	\$ 6,092,378	\$ 16,622,348	\$ 47,974,654
Taxes receivable	30,417,315	-	-	2,133,766	32,551,081
Due from other governmental agencies	883,305	635,183	-	1,584,996	3,103,484
Accounts receivable	896,776	555,307	50,490	-	1,502,573
Interest receivable	31,276	5,238	1,692	3,391	41,597
Patient and insurance receivables, net of allowance for doubtful accounts of \$782,402	-	-	-	122,126	122,126
Total assets	\$ 48,312,812	\$ 10,371,516	\$ 6,144,560	\$ 20,466,627	\$ 85,295,515
Liabilities					
Accounts payable	\$ 2,889,702	\$ 932,290	\$ 1,806,086	\$ 1,534,488	\$ 7,162,566
Accrued salaries	2,912,485	144,093	109,427	315,355	3,481,360
Total liabilities	\$ 5,802,187	\$ 1,076,383	\$ 1,915,513	\$ 1,849,843	\$ 10,643,926
Deferred inflows of resources					
Unavailable revenue—property taxes	\$ 2,078,823	\$ -	\$ -	\$ 148,801	2,227,624
Fund balances					
Restricted for:					
Visitor improvement	-	-	-	1,631,815	1,631,815
Rural library services	-	-	-	329,459	329,459
Building, land and road maintenance	-	9,295,133	4,229,047	1,135,050	14,659,230
Fleet management	-	-	-	9,402	9,402
Capital projects	-	-	-	810,205	810,205
Drug education	-	-	-	5,607,020	5,607,020
Economic development	-	-	-	421,409	421,409
Justice reinvestment	-	-	-	74,400	74,400
Debt service	-	-	-	4,211,735	4,211,735
Minor equipment	-	-	-	554,940	554,940
Emergency management	-	-	-	220,320	220,320
Public health and human services	-	-	-	467,266	467,266
Veterans aid	12,498	-	-	-	12,498
Committed for:					
Community betterment	-	-	-	2,227,852	2,227,852
Building maintenance	-	-	-	470,060	470,060
Law enforcement equipment	-	-	-	297,050	297,050
Public safety	355,730	-	-	-	355,730
Public health and human services	21,633	-	-	-	21,633
Public works	331,912	-	-	-	331,912
General government	199,983	-	-	-	199,983
Unassigned	39,510,046	-	-	-	39,510,046
Total fund balances	40,431,802	9,295,133	4,229,047	18,467,983	72,423,965
Total liabilities, deferred inflows of resources and fund balances	\$ 48,312,812	\$ 10,371,516	\$ 6,144,560	\$ 20,466,627	\$ 85,295,515

See notes to financial statements.

Lancaster County, Nebraska

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2020**

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

Total fund balance—governmental funds		\$	72,423,965
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds:			
Cost	343,382,431		
Accumulated depreciation	<u>(125,970,966)</u>		217,411,465
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.			15,285,057
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.			2,227,624
Deferred outflows of resources are not due and payable in the current period and are therefore not reported in the funds:			
Deferred charge on refunding			485,259
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			(1,193,571)
Long-term liabilities are not due and payable in the current period and are therefore are not reported as liabilities in the funds:			
General obligation bonds payable—Joint Public Agency	(30,890,000)		
Premium on bonds	(4,916,256)		
Capital lease obligations	(19,727,500)		
Compensated absences	(7,619,026)		
Accrued interest payable	<u>(124,023)</u>		(63,276,805)
Net position—governmental activities		\$	<u>243,362,994</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Revenues, Expenditures and Changes In Fund Balances

Governmental Funds

Year Ended June 30, 2020

	General	Capital Project Highway Fund	Bridge and Special Road	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 91,495,910	\$ -	\$ -	\$ 8,077,946	\$ 99,573,856
Charges for services	15,269,104	25,603	347,508	4,453,556	20,095,771
Intergovernmental	11,851,182	10,256,461	1,828,181	4,908,217	28,844,041
Medicaid/Medicare/MRO					
Reimbursements	-	-	-	648,096	648,096
License, fees, and rental income	57,970	4,090	-	1,107,950	1,170,010
Interest income	1,181,916	97,726	44,147	55,424	1,379,213
Other Income	129,459	9,078	-	3,291,860	3,430,397
Total revenues	119,985,541	10,392,958	2,219,836	22,543,049	155,141,384
Expenditures:					
Current:					
General government	16,692,326	-	-	6,292,696	22,985,022
Public safety	70,837,967	-	-	2,240,721	73,078,688
Public works	3,973,407	7,950,164	4,892,746	426,830	17,243,147
Public health & human services	8,157,012	-	-	3,596,109	11,753,121
Culture and recreation	-	-	-	4,476,034	4,476,034
Capital outlay	795,687	11,266,278	6,332,280	797,276	19,191,521
Debt service:					
Principal	1,315,500	-	-	2,797,000	4,112,500
Interest	619,425	-	-	1,660,445	2,279,870
Total expenditures	102,391,324	19,216,442	11,225,026	22,287,111	155,119,903
Excess of revenues over (under) expenditures	17,594,217	(8,823,484)	(9,005,190)	255,938	21,481
Other financing sources (uses):					
Sale of capital assets	33,560	-	101	3,568	37,229
Transfers in	1,738,250	6,917,438	6,930,016	1,774,272	17,359,976
Transfers out	(15,931,726)	-	-	(1,728,250)	(17,659,976)
Total other financing sources (uses)	(14,159,916)	6,917,438	6,930,117	49,590	(262,771)
Net change in fund balances	3,434,301	(1,906,046)	(2,075,073)	305,528	(241,290)
Fund balance at beginning of year	36,997,501	11,201,179	6,304,120	18,162,455	72,665,255
Fund balance at end of year	\$ 40,431,802	\$ 9,295,133	\$ 4,229,047	\$ 18,467,983	\$ 72,423,965

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, 2020**

Net Change in fund balances—total governmental funds \$ (241,290)

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	(8,782,765)	
Capital assets capitalized	16,245,654	7,462,889

Contributions of capital assets are reported as capital contributions in the statement of activities. 181,433

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. (223,425)

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. 189,050

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. 712,921

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	2,710,000	
Capital lease	1,402,500	4,112,500

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 8,884

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 (561,800)

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 783,820

Change in net position of governmental activities \$ 12,424,982

See notes to financial statements.

Lancaster County, Nebraska

Statement of Net Position
Proprietary Funds
Year Ended June 30, 2020

	Internal Service Funds
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Assets	
Current assets:	
Cash	\$ 18,138,187
Accounts receivable	15,993
Interest receivable	1,832
Total current assets	<u>18,156,012</u>
Liabilities	
Current liabilities:	
Accounts payable	356,230
Claims payable	2,440,953
Accrued salaries	6,875
Current portion—accrued compensated absences	10,000
Total current liabilities	<u>2,814,058</u>
Noncurrent liabilities, long-term accrued compensated absences	<u>56,897</u>
Net position	
Unrestricted	<u>\$ 15,285,057</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2020

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 14,418,307
Other insurance reimbursements	66,186
Total operating revenues	<u>14,484,493</u>
Operating expenses:	
Claims and insurance	11,948,907
Contractual services	1,860,174
Wages and benefits	165,010
Other	51,412
Rentals	9,836
Supplies	842
Total operating expenses	<u>14,036,181</u>
Operating income	<u>448,312</u>
Nonoperating revenues, interest	<u>35,508</u>
Income before transfers	483,820
Transfers in	<u>300,000</u>
Change in net position	783,820
Total net position—beginning of year	<u>14,501,237</u>
Total net position—end of year	<u><u>\$ 15,285,057</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2020

	Internal Service Funds
Cash flows from operating activities:	
Cash received for services	\$ 15,588,291
Cash received from insurance companies	66,186
Cash payments for claims	(14,267,793)
Net cash flow provided by operating activities	<u>1,386,684</u>
Cash flows from non-capital financing activities, transfers from other funds	<u>300,000</u>
Cash flows from investing activities, interest on investments	<u>35,508</u>
Change in cash	1,722,192
Cash—beginning of the year	<u>16,415,995</u>
Cash—end of the year	<u>\$ 18,138,187</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 448,312
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in accounts receivable	1,169,984
Change in interest receivable	(1,832)
Change in accrued liabilities	(45,311)
Change in claims payable	(184,469)
Net cash provided by operating activities	<u>\$ 1,386,684</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Net Position
 Fiduciary Funds
 Year Ended June 30, 2020

	Employee Benefit Trust Funds	Agency Funds
Assets		
Cash	\$ -	\$ 35,629,172
Investments:		
Cash management fund	235,939	-
Certificates of deposit	-	5,424,180
Stable value fund	39,688,551	-
Mutual funds—domestic equities	69,682,555	-
Mutual funds—international equities	26,632,948	-
Mutual funds—balanced funds	10,815,881	-
Other fixed income	18,079,083	-
Total assets	<u>165,134,957</u>	<u>41,053,352</u>
Liabilities		
Due to others	-	<u>41,053,352</u>
Net position		
Restricted for pension and other postemployment benefits	<u>\$ 165,134,957</u>	<u>\$ -</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Changes In Net Position
 Fiduciary Funds
 Year Ended June 30, 2020

	Employee Benefit Trust Funds
<hr/>	
Additions:	
Contributions:	
Employee	\$ 3,264,285
Employer	4,860,884
Forfeitures	177,311
Rollovers	436,367
Total contributions	<u>8,738,847</u>
Investment income:	
Net appreciation in fair value of investments	142,701
Dividends and interest	3,907,843
Miscellaneous	34,362
Total net investment income	<u>4,084,906</u>
Total additions	<u>12,823,753</u>
Deductions:	
Benefits paid	10,715,719
Forfeitures	177,297
Total deductions	<u>10,893,016</u>
Change in net position	1,930,737
Net position—beginning of year	<u>163,204,220</u>
Net position—end of year	<u>\$ 165,134,957</u>

See notes to financial statements.

Lancaster County, Nebraska

Notes to Financial Statements

Note 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.

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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 1. Nature of Operations, Reporting Entity and Summary of Significant Accounting Policies (Continued)

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 "O" 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 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.

Bridge and Road fund: The bridge and road fund is a capital project fund. It accounts for repairs and improvements to County bridges and roads.

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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 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 and contractual adjustments. All other revenue items are considered to be measurable and available only when cash is received by the County.

Lancaster County, Nebraska

Notes to Financial Statements

Note 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 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:

	<u>Years</u>
Land improvements	20–50
Buildings	20–50
Machinery and equipment	5–20
Vehicles	8
Infrastructure	20–50

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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 1. Nature of Operations, Reporting Entity and Summary of Significant Accounting Policies (Continued)

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 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, 2020 consist of \$28,885,676 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.

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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 1. Nature of Operations, Reporting Entity and Summary of Significant Accounting Policies (Continued)

Sometimes the County 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.

The County may only levy taxes in addition to the \$0.50 limitation upon a vote of the people. For 2020, 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 1. Nature of Operations, Reporting Entity and Summary of Significant Accounting Policies (Continued)

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.

Note 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, 2020, the bank balance of the County's pooled cash deposits, including certificates of deposit and money market accounts, amounted to \$107,166,193. 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Pooled deposits and investments at June 30, 2020 appear in the financial statements as summarized below:

Deposits	\$ 19,135,655
Interest-bearing money market accounts	73,623,244
Investments-certificates of deposit	14,407,294
Total	\$ 107,166,193

Cash and investments—governmental funds balance sheet	\$ 47,974,655
Cash—internal service funds, statement of net position	18,138,186
Cash and investments—governmental activities, statement of net position	66,112,841
Cash—agency funds	41,053,352
Total	\$ 107,166,193

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, 2020, the investments in the employees' retirement system were as follows:

Investment Type	Fair Value	Concentration
Stable value fund (fixed income)	\$ 39,688,551	25.5%
Mutual funds—domestic equities	68,842,617	44.2
Mutual funds—international equities	26,543,083	17.0
Mutual funds—balanced funds	2,675,966	1.7
Other fixed income	18,008,522	11.6
	\$ 155,758,739	100.0%

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, 2020 is \$40,917,042 and the contract value is \$39,688,551.

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Custodial Credit risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County and the pension and OPEB plans do not have a policy for custodial credit risk. As of June 30, 2020 and 2019, the County's investments were not exposed to custodial credit risk because they were registered in the County's name and held by the counterparty or the counterparty's trust department. The mutual funds (equity and debt funds) of the pension and OPEB plans are not exposed to custodial credit risk.

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, 2020, the fixed income funds of the plan held investments with credit ratings ranging from AAA to BBB, with approximately 99.8% in AAA, AA or A securities.

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, 2020, 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, 2020, 86.8% 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 99.6% 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

At June 30, 2020, the investments in the OPEB trust were as follows:

Investment Type	Fair Value	Concentration
Stable value fund/cash management	\$ 235,939	2.4%
Bond funds	70,561	0.8
Balanced/asset allocation funds	8,139,915	86.8
U.S. stock funds	839,938	9.0
International/global funds	89,865	1.0
	\$ 9,376,218	100.0%

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	\$ 69,682,555	\$ -	\$ 69,682,555
International stock	26,632,948	-	26,632,948
Balanced funds	10,815,881	-	10,815,881
Fixed Income	70,561	18,008,522	18,079,083
Stable value fund	235,939	-	235,939
Total investments measured at fair value	\$ 107,437,884	\$ 18,008,522	125,446,406
Stable value fund measured at contract value			39,688,551
Total investments			\$ 165,134,957

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, 2020.

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;

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Variable annuity: Quoted prices for identical securities in underlying funds with the bond, stock and nontraditional weightings determined by the Glidepath;

Fixed income: Quoted prices for identical securities in markets that are not active.

Note 3. Capital Assets

The changes in capital assets designated for the operation of the County for the year ended June 30, 2020 are as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Nondepreciable assets:				
Land	\$ 11,181,250	\$ -	\$ -	\$ 11,181,250
Construction in progress	2,482,275	3,014,129	2,937,593	2,558,811
Total nondepreciable assets	13,663,525	3,014,129	2,937,593	13,740,061
Depreciable assets:				
Land improvements	1,705,589	-	-	1,705,589
Buildings	151,573,164	46,004	-	151,619,168
Machinery & equipment	20,589,627	717,871	666,034	20,641,464
Vehicles	9,664,224	3,825,677	1,230,244	12,259,657
Infrastructure	132,277,961	11,760,999	622,468	143,416,492
Total depreciable assets	315,810,565	16,350,551	2,518,746	329,642,370
Less accumulated depreciation:				
Land improvements	1,248,431	65,587	-	1,314,018
Building	36,657,113	3,025,060	-	39,682,173
Machinery and equipment	12,515,478	980,477	635,551	12,860,404
Vehicles	6,952,020	919,060	1,217,576	6,653,504
Infrastructure	62,110,480	3,792,581	442,194	65,460,867
Total depreciation	119,483,522	8,782,765	2,295,321	125,970,966
Depreciable capital assets, net	196,327,043	7,567,786	223,425	203,671,404
Total capital assets	\$ 209,990,568	\$ 10,581,915	\$ 3,161,018	\$ 217,411,465

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

Governmental activities:	
General government	\$ 1,172,656
Public safety	1,331,373
Public works	4,929,508
Public health and human services	19,302
Joint public agency services	1,329,926
Total depreciation expense	<u>\$ 8,782,765</u>

Lancaster County, Nebraska

Notes to Financial Statements

Note 4. Long-Term Liabilities

Changes in long-term obligations for the year ended June 30, 2020 were as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Bonds payable—JPA	\$ 33,600,000	\$ -	\$ 2,710,000	\$ 30,890,000	\$ 2,820,000
Premiums	5,500,366	-	584,110	4,916,256	-
	39,100,366	-	3,294,110	35,806,256	2,820,000
Capital leases payable, Public Building Commission	21,130,000	-	1,402,500	19,727,500	1,440,000
Compensated absences	7,122,000	5,613,257	5,049,334	7,685,923	5,800,460
Total long term liabilities	\$ 67,352,366	\$ 5,613,257	\$ 9,745,944	\$ 63,219,679	\$ 10,060,460

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, 2020, the PBC has bonds outstanding of \$27,600,000 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 4. Long-Term Liabilities (Continued)

Principal and interest requirements to maturity on capital lease obligations and bonds outstanding at June 30, 2020 are as follows:

Year ending June 30	Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest
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	3,395,000	853,375	1,335,000	465,979
2026-2030	15,370,000	1,584,000	3,695,000	1,792,113
2031-2035	-	-	3,365,000	1,150,500
2036-2040	-	-	3,860,000	597,856
2041-2042	-	-	1,725,000	56,469
	<u>\$ 30,890,000</u>	<u>\$ 7,360,000</u>	<u>\$ 19,727,500</u>	<u>\$ 6,417,025</u>

Note 5. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2020 is as follows:

Transfers Out	Transfers In					Total
	General Fund	Capital Project Highway Fund	Bridge and Special Road	Other Governmental Funds	Internal Service Funds	
General fund	\$ 10,000	\$ 6,917,438	\$ 6,930,016	\$ 1,774,272	\$ 300,000	\$ 15,931,726
Other governmental funds	1,728,250	-	-	-	-	1,728,250
	<u>\$ 1,738,250</u>	<u>\$ 6,917,438</u>	<u>\$ 6,930,016</u>	<u>\$ 1,774,272</u>	<u>\$ 300,000</u>	<u>\$ 17,659,976</u>

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, 2020, the most significant transfers were \$6,917,438 from the General Fund to the Highway Fund for budgeted capital projects and \$6,930,016 from the General Fund to the Bridge and Special Road Fund for budgeted capital projects.

Note 6. Deficit Fund Equity

At June 30, 2020, the Workers' Compensation fund (internal service fund) had a deficit of \$1,087,051, which will be recovered from future internal charges to the County's other funds.

Lancaster County, Nebraska

Notes to Financial Statements

Note 7. Postemployment Benefits

Postemployment 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 postemployment 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 Postemployment 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, 2020, membership in the plans totaled 1,044 for the ICMA-RC plan and 788 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 postemployment health plans by the County on behalf of the participating employees amounted to \$761,589 for the year ended June 30, 2020.

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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 7. Postemployment 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, 2020, 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 \$4,099,295 and total employee contributions were \$3,264,285 for the year ended June 30, 2020.

The following table provides condensed financial statements for both the postemployment health and pension trust:

	Pension Trust	Postemployment Health Trust	Total
Total assets	\$ 155,758,739	\$ 9,376,218	\$ 165,134,957
Net position	155,758,739	9,376,218	165,134,957
Additions	11,676,999	1,146,754	12,823,753
Deductions	10,377,780	515,236	10,893,016
Change in net position	1,299,219	631,518	1,930,737
Beginning net position	154,459,520	8,744,700	163,204,220
Ending net position	\$ 155,758,739	\$ 9,376,218	\$ 165,134,957

Lancaster County, Nebraska

Notes to Financial Statements

Note 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, 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
Claims incurred	323,572	379,564	11,430,240	12,133,376
Claims payments & adjustments	320,819	356,786	11,640,240	12,317,845
Liability—June 30, 2020	\$ 1,070,910	\$ 630,043	\$ 740,000	\$ 2,440,953

Lancaster County, Nebraska

Notes to Financial Statements

Note 9. Commitments and Contingencies

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries and their political subdivision. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the County. The extent to which COVID-19 may affect the County’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information, which may emerge concerning the severity of COVID-19 and actions taken to contain COVID-19 or its impact, among others.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

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, 2020 that represented agreements to purchase goods and services. The balances by fund were as follows:

General Fund	\$ 909,258
Highway Fund	7,637,708
Nonmajor Governmental Funds	5,154,073
	<u>\$ 13,701,039</u>

Note 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, 2020, 14 series of bonds were outstanding, with an aggregate principal amount payable in the amount of \$100,620,205.

Lancaster County, Nebraska

Notes to Financial Statements

Note 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, 2020, the County property tax revenues were reduced by \$1,609,312 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 \$57,511 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.

Note 12. Subsequent Events

On March 11, 2021, the President of the United States signed into law the American Rescue Plan Act of 2021. This legislation will allocate approximately \$62 million to the County.

The following subsequent event bond issuances are Conduit debt. The County is not obligated in any manner for the repayment of the bonds and the bonds liabilities will not be reported in future financial statements.

On September 30, 2020 the County issued Series 2020 Revenue Bonds (Eastmont Living Project) in the amount of \$11,022,000. The Series 2020 bonds were reissued for federal tax purposes to effect changes to the interest rate provisions on March 9, 2021.

On December 30, 2020 the County issued Series 2020 Revenue Bonds (Tabitha Projects) in the amount of \$19,200,000.

On February 26, 2021 the County issued Series 2021AB Revenue Bonds (Eastmont Project) in the amount of \$38,000,000.

Note 13. Pending Governmental Accounting Standards

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, issued in May 2020, will be effective immediately for the County. The objective of Statement No. 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by delaying the effective dates of pronouncements not yet adopted by 12-18 months. The following pronouncements have been updated to reflect the new effective dates.

The GASB has issued several statements not yet implemented by the County. The Statements which might impact the County are as follows:

- 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, 2021.

Lancaster County, Nebraska

Notes to Financial Statements

Note 12. Pending Governmental Accounting Standards (Continued)

- 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, 2022.
- 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, 2021.
- 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.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued June 2020, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will also enhance the relevance, consistency and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Another objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. This statement will be effective for the County with its 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, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over/(Under)
	Original	Final		
Revenues:				
Taxes	\$ 96,694,884	\$ 96,694,884	\$ 88,631,112	\$ (8,063,772)
Charges for services	14,657,821	14,657,821	15,081,506	423,685
Federal revenue	2,264,057	2,264,057	2,556,094	292,037
State revenues	2,628,375	2,628,375	9,233,997	6,605,622
License, fees, and rental income	58,838	58,838	57,970	(868)
Interest income	1,100,100	1,100,100	1,209,790	109,690
Intergovernmental	910,896	910,896	910,896	-
Other income	352,758	352,758	150,755	(202,003)
Total revenues	118,667,729	118,667,729	117,832,120	(835,609)
Expenditures:				
General government:				
Board of commissioners	319,653	331,153	330,394	759
County clerk	1,333,179	1,388,461	1,298,369	90,092
County treasurer	3,624,015	3,624,015	3,560,063	63,952
Assessor/register of deeds	4,502,529	4,502,529	4,420,390	82,139
ROD technology	219,450	219,450	206,351	13,099
Election commissioner	1,207,839	1,636,744	1,619,267	17,477
Information services	1,699,600	1,699,600	1,465,143	234,457
Budget and fiscal	272,146	295,146	291,474	3,672
General government miscellaneous	3,881,569	1,881,569	1,922,371	(40,802)
Administrative services	611,333	611,333	429,922	181,411
Board of equalization	447,120	447,120	355,266	91,854
Extension service	1,004,352	1,004,352	987,082	17,270
Records and information management	670,321	670,321	670,316	5
Total general government	19,793,106	18,311,793	17,556,408	755,385
Public safety:				
Clerk of district court	1,954,080	1,981,080	1,950,009	31,071
County court	1,335,497	1,735,497	1,453,150	282,347
Juvenile court	2,083,019	2,083,019	1,957,308	125,711
District court	2,881,916	2,881,916	2,858,326	23,590
Public defender	4,822,610	4,970,026	4,969,467	559
Jury commissioner	413,320	413,320	295,789	117,531
Justice system miscellaneous	1,567,485	1,567,485	1,528,100	39,385
County sheriff	13,646,568	13,739,205	13,713,474	25,731
County attorney	8,714,112	8,779,112	8,725,033	54,079
Corrections	25,958,310	26,508,310	26,117,911	390,399
Juvenile probation	326,613	326,613	324,123	2,490
Adult probation	577,500	577,500	563,494	14,006
Community corrections	3,431,029	3,431,029	3,274,124	156,905
Youth services center	5,271,313	5,271,313	5,079,476	191,837
Emergency management	578,431	578,431	569,562	8,869
Mental health board	149,566	149,566	132,034	17,532
Total public safety	73,711,369	74,993,422	73,511,380	1,482,042
Public works, county engineer	4,300,892	4,300,892	4,285,006	15,886

(Continued)

Lancaster County, Nebraska

Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual—Budget Basis—General Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over/(Under)
	Original	Final		
Public Health and Social Services				
General Assistance	1,913,000	2,213,000	1,669,808	543,192
Veterans & General Assistance Admin	808,636	808,796	756,043	52,753
Health & Human Services	5,171,964	5,171,964	5,152,832	19,132
Human Services	794,327	794,327	775,394	18,933
Total public health and human services	8,687,927	8,988,087	8,354,077	634,010
Total expenditures	106,493,294	106,594,194	103,706,871	2,887,323
Revenue over expenditures	12,174,435	12,073,535	14,125,249	2,051,714
Other financing sources (uses):				
Proceeds from sale of capital assets	7,500	7,500	33,560	26,060
Transfers in	1,725,490	1,725,490	1,772,520	47,030
Transfers out	(16,181,726)	(16,080,826)	(15,931,726)	149,100
Total other financing sources (uses)	(14,448,736)	(14,347,836)	(14,125,646)	222,190
Net change in fund balance	\$ (2,274,301)	\$ (2,274,301)	(397)	\$ 2,273,904
Fund balance at beginning of year			10,405,001	
Encumbrance credit			6,251	
Fund balance at end of year			<u>\$ 10,410,855</u>	
Explanation of difference between budgetary and GAAP:				
Net change in fund balance, budgetary basis			\$ (397)	
Separately budgeted general fund subfunds, veterans aid fund			6,660	
Revenue accruals			1,656,319	
Expenditure accruals			856,797	
Current year encumbrances			914,922	
Net change in fund balance, GAAP basis			3,434,301	
Fund balance, beginning of year, GAAP basis			36,997,501	
Fund balance, end of year, GAAP basis			<u>\$ 40,431,802</u>	

See notes to required supplementary information.

Lancaster County, Nebraska

Notes to Budgetary Comparison Schedules Year Ended June 30, 2020

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, 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, 2020

	General Fund	Veterans Aid Fund	Total General
Assets			
Cash, including investments	\$ 16,071,642	\$ 12,498	\$ 16,084,140
Taxes receivable	30,417,315	-	30,417,315
Due from other governmental agencies	883,305	-	883,305
Accounts receivable	896,776	-	896,776
Interest receivable	31,276	-	31,276
Total assets	\$ 48,300,314	\$ 12,498	\$ 48,312,812
Liabilities			
Accounts payable	\$ 2,889,702	\$ -	\$ 2,889,702
Accrued salaries	2,912,485	-	2,912,485
Total liabilities	5,802,187	-	5,802,187
Deferred inflows of resources			
Unavailable revenue—property taxes	2,078,823	-	2,078,823
Fund balances			
Committed for:			
Public safety	355,730	-	355,730
Public works	331,912	-	331,912
Public health and human services	21,633	-	21,633
General government	199,983	-	199,983
Restricted for, veterans aid	-	12,498	12,498
Unassigned	39,510,046	-	39,510,046
Total fund balances	40,419,304	12,498	40,431,802
Total liabilities, deferred inflows of resources and fund balances	\$ 48,300,314	\$ 12,498	\$ 48,312,812

Lancaster County, Nebraska

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

General Fund

June 30, 2020

	General Fund	Veterans Aid Fund	Total General
Revenues:			
Taxes	\$ 91,495,910	\$ -	\$ 91,495,910
Charges for services	15,269,104	-	15,269,104
Intergovernmental	11,851,182	-	11,851,182
License, fees, and rental income	57,970	-	57,970
Interest income	1,181,916	-	1,181,916
Other income	129,459	-	129,459
Total revenues	119,985,541	-	119,985,541
Expenditures:			
Current:			
General government	16,692,326	-	16,692,326
Public safety	70,837,967	-	70,837,967
Public works	3,973,407	-	3,973,407
Public health and human services	8,153,672	3,340	8,157,012
Capital outlay	795,687	-	795,687
Debt service:			
Principal	1,315,500	-	1,315,500
Interest	619,425	-	619,425
Total expenditures	102,387,984	3,340	102,391,324
Excess of revenues over (under) expenditures	17,597,557	(3,340)	17,594,217
Other financing sources (uses):			
Sale of capital assets	33,560	-	33,560
Transfers in	1,728,250	10,000	1,738,250
Transfers out	(15,931,726)	-	(15,931,726)
	(14,169,916)	10,000	(14,159,916)
Net change in fund balances	3,427,641	6,660	3,434,301
Fund balances at beginning of year	36,991,663	5,838	36,997,501
Fund balances at end of year	\$ 40,419,304	\$ 12,498	\$ 40,431,802

Lancaster County, Nebraska

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	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	\$ 568,299	\$ 1,003,522	\$ 15,395	\$ 5,966,522	\$ 2,256,973	\$ 419,344	\$ 436,522	\$ 86,124	\$ 895,977
Taxes receivable	-	-	340,552	-	-	-	-	-	193,838
Due from other government agencies	125,990	125,990	3,062	1,138,753	-	-	72,258	-	2,281
Interest receivable	-	-	-	1,326	-	2,065	-	-	-
Patient and insurance receivables, net of allowance for doubtful accounts of \$782,402	-	-	-	-	-	-	122,126	-	-
Total assets	\$ 694,289	\$ 1,129,512	\$ 359,009	\$ 7,106,601	\$ 2,256,973	\$ 421,409	\$ 630,906	\$ 86,124	\$ 1,092,096
Liabilities									
Accounts payable	\$ 90,000	\$ 101,986	\$ -	\$ 1,204,861	\$ 29,121	\$ -	\$ 39,259	\$ 9,897	\$ 1,197
Accrued salaries	-	-	-	-	-	-	124,381	18,857	-
Total liabilities	90,000	101,986	-	1,204,861	29,121	-	163,640	28,754	1,197
Deferred inflows of resources									
Unavailable revenue—property taxes	-	-	29,550	-	-	-	-	-	13,219
Fund balances									
Restricted for:									
Visitor improvement	604,289	1,027,526	-	-	-	-	-	-	-
Rural library services	-	-	329,459	-	-	-	-	-	-
Building, land, and road maintenance	-	-	-	-	-	-	-	57,370	1,077,680
Fleet management	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Drug education	-	-	-	5,607,020	-	-	-	-	-
Economic development	-	-	-	-	-	421,409	-	-	-
Justice reinvestment	-	-	-	74,400	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Minor equipment	-	-	-	-	-	-	-	-	-
Emergency management	-	-	-	220,320	-	-	-	-	-
Public health and human services	-	-	-	-	-	-	467,266	-	-
Committed for:									
Community betterment	-	-	-	-	2,227,852	-	-	-	-
Building maintenance	-	-	-	-	-	-	-	-	-
Law enforcement equipment	-	-	-	-	-	-	-	-	-
Total fund balances	604,289	1,027,526	329,459	5,901,740	2,227,852	421,409	467,266	57,370	1,077,680
Total liabilities, deferred outflows of resources, and fund balances	\$ 694,289	\$ 1,129,512	\$ 359,009	\$ 7,106,601	\$ 2,256,973	\$ 421,409	\$ 630,906	\$ 86,124	\$ 1,092,096

Lancaster County, Nebraska

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds			Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
	Fleet	County Property Management	City Building Maintenance	Correctional Facility Joint Public Agency	Law Enf. Equipment	Sinking Fund	Jail Savings	
Assets								
Cash, including investments	\$ 9,402	\$ 402,830	\$ 167,082	\$ 2,699,151	\$ 297,050	\$ 810,205	\$ 587,950	\$ 16,622,348
Taxes receivable	-	-	-	1,599,376	-	-	-	2,133,766
Due from other government agencies	-	97,422	-	19,240	-	-	-	1,584,996
Interest receivable	-	-	-	-	-	-	-	3,391
Patient and insurance receivables, net of allowance for doubtful accounts of \$782,402	-	-	-	-	-	-	-	122,126
Total assets	\$ 9,402	\$ 500,252	\$ 167,082	\$ 4,317,767	\$ 297,050	\$ 810,205	\$ 587,950	\$ 20,466,627
Liabilities								
Accounts payable	\$ -	\$ 22,429	\$ 2,728	\$ -	\$ -	\$ -	\$ 33,010	1,534,488
Accrued salaries	-	172,117	-	-	-	-	-	315,355
Total liabilities	-	194,546	2,728	-	-	-	33,010	1,849,843
Deferred inflows of resources								
Unavailable revenue—property taxes	-	-	-	106,032	-	-	-	148,801
Fund balances								
Restricted for:								
Visitor improvement	-	-	-	-	-	-	-	1,631,815
Rural library services	-	-	-	-	-	-	-	329,459
Building, land, and road maintenance	-	-	-	-	-	-	-	1,135,050
Fleet management	9,402	-	-	-	-	-	-	9,402
Capital projects	-	-	-	-	-	810,205	-	810,205
Drug education	-	-	-	-	-	-	-	5,607,020
Economic development	-	-	-	-	-	-	-	421,409
Justice reinvestment	-	-	-	-	-	-	-	74,400
Debt service	-	-	-	4,211,735	-	-	-	4,211,735
Minor equipment	-	-	-	-	-	-	554,940	554,940
Emergency management	-	-	-	-	-	-	-	220,320
Public health and human services	-	-	-	-	-	-	-	467,266
Committed for:								
Community betterment	-	-	-	-	-	-	-	2,227,852
Building maintenance	-	305,706	164,354	-	-	-	-	470,060
Law enforcement equipment	-	-	-	-	297,050	-	-	297,050
Total fund balances	9,402	305,706	164,354	4,211,735	297,050	810,205	554,940	18,467,983
Total liabilities, deferred outflows of resources, and fund balances	\$ 9,402	\$ 500,252	\$ 167,082	\$ 4,317,767	\$ 297,050	\$ 810,205	\$ 587,950	\$ 20,466,627

Lancaster County, Nebraska

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Year Ended June 30, 2020

	Special Revenue Funds								
	Visitors Improvement	County Visitors Promotion	County Rural Library	Federal Grants	Keno	Economic Development	Mental Health	Weed Control	Building
Revenues:									
Taxes	\$ 1,458,491	\$ 1,458,490	\$ 856,207	\$ 14,676	\$ -	\$ -	\$ -	\$ 34,313	\$ 485,643
Charges for services	-	-	-	-	-	-	452,223	31,643	-
Intergovernmental	-	-	79,033	2,985,042	-	-	1,293,119	172,808	41,388
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	-	648,096	-	-
License, fees, and rental income	-	-	-	-	-	-	-	-	297,668
Interest income	-	-	-	19,948	-	8,740	-	-	-
Other Income	-	-	-	2,132,293	1,148,042	-	461	1,776	-
Total revenues	1,458,491	1,458,490	935,240	5,151,959	1,148,042	8,740	2,393,899	240,540	824,699
Expenditures:									
General government	-	-	-	-	1,582,377	-	-	-	111,437
Public safety	-	-	-	2,067,236	-	-	-	-	155,598
Public works	-	-	-	-	-	-	-	426,830	-
Public health and human services	-	-	-	364,889	-	-	3,231,220	-	-
Culture and recreation	1,886,780	1,701,986	887,268	-	-	-	-	-	-
Capital outlays	-	-	-	68,069	-	-	-	2,049	491,796
Debt service:									
Principal	-	-	-	-	-	-	87,000	-	-
Interest	-	-	-	-	-	-	92,845	-	-
Total expenditures	1,886,780	1,701,986	887,268	2,500,194	1,582,377	-	3,411,065	428,879	758,831
Excess of revenues over (under) expenditures	(428,289)	(243,496)	47,972	2,651,765	(434,335)	8,740	(1,017,166)	(188,339)	65,868
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	3,450	-
Transfers in	-	-	-	-	-	-	1,181,120	172,808	-
Transfers out	-	-	-	(728,250)	(1,000,000)	-	-	-	-
Total other financing sources (uses)	-	-	-	(728,250)	(1,000,000)	-	1,181,120	176,258	-
Net change in fund balances	(428,289)	(243,496)	47,972	1,923,515	(1,434,335)	8,740	163,954	(12,081)	65,868
Fund balance at beginning 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
Fund balance at end of year	\$ 604,289	\$ 1,027,526	\$ 329,459	\$ 5,901,740	\$ 2,227,852	\$ 421,409	\$ 467,266	\$ 57,370	\$ 1,077,680

Lancaster County, Nebraska

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Special Revenue Funds			Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
	Fleet	County Property Management	City Building Maintenance	Correctional Facility Joint Public Agency	Law Enf. Equipment	Sinking Fund	Jail Savings	
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 3,770,126	\$ -	\$ -	\$ -	\$ 8,077,946
Charges for services	7,693	3,589,772	309,685	-	62,540	-	-	4,453,556
Intergovernmental	-	-	-	336,827	-	-	-	4,908,217
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	-	-	648,096
License, fees, and rental income	-	810,282	-	-	-	-	-	1,107,950
Interest income	-	-	-	26,736	-	-	-	55,424
Other Income	-	9,288	-	-	-	-	-	3,291,860
Total revenues	7,693	4,409,342	309,685	4,133,689	62,540	-	-	22,543,049
Expenditures:								
General government	7,654	4,264,742	291,347	-	-	35,139	-	6,292,696
Public safety	-	-	-	400	17,487	-	-	2,240,721
Public works	-	-	-	-	-	-	-	426,830
Public health and human services	-	-	-	-	-	-	-	3,596,109
Culture and recreation	-	-	-	-	-	-	-	4,476,034
Capital outlays	35,080	7,878	143,316	-	-	-	49,088	797,276
Debt service:								
Principal	-	-	-	2,710,000	-	-	-	2,797,000
Interest	-	-	-	1,567,600	-	-	-	1,660,445
Total expenditures	42,734	4,272,620	434,663	4,278,000	17,487	35,139	49,088	22,287,111
Excess of revenues over (under) expenditures	(35,041)	136,722	(124,978)	(144,311)	45,053	(35,139)	(49,088)	255,938
Other financing sources (uses):								
Sale of capital assets	-	118	-	-	-	-	-	3,568
Transfers in	-	-	-	-	-	420,344	-	1,774,272
Transfers out	-	-	-	-	-	-	-	(1,728,250)
Total other financing sources (uses)	-	118	-	-	-	420,344	-	49,590
Net change in fund balances	(35,041)	136,840	(124,978)	(144,311)	45,053	385,205	(49,088)	305,528
Fund balance at beginning of year	44,443	168,866	289,332	4,356,046	251,997	425,000	604,028	18,162,455
Fund balance at end of year	\$ 9,402	\$ 305,706	\$ 164,354	\$ 4,211,735	\$ 297,050	\$ 810,205	\$ 554,940	\$ 18,467,983

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Visitors Improvement Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,720,013	\$ (79,987)
Expenditures, other contracted services	2,450,091	2,450,091	1,841,805	608,286
Net change in fund balance	<u>\$ (650,091)</u>	<u>\$ (650,091)</u>	(121,792)	<u>\$ 528,299</u>
Fund balance, beginning of year			<u>650,091</u>	
Fund balance, end of year			<u>\$ 528,299</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Visitors Promotion Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,720,013	\$ (79,987)
Expenditures:				
Other contracted services	1,800,000	1,800,000	1,701,986	98,014
Miscellaneous fees and services	883,509	883,509	-	883,509
Total expenditures	2,683,509	2,683,509	1,701,986	981,523
Net change in fund balance	\$ (883,509)	\$ (883,509)	18,027	\$ 901,536
Fund balance, beginning of year			883,509	
Fund balance, end of year			\$ 901,536	

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, 2020**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 931,715	\$ 931,715	\$ 812,913	\$ (118,802)
State revenues	2,800	2,800	79,291	76,491
Intergovernmental	-	-	143	143
Total revenues	934,515	934,515	892,347	(42,168)
Expenditures:				
City/County shared	894,331	894,331	887,268	7,063
Miscellaneous fees and services	500	500	-	500
Total expenditures	894,831	894,831	887,268	7,563
Net change in fund balance	\$ 39,684	\$ 39,684	5,079	\$ (34,605)
Fund balance, beginning of year			10,316	
Fund balance, end of year			\$ 15,395	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Federal Grants Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 14,676	\$ 14,676
Federal receipts	1,986,645	1,986,645	2,507,439	520,794
State revenues	1,237,205	1,237,205	1,288,666	51,461
Interest on investments	16,000	16,000	20,373	4,373
Other receipts	745,703	745,703	2,137,881	1,392,178
Total revenues	3,985,553	3,985,553	5,969,035	1,983,482
Expenditures:				
Office supplies	45	45	-	45
Operating supplies	739,928	739,928	50,969	688,959
Medical supplies	5,000	5,000	2,819	2,181
Energy supplies	-	-	495	(495)
Other contracted services	4,003,507	4,003,507	697,884	3,305,623
Not-for-profit contracts	926,268	926,268	1,044,439	(118,171)
Trans, travel and subsistence	123,276	123,276	88,576	34,700
Communications	1,200	1,200	2,452	(1,252)
Postage, courier and freight	1,000	1,000	156	844
Printing and advertising	-	-	241	(241)
Miscellaneous fees and services	299,303	299,303	121,157	178,146
Repair and maintenance costs	3,500	3,500	5,670	(2,170)
Rentals	20,000	20,000	20,851	(851)
Equipment	260,070	260,070	95,036	165,034
Total expenditures	6,383,097	6,383,097	2,130,745	4,252,352
Revenue over (under) expenditures	(2,397,544)	(2,397,544)	3,838,290	6,235,834
Other financing uses:				
Transfers out	(1,166,099)	(1,166,099)	(1,672,287)	(506,188)
Total other financing uses	(1,166,099)	(1,166,099)	(1,672,287)	(506,188)
Net change in fund balance	\$ (3,563,643)	\$ (3,563,643)	2,166,003	\$ 5,729,646
Fund balance, beginning of year			<u>3,563,640</u>	
Fund balance, end of year			<u>\$ 5,729,643</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Keno Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, other receipts	\$ 1,325,000	\$ 1,325,000	\$ 1,255,296	\$ (69,704)
Expenditures:				
Other contracted services	1,500	1,500	-	1,500
Other contracting supplies	100,000	100,000	97,170	2,830
City/County shared	2,423,624	2,423,624	1,422,342	1,001,282
Not-for-profit contracts	65,000	65,000	68,835	(3,835)
Miscellaneous fees & services	-	-	100	(100)
Total expenditures	2,590,124	2,590,124	1,588,447	1,001,677
Revenue over (under) expenditures	(1,265,124)	(1,265,124)	(333,151)	931,973
Other financing uses:				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balance	\$ (2,265,124)	\$ (2,265,124)	(1,333,151)	\$ 931,973
Fund balance, beginning of year			3,590,124	
Fund balance, end of year			<u>\$ 2,256,973</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Economic Development Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, interest on investment	\$ 9,000	\$ 9,000	\$ 8,493	\$ (507)
Total revenues	9,000	9,000	8,493	(507)
Expenditures:				
Other contracted services	20,000	20,000	-	20,000
Miscellaneous fees and services	399,851	399,851	-	399,851
Total expenditures	419,851	419,851	-	419,851
Net change in fund balance	\$ (410,851)	\$ (410,851)	8,493	\$ 419,344
Fund balance, beginning of year			<u>410,851</u>	
Fund balance, end of year			<u>\$ 419,344</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Mental Health Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
State revenues	\$ 1,318,103	\$ 1,318,103	\$ 1,288,463	\$ (29,640)
Medicaid/Medicare/MRO reimbursements	540,000	540,000	671,754	131,754
County aid	1,181,120	1,181,120	1,181,120	-
Charges for services	344,000	344,000	428,093	84,093
Other income	2,500	2,500	5,589	3,089
Total revenues	3,385,723	3,385,723	3,575,019	189,296
Expenditures:				
Salaries and wages	2,109,329	2,109,329	2,111,264	(1,935)
Employee benefits	710,635	710,635	724,014	(13,379)
Contracted services	83,982	83,982	81,518	2,464
Building use cost	263,100	263,100	263,100	-
Client services	44,300	44,300	45,691	(1,391)
Contracted medical services	132,250	132,250	96,912	35,338
Insurance	31,721	31,721	31,122	599
Medical Supplies	23,500	23,500	27,406	(3,906)
Miscellaneous fees and services	6,100	6,100	7,649	(1,549)
Other compensation	11,034	11,034	11,034	-
Repair and maintenance costs	300	300	25	275
Operating supplies	7,500	7,500	7,744	(244)
Printing and advertising	3,550	3,550	3,183	367
Communication	2,700	2,700	2,498	202
Transportation and travel	1,700	1,700	21	1,679
Office supplies	2,000	2,000	2,679	(679)
Postage, courier and freight	750	750	522	228
Energy supplies	100	100	-	100
Equipment	6,350	6,350	2,069	4,281
Total expenditures	3,440,901	3,440,901	3,418,451	22,450
Net change in fund balance	\$ (55,178)	\$ (55,178)	156,568	\$ 211,746
Fund balance, beginning of year			130,180	
Fund balance, end of year			<u>\$ 286,748</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Weed Control Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 30,000	\$ 30,000	\$ 34,313	\$ 4,313
Charges for services	35,000	35,000	31,643	(3,357)
Intergovernmental	172,808	172,808	172,808	-
Other receipts	500	500	5,226	4,726
Total revenues	238,308	238,308	243,990	5,682
Expenditures:				
Salaries and wages	224,875	224,875	236,411	(11,536)
Employee benefits	81,309	81,309	82,724	(1,415)
Other compensation costs	5,110	5,110	3,610	1,500
Office supplies	1,250	1,250	642	608
Operating supplies	2,150	2,150	2,521	(371)
Energy supplies	8,000	8,000	5,143	2,857
Other contracted services	45,004	45,004	28,513	16,491
Transportation, travel and subsistence	3,320	3,320	2,065	1,255
Communications	3,200	3,200	3,245	(45)
Postage, courier and freight	6,000	6,000	6,869	(869)
Printing and advertising	3,500	3,500	2,392	1,108
Miscellaneous fees and services	37,000	37,000	45,822	(8,822)
Insurance and surety bonds	5,011	5,011	5,635	(624)
Utilities	950	950	-	950
Repair and maintenance costs	5,000	5,000	4,590	410
Equipment	9,600	9,600	2,049	7,551
Total expenditures	441,279	441,279	432,231	9,048
Revenue over (under) expenditures	(202,971)	(202,971)	(188,241)	14,730
Other financing sources:				
Transfers in	172,808	172,808	172,808	-
Net change in fund balance	\$ (30,163)	\$ (30,163)	(15,433)	\$ 14,730
Fund balance, beginning of year			70,163	
Fund balance, end of year			\$ 54,730	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Building Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 525,000	\$ 525,000	\$ 483,706	\$ (41,294)
State revenues	1,300	1,300	41,680	40,380
Licenses, fees and rental income	117,502	117,502	297,668	180,166
Intergovernmental	-	-	21	21
Total revenues	643,802	643,802	823,075	179,273
Expenditures:				
Supplies	-	-	8,598	(8,598)
Other contracted services	-	-	102,438	(102,438)
Repair and maintenance costs	-	-	11,707	(11,707)
Rentals	147,000	147,000	147,000	-
Buildings	1,189,300	1,189,300	220,864	968,436
Equipment	276,000	276,000	404,990	(128,990)
Total expenditures	1,612,300	1,612,300	895,597	716,703
Net change in fund balance	\$ (968,498)	\$ (968,498)	(72,522)	\$ 895,976
Fund balance, beginning of year			<u>968,498</u>	
Fund balance, end of year			<u>\$ 895,976</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Fleet Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, charges for services	\$ 12,000	\$ 12,000	\$ 7,693	\$ (4,307)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>7,693</u>	<u>(4,307)</u>
Expenditures:				
Energy/supplies	10,000	10,000	1,744	8,256
Miscellaneous fees and services	-	-	20	(20)
Insurance and surety bonds	6,000	6,000	3,705	2,295
Repairs and maintenance costs	15,000	15,000	2,185	12,815
Equipment	40,363	40,363	-	40,363
Total expenditures	<u>71,363</u>	<u>71,363</u>	<u>7,654</u>	<u>63,709</u>
Revenue over (under) expenditures	<u>(59,363)</u>	<u>(59,363)</u>	<u>39</u>	<u>59,402</u>
Other financing sources:				
Transfers in	50,000	50,000	-	(50,000)
Net change in fund balance	<u>\$ (9,363)</u>	<u>\$ (9,363)</u>	<u>39</u>	<u>\$ 9,402</u>
Fund balance, beginning of year			<u>9,363</u>	
Fund balance, end of year			<u>\$ 9,402</u>	

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, 2020**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,558,610	\$ 3,558,610	\$ 3,703,233	\$ 144,623
Licenses, fees and rental income	797,798	797,798	810,282	12,484
Other receipts	-	-	118	118
Total revenues	4,356,408	4,356,408	4,513,633	157,225
Expenditures:				
Salaries and wages	2,891,526	2,891,526	2,714,514	177,012
Employee benefits	1,235,839	1,235,839	1,155,188	80,651
Other compensation costs	73,811	73,811	74,505	(694)
Operating supplies	10,450	10,450	6,886	3,564
Energy supplies	3,900	3,900	2,337	1,563
Traffic control supplies	500	500	75	425
Repair and maintenance supplies	11,300	11,300	20,039	(8,739)
Other contracted services	120,725	120,725	74,177	46,548
City/County shared	3,112	3,112	2,797	315
Communications	1,925	1,925	1,246	679
Contracted health services	600	600	362	238
Miscellaneous fees and services	700	700	908	(208)
Insurance and surety bonds	12,664	12,664	21,243	(8,579)
Utilities	189,989	189,989	170,969	19,020
Postage, courier and freight	59,799	59,799	17,764	42,035
Rentals	11,000	11,000	1,206	9,794
Buildings	15,395	15,395	294	15,101
Improvements other than building	6,000	6,000	2,405	3,595
Equipment	500	500	3,399	(2,899)
Capitalized contracts	10,000	10,000	1,780	8,220
Total expenditures	4,659,735	4,659,735	4,272,094	387,641
Net change in fund balance	\$ (303,327)	\$ (303,327)	241,539	\$ 544,866
Fund balance, beginning of year			408,335	
Fund balance, end of year			<u>\$ 649,874</u>	

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, 2020**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, charges for services	\$ 303,500	\$ 303,500	\$ 309,685	\$ 6,185
Total revenues	303,500	303,500	309,685	6,185
Expenditures:				
Operating supplies	3,000	3,000	4,154	(1,154)
Energy supplies	5,000	5,000	2,656	2,344
Repair and maintenance supplies	6,000	6,000	6,805	(805)
Other contracted services	272,000	272,000	207,836	64,164
City/County shared	3,000	3,000	2,140	860
Communications	1,000	1,000	756	244
Miscellaneous fees and services	2,000	2,000	2,018	(18)
Insurance and surety bonds	2,500	2,500	4,145	(1,645)
Utilities	24,500	24,500	21,273	3,227
Repair and maintenance costs	18,000	18,000	14,523	3,477
Rentals	20,000	20,000	20,482	(482)
Buildings	234,833	234,833	131,722	103,111
Improvements other than buildings	1,000	1,000	-	1,000
Equipment	-	-	6,650	(6,650)
Capital contract	-	-	4,945	(4,945)
Total expenditures	592,833	592,833	430,105	162,728
Net change in fund balance	\$ (289,333)	\$ (289,333)	(120,420)	\$ 168,913
Fund balance, beginning of year			<u>289,333</u>	
Fund balance, end of year			<u>\$ 168,913</u>	

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, 2020**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,090,784	\$ 4,090,784	\$ 3,870,237	\$ (220,547)
State revenue	13,250	13,250	339,730	326,480
Interest income	12,000	12,000	28,156	16,156
Other intergovernmental	1,300	1,300	109	(1,191)
Total revenues	4,117,334	4,117,334	4,238,232	120,898
Expenditures:				
Debt service:				
Principal	2,710,000	2,710,000	2,710,000	-
Interest	1,868,600	1,868,600	1,568,000	300,600
Total expenditures	4,578,600	4,578,600	4,278,000	300,600
Net change in fund balance	\$ (461,266)	\$ (461,266)	(39,768)	\$ 421,498
Fund balance, beginning of year			<u>2,032,840</u>	
Fund balance, end of year			<u>\$ 1,993,072</u>	

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, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 75,000	\$ 75,000	\$ 62,540	\$ (12,460)
Other receipts	200,000	200,000	-	(200,000)
Total revenues	<u>275,000</u>	<u>275,000</u>	62,540	(212,460)
Expenditures, miscellaneous fees and services	532,585	532,585	23,075	509,510
Net change in fund balance	<u>\$ (257,585)</u>	<u>\$ (257,585)</u>	39,465	<u>\$ 297,050</u>
Fund balance, beginning of year			<u>257,585</u>	
Fund balance, end of year			<u>\$ 297,050</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Sinking Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures:				
Other contracted services	\$ 350,000	\$ 350,000	\$ -	\$ 350,000
Buildings	495,344	495,344	36,009	459,335
Total expenditures	845,344	845,344	36,009	809,335
Other financing sources:				
Transfers in	420,344	420,344	420,344	-
Net change in fund balance	\$ 425,000	\$ 425,000	384,335	\$ 809,335
Fund balance, beginning of year			425,000	
Fund balance, end of year			\$ 809,335	

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, 2020**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	666,150	666,150	339,384	(326,766)
State revenues	414,765	954,608	949,437	(5,171)
Interest on investments	47,276	47,276	45,529	(1,747)
Other revenue	-	-	101	101
Total revenues	1,128,191	1,668,034	1,334,451	(333,583)
Expenditures:				
Salaries and wages	1,670,973	1,670,973	1,710,646	(39,673)
Employee benefits	709,692	709,692	742,819	(33,127)
Other compensation costs	53,355	53,355	53,355	-
Operating supplies	29,500	29,500	42,076	(12,576)
Energy supplies	381,000	381,000	277,379	103,621
Highway and bridge supplies	1,722,000	1,722,000	1,817,536	(95,536)
Traffic control supplies	20,000	20,000	34,868	(14,868)
Repair and maintenance supplies	170,000	170,000	156,602	13,398
Postage, courier and freight	700	700	455	245
Miscellaneous fees and services	3,000	3,000	1,784	1,216
Repair and maintenance costs	357,000	357,000	104,823	252,177
Land	48,500	48,500	17,519	30,981
Equipment	259,500	259,500	249,094	10,406
Capitalized contracts	3,125,648	6,506,233	6,821,914	(315,681)
Total expenditures	8,550,868	11,931,453	12,030,870	(99,417)
Revenue under expenditures	(7,422,677)	(10,263,419)	(10,696,419)	(433,000)
Other financing sources:				
Transfers in	6,930,016	7,808,760	7,808,761	1
Net change in fund balance	\$ (492,661)	\$ (2,454,659)	(2,887,658)	\$ (433,001)
Fund balance, beginning of year			3,114,982	
Encumbrance credit			185,494	
Fund balance, end of year			<u>\$ 412,818</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Jail Savings Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures, capitalized contracts	\$ 604,028	\$ 604,028	\$ 49,088	\$ 554,940
Net change in fund balance	<u>\$ (604,028)</u>	<u>\$ (604,028)</u>	(49,088)	<u>\$ 554,940</u>
Fund balance, beginning of year			<u>604,028</u>	
Fund balance, end of year			<u>\$ 554,940</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Highway Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 28,500	\$ 28,500	\$ 215,180	\$ 186,680
State revenues	9,734,983	9,734,983	9,893,622	158,639
Interest on investments	30,000	30,000	92,488	62,488
Other revenues	27,000	27,000	4,202	(22,798)
Total revenues	9,820,483	9,820,483	10,205,492	385,009
Expenditures:				
Salaries and wages	2,165,775	2,165,775	2,015,064	150,711
Employee benefits	1,040,324	1,040,324	833,623	206,701
Other compensation costs	79,100	79,100	79,100	-
Office supplies	265,000	265,000	407,905	(142,905)
Medical supplies	20,000	20,000	14,836	5,164
Energy supplies	600,000	600,000	438,357	161,643
Highway and bridge supplies	2,284,500	2,284,500	2,122,305	162,195
Traffic control supplies	265,000	265,000	148,525	116,475
Repair and maintenance supplies	330,000	330,000	600,704	(270,704)
Postage, courier and freight	5,000	5,000	4,043	957
Printing and advertising	1,500	1,500	471	1,029
Miscellaneous fees and services	60,000	60,000	36,137	23,863
Utilities	3,000	3,000	820	2,180
Repair and maintenance costs	406,000	406,000	1,260,602	(854,602)
Rentals	75,000	75,000	148,023	(73,023)
Land	84,000	84,000	47,791	36,209
Equipment	2,874,000	2,874,000	2,733,654	140,346
Capitalized contracts	7,958,454	7,958,454	7,319,699	638,755
Total expenditures	18,516,653	18,516,653	18,211,659	304,994
Revenue over (under) expenditures	(8,696,170)	(8,696,170)	(8,006,167)	690,003
Other financing sources:				
Transfers in	7,358,047	7,358,047	6,917,438	(440,609)
Net change in fund balance	\$ (1,338,123)	\$ (1,338,123)	(1,088,729)	\$ 249,394
Fund balance, beginning of year			2,338,123	
Encumbrances credit			32,784	
Fund balance, end of year			\$ 1,282,178	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budget Basis

Veterans Aid Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures, other client services	\$ 12,577	\$ 12,577	\$ 3,340	\$ 9,237
Other financing sources: Transfers in	10,000	10,000	10,000	-
Net change in fund balance	<u>\$ 2,577</u>	<u>\$ 2,577</u>	6,660	<u>\$ 9,237</u>
Fund balance, beginning of year			<u>5,838</u>	
Fund balance, end of year			<u>\$ 12,498</u>	

Lancaster County, Nebraska

Combining Statement of Net Position

Internal Service Funds

June 30, 2020

	Workers'	Other Self	Group	Total
	Compensation	Insurance Loss	Insurance	
Assets				
Current assets:				
Cash, including investments	\$ 165,263	\$ 3,185,787	\$ 14,787,137	\$ 18,138,187
Accounts receivable	15,993	-	-	15,993
Interest receivable	-	1,832	-	1,832
Total current assets	181,256	3,187,619	14,787,137	18,156,012
Liabilities				
Current liabilities:				
Accounts payable	123,625	-	232,605	356,230
Claims payable	1,070,910	630,043	740,000	2,440,953
Accrued salaries	6,875	-	-	6,875
Current portion—accrued compensated absences	10,000	-	-	10,000
Total current liabilities	1,211,410	630,043	972,605	2,814,058
Noncurrent liabilities, long-term accrued compensated absences	56,897	-	-	56,897
Total liabilities	1,268,307	630,043	972,605	2,870,955
Net position				
Unrestricted (deficit)	\$ (1,087,051)	\$ 2,557,576	\$ 13,814,532	\$ 15,285,057

Lancaster County, Nebraska

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2020

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Operating revenues:				
Charges for services	\$ 754,461	\$ 435,285	\$ 13,228,561	\$ 14,418,307
Other insurance reimbursements	3,642	50,547	11,997	66,186
Total operating revenues	758,103	485,832	13,240,558	14,484,493
Operating expenses:				
Claims and insurance	326,325	402,342	11,220,240	11,948,907
Contractual services	488,469	47,624	1,324,081	1,860,174
Wages and benefits	165,010	-	-	165,010
Other	51,412	-	-	51,412
Rentals	9,836	-	-	9,836
Supplies	842	-	-	842
Total operating expenses	1,041,894	449,966	12,544,321	14,036,181
Operating income (loss)	(283,791)	35,866	696,237	448,312
Nonoperating revenues, interest	1,263	34,245	-	35,508
Income (loss) before transfers	(282,528)	70,111	696,237	483,820
Transfers in	300,000	-	-	300,000
Change in net position	17,472	70,111	696,237	783,820
Total net position, beginning of year	(1,104,523)	2,487,465	13,118,295	14,501,237
Total net position, end of year	\$ (1,087,051)	\$ 2,557,576	\$ 13,814,532	\$ 15,285,057

Lancaster County, Nebraska

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2020**

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Cash flows from operating activities:				
Cash received for services	\$ 746,304	\$ 435,285	\$ 14,406,702	\$ 15,588,291
Cash received from insurance companies	3,642	50,547	11,997	66,186
Cash payments for claims	(969,435)	(445,878)	(12,852,480)	(14,267,793)
Net cash provided by (used in) operating activities	(219,489)	39,954	1,566,219	1,386,684
Cash flows from noncapital financing activities, transfers from other funds				
	300,000	-	-	300,000
Cash flows from investing activities.				
interest on investments	1,263	34,245	-	35,508
Change in cash and cash equivalents	81,774	74,199	1,566,219	1,722,192
Cash and cash equivalents, beginning of year				
	83,489	3,111,588	13,220,918	16,415,995
Cash and cash equivalents, end of year				
	\$ 165,263	\$ 3,185,787	\$ 14,787,137	\$ 18,138,187
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(283,791)	35,866	696,237	448,312
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in accounts receivable	(8,157)	-	1,178,141	1,169,984
Change in interest receivable	-	(1,832)	-	(1,832)
Change in accrued liabilities	69,706	(16,858)	(98,159)	(45,311)
Change in claims payable	2,753	22,778	(210,000)	(184,469)
Net cash provided by (used in) operating activities	\$ (219,489)	\$ 39,954	\$ 1,566,219	\$ 1,386,684

Lancaster County, Nebraska

Combining Statement of Fiduciary Net Position
Employee Benefit Trust Funds
Year Ended June 30, 2020

	Pension Trust Fund	OPEB Trust Fund	Total
Assets			
Investments:			
Cash management fund	\$ -	\$ 235,939	\$ 235,939
Stable value fund	39,688,551	-	39,688,551
Mutual funds—domestic equities	68,842,617	839,938	69,682,555
Mutual funds—international equities	26,543,083	89,865	26,632,948
Mutual funds—balanced funds	2,675,966	8,139,915	10,815,881
Other fixed income	18,008,522	70,561	18,079,083
	<u>\$ 155,758,739</u>	<u>\$ 9,376,218</u>	<u>165,134,957</u>
Total assets	\$ 155,758,739	\$ 9,376,218	165,134,957
Net position			
Restricted for employee benefits	<u>\$ 155,758,739</u>	<u>\$ 9,376,218</u>	<u>165,134,957</u>

Lancaster County, Nebraska

Combining Statement of Changes in Fiduciary Net Position

Employee Benefit Trust Funds

Year Ended June 30, 2020

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employee	\$ 3,264,285	\$ -	\$ 3,264,285
Employer	4,099,295	761,589	4,860,884
Forfeitures	177,311	-	177,311
Rollovers	436,367	-	436,367
Total contributions	7,977,258	761,589	8,738,847
Investment income:			
Net appreciation in fair value of investments	(268,238)	410,939	142,701
Dividends and interest	3,907,843	-	3,907,843
Miscellaneous	60,136	(25,774)	34,362
Total net investment income	3,699,741	385,165	4,084,906
Total additions	11,676,999	1,146,754	12,823,753
Deductions:			
Benefits paid	10,200,483	515,236	10,715,719
Forfeitures	177,297	-	177,297
Total deductions	10,377,780	515,236	10,893,016
Change in net position	1,299,219	631,518	1,930,737
Net position, beginning of year	154,459,520	8,744,700	163,204,220
Net position, end of year	\$ 155,758,739	\$ 9,376,218	\$ 165,134,957

Lancaster County, Nebraska

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Assessor/Register of Deeds</u>				
Assets				
Cash and investments	\$ 313,012	\$ 6,398,160	\$ 6,388,899	\$ 322,273
Liabilities				
Due to others	\$ 313,012	\$ 6,398,160	\$ 6,388,899	\$ 322,273
<u>Human Services Restitution</u>				
Assets				
Cash and investments	\$ 261	\$ 7,492	\$ 7,408	\$ 345
Liabilities				
Due to others	\$ 261	\$ 7,492	\$ 7,408	\$ 345
<u>Community Corrections</u>				
Assets				
Cash and investments	\$ 2,633	\$ 241,552	\$ 243,241	\$ 944
Liabilities				
Due to others	\$ 2,633	\$ 241,552	\$ 243,241	\$ 944
<u>Extension Board</u>				
Assets				
Cash and investments	\$ 151,573	\$ 78,146	\$ 73,573	\$ 156,146
Liabilities				
Due to others	\$ 151,573	\$ 78,146	\$ 73,573	\$ 156,146
<u>Public Building Commission</u>				
Assets				
Cash and investments	\$ 4,842,174	\$ 13,365,578	\$ 11,792,667	\$ 6,415,085
Liabilities				
Due to others	\$ 4,842,174	\$ 13,365,578	\$ 11,792,667	\$ 6,415,085
<u>Railroad Transportation Safety District</u>				
Assets				
Cash and investments	\$ 9,055,176	\$ 5,055,211	\$ 3,244,854	\$ 10,865,533
Liabilities				
Due to others	\$ 9,055,176	\$ 5,055,211	\$ 3,244,854	\$ 10,865,533

(Continued)

Lancaster County, Nebraska

Combining Statement of Changes in Assets and Liabilities (Continued)

Agency Funds

Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Flexible Employee Benefits Account (FEBA)</u>				
Assets				
Cash and investments	\$ 34,896	\$ 537,896	\$ 528,186	\$ 44,606
Liabilities				
Due to others	\$ 34,896	\$ 537,896	\$ 528,186	\$ 44,606
<u>Tax Collection and Distribution Accounts</u>				
Assets				
Cash and investments	\$ 18,754,324	\$ 1,282,232,538	\$ 1,277,902,901	\$ 23,083,961
Liabilities				
Due to others	\$ 18,754,324	\$ 1,282,232,538	\$ 1,277,902,901	\$ 23,083,961
<u>Sheriff—Attorney Trust Account</u>				
Assets				
Cash and investments	\$ 8,403	\$ -	\$ 8,403	\$ -
Liabilities				
Due to others	\$ 8,403	\$ -	\$ 8,403	\$ -
<u>Corrections - Inmate/Commissary</u>				
Assets				
Cash and investments	\$ 160,937	\$ 4,785,895	\$ 4,782,068	\$ 164,764
Liabilities				
Due to others	\$ 160,937	\$ 4,785,895	\$ 4,782,068	\$ 164,764
<u>Youth Services Center—Resident</u>				
Assets				
Cash and investments	\$ (296)	\$ 7,392	\$ 7,401	\$ (305)
Liabilities				
Due to others	\$ (296)	\$ 7,392	\$ 7,401	\$ (305)
<u>Total—All Agency Funds</u>				
Assets				
Cash and investments	\$ 33,323,093	\$ 1,312,709,860	\$ 1,304,979,601	\$ 41,053,352
Liabilities				
Due to others	\$ 33,323,093	\$ 1,312,709,860	\$ 1,304,979,601	\$ 41,053,352

SINGLE AUDIT SECTION

**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, 2020, 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 18, 2021.

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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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 18, 2021

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

RSM US LLP

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, 2020. 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, 2020.

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 18, 2021

Lancaster County, Nebraska

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

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
97.036	Disaster Grants - Public Assistance
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Lancaster County, Nebraska

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2020

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

A. Internal Control

None reported.

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 BOARD OF COMMISSIONERS

Roma Amundson Sean Flowerday Deb Schorr Rick Vest Christa Yoakum

David A. Derbin, *Chief Administrative Officer* Ann E. Ames, *Deputy Chief Administrative Officer*

Summary Schedule of Prior Audit Findings Year Ended June 30, 2020

Finding Number: 2019-001

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

Status: Corrective action taken and finding is fully corrected.

Lancaster County, Nebraska

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Amount Provided to Subrecipients	Federal Expenditures
Department of Agriculture Pass-Through Programs From				
Nebraska Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	55-0905	10.553	\$ 11,141	\$ -
National School Lunch Program	55-0905	10.555	24,265	-
Total Department of Agriculture			<u>35,406</u>	<u>-</u>
Department of the Interior Office of the Secretary				
Payments in Lieu of Taxes	N/A	15.226	21,000	-
Total Department of the Interior Office of the Secretary			<u>21,000</u>	<u>-</u>
Department of Justice Direct Programs				
COVID-19 - BJA - Coronavirus Emergency Supplemental Funding Program (1)	N/A	16.034	58,008	-
BJA—Drug Court Discretionary Grant Program	N/A	16.585	210,016	168,362
OVW—Grants to Encourage Arrest Policies & Enforcement of Protection Orders Program	N/A	16.590	44,483	37,114
BJA—State Criminal Alien Assistance Program (SCAAP)	N/A	16.606	176,013	-
BJA—Second Chance Act Prisoner Reentry Initiative	N/A	16.812	344,260	190,663
Equitable Sharing Program—Justice Funds	N/A	16.922	27,009	-
<i>Subtotal Department of Justice Direct Programs</i>			<u>859,789</u>	<u>396,139</u>
Department of Justice Pass-Through Programs From				
Nebraska Commission on Law Enforcement and Criminal				
COVID-19 - Coronavirus Emergency Supplemental				
Funding Program (1)	187-2021-CF9005	16.034	238,837	-
Juvenile Justice and Delinquency Prevention Allocation to States	18-JJ-0001	16.540	22,271	-
Justice Violence Against Women Formula Grants (2)	17-VW-0709	16.588	72	-
Justice Violence Against Women Formula Grants (2)	17-VW-0716	16.588	22,472	-
Justice Violence Against Women Formula Grants (2)	18-VW-0713	16.588	226,288	102,190
Edward Byrne Memorial Justice Assistance Grant Program (3)	17-DA-309	16.738	22,672	-
Edward Byrne Memorial Justice Assistance Grant Program (3)	18-DA-309	16.738	53,514	-
Edward Byrne Memorial Justice Assistance Grant Program (3)	20-DA-3002	16.738	62,900	-
<i>Subtotal Department of Justice Pass-Through Programs</i>			<u>649,026</u>	<u>102,190</u>
Total Department of Justice			<u>1,508,815</u>	<u>498,329</u>
Department of Transportation Pass-Through Programs From				
Nebraska Department of Roads Highway Safety Office				
Highway Safety Cluster:				
State and Community Highway Safety (4)	402-20-05-33	20.600	2,914	-
State and Community Highway Safety (4)	402-1-19-12-42	20.600	4,000	-
State and Community Highway Safety (4)	402-20-12-30	20.600	4,344	-
Total Department of Transportation			<u>11,258</u>	<u>-</u>
Department of Treasury Direct Programs				
Equitable Sharing Program—Treasury Funds	N/A	21.016	482,490	-
Total Department of Treasury			<u>482,490</u>	<u>-</u>

(Continued)

Lancaster County, Nebraska

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Amount Provided to Subrecipients	Federal Expenditures
Department of Health and Human Services				
Pass-Through Programs From				
Nebraska Department of Health and Human Services				
ACF—Child Support Enforcement, County Attorney	1904NECSES	93.563	\$ 1,469,423	\$ -
ACF—Child Support Enforcement, Clerk of District Court	1904NECSES	93.563	269,088	-
ACF—Child Support Enforcement, Bailiff District Court	1904NECSES	93.563	188,081	-
Total Department of Health and Human Services			<u>1,926,592</u>	<u>-</u>
Department of Homeland Security Pass-Through Programs From				
State of Nebraska Emergency Management Agency				
Disaster Grants—Public Assistance	FEMA-4225-DR-NE	97.036	1,036,396	-
Emergency Management Performance Grant	EMK-2018-EP-00004-S01	97.042	120,375	-
Total Department of Homeland Security			<u>1,156,771</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 5,142,332</u>	<u>\$ 498,329</u>

See notes to schedule of expenditures of federal awards.

- (1) - combined 16.034 - \$296,845
- (2) - combined 16.588 - \$248,932
- (3) - combined 16.738 - \$139,086
- (4) - combined 20.600 - \$11,258

Lancaster County, Nebraska

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

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.