

LANCASTER COUNTY, NEBRASKA

Financial Statements With Supplementary Information
Independent Auditor's Report
June 30, 2022

LANCASTER COUNTY, NEBRASKA
FINANCIAL STATEMENTS
WITH
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2022

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RSM US LLP

Independent Auditor's Report

Board of Commissioners
Lancaster County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* 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. The 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 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 (*Uniform Guidance*) 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 30, 2023 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 the County's 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 County's internal control over financial reporting and compliance.

RSM US LLP

Lincoln, Nebraska
March 30, 2023

Lancaster County, Nebraska

**Statement of Net Position
June 30, 2022**

	Governmental Activities
Assets	
Cash and investments	\$ 153,361,021
Taxes receivable	33,272,212
Due from other governmental agencies	5,300,440
Accounts receivable	1,247,810
Lease receivable	1,634,880
Interest receivable	25,750
Patient and insurance receivables, net of allowance for doubtful accounts \$616,379	145,997
Capital assets:	
Land and construction in progress	12,819,451
Other capital assets, net of depreciation	206,627,512
Total assets	<u>414,435,073</u>
Deferred outflows of resources	
Deferred charge on refunding	<u>369,949</u>
Liabilities	
Accounts payable	8,971,425
Accrued salaries	1,470,823
Accrued interest payable	100,340
Claims payable	2,667,489
Unearned revenue	57,679,802
Long-term liabilities:	
Due within one year	10,980,422
Due in more than one year	43,047,454
Total liabilities	<u>124,917,755</u>
Deferred inflows of resources	
Leases	1,604,440
Deferred gain on refunding	820,638
Total deferred inflows of resources	<u>2,425,078</u>
Net position	
Net investment in capital assets	173,035,494
Restricted for:	
Visitor improvement	4,192,866
Rural library services	361,551
Building, land and road maintenance	15,620,867
Capital projects	6,623,950
Drug education	7,217,701
Economic development	335,144
Debt service	3,633,704
Emergency management	269,706
Public health and human services	529,384
Veterans aid	5,366
Unrestricted	<u>75,636,456</u>
Total net position	<u>\$ 287,462,189</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
				Total Governmental Activities
Governmental activities				
General government	\$ 26,844,037	\$ 16,232,782	\$ -	\$ 10,611,255
Public safety	92,836,702	4,637,771	8,524,689	79,674,242
Public works	88,426	-	-	88,426
Community development	27,010,490	1,482,504	13,442,425	12,085,561
Public health and human services	10,639,811	691,153	10,431,521	(482,863)
Culture and recreation	3,394,554	-	-	3,394,554
Joint public agency services	1,324,291	-	-	1,324,291
Interest on long-term debt	1,199,893	-	-	1,199,893
Total primary government	\$ 163,338,204	\$ 23,044,210	\$ 32,398,635	107,895,359
General revenues				
Taxes:				
Property tax				83,758,811
Inheritance tax				9,913,804
Motor vehicle tax				10,597,545
Lodging tax				4,081,297
In-lieu-of tax				1,842,089
Occupation tax				10,775
Nameplate capacity tax				1,813
Drug tax				14,155
Other:				
Intergovernmental, for general purposes				10,915,643
Interest income				356,345
Other income				2,429,482
Total general revenues				123,921,759
Change in net position				16,026,400
Net position—beginning of year				271,435,789
Net position—end of year				\$ 287,462,189

See notes to financial statements.

Lancaster County, Nebraska

**Balance Sheet
Governmental Funds
June 30, 2022**

	General	Highway Fund	Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 30,540,489	\$ 8,334,147	\$ 68,877,205	\$ 23,919,031	\$ 131,670,872
Taxes receivable	31,275,514	-	-	1,996,698	33,272,212
Due from other governmental agencies	1,755,410	1,921,001	611,858	1,012,171	5,300,440
Accounts receivable	754,548	11,309	154,571	327,382	1,247,810
Lease receivable	-	-	-	1,634,880	1,634,880
Interest receivable	21,899	-	3,835	16	25,750
Patient and insurance receivables, net of allowance for doubtful accounts of \$616,379	-	-	-	145,997	145,997
Total assets	\$ 64,347,860	\$ 10,266,457	\$ 69,647,469	\$ 29,036,175	\$ 173,297,961
Liabilities					
Accounts payable	\$ 2,873,128	\$ 147,622	\$ 4,480,261	\$ 1,188,623	\$ 8,689,634
Accrued salaries	1,247,388	113,473	-	106,614	1,467,475
Unearned revenue	-	-	57,679,802	-	57,679,802
Total liabilities	4,120,516	261,095	62,160,063	1,295,237	67,836,911
Deferred inflows of resources					
Leases	-	-	-	1,604,440	1,604,440
Unavailable revenue—property taxes	1,854,452	-	-	121,045	1,975,497
Total deferred inflows of resources	1,854,452	-	-	1,725,485	3,579,937
Fund balances					
Restricted for:					
Visitor improvement	-	-	-	4,192,865	4,192,865
Rural library services	-	-	-	361,551	361,551
Building, land and road maintenance	-	10,005,362	-	5,615,506	15,620,868
Capital projects	-	-	-	6,623,950	6,623,950
Drug education	-	-	7,217,700	-	7,217,700
Economic development	-	-	-	335,143	335,143
Debt service	-	-	-	3,734,043	3,734,043
Emergency management	-	-	269,706	-	269,706
Public health and human services	-	-	-	529,383	529,383
Veterans aid	5,366	-	-	-	5,366
Committed for:					
Community betterment	-	-	-	3,875,642	3,875,642
Building maintenance	-	-	-	539,935	539,935
Law enforcement equipment	-	-	-	207,435	207,435
Public safety	348,679	-	-	-	348,679
Public health and human services	10,101	-	-	-	10,101
Public works	2,035	-	-	-	2,035
General government	115,354	-	-	-	115,354
Unassigned	57,891,357	-	-	-	57,891,357
Total fund balances	58,372,892	10,005,362	7,487,406	26,015,453	101,881,113
Total liabilities, deferred inflows of resources and fund balances	\$ 64,347,860	\$ 10,266,457	\$ 69,647,469	\$ 29,036,175	\$ 173,297,961

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, 2022**

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

Total fund balance—governmental funds		\$ 101,881,113
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds:		
Cost	\$ 360,595,282	
Accumulated depreciation	<u>(141,148,319)</u>	219,446,963
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.		18,655,172
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.		1,975,497
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		369,949
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		(820,638)
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	(25,110,000)	
Premium on bonds	(3,748,036)	
Capital lease obligations	(16,800,000)	
Leases	(302,744)	
Compensated absences	(7,984,747)	
Accrued interest payable	<u>(100,340)</u>	<u>(54,045,867)</u>
Net position—governmental activities		<u>\$ 287,462,189</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022

	General	Highway fund	Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 101,147,265	\$ -	\$ 14,155	\$ 9,131,434	\$ 110,292,854
Charges for services	15,675,331	4,691	-	6,112,950	21,792,972
Intergovernmental	13,854,944	12,221,205	12,231,013	2,458,809	40,765,971
Medicaid/Medicare/MRO					
Reimbursements	-	-	-	847,658	847,658
License, fees, and rental income	60,470	3,870	-	1,174,957	1,239,297
Interest income	208,528	8,179	131,743	7,894	356,344
Other Income	143,779	58,277	1,853,588	1,932,977	3,988,621
Total revenues	131,090,317	12,296,222	14,230,499	21,666,679	179,283,717
Expenditures:					
Current:					
General government	16,908,456	-	-	5,282,243	22,190,699
Public safety	79,093,616	-	10,172,273	498,918	89,764,807
Community development		-	-	88,426	88,426
Public works	5,415,314	11,165,069	-	2,724,459	19,304,842
Public health & human services	7,096,251	-	190,272	3,458,012	10,744,535
Culture and recreation	-	-	-	3,394,554	3,394,554
Capital outlay	1,661,453	10,556,630	579,661	4,599,173	17,396,917
Debt service:					
Principal	1,440,123	-	29,696	3,051,000	4,520,819
Interest	537,256	-	-	1,387,685	1,924,941
Total expenditures	112,152,469	21,721,699	10,971,902	24,484,470	169,330,540
Excess of revenues over (under) expenditures	18,937,848	(9,425,477)	3,258,597	(2,817,791)	9,953,177
Other financing sources (uses):					
Proceeds from sale of capital assets	116,879	-	-	36,575	153,454
Leases	225,871	-	150,192	-	376,063
Transfers in	1,509,981	7,783,916	-	12,705,068	21,998,965
Transfers out	(18,268,787)	-	(2,580,771)	(1,550,000)	(22,399,558)
Total other financing sources (uses)	(16,416,056)	7,783,916	(2,430,579)	11,191,643	128,924
Net change in fund balances	2,521,792	(1,641,561)	828,018	8,373,852	10,082,101
Fund balance at beginning of year	55,851,100	11,646,923	6,659,388	17,641,601	91,799,012
Fund balance at end of year	\$ 58,372,892	\$ 10,005,362	\$ 7,487,406	\$ 26,015,453	\$ 101,881,113

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, 2022**

Net change in fund balances—total governmental funds	\$	10,082,101
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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/amortization expense in the current period.</p>		
Depreciation/amortization expense	\$	(9,631,904)
Capital assets capitalized		1,427,347
		<u>11,059,251</u>
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.		(357,741)
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.		(72,565)
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
New leases under GASB Statement no. 87, <i>Leases</i>		(376,063)
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	2,960,000	
Payments on leases	73,319	
Capital lease	<u>1,487,500</u>	4,520,819
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		12,128
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		8,018
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		<u>69,435</u>
Change in net position of governmental activities	\$	<u><u>16,026,400</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Net Position
Proprietary Funds
Year Ended June 30, 2022

	Internal Service Funds
<hr/>	
Assets	
Current assets:	
Cash and cash equivalents	\$ 21,690,149
Total current assets	<u>21,690,149</u>
Liabilities	
Current liabilities:	
Accounts payable	281,791
Claims payable	2,667,489
Accrued salaries	3,348
Compensated absences	<u>16,000</u>
Total current liabilities	2,968,628
Noncurrent liabilities:	
Compensated absences	<u>66,349</u>
Total liabilities	<u>3,034,977</u>
Net position	
Unrestricted	<u>\$ 18,655,172</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2022

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 16,070,333
Other insurance reimbursements	63,702
Total operating revenues	<u>16,134,035</u>
Operating expenses:	
Claims and insurance	14,329,073
Contractual services	1,908,555
Wages and benefits	183,660
Other	37,075
Rentals	9,836
Supplies	686
Total operating expenses	<u>16,468,885</u>
Operating loss	(334,850)
Nonoperating revenues, interest	<u>3,692</u>
Loss before transfers	(331,158)
Transfers in	<u>400,593</u>
Change in net position	69,435
Total net position—beginning of year	<u>18,585,737</u>
Total net position—end of year	<u><u>\$ 18,655,172</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	Internal Service Funds
Cash flows from operating activities:	
Cash received for services	\$ 17,293,949
Cash received from insurance companies	69,650
Cash payments for claims	<u>(16,050,254)</u>
Net cash flow provided by operating activities	<u>1,313,345</u>
Cash flows from noncapital financing activities, transfers from other funds	<u>400,593</u>
Cash flows from investing activities, interest on investments	<u>3,692</u>
Change in cash	1,717,630
Cash—beginning of the year	<u>19,972,519</u>
Cash—end of the year	<u><u>\$ 21,690,149</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (334,850)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in accounts receivable	1,229,564
Change in accrued liabilities	153,605
Change in claims payable	<u>265,026</u>
Net cash provided by operating activities	<u><u>\$ 1,313,345</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Net Position
Fiduciary Funds
Year Ended June 30, 2022

	Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash	\$ -	\$ 51,845,267
Accounts receivable	-	17,465
Taxes receivable	-	4,692,677
Interest receivable	-	11,613
Due from other governmental agencies	-	334,668
Net investment in direct financing lease	-	27,818,974
Capital assets, net of depreciation	-	69,847
Investments:		
Cash management fund	410,661	-
Stable value fund	43,242,839	-
Mutual funds—domestic equities	71,215,511	-
Mutual funds—international equities	27,740,838	-
Mutual funds—balanced funds	14,291,967	-
Other fixed income	16,473,388	-
Total assets	173,375,204	84,790,511
Deferred outflows of resources		
Deferred charge on refunding	-	1,783,408
Liabilities		
Due to others (residents)	-	244
Due to others (local governments)	-	22,842,122
Due to others (state government)	-	536,442
Accounts payable	-	283,330
Accrued interest payable	-	78,254
Unearned revenue, current portion	-	771,875
Restitution	-	4,703
Revenue bonds due within one year	-	2,870,000
Noncurrent liabilities:		
Unearned revenue, net of current portion	-	4,927,099
Due in more than one year	-	20,561,218
Total liabilities	-	52,875,287
Net position (deficit)		
Investment in capital assets	-	69,847
Restricted for:		
Employee benefits	173,375,204	-
Individuals, organizations, and other governments	-	33,628,785
Total net position	\$ 173,375,204	\$ 33,698,632

See notes to financial statements.

Lancaster County, Nebraska

Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2022

	Employee Benefit Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employee	\$ 3,592,089	\$ -
Employer	5,690,879	-
Forfeitures	530,967	-
Rollovers	490,010	-
Total contributions	10,303,945	-
Investment earnings:		
Net depreciation in fair value of investments	(30,082,224)	-
Dividends and interest	4,597,933	66,565
Miscellaneous	(54,116)	-
Net investment earnings (loss)	(25,538,407)	66,565
Property taxes	-	1,467,523,386
Charges for services	-	10,293,518
Intergovernmental revenue	-	722,347
Resident funds	-	4,218,677
Diversion restitution	-	223,293
Other income	-	51,413
Total additions (deductions)	(15,234,462)	1,483,099,199
Deductions:		
Benefits paid	17,244,233	-
Forfeitures	530,967	-
Payments to local governments	-	1,455,273,641
Commissary	-	4,258,463
Payments to state government	-	4,877,967
Commission Services	-	9,798,746
Diversion/Restitution	-	223,293
Miscellaneous	-	267,355
Interest on long-term debt	-	1,052,160
Total deductions	17,775,200	1,475,751,625
Change in net position	(33,009,662)	7,347,574
Net position—beginning of year	206,384,866	26,351,058
Net position—end of year	\$ 173,375,204	\$ 33,698,632

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.

Federal grants fund: The federal grants fund is a special revenue fund. It accounts for federal grant funds utilized by the County.

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.

Custodial 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 and fiduciary funds 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 leases and direct financing 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, other postemployment benefit trust and custodial 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.

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

Leases: The County follows GASB Statement No. 87, *Leases*, which defines the County's leasing arrangement as the right to use an underlying asset as a lessor or lessee.

As lessor, the County recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic payments are reflected as a reduction of the discounted lease receivable and as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Re-measurement of lease receivables occur when there are modifications including, but not limited to, changes in the contract price, lease term and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

As a lessor, the County does not consider variable lease payments in the lease receivable calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

For lease contracts that are short-term, the County recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract.

Lancaster County, Nebraska

Notes to Financial Statements

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

As lessee, the County recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. The thresholds to determine long-term leases follows the County's capital asset thresholds. These assets are measured based on the net present value of the future lease payments at inception using a rate determined by the County's internal hierarchy of discount rates. Payments are allocated first to accrued interest liability and then to the lease liability.

For lease contracts that are short-term, the County recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

Re-measurement of lease liabilities occur when there are modifications including, but not limited to, changes in the contract price, lease term and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease liability and the related right-of-use asset will be reduced and will include a gain or loss for the difference.

Deferred inflows of resources/deferred outflows of resources: In addition to assets, the statement of net 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 net position and balance sheet 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, lease receivable and deferred amounts on refunding in this category. The governmental funds report unavailable revenues from property taxes not collected within the availability period. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred amounts on refunding, which is reported only in the government-wide statement of net position, results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

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

Lancaster County, Nebraska

Notes to Financial Statements

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

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 law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation as of June 30, 2022 consist of \$38,790,239 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.

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.

Lancaster County, Nebraska

Notes to Financial Statements

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

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 2022, the tax levy remained below the \$0.50 limitation.

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

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

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

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

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

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

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

Lancaster County, Nebraska

Notes to Financial Statements

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, 2022, the bank balance of the County's pooled cash deposits, including certificates of deposit and money market accounts, amounted to \$162,850,662. 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.

Pooled deposits and investments at June 30, 2022 appear in the financial statements as summarized below:

Deposits	\$ 19,114,612
Interest-bearing money market accounts	134,671,341
Investments-certificates of deposit	46,495,000
Investments-Treasury bills	4,925,335
Total	<u>\$ 205,206,288</u>
Cash and investments—governmental funds balance sheet	\$ 131,670,872
Cash—internal service funds, statement of net position	21,690,149
Cash and investments—governmental activities, statement of net position	153,361,021
Cash—custodial funds	51,845,267
Total	<u>\$ 205,206,288</u>

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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, 2022, the investments in the employees' retirement system were as follows:

Investment Type	Fair Value	Concentration
Stable value fund (fixed income)	\$ 43,242,839	26.5%
Mutual funds—domestic equities	69,954,865	42.9
Mutual funds—international equities	27,621,257	17.0
Mutual funds—balanced funds	5,731,047	3.5
Other fixed income	16,383,516	10.1
	<u>\$ 162,933,524</u>	<u>100.0%</u>

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, 2022 is \$39,242,839 and the contract value is \$43,242,839.

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, 2022, 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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, 2022, the fixed income funds of the plan held investments with credit ratings ranging from AAA to A.

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, 2022, the fixed income funds of the plan had effective durations of 5.0 years for the stable value fund and 3.6 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, 2022, 76.5% 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 A, with approximately 99.9% in AA or A securities.

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

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

At June 30, 2022, the investments in the OPEB trust were as follows:

Investment Type	Fair Value	Concentration
Stable value fund/cash management	\$ 410,661	3.9%
Bond funds	89,872	0.9
Balanced/asset allocation funds	8,560,920	82.0
U.S. stock funds	1,260,646	12.1
International/global funds	119,581	1.1
	<u>\$ 10,441,680</u>	<u>100.0%</u>

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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

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

Investment Type	Level 1	Level 2	Total
Domestic stock	\$ 71,215,511	\$ -	\$ 71,215,511
International stock	27,740,838	-	27,740,838
Balanced funds	14,291,967	-	14,291,967
Fixed Income	89,872	16,383,516	16,473,388
Stable value fund	410,661	-	410,661
Total investments measured at fair value	<u>\$ 113,748,849</u>	<u>\$ 16,383,516</u>	130,132,365
Stable value fund measured at contract value			43,242,839
Total investments			<u>\$ 173,375,204</u>

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, 2022.

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

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

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

Domestic stock: Quoted prices for similar securities in active markets;

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

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

Lancaster County, Nebraska

Notes to Financial Statements

Note 3. Capital Assets

The changes in capital assets designated for the operation of the County for the year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Additions	Deletions/ Adjustments	Balance June 30, 2022
Nondepreciable assets:				
Land	\$ 11,181,250	\$ -	\$ 66,913	\$ 11,114,337
Construction in progress	2,519,112	4,333,279	5,147,277	1,705,114
Total nondepreciable assets	<u>13,700,362</u>	<u>4,333,279</u>	<u>5,214,190</u>	<u>12,819,451</u>
Depreciable assets:				
Land improvements	1,705,589	-	-	1,705,589
Buildings	152,160,500	1,238,978	-	153,399,478
Machinery and equipment	20,831,337	1,530,513	872,702	21,489,148
Vehicles	11,746,886	591,414	426,403	11,911,897
Infrastructure	151,478,204	8,136,281	720,829	158,893,656
Right-to-use asset, buildings	-	376,063	-	376,063
Total depreciable assets	<u>337,922,516</u>	<u>11,873,249</u>	<u>2,019,934</u>	<u>347,775,831</u>
Less accumulated depreciation/amortization:				
Land improvements	1,377,712	55,452	-	1,433,164
Building	42,648,703	3,081,122	-	45,729,825
Machinery and equipment	13,240,991	1,065,261	880,042	13,426,210
Vehicles	6,524,283	1,073,339	413,982	7,183,640
Infrastructure	69,453,832	4,280,824	435,082	73,299,574
Right-to-use assets	-	75,906	-	75,906
Total depreciation/amortization	<u>133,245,521</u>	<u>9,631,904</u>	<u>1,729,106</u>	<u>141,148,319</u>
Depreciable capital assets, net	<u>204,676,995</u>	<u>2,241,345</u>	<u>290,828</u>	<u>206,627,512</u>
Total capital assets	<u>\$ 218,377,357</u>	<u>\$ 6,574,624</u>	<u>\$ 5,505,018</u>	<u>\$ 219,446,963</u>

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

Governmental activities:	
General government	\$ 2,592,596
Public safety	1,532,160
Public works	4,153,410
Public health and human services	29,447
Joint public agency services	1,324,291
Total depreciation/amortization expense	<u>\$ 9,631,904</u>

Lancaster County, Nebraska

Notes to Financial Statements

Note 4. Long-Term Liabilities

Changes in long-term obligations for the year ended June 30, 2022 were as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Bonds payable—JPA	\$ 28,070,000	\$ -	\$ 2,960,000	\$ 25,110,000	\$ 3,110,000
Premiums	4,332,146	-	584,110	3,748,036	-
	32,402,146	-	3,544,110	28,858,036	3,110,000
Capital leases payable, Public Building Commission	18,287,500	-	1,487,500	16,800,000	1,527,500
Leases	-	376,063	73,319	302,744	98,819
Compensated absences	8,063,806	7,141,281	7,137,991	8,067,096	6,244,103
Total long term liabilities	\$ 58,753,452	\$ 7,517,344	\$ 12,242,920	\$ 54,027,876	\$ 10,980,422

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.

Direct financing 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.

As of June 30, 2022, the PBC has bonds outstanding of \$22,120,000 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 direct financing 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)

The District leases facilities from others. These leases have terms between three years and four years requiring monthly or annual payments.

Principal and interest requirements to maturity on direct financing lease, lease obligations and bonds outstanding at June 30, 2022 are as follows:

	Bonds Payable		Capital Leases		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ending June 30:						
2023	\$ 3,110,000	\$ 1,162,200	\$ 1,527,500	\$ 564,685	\$ 98,819	\$ 7,981
2024	3,235,000	1,019,125	1,292,500	515,127	101,833	4,967
2025	3,395,000	853,375	1,335,000	465,979	96,718	1,871
2026	3,565,000	679,375	1,275,000	413,963	5,374	26
2027	3,745,000	496,625	3,085,000	1,652,350	-	-
2028-2032	8,060,000	408,000	3,425,000	1,043,250	-	-
2033-2037	-	-	3,985,000	473,156	-	-
2038-2042	-	-	875,000	14,219	-	-
	<u>\$ 25,110,000</u>	<u>\$ 4,618,700</u>	<u>\$ 16,800,000</u>	<u>\$ 5,142,729</u>	<u>\$ 302,744</u>	<u>\$ 14,845</u>

Note 5. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2022 is as follows:

Transfers Out	Transfers In				
	General Fund	Highway Fund	Other Governmental Funds	Internal Service Funds	Total
General fund	\$ -	\$ 7,783,916	\$ 10,084,871	\$ 400,000	\$ 18,268,787
Federal grants	1,509,981	-	1,070,197	593	2,580,771
Other governmental funds	-	-	1,550,000	-	1,550,000
	<u>\$ 1,509,981</u>	<u>\$ 7,783,916</u>	<u>\$ 12,705,068</u>	<u>\$ 400,593</u>	<u>\$ 22,399,558</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, 2022, the most significant transfers were \$10,084,871 from the General Fund to Other Governmental Funds for budgeted capital projects.

Note 6. Deficit Fund Equity

At June 30, 2022, the Workers' Compensation fund (internal service fund) had a deficit of \$608,743, which will be recovered from future internal charges to the County's other funds. At June 30, 2022, the Youth Services Center - Resident (custodial fund) had a deficit of \$244.

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, 2022, membership in the plans totaled 918 for the ICMA-RC plan and 1,099 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 \$1,370,757 for the year ended June 30, 2022.

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, 2022, membership totaled 862.

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 \$4,395,026 and total employee contributions were \$3,604,678 for the year ended June 30, 2022.

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

	Pension Trust	Postemployment Health Trust	Total
Total assets	\$ 162,933,524	\$ 10,441,680	\$ 173,375,204
Net position	\$ 162,933,524	\$ 10,441,680	\$ 173,375,204
Additions	\$ (15,316,461)	\$ 81,999	\$ (15,234,462)
Deductions	17,026,586	748,614	17,775,200
Change in net position	(32,343,047)	(666,615)	(33,009,662)
Beginning net position	195,276,571	11,108,295	206,384,866
Ending net position	\$ 162,933,524	\$ 10,441,680	\$ 173,375,204

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 \$250,000 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, 2020	\$ 1,070,910	\$ 630,043	\$ 740,000	\$ 2,440,953
Claims incurred	255,757	385,925	11,903,202	12,544,884
Claims payments & adjustments	208,268	401,904	11,973,202	12,583,374
Liability—June 30, 2021	1,118,399	614,064	670,000	2,402,463
Claims incurred	288,384	389,153	13,382,510	14,060,047
Claims payments & adjustments	224,632	183,879	13,386,510	13,795,021
Liability—June 30, 2022	\$ 1,182,151	\$ 819,338	\$ 666,000	\$ 2,667,489

Lancaster County, Nebraska

Notes to Financial Statements

Note 9. Commitments and Contingencies

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, 2022 that represented agreements to purchase goods and services. The balances by fund were as follows:

General Fund	\$ 476,169
Highway Fund	5,422,671
Grants Fund	478,506
Nonmajor Governmental Funds	4,195,738
	<u>\$ 10,573,084</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, 2022, 7 series of bonds were outstanding, with an aggregate principal amount payable in the amount of \$74,882,105.

Note 11. Tax Abatements

Tax abatements are 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, 2022, the County's property tax revenues were reduced by \$2,077,633 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 \$63,599 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 12. New Accounting Standard, Adopted

During 2022, the County implemented the provisions of the GASB Statement No. 87, *Leases*. The objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing comparability of financial statements between governments; and also enhancing the relevance, reliability (representation faithfulness), and consistency of information about the leasing activities of governments. This Statement increases the usefulness of governments' financial statements by requiring 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 resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the 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.

The County leases facilities to others. These leases have terms of two years with payments required monthly.

The total amount of inflows of resources recognized for the period ending June 30, 2022, are as follows:

Rental revenue	\$ 510,612
Interest income	35,429

The District did not report inflows of resources related to variable payments, termination penalties, residual values guarantees for the period ending June 30, 2022.

Note 13. Pending Governmental Accounting Standards

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. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible assets – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implantation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. This Statement will be effective for the County with its year ending June 30, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, issued in June 2022, will be effective beginning with fiscal year December 31, 2024. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The County is currently assessing the impact of this Statement.

Lancaster County, Nebraska

Notes to Financial Statements

Note 13. Pending Governmental Accounting Standards (Continued)

- GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective beginning with fiscal year December 31, 2024. This Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The County is currently assessing the impact of this Statement.

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—Budgetary Basis—General Fund
Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 103,428,757	\$ 103,428,757	\$ 100,726,039	\$ (2,702,718)
Charges for services	16,053,740	16,053,740	15,894,979	(158,761)
Federal revenue	2,190,767	2,190,767	2,340,039	149,272
State revenues	2,524,324	2,524,324	10,327,245	7,802,921
License, fees, and rental income	60,425	60,425	60,470	45
Interest income	300,060	300,060	181,789	(118,271)
Intergovernmental	1,035,982	1,035,982	1,035,982	-
Other income	237,400	237,400	143,779	(93,621)
Total revenues	125,831,455	125,831,455	130,710,322	4,878,867
Expenditures:				
General government:				
Board of commissioners	346,820	357,820	356,075	1,745
County clerk	1,548,058	1,570,058	1,566,066	3,992
County treasurer	3,789,876	3,789,876	3,430,097	359,779
Assessor/register of deeds	4,810,495	4,810,495	4,627,182	183,313
ROD technology	242,400	242,400	240,616	1,784
Election commissioner	1,647,064	1,647,064	1,625,067	21,997
Information services	1,262,107	962,107	816,004	146,103
Budget and fiscal	389,563	389,563	375,184	14,379
General government miscellaneous	4,085,209	2,967,209	2,727,237	239,972
Administrative services	448,332	448,332	425,789	22,543
Board of equalization	449,663	449,663	269,093	180,570
Extension service	1,007,754	1,007,754	997,525	10,229
Records and information management	720,405	720,405	678,695	41,710
Total general government	20,747,746	19,362,746	18,134,630	1,228,116
Public safety:				
Clerk of district court	2,047,536	2,047,536	2,018,873	28,663
County court	1,421,333	1,476,333	1,426,555	49,778
Juvenile court	2,107,678	2,107,678	1,999,577	108,101
District court	2,956,325	2,956,325	2,925,769	30,556
Public defender	5,416,444	5,446,444	5,442,055	4,389
Jury commissioner	422,632	422,632	379,384	43,248
Justice system miscellaneous	1,667,700	1,667,700	1,628,308	39,392
County sheriff	15,150,686	15,800,686	15,573,615	227,071
County attorney	9,523,908	9,523,908	9,493,698	30,210
Corrections	29,446,701	30,046,701	29,929,128	117,573
Juvenile probation	318,875	318,875	312,732	6,143
Adult probation	576,550	576,550	538,514	38,036
Community corrections	3,560,968	3,610,969	3,577,642	33,327
Youth services center	5,657,630	5,657,630	5,518,557	139,073
Emergency management	603,389	603,389	597,215	6,174
Mental health board	155,231	155,231	127,937	27,294
Total public safety	81,033,586	82,418,587	81,489,559	929,028
Public works, county engineer	5,637,645	5,637,645	5,416,577	221,068

(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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Public Health and Social Services:				
General Assistance	\$ 450,000	\$ 450,000	\$ 426,323	\$ 23,677
Veterans & General Assistance Admin	439,915	439,915	388,245	51,670
Health & Human Services	5,787,784	5,787,784	5,687,790	99,994
Human Services	982,152	982,152	981,851	301
Total public health and social services	7,659,851	7,659,851	7,484,209	175,642
Total expenditures	115,078,828	115,078,829	112,524,975	2,553,854
Revenue over expenditures	10,752,627	10,752,626	18,185,347	7,432,721
Other financing sources (uses):				
Proceeds from sale of capital assets	7,500	7,500	115,555	108,055
Transfers in	1,467,877	1,467,877	1,509,981	42,104
Transfers out	(18,268,787)	(18,268,787)	(18,268,787)	-
Total other financing sources (uses)	(16,793,410)	(16,793,410)	(16,643,251)	150,159
Net change in fund balance	\$ (6,040,783)	\$ (6,040,784)	1,542,096	\$ 7,582,880
Fund balance at beginning of year			25,358,553	
Encumbrance credit			29,844	
Fund balance at end of year			<u>\$ 26,930,493</u>	
Explanation of difference between budgetary and GAAP:				
Net change in fund balance, budgetary basis			\$ 1,542,096	
Separately budgeted general fund subfunds, veterans aid fund			(11,048)	
Revenue accruals			381,318	
Expenditure accruals			133,257	
Current year encumbrances			476,169	
Net change in fund balance, GAAP basis			2,521,792	
Fund balance, beginning of year, GAAP basis			55,851,100	
Fund balance, end of year, GAAP basis			<u>\$ 58,372,892</u>	

See notes to required supplementary information.

Lancaster County, Nebraska

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—Budgetary Basis
Federal Grants Fund
Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 8,194	\$ 8,194
Federal receipts	40,400,025	40,400,025	35,802,829	(4,597,196)
State revenues	1,776,033	1,776,033	1,441,112	(334,921)
Interest on investments	42,410	42,410	102,105	59,695
Other receipts	1,807,214	1,807,214	1,855,946	48,732
Total revenues	44,025,682	44,025,682	39,210,186	(4,815,496)
Expenditures:				
Office supplies	45	45	14,492	(14,447)
Operating supplies	857,758	857,758	138,149	719,609
Medical supplies	5,000	5,000	-	5,000
Energy supplies	-	-	1,027	(1,027)
Other contracted services	27,580,168	27,580,168	3,729,979	23,850,189
Not-for-profit contracts	1,039,393	1,039,393	2,853,359	(1,813,966)
Trans, travel and subsistence	131,467	131,467	125,289	6,178
Communications	5,532	5,532	6,487	(955)
Postage, courier and freight	-	-	9,350	(9,350)
Printing and advertising	-	-	349	(349)
Miscellaneous fees and services	8,534,191	8,534,191	249,541	8,284,650
Repair and maintenance costs	3,500	3,500	109,948	(106,448)
Rentals	18,000	18,000	-	18,000
Buildings	286,405	286,405	-	286,405
Equipment	573,000	573,000	799,539	(226,539)
Total expenditures	39,034,459	39,034,459	8,037,509	30,996,950
Revenue over (under) expenditures	4,991,223	4,991,223	31,172,677	26,181,454
Other financing uses:				
Transfers out	(2,012,849)	(2,012,849)	(2,580,771)	(567,922)
Total other financing uses	(2,012,849)	(2,012,849)	(2,580,771)	(567,922)
Net change in fund balance	\$ 2,978,374	\$ 2,978,374	28,591,906	\$ 25,613,532
Fund balance, beginning of year			39,003,455	
Encumbrance credit			55	
Fund balance, end of year			<u>\$ 67,595,416</u>	
Explanation of difference between budgetary and GAAP:				
Net change in fund balance, budgetary basis			\$ 28,591,906	
Revenue accruals			(24,979,688)	
Expenditure accruals			(3,262,706)	
Current year encumbrances			478,506	
Net change in fund balance, GAAP basis			828,018	
Fund balance, beginning of year, GAAP basis			\$ 6,659,388	
Fund balance, end of year, GAAP basis			<u>\$ 7,487,406</u>	

See notes to required supplementary information.

Lancaster County, Nebraska

Notes to Budgetary Comparison Schedules Year Ended June 30, 2022

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, 2022

	General Fund	Veterans Aid Fund	Total General
Assets			
Cash, including investments	\$ 30,533,996	\$ 6,493	\$ 30,540,489
Taxes receivable	31,275,514	-	31,275,514
Due from other governmental agencies	1,755,410	-	1,755,410
Accounts receivable	754,548	-	754,548
Interest receivable	21,899	-	21,899
Total assets	\$ 64,341,367	\$ 6,493	\$ 64,347,860
Liabilities			
Accounts payable	\$ 2,872,001	\$ 1,127	\$ 2,873,128
Accrued salaries	1,247,388	-	1,247,388
Total liabilities	4,119,389	1,127	4,120,516
Deferred inflows of resources			
Unavailable revenue—property taxes	1,854,452	-	1,854,452
Fund balances			
Committed for:			
Public safety	348,679	-	348,679
Public works	2,035	-	2,035
Public health and human services	10,101	-	10,101
General government	115,354	-	115,354
Restricted for, veterans aid	-	5,366	5,366
Unassigned	57,891,357	-	57,891,357
Total fund balances	58,367,526	5,366	58,372,892
Total liabilities, deferred inflows of resources and fund balances	\$ 64,341,367	\$ 6,493	\$ 64,347,860

Lancaster County, Nebraska

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund
 June 30, 2022

	General Fund	Veterans Aid Fund	Total General
Revenues:			
Taxes	\$ 101,147,265	\$ -	\$ 101,147,265
Charges for services	15,675,331	-	15,675,331
Intergovernmental	13,854,944	-	13,854,944
License, fees, and rental income	60,470	-	60,470
Interest income	208,528	-	208,528
Other income	143,779	-	143,779
Total revenues	131,090,317	-	131,090,317
Expenditures:			
Current:			
General government	16,908,456	-	16,908,456
Public safety	79,093,616	-	79,093,616
Public works	5,415,314	-	5,415,314
Public health and human services	7,085,204	11,047	7,096,251
Capital outlay	1,661,453	-	1,661,453
Debt service:			
Principal	1,440,123	-	1,440,123
Interest	537,256	-	537,256
Total expenditures	112,141,422	11,047	112,152,469
Excess of revenues over (under) expenditures	18,948,895	(11,047)	18,937,848
Other financing sources (uses):			
Sale of capital assets	116,879	-	116,879
Leases	225,871	-	225,871
Transfers in	1,509,981	-	1,509,981
Transfers out	(18,268,787)	-	(18,268,787)
	(16,416,056)	-	(16,416,056)
Net change in fund balances	2,532,839	(11,047)	2,521,792
Fund balances at beginning of year	55,834,687	16,413	55,851,100
Fund balances at end of year	\$ 58,367,526	\$ 5,366	\$ 58,372,892

Lancaster County, Nebraska

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds							
	Visitors Improvement	County Visitors Promotion	County Rural Library	Keno	Economic Development	Mental Health	Weed Control	Building
Assets								
Cash, including investments	\$ 1,770,998	\$ 2,411,435	\$ 66,266	\$ 3,790,468	\$ 358,096	\$ 208,122	\$ 81,232	\$ 1,062,633
Taxes receivable	-	-	315,444	-	-	-	-	186,033
Due from other government agencies	388,581	388,581	3,718	-	-	57,277	-	2,583
Accounts receivable	-	-	-	137,380	-	185,205	-	-
Lease receivable	-	-	-	-	-	-	-	163,543
Interest receivable	-	-	-	-	-	-	-	-
Patient and insurance receivables, net of allowance for doubtful accounts of \$616,379	-	-	-	-	-	145,997	-	-
Total assets	\$ 2,159,579	\$ 2,800,016	\$ 385,428	\$ 3,927,848	\$ 358,096	\$ 596,601	\$ 81,232	\$ 1,414,792
Liabilities								
Accounts payable	\$ 751,000	\$ 15,730	\$ -	\$ 52,206	\$ 22,953	\$ 16,699	\$ 12,778	\$ 54,934
Accrued salaries	-	-	-	-	-	50,519	6,431	-
Total liabilities	751,000	15,730	-	52,206	22,953	67,218	19,209	54,934
Deferred inflows of resources								
Leases	-	-	-	-	-	-	-	161,727
Unavailable revenue—property taxes	-	-	23,877	-	-	-	-	11,000
Total deferred inflow of resources	-	-	23,877	-	-	-	-	172,727
Fund balances								
Restricted for:								
Visitor improvement	1,408,579	2,784,286	-	-	-	-	-	-
Rural library services	-	-	361,551	-	-	-	-	-
Building, land, and road maintenance	-	-	-	-	-	-	62,023	1,187,131
Capital projects	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	335,143	-	-	-
Debt service	-	-	-	-	-	-	-	-
Public health and human services	-	-	-	-	-	529,383	-	-
Committed for:								
Community betterment	-	-	-	3,875,642	-	-	-	-
Building maintenance	-	-	-	-	-	-	-	-
Law enforcement equipment	-	-	-	-	-	-	-	-
Total fund balances	1,408,579	2,784,286	361,551	3,875,642	335,143	529,383	62,023	1,187,131
Total liabilities, deferred outflows of resources and fund balances	\$ 2,159,579	\$ 2,800,016	\$ 385,428	\$ 3,927,848	\$ 358,096	\$ 596,601	\$ 81,232	\$ 1,414,792

Lancaster County, Nebraska

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 June 30, 2022

	Debt Service Fund			Capital Project Funds			Total Nonmajor Governmental Funds
	County Property Management	City Building Maintenance	Correctional Facility Joint Public Agency	Law Enf. Equipment	Bridge & Special Road	Sinking Fund	
Assets							
Cash, including investments	\$ 233,875	\$ 254,021	\$ 2,303,983	\$ 218,307	\$ 4,400,103	\$ 6,759,492	\$ 23,919,031
Taxes receivable	-	-	1,495,221	-	-	-	1,996,698
Due from other government agencies	150,440	-	20,991	-	-	-	1,012,171
Accounts receivable	-	-	-	-	4,797	-	327,382
Lease receivable	662,102	-	-	-	-	809,235	1,634,880
Interest receivable	-	-	16	-	-	-	16
Patient and insurance receivables, net of allowance for doubtful accounts of \$782,402	-	-	-	-	-	-	145,997
Total assets	\$ 1,046,417	\$ 254,021	\$ 3,820,211	\$ 218,307	\$ 4,404,900	\$ 7,568,727	\$ 29,036,175
Liabilities							
Accounts payable	\$ 48,249	\$ 3,644	\$ -	\$ 10,872	\$ 48,273	\$ 151,285	\$ 1,188,623
Accrued salaries	59,389	-	-	-	(9,725)	-	106,614
Total liabilities	107,638	3,644	-	10,872	38,548	151,285	1,295,237
Deferred inflows of resources							
Leases	649,221	-	-	-	-	793,492	1,604,440
Unavailable revenue—property taxes	-	-	86,168	-	-	-	121,045
Total deferred inflow of resources	649,221	-	86,168	-	-	793,492	1,725,485
Fund balances							
Restricted for:							
Visitor improvement	-	-	-	-	-	-	4,192,865
Rural library services	-	-	-	-	-	-	361,551
Building, land, and road maintenance	-	-	-	-	4,366,352	-	5,615,506
Capital projects	-	-	-	-	-	6,623,950	6,623,950
Economic development	-	-	-	-	-	-	335,143
Debt service	-	-	3,734,043	-	-	-	3,734,043
Public health and human services	-	-	-	-	-	-	529,383
Committed for:							
Community betterment	-	-	-	-	-	-	3,875,642
Building maintenance	289,558	250,377	-	-	-	-	539,935
Law enforcement equipment	-	-	-	207,435	-	-	207,435
Total fund balances	289,558	250,377	3,734,043	207,435	4,366,352	6,623,950	26,015,453
Total liabilities, deferred outflows of resources, and fund balances	\$ 1,046,417	\$ 254,021	\$ 3,820,211	\$ 218,307	\$ 4,404,900	\$ 7,568,727	\$ 29,036,175

Lancaster County, Nebraska

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Year Ended June 30, 2022

	Special Revenue Funds							
	Visitors Improvement	County Visitors Promotion	County Rural Library	Keno	Economic Development	Mental Health	Weed Control	Building
Revenues:								
Taxes	\$ 2,040,648	\$ 2,040,649	\$ 848,786	\$ -	\$ -	\$ -	\$ 50,388	\$ 480,117
Charges for services	-	-	-	-	-	507,716	40,141	-
Intergovernmental	-	-	82,394	-	-	1,257,920	187,728	43,486
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	847,658	-	-
License, fees, and rental income	-	-	-	-	-	-	-	132,942
Interest income	-	-	-	-	1,575	-	-	-
Other Income	-	-	-	1,868,402	-	12,345	475	-
Total revenues	2,040,648	2,040,649	931,180	1,868,402	1,575	2,625,639	278,732	656,545
Expenditures:								
General government	-	-	-	112,323	-	-	-	81,968
Public safety	-	-	-	-	-	-	-	210,704
Community Development	-	-	-	-	88,426	-	-	-
Public works	-	-	-	-	-	-	459,150	-
Public health and human services	-	-	-	-	-	3,458,012	-	-
Culture and recreation	1,876,000	575,213	943,341	-	-	-	-	-
Capital outlays	-	-	-	-	-	1,937	5,403	651,738
Debt service:								
Principal	-	-	-	-	-	91,000	-	-
Interest	-	-	-	-	-	89,285	-	-
Total expenditures	1,876,000	575,213	943,341	112,323	88,426	3,640,234	464,553	944,410
Excess of revenues over (under) expenditures	164,648	1,465,436	(12,161)	1,756,079	(86,851)	(1,014,595)	(185,821)	(287,865)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	12,700	-
Transfers in	-	-	-	-	-	1,013,160	188,321	11,966
Transfer out	-	-	-	(1,550,000)	-	-	-	-
Total other financing sources (users)	-	-	-	(1,550,000)	-	1,013,160	201,021	11,966
Net change in fund balances	164,648	1,465,436	(12,161)	206,079	(86,851)	(1,435)	15,200	(275,899)
Fund balance at beginning of year	1,243,931	1,318,850	373,712	3,669,563	421,994	530,818	46,823	1,463,030
Fund balance at end of year	\$ 1,408,579	\$ 2,784,286	\$ 361,551	\$ 3,875,642	\$ 335,143	\$ 529,383	\$ 62,023	\$ 1,187,131

Lancaster County, Nebraska

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Debt Service Fund			Capital Project Funds			Total Nonmajor Governmental Funds
	County Property Management	City Building Maintenance	Correctional Facility Joint Public Agency	Law Enf. Equipment	Bridge & Special Road	Sinking Fund	
Revenues:							
Taxes	\$ -	\$ -	\$ 3,670,845	\$ -	\$ 1	\$ -	\$ 9,131,434
Charges for services	3,618,355	312,607	-	200,327	1,433,804	-	6,112,950
Intergovernmental	-	-	344,634	-	542,647	-	2,458,809
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	-	847,658
License, fees, and rental income	823,137	-	-	-	-	218,878	1,174,957
Interest income	-	-	1,979	-	4,340	-	7,894
Other Income	-	-	-	-	51,755	-	1,932,977
Total revenues	4,441,492	312,607	4,017,458	200,327	2,032,547	218,878	21,666,679
Expenditures:							
General government	4,451,263	263,755	-	-	-	372,934	5,282,243
Public safety	-	-	400	287,814	-	-	498,918
Community development	-	-	-	-	-	-	88,426
Public works	-	-	-	-	2,265,309	-	2,724,459
Public health and human services	-	-	-	-	-	-	3,458,012
Culture and recreation	-	-	-	-	-	-	3,394,554
Capital outlays	9,034	256	-	-	3,930,805	-	4,599,173
Debt service:							
Principal	-	-	2,960,000	-	-	-	3,051,000
Interest	-	-	1,298,400	-	-	-	1,387,685
Total expenditures	4,460,297	264,011	4,258,800	287,814	6,196,114	372,934	24,484,470
Excess of revenues over (under) expenditures	(18,805)	48,596	(241,342)	(87,487)	(4,163,567)	(154,056)	(2,817,791)
Other financing sources (uses):							
Sale of capital assets	5,200	-	-	-	18,675	-	36,575
Transfers in	11,532	-	-	-	6,146,484	5,333,605	12,705,068
Transfers out	-	-	-	-	-	-	(1,550,000)
Total other financing sources (uses)	16,732	-	-	-	6,165,159	5,333,605	11,191,643
Net change in fund balances	(2,073)	48,596	(241,342)	(87,487)	2,001,592	5,179,549	8,373,852
Fund balance at beginning of year	291,631	201,781	3,975,385	294,922	2,364,760	1,444,401	17,641,601
Fund balance at end of year	\$ 289,558	\$ 250,377	\$ 3,734,043	\$ 207,435	\$ 4,366,352	\$ 6,623,950	\$ 26,015,453

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Visitor Improvement Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, taxes	\$ 1,560,000	\$ 1,560,000	\$ 1,978,730	\$ 418,730
Expenditures, other contracted services	2,477,268	2,477,268	1,876,000	601,268
Net change in fund balance	<u>\$ (917,268)</u>	<u>\$ (917,268)</u>	102,730	<u>\$ 1,019,998</u>
Fund balance, beginning of year			<u>917,269</u>	
Fund balance, end of year			<u>\$ 1,019,999</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 County Visitor Promotion Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, taxes	\$ 1,560,000	\$ 1,560,000	\$ 1,978,730	\$ 418,730
Expenditures:				
Other contracted services	978,850	978,850	559,483	419,367
Miscellaneous fees and services	1,573,338	1,573,338		1,573,338
Total expenditures	<u>2,552,188</u>	<u>2,552,188</u>	559,483	1,992,705
Net change in fund balance	<u>\$ (992,188)</u>	<u>\$ (992,188)</u>	1,419,247	<u>\$ 2,411,435</u>
Fund balance, beginning of year			<u>992,188</u>	
Fund balance, end of year			<u>\$ 2,411,435</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 County Rural Library Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 921,127	\$ 921,127	\$ 857,704	\$ (63,423)
State revenues	3,000	3,000	81,989	78,989
Intergovernmental	-	-	200	200
Total revenues	924,127	924,127	939,893	15,766
Expenditures:				
City/County shared	943,341	943,341	943,341	-
Miscellaneous fees and services	500	500	-	500
Total expenditures	943,841	943,841	943,341	500
Net change in fund balance	\$ (19,714)	\$ (19,714)	(3,448)	\$ 16,266
Fund balance, beginning of year			69,714	
Fund balance, end of year			<u>\$ 66,266</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Keno Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, other receipts	\$ 1,500,000	\$ 1,500,000	\$ 1,731,022	\$ 231,022
Expenditures:				
Other contracted services	1,500	1,500	-	1,500
Other contracting supplies	20,000	20,000	18,803	1,197
City/County shared	2,065,668	2,065,668	-	2,065,668
Not-for-profit contracts	75,000	75,000	83,820	(8,820)
Miscellaneous fees & services	-	-	100	(100)
Total expenditures	2,162,168	2,162,168	102,723	2,059,445
Revenue over (under) expenditures	(662,168)	(662,168)	1,628,299	2,290,467
Other financing uses:				
Transfers out	(1,550,000)	(1,550,000)	(1,550,000)	-
Net change in fund balance	\$ (2,212,168)	\$ (2,212,168)	78,299	\$ 2,290,467
Fund balance, beginning of year			3,712,168	
Fund balance, end of year			\$ 3,790,467	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Economic Development Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, interest on investment	\$ 4,478	\$ 4,478	\$ 2,049	\$ (2,429)
Total revenues	4,478	4,478	2,049	(2,429)
Expenditures:				
Other contracted services	83,000	83,000	14,228	68,772
Repair & maintenance costs	343,000	343,000	51,246	291,754
Total expenditures	426,000	426,000	65,474	360,526
Net change in fund balance	\$ (421,522)	\$ (421,522)	(63,425)	\$ 358,097
Fund balance, beginning of year			<u>421,522</u>	
Fund balance, end of year			<u>\$ 358,097</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Mental Health Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
State revenues	\$ 1,213,229	\$ 1,213,229	\$ 1,255,159	\$ 41,930
Medicaid/Medicare/MRO reimbursements	675,000	675,000	691,714	16,714
County aid	1,000,000	1,000,000	1,013,160	13,160
Charges for services	457,000	457,000	368,263	(88,737)
Other income	2,500	2,500	404	(2,096)
Total revenues	3,347,729	3,347,729	3,328,700	(19,029)
Expenditures:				
Salaries and wages	2,282,668	2,282,668	2,349,049	(66,381)
Employee benefits	741,408	741,408	651,922	89,486
Contracted services	113,437	113,437	118,274	(4,837)
Building use cost	263,100	263,100	263,100	-
Client services	47,300	47,300	53,383	(6,083)
Contracted medical services	149,764	149,764	81,584	68,180
Insurance	32,868	32,868	35,530	(2,662)
Medical Supplies	25,000	25,000	11,512	13,488
Miscellaneous fees and services	6,300	6,300	20,815	(14,515)
Other compensation	23,431	23,431	23,373	58
Repair and maintenance costs	300	300	325	(25)
Operating supplies	12,300	12,300	24,614	(12,314)
Printing and advertising	4,250	4,250	3,297	953
Communication	3,000	3,000	3,030	(30)
Transportation and travel	2,530	2,530	861	1,669
Office supplies	3,500	3,500	2,262	1,238
Postage, courier and freight	650	650	316	334
Energy supplies	-	-	36	(36)
Equipment	2,200	2,200	-	2,200
Total expenditures	3,714,006	3,714,006	3,643,283	70,723
Net change in fund balance	\$ (366,277)	\$ (366,277)	(314,583)	\$ 51,694
Fund balance, beginning of year			466,278	
Fund balance, end of year			\$ 151,695	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budgetary Basis

Weed Control Fund

Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 40,000	\$ 40,000	\$ 50,387	\$ 10,387
Charges for services	42,193	42,193	40,140	(2,053)
Intergovernmental	187,728	187,728	187,728	-
Other receipts	500	500	13,175	12,675
Total revenues	270,421	270,421	291,430	21,009
Expenditures:				
Salaries and wages	239,788	239,788	240,707	(919)
Employee benefits	85,291	85,291	84,435	856
Other compensation costs	5,723	5,723	4,223	1,500
Office supplies	1,150	1,150	1,064	86
Operating supplies	2,150	2,150	808	1,342
Energy supplies	8,000	8,000	6,003	1,997
Other contracted services	60,301	60,301	48,831	11,470
Transportation, travel and subsistence	3,290	3,290	173	3,117
Communications	3,200	3,200	2,981	219
Postage, courier and freight	7,000	7,000	5,075	1,925
Printing and advertising	3,300	3,300	2,667	633
Miscellaneous fees and services	37,560	37,560	39,490	(1,930)
Insurance and surety bonds	6,532	6,532	8,648	(2,116)
Utilities	950	950	-	950
Repair and maintenance costs	5,500	5,500	5,727	(227)
Equipment	10,500	10,500	5,403	5,097
Total expenditures	480,235	480,235	456,235	24,000
Revenue over (under) expenditures	(209,814)	(209,814)	(164,805)	45,009
Other financing sources:				
Transfers in	187,728	187,728	188,321	(593)
Net change in fund balance	\$ (22,086)	\$ (22,086)	23,516	\$ 44,416
Fund balance, beginning of year			42,085	
Fund balance, end of year			\$ 65,601	

Lancaster County, Nebraska

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—Budgetary Basis
Building Fund
Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 525,000	\$ 525,000	\$ 482,110	\$ (42,890)
State revenues	1,300	1,300	43,238	41,938
Licenses, fees and rental income	117,502	117,502	131,127	13,625
Intergovernmental	-	-	28	28
Total revenues	643,802	643,802	656,503	12,701
Expenditures:				
Other contracted services	-	-	95,358	(95,358)
Rentals	147,000	147,000	147,000	-
Buildings	1,484,583	1,484,583	650,808	833,775
Equipment	300,000	300,000	930	299,070
Total expenditures	1,931,583	1,931,583	894,096	1,037,487
Revenue over (under) expenditures	(1,287,781)	(1,287,781)	(237,593)	(1,050,188)
Other financing sources:				
Transfers in	-	-	11,966	(11,966)
Net change in fund balance	\$ (1,287,781)	\$ (1,287,781)	(225,627)	\$ (1,062,154)
Fund balance, beginning of year			<u>1,287,781</u>	
Fund balance, end of year			<u>\$ 1,062,154</u>	

Lancaster County, Nebraska

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—Budgetary Basis
County Property Management Fund
Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,257,576	\$ 3,357,576	\$ 3,618,356	\$ 260,780
Licenses, fees and rental income	797,798	797,798	810,257	12,459
Other receipts	-	-	5,200	5,200
Total revenues	4,055,374	4,155,374	4,433,813	278,439
Expenditures:				
Salaries & Wages	2,830,154	2,930,154	2,862,948	67,206
Employee Benefits	1,120,050	1,120,050	1,190,385	(70,335)
Other Compensation Costs	80,107	80,107	79,417	690
Operating Supplies	10,550	10,550	9,463	1,087
Energy Supplies	3,900	3,900	2,526	1,374
Traffic Control Supplies	500	500	100	400
Repair & Maintenance Supplies	12,350	12,350	18,867	(6,517)
Other Contracted Services	108,950	108,950	44,346	64,604
City/County Shared	3,130	3,130	4,191	(1,061)
Communications	2,040	2,040	1,684	356
Postage, Courier & Freight	-	-	96	(96)
Misc. Fees & Services	700	700	609	91
Insurance & Surety Bonds	17,516	17,516	15,548	1,968
Utilities	198,840	198,840	191,727	7,113
Repair & Maintenance Costs	64,826	64,826	19,309	45,517
Rentals	6,000	6,000	563	5,437
Buildings	32,500	32,500	2,273	30,227
Improvements Other Than Bldg	2,000	2,000	5,300	(3,300)
Equipment	500	500	1,452	(952)
Capitalized Contracts	14,900	14,900	-	14,900
Total expenditures	4,509,513	4,609,513	4,450,804	158,709
Revenue over (under) expenditures	(454,139)	(454,139)	(16,991)	(437,148)
Other financing sources:				
Transfers in	-	-	11,532	(11,532)
Net change in fund balance	\$ (454,139)	\$ (454,139)	(5,459)	\$ (448,680)
Fund balance, beginning of year			704,150	
Fund balance, end of year			<u>\$ 698,691</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 City Building Maintenance Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, charges for services	\$ 389,570	\$ 389,570	\$ 312,606	\$ (76,964)
Total revenues	389,570	389,570	312,606	(76,964)
Expenditures:				
Operating supplies	4,000	4,000	2,745	1,255
Energy supplies	3,000	3,000	1,634	1,366
Repair & maintenance supplies	6,000	6,000	10,443	(4,443)
Other contracted services	248,000	248,000	182,856	65,144
City/County shared	2,500	2,500	3,136	(636)
Communications	1,500	1,500	1,084	416
Misc. fees & services	2,000	2,000	1,812	188
Insurance & surety bonds	5,500	5,500	3,349	2,151
Utilities	25,600	25,600	23,700	1,900
Repair & maintenance costs	12,210	12,210	11,838	372
Rentals	21,000	21,000	21,156	(156)
Buildings	247,442	247,442	256	247,186
Capital contract	12,600	12,600	-	12,600
Total expenditures	591,352	591,352	264,009	327,343
Net change in fund balance	\$ (201,782)	\$ (201,782)	48,597	\$ 250,379
Fund balance, beginning of year			201,782	
Fund balance, end of year			\$ 250,379	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Correctional Facility Joint Public Agency
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,975,784	\$ 3,975,784	\$ 3,686,114	\$ (289,670)
State revenue	11,435	11,435	341,828	330,393
Interest income	6,000	6,000	2,374	(3,626)
Other intergovernmental	1,800	1,800	722	(1,078)
Total revenues	3,995,019	3,995,019	4,031,038	36,019
Expenditures:				
Debt service:				
Principal	2,960,000	2,960,000	2,960,000	-
Interest	1,499,400	1,499,400	1,298,800	200,600
Total expenditures	4,459,400	4,459,400	4,258,800	200,600
Net change in fund balance	\$ (464,381)	\$ (464,381)	(227,762)	\$ 236,619
Fund balance, beginning of year			<u>1,825,666</u>	
Fund balance, end of year			<u>\$ 1,597,904</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Law Enforcement Equipment Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 195,000	\$ 195,000	\$ 200,328	\$ 5,328
Total revenues	195,000	195,000	200,328	5,328
Expenditures:				
Operating supplies	9,224	9,224	-	(9,224)
Other contracted services	271,500	271,500	92,600	(178,900)
Printing and advertising	1,500	1,500	488	(1,012)
Misc. fees & services	211,050	211,050	187,437	(23,613)
Total expenditures	493,274	493,274	280,525	(212,749)
Net change in fund balance	\$ (298,274)	\$ (298,274)	(80,197)	\$ 218,077
Fund balance, beginning of year			298,274	
Fund balance, end of year			<u>\$ 218,077</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Bridge and Special Road Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Charges for services	1,444,900	1,921,900	1,523,533	(398,367)
State revenues	523,189	523,189	542,647	19,458
Interest on investments	45,000	45,000	4,720	(40,280)
Other revenue	-	-	18,675	18,675
Total revenues	2,013,089	2,490,089	2,089,576	(400,513)
Expenditures:				
Salaries and wages	-	-	(248)	248
Employee benefits	-	-	(79)	79
Operating supplies	28,500	28,500	26,539	1,961
Energy supplies	386,000	386,000	394,214	(8,214)
Highway and bridge supplies	1,635,000	1,635,000	1,513,004	121,996
Traffic control supplies	25,000	25,000	22,596	2,404
Repair and maintenance supplies	165,000	165,000	202,888	(37,888)
Postage, courier and freight	1,350	1,350	344	1,006
Misc. fees and services	3,500	3,500	3,983	(483)
Repair and maintenance costs	294,300	294,300	133,427	160,873
Land	620,000	620,000	23,510	596,490
Equipment	255,140	255,140	255,227	(87)
Capitalized contracts	3,055,887	6,183,887	6,549,029	(365,142)
Total expenditures	6,469,677	9,597,677	9,124,434	473,243
Revenue under expenditures	(4,456,588)	(7,107,588)	(7,034,858)	72,730
Other financing sources:				
Transfers in	3,495,484	6,146,484	6,146,484	-
Net change in fund balance	\$ (961,104)	\$ (961,104)	(888,374)	\$ 72,730
Fund balance, beginning of year			1,031,105	
Encumbrance credit			6,629	
Fund balance, end of year			\$ 149,360	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Highway Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 28,500	\$ 28,500	\$ 28,649	\$ 149
State revenues	10,158,785	10,158,785	10,930,573	771,788
Interest on investments	32,000	32,000	8,179	(23,821)
Other revenues	25,000	25,000	26,880	1,880
Total revenues	10,244,285	10,244,285	10,994,281	749,996
Expenditures:				
Salaries and wages	3,313,055	3,313,055	3,214,024	99,031
Employee benefits	1,393,807	1,393,807	1,508,147	(114,340)
Other compensation costs	105,696	105,696	105,696	-
Operating supplies	370,500	370,500	329,883	40,617
Medical supplies	20,000	20,000	17,691	2,309
Energy supplies	490,000	490,000	650,676	(160,676)
Highway and bridge supplies	2,383,000	2,322,000	2,100,465	221,535
Traffic control supplies	175,000	175,000	288,860	(113,860)
Repair and maintenance supplies	450,000	450,000	557,817	(107,817)
Postage, courier and freight	5,000	5,000	4,856	144
Printing and advertising	1,000	1,000	-	1,000
Miscellaneous fees and services	60,000	60,000	31,361	28,639
Utilities	3,000	3,000	-	3,000
Repair and maintenance costs	3,121,000	2,426,000	1,219,444	1,206,556
Rentals	150,000	150,000	123,668	26,332
Land	100,000	100,000	94,604	5,396
Equipment	1,240,000	1,240,000	2,046,470	(806,470)
Capitalized contracts	7,360,000	5,465,000	5,351,188	113,812
Total expenditures	20,741,058	18,090,058	17,644,850	445,208
Revenue over (under) expenditures	(10,496,773)	(7,845,773)	(6,650,569)	1,195,204
Other financing sources:				
Transfers in	7,795,942	7,795,942	7,783,916	(12,026)
Net change in fund balance	\$ (2,700,831)	\$ (49,831)	1,133,347	\$ 1,183,178
Fund balance, beginning of year			1,224,830	
Encumbrances credit			336,990	
Fund balance, end of year			<u>\$ 2,695,167</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Sinking Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Licenses, fees, and rental income	\$ 203,134	\$ 203,134	\$ 203,134	\$ -
Total revenues	203,134	203,134	203,134	-
Expenditures:				
Contracted services	2,569,827	2,569,827	269,365	2,300,462
Misc. fees & services	321,385	321,385	13,640	307,745
Total expenditures	2,891,212	2,891,212	283,005	2,608,207
Revenue under expenditures	(2,688,078)	(2,688,078)	(79,871)	2,608,207
Other financing sources:				
Transfers in	4,833,605	4,833,605	5,333,605	500,000
Net change in fund balance	\$ 2,145,527	\$ 2,145,527	5,253,734	\$ 3,108,207
Fund balance, beginning of year			<u>1,354,472</u>	
Fund balance, end of year			<u>\$ 6,608,206</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Veterans Aid Fund (Subfund of the General Fund)
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures, other client services	\$ 13,152	\$ 13,152	\$ 11,048	\$ 2,104
Net change in fund balance	\$ (13,152)	\$ (13,152)	(11,048)	\$ 2,104
Fund balance, beginning of year			16,413	
Fund balance, end of year			<u>\$ 5,365</u>	

Lancaster County, Nebraska

Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 674,147	\$ 3,302,958	\$ 17,713,044	\$ 21,690,149
Total current assets	674,147	3,302,958	17,713,044	21,690,149
Liabilities				
Current liabilities:				
Accounts payable	15,042	2,500	264,249	281,791
Claims payable	1,182,151	819,338	666,000	2,667,489
Accrued salaries	3,348	-	-	3,348
Compensated absences	16,000	-	-	16,000
Total current liabilities	1,216,541	821,838	930,249	2,968,628
Noncurrent liabilities:				
Compensated absences	66,349	-	-	66,349
Total liabilities	1,282,890	821,838	930,249	3,034,977
Net position				
Unrestricted (deficit)	\$ (608,743)	\$ 2,481,120	\$ 16,782,795	\$ 18,655,172

Lancaster County, Nebraska

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2022

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Operating revenues:				
Charges for services	\$ 879,694	\$ 465,436	\$ 14,725,203	\$ 16,070,333
Other insurance reimbursements	14,995	34,655	14,052	63,702
Total operating revenues	894,689	500,091	14,739,255	16,134,035
Operating expenses:				
Claims and insurance	352,136	594,427	13,382,510	14,329,073
Contractual services	468,365	51,733	1,388,457	1,908,555
Wages and benefits	183,660	-	-	183,660
Other	32,326	-	4,749	37,075
Rentals	9,836	-	-	9,836
Supplies	686	-	-	686
Total operating expenses	1,047,009	646,160	14,775,716	16,468,885
Operating loss	(152,320)	(146,069)	(36,461)	(334,850)
Nonoperating revenues, interest	577	3,115	-	3,692
Loss before transfers	(151,743)	(142,954)	(36,461)	(331,158)
Transfers in	400,593	-	-	400,593
Change in net position	248,850	(142,954)	(36,461)	69,435
Total net position, beginning of year	(857,593)	2,624,074	16,819,256	18,585,737
Total net position, end of year	\$ (608,743)	\$ 2,481,120	\$ 16,782,795	\$ 18,655,172

Lancaster County, Nebraska

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022**

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Cash flows from operating activities:				
Cash received for services	\$ 879,694	\$ 465,436	\$ 15,948,819	\$ 17,293,949
Cash received from insurance companies	14,995	34,655	20,000	69,650
Cash payments for claims	(1,001,612)	(445,886)	(14,602,756)	(16,050,254)
Net cash provided by (used in) operating activities	(106,923)	54,205	1,366,063	1,313,345
Cash flows from noncapital financing activities, transfers from other funds				
	400,593	-	-	400,593
Cash flows from investing activities.				
interest on investments	577	3,115	-	3,692
Change in cash and cash equivalents	294,247	57,320	1,366,063	1,717,630
Cash and cash equivalents, beginning of year	379,900	3,245,638	16,346,981	19,972,519
Cash and cash equivalents, end of year	\$ 674,147	\$ 3,302,958	\$ 17,713,044	\$ 21,690,149
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (152,320)	\$ (146,069)	\$ (36,461)	\$ (334,850)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Change in accounts receivable	-	-	1,229,564	1,229,564
Change in accrued liabilities	(18,355)	(5,000)	176,960	153,605
Change in due to other funds	-	-	-	-
Change in claims payable	63,752	205,274	(4,000)	265,026
Net cash provided by (used in) operating activities	\$ (106,923)	\$ 54,205	\$ 1,366,063	\$ 1,313,345

Lancaster County, Nebraska

Combining Statement of Fiduciary Net Position
 Employee Benefit Trust Funds
 Year Ended June 30, 2022

	Pension Trust Fund	OPEB Trust Fund	Total
Assets			
Investments:			
Cash management fund	\$ -	\$ 410,661	\$ 410,661
Stable value fund	43,242,839	-	43,242,839
Mutual funds—domestic equities	69,954,865	1,260,646	71,215,511
Mutual funds—international equities	27,621,257	119,581	27,740,838
Mutual funds—balanced funds	5,731,047	8,560,920	14,291,967
Other fixed income	16,383,516	89,872	16,473,388
Total assets	162,933,524	10,441,680	173,375,204
Net position			
Restricted for employee benefits	\$ 162,933,524	\$ 10,441,680	173,375,204

Lancaster County, Nebraska

Combining Statement of Changes in Fiduciary Net Position
Employee Benefit Trust Funds
Year Ended June 30, 2022

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employee	\$ 3,592,089	\$ -	\$ 3,592,089
Employer	4,368,523	1,322,356	5,690,879
Forfeitures	530,967	-	530,967
Rollovers	490,010	-	490,010
Total contributions	8,981,589	1,322,356	10,303,945
Investment income:			
Net depreciation in fair value of investments	(28,876,267)	(1,205,957)	(30,082,224)
Dividends and interest	4,597,933	-	4,597,933
Miscellaneous	(19,716)	(34,400)	(54,116)
Total net investment income (loss)	(24,298,050)	(1,240,357)	(25,538,407)
Total additions (deductions)	(15,316,461)	81,999	(15,234,462)
Deductions:			
Benefits paid	16,495,619	748,614	17,244,233
Forfeitures	530,967	-	530,967
Total deductions	17,026,586	748,614	17,775,200
Change in net position	(32,343,047)	(666,615)	(33,009,662)
Net position, beginning of year	195,276,571	11,108,295	206,384,866
Net position, end of year	\$ 162,933,524	\$ 10,441,680	\$ 173,375,204

Lancaster County, Nebraska

**Combining Statement of Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2022**

	Assessor/ Register of Deeds	Human Services Restitution	Community Corrections	Extension Board
Assets				
Cash	\$ 536,442	\$ 12	\$ 4,691	\$ 171,896
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Net investment in direct financing lease	-	-	-	-
Capital assets, net of depreciation	-	-	-	-
Total assets	536,442	12	4,691	171,896
Deferred outflows of resources				
Deferred refunding	-	-	-	-
Liabilities				
Due to others (clients)	-	-	-	-
Due to others (local governments)	-	-	-	-
Due to others (state government)	536,442	-	-	-
Accounts payable	-	-	-	7,600
Accrued interest payable	-	-	-	-
Unearned revenue, current portion	-	-	-	-
Restitution	-	12	4,691	-
Revenue bonds due within one year	-	-	-	-
Noncurrent liabilities:				
Unearned revenue, net of current portion	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	536,442	12	4,691	7,600
Net position (deficit)				
Investment in capital assets	-	-	-	-
Restricted:				
Individuals, organizations, and other governments	-	-	-	164,296
	\$ -	\$ -	\$ -	\$ 164,296

Public Building Commission	Railroad Transportation Safety District	Tax Collection/Distribution Accounts	Corrections Inmate Commissary	Youth Services Center-Resident	Total
\$ 8,374,623	\$ 19,729,869	\$ 22,842,122	\$ 185,612	\$ -	\$ 51,845,267
17,465	-	-	-	-	17,465
2,024,801	2,667,876	-	-	-	4,692,677
6,561	5,052	-	-	-	11,613
83,887	250,781	-	-	-	334,668
27,818,974	-	-	-	-	27,818,974
69,847	-	-	-	-	69,847
<u>38,396,158</u>	<u>22,653,578</u>	<u>22,842,122</u>	<u>185,612</u>	<u>-</u>	<u>84,790,511</u>
1,783,408	-	-	-	-	1,783,408
-	-	-	-	244	244
-	-	22,842,122	-	-	22,842,122
-	-	-	-	-	536,442
247,476	28,254	-	-	-	283,330
78,254	-	-	-	-	78,254
771,875	-	-	-	-	771,875
-	-	-	-	-	4,703
2,870,000	-	-	-	-	2,870,000
4,927,099	-	-	-	-	4,927,099
20,561,218	-	-	-	-	20,561,218
<u>29,455,922</u>	<u>28,254</u>	<u>22,842,122</u>	<u>-</u>	<u>244</u>	<u>52,875,287</u>
69,847	-	-	-	-	69,847
<u>10,653,797</u>	<u>22,625,324</u>	<u>-</u>	<u>185,612</u>	<u>(244)</u>	<u>33,628,785</u>
<u>\$ 10,723,644</u>	<u>\$ 22,625,324</u>	<u>\$ -</u>	<u>\$ 185,612</u>	<u>\$ (244)</u>	<u>\$ 33,698,632</u>

Lancaster County, Nebraska

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2022

	Assessor/ Register of Deeds	Human Services Restitution	Community Corrections	Extension Board
Additions:				
Investment Income	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Resident funds	-	-	-	-
Charges for services	4,877,967	-	-	58,248
Diversion restitution	-	9,881	213,412	-
Other income	-	-	-	-
Total additions	4,877,967	9,881	213,412	58,248
Deductions:				
Commissary	-	-	-	-
Payments to local governments	-	-	-	-
Payments to state governments	4,877,967	-	-	-
Construction projects	-	-	-	-
Diversion/restitutions payments	-	9,881	213,412	-
Interest on long-term debt	-	-	-	-
Miscellaneous	-	-	-	54,818
Total deductions	4,877,967	9,881	213,412	54,818
Change in net position	-	-	-	3,430
Net position (deficit), beginning of year	-	-	-	160,866
Net position (deficit), end of year	\$ -	\$ -	\$ -	\$ 164,296

Public Building Commission	Railroad Transportation Safety District	Tax Collection/ Distribution Accounts	Corrections Inmate Commissary	Youth Services Center- Resident	Total
\$ 12,309	\$ 54,256	\$ -	\$ -	\$ -	\$ 66,565
4,999,240	7,250,505	1,455,273,641	-	-	1,467,523,386
471,388	250,959	-	-	-	722,347
-	-	-	4,188,133	30,544	4,218,677
5,357,303	-	-	-	-	10,293,518
-	-	-	-	-	223,293
51,413	-	-	-	-	51,413
<u>10,891,653</u>	<u>7,555,720</u>	<u>1,455,273,641</u>	<u>4,188,133</u>	<u>30,544</u>	<u>1,483,099,199</u>
-	-	-	4,228,380	30,083	4,258,463
-	-	1,455,273,641	-	-	1,455,273,641
-	-	-	-	-	4,877,967
9,245,547	553,199	-	-	-	9,798,746
-	-	-	-	-	223,293
1,052,160	-	-	-	-	1,052,160
-	212,537	-	-	-	267,355
<u>10,297,707</u>	<u>765,736</u>	<u>1,455,273,641</u>	<u>4,228,380</u>	<u>30,083</u>	<u>1,475,751,625</u>
593,946	6,789,984	-	(40,247)	461	7,347,574
<u>10,129,698</u>	<u>15,835,340</u>	<u>-</u>	<u>225,859</u>	<u>(705)</u>	<u>26,351,058</u>
<u>\$ 10,723,644</u>	<u>\$ 22,625,324</u>	<u>\$ -</u>	<u>\$ 185,612</u>	<u>\$ (244)</u>	<u>\$ 33,698,632</u>

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 (*Government Auditing Standards*), 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, 2022, 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 30, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 30, 2023

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

Independent Auditor's Report

Board of Commissioners
Lancaster County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lancaster County, Nebraska's (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*⁴ issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 30, 2023

Lancaster County, Nebraska

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued on financial statements prepared in accordance with GAAP: 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 federal programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified? Yes None Reported

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

Federal Assistance

Listing Number	Name of Federal Program or Cluster
21.016	Equitable Sharing Program - Treasury Funds
21.023	COVID-19 - Emergency Rental Assistance Program
21.027	COVID-19 -Coronavirus State and Local Riscal Recovery Funds

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, 2022

- 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, Nebraska

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022**

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

Lancaster County, Nebraska

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Listing 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	\$ -	\$ 11,821
National School Lunch Program	55-0905	10.555	-	30,207
Total Department of Agriculture, total Child Nutrition Cluster			-	42,028
Department of the Interior Office of the Secretary				
Payments in Lieu of Taxes	N/A	15.226	-	21,816
Total Department of the Interior Office of the Secretary			-	21,816
Department of Justice Direct Programs				
BJA—Drug Court Discretionary Grant Program (1)	N/A	16.585	51,003	77,773
BJA—Drug Court Discretionary Grant Program (1)	N/A	16.585	53,000	116,115
BJA—Drug Court Discretionary Grant Program (1)	N/A	16.585	-	30,257
Criminal and Juvenile Justice and Mental Health Collaboration	N/A	16.745	26,535	28,049
BJA—Second Chance Act Prisoner Reentry Initiative (2)	N/A	16.812	26,223	32,873
BJA—Second Chance Act Prisoner Reentry Initiative (2)	N/A	16.812	208,445	337,850
Justice Reinvestment Initiative	N/A	16.827	41,113	42,068
Equitable Sharing Program—Justice Funds	N/A	16.922	-	17,902
<i>Subtotal Department of Justice Direct Programs</i>			406,319	682,887
Department of Justice Pass-Through Programs From				
Nebraska Commission on Law Enforcement and Criminal				
Juvenile Justice and Delinquency Prevention Allocation to				
States	18-JJ-0001	16.540	159,093	160,069
Justice Violence Against Women Formula Grants	187-2021-VW4012	16.588	93,756	241,395
Edward Byrne Memorial Justice Assistance Grant				
Program (3)	187-2020-DA3002	16.738	-	23,788
Edward Byrne Memorial Justice Assistance Grant				
Program (3)	187-2020-DA3002	16.738	-	159,621
<i>Subtotal Department of Justice Pass-Through Programs</i>			252,849	584,873
Total Department of Justice			659,168	1,267,760
Department of Transportation Pass-Through Programs From				
Nebraska Department of Roads Highway Safety Office				
Highway Safety Cluster:				
State and Community Highway Safety	405d-20-51-06	20.600	-	10,673
National Priority Highway Safety (4)	405d-21-51-48	20.616	-	3,092
National Priority Highway Safety (4)	405d-22-51-26	20.616	-	4,880
Total Department of Transportation, total Highway Safety Cluster			-	18,645

(Continued)

- (1) - combined 16.585 - \$224,145
- (2) - combined 16.812 - \$370,723
- (3) - combined 16.738 - \$183,409
- (4) - combined 20.616 - \$7,972

Lancaster County, Nebraska

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Amount Provided to Subrecipients	Federal Expenditures
Department of Treasury Direct Programs				
Equitable Sharing Program—Treasury Funds (5)	N/A	21.016	-	1,275,778
Equitable Sharing Program—Treasury Funds (5)	N/A	21.016	-	37,501
COVID-19 - Emergency Rental Assistance Program	N/A	21.023	1,706,217	1,715,319
COVID-19 -Coronavirus State and Local Riscal Recovery Funds	N/A	21.027	-	6,496,552
Total Department of Treasury			<u>1,706,217</u>	<u>9,525,150</u>
Department of Health and Human Services				
Pass-Through Programs From				
Nebraska Department of Health and Human Services				
ACF—Child Support Enforcement, County Attorney	2001NECSES	93.563	-	1,463,094
ACF—Child Support Enforcement, Clerk of District Court	2001NECSES	93.563	-	271,062
ACF—Child Support Enforcement, Bailiff District Court	2001NECSES	93.563	-	212,732
Total Department of Health and Human Services			<u>-</u>	<u>1,946,888</u>
Department of Homeland Security Pass-Through Programs From				
State of Nebraska Emergency Management Agency				
Emergency Management Performance Grant	EMK-2020-EP-00003-S01	97.042	-	120,000
Total Department of Homeland Security			<u>-</u>	<u>120,000</u>
Total expenditures of federal awards			<u>\$ 2,365,385</u>	<u>\$ 12,942,287</u>

(5) - combined 21.016 - \$1,313,279

See notes to schedule of expenditures of federal awards.

Lancaster County, Nebraska

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

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.