

LANCASTER COUNTY, NEBRASKA

Financial Statements With Supplementary Information
Independent Auditor's Report
June 30, 2021

LANCASTER COUNTY, NEBRASKA
FINANCIAL STATEMENTS
WITH
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2021

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Independent Auditor's Report

RSM US LLP

Board of Commissioners
Lancaster County, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, Nebraska, (the County) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, 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.

Emphasis of Matter

As explained in Note 12 of the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which restated beginning net position of the fiduciary funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RSM US LLP

Lincoln, Nebraska
March 30, 2022

Lancaster County, Nebraska

**Statement of Net Position
June 30, 2021**

	Governmental Activities
Assets	
Cash and investments	\$ 116,119,189
Taxes receivable	32,520,525
Due from other governmental agencies	3,404,948
Accounts receivable	2,342,576
Interest receivable	13,573
Patient and insurance receivables, net of allowance for doubtful accounts \$782,402	12,338
Capital assets:	
Land and construction in progress	13,700,362
Other capital assets, net of depreciation	204,676,995
Total assets	<u>372,790,506</u>
Deferred outflows of resources	
Deferred charge on refunding	<u>427,604</u>
Liabilities	
Accounts payable	4,697,800
Accrued salaries	2,335,899
Accrued interest payable	112,468
Claims payable	2,402,463
Unearned revenue	32,473,135
Long-term liabilities:	
Due within one year	10,375,146
Due in more than one year	48,378,306
Total liabilities	<u>100,775,217</u>
Deferred inflows of resources	
Deferred gain on refunding	<u>1,007,104</u>
Net position	
Net investment in capital assets	167,108,211
Restricted for:	
Visitor improvement	2,562,781
Rural library services	373,712
Building, land and road maintenance	15,521,536
Capital projects	1,444,401
Drug education	6,353,261
Economic development	421,994
Justice reinvestment	74,400
Debt service	3,862,917
Emergency management	231,727
Public health and human services	530,818
Veterans aid	16,413
Unrestricted	<u>72,933,618</u>
Total net position	<u><u>\$ 271,435,789</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Activities
Year Ended June 30, 2021

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	\$ 24,441,028	\$ 16,303,527	\$ -	\$ 8,137,501
Public safety	75,850,086	4,495,682	7,840,772	63,513,632
Public works	22,056,029	422,950	17,580,575	4,052,504
Community development	4,237	-	-	4,237
Public health and human services	11,687,674	534,465	2,435,974	8,717,235
Culture and recreation	2,351,967	-	-	2,351,967
Joint public agency services	1,329,926	-	-	1,329,926
Interest on long-term debt	1,390,395	-	-	1,390,395
Total primary government	\$ 139,111,342	\$ 21,756,624	\$ 27,857,321	89,497,397
General revenues				
Taxes:				
Property tax				80,922,009
Inheritance tax				8,714,005
Motor vehicle tax				10,952,794
Lodging tax				2,387,517
In-lieu-of tax				1,951,047
Occupation tax				10,765
Nameplate capacity tax				3,722
Drug tax				13,485
Other:				
Intergovernmental, for general purposes				9,995,758
Interest income				348,377
Other income				2,270,713
Total general revenues				117,570,192
Change in net position				28,072,795
Net position—beginning of year				243,362,994
Net position—end of year				\$ 271,435,789

See notes to financial statements.

Lancaster County, Nebraska

**Balance Sheet
Governmental Funds
June 30, 2021**

	General	Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 29,632,028	\$ 39,594,745	\$ 26,919,897	\$ 96,146,670
Taxes receivable	30,487,673	-	2,032,852	32,520,525
Due from other governmental agencies	1,402,433	530,242	1,472,273	3,404,948
Accounts receivable	1,059,358	10,485	43,169	1,113,012
Interest receivable	9,750	2,559	1,264	13,573
Patient and insurance receivables, net of allowance for doubtful accounts of \$288,387	-	-	12,338	12,338
Total assets	\$ 62,591,242	\$ 40,138,031	\$ 30,481,793	\$ 133,211,066
Liabilities				
Accounts payable	\$ 2,872,118	\$ 1,005,508	\$ 681,659	\$ 4,559,285
Accrued salaries	1,950,744	-	380,828	2,331,572
Unearned revenue	-	32,473,135	-	32,473,135
Total liabilities	4,822,862	33,478,643	1,062,487	39,363,992
Deferred inflows of resources				
Unavailable revenue—property taxes	1,917,280	-	130,782	2,048,062
Fund balances				
Restricted for:				
Visitor improvement	-	-	2,562,781	2,562,781
Rural library services	-	-	373,712	373,712
Building, land and road maintenance	-	-	15,521,536	15,521,536
Capital projects	-	-	1,444,401	1,444,401
Drug education	-	6,353,261	-	6,353,261
Economic development	-	-	421,994	421,994
Justice reinvestment	-	74,400	-	74,400
Debt service	-	-	3,975,385	3,975,385
Emergency management	-	231,727	-	231,727
Public health and human services	-	-	530,818	530,818
Veterans aid	16,413	-	-	16,413
Committed for:				
Community betterment	-	-	3,669,563	3,669,563
Building maintenance	-	-	493,412	493,412
Law enforcement equipment	-	-	294,922	294,922
Public safety	396,960	-	-	396,960
Public health and human services	17,438	-	-	17,438
Public works	13,164	-	-	13,164
General government	23,560	-	-	23,560
Unassigned	55,383,565	-	-	55,383,565
Total fund balances	55,851,100	6,659,388	29,288,524	91,799,012
Total liabilities, deferred inflows of resources and fund balances	\$ 62,591,242	\$ 40,138,031	\$ 30,481,793	\$ 133,211,066

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, 2021**

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

Total fund balance—governmental funds		\$	91,799,012
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds:			
Cost	\$	351,622,878	
Accumulated depreciation		<u>(133,245,521)</u>	218,377,357
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.			18,585,737
Property tax revenues, not collected within 60 days of the fiscal year end, are not financial resources and, therefore, not reported in the governmental funds.			2,048,062
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			427,604
Deferred inflows of resources do not increase net position until a future period and are therefore not reported in the funds:			
Deferred gain on refunding			(1,007,104)
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		(28,070,000)	
Premium on bonds		(4,332,146)	
Capital lease obligations		(18,287,500)	
Compensated absences		(7,992,765)	
Accrued interest payable		<u>(112,468)</u>	(58,794,879)
Net position—governmental activities			\$ <u>271,435,789</u>

See notes to financial statements.

Lancaster County, Nebraska

**Statement of Revenues, Expenditures and Changes In Fund Balances
Governmental Funds
Year Ended June 30, 2021**

	General	Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 97,656,573	\$ 13,485	\$ 7,462,984	\$ 105,133,042
Charges for services	15,698,988	-	4,883,369	20,582,357
Intergovernmental	19,520,191	3,110,477	12,499,587	35,130,255
Medicaid/Medicare/MRO				
Reimbursements	-	-	748,769	748,769
License, fees, and rental income	58,940	-	1,127,266	1,186,206
Interest income	226,863	57,397	64,117	348,377
Other Income	602,718	2,214,158	1,817,817	4,634,693
Total revenues	133,764,273	5,395,517	28,603,909	167,763,699
Expenditures:				
Current:				
General government	17,152,774	-	5,187,146	22,339,920
Public safety	72,544,217	2,681,277	298,459	75,523,953
Community development	-	-	4,237	4,237
Public works	4,604,387	-	13,112,285	17,716,672
Public health & human services	7,849,644	679,557	3,265,214	11,794,415
Culture and recreation	-	-	2,351,967	2,351,967
Capital outlay	1,266,376	558,088	10,343,402	12,167,866
Debt service:				
Principal	1,351,000	-	2,909,000	4,260,000
Interest	580,887	-	1,533,985	2,114,872
Total expenditures	105,349,285	3,918,922	39,005,695	148,273,902
Excess of revenues over (under) expenditures	28,414,988	1,476,595	(10,401,786)	19,489,797
Other financing sources (uses):				
Sale of capital assets	16,658	-	268,592	285,250
Transfers in	723,947	-	13,886,235	14,610,182
Transfers out	(13,736,295)	(718,947)	(554,940)	(15,010,182)
Total other financing sources (uses)	(12,995,690)	(718,947)	13,599,887	(114,750)
Net change in fund balances	15,419,298	757,648	3,198,101	19,375,047
Fund balance at beginning of year	40,431,802	5,901,740	26,090,423	72,423,965
Fund balance at end of year	\$ 55,851,100	\$ 6,659,388	\$ 29,288,524	\$ 91,799,012

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, 2021**

Net change in fund balances—total governmental funds \$ 19,375,047

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which assets capitalized exceeded the amount of depreciation expense in the current period.

Depreciation expense	\$ (9,097,189)	
Capital assets capitalized	<u>10,675,864</u>	1,578,675

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. (612,783)

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. (179,562)

The amortization of bond premiums, discounts and deferred refundings affects the long term liabilities and deferred inflows and outflows of resources in the statement of net position, whereas these amounts are recorded as expenditures at the time of issuance in the governmental funds. 712,922

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds payable	2,820,000	
Capital lease	<u>1,440,000</u>	4,260,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 11,555

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		(373,739)
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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 3,300,680

Change in net position of governmental activities \$ 28,072,795

See notes to financial statements.

Lancaster County, Nebraska

Statement of Net Position
Proprietary Funds
Year Ended June 30, 2021

	Internal Service Funds
<hr/>	
Assets	
Current assets:	
Cash and cash equivalents	\$ 19,972,519
Accounts receivable	1,229,564
Total current assets	<u>21,202,083</u>
Liabilities	
Current liabilities:	
Accounts payable	138,515
Claims payable	2,402,463
Accrued salaries	4,327
Current portion—accrued compensated absences	15,000
Total current liabilities	<u>2,560,305</u>
Noncurrent liabilities, long-term accrued compensated absences	<u>56,041</u>
Net position	
Unrestricted	<u>\$ 18,585,737</u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 17,358,557
Other insurance reimbursements	67,778
Total operating revenues	<u>17,426,335</u>
Operating expenses:	
Claims and insurance	12,576,394
Contractual services	1,735,899
Wages and benefits	171,500
Other	46,883
Rentals	9,836
Supplies	978
Total operating expenses	<u>14,541,490</u>
Operating income	2,884,845
Nonoperating revenues, interest	<u>15,835</u>
Income before transfers	2,900,680
Transfers in	<u>400,000</u>
Change in net position	3,300,680
Total net position—beginning of year	<u>15,285,057</u>
Total net position—end of year	<u><u>\$ 18,585,737</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Internal Service Funds
Cash flows from operating activities:	
Cash received for services	\$ 16,145,316
Cash received from insurance companies	67,447
Cash payments for claims	<u>(14,794,266)</u>
Net cash flow provided by operating activities	<u>1,418,497</u>
Cash flows from noncapital financing activities, transfers from other funds	<u>400,000</u>
Cash flows from investing activities, interest on investments	<u>15,835</u>
Change in cash	1,834,332
Cash—beginning of the year	<u>18,138,187</u>
Cash—end of the year	<u><u>\$ 19,972,519</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,884,845
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in accounts receivable	(1,213,571)
Change in interest receivable	1,832
Change in accrued liabilities	(221,119)
Change in due to other funds	5,000
Change in claims payable	<u>(38,490)</u>
Net cash provided by operating activities	<u><u>\$ 1,418,497</u></u>

See notes to financial statements.

Lancaster County, Nebraska

Statement of Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash	\$ -	\$ 46,659,253
Accounts receivable	-	8,590
Taxes receivable	-	3,483,009
Interest receivable	-	3,307
Due from other governmental agencies	-	251,067
Net investment in direct financing lease	-	31,485,834
Capital assets, net of depreciation	-	62,526
Investments:		
Cash management fund	248,867	-
Stable value fund	45,248,057	-
Mutual funds—domestic equities	90,117,917	-
Mutual funds—international equities	35,154,956	-
Mutual funds—balanced funds	12,615,449	-
Other fixed income	22,999,620	-
Total assets	206,384,866	81,953,586
Deferred outflows of resources		
Deferred charge on refunding	-	2,189,784
Liabilities		
Due to clients	-	705
Due to others (local governments)	-	23,542,765
Due to others (state government)	-	430,389
Accounts payable	-	708,245
Accrued interest payable	-	92,011
Unearned revenue, current portion	-	876,861
Restitution	-	3,825
Revenue bonds due within one year	-	2,790,000
Noncurrent liabilities:		
Unearned revenue, net of current portion	-	5,698,973
Due in more than one year	-	23,648,538
Total liabilities	-	57,792,312
Net position (deficit)		
Investment in capital assets	-	62,526
Restricted for:		
Employee benefits	206,384,866	-
Individuals, organizations, and other governments	-	26,288,532
Total net position	\$ 206,384,866	\$ 26,351,058

See notes to financial statements.

Lancaster County, Nebraska

Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Employee Benefit Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employee	\$ 3,392,666	\$ -
Employer	5,044,267	-
Forfeitures	231,805	-
Rollovers	115,472	-
Total contributions	8,784,210	-
Investment earnings:		
Net appreciation in fair value of investments	38,847,955	-
Dividends and interest	4,938,964	76,011
Miscellaneous	(37,531)	-
Net investment earnings	43,749,388	76,011
Property tax	-	1,397,790,970
Intergovernmental revenue	-	632,634
Resident funds	-	4,275,753
Charges for services	-	9,605,794
Diversion Restitution	-	181,898
Other income	-	62,727
Total additions	52,533,598	1,412,625,787
Deductions:		
Commissary	-	4,215,058
Payments to local governments	-	1,388,933,463
Payments to state governments	-	4,096,937
Commission services	-	7,974,229
Construction projects	-	1,034,325
Diversion/restitutions payments	-	181,898
Interest on long-term debt	-	1,145,329
Miscellaneous	-	127,763
Benefits paid	11,051,884	-
Forfeitures	231,805	-
Total deductions	11,283,689	1,407,709,002
Change in net position	41,249,909	4,916,785
Net position—beginning of year, as restated	165,134,957	21,434,273
Net position—end of year	\$ 206,384,866	\$ 26,351,058

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.

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 capital leases are reported as other financing sources.

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

Lancaster County, Nebraska

Notes to Financial Statements

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

The proprietary, pension, 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

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

Lancaster County, Nebraska

Notes to Financial Statements

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

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

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

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

Restricted net position: Consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation as of June 30, 2021 consist of \$38,089,331 for various purposes, the detail of which is included on the statement of net position.

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

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

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

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

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

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

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

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

Lancaster County, Nebraska

Notes to Financial Statements

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

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

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

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

The County may only levy taxes in addition to the \$0.50 limitation upon a vote of the people. For 2021, the tax levy remained below the \$0.50 limitation.

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

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

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

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

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

Lancaster County, Nebraska

Notes to Financial Statements

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

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

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

Note 2. Cash and Investments

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

Custodial credit risk, deposits: In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy requires compliance with the provisions of state law. The Public Funds Deposit Security Act, State Statute Sections 77-2386 to 77-23,106, requires banks either to give bonds or to pledge government securities (types of which are specifically identified in the statutes) to the County Treasurer in the amount of the County's deposits. The statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

At June 30, 2021, the bank balance of the County's pooled cash deposits, including certificates of deposit and money market accounts, amounted to \$162,778,442. All deposit balances were covered by FDIC insurance, or pledged collateral held by the County's agent in the County's name.

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

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

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

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

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Pooled deposits and investments at June 30, 2021 appear in the financial statements as summarized below:

Deposits	\$ 12,813,734
Interest-bearing money market accounts	131,319,663
Investments-certificates of deposit	18,645,045
Total	<u>\$ 162,778,442</u>

Cash and investments—governmental funds balance sheet	\$ 96,146,670
Cash—internal service funds, statement of net position	19,972,519
Cash and investments—governmental activities, statement of net position	116,119,189
Cash—custodial funds	46,659,253
Total	<u>\$ 162,778,442</u>

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, 2021, the investments in the employees' retirement system were as follows:

Investment Type	Fair Value	Concentration
Stable value fund (fixed income)	\$ 45,248,057	23.2%
Mutual funds—domestic equities	88,775,244	45.5
Mutual funds—international equities	35,012,202	17.9
Mutual funds—balanced funds	3,336,558	1.7
Other fixed income	22,904,510	11.7
	<u>\$ 195,276,571</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, 2021 is \$46,120,967 and the contract value is \$45,248,057.

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Custodial Credit risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County and the pension and OPEB plans do not have a policy for custodial credit risk. As of June 30, 2021, the County's investments were not exposed to custodial credit risk because they were registered in the County's name and held by the counterparty or the counterparty's trust department. The mutual funds (equity and debt funds) of the pension and OPEB plans are not exposed to custodial credit risk.

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

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. While the plan does not have a policy specific to credit risk of fixed income funds, the investment policy requires that all funds be benchmarked against a relevant index, with performance of the fund measured at least annually in the context of rolling three-year periods for the trailing five-year period. As of June 30, 2021, 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, 2021, 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, 2021, 83.5% 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 B, 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.

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

At June 30, 2021, the investments in the OPEB trust were as follows:

Investment Type	Fair Value	Concentration
Stable value fund/cash management	\$ 248,867	2.2%
Bond funds	95,110	0.9
Balanced/asset allocation funds	9,278,891	83.5
U.S. stock funds	1,342,673	12.1
International/global funds	142,754	1.3
	\$ 11,108,295	100.0%

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

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

Investment Type	Level 1	Level 2	Total
Domestic stock	\$ 90,117,917	\$ -	\$ 90,117,917
International stock	35,154,956	-	35,154,956
Balanced funds	12,615,449	-	12,615,449
Fixed Income	95,110	22,904,510	22,999,620
Stable value fund	248,867	-	248,867
Total investments measured at fair value	\$ 138,232,299	\$ 22,904,510	161,136,809
Stable value fund measured at contract value			45,248,057
Total investments			\$ 206,384,866

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, 2021.

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

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

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

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

Lancaster County, Nebraska

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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

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

Note 3. Capital Assets

The changes in capital assets designated for the operation of the County for the year ended June 30, 2021 are as follows:

	Balance June 30, 2020	Additions	Deletions/ Adjustments	Balance June 30, 2021
Nondepreciable assets:				
Land	\$ 11,181,250	\$ -	\$ -	\$ 11,181,250
Construction in progress	2,558,811	2,097,619	2,137,318	2,519,112
Total nondepreciable assets	<u>13,740,061</u>	<u>2,097,619</u>	<u>2,137,318</u>	<u>13,700,362</u>
Depreciable assets:				
Land improvements	1,705,589	-	-	1,705,589
Buildings	151,619,168	541,332	-	152,160,500
Machinery and equipment	20,641,464	819,360	629,487	20,831,337
Vehicles	12,259,657	697,180	1,209,951	11,746,886
Infrastructure	143,416,492	8,657,691	595,979	151,478,204
Total depreciable assets	<u>329,642,370</u>	<u>10,715,563</u>	<u>2,435,417</u>	<u>337,922,516</u>
Less accumulated depreciation:				
Land improvements	1,314,018	63,694	-	1,377,712
Building	39,682,173	2,966,530	-	42,648,703
Machinery and equipment	12,860,404	966,373	585,786	13,240,991
Vehicles	6,653,504	1,061,181	1,190,402	6,524,283
Infrastructure	65,460,867	4,039,411	46,446	69,453,832
Total depreciation	<u>125,970,966</u>	<u>9,097,189</u>	<u>1,822,634</u>	<u>133,245,521</u>
Depreciable capital assets, net	<u>203,671,404</u>	<u>1,618,374</u>	<u>612,783</u>	<u>204,676,995</u>
Total capital assets	<u>\$ 217,411,465</u>	<u>\$ 3,715,993</u>	<u>\$ 2,750,101</u>	<u>\$ 218,377,357</u>

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

Governmental activities:	
General government	\$ 1,885,045
Public safety	1,903,640
Public works	3,950,783
Public health and human services	27,795
Joint public agency services	1,329,926
Total depreciation expense	<u>\$ 9,097,189</u>

Lancaster County, Nebraska

Notes to Financial Statements

Note 4. Long-Term Liabilities

Changes in long-term obligations for the year ended June 30, 2021 were as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Bonds payable—JPA	\$ 30,890,000	\$ -	\$ 2,820,000	\$ 28,070,000	\$ 2,960,000
Premiums	4,916,256	-	584,110	4,332,146	-
	35,806,256	-	3,404,110	32,402,146	2,960,000
Capital leases payable, Public Building Commission	19,727,500	-	1,440,000	18,287,500	1,487,500
Compensated absences	7,685,923	5,617,564	5,239,681	8,063,806	5,927,646
Total long term liabilities	\$ 63,219,679	\$ 5,617,564	\$ 10,083,791	\$ 58,753,452	\$ 10,375,146

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

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

Capital leases payable

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

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

As of June 30, 2021, the PBC has bonds outstanding of \$24,910,000 attributable to several revenue bond issues, proceeds of which were used to acquire, construct and/or renovate certain buildings occupied by the City and County. The County's proportionate share of such buildings is recorded as capital assets, and the corresponding debt is recorded as a capital lease in the County's financial statements. The leases for the buildings continue until the related bonds have been fully paid and are no longer outstanding. The bonds have final maturity dates ranging from fiscal 2026 to 2042.

Lancaster County, Nebraska

Notes to Financial Statements

Note 4. Long-Term Liabilities (Continued)

Principal and interest requirements to maturity on capital lease obligations and bonds outstanding at June 30, 2021 are as follows:

Year ending June 30	Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest
2022	\$ 2,960,000	\$ 1,298,400	\$ 1,487,500	\$ 614,785
2023	3,110,000	1,162,200	1,527,500	564,685
2024	3,235,000	1,019,125	1,292,500	515,127
2025	3,395,000	853,375	1,335,000	465,979
2026	3,565,000	679,375	1,275,000	413,963
2027-2031	11,805,000	904,625	3,085,000	1,652,350
2032-2036	-	-	3,425,000	1,043,250
2037-2041	-	-	3,985,000	473,156
2042	-	-	875,000	14,219
	<u>\$ 28,070,000</u>	<u>\$ 5,917,100</u>	<u>\$ 18,287,500</u>	<u>\$ 5,757,514</u>

Note 5. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2021 is as follows:

Transfers Out	Transfers In			Total
	General Fund	Other Governmental Funds	Internal Service Funds	
General fund	\$ 5,000	\$ 13,331,295	\$ 400,000	\$ 13,736,295
Federal grants	718,947	-	-	718,947
Other governmental funds	-	554,940	-	554,940
	<u>\$ 723,947</u>	<u>\$ 13,886,235</u>	<u>\$ 400,000</u>	<u>\$ 15,010,182</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, 2021, the most significant transfers were \$11,847,454 from the General Fund to Other Governmental Funds for budgeted capital projects.

Note 6. Deficit Fund Equity

At June 30, 2021, the Workers' Compensation fund (internal service fund) had a deficit of \$857,593, which will be recovered from future internal charges to the County's other funds. At June 30, 2021, the Youth Services Center - Resident (custodial fund) had a deficit of \$705.

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, 2021, membership in the plans totaled 914 for the ICMA-RC plan and 1,011 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 \$844,616 for the year ended June 30, 2021.

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, 2021, membership totaled 877.

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 \$4,199,651 and total employee contributions were \$3,392,666 for the year ended June 30, 2021.

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

	Pension Trust	Postemployment Health Trust	Total
Total assets	\$ 195,276,571	\$ 11,108,295	\$ 206,384,866
Net position	195,276,571	11,108,295	206,384,866
Additions	50,206,690	2,326,908	52,533,598
Deductions	10,688,858	594,831	11,283,689
Change in net position	39,517,832	1,732,077	41,249,909
Beginning net position	155,758,739	9,376,218	165,134,957
Ending net position	\$ 195,276,571	\$ 11,108,295	\$ 206,384,866

Lancaster County, Nebraska

Notes to Financial Statements

Note 8. Risk Management

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

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

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

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

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

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

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Liability—June 30, 2019	\$ 1,068,157	\$ 607,265	\$ 950,000	\$ 2,625,422
Claims incurred	323,572	379,564	11,430,240	12,133,376
Claims payments & adjustments	320,819	356,786	11,640,240	12,317,845
Liability—June 30, 2020	1,070,910	630,043	740,000	2,440,953
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

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, 2021 that represented agreements to purchase goods and services. The balances by fund were as follows:

General Fund	\$ 451,121
Highway Fund	54,527
Nonmajor Governmental Funds	11,104,608
	<u>\$ 11,610,256</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, 2021, 14 series of bonds were outstanding, with an aggregate principal amount payable in the amount of \$82,497,550.

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, 2021, the County's property tax revenues were reduced by \$1,866,498 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 \$63,585 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. Restatement

During 2021, the County implemented the provisions of the GASB Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement describes four fiduciary funds that should be reported if applicable: (1) pension trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should be reported as fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. Accordingly, the City has reported the cumulative effect of applying GASB 84 as a restatement of beginning net position as of July 1, 2020. This restatement increased previously reported net position for Custodial funds by \$21,434,273.

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. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the County's fiscal year ending June 30, 2022.
- GASB Statement No. 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 Agency with its year ending June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued June 2020, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will also enhance the relevance, consistency and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Another objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. This statement will be effective for the County with its year ending June 30, 2022.

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

REQUIRED SUPPLEMENTARY INFORMATION

Lancaster County, Nebraska

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual—Budgetary Basis—General Fund
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over/(Under)
	Original	Final		
Revenues:				
Taxes	\$ 99,184,751	\$ 99,184,751	\$ 97,464,525	\$ (1,720,226)
Charges for services	14,787,576	14,787,576	15,970,373	1,182,797
Federal revenue	2,042,704	2,042,704	2,188,027	145,323
State revenues	2,930,595	2,930,595	8,895,905	5,965,310
License, fees, and rental income	57,838	57,838	58,940	1,102
Interest income	950,060	950,060	264,597	(685,463)
Intergovernmental	1,015,497	1,015,497	7,710,868	6,695,371
Other income	363,758	363,758	604,112	240,354
Total revenues	121,332,779	121,332,779	133,157,347	11,824,568
Expenditures:				
General government:				
Board of commissioners	333,276	344,276	343,572	704
County clerk	1,450,032	1,503,988	1,464,267	39,721
County treasurer	3,739,780	3,739,780	3,552,006	187,774
Assessor/register of deeds	4,577,963	4,577,963	4,312,637	265,326
ROD technology	228,250	228,250	152,671	75,579
Election commissioner	1,674,470	2,149,470	2,024,086	125,384
Information services	1,257,275	1,257,275	1,167,071	90,204
Budget and fiscal	292,853	303,853	294,397	9,456
General government miscellaneous	3,938,177	2,805,622	1,978,159	827,463
Administrative services	578,224	578,224	549,825	28,399
Board of equalization	355,663	355,663	279,464	76,199
Extension service	1,002,392	1,002,392	978,450	23,942
Records and information management	693,166	693,166	666,672	26,494
Total general government	20,121,521	19,539,922	17,763,277	1,776,645
Public safety:				
Clerk of district court	2,000,267	2,005,267	1,995,236	10,031
County court	1,529,212	1,529,212	1,283,983	245,229
Juvenile court	2,078,543	2,078,543	1,859,647	218,896
District court	2,900,775	2,900,775	2,648,415	252,360
Public defender	5,031,886	5,031,886	5,031,765	121
Jury commissioner	422,940	422,940	298,838	124,102
Justice system miscellaneous	1,538,295	1,538,295	1,467,098	71,197
County sheriff	14,470,936	14,470,936	14,254,458	216,478
County attorney	8,948,510	8,948,510	8,896,166	52,344
Corrections	27,973,020	27,973,020	27,151,300	821,720
Juvenile probation	318,126	318,126	318,067	59
Adult probation	570,675	570,675	536,574	34,101
Community corrections	3,565,545	3,565,545	3,264,803	300,742
Youth services center	5,131,422	5,131,422	5,131,006	416
Emergency management	604,175	604,175	597,191	6,984
Mental health board	157,155	157,155	131,165	25,990
Total public safety	77,241,482	77,246,482	74,865,712	2,380,770
Public works, county engineer	4,478,712	4,478,712	4,293,392	185,320

(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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over/(Under)
	Original	Final		
Public Health and Social Services:				
General Assistance	\$ 1,242,425	\$ 1,742,425	\$ 1,491,391	\$ 251,034
Veterans & General Assistance Admin	523,014	574,613	532,971	41,642
Health & Human Services	5,337,179	5,337,179	5,290,306	46,873
Human Services	892,595	917,595	908,990	8,605
Total public health and human services	7,995,213	8,571,812	8,223,658	348,154
Total expenditures	109,836,928	109,836,928	105,146,039	4,690,889
Revenue over expenditures	11,495,851	11,495,851	28,011,308	16,515,457
Other financing sources (uses):				
Proceeds from sale of capital assets	7,500	7,500	16,658	9,158
Transfers in	1,732,126	1,732,126	646,476	(1,085,650)
Transfers out	(13,521,295)	(13,521,295)	(13,736,295)	(215,000)
Total other financing sources (uses)	(11,781,669)	(11,781,669)	(13,073,161)	(1,291,492)
Net change in fund balance	\$ (285,818)	\$ (285,818)	14,938,147	\$ 15,223,965
Fund balance at beginning of year			10,410,855	
Encumbrance credit			9,551	
Fund balance at end of year			\$ 25,358,553	
Explanation of difference between budgetary and GAAP:				
Net change in fund balance, budgetary basis			\$ 14,938,147	
Separately budgeted general fund subfunds, veterans aid fund			3,915	
Revenue accruals			679,395	
Expenditure accruals			(653,280)	
Current year encumbrances			451,121	
Net change in fund balance, GAAP basis			15,419,298	
Fund balance, beginning of year, GAAP basis			40,431,802	
Fund balance, end of year, GAAP basis			\$ 55,851,100	

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, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 13,485	\$ 13,485
Federal receipts	3,561,805	3,561,805	34,929,085	31,367,280
State revenues	1,440,169	1,440,169	1,271,763	(168,406)
Interest on investments	16,000	16,000	48,038	32,038
Other receipts	1,304,838	1,304,838	2,211,800	906,962
Total revenues	6,322,812	6,322,812	38,474,171	32,151,359
Expenditures:				
Office supplies	45	45	10,512	(10,467)
Operating supplies	909,122	909,122	180,972	728,150
Medical supplies	5,000	5,000	84	4,916
Energy supplies	-	-	43	(43)
Other contracted services	5,172,446	5,172,446	1,163,506	4,008,940
Not-for-profit contracts	1,149,873	1,149,873	1,377,482	(227,609)
Trans, travel and subsistence	131,467	131,467	55,398	76,069
Communications	5,532	5,532	6,982	(1,450)
Postage, courier and freight	-	-	733	(733)
Printing and advertising	-	-	3,092	(3,092)
Miscellaneous fees and services	1,407,349	1,407,349	655,038	752,311
Repair and maintenance costs	3,500	3,500	7,470	(3,970)
Rentals	18,000	18,000	720	17,280
Equipment	293,000	293,000	611,895	(318,895)
Total expenditures	9,095,334	9,095,334	4,073,927	5,021,407
Revenue over (under) expenditures	(2,772,522)	(2,772,522)	34,400,244	37,172,766
Other financing uses:				
Transfers out	(2,957,126)	(2,957,126)	(1,158,040)	1,799,086
Total other financing uses	(2,957,126)	(2,957,126)	(1,158,040)	1,799,086
Net change in fund balance	\$ (5,729,648)	\$ (5,729,648)	33,242,204	\$ 38,971,852
Fund balance, beginning of year			5,729,643	
Encumbrance credit			31,608	
Fund balance, end of year			<u>\$ 39,003,455</u>	
Explanation of difference between budgetary and GAAP:				
Net change in fund balance, budgetary basis			\$ 33,242,204	
Revenue accruals			(32,484,556)	
Net change in fund balance, GAAP basis			757,648	
Fund balance, beginning of year, GAAP basis			5,901,740	
Fund balance, end of year, GAAP basis			<u>\$ 6,659,388</u>	

See notes to required supplementary information.

Lancaster County, Nebraska

Notes to Budgetary Comparison Schedules Year Ended June 30, 2021

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, 2021

	General Fund	Veterans Aid Fund	Total General
Assets			
Cash, including investments	\$ 29,615,615	\$ 16,413	\$ 29,632,028
Taxes receivable	30,487,673	-	30,487,673
Due from other governmental agencies	1,402,433	-	1,402,433
Accounts receivable	1,059,358	-	1,059,358
Interest receivable	9,750	-	9,750
Total assets	\$ 62,574,829	\$ 16,413	\$ 62,591,242
Liabilities			
Accounts payable	\$ 2,872,118	\$ -	\$ 2,872,118
Accrued salaries	1,950,744	-	1,950,744
Total liabilities	4,822,862	-	4,822,862
Deferred inflows of resources			
Unavailable revenue—property taxes	1,917,280	-	1,917,280
Fund balances			
Committed for:			
Public safety	396,960	-	396,960
Public works	13,164	-	13,164
Public health and human services	17,438	-	17,438
General government	23,560	-	23,560
Restricted for, veterans aid	-	16,413	16,413
Unassigned	55,383,565	-	55,383,565
Total fund balances	55,834,687	16,413	55,851,100
Total liabilities, deferred inflows of resources and fund balances	\$ 62,574,829	\$ 16,413	\$ 62,591,242

Lancaster County, Nebraska

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

General Fund

June 30, 2021

	General Fund	Veterans Aid Fund	Total General
Revenues:			
Taxes	\$ 97,656,573	\$ -	\$ 97,656,573
Charges for services	15,698,988	-	15,698,988
Intergovernmental	19,520,191	-	19,520,191
License, fees, and rental income	58,940	-	58,940
Interest income	226,863	-	226,863
Other income	602,718	-	602,718
Total revenues	133,764,273	-	133,764,273
Expenditures:			
Current:			
General government	17,152,774	-	17,152,774
Public safety	72,544,217	-	72,544,217
Public works	4,604,387	-	4,604,387
Public health and human services	7,848,559	1,085	7,849,644
Capital outlay	1,266,376	-	1,266,376
Debt service:			
Principal	1,351,000	-	1,351,000
Interest	580,887	-	580,887
Total expenditures	105,348,200	1,085	105,349,285
Excess of revenues over (under) expenditures	28,416,073	(1,085)	28,414,988
Other financing sources (uses):			
Sale of capital assets	16,658	-	16,658
Transfers in	718,947	5,000	723,947
Transfers out	(13,736,295)	-	(13,736,295)
	(13,000,690)	5,000	(12,995,690)
Net change in fund balances	15,415,383	3,915	15,419,298
Fund balances at beginning of year	40,419,304	12,498	40,431,802
Fund balances at end of year	\$ 55,834,687	\$ 16,413	\$ 55,851,100

Lancaster County, Nebraska

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds							
	Visitors Improvement	County Visitors Promotion	County Rural Library	Keno	Economic Development	Mental Health	Weed Control	Building
Assets								
Cash, including investments	\$ 917,269	\$ 1,027,188	\$ 69,714	\$ 3,712,168	\$ 421,521	\$ 548,561	\$ 69,369	\$ 1,287,781
Taxes receivable	-	-	327,032	-	-	-	-	188,916
Due from other government agencies	326,662	326,662	3,313	-	-	65,644	-	2,325
Accounts receivable	-	-	-	-	-	398	-	-
Interest receivable	-	-	-	-	473	-	-	-
Patient and insurance receivables, net of allowance for doubtful accounts of \$782,402	-	-	-	-	-	12,338	-	-
Total assets	\$ 1,243,931	\$ 1,353,850	\$ 400,059	\$ 3,712,168	\$ 421,994	\$ 626,941	\$ 69,369	\$ 1,479,022
Liabilities								
Accounts payable	\$ -	\$ 35,000	\$ -	\$ 42,605	\$ -	\$ 21,932	\$ 12,453	\$ 4,140
Accrued salaries	-	-	-	-	-	74,191	10,093	-
Total liabilities	-	35,000	-	42,605	-	96,123	22,546	4,140
Deferred inflows of resources								
Unavailable revenue—property taxes	-	-	26,347	-	-	-	-	11,852
Fund balances								
Restricted for:								
Visitor improvement	1,243,931	1,318,850	-	-	-	-	-	-
Rural library services	-	-	373,712	-	-	-	-	-
Building, land, and road maintenance	-	-	-	-	-	-	46,823	1,463,030
Capital projects	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	421,994	-	-	-
Debt service	-	-	-	-	-	-	-	-
Public health and human services	-	-	-	-	-	530,818	-	-
Committed for:								
Community betterment	-	-	-	3,669,563	-	-	-	-
Building maintenance	-	-	-	-	-	-	-	-
Law enforcement equipment	-	-	-	-	-	-	-	-
Total fund balances	1,243,931	1,318,850	373,712	3,669,563	421,994	530,818	46,823	1,463,030
Total liabilities, deferred outflows of resources and fund balances	\$ 1,243,931	\$ 1,353,850	\$ 400,059	\$ 3,712,168	\$ 421,994	\$ 626,941	\$ 69,369	\$ 1,479,022

Lancaster County, Nebraska

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 June 30, 2021

	Special Revenue Funds			Debt Service Fund	Capital Project Funds				Total Nonmajor Governmental Funds
	Fleet	County Property Management	City Building Maintenance	Correctional Facility Joint Public Agency	Law Enf. Equipment	Bridge & Special Road	Highway Fund	Sinking Fund	
Assets									
Cash, including investments	\$ -	\$ 331,270	\$ 204,211	\$ 2,531,745	\$ 298,474	\$ 2,755,812	\$ 11,212,787	\$ 1,532,027	\$ 26,919,897
Taxes receivable	-	-	-	1,516,904	-	-	-	-	2,032,852
Due from other government agencies	-	98,390	-	18,908	-	-	630,369	-	1,472,273
Accounts receivable	-	-	-	-	-	42,771	-	-	43,169
Interest receivable	-	-	-	411	-	380	-	-	1,264
Patient and insurance receivables, net of allowance for doubtful accounts of \$782,402	-	-	-	-	-	-	-	-	12,338
Total assets	\$ -	\$ 429,660	\$ 204,211	\$ 4,067,968	\$ 298,474	\$ 2,798,963	\$ 11,843,156	\$ 1,532,027	\$ 30,481,793
Liabilities									
Accounts payable	\$ -	\$ 22,692	\$ 2,430	\$ -	\$ 3,552	\$ 349,462	\$ 99,767	\$ 87,626	\$ 681,659
Accrued salaries	-	115,337	-	-	-	84,741	96,466	-	380,828
Total liabilities	-	138,029	2,430	-	3,552	434,203	196,233	87,626	1,062,487
Deferred inflows of resources									
Unavailable revenue—property taxes	-	-	-	92,583	-	-	-	-	130,782
Fund balances									
Restricted for:									
Visitor improvement	-	-	-	-	-	-	-	-	2,562,781
Rural library services	-	-	-	-	-	-	-	-	373,712
Building, land, and road maintenance	-	-	-	-	-	2,364,760	11,646,923	-	15,521,536
Capital projects	-	-	-	-	-	-	-	1,444,401	1,444,401
Economic development	-	-	-	-	-	-	-	-	421,994
Debt service	-	-	-	3,975,385	-	-	-	-	3,975,385
Public health and human services	-	-	-	-	-	-	-	-	530,818
Committed for:									
Community betterment	-	-	-	-	-	-	-	-	3,669,563
Building maintenance	-	291,631	201,781	-	-	-	-	-	493,412
Law enforcement equipment	-	-	-	-	294,922	-	-	-	294,922
Total fund balances	-	291,631	201,781	3,975,385	294,922	2,364,760	11,646,923	1,444,401	29,288,524
Total liabilities, deferred outflows of resources, and fund balances	\$ -	\$ 429,660	\$ 204,211	\$ 4,067,968	\$ 298,474	\$ 2,798,963	\$ 11,843,156	\$ 1,532,027	\$ 30,481,793

Lancaster County, Nebraska

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Year Ended June 30, 2021

	Special Revenue Funds							
	Visitors Improvement	County Visitors Promotion	County Rural Library	Keno	Economic Development	Mental Health	Weed Control	Building
Revenues:								
Taxes	\$ 1,193,758	\$ 1,193,758	\$ 860,718	\$ -	\$ -	\$ -	\$ 40,215	\$ 483,642
Charges for services	-	-	-	-	-	422,325	29,312	-
Intergovernmental	-	-	78,952	-	-	1,249,039	195,458	41,266
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	748,769	-	-
License, fees, and rental income	-	-	-	-	-	-	-	117,502
Interest income	-	-	-	-	4,822	-	-	-
Other Income	-	-	-	1,567,785	-	(7,315)	60	-
Total revenues	1,193,758	1,193,758	939,670	1,567,785	4,822	2,412,818	265,045	642,410
Expenditures:								
General government	-	-	-	126,074	-	-	-	50,360
Public safety	-	-	-	-	-	-	-	147,465
Community Development	-	-	-	-	4,237	-	-	-
Public works	-	-	-	-	-	-	445,062	-
Public health and human services	-	-	-	-	-	3,265,214	-	-
Culture and recreation	554,116	902,434	895,417	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	3,338	59,235
Debt service:								
Principal	-	-	-	-	-	89,000	-	-
Interest	-	-	-	-	-	91,085	-	-
Total expenditures	554,116	902,434	895,417	126,074	4,237	3,445,299	448,400	257,060
Excess of revenues over (under) expenditures	639,642	291,324	44,253	1,441,711	585	(1,032,481)	(183,355)	385,350
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,096,033	172,808	-
Transfer out	-	-	-	-	-	-	-	-
Total other financing sources (users)	-	-	-	-	-	1,096,033	172,808	-
Net change in fund balances	639,642	291,324	44,253	1,441,711	585	63,552	(10,547)	385,350
Fund balance at beginning of year	604,289	1,027,526	329,459	2,227,852	421,409	467,266	57,370	1,077,680
Fund balance at end of year	\$ 1,243,931	\$ 1,318,850	\$ 373,712	\$ 3,669,563	\$ 421,994	\$ 530,818	\$ 46,823	\$ 1,463,030

Lancaster County, Nebraska

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 Year Ended June 30, 2021

	Special Revenue Funds			Debt Service Fund		Capital Project Funds				Total Nonmajor Governmental Funds
	Fleet	County Property Management	City Building Maintenance	Correctional Facility Joint Public Agency	Law Enf. Equipment	Bridge & Special Road	Highway Fund	Sinking Fund	Jail Savings	
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ 3,690,892	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 7,462,984
Charges for services	976	3,581,782	309,570	-	148,466	338,764	52,174	-	-	4,883,369
Intergovernmental	-	-	-	329,119	-	460,145	10,145,608	-	-	12,499,587
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	-	-	-	-	748,769
License, fees, and rental income	-	803,930	-	-	-	-	2,700	203,134	-	1,127,266
Interest income	-	-	-	6,939	-	9,388	42,968	-	-	64,117
Other Income	-	924	-	-	-	183,596	72,767	-	-	1,817,817
Total revenues	976	4,386,636	309,570	4,026,950	148,466	991,894	10,316,217	203,134	-	28,603,909
Expenditures:										
General government	10,378	4,393,393	268,063	-	-	-	-	338,878	-	5,187,146
Public safety	-	-	-	400	150,594	-	-	-	-	298,459
Community development	-	-	-	-	-	-	-	-	-	4,237
Public works	-	-	-	-	-	4,834,571	7,832,652	-	-	13,112,285
Public health and human services	-	-	-	-	-	-	-	-	-	3,265,214
Culture and recreation	-	-	-	-	-	-	-	-	-	2,351,967
Capital outlays	-	7,318	4,080	-	-	4,203,674	6,065,757	-	-	10,343,402
Debt service:										
Principal	-	-	-	2,820,000	-	-	-	-	-	2,909,000
Interest	-	-	-	1,442,900	-	-	-	-	-	1,533,985
Total expenditures	10,378	4,400,711	272,143	4,263,300	150,594	9,038,245	13,898,409	338,878	-	39,005,695
Excess of revenues over (under) expenditures	(9,402)	(14,075)	37,427	(236,350)	(2,128)	(8,046,351)	(3,582,192)	(135,744)	-	(10,401,786)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	268,592	-	-	268,592
Transfers in	-	-	-	-	-	6,182,064	5,665,390	769,940	-	13,886,235
Transfers out	-	-	-	-	-	-	-	-	(554,940)	(554,940)
Total other financing sources (uses)	-	-	-	-	-	6,182,064	5,933,982	769,940	(554,940)	13,599,887
Net change in fund balances	(9,402)	(14,075)	37,427	(236,350)	(2,128)	(1,864,287)	2,351,790	634,196	(554,940)	3,198,101
Fund balance at beginning of year	9,402	305,706	164,354	4,211,735	297,050	4,229,047	9,295,133	810,205	554,940	26,090,423
Fund balance at end of year	\$ -	\$ 291,631	\$ 201,781	\$ 3,975,385	\$ 294,922	\$ 2,364,760	\$ 11,646,923	\$ 1,444,401	\$ -	\$ 29,288,524

Lancaster County, Nebraska

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—Budgetary Basis
Visitor Improvement Fund
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, taxes	\$ 1,100,000	\$ 1,100,000	\$ 993,086	\$ (106,914)
Expenditures, other contracted services	1,628,299	1,628,299	604,116	1,024,183
Net change in fund balance	<u>\$ (528,299)</u>	<u>\$ (528,299)</u>	388,970	<u>\$ 917,269</u>
Fund balance, beginning of year			<u>528,299</u>	
Fund balance, end of year			<u>\$ 917,269</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, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, taxes	\$ 1,100,000	\$ 1,100,000	\$ 993,086	\$ (106,914)
Expenditures:				
Other contracted services	1,340,000	1,340,000	902,434	437,566
Miscellaneous fees and services	661,536	661,536	-	661,536
Total expenditures	2,001,536	2,001,536	902,434	1,099,102
Net change in fund balance	\$ (901,536)	\$ (901,536)	90,652	\$ 992,188
Fund balance, beginning of year			901,536	
Fund balance, end of year			<u>\$ 992,188</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, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 927,722	\$ 927,722	\$ 870,748	\$ (56,974)
State revenues	2,800	2,800	78,701	75,901
Intergovernmental	-	-	287	287
Total revenues	930,522	930,522	949,736	19,214
Expenditures:				
City/County shared	895,417	895,417	895,417	-
Miscellaneous fees and services	500	500	-	500
Total expenditures	895,917	895,917	895,417	500
Net change in fund balance	\$ 34,605	\$ 34,605	54,319	\$ 19,714
Fund balance, beginning of year			15,395	
Fund balance, end of year			\$ 69,714	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Keno Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, other receipts	\$ 625,000	\$ 625,000	\$ 1,567,785	\$ 942,785
Expenditures:				
Other contracted services	1,500	1,500	-	1,500
Other contracting supplies	50,000	50,000	47,685	2,315
City/County shared	2,065,473	2,065,473	-	2,065,473
Not-for-profit contracts	40,000	40,000	64,905	(24,905)
Total expenditures	2,156,973	2,156,973	112,590	2,044,383
Revenue over (under) expenditures	(1,531,973)	(1,531,973)	1,455,195	2,987,168
Other financing uses:				
Transfers out	(100,000)	(100,000)	-	100,000
Net change in fund balance	\$ (1,631,973)	\$ (1,631,973)	1,455,195	\$ 3,087,168
Fund balance, beginning of year			<u>2,256,973</u>	
Fund balance, end of year			<u>\$ 3,712,168</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Economic Development Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, interest on investment	\$ 4,656	\$ 4,656	\$ 6,415	\$ 1,759
Total revenues	4,656	4,656	6,415	1,759
Expenditures:				
Other contracted services	87,000	87,000	4,237	82,763
Miscellaneous fees and services	337,000	337,000	-	337,000
Total expenditures	424,000	424,000	4,237	419,763
Net change in fund balance	\$ (419,344)	\$ (419,344)	2,178	\$ 421,522
Fund balance, beginning of year			<u>419,344</u>	
Fund balance, end of year			<u>\$ 421,522</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, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
State revenues	\$ 1,213,229	\$ 1,213,229	\$ 1,236,934	\$ 23,705
Medicaid/Medicare/MRO reimbursements	570,000	570,000	809,394	239,394
County aid	1,096,033	1,096,033	1,096,033	-
Charges for services	417,000	417,000	477,869	60,869
Other income	2,500	2,500	4,626	2,126
Total revenues	3,298,762	3,298,762	3,624,856	326,094
Expenditures:				
Salaries and wages	2,105,196	2,105,196	2,172,505	(67,309)
Employee benefits	739,968	739,968	708,715	31,253
Contracted services	110,367	110,367	109,413	954
Building use cost	263,100	263,100	263,100	-
Client services	45,600	45,600	45,868	(268)
Contracted medical services	137,250	137,250	60,465	76,785
Insurance	33,612	33,612	32,823	789
Medical Supplies	25,000	25,000	10,638	14,362
Miscellaneous fees and services	6,300	6,300	6,691	(391)
Other compensation	11,586	11,586	13,129	(1,543)
Repair and maintenance costs	500	500	410	90
Operating supplies	13,500	13,500	15,667	(2,167)
Printing and advertising	4,250	4,250	1,847	2,403
Communication	2,700	2,700	2,403	297
Transportation and travel	2,530	2,530	-	2,530
Office supplies	6,500	6,500	1,198	5,302
Postage, courier and freight	750	750	414	336
Energy supplies	-	-	40	(40)
Equipment	1,800	1,800	-	1,800
Total expenditures	3,510,509	3,510,509	3,445,326	65,183
Net change in fund balance	\$ (211,747)	\$ (211,747)	179,530	\$ 391,277
Fund balance, beginning of year			<u>286,748</u>	
Fund balance, end of year			<u>\$ 466,278</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Weed Control Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 32,000	\$ 32,000	\$ 40,215	\$ 8,215
Charges for services	38,441	38,441	29,312	(9,129)
Intergovernmental	195,458	195,458	195,458	-
Other receipts	500	500	60	(440)
Total revenues	266,399	266,399	265,045	(1,354)
Expenditures:				
Salaries and wages	233,431	233,431	237,089	(3,658)
Employee benefits	84,538	84,538	83,927	611
Other compensation costs	5,291	5,291	3,791	1,500
Office supplies	1,250	1,250	624	626
Operating supplies	2,200	2,200	2,524	(324)
Energy supplies	8,000	8,000	3,861	4,139
Other contracted services	59,335	59,335	52,354	6,981
Transportation, travel and subsistence	1,800	1,800	708	1,092
Communications	3,200	3,200	3,211	(11)
Postage, courier and freight	6,500	6,500	5,200	1,300
Printing and advertising	3,500	3,500	2,337	1,163
Miscellaneous fees and services	36,940	36,940	40,404	(3,464)
Insurance and surety bonds	6,003	6,003	6,266	(263)
Utilities	950	950	-	950
Repair and maintenance costs	5,500	5,500	4,864	636
Equipment	10,500	10,500	3,338	7,162
Total expenditures	468,938	468,938	450,498	18,440
Revenue over (under) expenditures	(202,539)	(202,539)	(185,453)	17,086
Other financing sources:				
Transfers in	172,808	172,808	172,808	-
Net change in fund balance	\$ (29,731)	\$ (29,731)	(12,645)	\$ 17,086
Fund balance, beginning of year			54,730	
Fund balance, end of year			\$ 42,085	

Lancaster County, Nebraska

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—Budgetary Basis
Building Fund
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 525,000	\$ 525,000	\$ 487,140	\$ (37,860)
State revenues	1,300	1,300	41,244	39,944
Licenses, fees and rental income	117,502	117,502	117,502	-
Intergovernmental	-	-	35	35
Total revenues	643,802	643,802	645,921	2,119
Expenditures:				
Other contracted services	-	-	47,881	(47,881)
Rentals	147,000	147,000	147,000	-
Buildings	1,392,779	1,392,779	50,899	1,341,880
Equipment	-	-	8,337	(8,337)
Total expenditures	1,539,779	1,539,779	254,117	1,285,662
Net change in fund balance	\$ (895,977)	\$ (895,977)	391,804	\$ 1,287,781
Fund balance, beginning of year			<u>895,977</u>	
Fund balance, end of year			<u>\$ 1,287,781</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budgetary Basis

Fleet Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, charges for services	\$ 12,000	\$ 12,000	\$ 977	\$ (11,023)
Other receipts	9,598	9,598	-	(9,598)
Total revenues	21,598	21,598	977	(20,621)
Expenditures:				
Energy/supplies	10,000	10,000	1,859	8,141
Miscellaneous fees and services	-	-	35	(35)
Insurance and surety bonds	6,000	6,000	5,555	445
Repairs and maintenance costs	15,000	15,000	770	14,230
Rentals	-	-	2,160	(2,160)
Total expenditures	31,000	31,000	10,379	20,621
Net change in fund balance	\$ (9,402)	\$ (9,402)	(9,402)	\$ -
Fund balance, beginning of year			9,402	
Fund balance, end of year			\$ -	

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, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,302,631	\$ 3,302,631	\$ 3,665,327	\$ 362,696
Licenses, fees and rental income	797,798	797,798	803,930	6,132
Total revenues	4,100,429	4,100,429	4,469,257	368,828
Expenditures:				
Salaries and wages	2,845,057	2,845,057	2,816,443	28,614
Employee benefits	1,141,798	1,141,798	1,170,584	(28,786)
Other compensation costs	77,483	77,483	77,605	(122)
Operating supplies	11,050	11,050	12,309	(1,259)
Medical supplies	-	-	1,073	(1,073)
Energy supplies	4,000	4,000	1,269	2,731
Traffic control supplies	500	500	1,106	(606)
Repair and maintenance supplies	12,549	12,549	15,306	(2,757)
Other contracted services	121,625	121,625	67,831	53,794
City/County shared	3,156	3,156	2,131	1,025
Communications	2,040	2,040	1,658	382
Miscellaneous fees and services	700	700	290	410
Insurance and surety bonds	14,839	14,839	15,917	(1,078)
Utilities	194,040	194,040	174,749	19,291
Postage, courier and freight	49,125	49,125	49,418	(293)
Rentals	6,000	6,000	(21)	6,021
Buildings	14,531	14,531	2,435	12,096
Improvements other than building	2,000	2,000	-	2,000
Equipment	500	500	326	174
Capitalized contracts	9,305	9,305	4,552	4,753
Total expenditures	4,510,298	4,510,298	4,414,981	95,317
Net change in fund balance	\$ (409,869)	\$ (409,869)	54,276	\$ 464,145
Fund balance, beginning of year			<u>649,874</u>	
Fund balance, end of year			<u>\$ 704,150</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, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues, charges for services	\$ 309,570	\$ 309,570	\$ 309,570	\$ -
Total revenues	309,570	309,570	309,570	-
Expenditures:				
Personnel	-	-	4,065	(4,065)
Operating supplies	3,000	3,000	3,553	(553)
Energy supplies	3,000	3,000	1,159	1,841
Repair and maintenance supplies	4,000	4,000	7,129	(3,129)
Other contracted services	224,273	224,273	195,808	28,465
City/County shared	2,500	2,500	1,622	878
Communications	-	-	1,614	(1,614)
Miscellaneous fees and services	2,000	2,000	1,890	110
Insurance and surety bonds	2,000	2,000	5,475	(3,475)
Utilities	24,900	24,900	20,707	4,193
Repair and maintenance costs	10,210	10,210	8,481	1,729
Rentals	18,000	18,000	21,119	(3,119)
Buildings	172,000	172,000	-	172,000
Capital contract	12,600	12,600	4,080	8,520
Total expenditures	478,483	478,483	276,701	205,847
Net change in fund balance	\$ (168,913)	\$ (168,913)	32,869	\$ 205,847
Fund balance, beginning of year			<u>168,913</u>	
Fund balance, end of year			<u>\$ 201,782</u>	

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, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 331,315	\$ 331,315	\$ 3,757,756	\$ 3,426,441
State revenue	940	940	327,672	326,732
Interest income	1,750	1,750	6,528	4,778
Other intergovernmental	9	9	1,779	1,770
Total revenues	334,014	334,014	4,093,735	3,759,721
Expenditures:				
Other services	-	-	(2,159)	2,159
Debt service:				
Principal	235,000	235,000	2,820,000	(2,585,000)
Interest	136,992	136,992	1,443,300	(1,306,308)
Total expenditures	371,992	371,992	4,261,141	(3,891,308)
Net change in fund balance	\$ (37,978)	\$ (37,978)	(167,406)	\$ (131,587)
Fund balance, beginning of year			<u>1,993,072</u>	
Fund balance, end of year			<u>\$ 1,825,666</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, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 65,000	\$ 65,000	\$ 148,466	\$ 83,466
Total revenues	65,000	65,000	148,466	83,466
Expenditures:				
Operating supplies	-	-	3,019	3,019
Other contracted services	-	-	46,600	46,600
Printing and advertising	-	-	544	544
Misc. Fees & Services	362,050	362,050	97,079	(264,971)
Total expenditures	362,050	362,050	147,242	(214,808)
Net change in fund balance	\$ (297,050)	\$ (297,050)	1,224	\$ 268,274
Fund balance, beginning of year			<u>297,050</u>	
Fund balance, end of year			<u>\$ 298,274</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, 2021**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Charges for services	770,775	951,327	530,080	(421,247)
State revenues	1,445,147	1,445,147	460,145	(985,002)
Interest on investments	45,000	45,000	10,698	(34,302)
Other revenue	80,000	80,000	-	(80,000)
Total revenues	2,340,922	2,521,474	1,000,924	(1,520,550)
Expenditures:				
Salaries and wages	1,659,746	1,659,746	1,762,417	(102,671)
Employee benefits	749,742	749,742	768,920	(19,178)
Other compensation costs	53,206	53,206	53,206	-
Operating supplies	28,500	28,500	2,447	26,053
Energy supplies	316,000	316,000	265,633	50,367
Highway and bridge supplies	1,510,000	1,510,000	1,625,477	(115,477)
Traffic control supplies	25,000	25,000	38,692	(13,692)
Repair and maintenance supplies	156,000	156,000	164,789	(8,789)
Postage, courier and freight	800	800	638	162
Miscellaneous fees and services	3,000	3,000	3,051	(51)
Repair and maintenance costs	231,800	231,800	95,990	135,810
Land	40,000	40,000	35,155	4,845
Equipment	178,000	222,690	176,515	46,175
Capitalized contracts	2,467,660	2,603,522	2,337,757	265,765
Total expenditures	7,419,454	7,600,006	7,330,687	269,319
Revenue under expenditures	(5,078,532)	(5,078,532)	(6,329,763)	(1,251,231)
Other financing sources:				
Transfers in	4,497,064	4,497,064	6,182,064	1,685,000
Net change in fund balance	\$ (581,468)	\$ (581,468)	(147,699)	\$ (2,936,231)
Fund balance, beginning of year			412,818	
Encumbrance credit			765,986	
Fund balance, end of year			<u>\$ 1,031,105</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Highway Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 28,500	\$ 28,500	\$ 54,960	\$ 26,460
Federal receipts	-	-	40,517	40,517
State revenues	8,592,012	9,386,820	10,109,905	723,085
Interest on investments	32,000	32,000	48,206	16,206
Other revenues	25,000	25,000	341,273	316,273
Total revenues	8,677,512	9,472,320	10,594,861	1,122,541
Expenditures:				
Salaries and wages	2,216,978	2,216,978	2,243,788	(26,810)
Employee benefits	958,164	958,164	943,849	14,315
Other compensation costs	69,361	69,361	69,361	-
Office supplies	275,500	275,500	504,710	(229,210)
Medical supplies	15,000	15,000	12,704	2,296
Energy supplies	535,000	535,000	481,079	53,921
Highway and bridge supplies	2,410,000	2,410,000	1,905,457	504,543
Traffic control supplies	150,000	150,000	106,395	43,605
Repair and maintenance supplies	360,000	360,000	647,013	(287,013)
Postage, courier and freight	5,000	5,000	4,786	214
Printing and advertising	1,000	1,000	585	415
Miscellaneous fees and services	60,000	60,000	36,223	23,777
Utilities	3,000	3,000	13	2,987
Repair and maintenance costs	1,583,000	1,826,829	2,169,536	(342,707)
Rentals	85,000	85,000	53,979	31,021
Land	84,000	84,000	80,143	3,857
Equipment	1,451,000	1,451,000	1,330,401	120,599
Capitalized contracts	7,383,760	7,934,739	7,362,787	571,952
Total expenditures	17,645,763	18,440,571	17,952,809	487,762
Revenue over (under) expenditures	(8,968,251)	(8,968,251)	(7,357,948)	1,610,303
Other financing sources:				
Transfers in	8,675,390	8,675,390	6,220,697	(2,454,693)
Net change in fund balance	\$ (292,861)	\$ (292,861)	(1,137,251)	\$ (844,390)
Fund balance, beginning of year			1,282,178	
Encumbrances credit			1,079,903	
Fund balance, end of year			<u>\$ 1,224,830</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—Budgetary Basis
 Sinking Fund
 Year Ended June 30, 2021

	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:				
Operating supplies	-	-	1,225	(1,225)
Contracted services	553,134	553,134	247,075	306,059
Misc. fees & services	459,336	459,336	179,637	279,699
Total expenditures	1,012,470	1,012,470	427,937	584,533
Revenue under expenditures	(809,336)	(809,336)	(224,803)	584,533
Other financing sources:				
Transfers in	-	-	769,940	769,940
Net change in fund balance	\$ (809,336)	\$ (809,336)	545,137	\$ 1,354,473
Fund balance, beginning of year			<u>809,335</u>	
Fund balance, end of year			<u>\$ 1,354,472</u>	

Lancaster County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual—Budgetary Basis

Jail Savings Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures, capitalized contracts	\$ 554,940	\$ 554,940	\$ -	\$ 554,940
Other financing sources (uses):				
Transfers out	-	-	(554,940)	(554,940)
Total other financing sources (uses)	-	-	(554,940)	(554,940)
Net change in fund balance	<u>\$ (554,940)</u>	<u>\$ (554,940)</u>	(554,940)	<u>\$ -</u>
Fund balance, beginning of year			<u>554,940</u>	
Fund balance, end of year			<u>\$ -</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, 2021

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures, other client services	\$ 14,237	\$ 14,237	\$ 1,085	\$ 13,152
Other financing sources:				
Transfers in	5,000	5,000	5,000	-
Net change in fund balance	\$ 9,237	\$ 9,237	3,915	\$ 13,152
Fund balance, beginning of year			12,498	
Fund balance, end of year			\$ 16,413	

Lancaster County, Nebraska

Combining Statement of Net Position

Internal Service Funds

June 30, 2021

	Workers'	Other Self	Group	Total
	Compensation	Insurance Loss	Insurance	
Assets				
Current assets:				
Cash and cash equivalents	\$ 379,900	\$ 3,245,638	\$ 16,346,981	\$ 19,972,519
Accounts receivable	-	-	1,229,564	1,229,564
Total current assets	379,900	3,245,638	17,576,545	21,202,083
Liabilities				
Current liabilities:				
Accounts payable	43,726	7,500	87,289	138,515
Claims payable	1,118,399	614,064	670,000	2,402,463
Accrued salaries	4,327	-	-	4,327
Current portion—accrued compensated absences	15,000	-	-	15,000
Total current liabilities	1,181,452	621,564	757,289	2,560,305
Noncurrent liabilities, long-term accrued compensated absences	56,041	-	-	56,041
Total liabilities	1,237,493	621,564	757,289	2,616,346
Net position				
Unrestricted (deficit)	\$ (857,593)	\$ 2,624,074	\$ 16,819,256	\$ 18,585,737

Lancaster County, Nebraska

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Operating revenues:				
Charges for services	\$ 792,184	\$ 452,546	\$ 16,113,827	\$ 17,358,557
Other insurance reimbursements	36,598	11,180	20,000	67,778
Total operating revenues	828,782	463,726	16,133,827	17,426,335
Operating expenses:				
Claims and insurance	303,246	369,946	11,903,202	12,576,394
Contractual services	472,313	42,277	1,221,309	1,735,899
Wages and benefits	171,500	-	-	171,500
Other	42,291	-	4,592	46,883
Rentals	9,836	-	-	9,836
Supplies	978	-	-	978
Total operating expenses	1,000,164	412,223	13,129,103	14,541,490
Operating income (loss)	(171,382)	51,503	3,004,724	2,884,845
Nonoperating revenues, interest	840	14,995	-	15,835
Income (loss) before transfers	(170,542)	66,498	3,004,724	2,900,680
Transfers in	400,000	-	-	400,000
Change in net position	229,458	66,498	3,004,724	3,300,680
Total net position, beginning of year	(1,087,051)	2,557,576	13,814,532	15,285,057
Total net position, end of year	\$ (857,593)	\$ 2,624,074	\$ 16,819,256	\$ 18,585,737

Lancaster County, Nebraska

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Cash flows from operating activities:				
Cash received for services	\$ 808,507	\$ 452,547	\$ 14,884,262	\$ 16,145,316
Cash received from insurance companies	36,267	11,180	20,000	67,447
Cash payments for claims	(1,030,977)	(418,871)	(13,344,418)	(14,794,266)
Net cash provided by (used in) operating activities	(186,203)	44,856	1,559,844	1,418,497
Cash flows from noncapital financing activities, transfers from other funds				
	400,000	-	-	400,000
Cash flows from investing activities.				
interest on investments	840	14,995	-	15,835
Change in cash and cash equivalents	214,637	59,851	1,559,844	1,834,332
Cash and cash equivalents, beginning of year	165,263	3,185,787	14,787,137	18,138,187
Cash and cash equivalents, end of year	\$ 379,900	\$ 3,245,638	\$ 16,346,981	\$ 19,972,519
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (171,382)	\$ 51,503	\$ 3,004,724	\$ 2,884,845
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in accounts receivable	15,993	-	(1,229,564)	(1,213,571)
Change in interest receivable	-	1,832	-	1,832
Change in accrued liabilities	(83,303)	7,500	(145,316)	(221,119)
Change in due to other funds	5,000			5,000
Change in claims payable	47,489	(15,979)	(70,000)	(38,490)
Net cash provided by (used in) operating activities	\$ (186,203)	\$ 44,856	\$ 1,559,844	\$ 1,418,497

Lancaster County, Nebraska

Combining Statement of Fiduciary Net Position
 Employee Benefit Trust Funds
 Year Ended June 30, 2021

	Pension Trust Fund	OPEB Trust Fund	Total
Assets			
Investments:			
Cash management fund	\$ -	\$ 248,867	\$ 248,867
Stable value fund	45,248,057	-	45,248,057
Mutual funds—domestic equities	88,775,244	1,342,673	90,117,917
Mutual funds—international equities	35,012,202	142,754	35,154,956
Mutual funds—balanced funds	3,336,558	9,278,891	12,615,449
Other fixed income	22,904,510	95,110	22,999,620
Total assets	195,276,571	11,108,295	206,384,866
Net position			
Restricted for employee benefits	\$ 195,276,571	\$ 11,108,295	206,384,866

Lancaster County, Nebraska

**Combining Statement of Changes in Fiduciary Net Position
Employee Benefit Trust Funds
Year Ended June 30, 2021**

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employee	\$ 3,392,666	\$ -	\$ 3,392,666
Employer	4,199,651	844,616	5,044,267
Forfeitures	231,805	-	231,805
Rollovers	115,472	-	115,472
Total contributions	7,939,594	844,616	8,784,210
Investment income:			
Net appreciation in fair value of investments	37,339,180	1,508,775	38,847,955
Dividends and interest	4,938,964	-	4,938,964
Miscellaneous	(11,048)	(26,483)	(37,531)
Total net investment income	42,267,096	1,482,292	43,749,388
Total additions	50,206,690	2,326,908	52,533,598
Deductions:			
Benefits paid	10,457,053	594,831	11,051,884
Forfeitures	231,805	-	231,805
Total deductions	10,688,858	594,831	11,283,689
Change in net position	39,517,832	1,732,077	41,249,909
Net position, beginning of year	155,758,739	9,376,218	165,134,957
Net position, end of year	\$ 195,276,571	\$ 11,108,295	\$ 206,384,866

Lancaster County, Nebraska

Combining Statement of Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2021

	Assessor/ Register of Deeds	Human Services Restitution	Community Corrections	Extension Board
Assets				
Cash	\$ 430,389	\$ 967	\$ 2,858	\$ 163,029
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Net investment in direct financing lease	-	-	-	-
Capital assets, net of depreciation	-	-	-	-
Total assets	430,389	967	2,858	163,029
Deferred outflows of resources				
Deferred refunding	-	-	-	-
Liabilities				
Due to clients	-	-	-	-
Due to others (local governments)	-	-	-	-
Due to others (state government)	430,389	-	-	-
Accounts payable	-	-	-	2,163
Accrued interest payable	-	-	-	-
Unearned revenue, current portion	-	-	-	-
Restitution	-	967	2,858	-
Revenue bonds due within one year	-	-	-	-
Noncurrent liabilities:				
Unearned revenue, net of current portion	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	430,389	967	2,858	2,163
Net position (deficit)				
Investment in capital assets	-	-	-	-
Restricted:				
Individuals, organizations, and other governments	-	-	-	160,866
	\$ -	\$ -	\$ -	\$ 160,866

Public Building Commission	Railroad Transportation Safety District	Tax Collection/Distribution Accounts	Corrections Inmate Commissary	Youth Services Center-Resident	Total
\$ 8,181,136	\$ 14,112,250	\$ 23,542,765	\$ 225,859	\$ -	\$ 46,659,253
8,590	-	-	-	-	8,590
1,851,526	1,631,483	-	-	-	3,483,009
2,030	1,277	-	-	-	3,307
23,773	227,294	-	-	-	251,067
31,485,834	-	-	-	-	31,485,834
62,526	-	-	-	-	62,526
41,615,415	15,972,304	23,542,765	225,859	-	81,953,586
2,189,784	-	-	-	-	2,189,784
-	-	-	-	705	705
-	-	23,542,765	-	-	23,542,765
-	-	-	-	-	430,389
569,118	136,964	-	-	-	708,245
92,011	-	-	-	-	92,011
876,861	-	-	-	-	876,861
-	-	-	-	-	3,825
2,790,000	-	-	-	-	2,790,000
5,698,973	-	-	-	-	5,698,973
23,648,538	-	-	-	-	23,648,538
33,675,501	136,964	23,542,765	-	705	57,792,312
62,526	-	-	-	-	62,526
10,067,172	15,835,340	-	225,859	(705)	26,288,532
\$ 10,129,698	\$ 15,835,340	\$ -	\$ 225,859	\$ (705)	\$ 26,351,058

Lancaster County, Nebraska

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2021**

	Assessor/ Register of Deeds	Human Services Restitution	Community Corrections	Extension Board
Additions:				
Investment Income	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Resident funds	-	-	-	-
Charges for services	4,096,937	-	-	39,333
Diversion restitution	-	7,310	174,588	-
Other income	-	-	-	-
Total additions	4,096,937	7,310	174,588	39,333
Deductions:				
Commissary	-	-	-	-
Payments to local governments	-	-	-	-
Payments to state governments	4,096,937	-	-	-
Commission services	-	-	-	-
Construction projects	-	-	-	-
Diversion/restitutions payments	-	7,310	174,588	-
Interest on long-term debt	-	-	-	-
Miscellaneous	-	-	-	34,613
Total deductions	4,096,937	7,310	174,588	34,613
Change in net position	-	-	-	4,720
Net position (deficit), beginning of year, as restated	-	-	-	156,146
Net position (deficit), end of year	\$ -	\$ -	\$ -	\$ 160,866

Public Building Commission	Railroad Transportation Safety District	Tax Collection/Distribution Accounts	Corrections Inmate Commissary	Youth Services Center-Resident	Total
\$ 13,303	\$ 62,708	\$ -	\$ -	\$ -	\$ 76,011
4,515,676	4,341,831	1,388,933,463	-	-	1,397,790,970
405,316	227,318	-	-	-	632,634
-	-	-	4,264,535	11,218	4,275,753
5,469,524	-	-	-	-	9,605,794
-	-	-	-	-	181,898
62,727	-	-	-	-	62,727
<u>10,466,546</u>	<u>4,631,857</u>	<u>1,388,933,463</u>	<u>4,264,535</u>	<u>11,218</u>	<u>1,412,625,787</u>
-	-	-	4,203,440	11,618	4,215,058
-	-	1,388,933,463	-	-	1,388,933,463
-	-	-	-	-	4,096,937
7,894,490	79,739	-	-	-	7,974,229
-	1,034,325	-	-	-	1,034,325
-	-	-	-	-	181,898
1,145,329	-	-	-	-	1,145,329
-	93,150	-	-	-	127,763
<u>9,039,819</u>	<u>1,207,214</u>	<u>1,388,933,463</u>	<u>4,203,440</u>	<u>11,618</u>	<u>1,407,709,002</u>
1,426,727	3,424,643	-	61,095	(400)	4,916,785
8,702,971	12,410,697	-	164,764	(305)	21,434,273
<u>\$ 10,129,698</u>	<u>\$ 15,835,340</u>	<u>\$ -</u>	<u>\$ 225,859</u>	<u>\$ (705)</u>	<u>\$ 26,351,058</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, 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, 2021, 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, 2022. Our report includes an emphasis of matter paragraph for a restatement due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Lincoln, Nebraska
March 30, 2022

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

RSM US LLP

Independent Auditor's Report

Board of Commissioners
Lancaster County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Lancaster County, Nebraska's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

RSM US LLP

Lincoln, Nebraska
March 30, 2022

Lancaster County, Nebraska

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

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 programs:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

Yes No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
97.036	Disaster Grants - Public Assistance
21.023	COVID-19 - Emergency Rental Assistance Program

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, 2021

- 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, 2021**

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, 2021**

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	\$ -	\$ 11,160
National School Lunch Program	55-0905	10.555	-	20,909
Total Department of Agriculture			<u>-</u>	<u>32,069</u>
Department of the Interior Office of the Secretary				
Payments in Lieu of Taxes	N/A	15.226	-	21,297
Total Department of the Interior Office of the Secretary				<u>21,297</u>
Department of Justice Direct Programs				
BJA—Drug Court Discretionary Grant Program	N/A	16.585	149,904	198,166
BJA—Second Chance Act Prisoner Reentry Initiative	N/A	16.812	429,196	476,630
Equitable Sharing Program—Justice Funds	N/A	16.922	-	55,385
<i>Subtotal Department of Justice Direct Programs</i>			<u>579,100</u>	<u>730,181</u>
Department of Justice Pass-Through Programs From				
Nebraska Commission on Law Enforcement and Criminal				
COVID-19 - Coronavirus Emergency Supplemental				
Funding Program	187-2021-CF9005	16.034	-	195,358
Juvenile Justice and Delinquency Prevention Allocation to States	18-JJ-0001	16.540	-	3,019
Justice Violence Against Women Formula Grants (1)	17-VW-0713	16.588	-	1,548
Justice Violence Against Women Formula Grants (1)	17-VW-0716	16.588	5,415	22,733
Justice Violence Against Women Formula Grants (1)	187-2021-VW4012	16.588	89,909	205,838
Edward Byrne Memorial Justice Assistance Grant Program	187-2020-DA3002	16.738	-	137,444
<i>Subtotal Department of Justice Pass-Through Programs</i>			<u>95,324</u>	<u>565,940</u>
Total Department of Justice			<u>674,424</u>	<u>1,296,121</u>
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	-	5,000
Total Department of Transportation			<u>-</u>	<u>5,000</u>
Department of Treasury Direct Programs				
Equitable Sharing Program—Treasury Funds	N/A	21.016	-	949,468
COVID-19 - Emergency Rental Assistance Program	N/A	21.023	316,260	335,975
Total Department of Treasury			<u>316,260</u>	<u>1,285,443</u>

(Continued)

Lancaster County, Nebraska

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Amount Provided to Subrecipients	Federal Expenditures
Department of Health and Human Services				
Pass-Through Programs From				
Nebraska Department of Health and Human Services				
ACF—Child Support Enforcement, County Attorney	2001NECSES	93.563	\$ -	\$ 1,567,829
ACF—Child Support Enforcement, Clerk of District Court	2001NECSES	93.563	-	232,273
ACF—Child Support Enforcement, Bailiff District Court	2001NECSES	93.563	-	203,168
Total Department of Health and Human Services			<u>-</u>	<u>2,003,270</u>
Department of Homeland Security Pass-Through Programs From				
State of Nebraska Emergency Management Agency				
Disaster Grants—Public Assistance	FEMA-4521-DR-NE	97.036	-	6,695,371
Emergency Management Performance Grant	EMK-2020-EP-00003-S01	97.042	-	138,000
Total Department of Homeland Security			<u>-</u>	<u>6,833,371</u>
Total expenditures of federal awards			<u>\$ 990,684</u>	<u>\$ 11,476,571</u>

See notes to schedule of expenditures of federal awards.

(1) - combined 16.588 - \$230,119

Lancaster County, Nebraska

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

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.