

LANCASTER COUNTY, NEBRASKA

FINANCIAL STATEMENTS

WITH

SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2018



LANCASTER COUNTY, NEBRASKA
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LANCASTER COUNTY, NEBRASKA

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2018

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LANCASTER COUNTY, NEBRASKA

FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lancaster County, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, Nebraska (County), as of and for the year ended June 30, 2018, 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 financial position of the governmental activities, each major fund, and aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and schedule of expenditures of federal awards, as required by Title 2, *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 combining statements and schedule of expenditures of federal awards 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 February __, 2019 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2019
Wichita, KS

LANCASTER COUNTY, NEBRASKA

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets:	
Cash, including investments	\$ 64,553,202
Taxes receivable	26,248,171
Due from other governmental agencies	3,625,292
Accounts receivable	2,080,498
Interest receivable	60,211
Patient and insurance receivable, net of allowance for doubtful accounts of \$489,598	63,115
Capital assets:	
Land and construction in progress	12,084,120
Other capital assets, net of depreciation	195,083,015
Total assets	<u>303,797,624</u>
Deferred outflows of resources:	
Deferred refunding	600,569
Total deferred outflows of resources	<u>600,569</u>
Liabilities:	
Accounts payable	5,903,677
Accrued salaries	1,590,561
Advance payable	291,842
Accrued interest payable	143,867
Claims payable	2,566,953
Long-term liabilities:	
Due within one year	9,355,586
Due in more than one year	62,321,390
Total liabilities	<u>82,173,876</u>
Deferred inflows of resources:	
Deferred refunding	1,566,504
Total deferred inflows of resources	<u>1,566,504</u>
Net position:	
Net investment in capital assets	142,165,159
Restricted for:	
Visitor improvement	3,808,319
Rural library services	290,212
Building, land and road maintenance	3,170,059
Drug education	3,045,819
Economic development	389,694
Debt service	4,948,773
Minor equipment	604,028
Justice reinvestment	74,400
Emergency management	263,743
Unrestricted	61,897,607
Total net position	<u>\$ 220,657,813</u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

Statement of Activities Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 19,346,369	\$ 14,936,478	\$ 1,336,785	\$ -	\$ (3,073,106)
Public safety	71,536,959	-	2,294,088	-	(69,242,871)
Community development	614	-	-	-	(614)
Public works	17,968,044	5,200,448	9,651,445	374,232	(2,741,919)
Public health and human services	11,227,202	562,562	4,946,507	-	(5,718,133)
Culture and recreation	3,677,597	-	-	-	(3,677,597)
Joint public agency services	1,966,069	-	-	-	(1,966,069)
Interest on long-term debt	2,596,018	1,000	-	-	(2,595,018)
Total primary government	\$ 128,318,872	\$ 20,700,488	\$ 18,228,825	\$ 374,232	(89,015,327)
General revenues:					
Taxes:					
Property tax					68,228,886
Inheritance tax					4,966,701
Motor vehicle tax					9,231,868
Lodging tax					3,473,514
In-lieu-of tax					1,883,064
Other:					
Miscellaneous					3,380,691
Intergovernmental					6,334,420
Investment income					835,177
Total general revenues					98,334,321
Change in net position					9,318,994
Net position-beginning					211,338,819
Net position-ending					\$ 220,657,813

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

Balance Sheet
Governmental Funds
June 30, 2018

	General	Capital Project Highway Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash, including investments	\$ 15,563,329	\$ 10,210,385	\$ 22,883,461	\$ 48,657,175
Taxes receivable	24,045,928	-	2,202,243	26,248,171
Due from other government agencies	1,398,387	817,359	1,409,546	3,625,292
Accounts receivable	733,683	8,911	165,644	908,238
Interest receivable	50,937	3,005	5,314	59,256
Patient and insurance receivables, net of allowance for doubtful accounts of \$489,598	-	-	63,115	63,115
Total assets	<u>\$ 41,792,264</u>	<u>\$ 11,039,660</u>	<u>\$ 26,729,323</u>	<u>\$ 79,561,247</u>
Liabilities:				
Accounts payable	\$ 3,305,391	\$ 1,133,279	\$ 1,239,271	\$ 5,677,941
Accrued salaries	1,336,578	55,244	194,971	1,586,793
Advance payable	-	-	291,842	291,842
Total liabilities	<u>4,641,969</u>	<u>1,188,523</u>	<u>1,726,084</u>	<u>7,556,576</u>
Deferred inflows of resources:				
Unavailable revenue - property tax receivable	1,182,366	-	108,853	1,291,219
Total deferred inflows of resources	<u>1,182,366</u>	<u>-</u>	<u>108,853</u>	<u>1,291,219</u>
Fund balances:				
Restricted for:				
Visitor improvement	-	-	3,808,319	3,808,319
Rural library services	-	-	290,212	290,212
Building, land and road maintenance	-	-	3,170,059	3,170,059
Drug education	-	-	3,045,819	3,045,819
Economic development	-	-	389,694	389,694
Debt service	-	-	4,410,475	4,410,475
Minor equipment	-	-	604,028	604,028
Justice reinvestment	-	-	74,400	74,400
Emergency management	-	-	263,743	263,743
Committed for:				
Community betterment	-	-	3,036,302	3,036,302
Building maintenance	-	-	95,155	95,155
Public safety	83,894	-	-	83,894
Public works	105,615	-	-	105,615
General government	41,865	-	-	41,865
Building, land and road maintenance	-	7,354,837	2,060,389	9,415,226
Assigned for:				
Veterans aid	13,408	-	-	13,408
Public health and human services	-	-	178,609	178,609
Building, land and road maintenance	-	2,496,300	3,467,182	5,963,482
Unassigned	35,723,147	-	-	35,723,147
Total fund balances	<u>35,967,929</u>	<u>9,851,137</u>	<u>24,894,386</u>	<u>70,713,452</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,792,264</u>	<u>\$ 11,039,660</u>	<u>\$ 26,729,323</u>	<u>\$ 79,561,247</u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2018

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

Total fund balance - governmental funds		\$ 70,713,452
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost	\$ 320,158,807	
Accumulated depreciation	<u>(112,991,672)</u>	207,167,135
Property tax revenues not collected within 60 days of the fiscal year end are not financial resources and, therefore, not reported as revenues in the governmental funds.		
		1,291,219
Deferred outflows of resources are not due and payable in the current period and are therefore not reported in the funds:		
Deferred refunding		600,569
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
General obligation bonds payable - Joint Public Agency	(36,275,000)	
Premium on bonds	(6,084,476)	
Capital lease obligations	(22,642,500)	
Compensated absences	(6,612,773)	
Accrued interest payable	<u>(143,867)</u>	(71,758,616)
Deferred inflows of resources do not increase net position until a future period and are therefore not reported in the funds:		
Deferred refunding		(1,566,504)
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.		
		<u>14,210,558</u>
Total net position - governmental activities		<u><u>\$ 220,657,813</u></u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2018

	General	Capital Project Highway Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 78,886,757	\$ -	\$ 9,198,248	\$ 88,085,005
Charges for services	14,924,102	8,895	4,565,663	19,498,660
Intergovernmental	11,267,494	8,832,552	4,463,199	24,563,245
Medicaid/Medicare/MRO Reimbursements	-	-	234,003	234,003
License, fees and rental income	58,223	4,160	905,442	967,825
Interest income	724,535	31,054	66,689	822,278
Other	62,945	86,791	3,101,126	3,250,862
Total revenues	<u>105,924,056</u>	<u>8,963,452</u>	<u>22,534,370</u>	<u>137,421,878</u>
Expenditures:				
Current:				
General government	14,820,447	-	4,863,712	19,684,159
Public safety	66,096,230	-	2,185,751	68,281,981
Community development	-	-	614	614
Public works	4,001,273	6,422,152	3,914,228	14,337,653
Public health and human services	8,026,866	-	3,258,356	11,285,222
Culture and recreation	-	-	3,677,597	3,677,597
Capital outlay	756,494	6,444,824	4,224,087	11,425,405
Debt service:				
Principal	1,951,287	-	2,953,713	4,905,000
Interest	746,099	-	1,841,893	2,587,992
Other	-	-	387,038	387,038
Total expenditures	<u>96,398,696</u>	<u>12,866,976</u>	<u>27,306,989</u>	<u>136,572,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,525,360</u>	<u>(3,903,524)</u>	<u>(4,772,619)</u>	<u>849,217</u>
Other financing sources (uses):				
Issuance of capital lease	837,500	-	-	837,500
Sale of capital assets	37,234	111,551	29,505	178,290
Transfers in	572,240	4,411,741	9,165,164	14,149,145
Transfers out	(13,971,511)	-	(577,634)	(14,549,145)
Issuance of refunding bonds	-	-	36,275,000	36,275,000
Premium on issuance of bonds	-	-	6,376,531	6,376,531
Payment on refunding escrow	-	-	(42,252,952)	(42,252,952)
Total other financing sources (uses)	<u>(12,524,537)</u>	<u>4,523,292</u>	<u>9,015,614</u>	<u>1,014,369</u>
Net change in fund balances	(2,999,177)	619,768	4,242,995	1,863,586
Fund balances at beginning of year	<u>38,967,106</u>	<u>9,231,369</u>	<u>20,651,391</u>	<u>68,849,866</u>
Fund balances at end of year	<u>\$ 35,967,929</u>	<u>\$ 9,851,137</u>	<u>\$ 24,894,386</u>	<u>\$ 70,713,452</u>

The accompanying notes are an integral part of the basic 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, 2018

Net change in fund balances - total governmental funds \$ 1,863,586

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

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

Depreciation expense	(8,374,722)	
Capital assets capitalized	<u>8,870,546</u>	495,824

Contributions of capital assets are reported as capital contributions in the statement of activities.		374,232
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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.		(222,216)
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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.		(313,342)
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The issuance of long-term debt provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net position.		
Issuance of refunding bonds	(36,275,000)	
Premium on issuance of bonds	(6,376,531)	
Capital lease	<u>(837,500)</u>	(43,489,031)

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.		357,758
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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	2,890,000	
Payment to refunding escrow	42,252,952	
Capital lease	<u>2,015,000</u>	47,157,952

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		21,250
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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 paid out were more than benefits earned		242,417

Internal service funds are used by the County to charge costs of certain activities to individual funds. The activities of the internal service funds are included in government activities in the statement of activities.		<u>2,830,564</u>
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Change in net position of governmental activities \$ 9,318,994

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

Statement of Net Position

Proprietary Funds

Year Ended June 30, 2018

	Internal Service Funds
Assets:	
Current assets:	
Cash, including investments	\$ 15,896,027
Accounts receivable	1,172,263
Interest receivable	955
Total current assets	<u>17,069,245</u>
Liabilities:	
Current liabilities:	
Accounts payable	225,740
Claims payable	2,566,953
Accrued salaries	3,767
Current portion - accrued compensated absences	<u>10,000</u>
Total current liabilities	<u>2,806,460</u>
Noncurrent liabilities:	
Long-term accrued compensated absences	<u>52,227</u>
Total liabilities	<u>2,858,687</u>
Net position:	
Unrestricted	<u><u>\$ 14,210,558</u></u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2018

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 15,113,084
Other insurance reimbursements	127,134
Total operating revenues	15,240,218
Operating expenses:	
Insurance	10,652,668
Contractual	1,755,998
Wages and benefits	154,457
Other	58,182
Rental	9,624
Supplies	240
Claims reserve adjustment	191,384
Total operating expenses	12,822,553
Operating income	2,417,665
Nonoperating revenues:	
Interest	12,899
Total nonoperating revenues	12,899
Income before contributions and transfers	2,430,564
Transfers in	400,000
Change in net position	2,830,564
Total net position-beginning of year	11,379,994
Total net position-end of year	\$ 14,210,558

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2018

	Internal Service Funds
Cash flows from operating activities:	
Cash received from services	\$ 15,113,084
Cash received from insurance companies	127,134
Cash payments for claims	(13,692,619)
Net cash flow from operating activities	<u>1,547,599</u>
Cash flows from non-capital financing activities:	
Transfers from other funds	400,000
Net cash flow from non-capital financing activities	<u>400,000</u>
Cash flows from investing activities:	
Interest on investments	12,899
Net cash flow from investing activities	<u>12,899</u>
Change in cash and cash equivalents	1,960,498
Cash and cash equivalents-beginning of the year	<u>13,935,529</u>
Cash and cash equivalents-end of the year	<u>\$ 15,896,027</u>
Reconciliation of operating income to net cash flow from operating activities:	
Operating income	\$ 2,417,665
Adjustments to reconcile operating income to net cash flow from operating activities:	
Change in accounts receivable	(1,154,437)
Change in interest receivable	(225)
Change in accrued liabilities	93,212
Change in claims payable	191,384
Net cash flow from operating activities	<u>\$ 1,547,599</u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

Statement of Net Position

Fiduciary Funds

Year Ended June 30, 2018

	Employee Benefit	
	Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ -	\$ 37,949,074
Investments:		
Cash management fund	141,940	-
Stable value fund	39,527,933	-
Mutual funds - domestic equities	66,879,393	-
Mutual funds - international equities	25,589,671	-
Mutual funds - balanced funds	10,415,150	-
Other fixed income	13,957,158	-
Total assets	<u>156,511,245</u>	<u>37,949,074</u>
Liabilities:		
Due to others	-	37,949,074
Total liabilities	<u>-</u>	<u>37,949,074</u>
Net position:		
Held in trust for pension and other post-employment benefits	156,511,245	-
Total net position	<u>\$ 156,511,245</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

Statement of Changes in Net Position

Fiduciary Funds

Year Ended June 30, 2018

	Employee Benefit Trust Funds
Additions:	
Contributions:	
Employee	\$ 2,601,210
Employer	4,477,598
Forfeitures	61,523
Rollovers	127,282
Total contributions	<u>7,267,613</u>
Investment income:	
Net appreciation in fair value of investments	7,152,527
Dividends and interest	4,985,841
Miscellaneous	14,742
Total net investment income	<u>12,153,110</u>
Total additions	<u>19,420,723</u>
Deductions:	
Benefits paid	7,077,755
Forfeitures	12
Total deductions	<u>7,077,767</u>
Change in net position	12,342,956
Net position - beginning of year	<u>144,168,289</u>
Net position - end of year	<u><u>\$ 156,511,245</u></u>

The accompanying notes are an integral part of the basic financial statements.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the significant accounting policies of Lancaster County, Nebraska (County), is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of the County's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

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.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Joint Ventures

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

Lincoln-Lancaster County Public Building Commission - In 1990, the City of Lincoln, Nebraska (City) and the County, pursuant to State Statute, activated a separate governmental entity designated as the Lincoln-Lancaster County Public Building Commission (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 (Agency) was established to acquire land and construct capital improvements thereon for the establishment and expansion of the Lancaster County Fairgrounds. The Board consists of five representatives, of whom the Lancaster County Agricultural Society (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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

The County reports the following major governmental funds:

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

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

Additionally, the government 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

1. 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 post-employment 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 post-employment health plan, respectively.

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

Measurement Focus / Basis of Accounting

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

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

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

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Cash and Cash Equivalents

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

Investments

Investments for the government are recorded at fair value in accordance with the requirements of GASB Statement No. 72. 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. It is also the County's policy to report interest earned but not received in a separate account from the principal.

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

1. 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 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 acquisition value or estimated acquisition value if actual acquisition value is not available. 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The estimated useful lives for capital assets are as follows:

	<u>Years</u>
Land improvements	20 - 50
Buildings	25 - 50
Machinery and equipment	5 - 20
Vehicles	8
Infrastructure	20 - 50

The County determined historical infrastructure costs by reference to historical records or by appraisal. Current cost is adjusted for the price change from the date of construction or acquisition to the current date.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources / Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred amounts on refunding in this category.

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

Compensated Absences

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

Net Position

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

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

Restricted net position - Consists of net position with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

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

Fund Balance

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance classifications are based primarily on the extent to which the

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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). Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

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 government's general fund and includes all spendable amounts not contained in the other classifications.

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

Property Taxes

Based on the valuation as of January 1, 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 in which the property is appraised. 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.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County may only levy taxes in addition to the \$0.50 limitation upon a vote of the people. For 2018, the tax levy remained below the \$0.50 limitation.

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

Budgets and Budgetary Accounting

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

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

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

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

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

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingencies, and the reported amounts of revenues and expenses. Actual results could vary from those estimates. Significant estimates include allowance for doubtful accounts, claims liabilities, and compensated absences.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

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 pension trust, is credited to the County General Fund in accordance with Nebraska State Statute Section 77-2315, R.R.S. 1943.

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, 2018, the bank balance of the County's pooled cash deposits, including certificates of deposit, amounted to \$55,614,887. All deposit balances were covered by FDIC insurance, or pledged collateral held by the County's agent in the County's name.

Custodial credit risk, investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County limits its custodial credit risk for investments by investing in insured cash sweep accounts and money market accounts.

At June 30, 2018, the County held the following investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
Insured Sweep Accounts	N/A	\$ 23,659,311
Money Markets	N/A	19,427,357
Total investments		<u>\$ 43,086,668</u>

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

2. CASH AND INVESTMENTS (CONTINUED)

Pooled deposits and investments at June 30, 2018 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 59,398,708
Carrying amount of investments	43,086,668
Total	<u>\$ 102,485,376</u>
Cash, including investments - governmental funds balance sheet	\$ 48,657,175
Cash, including investments - internal service funds, statement of net position	<u>15,896,027</u>
Cash, including investments - governmental activities, statement of net position	64,553,202
Cash, including investments - agency funds	37,949,074
Petty Cash	<u>(16,900)</u>
Total	<u>\$ 102,485,376</u>

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 purpose 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, 2018, the investments in the employees' retirement system were as follows:

Investment Type	Value	Concentration
Stable value fund	\$ 39,527,933	26.71%
Fixed income	11,499,188	7.77%
Mutual funds - domestic equities	66,182,529	44.72%
Mutual funds - international equities	25,491,653	17.22%
Mutual funds - balanced funds	2,905,291	1.96%
Variable annuity	2,398,314	1.62%
Total	<u>\$ 148,004,908</u>	<u>100.00%</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, 2018 is \$37,860,703 and the contract value is \$39,527,933.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Concentration of credit risk. The County'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.

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, 2018, the fixed income funds of the plan held investments with credit ratings ranging from AAA to B, with approximately 69.5% of the stable value fund and 46.3% of the other fixed income holdings in AAA securities.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the plan does not have a policy specific to interest rate risk for fixed income funds, investment performance is measured at least annually, as described above. As of June 30, 2018, the fixed income funds of the plan had effective durations of 6.00 years for the stable value fund and 6.56 years for the other fixed income holdings.

Other Post-employment Benefit Trust Fund Investments

The other post-employment 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, 2018, 88% of the trust's investments were in a balanced collective investment trust fund, which in turn invests in a combination of stocks, bonds, and money markets, generally reflecting a moderate to conservative orientation. The overall credit quality of fixed income securities in the fund ranged from AAA to B, with approximately 63.3% in AAA securities, and 16.8% in AA or A securities.

At June 30, 2018, the investments in the OPEB trust were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Concentration</u>
Stable value/ cash management	\$ 141,940	1.67%
Bond funds	59,656	0.70%
Balanced/ asset allocation funds	7,509,859	88.29%
U.S. stock funds	696,864	8.19%
International/ global funds	98,018	1.15%
Total	<u>\$ 8,506,337</u>	<u>100.00%</u>

Fair Value Measurements

The County's pension and OPEB trusts invest in various investment securities, which 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.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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

	Level 1	Level 2	Total
Domestic Stock	\$ 47,643,788	\$ 19,235,605	\$ 66,879,393
International Stock	25,589,671	-	25,589,671
Balanced Funds	10,415,150	-	10,415,150
Variable Annuity	-	2,398,314	2,398,314
Fixed Income	59,656	11,499,188	11,558,844
Stable Value Fund	141,940	-	141,940
Total investments measured at fair value	<u>\$ 83,850,205</u>	<u>\$ 33,133,107</u>	<u>\$ 116,983,312</u>
Stable Value Fund measured at contract value			39,527,933
Total investments			<u>\$ 156,511,245</u>

Fair Value Measurement. The following is a description of the valuation methodologies used for assets measured at fair value in the tables above. There have been no changes in the methodologies used for the year ended June 30, 2018.

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

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

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

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

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

The changes in capital assets designated for the operation of the County for the year ended June 30, 2018 are as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Non-depreciable assets:				
Land	\$ 11,159,799	\$ 21,451	\$ -	\$ 11,181,250
Construction in progress	3,274,653	893,374	3,265,157	902,870
	<u>14,434,452</u>	<u>914,825</u>	<u>3,265,157</u>	<u>12,084,120</u>
Depreciable capital assets:				
Land improvements	1,618,600	97,743	-	1,716,343
Buildings	150,807,528	727,320	-	151,534,848
Machinery and equipment	19,508,941	1,092,997	985,134	19,616,804
Vehicles	9,063,682	465,618	400,021	9,129,279
Infrastructure	117,142,232	9,211,432	276,251	126,077,413
	<u>298,140,983</u>	<u>11,595,110</u>	<u>1,661,406</u>	<u>308,074,687</u>
Accumulated depreciation:				
Land improvements	1,127,292	66,173	-	1,193,465
Buildings	31,786,234	3,020,861	-	34,807,095
Machinery and equipment	10,950,249	1,386,387	834,123	11,502,513
Vehicles	6,328,602	642,562	398,254	6,572,910
Infrastructure	55,863,763	3,258,739	206,813	58,915,689
	<u>106,056,140</u>	<u>8,374,722</u>	<u>1,439,190</u>	<u>112,991,672</u>
Depreciable capital assets, net	192,084,843	3,220,388	222,216	195,083,015
Total capital assets	\$ <u>206,519,295</u>	\$ <u>4,135,213</u>	\$ <u>3,487,373</u>	\$ <u>207,167,135</u>

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

Governmental activities:	
General government	\$ 1,778,091
Public safety	641,125
Public works	3,970,136
Public health and human services	19,302
Joint Public Agency services	1,966,068
Total depreciation expense	\$ <u>8,374,722</u>

4. LONG-TERM LIABILITIES

Changes in long-term obligations for the year ended June 30, 2018 were as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Due within one year
Bonds payable - JPA	\$ 43,875,000	\$ 36,275,000	\$ 43,875,000	\$ 36,275,000	\$ 2,675,000
Premiums	638,556	6,376,531	930,611	6,084,476	-
	<u>44,513,556</u>	<u>42,651,531</u>	<u>44,805,611</u>	<u>42,359,476</u>	<u>2,675,000</u>
Capital leases payable:					
Public Building Commission	23,820,000	837,500	2,015,000	22,642,500	1,512,500
Compensated absences	6,915,000	5,117,186	5,357,186	6,675,000	5,168,086
Total long-term liabilities	\$ <u>75,248,556</u>	\$ <u>48,606,217</u>	\$ <u>52,177,797</u>	\$ <u>71,676,976</u>	\$ <u>9,355,586</u>

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM LIABILITIES (CONTINUED)

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 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%. Total proceeds of the issuance was \$42,651,531, these proceeds were used to refund \$40,985,000 of outstanding Series 2009 bonds. The economic gain (difference between the present value of the old and new debt service payments) is \$629,396.

Capital Leases Payable

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

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

On November 10, 2017, the PBC issued \$1,675,000 of Series 2017 bonds to refund \$1,965,000 of Series 2010 bonds. The average interest rate of the new bonds is 2.27%. The PBC refunded these bonds to reduce total debt service payments over a period of thirteen years and will realize a net savings of \$179,273 with a present value savings of \$155,591. The County's proportionate share of the refunding resulted in a new capital lease of \$837,500 in 2018.

As of June 30, 2018, the PBC has bonds outstanding of \$30,060,000 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

4. LONG-TERM LIABILITIES (CONTINUED)

Principal and interest requirements to maturity on capital lease obligations and bonds outstanding at June 30, 2018 are as follows:

Year Ending June 30	Bonds payable		Capital leases	
	Principal	Interest	Principal	Interest
2019	\$ 2,675,000	\$ 1,688,675	\$ 1,512,500	\$ 748,194
2020	2,710,000	1,567,600	1,402,500	712,271
2021	2,820,000	1,442,900	1,440,000	671,972
2022	2,960,000	1,298,400	1,487,500	626,541
2023	3,110,000	1,162,200	1,527,500	575,648
2024 – 2028	17,870,000	3,353,250	5,060,000	2,174,888
2029 – 2033	4,130,000	103,250	3,237,500	1,396,553
2034 – 2038	-	-	3,635,000	830,488
2039 – 2042	-	-	3,340,000	221,485
Total	<u>\$ 36,275,000</u>	<u>\$ 10,616,275</u>	<u>\$ 22,642,500</u>	<u>\$ 7,958,040</u>

5. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended June 30, 2018 is as follows:

	Transfers in				Total
	General fund	Capital Project Highway fund	Other governmental funds	Internal service funds	
<u>Transfers out</u>					
General fund	\$ -	\$ 4,411,741	\$ 9,159,770	\$ 400,000	\$ 13,971,511
Other governmental funds	572,240	-	5,394	-	577,634
	<u>\$ 572,240</u>	<u>\$ 4,411,741</u>	<u>\$ 9,165,164</u>	<u>\$ 400,000</u>	<u>\$ 14,549,145</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, 2018, the most significant transfer was \$6,049,438 from the General Fund to the Bridge and Special Road Fund for budgeted capital projects.

6. DEFICIT FUND EQUITY

At June 30, 2018, the Workers' Compensation fund had a deficit of \$1,242,463, which will be recovered from future internal charges to the County's other funds.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

7. POST-EMPLOYMENT BENEFITS

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 100,500 inhabitants the authority to provide retirement benefits to its employees and establish a defined contribution retirement plan.

Post-Employment Health Plans

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

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

At June 30, 2018, membership in the plans totaled 1,012 for the ICMA-RC plan and 1,058 for the Nationwide plan (includes active members, plus retirees receiving benefits).

Funding Policy. The County sets aside \$25 per pay period for each eligible employee. Employees are not required to contribute to the plans. Contributions to these post-employment health plans by the County on behalf of the participating employees amounted to \$906,091 for the year ended June 30, 2018.

Defined Contribution Retirement Pension Plan

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

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

7. POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

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, 2018, membership totaled 1,153.

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 13% 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. Forfeitures of non-vested matching contributions are used to offset future employer contributions or to pay Plan expenses. 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 Plan.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

7. POST-EMPLOYMENT BENEFITS (CONTINUED)

Employer and Plan member contributions are recognized in the period that the contributions are due. Total employer contributions were \$3,571,507 and total employee contributions were \$2,601,210 for the year ended June 30, 2018.

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

	Pension Trust	Post-employment Health Trust	Total
Total assets	\$ 148,004,908	\$ 8,506,337	\$ 156,511,245
Net position	<u>\$ 148,004,908</u>	<u>\$ 8,506,337</u>	<u>\$ 156,511,245</u>
Additions	\$ 18,206,392	\$ 1,214,331	\$ 19,240,723
Deductions	<u>6,589,467</u>	<u>488,300</u>	<u>7,077,767</u>
Change in net position	11,616,925	726,031	12,342,956
Beginning net position	<u>136,387,983</u>	<u>7,780,306</u>	<u>144,168,289</u>
Ending net position	<u>\$ 148,004,908</u>	<u>\$ 8,506,337</u>	<u>\$ 156,511,245</u>

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 \$4,750,000 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.

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

8. RISK MANAGEMENT (CONTINUED)

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:

	<u>Workers'</u> <u>Compensation</u>	<u>Other Self</u> <u>Insurance Loss</u>	<u>Group</u> <u>Insurance</u>
Liability - June 30, 2016	\$ 932,367	\$ 923,035	\$ 582,000
Claims incurred	467,586	283,987	8,657,923
Claims payments & adjustments	<u>31,629</u>	<u>753,777</u>	<u>8,685,923</u>
Liability - June 30, 2017	1,368,324	453,245	554,000
Claims incurred	543,577	275,543	10,190,251
Claims payments & adjustments	<u>695,937</u>	<u>327,799</u>	<u>9,794,251</u>
Liability - June 30, 2018	<u>\$ 1,215,964</u>	<u>\$ 400,989</u>	<u>\$ 950,000</u>

9. COMMITMENTS AND CONTINGENT LIABILITIES

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

Lancaster Manor. The Lancaster Manor is not part of the Workers' Compensation Loss Fund and pays its claims on a cash basis. The County was liable for all claims incurred through December 31, 2009. When Lancaster Manor Rehabilitation Center, LLC assumed operation of the Lancaster Manor on January 1, 2010, they became responsible for any claims filed from that date forward. As of December 31, 2009, the Lancaster Manor had no liability related to contingent liabilities. The County has not set aside funds to cover this estimated liability and will pay any claims as they come due. For claims deemed probable or certain, no liability could be estimated.

Construction Commitments and Encumbrances. As of June 30, 2018, the County has outstanding encumbrances as follows:

General Fund	\$ 231,375
Highway Fund	7,354,838
Nonmajor Governmental Funds	<u>2,099,973</u>
Tota	<u>\$ 9,686,186</u>

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

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, 2018, 14 series of bonds were outstanding, with an aggregate principal amount payable in the amount of \$156,843,394.

11. GASB 77 TAX ABATEMENTS

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

During the year ended June 30, 2018, the County property tax revenues were reduced by \$1,264,227 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 \$37,707 due to agreements entered into by the cities of Waverly and Hickman relating to tax incremental financing areas considered blighted.

The County disclosed all known tax abatements.

12. PENDING GOVERNMENTAL ACCOUNTING STANDARDS

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonable estimable. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the County's fiscal year ending June 30, 2019.

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

LANCASTER COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

12. PENDING GOVERNMENTAL ACCOUNTING STANDARDS (CONTINUED)

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

GASB Statement No. 88, *Certain Disclosures Related to Debt*, Including Direct Borrowings and Direct Placements, improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Provisions of this statement are effective for financial statements for the County's year ending June 30, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies the accounting for interest cost incurred before the end of a construction period. Provisions of this statement are effective for financial statements for the County's fiscal year ending June 30, 2021.

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

REQUIRED SUPPLEMENTARY INFORMATION

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Budget Basis

General Fund

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive/ (Negative)
Revenues:				
Taxes	\$ 83,073,412	\$ 83,073,412	\$ 79,358,526	\$ (3,714,886)
Charges for services	14,602,520	14,602,520	14,851,747	249,227
Federal receipts	1,968,532	1,968,532	2,086,455	117,923
State revenues	3,888,049	3,888,049	8,557,915	4,669,866
License, fees and rental income	56,500	56,500	58,223	1,723
Interest on investments	245,050	245,050	677,483	432,433
Intergovernmental	840,025	840,025	840,025	-
Other receipts	86,675	86,675	60,181	(26,494)
Total revenues	104,760,763	104,760,763	106,490,555	1,729,792
Expenditures:				
General Government:				
Board of Commissioners	287,830	300,830	299,977	853
County Clerk	1,193,965	1,193,965	1,169,353	24,612
County Treasurer	3,712,540	3,712,540	3,342,245	370,295
Assessor / Register of Deeds	4,260,131	4,260,131	4,180,685	79,446
ROD Technology	344,876	344,876	218,839	126,037
Election Commissioner	1,137,220	1,137,220	1,106,227	30,993
Information Services	889,115	889,115	532,894	356,221
Budget & Fiscal	353,215	358,715	356,812	1,903
General Government Miscellaneous	4,169,535	3,421,129	1,791,317	1,629,812
Administrative Services	408,948	408,948	400,718	8,230
Board of Equalization	337,260	362,260	339,103	23,157
Extension Service	1,054,137	1,054,137	969,143	84,994
Records & Information Management	652,178	677,178	670,334	6,844
Total general government	18,800,950	18,121,044	15,377,648	2,743,396
Public Safety:				
Clerk of District Court	1,876,709	1,886,709	1,835,670	51,039
County Court	1,193,858	1,230,858	1,154,670	76,188
Juvenile Court	2,019,042	2,019,042	1,966,593	52,449
District Court	2,774,574	2,936,174	2,821,851	114,323
Public Defender	4,390,692	4,390,692	4,387,862	2,830
Jury Commissioner	402,811	402,811	358,484	44,327
Justice System Miscellaneous	2,220,379	2,220,379	1,511,096	709,283
County Sheriff	12,536,032	12,590,032	12,520,239	69,793
County Attorney	7,710,845	8,034,782	8,005,309	29,473
Corrections	23,810,863	23,810,863	23,256,665	554,198
Juvenile Probation	321,400	321,400	319,928	1,472
Adult Probation	551,600	551,600	530,106	21,494
Community Corrections	3,273,147	3,353,147	3,344,611	8,536
Youth Services Center	5,980,891	5,980,891	5,442,768	538,123
Emergency Management	585,637	585,637	533,980	51,657
Mental Health Board	141,242	141,242	126,840	14,402
Total public safety	69,789,722	70,456,259	68,116,672	2,339,587

LANCASTER COUNTY, NEBRASKA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budget Basis
General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Public Works:				
County Engineer	4,166,669	4,166,669	4,009,440	157,229
Total public works	4,166,669	4,166,669	4,009,440	157,229
Public Health and Social Services:				
General Assistance	2,238,545	2,238,545	1,848,677	389,868
Veterans & General Assistance Admin	764,313	777,682	774,201	3,481
Health & Human Services	4,764,401	4,764,401	4,737,143	27,258
Human Services	609,804	609,804	601,359	8,445
Total public health and social services	8,377,063	8,390,432	7,961,380	429,052
Total expenditures	101,134,404	101,134,404	95,465,140	5,669,264
Revenue over expenditures	3,626,359	3,626,359	11,025,415	7,399,056
Other financing sources (uses):				
Proceeds from sale of capital assets	1,010,000	1,010,000	37,234	(972,766)
Transfer in	460,558	460,558	577,240	116,682
Transfer out	(12,961,561)	(12,961,561)	(13,976,512)	(1,014,951)
Total other financing sources (uses)	(11,491,003)	(11,491,003)	(13,362,038)	(1,871,035)
Net change in fund balance	<u>\$ (7,864,644)</u>	<u>\$ (7,864,644)</u>	(2,336,623)	<u>\$ 5,528,021</u>
Fund balance at beginning of year			14,054,644	
Encumbrance credit			40,489	
Fund balance at end of year			<u>\$ 11,758,510</u>	
Explanation of difference between budgetary and GAAP:				
Net change in fund balance, budgetary basis			<u>\$ (2,336,623)</u>	
Separately budgeted general fund subfunds:				
Veterans Aid fund			(220)	
Revenue accruals			(1,046,251)	
Expenditure accruals			152,539	
Current year encumbrances			<u>231,378</u>	
Net change in fund balance, GAAP basis			(2,999,177)	
Fund balance, beginning of year, GAAP basis			<u>38,967,106</u>	
Fund balance, end of year, GAAP basis			<u>\$ 35,967,929</u>	

LANCASTER COUNTY, NEBRASKA

NOTES TO BUDGETARY COMPARISON SCHEDULES

Year Ended June 30, 2018

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing budgetary data reflected in the required supplemental 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

The budget is prepared on the modified cash basis of accounting, which includes cash receipts and disbursements, modified for encumbrances. Encumbrances, which are purchase orders, contracts and other commitments for the expenditure of funds, are recorded for budgetary purposes as expenditures in order to reserve that portion of the applicable appropriation. All unexpended, unencumbered appropriations 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, 2018

	General Fund	Veterans Aid Fund	Total General
Assets:			
Cash, including investments	\$ 15,549,921	\$ 13,408	\$ 15,563,329
Taxes receivable	24,045,928	-	24,045,928
Due from other government agencies	1,398,387	-	1,398,387
Accounts receivable	733,683	-	733,683
Interest receivable	50,937	-	50,937
Total assets	<u>\$ 41,778,856</u>	<u>\$ 13,408</u>	<u>\$ 41,792,264</u>
Liabilities:			
Accounts payable	\$ 3,305,391	\$ -	\$ 3,305,391
Accrued salaries	1,336,578	-	1,336,578
Total liabilities	<u>4,641,969</u>	<u>-</u>	<u>4,641,969</u>
Deferred inflows of resources:			
Unavailable revenue - property tax receivable	1,182,366	-	1,182,366
Total deferred inflows of resources	<u>1,182,366</u>	<u>-</u>	<u>1,182,366</u>
Fund balances:			
Committed for:			
Public safety	83,894	-	83,894
Public works	105,615	-	105,615
General government	41,865	-	41,865
Assigned for:			
Veterans aid	-	13,408	13,408
Unassigned	35,723,147	-	35,723,147
Total fund balances	<u>35,954,521</u>	<u>13,408</u>	<u>35,967,929</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,778,856</u>	<u>\$ 13,408</u>	<u>\$ 41,792,264</u>

LANCASTER COUNTY, NEBRASKA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Year Ended June 30, 2018

	<u>General Fund</u>	<u>Veterans Aid Fund</u>	<u>Total General</u>
Revenues:			
Taxes	\$ 78,886,757	\$ -	\$ 78,886,757
Charges for services	14,924,102	-	14,924,102
Intergovernmental	11,267,494	-	11,267,494
License, fees and rental income	58,223	-	58,223
Interest income	724,535	-	724,535
Other	62,945	-	62,945
Total revenues	<u>105,924,056</u>	<u>-</u>	<u>105,924,056</u>
Expenditures:			
Current:			
General government	14,820,447	-	14,820,447
Public safety	66,096,230	-	66,096,230
Public works	4,001,273	-	4,001,273
Public health and human services	8,026,646	220	8,026,866
Capital outlay	756,494	-	756,494
Debt service:			
Principal	1,951,287	-	1,951,287
Interest	746,099	-	746,099
Total expenditures	<u>96,398,476</u>	<u>220</u>	<u>96,398,696</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,525,580</u>	<u>(220)</u>	<u>9,525,360</u>
Other financing sources (uses):			
Issuance of capital lease	837,500	-	837,500
Sale of capital assets	37,234	-	37,234
Transfers in	572,240	-	572,240
Transfers out	<u>(13,971,511)</u>	<u>-</u>	<u>(13,971,511)</u>
Total other financing sources (uses)	<u>(12,524,537)</u>	<u>-</u>	<u>(12,524,537)</u>
Net change in fund balances	(2,998,957)	(220)	(2,999,177)
Fund balances at beginning of year	<u>38,953,478</u>	<u>13,628</u>	<u>38,967,106</u>
Fund balances at end of year	<u>\$ 35,954,521</u>	<u>\$ 13,408</u>	<u>\$ 35,967,929</u>

LANCASTER COUNTY, NEBRASKA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds							
	Visitors Improvement	Visitors Promotion	County Rural Library	Federal Grants	Keno	Economic Development	Mental Health	Weed Control
Assets:								
Cash, including investments	\$ 2,339,288	\$ 1,025,108	\$ 45,186	\$ 3,377,162	\$ 2,971,055	\$ 389,694	\$ 159,055	\$ 106,165
Taxes receivable	-	-	260,155	-	-	-	-	-
Due from other government agencies	345,705	345,705	3,222	466,293	-	-	71,808	-
Accounts receivable	-	-	-	17,239	97,571	-	-	-
Interest receivable	-	-	-	1,160	-	-	-	-
Patient and insurance receivables, net of allowance for doubtful accounts of \$489,598	-	-	-	-	-	-	63,115	-
Total assets	\$ 2,684,993	\$ 1,370,813	\$ 308,563	\$ 3,861,854	\$ 3,068,626	\$ 389,694	\$ 293,978	\$ 106,165
Liabilities:								
Accounts payable	\$ 247,487	\$ -	\$ -	\$ 477,892	\$ 32,324	\$ -	\$ 56,485	\$ 10,683
Accrued salaries	-	-	-	-	-	-	58,884	10,411
Advance payable	-	-	-	-	-	-	-	-
Total liabilities	247,487	-	-	477,892	32,324	-	115,369	21,094
Deferred inflows of resources:								
Unavailable revenue - property tax receivable	-	-	18,351	-	-	-	-	-
Total deferred inflows of resources	-	-	18,351	-	-	-	-	-
Fund balances:								
Restricted for:								
Visitor improvement	2,437,506	1,370,813	-	-	-	-	-	-
Rural library services	-	-	290,212	-	-	-	-	-
Building, land and road maintenance	-	-	-	-	-	-	-	-
Drug education	-	-	-	3,045,819	-	-	-	-
Economic development	-	-	-	-	-	389,694	-	-
Debt service	-	-	-	-	-	-	-	-
Minor equipment	-	-	-	-	-	-	-	-
Justice reinvestment	-	-	-	74,400	-	-	-	-
Emergency management	-	-	-	263,743	-	-	-	-
Committed for:								
Community betterment	-	-	-	-	3,036,302	-	-	-
Building maintenance	-	-	-	-	-	-	-	-
Building, land and road maintenance	-	-	-	-	-	-	-	-
Assigned for:								
Public health and human services	-	-	-	-	-	-	178,609	-
Building, land and road maintenance	-	-	-	-	-	-	-	85,071
Total fund balances	2,437,506	1,370,813	290,212	3,383,962	3,036,302	389,694	178,609	85,071
Total liabilities, deferred outflows of resources and fund balances	\$ 2,684,993	\$ 1,370,813	\$ 308,563	\$ 3,861,854	\$ 3,068,626	\$ 389,694	\$ 293,978	\$ 106,165

LANCASTER COUNTY, NEBRASKA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds			Debt Service	Capital Project Funds		Total Nonmajor Governmental Funds
	Building	County	City	Correctional Facility Joint Public Agency	Bridge and Special Road	Jail Savings	
		Property Management	Building Maintenance				
Assets:							
Cash, including investments	\$ 1,329,080	\$ 117,763	\$ 291,842	\$ 2,703,338	\$ 7,424,697	\$ 604,028	\$ 22,883,461
Taxes receivable	181,604	-	-	1,760,484	-	-	2,202,243
Due from other government agencies	2,741	146,983	-	27,089	-	-	1,409,546
Accounts receivable	-	11,946	-	-	38,888	-	165,644
Interest receivable	-	-	-	1,160	2,994	-	5,314
Patient and insurance receivables, net of allowance for doubtful accounts of \$489,598	-	-	-	-	-	-	63,115
Total assets	\$ 1,513,425	\$ 276,692	\$ 291,842	\$ 4,492,071	\$ 7,466,579	\$ 604,028	\$ 26,729,323
Liabilities:							
Accounts payable	\$ 105,315	\$ 101,425	\$ -	\$ -	\$ 207,660	\$ -	\$ 1,239,271
Accrued salaries	-	80,112	-	-	45,564	-	194,971
Advance payable	-	-	291,842	-	-	-	291,842
Total liabilities	105,315	181,537	291,842	-	253,224	-	1,726,084
Deferred inflows of resources:							
Unavailable revenue - property tax receivable	8,906	-	-	81,596	-	-	108,853
Total deferred inflows of resources	8,906	-	-	81,596	-	-	108,853
Fund balances:							
Restricted for:							
Visitor improvement	-	-	-	-	-	-	3,808,319
Rural library services	-	-	-	-	-	-	290,212
Building, land and road maintenance	1,399,204	-	-	-	1,770,855	-	3,170,059
Drug education	-	-	-	-	-	-	3,045,819
Economic development	-	-	-	-	-	-	389,694
Debt service	-	-	-	4,410,475	-	-	4,410,475
Minor equipment	-	-	-	-	-	604,028	604,028
Justice reinvestment	-	-	-	-	-	-	74,400
Emergency management	-	-	-	-	-	-	263,743
Committed for:							
Community betterment	-	-	-	-	-	-	3,036,302
Building maintenance	-	95,155	-	-	-	-	95,155
Building, land and road maintenance	-	-	-	-	2,060,389	-	2,060,389
Assigned for:							
Public health and human services	-	-	-	-	-	-	178,609
Building, land and road maintenance	-	-	-	-	3,382,111	-	3,467,182
Total fund balances	1,399,204	95,155	-	4,410,475	7,213,355	604,028	24,894,386
Total liabilities, deferred outflows of resources and fund balances	\$ 1,513,425	\$ 276,692	\$ 291,842	\$ 4,492,071	\$ 7,466,579	\$ 604,028	\$ 26,729,323

LANCASTER COUNTY, NEBRASKA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

Special Revenue Funds								
	Visitors Improvement	Visitors Promotion	County Rural Library	Federal Grants	Keno	Economic Development	Mental Health	Weed Control
Revenues:								
Taxes	\$ 1,732,723	\$ 1,732,723	\$ 724,343	\$ 8,067	\$ -	\$ -	\$ -	\$ 38,778
Charges for services	-	-	-	120	-	-	283,592	27,603
Intergovernmental	-	-	59,075	2,188,155	-	-	1,265,287	156,807
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	-	234,003	-
License, fees and rental income	-	-	-	-	-	-	-	-
Interest income	-	-	-	19,699	-	4,227	-	-
Other income	-	-	-	1,834,927	1,228,480	15,587	1,704	353
Total revenues	<u>1,732,723</u>	<u>1,732,723</u>	<u>783,418</u>	<u>4,050,968</u>	<u>1,228,480</u>	<u>19,814</u>	<u>1,784,586</u>	<u>223,541</u>
Expenditures:								
General government	-	-	-	-	61,573	-	-	-
Public safety	-	-	-	1,925,300	-	-	-	-
Community development	-	-	-	-	-	614	-	-
Public works	-	-	-	-	-	-	-	379,908
Public health and human services	-	-	-	-	-	-	3,258,356	-
Culture and recreation	1,164,126	1,715,000	798,471	-	-	-	-	-
Capital outlays	-	-	-	488,049	-	-	-	46,163
Debt service:								
Principal	-	-	-	-	-	-	63,713	-
Interest	-	-	-	-	-	-	42,680	-
Other	-	-	-	-	-	-	-	-
Total expenditures	<u>1,164,126</u>	<u>1,715,000</u>	<u>798,471</u>	<u>2,413,349</u>	<u>61,573</u>	<u>614</u>	<u>3,364,749</u>	<u>426,071</u>
Excess of revenues over (under) expenditure	568,597	17,723	(15,053)	1,637,619	1,166,907	19,200	(1,580,163)	(202,530)
Other financing sources (uses):								
Sale of capital assets	-	-	-	6,815	-	-	-	-
Transfers in	-	-	-	393	-	-	1,599,526	156,807
Transfers out	-	-	-	(577,634)	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-	-	-	-
Payment to refunding escrow	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(570,426)</u>	<u>-</u>	<u>-</u>	<u>1,599,526</u>	<u>156,807</u>
Net change in fund balances	568,597	17,723	(15,053)	1,067,193	1,166,907	19,200	19,363	(45,723)
Fund balances at beginning of year	<u>1,868,909</u>	<u>1,353,090</u>	<u>305,265</u>	<u>2,316,769</u>	<u>1,869,395</u>	<u>370,494</u>	<u>159,246</u>	<u>130,794</u>
Fund balances at end of year	<u>\$ 2,437,506</u>	<u>\$ 1,370,813</u>	<u>\$ 290,212</u>	<u>\$ 3,383,962</u>	<u>\$ 3,036,302</u>	<u>\$ 389,694</u>	<u>\$ 178,609</u>	<u>\$ 85,071</u>

LANCASTER COUNTY, NEBRASKA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds			Debt Service	Capital Project Funds		Total Nonmajor Governmental Funds
	Building	County Property Management	City Building Maintenance	Fund Correctional Facility Joint Public Agency	Bridge and Special Road	Jail Savings	
Revenues:							
Taxes	\$ 489,321	\$ -	\$ -	\$ 4,472,292	\$ 1	\$ -	\$ 9,198,248
Charges for services	-	3,589,478	230,853	-	434,017	-	4,565,663
Intergovernmental	38,129	-	-	365,788	389,958	-	4,463,199
Medicaid/Medicare/MRO reimbursements	-	-	-	-	-	-	234,003
License, fees and rental income	123,094	782,348	-	-	-	-	905,442
Interest income	-	-	-	13,471	29,292	-	66,689
Other income	-	1,120	-	11,541	7,414	-	3,101,126
Total revenues	650,544	4,372,946	230,853	4,863,092	860,682	-	22,534,370
Expenditures:							
General government	56,235	4,451,888	294,016	-	-	-	4,863,712
Public safety	166,623	-	-	-	-	93,828	2,185,751
Community development	-	-	-	-	-	-	614
Public works	-	-	-	-	3,534,320	-	3,914,228
Public health and human services	-	-	-	-	-	-	3,258,356
Culture and recreation	-	-	-	-	-	-	3,677,597
Capital outlays	820,627	10,356	10,188	-	2,762,598	86,106	4,224,087
Debt service:							
Principal	-	-	-	2,890,000	-	-	2,953,713
Interest	-	-	-	1,799,213	-	-	1,841,893
Other	-	-	-	387,038	-	-	387,038
Total expenditures	1,043,485	4,462,244	304,204	5,076,251	6,296,918	179,934	27,306,989
Excess of revenues over (under) expenditures	(392,941)	(89,298)	(73,351)	(213,159)	(5,436,236)	(179,934)	(4,772,619)
Other financing sources (uses):							
Sale of capital assets	-	-	-	1,649	21,041	-	29,505
Transfers in	1,299,000	60,000	-	-	6,049,438	-	9,165,164
Transfers out	-	-	-	-	-	-	(577,634)
Issuance of refunding bonds	-	-	-	36,275,000	-	-	36,275,000
Premium on issuance of bonds	-	-	-	6,376,531	-	-	6,376,531
Payment to refunding escrow	-	-	-	(42,252,952)	-	-	(42,252,952)
Total other financing sources (uses)	1,299,000	60,000	-	400,228	6,070,479	-	9,015,614
Net change in fund balances	906,059	(29,298)	(73,351)	187,069	634,243	(179,934)	4,242,995
Fund balances at beginning of year	493,145	124,453	73,351	4,223,406	6,579,112	783,962	20,651,391
Fund balances at end of year	\$ 1,399,204	\$ 95,155	\$ -	\$ 4,410,475	\$ 7,213,355	\$ 604,028	\$ 24,894,386

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
Visitor Improvement Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,850,000	\$ 1,850,000	\$ 1,710,088	\$ (139,912)
Total revenues	1,850,000	1,850,000	1,710,088	(139,912)
Expenditures:				
Other contracted services	3,620,840	3,620,840	1,192,268	2,428,572
Total expenditures	3,620,840	3,620,840	1,192,268	2,428,572
Net change in fund balance	<u>\$ (1,770,840)</u>	<u>\$ (1,770,840)</u>	517,820	<u>\$ 2,288,660</u>
Fund balance at beginning of year			<u>1,770,840</u>	
Fund balance at end of year			<u>\$ 2,288,660</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Budget Basis
 Visitor Promotion Fund
 Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,850,000	\$ 1,850,000	\$ 1,710,088	\$ (139,912)
Total revenues	1,850,000	1,850,000	1,710,088	(139,912)
Expenditures:				
Other contracted services	1,715,000	1,715,000	1,715,000	-
Miscellaneous fees & services	1,165,019	1,165,019	-	1,165,019
Total expenditures	2,880,019	2,880,019	1,715,000	1,165,019
Net change in fund balance	<u>\$ (1,030,019)</u>	<u>\$ (1,030,019)</u>	(4,912)	<u>\$ 1,025,107</u>
Fund balance at beginning of year			1,030,021	
Fund balance at end of year			<u>\$ 1,025,109</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
County Rural Library Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 771,442	\$ 771,442	\$ 750,352	\$ (21,090)
State revenues	2,900	2,900	58,535	55,635
Intergovernmental	-	-	141	141
Total revenues	<u>774,342</u>	<u>774,342</u>	<u>809,028</u>	<u>34,686</u>
Expenditures:				
City/County shared	798,471	798,471	798,471	-
Miscellaneous fees & services	500	500	-	500
Total expenditures	<u>798,971</u>	<u>798,971</u>	<u>798,471</u>	<u>500</u>
Net change in fund balance	<u>\$ (24,629)</u>	<u>\$ (24,629)</u>	10,557	<u>\$ 35,186</u>
Fund balance at beginning of year			<u>34,628</u>	
Fund balance at end of year			<u>\$ 45,185</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Federal Grants Fund Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ -	\$ -	\$ 17,903	\$ 17,903
Charges for services	-	-	120	120
Federal receipts	3,445,439	3,445,439	1,291,811	(2,153,628)
State revenues	1,862,591	1,862,591	992,326	(870,265)
Interest on investments	-	-	19,575	19,575
Other receipts	17,321	17,321	1,817,688	1,800,367
Total revenues	<u>5,325,351</u>	<u>5,325,351</u>	<u>4,139,423</u>	<u>(1,185,928)</u>
Expenditures:				
Office supplies	45	45	1,090	(1,045)
Operating supplies	421,691	421,691	113,471	308,220
Medical supplies	-	-	4,500	(4,500)
Energy supplies	-	-	664	(664)
Repair & maintenance supplies	-	-	4,479	(4,479)
Food supplies	300	300	-	300
Other contracted services	4,749,428	4,749,428	864,223	3,885,205
Not-for-profit contracts	-	-	732,389	(732,389)
Transportation, travel & subsistence	1,296	1,296	109,660	(108,364)
Communications	-	-	2,590	(2,590)
Postage, courier & freight	-	-	1,077	(1,077)
Printing & advertising	-	-	251	(251)
Miscellaneous fees & services	438,167	438,167	246,266	191,901
Utilities	-	-	1,322	(1,322)
Repair & maintenance costs	-	-	10,012	(10,012)
Rentals	-	-	22,805	(22,805)
Equipment	12,959	12,959	407,834	(394,875)
Total expenditures	<u>5,623,886</u>	<u>5,623,886</u>	<u>2,522,633</u>	<u>3,101,253</u>
Revenue over (under) expenditures	<u>(298,535)</u>	<u>(298,535)</u>	<u>1,616,790</u>	<u>1,915,325</u>
Other Financing Sources (Uses):				
Sale of equipment	-	-	6,815	6,815
Transfers in	-	-	393	393
Transfers out	(3,010,723)	(3,010,723)	(577,634)	2,433,089
Total other financing sources (uses)	<u>(3,010,723)</u>	<u>(3,010,723)</u>	<u>(570,426)</u>	<u>2,440,297</u>
Net change in fund balance	<u>\$ (3,309,258)</u>	<u>\$ (3,309,258)</u>	1,046,364	<u>\$ 4,355,622</u>
Fund balance at beginning of year			2,042,675	
Encumbrance credit			5,421	
Fund balance at end of year			<u>\$ 3,094,460</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
Keno Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other receipts	\$ 1,150,000	\$ 1,150,000	\$ 1,218,948	\$ 68,948
Total revenues	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,218,948</u>	<u>68,948</u>
Expenditures:				
Other contracted services	3,500	3,500	526	2,974
City/County shared	1,652,503	1,652,503	-	1,652,503
Not-for-profit contracts	57,500	57,500	58,624	(1,124)
Miscellaneous fees & services	1,217,001	1,217,001	100	1,216,901
Equipment	30,853	30,853	-	30,853
Total expenditures	<u>2,961,357</u>	<u>2,961,357</u>	<u>59,250</u>	<u>2,902,107</u>
Revenue over (under) expenditures	<u>(1,811,357)</u>	<u>(1,811,357)</u>	<u>1,159,698</u>	<u>2,971,055</u>
Net change in fund balance	<u>\$ (1,811,357)</u>	<u>\$ (1,811,357)</u>	<u>1,159,698</u>	<u>\$ 2,971,055</u>
Fund balance at beginning of year			<u>1,811,357</u>	
Fund balance at end of year			<u>\$ 2,971,055</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Budget Basis
 Economic Development Fund
 Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest on investments	\$ 1,500	\$ 1,500	\$ 5,245	\$ 3,745
Other receipts	15,500	15,500	15,587	87
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>20,832</u>	<u>3,832</u>
Expenditures:				
Other contracted services	20,000	20,000	613	19,387
Miscellaneous fees & services	<u>365,976</u>	<u>365,976</u>	-	<u>365,976</u>
Total expenditures	<u>385,976</u>	<u>385,976</u>	<u>613</u>	<u>385,363</u>
Net change in fund balance	<u>\$ (368,976)</u>	<u>\$ (368,976)</u>	20,219	<u>\$ 389,195</u>
Fund balance at beginning of year			<u>369,475</u>	
Fund balance at end of year			<u>\$ 389,694</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Mental Health Fund Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
State revenues	\$ 1,263,103	\$ 1,263,103	\$ 1,257,426	\$ (5,677)
Medicaid/Medicare/MRO reimbursements	538,556	538,556	282,073	(256,483)
County aid	1,093,575	1,269,526	1,599,526	330,000
Charges for services	325,000	325,000	279,224	(45,776)
Other income	2,500	2,500	1,704	(796)
Total revenues	<u>3,222,734</u>	<u>3,398,685</u>	<u>3,419,953</u>	<u>21,268</u>
Expenditures:				
Salaries & wages	1,952,313	1,952,313	1,971,850	(19,537)
Employee benefits	651,945	672,896	665,258	7,638
Contracted services	100,149	230,149	215,996	14,153
Lease expense	259,613	259,613	259,613	-
Client services	38,750	38,750	46,421	(7,671)
Contracted medical services	122,750	147,750	131,168	16,582
Insurance	33,857	33,857	32,012	1,845
Communications	3,150	3,150	2,746	404
Miscellaneous fees & services	5,200	5,200	8,806	(3,606)
Repair & maintenance costs	750	750	246	504
Energy supplies	150	150	44	106
Other compensation	14,772	14,772	14,772	-
Operating supplies	6,750	6,750	6,452	298
Printing & advertising	3,850	3,850	4,269	(419)
Medical supplies	25,750	25,750	14,589	11,161
Transportation & travel	50	50	243	(193)
Postage, courier and freight	750	750	654	96
Office supplies	2,500	2,500	1,833	667
Equipment	1,000	1,000	1,181	(181)
Total expenditures	<u>3,224,049</u>	<u>3,400,000</u>	<u>3,378,153</u>	<u>21,847</u>
Net change in fund balance	<u>\$ (1,315)</u>	<u>\$ (1,315)</u>	41,800	<u>\$ 43,115</u>
Fund balance at beginning of year			<u>1,316</u>	
Fund balance at end of year			<u>\$ 43,116</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Weed Control Fund Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,000	\$ 20,000	\$ 38,778	\$ 18,778
Charges for services	36,000	36,000	28,683	(7,317)
Intergovernmental	156,807	156,807	156,807	-
Other receipts	500	500	353	(147)
Total revenues	213,307	213,307	224,621	11,314
Expenditures:				
Salaries & wages	210,564	210,564	205,268	5,296
Employee benefits	65,031	65,031	60,484	4,547
Other compensation costs	6,290	6,290	4,790	1,500
Office supplies	1,450	1,450	762	688
Operating supplies	2,850	2,850	1,781	1,069
Energy supplies	8,000	8,000	4,056	3,944
Other contracted services	49,467	49,467	42,783	6,684
Transportation, travel & subsistence	3,280	3,280	2,115	1,165
Communications	3,000	3,000	3,051	(51)
Postage, courier and freight	6,000	6,000	4,711	1,289
Printing & advertising	3,500	3,500	2,886	614
Miscellaneous fees & services	35,885	35,885	39,438	(3,553)
Insurance & surety bonds	4,874	4,874	4,531	343
Utilities	950	950	-	950
Repair & maintenance costs	5,000	5,000	3,125	1,875
Equipment	53,505	53,505	46,163	7,342
Total expenditures	459,646	459,646	425,944	33,702
Revenue over (under) expenditures	(246,339)	(246,339)	(201,323)	45,016
Other Financing Sources (Uses):				
Transfers in	156,807	156,807	156,807	-
Total other financing sources (uses)	156,807	156,807	156,807	-
Net change in fund balance	\$ (89,532)	\$ (89,532)	(44,516)	\$ 45,016
Fund balance at beginning of year			129,528	
Fund balance at end of year			\$ 85,012	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
Building Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 525,000	\$ 525,000	\$ 502,927	\$ (22,073)
State revenues	1,250	1,250	38,730	37,480
Licenses, fees, and rental income	117,502	117,502	123,094	5,592
Intergovernmental	-	-	22	22
Total revenues	<u>643,752</u>	<u>643,752</u>	<u>664,773</u>	<u>21,021</u>
Expenditures:				
Supplies	-	-	74	(74)
Rentals	147,000	147,000	147,116	(116)
Other contracted services	-	-	73,401	(73,401)
Repair & maintenance costs	-	-	6,631	(6,631)
Buildings	1,971,990	1,971,990	580,644	1,391,346
Equipment	135,000	135,000	196,752	(61,752)
Total expenditures	<u>2,253,990</u>	<u>2,253,990</u>	<u>1,004,618</u>	<u>1,249,372</u>
Revenue over (under) expenditures	<u>(1,610,238)</u>	<u>(1,610,238)</u>	<u>(339,845)</u>	<u>1,270,393</u>
Other Financing Sources (Uses):				
Proceeds from sale of fixed assets	1,000,000	1,000,000	-	(1,000,000)
Transfers in	1,000,000	1,000,000	1,299,000	299,000
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,299,000</u>	<u>(701,000)</u>
Net change in fund balance	<u>\$ 389,762</u>	<u>\$ 389,762</u>	959,155	<u>\$ 569,393</u>
Fund balance at beginning of year			360,237	
Encumbrance credit			387	
Fund balance at end of year			<u>\$ 1,319,779</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis County Property Management Fund Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,767,019	\$ 3,767,019	\$ 3,683,519	\$ (83,500)
Licenses, fees, and rental income	790,494	790,494	782,348	(8,146)
Other receipts	-	-	1,120	1,120
Total revenues	4,557,513	4,557,513	4,466,987	(90,526)
Expenditures:				
Salaries & wages	3,084,983	3,084,983	2,748,263	336,720
Employee benefits	1,410,766	1,410,766	1,216,701	194,065
Other compensation costs	66,777	66,777	62,845	3,932
Operating supplies	6,350	6,350	7,786	(1,436)
Medical supplies	300	300	-	300
Energy supplies	3,340	3,340	3,865	(525)
Traffic control supplies	367	367	188	179
Repair & maintenance supplies	17,100	17,100	17,445	(345)
Other contracted services	143,653	143,653	99,558	44,095
City/County Shared	-	-	3,107	(3,107)
Trans, travel & subsistence	-	-	8	(8)
Communications	1,760	1,760	2,058	(298)
Postage, courier, & freight	87	87	46	41
Printing & advertising	300	300	-	300
Contracted health services	300	300	566	(266)
Miscellaneous fees & services	605	605	838	(233)
Insurance & surety bonds	41,800	41,800	14,842	26,958
Utilities	214,125	214,125	236,587	(22,462)
Repair & maintenance costs	57,759	57,759	75,822	(18,063)
Rentals	2,700	2,700	1,904	796
Buildings	-	-	2,510	(2,510)
Improvements other than buildings	-	-	2,533	(2,533)
Equipment	-	-	2,550	(2,550)
Capitalized contracts	-	-	4,830	(4,830)
Total expenditures	5,053,072	5,053,072	4,504,852	548,220
Revenue over (under) expenditures	(495,559)	(495,559)	(37,865)	457,694
Other Financing Sources (Uses):				
Transfers in	-	-	60,000	60,000
Total other financing sources (uses)	-	-	60,000	60,000
Net change in fund balance	\$ (495,559)	\$ (495,559)	22,135	\$ 517,694
Fund balance at beginning of year			495,561	
Fund balance at end of year			\$ 517,696	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Budget Basis
 City Building Maintenance Fund
 Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 379,375	\$ 379,375	\$ 306,728	\$ (72,647)
Total revenues	<u>379,375</u>	<u>379,375</u>	<u>306,728</u>	<u>(72,647)</u>
Expenditures:				
Personnel	-	-	4,850	(4,850)
Operating supplies	3,000	3,000	3,256	(256)
Energy Supplies	4,000	4,000	2,871	1,129
Repair & maintenance supplies	13,000	13,000	6,316	6,684
Other contracted services	333,000	333,000	201,757	131,243
City/County Shared	3,000	3,000	2,462	538
Travel	-	-	98	(98)
Communications	-	-	1,102	(1,102)
Miscellaneous fees & services	2,000	2,000	1,655	345
Insurance & surety bonds	5,000	5,000	3,868	1,132
Utilities	33,000	33,000	21,605	11,395
Repair & maintenance costs	37,000	37,000	25,494	11,506
Rentals	30,000	30,000	21,207	8,793
Buildings	129,571	129,571	-	129,571
Improvements other than buildings	5,000	5,000	6,967	(1,967)
Equipment	1,000	1,000	-	1,000
Capital contracts	-	-	3,220	(3,220)
Total expenditures	<u>598,571</u>	<u>598,571</u>	<u>306,728</u>	<u>291,843</u>
Net change in fund balance	<u>\$ (219,196)</u>	<u>\$ (219,196)</u>	-	<u>\$ 219,196</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			<u>\$ -</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual-Budget Basis
Correctional Facility Joint Public Agency Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,790,784	\$ 4,790,784	\$ 4,588,895	\$ (201,889)
State revenues	15,100	15,100	363,232	348,132
Interest income	7,000	7,000	268,668	261,668
Intergovernmental	1,500	1,500	1,525	25
Other	-	-	1,281	1,281
Total revenues	4,814,384	4,814,384	5,223,601	409,217
Expenditures:				
Debt service:				
Principal	2,890,000	2,890,000	2,890,000	-
Interest	1,971,505	2,771,505	2,751,749	19,756
Debt expense	-	400,000	387,038	12,962
Total expenditures	4,861,505	6,061,505	6,028,787	32,718
Other financing sources (uses)				
Surplus sales	-	-	1,649	1,649
Issuance of bonds	-	43,500,000	36,275,000	(7,225,000)
Premium on issuance of bonds	-	-	6,376,531	6,376,531
Payment to refunding escrow	-	(42,300,000)	(42,252,952)	47,048
Total other financing sources (uses)	-	1,200,000	400,228	(799,772)
Net change in fund balance	\$ (47,121)	\$ (47,121)	(404,958)	\$ (357,837)
Fund balance at beginning of year			2,401,857	
Fund balance at end of year			\$ 1,996,899	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Bridge and Special Road Fund Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 306,125	\$ 306,125	\$ 425,373	\$ 119,248
State revenues	375,000	375,000	389,958	14,958
Interest on investments	27,500	27,500	27,543	43
Other revenue	-	-	7,414	7,414
Total revenues	708,625	708,625	850,288	141,663
Expenditures:				
Salaries & wages	1,630,129	1,630,129	1,482,300	147,829
Employee benefits	704,851	704,851	627,172	77,679
Other compensation costs	60,929	60,929	60,929	-
Operating supplies	21,000	21,000	16,357	4,643
Energy supplies	488,000	488,000	308,639	179,361
Highway & bridge supplies	877,000	877,000	831,450	45,550
Traffic control supplies	7,000	7,000	8,927	(1,927)
Repair & maintenance supplies	134,000	134,000	142,138	(8,138)
Postage, courier & freight	550	550	1,061	(511)
Miscellaneous fees & services	1,500	1,500	3,035	(1,535)
Repair & maintenance costs	91,000	91,000	80,058	10,942
Rentals	1,500	1,500	2,402	(902)
Land	310,000	310,000	987	309,013
Equipment	100,750	100,750	109,052	(8,302)
Capitalized contracts	1,853,974	1,853,974	2,119,579	(265,605)
Total expenditures	6,282,183	6,282,183	5,794,086	488,097
Revenue over (under) expenditures	(5,573,558)	(5,573,558)	(4,943,798)	629,760
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	21,041	21,041
Transfers in	6,049,438	6,049,438	6,049,438	-
Total other financing sources (uses)	6,049,438	6,049,438	6,070,479	21,041
Net change in fund balance	\$ 475,880	\$ 475,880	1,126,681	\$ 650,801
Fund balance at beginning of year			3,580,018	
Encumbrance credit			490,045	
Fund balance at end of year			\$ 5,196,744	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budget Basis
Jail Savings Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Operating supplies	\$ -	\$ -	\$ 6,857	\$ (6,857)
Medical supplies	-	-	4,588	(4,588)
Other contracted services	100,000	100,000	82,383	17,617
Equipment	683,962	683,962	82,428	601,534
Capitalized contracts	-	-	3,678	(3,678)
Total expenditures	<u>783,962</u>	<u>783,962</u>	<u>179,934</u>	<u>604,028</u>
Net change in fund balance	<u>\$ (783,962)</u>	<u>\$ (783,962)</u>	(179,934)	<u>\$ 604,028</u>
Fund balance at beginning of year			<u>783,962</u>	
Fund balance at end of year			<u>\$ 604,028</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Highway Fund Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 231,000	\$ 231,000	\$ 12,095	\$ (218,905)
State revenues	8,645,653	8,645,653	8,760,157	114,504
Licenses, fees, and rental income	3,500	3,500	4,160	660
Interest on investments	19,000	19,000	29,948	10,948
Other receipts	30,500	30,500	82,020	51,520
Total revenues	8,929,653	8,929,653	8,888,380	(41,273)
Expenditures:				
Salaries & wages	1,816,086	1,816,086	1,901,402	(85,316)
Employee benefits	828,409	828,409	843,401	(14,992)
Other compensation costs	68,010	68,010	68,010	--
Operating supplies	161,569	161,569	153,088	8,481
Medical supplies	10,500	10,500	13,077	(2,577)
Energy supplies	642,000	642,000	480,908	161,092
Highway & bridge supplies	1,489,500	1,489,500	1,445,301	44,199
Traffic control supplies	17,500	17,500	126,451	(108,951)
Repair & maintenance supplies	351,000	351,000	424,644	(73,644)
Other contracted services	-	-	255	(255)
Postage, courier & freight	2,500	2,500	4,141	(1,641)
Printing & advertising	750	750	711	39
Miscellaneous fees & services	38,000	38,000	29,751	8,249
Repair & maintenance costs	358,750	358,750	866,245	(507,495)
Rentals	42,500	42,500	47,043	(4,543)
Land	54,000	54,000	94,449	(40,449)
Equipment	964,500	964,500	953,870	10,630
Capitalized contracts	7,248,230	7,248,230	5,635,694	1,612,536
Total expenditures	14,093,804	14,093,804	13,088,441	1,005,363
Revenue over (under) expenditures	(5,164,151)	(5,164,151)	(4,200,061)	964,090
Other Financing Sources (uses):				
Proceeds from sale of capital assets	55,000	55,000	111,551	56,551
Transfers in	4,891,238	4,891,238	4,509,549	(381,689)
Total other financing sources (uses)	4,946,238	4,946,238	4,621,100	(325,138)
Net change in fund balance	\$ (217,913)	\$ (217,913)	421,039	\$ 638,952
Fund balance at beginning of year			1,453,062	
Encumbrance credit			1,040,278	
Fund balance at end of year			<u>\$ 2,914,379</u>	

LANCASTER COUNTY, NEBRASKA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Budget Basis
 Veterans Aid Fund
 Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Other client services	\$ 10,367	\$ 10,367	\$ 220	\$ 10,147
Total expenditures	10,367	10,367	220	10,147
Net change in fund balance	<u>\$ (10,367)</u>	<u>\$ (10,367)</u>	(220)	<u>\$ 10,147</u>
Fund balance at beginning of year			<u>13,628</u>	
Fund balance at end of year			<u>\$ 13,408</u>	

LANCASTER COUNTY, NEBRASKA

Combining Statement of Net Position

Internal Service Funds

Year Ended June 30, 2018

	Workers'	Other Self	Group	
	Compensation	Insurance Loss	Insurance	Total
Assets:				
Current assets:				
Cash, including investments	\$ 70,707	\$ 2,996,940	\$ 12,828,380	\$ 15,896,027
Accounts receivable	-	-	1,172,263	1,172,263
Interest receivable	-	955	-	955
Total current assets	<u>70,707</u>	<u>2,997,895</u>	<u>14,000,643</u>	<u>17,069,245</u>
Liabilities:				
Current liabilities:				
Accounts payable	31,212	5,676	188,852	225,740
Claims payable	1,215,964	400,989	950,000	2,566,953
Accrued salaries	3,767	-	-	3,767
Current portion - accrued compensated absences	10,000	-	-	10,000
Total current liabilities	<u>1,260,943</u>	<u>406,665</u>	<u>1,138,852</u>	<u>2,806,460</u>
Noncurrent liabilities:				
Accrued compensated absences	52,227	-	-	52,227
Total liabilities	<u>1,313,170</u>	<u>406,665</u>	<u>1,138,852</u>	<u>2,858,687</u>
Net position:				
Unrestricted	<u>\$ (1,242,463)</u>	<u>\$ 2,591,230</u>	<u>\$ 12,861,791</u>	<u>\$ 14,210,558</u>

LANCASTER COUNTY, NEBRASKA

Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2018

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Operating revenues:				
Charges for services	\$ 722,039	\$ 421,623	\$ 13,969,422	\$ 15,113,084
Other insurance reimbursements	-	-	127,134	127,134
Total operating revenues	722,039	421,623	14,096,556	15,240,218
Operating expenses:				
Insurance	543,577	275,544	9,833,547	10,652,668
Contractual	498,650	54,799	1,202,549	1,755,998
Wages and benefits	154,457	-	-	154,457
Other	50,830	2,961	4,391	58,182
Rental	9,624	-	-	9,624
Supplies	240	-	-	240
Claims reserve adjustment	(152,360)	(52,256)	396,000	191,384
Total operating expenses	1,105,018	281,048	11,436,487	12,822,553
Operating income (loss)	(382,979)	140,575	2,660,069	2,417,665
Nonoperating revenues:				
Interest	975	11,924	-	12,899
Total nonoperating revenue	975	11,924	-	12,899
Income (loss) before contributions and transfers	(382,004)	152,499	2,660,069	2,430,564
Transfers in	350,000	50,000	-	400,000
Change in net position	(32,004)	202,499	2,660,069	2,830,564
Total net position-beginning of year	(1,210,459)	2,388,731	10,201,722	11,379,994
Total net position-end of year	\$ (1,242,463)	\$ 2,591,230	\$ 12,861,791	\$ 14,210,558

LANCASTER COUNTY, NEBRASKA

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2018

	Workers' Compensation	Other Self Insurance Loss	Group Insurance	Total
Cash flows from operating activities:				
Cash received for services	\$ 722,039	\$ 421,623	\$ 13,969,422	\$ 15,113,084
Cash received from insurance companies	-	-	127,134	127,134
Cash payments for claims	(1,254,752)	(324,905)	(12,112,962)	(13,692,619)
Net cash flow from operating activities	(532,713)	96,718	1,983,594	1,547,599
Cash flows from non-capital financing activities:				
Transfers from other funds	350,000	50,000	-	400,000
Net cash flow from non-capital financing activities	350,000	50,000	-	400,000
Cash flows from investing activities:				
Interest on investments	975	11,924	-	12,899
Net cash flow from investing activities	975	11,924	-	12,899
Change in cash and cash equivalents	(181,738)	158,642	1,983,594	1,960,498
Cash and cash equivalents-beginning of the year	252,445	2,838,298	10,844,786	13,935,529
Cash and cash equivalents-end of the year	\$ 70,707	\$ 2,996,940	\$ 12,828,380	\$ 15,896,027
Reconciliation of operating income (loss) to net cash flow from operating activities:				
Operating income (loss)	\$ (382,979)	\$ 140,575	\$ 2,660,069	\$ 2,417,665
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:				
Change in accounts receivable	1,290	2,961	(1,158,688)	(1,154,437)
Change in interest receivable	13	(238)	-	(225)
Change in accrued liabilities	1,323	5,676	86,213	93,212
Change in claims payable	(152,360)	(52,256)	396,000	191,384
Net cash flow from operating activities	\$ (532,713)	\$ 96,718	\$ 1,983,594	\$ 1,547,599

LANCASTER COUNTY, NEBRASKA
Combining Statement of Fiduciary Net Position
Employee Benefit Trust Funds
Year Ended June 30, 2018

	Pension Trust Fund	OPEB Trust Fund	Total
Assets:			
Investments:			
Cash management fund	\$ -	\$ 141,940	\$ 141,940
Stable value fund	39,527,933	-	39,527,933
Mutual funds - domestic equities	66,182,529	696,864	66,879,393
Mutual funds - international equities	25,491,653	98,018	25,589,671
Mutual funds - balanced funds	2,905,291	7,509,859	10,415,150
Other fixed income	13,897,502	59,656	13,957,158
Total assets	148,004,908	8,506,337	156,511,245
Net position:			
Held in trust for employee benefits	148,004,908	8,506,337	156,511,245
Total net position	\$ 148,004,908	\$ 8,506,337	\$ 156,511,245

LANCASTER COUNTY, NEBRASKA
Combining Statement of Changes in Fiduciary Net Position
Employee Benefit Trust Funds
Year Ended June 30, 2018

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employee	\$ 2,601,210	\$ -	\$ 2,601,210
Employer	3,571,507	906,091	4,477,598
Forfeitures	61,523	-	61,523
Rollovers	127,282	-	127,282
Total contributions	<u>6,361,522</u>	<u>906,091</u>	<u>7,267,613</u>
Investment income:			
Net appreciation in fair value of investments	6,819,704	332,823	7,152,527
Dividends and interest	4,985,841	-	4,985,841
Miscellaneous	39,325	(24,583)	14,742
Total net investment income	<u>11,844,870</u>	<u>308,240</u>	<u>12,153,110</u>
Total additions	<u>18,206,392</u>	<u>1,214,331</u>	<u>19,420,723</u>
Deductions:			
Benefits paid	6,589,455	488,300	7,077,755
Forfeitures	12	-	12
Total deductions	<u>6,589,467</u>	<u>488,300</u>	<u>7,077,767</u>
Change in net position	11,616,925	726,031	12,342,956
Net position - beginning of year	136,387,983	7,780,306	144,168,289
Net position - end of year	<u>\$ 148,004,908</u>	<u>\$ 8,506,337</u>	<u>\$ 156,511,245</u>

LANCASTER COUNTY, NEBRASKA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Assessor/ Register of Deeds</u>				
Assets				
Cash, including investments	\$ 288,554	\$ 5,558,763	\$ 5,517,089	\$ 330,228
Total assets	<u>\$ 288,554</u>	<u>\$ 5,558,763</u>	<u>\$ 5,517,089</u>	<u>\$ 330,228</u>
Liabilities				
Due to others	\$ 288,554	\$ 5,558,763	\$ 5,517,089	\$ 330,228
Total liabilities	<u>\$ 288,554</u>	<u>\$ 5,558,763</u>	<u>\$ 5,517,089</u>	<u>\$ 330,228</u>
<u>Community Corrections</u>				
Assets				
Cash, including investments	\$ 5,294	\$ 322,866	\$ 325,872	\$ 2,288
Total assets	<u>\$ 5,294</u>	<u>\$ 322,866</u>	<u>\$ 325,872</u>	<u>\$ 2,288</u>
Liabilities				
Due to others	\$ 5,294	\$ 322,866	\$ 325,872	\$ 2,288
Total liabilities	<u>\$ 5,294</u>	<u>\$ 322,866</u>	<u>\$ 325,872</u>	<u>\$ 2,288</u>
<u>Extension Board</u>				
Assets				
Cash, including investments	\$ 169,139	\$ 81,875	\$ 83,414	\$ 167,600
Total assets	<u>\$ 169,139</u>	<u>\$ 81,875</u>	<u>\$ 83,414</u>	<u>\$ 167,600</u>
Liabilities				
Due to others	\$ 169,139	\$ 81,875	\$ 83,414	\$ 167,600
Total liabilities	<u>\$ 169,139</u>	<u>\$ 81,875</u>	<u>\$ 83,414</u>	<u>\$ 167,600</u>
<u>Public Building Commission</u>				
Assets				
Cash, including investments	\$ 2,419,771	\$ 15,723,210	\$ 14,856,080	\$ 3,286,901
Total assets	<u>\$ 2,419,771</u>	<u>\$ 15,723,210</u>	<u>\$ 14,856,080</u>	<u>\$ 3,286,901</u>
Liabilities				
Due to others	\$ 2,419,771	\$ 15,723,210	\$ 14,856,080	\$ 3,286,901
Total liabilities	<u>\$ 2,419,771</u>	<u>\$ 15,723,210</u>	<u>\$ 14,856,080</u>	<u>\$ 3,286,901</u>

LANCASTER COUNTY, NEBRASKA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Railroad Transportation Safety District</u>				
Assets				
Cash, including investments	\$ 19,643,454	\$ 5,528,885	\$ 10,909,551	\$ 14,262,788
Total assets	<u>\$ 19,643,454</u>	<u>\$ 5,528,885</u>	<u>\$ 10,909,551</u>	<u>\$ 14,262,788</u>
Liabilities				
Due to others	\$ 19,643,454	\$ 5,528,885	\$ 10,909,551	\$ 14,262,788
Total liabilities	<u>\$ 19,643,454</u>	<u>\$ 5,528,885</u>	<u>\$ 10,909,551</u>	<u>\$ 14,262,788</u>
<u>Flexible Employee Benefits Account (FEBA)</u>				
Assets				
Cash, including investments	\$ 11,434	\$ 520,306	\$ 506,611	\$ 25,129
Total assets	<u>\$ 11,434</u>	<u>\$ 520,306</u>	<u>\$ 506,611</u>	<u>\$ 25,129</u>
Liabilities				
Due to others	\$ 11,434	\$ 520,306	\$ 506,611	\$ 25,129
Total liabilities	<u>\$ 11,434</u>	<u>\$ 520,306</u>	<u>\$ 506,611</u>	<u>\$ 25,129</u>
<u>Tax collection and distribution accounts</u>				
Assets				
Cash, including investments	\$ 18,330,926	\$ 1,210,788,397	\$ 1,209,426,335	\$ 19,692,988
Total assets	<u>\$ 18,330,926</u>	<u>\$ 1,210,788,397</u>	<u>\$ 1,209,426,335</u>	<u>\$ 19,692,988</u>
Liabilities				
Due to others	\$ 18,330,926	\$ 1,210,788,397	\$ 1,115,713,933	\$ 19,692,988
Total liabilities	<u>\$ 18,330,926</u>	<u>\$ 1,210,788,397</u>	<u>\$ 1,115,713,933</u>	<u>\$ 19,692,988</u>
<u>Human Services Restitution</u>				
Assets				
Cash, including investments	\$ 530	\$ 3,883	\$ 4,413	\$ -
Total assets	<u>\$ 530</u>	<u>\$ 3,883</u>	<u>\$ 4,413</u>	<u>\$ -</u>
Liabilities				
Due to others	\$ 530	\$ 3,883	\$ 4,413	\$ -
Total liabilities	<u>\$ 530</u>	<u>\$ 3,883</u>	<u>\$ 4,413</u>	<u>\$ -</u>

LANCASTER COUNTY, NEBRASKA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Sheriff - Attorney Trust Account</u>				
Assets				
Cash, including investments	\$ 45,747	\$ 28,918	\$ 27,867	\$ 46,798
Total assets	<u>\$ 45,747</u>	<u>\$ 28,918</u>	<u>\$ 27,867</u>	<u>\$ 46,798</u>
Liabilities				
Due to others	\$ 45,747	\$ 28,918	\$ 27,867	\$ 46,798
Total liabilities	<u>\$ 45,747</u>	<u>\$ 28,918</u>	<u>\$ 27,867</u>	<u>\$ 46,798</u>
<u>Corrections - Inmate/Commissary</u>				
Assets				
Cash, including investments	\$ 164,445	\$ 4,533,516	\$ 4,563,715	\$ 134,246
Total assets	<u>\$ 164,445</u>	<u>\$ 4,533,516</u>	<u>\$ 4,563,715</u>	<u>\$ 134,246</u>
Liabilities				
Due to others	\$ 164,445	\$ 4,533,516	\$ 4,563,715	\$ 134,246
Total liabilities	<u>\$ 164,445</u>	<u>\$ 4,533,516</u>	<u>\$ 4,563,715</u>	<u>\$ 134,246</u>
<u>Youth Services Center - Resident</u>				
Assets				
Cash, including investments	\$ (284)	\$ 12,023	\$ 11,631	\$ 108
Total assets	<u>\$ (284)</u>	<u>\$ 12,023</u>	<u>\$ 11,631</u>	<u>\$ 108</u>
Liabilities				
Due to others	\$ (284)	\$ 12,023	\$ 11,631	\$ 108
Total liabilities	<u>\$ (284)</u>	<u>\$ 12,023</u>	<u>\$ 11,631</u>	<u>\$ 108</u>
<u>Total - all agency funds</u>				
Assets				
Cash, including investments	\$ 41,079,010	\$ 1,243,102,642	\$ 1,246,232,578	\$ 37,949,074
Total assets	<u>\$ 41,079,010</u>	<u>\$ 1,243,102,642</u>	<u>\$ 1,246,232,578</u>	<u>\$ 37,949,074</u>
Liabilities				
Due to others	\$ 41,079,010	\$ 1,243,102,642	\$ 1,246,232,578	\$ 37,949,074
Total liabilities	<u>\$ 41,079,010</u>	<u>\$ 1,243,102,642</u>	<u>\$ 1,246,232,578</u>	<u>\$ 37,949,074</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 County 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 (County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 27, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2019
Wichita, Kansas

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Lancaster County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Lancaster County, Nebraska's (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, 2018. 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 the requirements of 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 for the year ended June 30, 2018.

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 the 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.

Allen, Gibbs & Houlik, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2019
Wichita, Kansas

LANCASTER COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial Statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported
Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over federal major programs:

- Material weaknesses identified? Yes X No
Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported
Type of auditor's report, issued on compliance for major federal programs: See below

Identification of major federal programs, and type of auditor's report issued on compliance for major programs:

Table with 3 columns: CFDA Number, NAME OF FEDERAL PROGRAM, OPINION. Row 1: 93.563, ACF - Child Support Enforcement Title IV-D, Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Yes X No

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

Auditee qualified as low-risk auditee? X Yes No

LANCASTER COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**YEAR ENDED JUNE 30, 2018
(CONTINUED)**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

LANCASTER COUNTY, NEBRASKA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2018

No matters were reported

The accompanying notes are an
integral part of this schedule

LANCASTER COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Amounts
Department of Agriculture Pass-Through Programs From:				
Nebraska Department of Education				
School Breakfast Program (1)	10.553	55-0905	\$ 19,971	\$ -
National School Lunch Program (1)	10.555	55-0905	34,891	-
Total Department of Agriculture			54,862	-
Department of the Interior Office of the Secretary				
Payments in Lieu of Taxes	15.226		20,109	-
Total Department of the Interior Office of the Secretary			20,109	-
Department of Justice Direct Programs				
BJA - Drug Court Discretionary Grant Program	16.585	201H-DC-BX-0060	109,172	54,259
OVW - Grants to Encourage Arrest Policies & Enforcement of Protection Orders Program	16.590	2014-WE-AX-0007 2017-WE-AX-0013	97,897	96,375
BJA - State Criminal Alien Assistance Program (SCAAP)	16.606	2018-G0245-NE-AP	37,200	-
BJA - Second Chance Act Prisoner Reentry Initiative	16.812	2017-CZ-BX-0009	101,309	-
Equitable Sharing Program - Justice Funds	16.922	NB0550000	1,785	-
Subtotal Department of Justice Direct Programs			347,363	150,634
Department of Justice Pass-Through Programs From:				
Nebraska Commission on Law Enforcement and Criminal Justice				
Violence Against Women Formula Grants	16.588	15-VW-715, 16-VW-0714	184,099	103,479
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0921	65,574	-
Subtotal Department of Justice Pass-Through Programs			249,673	103,479
Total Department of Justice			597,036	254,113
Department of Transportation Pass-Through Programs From:				
Nebraska Department of Roads Highway Safety Office State and Community Highway Safety (2)	20.600	402-17-12-95, 402-17-27-42 402-18-27-42, 402-18-12-1-25	20,966	-
National Priority Safety Programs (2)	20.616	405d-18-05-01-35, 405b-18-14-56	6,797	-
Total Department of Transportation			27,763	-
Department of Treasury Direct Programs				
Equitable Sharing Program- Treasury Funds	21.016	NB055013A, NB0550000	607,121	-
Total Department of Justice			607,121	-
Department of Health and Human Services Direct Programs:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79TI023429	119,312	-
Subtotal Department of Health and Human Services Direct Programs			119,312	-

The accompanying notes are an
integral part of this schedule

LANCASTER COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**YEAR ENDED JUNE 30, 2018
(CONTINUED)**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Amounts</u>
Department of Health and Human Services Pass-Through Programs From:				
Nebraska Department of Social Services				
ACF- Child Support Enforcement, County Attorney	93.563	1804NECSSES	1,186,669	-
ACF- Child Support Enforcement, Clerk of District Court	93.563	1804NECSSES	296,904	-
ACF- Child Support Enforcement, Bailiff District Court	93.563	1804NECSSES	<u>217,959</u>	<u>-</u>
<i>Subtotal State of Nebraska Department of Social Services</i>			<u>1,701,532</u>	<u>-</u>
<i>Subtotal for Department of Health and Human Services Pass-Through Programs</i>			<u>1,701,532</u>	<u>-</u>
Total Department of Health and Human Services			<u>1,820,844</u>	<u>-</u>
Department of Homeland Security Pass-Through Programs From:				
State of Nebraska Emergency Management Agency				
Emergency Management Performance Grant	97.042	EMK-2017-EP-00005-S01	178,864	-
Homeland Security Grant Program	97.067	EMW-2015-SS-79	<u>159,726</u>	<u>-</u>
Total Department of Homeland Security			<u>338,590</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,466,325</u>	<u>\$ 254,113</u>

Key to Clusters

- 1 Child Nutrition Cluster - \$54,826
- 2 Highway Safety Cluster - \$27,763

The accompanying notes are an
integral part of this schedule

LANCASTER COUNTY, NEBRASKA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2018

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 accrual basis of accounting.

NOTE C - INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under Section 200.414(f) of the Uniform Guidance.