



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended August 31, 2020



On the cover:

The State Capitol building is suffused in blue in honor of Lincoln Police Investigator Mario Herrera. Investigator Herrera was shot while attempting to apprehend a person connected to a homicide and died of his wounds in September, 2020. The City of Lincoln honors his sacrifice and the selfless commitment of all our law enforcement officers for providing quality services that promote a safe and secure community for all Lincoln residents.

Cover artwork based on a photograph provided by Lincoln resident Mandy McCrady

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Prepared by:

The Accounting Division of the Finance Department

Dedicated to Jane Tillman

Retiring Assistant City Controller – April 2021
In gratitude for 40 years of service to City of Lincoln

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

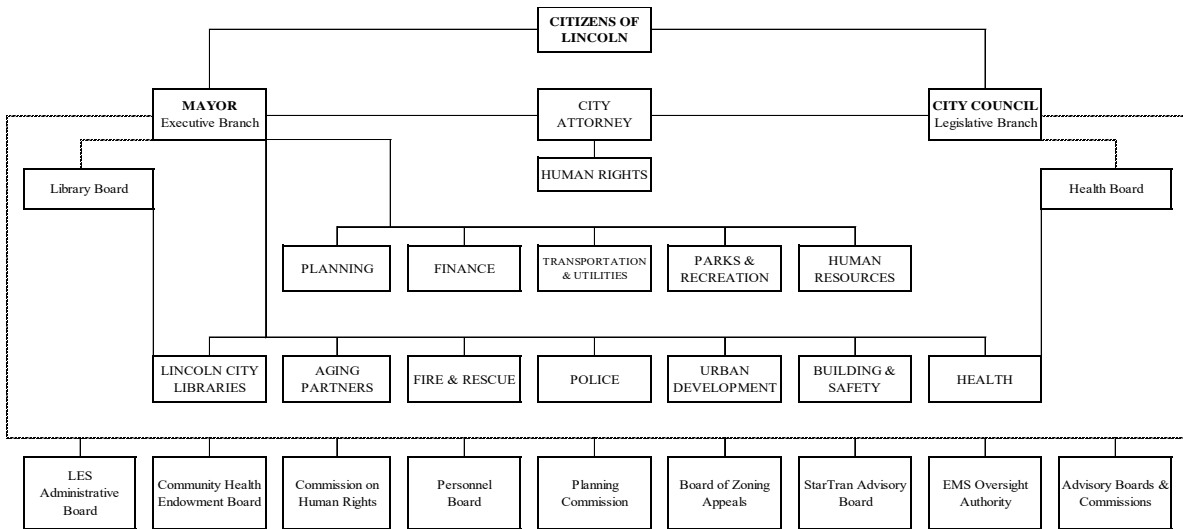
Leirion Gaylor Baird	Mayor
Richard Meginnis	Chair, City Council
James Michael Bowers	Vice Chair, City Council
Roy Christensen	Council Member
Jane Raybould	Council Member
Bennie Shobe	Council Member
Tammy Ward	Council Member
Sandra Washington	Council Member

* * * * *

David Young	Interim Finance Director
Randall Jones	Director of Aging Partners
David Cary	Planning Director
Lynn Johnson	Director of Parks and Recreation
Kevin Wailes	Lincoln Electric System Administrator
Dan Marvin	Director of Urban Development
Pat Leach	Director of Libraries
Elizabeth Elliott	Director of Transportation & Utilities
Chad Blahak	Director of Building and Safety
Patricia Lopez	Health Director
Douglas McDaniel	Human Resources Director
Yohance Christie	City Attorney
Brian Jackson	Interim Chief of Police
David Engler	Interim Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2020
TABLE OF CONTENTS**

INTRODUCTORY SECTION

Page

Title Page	i
Officials of The City of Lincoln.....	i
City of Lincoln Organization Chart	i
Table of Contents.....	ii
Letter of Transmittal from the Mayor	vi
Letter of Transmittal from the Finance Director	vii
Certificate of Achievement for Excellence in Financial Reporting	xvi

FINANCIAL SECTION

Independent Auditor's Report.....	2
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	
– Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	
– Budget and Actual (Budget Basis) – General Fund.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	
– Budget and Actual (Budget Basis) – Street Construction Fund	23
Statement of Net Position – Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position	
– Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28
Statement of Fiduciary Net Position – Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	31
Notes to the Financial Statements:	
	<u>Note</u>
Summary of Significant Accounting Policies.....	1 34
Reconciliation of Government-wide and Fund Financial Statements.....	2 41
Restricted Assets.....	3 43
Deposits and Investments	4 43
Fund Balances.....	5 50
Receivables and Due From Other Governments.....	6 51
Capital Assets	7 52
Interfund Balances and Activity	8 55
Debt Obligations	9 56
Reconciliation of Budget Basis to GAAP.....	10 62
Deficit Net Position or Fund Balance	11 62
Excess of Expenditures Over Appropriations	12 63
Employees' Retirement Plans	13 63
Other Postemployment Benefits (OPEB).....	14 71
Property Taxes	15 74
Risk Management	16 75
Commitments and Contingencies	17 76
Landfill Closure and Postclosure Care Costs.....	18 78
Segment Information	19 79
Pledged Revenues	20 81
Public Building Commission	21 81
Tax Abatements	22 82
Jointly Owned Facilities	23 83
Jointly Governed Organizations.....	24 84
Subsequent Events	25 84

Required Supplementary Information:

Schedule of Changes in the Police and Fire Pension (PFP) Net Pension Liability and Related Ratios.....	86
Schedule of Employer Contributions for the Police and Fire Pension.....	87
Schedule of Investment Returns for the Police and Fire Pension	87
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	88
Combining and Individual Fund Statements and Schedules:	
Governmental Funds:	
Combining Balance Sheet – General Fund.....	92
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund	93
Combining Balance Sheet – Nonmajor Governmental Funds.....	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	96
Subcombining Balance Sheet – Nonmajor Special Revenue Funds.....	100
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	102
Subcombining Balance Sheet – Nonmajor Debt Service Funds.....	106
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	107
Subcombining Balance Sheet – Nonmajor Capital Projects Funds.....	110
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	111
Subcombining Balance Sheet – Nonmajor Permanent Funds	114
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Permanent Funds	115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis):	
Athletic Field & Facilities Improvement Fund	117
Lincoln Area Agency on Aging Fund	118
911 Communication Fund.....	119
Unemployment Compensation Fund.....	120
Cable Access Television Fund	121
Lincoln City Libraries Fund.....	122
Lincoln/Lancaster County Health Fund	123
Social Security Fund	124
StarTran Fund	125
Keno Fund.....	127
Federal Grants Fund.....	128
Building & Safety Fund	130
Library Special Trust Fund	131
Lincoln Bike Share Fund.....	132
Tax Allocation Projects Debt Service Fund	133
Bond Interest & Redemption Debt Service Fund.....	134
Tax Supported Bonds Debt Service Fund.....	135
Community Health Permanent Endowment Fund.....	136
Proprietary Funds:	
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	138
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds.....	141
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	142
Combining Statement of Net Position – Internal Service Funds	146
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	147
Combining Statement of Cash Flows – Internal Service Funds	149
Agency Funds:	
Combining Balance Sheet – Agency Funds	153
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	154

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	159
Changes in Net Position.....	2	160
Fund Balances of Governmental Funds	3	162

Changes in Fund Balances of Governmental Funds	4	163
Lincoln Electric System Megawatt-Hour Sales	5	164
Revenue from Electrical Sales by Customer Type.....	6	165
Total City Taxable Sales	7	166
Sales Tax Rates	8	167
Net Taxable Sales by Business Classification.....	9	168
Assessed Value and Actual Value of Taxable Property	10	169
Property Tax Rates.....	11	170
Principal Property Taxpayers.....	12	171
Property Tax Levies and Collections	13	172
Ratios of Outstanding Debt by Type.....	14	173
Ratios of General Bonded Debt Outstanding.....	15	174
Direct and Overlapping Governmental Activities Debt	16	175
Pledged Revenue Coverage.....	17	176
Demographic and Economic Statistics.....	18	177
Principal Employers.....	19	178
Full-Time Equivalent City Government Employees by Function.....	20	179
Operating Indicators by Function.....	21	180
Capital Asset Statistics by Function.....	22	181

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	184
Notes to Schedule of Expenditures of Federal Awards.....	189
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.....	190
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report.....	192
Schedule of Findings and Questioned Costs	194
Summary Schedule of Prior Audit Findings	196



March 18, 2021

Dear Honorable City Council members and residents of Lincoln:

City government - at its best - helps people coexist and reach their full human potential. The work we do is fundamental to freeing members of our community from worry about the basics of city living so that they can pursue opportunities that improve their lives and their futures.

A significant responsibility of that work is ensuring both fiscal and operational accountability in our use of public resources. To that end, this letter serves as an introduction to the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year ended August 31, 2020.

This report provides a complete and accurate picture of the City's financial status and fulfills our continuing disclosure responsibilities in accordance with governmental reporting standards. Our ability to manage the City's fiscal affairs and provide a full disclosure of the City's fiscal condition is exhibited by the unmodified audit opinion that follows.

I am proud to report that the 2019 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 37th consecutive year. This recognition is a credit to the City and a compliment to our dedicated public servants in the Finance Department.

I would like to thank our Finance Department employees for their continued commitment to ensure our public accounts are accurate and to all City departments for their cooperation in the preparation of this document. Their excellent work lays a strong foundation for us to achieve our vision of leading Lincoln toward a more successful, secure and shared future.

Sincerely,



Leirion Gaylor Baird
Mayor

March 18, 2021

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Lincoln:

Both the City Charter and State law require an annual audit of the City's funds and accounts be made by a recognized independent and qualified accountant covering all financial transactions, affairs, and financial condition of the City, with the audit report published within six months after the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2020, is hereby submitted.

Responsibility for both the accuracy of the data found in this report, and the completeness and fairness of the presentation, including all disclosures, rests with management. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss, theft, or misuse, and to ensure the reliability of financial records for preparing financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The federal government, under Title 2 U.S. Code of Federal Regulations Part 200, requires local governments that expend \$750,000 or more in federal funds in any fiscal year to have a financial and compliance audit performed. As part of the City's Single Audit, tests were made of the City's internal control structure over compliance and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 2020, disclosed no material internal control weaknesses. The independent auditor's reports are included in the Single Audit section found at the end of the comprehensive report.

To the best of management's knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner designed to present fairly the financial position and financial activities of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities as specified by all currently effective statements of the Governmental Accounting Standards Board have been included.

A firm of licensed certified public accountants has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended August 31, 2020, are fairly presented in accordance with GAAP.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion

and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found in the Financial Section immediately following the report of the independent auditors.

Profile of the City

The City of Lincoln, capital city of Nebraska, was originally incorporated on April 7, 1869. Lincoln is located in the southeastern corner of the state, is midway between Chicago and Denver, and is currently one of the fastest growing metro areas in the Midwest. It occupies a land area of approximately 100 square miles, serves a population of approximately 289,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

The City operates under a Home Rule Charter and has a Mayor-Council form of government with an elected full-time chief executive, the Mayor, and an elected legislative body, the Council, composed of seven members. Three Council members are elected at large and four by district on a nonpartisan basis for a term of four years. All legislative powers of the City are exclusively vested in the Council, as well as the power to adopt the budget, set the tax levy, and equalize taxes and assessments. The Mayor is responsible for the proper conduct of the affairs of the City, with the administration of City government performed under the direction of the Mayor through administrative departments.

The City of Lincoln provides a full range of services, including public safety (police and fire); the construction and maintenance of highways, streets, and other infrastructure; health; planning and zoning; golf courses, parks and recreation; urban development; mass transportation; ambulance transport; electric, water, and wastewater utilities; solid waste management; entertainment center; parking facilities; and general administrative services.

The City Council exercises budgetary and/or rate setting authority over the City Library and Lincoln Electric System (LES), neither of which are legally separate from the City and are thus included as part of the primary government. The Lincoln Water System, Lincoln Wastewater System, Emergency Medical Services, Solid Waste Management, Parking System, Golf Courses, Pinnacle Bank Arena, Broadband Enterprise, and Community Health Endowment are all part of administrative departments under the direction of the Mayor and are included as part of the primary government. The City is considered to be financially accountable for the West Haymarket Joint Public Agency and has included the Agency as part of the primary government as a blended component unit. Separately audited financial statements are available for LES, Lincoln Water System, Lincoln Wastewater System, Emergency Medical Services, Solid Waste Management, Parking System, Community Health Permanent Endowment Fund, and West Haymarket Joint Public Agency.

The biennial budget serves as the basis for the City of Lincoln's financial planning and control. Following public hearings and not later than five days prior to the beginning of the biennium, the budget is legally adopted by resolution of the City Council. Appropriation controls are required at the department level, however, as a matter of policy and practice, appropriations generally are controlled at the next level of organization (division) or by fund within a department. The Mayor has the authority to transfer balances within a department as well as lower appropriations in any fund where actual revenues are less than appropriated in order to avoid incurring a budget deficit for the year. Appropriation transfers between departments may only be authorized by resolution of the City Council. The Council may not make any appropriations in tax supported funds in addition to those authorized in the biennial budget, except in the event of an emergency threatening serious loss of life, health, or property in the community.

Economic Condition and Outlook

Population growth is one of the best indicators of a community's economic well-being. As such, the Lincoln metropolitan area's population growth during the past several years reflects a community that is economically viable and is strongly positioned to meet future challenges.

The Lincoln metropolitan area population base (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, Lancaster County's rate of growth between 2010 and 2019 has been approximately 1.22% per year. The 2019 population of Lancaster County has been estimated to be in excess of 319,000 persons.

While such a growth rate may be modest by some standards, this healthy pace of expansion places Lincoln as one of the fastest growing communities in this region. Recent projections envision Lincoln to continue to grow at a rate of over 1% per year. As importantly, the City of Lincoln continues to absorb about 90% of all growth in Lancaster County.

Lincoln's unemployment rate at August 31, 2020, was 3.8%, well below the national average of 8.4%, with employment strongest in the categories of government, educational & health services, and retail trade.

To more aggressively pursue economic opportunities, the City, Lancaster County, and LES have partnered to hire an economic development coordinator to facilitate job creation in the private sector. In addition, the Mayor's Technology Council completed its technology audit, which led to a new strategic plan for economic development.

Net sales and use tax revenue increased \$13,680,645 or 17.0% from the previous fiscal year, of which \$11,469,874 comes from the addition of a voter approved .25% tax increase, effective October 1, 2019, to fund street improvements and construction.

Long-Term Planning and Major Initiatives

Urban Development

The City anticipates approximately \$60 million of public expenditures funded through various urban development projects and programs over the next three years. These projects are varied in type and size and are located in the Downtown and Haymarket areas, the Antelope Valley project area, older commercial areas, and in low-to-moderate income neighborhoods throughout the City.

Public financing will be provided by a variety of sources, including Tax Increment Financing (TIF), Parking Revenues, CDBG, HOME, ESG, Lead Hazard Reduction, and U.S. Treasury federal grants, Advanced Land Acquisition funds, Special Assessments, and General Fund. Funding is often combined with developer, grant or other private sector funds.

The City's involvement will vary depending upon the project and could likely include property acquisition, relocation, and demolition; housing rehabilitation and development; commercial development; and construction of public improvements including parking, sidewalks, infrastructure, and streetscapes.

Ongoing and anticipated future projects include:

- **Parking Services Projects:**
 - 1) The City has committed to construction of a 700 space parking garage as part of a mixed use project on Block 4 in the West Haymarket. Construction started in the winter of 2020 with an anticipated completion date of March 2022.
 - 2) The renovation of the Eagle Parking Garage started in December 2019 and work will continue throughout 2020. Completion of the project is anticipated in March 2021 and the parking garage is scheduled to reopen in April 2021.

- 3) Parking Services acquired property on Block 65 totaling 75,000 square feet with the intention to build a new parking garage. The need for this parking garage was indicated by the results of an internal study conducted by Parking Services. Parking Services began preliminary design work on the new parking garage during 2020 and Urban Development began negotiating a redevelopment agreement with a developer for a portion of the site. Parking Services will also explore financing options for this structure during 2021.
- Downtown Redevelopment Projects:
 - 1) West Haymarket, Block 2 (north half).
 - 2) West Haymarket, Block 4.
 - 3) West Haymarket, Block 5.
 - 4) Pershing Redevelopment.
 - 5) Greater Downtown Principal Corridors Revitalization.
 - 6) South Haymarket Parking & Streetscape Phase 1.
 - 7) Champion Redevelopment.
 - 8) Huber Redevelopment.
 - 9) 1040 O Street Redevelopment.
 - 10) Terminal Building Redevelopment.
 - 11) 9th and O Redevelopment.
 - 12) Lied Place Redevelopment.
 - 13) Gold's Block Redevelopment.
 - 14) Central Hotel.
 - Antelope Valley Redevelopment Projects:
 - 1) Telegraph District Redevelopment.
 - 2) Hoppe Block Redevelopment.
 - 3) Greater Downtown Principal Corridors Revitalization.
 - 4) 2236 R Street.
 - 5) Hepburn Square.
 - University Place Redevelopment:
 - 1) 48th and Madison.
 - West O Street Redevelopment:
 - 1) West O Street Streetscape.
 - North 27th Street Redevelopment Project:
 - 1) 28th & Vine Container Housing.
 - 2) Oriental Market.
 - 3) 27th and Starr Housing.
 - Revolution Wraps Redevelopment.
 - Innovation Campus Redevelopment.
 - 56th and Arbor Road Redevelopment.
 - North Cotner Redevelopment.
 - VA Victory Park Redevelopment.

Ongoing and anticipated Livable Neighborhood projects include:

- Housing rehabilitation programs for quality, affordable housing, and home ownership:
 - 1) Continuation of First-time Homebuyer and Owner-Occupied Housing Rehabilitation Loan programs and Lead-Based Paint Hazard Control grant program.
 - 2) Partner with other non-profit and for-profit housing organizations for affordable housing projects in low-to-moderate income neighborhoods.
 - 3) Continue RESCUE program for neglected/problem properties.
 - 4) Continue Emergency Rental/Utility Assistance Program due to COVID-19 (2021)

- 5) Coordinate with other City Departments to implement neighborhood improvement projects in focused geographic areas. Projects may include, but are not limited to, infrastructure, parks, trails, and housing improvements.

Ongoing and anticipated Administration projects include:

- Real estate major acquisition, negotiation, and relocation projects:
 - 1) Wastewater Acquisition – Cleveland Street
 - 2) For effective transportation:
 - ✓ LOTM Projects:
 - ✓ A Street, 89th to 93rd and 93rd to 98th.
 - ✓ NW56th & West Holdrege.
 - ✓ Holdrege Roundabouts – Cedar Cove & 104th Streets.
 - ✓ Yankee Hill, 40th to 52nd Street.
 - ✓ S. Folsom & W. Palm Canyon Road.
 - ✓ 40th & Rokeby area – multiple projects.
 - ✓ 70th & Saltillo area – two projects.
 - ✓ Rokeby Road, 77th to 84th Streets.
 - ✓ 33rd and Cornhusker Hwy RTSD project.
 - ✓ 14th/Old Cheney/Warlick intersection.
 - ✓ East Beltway preliminary acquisitions.
 - ✓ South 40th Street improvements, South of YHR
 - ✓ West A Street, Folsom to SW 40th Street, 2 Phases: East/West.
 - ✓ New LFR & LPD station acquisitions/surplus.
 - ✓ Williams Branch Library lease.
 - ✓ StarTran site acquisition and bus shelter projects.
 - ✓ Arterial/residential rehabs, executive order, traffic signals & bridge replacement.
 - 3) For environmental quality:
 - ✓ Park sites citywide, Prairie Corridor, Jensen Park, Cooper Park, Folkways acquisition, Salt Creek wetland acquisitions, Beal Slough trail project.
 - ✓ 93rd and A Trunk Sewer, Cardwell Branch, BNSF crossings PE project and miscellaneous sanitary sewer upgrade projects.
 - ✓ 98th Street water main, Holdrege to Alvo and Holdrege, 98th to Sky Ranch.
 - ✓ Dead Man's Run, Forest Estates Blvd., conservation easements, misc storm water improvements.
 - 4) Relocation activities:
 - ✓ 14th/Old Cheney/Warlick intersection project.
 - ✓ West A Street widening project.
 - ✓ Deadman's Run.

West Haymarket Project

The West Haymarket Redevelopment Project is a multi-faceted endeavor to revitalize underutilized property that lies on the western edge of Lincoln's downtown and Haymarket district. On May 11, 2010, the citizens of Lincoln voted to approve the issuance of arena bonds, which signaled approval for the project to proceed. The project involved the relocation and elimination of existing railroad tracks and completion of other site preparation activities, the construction of a 15,223 seat civic arena, a community ice center, private retail and office space, a new Amtrak Station, residential units, surface and decked parking, public gathering areas, street and utility improvements, landscaping, trails and walkways, pedestrian bridges, and environmental enhancements. The public portion of the project cost to date is approximately \$365 million. The arena opened and became fully operational in September 2013.

The West Haymarket Joint Public Agency (WHJPA) is the governmental agency responsible for oversight of the project, for issuing bonds, collecting revenue, and making bond payments over the course of the Project. Participants in the agency are the City and the Board of Regents of the University of Nebraska.

Beginning January 1, 2011, an occupation tax was imposed on car rental, hotel, restaurant and bar charges within the City of Lincoln. This revenue has been pledged to repayment of any outstanding WHJPA bonds.

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$95,833,000 over the 5-year period of fiscal year 2020-21 through fiscal year 2024-25. Funding for these projects will come from impact fees and utility revenue fees. The majority of these dollars are needed for replacement and maintenance of existing infrastructure, new infrastructure to serve development in various basins throughout the City, and improvements to both the Theresa Street and Northeast treatment plants.

Water System

The Lincoln Water System is projecting a capital improvements program in the amount of approximately \$229,924,700 over the 5-year period of fiscal year 2020-21 through 2024-25. These projects will be financed through impact fees, federal reimbursements, developer contributions, and utility revenues. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement and new wells, and additional storage reservoirs.

Streets and Highways

The 2020-2025 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$54 million for the next five years. Funding for these projects includes \$218 million in City revenues, \$30 million in federal aid, and \$20 million in other funds.

Infrastructure Impact Fees

The City's growth in both population and employment have created demands for new residential and nonresidential development, which in turn creates the need for additional public facilities, including water and wastewater systems, arterial streets, and neighborhood parks and trails. The City's laws, taxes, fees, utility charges, and other forms of revenue generated from new development do not provide sufficient funds to finance these new facilities.

In response to these funding needs the City of Lincoln passed an ordinance to provide for the imposition of impact fees to ensure that facilities are available to serve new growth and that new development bears its proportionate share of the cost of improvements to the City's facilities. Impact fees for all types of new construction are set and adopted by the City Council.

Pension Costs

The City currently contributes \$2 for every \$1 contributed by employees in the civilian retirement plans. In an effort to control this significant budget item, the City and the civilian unions, as well as non-union employees, have agreed to change these plans to a \$1.29 to \$1 match for new employees hired after a union specific effective date. Newly hired Department Directors and Mayoral Aides will receive a \$1 to \$1 match. The City is unable to legally change the match for current employees. The City anticipates saving 20 to 25 percent in retirement costs for each employee hired under this new arrangement.

Property Tax Collections

As of August 31, 2020, current tax collections by the County Treasurer were 97.58% of the tax levy, a decrease of less than 1% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy by Purpose</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
General Fund	.2127	.2094	.1930
Library	.0365	.0373	.0413
Social Security	.0123	.0117	.0146
Police and Fire Pension	.0327	.0347	.0367
Unemployment Compensation	.0002	.0003	.0003
General Obligation Debt	<u>.0254</u>	<u>.0231</u>	<u>.0306</u>
Total	<u>.3198</u>	<u>.3165</u>	<u>.3165</u>

Parking Facilities

The City of Lincoln operates the following parking garages:

<u>Facility</u>	<u>Number of Stalls</u>	<u>Date Opened</u>
Center Park	1,057	November, 1978
Cornhusker Square	390	December, 1983
University Square	432	April, 1990
Que Place	810	October, 1994
Carriage Park	701	February, 1995
Market Place	385	August, 2000
Haymarket	408	August, 2002
Larson Building	647	July, 2012
Lumberworks	530	January, 2014
M Street	384	November, 2018
Eagle	301	March, 2019

The City's parking garages have been built to promote downtown redevelopment efforts by working with the private sector in providing necessary parking to various businesses in the downtown area.

Solid Waste Management

The City of Lincoln owns and operates a municipal solid waste landfill and a construction and demolition debris landfill that are subject to the U.S. Environmental Protection Agency rule *Solid Waste Disposal Facility Criteria*, which establishes closure and postclosure care requirements. As of August 31, 2020, the City estimates that it will incur costs approximating \$30 million to adhere to such requirements (see Note 18 of Notes to the Financial Statements).

Water and Wastewater System

The City's Wastewater Utility System showed an increase in operating revenues and a decrease in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Wastewater System</u>	<u>2019-2020</u>	<u>2018-2019</u>
Operating Revenues	\$32,587,103	32,202,451
Operating Income	6,208,601	7,481,815
Revenue Available For Debt Service	17,152,979	18,218,916
Debt Service	8,527,128	7,022,081
Debt Service Coverage Ratio	2.01	2.59

The City's Water Utility System showed an increase in operating revenues and an increase in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Water System</u>	<u>2019-2020</u>	<u>2018-2019</u>
Operating Revenues	\$41,125,527	38,378,994
Operating Income	12,871,867	11,127,322
Revenue Available For Debt Service	24,758,800	23,574,739
Debt Service	6,170,148	6,400,358
Debt Service Coverage Ratio	4.01	3.68

Lincoln Electric System (LES)

The City owns and operates its own electric utility system that is managed by an administrative board. Actions of the board with regard to rates, budgets, and long-term financing are subject to final review and approval by the City Council. In accordance with Section 4.24.090 of the Lincoln Municipal Code, LES operates on a January 1 - December 31, fiscal year. Audited financial information as of and for LES' fiscal year ended December 31, 2019, is included in the City's August 31, 2020, financial statements.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2019. This was the thirty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. I would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,


David Young
Interim Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lincoln
Nebraska**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morrell

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

The Honorable Mayor
and Members of the City Council
City of Lincoln, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska (the City), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of Lincoln Wastewater System and Lincoln Water System, which are both major funds and represent 35%, 55%, and 18%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln Wastewater System and Lincoln Water System, is based solely on the reports of the other auditors. 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska, as of August 31, 2020, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison information for the general fund and street construction fund 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 management's discussion and analysis, pension and other postemployment information as listed in 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 and the other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary and other information, consisting of combining and individual fund financial statements, budgetary comparison schedules and the introductory and statistical sections, and including the 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*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary comparison schedules 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 by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated March 18, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
March 18, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Lincoln, Nebraska (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2020. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on page vii) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2020, by \$2,316,839,931 (net position). Of this amount, \$334,993,264 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$114,909,330. Of this amount, \$31,507,174, or 27%, was an increase in governmental activities and \$83,402,156, or 73%, related to business-type activities. Please refer to the fund descriptions preceding the various combining statements (beginning on page 89) for information regarding constraints imposed on the City in spending available funds.
- As of August 31, 2020, the City's governmental funds reported combined ending fund balances of \$323,971,194 an increase of \$7,350,409 in comparison with the prior year. Of this total fund balance, 14%, or \$46,594,713 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2020, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the General Fund was \$60,909,290, or 42% of total General fund expenditures. Following the implementation of GASB Statement No. 54, reference must be made to pages 91-93 of this report for an accurate comparison of the City's General funds based on the structure used for budgeting.
- The City's total bonded debt decreased by \$46,458,128 (4%) during the current fiscal year. Current year activity included the following: WHJPA issued \$100,000,000 of General Obligation Facility Refunding Bonds for an economic gain of approximately \$21,042,000; the City issued \$4,140,000 of General Obligation Stormwater Drainage and Flood Management Refunding Bonds for an economic gain of approximately \$1,006,000; the City issued \$21,765,000 of Limited Tax General Obligation Arena Refunding Bonds for an economic gain of approximately \$2,801,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and the City's liabilities and deferred inflows of resources, with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the year ended August 31, 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administrative services, public safety, streets and highways, health, planning and zoning, parks and recreation, libraries, aging services, job programs, urban development, mass transportation, engineering, self-insurance, and fleet management. The business-type activities of the City include water, wastewater and electric utilities; ambulance transport; solid waste management; golf courses; entertainment center; broadband facilities; and parking.

The government-wide financial statements can be found on pages 16-17 of this report.

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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, the Street Construction fund, and the West Haymarket JPA fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts a biennial appropriated budget for its general fund and most other governmental funds. A budgetary comparison statement has been provided for the General and Street Construction major funds to demonstrate compliance with this budget. The West Haymarket JPA major fund is not required to adopt an annual budget so a budgetary comparison has not been provided.

The basic governmental fund financial statements can be found on pages 18-23 of this report.

Proprietary funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its parking facilities and lots; golf courses; entertainment center; solid waste management; ambulance services; broadband system, and wastewater, water, and electric systems. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its data processing, engineering, insurance, fleet management, and municipal services center operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater

and Electric Systems, all of which are considered to be major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-29 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 30-31 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-85 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its police and fire employees, and to provide other postemployment benefits. Required supplementary information can be found on pages 86-88 of this report.

The combining statements referred to earlier are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found beginning on 89 report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,316,839,931 at August 31, 2020.

City Of Lincoln Condensed Statements of Net Position August 31, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 435,999,315	424,804,219	419,877,985	452,583,880	855,877,300	877,388,099
Capital Assets	1,342,973,087	1,348,321,417	1,772,174,272	1,702,594,004	3,115,147,359	3,050,915,421
Total Assets	1,778,972,402	1,773,125,636	2,192,052,257	2,155,177,884	3,971,024,659	3,928,303,520
Deferred Outflows of Resources	19,920,069	23,182,380	18,734,222	20,952,303	38,654,291	44,134,683
Long-Term Liabilities Outstanding	576,152,088	594,902,080	938,822,145	976,755,816	1,514,974,233	1,571,657,896
Other Liabilities	33,145,205	39,056,342	134,505,664	145,023,243	167,650,869	184,079,585
Total Liabilities	609,297,293	633,958,422	1,073,327,809	1,121,779,059	1,682,625,102	1,755,737,481
Deferred Inflows of Resources	9,596,966	13,858,556	616,951	911,565	10,213,917	14,770,121
Net Position:						
Net Investment in Capital Assets	909,494,423	891,303,701	856,941,115	765,731,464	1,766,435,538	1,657,035,165
Restricted	174,029,693	162,762,413	41,381,436	35,564,865	215,411,129	198,327,278
Unrestricted	96,474,096	94,424,924	238,519,168	252,143,234	334,993,264	346,568,158
Total Net Position	\$ 1,179,998,212	1,148,491,038	1,136,841,719	1,053,439,563	2,316,839,931	2,201,930,601

By far the largest portion of the City's net position (76%) reflects its investment in capital assets (e.g., land, buildings, improvements, utility plant, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital

assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (9%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (15%) may be used to meet the government's ongoing obligations to citizens and creditors.

At August 31, 2020, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City Of Lincoln
Condensed Statements of Activities
For the Years Ended August 31, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 72,420,411	73,568,842	435,122,374	452,497,244	507,542,785	526,066,086
Operating Grants and Contributions	74,440,798	70,640,446	264,280	19,303	74,705,078	70,659,749
Capital Grants and Contributions	13,993,017	18,219,765	32,086,296	11,316,858	46,079,313	29,536,623
General Revenues:						
Property Tax	85,070,230	78,379,964	-	-	85,070,230	78,379,964
Sales and Use Tax	94,014,467	80,333,822	-	-	94,014,467	80,333,822
Occupation Tax	24,548,465	27,867,756	3,964,450	3,456,319	28,512,915	31,324,075
Other Taxes	27,357,420	27,523,776	-	-	27,357,420	27,523,776
Unrestricted Grants and Contributions	56,090	50,330	-	-	56,090	50,330
Unrestricted Investment Earnings	5,276,803	7,211,377	7,362,809	7,068,187	12,639,612	14,279,564
Other	1,751,485	1,576,598	1,034,848	680,853	2,786,333	2,257,451
Total Revenues	398,929,186	385,372,676	479,835,057	475,038,764	878,764,243	860,411,440
Expenses:						
General Government	57,362,717	58,007,177	-	-	57,362,717	58,007,177
Public Safety	115,994,657	111,464,206	-	-	115,994,657	111,464,206
Streets and Highways	64,899,917	71,078,034	-	-	64,899,917	71,078,034
Culture and Recreation	51,835,619	48,510,294	-	-	51,835,619	48,510,294
Economic Opportunity	14,998,235	16,528,039	-	-	14,998,235	16,528,039
Health and Welfare	31,811,506	30,907,049	-	-	31,811,506	30,907,049
Mass Transit	17,211,162	16,283,063	-	-	17,211,162	16,283,063
Equipment Management	627,942	562,531	-	-	627,942	562,531
Engineering Services	1,519,718	3,900,549	-	-	1,519,718	3,900,549
Interest on Long-Term Debt	19,211,309	19,395,458	-	-	19,211,309	19,395,458
Golf	-	-	4,204,729	3,959,217	4,204,729	3,959,217
Parking System	-	-	10,263,845	10,634,630	10,263,845	10,634,630
Municipal Arena	-	-	8,185,336	12,241,290	8,185,336	12,241,290
Solid Waste Management	-	-	12,893,945	11,197,893	12,893,945	11,197,893
Emergency Medical Services	-	-	8,019,204	7,533,068	8,019,204	7,533,068
Broadband Enterprise	-	-	2,496,469	1,288,701	2,496,469	1,288,701
Wastewater System	-	-	29,051,899	26,849,143	29,051,899	26,849,143
Water System	-	-	31,205,232	28,776,618	31,205,232	28,776,618
Electric System	-	-	282,163,000	288,860,000	282,163,000	288,860,000
Total Expenses	375,472,782	376,636,400	388,483,659	391,340,560	763,956,441	767,976,960
Increase in Net Position Before Transfers	23,456,404	8,736,276	91,351,398	83,698,204	114,807,802	92,434,480
Transfers	8,050,770	6,303,689	(7,949,242)	(6,198,645)	101,528	105,044
Increase in Net Position	31,507,174	15,039,965	83,402,156	77,499,559	114,909,330	92,539,524
Net Position - Beginning	1,148,491,038	1,133,451,073	1,053,439,563	975,940,004	2,201,930,601	2,109,391,077
Net Position - Ending	\$ 1,179,998,212	1,148,491,038	1,136,841,719	1,053,439,563	2,316,839,931	2,201,930,601

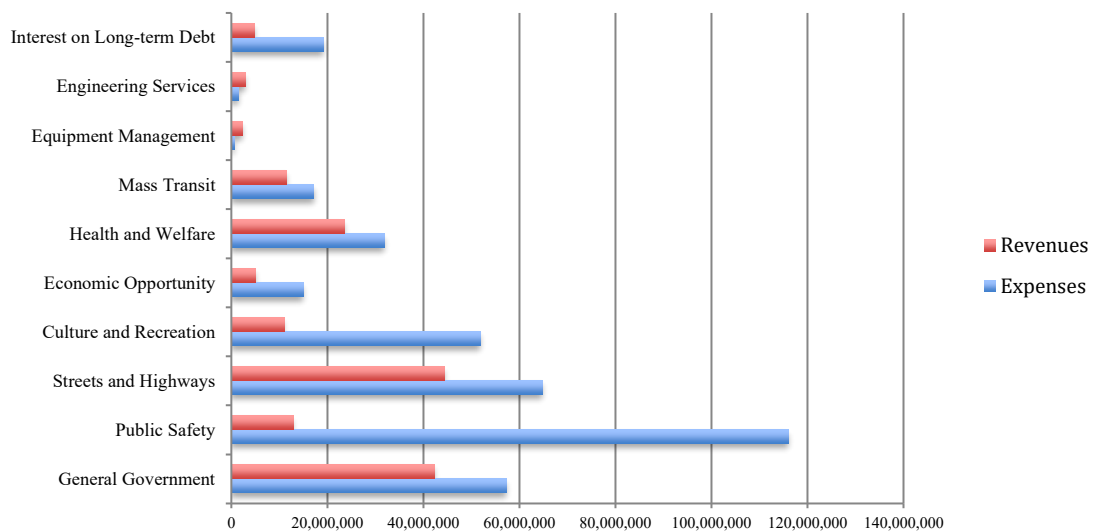
GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$31,507,174, accounting for 27% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

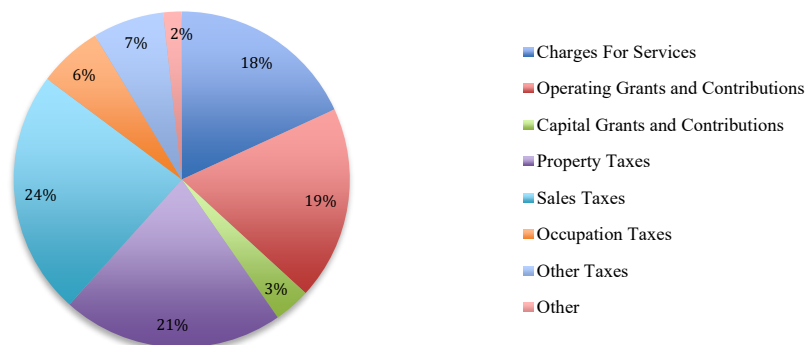
- Property Tax receipts increased by approximately \$6.7 million (8.5%) in 2020 primarily due to a 4.5% increase in the overall tax base.

- Sales tax collections increased by approximately \$13.7 million (17.0%) during 2020. The .25% cent sales tax established to provide funding for street rehabilitation, reconstruction, and new construction of arterial streets began in October 2019.
- Unrestricted investment earnings decreased by approximately \$1.9 million (26.8%) during 2020. Pooled cash investments decreased 26.4% over the prior year and the investments yield decreased 41% in 2020.
- Total governmental expenses decreased by approximately \$1.2 million during 2020. The most significant decrease in expense amount was in the streets and highways program, where a \$15 million payment was made in the prior year to the State for funding of the South Beltway Project. Public Safety expenses increased with the opening of new fire stations, additional staffing of firefighters, and increased station maintenance.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

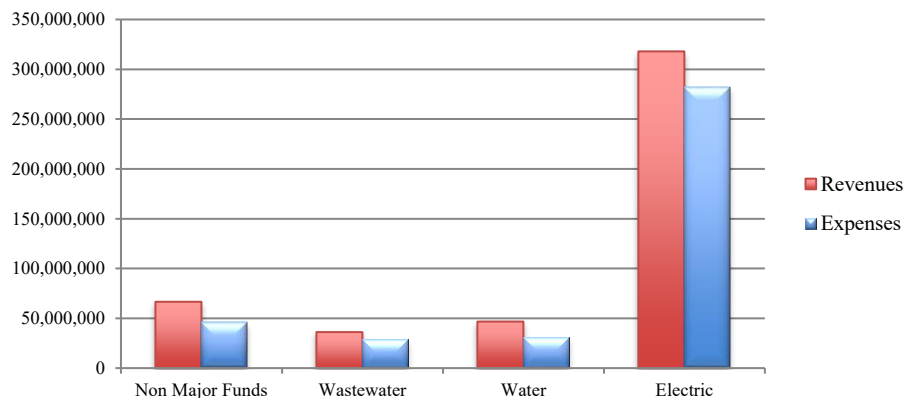


BUSINESS-TYPE ACTIVITIES

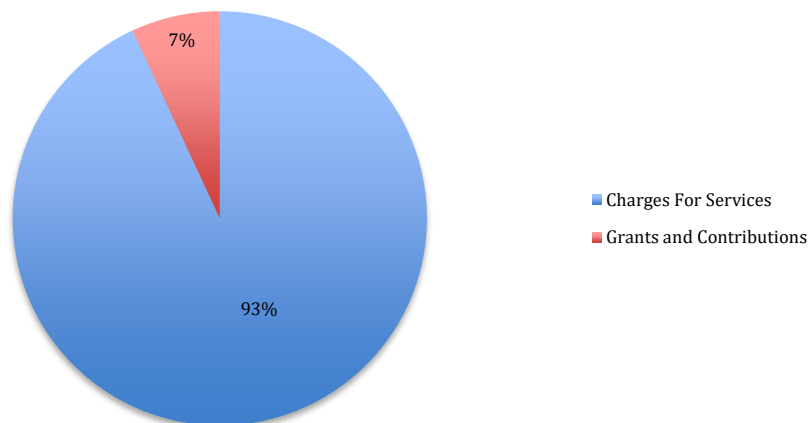
Business-type activities increased the City's net position by \$83,402,156, accounting for 73% of the total growth in the government's net position. Key elements of this increase are as follows:

- Lincoln Electric System operating revenue in 2019 was down 4.7% from 2018. Retail revenue was 2.6% lower primarily due to reclassification of a large customer from commercial to wholesale, demand reductions by large customers, and a city-wide conversion of streetlights to LED. Wholesale revenue was down 23.2% due to extended outages at Laramie River Station (LRS) and Rokeby Generation Station. Other revenue was up 7.4% primarily due an increase in miscellaneous revenue related to sales of natural gas capacity. Operating expenses in 2019 were \$246,216,000, a decrease of 3.2%. Purchased power and produced power expenses were down 6.1% primarily due to reduced produced power expenses. Depreciation and amortization expenses were up 3.0% primarily due to utility plant additions. Operations and maintenance expenses were down 6.7% due to lower transmission expenses.
- Lincoln Wastewater System reported increased operating revenues primarily due to a 5% rate increase implemented November 2019. The nonoperating revenue decrease was the result of one-time TIF funding in the prior year. Nonoperating expenses increased due to a new borrowing in 2019.
- Lincoln Water System reported increased revenues primarily due to a 5% rate increase implemented November 2019. Lincoln Water System nonoperating revenues decreased due to a reduction in investment income, grant revenue, and TIF funding. Nonoperating expenses increased due to repair expenditures related to a 2019 flooding event.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year.

As of August 31, 2020, the City's governmental funds reported combined ending fund balances of \$323,971,194, an increase of \$7,350,409 in comparison with the prior year. Of this total amount, 14% constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$1,961,595), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$152,601,634), committed for particular purposes (\$927,439), or assigned for particular purposes (\$84,725,813).

The General Fund is the chief operating fund of the City. At August 31, 2020, the unrestricted fund balance of the General Fund was \$60,909,290, while total fund balance reached \$68,769,374. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 42% of total General Fund expenditures, while total fund balance represents 47% of that same amount.

The fund balance of the City's General Fund increased by \$4,598,368 during 2020. Capital improvement project expenditures in the current year were less than appropriated. The remaining appropriations remain, and the expenditures will occur in future years. The City appropriates General Fund balance as a funding source for budget, with the allocation of balances spread over the one or two-year budget cycle.

The Street Construction Fund has a total fund balance of \$52,136,467, which is to be used in the construction and maintenance of streets and highways. The net decrease in fund balance during 2020 in the Street Construction Fund was \$3,284,138, with total revenues showing a 9% decrease and capital construction expenses showing a 27% decrease. Prior year expense included a \$15,000,000 contribution to the State of Nebraska South Beltway project.

The West Haymarket JPA Fund had a fund balance of \$38,574,567, which is to be used for funding improvements of the West Haymarket Redevelopment Project and debt service on the related debt. The current year change in fund balance is \$(2,304,059). The fund balance is a result of the issuance of bonds in prior years, occupation tax and donation revenue, less the Agency's expenditures for construction, debt service and general operations.

PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Wastewater System, Water System, Electric System, and other enterprise funds amounted to \$21,666,861, \$36,286,243, \$180,446,000 and \$120,064, respectively, at August 31, 2020 (December 31, 2019 for LES). Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget can be summarized as follows:

Revenue projections:

- \$1,771,680 increase in real estate and personal property tax,
- \$(4,127,109) decrease in taxes collected by others.

Expenditure appropriations:

- \$(1,381,491) decrease in miscellaneous changes in general government activities.
- \$(2,032,999) decrease allocated to public safety.
- \$(46,334) in decreases to streets & highways.
- \$(401,995) decrease allocated to parks and recreation.
- \$(3,441,937) in decreases allocated for General Fund net transfers to other City funds.

Variances between actual General Fund revenues and expenditures and the final amended budget include the following:

- \$1,959,936 positive variance in real estate and personal property tax. Actual property tax collections were 97.58% of the 2019 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- \$(1,646,477) negative variance in recreation receipts. \$2,594,343 positive variance in parks and recreation expenditures. These variances are primarily because of the COVID-19 pandemic effects on Parks activities.
- \$6,074,238 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future expenditures.
- \$5,903,055 positive variance in police expenditures. Salary related expenditure variances are the result of turnover in positions during the year reducing actual costs compared to a fully staffed budget. Remaining balances are reappropriated to the next year to assist with one-time expenditures that are not ongoing operating expenditures.
- \$1,443,772 positive variance in fire expenditures. Approximately \$703,000 of this variance is related to delayed spending on capital projects funded with General Fund monies. Other remaining balances are reappropriated to the next year to assist with one-time expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of August 31, 2020, amounts to \$3,115,147,359 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, bridges, storm sewers, electric plant, and water and sewer plant. The total increase in the City's investment in capital assets for 2020 was 2% (0.4% decrease for governmental activities and 3.8% increase for business-type activities).

Major capital asset events during 2020 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$29 million.
- The construction of new fire stations continued with current year expenses of \$1.9 million, along with final payments on 7 new fire trucks costing \$1.7 million.
- StarTran, the City's mass transit system, added 4 new electric buses and a natural gas fueled bus at a cost of \$3.9 million. A CNG fueling station and an electric charging station were added with expenditures of \$1.0 million.
- LES is a 12.76% share owner in the Laramie River Station. LES' share of capital improvements for the plant in 2019 was \$6,334,000.
- Construction continues for the LES Operation Center (LOC). Capital expenditures in 2019 for this project totaled \$20,353,000. Phase one of the LOC, which includes a second LES operations center was completed in 2019. Phase two of construction, which will include an administrative building, is planned for completion in 2020. Total project cost is expected to be \$104,183,000.
- The Duct Installation Program (DIP), which started in 2012, is a 9-year project to install over 600 miles of duct adjacent to distribution cable, allowing the cable to be replaced quickly when it reaches the end of

its useful life. Capital expenditures in 2019 totaled \$2,871,000. The DIP project is now expected to be completed in 2020 with a total project cost of \$29,452,000.

- Lincoln Wastewater System 2020 major capital asset events included West A Street improvements and the phase II relief sewer trunk replacements.
- Lincoln Water System 2020 capital assets activity included flood protection & bank stabilization and well pump replacements.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 167,644,381	172,113,975	33,658,567	32,485,031	201,302,948	204,599,006
Buildings	299,256,884	290,212,645	139,689,124	140,650,883	438,946,008	430,863,528
Improvements Other Than Buildings	89,984,360	91,290,543	589,629,193	551,556,417	679,613,553	642,846,960
Machinery and Equipment	61,249,630	55,699,079	24,498,616	23,721,811	85,748,246	79,420,890
Utility Plant	-	-	858,088,000	793,602,000	858,088,000	793,602,000
Infrastructure	657,934,101	640,603,894	-	-	657,934,101	640,603,894
Construction-in-progress	66,903,731	98,401,281	126,610,772	163,833,862	193,514,503	262,235,143
Total	<u>\$ 1,342,973,087</u>	<u>1,348,321,417</u>	<u>1,772,174,272</u>	<u>1,705,850,004</u>	<u>3,115,147,359</u>	<u>3,054,171,421</u>

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 52-54 of this report.

LONG-TERM DEBT

At August 31, 2020, the City of Lincoln had total bonded debt outstanding of \$1,192,046,136. Of this amount, \$407,091,136 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured by specified revenue sources (i.e., revenue bonds).

City Of Lincoln
Outstanding Bonded Debt
August 31, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 407,091,136	419,149,264	-	-	407,091,136	419,149,264
Revenue Bonds	-	-	784,955,000	819,355,000	784,955,000	819,355,000
Total	<u>\$ 407,091,136</u>	<u>419,149,264</u>	<u>784,955,000</u>	<u>819,355,000</u>	<u>1,192,046,136</u>	<u>1,238,504,264</u>

The City's total bonded debt decreased by \$46,458,128 (4%) during the current fiscal year. Current year activity included the following: WHJPA issued \$100,000,000 of General Obligation Facility Refunding Bonds for an economic gain of approximately \$21,042,000; the City issued \$4,140,000 of General Obligation Stormwater Drainage and Flood Management Refunding Bonds for an economic gain of approximately \$1,006,000; the City issued \$21,765,000 of Limited Tax General Obligation Arena Refunding Bonds for an economic gain of approximately \$2,801,000.

The City maintains the following credit ratings:

	Moody's Investors Service	Standard & Poor's	Fitch Investors Service
General Obligation Bonds	Aaa	AAA	-
West Haymarket JPA Bonds	Aa1	AAA	-
Water Revenue Bonds	Aa1	AA+	-
Wastewater Revenue Bonds	Aa1	AA+	-
General Obligation Parking System Bonds	Aaa	AAA	-
Solid Waste Management Revenue Bonds	Aa2	AA+	-
Lincoln Electric System			
Revenue Bonds	-	AA	AA
Commercial Paper	-	A-1+	F1+

Under the City's Home Rule Charter, there is no legal debt limit.

Additional information on the City's long-term debt can be found in Note 9 of the notes to the financial statements on pages 56-62 of this report.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- In August 2020, the Lincoln City Council approved a 6% and 4% revenue increase for fiscal year 2021 for the Water and Wastewater Systems, respectively. This will be attained through increases in the usage rates and service charges.
- The electric utility industry repeatedly has been faced with new and proposed environmental regulations. The increase in legislation has been a major issue facing LES and all electric utility providers. LES continues to work diligently with industry groups and government representatives to help shape legislation and to implement cost-effective means to comply with all regulations.
- Property tax revenue expected to fund the 2020-2021 budget increased \$2,158,478 from the prior year. Total valuation growth is 3.15%, with no increase in the current tax rate.
- The budgeted local sales tax rate is 1.5%, which supports the General Fund. A decrease of 3.34% in collections is projected for 2020-2021. Projected sales tax collections could be impacted by legislative changes and unanticipated changes in economic activity. Nebraska began collecting online sales tax in 2019 which has a positive impact on revenues. However, the economic impacts due to COVID-19 shutdowns are why there is a projected decrease in the 2020-2021 estimated revenues.
- Lincoln voters approved a .25% cent sales tax increase in 2019, for six years only, to provide funding for street rehabilitation, reconstruction, and new construction of arterial streets in all quadrants of the City. This tax began on October 1, 2019 and ends on October 1, 2025.
- Health insurance is projected to increase 3% in 2020-2021. Dental insurance is projected to increase 4%.
- The City negotiates with six different bargaining units. One contract will expire in August 2022, with the remaining five agreements in effect until August 2021.
- Staffing changes included in the 2020-2021 fiscal year budget resulted in an increase for all funds of 34.97 full-time equivalents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Lincoln's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lincoln, Finance Department, 555 South 10th Street, Lincoln, NE 68508. This report and other financial information are also available online at www.lincoln.ne.gov/city/finance/.

BASIC FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
AUGUST 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 68,383,239	48,391,789	116,775,028
Investments	266,931,140	181,134,650	448,065,790
Receivables, (Net of Allowance for Uncollectibles)	35,389,594	53,737,428	89,127,022
Internal Balances	(11,751,781)	11,751,781	-
Due from Other Governments	32,052,136	18,639	32,070,775
Inventories	2,456,928	19,388,786	21,845,714
Plant Operation Assets	-	16,907,000	16,907,000
Prepaid Items	966,627	3,348,264	4,314,891
Other Assets	4,411,432	4,961,742	9,373,174
Restricted Assets:			
Cash and Cash Equivalents	-	9,599,377	9,599,377
Investments	37,160,000	70,579,822	107,739,822
Receivables	-	58,707	58,707
Capital Assets:			
Non-depreciable	234,548,112	160,269,339	394,817,451
Depreciable (Net)	1,108,424,975	1,611,904,933	2,720,329,908
Total Assets	<u>1,778,972,402</u>	<u>2,192,052,257</u>	<u>3,971,024,659</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	2,951,907	13,780,131	16,732,038
Deferred Outflows for Pension	14,886,337	1,335,881	16,222,218
Deferred Outflows for OPEB	2,081,825	244,210	2,326,035
Deferred Costs for Asset Retirement Obligations	-	3,374,000	3,374,000
Total Deferred Outflows of Resources	<u>19,920,069</u>	<u>18,734,222</u>	<u>38,654,291</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	17,096,679	27,427,865	44,524,544
Accrued Liabilities	5,362,182	31,780,750	37,142,932
Due to Other Governments	294,597	158,110	452,707
Unearned Revenue	6,508,305	5,428,554	11,936,859
Commercial Paper	-	65,500,000	65,500,000
Accrued Interest Payable	3,883,442	10,210,385	14,093,827
Noncurrent Liabilities:			
Payable within One Year	36,319,956	51,650,687	87,970,643
Payable in More Than One Year	539,832,132	881,171,458	1,421,003,590
Total Liabilities	<u>609,297,293</u>	<u>1,073,327,809</u>	<u>1,682,625,102</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Beneficial Interest Revenue	2,672,667	-	2,672,667
Deferred Gain on Refunding	803,272	-	803,272
Deferred Inflows for Pension	4,403,322	415,453	4,818,775
Deferred Inflows for OPEB	1,717,705	201,498	1,919,203
Total Deferred Inflows of Resources	<u>9,596,966</u>	<u>616,951</u>	<u>10,213,917</u>
NET POSITION			
Net Investment in Capital Assets	909,494,423	856,941,115	1,766,435,538
Restricted for:			
Debt Service	5,293,398	23,526,367	28,819,765
Capital Projects	64,458,104	16,671,069	81,129,173
Grantor Loan Programs	19,166,627	-	19,166,627
Other	16,882,907	1,184,000	18,066,907
Trust Donations:			
Expendable	3,437,436	-	3,437,436
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	27,631,221	-	27,631,221
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>96,474,096</u>	<u>238,519,168</u>	<u>334,993,264</u>
Total Net Position	<u>\$ 1,179,998,212</u>	<u>1,136,841,719</u>	<u>2,316,839,931</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Functions/Programs							
Governmental Activities:							
General Government	\$ (57,362,717)	39,315,341	1,956,496	1,074,398	(15,016,482)	-	(15,016,482)
Public Safety	(115,994,657)	7,477,549	4,974,735	390,734	(103,151,639)	-	(103,151,639)
Streets and Highways	(64,899,917)	5,905,768	28,838,752	9,748,861	(20,406,536)	-	(20,406,536)
Culture and Recreation	(51,835,619)	5,636,080	3,634,989	1,698,247	(40,866,303)	-	(40,866,303)
Economic Opportunity	(14,998,235)	42,693	4,849,858	148,011	(9,957,673)	-	(9,957,673)
Health and Welfare	(31,811,506)	5,343,749	18,144,946	-	(8,322,811)	-	(8,322,811)
Mass Transit	(17,211,162)	3,178,089	8,358,425	-	(5,674,648)	-	(5,674,648)
Equipment Management	(627,942)	2,217,055	-	45,856	1,634,969	-	1,634,969
Engineering Services	(1,519,718)	2,920,272	-	34,755	1,435,309	-	1,435,309
Interest on Long-Term Debt	(19,211,309)	383,815	3,682,597	852,155	(14,292,742)	-	(14,292,742)
Total Governmental Activities	(375,472,782)	72,420,411	74,440,798	13,993,017	(214,618,556)	-	(214,618,556)
Business-Type Activities:							
Golf	(4,204,729)	4,800,125	767	-	-	596,163	596,163
Parking System	(10,263,845)	13,720,506	-	1,000,000	-	4,456,661	4,456,661
Municipal Arena	(8,185,336)	7,045,199	-	-	-	(1,140,137)	(1,140,137)
Solid Waste Management	(12,893,945)	10,295,628	111,832	69,890	-	(2,416,595)	(2,416,595)
Emergency Medical Services	(8,019,204)	6,921,790	149,680	-	-	(947,734)	(947,734)
Broadband Enterprise	(2,496,469)	1,575,640	2,001	20,910,501	-	19,991,673	19,991,673
Wastewater System	(29,051,899)	32,529,755	-	3,627,082	-	7,104,938	7,104,938
Water System	(31,205,232)	41,023,731	-	5,723,823	-	15,542,322	15,542,322
Electric System	(282,163,000)	317,210,000	-	755,000	-	35,802,000	35,802,000
Total Business-Type Activities	(388,483,659)	435,122,374	264,280	32,086,296	-	78,989,291	78,989,291
Total	\$ (763,956,441)	507,542,785	74,705,078	46,079,313	(214,618,556)	78,989,291	(135,629,265)
General Revenues:							
Property Tax					85,070,230	-	85,070,230
Motor Vehicle Tax					6,361,079	-	6,361,079
Wheel Tax					18,540,900	-	18,540,900
Sales and Use Tax					94,014,467	-	94,014,467
Turnback Tax					2,400,569	-	2,400,569
Sundry and In Lieu Tax					54,872	-	54,872
Occupation Tax					24,548,465	3,964,450	28,512,915
Unrestricted Grants and Contributions					56,090	-	56,090
Unrestricted Investment Earnings					5,276,803	7,362,809	12,639,612
Miscellaneous General Revenues					1,580,490	1,034,848	2,615,338
Gain on Extinguishment of Debt					170,995	-	170,995
Transfers					8,050,770	(7,949,242)	101,528
Total General Revenues and Transfers					246,125,730	4,412,865	250,538,595
Change in Net Position					31,507,174	83,402,156	114,909,330
Net Position - Beginning of Year					1,148,491,038	1,053,439,563	2,201,930,601
Net Position - Ending					\$ 1,179,998,212	1,136,841,719	2,316,839,931

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 13,866,057	7,906,457	7,703,893	23,176,522	52,652,929
Investments	44,678,036	27,895,764	34,137,551	143,010,352	249,721,703
Receivables, (Net of Allowance for Uncollectibles)	7,067,699	216,631	2,472,558	25,278,662	35,035,550
Due from Other Funds	1,824,163	14,495,910	-	3,923,586	20,243,659
Due from Other Governments	16,099,626	6,252,820	766,242	8,468,939	31,587,627
Inventories	67,420	702,031	-	967,027	1,736,478
Beneficial Interest Asset	-	-	-	2,672,667	2,672,667
Assets Held for Resale	-	-	1,738,765	-	1,738,765
Prepaid Items	221,164	-	3,953	-	225,117
Total Assets	<u>83,824,165</u>	<u>57,469,613</u>	<u>46,822,962</u>	<u>207,497,755</u>	<u>395,614,495</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,097,633	3,815,310	591,849	3,163,168	8,667,960
Contracts Payable	-	128,387	-	1,056,870	1,185,257
Accrued Liabilities	2,613,646	224,100	183,000	1,783,862	4,804,608
Due to Other Funds	9,006,193	646,025	117,598	25,270,206	35,040,022
Due to Other Governments	23,566	109	33,318	237,464	294,457
Due to Other Contractors	-	-	-	4,975,283	4,975,283
Unearned Revenue	3,800	-	6,259,749	237,418	6,500,967
Total Liabilities	<u>12,744,838</u>	<u>4,813,931</u>	<u>7,185,514</u>	<u>36,724,271</u>	<u>61,468,554</u>
Deferred Inflows of Resources:					
Unavailable Revenues	2,309,953	519,215	1,062,881	3,610,031	7,502,080
Beneficial Interest Revenue	-	-	-	2,672,667	2,672,667
Total Deferred Inflows of Resources	<u>2,309,953</u>	<u>519,215</u>	<u>1,062,881</u>	<u>6,282,698</u>	<u>10,174,747</u>
Fund Balances:					
Nonspendable	288,584	702,031	3,953	38,127,027	39,121,595
Restricted	7,571,500	41,196,466	2,436,708	101,396,960	152,601,634
Committed	-	-	-	927,439	927,439
Assigned	13,974,762	10,237,970	36,133,906	24,379,175	84,725,813
Unassigned	46,934,528	-	-	(339,815)	46,594,713
Total Fund Balances	<u>68,769,374</u>	<u>52,136,467</u>	<u>38,574,567</u>	<u>164,490,786</u>	<u>323,971,194</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 83,824,165</u>	<u>57,469,613</u>	<u>46,822,962</u>	<u>207,497,755</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,308,814,966
Balances representing the net exchange of property in an asset bank are not financial resources and, therefore, not reported in the funds.	216,300
Revenues earned during the current period are not available for current period expenditures and, therefore, are recognized as unavailable revenue in the funds.	7,502,080
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	82,831,719
Long-term construction contracts and other liabilities require the use of unavailable financial resources and, therefore, are not reported in the funds.	(750,920)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(542,587,127)
Net position of governmental activities	<u>\$ 1,179,998,212</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 49,265,141	-	-	35,805,213	85,070,354
Motor Vehicle	6,361,079	-	-	-	6,361,079
Wheel	-	-	-	18,540,900	18,540,900
Sales and Use	81,438,354	-	-	12,576,113	94,014,467
Turnback	-	-	-	2,400,569	2,400,569
Sundry and In Lieu	56,313	-	-	11,905	68,218
Occupation	8,114,760	-	15,135,456	1,290,556	24,540,772
Special Assessment	-	-	-	1,391,217	1,391,217
Intergovernmental	4,891,655	28,978,874	3,680,972	34,778,845	72,330,346
Permits and Fees	4,963,959	4,844,986	3,835	14,558,954	24,371,734
Reimbursement for Services	7,178,316	957,678	8,135,730	1,057,667	17,329,391
Program Income	-	-	-	40,193	40,193
Investment Earnings	2,546,095	254,684	855,274	4,165,231	7,821,284
Donations	1,159,396	-	-	2,272,227	3,431,623
Keno Proceeds	-	-	-	5,641,379	5,641,379
Miscellaneous	625,723	278,143	4,511	1,153,858	2,062,235
Total Revenues	<u>166,600,791</u>	<u>35,314,365</u>	<u>27,815,778</u>	<u>135,684,827</u>	<u>365,415,761</u>
EXPENDITURES					
Current:					
General Government	42,543,066	-	9,830,519	14,115,153	66,488,738
Public Safety	77,988,171	-	-	11,405,945	89,394,116
Streets and Highways	6,404,890	21,653,818	-	107	28,058,815
Culture and Recreation	14,885,580	-	-	10,922,214	25,807,794
Economic Opportunity	-	-	-	3,085,972	3,085,972
Health and Welfare	3,711,676	-	-	29,045,972	32,757,648
Mass Transit	-	-	-	20,340,337	20,340,337
Debt Service	-	-	23,289,895	29,969,117	53,259,012
Capital Outlay	-	34,025,155	4,227	23,756,716	57,786,098
Total Expenditures	<u>145,533,383</u>	<u>55,678,973</u>	<u>33,124,641</u>	<u>142,641,533</u>	<u>376,978,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,067,408</u>	<u>(20,364,608)</u>	<u>(5,308,863)</u>	<u>(6,956,706)</u>	<u>(11,562,769)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	13,066,630	22,270,854	378,000	42,479,502	78,194,986
Transfers Out	(29,591,859)	(5,194,134)	(800,196)	(28,358,208)	(63,944,397)
Issuance of Refunding Debt	-	-	100,000,000	25,905,000	125,905,000
Premium on Debt Issued	-	-	121,926	2,191,860	2,313,786
Transfer to Bond Refunding Agent	-	-	(99,521,926)	(27,808,069)	(127,329,995)
Sale of Capital Assets	56,189	3,750	2,827,000	886,859	3,773,798
Total Other Financing Sources (Uses)	<u>(16,469,040)</u>	<u>17,080,470</u>	<u>3,004,804</u>	<u>15,296,944</u>	<u>18,913,178</u>
Net Change in Fund Balances	4,598,368	(3,284,138)	(2,304,059)	8,340,238	7,350,409
Fund Balances - Beginning	<u>64,171,006</u>	<u>55,420,605</u>	<u>40,878,626</u>	<u>156,150,548</u>	<u>316,620,785</u>
Fund Balances - Ending	<u>\$ 68,769,374</u>	<u>52,136,467</u>	<u>38,574,567</u>	<u>164,490,786</u>	<u>323,971,194</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

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

Net change in fund balances - total governmental funds	\$ 7,350,409
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 depreciation exceeded capital outlays in the current period.	(636,882)
The net effect of various transactions involving capital contributions is to increase net position.	3,424,191
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: Change in revenues in fund statements previously recognized in the statement of activities.	(168,671)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	23,233,609
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(13,214,748)
Changes in the net pension liability, deferred inflows and outflows related to the net pension liability, total OPEB liability, and deferred inflows and outflows related to the total OPEB liability do not represent financial activity in the governmental funds.	(1,176,629)
Internal service funds are used by management to charge the costs of certain services to individual funds. The net income of the internal service funds is reported within governmental activities.	<u>12,695,895</u>
Change in net position of governmental activities	<u><u>\$ 31,507,174</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 51,917,131	53,688,811	55,648,747	1,959,936
Taxes Collected by Others	83,643,597	79,516,488	80,343,337	826,849
Sundry Taxes and In Lieu	33,510	33,510	53,752	20,242
Occupation Taxes	9,001,975	9,001,975	8,462,585	(539,390)
Intergovernmental	3,626,331	3,626,331	3,023,839	(602,492)
Permits and Fees	3,824,642	3,824,642	3,967,545	142,903
Reimbursement for Services	4,049,370	4,049,370	4,838,346	788,976
Court Fees	755,000	755,000	65,980	(689,020)
Recreation Receipts	2,853,495	2,853,495	1,207,018	(1,646,477)
Investment Earnings	470,327	470,327	1,481,635	1,011,308
Donations	1,115,890	1,115,890	1,137,172	21,282
Rental Income	571,308	571,308	423,763	(147,545)
Miscellaneous	346,166	346,166	441,504	95,338
Total Revenues	<u>162,208,742</u>	<u>159,853,313</u>	<u>161,095,223</u>	<u>1,241,910</u>
Expenditures:				
General Government:				
Legislative	488,610	404,692	250,016	154,676
Executive	1,979,342	1,950,342	1,703,584	246,758
Financial Administration	4,162,366	4,130,366	3,907,687	222,679
Law	3,770,732	3,754,232	3,173,564	580,668
Personnel Administration	2,137,987	2,081,363	1,354,827	726,536
Planning and Zoning	2,108,712	2,028,197	2,001,465	26,732
Urban Development	1,318,446	1,242,301	1,017,746	224,555
Miscellaneous	36,705,723	35,698,934	29,624,696	6,074,238
Total General Government	<u>52,671,918</u>	<u>51,290,427</u>	<u>43,033,585</u>	<u>8,256,842</u>
Public Safety:				
Police	47,327,166	46,702,030	40,798,975	5,903,055
Fire	33,710,095	32,302,232	30,858,460	1,443,772
Total Public Safety	<u>81,037,261</u>	<u>79,004,262</u>	<u>71,657,435</u>	<u>7,346,827</u>
Streets and Highways:				
Street Maintenance	2,528,929	2,482,595	2,178,189	304,406
Street Lighting	2,996,988	2,996,988	4,172,952	(1,175,964)
Total Streets and Highways	<u>5,525,917</u>	<u>5,479,583</u>	<u>6,351,141</u>	<u>(871,558)</u>
Culture and Recreation:				
Parks and Recreation	17,712,274	17,310,279	14,715,936	2,594,343
Libraries	173,207	173,207	173,207	-
Total Culture and Recreation	<u>17,885,481</u>	<u>17,483,486</u>	<u>14,889,143</u>	<u>2,594,343</u>
Health and Welfare:				
Health Services	398,803	398,803	398,803	-
Aging Assistance	136,455	136,455	136,455	-
Total Health and Welfare	<u>535,258</u>	<u>535,258</u>	<u>535,258</u>	<u>-</u>
Debt Service:				
Issuance and Management Costs	-	-	19,380	(19,380)
Total Expenditures	<u>157,655,835</u>	<u>153,793,016</u>	<u>136,485,942</u>	<u>17,307,074</u>
Excess of Revenues Over Expenditures	<u>4,552,907</u>	<u>6,060,297</u>	<u>24,609,281</u>	<u>18,548,984</u>
Other Financing Sources (Uses):				
Transfers In	12,909,516	12,909,516	13,086,245	176,729
Transfers Out	(42,042,808)	(38,600,871)	(36,242,130)	2,358,741
Sale of Capital Assets	2,678	2,678	56,381	53,703
Total Other Financing Sources (Uses)	<u>(29,130,614)</u>	<u>(25,688,677)</u>	<u>(23,099,504)</u>	<u>2,589,173</u>
Net Change in Fund Balances	<u>\$ (24,577,707)</u>	<u>(19,628,380)</u>	<u>1,509,777</u>	<u>21,138,157</u>
Fund Balances - Beginning			36,888,201	
Fund Balances - Ending			<u>\$ 38,397,978</u>	

The notes to the financial statements are an integral part of this statement.



CITY OF LINCOLN, NEBRASKA
STREET CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	26,164,600	26,164,600	27,309,864	1,145,264
Permits and Fees	360,000	360,000	446,931	86,931
Reimbursement for Services	-	-	883,110	883,110
Investment Earnings	-	-	544,684	544,684
Miscellaneous	-	-	18,788	18,788
Total Revenues	<u>26,524,600</u>	<u>26,524,600</u>	<u>29,203,377</u>	<u>2,678,777</u>
Expenditures -- Streets and Highways:				
Personal Services	11,045,416	11,031,896	10,436,369	595,527
Materials and Supplies	2,187,235	2,187,253	2,672,446	(485,193)
Other Services and Charges	7,651,963	7,651,963	8,349,139	(697,176)
Capital Outlay	1,210,125	1,210,125	435,485	774,640
Total Expenditures	<u>22,094,739</u>	<u>22,081,237</u>	<u>21,893,439</u>	<u>187,798</u>
Excess of Revenues Over Expenditures	<u>4,429,861</u>	<u>4,443,363</u>	<u>7,309,938</u>	<u>2,866,575</u>
Other Financing Sources (Uses):				
Transfers In	22,270,854	22,270,854	22,270,854	-
Transfers Out	<u>(5,194,134)</u>	<u>(5,194,134)</u>	<u>(5,194,134)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>17,076,720</u>	<u>17,076,720</u>	<u>17,076,720</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 21,506,581</u>	<u>21,520,083</u>	24,386,658	<u>2,866,575</u>
Amount Budgeted on Project Basis			(28,047,674)	
Fund Balances - Beginning			<u>51,314,283</u>	
Fund Balances - Ending			<u>\$ 47,653,267</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2020

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 4,510,615	6,208,887	25,462,000	12,210,287	48,391,789	15,730,310
Investments	11,828,552	17,470,655	129,076,000	17,415,487	175,790,694	45,290,172
Restricted Assets:						
Cash and Cash Equivalents	-	-	4,096,000	-	4,096,000	-
Investments	-	-	17,461,000	-	17,461,000	-
Receivables, (Net of Allowance for Uncollectibles)	2,510,740	3,421,529	20,568,000	3,507,681	30,007,950	354,044
Unbilled Revenues	3,301,060	5,529,418	14,899,000	-	23,729,478	-
Due from Other Funds	411,318	1,233,952	-	1,377,298	3,022,568	3,314,994
Due from Other Governments	-	-	-	18,639	18,639	248,208
Inventories	96,760	1,954,879	16,819,000	518,147	19,388,786	720,450
Plant Operation Assets	-	-	16,907,000	-	16,907,000	-
Prepaid Expenses	-	-	3,285,000	63,264	3,348,264	741,510
Total Current Assets	22,659,045	35,819,320	248,573,000	35,110,803	342,162,168	66,399,688
Noncurrent Assets:						
Investments	-	1,819,529	-	3,524,427	5,343,956	9,079,265
Costs Recoverable from Future Billings	738,329	297,413	3,926,000	-	4,961,742	-
Restricted Assets:						
Cash and Cash Equivalents	-	-	1,074,000	4,429,377	5,503,377	-
Investments	9,877,129	8,168,321	19,431,000	15,642,372	53,118,822	-
Receivables	-	-	-	58,707	58,707	-
Due from Other Funds	2,039,775	7,060,350	-	-	9,100,125	-
Total Restricted Assets	11,916,904	15,228,671	20,505,000	20,130,456	67,781,031	-
Capital Assets:						
Land	8,165,347	5,756,779	-	19,736,441	33,658,567	1,594,451
Buildings	81,564,453	86,701,688	-	82,759,080	251,025,221	22,198,573
Improvements Other Than Buildings	355,573,814	417,842,416	-	101,294,153	874,710,383	826,876
Machinery and Equipment	16,920,148	28,984,437	-	23,475,777	69,380,362	42,308,167
Utility Plant	-	-	1,683,877,000	-	1,683,877,000	-
Construction in Progress	26,664,366	9,309,601	85,899,000	4,737,805	126,610,772	-
Less Accumulated Depreciation	(171,934,704)	(183,386,897)	(825,789,000)	(85,977,432)	(1,267,088,033)	(32,769,946)
Total Capital Assets, Net	316,953,424	365,208,024	943,987,000	146,025,824	1,772,174,272	34,158,121
Total Noncurrent Assets	329,608,657	382,553,637	968,418,000	169,680,707	1,850,261,001	43,237,386
Total Assets	352,267,702	418,372,957	1,216,991,000	204,791,510	2,192,423,169	109,637,074
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	594,916	461,397	11,689,000	1,034,818	13,780,131	-
Deferred Outflows for Pension	-	-	-	1,335,881	1,335,881	-
Deferred Outflows for OPEB	55,744	79,751	-	108,715	244,210	118,486
Deferred Costs for Asset Retirement Obligations	-	-	3,374,000	-	3,374,000	-
Total Deferred Outflows of Resources	650,660	541,148	15,063,000	2,479,414	18,734,222	118,486

(Continued)

(Proprietary Funds, Statement of Net Position, continued)

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 299,287	756,847	23,458,000	2,913,731	27,427,865	2,268,179
Construction Contracts	4,159,668	2,610,934	-	-	6,770,602	-
Accrued Liabilities	630,787	1,144,039	29,614,000	391,924	31,780,750	398,542
Accrued Compensated Absences	448,172	591,539	-	694,344	1,734,055	1,186,608
Due to Other Funds	57,523	78,504	-	234,885	370,912	270,412
Due to Other Governments	-	-	-	158,110	158,110	140
Unearned Revenue	-	-	-	5,428,554	5,428,554	7,338
Claims	-	-	-	-	-	4,675,753
Accrued Interest	578,443	90,392	9,457,000	84,550	10,210,385	82,644
Current Portion of Commercial Paper and Notes Payable	-	-	65,500,000	-	65,500,000	-
Current Portion of Capital Lease	22,328	-	-	426,660	448,988	1,095,000
Current Portion of Long-Term Debt	5,736,464	4,866,353	28,615,000	3,365,000	42,582,817	-
Current Portion of Total OPEB Liability	26,073	37,302	-	50,850	114,225	55,420
Total Current Liabilities	11,958,745	10,175,910	156,644,000	13,748,608	192,527,263	10,040,036
Noncurrent Liabilities:						
Accrued Compensated Absences	900,774	956,347	-	264,268	2,121,389	1,398,480
Claims	-	-	622,000	-	622,000	6,594,177
Capital Lease Payable	71,642	-	-	621,035	692,677	7,825,956
Long-Term Debt, Net	82,914,728	33,571,042	673,430,000	51,765,874	841,681,644	-
Accrued Liabilities	-	-	896,000	-	896,000	-
Net Pension Liability	-	-	-	4,672,843	4,672,843	-
Total OPEB Liability, Net	455,147	651,164	-	887,594	1,993,905	967,430
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	25,117,000	25,117,000	-
Asset Retirement Obligation	-	-	3,374,000	-	3,374,000	-
Total Noncurrent Liabilities	84,342,291	35,178,553	678,322,000	83,328,614	881,171,458	16,786,043
Total Liabilities	96,301,036	45,354,463	834,966,000	97,077,222	1,073,698,721	26,826,079
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows for Pension	-	-	-	415,453	415,453	-
Deferred Inflows for OPEB	45,994	65,803	-	89,701	201,498	97,762
Total Deferred Inflows of Resources	45,994	65,803	-	505,154	616,951	97,762
NET POSITION						
Net Investment in Capital Assets	224,737,481	324,621,094	205,585,000	101,997,540	856,941,115	24,680,508
Restricted for:						
Debt Service	8,127,215	5,526,152	9,873,000	-	23,526,367	-
Capital Projects	2,039,775	7,060,350	-	7,570,944	16,671,069	-
Other	-	-	1,184,000	-	1,184,000	-
Unrestricted	21,666,861	36,286,243	180,446,000	120,064	238,519,168	58,151,211
Total Net Position	\$ 256,571,332	373,493,839	397,088,000	109,688,548	1,136,841,719	82,831,719

The notes to the financial statements are an integral part of this statement.



CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
Operating Revenues						
Charges for Services	\$ 32,587,103	41,125,527	300,979,000	10,401,245	385,092,875	95,410,454
Fees	-	-	-	15,113,932	15,113,932	-
Parking Revenue	-	-	-	11,116,995	11,116,995	-
Performance Revenue	-	-	-	4,650,101	4,650,101	-
Other Operating Revenue	-	-	16,231,000	3,147,824	19,378,824	-
Total Operating Revenues	<u>32,587,103</u>	<u>41,125,527</u>	<u>317,210,000</u>	<u>44,430,097</u>	<u>435,352,727</u>	<u>95,410,454</u>
Operating Expenses						
Personal Services	-	-	-	14,176,814	14,176,814	17,840,919
Contractual Services	-	-	-	10,679,223	10,679,223	-
Operation and Maintenance	14,659,774	16,187,010	25,434,000	13,139,408	69,420,192	63,927,389
Purchased Power	-	-	121,801,000	-	121,801,000	-
Depreciation	9,328,595	8,819,477	54,153,000	6,392,550	78,693,622	3,687,782
Administrative Costs	2,390,133	3,247,173	44,828,000	-	50,465,306	-
Total Operating Expenses	<u>26,378,502</u>	<u>28,253,660</u>	<u>246,216,000</u>	<u>44,387,995</u>	<u>345,236,157</u>	<u>85,456,090</u>
Operating Income	<u>6,208,601</u>	<u>12,871,867</u>	<u>70,994,000</u>	<u>42,102</u>	<u>90,116,570</u>	<u>9,954,364</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	857,076	791,260	5,020,000	696,473	7,364,809	651,265
Grant Revenue	-	-	-	261,512	261,512	-
Gain on Disposal of Capital Assets	-	-	-	18,835	18,835	28,939
Insurance Recoveries	-	517,953	-	290,410	808,363	-
Occupation Tax	-	-	-	3,964,450	3,964,450	-
Payments in Lieu of Taxes	-	-	(10,832,000)	-	(10,832,000)	-
Net Costs Recoverable	(65,556)	(49,337)	-	-	(114,893)	-
Interest Expense and Fiscal Charges	(2,607,841)	(1,136,740)	(24,360,000)	(1,694,367)	(29,798,948)	(243,668)
Other - Flood Recovery Costs	-	(1,768,596)	-	-	(1,768,596)	-
Total Nonoperating Revenues (Expenses)	<u>(1,816,321)</u>	<u>(1,645,460)</u>	<u>(30,172,000)</u>	<u>3,537,313</u>	<u>(30,096,468)</u>	<u>436,536</u>
Income Before Contributions and Transfers	4,392,280	11,226,407	40,822,000	3,579,415	60,020,102	10,390,900
Capital Contributions	3,627,082	5,723,823	755,000	26,855,485	36,961,390	3,629,720
Plant Costs Recovered through Capital Contributions	-	-	(755,000)	-	(755,000)	-
Transfers In	-	-	-	900,196	900,196	553,223
Transfers Out	(8,493)	(10,310)	(9,901,000)	(3,804,729)	(13,724,532)	(1,877,948)
Change in Net Position	<u>8,010,869</u>	<u>16,939,920</u>	<u>30,921,000</u>	<u>27,530,367</u>	<u>83,402,156</u>	<u>12,695,895</u>
Net Position - Beginning of Year	<u>248,560,463</u>	<u>356,553,919</u>	<u>366,167,000</u>	<u>82,158,181</u>	<u>1,053,439,563</u>	<u>70,135,824</u>
Net Position - Ending	<u>\$ 256,571,332</u>	<u>373,493,839</u>	<u>397,088,000</u>	<u>109,688,548</u>	<u>1,136,841,719</u>	<u>82,831,719</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 31,771,485	38,348,097	331,075,000	40,858,466	442,053,048	23,824,341
Receipts from Interfund Services Provided	91,075	802,790	6,108,000	1,694,055	8,695,920	70,614,151
Payments to Suppliers for Goods and Services	(5,300,360)	(7,307,546)	(181,721,000)	(17,105,868)	(211,434,774)	(58,819,845)
Payments to Employees	(8,203,793)	(9,612,930)	(34,276,000)	(15,477,466)	(67,570,189)	(17,485,065)
Payments for Interfund Services Provided	(3,647,147)	(4,706,757)	(1,352,000)	(4,657,387)	(14,363,291)	(4,063,432)
Other Receipts	-	-	-	3,174,947	3,174,947	-
Net Cash Provided by Operating Activities	14,711,260	17,523,654	119,834,000	8,486,747	160,555,661	14,070,150
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	4,056,540	4,056,540	-
Payments in Lieu of Taxes	-	-	(11,071,000)	-	(11,071,000)	-
Insurance Recoveries	-	517,953	-	-	517,953	-
Transfers from Other Funds	-	-	-	900,196	900,196	553,223
Transfers to Other Funds	(8,493)	(10,310)	(9,897,000)	(3,804,729)	(13,720,532)	(1,877,948)
Advances from General Fund	-	-	-	61,685	61,685	-
Repayment of Advances from General Fund	-	-	-	(75,061)	(75,061)	-
Advances to Other Funds	(38,504)	(115,511)	-	(115,481)	(269,496)	(153,975)
Repayments from Other Funds	40,642	121,925	-	121,924	284,491	162,567
Grant Proceeds	-	-	-	261,512	261,512	-
Principal Payment of Long-Term Debt	-	-	-	(800,000)	(800,000)	-
Interest and Fiscal Charges Paid	-	-	-	(196)	(196)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(6,355)	514,057	(20,968,000)	606,390	(19,853,908)	(1,316,133)
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(27,219,586)	(19,993,989)	(62,719,000)	(7,041,337)	(116,973,912)	(2,162,706)
Capital Contributions	758,707	2,197,692	755,000	1,069,890	4,781,289	-
Grant Proceeds	-	577,304	-	-	577,304	-
Proceeds from Sale of Capital Assets	-	-	-	18,835	18,835	173,214
Insurance Recoveries	-	322,315	-	438,118	760,433	-
Cost of Debt Issuance	-	-	(157,000)	(3,500)	(160,500)	-
Net Cost of Retiring Plant	-	-	(1,630,000)	-	(1,630,000)	-
Principal Payments of Capital Lease	(21,594)	-	-	(422,013)	(443,607)	(1,614,097)
Principal Payments of Long-Term Debt	(5,667,004)	(4,681,389)	(22,750,000)	(3,145,000)	(36,243,393)	-
Interest and Fiscal Charges Paid	(2,988,200)	(1,488,759)	(30,263,000)	(1,796,947)	(36,536,906)	(296,061)
Net Cash Used by Capital and Related Financing Activities	(35,137,677)	(23,066,826)	(116,764,000)	(10,881,954)	(185,850,457)	(3,899,650)
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	37,597,178	31,495,614	228,857,000	47,065,004	345,014,796	56,472,724
Purchases of Investments	(15,319,544)	(22,803,565)	(212,710,000)	(36,409,908)	(287,243,017)	(53,688,923)
Interest and Other Receipts	709,332	842,416	5,139,000	952,406	7,643,154	1,176,873
Net Cash Provided by Investing Activities	22,986,966	9,534,465	21,286,000	11,607,502	65,414,933	3,960,674
Net Increase in Cash and Cash Equivalents	2,554,194	4,505,350	3,388,000	9,818,685	20,266,229	12,815,041
Cash and Cash Equivalents - Beginning	1,956,421	1,703,537	27,244,000	6,820,979	37,724,937	2,915,269
Cash and Cash Equivalents - Ending	\$ 4,510,615	6,208,887	30,632,000	16,639,664	57,991,166	15,730,310

(Continued)

(Proprietary Funds, Statement of Cash Flows, continued)

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income	\$ 6,208,601	12,871,867	70,994,000	42,102	90,116,570	9,954,364
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	9,328,595	8,819,477	54,153,000	6,392,550	78,693,622	3,687,782
Other - Flood Recovery Costs	-	(1,768,596)	-	-	(1,768,596)	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable and Unbilled Revenues	297	(519,090)	988,000	274,768	743,975	(122,082)
Due from Other Funds	(726,340)	(1,489,949)	-	115,187	(2,101,102)	(723,741)
Due from Other Governments	-	-	-	11,991	11,991	(103,283)
Inventories	(58,865)	(333,760)	(3,007,000)	1,749	(3,397,876)	205,499
Plant Operation Assets	-	-	(4,429,000)	-	(4,429,000)	-
Prepaid Expenses	-	-	-	33,487	33,487	(53,808)
Other Assets	-	-	961,000	-	961,000	-
Deferred Outflows for Pension	-	-	-	432,824	432,824	-
Deferred Outflows for OPEB	(31,197)	(44,632)	-	(60,346)	(136,175)	(68,016)
Accounts Payable	(235,536)	(414,206)	1,916,000	(311,464)	954,794	(175,032)
Accrued Liabilities	(21,656)	75,801	(2,026,000)	(77,235)	(2,049,090)	46,666
Accrued Compensated Absences	136,190	171,487	-	38,361	346,038	272,907
Due to Other Funds	57,523	78,504	-	17,923	153,950	(31,191)
Due to Other Governments	-	-	-	(85,094)	(85,094)	(64,574)
Unearned Revenue	-	-	-	895,425	895,425	(22,855)
Claims	-	-	284,000	-	284,000	1,163,217
Net Pension Liability	-	-	-	(71,562)	(71,562)	-
Total OPEB Liability	43,274	61,910	-	75,480	180,664	122,429
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	1,030,000	1,030,000	-
Deferred Inflows for Pension	-	-	-	(248,032)	(248,032)	-
Deferred Inflows for OPEB	10,374	14,841	-	(21,367)	3,848	(18,132)
Total Adjustments	8,502,659	4,651,787	48,840,000	8,444,645	70,439,091	4,115,786
Net Cash Provided by Operating Activities	<u>\$ 14,711,260</u>	<u>17,523,654</u>	<u>119,834,000</u>	<u>8,486,747</u>	<u>160,555,661</u>	<u>14,070,150</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 2,868,375	2,626,513	-	25,785,625	31,280,513	3,629,720
Capital Asset Trade-Ins	-	-	-	-	-	49,207
Purchase of Capital Assets on Account	4,159,668	2,610,934	2,643,000	(886,592)	8,527,010	556,657
Change in Fair Value of Investments	205,268	27,712	(817,000)	25,639	(558,381)	(235,670)
Allowance for Funds Used in Construction	-	-	1,425,000	-	1,425,000	-

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2020

	Police & Fire Pension Trust Fund	Agency Funds
	<u>Trust Fund</u>	<u>Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,254,175	5,079,769
Investments:		
Pooled Investment Funds	352,767	-
Mutual Funds	150,597,776	-
Limited Partnership	64,306,994	-
Real Estate Limited Partnerships	47,682,379	-
Total Investments	262,939,916	-
Receivables:		
Contributions	647,880	-
Accrued Interest	4,405	-
Other	-	758
Due from Other Governments	467	-
Contractor Retainage	-	56,101
Total Assets	<u>267,846,843</u>	<u>5,136,628</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for OPEB	<u>776</u>	-
LIABILITIES		
Warrants Payable	-	1,901,255
Accounts Payable	14,718	379,616
Accrued Liabilities	4,042	-
Accrued Compensated Absences	18,474	-
Due to Other Governments	-	609,284
Total OPEB Liability	6,691	-
Due to Contractors	-	1,838,982
Due to Bondholders	-	117,926
Seized Cash	-	289,565
Total Liabilities	<u>43,925</u>	<u>5,136,628</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for OPEB	<u>640</u>	
NET POSITION		
Net Position Restricted for Pensions	<u>\$ 267,803,054</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Police & Fire Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 8,755,322
Employee	3,576,557
Total Contributions	<u>12,331,879</u>
Investment Earnings:	
Interest	42,196
Dividends	2,702,561
Increase in Fair Value of Investments	24,759,525
Investment Earnings	27,504,282
Less Investment Expense	(343,701)
Net Investment Earnings	<u>27,160,581</u>
Total Additions	<u>39,492,460</u>
Deductions:	
Benefit Payments	17,568,464
Refunds of Contributions	392,038
Administrative Costs	372,326
Total Deductions	<u>18,332,828</u>
Change in Net Position	21,159,632
Net Position Restricted for Pensions - Beginning	<u>246,643,422</u>
Net Position Restricted for Pensions - Ending	<u>\$ 267,803,054</u>

The notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The accompanying financial statements present the government of the City of Lincoln, Nebraska (City) and its blended component unit, the West Haymarket Joint Public Agency (WHJPA), established April 2, 2010, for which the City is considered to be financially accountable, as the City is ultimately responsible for the debt of the WHJPA if such revenues are insufficient to make the necessary debt service payments. Regarding related organizations, the City's Mayor appoints, and the City Council approves all of the board appointments of the Housing Authority of the City of Lincoln. However, the City has no further accountability for this organization.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. The participants in the WHJPA are the City and University of Nebraska (UNL), and the agency is governed by a board consisting of the Mayor, a member of the UNL Board of Regents, and a member of the City Council. The purpose of the agency is to make the most efficient use of the taxing authority and other powers of the participants to facilitate the redevelopment of the West Haymarket Redevelopment Area. The WHJPA almost exclusively benefits the City as its primary function is to finance and construct those City owned assets located in the redevelopment area. The WHJPA is reported as a major governmental fund in the City's financial statements. Complete separate financial statements for the WHJPA may be obtained at the City of Lincoln Finance Department, 555 South 10th Street, Suite 103, Lincoln, NE 68508, or online at www.lincoln.ne.gov/City/Departments/Finance/Accounting/West-Haymarket-JPA

FISCAL YEAR-END

All funds of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 2020. December 31st is the fiscal year-end of LES as established by the City Charter, and the last separate financial statements were as of and for the year ended December 31, 2019. The amounts included in the City's 2020 financial statements for LES are amounts as of and for the year ended December 31, 2019.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Fiduciary activities, whose resources are not available to finance the City's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *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*.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. 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 have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when 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 City 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, including interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales taxes, highway user fees, interdepartmental charges, and intergovernmental revenues are all considered to be susceptible to accrual. Special assessments are recorded as revenues in the year the assessments become current. Annual installments not yet due are reflected as special assessment receivables and deferred revenues. Other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund finances the day-to-day operation of the basic governmental activities, such as legislative, judicial, administration, aging services, police and fire protection, emergency communications, legal services, planning, and parks and recreation. Primary resources of the fund include property, sales, and occupation taxes.

The Street Construction Fund, a special revenue fund, accounts for the resources accumulated, primarily highway allocation fees received from the State of Nebraska, and the payments made for the maintenance, construction, and improvement of the streets and highways in the City. Certain capital outlay expenditures reported in this fund are paid with a combination of these restricted resources, vehicle tax monies, impact fees, and state/federal aid.

The West Haymarket JPA Fund accounts for the activities of the joint public agency, a blended component unit of the City, established to facilitate the redevelopment of the West Haymarket Area. Occupation taxes imposed on bar, restaurant, car rental, and hotel revenues, provides the resources to finance the activities of the JPA.

The City reports the following major enterprise funds:

The Lincoln Wastewater System Fund accounts for the activities of the City's wastewater utility.

The Lincoln Water System Fund accounts for the activities of the City's water distribution operations.

The Lincoln Electric System Fund accounts for the activities of the City's electric distribution operations.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Additionally, the City reports the following fund types:

Internal Service Funds account for data processing, engineering, risk management, fleet management, and municipal services center operations services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The Pension Trust Fund accounts for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers and firefighters.

The Agency Funds account for the collection of various taxes, fines, and fees due to other government entities; good faith money due to contractors upon project completion; seized funds held for final court decisions of disbursal; funds held for payroll taxes and other payroll related payables; funds held to pay outstanding warrants; funds to pay phone system charges; funds to pay matured bonds and coupons for which the City Treasurer is trustee.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, return on equity, and charges between the business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise funds and of the government's internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In 2011, the City Council approved an ordinance requiring LES to pay an annual dividend to the City for the City's ownership of LES, in an amount based on the total net position of LES as of the most recent audited year-end financial statements. The annual dividend shall be remitted to the City on a semiannual basis on the 20th day of February and August of each year, with each payment representing fifty percent of the annual dividend payment.

ASSETS, LIABILITIES, AND NET POSITION OR FUND EQUITY

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The City may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act and as provided in the authorized investment guidelines of the Nebraska Investment Council and the City Investment Policy in effect on the date the investment is made.

Investments in the Pension Trust Fund are carried at either fair value or net asset value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

Receivables and Payables

Loans receivable in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables generally is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Inventories and Prepaid Items

Materials, supplies, and fuel inventories are stated at cost, which is generally determined using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Amounts of governmental fund inventories and vendor prepaid items are reported as nonspendable net position to indicate that they do not represent "available spendable resources".

Plant Operation Assets

LES' interest in jointly owned facilities Laramie River Station and Walter Scott Energy Center (see Note 23), is reported as plant operation assets on the statement of net position.

Costs Recoverable from Future Billings

Certain income and expense items of the Wastewater System, Water System, and LES, which would be recognized during the current period are deferred and not included in the determination of the change in net position until such costs are expected to be recovered through rates, in accordance with the regulated operations provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drainage systems, streetlights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to September 1, 2017, and the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred*

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

before the End of a Construction Period, interest incurred during the construction phase of capital assets of business-type activities was included as part of the capitalization value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 50
Improvements	5 - 40
Infrastructure	20 - 100
Equipment	2 - 20

The exceptions to this rule are library media, which is depreciated using a composite depreciation method, and LES, which depreciates its utility plant on a straight-line basis using composite rates ranging between 2% and 20%, depending on the respective asset type.

Compensated Absences

City employees generally earn vacation days at a variable rate based on years of service. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation, which is in no case longer than 37 days.

Employees earn sick leave at the rate of one day per month with total accumulation unlimited. Upon retirement, an employee is reimbursed for a percentage of accumulated sick leave with percentages and maximums depending on the employees' bargaining unit contract. Upon resignation from City service an employee may also be compensated for a percentage of accumulated sick leave, again, based on the employees' bargaining union contract. In some cases, payment may be placed in a medical spending account rather than reimbursing the employee directly.

LES is covered by a separate personnel plan regarding vacation and sick leave with the liability for these benefits recorded in accrued liabilities.

Vacation leave and other compensated absences with similar characteristics are accrued as the benefits are earned if the leave is attributable to past service and it is probable that the City will compensate the employees for such benefits. Sick leave and other compensated absences with similar characteristics are accrued as the benefits are earned only to the extent it is probable that the City will compensate the employees for such benefits through cash payments conditioned on the employee's termination or retirement, and is recorded based on the termination method. Such accruals are based on current salary rates and include salary-related payments directly and incrementally associated with payments made for compensated absences on termination.

All vacation and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In the governmental funds, only compensated absences that have matured as of year-end, for example, as a result of employee resignations and retirements, are recorded as a fund liability.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. For current and advance refunding of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. The unamortized balance of the refunding gain or loss is reported as deferred inflows or outflows of resources, as applicable, on the statement of net position.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Fund Balances

Fund balances reflect assets plus deferred outflows of resources minus liabilities and deferred inflows of resources in the governmental fund statements. Fund balance is divided into five classifications; nonspendable, restricted, committed, assigned and unassigned. Fund balance is reported as nonspendable when not in spendable form or legally or contractually required to be maintained intact. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when constraints are imposed by formal action (ordinance) of the City Council, the City's highest level of decision-making authority. Once adopted, the limitations imposed by the ordinance remain in place until the adoption of another ordinance to remove or revise the limitation.

Fund balance is reported as assigned when the intent of the City (resolutions approved by Council and executive orders approved by the Mayor) is to use the funds for a specific purpose. Unlike commitments, assignments generally only exist temporarily, as an additional formal action does not have to be taken to alter an assignment. Unassigned fund balance is the residual amount and only the General Fund can report a positive unassigned balance.

The City has established a policy intended to address the primary consideration of meeting unanticipated short-term cash flow needs of the City and the long-term goal of managing General Fund balances in a manner that at all times preserves the City's ability to meet its cash flow needs. No less than twenty percent of the ensuing year's General Fund budget is to be set aside to meet excess cash flow needs. Currently \$35,336,798 of the General Fund's spendable and unrestricted fund balance meets the requirements of this policy.

Net Position Classification

Net position is assets plus deferred outflows of resources minus liabilities and deferred inflows of resources and is shown in the entity-wide, proprietary, and fiduciary fund financial statements. Net position is required to be classified into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use through external parties such as creditors (debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$215,411,129 of restricted net position, of which enabling legislation restricts \$44,905,151.

Unrestricted – This component consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the "restricted" or "net investment in capital assets" components of net position.

When both restricted and unrestricted resources are available for use, it is generally the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

BUDGETARY DATA

Due to the fiscal uncertainty resulting from the economic effects of the Covid-19 pandemic, the requirement that the City must adopt a budget for a biennial period is temporality suspended by adoption of Ordinance No. 20967. The City will adopt annual budgets for fiscal years 2020-21 and 2021-22. In 2022 the City will revert to adopting biennial budgets.

The City Council follows these procedures, set out in the City Charter, in establishing the budgetary data reflected in the financial statements:

- 1) No later than June 15, prior to the beginning of the biennial budget period, the Mayor submits to the City Council a proposed biennial budget for the ensuing years. The biennial budget is a complete financial plan for the biennial period and consists of an operating budget and a capital budget.
- 2) Public hearing on the proposed budget is scheduled for not later than 10 days prior to the budget adoption date.
- 3) Not later than 5 days prior to the end of the biennial period, the budget is legally adopted by resolution of the City Council.
- 4) The Mayor is authorized to transfer unencumbered balances between appropriations of the same department or agency during the biennium. The Mayor also has authority to lower appropriations in any fund where actual revenues are less than appropriated in order to avoid incurring a budget deficit for that fiscal or biennial period.

Appropriation transfers between departments or agencies may only be authorized by resolution of the City Council. The Council may not make any appropriations in addition to those authorized in the biennial budget, except that it may authorize emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community.

- 5) Budgets for all funds are adopted on a basis inconsistent with accounting principles generally accepted in the United States of America (GAAP). Since encumbrances are included in the City's budget accounting, year-end encumbrances are reappropriated to the next year in the budget process. Various funds have expenditures automatically appropriated through the budget resolution, based on funds available. These expenditures are reflected in the original and final budgets at amounts equal to the actual expenditures. Budget basis expenditures are presented on a cash basis.

Amendments to the adopted budget were made this year and resulted from prior fiscal year encumbrances identified subsequent to budget adoption, appropriation of unanticipated revenues to certain funds as provided in the budget resolution, and appropriation revisions between or among departments as provided for under the City Charter.

- 6) Appropriation controls are required at the departmental level. However, as a matter of policy and practice, appropriations generally are controlled at the next level of organization (division) or by fund within a department.
- 7) Operating appropriations lapse at the end of the biennial period for which authorized except for those reappropriated by Council resolution, capital improvement appropriations and year-end encumbrances against operating budgets. Capital improvement appropriations are continuing appropriations through completion of the project.
- 8) Budgets are adopted by resolution for the following fund types: general, special revenue, debt service, capital projects, permanent, enterprise, internal service, and pension trust. Legally adopted annual budgets are not established for the West Haymarket JPA component unit, certain special revenue (Advance Acquisition, Police & Fire Pension Contributions, Special Assessment, Impact Fees, Parks & Recreation Special Projects, RP Crawford Park and Vehicle Tax Residual Revenue), debt service (Special Assessment), permanent (JJ Hompes), Fast Forward, and agency funds. In addition, capital project funds are budgeted on a project rather than a biennial basis.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

ENDOWMENTS

The Community Health Permanent Endowment Fund was established in 1997 with the \$37,000,000 cash proceeds realized by the City from the sale of Lincoln General Hospital, and may be increased by donations, bequests, or appropriations to the fund. Investment earnings of the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln. Earnings deposited with the City Treasurer shall be paid out only by order of those persons designated by the Community Health Endowment (CHE) Board of Trustees as outlined in the Fiscal and Budget Directives policy between the CHE and the City. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The current amount of net appreciation available for expenditure is \$26,766,221 which is reported along with \$865,000 of contingency funds as expendable health care restricted net position in the statement of net position. The initial endowment principal is reported as nonexpendable health care restricted net position in the statement of net position.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ materially from those estimates.

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

LES implemented the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, for its 2019 fiscal year. GASB 83 establishes standards for recognition and measurement of a liability for an asset retirement obligation and associated asset retirement cost. Prior to the implementation of GASB 83, LES recorded the associated asset retirement costs as a component of construction in progress. See Note 23 for further information on the LES asset retirement obligation. Because December 31st is the fiscal year-end of LES, the amounts as of and for the year ended December 31st, 2019, are included in the City's 2020 financial statements.

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of the \$542,587,127 difference are as follows:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Bonds Payable	\$ 409,076,495
Less issuance discounts	(988,582)
Plus issuance premiums	8,756,361
Plus deferred gain on refunding	803,271
Less deferred loss on refunding	(2,951,907)
Capital Leases Payable	21,299,428
Accrued Interest Payable	3,800,798
Net Pension Liability	71,221,833
Deferred Outflows for Pension	(14,886,337)
Deferred Inflows for Pension	4,403,322
Total OPEB Liability	16,947,839
Deferred Outflows for OPEB	(1,963,339)
Deferred Inflows for OPEB	1,619,943
Compensated Absences	25,288,970
Other	159,032
Net difference	<u>\$ 542,587,127</u>

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “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.” The details of this \$(636,882) difference are as follows:

Capital outlay	\$ 46,757,320
Depreciation expense	<u>(47,394,202)</u>
Net difference	<u>\$ (636,882)</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$23,233,609 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation refunding bonds	\$ (125,905,000)
Issuance premiums	(2,313,786)
Amortization of deferred premiums, discounts, and amounts from refundings	788,711
Gain on extinguishment of debt	170,995
Transfers to bond refunding agent	134,013,110
Principal repayments	<u>16,479,579</u>
Net difference	<u>\$ 23,233,609</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$(13,214,748) difference are as follows:

Loss on disposal of capital assets	\$ (10,539,678)
Construction contracts	(750,920)
Accrued interest	500,564
Compensated absences	(2,443,172)
Other	18,458
Net difference	<u>\$ (13,214,748)</u>

(3) RESTRICTED ASSETS

Certain proceeds of the enterprise funds revenue bonds and resources set aside for their repayment are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Assets included in the Bond Principal and Interest Account and the Bond Reserve Account are restricted for the payment of bond principal and interest. Assets included in the Surplus Account and in the Renewal and Replacement Account are restricted for specific purposes including improvements, repairs and replacements, acquisition of equipment, and the payment of bond principal and interest. Assets included in the Construction Account are restricted for paying the cost of capital improvements. Also, Lincoln Electric System has assets restricted for paying employee health claims and for deposits provided by both customers and developers.

A recap of the proprietary funds' restrictions and related balances at August 31, 2020, are as follows:

Fund Account	Parking System	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Total
Principal and Interest	\$ -	-	1,150,029	314,703	18,947,000	20,411,732
Reserve	-	1,117,084	6,977,186	5,211,450	18,980,000	32,285,720
Surplus	-	-	3,789,689	9,702,518	-	13,492,207
Renewal and Replacement	2,564,487	-	-	-	-	2,564,487
Capital Construction and Equipment	16,382,806	66,079	-	-	-	16,448,885
Customer/Developer Deposits	-	-	-	-	2,163,000	2,163,000
Claims	-	-	-	-	1,972,000	1,972,000
Total	<u>\$ 18,947,293</u>	<u>1,183,163</u>	<u>11,916,904</u>	<u>15,228,671</u>	<u>42,062,000</u>	<u>89,338,031</u>

Resources of the permanent funds totaling \$37,160,000 are legally restricted to the extent that only earnings and not principal may be used to support the City's programs.

(4) DEPOSITS AND INVESTMENTS

DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to provide a bond or may give security as provided in the Public Funds Deposit Security Act to the City Treasurer in the amount of the City's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC).

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

The City's cash deposits, including certificates of deposit, are insured up to \$250,000 by the FDIC. Any cash deposits and certificates of deposit in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the City, or a letter of credit issued by a Federal Reserve Bank, and thus no custodial risk exists. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

INVESTMENTS

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2020.

Money Market Funds and External Investment Trusts are carried at cost, and thus are not included within the fair value hierarchy. Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have also not been classified in the fair value hierarchy. Other than the pension trust fund investments noted specifically on page 49, the City's remaining investments carried at net asset value have no unfunded commitments and these investments can be redeemed at any time. These investments have been noted with NAV in the table below.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

At August 31, 2020, the City had the following investments, maturities, credit ratings, and fair value measurement:

	August 31, 2020							
	Maturities in Years							
Type	Carrying Value	Less than 1	1-5	6-10	More than 10	Credit Rating Moody's	S&P	Hierarchy Level
General City:								
U.S. Treasury Obligations	\$ 138,615,562	128,639,358	9,976,204	-	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	195,581,325	115,923,129	75,822,598	3,835,598	-	Aaa	AA+	2
Commercial Issuers (Commercial Paper)	64,488,000	64,488,000	-	-	-	P1	A1	2
Commercial Issuers (Commercial Paper)	12,775,000	12,775,000	-	-	-	P2	A2	2
Municipal Bonds	1,017,870	1,017,870	-	-	-	Aa1	AAA	2
Municipal Bonds	1,130,548	1,130,548	-	-	-	Aaa	AA+	2
Municipal Bonds	2,039,700	2,039,700	-	-	-	Aa2	AA	2
Municipal Bonds	1,021,940	1,021,940	-	-	-	Aaa	AAA	2
Municipal Bonds	1,134,364	1,134,364	-	-	-	Aa1	AA(Fitch)	2
Municipal Bonds	1,400,238	1,400,238	-	-	-	Aa2	AA-	2
Corporate Bonds	20,532,000	20,532,000	-	-	-	P1	A1	2
Money Market Funds - U.S. Treasury	1,460,284	-	1,460,284	-	-	Aaa-mf	AAA-m	N/A
Money Market Funds - U.S. Agencies	8,070,934	8,070,934	-	-	-	Aaa-mf	AAA-m	N/A
Money Market Funds	26,307,000	26,307,000	-	-	-	Aaa-mf	Not rated	N/A
Money Market Funds	50,940,000	50,940,000	-	-	-	Not Rated	Not Rated	N/A
External Investment Trust	36,500,000	35,000,000	1,500,000	-	-	Not rated	Not rated	N/A
Tax Increment Financing Investments	8,182,002	4,292	850,581	3,153,038	4,174,091	Not rated	Not rated	2
Equities	4,648,978	4,648,978	-	-	-	Not rated	Not rated	1
Total General City	575,845,745	475,073,351	89,609,667	6,988,636	4,174,091			
Community Health Endowment:								
Money Market Mutual Funds	306	306	-	-	-	Not Rated	Not Rated	N/A
Institutional funds *								
Fixed income	8,175,077	-	1,192,778	6,972,093	10,206	Not Rated	Not Rated	NAV
Intermediate term credit	2,943,268	-	2,943,268	-	-	Not Rated	Not Rated	NAV
Large cap equity	13,901,622	13,901,622	-	-	-	Not Rated	Not Rated	NAV
International equity	16,011,245	16,011,245	-	-	-	Not Rated	Not Rated	NAV
High-yield bonds	7,461,053	-	-	7,461,053	-	Not Rated	Not Rated	NAV
Emerging markets equity	3,749,235	3,749,235	-	-	-	Not Rated	Not Rated	NAV
Mid cap equity	2,451,317	2,451,317	-	-	-	Not Rated	Not Rated	NAV
U.S. Treasuries	4,383,084	-	4,383,084	-	-	Not Rated	Not Rated	NAV
Small cap equity	309,995	309,995	-	-	-	Not Rated	Not Rated	NAV
Commodities	3,605,427	3,605,427	-	-	-	Not Rated	Not Rated	NAV
Real Estate	56,314	56,314	-	-	-	Not Rated	Not Rated	NAV
Limited Partnership	35,303	35,303	-	-	-	Not Rated	Not Rated	NAV
Total Community Health Endowment:	63,083,246	40,120,764	8,519,130	14,433,146	10,206			
Police & Fire Pension Trust:								
Mutual Funds	150,597,776	150,597,776	-	-	-	Not rated	Not rated	1
Limited Partnership	64,306,994							NAV
Real Estate Limited Partnerships	47,682,379							NAV
Total Police & Fire Pension Trust	262,587,149							
Total Primary Government	\$ 901,516,140							

* The investment in the institutional funds is at the fund level. Additional detail has been presented to provide information on diversification within the fund. The fund is open-ended and therefore is not subject to credit risk disclosures. CHE's fixed income institutional funds have a weighted-average maturity of 4.68 years at August 31, 2020. The equity security institutional funds are redeemable immediately thus not subject to interest rate risk.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City has no investments at August 31, 2020 that are classified within Level 3 of the hierarchy.

INVESTMENT POLICIES

General City Policy

Generally, the City's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with the investment policy adopted by the City Council complying with state statutes and the City Charter. The City may legally invest in U.S. government securities and agencies, U.S. government sponsored agencies, and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds, bankers' acceptances, and investment agreements.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits current operating funds to be invested with maturities of no longer than twenty-four months. Fixed income investments held in construction funds, operating funds, and other nonoperating funds are limited to ten-year maturities. Investment agreements are not subject to interest rate risk, as the issuer guarantees the interest rate. Money market mutual funds and external investment funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately. Tax Increment Financing investments can exceed 10 years as the interest rates are guaranteed by the fund and the investment is made within the City's funds.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy establishes requirements for certain investment securities to be rated at certain rates or higher without having collateral pledged to the City. The following investment types must be rated at the minimum rates noted below:

	<u>S&P</u>	<u>Moody's</u>
Money Markets	AAm	---
Corporate Notes	AA-	Aa3
Investment Agreements	AA-	Aa3
Commercial Paper	A-1	P-1
Bankers' Acceptance	A-1	P-1
Local Government Debt	AA	Aa

The external investment funds are held in the City's idle fund pool and are comprised of Nebraska Federal Investment Trust (NFIT) and Short-Term Federal Investment Trust (STFIT) funds. These Funds are carried by the City at amortized cost. NFIT and STFIT invest in only the highest quality securities, including U.S. government, rated U.S. sponsored agencies, and guaranteed student loans, and their investment portfolios are valued at amortized cost, which approximates fair value based on the short-term nature of the instruments.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Concentration of Credit Risk. The City's investment policy places various limits on the amount that may be invested in any one issuer. Per the policy, allocation limits do not apply to the investment of proceeds from issuance of debt. These investments shall be governed by the debt covenant included in the debt instrument. Non-compliance due to a decrease in investment balance does not require corrective action.

Type	Portfolio Composition	Policy Limits on Issuer
U.S. agency obligations:		
Federal Home Loan Bank	12.44 %	40.00 %
Federal Home Loan Mortgage Corporation	8.86	40.00
Federal National Mortgage Association	3.30	40.00
Federal Farm Credit Bank	9.36	40.00
Federal Agricultural Mortgage Corporation	0.00	25.00

Community Health Endowment (CHE) Policy

As a public endowment fund, under State law, CHE is permitted to invest in the manner required of a prudent investor acting with care, skill and diligence under the prevailing circumstance, without restrictions as to the type and limits of investments. CHE has engaged one of the world's largest institutional investment firms to advise on portfolio management. That investment firm and affiliates are also the sponsor and investment manager for all of the institutional funds listed on a previous page.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, CHE will not be able to recover the value of its investment securities that are in the possession of an outside party. All investments are held in CHE's name.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, CHE's investment policy requires the average duration of the fixed income portfolio to be no more than 120% of the appropriate fixed income benchmark.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is CHE's policy to limit its investments in fixed income securities to issues with at least BBB-/Baa3 ratings. Short-term fixed income issues should have a minimum A-2/P-2 rating. None of CHE's investments were rated at August 31, 2020.

Concentration of Credit Risk. Concentration of credit risk is the risk associated with the amount of investments CHE has with any one issuer that exceeds 5% or more of its total investments. CHE limits the percentage that may be invested in any one sector, company and issuer. CHE's portfolio shall not own more than 5% of the outstanding securities of any single issuer. Exceptions are allowed where a fund's benchmark includes securities greater than 3%, in which case the investment manager may have no more than the securities index weight plus 2%. The entire portfolio shall have no more than 5% of its assets invested in the securities of any one issuer, except for U.S. Treasury and U.S. agencies obligations.

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. CHE had no investment denominated in foreign currency at August 31, 2020.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Police & Fire Pension Trust Policy

The Police & Fire Pension Trust Investment Board, established by the City Council in accordance with Lincoln Municipal Code chapter 4.62, directs and oversees the trust's investments for the sole benefit of plan participants and beneficiaries. The Board consists of nine members. Two board positions shall be filled by the City Finance Director and the City Human Resources Director; two board positions shall be elected by secret ballot by the active paid police officers of the City; two board positions shall be elected by secret ballot by the active paid firefighters of the City; and three board positions shall be appointed by the Mayor, after consultation with the other six members, subject to approval by the City Council. The three appointed members shall have at least five years demonstrated experience in financial, actuarial, investment or employee benefit plan matters.

The board also provides oversight and directions to the plan administrator with regard to the investments of the trust's funds. The daily management responsibility of the trust and routine investment transactions are delegated to the plan administrator.

The Police & Fire Pension Trust can invest in domestic and international equity funds, domestic and foreign bonds, real estate, and alternative investments.

The investment board has the responsibility to allocate plan assets in various investment strategies to reach the overall return and risk objectives of the plan. Annually the board reviews the plan's investments from an "asset allocation" perspective. The strategic allocation process is based on such factors as historical absolute returns of the benchmarks, recent returns for benchmarks, volatility of benchmark returns as measured by standard deviation, and the correlation of returns with other asset classes used in the portfolio. The following was the asset allocation as of August 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Developed Equity	40.0 %
Emerging Markets Equity	5.0
Private Equity	10.0
Fixed Rate Debt (Intermediate)	10.0
Floating Rate Public Debt	5.0
Private Credit	5.0
Low Volatility Hedge Funds	10.0
Private Real Estate	<u>15.0</u>
Total	<u>100.0 %</u>

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police & Fire Pension Trust will not be able to recover the value of its investment securities that are in the possession of an outside party.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Investment Board for the Police & Fire Pension Trust compares the risk and return characteristics derived from the actual performance of the Fund, by separate asset classes and specific securities to appropriate benchmarks, and financial indices and/or funds, at least annually. Asset allocation, investments, and/or investment managers are adjusted as necessary by this monitoring.

Credit Risk. The policy states that the plan will select appropriate investments, or investment manager(s), to fill each asset class allocation. The individual investment, or investment managers, chosen shall be those determined to meet the board's objectives in terms of their overall combination of risk, return, and liquidity.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Concentration of Credit Risk. The policy places no limit on the amount that may be invested in any one issuer. The following individual investments currently held by the Plan are greater than 5% of the Plan's fiduciary net position:

Vanguard Total Stock Market Index	27.57 %
American New Perspective R6	11.37
RREEF America REIT II	10.16
J.P. Morgan Core Bond Fund	9.97
Dodge and Cox Global Stock Fund	8.24
Prudential PRISA III LP	5.41

The Trust is required to fund the following additional amounts in accordance with the related investment agreements:

TenaskaTPF II, LP - \$66,521
Aberdeen U.S. Private Equity VI - \$101,822
Greenspring Partners IX-B - \$3,097,500
Warburg Pincus Global Growth - \$2,576,000
Weathergage Venture Capital IV - \$840,000
Golub Capital Partners International Fund 11 - \$500,000
Principal Real Estate Debt Fund II - \$1,018,103
OHA Tactical Opportunities Fund (Offshore) - \$2,839,078
Varde Dislocation Fund Offshore - \$2,700,000

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2020:

	Totals		
Investments	\$		
Deposits and Cash on Hand		954,453,877	
	\$	954,453,877	
		Government-wide	Fiduciary Funds
		Statement of	Statement of
		Net Position	Net Position
		Totals	
Cash and Cash Equivalents	\$	116,775,028	9,333,944
Investments		448,065,790	262,939,916
Restricted Assets:			
Cash and Cash Equivalents		9,599,377	-
Investments		107,739,822	-
	\$	682,180,017	272,273,860
		954,453,877	

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(5) FUND BALANCES

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. The City generally follows this same order in spending available resources unless special circumstances apply. The following provides details of the aggregate amounts displayed on the face of the governmental funds balance sheet:

	Major Funds			Other Governmental Funds	Total
	General Fund	Street Construction	West Haymarket JPA		
Fund Balances:					
Nonspendable:					
Inventory	\$ 67,420	702,031	-	967,027	1,736,478
Prepaid Items	221,164	-	3,953	-	225,117
Permanent Fund Principal	-	-	-	37,160,000	37,160,000
Total Nonspendable	288,584	702,031	3,953	38,127,027	39,121,595
Restricted For:					
Capital Improvements	1,460,284	41,196,466	1,055,211	30,849,764	74,561,725
Human Services	1,589,491	-	-	-	1,589,491
Donor Purposes	4,521,725	-	-	4,585,143	9,106,868
Agency Activities	-	-	1,381,497	-	1,381,497
Land Purchases	-	-	-	3,019,959	3,019,959
Social Security Obligations	-	-	-	1,562,900	1,562,900
Community Betterment	-	-	-	5,648,216	5,648,216
Federal Loan Programs	-	-	-	19,166,627	19,166,627
Special Assessment Improvements	-	-	-	338,520	338,520
Debt Service	-	-	-	6,680,318	6,680,318
Health Care	-	-	-	26,766,221	26,766,221
Claims Contingencies	-	-	-	865,000	865,000
Library Media	-	-	-	920,299	920,299
Street Maintenance	-	-	-	993,993	993,993
Total Restricted	7,571,500	41,196,466	2,436,708	101,396,960	152,601,634
Committed To:					
Public Access Television	-	-	-	269,582	269,582
Debt Service	-	-	-	657,857	657,857
Total Committed	-	-	-	927,439	927,439
Assigned To:					
Capital Improvements	-	10,237,970	-	-	10,237,970
Donor Purposes	1,007,694	-	-	-	1,007,694
Public Improvements	16,829	-	-	395,186	412,015
Athletic Facility Improvements	1,056,785	-	-	-	1,056,785
Senior Care	2,343,728	-	-	-	2,343,728
Emergency Communications	3,168,843	-	-	-	3,168,843
Economic Development Projects	5,225,182	-	-	-	5,225,182
Debt Service	-	-	36,133,906	-	36,133,906
Land Purchases	-	-	-	230,455	230,455
Public Access Television	-	-	-	123,346	123,346
Library Services	-	-	-	3,752,365	3,752,365
Health Care	-	-	-	5,350,094	5,350,094
Social Security Obligations	-	-	-	522,648	522,648
Public Transportation	-	-	-	3,119,623	3,119,623
Community Betterment	-	-	-	356,912	356,912
Building Code Enforcement	-	-	-	10,306,476	10,306,476
Park Projects	-	-	-	222,070	222,070
Subsequent Year's Appropriated Fund Balance	914,176	-	-	-	914,176
Other Purposes	241,525	-	-	-	241,525
Total Assigned	13,974,762	10,237,970	36,133,906	24,379,175	84,725,813
Unassigned	46,934,528	-	-	(339,815)	46,594,713
Total Fund Balances	\$ 68,769,374	52,136,467	38,574,567	164,490,786	323,971,194

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(6) RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables at August 31, 2020, consist of the following (in thousands):

Fund	Taxes	Accounts	Accrued Interest	Loans	Special Assessment		Contributions	Gross Receivables	Allowance For Uncollectibles	Net
					Current	Deferred				
General	\$ 4,706	1,651	711	-	-	-	-	7,068	-	7,068
Street Construction	-	217	-	-	-	-	-	217	-	217
West Haymarket JPA	1,381	903	189	-	-	-	-	2,473	-	2,473
Wastewater System	-	5,812	-	-	-	-	-	5,812	-	5,812
Water System	-	8,951	-	-	-	-	-	8,951	-	8,951
Electric System	-	36,397	1,096	-	-	-	-	37,493	2,026	35,467
Nonmajor -										
Special Revenue	1,622	649	100	22,237	-	-	-	24,608	2,830	21,778
Debt Service	1,443	113	22	-	337	1,675	-	3,590	145	3,445
Capital Projects	-	-	50	-	-	-	-	50	-	50
Permanent	-	-	6	-	-	-	-	6	-	6
Enterprise	-	7,096	63	-	-	-	-	7,159	3,593	3,566
Internal Service	-	339	15	-	-	-	-	354	-	354
Fiduciary	-	1	4	-	-	-	648	653	-	653
Total	\$ 9,152	62,129	2,256	22,237	337	1,675	648	98,434	8,594	89,840

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2020, were \$143,615.

The total of Due From Other Governments of \$32,070,775 includes the following significant items:

Fund/Fund Type	Amount	Service
General/Major Governmental	\$14,973,317	State of Nebraska, July/August Sales & Use Tax
	664,899	August Motor Vehicle Taxes Collected by Lancaster County
	8,114	August Property Tax Interest Collected by Lancaster County
	302,540	Federal Government, Cost Reimbursements
	144,613	Lancaster County, Cost Reimbursements
Street Construction/Major Governmental	5,866,684	State of Nebraska, July/August Highway User Fees
	129,157	State of Nebraska, Cost Reimbursements
	256,979	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	766,242	Federal Government, Cost Reimbursements
StarTran/Special Revenue	95,884	Federal Government, Cost Reimbursements
	511,218	State of Nebraska, Cost Reimbursements
Federal Grants/Special Revenue	2,435,096	Federal Government, Cost Reimbursements
	296,186	State of Nebraska, Cost Reimbursements
Vehicle Tax Residual Revenue/Special Revenue	935,030	August Motor Vehicle Taxes Collected by Lancaster County
Special Assessment/Debt Service	19,409	August Special Assessments Collected by Lancaster County
Lincoln On The Move/Capital Projects	2,504,933	State of Nebraska, July/August Sales & Use Tax
Vehicle Tax/Capital Projects	935,030	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Bonds/Capital Projects	165,228	Federal Government, Cost Reimbursements
	264,315	Natural Resource District, Share of Project
Other Capital Projects/Capital Projects	305,549	Federal Government, Cost Reimbursements
Solid Waste Management/Enterprise	18,115	State of Nebraska Billings
Information Services/Internal Service	213,041	Lancaster County Billings
Police Garage/Internal Service	27,322	State of Nebraska Billings
Subtotal	31,838,901	
LPS Asset Bank Balance	216,300	
All other	15,574	
Total Due From Other Governments	\$32,070,775	

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(7) CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 172,113,975	6,033,692	10,503,286	-	167,644,381
Construction in Progress	98,401,281	23,647,378	50,473,830	(4,671,098)	66,903,731
Total Capital Assets, not being Depreciated	270,515,256	29,681,070	60,977,116	(4,671,098)	234,548,112
Capital Assets, being Depreciated:					
Buildings	372,421,148	17,836,771	222,324	-	390,035,595
Improvements Other Than Buildings	144,499,014	3,191,979	92,990	-	147,598,003
Machinery and Equipment	131,062,242	14,175,329	6,318,585	-	138,918,986
Infrastructure	1,021,546,440	46,722,045	121,192	-	1,068,147,293
Total Capital Assets, being Depreciated	1,669,528,844	81,926,124	6,755,091	-	1,744,699,877
Less Accumulated Depreciation for:					
Buildings	82,208,503	8,785,819	215,611	-	90,778,711
Improvements Other Than Buildings	53,208,471	4,495,557	90,385	-	57,613,643
Machinery and Equipment	75,363,163	8,417,002	6,110,809	-	77,669,356
Infrastructure	380,942,546	29,383,606	112,960	-	410,213,192
Total Accumulated Depreciation	591,722,683	51,081,984	6,529,765	-	636,274,902
Total Capital Assets, being Depreciated, Net	1,077,806,161	30,844,140	225,326	-	1,108,424,975
Governmental Activities Capital Assets, Net	\$ 1,348,321,417	60,525,210	61,202,442	(4,671,098)	1,342,973,087
Business-type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 32,485,031	1,173,536	-	-	33,658,567
Construction in Progress	160,577,862	112,753,904	146,720,994	-	126,610,772
Total Capital Assets, not being Depreciated	193,062,893	113,927,440	146,720,994	-	160,269,339
Capital Assets, being Depreciated:					
Buildings	246,940,123	4,327,781	242,683	-	251,025,221
Improvements Other Than Buildings	820,962,828	49,085,006	8,549	4,671,098	874,710,383
Machinery and Equipment	65,617,584	4,492,268	729,490	-	69,380,362
Utility Plant	1,570,474,000	117,009,000	3,606,000	-	1,683,877,000
Total Capital Assets, being Depreciated	2,703,994,535	174,914,055	4,586,722	4,671,098	2,878,992,966
Less Accumulated Depreciation for:					
Buildings	106,289,240	5,289,539	242,682	-	111,336,097
Improvements Other Than Buildings	269,406,411	15,683,329	8,550	-	285,081,190
Machinery and Equipment	41,895,773	3,567,754	581,781	-	44,881,746
Utility Plant	776,872,000	54,153,000	5,236,000	-	825,789,000
Total Accumulated Depreciation	1,194,463,424	78,693,622	6,069,013	-	1,267,088,033
Total Capital Assets, being Depreciated, Net	1,509,531,111	96,220,433	(1,482,291)	4,671,098	1,611,904,933
Business-type Activities Capital Assets, Net	\$ 1,702,594,004	210,147,873	145,238,703	4,671,098	1,772,174,272

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 1,813,769
Public Safety	4,020,471
Streets and Highways, including Infrastructure	28,699,178
Culture and Recreation	10,460,691
Economic Opportunity	45,396
Health and Welfare	353,087
Mass Transit	2,001,610
Subtotal	<u>47,394,202</u>
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	<u>3,687,782</u>
Total Depreciation Expense - Governmental	<u><u>\$ 51,081,984</u></u>

Business-type Activities:

Golf	\$ 450,824
Parking System	2,103,781
Pinnacle Bank Arena	82,319
Solid Waste Management	2,306,732
Emergency Medical Services	315,488
Broadband Enterprise	1,133,406
Wastewater System	9,328,595
Water System	8,819,477
Lincoln Electric System	<u>54,153,000</u>
Total Depreciation Expense - Business-type	<u><u>\$ 78,693,622</u></u>

Capital asset activity of each major enterprise fund was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Wastewater System:				
Capital Assets, not being Depreciated:				
Land	\$ 7,891,881	273,466	-	8,165,347
Construction in Progress	10,897,334	25,953,626	10,186,594	26,664,366
Total Capital Assets, not being Depreciated	<u>18,789,215</u>	<u>26,227,092</u>	<u>10,186,594</u>	<u>34,829,713</u>
Capital Assets, being Depreciated:				
Buildings	81,564,453	-	-	81,564,453
Improvements Other Than Buildings	343,691,965	11,881,849	-	355,573,814
Machinery and Equipment	15,058,013	1,862,135	-	16,920,148
Total Capital Assets, being Depreciated	<u>440,314,431</u>	<u>13,743,984</u>	<u>-</u>	<u>454,058,415</u>
Less Accumulated Depreciation for:				
Buildings	37,981,670	1,807,397	-	39,789,067
Improvements Other Than Buildings	115,627,621	6,644,704	-	122,272,325
Machinery and Equipment	8,996,818	876,494	-	9,873,312
Total Accumulated Depreciation	<u>162,606,109</u>	<u>9,328,595</u>	<u>-</u>	<u>171,934,704</u>
Total Capital Assets, being Depreciated, Net	<u>277,708,322</u>	<u>4,415,389</u>	<u>-</u>	<u>282,123,711</u>
Wastewater System Capital Assets, Net	<u><u>\$ 296,497,537</u></u>	<u><u>30,642,481</u></u>	<u><u>10,186,594</u></u>	<u><u>316,953,424</u></u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,756,709	70	-	5,756,779
Construction in Progress	6,202,940	19,602,542	16,495,881	9,309,601
Total Capital Assets, not being Depreciated	11,959,649	19,602,612	16,495,881	15,066,380
Capital Assets, being Depreciated:				
Buildings	83,073,962	3,627,726	-	86,701,688
Improvements Other Than Buildings	402,949,280	14,893,136	-	417,842,416
Machinery and Equipment	28,281,595	702,842	-	28,984,437
Total Capital Assets, being Depreciated	514,304,837	19,223,704	-	533,528,541
Less Accumulated Depreciation for:				
Buildings	35,878,681	1,629,391	-	37,508,072
Improvements Other Than Buildings	118,913,907	6,010,856	-	124,924,763
Machinery and Equipment	19,774,832	1,179,230	-	20,954,062
Total Accumulated Depreciation	174,567,420	8,819,477	-	183,386,897
Total Capital Assets, being Depreciated, Net	339,737,417	10,404,227	-	350,141,644
Water System Capital Assets, Net	\$ 351,697,066	30,006,839	16,495,881	365,208,024
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 141,489,000	63,049,000	118,639,000	85,899,000
Capital Assets, being Depreciated:				
Utility Plant	1,570,474,000	117,009,000	3,606,000	1,683,877,000
Less Accumulated Depreciation	776,872,000	54,153,000	5,236,000	825,789,000
Total Capital Assets, being Depreciated, Net	793,602,000	62,856,000	(1,630,000)	858,088,000
Electric System Capital Assets, Net	\$ 935,091,000	125,905,000	117,009,000	943,987,000

The costs of LES retirement work orders are closed into accumulated depreciation, which follows Federal Energy Regulatory Commission guidelines. Therefore, as shown above, the decrease in LES accumulated depreciation exceeds the decrease in Utility Plant assets and the decrease in Construction in Progress exceeds the increase in Utility Plant.

Lincoln Electric System utility plant includes an allowance for funds used during construction for projects costing in excess of \$500,000. The allowance for funds used during construction is based on LES' true interest cost of the most recent borrowing. The rate for 2019 was 3.2 percent.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2020, consist of the following:

Due To	Due From								Total
	General Fund	Street Construction	West Haymarket JPA	Lincoln Wastewater System	Lincoln Water System	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	98,121	-	57,523	78,504	1,191,282	214,049	184,684	1,824,163
Street Construction	1,233,952	-	-	-	-	13,261,958	-	-	14,495,910
Lincoln Wastewater System	411,318	-	-	-	-	2,039,775	-	-	2,451,093
Lincoln Water System	1,233,952	-	-	-	-	7,060,350	-	-	8,294,302
Nonmajor Governmental	2,262,243	-	-	-	-	1,661,343	-	-	3,923,586
Nonmajor Enterprise	1,234,804	11,964	117,598	-	-	1,442	11,490	-	1,377,298
Internal Service	2,629,924	535,940	-	-	-	54,056	9,346	85,728	3,314,994
Total	\$ 9,006,193	646,025	117,598	57,523	78,504	25,270,206	234,885	270,412	35,681,346

“Due to” and “Due from” balances are recorded when funds overdraw their share of pooled cash. Other balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers To/From Other Funds for the year ended August 31, 2020, consist of the following:

Transfer To	Transfer From									Total
	General Fund	Street Construction	West Haymarket JPA	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	61,553	-	8,493	10,310	10,002,528	707,759	2,098,918	177,069	13,066,630
Street Construction	3,789,493	-	-	-	-	-	18,469,874	11,487	-	22,270,854
West Haymarket JPA	-	-	-	-	-	-	378,000	-	-	378,000
Nonmajor Governmental	25,305,143	5,132,581	-	-	-	-	8,802,575	1,694,324	1,544,879	42,479,502
Nonmajor Enterprise	-	-	800,196	-	-	-	-	-	100,000	900,196
Internal Service	497,223	-	-	-	-	-	-	-	56,000	553,223
Total	\$ 29,591,859	5,194,134	800,196	8,493	10,310	10,002,528	28,358,208	3,804,729	1,877,948	79,648,405

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) transfer payment in lieu of taxes and return on equity from LES to the General Fund.

On the fund statements, because the governmental funds do not record capital assets, the movement of capital assets from governmental to enterprise funds are shown as capital contributions. On the government-wide Statement of Activities these transactions are recorded as transfers and shown netted with other operating transfers. The current year reassignment of capital assets amounted to \$4,875,094.

The \$101,528 variance for transfers on the Statement of Activities is caused by the different fiscal year end dates used by the City (August 31) and Lincoln Electric System (December 31). Lincoln Electric System records an estimate for payments of return on equity as an accrued liability at December 31. The City, however, receives the payments before the August 31 fiscal year end, and records the total amount as a transfer in.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(9) **DEBT OBLIGATIONS**

SHORT-TERM

Established by City Ordinance, LES may borrow up to \$150 million under a commercial paper note program. The payment of the commercial paper notes is subordinated to the payment of the principal of, and interest on, the outstanding bonds. At December 31, 2019, LES had \$65.5 million of commercial paper notes outstanding. The notes mature at various dates but not more than 270 days after the date of issuance. The weighted-average interest rate for the year ended December 31, 2019, was 1.55%. The outstanding commercial paper notes are secured by a revolving credit agreement. There were no advances outstanding under the credit agreement at December 31, 2019. The revolving credit agreement which secures LES' commercial paper program also includes a note purchase agreement which provides LES the ability to borrow monies on a short-term basis. There was \$1,500,000 outstanding under the note purchase agreement as of December 31, 2019. Amounts outstanding under the note purchase agreement reduce the amount available under the revolving credit agreement. LES uses commercial paper notes as part of their long-term financing strategy. As such, commercial paper is typically renewed as it matures. The weighted average length of maturity of commercial paper for 2019 was 93 days.

Subsequent to the close of 2019, LES executed two short-term debt transactions. On March 20, 2020 LES drew \$35,000,000 on the JPMorgan Chase Bank, National Association Note Purchase Agreement. The amount was then subsequently used to paydown \$35,000,000 of outstanding notes under LES' commercial paper program on April 1 and April 2, 2020. Also, on April 2, 2020 LES made a taxable draw of \$35,000,000 on its revolving credit agreement with U.S. Bank National Association. Funds drawn on the revolving credit agreement are available for operating or capital needs.

Commercial paper activity for the year ended December 31, 2019, is as follows:

	Beginning			Ending	Due Within
Lincoln Electric System:	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Commercial Paper Notes	\$ <u>65,500,000</u>	<u>294,750,000</u>	<u>(294,750,000)</u>	<u>65,500,000</u>	<u>65,500,000</u>

LONG-TERM

The City issues general obligation, special assessment, and revenue bonds to finance the acquisition and construction of major capital assets. Bonded indebtedness has also been entered into to advance refund several general obligation and revenue bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Special assessment bonds are repaid from amounts levied against affected property owners, but in the unlikely event collections are not sufficient to make debt payments, the responsibility rests with the City to meet that obligation. For revenue bonds the government pledges income derived from the acquired or constructed assets to pay the debt service.

Net position of \$2,447,999, \$3,379,238, \$1,168,310, and \$342,628 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

The City has entered into lease agreements for financing the acquisition of land, buildings, streetlights, entry corridor improvements, sidewalks, dump trucks, street sweepers, motor grader, emergency vehicles and equipment, golf equipment, and computer equipment and software. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Assets acquired through capital leases are as follows:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

	Governmental Activities	Business-Type Activities
Land	\$ 1,780,066	\$ 199,546
Buildings	28,996,161	1,647,945
Improvements	5,070,465	-
Infrastructure	33,552,416	-
Machinery and Equipment	10,988,333	3,293,849
Less Accumulated Depreciation, (where applicable)	<u>(25,618,098)</u>	<u>(2,787,426)</u>
Total	<u>\$ 54,769,343</u>	<u>\$ 2,353,914</u>

Under the City's Home Rule Charter, there is no legal debt limit. The various bond indentures contain significant limitations and restrictions on annual debt service requirements, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages.

In November 2019, the WHJPA issued \$100,000,000 of General Obligation Facility Refunding Bonds, Taxable Series 2019. The bond proceeds, together with other Agency funds, were used to provide for payment of the principal and interest on the \$100,000,000 outstanding General Obligation Facility Bonds, Series 2011, through the redemption date of December 15, 2021, and to redeem any remaining balance of the Series 2011 bonds on that redemption date. The refunding resulted in debt service savings of \$26,858,383 and net present value savings of \$21,041,793. At August 31, 2020, \$100,000,000 of Series 2011 Bonds remain outstanding.

In August 2020, the City issued \$4,140,000 of General Obligation Stormwater Drainage and Flood Management Refunding Bonds, Series 2020 with an average interest rate of 5.000% to refund \$5,130,000 of General Obligation Stormwater Bonds, Series 2011, on the redemption date of August 20, 2020. The City completed the refunding to reduce its total debt service payments by \$1,031,4076 and net present value savings of \$1,005,851.

In August 2020, the City issued \$21,765,000 of Limited Tax General Obligation Arena Refunding Bonds, Series 2020 with an average interest rate of 1.909%. The bond proceeds were used to provide for payment of the principal and interest on the \$20,440,000 outstanding Limited Tax General Obligation Arena Bonds, Series 2013, through the redemption date of July 15, 2023, and to redeem any remaining balance of the Series 2013 bonds on that redemption date. The City completed the refunding to reduce its total debt service payments by \$3,119,065 and net present value savings of \$2,800,916. At August 31, 2020, \$20,440,000 of Series 2013 Bonds remain outstanding.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environmental Quality (NDEQ) consisting of three separate contracts. Under contract 317247 the Lincoln Wastewater System has borrowed \$4,808,792 to fund certain sewer system extension and sewer repairs. The System also borrowed \$5,000,000 under contract 317078 to fund certain treatment facilities projects. The interest rate throughout the term of these loans is 2.0%. The Wastewater System has also borrowed \$17,000,000 under contract 317830 to fund certain wastewater solids handling, trunk sewer, and selected facility replacement improvements. The interest rate throughout the term of this loan is 3.25%.

Lincoln Water System has entered into a \$14,977,829 loan agreement with NDEQ to fund certain water system extension and water repairs. The interest rate throughout the term of the loan is 2.25%. In addition, an administrative fee of 1% will be incurred on the loan.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Long-term bonded debt of the City is comprised of the following individual issues (in thousands of dollars):

Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Governmental Activities:							
General Obligation Bonds:							
General Bonds:							
\$ 8,090	06/26/12	Refunding Bonds	1.000 - 3.000	Serial 2013 to 2023	---	Semiannually	\$ 1,960
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	4,225
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
5,720	04/15/15	Stormwater Refunding Bonds	1.000 - 5.000	Serial 2016 to 2025	---	"	3,025
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	5,470
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	---	"	3,310
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2020 to 2039	2029	"	9,900
4,140	08/20/20	Stormwater Refunding Bonds	5.00	Serial 2021 to 2030	---	"	4,140
Total General Bonds							<u>\$ 33,545</u>
Tax Allocation Bonds:							
\$ 601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	Semiannually	\$ 342
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	4
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	12
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	101
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	29
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	1,275
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	61
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	45
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	99
600	12/01/16	Tax Allocation Bonds	2.300	Serial 2018 to 2021	Anytime	"	235
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	71
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	127
Total Tax Allocation Bonds							<u>\$ 2,401</u>
Tax Supported Bonds:							
\$ 28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	Semiannually	\$ 11,220
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	"	10,790
21,765	08/20/20	Limited Tax Arena Refunding Bonds	.200 - 3.000	Serial 2021 to 2037	2030	"	21,765
Total Tax Supported Bonds							<u>\$ 43,775</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 365
375	08/18/11	Special Assessment	4.200	Term 2031	2016	"	375
3,000	11/23/11	Special Assessment	2.000 - 3.500	Serial 2012 to 2031	2021	"	1,835
Total Special Assessment Bonds							<u>\$ 2,575</u>
West Haymarket Joint Public Agency Bonds:							
\$ 31,515	09/08/10	Facility Bonds Taxable Build America Bonds	3.500 - 4.450	Serial 2020 to 2030	Anytime	Semiannually	\$ 31,515
68,485	09/08/10	Facility Bonds Taxable Build America Bonds	4.750 / 5.000	Term 2035 & 2045	Anytime	"	68,485
15,785	12/01/10	Facility Bonds Taxable Build America Bonds	4.000 - 5.000	Serial 2020 to 2025	Anytime	"	15,785
52,180	12/01/10	Facility Bonds Taxable Build America Bonds	5.400 / 5.800 / 6.000	Term 2030 2035 2039	Anytime	"	52,180
32,035	12/01/10	Recovery Zone Economic Development	6.750	Term 2045	Anytime	"	32,035
20,850	12/04/13	Facility Bonds	2.000 - 5.000	Serial 2014 to 2038	2023	"	17,470
7,325	12/04/13	Facility Bonds	4.500	Term 2043	2023	"	7,325
88,270	11/21/19	Facility Refunding Bonds	2.375 - 3.050	Serial 2022 to 2040	2029	"	88,270
11,730	11/21/19	Facility Refunding Bonds	3.250	Term 2042	2029	"	11,730
Total West Haymarket Joint Public Agency Bonds							<u>\$ 324,795</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 407,091</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Business-Type Activities:							
Revenue Bonds:							
\$ 38,290	05/24/12	Wastewater Revenue Refunding	1.000 - 5.000	Serial 2013 to 2028	2023	Semiannually	\$ 21,000
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	8,605
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	11,345
20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	"	19,420
2,760	07/24/19	Wastewater Revenue Bonds	3.00	Term 2042	2029	"	2,760
2,925	07/24/19	Wastewater Revenue Bonds	3.00	Serial 2043 to 2044	2029	"	2,925
		Total Wastewater Bonds					<u>\$ 66,055</u>
\$ 10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	---	Semiannually	2,215
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	"	12,610
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	9,705
		Total Water Bonds					<u>\$ 24,530</u>
\$ 48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000 3.00	Serial 2020 to 2035 Term 2039	2029 2029	Semiannually "	\$ 39,405 6,655
		Total Parking Bonds					<u>\$ 46,060</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 3,895
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	4,370
		Total Solid Waste Management Bonds					<u>\$ 8,265</u>
\$ 93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2013	Semiannually	\$ 1,150
247,150	08/15/12	Electric Revenue and Refunding Bonds	1.000 - 5.000	Serial 2013 to 2032	2022	"	186,855
30,165	08/15/12	Electric Revenue and Refunding Bonds	3.625 - 5.000	Term 2037	2022	"	30,165
75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	"	75,525
127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	"	118,475
40,170	03/11/15	Electric Revenue and Refunding Bonds	4.000	Term 2040	2025	"	40,710
116,645	09/01/16	Electric Revenue Refunding Bonds	3.000 - 5.000	Serial 2017 to 2034	2027	"	65,960
121,205	07/01/18	Electric Revenue Bonds	3.000 - 5.000	Serial 2025 to 2034	2027	"	121,205
		Total Electric Bonds					<u>\$ 640,045</u>
		TOTAL REVENUE BONDS					<u>\$ 784,955</u>

Annual requirements to pay principal and interest to maturity on outstanding debt follow (in thousands of dollars):

Fiscal Year Ended August 31	Governmental Activities					
	General Obligation Bonds		Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 14,471	16,952	130	39	4,809	893
2022	14,737	16,537	132	36	4,862	746
2023	19,231	15,885	135	33	4,258	600
2024	18,636	15,136	137	31	4,390	460
2025	15,915	14,466	140	28	3,360	313
2026 - 2030	75,947	63,222	744	97	7,780	415
2031 - 2035	77,819	48,559	567	23	400	8
2036 - 2040	82,900	32,090	-	-	-	-
2041 - 2045	75,725	12,762	-	-	-	-
2046 - 2050	11,710	344	-	-	-	-
Total	<u>\$ 407,091</u>	<u>235,953</u>	<u>1,985</u>	<u>287</u>	<u>29,859</u>	<u>3,435</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 40,700	32,939	1,882	601	449	25
2022	42,195	31,087	1,923	560	346	16
2023	43,050	29,241	1,964	519	139	9
2024	45,010	27,254	2,006	477	143	5
2025	46,195	25,557	2,049	434	61	1
2026 - 2030	221,890	100,227	10,926	1,493	-	-
2031 - 2035	238,415	53,625	7,574	349	-	-
2036 - 2040	87,710	13,298	-	-	-	-
2041 - 2045	19,790	997	-	-	-	-
Total	<u>\$ 784,955</u>	<u>314,225</u>	<u>28,324</u>	<u>4,433</u>	<u>1,138</u>	<u>56</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Major Enterprise fund annual requirements to pay principal and interest to maturity on outstanding debt follow (in thousands of dollars):

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 5,758	2,784	4,866	1,176	28,615	28,039
2022	5,939	2,594	4,702	1,013	30,045	26,608
2023	6,146	2,382	3,862	857	31,455	25,201
2024	6,353	2,154	3,994	736	33,020	23,636
2025	6,575	1,916	3,620	583	34,250	22,404
2026 - 2030	29,332	6,003	7,482	1,718	175,955	90,070
2031 - 2035	11,464	2,610	7,000	456	217,770	49,081
2036 - 2040	6,225	1,424	-	-	74,830	11,367
2041 - 2045	5,685	433	-	-	14,105	564
Total	\$ 83,477	22,300	35,526	6,539	640,045	276,970

Long-term liability activity for the year ended August 31, 2020, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bond, Notes, and Leases Payable:					
General Bonds	\$ 40,685	4,140	(11,280)	33,545	2,925
Tax Allocation Bonds	3,009	-	(608)	2,401	641
Tax Supported Bonds	47,290	21,765	(25,280)	43,775	5,200
Special Assessment Debt with Government Commitment	2,765	-	(190)	2,575	195
West Haymarket Joint Public Agency Bonds	325,400	100,000	(100,605)	324,795	5,510
Note from Direct Borrowing	2,112	-	(127)	1,985	130
Capital Leases	35,433	-	(5,574)	29,859	4,809
Gross Bonds and Leases Payable	456,694	125,905	(143,664)	438,935	19,410
Deferred Amounts:					
For Issuance Premiums	13,895	2,314	(7,092)	9,117	-
For Issuance Discounts	(988)	-	-	(988)	-
Net Bonds, Notes, and Leases Payable	469,601	128,219	(150,756)	447,064	19,410
Other Liabilities:					
Compensated Absences	25,158	12,666	(9,950)	27,874	11,260
Construction Contracts	-	1,032	(281)	751	-
Claims and Judgements	10,107	37,350	(36,187)	11,270	4,676
Net Pension Liability	74,070	-	(2,848)	71,222	-
Total OPEB Liability	15,966	2,005	-	17,971	974
Governmental Activities Long-Term Liabilities	\$ 594,902	181,272	(200,022)	576,152	36,320
Business-Type Activities:					
Bonds, Loans, Note, and Leases Payable:					
Wastewater Revenue Bonds	\$ 70,540	-	(4,485)	66,055	4,530
Wastewater Loans from Direct Borrowing	18,510	-	(1,182)	17,328	1,206
Water Revenue Bonds	28,550	-	(4,020)	24,530	4,190
Water Loan from Direct Borrowing	11,657	-	(661)	10,996	676
Electric System Revenue Bonds	662,795	-	(22,750)	640,045	28,615
Parking Revenue Bonds	48,375	-	(2,315)	46,060	2,515
Solid Waste Management Revenue Bonds	9,095	-	(830)	8,265	850
Pinnacle Bank Arena Note from Direct Borrowing	800	-	(800)	-	-
Capital Leases	1,582	-	(444)	1,138	449
Gross Bonds, Loans, Note, and Leases Payable	851,904	-	(37,487)	814,417	43,031
Deferred Amounts:					
For Issuance Premiums	77,208	-	(7,719)	69,489	-
Net Bonds, Loans, Note, and Leases Payable	929,112	-	(45,206)	883,906	43,031
Other Liabilities:					
Compensated Absences	3,509	1,941	(1,595)	3,855	1,734
Construction Contracts	7,386	6,771	(7,386)	6,771	6,771
Note Purchase Agreement	1,500	-	-	1,500	-
Developer Performance Deposits	646	250	-	896	-
Claims and Judgements	588	34	-	622	-
Net Pension Liability	4,744	-	(71)	4,673	-
Total OPEB Liability	1,927	181	-	2,108	114
Accrued Landfill Closure/Postclosure Care Costs	24,087	1,030	-	25,117	-
Asset Retirement Obligation	3,256	132	(14)	3,374	-
Business-Type Activities Long-Term Liabilities	\$ 976,755	10,339	(54,272)	932,822	51,650

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Internal Service funds predominantly serve the governmental funds; therefore, their long-term liabilities are included with the governmental activities. Compensated absences for governmental activities are generally liquidated in the General Fund as well as various other Special Revenue and Internal Service funds where personnel costs are incurred. The claims and judgments liability will generally be liquidated through the City's Insurance Revolving Internal Service Fund, which will finance the payment of those claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension liability will be liquidated through the Police & Fire Pension Contributions Special Revenue Fund with financing provided by an annual property tax levy. The total OPEB liability for an implicit rate subsidy will be liquidated with those governmental funds where personnel health insurance costs are incurred.

Long-term liability activity for the major enterprise funds for the year ended August 31, 2020, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lincoln Wastewater System:					
Bonds and Loans Payable:					
Wastewater Revenue Bonds	\$ 70,540	-	(4,485)	66,055	4,530
Wastewater Loans from Direct Borrowing	18,510	-	(1,182)	17,328	1,206
Capital Leases	116	-	(22)	94	22
Deferred for Issuance Premiums	5,739	-	(471)	5,268	-
Net Bonds and Loans Payable	<u>94,905</u>	<u>-</u>	<u>(6,160)</u>	<u>88,745</u>	<u>5,758</u>
Other Liabilities:					
Compensated Absences	1,213	541	(405)	1,349	448
Construction Contracts	4,485	4,160	(4,485)	4,160	4,160
Total OPEB Liability	438	43	-	481	26
Total Long-Term Liabilities	<u>\$ 101,041</u>	<u>4,744</u>	<u>(11,050)</u>	<u>94,735</u>	<u>10,392</u>
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 28,550	-	(4,020)	24,530	4,190
Water Loan from Direct Borrowing	11,657	-	(661)	10,996	676
Deferred for Issuance Premiums	3,330	-	(418)	2,912	-
Net Bonds and Loan Payable	<u>43,537</u>	<u>-</u>	<u>(5,099)</u>	<u>38,438</u>	<u>4,866</u>
Other Liabilities:					
Compensated Absences	1,376	687	(515)	1,548	592
Construction Contracts	2,901	2,611	(2,901)	2,611	2,611
Total OPEB Liability	627	61	-	688	37
Total Long-Term Liabilities	<u>\$ 48,441</u>	<u>3,359</u>	<u>(8,515)</u>	<u>43,285</u>	<u>8,106</u>
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 662,795	-	(22,750)	640,045	28,615
Deferred for Issuance Premiums	67,262	-	(6,762)	60,500	-
Net Bonds Payable	<u>730,057</u>	<u>-</u>	<u>(29,512)</u>	<u>700,545</u>	<u>28,615</u>
Other Liabilities:					
Note Purchase Agreement from Direct Borrowing	1,500	-	-	1,500	-
Developer Performance Deposits	646	250	-	896	-
Claims and Judgements	588	34	-	622	-
Asset Retirement Obligation	3,256	132	(14)	3,374	-
Total Long-Term Liabilities	<u>\$ 736,047</u>	<u>416</u>	<u>(29,526)</u>	<u>706,937</u>	<u>28,615</u>

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2020, \$89,911,171 of developer purchased tax increment financing notes and bonds were outstanding. Developer purchased tax increment financing allows the City to create special districts to enable public/private improvements within those districts that will generate public/private-sector development. For a period of 15 years, the tax base is frozen at the predevelopment level, and taxes generated from the incremental

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

increases in assessed value are remitted to the developer. The agreements between the City and developer expressly limit the City's commitment for debt repayment to the incremental tax collected during the 15-year period. At the end of the 15-year period, the tax jurisdiction collects on the increased property values. The related tax increment districts are not component units of the City; therefore, the City is not liable for the outstanding debt. The City's responsibility for this liability is limited only to remittance of paid taxes, thus these notes and bonds are not reflected in the City's financial statements.

CONDUIT DEBT

On January 26, 2012, the City issued \$19,815,000 of Educational Facilities Revenue and Refunding Bonds for the purpose of paying the cost of acquiring, constructing, equipping, and furnishing improvements to Nebraska Wesleyan University's (NWU) higher education facilities and refinancing certain outstanding indebtedness of NWU.

The Bonds are limited obligations of the City and are payable solely from payments to be made by NWU pursuant to a loan agreement dated January 1, 2012, by and between the City and NWU. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2020, \$13,265,000 of these bonds remain outstanding.

(10) RECONCILIATION OF BUDGET BASIS TO GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, funds for which budget and reporting structures differ, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 2020, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	<u>General Fund</u>	<u>Street Construction Fund</u>
Net Change in Fund Balances:		
Balance on a GAAP basis	\$ 4,598,368	(3,284,138)
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds.	(1,630,400)	(376,878)
Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting.	(1,458,191)	-
Amount budgeted on a project basis.	<u>-</u>	<u>28,047,674</u>
Balance on a budget basis	<u>\$ 1,509,777</u>	<u>24,386,658</u>

(11) DEFICIT NET POSITION OR FUND BALANCE

The following fund had a fund balance deficit as of August 31, 2020:

Special Revenue – Lincoln Bike Share Fund	\$ (339,815)
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The Lincoln Bike Share Fund fund balance deficit is due to large startup costs of the Lincoln Bike Share Program.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(12) **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following fund had expenditures for which there were no appropriations:

General Fund	
Street Lighting	\$ 1,175,964
Debt Service	19,380

(13) **EMPLOYEES' RETIREMENT PLANS**

The employees of the City are covered by several retirement plans. Article II Section 3 of the Lincoln Charter assigns the authority to establish and amend benefit provisions of the various plans to the City Council. The Police and Fire Pension Plan (PFP) is administered by the City and is included in the Fiduciary Fund type. All other plans are administered by outside trustees and are not included in the City's basic financial statements.

POLICE AND FIRE PENSION

Plan Description – PFP is a single-employer defined benefit pension plan administered by the City of Lincoln for all commissioned police and firefighters. PFP provides retirement, disability, and death benefits to plan members and beneficiaries. The City does not issue a separate report that includes financial statements and required supplementary information for PFP.

Summary of Benefit Provisions -

Plan A is applicable to members who were hired on/after April 1, 1995 or who were hired prior to that date, but elected Plan A coverage.

Plan B is applicable to members who were employed on/after April 11, 1984 or who, prior to April 11, 1984, elected Plan B coverage.

Plan C is applicable to members who were employed before April 11, 1984 and did not elect to move to Plan B or A.

Regular Pay - All plans include member's base pay and City's contributions to the Post-Employment Health Plan for the last consecutive 26 bi-weekly pay periods, or in the case of a demotion or out-of-class pay, the highest consecutive 26 bi-weekly pay periods.

Normal Retirement Age – Plan A: Age 50
Plans B and C: Age 53

Normal Retirement – Plan A: Normal retirement age and 25 years of service.
Plans B and C: Normal retirement age and 21 years of service.

Amount of Pension –

Plan A: 2.56% of regular pay times years of service to a maximum of 64% of regular pay.

Plan B: 58% of regular pay with 21 years of service, plus 2% of regular pay for each year of service rendered after becoming eligible for retirement to a maximum increase of 10%.

Plan C: 54% of regular pay with 21 years of service, plus 2% of regular pay for each year of service rendered after becoming eligible for retirement to a maximum increase of 10%.

Early Retirement - Eligibility for all plans is age 50 and 21 years of service.

Amount of Pension –

Plan A: 2.56% of regular pay times years of service up to a maximum of 64% of regular pay.

Plan B and C: 52% and 48% of regular pay, respectively, plus 2% of regular pay for each year of service rendered after becoming eligible, up to a maximum increase of 6%.

Partial Annuity - Eligibility for all plans is normal retirement age and 10 or more years of service.

Amount of Pension –

Plan A: 2.56% of regular pay times years of service.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Plan B: 58% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 58% of regular pay.

Plan C: 54% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 54% of regular pay.

Deferred Annuity (Vested Termination) - Eligibility for all plans is age less than normal retirement age and 10, or more, years of service. Payments begin at age 50.

Amount of Pension –

Plan A: 2.56% of regular pay times years of service.

Plan B: 58% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 58% of regular pay.

Plan C: 54% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 54% of regular pay.

Duty-Related Disability - Eligibility for all plans is permanent inability to perform the duties of the position from a cause occurring while in line of duty.

Amount of Pension –

Plan A: 58% of regular pay.

Plan B and C: A pension equal to 58% or 54% of regular pay, respectively, plus 2% of regular pay for each year of service rendered after becoming eligible for retirement, to a maximum increase of 10% of regular pay.

Such benefits shall continue after the member's death to the member's surviving spouse (until their death or remarriage), minor children or designated beneficiary (at a reduced amount). The above amounts are subject to deduction of the amount received from worker's compensation.

Non-Duty Disability - Eligibility for all plans is permanent inability to perform duties of position from a cause not occurring in the line of duty.

Amount of Pension – equal to the following percent of regular pay:

<u>Years of Service (YOS)</u>	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>
5 ≤ YOS < 10	23%	23%	21%
10 ≤ YOS < 15	39%	39%	36%
YOS ≥ 15	53%	53%	49%

Duty-Related Death - Eligibility for all plans is an active member death in the line of duty, or as a result of injuries received while in the line of duty.

Amount of Pension –

Spouse beneficiary paid at duty disability rate until remarriage or death. Upon spouse's remarriage or death, dependent children paid prorata at same rate until age 19. Non-spouse beneficiary paid at 100% survivor rate for lifetime. The above amounts are subject to deduction of the amount received from worker's compensation.

Non-Duty Death - Eligibility for all plans is member dies from non-duty related cause and 5 years of service.

Amount of Pension - Pension which would have been payable as a non-duty disability awarded the day prior to death and elected option A (joint and 100% survivor).

Death After Retirement – Remainder Refund - Eligibility for members employed on January 1, 1992, or hired between January 1, 1992, and March 31, 2010.

Upon retirement, the member's balance of contributions plus accrued interest is reduced each month by a level amount equal to the member's balance divided by the expected number of payments. Once both the member and, if applicable, their joint annuitant have died, the remaining balance is paid as a lump sum to a designated beneficiary. The expected number of monthly payments is established in the Internal Revenue Code in effect April 1, 2010 and depends on the age of the retiree at retirement, or the combined ages of the retiree and joint annuitant.

Non-Vested Termination - Eligibility for all plans includes termination of employment and no pension is or will become payable.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Amount of Benefit – all plans will refund member’s contributions plus annual interest.

Employee Contributions - Plan A: 8.0% of pay
Plan B: 7.6% of pay
Plan C: 7.0% of pay

Employee contributions are credited with regular interest earned each calendar month with the actual earnings on investments of the Police and Fire Pension Fund. Upon reaching 21 years of service, member contributions are discontinued for Plans B and C.

Cost of Living Adjustments (COLA) – Eligibility requirements include receiving benefits for at least twelve months preceding September 1. The base amount of the lump sum payment is \$750 effective 9/1/1994. The base amount is increased each year by the lesser of three percent or the annual percentage increase in the Consumer Price Index. Members who retired with at least 21 years of service and members who were granted a duty disability pension will receive the full payments amount. All other members who have been receiving a pension for at least 12 months (and their beneficiaries) will receive a partial payment, determined on a pro-rata basis according to their service.

Deferred Retirement Option Plan (DROP) - The City has established DROP for police and fire pension members. The DROP program allows a member to retire for pension purposes, but to continue working. The member receives a paycheck and the member’s monthly pension benefit is deposited into the member’s DROP account. At the end of five years, or any time before five years, the member must “retire-in-fact”. Contributions to the pension are eliminated at the beginning of the DROP period. Pension benefits are set, and will not be increased because of raises, promotions, increased years of service or pension enhancements. When a member retires-in-fact, their monthly pension benefit will be paid directly to them and the member will have access to the funds in their DROP account. The balance held by the third-party DROP administrator at August 31, 2020, is \$8,613,591.

Membership of the pension plan consisted of the following at August 31, 2020, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	549
Terminated plan members entitled to	
but not yet receiving benefits	25
Active plan members (non-DROP)	607
Death benefit refund due	2
DROP members	45
Total	<u>1,228</u>
Number of participating employers	<u>1</u>

Funding Policy – The contribution requirements of plan members and the City are established by City Ordinance and may be amended by the City Council. Plan members are required to contribute between 7% and 8% of their annual covered salary based on an election made by the employee. It is recommended that the City contribute an actuarially determined amount; the contribution amount for fiscal year 2020 was \$8,422,965. For the fiscal year ended August 31, 2020, the Plan received \$8,490,046 in employer contributions.

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2018, actuarial valuation using the entry age actuarial funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually, (b) projected salary increases of 7.3% grading down to 3.5% per year, including wage inflation at 2.5%, and (c) the assumption that benefits will increase 2.50% after retirement. The actuarial value of assets was determined using a five-year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a remaining period of layered bases varying from twenty to twenty-six years.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Net Pension Liability

Total pension liability	\$ 343,087,750
Plan fiduciary net position	<u>(267,193,074)</u>
Net pension liability	<u><u>\$ 75,894,676</u></u>

Plan fiduciary net position as a percentage
of the total pension liability 77.88%

The total pension liability was determined by an actuarial valuation using the entry age normal cost method and calculated based on the discount rate and actuarial assumptions below.

Valuation date August 31, 2020
Measurement date August 31, 2020

Assumptions

The total pension liability as of August 31, 2020, was determined by an actuarial valuation performed as of August 31, 2020, using the following key actuarial assumptions:

Price inflation	2.25%
Salary increases, including wage inflation	2.75% to 8.25%
Long-term Rate of Return, net of investment expense, including price inflation	7.40%
Municipal Bond Index Rate	2.11%
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.40%
Post-retirement adjustment	COLA benefit payments are assumed to increase 2.25% each year.
Mortality	Mortality rates are based on the PubS-2010 Mortality Tables for Actives, Healthy Annuitants, and Disabled, with generational mortality improvement using the Nebraska Public Employees Retirement System Mortality Improvement Scale.

The actuarial assumptions that determined the total pension liability as of August 31, 2020 were based on the results of the most recent actuarial experience study for the four-year period ending August 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability at August 31, 2020, was 7.40%, which is a change from the discount rate of 7.45% used to measure the total pension liability at August 31, 2019. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be equal to the actuarially determined contribution rates determined in the actuarial valuation prepared two years prior to the current fiscal year end. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.40% was applied to all

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

periods of projected benefit payments to determine the total pension liability. Future benefit payments for all current pension members were projected through 2119.

Long-Term Rate of Return – The long-term expected rate of return on pension plan investments is generally reviewed on a regular basis as part of an experience study. The 7.40% long-term assumed rate of return for the current measurement date and the 7.45% long-term assumed rate of return for the prior measurement date were actuarially developed. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by investment consultants. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of August 31, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Developed Equity	40.0 %	5.0 %
Emerging Markets Equity	5.0	5.9
Private Equity	10.0	8.0
Fixed Rate Debt (Intermediate)	10.0	1.4
Floating Rate Public Debt	5.0	3.3
Private Credit	5.0	4.2
Low Volatility Hedge Funds	10.0	2.9
Private Real Estate	15.0	4.9
Total	<u>100.0 %</u>	

* Geometric mean, net of investment expenses

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.40%, as well as the City's net pension liability calculated using a discount rate that is 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate.

	<u>1% Decrease 6.40%</u>	<u>Current Discount Rate 7.40%</u>	<u>1% Increase 8.40%</u>
Total Pension Liability \$	385,509,440	343,087,750	307,688,623
Fiduciary Net Position	<u>267,193,074</u>	<u>267,193,074</u>	<u>267,193,074</u>
Net Pension Liability \$	118,316,366	75,894,676	40,495,549

Rate of Return - For the year ended August 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.11 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

FPF financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the plan terms.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Investments as reported in the financial statements include long-term investments. Law or legal instruments may restrict these investments. All investments are stated at fair value based on quoted market prices. For investments where no readily ascertainable fair value exists, management has received an estimate of fair value from the investment fund manager based, in part, on real estate appraisals.

There have been no changes since the measurement date that would materially alter the pension plan financial report.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2019	\$ 325,109,208	246,294,314	78,814,894
Changes for the year:			
Service cost at end of year	7,359,480	-	7,359,480
Interest on TPL	23,577,966	-	23,577,966
Difference between expected and actual experience	2,693,155	-	2,693,155
Assumption changes	1,916,405	-	1,916,405
Employer contributions	-	8,490,046	(8,490,046)
Employee contributions	-	3,576,557	(3,576,557)
Net investment income	-	26,911,382	(26,911,382)
Benefit payments, including member refunds	(17,568,464)	(17,568,464)	-
Administrative expenses	-	(510,761)	510,761
Net changes	17,978,542	20,898,760	(2,920,218)
Balances at August 31, 2020	\$ 343,087,750	267,193,074	75,894,676

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources As of August 31, 2020	
Differences between expected and actual experience	\$ 4,704,437
Changes of assumptions	10,997,928
Change in the City's proportion of the collective net pension liability since the prior measurement date	150,768
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>369,085</u>
Total	<u>\$ 16,222,218</u>

Deferred Inflows of Resources As of August 31, 2020	
Differences between expected and actual experience	\$ 1,427,402
Changes of assumptions	1,940,327
Differences between projected and actual earnings	931,193
Change in the City's proportion of the collective net pension liability since the prior measurement date	369,085
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>150,768</u>
Total	<u>\$ 4,818,775</u>

Amounts reported as Deferred Outflows and Inflows of Resources related to pensions will be recognized in pension expense in future fiscal years as follows:

<u>Fiscal Year</u> <u>Ending August 31</u>	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>	<u>Net Deferred</u> <u>Outflows/Inflows</u> <u>of Resources</u>
2021	\$ 4,206,861	(3,545,587)	661,274
2022	3,577,626	159,407	3,737,033
2023	3,436,514	511,811	3,948,325
2024	3,295,738	(1,907,901)	1,387,837
2025	1,568,674	(33,959)	1,534,715
Thereafter	<u>136,805</u>	<u>(2,546)</u>	<u>134,259</u>
	<u>\$ 16,222,218</u>	<u>(4,818,775)</u>	<u>11,403,443</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Pension Expense

The calculation of the pension expense for the year ended August 31, 2020, is shown below:

Pension Expense	
For the Fiscal Year Ended August 31, 2020	
Service cost at end of year	\$ 7,359,480
Interest on the total pension liability	23,577,966
Expensed portion of current-period differences between expected and actual experience in the total pension liability	435,786
Expensed portion of current-period assumption changes	310,098
Employee contributions	(3,576,557)
Projected earnings on plan investments	(18,128,978)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(1,756,481)
Administrative expenses	510,761
Amortization of beginning deferred outflows of resources	5,034,701
Amortization of beginning deferred inflows of resources	(4,431,457)
Total Pension Expense	<u>\$ 9,335,319</u>

ELECTRIC SYSTEM

The City owns and operates its own electric system, which is included in the enterprise funds in the accompanying basic financial statements. The electric system is controlled and managed by an administrative board and is not supported by the City's general tax revenues. The electric system provides retirement benefits to its employees under its own separate plan, such benefits being funded solely from revenues derived from the operation of the electric system. A summary of the electric system plan is as follows:

LES has a defined contribution retirement plan created in accordance with Internal Revenue Code Section 401(K). The plan assets are held, managed and administered by a custodian. The plan was established under the authority of the LES administrative board and contributions are also established by the administrative board. LES' contribution is equal to 200% of the employees' contributions, up to 5% of applicable compensation for employees hired prior to 1/1/11. For employees hired after 1/1/11, LES' contribution is equal to 100% of employee's contributions up to 10% of applicable compensation. Vesting of LES contributions occurs over a three-year period. Employee forfeitures are used to reduce future employer contributions. For the year ended December 31, 2019, LES incurred contribution expense of approximately \$4,580,000 and its employees contributed approximately \$3,918,000.

DEPARTMENT DIRECTORS

Directors of City departments are eligible the first of the month following the date employed to be covered by the Director's Money Purchase Plan, established by City Ordinance, and administered by an insurance company. The Plan is a defined contribution plan requiring contributions determined by the employees' date of hire. The City contributes 12% of compensation for employees hired prior to May 1, 2011, with no required contribution by the employee. For those hired subsequent to that date, the employee contributes 6% of compensation with an employer match of 6%. Employees covered by the Plan may also make voluntary contributions. Participant accounts are immediately 100% vested. City contributions totaled \$178,937 and employee contributions totaled \$71,088. There were no voluntary employee contributions made for the year ended December 31, 2019.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after 6 months' service and age 19 to be covered under the City's Money Purchase Pension Plan, established by City Ordinance, and administered by an insurance company. Enrollment in the program is mandatory at age 40 with 5 years' service. Vesting occurs in increments between 3 and 7 years of enrollment in the plan. The Plan is a defined contribution plan requiring employees to contribute at a rate determined by the employees' bargaining unit and date of hire. The City contributes between \$1.29 and \$2.00 for every \$1.00 contributed by employees. Employee forfeitures are used to reduce employer contributions. Employees covered by the Plan may also make voluntary contributions. During the year ended December 31, 2019, the City incurred contribution expense totaling \$8,477,535, which included a reduction in expense of \$195,646 for employee forfeitures. Employee contributions totaled \$4,919,454. Employees made \$169,577 in voluntary contributions for the year ended December 31, 2019.

(14) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City offers employees and their families the opportunity to continue their health care coverage when there is a qualifying event, such as retirement, that would result in a loss of coverage under the City's plan. Each qualified beneficiary pays the entire cost of premiums for the continuous coverage. The City recognizes as OPEB the implicit rate subsidy provided to retirees when their premium is the "full cost" of the insurer's charge for the active population. Since the retirees have higher costs, the premium they pay is not expected to cover their costs, and the difference is essentially covered by the City's payment for active employees. The City plan is a single employer defined benefit plan. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB 75 in connection with the plan. The City does not issue a separate report that includes financial statements and required supplementary information for OPEB.

Funding Policy – The plan is a pay-as-you-go and therefore, is not funded.

The following table summarizes the membership of the OPEB plan as of August 31, 2018 for members in payment and as of April 30, 2019 for active members. Active data was not available retroactively, thus the valuation was ran as of the date census data was provided. This was the data used in the valuation to develop the August 31, 2019 total OPEB liability:

Retired members	47
Spouses of retired members	12
Surviving spouses	4
Active employees	<u>2,008</u>
Total	<u><u>2,071</u></u>
Number of participating employers	<u><u>1</u></u>

Actuarial Methods and Assumptions

The total OPEB liability of \$20,085,510 at August 31, 2020 was measured at August 31, 2019. An actuarial valuation was prepared as of August 31, 2018 for members in payment under the plan, and for active members an actuarial valuation was prepared as of April 30, 2019, rolled backward 8 months using standard actuarial formulae. The total OPEB liability is based on the following actuarial assumptions and other inputs:

<u>Price Inflation</u>	2.50%
<u>Municipal Bond Index Rate</u>	3.16% (Bond Buyer General Obligation 20-year Municipal Bond Index Rate)
<u>Healthcare Cost Trend Rate</u>	7.25%, decreasing by 0.25% per year until an ultimate rate of 4.75% is reached in 2028.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Cost-Sharing Premiums

Premiums, effective as of November 1, 2018, were trended forward to the valuation date, April 30, 2019 for active members, and backward to August 31, 2018 for members in pay. Civilian premium rates were based on the base plan and the combined rate for Police and Fire was based on an average of the Police group and the Fire group.

	<u>Police/Fire</u>	<u>Civilians</u>
<u>Premiums trended to August 31, 2018</u>		
Retiree	\$9,846	\$8,791
Spouse	\$12,013	\$10,724
<u>Premiums trended to April 30, 2019</u>		
Retiree	\$10,317	\$9,211
Spouse	\$12,586	\$11,236

Mortality

Civilians:	RP-2014 Total Dataset Mortality Table, adjusted for mortality improvement using Projection Scale MP 2015.
Police and Fire:	Mortality rates are based on the RP-2000 Mortality Tables for Employees, Healthy Annuitants, and Disabled Retirees with Generational Projection using Scale AA.

The civilian demographic actuarial assumptions for retirement and withdrawal used at the April 30, 2019 valuation date for actives and August 31, 2018 valuation date for members in pay were consistent with the assumptions used in the September 1, 2015 GASB 45 valuation as they are considered reasonable estimates of future experience.

The Police and Fire demographic actuarial assumptions are consistent with those used in the valuation of the Lincoln Police and Fire Pension Plan, which are based on the most recent actuarial experience study covering the five-year period ending August 31, 2014. The experience study report was prepared by a prior actuary and is dated October 14, 2015.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of DROP participation, etc.) used in the valuation were based on a review of recent plan experience.

Sensitivity of the total OPEB liability to changes in the rates

The following presents the total OPEB liability of the plan, calculated using health care cost trend rates ranging from 7.25% in 2018 and trending downward to 4.75% in 2028, as well as the total OPEB liability calculated using trend rates that are 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 17,735,036	20,085,510	22,879,769

The following presents the total OPEB liability of the plan, calculated using the discount rate of 3.16% (3.96% at prior measurement date), as well as the Plan's total OPEB liability calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>2.16%</u>	<u>3.16%</u>	<u>4.16%</u>
Total OPEB Liability	\$ 22,028,622	20,085,510	18,324,406

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at Beginning of Year	\$ 17,899,234
Changes for the year:	
Service cost at end of year	1,071,230
Interest on total OPEB liability	689,255
Assumption changes	1,423,068
Benefit payments	<u>(997,277)</u>
Net changes	<u>2,186,276</u>
Balance at End of Year	\$ <u>20,085,510</u>

The assumption changes, shown above, are due to the change in the discount rate from 3.96% to 3.16% related to a change in the municipal bond rate since the prior measurement date.

OPEB Expense

The calculation of the OPEB expense for the fiscal year ended August 31, 2020, is shown below:

OPEB Expense
Year Ending August 31, 2020

Service cost at end of year	\$ 1,071,230
Interest on the total OPEB liability	689,255
Expensed portion of current-period assumption changes	184,574
Amortization of beginning deferred inflows of resources	<u>(383,904)</u>
Total OPEB Expense	\$ <u>1,561,155</u>

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
As of August 31, 2020

Benefit payments subsequent to the measurement date	\$ 1,088,317
Changes of assumptions	<u>1,238,494</u>
Total	\$ <u>2,326,811</u>

Deferred Inflows of Resources
As of August 31, 2020

Differences between expected and actual experience	\$ 169,028
Changes of assumptions	<u>1,750,815</u>
Total	\$ <u>1,919,843</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

The Deferred Outflows of Resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the fiscal year ending August 31, 2021. Amounts reported as Deferred Outflows of Resources resulting from changes of assumptions and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense in future years as follows:

Fiscal Year Ending August 31	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/Inflows of Resources
2021	\$ 184,574	(383,904)	(199,330)
2022	184,574	(383,904)	(199,330)
2023	184,574	(383,904)	(199,330)
2024	184,574	(383,904)	(199,330)
2025	184,574	(291,962)	(107,388)
Thereafter	315,624	(92,265)	223,359
	<u>\$ 1,238,494</u>	<u>(1,919,843)</u>	<u>(681,349)</u>

PEHP – Defined Contribution Plan

The City has a defined contribution Post Employment Health Plan (PEHP) administered by Nationwide Retirement Solutions. The purpose of the PEHP plan is to provide reimbursement of qualifying health care and medical insurance premium expenses for employees upon separation from employment.

Terms for eligibility and contribution rates are specified in the City's various collective bargaining agreements. Individual employee accounts consist of employer contributions, investment returns and any forfeiture allocations. Current employer contributions range from \$18-\$50 per pay period based on union contracts. Current year contributions totaled approximately \$1,373,000.

Long-Term Disability Plan

The City also provides employees with long-term disability benefits when they become disabled due to a non-work-related accident or illness and are unable to perform their essential job functions. Results of an actuarial valuation have not been included here as it did not have a significant impact on the City's financial statements. Long-term disability claims liability of \$816,425 has been included in the Insurance Revolving Internal Service Fund, as it relates to these benefits.

(15) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966, City dollar tax limit as an initial tax limit, and increasing that tax limit each year following 1966 by 7% so that in each fiscal year thereafter the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 2019 tax levy, for the 2019-2020 fiscal year, was \$176,324,311 below the legal limit, with a tax rate per \$100 valuation of \$0.3198. The assessed value upon which the 2019 levy was based was \$23,267,163,467.

The tax levies for all political subdivisions in Lancaster County are certified by the County Board on or before October 15th. Real estate taxes are due on December 31st and attach as an enforceable lien on property on January 1st following the levy date and become delinquent in two equal installments on April 1st and August 1st. Personal property taxes are due December 31st and become delinquent on April 1st and August 1st following the levy date. Delinquent taxes bear 14% interest.

Within the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. Property taxes levied for 2019-2020 are recorded as revenue in the fund financial

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

statements when expected to be collected within 60 days after August 31, 2020. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as unavailable revenue on the fund balance sheets.

The City-owned electric utility is required by City Charter to make payments in lieu of taxes, aggregating 5% of its gross retail operating revenues derived from within the city limits of incorporated cities and towns served. Payments in lieu of taxes are transferred to the City of Lincoln, Lancaster County, Lincoln Public Schools, and the City of Waverly.

(16) RISK MANAGEMENT

The City 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 the public; or acts of God. All risk management activities are accounted for in the Insurance Revolving Fund, an internal service fund, and administered through the Risk Management Division.

For the year ended August 31, 2020, the City had a self-insured retention for workers' compensation exposures up to \$800,000 per claim; law enforcement liability, commercial general liability, public officials liability, public transportation liability, EMT and medical professional liability, and auto liability exposures up to \$250,000 per occurrence; all-risk property exposures up to \$100,000 per occurrence; health care claims of \$150,000 per person; self-insured dental benefits; and self-insured employee long-term disability benefits.

The City also obtained excess liability insurance coverage in the current year. Workers' compensation was covered by a policy that provided statutory limits above the City's retention of \$800,000 per individual. Law enforcement, commercial general, public officials, public transportation, EMT and medical professional, and auto liabilities were covered by an aggregate policy that provided limits of \$6 million per occurrence with a \$12 million annual aggregate above the City's \$250,000 retention.

All-risk property exposures were covered by an insurance policy with a total property limit of \$500,000,000 over the City's retention of \$100,000. Healthcare was covered by an unlimited stop loss insurance policy above the \$150,000 retention per claim. The Nebraska Political Tort Claims Act limits the City's liability for tort claims to \$1 million per individual and \$5 million per occurrence.

There were no significant insurance recoveries in the current year and settled claims have not exceeded coverage in any of the past three fiscal years.

The City annually retains the services of independent actuaries to analyze the self-insured workers' compensation, general liability, public transportation liability, law enforcement liability, and auto liability exposures. Such analysis has been used to assist the City with its financial planning and management of the self-insurance program. Included in the specific objectives of the studies were to:

- Estimate the outstanding liabilities for the current fiscal year ended August 31,
- Forecast ultimate incurred losses and incurred but not reported losses for future years, and
- Estimate the required funding level for the City's self-insured liabilities.

The City funds its self-insurance program on an "incurred loss" basis. The governmental and proprietary funds pay annual premium amounts, based on past experience of incurred losses, to the Insurance Revolving Fund. Claim liabilities of \$11,269,930 were recorded at August 31, 2020, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance programs. Excluding medical care claims approximating \$1,759,000, the remaining liability is the actuarially estimated amount of claims based on an estimate of ultimate incurred and incurred but not reported losses as of that date and is calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. The claims liability estimate also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of their

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

allocation to specific claims. These liabilities have been discounted using a 0.65% discount rate. The City has purchased no annuity contracts in the current fiscal year to resolve City of Lincoln claims.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2020 and 2019:

	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at August 31, 2019	\$ 7,620,000	794,933	1,691,780	10,106,713
Current year claims and changes in estimates	2,889,652	161,824	34,298,698	37,350,174
Claims payments	(1,814,652)	(140,332)	(34,231,973)	(36,186,957)
Balance at August 31, 2020	\$ 8,695,000	816,425	1,758,505	11,269,930

	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at August 31, 2018	\$ 8,075,000	718,344	2,539,029	11,332,373
Current year claims and changes in estimates	2,825,007	230,169	33,316,392	36,371,568
Claims payments	(3,280,007)	(153,580)	(34,163,641)	(37,597,228)
Balance at August 31, 2019	\$ 7,620,000	794,933	1,691,780	10,106,713

LINCOLN ELECTRIC SYSTEM

LES has self-funded health and dental insurance programs with claims processed by a third-party administrator on behalf of the utility. As part of the health plan, a reinsurance policy has been purchased which covers claims in excess of \$150,000 per individual. Total accrual and payment history is shown below:

	2019	2018
Balance beginning of year	\$ 588,000	532,000
Claims and fees incurred	6,246,000	6,194,000
Claims paid/other	(6,212,000)	(6,138,000)
Balance end of year	\$ 622,000	588,000

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$622,000 and \$588,000 at December 31, 2019 and 2018, respectively. LES established two separate bank accounts for the self-funded employee health and dental insurance plan reserve to ensure compliance with statutory requirements. Although not required by the statute, LES maintains excess insurance that limits the total claims liability for each plan year to not more than 125% of the expected claims liability, up to an annual aggregate maximum of \$1,000,000.

(17) COMMITMENTS AND CONTINGENCIES

GENERAL

The City participates in a number of federal and state assisted grant programs. Federal and state financial assistance programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

At August 31, 2020, approximately 95% of the full-time, regular City's employees are represented by a Union. Labor contracts involving civilian City employees are negotiated to cover, at a minimum, a two-year period coinciding with the biennial budget process.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

The City is a defendant in a number of lawsuits and claims in its normal course of operations. Management is currently of the opinion that ultimate settlement of such lawsuits and claims will not have a materially adverse effect on the financial statements.

The City has been identified as a potentially responsible party (PRP) or equivalent status in relation to several sites with environmental remediation activities. Management currently believes that the liability of the City in connection with these activities will be immaterial. However, the ultimate cost will depend on the extent of remediation required. Management does not believe that changes in these cost estimates will have a materially adverse effect on the financial statements.

The City of Lincoln owns a solid waste disposal area which discontinued operations in 1990, but still requires certain closure and postclosure care, including the construction of final cover, monitoring of groundwater conditions and landfill gas migration, and general site maintenance. While accrual of closure and postclosure care costs has been reflected in the financial statements in the current year, unanticipated corrective action costs related to landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded once these costs can be reasonably estimated.

STREET CONSTRUCTION PROJECTS

The City's Street Construction Fund has commitments under major construction contracts in progress of approximately \$12,641,000 as of August 31, 2020, which will be financed primarily through highway user fees, bond proceeds, federal and state grants, and developer contributions.

WEST HAYMARKET JOINT PUBLIC AGENCY

In connection with the West Haymarket Development Project, the WHJPA is involved with the clean-up and remediation of several development sites relating to soil and groundwater contamination. This clean-up and remediation is performed as sites are developed, as the WHJPA has not been designated as a potentially responsible party (PRP or equivalent status) by any regulatory agency requiring the immediate clean-up of impacted areas. Although future costs may be incurred, it is not possible at this time to reasonably estimate the amount of any obligation for remediation activities because of uncertainties with respect to assessing the extent of the contamination or the applicable regulatory requirements. No liability has been recorded for potential future remediation activities as of August 31, 2020.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$8,456,000 as of August 31, 2020.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$7,655,000 as of August 31, 2020.

LINCOLN ELECTRIC SYSTEM

LES has an allocation from the U.S. Department of Energy, through Western Area Power Administration (WAPA), of firm power under contract from Upper Missouri Basin hydroelectric plants of approximately 55 MW. LES has also received an allocation of 72 MW of firm peaking power from WAPA for the six-month summer season and 22 MW for the remaining months. LES has signed an amendment which extends the contract to 2051.

During 2019, LES had a participation contract in one existing Nebraska Public Power District (NPPD) coal-fired power plant that provided for an entitlement of eight percent (109 MW) of the output of the Gerald Gentleman Station Power Plant (GGS) (nominally rated 1,365 MW).

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

LES is responsible for its respective participating interests in GGS capital additions and improvements. LES recognizes its share of capital acquisition costs and debt service payments as power costs in the period the costs are billed with the exception of costs approved for deferral under GASB Codification Section RE10, *Regulated Operations*. Fixed cost payments under the agreement are on a participation basis whether or not the plant is operating or operable.

The participation contract for GGS continues until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. The fixed cost payments to NPPD under this contract, including capital additions and improvements, debt service payments, fixed costs and credits were \$7,143,000 in 2019.

Through the participation contract LES may be required to pay costs associated with compliance with environmental regulations for GGS.

LES also participates in three wind plants through direct Power Purchase Agreements with the plant's developer/owner: 100 MW Arbuckle Mountain Wind farm in Oklahoma, 100 MW Buckeye Wind Energy Center in Kansas and 73 MW Prairie Breeze II Wind Energy Center in Nebraska. These wind energy facilities were placed in commercial operation in 2015. LES also participates in four Nebraska-based wind plants through Power Sales Agreements with NPPD: Laredo Ridge (10 MW), Broken Bow (10 MW), Elkhorn Ridge (6 MW), and Crofton Bluffs (3 MW). For each of these plants, NPPD has the actual Power Purchase Agreement with the wind plant developer/owner.

LES has outstanding contract commitments totaling \$24,260,000 as of December 31, 2019. These are primarily related to construction contracts for the LES Operations Center.

(18) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City of Lincoln currently owns and operates both a municipal solid waste landfill and a construction and demolition debris landfill. State and federal laws require the City to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years on the municipal solid waste landfill and five subsequent years on the construction and demolition debris landfill. Although certain closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date. These costs are accounted for in the Solid Waste Management Fund, a nonmajor enterprise fund.

At August 31, 2020, the City had incurred a liability of approximately \$16,585,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 63% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$9.8 million, which will be recognized as the remaining capacity is used (estimated to be approximately 15 years).

As of August 31, 2020, the City had incurred a liability of approximately \$1,472,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 40% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,225,000, which will be recognized as the remaining capacity is used (estimated to be approximately 32 years).

The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes including the effects of inflation, revision of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

The City of Lincoln, in a review by the Nebraska Department of Environmental Quality (NDEQ), has demonstrated compliance with the financial assurance requirements as specified in Title 132 - *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

The City of Lincoln also owns a solid waste disposal area that discontinued operations in 1990. Although exempt from the U.S. Environmental Protection Agency *Solid Waste Disposal Facility Criteria* issued October 9, 1991, the City must still adhere to certain closure and postclosure care requirements under prior legislation, including the construction of final cover, monitoring of ground water conditions and landfill gas migration, and general site maintenance. At August 31, 2020, a liability for closure and postclosure care costs is recorded in the amount of approximately \$7,060,000. If any unanticipated corrective action costs related to landfill gas migration or groundwater contamination are identified through current monitoring procedures, then an additional accrued liability will be recorded once these costs can be reasonably estimated.

(19) SEGMENT INFORMATION

The City has issued revenue bonds and other debt instruments to finance capital construction and acquisitions for both the Urban Development and Transportation & Utilities Departments. The Parking Facilities Division of the Urban Development Department operates the City's downtown parking garages and is accounted for in the Parking System Fund. The Solid Waste Management Division of the Transportation & Utilities Department operates the City's solid waste disposal sites, yard waste composting facility, and re-cycling drop-off program. Summary financial information for these divisions as of and for the year ended August 31, 2020, is presented as follows:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

	Parking Facilities	Solid Waste Management
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 10,586,061	10,646,173
Due from Other Funds	836,778	424,133
Other Assets	20,508,799	2,509,707
Capital Assets, Net	69,360,175	28,150,449
Total Assets	<u>101,291,813</u>	<u>41,730,462</u>
Deferred Outflows of Resources	<u>1,031,078</u>	<u>29,297</u>
Liabilities:		
Current Liabilities, excluding Due to Other Funds	4,272,290	1,834,457
Due to Other Funds	44,825	30,270
Noncurrent Liabilities	43,880,883	33,319,534
Total Liabilities	<u>48,197,998</u>	<u>35,184,261</u>
Deferred Inflows of Resources	<u>1,279</u>	<u>19,808</u>
Net Position:		
Net Investment in Capital Assets	34,257,757	20,272,279
Restricted	7,504,865	66,079
Unrestricted	12,360,992	(13,782,668)
Total Net Position	<u>\$ 54,123,614</u>	<u>6,555,690</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 11,847,572	10,331,272
Depreciation Expense	(2,098,028)	(2,306,732)
Other Operating Expenses	(5,042,333)	(10,321,247)
Operating Income (Loss)	<u>4,707,211</u>	<u>(2,296,707)</u>
Nonoperating Revenues (Expenses):		
Investment Earnings	554,212	109,155
Grant Proceeds	-	111,832
Gain on Disposal of Capital Assets	-	15,735
Insurance Recovery	93,514	190,854
Occupation Tax	-	3,796,783
Interest Expense and Fiscal Charges	(1,385,638)	(281,700)
Capital Contributions	1,000,000	69,890
Transfers	(2,095,026)	(1,580,282)
Change in Net Position	<u>2,874,273</u>	<u>135,560</u>
Beginning Net Position	<u>51,249,341</u>	<u>6,420,130</u>
Ending Net Position	<u>\$ 54,123,614</u>	<u>6,555,690</u>
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 6,141,214	1,134,903
Noncapital Financing Activities	(2,090,730)	2,422,570
Capital and Related Financing Activities	(8,430,173)	(2,722,142)
Investing Activities	9,434,812	1,236,960
Net Increase in Cash	<u>5,055,123</u>	<u>2,072,291</u>
Beginning Balance	<u>1,844,089</u>	<u>518,378</u>
Ending Balance	<u>\$ 6,899,212</u>	<u>2,590,669</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(20) PLEDGED REVENUES

The City has pledged future revenues derived from the operation of the Lincoln Wastewater System, net of operating and maintenance expenses, to repay all outstanding wastewater revenue bonds and loans. Proceeds from the debt provided financing for improvements to the sanitary sewer system, as well as refunding prior year wastewater debt. The debt is payable solely from the net earnings of the Wastewater System and is payable through 2044. The total principal and interest remaining to be paid is \$105,675,255 with annual payments expected to require 39% of net revenues. Principal and interest paid for the current year and net system revenues were \$8,527,128 and \$17,152,979, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Water System, net of operating and maintenance expenses, to repay all outstanding water revenue bonds and loans. Proceeds from the debt provided financing for improvements to the water supply system, as well as refunding prior water revenue bonds. The debt is payable solely from the net earnings of the Water System and is payable through 2034. The total principal and interest remaining to be paid is \$42,064,208, with annual payments expected to require 27% of net revenues. Principal and interest paid for the current year and net system revenues were \$6,170,148 and \$24,758,800, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Electric System, net of operating and maintenance expenses, to repay all outstanding electric revenue bonds. Proceeds from the bonds provided financing for construction of additional utility plant, as well as refunding certain issues of electric revenue bonds. The bonds are payable solely from the net earnings of the Electric System and are payable through 2040. The total principal and interest remaining to be paid on the bonds is \$917,015,000, with annual payments expected to require 39% of net revenues. Principal and interest paid for the current year and net system revenues were \$53,482,000 and \$127,961,000, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Parking System, net of operating and maintenance expenses, and amounts, if any, distributed by the State for street purposes to repay all outstanding parking revenue bonds. Proceeds from the bonds provided financing for construction and improvements to the parking system, as well as refunding prior revenue bonds. The bonds are payable from the net earnings of the Parking System and are payable through 2039. The total principal and interest remaining to be paid on the bonds is \$56,921,223, with annual payments expected to require 37% of net revenues. Principal and interest paid for the current year and net system revenues were \$3,748,440 and \$7,359,451, respectively.

The City has pledged future revenues derived from the operation of the municipally owned solid waste management facilities, net of operating and maintenance expenses, to repay outstanding solid waste management revenue bonds. Proceeds from the bonds provided financing for improvements to the solid waste facilities and to refund prior revenue bonds. The bonds are payable solely from the net earnings of the Solid Waste System and are payable through 2035. The total principal and interest remaining to be paid on the bonds is \$10,261,592, with annual payments expected to require 33% of net revenues. Principal and interest paid for the current year and net system revenues were \$1,156,967 and \$3,365,681 respectively.

(21) PUBLIC BUILDING COMMISSION

In 1990, the City and the County of Lancaster, pursuant to state statute, activated a separate governmental entity denominated as the Lincoln-Lancaster County Public Building 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. For the year ended August 31, 2020, the City made rental payments of approximately \$3.0 million to the Commission.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

As of August 31, 2020, the Commission has debt outstanding of \$28,720,857. Bond and note proceeds have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City and County. The City's proportionate share of these buildings has been recorded in capital assets in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

For certain bonds it is anticipated that property tax levies by the Commission will be sufficient to meet bond principal and interest payments. Should revenues from such property tax levies not be sufficient to meet debt service requirements in any given year, the City and County would contribute the necessary payments based on their proportionate building occupancy. Such contributions are expected to be minimal and will be expensed in the appropriate funds when incurred.

For all other debt, funded through rental payments, the City's proportionate share is recorded as capital assets and the corresponding debt is reflected as capital lease long-term obligations in the City's statement of net position. Lease payments are not recorded as capital lease payments in the Debt Service Funds' financial statements but rather are recorded as current expenditures in the various individual funds at the time the payment is made.

Complete separate financial statements for the Commission may be obtained from the Lancaster County Budget & Fiscal Officer, 555 South 10th Street, Suite 110, Lincoln, NE 68508.

(22) TAX ABATEMENTS

As of August 31, 2020, the City provides tax abatements through three programs-the Tax Increment Financing (TIF) program, the Employment and Investment Growth Act and the Nebraska Advantage Act:

The Tax Increment Financing law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of the community redevelopment/TIF projects. The state statutes for community redevelopment/TIF are found in Nebraska Revised Statutes 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project. The project must not exceed a 15-year period. Currently, the City has Developer TIF bonds that extend through December 31, 2035.

During the fiscal year ended August 31, 2020 the City abated \$1,829,096 in property tax revenue under the tax increment financing program.

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts (Nebraska Revised Statute 77-4101 et. seq). Businesses that qualify must be involved in research, data processing, finance or insurance, manufacturing, technology-related services or a headquarters operation. The Act is available to businesses transporting, wholesaling, storing, or selling products, but not retailers who do not make their own products. Businesses must propose a qualifying project and be approved by Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits, but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to qualify.

During the fiscal year ended August 31, 2020 the City abated \$1,164,989 in sales tax revenue under these two programs.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(23) JOINTLY OWNED FACILITIES

Laramie River Station (LRS)

LES is a 12.76% share owner of the Missouri Basin Power Project that includes LRS, a coal-fired generating station in eastern Wyoming and a related transmission system. LES has sold approximately 13% of its ownership in LRS to Municipal Energy Agency of Nebraska (MEAN). Costs, net of accumulated depreciation, and excluding costs allocated to MEAN for its ownership share, associated with LRS of approximately \$53.5 million are reflected in utility plant at December 31, 2019.

LRS has certain postretirement obligations, which have not yet been billed to the owners, as these costs are not due and payable. Thus, LES has not reflected these costs in its financial statements. As a co-owner of LRS, LES' allocation of these postretirement obligations was \$1.5 million at December 31, 2019.

GASB Statement No. 83 "Certain Asset Retirement Obligations" established accounting standards for recognition and measurement of a liability for an asset retirement obligation and associated asset retirement cost. In accordance with this standard, LES, as a participant in the Missouri Basin Power Project, recognizes asset retirement obligations for the reclamation of wells, landfills and ash ponds. LES recorded the following amounts as asset retirement obligations, which is offset with a deferred outflow of resources, on the Statement of Net Position.

Asset Retirement Obligations (in thousands):

Obligation, December 31, 2018	\$ 3,256
Additional obligations	-
Accretion	132
Liabilities settled	(14)
Obligation, December 31, 2019	<u>\$ 3,374</u>

LES has a participation power sales agreement with the County of Los Alamos, New Mexico (the County) whereby the County purchases from LES approximately 10 MW of LES's capacity interest in LRS. The section of the agreement which provides for the County to pay LES monthly payments for the capital budget, processing and dispatch costs was amended in September 2016. The monthly payments are subject to true-up each January 1 based on actual costs (as compared to budget) of LRS. The agreement remains in effect until either the final maturity occurs on any LRS related debt or LRS is removed from commercial operation. During 2019 LES billed the County approximately \$2.1 million for demand and energy charges.

Walter Scott Energy Center (WSEC #4)

MidAmerican Energy's Walter Scott Energy Center includes four coal-fired units. LES maintains ownership interest in 12.66%, or 103 MW of WSEC #4. In order to minimize unit outage risk, LES has executed a power purchase and sales agreement with MidAmerican Energy to "swap" capacity and energy from LES' WSEC #4 ownership with capacity and energy from WSEC #3. Under this agreement LES will schedule 50 MW of capacity and energy from WSEC #3 and 53 MW of capacity and energy from WSEC #4. This twenty-year agreement can be extended through mutual agreement of the parties. LES is responsible for the operation and maintenance expense and maintains a fuel inventory at the plant site. LES issued debt in conjunction with the construction of WSEC #4 and has capitalized these costs plus interest. Costs, net of accumulated depreciation, associated with WSEC #4 of approximately \$123.2 million are reflected in utility plant at December 31, 2019.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

(24) **JOINTLY GOVERNED ORGANIZATIONS**

District Energy Corporation

The District Energy Corporation (DEC) was formed in 1989 by the City of Lincoln and Lancaster County to own, operate, maintain, and finance the heating and cooling facilities utilized by certain city, county, and state buildings. The Board of Directors of DEC is comprised of five members: two appointed by the Lancaster County Board of Commissioners, two by the Mayor of Lincoln who must be confirmed by the City Council, and one appointed by LES. No participant has any obligation, entitlement, or residual interest.

The DEC Board of Directors, under a management agreement, has appointed LES to supervise and manage the system and business affairs of DEC. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to DEC on an established rate schedule. The total amount of payments to LES for management, operations, and maintenance services was approximately \$1,770,000 in 2019. The total amount of payments to LES for energy was approximately \$741,000 in 2019.

Nebraska Utility Corporation

On May 17, 2001, LES, in conjunction with the University of Nebraska Board of Regents, created the Nebraska Utility Corporation (NUCorp) to purchase, lease, construct, and finance facilities and acquire services to meet energy requirements of the University of Nebraska Lincoln (UNL). The Board of Directors of NUCorp is comprised of five members: three members appointed by UNL and two members appointed by LES. No participant has any obligation, entitlement, or residual interest. NUCorp is considered a component unit of the University of Nebraska, therefore, financial statements of NUCorp are included in the University of Nebraska's financial statements.

Operations commenced in January 2002. The NUCorp board of directors, under a twenty-year management agreement, appointed LES to supervise and manage the energy supply and financial affairs of NUCorp. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to NUCorp on an established rate schedule. The total payment to LES for management services was approximately \$133,000 in 2019. The total amount of payments to LES for energy was approximately \$7.9 million in 2019.

(25) **SUBSEQUENT EVENTS**

In January 2020, Lincoln Electric System issued \$72,200,000 of Revenue Bonds, Series 2020A. The bond proceeds were used to reimburse Lincoln Electric System for previously incurred capital expenditures, to fund a deposit into the 2020A Debt Service Fund, and to pay certain costs and expenses relating to the issuance of the Series 2020A Bonds.

In September 2020, Lincoln Electric System issued \$185,150,000 of Revenue Refunding Bonds, Series 2020B. The bond proceeds were used to defease, pay and redeem certain outstanding obligations of the 2012 and 2015 bonds, to fund a deposit into the 2020B Debt Service Reserve Fund, and to pay certain costs and expenses relating to the issuance of the Series 2020B Bonds. The refunding resulted in net present value savings of approximately \$16,400,000.

In February 2021, a polar vortex brought prolonged frigid temperatures to much of the United States. These prolonged frigid temperatures created a significant increase in energy demand while also posing some operating challenges to certain generating facilities. As a result, the supply of energy was projected to fall short of the demand and many utilities were asked to shed load during intermittent intervals throughout the affected period. Additionally, this imbalance caused considerable volatility in the energy markets resulting in rapid and often substantial fluctuations in the price of energy purchased and sold by many utilities. Lincoln Electric System is still evaluating the effects of the polar vortex and the overall impact on the financial statements cannot be reasonably estimated at this time.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2020

As a result of the spread of the SARS-CoV-2 Virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the City. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. Through February 2021, the City had been awarded a total of approximately \$35,500,000 from the State of Nebraska, through the Coronavirus Relief Fund, to reimburse the City for expenditures incurred related to the COVID-19 pandemic.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2020

**Schedule of Changes in the Police and Fire Pension (PFP) Net Pension Liability
and Related Ratios**
For the Fiscal Year Ended August 31

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 7,359,480	\$ 7,731,662	\$ 7,416,228	\$ 7,117,899	\$ 8,539,932	\$ 7,929,376	\$ 7,289,994
Interest	23,577,966	21,633,724	20,800,989	19,817,083	19,098,818	17,507,641	16,897,591
Differences between expected and actual experience	2,693,155	1,839,825	(1,147,672)	1,513,600	(3,351,824)	7,390,055	736,647
Effect of assumption changes or inputs	1,916,405	13,739,593	-	-	-	(23,499,491)	22,725,982
Benefit payments, including refunds of member contributions	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Net change in total pension liability	17,978,542	28,668,548	11,401,988	13,444,450	9,860,499	(4,381,224)	34,220,051
Total pension liability - beginning	325,109,208	296,440,660	285,038,672	271,594,222	261,733,723	266,114,947	231,894,896
Total pension liability - ending (a)	<u>\$ 343,087,750</u>	<u>\$ 325,109,208</u>	<u>\$ 296,440,660</u>	<u>\$ 285,038,672</u>	<u>\$ 271,594,222</u>	<u>\$ 261,733,723</u>	<u>\$ 266,114,947</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 8,490,046	\$ 8,333,901	\$ 8,239,839	\$ 7,974,731	\$ 7,170,104	\$ 8,045,293	\$ 7,865,929
Contributions - employee	3,576,557	3,366,841	3,195,658	3,112,583	2,817,102	2,604,101	2,613,971
Net investment income	26,911,382	5,434,779	17,407,833	23,644,797	14,795,745	(5,843,555)	30,932,275
Benefit payments, including refunds of member contributions	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Administrative expense	(510,761)	(445,481)	(435,578)	(445,579)	(493,860)	(444,578)	(407,146)
Net change in plan fiduciary net position	20,898,760	413,784	12,740,195	19,282,400	9,862,664	(9,347,544)	27,574,866
Plan fiduciary net position - beginning	246,294,314	245,880,530	233,140,335	213,857,935	203,995,271	213,342,815	185,767,949
Plan fiduciary net position - ending (b)	<u>\$ 267,193,074</u>	<u>\$ 246,294,314</u>	<u>\$ 245,880,530</u>	<u>\$ 233,140,335</u>	<u>\$ 213,857,935</u>	<u>\$ 203,995,271</u>	<u>\$ 213,342,815</u>
PFP Net Pension Liability - Ending (a) - (b)	<u>\$ 75,894,676</u>	<u>\$ 78,814,894</u>	<u>\$ 50,560,130</u>	<u>\$ 51,898,337</u>	<u>\$ 57,736,287</u>	<u>\$ 57,738,452</u>	<u>\$ 52,772,132</u>
Plan fiduciary net position as a percentage of the total pension liability	77.88%	75.76%	82.94%	81.79%	78.74%	77.94%	80.17%
Covered payroll	\$ 48,498,340	\$ 46,518,365	\$ 44,885,478	\$ 42,930,194	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
PFP net pension liability as a percentage of covered payroll	156.49%	169.43%	112.64%	120.89%	136.23%	152.39%	138.48%

Note to schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2014. Information prior to 2015 was restated after a change in the actuarial firm providing services.

Changes of benefit and funding terms:

8/31/2016 valuation - City Ordinance No. 20343, as passed by the City Council, merged the COLA Pool fund into the general pension fund. No benefits were impacted, only the funding of the benefits.

Changes in actuarial assumptions:

8/31/2020 valuation - Expected future investment return was reduced from 7.45% to 7.40% compounded annually.

8/31/2019 valuation - Price inflation was reduced from 2.50% to 2.25%
Expected future investment return was reduced from 7.50% to 7.45% compounded annually.
Interest on member contributions as reduced from 7.50% to 7.45% compounded annually.
General wage increase assumption was reduced from 3.00% to 2.75%.
Payroll growth assumption was reduced from 3.00% to 2.75%.
Disabilities that are assumed to be duty-related were increased from 50% to 65%.
Retirement rates were adjusted to better reflect actual observed experience and were changed to a service-based assumption.
Termination rates were adjusted to better reflect actual observed experience and were changed to a service-based assumption.
Salary increases were adjusted to better reflect actual observed experience and were changed to a service-based assumption.
Mortality assumptions were changed to use the public safety specific PubS tables, with generational mortality improvement using the Nebraska Public Employees Retirement System (NPERS) Mortality Improvement Scale.

8/31/2016 valuation - Expected future investment return was increased from 6.40% to 7.50% compounded annually.

8/31/2015 valuation - Expected future investment return was reduced from 6.75% to 6.40% compounded annually.

8/31/2014 valuation - Expected future investment return was reduced from 7.50% to 6.75% compounded annually.
Assumed salary increase rates were reduced.
Mortality tables were updated from the 1994 Group Annuity Mortality tables with a 2 year set forward for males and 1 year set forward for females to the RP2000 Mortality table with generational improvements using Scale AA.
Assumed rates of retirement were generally lowered for Plans A, B and C.
The payroll growth assumption was reduced from 4.25% to 3.00%.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2020

Schedule of Employer Contributions for the Police and Fire Pension
For the Fiscal Year Ended August 31

	2020	2019	2018	2017	2016	2015
Actuarial determined employer contribution	\$ 8,422,965	\$ 8,333,901	\$ 8,164,782	\$ 7,829,103	\$ 9,666,852	\$ 8,418,199
Actual employer contributions	8,490,046	8,333,901	8,239,839	7,974,731	7,170,104	8,045,293
Annual contribution deficiency (excess)	<u>\$ (67,081)</u>	<u>\$ -</u>	<u>\$ (75,057)</u>	<u>\$ (145,628)</u>	<u>\$ 2,496,748</u>	<u>\$ 372,906</u>
Covered payroll - current	\$ 48,498,340	\$ 46,518,365	\$ 44,885,478	\$ 42,930,194	\$ 42,381,059	\$ 37,887,505
Actual contributions as a percentage of covered payroll	17.51%	17.92%	18.36%	18.58%	16.92%	21.23%

Note to Schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2014.

Actuarially determined contribution rates are calculated as of August 31, two years prior to the end of the fiscal year in which contributions are reported.

Valuation date:	8/31/2018	8/31/2017	8/31/2016	8/31/2015	8/31/2014	8/31/2013
Methods and assumptions used to determine contribution rates:						
Actuarial cost method:	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,
Amortization method:	level percent, closed layered bases	level percent, closed layered bases	level percent, closed	level percent, closed	level percent, closed	level percent, open
Remaining amortization period:	varying 19- 26 years 5-year	varying 20- 27 years 5-year	28 years 5-year	29 years 5-year	30 years 5-year	30 years 5-year
Asset valuation method:	smoothed market	smoothed market	smoothed market	smoothed market	smoothed market	smoothed market
Inflation:	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%
Salary increases:	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	4.25% - 8.25%
Investment rate of return:	7.50%	7.50%	7.50%	6.40%	6.75%	7.50%

Schedule of Investment Returns for the Police and Fire Pension
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual money-weighted rate of return, net of investment expense	11.11%	2.24%	7.59%	11.25%	7.36%	-3.52%	16.67%	12.42%	5.47%	12.64%

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2020

**Schedule of Changes in the Total OPEB Liability
and Related Ratios**

Measurement Period Ending August 31,

	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 1,071,230	\$ 1,160,514	\$ 969,040
Interest	689,255	645,475	539,411
Differences between expected and actual experience	-	(231,632)	-
Effect of assumption changes or inputs	1,423,068	(1,475,337)	(1,133,914)
Benefit payments	(997,277)	(962,027)	(1,070,494)
Net change in total OPEB liability	2,186,276	(863,007)	(695,957)
Total OPEB liability - beginning	17,899,234	18,762,241	19,458,198
Total OPEB liability - ending	<u>\$ 20,085,510</u>	<u>\$ 17,899,234</u>	<u>\$ 18,762,241</u>
 Covered payroll	 \$ 145,528,734	 \$ 140,466,565	 \$ 138,350,403
Total OPEB liability as a percentage of covered payroll	13.80%	12.74%	13.56%

Notes to schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2017.

The City of Lincoln has no accumulated assets held in trust to pay related benefits.

Changes in actuarial assumptions:

8/31/19 valuation -	The discount rate has changed from 3.96% to 3.16% due to a change in the municipal bond rate.
8/31/18 valuation -	The discount rate has changed from 3.53% to 3.96% due to a change in the municipal bond rate.
	The trend rate assumption is now 7.25% decreasing by 0.25% per year until an ultimate rate of 4.75% is reached in 2028, which changed from 7.50% for 2017, decreasing by 0.50% per year for four years, then decreasing by 0.25% per year until an ultimate rate of 5.00% is reached in 2023.
8/31/17 valuation -	The discount rate has changed from 2.85% to 3.53% due to a change in the municipal bond rate.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



GENERAL FUND COMBINING FUNDS

The following are reported as part of the General Fund for financial reporting purposes but are maintained individually for accounting purposes and budgetary comparisons of legally adopted budgets.

Athletic Field & Facilities Improvement Fund - To account for proceeds from a surcharge applied to registration fees charged by the Recreation Division for various athletic activities, and revenues received from the rental of park land for telecommunications towers. These monies are used for improvements to athletic field and facilities, and the maintenance and repair of Parks and Recreation property and facilities.

Lincoln Area Agency On Aging Fund - To account for the costs of providing various services to senior citizens through the Lincoln/Lancaster Commission on Aging. Financing is provided by Federal, State, County, and City funds.

911 Communication Fund - To account for the costs of answering and processing all incoming 911 and non-emergency calls as well as the cost of dispatch service for the Lincoln Police Department, Lincoln Fire Department, Lancaster County Sheriff's Office and Rural Volunteer Fire and Rescue Departments. Financing is provided by County and City funds and a 911 telephone surcharge.

Unemployment Compensation Fund - To account for the cost of unemployment benefits paid to former employees of departments supported primarily from tax revenues. The City reimburses the State for actual costs rather than a percentage of payroll. Financing has been provided by a specific annual property tax levy to be used only for this purpose.

Fast Forward Fund - To make funds available for economic development projects where there is a demonstrated benefit to the community and/or where incentives can positively influence the outcome of a project. Funding was provided by a surplus of Special Assessment Debt Service funds.

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
GENERAL FUND
AUGUST 31, 2020

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
ASSETS							
Cash and Cash Equivalents	\$ 11,098,453	262,874	520,505	781,767	53,042	1,149,416	13,866,057
Investments	35,316,131	795,988	1,833,185	2,478,417	192,967	4,061,348	44,678,036
Receivables:							
Taxes	4,701,571	-	-	-	4,053	-	4,705,624
Accounts	1,559,415	-	3,514	88,372	-	-	1,651,301
Accrued Interest	680,252	435	6,970	8,699	-	14,418	710,774
Due from Other Funds	1,821,948	-	2,215	-	-	-	1,824,163
Due from Other Funds (Inter-fund)	14,558	-	-	-	-	-	14,558
Due from Other Governments	16,000,444	-	99,179	-	3	-	16,099,626
Inventories	67,420	-	-	-	-	-	67,420
Prepaid Items	221,164	-	-	-	-	-	221,164
Total Assets	71,481,356	1,059,297	2,465,568	3,357,255	250,065	5,225,182	83,838,723
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	1,076,659	-	17,559	3,415	-	-	1,097,633
Accrued Liabilities	2,445,323	-	43,829	124,494	-	-	2,613,646
Due to Other Funds	8,996,606	-	210	9,377	-	-	9,006,193
Due to Other Funds (Inter-fund)	11,325	2,512	-	-	721	-	14,558
Due to Other Governments	16,192	-	260	-	7,114	-	23,566
Unearned Revenue	3,800	-	-	-	-	-	3,800
Total Liabilities	12,549,905	2,512	61,858	137,286	7,835	-	12,759,396
Deferred Inflows of Resources:							
Unavailable Revenues	2,198,140	-	59,982	51,126	705	-	2,309,953
Fund Balances:							
Nonspendable	288,584	-	-	-	-	-	288,584
Restricted	7,571,500	-	-	-	-	-	7,571,500
Assigned	1,938,699	1,056,785	2,343,728	3,168,843	241,525	5,225,182	13,974,762
Unassigned	46,934,528	-	-	-	-	-	46,934,528
Total Fund Balances	56,733,311	1,056,785	2,343,728	3,168,843	241,525	5,225,182	68,769,374
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 71,481,356	1,059,297	2,465,568	3,357,255	250,065	5,225,182	83,838,723

CITY OF LINCOLN, NEBRASKA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2020

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
Revenues							
Taxes:							
Property	\$ 49,213,574	-	-	-	51,567	-	49,265,141
Motor Vehicle	6,361,079	-	-	-	-	-	6,361,079
Sales and Use	81,438,354	-	-	-	-	-	81,438,354
Sundry and In Lieu	56,287	-	-	-	26	-	56,313
Occupation	8,114,760	-	-	-	-	-	8,114,760
Intergovernmental	2,957,253	-	1,258,280	676,122	-	-	4,891,655
Permits and Fees	4,038,946	-	32,052	892,961	-	-	4,963,959
Reimbursement for Services	6,523,344	551,474	71,498	32,000	-	-	7,178,316
Investment Earnings	2,375,414	9,658	34,516	44,515	1,805	80,187	2,546,095
Donations	1,150,745	-	8,651	-	-	-	1,159,396
Miscellaneous	618,522	6,217	976	8	-	-	625,723
Total Revenues	162,848,278	567,349	1,405,973	1,645,606	53,398	80,187	166,600,791
Expenditures							
Current:							
General Government	42,535,532	-	-	-	7,534	-	42,543,066
Public Safety	72,258,355	-	-	5,729,816	-	-	77,988,171
Streets and Highways	6,404,890	-	-	-	-	-	6,404,890
Culture and Recreation	14,885,580	-	-	-	-	-	14,885,580
Health and Welfare	524,958	-	3,186,718	-	-	-	3,711,676
Total Expenditures	136,609,315	-	3,186,718	5,729,816	7,534	-	145,533,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,238,963	567,349	(1,780,745)	(4,084,210)	45,864	80,187	21,067,408
Other Financing Sources (Uses):							
Transfers In	13,066,630	-	-	-	-	-	13,066,630
Transfers In (Inter-Fund)	19,002	-	2,463,211	4,493,327	-	-	6,975,540
Transfers Out	(29,265,067)	(326,792)	-	-	-	-	(29,591,859)
Transfers Out (Inter-Fund)	(6,975,540)	-	-	-	-	-	(6,975,540)
Sale of Capital Assets	56,189	-	-	-	-	-	56,189
Total Other Financing Sources (Uses)	(23,098,786)	(326,792)	2,463,211	4,493,327	-	-	(16,469,040)
Net Change In Fund Balances	3,140,177	240,557	682,466	409,117	45,864	80,187	4,598,368
Fund Balances - Beginning	53,593,134	816,228	1,661,262	2,759,726	195,661	5,144,995	64,171,006
Fund Balances - Ending	\$ 56,733,311	1,056,785	2,343,728	3,168,843	241,525	5,225,182	68,769,374



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 14,069,579	2,542,177	6,192,592	372,174	23,176,522
Investments	47,626,564	8,219,180	21,814,294	65,350,314	143,010,352
Receivables, (Net of Allowance for Uncollectibles)	21,777,565	3,444,924	50,306	5,867	25,278,662
Due from Other Funds	2,319,735	-	1,603,851	-	3,923,586
Due from Other Governments	4,274,111	19,773	4,175,055	-	8,468,939
Inventories	967,027	-	-	-	967,027
Beneficial Interest Asset	2,672,667	-	-	-	2,672,667
Total Assets	<u>93,707,248</u>	<u>14,226,054</u>	<u>33,836,098</u>	<u>65,728,355</u>	<u>207,497,755</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,546,915	45,200	1,564,899	6,154	3,163,168
Contracts Payable	-	-	1,056,870	-	1,056,870
Accrued Liabilities	1,773,181	-	-	10,681	1,783,862
Due to Other Funds	25,166,829	59,670	43,707	-	25,270,206
Due to Other Governments	237,464	-	-	-	237,464
Due to Other Contractors	-	4,975,283	-	-	4,975,283
Unearned Revenue	237,418	-	-	-	237,418
Total Liabilities	<u>28,961,807</u>	<u>5,080,153</u>	<u>2,665,476</u>	<u>16,835</u>	<u>36,724,271</u>
Deferred Inflows of Resources:					
Unavailable Revenues	1,481,447	1,807,726	320,858	-	3,610,031
Beneficial Interest Revenue	2,672,667	-	-	-	2,672,667
Total Deferred Inflows of Resources	<u>4,154,114</u>	<u>1,807,726</u>	<u>320,858</u>	<u>-</u>	<u>6,282,698</u>
Fund Balances (Deficits):					
Nonspendable	967,027	-	-	37,160,000	38,127,027
Restricted	35,315,358	6,680,318	30,849,764	28,551,520	101,396,960
Committed	269,582	657,857	-	-	927,439
Assigned	24,379,175	-	-	-	24,379,175
Unassigned	(339,815)	-	-	-	(339,815)
Total Fund Balances	<u>60,591,327</u>	<u>7,338,175</u>	<u>30,849,764</u>	<u>65,711,520</u>	<u>164,490,786</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 93,707,248</u>	<u>14,226,054</u>	<u>33,836,098</u>	<u>65,728,355</u>	<u>207,497,755</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 18,670,762	17,134,451	-	-	35,805,213
Wheel	9,270,450	-	9,270,450	-	18,540,900
Sales and Use	-	-	12,576,113	-	12,576,113
Turnback	-	2,160,512	240,057	-	2,400,569
Sundry and In Lieu	9,004	2,901	-	-	11,905
Occupation	-	1,290,556	-	-	1,290,556
Special Assessment	618	1,390,599	-	-	1,391,217
Intergovernmental	31,957,362	-	2,821,483	-	34,778,845
Permits and Fees	14,211,507	-	347,447	-	14,558,954
Reimbursement for Services	1,057,667	-	-	-	1,057,667
Program Income	40,193	-	-	-	40,193
Investment Earnings	827,774	108,492	362,915	2,866,050	4,165,231
Donations	1,502,356	-	769,871	-	2,272,227
Keno Proceeds	5,641,379	-	-	-	5,641,379
Miscellaneous	384,731	52,493	708,155	8,479	1,153,858
Total Revenues	83,573,803	22,140,004	27,096,491	2,874,529	135,684,827
EXPENDITURES					
Current:					
General Government	14,115,153	-	-	-	14,115,153
Public Safety	11,405,945	-	-	-	11,405,945
Streets and Highways	107	-	-	-	107
Culture and Recreation	10,912,595	-	-	9,619	10,922,214
Economic Opportunity	3,085,972	-	-	-	3,085,972
Health and Welfare	26,471,562	-	-	2,574,410	29,045,972
Mass Transit	20,340,337	-	-	-	20,340,337
Debt Service:					
Principal Retirement	-	15,142,214	-	-	15,142,214
Interest and Fiscal Charges	-	4,010,185	-	-	4,010,185
Payments to Bond Refunding Agent	-	45,506	-	-	45,506
Debt Issuance Expense	-	282,788	-	-	282,788
Developer Purchased TIF Payments	-	10,431,094	-	-	10,431,094
Miscellaneous	-	57,330	-	-	57,330
Capital Outlay	-	-	23,756,716	-	23,756,716
Total Expenditures	86,331,671	29,969,117	23,756,716	2,584,029	142,641,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,757,868)	(7,829,113)	3,339,775	290,500	(6,956,706)
OTHER FINANCING SOURCES (USES)					
Transfers In	18,876,198	10,224,471	13,378,833	-	42,479,502
Transfers Out	(15,367,193)	(3,685,955)	(9,305,060)	-	(28,358,208)
Issuance of Refunding Debt	-	25,905,000	-	-	25,905,000
Premium on Debt Issued	-	2,191,860	-	-	2,191,860
Transfer to Bond Refunding Agent	-	(27,808,069)	-	-	(27,808,069)
Sale of Capital Assets	886,696	-	163	-	886,859
Total Other Financing Sources (Uses)	4,395,701	6,827,307	4,073,936	-	15,296,944
Net Change in Fund Balances	1,637,833	(1,001,806)	7,413,711	290,500	8,340,238
Fund Balances - Beginning	58,953,494	8,339,981	23,436,053	65,421,020	156,150,548
Fund Balances - Ending	\$ 60,591,327	7,338,175	30,849,764	65,711,520	164,490,786

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds from specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes.

Advance Acquisition Fund - To account for funds to be used for the acquisition of real estate for public purposes. Net proceeds from the sale or exchange of real estate owned by the City shall be credited to this fund, and the fund may also be increased by General Fund appropriations, or proceeds from general obligation borrowing.

Cable Access Television Fund - To account for the receipt and use of franchise fees, imposed by the City, from the cable provider in order to construct, operate and maintain a cable television system within the boundaries of the City.

Lincoln City Libraries Fund - To account for the costs of providing library services to the citizens of Lincoln. Financing is provided by a specific annual tax levy, fines and fees, and reimbursement from Lancaster County for services provided to County residents.

Lincoln/Lancaster Co. Health Fund - To account for the costs of providing health services to the citizens of the City of Lincoln and Lancaster County. Financing is provided by Federal, State, County, and City funds, as well as permit and user fees.

Social Security Fund - To account for the City of Lincoln's matching share of Social Security costs for employees paid from the General Fund and other funds supported primarily from general tax revenue. Financing is provided by a specific annual property tax levy. Such property taxes may only be used for this purpose.

Police & Fire Pension Contributions Fund - To account for the City's contributions to the Police and Fire Pension. Financing is provided by a specific annual property tax levy.

StarTran Fund - To account for the cost of operating the City-owned transit system. Financing is provided primarily through passenger revenue and Federal, State, and City funds.

Keno Fund - To accumulate resources from the City's percentage of Keno revenue in the City and account for activities financed with Keno revenues.

Federal Grants Fund - Includes federal sub-funds as follows:

Community Development Block Grant Fund - To account for the costs of providing services under the City's Community Development Block Grant Program with funding provided by grants from the Department of Housing and Urban Development.

Grants-In-Aid Fund - To account for monies received from various federal and state agencies under several small categorical grants and the City's matching funds where applicable. Monies are utilized to provide services as stipulated in the individual grant agreements.

Workforce Investment Act (WIA) Fund - To account for the costs of providing services under the Workforce Investment Act with funding provided by grants from the Department of Labor.

Disaster Recovery (FEMA) Fund - To account for reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood damage and pandemic expenses. Funds are used to reimburse other funds for related costs and to pay disaster and pandemic related expenses.



Special Assessment Fund - To account for the receipt and disbursement of special assessment bond proceeds and other income which is derived from interest income, developers share of districts and City subsidies. This fund is also used to account for the administrative cost of collection of and accounting for special assessments levied against benefited properties. Expenditures for capital improvement projects are accounted for in the Special Assessment Capital Projects Fund. Periodic transfers are made to the Capital Projects Fund to cover expenditures.

Building & Safety Fund - To account for the cost of providing building and safety permit and inspection services to the citizens of Lincoln. Financing is provided through permit and inspection fee revenues and City funds.

Impact Fees Fund - To account for receipts and disbursements of impact fees in accordance with City ordinance.

Parks & Recreation Special Projects Fund - To account for the proceeds of various trusts and donations to be used for the development of various projects, such as a mini-park, an observatory, landscaping, etc.

Library Special Trust Fund - To account for the receipt of investment earnings from the Lillian Polley Trust Fund. Such funds are to be used for the Polley Music Library.

RP Crawford Park Fund - To accumulate resources required to be distributed from the Crawford Trust per IRS regulations. Such funds to be held until the end of the Trust period, then combined with the Trust assets to be used for the purchase of land and the development of a City park and playground.

Lincoln Bike Share Fund – To capture the financial activity, including revenues, sponsorships, donations, user fees and expenses generated by additions to the Lincoln Bike Share Program.

Vehicle Tax Residual Revenue Fund - To account for monies derived from the payment of wheel tax which is to be used for street improvements in the City.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2020

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran	Keno
ASSETS								
Cash and Cash Equivalents	\$ 721,182	88,002	761,151	1,273,397	462,203	-	1,492,508	1,267,342
Investments	2,538,720	316,586	2,671,384	4,429,191	1,634,188	-	1,504,538	4,474,418
Receivables, (Net of Allowance for Uncollectibles):								
Taxes	-	-	728,335	-	245,949	647,880	-	-
Accounts	-	30,945	500	41,248	-	-	7,207	519,744
Accrued Interest	-	-	6,663	12,911	-	-	6,609	-
Loans	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	522	-	175	-	607,102	-
Inventories	-	-	-	-	-	-	967,027	-
Beneficial Interest Asset	-	-	-	-	-	-	-	-
Total Assets	3,259,902	435,533	4,168,555	5,756,747	2,342,515	647,880	4,584,991	6,261,504
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	-	13,500	78,032	117,612	1,613	-	229,484	235
Accrued Liabilities	-	591	156,330	259,863	186,492	488,848	243,405	-
Due to Other Funds	9,488	1,183	105	17,268	6,107	-	2,947	65,639
Due to Other Governments	-	-	112	4,774	-	-	14,510	190,502
Unearned Revenue	-	-	-	-	-	-	6,579	-
Total Liabilities	9,488	15,274	234,579	399,517	194,212	488,848	496,925	256,376
Deferred Inflows of Resources:								
Unavailable Revenues	-	27,331	181,611	7,136	62,755	159,032	1,416	-
Beneficial Interest Revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	27,331	181,611	7,136	62,755	159,032	1,416	-
Fund Balances (Deficits):								
Nonspendable	-	-	-	-	-	-	967,027	-
Restricted	3,019,959	-	-	-	1,562,900	-	-	5,648,216
Committed	-	269,582	-	-	-	-	-	-
Assigned	230,455	123,346	3,752,365	5,350,094	522,648	-	3,119,623	356,912
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	3,250,414	392,928	3,752,365	5,350,094	2,085,548	-	4,086,650	6,005,128
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,259,902	435,533	4,168,555	5,756,747	2,342,515	647,880	4,584,991	6,261,504

Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
54,198	1,568	2,105,696	5,201,526	571,019	36,820	18,758	304	13,905	14,069,579
-	342,299	7,248,316	18,220,288	2,008,061	123,619	2,069,729	-	45,227	47,626,564
-	-	-	-	-	-	-	-	-	1,622,164
1,085	-	-	2,250	45,000	-	-	742	-	648,721
3,034	5,676	-	57,116	7,182	489	-	-	-	99,680
19,407,000	-	-	-	-	-	-	-	-	19,407,000
-	57,491	1,439,610	822,634	-	-	-	-	-	2,319,735
2,731,282	-	-	-	-	-	-	-	935,030	4,274,111
-	-	-	-	-	-	-	-	-	967,027
-	-	-	-	-	-	2,672,667	-	-	2,672,667
22,196,599	407,034	10,793,622	24,303,814	2,631,262	160,928	4,761,154	1,046	994,162	93,707,248
884,989	11,023	73,359	184	69,269	-	-	67,615	-	1,546,915
300,051	-	135,420	-	-	2,181	-	-	-	1,773,181
777,333	57,491	46,691	23,908,444	1,442	-	-	272,522	169	25,166,829
25,433	-	837	-	572	-	-	724	-	237,464
-	-	230,839	-	-	-	-	-	-	237,418
1,987,806	68,514	487,146	23,908,628	71,283	2,181	-	340,861	169	28,961,807
1,042,166	-	-	-	-	-	-	-	-	1,481,447
-	-	-	-	-	-	2,672,667	-	-	2,672,667
1,042,166	-	-	-	-	-	2,672,667	-	-	4,154,114
-	-	-	-	-	-	-	-	-	967,027
19,166,627	338,520	-	-	2,337,909	158,747	2,088,487	-	993,993	35,315,358
-	-	-	-	-	-	-	-	-	269,582
-	-	10,306,476	395,186	222,070	-	-	-	-	24,379,175
-	-	-	-	-	-	-	(339,815)	-	(339,815)
19,166,627	338,520	10,306,476	395,186	2,559,979	158,747	2,088,487	(339,815)	993,993	60,591,327
22,196,599	407,034	10,793,622	24,303,814	2,631,262	160,928	4,761,154	1,046	994,162	93,707,248

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran	Keno
Revenues:								
Real Property and								
Personal Property Tax	\$ -	-	8,445,242	-	2,826,501	7,399,019	-	-
Wheel Tax	-	-	-	-	-	-	-	-
Sundry and In Lieu Tax	-	-	4,166	-	1,396	3,442	-	-
Special Assessment	-	-	-	618	-	-	-	-
Intergovernmental	-	-	887,268	2,577,980	-	-	8,078,502	-
Permits and Fees	-	227,968	132,205	4,685,784	-	-	2,872,660	-
Reimbursement for Services	5,085	-	1,200	143,548	-	-	97,709	-
Program Income	-	-	-	-	-	-	-	-
Investment Earnings	27,365	3,104	24,774	58,849	11,839	-	39,194	34,197
Donations	-	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-	5,641,379
Private Sector Share of Projects	-	-	-	-	-	-	-	-
Miscellaneous	-	-	22,708	5,206	-	-	186,529	-
Total Revenues	32,450	231,072	9,517,563	7,471,985	2,839,736	7,402,461	11,274,594	5,675,576
Expenditures -- Current:								
General Government	5,209	197,332	-	-	2,804,021	7,728,815	-	2,024,352
Public Safety	-	-	-	-	-	-	-	-
Streets and Highways	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	9,176,624	-	-	-	-	827,774
Economic Opportunity	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	14,764,938	-	-	-	-
Mass Transit	-	-	-	-	-	-	19,738,006	-
Total Expenditures	5,209	197,332	9,176,624	14,764,938	2,804,021	7,728,815	19,738,006	2,852,126
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,241	33,740	340,939	(7,292,953)	35,715	(326,354)	(8,463,412)	2,823,450
Other Financing Sources (Uses):								
Transfers In	-	-	-	8,509,697	-	326,354	7,421,823	-
Transfers Out	(1,519,600)	-	(90,832)	(175,345)	-	-	(36,002)	(2,274,696)
Sale of Capital Assets	839,340	9,168	318	9,000	-	-	18,200	-
Total Other Financing Sources (Uses)	(680,260)	9,168	(90,514)	8,343,352	-	326,354	7,404,021	(2,274,696)
Net Change In Fund Balances	(653,019)	42,908	250,425	1,050,399	35,715	-	(1,059,391)	548,754
Fund Balances (Deficits) - Beginning	3,903,433	350,020	3,501,940	4,299,695	2,049,833	-	5,146,041	5,456,374
Fund Balances (Deficits) - Ending	\$ 3,250,414	392,928	3,752,365	5,350,094	2,085,548	-	4,086,650	6,005,128

Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
-	-	-	-	-	-	-	-	-	18,670,762
-	-	-	-	-	-	-	-	9,270,450	9,270,450
-	-	-	-	-	-	-	-	-	9,004
-	-	-	-	-	-	-	-	-	618
20,413,612	-	-	-	-	-	-	-	-	31,957,362
176,903	-	5,923,835	192,152	-	-	-	-	-	14,211,507
534,458	-	156,451	-	72,633	-	-	46,583	-	1,057,667
40,193	-	-	-	-	-	-	-	-	40,193
15,433	29,662	111,156	22,166	38,860	3,278	372,739	-	35,158	827,774
22,260	-	-	-	1,249,374	111,722	-	119,000	-	1,502,356
-	-	-	-	-	-	-	-	-	5,641,379
-	-	-	-	81,840	-	-	-	-	81,840
16,304	-	-	-	25,910	-	-	46,234	-	302,891
21,219,163	29,662	6,191,442	214,318	1,468,617	115,000	372,739	211,817	9,305,608	83,573,803
248,125	1,097,925	-	9,374	-	-	-	-	-	14,115,153
4,074,487	-	7,331,458	-	-	-	-	-	-	11,405,945
-	-	-	-	-	-	-	-	107	107
484,021	-	-	-	344,357	79,819	-	-	-	10,912,595
3,085,972	-	-	-	-	-	-	-	-	3,085,972
11,706,624	-	-	-	-	-	-	-	-	26,471,562
249,369	-	-	-	-	-	-	352,962	-	20,340,337
19,848,598	1,097,925	7,331,458	9,374	344,357	79,819	-	352,962	107	86,331,671
1,370,565	(1,068,263)	(1,140,016)	204,944	1,124,260	35,181	372,739	(141,145)	9,305,501	(2,757,868)
752,775	1,474,356	291,193	-	-	-	-	100,000	-	18,876,198
(1,401,349)	(406,329)	(12,159)	-	(215,944)	-	-	-	(9,234,937)	(15,367,193)
-	-	-	-	10,670	-	-	-	-	886,696
(648,574)	1,068,027	279,034	-	(205,274)	-	-	100,000	(9,234,937)	4,395,701
721,991	(236)	(860,982)	204,944	918,986	35,181	372,739	(41,145)	70,564	1,637,833
18,444,636	338,756	11,167,458	190,242	1,640,993	123,566	1,715,748	(298,670)	923,429	58,953,494
19,166,627	338,520	10,306,476	395,186	2,559,979	158,747	2,088,487	(339,815)	993,993	60,591,327



NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are established to account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

Tax Allocation Projects Debt Service Fund - To accumulate resources for payment of principal and interest on the various outstanding tax allocation bonds. Resources are derived from additional taxes generated by the specific properties upon completion of the Redevelopment Projects.

Bond Interest & Redemption Fund - To accumulate resources derived from an annual tax levy for payment of principal and interest on several general obligation bond issues and capital leases outstanding as follows:

- 2010 Certificates of Participation – Street Lights & Emergency Equipment
- 2011 Stormwater Bonds
- 2011 General Obligation Refunding Bonds
- 2011B Certificates of Participation – Street Lights
- 2012 General Obligation Refunding Bonds
- 2012 Certificates of Participation – Street Lights
- 2013 Stormwater Bonds
- 2014A Certificates of Participation – Street Lights, Corridor Improvements, Sidewalks
- 2015 Storm Sewer and Drainage System Refunding Bonds
- 2015 Certificates of Participation – Street Lights
- 2016 Stormwater Bonds
- 2016 Certificates of Participation – Street Lights, Fire Equipment, and Fire Station
- 2017 Stormwater Refunding Bonds
- 2017 Certificates of Participation – Street Lights
- 2019 Stormwater Drainage and Flood Management System Bonds
- 2019 Certificates of Participation – Street Lights
- 2020 Stormwater Refunding Bonds

Tax Supported Bonds Fund – includes bonded debt funds as follows:

Highway Allocation Debt Fund - To accumulate resources for payment of principal and interest on the Highway Allocation Refunding Bonds, Series 2012 and Series 2016. For the prompt payment of principal of and interest on the bonds, the City has pledged funds received and to be received by the City from the State Highway Allocation Fund as authorized under Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

Turn Back Tax Debt Fund - To accumulate resources for payment of principal and interest on the Limited Tax General Obligation Arena Bonds, Series 2013 and the Limited Tax General Obligation Arena Refunding Bonds, Series 2020. The bonds are payable from sales tax passed through from the State of Nebraska, pursuant to the Convention Center Facility Financing Assistance Act, Section 13-2603, of the Reissue Revised Statutes of Nebraska.

SouthPointe EEA Fund – To accumulate resources from a 1% occupation tax on gross receipts for retail establishments within the Enhanced Employment Area designated as SouthPointe Pavilions. The revenue generated will be used to pay for construction and maintenance of a public parking garage located at SouthPointe Pavilions. The tax will end at such time as the bonds and maintenance costs for which it has been pledged have been paid off but not later than December 31, 2041. Payment on the principal of and interest on the Developer Bonds is limited solely and exclusively to the pledged tax revenue and is not payable from any other City source.

Special Assessment Fund – To accumulate resources for payment of principal and interest on special assessment bond issues. Income is derived from special assessment tax collections, interest on special assessment taxes and interest from investments.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AUGUST 31, 2020

	<u>Tax Allocation Projects</u>	<u>Bond Interest & Redemption</u>	<u>Tax Supported Bonds</u>	<u>Special Assessment</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,319,123	662,076	371,869	189,109	2,542,177
Investments	4,661,354	2,342,738	1,215,088	-	8,219,180
Receivables (Net of Allowance for Uncollectibles):					
Taxes	929,700	513,782	-	-	1,443,482
Accounts	-	-	113,023	-	113,023
Accrued Interest	10,269	5,325	6,545	-	22,139
Special Assessment	-	-	-	1,866,280	1,866,280
Due from Other Governments	-	364	-	19,409	19,773
Total Assets	<u>6,920,446</u>	<u>3,524,285</u>	<u>1,706,525</u>	<u>2,074,798</u>	<u>14,226,054</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	12,000	33,200	-	45,200
Due to Other Funds	-	-	2,179	57,491	59,670
Due to Other Contractors	4,472,447	-	502,836	-	4,975,283
Total Liabilities	<u>4,472,447</u>	<u>12,000</u>	<u>538,215</u>	<u>57,491</u>	<u>5,080,153</u>
Deferred Inflows of Resources:					
Unavailable Revenues	-	133,047	-	1,674,679	1,807,726
Fund Balances:					
Restricted	1,790,142	3,379,238	1,168,310	342,628	6,680,318
Committed	657,857	-	-	-	657,857
Total Fund Balances	<u>2,447,999</u>	<u>3,379,238</u>	<u>1,168,310</u>	<u>342,628</u>	<u>7,338,175</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,920,446</u>	<u>3,524,285</u>	<u>1,706,525</u>	<u>2,074,798</u>	<u>14,226,054</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 11,256,820	5,877,631	-	-	17,134,451
Turnback Tax	-	-	2,160,512	-	2,160,512
Sundry and In Lieu Tax	-	2,901	-	-	2,901
Occupation Tax	-	-	1,290,556	-	1,290,556
Special Assessment	-	-	-	1,258,816	1,258,816
Special Assessment Interest	-	-	-	131,783	131,783
Investment Earnings	45,337	24,708	38,447	-	108,492
Miscellaneous	52,493	-	-	-	52,493
Total Revenues	<u>11,354,650</u>	<u>5,905,240</u>	<u>3,489,515</u>	<u>1,390,599</u>	<u>22,140,004</u>
Expenditures -- Debt Service:					
Principal Retirement	608,128	6,229,086	4,840,000	190,000	11,867,214
Interest	126,006	1,322,651	1,837,356	91,725	3,377,738
Fiscal Charges	350	11,019	1,200	800	13,369
Capital Lease Principal	-	3,275,000	-	-	3,275,000
Capital Lease Interest	-	619,078	-	-	619,078
Payments to Bond Refunding Agent	-	45,506	-	-	45,506
Debt Issuance Expense	-	50,994	231,794	-	282,788
Developer Purchased TIF Payments	9,132,080	-	1,299,014	-	10,431,094
Miscellaneous	51,967	2,000	-	3,363	57,330
Total Expenditures	<u>9,918,531</u>	<u>11,555,334</u>	<u>8,209,364</u>	<u>285,888</u>	<u>29,969,117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,436,119</u>	<u>(5,650,094)</u>	<u>(4,719,849)</u>	<u>1,104,711</u>	<u>(7,829,113)</u>
Other Financing Sources (Uses):					
Transfers In	-	5,306,946	4,917,525	-	10,224,471
Transfers Out	(533,599)	-	(378,000)	(2,774,356)	(3,685,955)
Issuance of Refunding Debt	-	4,140,000	21,765,000	-	25,905,000
Premium on Debt Issued	-	1,046,389	1,145,471	-	2,191,860
Transfer to Bond Refunding Agent	-	(5,130,000)	(22,678,069)	-	(27,808,069)
Total Other Financing Sources (Uses)	<u>(533,599)</u>	<u>5,363,335</u>	<u>4,771,927</u>	<u>(2,774,356)</u>	<u>6,827,307</u>
Net Change in Fund Balances	902,520	(286,759)	52,078	(1,669,645)	(1,001,806)
Fund Balances - Beginning	<u>1,545,479</u>	<u>3,665,997</u>	<u>1,116,232</u>	<u>2,012,273</u>	<u>8,339,981</u>
Fund Balances - Ending	<u>\$ 2,447,999</u>	<u>3,379,238</u>	<u>1,168,310</u>	<u>342,628</u>	<u>7,338,175</u>



NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for all resources received and used for the acquisition or development of major capital improvements (other than those financed by proprietary funds and trust funds).

Lincoln On The Move – To account for monies derived from a voter approved ¼ cent sales tax increase to be used for street improvements and construction. This increase is for six years starting on October 1, 2019.

Vehicle Tax Fund - To account for monies derived from the payment of wheel tax which is to be used for street improvements in the City.

Storm Sewer Bonds Fund - To account for the cost of providing improvements and extensions to the City's storm water sewer and drainage system. Financing is provided by general obligation bond issue proceeds.

Other Capital Projects Fund - To account for the cost of acquiring or improving various general capital assets. Financing is provided from a variety of sources, such as General fund appropriations, revenue sharing, federal/state grants, bond proceeds, ¼ cent sales tax collections, etc.

Special Assessment Fund - To account for the cost of capital improvements to be assessed against benefited properties. Resources are derived from fund transfers from the Special Revenue fund type and interest on investments.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AUGUST 31, 2020

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Special Assessment	Total
ASSETS						
Cash and Cash Equivalents	\$ 2,241,640	19,703	2,432,571	1,498,678	-	6,192,592
Investments	7,905,609	57,287	8,574,962	5,276,436	-	21,814,294
Accrued Interest Receivable	-	-	31,858	18,448	-	50,306
Due from Other Funds	-	-	-	1,546,360	57,491	1,603,851
Due from Other Governments	2,504,933	935,030	429,543	305,549	-	4,175,055
Total Assets	<u>12,652,182</u>	<u>1,012,020</u>	<u>11,468,934</u>	<u>8,645,471</u>	<u>57,491</u>	<u>33,836,098</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	-	-	206,765	1,303,817	54,317	1,564,899
Contracts Payable	151,765	-	82,103	819,828	3,174	1,056,870
Due to Other Funds	29,545	214	13,948	-	-	43,707
Total Liabilities	<u>181,310</u>	<u>214</u>	<u>302,816</u>	<u>2,123,645</u>	<u>57,491</u>	<u>2,665,476</u>
Deferred Inflows of Resources:						
Unavailable Revenues	<u>-</u>	<u>-</u>	<u>320,858</u>	<u>-</u>	<u>-</u>	<u>320,858</u>
Fund Balances:						
Restricted	<u>12,470,872</u>	<u>1,011,806</u>	<u>10,845,260</u>	<u>6,521,826</u>	<u>-</u>	<u>30,849,764</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,652,182</u>	<u>1,012,020</u>	<u>11,468,934</u>	<u>8,645,471</u>	<u>57,491</u>	<u>33,836,098</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Special Assessment	Total
Revenues:						
Wheel Tax	\$ -	9,270,450	-	-	-	9,270,450
Sales and Use Tax	12,576,113	-	-	-	-	12,576,113
Turnback Tax	-	-	-	240,057	-	240,057
Intergovernmental	-	-	1,630,130	1,191,353	-	2,821,483
Permits and Fees	-	-	-	347,447	-	347,447
Investment Income	46,524	35,304	215,085	66,002	-	362,915
Donations	-	-	-	769,871	-	769,871
Rental Income	-	-	-	2,500	-	2,500
Developer's Share	-	-	408,670	95,519	-	504,189
Miscellaneous	-	-	114,022	87,444	-	201,466
Total Revenues	<u>12,622,637</u>	<u>9,305,754</u>	<u>2,367,907</u>	<u>2,800,193</u>	<u>-</u>	<u>27,096,491</u>
Expenditures:						
Capital Outlay:						
General Government	-	-	-	17,173	-	17,173
Public Safety	-	-	-	9,258,821	-	9,258,821
Streets and Highways	151,765	107	3,892,845	217,765	406,329	4,668,811
Culture and Recreation	-	-	-	8,462,239	-	8,462,239
Economic Opportunity	-	-	-	1,349,195	-	1,349,195
Health & Welfare	-	-	-	477	-	477
Total Expenditures	<u>151,765</u>	<u>107</u>	<u>3,892,845</u>	<u>19,305,670</u>	<u>406,329</u>	<u>23,756,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,470,872</u>	<u>9,305,647</u>	<u>(1,524,938)</u>	<u>(16,505,477)</u>	<u>(406,329)</u>	<u>3,339,775</u>
Other Financing Sources (Uses):						
Transfers In	-	-	312,056	12,660,448	406,329	13,378,833
Transfers Out	-	(9,234,937)	-	(70,123)	-	(9,305,060)
Sale of Capital Assets	-	-	-	163	-	163
Total Other Financing Sources (Uses)	<u>-</u>	<u>(9,234,937)</u>	<u>312,056</u>	<u>12,590,488</u>	<u>406,329</u>	<u>4,073,936</u>
Net Change in Fund Balances	12,470,872	70,710	(1,212,882)	(3,914,989)	-	7,413,711
Fund Balances - Beginning	<u>-</u>	<u>941,096</u>	<u>12,058,142</u>	<u>10,436,815</u>	<u>-</u>	<u>23,436,053</u>
Fund Balances - Ending	<u>\$ 12,470,872</u>	<u>1,011,806</u>	<u>10,845,260</u>	<u>6,521,826</u>	<u>-</u>	<u>30,849,764</u>



NONMAJOR PERMANENT FUNDS

Permanent funds are established to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Community Health Permanent Endowment Fund – To account for the cash proceeds realized by the City from the sale of Lincoln General Hospital, together with any interest or other investment earnings. Monies in the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln.

JJ Hompes Fund - To account for the receipt of investment earnings to be used to buy books as stipulated by the trust agreement.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
AUGUST 31, 2020

	Community Health Permanent Endowment	JJ Hompes	Total
ASSETS			
Cash and Cash Equivalents	\$ 344,277	27,897	372,174
Investments	64,298,028	1,052,286	65,350,314
Accrued Interest Receivable	5,708	159	5,867
Total Assets	<u>64,648,013</u>	<u>1,080,342</u>	<u>65,728,355</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	6,111	43	6,154
Accrued Liabilities	10,681	-	10,681
Total Liabilities	<u>16,792</u>	<u>43</u>	<u>16,835</u>
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	27,631,221	920,299	28,551,520
Total Fund Balances	<u>64,631,221</u>	<u>1,080,299</u>	<u>65,711,520</u>
Total Liabilities and Fund Balances	<u>\$ 64,648,013</u>	<u>1,080,342</u>	<u>65,728,355</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Community Health Permanent Endowment	JJ Hompes	Total
Revenues:			
Investment Earnings	\$ 2,751,474	114,576	2,866,050
Miscellaneous	8,479	-	8,479
Total Revenues	<u>2,759,953</u>	<u>114,576</u>	<u>2,874,529</u>
Expenditures -- Current:			
Culture and Recreation	-	9,619	9,619
Health and Welfare	<u>2,574,410</u>	<u>-</u>	<u>2,574,410</u>
Total Expenditures	<u>2,574,410</u>	<u>9,619</u>	<u>2,584,029</u>
Net Change in Fund Balances	185,543	104,957	290,500
Fund Balances - Beginning	<u>64,445,678</u>	<u>975,342</u>	<u>65,421,020</u>
Fund Balances - Ending	<u><u>\$ 64,631,221</u></u>	<u><u>1,080,299</u></u>	<u><u>65,711,520</u></u>



CITY OF LINCOLN, NEBRASKA
ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,600	1,600	13,717	12,117
Rental Income	365,741	375,697	561,765	186,068
Miscellaneous	-	-	6,217	6,217
Total Revenues	<u>367,341</u>	<u>377,297</u>	<u>581,699</u>	<u>204,402</u>
Other Financing Uses:				
Transfers Out	<u>(1,049,500)</u>	<u>(1,049,500)</u>	<u>(326,792)</u>	<u>722,708</u>
Net Change in Fund Balances	<u>\$ (682,159)</u>	<u>(672,203)</u>	<u>254,907</u>	<u>927,110</u>
Fund Balance - Beginning			<u>764,794</u>	
Fund Balance - Ending			<u>\$ 1,019,701</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 254,907	
Revenue and Transfer Accruals			<u>(14,350)</u>	
Net Change in Fund Balance, GAAP Basis			240,557	
Fund Balance - Beginning, GAAP Basis			<u>816,228</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,056,785</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN AREA AGENCY ON AGING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,245,478	1,243,078	1,345,169	102,091
Permits and Fees	67,444	67,444	33,196	(34,248)
Reimbursement for Services	3,000	3,000	-	(3,000)
Client Contributions	144,662	144,662	70,560	(74,102)
Investment Earnings	-	-	31,216	31,216
Donations	90,000	90,000	8,651	(81,349)
Miscellaneous	-	-	851	851
Total Revenues	<u>1,550,584</u>	<u>1,548,184</u>	<u>1,489,643</u>	<u>(58,541)</u>
Expenditures -- Health and Welfare:				
Personal Services	2,843,203	2,837,451	2,234,574	602,877
Materials and Supplies	257,372	241,624	169,955	71,669
Other Services and Charges	2,189,798	2,189,798	823,426	1,366,372
Capital Outlay	14,939	12,439	1,687	10,752
Total Expenditures	<u>5,305,312</u>	<u>5,281,312</u>	<u>3,229,642</u>	<u>2,051,670</u>
Deficiency of Revenues Under Expenditures	(3,754,728)	(3,733,128)	(1,739,999)	1,993,129
Other Financing Sources:				
Transfers In	<u>2,484,811</u>	<u>2,463,211</u>	<u>2,463,211</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,269,917)</u>	<u>(1,269,917)</u>	<u>723,212</u>	<u>1,993,129</u>
Fund Balance - Beginning			<u>1,640,481</u>	
Fund Balance - Ending			<u>\$ 2,363,693</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 723,212	
Revenue and Transfer Accruals			(83,670)	
Expenditure and Transfer Accruals			<u>42,924</u>	
Net Change in Fund Balance, GAAP Basis			682,466	
Fund Balance - Beginning, GAAP Basis			<u>1,661,262</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,343,728</u>	

CITY OF LINCOLN, NEBRASKA
911 COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 377,090	375,146	676,122	300,976
Permits and Fees	1,000,000	1,000,000	938,333	(61,667)
Reimbursement for Services	57,739	57,739	32,000	(25,739)
Investment Earnings	20,000	20,000	46,842	26,842
Miscellaneous	-	-	8	8
Total Revenues	<u>1,454,829</u>	<u>1,452,885</u>	<u>1,693,305</u>	<u>240,420</u>
Expenditures -- Public Safety:				
Personal Services	5,264,608	5,264,608	4,981,191	283,417
Materials and Supplies	38,300	38,300	12,434	25,866
Other Services and Charges	1,167,110	1,142,810	736,549	406,261
Capital Outlay	225,000	225,000	21	224,979
Total Expenditures	<u>6,695,018</u>	<u>6,670,718</u>	<u>5,730,195</u>	<u>940,523</u>
Deficiency of Revenues Under Expenditures	<u>(5,240,189)</u>	<u>(5,217,833)</u>	<u>(4,036,890)</u>	<u>1,180,943</u>
Other Financing Sources:				
Transfers In	<u>4,875,249</u>	<u>4,852,893</u>	<u>4,493,327</u>	<u>(359,566)</u>
Net Change in Fund Balances	<u>\$ (364,940)</u>	<u>(364,940)</u>	<u>456,437</u>	<u>821,377</u>
Fund Balance - Beginning			<u>2,772,603</u>	
Fund Balance - Ending			<u>\$ 3,229,040</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 456,437	
Revenue and Transfer Accruals			(47,700)	
Expenditure and Transfer Accruals			<u>380</u>	
Net Change in Fund Balance, GAAP Basis			409,117	
Fund Balance - Beginning, GAAP Basis			<u>2,759,726</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,168,843</u>	

CITY OF LINCOLN, NEBRASKA
UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 46,149	46,069	51,681	5,612
Sundry Taxes and In Lieu	-	-	24	24
Investment Earnings	300	300	2,949	2,649
Total Revenues	46,449	46,369	54,654	8,285
Expenditures -- General Government:				
Unemployment Insurance Payments	50,000	50,000	420	49,580
Net Change in Fund Balances	\$ (3,551)	(3,631)	54,234	57,865
Fund Balance - Beginning			191,054	
Fund Balance - Ending			\$ 245,288	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 54,234	
Revenue and Transfer Accruals			(1,256)	
Expenditure Accruals			(7,114)	
Net Change in Fund Balance, GAAP Basis			45,864	
Fund Balance - Beginning, GAAP Basis			195,661	
Fund Balance - Ending, GAAP Basis			\$ 241,525	

CITY OF LINCOLN, NEBRASKA
CABLE ACCESS TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Permits and Fees	\$ 248,859	248,859	229,987	(18,872)
Investment Earnings	4,262	4,262	5,829	1,567
Total Revenues	<u>253,121</u>	<u>253,121</u>	<u>235,816</u>	<u>(17,305)</u>
Expenditures -- General Government:				
Personal Services	27,514	27,514	27,437	77
Materials and Supplies	14,300	14,300	480	13,820
Other Services and Charges	40,895	40,895	35,672	5,223
Capital Outlay	400,000	400,000	133,821	266,179
Total Expenditures	<u>482,709</u>	<u>482,709</u>	<u>197,410</u>	<u>285,299</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(229,588)	(229,588)	38,406	267,994
Other Financing Sources:				
Sale of Assets	<u>-</u>	<u>-</u>	<u>9,168</u>	<u>9,168</u>
Net Change in Fund Balances	<u>\$ (229,588)</u>	<u>(229,588)</u>	<u>47,574</u>	<u>277,162</u>
Fund Balance - Beginning			<u>342,574</u>	
Fund Balance - Ending			<u>\$ 390,148</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 47,574	
Revenue and Transfer Accruals			(4,744)	
Expenditure and Transfer Accruals			<u>78</u>	
Net Change in Fund Balance, GAAP Basis			42,908	
Fund Balance - Beginning, GAAP Basis			<u>350,020</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 392,928</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN CITY LIBRARIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 8,279,664	8,278,733	8,466,581	187,848
Sundry Taxes and In Lieu	5,000	5,000	3,942	(1,058)
Intergovernmental	863,626	860,476	887,268	26,792
Permits and Fees	317,260	317,260	132,527	(184,733)
Investment Earnings	9,500	9,500	28,156	18,656
Rental Income	1,200	1,200	1,200	-
Miscellaneous	32,800	32,800	22,249	(10,551)
Total Revenues	<u>9,509,050</u>	<u>9,504,969</u>	<u>9,541,923</u>	<u>36,954</u>
Expenditures -- Culture and Recreation:				
Personal Services	7,555,702	7,467,594	6,965,209	502,385
Materials and Supplies	165,960	165,960	139,367	26,593
Other Services and Charges	2,439,852	2,424,852	1,145,648	1,279,204
Capital Outlay	974,591	974,591	1,021,810	(47,219)
Total Expenditures	<u>11,136,105</u>	<u>11,032,997</u>	<u>9,272,034</u>	<u>1,760,963</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,627,055)	(1,528,028)	269,889	1,797,917
Other Financing Sources (Uses):				
Transfers Out	-	-	(90,832)	(90,832)
Sale of Capital Assets	-	-	318	318
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(90,514)</u>	<u>(90,514)</u>
Net Change in Fund Balances	<u>\$ (1,627,055)</u>	<u>(1,528,028)</u>	179,375	<u>1,707,403</u>
Fund Balance - Beginning			<u>3,302,542</u>	
Fund Balance - Ending			<u>\$ 3,481,917</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 179,375	
Revenue and Transfer Accruals			(24,361)	
Expenditure and Transfer Accruals			<u>95,411</u>	
Net Change in Fund Balance, GAAP Basis			250,425	
Fund Balance - Beginning, GAAP Basis			<u>3,501,940</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,752,365</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN/LANCASTER COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special Assessment	\$ 2,000	2,000	618	(1,382)
Intergovernmental	2,609,234	2,580,522	2,577,892	(2,630)
Permits and Fees	5,012,349	5,012,349	4,691,088	(321,261)
Reimbursement for Services	711,815	711,815	146,050	(565,765)
Investment Earnings	15,300	15,300	67,857	52,557
Miscellaneous	-	-	5,206	5,206
Total Revenues	<u>8,350,698</u>	<u>8,321,986</u>	<u>7,488,711</u>	<u>(833,275)</u>
Expenditures -- Health and Welfare:				
Personal Services	11,627,289	11,475,689	10,772,210	703,479
Materials and Supplies	344,775	317,775	268,193	49,582
Other Services and Charges	5,128,820	5,021,028	3,561,597	1,459,431
Capital Outlay	133,917	343,917	205,450	138,467
Total Expenditures	<u>17,234,801</u>	<u>17,158,409</u>	<u>14,807,450</u>	<u>2,350,959</u>
Deficiency of Revenues Under Expenditures	<u>(8,884,103)</u>	<u>(8,836,423)</u>	<u>(7,318,739)</u>	<u>1,517,684</u>
Other Financing Sources (Uses):				
Transfers In	7,136,888	7,194,894	8,509,697	1,314,803
Transfers Out	(40,000)	(185,686)	(175,345)	10,341
Sale of Assets	-	-	9,000	9,000
Total Other Financing Sources (Uses)	<u>7,096,888</u>	<u>7,009,208</u>	<u>8,343,352</u>	<u>1,334,144</u>
Net Change in Fund Balances	<u>\$ (1,787,215)</u>	<u>(1,827,215)</u>	1,024,613	<u>2,851,828</u>
Fund Balance - Beginning			<u>4,657,719</u>	
Fund Balance - Ending			<u>\$ 5,682,332</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,024,613	
Revenue and Transfer Accruals			(16,725)	
Expenditure and Transfer Accruals			<u>42,511</u>	
Net Change in Fund Balance, GAAP Basis			1,050,399	
Fund Balance - Beginning, GAAP Basis			<u>4,299,695</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 5,350,094</u>	

CITY OF LINCOLN, NEBRASKA
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 2,788,275	2,787,299	2,822,510	35,211
Sundry Taxes and In Lieu	1,600	1,600	1,314	(286)
Investment Earnings	11,540	11,540	25,197	13,657
Total Revenues	<u>2,801,415</u>	<u>2,800,439</u>	<u>2,849,021</u>	<u>48,582</u>
Expenditures -- General Government:				
Personal Services	2,879,534	2,882,458	2,742,005	140,453
Other Services and Charges	191,511	191,511	172,272	19,239
Total Expenditures	<u>3,071,045</u>	<u>3,073,969</u>	<u>2,914,277</u>	<u>159,692</u>
Net Change in Fund Balances	<u>\$ (269,630)</u>	<u>(273,530)</u>	(65,256)	<u>208,274</u>
Fund Balance - Beginning			<u>2,358,268</u>	
Fund Balance - Ending			<u>\$ 2,293,012</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (65,256)	
Revenue and Transfer Accruals			(9,285)	
Expenditure and Transfer Accruals			<u>110,256</u>	
Net Change in Fund Balance, GAAP Basis			35,715	
Fund Balance - Beginning, GAAP Basis			<u>2,049,833</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,085,548</u>	

CITY OF LINCOLN, NEBRASKA
STARTRAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,284,045	2,284,045	3,627,539	1,343,494
Permits and Fees	3,828,351	3,828,351	1,995,196	(1,833,155)
Reimbursement for Services	135,000	135,000	106,809	(28,191)
Miscellaneous	148,000	148,000	180,502	32,502
Total Revenues	<u>6,395,396</u>	<u>6,395,396</u>	<u>5,910,046</u>	<u>(485,350)</u>
Expenditures -- Mass Transit:				
Personal Services	10,911,273	10,815,565	10,645,363	170,202
Materials and Supplies	1,655,238	1,655,238	1,529,707	125,531
Other Services and Charges	2,288,649	2,141,421	1,180,723	960,698
Capital Outlay	133	133	192	(59)
Total Expenditures	<u>14,855,293</u>	<u>14,612,357</u>	<u>13,355,985</u>	<u>1,256,372</u>
Deficiency of Revenues Under Expenditures	(8,459,897)	(8,216,961)	(7,445,939)	771,022
Other Financing Sources (Uses):				
Transfers In	7,954,759	7,807,531	7,421,823	(385,708)
Transfers Out	-	-	(36,002)	(36,002)
Sale of Assets	-	-	18,200	18,200
Total Other Financing Sources (Uses)	<u>7,954,759</u>	<u>7,807,531</u>	<u>7,404,021</u>	<u>(403,510)</u>
Net Change in Fund Balances	<u>\$ (505,138)</u>	<u>(409,430)</u>	(41,918)	<u>367,512</u>
Amount Budgeted on Project Basis			(2,004,074)	
Fund Balance - Beginning			<u>4,677,279</u>	
Fund Balance - Ending			<u>\$ 2,631,287</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (41,918)	
Revenue and Transfer Accruals			945,920	
Expenditure and Transfer Accruals			40,681	
Amount Budgeted on Project Basis			<u>(2,004,074)</u>	
Net Change in Fund Balance, GAAP Basis			(1,059,391)	
Fund Balance - Beginning, GAAP Basis			<u>5,146,041</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 4,086,650</u>	



CITY OF LINCOLN, NEBRASKA
KENO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Investment Earnings	\$ -	-	68,558	68,558
Keno Proceeds	5,096,000	5,096,000	5,395,011	299,011
Total Revenues	5,096,000	5,096,000	5,463,569	367,569
Expenditures:				
General Government:				
Other Services and Charges	1,869,140	1,869,140	2,025,189	(156,049)
Culture and Recreation:				
Materials and Supplies	-	-	5,010	(5,010)
Other Services and Charges	35,000	35,000	58,000	(23,000)
Capital Outlay	888,721	888,721	765,530	123,191
Total Expenditures	2,792,861	2,792,861	2,853,729	(60,868)
Excess of Revenues Over Expenditures	2,303,139	2,303,139	2,609,840	306,701
Other Financing Uses:				
Transfers Out	(5,811,959)	(5,811,959)	(2,275,311)	3,536,648
Net Change in Fund Balances	<u><u>\$ (3,508,820)</u></u>	<u><u>(3,508,820)</u></u>	334,529	<u><u>3,843,349</u></u>
Fund Balance - Beginning			<u>5,390,509</u>	
Fund Balance - Ending			<u><u>\$ 5,725,038</u></u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 334,529	
Revenue and Transfer Accruals			212,007	
Expenditure and Transfer Accruals			<u>2,218</u>	
Net Change in Fund Balance, GAAP Basis			548,754	
Fund Balance - Beginning, GAAP Basis			<u>5,456,374</u>	
Fund Balance - Ending, GAAP Basis			<u><u>\$ 6,005,128</u></u>	

CITY OF LINCOLN, NEBRASKA
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 19,983,069	19,983,069	20,333,320	350,251
Permits and Fees	176,238	176,238	176,238	-
Reimbursement for Services	547,204	547,204	547,204	-
Program Income	1,126,101	1,126,101	1,576,193	450,092
Investment Earnings	15,422	15,422	15,474	52
Donations	22,260	22,260	22,260	-
Miscellaneous	16,305	16,305	16,305	-
Total Revenues	21,886,599	21,886,599	22,686,994	800,395
Expenditures:				
General Government:				
Other Services and Charges	130,482	130,482	130,482	-
Capital Outlay	2,265	2,265	2,265	-
Total General Government	132,747	132,747	132,747	-
Public Safety:				
Personal Services	2,846,036	2,846,036	2,846,036	-
Materials and Supplies	186,178	186,178	186,178	-
Other Services and Charges	951,715	951,715	951,715	-
Capital Outlay	101,386	101,386	101,386	-
Total Public Safety	4,085,315	4,085,315	4,085,315	-
Culture and Recreation:				
Personal Services	175,454	175,454	175,454	-
Materials and Supplies	27,533	27,533	27,533	-
Other Services and Charges	212,032	212,032	212,032	-
Capital Outlay	74,153	74,153	74,153	-
Total Culture and Recreation	489,172	489,172	489,172	-
Economic Opportunity:				
Personal Services	968,466	994,125	957,457	36,668
Materials and Supplies	3,072	3,072	1,532	1,540
Other Services and Charges	1,185,568	1,463,839	1,364,792	99,047
Capital Outlay	317,500	719,529	282,435	437,094
Loans and Grants	3,516,211	5,491,159	3,755,563	1,735,596
Total Economic Opportunity	5,990,817	8,671,724	6,361,779	2,309,945

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Health and Welfare:				
Personal Services	7,560,852	7,560,852	7,560,852	-
Materials and Supplies	1,370,545	1,370,545	1,370,545	-
Other Services and Charges	2,019,419	2,019,419	2,019,419	-
Capital Outlay	139,953	139,953	139,953	-
Loans and Grants	505,878	505,878	505,878	-
Total Health and Welfare	<u>11,596,647</u>	<u>11,596,647</u>	<u>11,596,647</u>	<u>-</u>
Mass Transit:				
Personal Services	245,260	245,260	245,260	-
Other Services and Charges	2,180	2,180	2,180	-
Total Mass Transit	<u>247,440</u>	<u>247,440</u>	<u>247,440</u>	<u>-</u>
Total Expenditures	<u>22,542,138</u>	<u>25,223,045</u>	<u>22,913,100</u>	<u>2,309,945</u>
Deficiency of Revenues Under Expenditures	<u>(655,539)</u>	<u>(3,336,446)</u>	<u>(226,106)</u>	<u>3,110,340</u>
Other Financing Sources (Uses):				
Transfers In	720,490	720,490	752,775	32,285
Transfers Out	<u>(1,397,933)</u>	<u>(1,397,933)</u>	<u>(1,401,349)</u>	<u>(3,416)</u>
Total Other Financing Sources (Uses)	<u>(677,443)</u>	<u>(677,443)</u>	<u>(648,574)</u>	<u>28,869</u>
Net Change in Fund Balances	<u>\$ (1,332,982)</u>	<u>(4,013,889)</u>	<u>(874,680)</u>	<u>3,139,209</u>
Fund Balance - Beginning			<u>(123,952)</u>	
Fund Balance - Ending			<u>\$ (998,632)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (874,680)	
Revenue and Transfer Accruals			(1,467,832)	
Expenditure and Transfer Accruals			<u>3,064,503</u>	
Net Change in Fund Balance, GAAP Basis			721,991	
Fund Balance - Beginning, GAAP Basis			<u>18,444,636</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 19,166,627</u>	

CITY OF LINCOLN, NEBRASKA
BUILDING & SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 6,240,338	6,240,338	5,899,045	(341,293)
Reimbursement for Services	137,542	137,542	155,815	18,273
Investment Earnings	58,360	58,360	169,560	111,200
Total Revenues	<u>6,436,240</u>	<u>6,436,240</u>	<u>6,224,420</u>	<u>(211,820)</u>
Expenditures -- Public Safety:				
Personal Services	5,998,715	6,204,787	5,694,399	510,388
Materials and Supplies	93,539	96,589	45,276	51,313
Other Services and Charges	1,564,800	1,588,200	1,388,005	200,195
Capital Outlay	45,300	46,050	248,833	(202,783)
Total Expenditures	<u>7,702,354</u>	<u>7,935,626</u>	<u>7,376,513</u>	<u>559,113</u>
Deficiency of Revenue Under Expenditures	(1,266,114)	(1,499,386)	(1,152,093)	347,293
Other Financing Sources (Uses):				
Transfers In	1,343,221	1,291,193	291,193	(1,000,000)
Transfers Out	-	-	(12,159)	(12,159)
Total Other Financing Sources (Uses)	<u>1,343,221</u>	<u>1,291,193</u>	<u>279,034</u>	<u>(1,012,159)</u>
Net Change in Fund Balances	<u>\$ 77,107</u>	<u>(208,193)</u>	<u>(873,059)</u>	<u>(664,866)</u>
Fund Balance - Beginning			<u>11,357,092</u>	
Fund Balance - Ending			<u>\$ 10,484,033</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (873,059)	
Revenue and Transfer Accruals			(32,979)	
Expenditure and Transfer Accruals			<u>45,056</u>	
Net Change in Fund Balance, GAAP Basis			(860,982)	
Fund Balance - Beginning, GAAP Basis			<u>11,167,458</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 10,306,476</u>	

CITY OF LINCOLN, NEBRASKA
LIBRARY SPECIAL TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Investment Earnings	\$ -	-	3,374	3,374
Donations	107,785	107,785	111,722	3,937
Total Revenues	107,785	107,785	115,096	7,311
Expenditures -- Culture and Recreation:				
Personal Services	102,930	102,930	74,746	28,184
Other Services and Charges	250	250	-	250
Capital Outlay	10,000	10,000	4,376	5,624
Total Expenditures	113,180	113,180	79,122	34,058
Net Change in Fund Balance	<u>\$ (5,395)</u>	<u>(5,395)</u>	35,974	<u>41,369</u>
Fund Balance - Beginning			<u>125,068</u>	
Fund Balance - Ending			<u>\$ 161,042</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 35,974	
Revenue and Transfer Accruals			(96)	
Expenditure and Transfer Accruals			<u>(697)</u>	
Net Change in Fund Balance, GAAP Basis			35,181	
Fund Balance - Beginning, GAAP Basis			<u>123,566</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 158,747</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN BIKE SHARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Donations	\$ 236,364	236,364	119,000	(117,364)
Rental Income	101,304	101,304	45,984	(55,320)
Miscellaneous	-	-	46,234	46,234
Total Revenues	<u>337,668</u>	<u>337,668</u>	<u>211,218</u>	<u>(126,450)</u>
Expenditures -- Mass Transit:				
Other Services and Charges	337,668	337,668	267,311	70,357
Capital Outlay	<u>46,140</u>	<u>46,140</u>	<u>46,140</u>	-
Total Expenditures	<u>383,808</u>	<u>383,808</u>	<u>313,451</u>	<u>70,357</u>
Deficiency of Revenues Under Expenditures	(46,140)	(46,140)	(102,233)	(56,093)
Other Financing Sources:				
Transfers In	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balances	<u>\$ (46,140)</u>	<u>(46,140)</u>	<u>(2,233)</u>	<u>43,907</u>
Fund Balance - Beginning			<u>(271,033)</u>	
Fund Balance - Ending			<u>\$ (273,266)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (2,233)	
Revenue and Transfer Accruals			599	
Expenditure and Transfer Accruals			<u>(39,511)</u>	
Net Change in Fund Balance, GAAP Basis			(41,145)	
Fund Balance - Beginning, GAAP Basis			<u>(298,670)</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ (339,815)</u>	

CITY OF LINCOLN, NEBRASKA
TAX ALLOCATION PROJECTS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 823,638	823,638	11,642,982	10,819,344
Investment Earnings	-	-	57,862	57,862
Miscellaneous	-	-	52,493	52,493
Total Revenues	<u>823,638</u>	<u>823,638</u>	<u>11,753,337</u>	<u>10,929,699</u>
Expenditures -- Debt Service:				
Principal Retirement	485,815	485,815	608,128	(122,313)
Interest	135,466	135,466	126,006	9,460
Fiscal Charges	-	-	350	(350)
Developer Purchased TIF Payments	-	-	9,042,200	(9,042,200)
Miscellaneous	-	-	51,967	(51,967)
Total Expenditures	<u>621,281</u>	<u>621,281</u>	<u>9,828,651</u>	<u>(9,207,370)</u>
Excess of Revenues Over Expenditures	<u>202,357</u>	<u>202,357</u>	<u>1,924,686</u>	<u>1,722,329</u>
Other Financing Uses:				
Transfers Out	<u>-</u>	<u>-</u>	<u>(533,599)</u>	<u>(533,599)</u>
Net Change in Fund Balances	<u>\$ 202,357</u>	<u>202,357</u>	<u>1,391,087</u>	<u>1,188,730</u>
Fund Balances - Beginning			<u>4,582,337</u>	
Fund Balances - Ending			<u>\$ 5,973,424</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,391,087	
Revenue and Transfer Accruals			(398,687)	
Expenditure and Transfer Accruals			<u>(89,880)</u>	
Net Change in Fund Balance, GAAP Basis			902,520	
Fund Balance - Beginning, GAAP Basis			<u>1,545,479</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,447,999</u>	

CITY OF LINCOLN, NEBRASKA
BOND INTEREST & REDEMPTION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 5,126,908	5,829,344	5,844,422	15,078
Sundry and In Lieu Tax	3,600	3,600	2,722	(878)
Intergovernmental				-
Investment Earnings	12,000	12,000	30,391	18,391
Total Revenues	<u>5,142,508</u>	<u>5,844,944</u>	<u>5,877,535</u>	<u>32,591</u>
Expenditures -- Debt Service:				
Principal Retirement	4,610,000	6,292,528	6,229,086	63,442
Interest	971,069	1,290,541	1,322,651	(32,110)
Fiscal Charges	2,750	3,750	11,019	(7,269)
Capital Lease Principal	-	-	3,275,000	(3,275,000)
Capital Lease Interest	-	-	619,078	(619,078)
Payments to Refunding Agent	-	-	45,506	(45,506)
Bond Issuance Expense	-	-	50,994	(50,994)
Miscellaneous	-	-	2,000	(2,000)
Total Expenditures	<u>5,583,819</u>	<u>7,586,819</u>	<u>11,555,334</u>	<u>(3,968,515)</u>
Deficiency of Revenues Under Expenditures	<u>(441,311)</u>	<u>(1,741,875)</u>	<u>(5,677,799)</u>	<u>(3,935,924)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	5,306,946	5,306,946
Issuance of Refunding Debt	-	-	4,140,000	4,140,000
Premium on Debt Issued	-	-	1,046,389	1,046,389
Transfer to Bond Refunding Agent	-	-	(5,130,000)	(5,130,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,363,335</u>	<u>5,363,335</u>
Net Change in Fund Balances	<u>\$ (441,311)</u>	<u>(1,741,875)</u>	<u>(314,464)</u>	<u>1,427,411</u>
Fund Balances - Beginning			<u>3,304,008</u>	
Fund Balances - Ending			<u>\$ 2,989,544</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (314,464)	
Revenue and Transfer Accruals			<u>27,705</u>	
Net Change in Fund Balance, GAAP Basis			(286,759)	
Fund Balance - Beginning, GAAP Basis			<u>3,665,997</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,379,238</u>	

CITY OF LINCOLN, NEBRASKA
TAX SUPPORTED BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Turnback Tax	\$ 2,069,000	2,069,000	2,160,512	91,512
Occupation Tax	-	1,727,330	1,298,054	(429,276)
Investment Earnings	-	-	43,507	43,507
Total Revenues	<u>2,069,000</u>	<u>3,796,330</u>	<u>3,502,073</u>	<u>(294,257)</u>
Expenditures -- Debt Service:				
Principal Retirement	4,840,000	4,840,000	4,840,000	-
Interest	1,837,356	1,837,356	1,837,356	-
Fiscal Charges	750	750	1,200	(450)
Bond Issuance Expense	-	-	230,344	(230,344)
Payments Made to Developer	-	-	1,479,118	(1,479,118)
Total Expenditures	<u>6,678,106</u>	<u>6,678,106</u>	<u>8,388,018</u>	<u>(1,709,912)</u>
Deficiency of Revenues Under Expenditures	(4,609,106)	(2,881,776)	(4,885,945)	(2,004,169)
Other Financing Sources (Uses):				
Transfers In	4,917,525	4,917,525	4,917,525	-
Transfers Out	(588,670)	(588,670)	(378,000)	210,670
Issuance of Refunding Debt	-	-	21,765,000	21,765,000
Premium on Debt Issued	-	-	1,145,471	1,145,471
Transfer to Bond Refunding Agent	-	-	(22,678,069)	(22,678,069)
Total Other Financing Sources (Uses)	<u>4,328,855</u>	<u>4,328,855</u>	<u>4,771,927</u>	<u>443,072</u>
Net Change in Fund Balances	<u>\$ (280,251)</u>	<u>1,447,079</u>	<u>(114,018)</u>	<u>(1,561,097)</u>
Fund Balances - Beginning			<u>1,665,883</u>	
Fund Balances - Ending			<u>\$ 1,551,865</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (114,018)	
Revenue and Transfer Accruals			(12,557)	
Expenditure and Transfer Accruals			<u>178,653</u>	
Net Change in Fund Balance, GAAP Basis			52,078	
Fund Balance - Beginning, GAAP Basis			<u>1,116,232</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,168,310</u>	

CITY OF LINCOLN, NEBRASKA
COMMUNITY HEALTH PERMANENT ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ 3,100,000	2,616,497	2,750,678	134,181
Miscellaneous	-	-	8,479	8,479
Total Revenues	<u>3,100,000</u>	<u>2,616,497</u>	<u>2,759,157</u>	<u>142,660</u>
Expenditures -- Health and Welfare:				
Personal Services	431,253	426,227	413,290	12,937
Materials and Supplies	6,372	6,372	4,040	2,332
Other Services and Charges	86,648	86,648	96,275	(9,627)
Grants	<u>4,144,770</u>	<u>3,994,770</u>	<u>2,212,617</u>	<u>1,782,153</u>
Total Expenditures	<u>4,669,043</u>	<u>4,514,017</u>	<u>2,726,222</u>	<u>1,787,795</u>
Net Change in Fund Balance	<u>\$ (1,569,043)</u>	<u>(1,897,520)</u>	32,935	<u>1,930,455</u>
Fund Balances - Beginning			<u>64,633,875</u>	
Fund Balances - Ending			<u>\$ 64,666,810</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 32,935	
Revenue and Transfer Accruals			796	
Expenditure and Transfer Accruals			<u>151,812</u>	
Net Change in Fund Balance, GAAP Basis			185,543	
Fund Balance - Beginning, GAAP Basis			<u>64,445,678</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 64,631,221</u>	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing goods or services are recovered primarily through user charges and where periodic determination of net income is appropriate.

Golf Fund - To account for the revenues and expenses of the four public adult golf courses and one youth golf course.

Parking System Fund - To account for the revenues and expenses of 11 downtown parking garages: Carriage Park, Que Place, Center Park, Cornhusker Square, University Square, Market Place, Haymarket, Larson Building, Lumberworks, 1318M, and Eagle; and the revenues and expenses of City owned parking lots, leased parking lots, third party owned parking facilities operated for special events, and parking facilities operated on behalf of the West Haymarket Joint Public Agency.

Pinnacle Bank Arena Fund – To account for the operating revenues and expenses of the City-owned arena.

Solid Waste Management Fund - To account for the revenues and expenses of the City-owned landfills.

Emergency Medical Services Fund - To account for the revenues and expenses of the City-operated emergency ambulance service.

Broadband Enterprise Fund - To account for the revenues generated from broadband franchise fees, conduit lease fees, fiber infrastructure support fees, conduit access permit fees, and other sources arising from the activities associated with a broadband franchise. These resources are to be used to support the construction, maintenance, operations, extensions, and other associated activities of the City's broadband system, as well as to support the City's telecommunication needs.

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2020

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 1,260,426	3,282,344	4,815,663	2,332,176	487,060	32,618	12,210,287
Investments	-	9,338,412	-	6,554,944	1,429,349	92,782	17,415,487
Receivables (Net of Allowance for Uncollectibles)	5,859	142,177	297,868	1,740,898	1,050,668	270,211	3,507,681
Due from Other Funds	-	927,716	25,449	424,133	-	-	1,377,298
Due from Other Governments	-	484	-	18,155	-	-	18,639
Inventories	75,005	-	195,407	-	247,735	-	518,147
Prepaid Expenses	-	-	63,264	-	-	-	63,264
Total Current Assets	1,341,290	13,691,133	5,397,651	11,070,306	3,214,812	395,611	35,110,803
Noncurrent Assets:							
Investments	-	1,889,844	-	1,326,544	289,262	18,777	3,524,427
Restricted Assets:							
Cash and Cash Equivalents	-	4,170,884	-	258,493	-	-	4,429,377
Investments	-	14,719,749	-	922,623	-	-	15,642,372
Receivables	-	56,660	-	2,047	-	-	58,707
Total Restricted Assets	-	18,947,293	-	1,183,163	-	-	20,130,456
Capital Assets:							
Land	1,068,949	17,127,040	-	1,540,452	-	-	19,736,441
Buildings	4,393,615	74,645,877	-	3,551,225	168,363	-	82,759,080
Improvements Other Than Buildings	8,341,565	2,743,028	-	47,680,153	-	42,529,407	101,294,153
Machinery and Equipment	3,493,306	4,957,951	997,748	10,786,865	3,239,907	-	23,475,777
Construction in Progress	7,916	4,216,856	-	513,033	-	-	4,737,805
Less Accumulated Depreciation	(11,714,849)	(34,005,994)	(380,153)	(35,921,279)	(1,564,235)	(2,390,922)	(85,977,432)
Total Capital Assets, Net	5,590,502	69,684,758	617,595	28,150,449	1,844,035	40,138,485	146,025,824
Total Noncurrent Assets	5,590,502	90,521,895	617,595	30,660,156	2,133,297	40,157,262	169,680,707
Total Assets	6,931,792	104,213,028	6,015,246	41,730,462	5,348,109	40,552,873	204,791,510
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	1,029,528	-	5,290	-	-	1,034,818
Deferred Outflows for Pension	-	-	-	-	1,335,881	-	1,335,881
Deferred Outflows for OPEB	10,841	1,550	-	24,007	72,317	-	108,715
Total Deferred Outflows of Resources	10,841	1,031,078	-	29,297	1,408,198	-	2,479,414

(Continued)

(Nonmajor Enterprise Funds, Combining Statement of Net Position, continued)

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
LIABILITIES							
Current Liabilities:							
Accounts Payable	392,530	1,668,147	105,760	649,133	98,161	-	2,913,731
Accrued Liabilities	45,446	8,371	145,948	71,185	120,974	-	391,924
Accrued Compensated Absences	106,010	28,530	130,777	147,076	281,951	-	694,344
Due to Other Funds	115	51,563	-	30,270	148,753	4,184	234,885
Due to Other Governments	61,470	12	14,512	80,555	1,561	-	158,110
Unearned Revenue	134,113	118,712	5,175,729	-	-	-	5,428,554
Accrued Interest	7,609	51,662	-	25,279	-	-	84,550
Current Portion of Capital Lease	359,870	-	-	-	66,790	-	426,660
Current Portion of Long-Term Debt	-	2,515,000	-	850,000	-	-	3,365,000
Current Portion of OPEB Liability	5,071	725	-	11,229	33,825	-	50,850
Total Current Liabilities	1,112,234	4,442,722	5,572,726	1,864,727	752,015	4,184	13,748,608
Noncurrent Liabilities:							
Accrued Compensated Absences	111,416	-	-	108,867	43,985	-	264,268
Capital Lease Payable	621,035	-	-	-	-	-	621,035
Long-Term Debt, Net	-	43,868,225	-	7,897,649	-	-	51,765,874
Net Pension Liability	-	-	-	-	4,672,843	-	4,672,843
Total OPEB Liability, Net	88,515	12,658	-	196,018	590,403	-	887,594
Accrued Landfill Closure/ Postclosure Care Costs	-	-	-	25,117,000	-	-	25,117,000
Total Noncurrent Liabilities	820,966	43,880,883	-	33,319,534	5,307,231	-	83,328,614
Total Liabilities	1,933,200	48,323,605	5,572,726	35,184,261	6,059,246	4,184	97,077,222
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Pension	-	-	-	-	415,453	-	415,453
Deferred Inflows for OPEB	8,945	1,279	-	19,808	59,669	-	89,701
Total Deferred Inflows of Resources	8,945	1,279	-	19,808	475,122	-	505,154
NET POSITION							
Net Investment in Capital Assets	4,609,596	34,582,340	617,595	20,272,279	1,777,245	40,138,485	101,997,540
Restricted for:							
Capital Projects	-	7,504,865	-	66,079	-	-	7,570,944
Unrestricted	390,892	14,832,017	(175,075)	(13,782,668)	(1,555,306)	410,204	120,064
Total Net Position	\$ 5,000,488	56,919,222	442,520	6,555,690	221,939	40,548,689	109,688,548



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Operating Revenues							
Charges for Services	\$ 280,244	1,633,435	-	1,149	6,910,777	1,575,640	10,401,245
Fees	4,507,064	875,134	-	9,731,734	-	-	15,113,932
Parking Revenue	-	11,116,995	-	-	-	-	11,116,995
Performance Revenue	-	-	4,650,101	-	-	-	4,650,101
Other Operating Revenue	47,985	95,339	2,395,098	598,389	11,013	-	3,147,824
Total Operating Revenues	4,835,293	13,720,903	7,045,199	10,331,272	6,921,790	1,575,640	44,430,097
Operating Expenses							
Personal Services	1,757,475	346,630	2,459,102	3,063,373	6,193,376	356,858	14,176,814
Contractual Services	515,096	4,081,639	486,053	4,326,007	568,481	701,947	10,679,223
Operation and Maintenance	1,454,501	2,346,157	5,157,666	2,931,867	944,959	304,258	13,139,408
Depreciation	450,824	2,103,781	82,319	2,306,732	315,488	1,133,406	6,392,550
Total Operating Expenses	4,177,896	8,878,207	8,185,140	12,627,979	8,022,304	2,496,469	44,387,995
Operating Income (Loss)	657,397	4,842,696	(1,139,941)	(2,296,707)	(1,100,514)	(920,829)	42,102
Nonoperating Revenues (Expenses)							
Investment Earnings	2,903	574,232	-	109,155	7,765	2,418	696,473
Grant Revenue	-	-	-	111,832	149,680	-	261,512
Gain on Disposal of Capital Assets	-	-	-	15,735	3,100	-	18,835
Insurance Recoveries	-	93,514	-	190,854	6,042	-	290,410
Occupation Tax	-	-	-	3,796,783	-	167,667	3,964,450
Interest Expense and Fiscal Charges	(26,833)	(1,385,638)	(196)	(281,700)	-	-	(1,694,367)
Total Nonoperating Revenues (Expenses)	(23,930)	(717,892)	(196)	3,942,659	166,587	170,085	3,537,313
Income (Loss) Before Contributions and Transfers	633,467	4,124,804	(1,140,137)	1,645,952	(933,927)	(750,744)	3,579,415
Capital Contributions	49,530	1,000,000	154,465	69,890	-	25,581,600	26,855,485
Transfers In	-	-	800,196	-	-	100,000	900,196
Transfers Out	(117,336)	(2,106,513)	-	(1,580,282)	-	(598)	(3,804,729)
Change in Net Position	565,661	3,018,291	(185,476)	135,560	(933,927)	24,930,258	27,530,367
Net Position - Beginning	4,434,827	53,900,931	627,996	6,420,130	1,155,866	15,618,431	82,158,181
Net Position - Ending	\$ 5,000,488	56,919,222	442,520	6,555,690	221,939	40,548,689	109,688,548

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 4,799,264	10,285,732	7,072,300	9,918,326	7,356,889	1,425,955	40,858,466
Receipts from Interfund Services Provided	-	1,692,845	-	1,210	-	-	1,694,055
Payments to Suppliers for Goods and Services	(1,356,105)	(4,697,363)	(3,221,990)	(5,686,451)	(1,122,396)	(1,021,563)	(17,105,868)
Payments to Employees	(1,718,573)	(340,007)	(4,144,536)	(2,994,727)	(5,852,770)	(426,853)	(15,477,466)
Payments for Interfund Services Provided	(467,627)	(1,777,931)	(979,036)	(729,434)	(613,174)	(90,185)	(4,657,387)
Other Receipts	47,985	94,872	2,395,098	625,979	11,013	-	3,174,947
Net Cash Provided (Used) by Operating Activities	1,304,944	5,258,148	1,121,836	1,134,903	(220,438)	(112,646)	8,486,747
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	3,888,873	-	167,667	4,056,540
Transfers from Other Funds	-	-	800,196	-	-	100,000	900,196
Transfers to Other Funds	(117,336)	(2,106,513)	-	(1,580,282)	-	(598)	(3,804,729)
Advances from General Fund	-	-	-	-	-	61,685	61,685
Repayment of Advances from General Fund	-	-	-	-	-	(75,061)	(75,061)
Advances to Other Funds	-	(76,987)	-	(38,494)	-	-	(115,481)
Repayments from Other Funds	-	81,283	-	40,641	-	-	121,924
Grant Proceeds	-	-	-	111,832	149,680	-	261,512
Principal Payment of Long-Term Debt	-	-	(800,000)	-	-	-	(800,000)
Interest and Fiscal Charges Paid	-	-	(196)	-	-	-	(196)
Net Cash Provided (Used) by Non-Capital Financing Activities	(117,336)	(2,102,217)	-	2,422,570	149,680	253,693	606,390
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	-	(4,767,511)	-	(1,988,039)	(285,787)	-	(7,041,337)
Capital Contributions	-	1,000,000	-	69,890	-	-	1,069,890
Proceeds from Sale of Capital Assets	-	-	-	15,735	3,100	-	18,835
Insurance Recoveries	-	93,514	-	338,562	6,042	-	438,118
Cost of Debt Issuance	-	(3,500)	-	-	-	-	(3,500)
Principal Payments of Capital Lease	(355,223)	-	-	-	(66,790)	-	(422,013)
Principal Payments of Bonded Debt	-	(2,315,000)	-	(830,000)	-	-	(3,145,000)
Interest and Fiscal Charges Paid	(30,981)	(1,437,676)	-	(328,290)	-	-	(1,796,947)
Net Cash Used by Capital and Related Financing Activities	(386,204)	(7,430,173)	-	(2,722,142)	(343,435)	-	(10,881,954)
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	-	34,819,862	-	9,793,422	2,451,720	-	47,065,004
Purchases of Investments	-	(25,825,660)	-	(8,762,599)	(1,710,507)	(111,142)	(36,409,908)
Interest and Other Receipts	2,217	709,553	-	206,137	31,786	2,713	952,406
Net Cash Provided (Used) by Investing Activities	2,217	9,703,755	-	1,236,960	772,999	(108,429)	11,607,502
Net Increase in Cash and Cash Equivalents	803,621	5,429,513	1,121,836	2,072,291	358,806	32,618	9,818,685
Cash and Cash Equivalents - Beginning	456,805	2,023,715	3,693,827	518,378	128,254	-	6,820,979
Cash and Cash Equivalents - Ending	\$ 1,260,426	7,453,228	4,815,663	2,590,669	487,060	32,618	16,639,664

(Continued)

(Nonmajor Enterprise Funds, Combining Statement of Cash Flows, continued)

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ 657,397	4,842,696	(1,139,941)	(2,296,707)	(1,100,514)	(920,829)	42,102
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	450,824	2,103,781	82,319	2,306,732	315,488	1,133,406	6,392,550
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable and Unbilled Revenues	(2,023)	(20,598)	(223,976)	224,938	446,112	(149,685)	274,768
Due from Other Funds	-	37,369	75,784	2,034	-	-	115,187
Due from Other Governments	-	(484)	25,204	(12,729)	-	-	11,991
Inventories	2,302	-	22,816	-	(23,369)	-	1,749
Prepaid Expenses	-	-	33,487	-	-	-	33,487
Deferred Outflows for Pension	-	-	-	-	432,824	-	432,824
Deferred Outflows for OPEB	(6,067)	(867)	-	(13,435)	(41,684)	1,707	(60,346)
Accounts Payable	155,562	(36,387)	(131,660)	(174,268)	(20,808)	(103,903)	(311,464)
Accrued Liabilities	3,931	1,634	(70,007)	10,216	(12,770)	(10,239)	(77,235)
Accrued Compensated Absences	11,563	2,638	17,332	31,444	6,113	(30,729)	38,361
Due to Other Funds	115	(7,176)	(7,830)	816	30,004	1,994	17,923
Due to Other Governments	10,962	(1,632)	(106,879)	11,693	762	-	(85,094)
Unearned Revenue	13,979	(1,663,741)	2,545,187	-	-	-	895,425
Net Pension Liability	-	-	-	-	(71,562)	-	(71,562)
Total OPEB Liability	8,416	1,204	-	18,637	77,672	(30,449)	75,480
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	1,030,000	-	-	1,030,000
Deferred Inflows for Pension	-	-	-	-	(248,032)	-	(248,032)
Deferred Inflows for OPEB	(2,017)	(289)	-	(4,468)	(10,674)	(3,919)	(21,367)
Total Adjustments	647,547	415,452	2,261,777	3,431,610	880,076	808,183	8,444,645
Net Cash Provided (Used) by Operating Activities	\$ 1,304,944	5,258,148	1,121,836	1,134,903	(220,438)	(112,646)	8,486,747
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 49,560	-	154,465	-	-	25,581,600	25,785,625
Purchase of Capital Assets on Account	-	(1,139,487)	-	252,895	-	-	(886,592)
Change in Fair Value of Investments	-	76,782	-	(40,548)	(11,012)	417	25,639



INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods or services rendered by one department or agency to other departments or agencies or to other governmental units on a cost-reimbursement basis.

Information Services Fund - To account for the cost of operating a central data processing facility for the City of Lincoln and Lancaster County. User City and County departments are charged for the resources used on a full costs recovery basis.

Transportation & Utilities Revolving Fund - To account for the cost of operating a central pool to charge engineering and right of way operating costs and transportation and utilities administrative costs. Funds that utilize the services are then charged for the resources based upon a full cost recovery basis.

Insurance Revolving Fund - To account for the cost of providing a self-insurance program for workers' compensation, health, dental, liability, property insurance, and long-term disability. Revenues are derived from billings to operating departments.

Fleet Services Fund - To account for the operation of a centralized maintenance facility for equipment used by other City departments, such as trucks, heavy equipment, miscellaneous other equipment and radio maintenance. Revenues are derived from billings to user departments.

Police Garage Fund - To account for the operation of a maintenance facility for the Police fleet and vehicles from various other City departments. Revenues are derived from billings to the Police and other user departments.

Municipal Services Center Fund – To account for the purchase of, improvements to, and operation of a facility to provide a consolidated location for various functions of city government. Revenues are derived from the issue of certificates of participation and rental payments from user departments and other occupying agencies.

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2020

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 632,040	652,556	12,099,426	1,065,608	908,921	371,759	15,730,310
Investments	1,858,154	1,910,814	34,670,360	3,099,430	2,660,595	1,090,819	45,290,172
Accounts Receivable	4,377	207,622	3,765	62,850	46,098	14,541	339,253
Accrued Interest Receivable	8,158	3,756	2,877	-	-	-	14,791
Due from Other Funds	354,236	276,739	1,645,269	186,845	851,715	190	3,314,994
Due from Other Governments	213,041	85	-	1,110	27,905	6,067	248,208
Inventories	-	-	-	565,556	154,894	-	720,450
Prepaid Expenses	741,510	-	-	-	-	-	741,510
Total Current Assets	3,811,516	3,051,572	48,421,697	4,981,399	4,650,128	1,483,376	66,399,688
Noncurrent Assets:							
Investments	376,040	386,697	6,930,102	627,241	538,433	220,752	9,079,265
Capital Assets:							
Land	-	-	-	-	335,751	1,258,700	1,594,451
Buildings	26,486	-	-	-	5,120,169	17,051,918	22,198,573
Improvements Other Than Buildings	-	-	-	407,891	45,500	373,485	826,876
Machinery and Equipment	5,081,490	144,260	28,936	23,300,961	13,636,190	116,330	42,308,167
Less Accumulated Depreciation	(3,397,294)	(36,137)	(28,936)	(16,640,271)	(8,232,531)	(4,434,777)	(32,769,946)
Total Capital Assets, Net	1,710,682	108,123	-	7,068,581	10,905,079	14,365,656	34,158,121
Total Noncurrent Assets	2,086,722	494,820	6,930,102	7,695,822	11,443,512	14,586,408	43,237,386
Total Assets	5,898,238	3,546,392	55,351,799	12,677,221	16,093,640	16,069,784	109,637,074
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows for OPEB	25,547	57,306	4,650	15,491	11,616	3,876	118,486
LIABILITIES							
Current Liabilities:							
Accounts Payable	734,918	69,966	733,338	125,350	573,300	31,307	2,268,179
Accrued Liabilities	101,670	195,495	16,848	43,463	30,284	10,782	398,542
Accrued Compensated Absences	322,690	592,873	49,760	137,010	58,102	26,173	1,186,608
Due to Other Funds	2,329	26,508	153,875	69,441	13,241	5,018	270,412
Due to Other Governments	-	-	140	-	-	-	140
Unearned Revenue	-	7,338	-	-	-	-	7,338
Claims	-	-	4,675,753	-	-	-	4,675,753
Accrued Interest	-	-	-	-	-	82,644	82,644
Current Portion of Capital Lease	-	-	-	-	-	1,095,000	1,095,000
Current Portion of Total OPEB Liability	11,949	26,804	2,175	7,246	5,433	1,813	55,420
Total Current Liabilities	1,173,556	918,984	5,631,889	382,510	680,360	1,252,737	10,040,036
Noncurrent Liabilities:							
Accrued Compensated Absences	245,107	765,391	64,612	217,052	106,318	-	1,398,480
Claims	-	-	6,594,177	-	-	-	6,594,177
Capital Lease Payable	-	-	-	-	-	7,825,956	7,825,956
Total OPEB Liability, Net	208,586	467,892	37,974	126,489	94,845	31,644	967,430
Total Noncurrent Liabilities	453,693	1,233,283	6,696,763	343,541	201,163	7,857,600	16,786,043
Total Liabilities	1,627,249	2,152,267	12,328,652	726,051	881,523	9,110,337	26,826,079
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for OPEB	21,078	47,283	3,837	12,782	9,584	3,198	97,762
NET POSITION							
Net Investment in Capital Assets	1,710,682	108,123	-	7,068,581	10,348,422	5,444,700	24,680,508
Unrestricted	2,564,776	1,296,025	43,023,960	4,885,298	4,865,727	1,515,425	58,151,211
Total Net Position	\$ 4,275,458	1,404,148	43,023,960	11,953,879	15,214,149	6,960,125	82,831,719

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
Operating Revenues							
Charges for Services	\$ 12,632,832	14,131,824	52,574,958	7,473,562	5,731,944	2,865,334	95,410,454
Operating Expenses							
Personal Services	4,513,313	8,641,978	739,004	2,028,086	1,428,984	489,554	17,840,919
Materials and Supplies	116,285	18,459	4,519	1,753,475	1,108,740	16,382	3,017,860
Other Services and Charges	8,187,126	2,601,034	47,112,186	1,842,496	604,823	561,864	60,909,529
Depreciation	432,151	18,108	-	1,169,374	1,396,379	671,770	3,687,782
Total Operating Expenses	13,248,875	11,279,579	47,855,709	6,793,431	4,538,926	1,739,570	85,456,090
Operating Income (Loss)	(616,043)	2,852,245	4,719,249	680,131	1,193,018	1,125,764	9,954,364
Nonoperating Revenues (Expenses)							
Investment Earnings	46,430	17,895	503,269	21,282	30,928	31,461	651,265
Gain on Disposal of Capital Assets	832	-	-	60,930	(33,748)	925	28,939
Interest Expense and Fiscal Charges	-	-	-	(4,891)	-	(238,777)	(243,668)
Total Nonoperating Revenues (Expenses)	47,262	17,895	503,269	77,321	(2,820)	(206,391)	436,536
Income (Loss) Before Contributions and Transfers	(568,781)	2,870,140	5,222,518	757,452	1,190,198	919,373	10,390,900
Capital Contributions	-	-	-	361,924	3,267,796	-	3,629,720
Transfers In	-	227,223	-	56,000	270,000	-	553,223
Transfers Out	(100,000)	(175,144)	-	(1,419)	(1,600,879)	(506)	(1,877,948)
Change in Net Position	(668,781)	2,922,219	5,222,518	1,173,957	3,127,115	918,867	12,695,895
Net Position - Beginning of Year	4,944,239	(1,518,071)	37,801,442	10,779,922	12,087,034	6,041,258	70,135,824
Net Position - Ending	\$ 4,275,458	1,404,148	43,023,960	11,953,879	15,214,149	6,960,125	82,831,719



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 3,658,782	4,138,843	14,519,957	800,241	357,631	348,887	23,824,341
Receipts from Interfund Services Provided	8,827,972	9,809,504	38,051,195	6,440,010	4,970,986	2,514,484	70,614,151
Payments to Suppliers for Goods and Services	(7,830,972)	(1,060,477)	(45,347,707)	(2,736,370)	(1,532,480)	(311,839)	(58,819,845)
Payments to Employees	(4,413,773)	(8,489,255)	(718,872)	(1,965,520)	(1,409,269)	(488,376)	(17,485,065)
Payments for Interfund Services Provided	(374,914)	(1,664,573)	(800,911)	(607,472)	(293,031)	(322,531)	(4,063,432)
Net Cash Provided (Used) by Operating Activities	(132,905)	2,734,042	5,703,662	1,930,889	2,093,837	1,740,625	14,070,150
Cash Flows from Noncapital Financing Activities							
Transfers from Other Funds	-	227,223	-	56,000	270,000	-	553,223
Transfers to Other Funds	(100,000)	(175,144)	-	(1,419)	(1,600,879)	(506)	(1,877,948)
Advances to Other Funds	-	-	(153,975)	-	-	-	(153,975)
Repayments from Other Funds	-	-	162,567	-	-	-	162,567
Net Cash Provided (Used) by Noncapital Financing Activities	(100,000)	52,079	8,592	54,581	(1,330,879)	(506)	(1,316,133)
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(304,596)	(43,703)	-	(408,260)	(1,395,842)	(10,305)	(2,162,706)
Proceeds from Sale of Capital Assets	833	-	-	62,930	108,526	925	173,214
Principal Payments of Capital Lease	-	-	-	(549,097)	-	(1,065,000)	(1,614,097)
Interest and Fiscal Charges Paid	-	-	-	(9,029)	-	(287,032)	(296,061)
Net Cash Provided (Used) by Capital and Related Financing Activities	(303,763)	(43,703)	-	(903,456)	(1,287,316)	(1,361,412)	(3,899,650)
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	3,168,720	179,058	44,164,201	3,460,434	4,325,041	1,175,270	56,472,724
Purchases of Investments	(2,223,659)	(2,286,678)	(40,980,155)	(3,709,100)	(3,183,944)	(1,305,387)	(53,688,923)
Interest and Other Receipts	59,980	6,367	942,590	53,130	71,123	43,683	1,176,873
Net Cash Provided (Used) by Investing Activities	1,005,041	(2,101,253)	4,126,636	(195,536)	1,212,220	(86,434)	3,960,674
Net Increase in Cash and Cash Equivalents	468,373	641,165	9,838,890	886,478	687,862	292,273	12,815,041
Cash and Cash Equivalents - Beginning	163,667	11,391	2,260,536	179,130	221,059	79,486	2,915,269
Cash and Cash Equivalents - Ending	\$ 632,040	652,556	12,099,426	1,065,608	908,921	371,759	15,730,310
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ (616,043)	2,852,245	4,719,249	680,131	1,193,018	1,125,764	9,954,364
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	432,151	18,108	-	1,169,374	1,396,379	671,770	3,687,782
Changes in Assets and Liabilities:							
Accounts Receivable	6,254	(47,218)	(3,765)	(62,810)	(6,398)	(8,145)	(122,082)
Due from Other Funds	(37,035)	(116,247)	(41)	(170,120)	(406,597)	6,299	(723,741)
Due from Other Governments	(115,297)	2,843	-	(380)	9,668	(117)	(103,283)
Inventories	-	-	-	234,413	(28,914)	-	205,499
Prepaid Expenses	(113,703)	-	-	59,895	-	-	(53,808)
Deferred Outflows for OPEB	(14,297)	(33,778)	(2,602)	(8,669)	(6,501)	(2,169)	(68,016)
Accounts Payable	274,806	(50,620)	(176,295)	(83,063)	(83,677)	(56,183)	(175,032)
Accrued Liabilities	13,263	19,290	2,273	5,463	4,796	1,581	46,666
Accrued Compensated Absences	85,498	99,022	17,716	56,628	14,564	(521)	272,907
Due to Other Funds	1,136	(54,937)	(18,975)	40,883	643	59	(31,191)
Due to Other Governments	(64,714)	-	140	-	-	-	(64,574)
Unearned Revenue	-	(22,855)	-	-	-	-	(22,855)
Claims	-	-	1,163,217	-	-	-	1,163,217
Total OPEB Liability	19,831	74,934	3,611	12,027	9,018	3,008	122,429
Deferred Inflows for OPEB	(4,755)	(6,745)	(866)	(2,883)	(2,162)	(721)	(18,132)
Total Adjustments	483,138	(118,203)	984,413	1,250,758	900,819	614,861	4,115,786
Net Cash Provided (Used) by Operating Activities	\$ (132,905)	2,734,042	5,703,662	1,930,889	2,093,837	1,740,625	14,070,150
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ -	-	-	361,924	3,267,796	-	3,629,720
Capital Asset Trade-ins	-	-	-	49,207	-	-	49,207
Purchase of Capital Assets on Account	-	-	-	-	556,657	-	556,657
Change in Fair Value of Investments	(5,883)	7,772	(197,302)	(15,549)	(19,427)	(5,281)	(235,670)



AGENCY FUNDS

Agency funds are used to report fiduciary resources held by the City for individuals, private organizations, or other governments.

Collections Due Other Governments - To account for the collection and payment to:

State of Nebraska - Sales tax collections on sales made by the City of Lincoln and lottery tax collections on keno proceeds to be remitted to the State.

Lincoln Public Schools - Fines, fees, licenses and permits collected on its behalf.

Special Accounts - To account for good faith money deposited with the City to assure the completion of special projects and to account for funds seized by law enforcement. The good faith money will be returned to the contractors upon project completion. Seized funds are turned over to the state and federal agencies for seized funds programs.

Payroll Revolving - To account for payroll liabilities such as taxes and fringes.

Outstanding Warrants - To account for money held by the City to pay outstanding warrants.

Telephone Bill Suspense - To account for the accumulation and disbursement of funds to pay the University of Nebraska, State of Nebraska and Windstream for miscellaneous phone and data line charges.

Unredeemed Bonds and Coupons - To account for funds held for the redemption of matured bonds and coupons. The City Treasurer is the trustee for these bonds.



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
AGENCY FUNDS
AUGUST 31, 2020

	<u>Collections Due Other Governments</u>	<u>Special Accounts</u>	<u>Payroll Revolving</u>	<u>Outstanding Warrants</u>	<u>Telephone Bill Suspense</u>	<u>Unredeemed Bonds And Coupons</u>	<u>Total</u>
ASSETS							
Cash and Cash Equivalents	\$ 94,082	2,072,446	893,321	1,901,255	739	117,926	5,079,769
Receivables	758	-	-	-	-	-	758
Contractor Retainage	-	56,101	-	-	-	-	56,101
Total Assets	<u>94,840</u>	<u>2,128,547</u>	<u>893,321</u>	<u>1,901,255</u>	<u>739</u>	<u>117,926</u>	<u>5,136,628</u>
LIABILITIES							
Warrants Payable	-	-	-	1,901,255	-	-	1,901,255
Accounts Payable	-	-	378,877	-	739	-	379,616
Due to Other Governments	94,840	-	514,444	-	-	-	609,284
Due to Contractors	-	1,838,982	-	-	-	-	1,838,982
Due to Bondholders	-	-	-	-	-	117,926	117,926
Seized Cash	-	289,565	-	-	-	-	289,565
Total Liabilities	<u>\$ 94,840</u>	<u>2,128,547</u>	<u>893,321</u>	<u>1,901,255</u>	<u>739</u>	<u>117,926</u>	<u>5,136,628</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Balance September 1, 2019	Additions	Deductions	Balance August 31, 2020
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash and Cash Equivalents	\$ 109,109	1,175,251	1,190,278	94,082
Receivables	72,350	758	72,350	758
	<u>181,459</u>	<u>1,176,009</u>	<u>1,262,628</u>	<u>94,840</u>
Liabilities:				
Due to Other Governments	\$ 181,459	1,125,676	1,212,295	94,840
SPECIAL ACCOUNTS				
Assets:				
Cash and Cash Equivalents	\$ 1,085,227	1,648,234	661,015	2,072,446
Contractor Retainage	67,617	-	11,516	56,101
	<u>1,152,844</u>	<u>1,648,234</u>	<u>672,531</u>	<u>2,128,547</u>
Liabilities:				
Due to Contractors	804,622	1,287,575	253,215	1,838,982
Seized Cash	\$ 348,222	360,659	419,316	289,565
	<u>1,152,844</u>	<u>1,648,234</u>	<u>672,531</u>	<u>2,128,547</u>
PAYROLL REVOLVING:				
Assets:				
Cash and Cash Equivalents	\$ 1,057,878	269,544,241	269,708,798	893,321
Liabilities:				
Accounts Payable	325,167	168,363,496	168,309,786	378,877
Due to Other Governments	732,711	37,646,193	37,864,460	514,444
	<u>\$ 1,057,878</u>	<u>206,009,689</u>	<u>206,174,246</u>	<u>893,321</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash and Cash Equivalents	\$ 1,594,219	548,292,339	547,985,303	1,901,255
Liabilities:				
Warrants Payable	\$ 1,594,219	548,292,339	547,985,303	1,901,255
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash and Cash Equivalents	\$ 4,165	22,581	26,007	739
Liabilities:				
Accounts Payable	\$ 4,165	22,581	26,007	739

(Continued)

(Agency Funds, Continued)

	Balance September 1, 2019	Additions	Deductions	Balance August 31, 2020
UNREDEEMED BONDS AND COUPONS:				
Assets:				
Cash and Cash Equivalents	\$ 117,926	-	-	117,926
Liabilities:				
Due to Bondholders	\$ 117,926	-	-	117,926
AGENCY FUND TOTALS:				
Total Assets	\$ 4,108,491	820,683,404	819,655,267	5,136,628
Total Liabilities	\$ 4,108,491	757,098,519	756,070,382	5,136,628



STATISTICAL SECTION

This part of the City of Lincoln's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
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Financial Trends	159
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	164
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These schedules contain information to help the reader assess the City's three most significant local revenue sources; electrical sales, sales tax, and property tax.

Debt Capacity	173
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	177
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	179
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Table 1

CITY OF LINCOLN, NEBRASKA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 909,494,423	891,303,701	846,442,664	803,312,775	773,243,018	587,747,372	545,831,558	522,108,202	405,635,743	386,451,715
Restricted	174,029,693	162,762,413	182,122,089	170,845,285	159,387,584	165,389,543	155,105,392	144,925,083	246,533,919	235,695,091
Unrestricted	96,474,096	94,424,924	104,886,320	101,154,775	82,713,956	216,775,964	264,484,057	253,913,437	228,009,224	216,250,335
Total Governmental Activities										
Net Position	<u>\$ 1,179,998,212</u>	<u>1,148,491,038</u>	<u>1,133,451,073</u>	<u>1,075,312,835</u>	<u>1,015,344,558</u>	<u>969,912,879</u>	<u>965,421,007</u>	<u>920,946,722</u>	<u>880,178,886</u>	<u>838,397,141</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 856,941,115	765,731,464	793,807,694	725,334,301	664,773,842	692,461,543	673,582,095	615,635,246	608,119,231	622,950,944
Restricted	41,381,436	35,564,865	28,846,167	16,243,396	17,071,503	14,820,181	15,841,002	13,167,482	31,470,517	31,480,358
Unrestricted	238,519,168	252,143,234	153,286,143	193,344,188	217,843,287	152,834,566	143,784,800	179,766,596	153,480,358	107,063,389
Total Business-Type Activities										
Net Position	<u>\$ 1,136,841,719</u>	<u>1,053,439,563</u>	<u>975,940,004</u>	<u>934,921,885</u>	<u>899,688,632</u>	<u>860,116,290</u>	<u>833,207,897</u>	<u>808,569,324</u>	<u>793,070,106</u>	<u>761,494,691</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 1,766,435,538	1,657,035,165	1,640,250,358	1,528,647,076	1,438,016,860	1,280,208,915	1,219,413,653	1,137,743,448	1,013,754,974	1,009,402,659
Restricted	215,411,129	198,327,278	210,968,256	187,088,681	176,459,087	180,209,724	170,946,394	158,092,565	278,004,436	267,175,449
Unrestricted	334,993,264	346,568,158	258,172,463	294,498,963	300,557,243	369,610,530	408,268,857	433,680,033	381,489,582	323,313,724
Total Primary Government										
Net Position	<u>\$ 2,316,839,931</u>	<u>2,201,930,601</u>	<u>2,109,391,077</u>	<u>2,010,234,720</u>	<u>1,915,033,190</u>	<u>1,830,029,169</u>	<u>1,798,628,904</u>	<u>1,729,516,046</u>	<u>1,673,248,992</u>	<u>1,599,891,832</u>

Table 2

CITY OF LINCOLN, NEBRASKA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities:										
General Government	\$ 57,362,717	58,007,177	47,260,387	52,387,910	49,756,620	48,543,231	45,355,465	43,666,952	40,635,824	40,059,839
Public Safety	115,994,657	111,464,206	102,979,449	96,915,706	93,495,599	91,997,706	87,571,014	86,493,288	82,915,183	81,218,142
Streets and Highways	64,899,917	71,078,034	66,223,821	49,055,496	59,111,970	41,302,726	46,525,688	39,551,411	38,319,958	39,840,551
Culture and Recreation	51,835,619	48,510,294	41,524,548	41,071,450	37,633,355	33,418,770	35,878,349	29,419,132	28,049,044	26,578,448
Economic Opportunity	14,998,235	25,490,737	24,018,579	21,384,298	20,703,598	18,101,822	21,549,476	14,819,767	16,840,478	16,336,855
Health and Welfare	31,811,506	21,944,351	20,885,234	22,433,400	21,701,621	22,273,013	21,456,657	20,939,140	21,414,951	21,153,869
Mass Transit	17,211,162	16,283,063	15,822,765	15,298,159	14,576,742	13,477,089	13,582,835	13,453,926	12,463,592	12,007,410
Equipment Management	627,942	562,531	508,118	527,243	614,893	1,032,440	1,181,947	1,479,534	1,162,325	1,882,136
Engineering Services	1,519,718	3,900,549	4,394,576	4,159,498	2,527,524	3,495,741	2,774,223	2,570,054	1,900,278	1,219,084
Interest on Long-Term Debt	19,211,309	19,395,458	19,721,240	21,172,325	20,931,956	21,310,128	21,776,180	19,787,131	20,417,899	11,568,353
Total Governmental Activities Expenses	375,472,782	376,636,400	343,338,717	324,405,485	321,053,878	294,952,666	297,651,834	272,180,335	264,119,532	251,864,687
Business-Type Activities:										
Golf	4,204,729	3,959,217	3,981,087	4,193,694	3,939,149	3,261,611	3,473,671	3,404,885	3,762,650	3,414,074
Parking System	10,263,845	10,634,630	10,302,430	9,874,516	9,418,838	9,223,770	8,078,478	7,144,511	5,933,848	5,632,973
Municipal Auditorium	-	-	-	-	-	33,652	1,538,108	2,632,482	2,468,566	2,202,234
Municipal Arena	8,185,336	12,241,290	11,587,968	11,783,010	8,630,522	8,353,078	11,462,603	1,712,916	18,851	-
Solid Waste Management	12,893,945	11,197,893	11,767,958	11,684,258	11,742,556	9,498,841	8,838,837	8,472,030	8,080,971	8,490,392
Emergency Medical Services	8,019,204	7,533,068	6,422,207	6,395,628	6,865,689	6,507,925	5,564,099	4,931,379	4,148,850	3,940,669
Broadband Enterprise	2,496,469	1,288,701	948,029	819,075	402,264	-	-	-	-	-
Wastewater System	29,051,899	26,849,143	25,728,896	25,637,244	24,852,092	24,128,351	23,864,691	23,116,057	23,017,798	23,135,157
Water System	31,205,232	28,776,618	28,275,160	29,304,869	27,243,026	26,368,801	25,941,743	25,499,420	25,908,587	26,084,158
Electric System	282,163,000	288,860,000	312,132,000	303,928,000	286,006,000	298,753,000	272,692,000	263,674,000	250,676,000	242,743,000
Total Business-Type Activities Expenses	388,483,659	391,340,560	411,145,735	403,620,294	379,100,136	386,129,029	361,454,230	340,587,680	324,016,121	315,642,657
Total	\$ 763,956,441	767,976,960	754,484,452	728,025,779	700,154,014	681,081,695	659,106,064	612,768,015	588,135,653	567,507,344
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 39,315,341	36,149,520	36,481,336	36,328,041	33,956,597	34,039,065	31,498,610	26,631,508	22,686,194	21,544,375
Public Safety	7,477,549	7,676,309	7,724,306	8,234,573	7,428,315	7,653,414	7,446,309	6,903,567	6,150,370	5,730,687
Streets and Highways	5,905,768	6,049,314	5,278,153	5,695,776	6,599,287	5,070,875	5,162,445	5,711,018	3,489,348	4,087,358
Culture and Recreation	5,636,080	7,630,497	4,549,413	5,736,276	4,675,252	4,565,482	4,328,220	4,367,112	4,473,514	4,114,179
Economic Opportunity	42,693	977,619	2,138,366	1,112,696	1,346,373	1,709,576	918,794	863,053	2,346,582	2,269,303
Health and Welfare	5,343,749	5,010,683	5,144,629	4,943,035	4,974,773	5,120,923	5,332,189	4,715,133	4,773,397	4,435,710
Other Activities	8,699,231	10,074,900	10,077,571	9,979,442	8,765,439	7,439,039	7,957,457	6,402,371	5,808,815	4,244,695
Operating Grants and Contributions	74,440,798	70,640,446	63,076,418	65,860,903	63,971,798	59,762,954	71,235,768	57,394,538	51,263,862	73,594,748
Capital Grants and Contributions	13,993,017	18,219,765	37,901,112	23,824,607	19,411,483	25,708,872	23,165,428	28,517,996	32,043,686	7,982,667
Total Governmental Activities	160,854,226	162,429,053	172,371,304	161,715,349	151,129,317	151,070,200	157,045,220	141,506,296	133,035,768	128,003,722
Business-Type Activities:										
Charges for Services:										
Wastewater System	32,529,755	31,804,206	31,323,851	29,580,844	27,950,057	27,004,622	25,804,120	24,550,035	24,040,603	22,931,019
Water System	41,023,731	38,144,187	38,914,946	36,176,115	35,346,948	31,275,854	32,558,575	31,931,843	34,021,393	28,474,175
Electric System	317,210,000	332,902,000	321,549,000	315,502,000	311,093,000	314,623,000	290,121,000	276,110,000	269,043,000	261,377,000
Other Activities	44,358,888	49,646,851	47,132,633	47,318,628	39,632,958	37,177,844	38,456,326	25,575,522	23,402,117	22,423,038
Operating Grants and Contributions	264,280	19,303	112,847	-	61,066	-	-	-	-	-
Capital Grants and Contributions	32,086,296	11,316,858	18,800,761	11,416,105	9,765,195	13,309,086	5,403,759	7,195,503	6,731,837	4,645,062
Total Business-Type Activities	467,472,950	463,833,405	457,834,038	439,993,692	423,849,224	423,390,406	392,343,780	365,362,903	357,238,950	339,850,294
Program Revenues	467,472,950	463,833,405	457,834,038	439,993,692	423,849,224	423,390,406	392,343,780	365,362,903	357,238,950	339,850,294
Total	\$ 628,327,176	626,262,458	630,205,342	601,709,041	574,978,541	574,460,606	549,389,000	506,869,199	490,274,718	467,854,016
Net (Expense)/Revenue										
Governmental Activities	\$ (214,618,556)	(214,207,347)	(170,967,413)	(162,690,136)	(169,924,561)	(143,882,466)	(140,606,614)	(130,674,039)	(131,083,764)	(123,860,965)
Business-Type Activities	78,989,291	72,492,845	46,688,303	36,373,398	44,749,088	37,261,377	30,889,550	24,775,223	33,222,829	24,207,637
Total	\$ (135,629,265)	(141,714,502)	(124,279,110)	(126,316,738)	(125,175,473)	(106,621,089)	(109,717,064)	(105,898,816)	(97,860,935)	(99,653,328)

(Continued)

(Changes In Net Position, Table 2, Continued)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes										
In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 85,070,230	78,379,964	74,308,924	70,687,331	66,338,373	60,781,216	55,871,758	56,130,131	53,302,884	48,621,668
Motor Vehicle Tax	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331	4,284,369
Wheel Tax	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801	12,031,376
Sales and Use Tax	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551	57,996,100
Turnback Tax	2,400,569	-	-	-	-	-	-	-	-	-
Sundry and In Lieu Tax	54,872	2,433,643	2,153,276	1,659,560	1,618,479	1,543,657	62,239	65,882	68,405	63,118
Occupation Tax	24,548,465	27,867,756	27,438,041	27,167,889	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963	20,403,399
Unrestricted Grants and Contributions	56,090	50,330	60,620	71,620	67,640	65,051	80,178	79,177	93,633	1,927,588
Unrestricted Investment Earnings (Loss)	5,276,803	7,211,377	3,022,679	2,308,284	1,914,541	1,842,730	2,855,984	(833,074)	1,014,773	1,370,358
Miscellaneous General Revenues	1,580,490	1,576,598	919,184	489,198	708,314	1,251,922	890,450	1,925,791	2,623,024	2,309,497
Gain on Extinguishment of Debt	170,995	-	-	-	-	-	-	-	-	-
Transfers	8,050,770	6,303,689	11,533,601	7,617,803	11,071,731	11,754,684	10,825,543	11,290,702	9,254,144	2,678,029
Total Governmental Activities	246,125,730	229,247,312	234,019,074	222,658,413	215,356,240	195,641,807	185,080,899	177,793,972	172,865,509	151,685,502
Business-Type Activities:										
Occupation Tax	3,964,450	3,456,319	3,622,544	3,809,059	4,194,442	2,832,539	2,598,793	2,011,468	2,048,615	2,059,361
Unrestricted Investment Earnings (Loss)	7,362,809	7,068,187	2,197,770	2,339,375	1,517,819	961,154	1,757,946	(713,969)	983,824	1,564,708
Miscellaneous General Revenues	1,034,848	680,853	192,670	233,578	89,483	329,954	136,403	874,807	380,531	343,835
Transfers	(7,949,242)	(6,198,645)	(11,431,370)	(7,522,157)	(10,978,490)	(11,594,036)	(10,744,119)	(11,040,534)	(5,060,384)	(2,678,029)
Total Business-Type Activities	4,412,865	5,006,714	(5,418,386)	(1,140,145)	(5,176,746)	(7,470,389)	(6,250,977)	(8,868,228)	(1,647,414)	1,289,875
Total	\$ 250,538,595	234,254,026	228,600,688	221,518,268	210,179,494	188,171,418	178,829,922	168,925,744	171,218,095	152,975,377
Change in Net Position										
Governmental Activities	\$ 31,507,174	15,039,965	63,051,661	59,968,277	45,431,679	51,759,341	44,474,285	47,119,933	41,781,745	27,824,537
Business-Type Activities	83,402,156	77,499,559	41,269,917	35,233,253	39,572,342	29,790,988	24,638,573	15,906,995	31,575,415	25,497,512
Total	\$ 114,909,330	92,539,524	104,321,578	95,201,530	85,004,021	81,550,329	69,112,858	63,026,928	73,357,160	53,322,049

Table 3

CITY OF LINCOLN, NEBRASKA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nondisposable	\$ 288,584	327,026	571,722	440,254	470,421	658,674	1,711,883	3,313,783	4,833,496	6,891,170
Restricted	7,571,500	8,685,274	6,817,137	4,278,240	7,432,974	6,674,867	13,605,640	6,281,230	5,277,054	5,525,739
Assigned	13,974,762	18,210,543	16,389,131	15,038,279	17,888,953	16,266,623	14,859,083	14,425,933	13,359,297	13,750,394
Unassigned	46,934,528	36,948,163	46,062,651	47,898,455	39,910,750	37,916,609	27,287,777	31,198,290	25,631,426	15,586,533
Total General Fund	<u>\$ 68,769,374</u>	<u>64,171,006</u>	<u>69,840,641</u>	<u>67,655,228</u>	<u>65,703,098</u>	<u>61,516,773</u>	<u>57,464,383</u>	<u>55,219,236</u>	<u>49,101,273</u>	<u>41,753,836</u>
Other Governmental Funds										
Special Revenue Funds										
Nondisposable	\$ 1,673,011	1,554,284	1,355,050	1,390,659	1,272,150	1,473,802	1,449,797	740,047	952,070	971,115
Restricted	78,948,532	73,393,289	76,311,564	73,522,250	64,216,765	90,127,670	80,627,691	81,155,945	193,309,126	275,451,124
Committed	269,582	120,295	1,024,874	1,592,063	1,367,357	2,011,552	1,002,975	821,517	805,612	633,206
Assigned	70,751,051	80,483,527	83,470,334	81,800,834	75,624,539	48,431,382	58,046,223	48,189,249	21,386,596	21,097,190
Unassigned	(339,815)	(298,670)	(77,349)	(85,684)	(111,254)	(130,824)	(144,837)	(133,773)	(191,814)	(140,056)
Debt Service										
Restricted	6,680,318	8,230,190	9,261,327	9,086,748	11,259,554	12,026,455	12,305,606	18,524,649	17,964,189	16,060,411
Committed	657,857	109,791	1,967,704	1,600,425	1,256,039	1,021,894	797,894	-	-	-
Capital Projects Funds										
Nondisposable	-	-	-	-	-	915,875	-	-	-	-
Restricted	30,849,764	23,436,053	30,637,636	27,307,586	21,989,096	9,458,562	14,395,343	16,818,180	11,783,064	13,748,458
Assigned	-	-	14,583	15,467	29,271	42,922	42,649	54,154	207,968	207,940
Unassigned	-	-	-	-	-	(178,013)	-	-	-	-
Permanent Funds										
Nondisposable	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000
Restricted	28,551,520	28,261,020	29,225,321	28,946,351	27,117,060	24,842,747	28,175,169	22,080,008	21,292,273	19,553,118
Total Other Governmental Funds	<u>\$ 255,201,820</u>	<u>252,449,779</u>	<u>270,351,044</u>	<u>262,336,699</u>	<u>241,180,577</u>	<u>227,204,024</u>	<u>233,858,510</u>	<u>225,409,976</u>	<u>304,669,084</u>	<u>384,742,506</u>

Table 4

CITY OF LINCOLN, NEBRASKA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes:										
Property	\$ 85,070,354	77,755,818	74,310,035	70,638,227	66,224,399	61,045,754	55,821,121	55,971,572	53,542,530	48,204,472
Motor Vehicle	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331	4,284,369
Wheel	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801	12,031,376
Sales and Use	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551	57,996,100
Turnback	2,400,569	236,107	-	-	-	-	-	-	-	-
Sundry and In Lieu	68,218	2,177,001	2,169,669	1,662,544	1,605,175	1,541,109	62,443	62,155	68,845	61,251
Occupation	24,540,772	28,326,640	27,454,221	26,692,821	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963	20,936,558
Special Assessment	1,391,217	1,614,261	1,627,311	1,445,861	1,393,824	1,775,903	1,873,228	1,147,640	1,213,968	1,118,514
Intergovernmental	72,330,346	70,773,739	72,965,698	74,133,945	64,711,049	70,694,942	79,378,553	81,340,882	68,267,660	71,532,824
Permits and Fees	24,371,734	26,301,490	25,157,171	25,823,013	25,704,855	25,327,804	23,794,402	22,936,015	20,239,031	18,524,372
Reimbursement for Services	17,329,391	18,074,725	18,348,789	17,102,484	16,807,455	16,083,267	14,283,172	8,341,522	7,850,732	7,521,366
Court Settlements	-	-	-	-	75,000	-	265,120	856,188	1,931,804	1,700,000
Program Income	40,193	18,129	172,718	267,705	22,726	13,858	51,071	442,313	122,767	1,217,936
Investment Earnings	7,821,284	8,009,926	5,859,234	6,868,335	6,249,869	1,006,466	10,571,021	1,732,354	4,744,887	5,454,877
Donations	3,431,623	3,211,562	3,689,161	5,125,339	3,526,770	3,485,683	3,153,911	3,554,614	9,510,272	1,985,681
Keno Proceeds	5,641,379	5,725,745	5,220,645	4,795,736	4,559,104	4,343,261	4,189,006	3,930,602	3,639,819	3,321,506
Miscellaneous	2,062,235	2,274,926	3,870,499	4,605,585	2,359,028	3,183,321	3,326,065	3,253,780	5,004,523	3,054,429
Total Revenues	365,415,761	349,924,024	355,427,900	351,818,323	326,876,416	306,903,915	311,263,860	292,705,000	282,645,484	258,945,631
Expenditures										
General Government	66,488,738	61,932,785	59,728,570	58,560,593	54,483,582	50,714,491	51,044,096	42,761,424	39,048,320	36,622,362
Public Safety	89,394,116	88,641,405	86,243,206	81,171,971	77,399,174	75,625,163	72,833,698	72,489,536	70,444,362	69,537,057
Streets and Highways	28,058,815	28,872,044	21,746,886	20,634,650	20,896,834	19,464,370	21,054,394	18,355,326	18,471,067	18,335,078
Culture and Recreation	25,807,794	33,703,112	27,301,223	26,730,859	25,310,935	24,538,296	25,172,100	22,323,942	22,518,532	21,794,585
Economic Opportunity	3,085,972	13,771,289	14,563,832	13,034,266	14,012,940	14,773,423	13,792,741	12,831,193	14,673,671	15,811,914
Health and Welfare	32,757,648	22,527,910	21,863,274	23,116,621	22,605,745	23,038,785	22,097,954	21,339,175	22,070,619	21,993,415
Mass Transit	20,340,337	18,867,231	18,315,179	13,439,363	12,380,084	15,539,838	14,419,436	11,980,828	10,288,935	15,088,883
Debt Service										
Principal Retirement	15,747,214	14,080,005	14,487,368	15,192,206	16,306,212	13,669,561	12,562,312	11,105,182	10,403,101	9,657,542
Interest and Fiscal Charges	18,144,268	20,107,773	20,414,414	20,901,231	21,315,928	21,615,227	21,341,587	19,880,928	20,265,733	12,625,404
Miscellaneous	19,367,530	10,385,276	9,786,777	9,207,578	5,543,071	3,350,198	2,545,313	735,215	1,020,997	4,156,516
Capital Outlay	57,786,098	89,824,049	70,547,020	60,766,351	65,209,483	63,654,540	93,177,287	208,303,537	142,260,715	109,581,050
Total Expenditures	376,978,530	402,712,879	364,997,749	342,755,689	335,463,988	325,983,892	350,040,918	442,106,286	371,466,052	335,203,806
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,562,769)	(52,788,855)	(9,569,849)	9,062,634	(8,587,572)	(19,079,977)	(38,777,058)	(149,401,286)	(88,820,568)	(76,258,175)
Other Financing Sources (Uses)										
Transfers In	78,194,986	81,767,242	68,618,530	67,614,670	71,316,460	64,347,309	63,910,985	56,859,969	53,359,760	43,860,255
Transfers Out	(63,944,397)	(71,583,343)	(55,385,315)	(55,136,381)	(59,277,115)	(53,620,582)	(53,396,515)	(45,380,837)	(44,157,324)	(41,111,608)
Note Proceeds	-	2,175,079	-	-	-	-	-	-	-	-
Issuance of Debt	-	13,468,200	8,784,375	710,000	12,935,000	3,400,000	37,675,000	35,433,437	6,080,000	313,480,500
Issuance of Refunding Debt	125,905,000	-	-	14,735,000	-	9,010,000	-	-	36,185,000	22,415,000
Premium on Debt Issued	2,313,786	1,600,192	892,807	1,523,051	622,829	435,077	682,653	980,327	4,182,049	5,761,647
Discounts on Debt Issued	-	-	-	-	-	-	-	-	-	(6,427)
Transfer to Bond Refunding Agent	(127,329,995)	-	(5,706,591)	(16,091,516)	-	(9,280,206)	-	-	(39,840,997)	(28,822,296)
Sale of Capital Assets	3,773,798	1,790,585	2,565,801	690,794	1,153,276	2,186,283	598,616	28,367,245	286,095	288,874
Total Other Financing Sources (Uses)	18,913,178	29,217,955	19,769,607	14,045,618	26,750,450	16,477,881	49,470,739	76,260,141	16,094,583	315,865,945
Net Change in Fund Balances	\$ 7,350,409	(23,570,900)	10,199,758	23,108,252	18,162,878	(2,602,096)	10,693,681	(73,141,145)	(72,725,985)	239,607,770
Debt Service as a Percentage of Noncapital Expenditures	10.3%	10.4%	11.3%	12.6%	13.8%	13.8%	12.9%	12.0%	12.7%	9.8%

Table 5

CITY OF LINCOLN, NEBRASKA
LINCOLN ELECTRIC SYSTEM MEGAWATT-HOUR SALES
LAST TEN CALENDAR YEARS

Lincoln Electric System Megawatt-Hour Sales								Average Cent per Kilowatt Hour Rate
Calendar Year	Residential	Commercial	Industrial	Street and Highway Lighting	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	
2019	1,275,179	1,450,849	450,062	10,914	-	1,195,990	4,382,994	\$ 0.0843
2018	1,308,303	1,504,735	453,693	20,483	12,052	1,648,155	4,947,421	0.0836
2017	1,196,667	1,477,742	470,520	21,159	28,594	1,380,272	4,574,954	0.0838
2016	1,206,243	1,525,139	492,110	21,419	(13,024)	1,228,376	4,460,263	0.0809
2015	1,171,732	1,492,176	486,001	21,516	(1,043)	918,131	4,088,513	0.0808
2014	1,202,922	1,508,493	497,872	21,642	(11,244)	932,130	4,151,815	0.0799
2013	1,213,553	1,488,594	497,388	21,403	15,653	963,306	4,199,897	0.0778
2012	1,183,412	1,477,103	497,908	21,172	15,817	881,355	4,076,767	0.0758
2011	1,214,170	1,467,530	496,957	21,166	(25,504)	1,116,821	4,291,140	0.0738
2010	1,216,899	1,474,185	495,279	21,082	(17,765)	1,006,085	4,195,765	0.0721

Note: The numbers are based on Lincoln Electric System's December 31 fiscal year end.
Beginning in 2019, Unbilled Energy is included in Residential, Commercial, and Industrial Energy.

Source: Lincoln Electric System

Table 6

CITY OF LINCOLN, NEBRASKA
REVENUE FROM ELECTRICAL SALES BY CUSTOMER TYPE
CALENDAR YEAR AND NINE YEARS AGO
(dollars in thousands)

Customer Type	2019			2010		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 124,381	1	41.33 %	\$ 101,053	1	39.43 %
Commercial	111,487	2	37.04	98,970	2	38.61
Industrial	30,770	3	10.22	28,692	3	11.20
Other	<u>34,341</u>	-	<u>11.41</u>	<u>27,564</u>	-	<u>10.76</u>
Total	<u>\$ 300,979</u>		<u>100.00 %</u>	<u>\$ 256,279</u>		<u>100.00 %</u>

Note: The numbers are based on Lincoln Electric System's December 31 fiscal year end.

Source: Lincoln Electric System

Table 7

CITY OF LINCOLN, NEBRASKA
TOTAL CITY TAXABLE SALES
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,		Total City Taxable Sales	Total Direct Tax Rate
2020	\$	5,607,176,737	0.0175
2019		5,671,852,317	0.0150
2018		6,255,529,425	0.0175
2017		6,119,491,231	0.0175
2016		5,686,683,753	0.0175
2015		4,823,960,412	0.0150
2014		4,657,424,242	0.0150
2013		4,469,320,749	0.0150
2012		4,290,698,668	0.0150
2011		4,098,124,125	0.0150

Note: 2016 voter approved tax rate increase began October 1, 2015,
ended in October 2018.

2019 voter approved tax rate increase began October 1, 2019.

Source: City of Lincoln Treasurer's Office

Table 8

CITY OF LINCOLN, NEBRASKA
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	<u>Direct ¹</u>	<u>Overlapping ²</u>	
Fiscal Year	City of Lincoln	State of Nebraska	Total Tax Rate
2020	0.0175	0.0550	0.0725
2019	0.0150	0.0550	0.0700
2018	0.0175	0.0550	0.0725
2017	0.0175	0.0550	0.0725
2016	0.0175	0.0550	0.0725
2015	0.0150	0.0550	0.0700
2014	0.0150	0.0550	0.0700
2013	0.0150	0.0550	0.0700
2012	0.0150	0.0550	0.0700
2011	0.0150	0.0550	0.0700

Note: ¹ 2016 voter approved tax rate increase began October 1, 2015, ended in October 2018.

¹ 2020 voter approved tax rate increase began October 1, 2019.

² Overlapping rates are those of other governments that apply to consumers within the City of Lincoln.

Table 9

CITY OF LINCOLN, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
CURRENT YEAR AND NINE YEARS AGO

Business Classification	2019			2010		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 1,847,460,710	1	47.45 %	\$ 1,541,864,343	1	51.24 %
Accommodation & Food Services	679,565,088	2	17.45	462,140,663	2	15.36
Utilities	275,217,660	3	7.07	221,740,040	3	7.37
Other	<u>1,091,416,497</u>	-	<u>28.03</u>	<u>783,095,451</u>	-	<u>26.03</u>
Total	\$ <u>3,893,659,955</u>		<u>100.00 %</u>	\$ <u>3,008,840,497</u>		<u>100.00 %</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales.
The numbers are only available on a calendar year basis. 2020 amounts are not yet available.

Source: Nebraska Department of Revenue

Table 10

CITY OF LINCOLN, NEBRASKA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Real Property		Other Property		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Personal Property	Centrally Assessed Property		
2020	\$ 15,805,725,977	\$ 6,349,850,359	\$ 699,265,096	\$ 412,322,035	\$ 23,267,163,467	0.3198
2019	14,354,319,521	6,278,422,408	679,715,484	357,899,663	21,670,357,076	0.3165
2018	13,997,042,582	5,582,574,159	686,085,810	251,232,302	20,516,934,853	0.3165
2017	12,573,902,552	5,443,342,291	622,334,345	231,246,376	18,870,825,564	0.3337
2016	12,353,764,148	5,264,621,434	613,850,419	225,082,751	18,457,318,752	0.3196
2015	11,584,715,041	5,017,666,961	573,730,282	204,014,089	17,380,126,373	0.3196
2014	11,403,992,418	4,962,314,863	554,193,402	190,468,076	17,110,968,759	0.3158
2013	11,181,988,692	4,787,396,700	524,415,751	182,395,753	16,676,196,896	0.3158
2012	10,745,000,908	4,476,953,562	517,899,056	160,975,287	15,900,828,813	0.3158
2011	10,648,151,681	4,477,256,519	565,104,377	190,747,843	15,881,260,420	0.2879

Note: Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Source: Lancaster County Assessor's Office

Table 11

CITY OF LINCOLN, NEBRASKA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City of Lincoln										
General	0.2127	0.2094	0.1930	0.1990	0.1957	0.1859	0.1889	0.1854	0.1876	0.1739
Library	0.0365	0.0373	0.0413	0.0444	0.0421	0.0438	0.0417	0.0423	0.0400	0.0398
Social Security	0.0123	0.0117	0.0146	0.0158	0.0144	0.0163	0.0155	0.0157	0.0163	0.0141
Police and Fire Pension	0.0327	0.0347	0.0367	0.0402	0.0352	0.0374	0.0378	0.0382	0.0348	0.0261
Unemployment Compensation	0.0002	0.0003	0.0003	0.0003	0.0003	-	-	-	-	-
Bond Interest and Redemption	0.0254	0.0231	0.0306	0.0340	0.0319	0.0362	0.0319	0.0342	0.0371	0.0340
Total City of Lincoln	<u>0.3198</u>	<u>0.3165</u>	<u>0.3165</u>	<u>0.3337</u>	<u>0.3196</u>	<u>0.3196</u>	<u>0.3158</u>	<u>0.3158</u>	<u>0.3158</u>	<u>0.2879</u>
Overlapping Rates ¹										
School District No. 1	1.2222	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447	1.2461	1.2462
Lancaster County	0.2816	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843	0.2683	0.2683
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0145
Community Technical College	0.0937	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627	0.0627	0.0600
Lower Platte South N.R.D.	0.0309	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378	0.0398	0.0406
Lancaster County Correctional JPA City	0.0093	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177	0.0185	0.0189
Lancaster County Correctional JPA County	0.0070	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099	0.0105	0.0106
Railroad Transportation Safety District	0.0147	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100	0.0260	0.0260
Agricultural Society of Lancaster County	0.0014	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015	0.0016	0.0017
Lancaster County Fairgrounds	0.0025	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037	0.0037	0.0038
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167	0.0170	0.0170
Total Overlapping Rates	<u>1.6953</u>	<u>1.6895</u>	<u>1.7087</u>	<u>1.7030</u>	<u>1.7084</u>	<u>1.6963</u>	<u>1.7049</u>	<u>1.7040</u>	<u>1.7092</u>	<u>1.7076</u>

Note: ¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Lincoln.

State of Nebraska State Statute 77-3442 limits the maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy.

Sources Lancaster County Clerk's Office and City of Lincoln Budget Office

Table 12

CITY OF LINCOLN, NEBRASKA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2020			2011		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
B & J Partnership Ltd.	Building Management	\$ 174,687,900	1	0.75 %	\$ 78,862,600	1	0.50 %
Burlington Northern	Railroad	131,520,737	2	0.57	71,668,442	2	0.45
Allo Communications LLC	Communication	129,323,242	3	0.56	-	-	-
Nebco	Construction / Development	81,029,370	4	0.35	46,160,673	8	0.29
RED Capital Management	Retail Management	66,312,800	5	0.29	-	-	-
Ameritas Life Insurance Corp.	Insurance	62,307,049	6	0.27	61,017,194	4	0.38
Kawasaki	Manufacturing	58,740,111	7	0.25	70,126,972	3	0.44
WEA Gateway LLC	Retail Management	57,709,200	8	0.25	56,997,083	5	0.36
Windstream	Telecommunications	55,089,770	9	0.24	-	-	-
BVCEAI Lincoln I Apartments LLC	Real Estate Development	46,372,800	10	0.20	-	-	-
Bryan LGH	Hospital	-	-	-	53,953,361	6	0.34
Chateau Van Dorn LLC	Real Estate Development	-	-	-	45,364,619	9	0.29
Pfizer	Animal Health	-	-	-	47,060,705	7	0.30
Black Hills Utility Holdings	Gas Utility	-	-	-	45,124,751	10	0.28
Total		<u>\$ 863,092,979</u>		<u>3.73 %</u>	<u>\$ 576,336,400</u>		<u>3.63 %</u>

Source: Lancaster County Assessor's Office

Table 13

CITY OF LINCOLN, NEBRASKA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$	74,373,669	\$ 72,577,018	97.58 %	\$ -	\$ 72,577,018	97.58 %
2019		68,475,360	66,842,290	97.62	1,568,140	68,410,430	99.91
2018		64,820,459	63,903,976	98.59	916,463	64,820,439	100.00
2017		62,977,104	61,735,542	98.03	1,241,519	62,977,061	100.00
2016		58,944,563	57,685,951	97.86	1,237,233	58,923,184	99.96
2015		55,459,815	54,235,009	97.79	1,205,258	55,440,267	99.96
2014		53,880,835	52,616,370	97.65	1,251,919	53,868,289	99.98
2013		52,460,687	51,226,109	97.65	1,209,734	52,435,843	99.95
2012		50,168,325	48,788,943	97.25	1,362,300	50,151,243	99.97
2011		45,597,936	44,206,917	96.95	1,361,642	45,568,559	99.94

Note: The fiscal year of the City begins September 1 and ends August 31. Taxes are levied in October. First installments of real estate taxes are delinquent the following April 1, second installments delinquent August 1; personal property taxes are delinquent April 1 and August 1. The figures above do not include motor vehicle in lieu of ad valorem taxes.

Table 14

CITY OF LINCOLN, NEBRASKA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts in thousands, except per capita)

		Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities											
General Bonds	\$	33,545	40,685	35,275	40,780	45,370	43,800	48,775	53,015	49,340	51,600
Tax Supported Bonds		43,775	47,290	52,005	56,565	62,385	66,700	69,975	73,165	50,250	55,205
Tax Allocation Bonds		2,401	3,009	3,738	4,911	4,966	6,461	7,976	9,254	10,358	11,658
Special Assessment Bonds		2,575	2,765	2,955	3,135	3,315	3,490	3,665	3,840	4,010	1,200
Antelope Valley Project Bonds		-	-	-	-	2,020	2,875	3,690	4,470	5,210	5,920
West Haymarket JPA Bonds		324,795	325,400	325,980	326,545	327,095	327,635	328,175	300,000	300,000	300,000
Capital Leases		29,859	35,433	37,490	39,370	43,320	40,989	43,731	39,043	33,371	33,525
Notes from Direct Borrowing		1,985	2,112	-	-	-	-	-	-	-	-
Unamortized Premiums/Discounts		13,666	12,907	12,217	12,328	11,690	11,640	11,782	11,610	10,444	8,197
Business-Type Activities											
Revenue Bonds		784,955	819,355	677,650	705,720	755,635	718,790	743,660	750,500	701,560	732,650
Project Loans		28,362	30,167	31,972	33,739	35,469	37,119	35,881	27,429	16,532	6,991
Notes Payable		-	800	1,000	1,200	1,400	1,600	1,800	1,575	-	-
Capital Leases		1,138	1,582	1,290	1,241	1,677	1,540	1,939	2,389	2,271	1,009
Unamortized Premiums/Discounts		69,991	77,208	60,739	65,823	57,341	46,242	50,155	49,240	7,768	4,754
Total Primary Government	\$	<u>1,337,047</u>	<u>1,398,713</u>	<u>1,242,311</u>	<u>1,291,357</u>	<u>1,351,683</u>	<u>1,308,881</u>	<u>1,351,204</u>	<u>1,325,530</u>	<u>1,191,114</u>	<u>1,212,709</u>
Net Debt Per Capita ¹	\$	4,625	4,867	4,363	4,606	4,874	4,795	5,028	4,994	4,540	4,694
Percentage of Personal Income ¹	%	-	8.18	7.44	8.30	9.08	9.17	9.76	9.87	9.23	9.89

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See Table 18, Demographic and Economic Statistics, for income and population data.

Table 15

CITY OF LINCOLN, NEBRASKA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Special Assessment Bonds	West Haymarket Joint Public Agency Bonds	Unamortized Premiums and Discounts	General Bonded Debt	Sinking Funds	Net General Bonded Debt	Net Bonded Debt Per Capita ¹	Ratio of Net Debt To Estimated Valuation of Taxable Real Property ²
2020	\$ 33,545	\$ 43,775	\$ 2,401	\$ 2,575	\$ 324,795	\$ 13,666	\$ 420,757	\$ 6,680	\$414,077	\$ 1,432.29	1.87 %
2019	40,685	47,290	3,009	2,765	325,400	12,907	432,056	8,230	423,826	1,474.69	2.05
2018	35,275	52,005	3,738	2,955	325,980	12,217	432,170	9,261	422,909	1,485.27	2.16
2017	40,780	56,565	4,911	3,135	326,545	12,328	444,264	8,221	436,043	1,555.27	2.42
2016	45,370	62,385	4,966	3,315	327,095	11,664	454,795	8,328	446,467	1,609.77	2.53
2015	43,800	66,700	6,461	3,490	327,635	11,602	459,688	9,143	450,545	1,650.37	2.71
2014	48,775	69,975	7,976	3,665	328,175	11,734	470,300	9,427	460,873	1,714.95	2.82
2013	53,015	73,165	9,254	3,840	300,000	11,552	450,826	15,640	435,186	1,639.71	2.73
2012	49,340	50,250	10,358	4,010	300,000	10,376	424,334	15,142	409,192	1,559.77	2.69
2011	51,600	55,205	11,658	1,200	300,000	8,120	427,783	13,305	414,478	1,604.15	2.74

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Population data can be found in Table 18, Demographic and Economic Statistics.

² Property value information can be found in Table 10, Assessed Value and Actual Value of Taxable Property.

CITY OF LINCOLN, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2020

<u>Governmental Units</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ 452,601,000	100.0 %	\$ 452,601,000
Overlapping:			
School District #1	526,467,134	99.5	523,835,000
Public Building Commission	27,600,000	85.4	23,570,000
Lancaster County Correctional Facility	30,890,000	85.4	26,380,000
Lancaster County Fairgrounds	7,365,000	85.4	6,290,000
	<u>592,322,134</u>		<u>580,075,000</u>
Total	\$ <u>1,044,923,134</u>		\$ <u>1,032,676,000</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lincoln. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable revenue base that is within the City of Lincoln's boundaries and dividing it by the unit's total taxable revenue base.

Sources: Assessed value data used to estimate applicable percentages provided by the County Assessor's Office. Debt outstanding data provided by each governmental entity.

CITY OF LINCOLN, NEBRASKA
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 17

		Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Wastewater System											
Gross Revenues	\$	34,202,886	33,903,796	32,381,312	30,516,105	29,026,442	28,026,866	27,049,162	24,988,275	24,763,975	23,546,370
Direct Operating Expenses		17,049,907	15,684,880	14,863,221	14,726,200	14,019,061	13,541,561	13,337,986	12,522,159	12,378,673	12,543,964
Net Available Revenue		17,152,979	18,218,916	17,518,091	15,789,905	15,007,381	14,485,305	13,711,176	12,466,116	12,385,302	11,002,406
Debt Service Requirements											
Principal		5,667,004	4,858,054	4,599,602	4,761,635	4,562,314	3,747,284	4,053,916	3,487,906	3,137,858	2,865,000
Interest		2,860,124	2,164,027	2,361,501	2,619,980	2,847,529	3,114,518	3,077,999	3,089,698	3,655,156	3,647,609
Total		8,527,128	7,022,081	6,961,103	7,381,615	7,409,843	6,861,802	7,131,915	6,577,604	6,793,014	6,512,609
Coverage		2.01	2.59	2.52	2.14	2.03	2.11	1.92	1.90	1.82	1.69
Water System											
Gross Revenues	\$	44,192,982	41,761,560	41,473,196	38,494,901	37,985,431	34,481,875	34,933,647	34,241,815	35,984,891	30,629,506
Direct Operating Expenses		19,434,182	18,186,821	17,768,444	17,893,434	16,969,116	16,955,058	16,308,059	16,113,390	15,636,494	15,455,027
Net Available Revenue		24,758,800	23,574,739	23,704,752	20,601,467	21,016,315	17,526,817	18,625,588	18,128,425	20,348,397	15,174,479
Debt Service Requirements											
Principal		4,681,388	4,636,755	4,517,445	4,408,451	4,344,979	4,290,300	3,923,000	1,850,000	5,380,000	6,310,000
Interest		1,488,760	1,763,603	1,877,042	2,021,708	2,123,747	2,116,262	2,044,417	2,345,562	2,955,202	3,191,857
Total		6,170,148	6,400,358	6,394,487	6,430,159	6,468,726	6,406,562	5,967,417	4,195,562	8,335,202	9,501,857
Coverage		4.01	3.68	3.71	3.20	3.25	2.74	3.12	4.32	2.44	1.60
Lincoln Electric System											
Gross Revenues	\$	321,264,000	335,104,000	322,763,000	317,007,000	300,693,000	309,537,000	288,299,000	274,770,000	269,236,000	261,748,000
Direct Operating Expenses		193,303,000	202,954,000	216,520,000	218,203,000	200,104,000	214,677,000	194,336,000	184,558,000	176,956,000	169,389,000
Net Available Revenue		127,961,000	132,150,000	106,243,000	98,804,000	100,589,000	94,860,000	93,963,000	90,212,000	92,280,000	92,359,000
Debt Service Requirements											
Principal		24,705,000	20,570,000	17,873,000	21,557,000	22,633,000	21,390,000	20,263,000	19,695,000	18,990,000	18,107,000
Interest		28,777,000	26,907,000	24,816,000	26,631,000	27,324,000	26,041,000	26,701,000	26,569,000	27,126,000	27,763,000
Total		53,482,000	47,477,000	42,689,000	48,188,000	49,957,000	47,431,000	46,964,000	46,264,000	46,116,000	45,870,000
Coverage		2.39	2.78	2.49	2.05	2.01	2.00	2.00	1.95	2.00	2.01
Parking Facilities											
Gross Revenues	\$	13,401,784	13,738,594	12,691,925	12,674,910	10,697,157	10,419,352	9,816,550	8,444,055	7,382,101	7,698,018
Direct Operating Expenses		5,042,333	5,315,077	5,152,321	4,905,848	4,575,662	4,577,437	4,211,473	3,919,678	3,823,131	3,606,008
Net Available Revenue		8,359,451	8,423,517	7,539,604	7,769,062	6,121,495	5,841,915	5,605,077	4,524,377	3,558,970	4,092,010
Debt Service Requirements											
Principal		2,315,000	1,380,000	1,345,000	1,320,000	1,290,000	1,260,000	1,310,000	1,270,000	860,000	580,000
Interest		1,433,544	1,025,065	1,066,890	1,095,315	1,130,215	1,148,265	1,172,465	1,091,614	1,078,688	689,717
Total		3,748,544	2,405,065	2,411,890	2,415,315	2,420,215	2,408,265	2,482,465	2,361,614	1,938,688	1,269,717
Coverage		2.23	3.50	3.13	3.22	2.53	2.43	2.26	1.92	1.84	3.22
Solid Waste Management											
Gross Revenues	\$	14,237,210	12,860,596	12,863,464	12,697,221	12,371,412	10,074,541	9,132,756	7,933,037	7,745,565	7,615,130
Direct Operating Expenses		10,871,529	9,512,437	9,083,674	9,460,290	7,896,480	7,519,523	7,319,215	7,087,935	6,376,120	6,253,133
Net Available Revenue		3,365,681	3,348,159	3,779,790	3,236,931	4,474,932	2,555,018	1,813,541	845,102	1,369,445	1,361,997
Debt Service Requirements											
Principal		830,000	810,000	810,000	795,000	775,000	550,000	550,000	475,000	220,000	210,000
Interest		327,084	348,896	366,796	382,096	396,521	196,202	198,128	133,463	124,025	132,425
Total		1,157,084	1,158,896	1,176,796	1,177,096	1,171,521	746,202	748,128	608,463	344,025	342,425
Coverage		2.91	2.89	3.21	2.75	3.82	3.42	2.42	1.39	3.98	3.98

Note: The Wastewater System, Water System, and Lincoln Electric System bonds are secured by revenues are from utility service charges. Parking Facilities bonds are secured by revenues from parking fees, and Solid Waste Management's gross revenues include various waste disposal fees. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Direct Operating Expenses do not include interest, depreciation and amortization expenses, or in lieu of taxes.

Table 18

CITY OF LINCOLN, NEBRASKA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (thousands of dollars) ²</u>	<u>Per Capita Personal Income ²</u>	<u>School Enrollment ³</u>	<u>Unemployment Rate ⁴</u>
2020	289,102	\$ -	\$ -	41,674	3.8 %
2019	287,401	17,098,776	50,833	42,258	2.9
2018	284,736	16,691,498	49,886	42,020	2.6
2017	280,364	15,556,200	46,924	41,737	2.5
2016	277,348	14,878,513	45,511	40,109	3.0
2015	272,996	14,280,552	44,133	39,842	2.3
2014	268,738	13,841,972	43,399	39,066	3.1
2013	265,404	13,426,786	42,743	37,845	3.3
2012	262,341	12,905,285	41,584	36,902	3.4
2011	258,379	12,267,734	40,015	36,530	3.7

Sources: ¹ U.S. Bureau of the Census, population estimates.

² U.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Lincoln Metropolitan Statistical Area, which includes all of Lancaster and Seward Counties. 2020 numbers are unavailable.

³ Lincoln Public Schools.

⁴ State of Nebraska, Department of Labor.

Median age from 2010 census was 31.8 years old. Education statistics per the 2010 census indicate that 92.4% of the population 25 years and older has a high school degree or greater with 35.2% of the same population holding a Bachelor's degree or greater.

Table 19

CITY OF LINCOLN, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Nebraska	9,776	1	5.03 %	9,008	1	5.18 %
Lincoln Public Schools	8,204	2	4.22	7,524	2	4.32
University of Nebraska-Lincoln	6,315	3	3.25	6,024	3	3.46
Bryan Health	3,500	4	1.80	3,604	4	1.99
US Government	3,463	5	1.78	2,867	5	1.65
City of Lincoln	2,679	6	1.38	2,581	6	1.48
Saint Elizabeth Regional Medical Center	2,300	7	1.18	2,259	7	1.30
Burlington Northern Railroad	2,000	8	1.03	1,800	8	1.04
Madonna Rehabilitation Hospital	1,500	9	0.77	-	-	-
Duncan Aviation	1,200	10	0.62	-	-	-
State Farm Insurance	-	-	-	1,382	9	0.79
Kawasaki Motors Mfg. Corp.	-	-	-	1,351	10	0.78
Total	<u>40,937</u>		<u>21.06 %</u>	<u>38,400</u>		<u>22.07 %</u>

Sources: Nebraska Department of Labor, Lincoln Partnership for Economic Development, and Employers.

Table 20

CITY OF LINCOLN, NEBRASKA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of August 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Legislative	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Executive	17.75	17.75	17.70	17.95	17.25	17.25	18.25	19.08	19.70	20.75
Financial Administration	79.50	74.50	70.20	69.95	69.20	69.20	69.20	69.20	71.30	70.58
Law	32.70	32.70	32.25	32.00	32.50	32.50	31.75	31.75	30.00	29.00
Human Resources	22.00	22.00	22.80	22.80	22.80	22.80	22.80	22.80	22.42	23.47
Planning and Zoning	21.00	21.00	21.00	20.75	20.00	20.00	21.00	21.00	21.00	22.00
Urban Development	10.05	10.05	9.22	9.22	9.50	9.50	9.58	9.28	9.06	9.28
Public Safety										
Police	413.13	412.46	397.63	396.63	388.03	388.03	400.79	400.79	402.38	402.51
Fire	264.18	265.13	270.46	270.06	268.97	268.97	273.69	273.69	272.71	272.76
Building and Safety	53.47	53.47	53.15	53.13	50.85	50.85	50.38	50.38	51.00	54.58
Transportation	19.75	19.75	14.25	14.25	16.00	16.00	15.00	15.00	16.25	17.25
911 Communication	57.88	57.88	56.25	56.25	56.00	56.00	41.50	41.50	41.50	41.50
Streets and Highways	113.00	114.00	112.02	111.95	108.32	108.20	104.99	105.49	106.84	108.84
Culture and Recreation										
Parks and Recreation	254.89	254.71	242.83	243.79	239.99	238.89	229.60	228.95	230.28	232.43
Library	107.54	107.54	105.54	105.54	105.54	105.54	105.79	106.59	107.09	107.47
Economic Opportunity										
Urban Development	8.10	8.10	8.81	8.81	9.15	9.15	9.80	9.80	10.22	10.43
Workforce Investment Act ¹	0.00	0.00	13.80	13.65	12.85	12.85	13.19	13.19	13.11	12.02
Health and Welfare										
Health Services	115.47	110.70	109.25	109.00	108.52	108.52	107.02	106.77	109.97	109.25
Community Health Endowment	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Lincoln Area Agency on Aging	46.03	46.03	48.04	48.04	48.05	48.05	48.24	48.24	50.84	51.03
Mass Transit	135.52	136.52	133.52	133.52	120.52	120.52	119.52	118.01	109.52	111.52
Equipment Management										
Police Garage	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Fleet Services	14.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Radio Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	78.85	78.85	71.55	70.51	69.55	69.55	64.45	65.45	66.02	68.45
Broadband	5.90	5.90	4.90	4.90	0.00	0.00	0.00	0.00	0.00	0.00
Municipal Services Center ²	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf	30.70	30.70	31.04	30.49	28.78	29.02	27.99	28.23	29.50	27.86
Parking Facilities	2.60	2.60	2.98	2.98	2.98	2.98	2.95	2.95	2.80	2.80
Sanitary Landfill	32.50	32.50	35.22	36.19	36.47	35.47	33.17	33.17	31.70	31.70
Emergency Medical Services	43.11	43.16	37.83	36.68	33.28	33.28	28.56	28.56	28.54	28.49
Wastewater System	83.80	83.80	87.68	87.60	87.18	87.20	89.87	89.87	90.23	92.43
Water System	101.73	101.73	105.66	102.60	100.26	100.28	104.80	104.30	106.81	108.56
Electric System	476.00	480.00	490.00	492.00	491.00	494.00	498.00	486.00	478.00	456.00
Total	<u>2,679.15</u>	<u>2,675.53</u>	<u>2,652.58</u>	<u>2,648.24</u>	<u>2,600.54</u>	<u>2,601.60</u>	<u>2,588.88</u>	<u>2,577.04</u>	<u>2,575.79</u>	<u>2,569.96</u>

Note: ¹ The job training program of the Workforce Investment Act was contracted out in 2019.

² Employees added to maintain the Municipal Services Center in 2019.

Source: City of Lincoln Budget Office

Table 21

CITY OF LINCOLN, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police:										
Arrests	16,623	19,716	22,390	22,811	23,076	23,543	25,424	24,035	24,868	25,637
Parking Violations	90,148	114,287	99,263	100,560	82,276	71,433	73,141	70,338	72,670	78,405
Traffic Violations	26,000	34,047	38,968	41,214	42,888	44,064	51,854	49,515	50,059	50,872
Fire:										
Number of Calls Answered	26,802	26,440	26,166	25,310	24,663	23,878	22,760	21,357	21,179	20,770
Building and Safety:										
Number of Commercial Building Permits	852	986	1,036	1,007	1,038	1,321	1,197	1,341	1,372	1,320
Number of Residential Building Permits	2,128	2,380	3,014	3,036	2,891	2,346	2,300	2,323	2,319	2,336
Culture and Recreation										
Library:										
Total Circulation (thousands)	2,399	3,089	3,072	3,100	3,089	3,074	3,176	3,293	3,294	3,417
Golf:										
Rounds of Golf	185,191	155,963	158,080	164,307	168,272	162,359	164,089	169,170	191,997	171,518
Mass Transit										
StarTran Ridership (thousands)	1,934	2,442	2,464	2,379	2,275	2,415	2,495	1,810	2,067	1,935
Wastewater										
Number of Consumers	86,425	85,126	84,300	83,479	82,511	80,704	80,851	80,066	79,346	78,811
Water										
Number of Consumers	86,736	85,460	84,636	83,797	82,853	82,058	81,196	80,418	79,698	79,184
Average Daily Consumption (thousand gallons)	33,136	31,881	34,734	34,242	34,858	31,766	34,584	35,873	38,445	32,017
Electric System										
Number of Consumers	141,658	140,034	138,489	136,641	134,417	132,672	131,915	130,537	129,163	128,373

Note: Indicators are not available for the general government function.

Sources: Various City Departments

Table 22

CITY OF LINCOLN, NEBRASKA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Fire Stations	16	15	14	14	14	14	14	14	14	14
Ambulances	13	13	13	13	13	12	12	11	11	11
Streets and Highways										
Lane Miles of Streets	2,948	2,921	2,909	2,899	2,820	2,891	2,823	2,766	2,760	2,757
Streetlights	31,858	31,514	31,236	31,010	30,740	30,516	29,997	29,759	29,393	29,040
Culture and Recreation										
Parks Acreage	7,747	7,528	7,511	7,303	6,814	6,808	6,557	6,503	6,503	6,503
Parks	165	161	160	158	161	159	135	141	141	141
Playgrounds	91	89	89	90	90	89	86	85	85	84
Swimming Pools (Public)	9	9	9	9	9	9	9	9	9	9
Golf Courses (Public)	5	5	5	5	5	5	5	5	5	5
Trail Miles	170	170	166	165	161	158	133	131	128	128
Recreation Centers	6	6	6	6	6	6	6	6	6	6
Libraries	8	8	8	8	8	8	8	8	8	8
Mass Transit										
Buses and Handivans	94	84	80	80	80	80	74	70	71	71
Wastewater										
Miles of Wastewater Mains	1,134	1,149	1,140	1,107	1,070	1,044	1,033	1,024	1,022	1,017
Water										
Miles of Water Mains	1,161	1,225	1,249	1,234	1,216	1,211	1,194	1,259	1,250	1,243

Note: No capital asset indicators are available for the general government function.
In 2016, the qualifications for Lane Miles of Streets were reassessed.

Sources: Various City Departments



SINGLE AUDIT SECTION

CITY OF LINCOLN, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through State Department Of Health And Human Services:				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	52200-Y3	\$ 878,486	
Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,701	
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	46022-Y3	113,366	\$ 993,553
				\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Multifamily Housing Service Coordinators (Mahoney Manor)	14.191	MFSC189856-01-01	\$ 25,075	
Multifamily Housing Service Coordinators (Burke Plaza)	14.191	MFSC189855-01-01	16,550	
Multifamily Housing Service Coordinators (Burke Plaza)	14.191	MFSC189856-01-03	50,696	
Multifamily Housing Service Coordinators (Burke Plaza)	14.191	MFSC189855-01-02	32,225	124,546
				-
CDBG Entitlement Grants Cluster:				
Community Development Block Grant	14.218	B-17-MC-31-0001	610,113	
Community Development Block Grant	14.218	B-18-MC-31-0001	556,892	
Community Development Block Grant	14.218	B-19-MC-31-0001	1,679,374	
COVID-19 Community Development Block Grant	14.218	B-20-MC-31-0001	58,192	
Community Development Block Grant	14.218		11,240,598	14,145,169
				206,150
Emergency Solutions Grant Program	14.231	E18-MC-31-0002	45,913	45,913
Emergency Solutions Grant Program	14.231	E19-MC-31-0002	112,328	112,328
Emergency Solutions Grant Program	14.231	E20-MC-31-0001	21,450	21,450
				179,691
HOME Investment Partnerships Program	14.239	M-16-MC-31-0202	100	
HOME Investment Partnerships Program	14.239	M-17-MC-31-0202	104,351	
HOME Investment Partnerships Program	14.239	M-18-MC-31-0202	528,158	
HOME Investment Partnerships Program	14.239	M-19-MC-31-0202	717,086	
HOME Investment Partnerships Program	14.239		10,222,844	11,572,539
				31,830
Continuum of Care Program	14.267	NE0073L7D021805	42,814	42,814
Continuum of Care Program	14.267	NE0059L7D021807	39,297	39,297
Continuum of Care Program	14.267	NE111L7D021700	60,628	60,628
Continuum of Care Program	14.267	NE0107L7D021600	7,690	7,690
Continuum of Care Program	14.267	NE0073L7D021704	30,659	30,659
				181,088
Fair Housing Assistance Program - State and Local	14.401	FHEOI900391	437	
Fair Housing Assistance Program - State and Local	14.401	FF207K207017	2,372	
COVID-19 Fair Housing Assistance Program - State and Local	14.401		4,844	
Fair Housing Assistance Program - State and Local	14.401	FF207K197017	43,816	51,469
				-
Pass-Through State Department of Economic Development:				
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	092N40		116,207
				-
Total U.S. Department Of Housing And Urban Development			\$ 26,370,709	\$ 598,759
U.S. DEPARTMENT OF INTERIOR				
Pass-Through State Historical Society:				
Historic Preservation Fund Grants-in-Aid	15.904	19/20	\$ 4,000	
Historic Preservation Fund Grants-in-Aid	15.904	18/19	20,000	\$ 24,000
				\$ -
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0149	\$ 11,724	-
Equitable Sharing Program	16.922	NB0550100	289,288	-
Pass-Through State Commission On Law Enforcement And Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	DA3003	58,707	58,707
Pass-Through Lancaster County:				
Violence Against Women Formula Grants (DV Specialist)	16.588	187-2021-VW4012	11,232	
Violence Against Women Formula Grants (DV Specialist)	16.588	18-VW-0713	22,496	33,728
				-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0007	3,533	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0043	85,237	88,770
				83,052
Pass-Through State Commission On Law Enforcement And Criminal Justice:				
Crime Victim Assistance	16.575	102-2020-VA1033	98,165	-
Total U.S. Department Of Justice			\$ 580,382	\$ 141,759

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF LABOR				
Pass-Through State Department Of Labor:				
WIA/WIOA Cluster:				
WIOA Adult Program	17.258	2019	\$ 57,824	
WIOA Adult Program	17.258	2018	146,920	
WIOA Adult Program	17.258	2019	159,928	
WIOA Dislocated Workers Formula Grants	17.278	2018	67,977	
WIOA Dislocated Workers Formula Grants	17.278	2019	46,302	
WIOA Dislocated Workers Formula Grants	17.278	2019	43,713	
WIOA In School Youth Activities	17.259	2018	74,228	
WIOA Out of School Youth Activities	17.259	2018	81,904	
WIOA In School Youth Activities	17.259	2019	96,258	
WIOA Out of School Youth Activities	17.259	2019	258,978	\$ 1,034,032
				\$ -
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0098	\$ 32,000	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0100	32,000	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0103	5,282	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-2017-005	135,665	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-2018-010	67,625	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-2020-21	1,715,000	
COVID-19 Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-2020-010	1,734,646	
Federal Transit: Formula Grants (Transit Planning)	20.507	* NE-2018-005	42,464	
Bus and Bus Facilities Program (Sec. 9 Capital)	20.526	* NE-2018-008	1,757,098	5,521,780
				-
Pass-Through Nebraska Department Of Roads:				
Federal Transit: Formula Grants (Transit Planning)	20.507	* RTP-C990 (019)	145,892	-
Pass-Through Nebraska Department Of Roads:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Planning)	20.205	SPR-PL1(57)	435,689	
Highway Planning and Construction (Planning)	20.205	SPR-PL1(58)	87,398	
Highway Planning and Construction (66th and Fremont)	20.205	HSIP-5253(1)	77,752	
Highway Planning and Construction (56th & Yankee Hill Road)	20.205	HSIP-5241(6)	41,459	642,298
				-
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(220)	72,169	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(221)	16,416	88,585
				-
Enhanced Mobility of Senior and Individuals with Disabilities	20.513	NE-2019-014-01	57,320	-
Highway Safety Cluster:				
State and Community Highway Safety	20.600	402-1-19-12-13	8,867	
State and Community Highway Safety	20.600	405e-19-02-04	9,448	
State and Community Highway Safety	20.600	402-20-05-22	5,642	
State and Community Highway Safety	20.600	402-19-22-20	6,152	
State and Community Highway Safety	20.600	402-20-22-01	4,878	
National Priority Safety Programs	20.616	405B-14-12-03	2,500	
National Priority Safety Programs (DRE Training)	20.616	405d-19-04-04	4,714	
National Priority Safety Programs	20.616	405D-20-13-09	6,588	
National Priority Safety Programs	20.616	405D-20-13-10	2,000	50,789
				-
Total U.S. Department Of Transportation			\$ 6,506,664	\$ -
DEPARTMENT OF THE TREASURY				
Direct Programs:				
Equitable Sharing Program	21.000		\$ 1,421	-
Pass-Through State Department Of Health And Human Services:				
COVID-19 Coronavirus Relief Fund	21.019	*	2,069,555	
COVID-19 Coronavirus Relief Fund	21.019	*	70,429	2,139,984
				-
Total Department of the Treasury			\$ 2,141,405	\$ -
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Programs:				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	EEC45310018C0067	\$ 15,505	\$ -
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
Grants to States (Net Lender Contract)	45.310	LS-00-170028-19	\$ 723	\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Pass-Through State Department Of Environmental Quality:				
Performance Partnership Grants	66.605	A 91016	\$ 17,961	
Performance Partnership Grants	66.605	A 91016	100,980	118,941
				-

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures		Passed Through to Subrecipients
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	DO 21667	11,180		
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	DO 24094	5,288	16,468	-
Total U.S. Environmental Protection Agency			\$	135,409	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Program:					
Food and Drug Administration General Grant Funding Program (Retail Food Safety)	93.103	FY 2020	\$	59,719	-
Pass-Through State Department Of Health And Human Services:					
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 46501-Y3-III-D	11,660		
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 51798-Y3-III-D	17,383	29,043	-
Aging Cluster:					
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 51798-Y3-III-B	244,241		
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044		44,924		
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 46501-Y3-III-C1	26,097		
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 46501-Y3-III-C2	32,523		
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 51798-Y3-III-C2	93,099		
COVID-19 Special Programs for the Aging Title III, Part C: Nutrition Services	93.045		153,406		
Nutrition Program for the Elderly (Commodities)	93.053	NGA 39797-Y3	100,616	694,906	-
National Family Caregiver Support, Title III, Part E	93.052	NGA 46501-Y3-III-E	223		
National Family Caregiver Support, Title III, Part E	93.052	NGA 51798-Y3-III-E	164,838	165,061	-
Public Health Emergency Preparedness	93.069	27577Y3	72		
Public Health Emergency Preparedness	93.069	FY 2020	266,978	267,050	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 21394	15,180		
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 23503	4,017	19,197	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	52978 Y3 EO 94088		1,291	-
Childhood Lead Poisoning Prevention Projects	93.197	45958 Y3	1,812		
Childhood Lead Poisoning Prevention Projects	93.197	45958 Y3	7,399	9,211	-
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	79985-Y3	70,653		
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268		9,385		
Immunization Cooperative Agreements (Hepatitis B)	93.268	50311-Y3	11,147		
Immunization Cooperative Agreements (Hepatitis B)	93.268	56188 Y3	1,098	92,283	-
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	2018		1,088	-
National State Based Tobacco Control Programs	93.305	42270-Y3		37,415	-
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	DO 20189		5,676	-
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 93572	31,961		
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 92483	38,040	70,001	-
Social Services Block Grant (SSBG)	93.667	2018/2019	13,771		
Social Services Block Grant (SSBG)	93.667	2020	6,214	19,985	-
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	30019-Y3	619		
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	17NB01OT009151B	1,845		
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	51051 Y3	1,668	4,132	-
Maternal, Infant, and Early Childhood Home Visiting Cluster:					
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	45391 Y3	67,208		
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	51607 Y3	298,571	365,779	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	46445 Y3		77,829	-
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	49030 Y3	15,502		
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	55070 Y3	10,923	26,425	-
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	53036Y3	18,946		
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	47907 Y3	10,725	29,671	-
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	47513 Y3	9,934		
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	52718 Y3	17,190	27,124	-

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Preventive Health and Health Services Block Grant (Oral Health Access)	93.991	52669-Y3	10,367	
Preventive Health and Health Services Block Grant (Safe Kids Injury Prevention)	93.991	DO 22616	4,650	
Preventive Health and Health Services Block Grant (GIS-Walkability)	93.991	2B01DP009036-10	590	
Preventive Health and Health Services Block Grant (Oral Health Access)	93.991	49044-Y3	4,709	
Preventive Health and Health Services Block Grant (Safe Kids Injury Prevention)	93.991	DO 20599	8,980	29,296
				-
Total U.S. Department Of Health And Human Services			\$ 2,032,182	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass-Through Nebraska State Patrol:				
High Intensity Drug Trafficking Areas Program	95.001	18HD02	\$ 4,100	
High Intensity Drug Trafficking Areas Program	95.001	20HD02	7,150	
High Intensity Drug Trafficking Areas Program	95.001	19HD02	69,286	80,536
				-
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2016-CA-00022A	\$ 3,719	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2016-CA-00022B	24,520	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2017-CA-00081	37,696	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2018-CA-00052	299,450	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2013-CA-USR-0017	20,267	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2013-CA-USR-0017	311,820	697,472
				-
Assistance to Firefighters Grant	97.044	EMW-2013-FO-04850		920,085
				-
Staffing for Adequate Fire and Emergency Response	97.083	* EMW-2017-FH-00486		1,107,092
				-
Pass-Through Nebraska Emergency Management:				
COVID-19 Disaster Grants - Public Assistance	97.036		42,189	
Disaster Grants - Public Assistance	97.036	DR 4420	86,424	128,613
				-
Hazard Mitigation Grant	97.039	4013-0050		805,659
				-
Total Department of Homeland Security			\$ 3,658,921	\$ -
Total Federal Expenditures			\$ 43,574,021	\$ 740,518

See Accompanying Notes to Schedule of Expenditures of Federal Awards



CITY OF LINCOLN, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

REPORTING ENTITY

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Lincoln, Nebraska (the City) under programs of the federal government for the year ended August 31, 2020. The City for purposes of the Schedule, includes all funds of the City as defined in Note 1 of the Notes to the Financial Statements, including Lincoln Electric System, Lincoln Water System, and Lincoln Wastewater System. Lincoln Electric System (LES) operates on a calendar year basis for reporting purposes as opposed to the August 31 fiscal year basis of the City. As a result, the amounts included in the City's August 31, 2020, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2019. 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 basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

PASS-THROUGH AWARDS

The City receives certain federal awards in the form of pass-through awards. Such amounts received as pass-through awards are specifically identified on the Schedule.

MAJOR PROGRAMS

In accordance with the Uniform Guidance, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are determined by the independent auditor to be major programs.

FEDERAL LOANS OUTSTANDING

The federal loan programs listed subsequently are administered directly by the City and balances and transactions relating to these programs are included in the City basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding, at August 31, 2020, consist of:

CFDA#	Program Name	Outstanding Balance as of August 31, 2020
14.218	Community Development Block Grant	\$11,268,000
14.228	Community Development Block Grant - Neighborhood Stabilization Program	89,000
14.239	HOME Investment Partnership Program	10,283,000

New loans included in the Schedule totaled \$1,262,000, \$0, and \$1,139,000, for CFDA numbers 14.218, 14.228, and 14.239, respectively.

PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

The City of Lincoln received donated PPE during the fiscal year with an approximate fair market value of \$33,161.

**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

The Honorable Mayor
and Members of the City Council
City of Lincoln, Nebraska

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska (the City), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 18, 2021. Our report includes a reference to other auditors who audited the financial statements of Lincoln Wastewater System and Lincoln Water System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Handwritten signature of BKD, LLP in black ink.

Lincoln, Nebraska
March 18, 2021

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

The Honorable Mayor
and Members of the City Council
City of Lincoln, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the City of Lincoln, Nebraska's (the City's) 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 City's major federal programs for the year ended August 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 City'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 City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Lincoln, Nebraska, 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 August 31, 2020.

Report on Internal Control over Compliance

Management of the City of Lincoln, Nebraska 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 City'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 City'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.

BKD, LLP

Lincoln, Nebraska
March 18, 2021

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2020

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None Reported

Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None Reported

Material weakness(es)? ☐ Yes ☒ No

5. The opinions expressed in the independent auditor's report on compliance for major federal award programs were:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2020

Summary of Auditor's Results - Continued

7. The City's major programs were:

Cluster/Program	CFDA Number
Federal Transit Cluster	20.507 / 20.526
Coronavirus Relief Fund	21.019
Staffing for Adequate Fire and Emergency Response	97.083

8. The threshold used to distinguish between Type A and Type B programs was \$1,304,628.

9. The City qualified as a low-risk auditee? ☒ Yes ☐ No

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2020

Reference Number	Summary of Finding	Status
No matters are reportable.		