



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
Fiscal Year Ended August 31, 2022

CITY OF
LINCOLN
NEBRASKA

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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

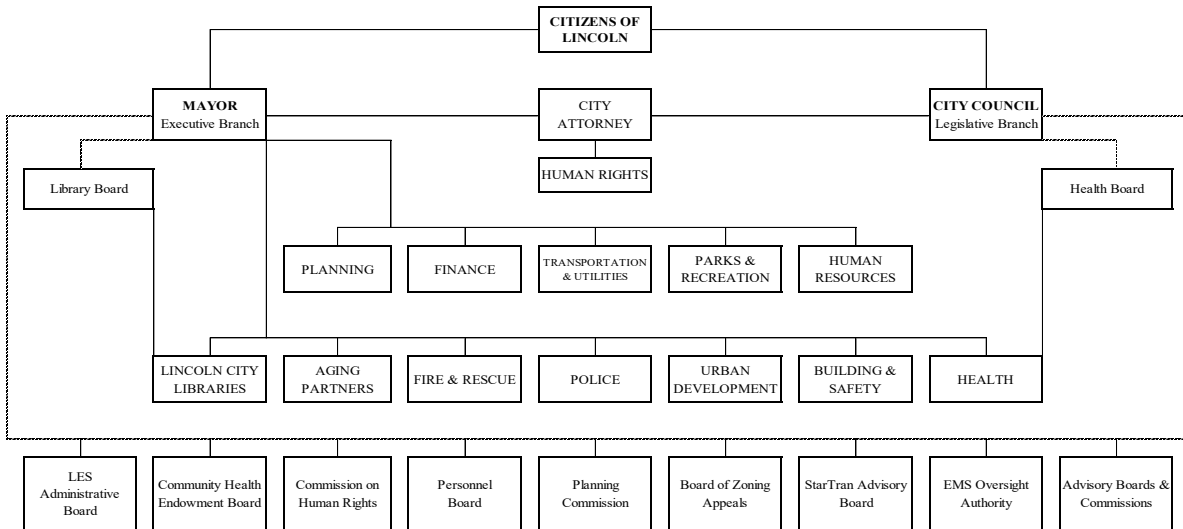
Leirion Gaylor Baird Mayor
 Tammy Ward.....Chair, City Council
 Tom Beckius Vice Chair, City Council
 James Michael Bowers..... Council Member
 Richard Meginnis Council Member
 Michelle Suarez..... Council Member
 Sändra Washington Council Member
 Bennie Shobe..... Council Member

* * * * *

Lyn Heaton Finance Director
 Randall Jones..... Director of Aging Partners
 David Cary Planning Director
 Maggie Stuckey-Ross..... Director of Parks and Recreation
 Kevin Wailes Lincoln Electric System Administrator
 Dan Marvin Director of Urban Development
 Ryan Wieber..... Director of Libraries
 Elizabeth Elliott..... Director of Transportation & Utilities
 Chad Blahak Director of Building and Safety
 Patricia Lopez..... Health Director
 Barb McIntyre Human Resources Director
 Yohance Christie..... City Attorney
 Teresa Ewins Chief of Police
 David Engler Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022
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March 28, 2023

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 families.

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 Annual Comprehensive Financial Report for the fiscal year ended August 31, 2022.

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 2021 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 39th consecutive year. This award is a credit to the City and a well-deserved recognition for our dedicated public servants in the Finance Department.

I want to express my appreciation to our Finance Department employees for their continued commitment to ensure our public accounts are accurate and to personnel in 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 28, 2023

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 Annual Comprehensive Financial Report of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2022, 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.

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, 2022, 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 101 square miles, serves a population of approximately 293,000, 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, Pinnacle Bank Arena, 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, or for circumstances which could not reasonably have been anticipated at the time the budget was adopted.

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 2021 has been approximately 1.22% per year. The 2021 Census population of Lancaster County has been estimated to be in excess of 324,000 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, 2022, was 2.1%, well below the national average of 3.7%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current value of construction permits is up 83% when compared to levels 5 years ago.

The City of Lincoln partners with the private sector to aggressively pursue economic opportunities that benefit our community as a whole. This collaboration is exemplified by the operation of the Lincoln Partnership for Economic Development – a joint agency created by the City and the Lincoln Chamber Economic Development Corporation. The 2022-24 budget added a position in the Mayor's Office to facilitate project approvals and identify areas of potential process improvement. Additionally, the position provides additional support in our efforts to develop affordable housing in our community.

Net sales and use tax revenue increased \$12,173,944 or 11.6% from the previous fiscal year, of which \$1,606,415 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 Control 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 Economic Opportunity projects include:

- **Parking Services Projects:**
Many major Parking Services projects have been suspended pending identification of sufficient revenue sources. On-going projects that will continue:

- 1) Work to identify necessary repair and restoration issues in all parking garages will continue. Once identified the required work will be performed as funds allow.
 - 2) Elevator modernization at Que Place Garage will begin in 2023 and be completed in 2024.
 - 3) New Parking and Revenue Control equipment will be purchased in 2023. Installation will begin in 2023 and be completed in early 2024.
 - 4) 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 2023.
- Downtown Redevelopment Projects:
 - 1) West Haymarket, Block 5.
 - 2) Downtown Corridors Phase I.
 - 3) Pershing Redevelopment.
 - 4) Terminal Building Redevelopment.
 - 5) Sharp Building Redevelopment Phase I.
 - 6) Cotswold Redevelopment.
 - 7) Gold's Building Phase I
 - 8) Central Hotel.
 - 9) Dairy House Phase II Redevelopment.
 - 10) Landmark II Redevelopment.
 - 11) Atrium Building Redevelopment.
 - 12) 300 S. 16th Street
 - Antelope Valley Redevelopment Projects:
 - 1) Telegraph District Redevelopment.
 - 2) Downtown Corridors Phase II
 - 3) 2236 R
 - 4) Hepburn Square
 - 5) 25th and Vine Apartments
 - 6) 23rd and Y Housing
 - 7) Antelope Square Apartments
 - 8) Union Annex Group Affordable Housing
 - 9) Eighteen N Apartments
 - South of Downtown Redevelopment
 - 1) Rental Rehabilitation Program
 - University Place Redevelopment:
 - 1) 48th and Madison
 - 2) 47th & St Paul Housing
 - 3) 48th & Leighton Phase II
 - West O Street Redevelopment:
 - 1) West O Street Streetscape and bike trail including improvements at NW 48th & West O.
 - North 27th Street Redevelopment Project:
 - 1) 28th & Vine Container Housing.
 - 2) 27th and Starr Housing.
 - South Street
 - 1) Trabert Hall/Center Pointe
 - Revolution Wraps Redevelopment.
 - Innovation Campus Redevelopment.

- North Cotner Redevelopment.
- VA Victory Park Redevelopment.
- Bishop Heights Redevelopment.
- Van Dorn Redevelopment
 - 1) Pedestrian Crossing.
- Outer Area Redevelopment
 - 1) Central Lumber Redevelopment.
 - 2) Instinct
 - 3) Lincoln Logistics
 - 4) Foxtail Meadows
- Other Improvement Projects
 - 1) Block 188 Alley Water Quality project
 - 2) Haymarket Barricade
 - 3) South Haymarket Parking & Streetscape Phase 3.

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 Assistance (ERA2) due to COVID-19 with focus on homeless prevention, eviction diversion, and refugee assistance.
 - 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.
 - 6) Permanent Supportive Housing for Chronic Homeless, 24 units.
 - 7) In partnership with the Parks and Recreation Department, removal and replacement of ash trees on private property for qualifying low-to moderate income homeowners.

Ongoing and anticipated Administration projects include:

- Real estate major acquisition, negotiation, and relocation projects:
 - 1) For effective transportation:
 - ✓ West A Street, Coddington to SW 40th Street, West Phase
 - ✓ 14th/Old Cheney/Warlick intersection, 2 projects
 - ✓ S. 40th Street/Rokeby/Tiger Lily area – multiple projects
 - ✓ 70th & Saltillo area – two projects
 - ✓ S. Folsom @ Foxtail Meadows
 - ✓ A Cotner/Adams/66th Intersection
 - ✓ R Street, 50th to Cotner improvements
 - ✓ Adams, 36th to 49th Street rehab
 - ✓ 33rd and Cornhusker Hwy RTSD project.
 - ✓ A, Street, multiple projects
 - ✓ 56th, Spruce to Van Dorn – 2 projects
 - ✓ LFR acquisitions/surplus.
 - ✓ East Beltway preliminary acquisitions.
 - ✓ StarTran bus shelter projects
 - ✓ Arterial/residential rehabs, executive order, traffic signals & bridge replacement.

- 2) For environmental quality:
 - ✓ Park sites citywide, Prairie Corridor/Greenways, Wilderness Hills, NW Community Park, Salt Creek wetland acquisitions, Beal Slough & Fletcher trail project and West O trail project.
 - ✓ Arbor Road Water Main, Alvo to 40th Street
 - ✓ Cardwell Branch Sewer, BNSF PE project, NE Treatment digester project,
 - 3) Relocation activities:
 - ✓ Deadman's Run
 - ✓ 33rd & Cornhusker Transportation Project
- Theresa Street sewer acquisitions & miscellaneous sanitary sewer upgrade projects.
 - ✓ Ashland Water Main issues
 - ✓ Dead Man's Run, miscellaneous storm water improvement projects.
 - ✓ 98th Street water main, Holdrege to Alvo

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 was 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 \$138,711,000 over the 6-year period of fiscal year 2022-23 through fiscal year 2027-28. 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 \$239,120,200 over the 6-year period of fiscal year 2022-23 through 2027-28. These projects will be financed through impact fees 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 as well as a second source of water for the City of Lincoln.

Streets and Highways

The 2022-2028 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$41 million for the next six years. Funding for these projects includes \$192 million in City revenues, \$34 million in federal and state aid, and \$22 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, 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 receive a \$1 to \$1 match. The City was unable to legally change the match for current employees at the time the change was implemented.

Property Tax Collections

As of August 31, 2022, current tax collections by the County Treasurer were 97.84% of the tax levy, an increase 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>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
General Fund	.2273	.2271	.2127
Library	.0353	.0373	.0365
Social Security	.0000	.0000	.0123
Police and Fire Pension	.0404	.0385	.0327
Unemployment Compensation	.0000	.0000	.0002
General Obligation Debt	.0150	.0169	.0254
Total	<u>.3179</u>	<u>.3198</u>	<u>.3198</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
Gold 4	700	October, 2022

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 and residential properties 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, 2022, the City estimates that it will incur costs approximating \$43 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 an increase in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Wastewater System</u>	<u>2021-2022</u>	<u>2020-2021</u>
Operating Revenues	\$38,812,883	35,635,355
Operating Income	10,832,699	8,656,972
Revenue Available For Debt Service	21,302,005	19,467,268
Debt Service	8,508,330	8,638,129
Debt Service Coverage Ratio	2.50	2.23

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>2021-2022</u>	<u>2020-2021</u>
Operating Revenues	\$49,975,040	47,955,460
Operating Income	18,166,632	17,886,629
Revenue Available For Debt Service	29,838,446	29,607,955
Debt Service	5,714,569	6,150,642
Debt Service Coverage Ratio	5.22	4.81

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, 2021, is included in the City's August 31, 2022, 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 annual comprehensive financial report for the fiscal year ended August 31, 2021. This was the thirty-ninth 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 annual comprehensive 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 annual comprehensive 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 those employees of other City departments 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 effective manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lyn Heaton", with a stylized flourish at the end.

Lyn Heaton
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lincoln
Nebraska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

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

Opinions

We have audited 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 (City), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska, as of August 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison schedules for the General, Street Construction, and Federal Grants Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Lincoln, Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2022, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary 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 information, consisting of combining and individual fund financial statements and budgetary comparison schedules, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

Lincoln, Nebraska
March 28, 2023

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, 2022. 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 18).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2022, by \$2,657,114,607 (net position). Of this amount, \$409,537,404 (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 \$169,259,037. Of this amount, \$77,356,796, or 46%, was an increase in governmental activities and \$91,902,241, or 54%, related to business-type activities. Please refer to the fund descriptions preceding the various combining statements (beginning on page 97) for information regarding constraints imposed on the City in spending available funds.
- As of August 31, 2022, the City's governmental funds reported combined ending fund balances of \$440,788,282 an increase of \$22,466,726 in comparison with the prior year. Of this total fund balance, 22%, or \$98,456,860 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2022, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the General Fund was \$118,442,774, or 75% of total General fund expenditures. Following the implementation of GASB Statement No. 54, reference must be made to pages 99-101 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 \$55,419,751 (5%) during the current fiscal year. There was no activity in the current year.

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, 2022. 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 18-19 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, the West Haymarket JPA fund, and the Federal Grants 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, Street Construction, and Federal Grants 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 20-27 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 28-33 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 34-35 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 37-91 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 93-95 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 page 97 of this 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 \$2,657,114,607 at August 31, 2022.

**City Of Lincoln
Condensed Statements of Net Position
August 31, 2022 and 2021 ****

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 666,105,757	578,981,083	456,561,045	394,345,405	1,122,666,802	973,326,488
Capital Assets	1,371,556,255	1,347,834,456	1,869,333,375	1,826,419,819	3,240,889,630	3,174,254,275
Total Assets	<u>2,037,662,012</u>	<u>1,926,815,539</u>	<u>2,325,894,420</u>	<u>2,220,765,224</u>	<u>4,363,556,432</u>	<u>4,147,580,763</u>
Deferred Outflows of Resources	24,616,648	21,966,506	19,409,358	24,126,986	44,026,006	46,093,492
Long-Term Liabilities Outstanding	582,122,151	569,747,872	852,323,160	891,563,764	1,434,445,311	1,461,311,636
Other Liabilities	105,578,596	63,756,703	135,546,435	143,270,795	241,125,031	207,027,498
Total Liabilities	<u>687,700,747</u>	<u>633,504,575</u>	<u>987,869,595</u>	<u>1,034,834,559</u>	<u>1,675,570,342</u>	<u>1,668,339,134</u>
Deferred Inflows of Resources	17,144,675	35,201,028	57,752,814	2,278,523	74,897,489	37,479,551
Net Position:						
Net Investment in Capital Assets	944,153,513	898,840,745	1,038,944,270	942,386,540	1,983,097,783	1,841,227,285
Restricted	241,220,367	249,233,964	23,259,053	44,896,951	264,479,420	294,130,915
Unrestricted	172,059,358	132,001,733	237,478,046	220,495,637	409,537,404	352,497,370
Total Net Position	<u>\$ 1,357,433,238</u>	<u>1,280,076,442</u>	<u>1,299,681,369</u>	<u>1,207,779,128</u>	<u>2,657,114,607</u>	<u>2,487,855,570</u>

**During fiscal year 2022, the City implemented the provisions of GASB Statement No. 87, *Leases*, which required restatement of certain beginning balances. The condensed financial information for 2021 has not been adjusted for the impacts of the implementation of the new standard.

By far the largest portion of the City's net position (75%) 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 (10%) 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, 2022, 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, 2022 and 2021

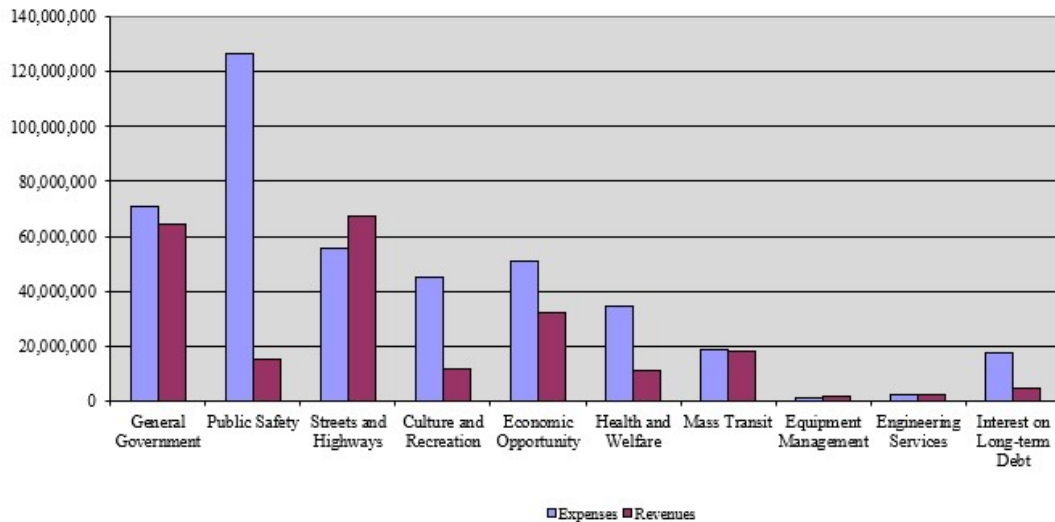
	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 79,959,166	80,350,797	508,652,892	435,342,246	588,612,058	515,693,043
Operating Grants and Contributions	122,435,670	126,896,770	3,163,517	4,428,538	125,599,187	131,325,308
Capital Grants and Contributions	26,322,072	19,123,793	14,685,621	16,582,535	41,007,693	35,706,328
General Revenues:						
Property Tax	89,012,920	80,373,285	-	-	89,012,920	80,373,285
Sales and Use Tax	117,494,209	105,320,265	-	-	117,494,209	105,320,265
Occupation Tax	28,099,332	24,219,554	5,336,074	5,028,574	33,435,406	29,248,128
Other Taxes	27,023,085	28,419,196	-	-	27,023,085	28,419,196
Unrestricted Grants and Contributions	25,405	27,580	-	-	25,405	27,580
Unrestricted Investment Gain (Loss)	(3,195,233)	1,452,336	(217,999)	1,722,098	(3,413,232)	3,174,434
Other	4,656,285	2,332,192	4,434,605	3,282,478	9,090,890	5,614,670
Total Revenues	<u>491,832,911</u>	<u>468,515,768</u>	<u>536,054,710</u>	<u>466,386,469</u>	<u>1,027,887,621</u>	<u>934,902,237</u>
Expenses:						
General Government	70,790,806	53,297,715	-	-	70,790,806	53,297,715
Public Safety	126,709,784	123,218,823	-	-	126,709,784	123,218,823
Streets and Highways	55,667,322	63,862,502	-	-	55,667,322	63,862,502
Culture and Recreation	45,042,153	44,913,469	-	-	45,042,153	44,913,469
Economic Opportunity	51,154,814	19,046,331	-	-	51,154,814	19,046,331
Health and Welfare	34,795,734	33,647,236	-	-	34,795,734	33,647,236
Mass Transit	18,566,091	17,572,030	-	-	18,566,091	17,572,030
Equipment Management	971,044	654,123	-	-	971,044	654,123
Engineering Services	2,146,618	7,298,448	-	-	2,146,618	7,298,448
Interest on Long-Term Debt	17,701,759	17,064,945	-	-	17,701,759	17,064,945
Golf	-	-	6,189,024	5,272,495	6,189,024	5,272,495
Parking System	-	-	10,303,150	8,913,548	10,303,150	8,913,548
Municipal Arena	-	-	15,004,368	6,003,519	15,004,368	6,003,519
Solid Waste Management	-	-	20,150,425	13,264,852	20,150,425	13,264,852
Emergency Medical Services	-	-	8,248,858	7,744,230	8,248,858	7,744,230
Broadband Enterprise	-	-	3,795,636	7,043,569	3,795,636	7,043,569
Wastewater System	-	-	30,303,932	29,504,080	30,303,932	29,504,080
Water System	-	-	32,625,429	38,261,132	32,625,429	38,261,132
Electric System	-	-	309,378,000	269,435,000	309,378,000	269,435,000
Total Expenses	<u>423,546,125</u>	<u>380,575,622</u>	<u>435,998,822</u>	<u>385,442,425</u>	<u>859,544,947</u>	<u>766,018,047</u>
Increase in Net Position Before Transfers	68,286,786	87,940,146	100,055,888	80,944,044	168,342,674	168,884,190
Transfers	9,070,010	10,722,635	(8,053,066)	(10,006,635)	1,016,944	716,000
Increase in Net Position	<u>77,356,796</u>	<u>98,662,781</u>	<u>92,002,822</u>	<u>70,937,409</u>	<u>169,359,618</u>	<u>169,600,190</u>
Net Position - Beginning, Before Restatement	1,280,076,442	1,179,998,212	1,207,779,128	-	2,487,855,570	1,179,998,212
Adjustment for Implementation of GASB Stand	-	1,415,452	(100,581)	-	(100,581)	1,415,452
Net Position - Beginning, as Restated	<u>1,280,076,442</u>	<u>1,181,413,661</u>	<u>1,207,678,547</u>	<u>1,136,841,719</u>	<u>2,487,754,989</u>	<u>2,318,255,380</u>
Net Position - Ending	<u>\$ 1,357,433,238</u>	<u>1,280,076,442</u>	<u>1,299,681,369</u>	<u>1,207,779,128</u>	<u>2,657,114,607</u>	<u>2,487,855,570</u>

GOVERNMENTAL ACTIVITIES

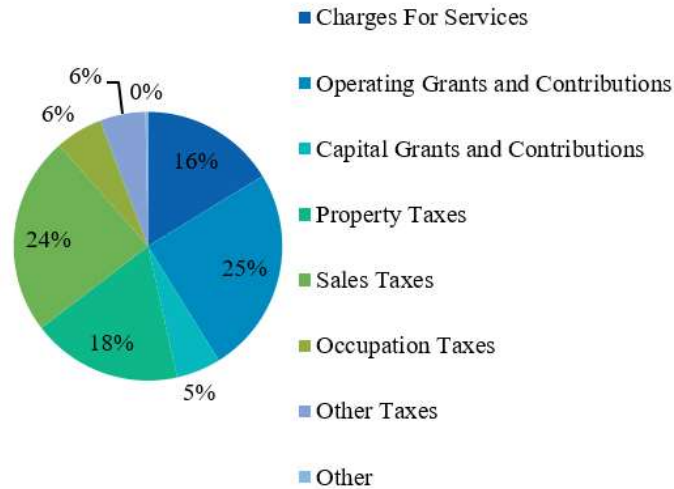
Governmental activities increased the City’s net position by \$77,356,796, accounting for 46% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

- Capital Grants and Contributions increased \$7.2 million (37.6%) due to the completion of several paving and drainage projects that were funded through developer’s contributions as well as a portion of the Old Highway 2 relinquishment payment from the State of Nebraska.
- Property Tax increased \$8.6 million (10.75%) in 2022 primarily due to a 16.09% increase in the overall tax base, including the impact of a reduction of a tax levy rate.
- Sales and Use Tax increased \$12.2 million (11.56%) in 2022 mainly to do with an improving economy and spending habits from citizens and visitors to Lincoln following the COVID-19 pandemic.
- Unrestricted investment gains (loss) decreased by approximately \$4.6 million during 2022 due to market value changes from rising interest rates. Pooled cash and investments increased 35.35% over the prior year and the investment portfolio yield as of 08/31/22 was 1.6558 and as of 08/31/21 was 0.3016.
- Total governmental expenses increased by approximately \$43 million during 2022. The most significant increase in expense amount was in Economic Opportunity, related to the spending down of the ARPA and Emergency Rental Assistance grants.

Expenses and Program Revenues - Governmental Activities



Revenues By Source – Governmental Activities

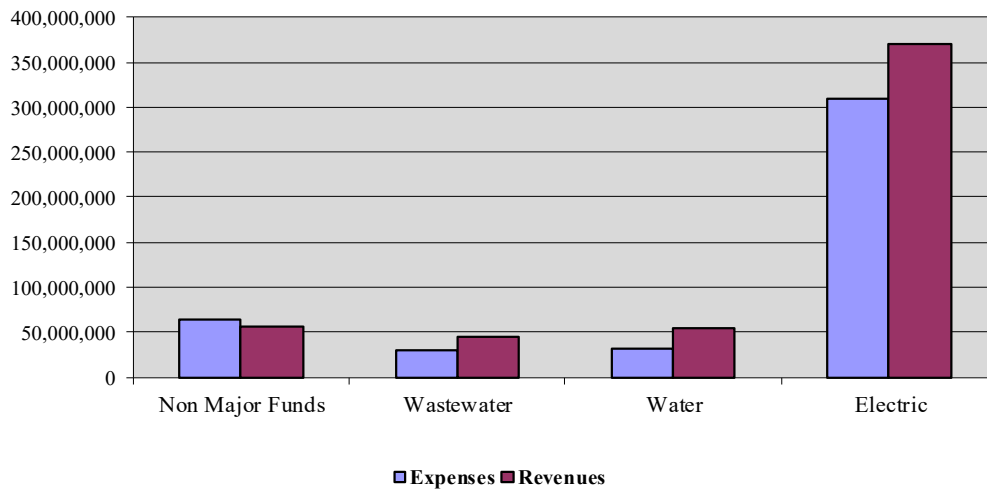


BUSINESS-TYPE ACTIVITIES

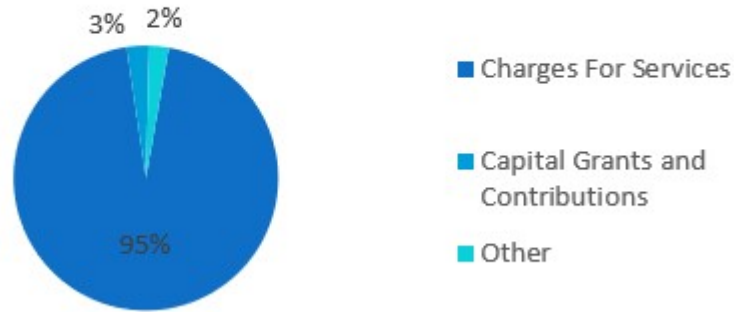
Business-type activities increased the City's net position by \$91,902,241, accounting for 54% of the total growth in the government's net position. Key elements of this increase are as follows:

- Lincoln Electric System (LES) operating revenue in 2021 was up 18.5% from 2020. Retail revenue was 4.1% higher primarily due to higher energy sales, primarily in commercial revenue with a return to near-pre-pandemic operations. Wholesale revenue was up 147.8% due primarily to market prices, especially during Winter Storm Uri. Other revenue was up 13.8% primarily due to an increase in renewable energy certificate (REC) prices. Operating expenses in 2021 were \$278,532,000, an increase of 18.4%. Purchased power and produced power expenses were up 41.3% primarily due to increased produced power expenses during Winter Storm Uri. Depreciation and amortization expenses were down 8.4% primarily due to a decrease of amortization of gains/losses. Administrative and general expenses were up 1.3%, primarily due to expenses related to buildings and grounds and employee health insurance. Operations and maintenance expenses were down 12.3% due to lower transmission expenses.
- Lincoln Wastewater System reported an increase in Capital Assets mainly due to the completion of the Northeast Treatment Plant Dewatering Facility Expansion & Improvements for \$10,237,000 and improvements to Treatment Plant projects, Solid Thickening Improvements \$5,967,000 and Replacement of two Raw Wastewater Pumps \$2,738,738.
- Lincoln Wastewater System reported an increase in current liabilities due to increase in accounts payable due to timing of payment of invoices.
- Lincoln Wastewater System reported a decrease in Long Term Liabilities is due to the payment of current year debt.
- Lincoln Water System reported current assets increased in part due to a growth in cash and investments and an increase in rates and usage.
- Lincoln Water System reported current and long-term liabilities decreased primarily due to debt service payments made during the year. No new debt borrowings were completed in FY 21/22 for Water.

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, 2022, the City’s governmental funds reported combined ending fund balances of \$440,788,282, an increase of \$22,466,726 in comparison with the prior year. Of this total amount, 22% 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 (\$3,209,047), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$213,264,087), committed for particular purposes (\$852,241), or assigned for particular purposes (\$87,846,047).

The General Fund is the chief operating fund of the City. At August 31, 2022, the unrestricted fund balance of the General Fund was \$118,442,774, while total fund balance reached \$137,342,420. 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 75% of total General Fund expenditures, while total fund balance represents 87% of that same amount.

The fund balance of the City's General Fund increased by \$24,704,581 during 2022. The City of Lincoln saw an increase in Sales and Use tax believed to be due to a strong economy and increased spending habits from citizens and visitors to Lincoln following COVID-19's impact in 2020. Tax revenues also grew for the year primarily due to an average increase of approximately 16.09% in the total taxable assessed value, driven by increased local real estate market values, after accounting for a reduction in the tax levy rate.

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 two-year budget cycle.

The Street Construction Fund has a total fund balance of \$74,120,244, which is to be used in the construction and maintenance of streets and highways. The net decrease in fund balance during 2022 in the Street Construction Fund was \$748,967, with total revenues showing a 8.3% increase and capital construction expenses showing a 17.4% increase.

The Federal Grants Fund has a total fund balance of \$17,772,691, which is to be used towards federal expenditures. The net decrease in fund balance during 2022 in the Federal Grants Fund was \$9,303,006, resulting from spending of COVID-19 and stimulus grants.

The West Haymarket JPA Fund had a fund balance of \$42,029,223, 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 an increase of \$5,334,190. 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, LES, and other enterprise funds amounted to \$12,860,546, \$58,452,608, \$173,421,000 and (\$7,256,111), respectively, at August 31, 2022 (December 31, 2021 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:

- \$82,765 increase to miscellaneous.

Expenditure appropriations:

- \$213,299 increase in general government activities between changes to legislative, financial administration, urban development, and miscellaneous.
- \$35,000 increase allocated to parks and recreation.
- \$185,466 decrease 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:

- \$2,979,467 positive variance in real estate and personal property tax. Actual property tax collections were 97.84% of the 2021 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- \$15,000,255 positive variance in taxes collected by others. Projected sales tax shortfall due to COVID-19 pandemic and years following did not materialize.

- \$(5,229,725) negative variance in investment gain (loss). Projected investment earnings for 2022 did not happen as projected and ended in a loss due to the market throughout the fiscal year.
- \$20,727,345 positive variance in public safety expenditures. A portion is due to Police and Fire Departments each receiving revenue from the State of Nebraska through the CARES Act in a prior year. The unspent CARES Act from prior years carried over resulted in an increase budget for fiscal year 2021/2022. However, the funds were not fully expended in this fiscal year and will be carried over into future years.
- \$11,672,863 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future 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, 2022, amounts to \$3,240,889,630 (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 2022 was 2.1% (1.8% increase for governmental activities and 2.3% increase for business-type activities).

Major capital asset events during 2022 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$54 million.
- The construction of a new northeast police station continued with expenditures of \$1.7 million.
- StarTran, the City's mass transit system, has a new Fueling Station in construction in progress (CIP) that accounted for \$2.1 million in expenditures.
- The Parks Department's 2022 capital assets major activity included \$1.2 million in Pinewood Bowl improvements, as well as \$1.6 million in CIP expenditures for Air Park Rec Center.
- LES' share of capital improvements at Walter Scott Energy Center for 2021 was \$2,893,000.
- LES costs for Underground Rebuilds in 2021 totaled \$7,211,000. This project rebuilds existing underground systems due to age, deterioration, or other factors.
- Costs for Underground Relocations in 2021 totaled \$4,393,000. This project relocates existing underground equipment in conflict with non-LES projects and converts existing overhead to underground electrical facilities.
- Final construction costs for the LES Operations Center (LOC) came in during 2021, totaling \$2,637,000. The total project cost is approximately \$104,000,000.
- Lincoln Wastewater System 2022 major capital asset events included the completion of the Northeast Treatment Plant Dewatering Facility Expansion & Improvements for \$10,237,000 and improvements to Treatments Plant projects, Solid Thickening Improvements \$5,967,000 and Replacement of two Raw Wastewater Pumps \$2,738,738.
- Lincoln Water System 2022 capital assets activity included annual selected main replacements and water treatment plant chemical feed equipment replacement.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 170,939,693	169,778,897	33,834,311	33,735,594	204,774,004	203,514,491
Buildings	286,884,644	294,358,918	133,975,411	138,045,902	420,860,055	432,404,820
Improvements Other Than Buildings	87,343,804	89,150,373	650,981,108	606,578,623	738,324,912	695,728,996
Machinery and Equipment	63,269,936	64,707,572	24,621,577	24,669,258	87,891,513	89,376,830
Utility Plant	-	-	897,574,000	864,300,000	897,574,000	864,300,000
Infrastructure	646,959,163	649,860,855	-	-	646,959,163	649,860,855
Construction-in-progress	116,159,015	79,977,841	128,346,966	159,090,442	244,505,981	239,068,283
Total	\$ 1,371,556,255	1,347,834,456	1,869,333,373	1,826,419,819	3,240,889,628	3,174,254,275

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 57-60 of this report.

LONG-TERM DEBT

At August 31, 2022, the City of Lincoln had total bonded debt outstanding of \$1,105,688,897. Of this amount, \$392,818,897 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, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 392,818,897	408,633,648	-	-	392,818,897	408,633,648
Revenue Bonds	-	-	712,870,000	752,475,000	712,870,000	752,475,000
Total	\$ 392,818,897	408,633,648	712,870,000	752,475,000	1,105,688,897	1,161,108,648

- The City’s total bonded debt decreased by \$55,419,751 (5%) during the current fiscal year.

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 62-68 of this report.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- In August 2022, the Lincoln City Council approved a 5% and 6% revenue increase for fiscal year 2023 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 2022-2023 budget increased \$2,229,486 from the prior year. Total valuation growth is 4.02%, with a decrease in the property tax rate of ½ cent.
- The budgeted local sales tax rate is 1.5%, which supports the General Fund. The sales tax average growth over the last five years is 5.8%. 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.
- Lincoln voters approved a 0.25% sales tax rate increase in 2019 for six years 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.

- Sales tax revenue is projected at \$15.5 million more than 2021-22 adopted budget.
- The City negotiates with six different bargaining units. Two contracts will expire in August 2023, two will expire in August 2024, and two will expire in August 2025.
- Staffing changes included in the 2022-2023 fiscal year budget resulted in an increase for all funds of 56.13 full-time equivalents, public safety accounting for an increase of 24.5 of the 56.13 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/departments/finance/accounting.



BASIC FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
AUGUST 31, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 28,367,495	28,354,306	56,721,801
Investments	506,699,053	237,060,530	743,759,583
Receivables, (Net of Allowance for Uncollectibles)	48,739,378	79,403,995	128,143,373
Internal Balances	(11,748,288)	11,748,288	-
Due from Other Governments	45,544,445	231,910	45,776,355
Inventories	3,467,666	27,074,454	30,542,120
Plant Operation Assets	-	13,809,000	13,809,000
Prepaid Items	2,017,444	4,188,933	6,206,377
Other Assets	4,346,917	4,737,584	9,084,501
Restricted Assets:			
Cash and Cash Equivalents	85,646	5,595,069	5,680,715
Investments	37,160,000	41,021,427	78,181,427
Receivables	-	11,199	11,199
Lease Assets:			
Lease Assets, net	1,426,001	3,324,352	4,750,353
Capital Assets:			
Non-depreciable	287,098,708	162,181,277	449,279,985
Depreciable (Net)	1,084,457,547	1,707,152,096	2,791,609,643
Total Assets	<u>2,037,662,012</u>	<u>2,325,894,420</u>	<u>4,363,556,432</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	2,490,945	14,159,463	16,650,408
Deferred Outflows for Pension	16,843,108	1,146,386	17,989,494
Deferred Outflows for OPEB	5,282,595	593,509	5,876,104
Deferred Costs for Asset Retirement Obligations	-	3,510,000	3,510,000
Total Deferred Outflows of Resources	<u>24,616,648</u>	<u>19,409,358</u>	<u>44,026,006</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	37,751,651	34,151,045	71,902,696
Accrued Liabilities	7,015,224	32,916,904	39,932,128
Due to Other Governments	1,432,751	308,632	1,741,383
Unearned Revenue	55,459,589	1,690,626	57,150,215
Commercial Paper	-	65,500,000	65,500,000
Accrued Interest Payable	4,098,249	7,483,318	11,581,567
Noncurrent Liabilities:			
Payable within One Year	43,521,991	45,867,755	89,389,746
Payable in More Than One Year	538,421,292	799,951,315	1,338,372,607
Total Liabilities	<u>687,700,747</u>	<u>987,869,595</u>	<u>1,675,570,342</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Beneficial Interest Revenue	2,608,154	-	2,608,154
Deferred Gain on Refunding	624,703	-	624,703
Reductions of Future Billings	-	34,932,000	34,932,000
Deferred Inflows for Pension	450,995	366,546	817,541
Deferred Inflows for OPEB	1,058,020	118,870	1,176,890
Deferred Inflows for Leases	12,402,803	22,335,398	34,738,201
Total Deferred Inflows of Resources	<u>17,144,675</u>	<u>57,752,814</u>	<u>74,897,489</u>
NET POSITION			
Net Investment in Capital Assets	944,153,513	1,038,944,270	1,983,097,783
Restricted for:			
Debt Service	5,376,513	11,352,338	16,728,851
Capital Projects	134,182,274	10,866,715	145,048,989
Grantor Loan Programs	17,772,691	-	17,772,691
Other	17,887,195	1,040,000	18,927,195
Trust Donations:			
Expendable	2,661,538	-	2,661,538
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	26,180,156	-	26,180,156
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>172,059,358</u>	<u>237,478,046</u>	<u>409,537,404</u>
Total Net Position	<u>\$ 1,357,433,238</u>	<u>1,299,681,369</u>	<u>2,657,114,607</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, 2022

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities:							
General Government	\$ (70,790,806)	42,877,500	20,600,501	1,088,737	(6,224,068)	-	(6,224,068)
Public Safety	(126,709,784)	10,197,940	4,298,554	406,304	(111,806,986)	-	(111,806,986)
Streets and Highways	(55,667,322)	6,490,756	39,437,071	21,469,765	11,730,270	-	11,730,270
Culture and Recreation	(45,042,153)	7,745,967	3,973,577	39,940	(33,282,669)	-	(33,282,669)
Economic Opportunity	(51,154,814)	147,389	29,487,725	2,438,517	(19,081,183)	-	(19,081,183)
Health and Welfare	(34,795,734)	5,509,725	5,591,486	51,201	(23,643,322)	-	(23,643,322)
Mass Transit	(18,566,091)	2,510,507	15,474,964	-	(580,620)	-	(580,620)
Equipment Management	(971,044)	1,544,550	-	-	573,506	-	573,506
Engineering Services	(2,146,618)	2,491,893	-	18,361	363,636	-	363,636
Interest on Long-Term Debt	(17,701,759)	442,939	3,571,792	809,247	(12,877,781)	-	(12,877,781)
Total Governmental Activities	(423,546,125)	79,959,166	122,435,670	26,322,072	(194,829,217)	-	(194,829,217)
Business-Type Activities:							
Golf	(6,189,024)	5,734,242	-	1,296,815	-	842,033	842,033
Parking System	(10,303,150)	12,384,835	-	-	-	2,081,685	2,081,685
Municipal Arena	(15,004,368)	16,506,976	-	61,981	-	1,564,589	1,564,589
Solid Waste Management	(20,150,425)	10,099,227	233,079	-	-	(9,818,119)	(9,818,119)
Emergency Medical Services	(8,248,858)	9,050,001	62,363	-	-	863,506	863,506
Broadband Enterprise	(3,795,636)	255,407	11,323	922,680	-	(2,606,226)	(2,606,226)
Wastewater System	(30,303,932)	35,925,952	2,856,752	5,739,713	-	14,218,485	14,218,485
Water System	(32,625,429)	49,798,252	-	5,601,432	-	22,774,255	22,774,255
Electric System	(309,378,000)	368,898,000	-	1,063,000	-	60,583,000	60,583,000
Total Business-Type Activities	(435,998,822)	508,652,892	3,163,517	14,685,621	-	90,503,208	90,503,208
Total	\$ (859,544,947)	588,612,058	125,599,187	41,007,693	(194,829,217)	90,503,208	(104,326,009)
General Revenues:							
Property Tax					89,012,920	-	89,012,920
Motor Vehicle Tax					6,787,141	-	6,787,141
Wheel Tax					19,529,692	-	19,529,692
Sales and Use Tax					117,494,209	-	117,494,209
Turnback Tax					677,204	-	677,204
Sundry and In Lieu Tax					29,048	-	29,048
Occupation Tax					28,099,332	5,336,074	33,435,406
Unrestricted Grants and Contributions					25,405	-	25,405
Unrestricted Investment Loss					(3,195,233)	(217,999)	(3,413,232)
Miscellaneous General Revenues					3,994,211	4,322,030	8,316,241
Gain on Sale of Capital Assets					662,074	112,575	774,649
Transfers					9,070,010	(8,053,066)	1,016,944
Total General Revenues and Transfers					272,186,013	1,499,614	273,685,627
Change in Net Position					77,356,796	92,002,822	169,359,618
Net Position - Beginning of Year, Before Restatement					1,280,076,442	1,207,779,128	2,487,855,570
Adjustment for Implementation of GASB 87					-	(100,581)	(100,581)
Net Position - Beginning of Year, After Restatement					1,280,076,442	1,207,678,547	2,487,754,989
Net Position - Ending					\$ 1,357,433,238	1,299,681,369	2,657,114,607

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Federal Grants Fund	Other Governmental Funds	Total
ASSETS						
Cash and Cash Equivalents	\$ 13,299,578	862,321	626,706	1,206,007	11,071,448	27,066,060
Investments	117,930,472	58,125,333	45,961,080	52,430,088	185,477,450	459,924,423
Receivables, (Net of Allowance for Uncollectibles)	16,780,699	228,732	3,618,964	20,473,111	5,353,299	46,454,805
Due from Other Funds	738,554	20,490,386	-	-	4,377,270	25,606,210
Due from Other Governments	18,451,406	13,607,059	740,197	5,651,433	6,586,493	45,036,588
Inventories	64,822	798,594	-	-	1,175,996	2,039,412
Beneficial Interest Asset	-	-	-	-	2,608,154	2,608,154
Assets Held for Resale	-	-	1,738,765	-	-	1,738,765
Prepaid Items	446,783	-	248,179	-	474,672	1,169,634
Total Assets	167,712,314	94,112,425	52,933,891	79,760,639	217,124,782	611,644,051
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	3,954,428	11,020,901	53,585	11,053,002	6,079,241	32,161,157
Contracts Payable	-	-	-	-	51,593	51,593
Accrued Liabilities	3,855,966	330,522	183,000	394,091	1,635,866	6,399,445
Due to Other Funds	9,359,687	272,769	529,294	3,662	30,082,724	40,248,136
Due to Other Governments	77,171	348,737	327,488	266,143	413,178	1,432,717
Due to Other Contractors	-	-	-	-	1,841,641	1,841,641
Unearned Revenue	1,296,147	3,339	7,784,034	46,060,390	298,979	55,442,889
Total Liabilities	18,543,399	11,976,268	8,877,401	57,777,288	40,403,222	137,577,578
Deferred Inflows of Resources:						
Unavailable Revenues	2,195,946	8,015,913	1,256,511	4,210,660	4,565,267	20,244,297
Beneficial Interest Revenue	-	-	-	-	2,608,154	2,608,154
Deferred Inflow for Leases	9,630,549	-	770,756	-	24,435	10,425,740
Total Deferred Inflows of Resources	11,826,495	8,015,913	2,027,267	4,210,660	7,197,856	33,278,191
Fund Balances:						
Nonspendable	511,606	798,594	248,179	-	38,810,668	40,369,047
Restricted	18,388,040	73,168,133	2,971,043	17,772,691	100,964,180	213,264,087
Committed	-	-	-	-	852,241	852,241
Assigned	19,303,807	153,517	38,810,001	-	29,578,722	87,846,047
Unassigned	99,138,967	-	-	-	(682,107)	98,456,860
Total Fund Balances	137,342,420	74,120,244	42,029,223	17,772,691	169,523,704	440,788,282
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 167,712,314	94,112,425	52,933,891	79,760,639	217,124,782	

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

Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,337,992,850
Balances representing the net exchange of property in an asset bank are not financial resources and, therefore, not reported in the funds.	216,301
Revenues earned during the current period are not available for current period expenditures and, therefore, are recognized as unavailable revenue in the funds.	20,244,297
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.	96,726,983
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(538,535,475)
Net position of governmental activities	\$ 1,357,433,238

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, 2022

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Federal Grants Fund	Other Governmental Funds	Total
REVENUES						
Taxes:						
Property	\$ 61,834,678	-	-	-	27,567,122	89,401,800
Motor Vehicle	6,787,141	-	-	-	-	6,787,141
Wheel	-	-	-	-	19,529,692	19,529,692
Sales and Use	100,577,729	-	-	-	16,916,479	117,494,208
Turnback	-	-	-	-	677,204	677,204
Sundry and In Lieu	32,139	-	-	-	9,164	41,303
Occupation	6,782,776	-	20,004,357	-	1,654,430	28,441,563
Special Assessment	11,215	7,446	-	-	1,526,874	1,545,535
Intergovernmental	3,897,169	37,102,825	3,585,254	61,865,519	17,749,921	124,200,688
Permits and Fees	6,185,312	5,348,939	6,406	169,973	16,848,659	28,559,289
Reimbursement for Services	8,569,407	579,888	9,373,044	594,525	884,260	20,001,124
Court Settlements	800,011	-	-	-	-	800,011
Program Income	-	-	-	144,389	-	144,389
Investment Loss	(2,266,245)	(144,034)	(16,614)	(411,824)	(11,147,385)	(13,986,102)
Donations	940,892	-	-	384,074	2,603,624	3,928,590
Keno Proceeds	-	-	-	-	7,082,106	7,082,106
Private Sector Share of Projects	-	477,582	-	-	2,358,866	2,836,448
Miscellaneous	1,272,165	258,416	-	7,871	370,908	1,909,360
Total Revenues	<u>195,424,389</u>	<u>43,631,062</u>	<u>32,952,447</u>	<u>62,754,527</u>	<u>104,631,924</u>	<u>439,394,349</u>
EXPENDITURES						
Current:						
General Government	45,336,050	-	7,828,366	5,019,366	14,809,372	72,993,154
Public Safety	86,429,704	-	-	3,849,946	8,274,053	98,553,703
Streets and Highways	4,914,199	22,943,700	-	-	103	27,858,002
Culture and Recreation	17,167,050	-	-	741,085	11,626,168	29,534,303
Economic Opportunity	4,893	-	-	44,653,727	-	44,658,620
Health and Welfare	3,917,617	-	-	13,569,855	17,029,046	34,516,518
Mass Transit	-	-	-	181,592	18,114,452	18,296,044
Debt Service	552	-	19,789,891	17,289	22,383,319	42,191,051
Debt Service P & I	80,467	-	-	-	-	80,467
Capital Outlay	-	43,207,759	-	-	17,019,725	60,227,484
Total Expenditures	<u>157,850,532</u>	<u>66,151,459</u>	<u>27,618,257</u>	<u>68,032,860</u>	<u>109,256,238</u>	<u>428,909,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,573,857</u>	<u>(22,520,397)</u>	<u>5,334,190</u>	<u>(5,278,333)</u>	<u>(4,624,314)</u>	<u>10,485,003</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	24,037,885	28,916,749	-	1,299,540	38,614,608	92,868,782
Transfers Out	(36,926,816)	(7,145,319)	-	(5,375,711)	(31,948,106)	(81,395,952)
Leases Issued	-	-	-	51,338	42,380	93,718
Sale of Capital Assets	19,655	-	-	160	395,360	415,175
Total Other Financing Sources (Uses)	<u>(12,869,276)</u>	<u>21,771,430</u>	<u>-</u>	<u>(4,024,673)</u>	<u>7,104,242</u>	<u>11,981,723</u>
Net Change in Fund Balances	<u>24,704,581</u>	<u>(748,967)</u>	<u>5,334,190</u>	<u>(9,303,006)</u>	<u>2,479,928</u>	<u>22,466,726</u>
Fund Balances - Beginning of Year	<u>112,637,839</u>	<u>74,869,211</u>	<u>36,695,033</u>	<u>27,075,697</u>	<u>167,043,776</u>	<u>418,321,556</u>
Fund Balances - Ending	<u>\$ 137,342,420</u>	<u>74,120,244</u>	<u>42,029,223</u>	<u>17,772,691</u>	<u>169,523,704</u>	<u>440,788,282</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, 2022

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

Net change in fund balances - total governmental funds	\$ 22,466,726
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.	8,137,736
The net effect of various transactions involving capital contributions is to increase net position.	15,215,212
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.	10,018,323
The issuance of long-term debt (e.g., bonds, COPs) 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.	21,904,595
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.	(2,820,874)
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.	(1,689,512)
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>4,124,590</u>
Change in net position of governmental activities	<u><u>\$ 77,356,796</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 65,277,391	65,277,391	68,256,858	2,979,467
Taxes Collected by Others	84,344,304	84,344,304	99,344,559	15,000,255
Sundry Taxes and In Lieu	33,510	33,510	47,681	14,171
Occupation Taxes	7,203,687	7,203,687	6,435,365	(768,322)
Intergovernmental	4,525,899	4,525,899	2,975,943	(1,549,956)
Permits and Fees	5,074,589	5,074,589	4,971,477	(103,112)
Reimbursement for Services	3,590,448	3,590,448	4,746,970	1,156,522
Court Fees	730,000	730,000	92,736	(637,264)
Court Settlements	800,000	800,000	800,011	11
Recreation Receipts	2,638,898	2,638,898	2,036,466	(602,432)
Investment Earnings (Loss)	2,403,114	2,403,114	(2,826,611)	(5,229,725)
Donations	902,472	902,472	940,978	38,506
Client Contributions	545	545	545	-
Rental Income	593,407	593,407	632,773	39,366
Parking Revenue	-	-	12	12
Miscellaneous	352,971	435,736	796,326	360,590
Total Revenues	<u>178,471,235</u>	<u>178,554,000</u>	<u>189,252,089</u>	<u>10,698,089</u>
Expenditures:				
General Government:				
Legislative	552,830	547,830	254,479	293,351
Executive	2,158,209	2,158,209	1,914,713	243,496
Financial Administration	4,345,690	4,314,490	3,741,443	573,047
Law	3,912,361	3,912,361	3,439,247	473,114
Personnel Administration	2,665,620	2,665,620	1,517,776	1,147,844
Planning and Zoning	2,196,270	2,196,270	2,019,172	177,098
Urban Development	1,333,031	1,364,231	1,032,900	331,331
Miscellaneous	42,756,865	42,975,164	31,302,301	11,672,863
Total General Government	<u>59,920,876</u>	<u>60,134,175</u>	<u>45,222,031</u>	<u>14,912,144</u>
Public Safety:				
Police	57,202,902	57,202,902	44,373,285	12,829,617
Fire	44,272,113	44,272,113	36,374,385	7,897,728
Total Public Safety	<u>101,475,015</u>	<u>101,475,015</u>	<u>80,747,670</u>	<u>20,727,345</u>
Streets and Highways:				
Street Maintenance	2,957,755	2,957,755	2,253,117	704,638
Street Lighting	3,413,300	3,413,300	2,947,424	465,876
Total Streets and Highways	<u>6,371,055</u>	<u>6,371,055</u>	<u>5,200,541</u>	<u>1,170,514</u>
Culture and Recreation:				
Parks and Recreation	18,751,536	18,786,536	16,956,039	1,830,497
Libraries	180,097	180,097	180,097	-
Total Culture and Recreation	<u>18,931,633</u>	<u>18,966,633</u>	<u>17,136,136</u>	<u>1,830,497</u>
Economic Opportunity:				
Job Programs	4,893	4,893	4,893	-
Total Economic Opportunity	<u>4,893</u>	<u>4,893</u>	<u>4,893</u>	<u>-</u>
Health and Welfare:				
Health Services	237,523	237,523	237,523	-
Aging Assistance	126,525	126,525	126,525	-
Total Health and Welfare	<u>364,048</u>	<u>364,048</u>	<u>364,048</u>	<u>-</u>
Total Expenditures	<u>187,067,520</u>	<u>187,315,819</u>	<u>148,675,319</u>	<u>38,640,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,596,285)</u>	<u>(8,761,819)</u>	<u>40,576,770</u>	<u>49,338,589</u>
Other Financing Sources (Uses):				
Transfers In	15,971,631	15,971,631	16,110,543	138,912
Transfers Out	(46,381,123)	(46,566,589)	(35,925,245)	10,641,344
Sale of Capital Assets	6,580	6,580	14,179	7,599
Total Other Financing Sources (Uses)	<u>(30,402,912)</u>	<u>(30,588,378)</u>	<u>(19,800,523)</u>	<u>10,787,855</u>
Net Change in Fund Balances	<u>\$ (38,999,197)</u>	<u>(39,350,197)</u>	<u>20,776,247</u>	<u>60,126,444</u>
Fund Balances - Beginning			<u>80,526,249</u>	
Fund Balances - Ending			<u>\$ 101,302,496</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessment	\$ -	-	7,446	7,446
Intergovernmental	27,498,333	27,498,333	31,518,849	4,020,516
Permits and Fees	377,850	377,850	233,471	(144,379)
Reimbursement for Services	505,000	505,000	664,259	159,259
Investment Earnings	20,500	20,500	30,029	9,529
Miscellaneous	550	550	92,890	92,340
Total Revenues	<u>28,402,233</u>	<u>28,402,233</u>	<u>32,546,944</u>	<u>4,144,711</u>
Expenditures -- Streets and Highways:				
Personal Services	12,807,589	12,807,589	11,519,119	1,288,470
Materials and Supplies	2,878,300	2,878,300	2,293,704	584,596
Other Services and Charges	9,517,017	9,767,017	8,750,896	1,016,121
Capital Outlay	243,833	243,833	142,728	101,105
Principal Retirement	-	-	55,000	(55,000)
Interest	-	-	30,099	(30,099)
Fiscal Charges	-	-	60	(60)
Total Expenditures	<u>25,446,739</u>	<u>25,696,739</u>	<u>22,791,606</u>	<u>2,905,133</u>
Excess of Revenues Over Expenditures	<u>2,955,494</u>	<u>2,705,494</u>	<u>9,755,338</u>	<u>7,049,844</u>
Other Financing Sources (Uses):				
Transfers In	28,916,749	28,916,749	28,916,749	-
Transfers Out	(7,894,515)	(7,894,515)	(7,894,515)	-
Sale of Capital Assets	10,000	10,000	-	(10,000)
Total Other Financing Sources (Uses)	<u>21,032,234</u>	<u>21,032,234</u>	<u>21,022,234</u>	<u>(10,000)</u>
Net Change in Fund Balances	<u>\$ 23,987,728</u>	<u>23,737,728</u>	<u>30,777,572</u>	<u>7,039,844</u>
Amount Budgeted on Project Basis			(26,830,572)	
Fund Balances - Beginning			<u>71,764,479</u>	
Fund Balances - Ending			<u>\$ 75,711,479</u>	

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

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 84,548,862	87,600,354	84,676,166	(2,924,188)
Permits and Fees	170,081	170,081	170,081	-
Reimbursement for Services	588,449	588,449	588,449	-
Program Income	987,519	987,519	1,312,430	324,911
Investment Earnings (Loss)	(536,950)	(536,950)	(536,927)	23
Donations	383,961	383,961	383,961	-
Miscellaneous	7,672	7,672	7,672	-
Total Revenues	<u>86,149,594</u>	<u>89,201,086</u>	<u>86,601,832</u>	<u>(2,599,254)</u>
Expenditures:				
General Government:				
Personal Services	82,923	82,923	82,923	-
Materials and Supplies	70	70	70	-
Other Services and Charges	3,061,144	3,061,144	3,061,144	-
Total General Government	<u>3,144,137</u>	<u>3,144,137</u>	<u>3,144,137</u>	<u>-</u>
Public Safety:				
Personal Services	2,815,214	2,815,214	2,815,214	-
Materials and Supplies	164,001	164,001	164,001	-
Other Services and Charges	1,133,057	1,133,057	1,133,057	-
Capital Outlay	29,930	29,930	29,930	-
Total Public Safety	<u>4,142,202</u>	<u>4,142,202</u>	<u>4,142,202</u>	<u>-</u>
Culture and Recreation:				
Personal Services	222,243	222,243	222,243	-
Materials and Supplies	52,836	52,836	52,836	-
Other Services and Charges	220,542	220,542	220,542	-
Capital Outlay	303,247	303,247	303,247	-
Total Culture and Recreation	<u>798,868</u>	<u>798,868</u>	<u>798,868</u>	<u>-</u>
Economic Opportunity:				
Personal Services	1,705,859	1,720,601	1,708,788	11,813
Materials and Supplies	10,722	10,722	10,190	532
Other Services and Charges	9,835,752	10,127,381	9,212,073	915,308
Capital Outlay	75,925	936,722	167,130	769,592
Loans and Grants	29,646,743	31,197,756	30,003,885	1,193,871
Total Economic Opportunity	<u>41,275,001</u>	<u>43,993,182</u>	<u>41,102,066</u>	<u>2,891,116</u>

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Personal Services	8,938,122	8,938,122	8,938,122	-
Materials and Supplies	373,914	373,914	373,914	-
Other Services and Charges	3,294,711	3,294,711	3,294,711	-
Capital Outlay	173,285	173,285	173,285	-
Loans and Grants	536,046	536,046	536,046	-
Total Health and Welfare	<u>13,316,078</u>	<u>13,316,078</u>	<u>13,316,078</u>	<u>-</u>
Mass Transit:				
Personal Services	<u>190,143</u>	<u>190,143</u>	<u>190,143</u>	<u>-</u>
Total Expenditures	<u>62,866,429</u>	<u>65,584,610</u>	<u>62,693,494</u>	<u>2,891,116</u>
Excess of Revenues Over Expenditures	<u>23,283,165</u>	<u>23,616,476</u>	<u>23,908,338</u>	<u>291,862</u>
Other Financing Sources (Uses):				
Transfers In	1,302,619	1,302,619	1,299,772	(2,847)
Transfers Out	(5,355,500)	(5,355,500)	(5,375,711)	(20,211)
Sale of Assets			160	160
Total Other Financing Sources (Uses)	<u>(4,052,881)</u>	<u>(4,052,881)</u>	<u>(4,075,779)</u>	<u>(22,898)</u>
Net Change in Fund Balances	<u>\$ 19,230,284</u>	<u>19,563,595</u>	19,832,559	<u>268,964</u>
Fund Balance - Beginning			<u>30,400,210</u>	
Fund Balance - Ending			<u>\$ 50,232,769</u>	

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2022

	Business-Type Activities -- Enterprise Funds				Total	Governmental
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		Internal Service Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 156,422	712,934	21,868,000	5,616,950	28,354,306	1,301,432
Investments	9,013,823	40,925,321	152,603,000	23,730,628	226,272,772	71,606,676
Restricted Assets:						
Cash and Cash Equivalents	-	-	4,900,000	-	4,900,000	-
Investments	-	-	14,022,000	-	14,022,000	-
Receivables, (Net of Allowance for Uncollectibles)	3,200,485	5,444,168	20,982,000	4,374,710	34,001,363	484,795
Unbilled Revenues	2,953,476	5,566,984	15,540,000	-	24,060,460	-
Due from Other Funds	537,110	1,767,572	-	1,793,091	4,097,773	2,937,892
Due from Other Governments	-	-	-	231,910	231,910	291,556
Inventories	170,610	2,270,994	24,002,000	630,850	27,074,454	1,428,253
Plant Operation Assets	-	-	13,809,000	-	13,809,000	-
Prepaid Expenses	-	-	4,118,000	70,933	4,188,933	847,810
Total Current Assets	<u>16,031,926</u>	<u>56,687,973</u>	<u>271,844,000</u>	<u>36,449,072</u>	<u>381,012,971</u>	<u>78,898,414</u>
Noncurrent Assets:						
Investments	-	6,701,906	-	4,085,849	10,787,755	12,327,953
Costs Recoverable from Future Billings	607,218	199,364	3,931,000	-	4,737,582	-
Lease Receivable	-	-	-	21,342,174	21,342,174	1,799,778
Restricted Assets:						
Cash and Cash Equivalents	-	-	640,000	55,069	695,069	85,646
Investments	8,388,478	4,573,055	10,164,000	3,873,894	26,999,427	-
Receivables	-	-	-	11,200	11,200	-
Due from Other Funds	365,065	7,680,736	-	-	8,045,801	-
Total Restricted Assets	<u>8,753,543</u>	<u>12,253,791</u>	<u>10,804,000</u>	<u>3,940,163</u>	<u>35,751,497</u>	<u>85,646</u>
Capital Assets:						
Land	8,242,170	5,855,699	-	19,736,442	33,834,311	1,594,451
Buildings	84,646,093	87,711,859	-	83,753,636	256,111,588	22,336,572
Improvements Other Than Buildings	400,739,470	447,997,417	-	120,764,211	969,501,098	826,876
Machinery and Equipment	18,823,884	31,657,444	-	24,775,211	75,256,539	45,369,787
Utility Plant	-	-	1,771,573,000	-	1,771,573,000	-
Construction in Progress	22,575,841	5,357,844	82,922,000	17,491,281	128,346,966	74,675
Less Accumulated Depreciation	(191,378,615)	(201,540,603)	(873,999,000)	(98,371,911)	(1,365,290,129)	(35,230,453)
Total Capital Assets, Net	<u>343,648,843</u>	<u>377,039,660</u>	<u>980,496,000</u>	<u>168,148,870</u>	<u>1,869,333,373</u>	<u>34,971,908</u>
Lease Assets:						
Lease Assets	-	-	-	3,557,406	3,557,406	18,918
Less Amortization	-	-	-	(233,054)	(233,054)	(1,419)
Total Lease Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,324,352</u>	<u>3,324,352</u>	<u>17,499</u>
Total Noncurrent Assets	<u>353,009,604</u>	<u>396,194,721</u>	<u>995,231,000</u>	<u>200,841,408</u>	<u>1,945,276,733</u>	<u>49,202,784</u>
Total Assets	<u>369,041,530</u>	<u>452,882,694</u>	<u>1,267,075,000</u>	<u>237,290,480</u>	<u>2,326,289,704</u>	<u>128,101,198</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	457,205	308,386	12,546,000	847,872	14,159,463	-
Deferred Outflows for Pension	-	-	-	1,146,386	1,146,386	-
Deferred Outflows for OPEB	121,058	173,183	-	299,268	593,509	242,140
Deferred Costs for Asset Retirement Obligations	-	-	3,510,000	-	3,510,000	-
Total Deferred Outflows of Resources	<u>578,263</u>	<u>481,569</u>	<u>16,056,000</u>	<u>2,293,526</u>	<u>19,409,358</u>	<u>242,140</u>

(Continued)

(Proprietary Funds, Statement of Net Position, continued)

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 6,041,287	2,870,382	19,982,000	5,257,376	34,151,045	3,697,257
Accrued Liabilities	704,586	669,117	30,781,000	762,201	32,916,904	499,239
Accrued Compensated Absences	446,743	624,532	-	473,339	1,544,614	1,065,364
Due to Other Funds	145,612	72,926	-	176,748	395,286	44,254
Due to Other Governments	-	-	-	308,631	308,631	33
Unearned Revenue	-	-	-	1,690,626	1,690,626	16,698
Claims	-	-	-	-	-	4,433,361
Accrued Interest	494,949	71,985	6,810,000	91,736	7,468,670	138,123
Current Portion of Commercial Paper and Notes Payable	-	-	65,500,000	-	65,500,000	-
Accrued Lease Interest	-	-	-	14,648	14,648	178
Current Portion of Lease Liability	-	-	-	337,007	337,007	1,147
Current Portion of COPS	48,555	-	-	110,000	158,555	1,535,000
Current Portion of Long-Term Debt	6,121,951	3,862,307	30,205,000	3,575,000	43,764,258	-
Current Portion of Total OPEB Liability	12,916	18,477	-	31,930	63,323	25,835
Total Current Liabilities	<u>14,016,599</u>	<u>8,189,726</u>	<u>153,278,000</u>	<u>12,829,242</u>	<u>188,313,567</u>	<u>11,456,489</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	1,164,269	1,427,764	-	463,276	3,055,309	1,689,779
Claims	-	-	633,000	-	633,000	6,910,789
COPs Payable	-	-	-	1,095,000	1,095,000	8,359,038
Long-Term Debt, Net	69,934,449	24,175,513	609,208,000	44,852,576	748,170,538	-
Net Pension Liability	-	-	-	4,075,103	4,075,103	-
Lease Liability	-	-	-	2,941,396	2,941,396	16,456
Total OPEB Liability, Net	579,065	828,399	-	1,431,505	2,838,969	1,158,243
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	33,632,000	33,632,000	-
Asset Retirement Obligation	-	-	3,510,000	-	3,510,000	-
Total Noncurrent Liabilities	<u>71,677,783</u>	<u>26,431,676</u>	<u>613,351,000</u>	<u>88,490,856</u>	<u>799,951,315</u>	<u>18,134,305</u>
Total Liabilities	<u>85,694,382</u>	<u>34,621,402</u>	<u>766,629,000</u>	<u>101,320,098</u>	<u>988,264,882</u>	<u>29,590,794</u>
DEFERRED INFLOWS OF RESOURCES						
Reductions of future billings	-	-	34,932,000	-	34,932,000	-
Deferred Inflows for Pension	-	-	-	366,546	366,546	-
Deferred Inflows for Leases	-	-	-	22,335,398	22,335,398	1,977,063
Deferred Inflows for OPEB	24,246	34,686	-	59,938	118,870	48,498
Total Deferred Inflows of Resources	<u>24,246</u>	<u>34,686</u>	<u>34,932,000</u>	<u>22,761,882</u>	<u>57,752,814</u>	<u>2,025,561</u>
NET POSITION						
Net Investment in Capital Assets	269,874,411	352,068,636	297,064,000	119,937,223	1,038,944,270	24,580,774
Restricted for:						
Debt Service	801,143	506,195	10,045,000	-	11,352,338	-
Capital Projects	365,065	7,680,736	-	2,820,914	10,866,715	-
Other	-	-	1,040,000	-	1,040,000	-
Unrestricted	12,860,546	58,452,608	173,421,000	(7,256,111)	237,478,043	72,146,209
Total Net Position	<u>\$ 283,901,165</u>	<u>418,708,175</u>	<u>481,570,000</u>	<u>115,502,026</u>	<u>1,299,681,366</u>	<u>96,726,983</u>

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, 2022

	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	\$ 38,812,883	49,975,040	348,151,000	11,382,209	448,321,132	93,012,904
Fees	-	-	-	15,698,776	15,698,776	-
Parking Revenue	-	-	-	9,841,784	9,841,784	-
Performance Revenue	-	-	-	14,838,804	14,838,804	-
Other Operating Revenue	-	-	20,747,000	2,318,739	23,065,739	-
Total Operating Revenues	<u>38,812,883</u>	<u>49,975,040</u>	<u>368,898,000</u>	<u>54,080,312</u>	<u>511,766,235</u>	<u>93,012,904</u>
Operating Expenses						
Personal Services	-	-	-	19,783,526	19,783,526	17,448,942
Contractual Services	-	-	-	17,768,630	17,768,630	-
Operation and Maintenance	15,008,998	18,797,629	22,317,000	17,244,993	73,368,620	67,826,108
Purchased Power	-	-	168,222,000	-	168,222,000	-
Depreciation	9,849,440	9,329,216	36,702,000	7,016,962	62,897,618	4,082,282
Amortization	-	-	-	233,054	233,054	1,419
Administrative Costs	3,121,746	3,681,563	51,111,000	-	57,914,309	-
Total Operating Expenses	<u>27,980,184</u>	<u>31,808,408</u>	<u>278,352,000</u>	<u>62,047,165</u>	<u>400,187,757</u>	<u>89,358,751</u>
Operating Income (Loss)	<u>10,832,699</u>	<u>18,166,632</u>	<u>90,546,000</u>	<u>(7,966,853)</u>	<u>111,578,478</u>	<u>3,654,153</u>
Nonoperating Revenues (Expenses)						
Investment Earnings (Loss)	(355,337)	(312,129)	194,000	(90,090)	(563,556)	(20,053)
Lease Income	-	-	-	1,154,731	1,154,731	255,811
Lease Interest Income	-	-	-	356,879	356,879	35,226
Grant Revenue	-	-	-	295,442	295,442	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	44,725	44,725	572,999
Insurance Recoveries	-	2,914,808	-	-	2,914,808	-
Occupation Tax	-	-	-	5,336,074	5,336,074	-
Payments in Lieu of Taxes	-	-	(10,459,000)	-	(10,459,000)	-
Net Costs Recoverable	(65,556)	(48,712)	-	-	(114,268)	-
Interest Expense and Fiscal Charges	(2,258,193)	(768,309)	(19,504,000)	(1,580,547)	(24,111,049)	(223,438)
Total Nonoperating Revenues (Expenses)	<u>(2,679,086)</u>	<u>1,785,658</u>	<u>(29,769,000)</u>	<u>5,517,214</u>	<u>(25,145,214)</u>	<u>620,545</u>
Income Before Contributions and Transfers	8,153,613	19,952,290	60,777,000	(2,449,639)	86,433,264	4,274,698
Capital Contributions	5,739,714	5,601,432	1,063,000	4,534,188	16,938,334	-
Plant Costs Recovered through Capital Contributions	-	-	(1,063,000)	-	(1,063,000)	-
Transfers In	-	-	-	5,453,712	5,453,712	227,223
Transfers Out	(8,173)	(25,329)	(11,538,000)	(4,187,989)	(15,759,491)	(377,331)
Change in Net Position	<u>13,885,154</u>	<u>25,528,393</u>	<u>49,239,000</u>	<u>3,350,272</u>	<u>92,002,819</u>	<u>4,124,590</u>
Net Position - Beginning of Year	<u>270,016,011</u>	<u>393,179,782</u>	<u>432,331,000</u>	<u>112,252,335</u>	<u>1,207,779,128</u>	<u>92,602,393</u>
Adjustment for Implementation of GASB 87	-	-	-	(100,581)	(100,581)	-
Net Position - Beginning of Year, After Restatement	<u>270,016,011</u>	<u>393,179,782</u>	<u>432,331,000</u>	<u>112,151,754</u>	<u>1,207,678,547</u>	<u>92,602,393</u>
Net Position - Ending	<u>\$ 283,901,165</u>	<u>418,708,175</u>	<u>481,570,000</u>	<u>115,502,026</u>	<u>1,299,681,366</u>	<u>96,726,983</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, 2022

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 41,926,126	49,278,868	380,754,000	44,437,637	516,396,631	22,658,192
Receipts from Interfund Services Provided	86,839	1,109,902	6,915,000	1,403,211	9,514,952	70,402,932
Payments to Suppliers for Goods and Services	(6,285,242)	(8,224,184)	(183,163,000)	(23,676,759)	(221,349,185)	(63,512,021)
Payments to Employees	(7,960,580)	(9,943,461)	(36,899,000)	(16,551,256)	(71,354,297)	(17,203,961)
Payments for Interfund Services Provided	(3,439,391)	(4,183,639)	(1,626,000)	(4,354,037)	(13,603,067)	(4,131,482)
Other Receipts	-	-	-	2,628,578	2,628,578	-
Net Cash Provided by Operating Activities	<u>24,327,752</u>	<u>28,037,486</u>	<u>165,981,000</u>	<u>3,887,374</u>	<u>222,233,612</u>	<u>8,213,660</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	5,215,810	5,215,810	-
Payments in Lieu of Taxes	-	-	(10,574,000)	-	(10,574,000)	-
Insurance Recoveries	-	2,914,808	-	-	2,914,808	-
Transfers from Other Funds	266,125	-	-	5,453,712	5,719,837	227,223
Transfers to Other Funds	(8,173)	(105,469)	(11,025,000)	(4,187,989)	(15,326,631)	(377,331)
Repayments from Other Funds	-	-	-	81,283	81,283	162,566
Grant Proceeds	-	-	-	64,342	64,342	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>257,952</u>	<u>2,809,339</u>	<u>(21,599,000)</u>	<u>6,627,158</u>	<u>(11,904,551)</u>	<u>12,458</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(18,017,821)	(15,518,719)	(53,215,000)	(17,241,654)	(103,993,194)	(5,887,919)
Capital Contributions	975,203	2,654,727	1,063,000	-	4,692,930	-
Proceeds from Sale of Capital Assets	-	-	-	108,475	108,475	675,314
Cost of Debt Issuance	-	-	-	-	-	(2,653)
Net Cost of Retiring Plant	-	-	903,000	-	903,000	-
Proceeds from Leases/Lease Interest	-	-	-	1,312,546	1,312,546	250,364
Principal Payments of Leases	-	-	-	(279,003)	(279,003)	(1,315)
Principal Payments of COPs	-	-	-	(290,978)	(290,978)	(1,030,000)
Principal Payments of Long-Term Debt	(5,916,442)	(4,701,657)	(28,955,000)	(3,455,000)	(43,028,099)	-
Interest and Fiscal Charges Paid	(2,704,338)	(1,114,384)	(21,700,000)	(1,542,097)	(27,060,819)	(623,024)
Net Cash Used by Capital and Related Financing Activities	<u>(25,663,398)</u>	<u>(18,680,033)</u>	<u>(101,904,000)</u>	<u>(21,387,711)</u>	<u>(167,635,142)</u>	<u>(6,619,233)</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	11,067,998	23,069,427	232,626,000	24,500,889	291,264,314	52,621,885
Purchases of Investments	(12,714,985)	(42,828,626)	(275,626,000)	(28,625,036)	(359,794,647)	(74,872,124)
Interest and Other Receipts	132,496	185,377	202,000	89,457	609,330	69,075
Net Cash Provided (Used) by Investing Activities	<u>(1,514,491)</u>	<u>(19,573,822)</u>	<u>(42,798,000)</u>	<u>(4,034,690)</u>	<u>(67,921,003)</u>	<u>(22,181,164)</u>
Net Increase in Cash and Cash Equivalents	(2,592,185)	(7,407,030)	(320,000)	(14,907,869)	(25,227,084)	(20,574,279)
Cash and Cash Equivalents - Beginning	2,748,607	8,119,964	27,728,000	20,579,888	59,176,459	21,961,357
Cash and Cash Equivalents - Ending	<u>\$ 156,422</u>	<u>712,934</u>	<u>27,408,000</u>	<u>5,672,019</u>	<u>33,949,375</u>	<u>1,387,078</u>

(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 (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 10,832,699	18,166,632	90,546,000	(7,966,853)	111,578,478	3,654,153
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	9,849,440	9,329,216	36,702,000	7,250,016	63,130,672	4,083,701
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable and Unbilled Revenues	579,723	(291,940)	(2,000)	1,138,704	1,424,487	(4,648)
Due from Other Funds	2,599,859	675,381	-	(438,971)	2,836,269	108,147
Due from Other Governments	-	-	-	73,068	73,068	(53,840)
Inventories	(54,817)	(568,312)	(2,740,000)	(50,764)	(3,413,893)	(643,560)
Plant Operation Assets	-	-	4,609,000	-	4,609,000	-
Prepaid Expenses	-	-	-	64,552	64,552	(63,843)
Other Assets	-	-	(405,000)	-	(405,000)	-
Deferred Outflows for Pension	-	-	-	(110,972)	(110,972)	-
Deferred Outflows for OPEB	26,171	37,440	-	60,752	124,363	52,347
Accounts Payable	398,297	822,148	3,512,000	2,036,835	6,769,280	759,415
Accrued Liabilities	(168,068)	(416,027)	(1,193,000)	232,819	(1,544,276)	55,939
Accrued Compensated Absences	95,422	343,995	-	(9,867)	429,550	89,861
Due to Other Funds	145,612	(5,578)	-	30,256	170,290	(9,612)
Due to Other Governments	-	-	-	130,936	130,936	(9,775)
Unearned Revenue	-	-	-	(6,281,319)	(6,281,319)	(1,440)
Reductions in Future Billings	-	-	34,932,000	-	34,932,000	-
Claims	-	-	20,000	-	20,000	149,981
Net Pension Liability	-	-	-	1,794,910	1,794,910	-
Total OPEB Liability	31,094	(44,482)	-	91,712	78,324	62,194
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	7,616,000	7,616,000	-
Deferred Inflows for Pension	-	-	-	(1,756,309)	(1,756,309)	-
Deferred Inflows for OPEB	(7,680)	(10,987)	-	(18,131)	(36,798)	(15,360)
Total Adjustments	13,495,053	9,870,854	75,435,000	11,854,227	110,655,134	4,559,507
Net Cash Provided by Operating Activities	\$ 24,327,752	28,037,486	165,981,000	3,887,374	222,233,612	8,213,660
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 4,764,511	2,946,705	-	4,534,188	12,245,404	-
Purchase of Capital Assets on Account	(5,267,623)	(1,236,465)	(1,261,000)	(601,509)	(8,366,597)	(582,639)
Change in Fair Value of Investments	(470,191)	(497,356)	41,000	198,635	(727,912)	(101,546)

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, 2022

	<u>Police & Fire Pension Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,844,623	5,357,539
Investments:		
Pooled Investment Funds	4,223,504	-
Mutual Funds	142,296,549	-
Limited Partnership	91,953,860	-
Real Estate Limited Partnerships	60,848,398	-
Total Investments	299,322,311	-
Receivables:		
Contributions	619,602	-
Taxes	-	634,617
Accrued Interest	9,009	10,528
Due from Other Governments	323	-
Total Assets	<u>301,795,868</u>	<u>6,002,684</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for OPEB	<u>1,678</u>	<u>-</u>
LIABILITIES		
Accounts Payable	23,000	-
Accrued Liabilities	5,477	-
Accrued Compensated Absences	18,794	-
Total OPEB Liability	8,208	-
Due to Contractors	-	5,459,030
Total Liabilities	<u>55,479</u>	<u>5,459,030</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for OPEB	<u>336</u>	<u>-</u>
NET POSITION		
Restricted for:		
Pensions	301,741,731	-
Developers, Seized Cash, and Other Governments	-	543,654
Total Net Position	<u>\$ 301,741,731</u>	<u>543,654</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, 2022

	<u>Police & Fire Pension Trust Fund</u>	<u>Custodial Funds</u>
Additions:		
Contributions:		
Employer	\$ 12,053,763	-
Employee	3,839,688	-
Total Contributions	<u>15,893,451</u>	<u>-</u>
Investment Earnings (Loss):		
Interest	(30,556)	-
Dividends	2,535,719	-
Increase (Decrease) in Fair Value of Investments	<u>(14,596,783)</u>	<u>24,253</u>
Investment Earnings	<u>(12,091,620)</u>	<u>24,253</u>
Less Investment Expense	(425,154)	-
Net Investment Earnings (Loss)	<u>(12,516,774)</u>	<u>24,253</u>
Real Property and Personal Property Tax	-	10,770,614
Sales Tax Collections For Other Governments	-	377,469
Seized Cash	-	358,649
Miscellaneous	-	<u>858,010</u>
Total Additions	<u>3,376,677</u>	<u>12,388,995</u>
Deductions:		
Benefit Payments	19,917,018	-
Refunds of Contributions	647,845	-
Administrative Costs	530,975	-
Seized Cash Used	-	254,452
Payments of Sales Tax to Other Governments	-	377,469
Developer Purchased TIF Payments	-	10,350,572
Miscellaneous	-	<u>2,187,820</u>
Total Deductions	<u>21,095,838</u>	<u>13,170,313</u>
Change in Net Position	<u>(17,719,161)</u>	<u>(781,318)</u>
Net Position Restricted - Beginning	<u>319,460,892</u>	<u>1,324,972</u>
Net Position Restricted - Ending	<u>\$ 301,741,731</u>	<u>543,654</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, 2022

(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, 2022. 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, 2021. The amounts included in the City's 2022 financial statements for LES are amounts as of and for the year ended December 31, 2021.

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*.

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.

CITY OF LINCOLN, NEBRASKA
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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 pension 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. Custodial 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 Federal Grants Fund, a special revenue 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 Fund (FEMA) Fund – to account for reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood damage and

CITY OF LINCOLN, NEBRASKA
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pandemic expenses. Funds are used to reimburse other funds for related costs and to pay disaster and pandemic related expenses.

- American Rescue Plan Act (ARPA) Fund – to account for monies received from federal Treasury due to the COVID-19 pandemic. Monies are utilized as stipulated in the Final Rule from the US Treasury Department.

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, along with several other smaller sources provide 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.

Additionally, the City reports the following fund types:

Internal Service Funds account for information technology services, 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 Police & Fire Pension Trust Fund accounts for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers and firefighters.

The Custodial Funds account for the collection of sales tax to be remitted to other governmental entities, developer’s money held for tax increment financing, and seized funds held for final court decisions of disbursal.

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.

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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 Police & Fire 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 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 fund balance 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.

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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 Codification Section Re10, *Regulated Operations*.

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 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 0.6% and 20%, depending on the respective asset type.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Capital and Lease Asset Impairment

The City evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset or lease asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended August 31, 2022.

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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.

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.

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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 \$41,580,391 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 and lease assets, net of accumulated depreciation and amortization, 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 \$264,479,420 of restricted net position, of which enabling legislation restricts \$66,144,610.

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
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BUDGETARY DATA

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, or for circumstances which could not reasonably have been anticipated at the time the budget was adopted.

- 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 custodial funds. In addition, capital project funds are budgeted on a project rather than a biennial basis.

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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 \$25,315,156 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

During the fiscal year ended August 31, 2022, the City implemented the following GASB Pronouncement:

GASB Statement No. 87, *Leases (GASB 87)*. In governmental funds, the City now recognizes an expenditure for the current year lease and interest due for leases with payments made during the lease term of over \$5,000. Payments on contracts under that threshold are recorded as expenditures. In the government-wide statements, the City recognizes a lease liability and right to use lease asset for the present value of all future lease payments at the commencement of the lease for leases with total future minimum payments over \$5,000. As a lessor, the City recognizes a lease receivable and deferred inflow of resources that will be recognized over the term of the lease in both the governmental funds and the government-wide statements.

In both proprietary funds and government-wide statements, the City recognizes a lease liability and right to use lease asset for the present value of all future lease payments at the commencement of the lease for leases with total future minimum payments over \$5,000. Payments on contracts under that threshold are recorded as expenses. As a lessor, the City recognizes a lease receivable and deferred inflow of resources that will be recognized over the term of the lease in both the proprietary funds and the government-wide statements.

Implementation of these standards required the City to restate beginning balances for business-type activities and other enterprise funds for leases that were re-valued under the new standard, as noted below:

Changes in Beginning Net Position

	<u>Business-Type Activities</u>	<u>Other Enterprise Funds</u>
Beginning of Year, Before Restatement	\$ 1,207,779,128	\$ 112,252,335
Adjustment for Implementation of GASB 87	<u>(100,581)</u>	<u>(100,581)</u>
Beginning of Year, After Restatement	<u>\$ 1,207,678,547</u>	<u>\$ 112,151,754</u>

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(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 \$538,538,475 difference are as follows:

Bonds Payable	\$ 394,542,367
Less issuance discounts	(940,340)
Plus issuance premiums	10,911,929
Plus deferred gain on refunding	617,461
Less deferred loss on refunding	(2,490,945)
COPs Payable	26,957,500
Accrued Interest Payable	3,958,739
Accrued Lease Interest Payable	1,211
Net Pension Liability	70,170,835
Deferred Outflows for Pension	(16,843,108)
Deferred Inflows for Pension	450,995
Total OPEB Liability	24,648,092
Deferred Outflows for OPEB	(5,040,455)
Deferred Inflows for OPEB	1,009,522
Leases	1,424,541
Compensated Absences	29,035,707
Other	121,424
Net difference	<u>\$ 538,535,475</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 or amortization expense.” The details of this \$8,137,736 difference are as follows:

Capital outlay	\$ 55,848,302
Leases	2,054,066
Depreciation expense	(49,119,069)
Amortization expense	(645,563)
Net difference	<u>\$ 8,137,736</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, COPs) 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 \$21,904,594 difference are as follows:

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Amortization of deferred premiums, discounts, and amounts from refundings		\$	1,170,110
Principal repayments			20,734,484
Net difference		\$	21,904,594

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 \$(2,820,874) difference are as follows:

Loss on disposal of capital assets		\$	(36,642)
Construction contracts			(681,938)
Accrued interest			(4,339)
Compensated absences			(2,080,335)
Other			(17,620)
Net difference		\$	(2,820,874)

(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, 2022, are as follows:

Fund Account	Golf	Parking System	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Total
Principal and Interest	\$ -	-	-	801,143	645,423	16,870,000	18,316,566
Reserve	-	-	1,117,084	-	219,476	10,190,000	11,526,560
Surplus	-	-	-	7,952,400	11,388,892	-	19,341,292
Renewal and Replacement	-	2,552,120	-	-	-	-	2,552,120
Capital Construction and Equipment	2,165	207,422	61,372	-	-	-	270,959
Customer/Developer Deposits	-	-	-	-	-	827,000	827,000
Claims	-	-	-	-	-	1,839,000	1,839,000
Total	\$ 2,165	2,759,542	1,178,456	8,753,543	12,253,791	29,726,000	54,673,497

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.

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(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).

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, 2022.

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 52, 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
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At August 31, 2022, the City had the following investments, maturities, credit ratings, and fair value measurement:

Type	August 31, 2022					Credit Rating		Hierarchy Level
	Carrying Value	Maturities in Years				Moody's	S&P	
		Less than 1	1-5	6-10	More than 10			
General City:								
U.S. Treasury Obligations	\$ 314,202,989	307,074,673	5,777,929	1,350,387	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	308,753,476	230,393,892	67,047,000	11,312,584	-	Aaa	AA+	2
Commercial Issuers (Commercial Paper)	89,760,972	89,760,972	-	-	-	P1	A1	2
Commercial Issuers (Commercial Paper)	6,718,000	6,718,000	-	-	-	P2	A2	2
Municipal Bonds	300,000	300,000	-	-	-	Aa2	AAA	2
Municipal Bonds	1,632,159	1,632,159	-	-	-	Aa3	AA-	2
Municipal Bonds	182,210	182,210	-	-	-	Aaa	AA+	2
Municipal Bonds	6,639,518	5,253,841	1,385,677	-	-	Aaa	AAA	2
Money Market Funds - U.S. Treasury	10,339,109	10,339,109	-	-	-	Aaa-mf	AAAm	N/A
Money Market Funds - U.S. Agencies	12,224,184	12,224,184	-	-	-	Aaa-mf	AAAm	N/A
Money Market Funds	22,728,000	22,728,000	-	-	-	Aaa-mf	Not rated	N/A
Money Market Funds	2,558,364	2,558,364	-	-	-	Not Rated	Not Rated	N/A
External Investment Trust	20,000,000	19,500,000	500,000	-	-	Not rated	Not rated	N/A
Tax Increment Financing Investments	6,081,462	5,889	64,117	1,749,232	4,262,224	Not rated	Not rated	2
Equities	5,463,355	5,463,355	-	-	-	Not rated	Not rated	1
Total General City	807,583,798	714,134,648	74,774,723	14,412,203	4,262,224			
Community Health Endowment:								
Money Market Mutual Funds	13,287	13,287	-	-	-	Not Rated	Not Rated	N/A
Mutual Funds	62,929,689	62,929,689	-	-	-	Not Rated	Not Rated	NAV
Limited Partnership	491	491	-	-	-	Not Rated	Not Rated	NAV
Total Community Health Endowment:	62,943,467	62,943,467	-	-	-			
Total Primary Government	870,527,265	777,078,115	74,774,723	14,412,203	4,262,224			
Police & Fire Pension Trust:								
Mutual Funds	142,296,549	142,296,549	-	-	-	Not Rated	Not Rated	1
Limited Partnership	91,953,860	-	-	-	-	-	-	NAV
Real Estate Limited Partnerships	60,848,398	-	-	-	-	-	-	NAV
Total Police & Fire Pension Trust	295,098,807							
Total	\$ 1,165,626,072							

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, 2022 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, commercial paper, bankers' acceptances, equities, and investment agreements.

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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	AA	---
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.

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.

<u>Type</u>	<u>Portfolio Composition</u>	<u>Policy Limits on Issuer</u>
U.S. agency obligations:		
Federal Home Loan Bank	22.37 %	40.00 %
Federal Home Loan Mortgage Corporation	2.07	40.00
Federal National Mortgage Association	3.55	40.00
Federal Farm Credit Bank	10.12	40.00
Federal Agricultural Mortgage Corporation	0.12	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.

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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. CHE's investments in fixed income securities at August 31, 2022 were made through mutual funds, which do not receive individual credit ratings.

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. None of CHE's investments exceeded 5% or more of its total investments at August 31, 2022.

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, 2022.

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, 2022:

CITY OF LINCOLN, NEBRASKA
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<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.

Concentration of Credit Risk. The policy places no limit on the amount that may be invested in any one issuer. The following individual investments held by the Plan as of August 31, 2022 are greater than 5% of the Plan's fiduciary net position:

Vanguard Total Stock Market Index	21.40 %
J.P. Morgan Core Bond Fund	14.66
RREEF America REIT II	11.85
Dodge and Cox Global Stock Fund	9.20
American New Perspective R6	8.62
Prudential Prisa III Fund	7.37
Bain Capital Senior Loan Fund	6.64

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

TenaskaTPF II, LP - \$53,712
Aberdeen U.S. Private Equity VI - \$292,500
StepStone VC Global Partners IX-B - \$1,260,000
Warburg Pincus Global Growth - \$421,750
Weathergage Venture Capital IV - \$840,000
Golub Capital Partners International Fund 11 - \$500,000
Principal Real Estate Debt Fund II - \$307,364
OHA Tactical Opportunities Fund (Offshore) - \$1,019,185
Varde Dislocation Fund Offshore - \$615,000

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2022:

	<u>Totals</u>		
Investments	\$	1,165,626,072	
Deposits and Cash on Hand		25,241,927	
	\$	1,190,867,999	
	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals
Cash and Cash Equivalents	\$ 56,721,801	7,202,162	63,923,963
Investments	743,759,583	299,322,311	1,043,081,894
Restricted Assets:			
Cash and Cash Equivalents	5,680,715	-	5,680,715
Investments	78,181,427	-	78,181,427
	\$ 884,343,526	306,524,473	1,190,867,999

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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(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					Total
	General Fund	Street Construction	West Haymarket JPA	Federal Grants Fund	Other Governmental Funds	
Fund Balances:						
Nonspendable:						
Inventory	\$ 64,822	798,594	-	-	1,175,996	2,039,412
Prepaid Items	446,784	-	248,179	-	474,672	1,169,635
Permanent Fund Principal	-	-	-	-	37,160,000	37,160,000
Total Nonspendable	<u>511,606</u>	<u>798,594</u>	<u>248,179</u>	<u>-</u>	<u>38,810,668</u>	<u>40,369,047</u>
Restricted For:						
Capital Improvements	10,339,109	73,168,133	1,049,230	-	52,945,697	137,502,169
Human Services	1,801,534	-	-	-	-	1,801,534
Donor Purposes	5,026,862	-	-	-	4,185,645	9,212,507
Public Improvements	1,220,535	-	-	-	-	1,220,535
Agency Activities	-	-	1,921,813	-	-	1,921,813
Land Purchases	-	-	-	-	1,389,525	1,389,525
Social Security Obligations	-	-	-	-	777	777
Community Betterment	-	-	-	-	7,575,003	7,575,003
Federal Loan Programs	-	-	-	17,772,691	-	17,772,691
Special Assessment Improvements	-	-	-	-	59,552	59,552
Debt Service	-	-	-	-	6,519,717	6,519,717
Health Care	-	-	-	-	25,315,157	25,315,157
Claims Contingencies	-	-	-	-	865,000	865,000
Library Media	-	-	-	-	1,070,209	1,070,209
Street Maintenance	-	-	-	-	1,037,898	1,037,898
Fiduciary Purposes	-	-	-	-	-	-
Total Restricted	<u>18,388,040</u>	<u>73,168,133</u>	<u>2,971,043</u>	<u>17,772,691</u>	<u>100,964,180</u>	<u>213,264,087</u>
Committed To:						
Public Access Television	-	-	-	-	309,712	309,712
Building Code Enforcement	-	-	-	-	535,863	535,863
Debt Service	-	-	-	-	6,666	6,666
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,241</u>	<u>852,241</u>
Assigned To:						
Capital Improvements	-	153,517	-	-	-	153,517
Donor Purposes	1,070,648	-	-	-	-	1,070,648
Public Improvements	2,490	-	-	-	726,136	728,626
Athletic Facility Improvements	785,714	-	-	-	-	785,714
Senior Care	2,608,329	-	-	-	-	2,608,329
Emergency Communications	5,816,083	-	-	-	-	5,816,083
Economic Development Projects	5,195,940	-	-	-	-	5,195,940
Debt Service	-	-	38,810,001	-	-	38,810,001
Land Purchases	-	-	-	-	2,010,340	2,010,340
Public Access Television	-	-	-	-	23,855	23,855
Library Services	-	-	-	-	4,678,782	4,678,782
Health Care	-	-	-	-	7,246,290	7,246,290
Public Transportation	-	-	-	-	2,090,576	2,090,576
Community Betterment	-	-	-	-	427,711	427,711
Building Code Enforcement	-	-	-	-	12,138,401	12,138,401
Park Projects	-	-	-	-	236,631	236,631
Subsequent Year's Appropriated Fund Balance	3,589,474	-	-	-	-	3,589,474
Other Purposes	235,129	-	-	-	-	235,129
Total Assigned	<u>19,303,807</u>	<u>153,517</u>	<u>38,810,001</u>	<u>-</u>	<u>29,578,722</u>	<u>87,846,047</u>
Unassigned	<u>99,138,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(682,107)</u>	<u>98,456,860</u>
Total Fund Balances	<u>\$ 137,342,420</u>	<u>74,120,244</u>	<u>42,029,223</u>	<u>17,772,691</u>	<u>169,523,704</u>	<u>440,788,282</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

(6) RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables at August 31, 2022, consist of the following (in thousands):

Fund	Taxes	Accounts	Accrued Interest	Lease Accounts	Lease Interest	Loans	Special Assessment		Contributions	Gross Receivables	Allowance For Uncollectibles	Net
							Current	Deferred				
General	\$ 4,182	1,831	878	9,877	14	-	-	-	-	16,782	-	16,782
Street Construction	-	177	52	-	-	-	-	-	-	229	-	229
West Haymarket JPA	1,922	748	171	778	-	-	-	-	-	3,619	-	3,619
Federal Grants	-	657	134	-	-	22,231	-	-	-	23,022	2,550	20,472
Wastewater System	-	6,154	-	-	-	-	-	-	-	6,154	-	6,154
Water System	-	11,011	-	-	-	-	-	-	-	11,011	-	11,011
Electric System	-	39,152	159	-	-	-	-	-	-	39,311	2,789	36,522
Nonmajor -												
Special Revenue	1,192	1,657	151	17	-	-	-	-	-	3,017	-	3,017
Debt Service	423	137	19	-	-	-	275	1,475	-	2,329	128	2,201
Capital Projects	-	-	124	7	-	-	-	-	-	131	-	131
Permanent	-	-	3	-	-	-	-	-	-	3	-	3
Enterprise	-	6,485	40	22,494	40	-	-	-	-	29,059	3,331	25,728
Internal Service	-	250	17	2,018	-	-	-	-	-	2,285	-	2,285
Fiduciary	635	-	20	-	-	-	-	-	620	1,275	-	1,275
Total	\$ 8,354	68,259	1,768	35,191	54	22,231	275	1,475	620	138,227	8,798	129,429

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2022, were \$130,924.

The total of Due From Other Governments of \$45,776,355 includes the following significant items:

Fund/Fund Type	Amount	Service
General/Major Governmental	\$17,492,932	State of Nebraska, July/August Sales & Use Tax
	630,194	August Motor Vehicle Taxes Collected by Lancaster County
	10,854	August Property Tax Interest Collected by Lancaster County
	172,960	Federal Government, Cost Reimbursements
	142,226	Lancaster County, Cost Reimbursements
	2,240	State of Nebraska, Cost Reimbursements
	5,752,620	State of Nebraska, July/August Highway User Fees
Street Construction/Major Governmental	5,197,893	State of Nebraska, Cost Reimbursements
	2,656,546	Federal Government, Cost Reimbursements
	740,197	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	5,651,433	Federal Government, Cost Reimbursements
Federal Grants/Major Governmental	1,703,228	Federal Government, Cost Reimbursements
StarTran/Special Revenue	968,881	August Motor Vehicle Taxes Collected by Lancaster County
Vehicle Tax Residual Revenue/Special Revenue	17,398	August Special Assessments Collected by Lancaster County
Special Assessment/Debt Service	2,927,824	State of Nebraska, July/August Sales & Use Tax
Lincoln On The Move/Capital Projects	968,880	August Motor Vehicle Taxes Collected by Lancaster County
Vehicle Tax/Capital Projects	231,101	Federal Government, Cost Reimbursements
Solid Waste Management/Enterprise Funds	223,038	Lancaster County Billings
Information Services/Internal Service	64,939	State of Nebraska Billings
Police Garage/Internal Service	45,555,384	
Subtotal	216,301	
LPS Asset Bank Balance	4,515	
All other	<u>\$45,776,355</u>	
Total Due From Other Governments		

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

(7) **LEASE AND CAPITAL ASSETS**

Lease asset activity for the year ended August 31, 2022, was as follows:

	Beginning Balances*	Increases	Decreases	Ending Balances
Governmental Activities:				
Land	18,918	-	-	18,918
Buildings	1,960,347	51,338	-	2,011,685
Machinery and Equipment	-	42,381	-	42,381
	<u>1,979,265</u>	<u>93,719</u>	<u>-</u>	<u>2,072,984</u>
Less Accumulated Amortization for:				
Land	-	1,419	-	1,419
Buildings	-	644,151	-	644,151
Machinery and Equipment	-	1,413	-	1,413
	<u>-</u>	<u>646,983</u>	<u>-</u>	<u>646,983</u>
Governmental Activities Lease Assets, Net	<u>\$ 1,979,265</u>	<u>(553,264)</u>	<u>-</u>	<u>1,426,001</u>
	Beginning Balances*	Increases	Decreases	Ending Balances
Business-type Activities:				
Land	2,581,967	-	-	2,581,967
Machinery and Equipment	412,106	563,333	-	975,439
	<u>2,994,073</u>	<u>563,333</u>	<u>-</u>	<u>3,557,406</u>
Less Accumulated Amortization for:				
Land	-	107,298	-	107,298
Machinery and Equipment	-	125,756	-	125,756
	<u>-</u>	<u>233,054</u>	<u>-</u>	<u>233,054</u>
Business-type Activities Lease Assets, Net	<u>\$ 2,994,073</u>	<u>330,279</u>	<u>-</u>	<u>3,324,352</u>

*As restated due to adoption of GASB 87.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

Capital asset activity for the year ended August 31, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 169,778,897	1,160,796	-	-	170,939,693
Construction in Progress	79,977,841	45,110,939	6,677,053	(2,252,712)	116,159,015
Total Capital Assets, not being Depreciated	<u>249,756,738</u>	<u>46,271,735</u>	<u>6,677,053</u>	<u>(2,252,712)</u>	<u>287,098,708</u>
Capital Assets, being Depreciated:					
Buildings	394,260,706	1,354,424	22,632	-	395,592,498
Improvements Other Than Buildings	151,289,395	2,801,519	-	-	154,090,914
Machinery and Equipment	146,865,522	8,520,917	4,218,122	-	151,168,317
Infrastructure	1,089,856,221	27,043,275	4,695	-	1,116,894,801
Total Capital Assets, being Depreciated	<u>1,782,271,844</u>	<u>39,720,135</u>	<u>4,245,449</u>	<u>-</u>	<u>1,817,746,530</u>
Less Accumulated Depreciation for:					
Buildings	99,901,788	8,828,121	22,055	-	108,707,854
Improvements Other Than Buildings	62,139,022	4,608,088	-	-	66,747,110
Machinery and Equipment	82,157,950	9,820,173	4,079,742	-	87,898,381
Infrastructure	439,995,366	29,944,967	4,695	-	469,935,638
Total Accumulated Depreciation	<u>684,194,126</u>	<u>53,201,349</u>	<u>4,106,492</u>	<u>-</u>	<u>733,288,983</u>
Total Capital Assets, being Depreciated, Net	<u>1,098,077,718</u>	<u>(13,481,214)</u>	<u>138,957</u>	<u>-</u>	<u>1,084,457,547</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,347,834,456</u>	<u>32,790,521</u>	<u>6,816,010</u>	<u>(2,252,712)</u>	<u>1,371,556,255</u>
Business-type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 33,735,595	98,716	-	-	33,834,311
Construction in Progress	159,090,442	93,001,229	123,744,705	-	128,346,966
Total Capital Assets, not being Depreciated	<u>192,826,037</u>	<u>93,099,945</u>	<u>123,744,705</u>	<u>-</u>	<u>162,181,277</u>
Capital Assets, being Depreciated:					
Buildings	254,890,150	1,221,438	-	-	256,111,588
Improvements Other Than Buildings	907,762,282	59,486,104	-	2,252,712	969,501,098
Machinery and Equipment	72,388,535	4,090,866	1,222,862	-	75,256,539
Utility Plant	1,722,444,000	68,798,000	19,669,000	-	1,771,573,000
Total Capital Assets, being Depreciated	<u>2,957,484,967</u>	<u>133,596,408</u>	<u>20,891,862</u>	<u>2,252,712</u>	<u>3,072,442,225</u>
Less Accumulated Depreciation for:					
Buildings	116,844,248	5,291,929	-	-	122,136,177
Improvements Other Than Buildings	301,183,657	17,336,333	-	-	318,519,990
Machinery and Equipment	47,719,277	3,567,356	651,671	-	50,634,962
Utility Plant	858,144,000	36,702,000	20,847,000	-	873,999,000
Total Accumulated Depreciation	<u>1,323,891,182</u>	<u>62,897,618</u>	<u>21,498,671</u>	<u>-</u>	<u>1,365,290,129</u>
Total Capital Assets, being Depreciated, Net	<u>1,633,593,785</u>	<u>70,698,790</u>	<u>(606,809)</u>	<u>2,252,712</u>	<u>1,707,152,096</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,826,419,822</u>	<u>163,798,735</u>	<u>123,137,896</u>	<u>2,252,712</u>	<u>1,869,333,373</u>

CITY OF LINCOLN, NEBRASKA
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Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 1,501,024
Public Safety	4,472,029
Streets and Highways, including Infrastructure	29,177,674
Culture and Recreation	10,843,619
Economic Opportunity	4,593
Health and Welfare	946,365
Mass Transit	<u>2,819,327</u>
Subtotal	49,764,631
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	<u>4,083,701</u>
Total Depreciation and Amortization Expense - Governmental	<u>\$ 53,848,332</u>

Business-type Activities:	
Golf	\$ 512,840
Parking System	2,420,927
Pinnacle Bank Arena	98,530
Solid Waste Management	2,481,998
Emergency Medical Services	293,186
Broadband Enterprise	1,442,535
Wastewater System	9,849,440
Water System	9,329,216
Lincoln Electric System	<u>36,702,000</u>
Total Depreciation and Amortization Expense - Business-type	<u>\$ 63,130,672</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	\$ 8,242,170	-	-	8,242,170
Construction in Progress	25,705,739	21,589,499	24,719,397	22,575,841
Total Capital Assets, not being Depreciated	<u>33,947,909</u>	<u>21,589,499</u>	<u>24,719,397</u>	<u>30,818,011</u>
Capital Assets, being Depreciated:				
Buildings	84,643,953	2,140	-	84,646,093
Improvements Other Than Buildings	372,240,521	28,498,949	-	400,739,470
Machinery and Equipment	17,908,298	994,990	79,404	18,823,884
Total Capital Assets, being Depreciated	<u>474,792,772</u>	<u>29,496,079</u>	<u>79,404</u>	<u>504,209,447</u>
Less Accumulated Depreciation for:				
Buildings	41,748,396	1,740,249	-	43,488,645
Improvements Other Than Buildings	129,168,858	7,212,885	-	136,381,743
Machinery and Equipment	10,691,325	896,306	79,404	11,508,227
Total Accumulated Depreciation	<u>181,608,579</u>	<u>9,849,440</u>	<u>79,404</u>	<u>191,378,615</u>
Total Capital Assets, being Depreciated, Net	<u>293,184,193</u>	<u>19,646,639</u>	<u>-</u>	<u>312,830,832</u>
Wastewater System Capital Assets, Net	<u>\$ 327,132,102</u>	<u>41,236,138</u>	<u>24,719,397</u>	<u>343,648,843</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,756,983	98,716	-	5,855,699
Construction in Progress	6,174,930	11,697,915	12,515,001	5,357,844
Total Capital Assets, not being Depreciated	<u>11,931,913</u>	<u>11,796,631</u>	<u>12,515,001</u>	<u>11,213,543</u>
Capital Assets, being Depreciated:				
Buildings	86,774,768	937,091	-	87,711,859
Improvements Other Than Buildings	434,438,918	13,558,499	-	447,997,417
Machinery and Equipment	30,496,618	1,317,981	157,155	31,657,444
Total Capital Assets, being Depreciated	<u>551,710,304</u>	<u>15,813,571</u>	<u>157,155</u>	<u>567,366,720</u>
Less Accumulated Depreciation for:				
Buildings	39,189,809	1,694,044	-	40,883,853
Improvements Other Than Buildings	131,189,651	6,539,904	-	137,729,555
Machinery and Equipment	21,989,082	1,095,268	157,155	22,927,195
Total Accumulated Depreciation	<u>192,368,542</u>	<u>9,329,216</u>	<u>157,155</u>	<u>201,540,603</u>
Total Capital Assets, being Depreciated, Net	<u>359,341,762</u>	<u>6,484,355</u>	<u>-</u>	<u>365,826,117</u>
Water System Capital Assets, Net	<u>\$ 371,273,675</u>	<u>18,280,986</u>	<u>12,515,001</u>	<u>377,039,660</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 106,843,000	46,055,000	69,976,000	82,922,000
Capital Assets, being Depreciated:				
Utility Plant	1,722,444,000	68,798,000	19,669,000	1,771,573,000
Less Accumulated Depreciation	858,144,000	36,702,000	20,847,000	873,999,000
Total Capital Assets, being Depreciated, Net	<u>864,300,000</u>	<u>32,096,000</u>	<u>(1,178,000)</u>	<u>897,574,000</u>
Electric System Capital Assets, Net	<u>\$ 971,143,000</u>	<u>78,151,000</u>	<u>68,798,000</u>	<u>980,496,000</u>

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.

LES implemented the provisions of GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period (GASB 89), for all new projects initiated in the 2021 fiscal year. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported, except as Regulatory Accounting treatment is utilized and interest cost is amortized separate from the underlying asset.

CITY OF LINCOLN, NEBRASKA
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(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2022, consist of the following:

Due To	Due From									Total
	General Fund	Street Construction	West Haymarket JPA	Federal Grants	Nonmajor Governmental	Nonmajor Enterprise	Wastewater	Water	Internal Service	
General Fund	\$ 11,449	-	18	3,425	603,662	120,000	-	-	-	738,554
Street Construction	1,428,206	-	-	-	19,057,605	-	-	-	4,575	20,490,386
Lincoln Wastewater System	464,184	-	-	-	365,065	-	-	72,926	-	902,175
Lincoln Water System	1,599,176	-	-	-	7,680,736	22,784	145,612	-	-	9,448,308
Nonmajor Governmental	2,067,234	-	-	-	2,298,036	12,000	-	-	-	4,377,270
Nonmajor Enterprise	1,184,934	41,749	529,276	-	23,854	13,278	-	-	-	1,793,091
Internal Service	2,604,504	231,020	-	237	53,766	8,686	-	-	39,679	2,937,892
Total	\$ 9,359,687	272,769	529,294	3,662	30,082,724	176,748	145,612	72,926	44,254	40,687,676

“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, 2022, consist of the following:

Transfer To	Transfer From									Total
	General Fund	Street Construction	Federal Grants	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ 8,020,730	62,658	4,734	8,173	10,229	12,554,944	986,432	2,112,654	277,331	24,037,885
Street Construction	657,299	-	-	-	15,100	-	28,236,320	8,030	-	28,916,749
Federal Grants	1,254,822	-	-	-	-	-	44,718	-	-	1,299,540
Lincoln Wastewater System	-	-	-	-	-	-	-	-	-	-
Nonmajor Governmental	26,391,742	6,873,891	601,035	-	-	-	2,680,635	2,067,305	-	38,614,608
Nonmajor Enterprise	375,000	208,770	4,769,942	-	-	-	-	-	100,000	5,453,712
Internal Service	227,223	-	-	-	-	-	-	-	-	227,223
Total	\$ 36,926,816	7,145,319	5,375,711	8,173	25,329	12,554,944	31,948,106	4,187,989	377,331	98,549,718

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 \$2,252,712.

The \$1,016,944 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
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August 31, 2022

(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, 2021, 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, 2021, was .11%. The outstanding commercial paper notes are secured by a revolving credit agreement. There were no advances outstanding under the credit agreement at December 31, 2021. 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 were no amounts outstanding under the note purchase agreement as of December 31, 2021. 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 2021 was 73 days.

Commercial paper activity for the year ended December 31, 2021, is as follows:

Lincoln Electric System:	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Commercial Paper Notes	\$ 65,500,000	332,200,000	(332,200,000)	65,500,000	65,500,000

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 \$2,072,822, \$3,181,894, \$185,437, and \$1,086,230 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 financed purchase 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 financed purchase agreements have been recorded at the present value of their future minimum payments as of the inception date.

CITY OF LINCOLN, NEBRASKA
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August 31, 2022

Assets acquired through finance purchases are as follows:

	Governmental Activities	Business-Type Activities
Land	\$ 1,780,066	\$ 199,546
Buildings	28,996,161	1,647,945
Improvements	5,070,465	-
Infrastructure	36,742,144	-
Machinery and Equipment	11,040,797	2,655,221
Construction in Progress	7,956,891	9,257
Less Accumulated Depreciation, (where applicable)	<u>(31,541,258)</u>	<u>(3,014,249)</u>
Total	<u>\$ 60,045,266</u>	<u>\$ 1,497,720</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.

LES finished the year financially strong with year-end debt service coverage of 2.55, which was above LES' budget of 2.03. This result recognizes the deferral of approximately \$35,000,000 in financial benefit from Winter Storm Uri.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environment and Energy (NDEE) 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 interest rate throughout the term of the loan is 2.0%. The Wastewater System also borrowed \$5,000,000 under contract 317078 to fund certain projects at the Theresa Street and Northeast Wastewater Treatment Facilities. The interest rate throughout the term of the loan 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%. In addition, an administrative fee of 1% will be incurred on the loan.

Lincoln Water System has entered into a \$14,977,829 loan agreement with NDEE 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, 2022

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 \$ 670
	6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	" 3,460
	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	---	" 1,860
	6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	" 4,905
	4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	---	" 2,470
	9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2020 to 2039	2029	" 9,265
	4,140	08/20/20	Stormwater Refunding Bonds	5.00	Serial 2021 to 2030	---	" 3,460
			Total General Bonds				<u>\$ 27,605</u>
Tax Allocation Bonds:							
\$	3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	Semiannually \$ 670
	263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	" 6
	103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	" 29
	140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	" 77
	110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	" 36
	128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	" 111
	180	10/15/20	Tax Allocation Bonds	1.240	Serial 2022 to 2035	Anytime	" 174
	120	12/01/20	Tax Allocation Bonds	1.420	Serial 2021 to 2034	Anytime	" 107
	222	01/01/21	Tax Allocation Bonds	1.450	Serial 2021 to 2034	Anytime	" 198
	192	01/01/21	Tax Allocation Bonds	1.450	Serial 2022 to 2035	Anytime	" 185
	52	06/01/21	Tax Allocation Bonds	2.060	Serial 2022 to 2035	Anytime	" 51
			Total Tax Allocation Bonds				<u>\$ 1,644</u>
Tax Supported Bonds:							
\$	28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	Semiannually \$ 5,750
	14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	" 8,015
	21,765	08/20/20	Limited Tax Arena Refunding Bonds	.200 - 3.000	Serial 2021 to 2037	2030	" 19,510
	15,260	05/15/21	Highway Allocation Fund Bonds	2.000 - 5.000	Serial 2022 to 2037	2029	" 14,510
			Total Tax Supported Bonds				<u>\$ 47,785</u>
Special Assessment Bonds:							
\$	825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually \$ 250
	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	" 1,550
			Total Special Assessment Bonds				<u>\$ 2,175</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 \$ 26,565
	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	" 10,835
	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	" 16,185
	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>\$ 313,610</u>
			TOTAL GENERAL OBLIGATION BONDS				<u>\$ 392,819</u>

CITY OF LINCOLN, NEBRASKA
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August 31, 2022

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	\$ 16,195
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	7,040
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	9,800
20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	"	18,120
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>\$ 56,840</u>
\$ 28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	Semiannually	7,610
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	8,720
Total Water Bonds							<u>\$ 16,330</u>
\$ 48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000	Serial 2020 to 2035	2029	Semiannually	\$ 34,010
							6,655
Total Parking Bonds							<u>\$ 40,665</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 2,715
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	4,125
Total Solid Waste Management Bonds							<u>\$ 6,840</u>
\$ 247,150	08/15/12	Electric Revenue and Refunding Bonds	1.000 - 5.000	Serial 2013 to 2032	2022	Semiannually	\$ 14,000
75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	"	60,785
127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	"	32,185
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
72,200	01/30/20	Electric Revenue Bonds	5.00	Serial 2025 to 2033	2027	"	72,200
185,150	09/23/20	Electric Revenue Refunding Bonds	.400 - 2.100	Serial 2023 to 2037	2027	"	185,150
Total Electric Bonds							<u>\$ 592,195</u>
TOTAL REVENUE BONDS							<u>\$ 712,870</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		COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 19,946	16,459	135	33	5,793	1,331
2024	19,651	15,667	137	31	5,915	1,104
2025	16,935	14,948	140	28	4,885	873
2026	16,719	14,285	143	25	4,910	678
2027	17,179	13,629	146	22	3,563	481
2028 - 2032	79,918	58,518	774	68	7,938	1,006
2033 - 2037	85,886	42,550	248	5	2,345	178
2038 - 2042	83,245	24,649	-	-	458	26
2043 - 2047	53,340	5,565	-	-	-	-
Total	<u>\$ 392,819</u>	<u>206,270</u>	<u>1,723</u>	<u>212</u>	<u>35,807</u>	<u>5,677</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 41,800	24,453	1,964	519	159	59
2024	42,525	22,527	2,007	477	115	53
2025	49,745	21,538	2,049	434	120	47
2026	45,745	20,442	2,093	391	125	41
2027	10,355	2,363	2,138	346	135	35
2028 - 2032	239,775	74,873	10,940	1,021	599	71
2033 - 2037	205,565	31,624	3,329	85	-	-
2038 - 2042	74,433	8,577	-	-	-	-
2043 - 2047	2,927	132	-	-	-	-
Total	<u>\$ 712,870</u>	<u>206,529</u>	<u>24,520</u>	<u>3,273</u>	<u>1,253</u>	<u>306</u>

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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
2023	\$ 6,122	2,380	3,862	858	30,205	20,412
2024	6,328	2,152	3,993	736	30,535	18,909
2025	6,575	1,917	3,620	583	37,800	18,385
2026	6,827	1,670	1,382	445	35,740	17,730
2027	7,064	1,420	1,439	396	37,580	16,807
2028 - 2032	22,056	4,205	8,053	1,199	212,295	59,572
2033 - 2037	7,228	1,998	3,609	133	166,385	21,889
2038 - 2042	6,605	1,045	-	-	41,655	4,948
2043 - 2047	2,927	132	-	-	-	-
Total	\$ 71,732	16,919	25,958	4,350	592,195	178,652

Long-term liability activity for the year ended August 31, 2022, was as follows (in thousands of dollars):

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bond, Notes, and COPs Payable:					
General Bonds	\$ 30,620	-	(3,015)	27,605	3,110
Tax Allocation Bonds	2,514	-	(870)	1,644	426
Tax Supported Bonds	53,835	-	(6,050)	47,785	6,450
Special Assessment Debt with Government Commitment	2,380	-	(205)	2,175	210
West Haymarket Joint Public Agency Bonds	319,285	-	(5,675)	313,610	9,750
Note from Direct Borrowing	1,855	-	(132)	1,723	135
COPs	41,910	-	(6,103)	35,807	5,793
Gross Bonds and COPs Payable	452,399	-	(22,050)	430,349	25,874
Deferred Amounts:					
For Issuance Premiums	13,431	-	(1,482)	11,949	-
For Issuance Discounts	(964)	-	24	(940)	-
Net Bonds, Notes, and COPs Payable	464,866	-	(23,508)	441,358	25,874
Other Liabilities:					
Leases	1,979	94	(631)	1,442	654
Compensated Absences	29,621	13,137	(10,962)	31,796	11,997
Claims and Judgements	11,194	39,265	(39,115)	11,344	4,433
Net Pension Liability	37,388	32,783	-	70,171	-
Total OPEB Liability	24,244	1,588	-	25,832	564
Governmental Activities Long-Term Liabilities	\$ 569,292	86,867	(74,216)	581,943	43,522
Business-Type Activities:					
Bonds, Loans, Note, and COPs:					
Wastewater Revenue Bonds	\$ 61,525	-	(4,685)	56,840	4,865
Wastewater Loans from Direct Borrowing	16,122	-	(1,230)	14,892	1,257
Water Revenue Bonds	20,340	-	(4,010)	16,330	3,155
Water Loan from Direct Borrowing	10,320	-	(692)	9,628	707
Electric System Revenue Bonds	619,650	-	(27,455)	592,195	30,205
Parking Revenue Bonds	43,545	-	(2,880)	40,665	2,975
Solid Waste Management Revenue Bonds	7,415	-	(575)	6,840	600
COPs	1,974	-	(721)	1,253	159
Gross Bonds, Loans, Note, and COPs Payable	780,891	-	(42,248)	738,643	43,923
Deferred Amounts:					
For Issuance Premiums	62,642	-	(8,095)	54,546	-
Net Bonds, Loans, Note, and COPs Payable	843,533	-	(50,343)	793,189	43,923
Other Liabilities:					
Compensated Absences	4,170	2,014	(1,584)	4,600	1,545
Note Purchase Agreement	1,500	-	(1,500)	-	-
Developer Performance Deposits	946	-	(946)	-	-
Claims and Judgements	613	21	(1)	633	-
Leases	2,994	563	(279)	3,278	337
Net Pension Liability	2,280	1,795	-	4,075	-
Total OPEB Liability	2,735	167	-	2,902	63
Accrued Landfill Closure/Postclosure Care Costs	26,016	7,616	-	33,632	-
Asset Retirement Obligation	3,480	694	(664)	3,510	-
Business-Type Activities Long-Term Liabilities	\$ 888,267	12,870	(55,317)	845,819	45,868

*As restated due to adoption of GASB 87.

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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, 2022, 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	\$ 61,525	-	(4,685)	56,840	4,865
Wastewater Loans from Direct Borrowing	16,122	-	(1,230)	14,892	1,257
COPs	72	-	(23)	49	49
Deferred for Issuance Premiums	4,797	-	(471)	4,326	-
Net Bonds and Loans Payable	<u>82,516</u>	<u>-</u>	<u>(6,409)</u>	<u>76,107</u>	<u>6,171</u>
Other Liabilities:					
Compensated Absences	1,516	504	(409)	1,611	447
Total OPEB Liability	561	44	(13)	592	13
Total Long-Term Liabilities	<u>\$ 84,593</u>	<u>548</u>	<u>(6,831)</u>	<u>78,310</u>	<u>6,631</u>
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 20,340	-	(4,010)	16,330	3,155
Water Loan from Direct Borrowing	10,320	-	(692)	9,628	707
Deferred for Issuance Premiums	2,494	-	(414)	2,080	-
Net Bonds and Loan Payable	<u>33,154</u>	<u>-</u>	<u>(5,116)</u>	<u>28,038</u>	<u>3,862</u>
Other Liabilities:					
Compensated Absences	1,708	894	(550)	2,052	625
Total OPEB Liability	802	63	(18)	847	18
Total Long-Term Liabilities	<u>\$ 35,664</u>	<u>957</u>	<u>(5,684)</u>	<u>30,937</u>	<u>4,505</u>
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 619,650	-	(27,455)	592,195	30,205
Deferred for Issuance Premiums	54,357	-	(7,139)	47,218	-
Net Bonds Payable	<u>674,007</u>	<u>-</u>	<u>(34,594)</u>	<u>639,413</u>	<u>30,205</u>
Other Liabilities:					
Note Purchase Agreement from Direct Borrowing	1,500	-	(1,500)	-	-
Developer Performance Deposits	946	-	(946)	-	-
Claims and Judgements	613	21	(1)	633	-
Asset Retirement Obligation	3,480	694	(664)	3,510	-
Total Long-Term Liabilities	<u>\$ 680,546</u>	<u>715</u>	<u>(37,705)</u>	<u>643,556</u>	<u>30,205</u>

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2022, \$119,277,595 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 or 20 years, depending on the project location as provided by State Statute, the tax base is frozen at the predevelopment level, and taxes generated from the incremental 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 or 20-year period. At the end of the 15 or 20-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.

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CONDUIT DEBT

On March 30, 2021, the City issued its taxable \$11,562,000 of Educational Facilities Revenue Refunding Bonds, which were converted to tax-exempt bonds on January 4, 2022. The Bonds were issued to refund the City's \$19,815,000 of Educational Facilities Revenue and Refunding Bonds which were issued 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 March 1, 2021 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, 2022, \$10,531,000 of these bonds remain outstanding.

On December 1, 2021, the City issued a maximum of \$10,000,000 of Multifamily Revenue Bonds, Series 2021 Bonds for the purpose of providing all or part of the funds with which to pay the cost of the acquisition, construction, and equipping of a 98-unit multifamily housing development located in the City of Lincoln, Nebraska to be known as Gatehouse Rows. The Bonds are limited obligations of the City and are payable solely from payments to be made by Gatehouse Rows, LP pursuant to a loan agreement dated December 1, 2021, by and between the City, Horizon Bank, and Gatehouse Rows, LP. 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, 2022, \$5,831,393 of these bonds are outstanding.

On June 1, 2022, the City issued a maximum of \$18,000,000 of Multifamily Revenue Bonds, Series 2022A and maximum of \$8,100,000 of Multifamily Revenue Bonds, Taxable Series 2022B Bonds for the purpose of financing the cost of the acquisition, construction, and equipping of a multifamily rental housing facility, consisting of approximately 192 units and related personal property and equipment to be located in Lincoln, Nebraska and known as Union at Middle Creek Apartments. The Bonds are limited obligations of the City and are payable solely from payments to be made by Union at Middle Creek, LP pursuant to a loan agreement dated June 1, 2022, by and between the City and Union at Middle Creek, LP. 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, 2022, \$1,800,000 of these bonds are 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, 2022, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Street Construction Fund	Federal Grants Fund
Net Change in Fund Balances:			
Balance on a GAAP basis	\$ 24,704,581	(748,967)	(9,303,006)
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.	(2,902,763)	4,695,967	29,135,565
Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting.	(1,025,571)	-	-
Amount budgeted on a project basis.	-	<u>26,830,572</u>	-
Balance on a budget basis	<u>\$ 20,776,247</u>	<u>30,777,572</u>	<u>19,832,559</u>

CITY OF LINCOLN, NEBRASKA
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(11) DEFICIT NET POSITION OR FUND BALANCE

The following funds had a fund balance deficit as of August 31, 2022:

Special Revenue – Lincoln Bike Share Fund	\$ (682,107)
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- The Lincoln Bike Share Fund fund balance deficit is due to large initial implementation costs of the Lincoln Bike Share Program.

(12) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

Street Construction Fund		
Principal Retirement	\$	55,000
Interest		30,099
Fiscal Charges		60

(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%.

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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.

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.

CITY OF LINCOLN, NEBRASKA
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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.

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, 2022, is \$8,558,752.

Membership of the pension plan consisted of the following at August 31, 2022, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	569
Terminated plan members entitled to but not yet receiving benefits	32
Active plan members (non-DROP)	595
Death benefit refund due	8
DROP members	40
Total	<u>1,244</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 2022 was \$9,988,807. For the fiscal year ended August 31, 2022, the Plan received \$11,573,047 in employer contributions.

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Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2020, 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 7.40% per year compounded annually, (b) projected salary increases of 8.25% grading down to 2.75% per year, including wage inflation at 2.25%, and (c) the assumption that benefits will increase 2.25% 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 17 to 24 years.

Net Pension Liability

Total pension liability	\$ 375,472,940
Plan fiduciary net position	<u>(301,227,002)</u>
Net pension liability	<u>\$ 74,245,938</u>
Plan fiduciary net position as a percentage of the total pension liability	80.23%

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, 2022
Measurement date	August 31, 2022

Assumptions

The total pension liability as of August 31, 2022, was determined by an actuarial valuation performed as of August 31, 2022, 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	7.30%
Municipal Bond Index Rate	3.38%
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.30%
Post-retirement adjustment	13th check 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, 2022 were based on the results of the most recent actuarial experience study for the four-year period ending August 31, 2018.

CITY OF LINCOLN, NEBRASKA
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Discount Rate

The discount rate used to measure the total pension liability at August 31, 2022, was 7.30%, which is a change from the discount rate of 7.35% used to measure the total pension liability at August 31, 2021. 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 7.30% was applied to all periods of projected benefit payments to determine the total pension liability. Future benefit payments for all current pension members were projected through 2121.

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 7.30% long-term assumed rate of return for the current measurement date and the 7.35% 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, 2022, 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 7.30%, as well as the City's net pension liability calculated using a discount rate that is 1 percentage point lower (6.30%) or 1 percentage point higher (8.30%) than the current rate.

	<u>1% Decrease</u> <u>6.30%</u>	<u>Current Discount Rate</u> <u>7.30%</u>	<u>1% Increase</u> <u>8.30%</u>
Total Pension Liability \$	421,775,779	375,472,940	336,852,860
Fiduciary Net Position	<u>301,227,002</u>	<u>301,227,002</u>	<u>301,227,002</u>
Net Pension Liability \$	120,548,777	74,245,938	35,625,858

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

Rate of Return - For the year ended August 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -4.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PFP 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.

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, 2021	\$ 358,573,819	318,905,474	39,668,345
Changes for the year:			
Service cost at end of year	8,031,765	-	8,031,765
Interest on TPL	25,636,533	-	25,636,533
Difference between expected and actual experience	1,046,833	-	1,046,833
Assumption changes	2,091,838	-	2,091,838
Employer contributions	-	11,573,047	(11,573,047)
Employee contributions	-	4,304,858	(4,304,858)
Net investment income	-	(13,000,395)	13,000,395
Benefit payments, including member refunds	(19,907,848)	(19,907,848)	-
Administrative expenses	-	(648,134)	648,134
Net changes	16,899,121	(17,678,472)	34,577,593
Balances at August 31, 2022	\$ 375,472,940	301,227,002	74,245,938

CITY OF LINCOLN, NEBRASKA
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August 31, 2022

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources As of August 31, 2022	
Differences between expected and actual experience	\$ 3,052,096
Differences between projected and actual earnings	5,250,623
Changes of assumptions	9,146,825
Change in the City's proportion of the collective net pension liability since the prior measurement date	351,309
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>188,641</u>
Total	\$ <u>17,989,494</u>

Deferred Inflows of Resources As of August 31, 2022	
Differences between expected and actual experience	\$ 277,591
Differences between projected and actual earnings	-
Change in the City's proportion of the collective net pension liability since the prior measurement date	188,641
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>351,309</u>
Total	\$ <u>817,541</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>
2023	\$ 4,779,695	(366,874)	4,412,821
2024	2,077,047	(224,714)	1,852,333
2025	2,106,465	(107,252)	1,999,213
2026	8,279,643	(75,839)	8,203,804
2027	625,246	(37,335)	587,911
Thereafter	<u>121,398</u>	<u>(5,527)</u>	<u>115,871</u>
	\$ <u>17,989,494</u>	<u>(817,541)</u>	<u>17,171,953</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

Pension Expense

The calculation of the pension expense for the year ended August 31, 2022, is shown below:

Pension Expense	
For the Fiscal Year Ended August 31, 2022	
Service cost at end of year	\$ 8,031,765
Interest on the total pension liability	25,636,533
Expensed portion of current-period differences between expected and actual experience in the total pension liability	168,031
Expensed portion of current-period assumption changes	335,769
Employee contributions	(4,304,858)
Projected earnings on plan investments	(23,270,681)
Expensed portion of current-period differences between projected and actual earnings on plan investments	7,254,215
Administrative expenses	648,134
Amortization of beginning deferred outflows of resources	6,325,169
Amortization of beginning deferred inflows of resources	<u>(9,881,655)</u>
Total Pension Expense	<u>\$ 10,942,422</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, 2021, LES incurred contribution expense of approximately \$4,931,000 and its employees contributed approximately \$4,611,000.

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 \$156,887 and employee contributions totaled \$76,157. There were no voluntary employee contributions made for the year ended December 31, 2021.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

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, 2021, the City incurred contribution expense totaling \$8,647,905 which included a reduction in expense of \$124,699 for employee forfeitures. Employee contributions totaled \$5,230,654. Employees made \$175,437 in voluntary contributions for the year ended December 31, 2021.

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which covers substantially all full-time employees. Plan provisions, including contribution requirements, are established and amended by City Ordinance. Participation in this plan is voluntary and employees may contribute a percentage of their total compensation up to the IRS allowed maximum. Employee Contributions to this plan totaled \$903,091 for the year ended December 31, 2021.

(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, 2020 for members in payment and as of September 5, 2020 for active members. Active data was not available retroactively, but was provided close to the valuation date. This was the data used in the valuation to develop the August 31, 2021 total OPEB liability:

Retired members	33
Spouses of retired members	13
Surviving spouses	0
Active employees	<u>2,031</u>
Total	<u><u>2,077</u></u>
Number of participating employers	<u><u>1</u></u>

Actuarial Methods and Assumptions

The total OPEB liability of \$28,742,670 at August 31, 2022 was measured as of August 31, 2021. An actuarial valuation was prepared as of August 31, 2020 for members in payment under the plan, and for active members an actuarial valuation was prepared as of September 5, 2020. Active data is not available retroactively, but was provided close to the valuation date. The total OPEB liability as of August 31, 2022 is based on the following actuarial assumptions and other inputs:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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<u>Price Inflation</u>	2.25%
<u>Municipal Bond Index Rate</u>	2.12% (Bond Buyer General Obligation 20-year Municipal Bond Index Rate)
<u>Healthcare Cost Trend Rate</u>	7.00%, decreasing by 0.25% per year until an ultimate rate of 4.50% is reached in 2030.

<u>Price Inflation</u>	2.25%
<u>Municipal Bond Index Rate</u>	2.12% (Bond Buyer General Obligation 20-year Municipal Bond Index Rate)
<u>Healthcare Cost Trend Rate</u>	7.00%, decreasing by 0.25% per year until an ultimate rate of 4.50% is reached in 2030.

Cost-Sharing Premiums Premiums, effective as of November 1, 2020, were trended backwards to the valuation date, August 31, 2020. 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, 2020</u>		
Retiree	\$10,687	\$9,542
Spouse	\$13,039	\$11,640

Mortality:	General Pub-2010 Tables used for Civilians and Safety Pub-2010 Tables used for Police and Fire.
Active:	Pub-2010 Active Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.
Retirees:	Pub-2010 Healthy Annuitant Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.
Disabled Retirees:	Pub-2010 Disabled Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.
Beneficiaries:	Pub-2010 Contingent Annuitant Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.

The Police and Fire demographic actuarial assumptions used in the August 31, 2020 valuation are consistent with those used in the valuation of the Lincoln Police and Fire Pension Plan at the time, which were based on the actuarial experience study covering the four-year period ending August 31, 2018.

The Civilian mortality rate assumption aligns with the Pub-2010 Mortality Tables used for Police and Fire, except they are based on the General population tables to better align with the respective employment groups. Due to the size of the plan and lack of available data to analyze, the withdrawal rates are based on The Basis Service Table from the 2003 SOA Pension Plan Turnover Study and the disability rates are based on rates observed in similar types of plans. The retirement rates align with the prior valuation as we believe they are reasonable estimates of future experience.

The remaining actuarial assumptions (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 7.00% in 2020 and trending downward to 4.50% in 2030, 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	\$ 24,954,194	28,742,670	33,308,482

CITY OF LINCOLN, NEBRASKA
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The following presents the total OPEB liability of the plan, calculated using the discount rate of 2.12%, as well as the Plan's total OPEB liability calculated using a discount rate that is 1% lower (1.12%) or 1% higher (3.12%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Total OPEB Liability	\$ 31,795,961	28,742,670	25,997,969

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at Beginning of Year	\$ 26,986,730
Changes for the year:	
Service cost at end of year	1,852,572
Interest on total OPEB liability	562,803
Assumption changes	(28,968)
Benefit payments	(630,467)
Net changes	1,755,940
Balance at End of Year	\$ 28,742,670

OPEB Expense

The calculation of the OPEB expense for the fiscal year ended August 31, 2022, is shown below:

OPEB Expense	
Year Ending August 31, 2022	
Service cost at end of year	\$ 1,852,572
Interest on the total OPEB liability	562,803
Expensed portion of current-period assumption changes	(3,777)
Recognition of beginning deferred outflows of resources	951,879
Recognition of beginning deferred inflows of resources	(383,904)
Total OPEB Expense	\$ 2,979,573

CITY OF LINCOLN, NEBRASKA
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Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
As of August 31, 2022

Benefit payments subsequent to the measurement date	\$ 627,121
Differences between expected and actual experience	196,398
Changes of assumptions	<u>5,054,263</u>
Total	\$ <u>5,877,782</u>

Deferred Inflows of Resources
As of August 31, 2022

Differences between expected and actual experience	\$ 106,424
Changes of assumptions	<u>1,070,802</u>
Total	\$ <u>1,177,226</u>

The deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the fiscal year ending August 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses 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>
2023	\$ 951,879	(387,681)	564,198
2024	951,879	(387,681)	564,198
2025	951,879	(295,739)	656,140
2026	951,879	(96,042)	855,837
2027	898,355	(3,777)	894,578
Thereafter	<u>544,790</u>	<u>(6,306)</u>	<u>538,484</u>
	\$ <u>5,250,661</u>	<u>(1,177,226)</u>	<u>4,073,435</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 \$1,737,430.

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 \$890,135 has been included in the Insurance Revolving Internal Service Fund, as it relates to these benefits.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2022

(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 2021 tax levy, for the 2021-2022 fiscal year, was \$198,073,819 below the legal limit, with a tax rate per \$100 valuation of \$0.3179. The assessed value upon which the 2021 levy was based was \$26,730,353,054.

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 2021-2022 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2022. 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, 2022, 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 \$400,000 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 \$400,000 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.

CITY OF LINCOLN, NEBRASKA
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August 31, 2022

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 \$11,344,150 were recorded at August 31, 2022, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance programs. Excluding medical care claims approximating \$1,552,000, 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 allocation to specific claims. 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, 2022 and 2021:

	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at August 31, 2021	\$ 9,108,796	783,960	1,301,413	11,194,169
Current year claims and changes in estimates	2,574,503	237,702	36,453,192	39,265,397
Claims payments	(2,781,401)	(131,527)	(36,202,488)	(39,115,416)
Balance at August 31, 2022	<u>\$ 8,901,898</u>	<u>890,135</u>	<u>1,552,117</u>	<u>11,344,150</u>

	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at August 31, 2020	\$ 8,695,000	816,425	1,758,505	11,269,930
Current year claims and changes in estimates	2,750,532	132,144	36,299,313	39,181,989
Claims payments	(2,336,736)	(164,609)	(36,756,405)	(39,257,750)
Balance at August 31, 2021	<u>\$ 9,108,796</u>	<u>783,960</u>	<u>1,301,413</u>	<u>11,194,169</u>

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:

	2021	2020
Balance beginning of year	\$ 613,000	622,000
Claims and fees incurred	7,629,000	7,056,000
Claims paid/other	(7,609,000)	(7,065,000)
Balance end of year	<u>\$ 633,000</u>	<u>613,000</u>

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$633,000 and \$613,000 at December 31, 2021 and 2020, 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

CITY OF LINCOLN, NEBRASKA
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August 31, 2022

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, 2022, approximately 91% 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.

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 \$29,419,000 as of August 31, 2022, 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, 2022.

SOLID WASTE MANAGEMENT

The Solid Waste Management Fund has commitments under major construction contracts in progress of approximately \$1,231,000 as of August 31, 2022.

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LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$12,005,000 as of August 31, 2022.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$7,653,000 as of August 31, 2022.

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 54 megawatts (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 2021, 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).

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 \$10,193,000 in 2021.

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 \$4,464,000 as of December 31, 2021. These are primarily related to construction contracts of a carport and reel & transformer warehouse at the LES Operations Center, overhead to underground line conversions and the Rokeby Generation Station expansion.

(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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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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, 2022, the City had incurred a liability of approximately \$26,971,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 69% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$11.9 million, which will be recognized as the remaining capacity is used (estimated to be approximately 13 years).

As of August 31, 2022, the City had incurred a liability of approximately \$1,707,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 43% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,258,000, which will be recognized as the remaining capacity is used (estimated to be approximately 28 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 has demonstrated compliance with the financial assurance requirements as specified in Title 132 - *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

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, 2022, a liability for closure and postclosure care costs is recorded in the amount of approximately \$4,954,000. 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, 2022, is presented as follows:

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	<u>Parking Systems</u>	<u>Solid Waste Management</u>
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 9,229,561	8,598,404
Due from Other Funds	1,164,443	472,672
Other Assets	4,288,526	2,285,851
Capital Assets, Net	88,358,150	32,138,625
Lease Assets, Net	2,474,669	-
Total Assets	<u>105,515,349</u>	<u>43,495,552</u>
Deferred Outflows of Resources	<u>851,229</u>	<u>55,482</u>
Liabilities:		
Current Liabilities, excluding Due to Other Funds	5,167,049	1,749,949
Due to Other Funds	13,278	22,784
Noncurrent Liabilities	40,391,541	40,775,607
Total Liabilities	<u>45,571,868</u>	<u>42,548,340</u>
Deferred Inflows of Resources	<u>672</u>	<u>11,112</u>
Net Position:		
Net Investment in Capital Assets	47,727,610	25,946,464
Restricted	2,759,542	61,372
Unrestricted	10,306,886	(25,016,254)
Total Net Position	<u>\$ 60,794,038</u>	<u>991,582</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 12,389,732	10,102,116
Depreciation and Amortization Expense	(2,420,927)	(2,481,998)
Other Operating Expenses	(6,593,739)	(17,370,193)
Operating Income (Loss)	<u>3,375,066</u>	<u>(9,750,075)</u>
Nonoperating Revenues (Expenses):		
Investment Earnings (Loss)	(18,470)	2,230
Grant Proceeds	-	233,079
Gain on Disposal of Capital Assets	-	44,725
Occupation Tax	-	5,296,074
Interest Expense and Fiscal Charges	(1,288,483)	(234,484)
Transfers	<u>2,875,656</u>	<u>(1,952,914)</u>
Change in Net Position	4,943,769	(6,361,365)
Beginning Net Position	<u>55,850,269</u>	<u>7,352,947</u>
Ending Net Position	<u>\$ 60,794,038</u>	<u>991,582</u>
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 6,246,503	865,052
Noncapital Financing Activities	2,956,939	3,224,874
Capital and Related Financing Activities	(17,480,914)	(4,345,692)
Investing Activities	<u>3,515,878</u>	<u>(1,975,253)</u>
Net Increase in Cash	(4,761,594)	(2,231,019)
Beginning Balance	<u>5,089,842</u>	<u>2,356,932</u>
Ending Balance	<u>\$ 328,248</u>	<u>125,913</u>

CITY OF LINCOLN, NEBRASKA
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(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 \$88,649,148 with annual payments expected to require 44% of net revenues. Principal and interest paid for the current year and net system revenues were \$8,508,330 and \$21,305,005, 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 \$30,307,270, with annual payments expected to require 21% of net revenues. Principal and interest paid for the current year and net system revenues were \$5,714,569 and \$29,838,446, 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 \$770,847,000, with annual payments expected to require 42% of net revenues. Principal and interest paid for the current year and net system revenues were \$49,687,000 and \$126,682,000, 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 \$49,120,898, with annual payments expected to require 65% of net revenues. Principal and interest paid for the current year and net system revenues were \$4,044,936 and \$5,777,523, 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 \$8,264,023, with annual payments expected to require 30% of net revenues. Principal and interest paid for the current year and net system revenues were \$844,284 and \$3,693,313 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, 2022, the City made rental payments of approximately \$3.1 million to the Commission.

As of August 31, 2022, the Commission has debt outstanding of \$22,771,218. Bond and note proceeds have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City and

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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 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, 2022, 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 18-2155. 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 or 20-year period, depending on the location of the project as provided by State Statute. Currently, the City has Developer TIF bonds that extend through December 31, 2042.

During the fiscal year ended August 31, 2022 the City abated \$2,317,763 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, 2022 the City abated \$921,265 in sales tax revenue under these two programs.

(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 \$50.0 million are reflected in utility plant at December 31, 2021.

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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 \$1.7 million at December 31, 2021.

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.

<u>Asset Retirement Obligations (in thousands):</u>	<u>2021</u>
Obligation, beginning of year	\$ 3,480
Additional obligations	543
Accretion	151
Liabilities settled	<u>(664)</u>
Obligation, end of year	<u>\$ 3,510</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 2021 LES billed the County approximately \$1.8 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 \$114.2 million are reflected in utility plant at December 31, 2021.

(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 \$2,194,000 in 2021. The total amount of payments to LES for energy was approximately \$889,000 in 2021.

CITY OF LINCOLN, NEBRASKA
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August 31, 2022

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 \$212,000 in 2021. The total amount of payments to LES for energy was approximately \$7.3 million in 2021.

Effective October 28, 2021, NUCorp and LES entered into a Termination of Services agreement which terminates LES' management agreement with NUCorp effective June 30, 2022. NUCorp is responsible for paying LES all sums necessary to satisfy all amounts owed to LES for costs incurred by LES up to the termination date and any services provided post-termination. Additionally, the Termination of Services Agreement includes agreement by NUCorp and LES that it is in the best interest of NUCorp for the non-profit and interlocal entity to dissolve on or after January 1, 2024 at which time all of NUCorp's outstanding bonds will be called in accordance with the provisions of the bonds.

(25) **Leases**

Lease Receivables

The City, as lessor, leases City-owned buildings, land and tower space at various locations, the terms of which expire in various years through 2055. Payments increase annually based on scheduled lease payments in the related agreements. The leases were measured at lease commencement. Revenue recognized under lease contracts during the year ended August 31, 2022 was \$2,791,733, which includes both lease revenue and interest. This revenue is included within Charges for Services and Miscellaneous General Revenues in the Statement of Activities.

Lease Liabilities

The City, as lessee, leases equipment, land and building space at various locations for its operations, the terms of which expire in various years through 2055. The leases were measured at lease commencement. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.

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The following is a schedule by year of payments for leases as of August 31, 2022:

<u>Governmental Activities</u>				
Fiscal Year Ended August 31		Total to be Paid	Principal	Interest
2023	\$	665,934	654,847	11,087
2024		620,514	614,396	6,118
2025		19,658	15,949	3,709
2026		19,658	16,301	3,357
2027		17,432	14,432	3,000
2028 - 2032		54,258	42,296	11,962
2033 - 2037		49,359	42,219	7,140
2038 - 2042		44,022	41,703	2,319
Total	\$	1,490,835	1,442,143	48,692

<u>Business-Type Activities</u>				
Fiscal Year Ended August 31		Total to be Paid	Principal	Interest
2023	\$	404,359	337,007	67,352
2024		404,326	344,883	59,443
2025		343,334	291,035	52,299
2026		215,481	168,339	47,142
2027		143,309	98,881	44,428
2028 - 2032		687,570	494,558	193,012
2033 - 2037		687,339	546,193	141,146
2038 - 2042		454,049	362,121	91,928
2043 - 2047		298,197	235,010	63,187
2048 - 2052		298,197	265,206	32,991
2053 - 2055		139,158	135,170	3,988
Total	\$	4,075,319	3,278,403	796,916

(26) Subsequent Events

In October 2022, the WHJPA board of representatives authorized a grant of funding to the Lincoln Youth Complex in an amount not to exceed \$4,500,000 to reimburse the Lincoln Youth Complex for a portion of its costs to design and construct the Lincoln Youth Complex sports fields. The payments will be made over the course of three years, beginning in April 2023.

In October 2022, the City issued \$36,645,000 of Sanitary Sewer Revenue Bonds, Series 2022. The bond proceeds will fund system improvements, including an expansion of the Theresa Street Treatment Facility.

In October 2022, the City issued \$11,550,000 of General Obligation Highway Allocation Fund Bonds, Series 2022. The bond proceeds will go to funding street construction and repair projects in all quadrants of the city.

In October 2022, the City issued \$11,555,000 of Municipal Improvement Bonds, Series 2022. The proceeds will fund renovation, construction and equipping of Lincoln Fire & Rescue's station #8 at 17th & Van Dorn Street and other public safety improvements.



CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2022

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 8,031,765	\$ 7,853,350	\$ 7,359,480	\$ 7,731,662	\$ 7,416,228	\$ 7,117,899	\$ 8,539,932	\$ 7,929,376	\$ 7,289,994
Interest	25,636,533	24,697,386	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	1,046,833	(45,165)	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	2,091,838	1,998,466	1,916,405	13,739,593	-	-	-	(23,499,491)	22,725,982
Benefit payments, including refunds of member contributions	(19,907,848)	(19,017,968)	(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	16,899,121	15,486,069	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	358,573,819	343,087,750	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)	\$ 375,472,940	\$ 358,573,819	\$ 343,087,750	\$ 325,109,208	\$ 296,440,660	\$ 285,038,672	\$ 271,594,222	\$ 261,733,723	\$ 266,114,947
Plan Fiduciary Net Position									
Contributions - employer	\$ 11,573,047	\$ 9,988,807	\$ 8,490,046	\$ 8,333,901	\$ 8,239,839	\$ 7,974,731	\$ 7,170,104	\$ 8,045,293	\$ 7,865,929
Contributions - employee	4,304,858	3,706,959	3,576,557	3,366,841	3,195,658	3,112,583	2,817,102	2,604,101	2,613,971
Net investment income	(13,000,395)	57,584,162	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	(19,907,848)	(19,017,968)	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Administrative expense	(648,134)	(549,560)	(510,761)	(445,481)	(435,578)	(445,579)	(493,860)	(444,578)	(407,146)
Net change in plan fiduciary net position	(17,678,472)	51,712,400	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	318,905,474	267,193,074	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)	\$ 301,227,002	\$ 318,905,474	\$ 267,193,074	\$ 246,294,314	\$ 245,880,530	\$ 233,140,335	\$ 213,857,935	\$ 203,995,271	\$ 213,342,815
PFP Net Pension Liability - Ending (a) - (b)	\$ 74,245,938	\$ 39,668,345	\$ 75,894,676	\$ 78,814,894	\$ 50,560,130	\$ 51,898,337	\$ 57,736,287	\$ 57,738,452	\$ 52,772,132
Plan fiduciary net position as a percentage of the total pension liability	80.23%	88.94%	77.88%	75.76%	82.94%	81.79%	78.74%	77.94%	80.17%
Covered payroll	\$ 50,982,757	\$ 50,519,878	\$ 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	145.63%	78.52%	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:

8/31/2022 valuation - Expected future investment return was reduced from 7.35% to 7.30% compounded annually.
8/31/2021 valuation - Expected future investment return was reduced from 7.40% to 7.35% compounded annually.
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, 2022

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial determined employer contribution	\$ 10,509,325	\$ 9,733,221	\$ 8,422,965	\$ 8,333,901	\$ 8,164,782	\$ 7,829,103	\$ 9,666,852	\$ 8,418,199	\$ 7,377,763
Actual employer contributions	11,573,047	9,988,807	8,490,046	8,333,901	8,239,839	7,974,731	7,170,104	8,045,293	7,865,929
Annual contribution deficiency (excess)	\$ (1,063,722)	\$ (255,586)	\$ (67,081)	\$ -	\$ (75,057)	\$ (145,628)	\$ 2,496,748	\$ 372,906	\$ (488,166)
Covered payroll - current	\$ 50,982,757	\$ 50,519,878	\$ 48,498,340	\$ 46,518,365	\$ 44,885,478	\$ 42,930,194	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
Actual contributions as a percentage of covered payroll	22.70%	19.77%	17.51%	17.92%	18.36%	18.58%	16.92%	21.23%	20.64%

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:	8/31/2020	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015	8/31/2014	8/31/2013	8/31/2012
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,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,
Amortization method:	level percent, closed	level percent, closed	level percent, closed	level percent, closed	level percent, closed	level percent, closed	level percent, closed	level percent, open	level percent, open
Remaining amortization period:	layered bases varying 17-24 years	layered bases varying 18-25 years	layered bases varying 19-26 years	layered bases varying 20-27 years	28 years	29 years	30 years	30 years	30 years
Asset valuation method:	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation:	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%
Salary increases:	2.75% - 8.25%	2.75% - 8.25%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	4.25% - 8.25%	4.25% - 8.25%
Investment rate of return:	7.40%	7.45%	7.50%	7.50%	7.50%	6.40%	6.75%	7.50%	7.50%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	-4.14%	21.93%	11.11%	2.24%	7.59%	11.25%	7.36%	-3.52%	16.67%	12.42%

CITY OF LINCOLN, NEBRASKA
 Required Supplementary Information
 August 31, 2022

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

Measurement Period Ending August 31,

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 1,852,572	\$ 1,236,714	\$ 1,071,230	\$ 1,160,514	\$ 969,040
Interest	562,803	621,025	689,255	645,475	539,411
Differences between expected and actual experience	-	265,188	-	(231,632)	-
Effect of assumption changes or inputs	(28,968)	5,650,737	1,423,068	(1,475,337)	(1,133,914)
Benefit payments	(630,467)	(872,444)	(997,277)	(962,027)	(1,070,494)
Net change in total OPEB liability	1,755,940	6,901,220	2,186,276	(863,007)	(695,957)
Total OPEB liability - beginning	26,986,730	20,085,510	17,899,234	18,762,241	19,458,198
Total OPEB liability - ending	<u>\$ 28,742,670</u>	<u>\$ 26,986,730</u>	<u>\$ 20,085,510</u>	<u>\$ 17,899,234</u>	<u>\$ 18,762,241</u>
Covered-employee payroll	\$ 152,654,512	\$ 150,561,373	\$ 145,528,734	\$ 140,466,565	\$ 138,350,403
Total OPEB liability as a percentage of covered-employee payroll	18.83%	17.92%	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:

- 8/31/21 valuation - The discount rate has changed from 2.11% to 2.12% due to a change in the municipal bond rate.
- 8/31/20 valuation - The discount rate has changed from 3.16% to 2.11% due to a change in the municipal bond rate.
 The inflation rate has changed from 2.50% to 2.25% based on the most recent Lincoln Police and Fire Pension Plan experience study.

 The mortality assumption was updated to the Pub-2010 family of mortality tables. The Safety tables are used for the Police and Fire members and the General tables are used for the Civilian members.
 The retirement rates for the Police and Fire members were adjusted to service-based rates.
 The termination rates were adjusted to service-based rates.
 The disability rates for Civilians were reduced at most ages and combined for males and females.
 The percentage of members assumed to be married was updated from 100% to 90%.
 The trend rate assumption was adjusted to 7.00% in the first year, decreasing by 0.25% per year until an ultimate of 4.50% is reached in 2030.
- 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.
 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, 2022

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
ASSETS							
Cash and Cash Equivalents	\$ 13,017,007	18,073	96,088	89,428	997	77,985	13,299,578
Investments	103,241,251	631,552	2,565,680	6,157,631	231,193	5,103,165	117,930,472
Receivables:							
Taxes	4,181,486	-	-	-	61	-	4,181,547
Accounts	1,807,921	-	2,616	20,111	-	-	1,830,648
Lease Receivable	4,321,343	5,555,259	-	-	-	-	9,876,602
Accrued Interest	837,208	522	8,024	17,045	-	14,790	877,589
Accrued Lease Interest	14,313	-	-	-	-	-	14,313
Due from Other Funds	735,340	-	3,214	-	-	-	738,554
Due from Other Funds (Inter-fund)	28,424	5,656	-	-	2,935	-	37,015
Due from Other Governments	18,278,447	-	172,959	-	-	-	18,451,406
Inventories	64,822	-	-	-	-	-	64,822
Prepaid Items	446,783	-	-	-	-	-	446,783
Total Assets	146,974,345	6,211,062	2,848,581	6,284,215	235,186	5,195,940	167,749,329
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	3,588,349	-	37,627	328,452	-	-	3,954,428
Accrued Liabilities	3,624,861	-	93,726	137,379	-	-	3,855,966
Due to Other Funds	9,359,626	-	61	-	-	-	9,359,687
Due to Other Funds (Inter-fund)	37,015	-	-	-	-	-	37,015
Due to Other Governments	73,102	-	1,768	2,301	-	-	77,171
Unearned Revenue	1,269,017	-	27,130	-	-	-	1,296,147
Total Liabilities	17,951,970	-	160,312	468,132	-	-	18,580,414
Deferred Inflows of Resources:							
Unavailable Revenues	2,115,949	-	79,940	-	57	-	2,195,946
Deferred Inflow for Leases	4,205,201	5,425,348	-	-	-	-	9,630,549
Total Deferred Inflows of Resources	6,321,150	5,425,348	79,940	-	57	-	11,826,495
Fund Balances:							
Nonspendable	511,606	-	-	-	-	-	511,606
Restricted	18,388,040	-	-	-	-	-	18,388,040
Assigned	4,662,612	785,714	2,608,329	5,816,083	235,129	5,195,940	19,303,807
Unassigned	99,138,967	-	-	-	-	-	99,138,967
Total Fund Balances	122,701,225	785,714	2,608,329	5,816,083	235,129	5,195,940	137,342,420
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 146,974,345	6,211,062	2,848,581	6,284,215	235,186	5,195,940	167,749,329

CITY OF LINCOLN, NEBRASKA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
Revenues							
Taxes:							
Property	\$ 61,833,145	-	-	-	1,533	-	61,834,678
Motor Vehicle	6,787,141	-	-	-	-	-	6,787,141
Sales and Use	100,577,729	-	-	-	-	-	100,577,729
Sundry and In Lieu	32,139	-	-	-	-	-	32,139
Occupation	6,782,776	-	-	-	-	-	6,782,776
Special Assessment	11,215	-	-	-	-	-	11,215
Intergovernmental	1,682,937	-	1,460,066	754,166	-	-	3,897,169
Permits and Fees	5,199,006	-	35,569	950,737	-	-	6,185,312
Reimbursement for Services	7,996,959	480,759	75,689	16,000	-	-	8,569,407
Court Settlements	800,011	-	-	-	-	-	800,011
Investment Loss	(2,174,078)	(1,229)	(15,561)	(44,098)	-	(31,279)	(2,266,245)
Donations	940,872	-	20	-	-	-	940,892
Miscellaneous	1,134,314	136,383	1,468	-	-	-	1,272,165
Total Revenues	191,604,166	615,913	1,557,251	1,676,805	1,533	(31,279)	195,424,389
Expenditures							
Current:							
General Government	45,336,050	-	-	-	-	-	45,336,050
Public Safety	80,297,912	-	-	6,131,792	-	-	86,429,704
Streets and Highways	4,914,199	-	-	-	-	-	4,914,199
Culture and Recreation	17,167,050	-	-	-	-	-	17,167,050
Economic Opportunity	4,893	-	-	-	-	-	4,893
Health and Welfare	338,094	-	3,579,523	-	-	-	3,917,617
Debt Service	552	-	-	-	-	-	552
Debt Service P & I	80,467	-	-	-	-	-	80,467
Total Expenditures	148,139,217	-	3,579,523	6,131,792	-	-	157,850,532
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,464,949	615,913	(2,022,272)	(4,454,987)	1,533	(31,279)	37,573,857
Other Financing Sources (Uses):							
Transfers In	15,946,337	-	2,389,922	5,701,626	-	-	24,037,885
Transfers In (Inter-Fund)	167,344	-	-	462	-	-	167,806
Transfers Out	(35,757,117)	(675,096)	(493,088)	-	(1,515)	-	(36,926,816)
Transfers Out (Inter-Fund)	(167,344)	-	-	(462)	-	-	(167,806)
Sale of Capital Assets	14,495	-	5,160	-	-	-	19,655
Total Other Financing Sources (Uses)	(19,796,285)	(675,096)	1,901,994	5,701,626	(1,515)	-	(12,869,276)
Net Change In Fund Balances	23,668,664	(59,183)	(120,278)	1,246,639	18	(31,279)	24,704,581
Fund Balances - Beginning of Year,	99,032,561	844,897	2,728,607	4,569,444	235,111	5,227,219	112,637,839
Fund Balances - Ending	\$ 122,701,225	785,714	2,608,329	5,816,083	235,129	5,195,940	137,342,420



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 3,102,821	2,060,362	5,878,012	30,253	11,071,448
Investments	69,408,482	5,734,717	45,894,653	64,439,598	185,477,450
Receivables, (Net of Allowance for Uncollectibles)	3,017,424	2,201,276	131,470	3,129	5,353,299
Due from Other Funds	2,177,834	423	2,199,013	-	4,377,270
Due from Other Governments	2,672,391	17,398	3,896,704	-	6,586,493
Inventories	1,175,996	-	-	-	1,175,996
Beneficial Interest Asset	2,608,154	-	-	-	2,608,154
Prepaid Items	474,672	-	-	-	474,672
Total Assets	84,637,774	10,014,176	57,999,852	64,472,980	217,124,782
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,090,257	1,248	4,925,121	62,615	6,079,241
Contracts Payable	-	-	51,593	-	51,593
Accrued Liabilities	1,635,866	-	-	-	1,635,866
Due to Other Funds	29,973,611	101,767	7,346	-	30,082,724
Due to Other Governments	405,005	-	8,173	-	413,178
Due to Other Contractors	-	1,841,641	-	-	1,841,641
Unearned Revenue	244,331	-	54,648	-	298,979
Total Liabilities	33,349,070	1,944,656	5,046,881	62,615	40,403,222
Deferred Inflows of Resources:					
Unavailable Revenues	3,022,130	1,543,137	-	-	4,565,267
Beneficial Interest Revenue	2,608,154	-	-	-	2,608,154
Deferred Inflows for Leases	17,161	-	7,274	-	24,435
Total Deferred Inflows of Resources	5,647,445	1,543,137	7,274	-	7,197,856
Fund Balances (Deficits):					
Nonspendable	1,650,668	-	-	37,160,000	38,810,668
Restricted	14,248,401	6,519,717	52,945,697	27,250,365	100,964,180
Committed	845,575	6,666	-	-	852,241
Assigned	29,578,722	-	-	-	29,578,722
Unassigned	(682,107)	-	-	-	(682,107)
Total Fund Balances	45,641,259	6,526,383	52,945,697	64,410,365	169,523,704
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 84,637,774	10,014,176	57,999,852	64,472,980	217,124,782

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 20,145,080	7,422,042	-	-	27,567,122
Wheel	9,764,846	-	9,764,846	-	19,529,692
Sales and Use	-	-	16,916,479	-	16,916,479
Turnback	-	677,204	-	-	677,204
Sundry and In Lieu	7,724	1,440	-	-	9,164
Occupation	-	1,654,430	-	-	1,654,430
Special Assessment	792	1,526,082	-	-	1,526,874
Intergovernmental	17,288,520	-	461,401	-	17,749,921
Permits and Fees	16,417,854	-	430,805	-	16,848,659
Reimbursement for Services	884,260	-	-	-	884,260
Program Income	-	-	-	-	-
Investment Loss	(313,779)	(27,673)	(299,357)	(10,506,576)	(11,147,385)
Donations	497,161	-	2,101,363	5,100	2,603,624
Keno Proceeds	7,082,106	-	-	-	7,082,106
Private Sector Share of Projects	49,890	-	2,308,976	-	2,358,866
Miscellaneous	306,121	31,504	17,102	16,181	370,908
Total Revenues	<u>72,130,575</u>	<u>11,285,029</u>	<u>31,701,615</u>	<u>(10,485,295)</u>	<u>104,631,924</u>
EXPENDITURES					
Current:					
General Government	14,809,372	-	-	-	14,809,372
Public Safety	8,274,053	-	-	-	8,274,053
Streets and Highways	103	-	-	-	103
Culture and Recreation	11,603,156	-	-	23,012	11,626,168
Economic Opportunity	-	-	-	-	-
Health and Welfare	14,905,343	-	-	2,123,703	17,029,046
Mass Transit	18,114,452	-	-	-	18,114,452
Debt Service:					
Principal Retirement	712,017	13,296,126	-	-	14,008,143
Interest and Fiscal Charges	186,186	4,549,681	-	-	4,735,867
Developer Purchased TIF Payments	-	3,620,590	-	-	3,620,590
Miscellaneous	-	18,719	-	-	18,719
Capital Outlay	-	-	17,019,725	-	17,019,725
Total Expenditures	<u>68,604,682</u>	<u>21,485,116</u>	<u>17,019,725</u>	<u>2,146,715</u>	<u>109,256,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,525,893</u>	<u>(10,200,087)</u>	<u>14,681,890</u>	<u>(12,632,010)</u>	<u>(4,624,314)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	18,513,868	11,090,751	9,009,989	-	38,614,608
Transfers Out	(11,885,932)	(2,009,968)	(18,052,206)	-	(31,948,106)
Leases	42,380	-	-	-	42,380
Sale of Capital Assets	395,360	-	-	-	395,360
Total Other Financing Sources (Uses)	<u>7,065,676</u>	<u>9,080,783</u>	<u>(9,042,217)</u>	<u>-</u>	<u>7,104,242</u>
Net Change in Fund Balances	10,591,569	(1,119,304)	5,639,673	(12,632,010)	2,479,928
Fund Balances - Beginning	<u>35,049,690</u>	<u>7,645,687</u>	<u>47,306,024</u>	<u>77,042,375</u>	<u>167,043,776</u>
Fund Balances - Ending	<u>\$ 45,641,259</u>	<u>6,526,383</u>	<u>52,945,697</u>	<u>64,410,365</u>	<u>169,523,704</u>

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.

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, 2022

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
ASSETS							
Cash and Cash Equivalents	\$ 57,473	4,504	69,691	121,260	659	-	1,987,412
Investments	3,332,564	298,859	4,443,419	7,477,123	-	-	1,116,494
Receivables, (Net of Allowance for Uncollectibles):							
Taxes	-	-	551,871	-	20,592	619,602	-
Accounts	-	27,854	-	1,213,133	-	-	17,385
Leases	17,241	-	-	-	-	-	-
Accrued Interest	9,757	-	9,589	21,233	-	-	6,305
Accrued Lease Interest	48	-	-	-	-	-	-
Due from Other Funds	-	3,795	-	-	-	-	-
Due from Other Governments	-	-	282	-	-	-	1,703,228
Inventories	-	-	-	-	-	-	1,175,996
Beneficial Interest Asset	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	474,672
Total Assets	3,417,083	335,012	5,074,852	8,832,749	21,251	619,602	6,481,492
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	57	272	57,455	82,278	-	-	614,904
Accrued Liabilities	-	760	221,896	355,686	-	498,178	362,656
Due to Other Funds	-	413	60	13,685	-	-	14,201
Due to Other Governments	-	-	199	79,616	-	-	9,039
Unearned Revenue	-	-	-	-	-	-	30,870
Total Liabilities	57	1,445	279,610	531,265	-	498,178	1,031,670
Deferred Inflows of Resources:							
Unavailable Revenues	-	-	116,460	1,055,194	20,474	121,424	1,708,578
Beneficial Interest Revenue	-	-	-	-	-	-	-
Deferred Inflows for Leases	17,161	-	-	-	-	-	-
Total Deferred Inflows of Resources	17,161	-	116,460	1,055,194	20,474	121,424	1,708,578
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	1,650,668
Restricted	1,389,525	-	-	-	777	-	-
Committed	-	309,712	-	-	-	-	-
Assigned	2,010,340	23,855	4,678,782	7,246,290	-	-	2,090,576
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	3,399,865	333,567	4,678,782	7,246,290	777	-	3,741,244
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,417,083	335,012	5,074,852	8,832,749	21,251	619,602	6,481,492

Keno	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
115,964	-	179,441	497,704	26,679	3,130	34,717	3,695	492	3,102,821
7,854,927	-	11,666,795	28,707,419	1,691,657	191,721	2,559,838	-	67,666	69,408,482
-	-	-	-	-	-	-	-	-	1,192,065
308,871	-	17,672	69,688	107	-	-	2,168	-	1,656,878
-	-	-	-	-	-	-	-	-	17,241
-	3,482	-	95,272	4,940	614	-	-	-	151,192
99,733	99,029	1,302,677	659,741	12,000	-	-	-	859	2,177,834
-	-	-	-	-	-	-	-	968,881	2,672,391
-	-	-	-	-	-	-	-	-	1,175,996
-	-	-	-	-	-	2,608,154	-	-	2,608,154
-	-	-	-	-	-	-	-	-	474,672
<u>8,379,495</u>	<u>102,511</u>	<u>13,166,585</u>	<u>30,029,824</u>	<u>1,735,383</u>	<u>195,465</u>	<u>5,202,709</u>	<u>5,863</u>	<u>1,037,898</u>	<u>84,637,774</u>
427	39,362	70,529	4,872	71,191	-	-	148,910	-	1,090,257
-	-	188,791	-	-	7,899	-	-	-	1,635,866
61,746	3,597	18,511	29,298,816	23,854	-	-	538,728	-	29,973,611
314,608	-	1,029	-	182	-	-	332	-	405,005
-	-	213,461	-	-	-	-	-	-	244,331
<u>376,781</u>	<u>42,959</u>	<u>492,321</u>	<u>29,303,688</u>	<u>95,227</u>	<u>7,899</u>	<u>-</u>	<u>687,970</u>	<u>-</u>	<u>33,349,070</u>
-	-	-	-	-	-	-	-	-	3,022,130
-	-	-	-	-	-	2,608,154	-	-	2,608,154
-	-	-	-	-	-	-	-	-	17,161
-	-	-	-	-	-	2,608,154	-	-	5,647,445
-	-	-	-	-	-	-	-	-	1,650,668
7,575,003	59,552	-	-	1,403,525	187,566	2,594,555	-	1,037,898	14,248,401
-	-	535,863	-	-	-	-	-	-	845,575
427,711	-	12,138,401	726,136	236,631	-	-	-	-	29,578,722
-	-	-	-	-	-	-	(682,107)	-	(682,107)
<u>8,002,714</u>	<u>59,552</u>	<u>12,674,264</u>	<u>726,136</u>	<u>1,640,156</u>	<u>187,566</u>	<u>2,594,555</u>	<u>(682,107)</u>	<u>1,037,898</u>	<u>45,641,259</u>
<u>8,379,495</u>	<u>102,511</u>	<u>13,166,585</u>	<u>30,029,824</u>	<u>1,735,383</u>	<u>195,465</u>	<u>5,202,709</u>	<u>5,863</u>	<u>1,037,898</u>	<u>84,637,774</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
Revenues:							
Real Property and Personal Property Tax	\$ -	-	9,383,344	-	14,623	10,747,113	-
Wheel Tax	-	-	-	-	-	-	-
Sundry and In Lieu Tax	-	-	3,379	-	-	4,345	-
Special Assessment	-	-	-	792	-	-	-
Intergovernmental	-	-	943,341	2,846,675	-	-	13,498,504
Permits and Fees	-	192,441	162,207	4,971,201	-	-	2,246,961
Reimbursement for Services	4,439	-	1,200	409,912	-	-	148,099
Investment Earnings (Loss)	(18,367)	-	(35,267)	(20,704)	-	-	(2,003)
Donations	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-
Private Sector Share of Projects	-	-	-	-	-	-	-
Miscellaneous	138	356	28,468	53,688	-	-	107,499
Total Revenues	(13,790)	192,797	10,486,672	8,261,564	14,623	10,751,458	15,999,060
Expenditures -- Current:							
General Government	6,234	168,548	-	-	-	10,751,458	-
Public Safety	-	-	-	-	-	-	-
Streets and Highways	-	-	-	-	-	-	-
Culture and Recreation	-	-	10,012,499	-	-	-	-
Health and Welfare	-	-	-	14,905,343	-	-	-
Mass Transit	-	-	-	-	-	-	17,650,745
Debt Service	-	-	-	546,504	-	-	-
Total Expenditures	6,234	168,548	10,012,499	15,451,847	-	10,751,458	17,650,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,024)	24,249	474,173	(7,190,283)	14,623	-	(1,651,685)
Other Financing Sources (Uses):							
Transfers In	-	-	8,700	7,950,485	-	-	8,268,301
Transfers Out	(350,000)	-	(90,832)	(41,294)	(13,846)	-	(14,452)
Leases	-	-	-	42,380	-	-	-
Sale of Capital Assets	381,590	-	-	-	-	-	13,770
Total Other Financing Sources (Uses)	31,590	-	(82,132)	7,951,571	(13,846)	-	8,267,619
Net Change In Fund Balances	11,566	24,249	392,041	761,288	777	-	6,615,934
Fund Balances (Deficits) - Beginning	3,388,299	309,318	4,286,741	6,485,002	-	-	(2,874,690)
Fund Balances (Deficits) - Ending	\$ 3,399,865	333,567	4,678,782	7,246,290	777	-	3,741,244

Keno	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
-	-	-	-	-	-	-	-	-	20,145,080
-	-	-	-	-	-	-	-	9,764,846	9,764,846
-	-	-	-	-	-	-	-	-	7,724
-	-	-	-	-	-	-	-	-	792
-	-	-	-	-	-	-	-	-	17,288,520
-	-	8,655,809	189,235	-	-	-	-	-	16,417,854
-	-	179,371	-	90,751	-	-	50,488	-	884,260
-	9,003	36,826	29,641	(9,900)	(1,077)	(301,931)	-	-	(313,779)
-	-	-	-	226,888	109,378	-	160,895	-	497,161
7,082,106	-	-	-	-	-	-	-	-	7,082,106
-	-	-	-	49,890	-	-	-	-	49,890
-	-	40	-	115,892	-	-	40	-	306,121
7,082,106	9,003	8,872,046	218,876	473,521	108,301	(301,931)	211,423	9,764,846	72,130,575
2,771,055	1,081,751	-	30,326	-	-	-	-	-	14,809,372
-	-	8,274,053	-	-	-	-	-	-	8,274,053
-	-	-	-	-	-	-	-	103	103
898,957	-	-	-	594,604	97,096	-	-	-	11,603,156
-	-	-	-	-	-	-	-	-	14,905,343
-	-	-	-	-	-	-	463,707	-	18,114,452
351,699	-	-	-	-	-	-	-	-	898,203
4,021,711	1,081,751	8,274,053	30,326	594,604	97,096	-	463,707	103	68,604,682
3,060,395	(1,072,748)	597,993	188,550	(121,083)	11,205	(301,931)	(252,284)	9,764,743	3,525,893
-	884,444	1,401,938	-	-	-	-	-	-	18,513,868
(1,621,401)	(3,174)	(7,294)	-	(9,922)	-	-	-	(9,733,717)	(11,885,932)
-	-	-	-	-	-	-	-	-	42,380
-	-	-	-	-	-	-	-	-	395,360
(1,621,401)	881,270	1,394,644	-	(9,922)	-	-	-	(9,733,717)	7,065,676
1,438,994	(191,478)	1,992,637	188,550	(131,005)	11,205	(301,931)	(252,284)	31,026	10,591,569
6,563,720	251,030	10,681,627	537,586	1,771,161	176,361	2,896,486	(429,823)	1,006,872	35,049,690
8,002,714	59,552	12,674,264	726,136	1,640,156	187,566	2,594,555	(682,107)	1,037,898	45,641,259



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:

- 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
- 2021 Certificate of Participation – Street Lights

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, Series 2016, and Series 2021. 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 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, 2022

	<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	\$ 961,328	41,946	36,313	1,020,775	2,060,362
Investments	1,973,600	2,949,122	811,995	-	5,734,717
Receivables (Net of Allowance for Uncollectibles):					
Taxes	169,429	253,152	-	-	422,581
Accounts	-	-	137,443	-	137,443
Accrued Interest	8,280	6,735	4,250	-	19,265
Special Assessment	-	-	-	1,621,987	1,621,987
Due from Other Funds				423	423
Due from Other Governments	-	120	-	17,278	17,398
Total Assets	<u>3,112,637</u>	<u>3,251,075</u>	<u>990,001</u>	<u>2,660,463</u>	<u>10,014,176</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	1,248	-	-	1,248
Due to Other Funds	-	-	2,738	99,029	101,767
Due to Other Contractors	1,039,815	-	801,826	-	1,841,641
Total Liabilities	<u>1,039,815</u>	<u>1,248</u>	<u>804,564</u>	<u>99,029</u>	<u>1,944,656</u>
Deferred Inflows of Resources:					
Unavailable Revenues	-	67,933	-	1,475,204	1,543,137
Fund Balances:					
Restricted	2,066,156	3,181,894	185,437	1,086,230	6,519,717
Committed	6,666	-	-	-	6,666
Total Fund Balances	<u>2,072,822</u>	<u>3,181,894</u>	<u>185,437</u>	<u>1,086,230</u>	<u>6,526,383</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,112,637</u>	<u>3,251,075</u>	<u>990,001</u>	<u>2,660,463</u>	<u>10,014,176</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, 2022

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 3,406,875	4,015,167	-	-	7,422,042
Turnback Tax	-	-	677,204	-	677,204
Sundry and In Lieu Tax	-	1,440	-	-	1,440
Occupation Tax	-	-	1,654,430	-	1,654,430
Special Assessment	-	-	-	1,434,805	1,434,805
Special Assessment Interest	-	-	-	91,277	91,277
Investment Loss	(6,775)	(20,318)	(580)	-	(27,673)
Miscellaneous	31,504	-	-	-	31,504
Total Revenues	<u>3,431,604</u>	<u>3,996,289</u>	<u>2,331,054</u>	<u>1,526,082</u>	<u>11,285,029</u>
Expenditures -- Debt Service:					
Principal Retirement	869,751	3,086,375	6,050,000	205,000	10,211,126
Interest	77,029	1,122,379	1,692,778	80,340	2,972,526
Fiscal Charges	350	11,698	1,600	800	14,448
COPs Principal	-	3,085,000	-	-	3,085,000
COPs Interest	-	1,562,707	-	-	1,562,707
Developer Purchased TIF Payments	1,971,538	-	1,649,052	-	3,620,590
Miscellaneous	17,955	308	428	28	18,719
Total Expenditures	<u>2,936,623</u>	<u>8,868,467</u>	<u>9,393,858</u>	<u>286,168</u>	<u>21,485,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>494,981</u>	<u>(4,872,178)</u>	<u>(7,062,804)</u>	<u>1,239,914</u>	<u>(10,200,087)</u>
Other Financing Sources (Uses):					
Transfers In	157,583	4,746,988	6,186,180	-	11,090,751
Transfers Out	(1,107,623)	(18,828)	-	(883,517)	(2,009,968)
Total Other Financing Sources (Uses)	<u>(950,040)</u>	<u>4,728,160</u>	<u>6,186,180</u>	<u>(883,517)</u>	<u>9,080,783</u>
Net Change in Fund Balances	(455,059)	(144,018)	(876,624)	356,397	(1,119,304)
Fund Balances - Beginning	<u>2,527,881</u>	<u>3,325,912</u>	<u>1,062,061</u>	<u>729,833</u>	<u>7,645,687</u>
Fund Balances - Ending	<u>\$ 2,072,822</u>	<u>3,181,894</u>	<u>185,437</u>	<u>1,086,230</u>	<u>6,526,383</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, 2022

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Special Assessment	Total
ASSETS						
Cash and Cash Equivalents	\$ 441,080	62,589	113,598	5,260,745	-	5,878,012
Investments	29,558,886	33,833	7,533,512	8,768,422	-	45,894,653
Lease Receivable	-	-	-	7,390	-	7,390
Accrued Interest Receivable	83,613	-	23,105	17,305	-	124,023
Accrued Lease Interest	-	-	-	57	-	57
Due from Other Funds	-	430	-	2,195,409	3,174	2,199,013
Due from Other Governments	2,927,824	968,880	-	-	-	3,896,704
Total Assets	33,011,403	1,065,732	7,670,215	16,249,328	3,174	57,999,852
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	251,380	-	528,252	4,145,489	-	4,925,121
Contracts Payable	-	-	48,419	-	3,174	51,593
Due to Other Funds	-	-	7,346	-	-	7,346
Due to Other Governments	-	-	-	8,173	-	8,173
Unearned Revenue	-	-	30,986	23,662	-	54,648
Total Liabilities	251,380	-	615,003	4,177,324	3,174	5,046,881
Deferred Inflows of Resources:						
Deferred Inflows for Leases	-	-	-	7,274	-	7,274
Fund Balances:						
Restricted	32,760,023	1,065,732	7,055,212	12,064,730	-	52,945,697
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,011,403	1,065,732	7,670,215	16,249,328	3,174	57,999,852

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Special Assessment	Total
Revenues:						
Wheel Tax	\$ -	9,764,846	-	-	-	9,764,846
Sales and Use Tax	16,916,479	-	-	-	-	16,916,479
Intergovernmental	-	-	414,740	46,661	-	461,401
Permits and Fees	-	-	-	430,805	-	430,805
Investment Loss	(198,211)	-	(41,034)	(60,112)	-	(299,357)
Donations	-	-	-	2,101,363	-	2,101,363
Variable Lease Income	-	-	-	13,000	-	13,000
Developer's Share	-	-	-	2,308,976	-	2,308,976
Miscellaneous	-	-	-	4,102	-	4,102
Total Revenues	<u>16,718,268</u>	<u>9,764,846</u>	<u>373,706</u>	<u>4,844,795</u>	<u>-</u>	<u>31,701,615</u>
Expenditures:						
Capital Outlay:						
General Government	-	-	-	5,030	-	5,030
Public Safety	-	-	-	2,814,523	-	2,814,523
Streets and Highways	251,380	102	2,509,323	-	2,247	2,763,052
Culture and Recreation	-	-	-	6,839,032	-	6,839,032
Economic Opportunity	-	-	-	2,443,404	-	2,443,404
Health & Welfare	-	-	-	2,154,684	-	2,154,684
Total Expenditures	<u>251,380</u>	<u>102</u>	<u>2,509,323</u>	<u>14,256,673</u>	<u>2,247</u>	<u>17,019,725</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,466,888</u>	<u>9,764,744</u>	<u>(2,135,617)</u>	<u>(9,411,878)</u>	<u>(2,247)</u>	<u>14,681,890</u>
Other Financing Sources (Uses):						
Transfers In	-	-	97,340	8,909,475	3,174	9,009,989
Transfers Out	(7,618,396)	(9,728,697)	(44,949)	(659,237)	(927)	(18,052,206)
Total Other Financing Sources (Uses)	<u>(7,618,396)</u>	<u>(9,728,697)</u>	<u>52,391</u>	<u>8,250,238</u>	<u>2,247</u>	<u>(9,042,217)</u>
Net Change in Fund Balances	8,848,492	36,047	(2,083,226)	(1,161,640)	-	5,639,673
Fund Balances - Beginning	<u>23,911,531</u>	<u>1,029,685</u>	<u>9,138,438</u>	<u>13,226,370</u>	<u>-</u>	<u>47,306,024</u>
Fund Balances - Ending	<u>\$ 32,760,023</u>	<u>1,065,732</u>	<u>7,055,212</u>	<u>12,064,730</u>	<u>-</u>	<u>52,945,697</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, 2022

	<u>Community Health Permanent Endowment</u>	<u>JJ Hompes</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 16,417	13,836	30,253
Investments	63,223,401	1,216,197	64,439,598
Accrued Interest Receivable	2,884	245	3,129
Total Assets	<u>63,242,702</u>	<u>1,230,278</u>	<u>64,472,980</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	<u>62,546</u>	<u>69</u>	<u>62,615</u>
Total Liabilities	<u>62,546</u>	<u>69</u>	<u>62,615</u>
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	<u>26,180,156</u>	<u>1,070,209</u>	<u>27,250,365</u>
Total Fund Balances	<u>63,180,156</u>	<u>1,230,209</u>	<u>64,410,365</u>
Total Liabilities and Fund Balances	<u>\$ 63,242,702</u>	<u>1,230,278</u>	<u>64,472,980</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Community Health Permanent Endowment	JJ Hompes	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Investment Loss	\$ (10,413,396)	(93,180)	(10,506,576)
Donations	5,100	-	5,100
Miscellaneous	16,181	-	16,181
Total Revenues	<u>(10,392,115)</u>	<u>(93,180)</u>	<u>(10,485,295)</u>
Expenditures -- Current:			
Culture and Recreation	-	23,012	23,012
Health and Welfare	2,123,703	-	2,123,703
Total Expenditures	<u>2,123,703</u>	<u>23,012</u>	<u>2,146,715</u>
Net Change in Fund Balances	(12,515,818)	(116,192)	(12,632,010)
Fund Balances - Beginning	<u>75,695,974</u>	<u>1,346,401</u>	<u>77,042,375</u>
Fund Balances - Ending	<u>\$ 63,180,156</u>	<u>1,230,209</u>	<u>64,410,365</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	(1,644)	(1,644)
Rental Income	375,697	375,697	448,950	73,253
Miscellaneous	-	-	27,022	27,022
Total Revenues	<u>375,697</u>	<u>375,697</u>	<u>474,328</u>	<u>98,631</u>
Other Financing Uses:				
Transfers Out	<u>(798,162)</u>	<u>(843,116)</u>	<u>(675,096)</u>	<u>168,020</u>
Net Change in Fund Balances	<u>\$ (422,465)</u>	<u>(467,419)</u>	<u>(200,768)</u>	<u>266,651</u>
Fund Balance - Beginning			<u>844,742</u>	
Fund Balance - Ending			<u>\$ 643,974</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (200,768)	
Revenue and Transfer Accruals			<u>141,585</u>	
Net Change in Fund Balance, GAAP Basis			(59,183)	
Fund Balance - Beginning, GAAP Basis			<u>844,897</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 785,714</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,405,630	1,405,630	1,337,374	(68,256)
Permits and Fees	50,600	50,600	36,794	(13,806)
Client Contributions	127,300	127,300	73,510	(53,790)
Investment Earnings	15,600	15,600	(21,332)	(36,932)
Donations	87,500	87,500	20	(87,480)
Miscellaneous	-	-	1,467	1,467
Total Revenues	1,686,630	1,686,630	1,427,833	(258,797)
Expenditures -- Health and Welfare:				
Personal Services	2,739,039	2,739,039	2,477,582	261,457
Materials and Supplies	209,006	209,006	171,163	37,843
Other Services and Charges	2,803,752	1,773,564	935,433	838,131
Capital Outlay	28,489	41,489	11,982	29,507
Total Expenditures	5,780,286	4,763,098	3,596,160	1,166,938
Deficiency of Revenues Under Expenditures	(4,093,656)	(3,076,468)	(2,168,327)	908,141
Other Financing Sources:				
Transfers In	2,290,438	2,290,438	2,389,922	99,484
Transfers Out	(100,000)	(1,034,422)	(493,088)	541,334
Sale of Capital Assets	-	-	5,005	5,005
Total Other Financing Sources	2,190,438	1,256,016	1,901,839	645,823
Net Change in Fund Balances	\$ (1,903,218)	(1,820,452)	(266,488)	1,553,964
Fund Balance - Beginning			2,872,483	
Fund Balance - Ending			\$ 2,605,995	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (266,488)	
Revenue and Transfer Accruals			129,573	
Expenditure and Transfer Accruals			16,637	
Net Change in Fund Balance, GAAP Basis			(120,278)	
Fund Balance - Beginning, GAAP Basis			2,728,607	
Fund Balance - Ending, GAAP Basis			\$ 2,608,329	

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 410,508	410,508	754,166	343,658
Permits and Fees	640,000	640,000	941,606	301,606
Reimbursement for Services	-	-	16,000	16,000
Investment Earnings	-	-	(58,076)	(58,076)
Total Revenues	<u>1,050,508</u>	<u>1,050,508</u>	<u>1,653,696</u>	<u>603,188</u>
Expenditures -- Public Safety:				
Personal Services	5,593,567	5,593,567	4,948,789	644,778
Materials and Supplies	47,300	47,300	8,932	38,368
Other Services and Charges	2,837,247	2,837,247	822,676	2,014,571
Capital Outlay	266,906	266,906	37,397	229,509
Total Expenditures	<u>8,745,020</u>	<u>8,745,020</u>	<u>5,817,794</u>	<u>2,927,226</u>
Deficiency of Revenues Under Expenditures	<u>(7,694,512)</u>	<u>(7,694,512)</u>	<u>(4,164,098)</u>	<u>3,530,414</u>
Other Financing Sources:				
Transfers In	5,701,626	5,701,626	5,702,088	462
Transfers Out	-	-	(462)	(462)
Total Other Financing Sources	<u>5,701,626</u>	<u>5,701,626</u>	<u>5,701,626</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,992,886)</u>	<u>(1,992,886)</u>	1,537,528	<u>3,530,414</u>
Fund Balance - Beginning			<u>4,745,447</u>	
Fund Balance - Ending			<u>\$ 6,282,975</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,537,527	
Revenue and Transfer Accruals			23,110	
Expenditure and Transfer Accruals			<u>(313,998)</u>	
Net Change in Fund Balance, GAAP Basis			1,246,639	
Fund Balance - Beginning, GAAP Basis			<u>4,569,444</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 5,816,083</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, 2022

	<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:				
Real Property and Personal Property Tax	\$ 50,000	50,000	1,529	(48,471)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>1,529</u>	<u>(48,471)</u>
Expenditures -- General Government:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	50,000	1,529	(48,471)
Other Financing Sources:				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(1,515)</u>	<u>48,485</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	14	<u>14</u>
Fund Balance - Beginning			<u>235,111</u>	
Fund Balance - Ending			<u>\$ 235,125</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 14	
Revenue and Transfer Accruals			4	
Expenditure Accruals			<u>-</u>	
Net Change in Fund Balance, GAAP Basis			18	
Fund Balance - Beginning, GAAP Basis			<u>235,111</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 235,129</u>	

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Permits and Fees	\$ 224,000	224,000	192,945	(31,055)
Miscellaneous	-	-	356	356
Total Revenues	<u>224,000</u>	<u>224,000</u>	<u>193,301</u>	<u>(30,699)</u>
Expenditures -- General Government:				
Personal Services	28,555	28,555	25,920	2,635
Materials and Supplies	3,500	3,500	787	2,713
Other Services and Charges	75,809	75,809	43,528	32,281
Capital Outlay	100,000	100,000	97,987	2,013
Total Expenditures	<u>207,864</u>	<u>207,864</u>	<u>168,221</u>	<u>39,643</u>
Deficiency of Revenues Under Expenditures	16,136	16,136	25,080	8,944
Other Financing Sources:				
Net Change in Fund Balances	<u>\$ 16,136</u>	<u>16,136</u>	25,080	<u>8,944</u>
Fund Balance - Beginning			<u>282,145</u>	
Fund Balance - Ending			<u>\$ 307,224</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 25,080	
Revenue and Transfer Accruals			(504)	
Expenditure and Transfer Accruals			<u>(326)</u>	
Net Change in Fund Balance, GAAP Basis			24,250	
Fund Balance - Beginning, GAAP Basis			<u>309,318</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 333,567</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real Property and Personal Property Tax	\$ 9,115,069	9,115,069	9,342,336	227,267
Sundry Taxes and In Lieu	5,000	5,000	3,748	(1,252)
Intergovernmental	943,341	943,341	943,341	-
Permits and Fees	165,000	165,000	163,102	(1,899)
Investment Earnings	9,500	9,500	(42,794)	(52,294)
Rental Income	1,200	1,200	1,200	-
Miscellaneous	29,800	29,800	29,004	(796)
Total Revenues	<u>10,268,910</u>	<u>10,268,910</u>	<u>10,439,937</u>	<u>171,027</u>
Expenditures -- Culture and Recreation:				
Personal Services	7,704,586	7,604,586	7,281,719	322,867
Materials and Supplies	161,000	161,000	167,428	(6,428)
Other Services and Charges	3,376,132	3,476,132	1,862,495	1,613,637
Capital Outlay	885,650	885,650	792,806	92,844
Total Expenditures	<u>12,127,368</u>	<u>12,127,368</u>	<u>10,104,447</u>	<u>2,022,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,858,458)	(1,858,458)	335,489	2,193,947
Other Financing Sources (Uses):				
Transfers In			8,700	8,700
Transfers Out	-	-	(90,832)	(90,832)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(82,132)</u>	<u>(82,132)</u>
Net Change in Fund Balances	<u>\$ (1,858,458)</u>	<u>(1,858,458)</u>	253,358	<u>2,111,815</u>
Fund Balance - Beginning			<u>4,313,500</u>	
Fund Balance - Ending			<u>\$ 4,566,857</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 253,358	
Revenue and Transfer Accruals			46,736	
Expenditure and Transfer Accruals			<u>91,948</u>	
Net Change in Fund Balance, GAAP Basis			392,041	
Fund Balance - Beginning, GAAP Basis			<u>4,286,741</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 4,678,782</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Assessment	\$ 1,000	1,000	792	(208)
Intergovernmental	2,849,908	2,849,908	2,846,675	(3,233)
Permits and Fees	5,251,246	5,251,246	4,904,711	(346,535)
Reimbursement for Services	647,082	647,082	416,610	(230,472)
Investment Earnings	31,100	31,100	(37,111)	(68,211)
Parking Revenue	-	-	73	73
Miscellaneous	-	-	1,682	1,682
Total Revenues	<u>8,780,336</u>	<u>8,780,336</u>	<u>8,133,432</u>	<u>(646,904)</u>
Expenditures -- Health and Welfare:				
Personal Services	12,295,438	12,335,308	11,348,195	987,113
Materials and Supplies	338,075	353,075	322,264	30,811
Other Services and Charges	6,536,239	6,431,369	3,539,809	2,891,560
Capital Outlay	287,670	377,670	215,616	162,054
Total Expenditures	<u>19,457,422</u>	<u>19,497,422</u>	<u>15,425,884</u>	<u>4,071,538</u>
Deficiency of Revenues Under Expenditures	<u>(10,677,086)</u>	<u>(10,717,086)</u>	<u>(7,292,452)</u>	<u>3,424,634</u>
Other Financing Sources (Uses):				
Transfers In	7,887,340	7,887,340	7,950,485	63,145
Transfers Out	(40,000)	-	(41,294)	(41,294)
Total Other Financing Sources (Uses)	<u>7,847,340</u>	<u>7,887,340</u>	<u>7,909,191</u>	<u>21,851</u>
Net Change in Fund Balances	<u>\$ (2,829,746)</u>	<u>(2,829,746)</u>	616,739	<u>3,446,485</u>
Fund Balance - Beginning			<u>7,019,806</u>	
Fund Balance - Ending			<u>\$ 7,636,545</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 616,739	
Revenue and Transfer Accruals			170,510	
Expenditure and Transfer Accruals			<u>(25,961)</u>	
Net Change in Fund Balance, GAAP Basis			761,288	
Fund Balance - Beginning, GAAP Basis			<u>6,485,002</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 7,246,290</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 220,000	220,000	14,646	(205,354)
Total Revenues	220,000	220,000	14,646	(205,354)
Expenditures -- General Government:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,000	220,000	14,646	(205,354)
Other Financing Sources:				
Transfers Out	(220,000)	(220,000)	(13,846)	206,154
Net Change in Fund Balances	\$ -	-	800	800
Fund Balance - Beginning			(141)	
Fund Balance - Ending			\$ 659	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 800	
Revenue and Transfer Accruals			(23)	
Net Change in Fund Balance, GAAP Basis			777	
Fund Balance - Beginning, GAAP Basis			-	
Fund Balance - Ending, GAAP Basis			\$ 777	

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,908,076	2,908,076	5,168,911	2,260,835
Permits and Fees	3,078,927	3,078,927	2,045,250	(1,033,677)
Reimbursement for Services	140,000	140,000	136,509	(3,491)
Miscellaneous	158,000	158,000	107,499	(50,501)
Total Revenues	<u>6,285,003</u>	<u>6,285,003</u>	<u>7,458,169</u>	<u>1,173,166</u>
Expenditures -- Mass Transit:				
Personal Services	11,571,443	11,571,443	11,096,403	475,040
Materials and Supplies	1,487,578	1,487,578	2,122,841	(635,263)
Other Services and Charges	1,605,136	1,605,136	1,312,737	292,399
Capital Outlay	-	-	8,945	(8,945)
Total Expenditures	<u>14,664,157</u>	<u>14,664,157</u>	<u>14,540,926</u>	<u>123,231</u>
Deficiency of Revenues Under Expenditures	(8,379,154)	(8,379,154)	(7,082,757)	1,296,397
Other Financing Sources (Uses):				
Transfers In	8,265,277	8,265,277	8,629,003	363,726
Transfers Out	-	-	(14,452)	(14,452)
Sale of Assets	-	-	13,770	13,770
Total Other Financing Sources (Uses)	<u>8,265,277</u>	<u>8,265,277</u>	<u>8,628,321</u>	<u>363,044</u>
Net Change in Fund Balances	<u>\$ (113,877)</u>	<u>(113,877)</u>	1,545,564	<u>1,659,441</u>
Amount Budgeted on Project Basis			6,437,912	
Fund Balance - Beginning			<u>(5,216,182)</u>	
Fund Balance - Ending			<u>\$ 2,767,294</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,545,564	
Revenue and Transfer Accruals			(1,513,281)	
Expenditure and Transfer Accruals			145,739	
Amount Budgeted on Project Basis			<u>6,437,912</u>	
Net Change in Fund Balance, GAAP Basis			6,615,934	
Fund Balance - Beginning, GAAP Basis			<u>(2,874,690)</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,741,244</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Keno Proceeds	<u>\$ 5,775,056</u>	<u>5,775,056</u>	<u>7,359,580</u>	<u>1,584,524</u>
Expenditures:				
General Government:				
Other Services and Charges	2,118,208	2,118,208	2,756,790	(638,582)
Culture and Recreation:				
Other Services and Charges	35,000	35,000	34,037	963
Capital Outlay	1,186,058	1,186,058	898,492	287,566
Debt Service	-	-	351,699	(351,699)
Total Expenditures	<u>3,339,266</u>	<u>3,339,266</u>	<u>4,041,018</u>	<u>(701,752)</u>
Excess of Revenues Over Expenditures	2,435,790	2,435,790	3,318,562	882,772
Other Financing Uses:				
Transfers Out	<u>(6,196,680)</u>	<u>(6,196,680)</u>	<u>(1,618,263)</u>	<u>4,578,417</u>
Net Change in Fund Balances	<u>\$ (3,760,890)</u>	<u>(3,760,890)</u>	1,700,299	<u>882,772</u>
Fund Balance - Beginning			<u>6,370,326</u>	
Fund Balance - Ending			<u>\$ 8,070,625</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,700,299	
Revenue and Transfer Accruals			(277,474)	
Expenditure and Transfer Accruals			<u>16,169</u>	
Net Change in Fund Balance, GAAP Basis			1,438,994	
Fund Balance - Beginning, GAAP Basis			<u>6,563,720</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 8,002,714</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 6,119,197	6,119,197	8,692,161	2,572,964
Reimbursement for Services	133,497	133,497	163,327	29,830
Investment Earnings	-	-	37,112	37,112
Miscellaneous	332	332	41	(291)
Total Revenues	6,253,026	6,253,026	8,892,641	2,639,615
Expenditures -- Public Safety:				
Personal Services	6,465,855	6,465,855	6,425,299	40,556
Materials and Supplies	83,800	83,800	49,404	34,396
Other Services and Charges	2,058,630	2,058,630	1,801,838	256,792
Capital Outlay	139,263	139,263	19,179	120,084
Total Expenditures	8,747,548	8,747,548	8,295,720	451,828
Deficiency of Revenue Under Expenditures	(2,494,522)	(2,494,522)	596,921	3,091,443
Other Financing Sources (Uses):				
Transfers In	1,401,983	1,401,983	1,401,938	(45)
Transfers Out	-	-	(7,294)	(7,294)
Total Other Financing Sources (Uses)	1,401,983	1,401,983	1,394,644	(7,339)
Net Change in Fund Balances	\$ (1,092,539)	(1,092,539)	1,991,565	3,084,104
Fund Balance - Beginning			10,941,017	
Fund Balance - Ending			\$ 12,932,582	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,991,565	
Revenue and Transfer Accruals			(20,595)	
Expenditure and Transfer Accruals			21,667	
Net Change in Fund Balance, GAAP Basis			1,992,637	
Fund Balance - Beginning, GAAP Basis			10,681,627	
Fund Balance - Ending, GAAP Basis			\$ 12,674,264	

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	(1,559)	(1,559)
Donations	117,742	117,742	109,378	(8,364)
Total Revenues	<u>117,742</u>	<u>117,742</u>	<u>107,819</u>	<u>(9,923)</u>
Expenditures -- Culture and Recreation:				
Personal Services	103,167	103,167	85,380	17,787
Other Services and Charges	250	250	-	250
Capital Outlay	10,000	10,000	6,335	3,665
Total Expenditures	<u>113,417</u>	<u>113,417</u>	<u>91,715</u>	<u>21,702</u>
Net Change in Fund Balance	<u>\$ 4,325</u>	<u>4,325</u>	16,104	<u>11,779</u>
Fund Balance - Beginning			<u>179,638</u>	
Fund Balance - Ending			<u>\$ 195,742</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 16,104	
Revenue and Transfer Accruals			482	
Expenditure and Transfer Accruals			<u>(5,381)</u>	
Net Change in Fund Balance, GAAP Basis			11,205	
Fund Balance - Beginning, GAAP Basis			<u>176,361</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 187,566</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Donations	\$ 72,000	72,000	160,895	88,895
Rental Income	60,000	60,000	46,720	(13,280)
Miscellaneous	-	-	40	40
Total Revenues	<u>132,000</u>	<u>132,000</u>	<u>207,655</u>	<u>75,655</u>
Expenditures -- Mass Transit:				
Other Services and Charges	284,250	284,250	310,298	(26,048)
Capital Outlay	-	-	4,895	(4,895)
Total Expenditures	<u>284,250</u>	<u>284,250</u>	<u>315,193</u>	<u>(30,943)</u>
Net Change in Fund Balances	<u>\$ (152,250)</u>	<u>(152,250)</u>	(107,538)	<u>44,712</u>
Fund Balance - Beginning			<u>(431,522)</u>	
Fund Balance - Ending			<u>\$ (539,060)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (107,538)	
Revenue and Transfer Accruals			3,767	
Expenditure and Transfer Accruals			<u>(148,513)</u>	
Net Change in Fund Balance, GAAP Basis			(252,284)	
Fund Balance - Beginning, GAAP Basis			<u>(429,823)</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ (682,107)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 195,638	195,638	3,731,788	3,536,150
Investment Earnings	-	-	(13,124)	(13,124)
Miscellaneous	-	-	20,727	20,727
Total Revenues	<u>195,638</u>	<u>195,638</u>	<u>3,739,391</u>	<u>3,543,753</u>
Expenditures -- Debt Service:				
Principal Retirement	542,416	542,416	869,751	(327,335)
Interest	66,944	66,944	77,029	(10,085)
Fiscal Charges	-	-	350	(350)
Developer Purchased TIF Payments	-	-	1,714,096	(1,714,096)
Miscellaneous	-	-	20,235	(20,235)
Total Expenditures	<u>609,360</u>	<u>609,360</u>	<u>2,681,461</u>	<u>(2,072,101)</u>
Excess (Deficiency) of Revenues				
Over (Under) Over Expenditures	<u>(413,722)</u>	<u>(413,722)</u>	<u>1,057,930</u>	<u>1,471,652</u>
Other Financing Uses:				
Transfers In	-	-	168,360	168,360
Transfers Out	-	-	(1,107,624)	(1,107,624)
Net Change in Fund Balances	<u>\$ (413,722)</u>	<u>(413,722)</u>	<u>118,666</u>	<u>532,388</u>
Fund Balances - Beginning			<u>2,815,524</u>	
Fund Balances - Ending			<u>\$ 2,934,190</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 118,667	
Revenue and Transfer Accruals			(318,565)	
Expenditure and Transfer Accruals			<u>(255,161)</u>	
Net Change in Fund Balance, GAAP Basis			(455,059)	
Fund Balance - Beginning, GAAP Basis			<u>2,527,881</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,072,822</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 4,105,185	4,105,185	4,008,269	(96,916)
Sundry and In Lieu Tax	3,600	3,600	1,614	(1,986)
Investment Earnings	12,240	12,240	(25,377)	(37,617)
Total Revenues	4,121,025	4,121,025	3,984,506	(136,519)
Expenditures -- Debt Service:				
Principal Retirement	3,012,394	3,012,394	3,086,375	(73,981)
Interest	1,105,531	1,105,531	1,122,379	(16,848)
Fiscal Charges	3,100	3,100	11,698	(8,598)
Capital Lease Principal	-	-	3,085,000	(3,085,000)
Capital Lease Interest	-	-	1,562,707	(1,562,707)
Miscellaneous	-	-	308	(308)
Total Expenditures	4,121,025	4,121,025	8,868,467	(4,747,442)
Deficiency of Revenues Under Expenditures	-	-	(4,883,961)	(4,883,961)
Other Financing Sources:				
Transfers In	-	-	4,746,988	4,746,988
Transfers Out	-	-	(18,828)	(18,828)
Total Other Financing Sources (Uses)	-	-	4,728,160	4,728,160
Net Change in Fund Balances	\$ -	-	(155,801)	(155,801)
Fund Balances - Beginning			3,146,307	
Fund Balances - Ending			\$ 2,990,506	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (155,800)	
Revenue and Transfer Accruals			11,782	
Expenditure and Transfer Accruals			-	
Net Change in Fund Balance, GAAP Basis			(144,018)	
Fund Balance - Beginning, GAAP Basis			3,325,912	
Fund Balance - Ending, GAAP Basis			\$ 3,181,894	

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Turnback Tax	\$ 439,675	439,675	677,205	237,530
Occupation Tax	-	-	1,649,818	1,649,818
Investment Earnings	-	-	(2,969)	(2,969)
Total Revenues	<u>439,675</u>	<u>439,675</u>	<u>2,324,054</u>	<u>1,884,379</u>
Expenditures -- Debt Service:				
Principal Retirement	5,170,000	5,170,000	6,050,000	(880,000)
Interest	1,491,931	1,491,931	1,692,778	(200,847)
Fiscal Charges	800	800	1,600	(800)
Payments Made to Developer	-	-	1,630,213	(1,630,213)
Miscellaneous	-	-	429	(429)
Total Expenditures	<u>6,662,731</u>	<u>6,662,731</u>	<u>9,375,020</u>	<u>(2,712,289)</u>
Deficiency of Revenues Under Expenditures	(6,223,056)	(6,223,056)	(7,050,966)	(827,910)
Other Financing Sources (Uses):				
Transfers In	4,918,800	4,918,800	6,186,180	1,267,380
Total Other Financing Sources (Uses)	<u>4,918,800</u>	<u>4,918,800</u>	<u>6,186,180</u>	<u>1,267,380</u>
Net Change in Fund Balances	<u>\$ (1,304,256)</u>	<u>(1,304,256)</u>	(864,786)	<u>439,470</u>
Fund Balances - Beginning			<u>1,712,795</u>	
Fund Balances - Ending			<u>\$ 848,009</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (864,786)	
Revenue and Transfer Accruals			7,000	
Expenditure and Transfer Accruals			<u>(18,838)</u>	
Net Change in Fund Balance, GAAP Basis			(876,624)	
Fund Balance - Beginning, GAAP Basis			<u>1,062,061</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 185,437</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ 3,123,000	3,123,000	(10,418,018)	(13,541,018)
Donations	-	-	5,100	5,100
Miscellaneous	-	-	16,181	16,181
Total Revenues	<u>3,123,000</u>	<u>3,123,000</u>	<u>(10,396,737)</u>	<u>(13,519,737)</u>
Expenditures -- Health and Welfare:				
Personal Services	482,236	482,236	432,326	49,910
Materials and Supplies	6,372	6,372	6,804	(432)
Other Services and Charges	81,188	81,188	111,255	(30,067)
Grants	4,217,005	4,217,005	1,619,928	2,597,077
Total Expenditures	<u>4,786,801</u>	<u>4,786,801</u>	<u>2,170,313</u>	<u>2,616,488</u>
Net Change in Fund Balance	<u>\$ (1,663,801)</u>	<u>(1,663,801)</u>	(12,567,050)	<u>(10,903,249)</u>
Fund Balances - Beginning			<u>75,824,009</u>	
Fund Balances - Ending			<u>\$ 63,256,959</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (12,567,050)	
Revenue and Transfer Accruals			4,622	
Expenditure and Transfer Accruals			<u>46,610</u>	
Net Change in Fund Balance, GAAP Basis			(12,515,818)	
Fund Balance - Beginning, GAAP Basis			<u>75,695,974</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 63,180,156</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, 2022

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 286,698	288,851	4,824,053	112,406	78,429	26,513	5,616,950
Investments	2,506,316	8,880,345	-	6,431,755	4,478,657	1,433,555	23,730,628
Receivables (Net of Allowance for Uncollectibles)	11,158	60,365	187,520	1,822,333	981,158	1,312,176	4,374,710
Due from Other Funds	-	1,164,443	155,976	472,672	-	-	1,793,091
Due from Other Governments	-	-	-	231,910	-	-	231,910
Inventories	90,862	-	263,659	-	276,329	-	630,850
Prepaid Expenses	-	-	70,933	-	-	-	70,933
Total Current Assets	<u>2,895,034</u>	<u>10,394,004</u>	<u>5,502,141</u>	<u>9,071,076</u>	<u>5,814,573</u>	<u>2,772,244</u>	<u>36,449,072</u>
Noncurrent Assets:							
Investments	431,528	1,528,984	-	1,107,395	771,118	246,824	4,085,849
Leases Receivable	-	-	-	-	-	21,342,174	21,342,174
Restricted Assets:							
Cash and Cash Equivalents	2,165	39,397	-	13,507	-	-	55,069
Investments	-	2,712,290	-	1,161,604	-	-	3,873,894
Receivables	-	7,855	-	3,345	-	-	11,200
Total Restricted Assets	<u>2,165</u>	<u>2,759,542</u>	<u>-</u>	<u>1,178,456</u>	<u>-</u>	<u>-</u>	<u>3,940,163</u>
Capital Assets:							
Land	1,068,949	17,127,041	-	1,540,452	-	-	19,736,442
Buildings	4,431,721	75,510,112	-	3,643,440	168,363	-	83,753,636
Improvements Other Than Buildings	10,451,410	11,663,760	-	54,534,578	-	44,114,463	120,764,211
Machinery and Equipment	3,041,389	4,877,385	1,134,355	12,372,154	3,239,907	110,021	24,775,211
Construction in Progress	-	17,417,903	-	73,378	-	-	17,491,281
Less Accumulated Depreciation	<u>(12,339,737)</u>	<u>(38,238,051)</u>	<u>(558,412)</u>	<u>(40,025,377)</u>	<u>(2,174,866)</u>	<u>(5,035,468)</u>	<u>(98,371,911)</u>
Total Capital Assets, Net	<u>6,653,732</u>	<u>88,358,150</u>	<u>575,943</u>	<u>32,138,625</u>	<u>1,233,404</u>	<u>39,189,016</u>	<u>168,148,870</u>
Lease Assets:							
Lease Assets	975,439	2,581,967	-	-	-	-	3,557,406
Less Amortization	<u>(125,756)</u>	<u>(107,298)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,054)</u>
Total Lease Assets, Net	<u>849,683</u>	<u>2,474,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,324,352</u>
Total Noncurrent Assets	<u>7,937,108</u>	<u>95,121,345</u>	<u>575,943</u>	<u>34,424,476</u>	<u>2,004,522</u>	<u>60,778,014</u>	<u>200,841,408</u>
Total Assets	<u>10,832,142</u>	<u>105,515,349</u>	<u>6,078,084</u>	<u>43,495,552</u>	<u>7,819,095</u>	<u>63,550,258</u>	<u>237,290,480</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	847,872	-	-	-	-	847,872
Deferred Outflows for Pension	-	-	-	-	1,146,386	-	1,146,386
Deferred Outflows for OPEB	23,545	3,357	-	55,482	216,884	-	299,268
Total Deferred Outflows of Resources	<u>23,545</u>	<u>851,229</u>	<u>-</u>	<u>55,482</u>	<u>1,363,270</u>	<u>-</u>	<u>2,293,526</u>

(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	475,072	1,643,484	1,906,261	868,466	92,932	271,161	5,257,376
Accrued Liabilities	58,120	12,211	370,544	91,880	211,800	17,646	762,201
Accrued Compensated Absences	98,735	24,593	114,363	154,917	80,731	-	473,339
Due to Other Funds	-	13,278	19,440	22,784	120,000	1,246	176,748
Due to Other Governments	59,938	11,060	229,191	8,442	-	-	308,631
Unearned Revenue	166,170	358,359	1,166,097	-	-	-	1,690,626
Accrued Interest	26,491	44,921	-	20,324	-	-	91,736
Accrued Lease Interest	3,668	10,980	-	-	-	-	14,648
Current Portion of Lease Liability	250,924	86,083	-	-	-	-	337,007
Current Portion of COPs	110,000	-	-	-	-	-	110,000
Current Portion of Long-Term Debt	-	2,975,000	-	600,000	-	-	3,575,000
Current Portion of OPEB Liability	2,512	358	-	5,920	23,140	-	31,930
Total Current Liabilities	1,251,630	5,180,327	3,805,896	1,772,733	528,603	290,053	12,829,242
Noncurrent Liabilities:							
Accrued Compensated Absences	156,607	-	-	242,434	64,235	-	463,276
COPs Payable	1,095,000	-	-	-	-	-	1,095,000
Long-Term Debt, Net	241,427	37,975,366	-	6,635,783	-	-	44,852,576
Net Pension Liability	-	-	-	-	4,075,103	-	4,075,103
Lease Liability	541,278	2,400,118	-	-	-	-	2,941,396
Total OPEB Liability, Net	112,624	16,057	-	265,390	1,037,434	-	1,431,505
Postclosure Care Costs	-	-	-	33,632,000	-	-	33,632,000
Total Noncurrent Liabilities	2,146,936	40,391,541	-	40,775,607	5,176,772	-	88,490,856
Total Liabilities	3,398,566	45,571,868	3,805,896	42,548,340	5,705,375	290,053	101,320,098
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Pension	-	-	-	-	366,546	-	366,546
Deferred Inflows for OPEB	4,716	672	-	11,112	43,438	-	59,938
Deferred Inflows for Leases	-	-	-	-	-	22,335,398	22,335,398
Total Deferred Inflows of Resources	4,716	672	-	11,112	409,984	22,335,398	22,761,882
NET POSITION							
Net Investment in Capital Assets	5,264,786	47,727,610	575,943	25,946,464	1,233,404	39,189,016	119,937,223
Restricted for:							
Capital Projects	-	2,759,542	-	61,372	-	-	2,820,914
Unrestricted	2,187,619	10,306,886	1,696,245	(25,016,254)	1,833,602	1,735,791	(7,256,111)
Total Net Position	\$ 7,452,405	60,794,038	2,272,188	991,582	3,067,006	40,924,807	115,502,026



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Operating Revenues							
Charges for Services	\$ 409,992	1,666,810	-	-	9,050,000	255,407	11,382,209
Fees	5,319,328	779,920	-	9,599,528	-	-	15,698,776
Parking Revenue	-	9,841,784	-	-	-	-	9,841,784
Performance Revenue	-	-	14,838,804	-	-	-	14,838,804
Other Operating Revenue	42,216	101,218	1,668,172	502,588	3,631	914	2,318,739
Total Operating Revenues	5,771,536	12,389,732	16,506,976	10,102,116	9,053,631	256,321	54,080,312
Operating Expenses							
Personal Services	1,941,576	400,542	7,509,786	3,277,075	6,241,715	412,832	19,783,526
Contractual Services	451,837	3,325,352	1,274,799	10,405,124	606,027	1,705,491	17,768,630
Operation and Maintenance	3,225,192	2,867,845	6,121,253	3,687,994	1,107,930	234,779	17,244,993
Depreciation	387,084	2,313,629	98,530	2,481,998	293,186	1,442,535	7,016,962
Amortization	125,756	107,298	-	-	-	-	233,054
Total Operating Expenses	6,131,445	9,014,666	15,004,368	19,852,191	8,248,858	3,795,637	62,047,165
Operating Income (Loss)	(359,909)	3,375,066	1,502,608	(9,750,075)	804,773	(3,539,316)	(7,966,853)
Nonoperating Revenues (Expenses)							
Investment Earnings (Loss)	(23,788)	(18,470)	-	2,230	(42,175)	(7,887)	(90,090)
Lease Income	-	-	-	-	-	1,154,731	1,154,731
Lease Interest Income	-	-	-	-	-	356,879	356,879
Grant Revenue	-	-	-	233,079	62,363	-	295,442
Gain (Loss) on Disposal of Capital Assets	-	-	-	44,725	-	-	44,725
Occupation Tax	-	-	-	5,296,074	-	40,000	5,336,074
Interest Expense and Fiscal Charges	(57,580)	(1,288,483)	-	(234,484)	-	-	(1,580,547)
Total Nonoperating Revenues (Expenses)	(81,368)	(1,306,953)	-	5,341,624	20,188	1,543,723	5,517,214
Income (Loss) Before Contributions and Transfers	(441,277)	2,068,113	1,502,608	(4,408,451)	824,961	(1,995,593)	(2,449,639)
Capital Contributions	1,296,815	-	61,981	-	-	3,175,392	4,534,188
Transfers In	375,000	4,978,712	-	-	-	100,000	5,453,712
Transfers Out	(132,019)	(2,103,056)	-	(1,952,914)	-	-	(4,187,989)
Change in Net Position	1,098,519	4,943,769	1,564,589	(6,361,365)	824,961	1,279,799	3,350,272
Net Position - Beginning	6,454,467	55,850,269	707,599	7,352,947	2,242,045	39,645,008	112,252,335
Adjustment for Implementation of GASB 87	(100,581)	-	-	-	-	-	(100,581)
Net Position - Beginning of Year, After Restatement	6,353,886	55,850,269	707,599	7,352,947	2,242,045	39,645,008	112,151,754
Net Position - Ending	\$ 7,452,405	60,794,038	2,272,188	991,582	3,067,006	40,924,807	115,502,026

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	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	\$ 5,743,630	10,737,593	8,333,230	9,473,225	9,767,236	382,723	44,437,637
Receipts from Interfund Services Provided	-	1,403,023	-	188	-	-	1,403,211
Payments to Suppliers for Goods and Services	(3,649,345)	(4,387,640)	(6,959,478)	(5,761,367)	(1,303,378)	(1,615,551)	(23,676,759)
Payments to Employees	(1,886,688)	(390,035)	(4,713,261)	(3,027,317)	(6,136,865)	(397,090)	(16,551,256)
Payments for Interfund Services Provided	(614,069)	(1,217,659)	(1,203,564)	(632,103)	(600,700)	(85,942)	(4,354,037)
Other Receipts	42,215	101,221	1,668,172	812,426	3,630	914	2,628,578
Net Cash Provided by Operating Activities	<u>(364,257)</u>	<u>6,246,503</u>	<u>(2,874,901)</u>	<u>865,052</u>	<u>1,729,923</u>	<u>(1,714,946)</u>	<u>3,887,374</u>
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	5,175,810	-	40,000	5,215,810
Transfers from Other Funds	375,000	4,978,712	-	-	-	100,000	5,453,712
Transfers to Other Funds	(132,019)	(2,103,056)	-	(1,952,914)	-	-	(4,187,989)
Repayments from Other Funds	-	81,283	-	-	-	-	81,283
Grant Proceeds	-	-	-	1,978	62,364	-	64,342
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>242,981</u>	<u>2,956,939</u>	<u>-</u>	<u>3,224,874</u>	<u>62,364</u>	<u>140,000</u>	<u>6,627,158</u>
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(228,349)	(13,294,723)	-	(3,608,561)	-	(110,021)	(17,241,654)
Capital Contributions	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	108,475	-	-	108,475
Proceeds from Leases/Lease Interest	-	-	-	-	-	1,312,546	1,312,546
Principal Payments of Leases	(183,237)	(95,766)	-	-	-	-	(279,003)
Principal Payments of COPs	(290,978)	-	-	-	-	-	(290,978)
Principal Payments of Bonded Debt	-	(2,880,000)	-	(575,000)	-	-	(3,455,000)
Interest and Fiscal Charges Paid	(61,066)	(1,210,425)	-	(270,606)	-	-	(1,542,097)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(763,630)</u>	<u>(17,480,914)</u>	<u>-</u>	<u>(4,345,692)</u>	<u>-</u>	<u>1,202,525</u>	<u>(21,387,711)</u>
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	-	15,170,245	-	5,775,712	2,140,934	1,413,998	24,500,889
Purchases of Investments	(2,975,146)	(11,705,686)	-	(7,761,871)	(4,683,281)	(1,499,052)	(28,625,036)
Interest and Other Receipts	8,259	51,319	-	10,906	11,639	7,334	89,457
Net Cash Provided (Used) by Investing Activities	<u>(2,966,887)</u>	<u>3,515,878</u>	<u>-</u>	<u>(1,975,253)</u>	<u>(2,530,708)</u>	<u>(77,720)</u>	<u>(4,034,690)</u>
Net Increase in Cash and Cash Equivalents	(3,851,793)	(4,761,594)	(2,874,901)	(2,231,019)	(738,421)	(450,141)	(14,907,869)
Cash and Cash Equivalents - Beginning	4,140,656	5,089,842	7,698,954	2,356,932	816,850	476,654	20,579,888
Cash and Cash Equivalents - Ending	<u>\$ 288,863</u>	<u>328,248</u>	<u>4,824,053</u>	<u>125,913</u>	<u>78,429</u>	<u>26,513</u>	<u>5,672,019</u>

(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)	\$ (359,909)	3,375,066	1,502,608	(9,750,075)	804,773	(3,539,316)	(7,966,853)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization	512,840	2,420,927	98,530	2,481,998	293,186	1,442,535	7,250,016
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable and Unbilled Revenues	(252)	117,981	(80,480)	154,539	717,233	229,683	1,138,704
Due from Other Funds	-	(301,679)	(96,631)	(40,661)	-	-	(438,971)
Due from Other Governments	-	3,223	-	69,845	-	-	73,068
Inventories	(8,019)	-	(88,378)	-	45,633	-	(50,764)
Prepaid Expenses	-	-	64,552	-	-	-	64,552
Deferred Outflows for Pension	-	-	-	-	(110,972)	-	(110,972)
Deferred Outflows for OPEB	5,090	726	-	11,994	42,942	-	60,752
Accounts Payable	(550,568)	581,426	1,707,875	162,799	(6,256)	141,559	2,036,835
Accrued Liabilities	5,106	2,404	155,870	16,742	42,224	10,473	232,819
Accrued Compensated Absences	17,193	4,826	(19,346)	177,741	(190,281)	-	(9,867)
Due to Other Funds	(4,178)	(2,653)	19,440	22,455	(4,808)	-	30,256
Due to Other Governments	(677)	11,026	189,522	(69,055)	-	120	130,936
Unearned Revenue	14,563	32,581	(6,328,463)	-	-	-	(6,281,319)
Net Pension Liability	-	-	-	-	1,794,910	-	1,794,910
Total OPEB Liability	6,047	862	-	14,250	70,553	-	91,712
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	7,616,000	-	-	7,616,000
Deferred Inflows for Pension	-	-	-	-	(1,756,309)	-	(1,756,309)
Deferred Inflows for OPEB	(1,493)	(213)	-	(3,520)	(12,905)	-	(18,131)
Total Adjustments	(4,348)	2,871,437	(4,377,509)	10,615,127	925,150	1,824,370	11,854,227
Net Cash Provided by Operating Activities	\$ (364,257)	6,246,503	(2,874,901)	865,052	1,729,923	(1,714,946)	3,887,374
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 1,296,815	-	61,981	-	-	3,175,392	4,534,188
Purchase of Capital Assets on Account	-	(528,047)	-	(73,462)	-	-	(601,509)
Change in Fair Value of Investments	37,301	61,922	-	13,546	66,655	19,211	198,635



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, 2022

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 65,818	63,887	929,248	127,659	72,095	42,725	1,301,432
Investments	3,848,470	3,555,024	50,584,408	7,153,344	4,151,537	2,313,893	71,606,676
Accounts Receivable	-	125,063	-	28,890	95,963	-	249,916
Lease Receivable	-	-	-	88,866	-	128,853	217,719
Accrued Interest Receivable	13,256	3,667	-	-	-	-	16,923
Accrued Lease Interest Receivable	-	-	-	-	-	237	237
Due from Other Funds	11,562	205,744	2,072,237	137,663	476,249	34,437	2,937,892
Due from Other Governments	223,038	-	3,579	43,050	21,889	-	291,556
Inventories	-	-	-	1,156,194	272,059	-	1,428,253
Prepaid Expenses	847,810	-	-	-	-	-	847,810
Total Current Assets	5,009,954	3,953,385	53,589,472	8,735,666	5,089,792	2,520,145	78,898,414
Noncurrent Assets:							
Investments	662,615	612,091	8,708,418	1,231,636	714,796	398,397	12,327,953
Leases Receivable	-	-	-	1,550,938	-	248,840	1,799,778
Restricted Cash and Cash Equivalents	-	-	-	85,646	-	-	85,646
Capital Assets:							
Land	-	-	-	-	335,751	1,258,700	1,594,451
Buildings	26,486	-	-	-	5,269,699	17,040,387	22,336,572
Improvements Other Than Buildings	-	-	-	407,891	45,500	373,485	826,876
Machinery and Equipment	5,335,207	177,898	28,936	25,102,615	14,608,801	116,330	45,369,787
Construction in Progress	-	-	-	-	-	74,675	74,675
Less Accumulated Depreciation	(4,158,616)	(84,487)	(28,936)	(15,372,515)	(9,818,194)	(5,767,705)	(35,230,453)
Total Capital Assets, Net	1,203,077	93,411	-	10,137,991	10,441,557	13,095,872	34,971,908
Lease Assets:							
Lease Assets	-	-	-	18,918	-	-	18,918
Less Ammortization	-	-	-	(1,419)	-	-	(1,419)
Total Lease Assets, Net	-	-	-	17,499	-	-	17,499
Total Noncurrent Assets	1,865,692	705,502	8,708,418	13,023,710	11,156,353	13,743,109	49,202,784
Total Assets	6,875,646	4,658,887	62,297,890	21,759,376	16,246,145	16,263,254	128,101,198
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows for OPEB	57,161	107,607	10,094	33,639	25,223	8,416	242,140
LIABILITIES							
Current Liabilities:							
Accounts Payable	1,609,748	22,043	1,037,948	786,379	161,661	79,478	3,697,257
Accrued Liabilities	155,167	213,693	18,530	58,554	38,767	14,528	499,239
Accrued Compensated Absences	433,093	449,978	5,663	139,930	5,761	30,939	1,065,364
Due to Other Funds	2,535	17,708	21,000	2,263	-	748	44,254
Due to Other Governments	7	26	-	-	-	-	33
Unearned Revenue	-	16,698	-	-	-	-	16,698
Claims	-	-	4,433,361	-	-	-	4,433,361
Accrued Interest	-	-	-	57,081	-	81,042	138,123
Accrued Lease Interest	-	-	-	178	-	-	178
Current Portion of COPs	-	-	-	400,000	-	1,135,000	1,535,000
Current Lease Liability	-	-	-	1,147	-	-	1,147
Current Portion of Total OPEB Liability	6,099	11,481	1,077	3,589	2,691	898	25,835
Total Current Liabilities	2,206,649	731,627	5,517,579	1,449,121	208,880	1,342,633	11,456,489
Noncurrent Liabilities:							
Accrued Compensated Absences	309,555	943,957	100,174	247,360	88,733	-	1,689,779
Claims	-	-	6,910,789	-	-	-	6,910,789
COPs Payable	-	-	-	2,807,467	-	5,551,571	8,359,038
Lease Liability	-	-	-	16,456	-	-	16,456
Total OPEB Liability, Net	273,419	514,724	48,284	160,908	120,653	40,255	1,158,243
Total Noncurrent Liabilities	582,974	1,458,681	7,059,247	3,232,191	209,386	5,591,826	18,134,305
Total Liabilities	2,789,623	2,190,308	12,576,826	4,681,312	418,266	6,934,459	29,590,794
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for OPEB	11,448	21,552	2,022	6,738	5,052	1,686	48,498
Deferred Inflows for Leases	-	-	-	1,603,618	-	373,445	1,977,063
Total Deferred Inflows of Resources	11,448	21,552	2,022	1,610,356	5,052	375,131	2,025,561
NET POSITION							
Net Investment in Capital Assets	1,203,077	93,411	-	6,433,428	10,441,557	6,409,301	24,580,774
Unrestricted	2,928,659	2,461,223	49,729,136	9,067,919	5,406,493	2,552,779	72,146,209
Total Net Position	\$ 4,131,736	2,554,634	49,729,136	15,501,347	15,848,050	8,962,080	96,726,983

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
Operating Revenues							
Charges for Services	\$ 13,983,323	9,745,584	53,051,600	7,838,272	5,592,078	2,802,047	93,012,904
Operating Expenses							
Personal Services	5,214,552	7,666,386	630,468	2,049,786	1,361,819	525,931	17,448,942
Materials and Supplies	226,702	28,696	5,568	1,470,036	1,458,432	18,634	3,208,068
Other Services and Charges	9,061,808	2,072,520	49,743,177	2,187,506	1,028,702	524,327	64,618,040
Depreciation	352,857	25,872	-	1,234,531	1,797,080	671,942	4,082,282
Amortization	-	-	-	1,419	-	-	1,419
Total Operating Expenses	14,855,919	9,793,474	50,379,213	6,943,278	5,646,033	1,740,834	89,358,751
Operating Income	(872,596)	(47,890)	2,672,387	894,994	(53,955)	1,061,213	3,654,153
Nonoperating Revenues (Expenses)							
Investment Earnings	(25,587)	(38,867)	39,307	5,094	-	-	(20,053)
Lease Income	-	-	-	124,007	-	131,804	255,811
Lease Interest Income	-	-	-	31,946	-	3,280	35,226
Gain on Disposal of Capital Assets	-	2,800	-	201,116	359,070	10,013	572,999
Interest Expense and Fiscal Charges	-	-	-	(92,745)	-	(130,693)	(223,438)
Total Nonoperating Revenues (Expenses)	(25,587)	(36,067)	39,307	269,418	359,070	14,404	620,545
Income Before Contributions and Transfers	(898,183)	(83,957)	2,711,694	1,164,412	305,115	1,075,617	4,274,698
Transfers In	-	227,223	-	-	-	-	227,223
Transfers Out	(123,030)	(190,009)	(62,299)	(1,395)	-	(598)	(377,331)
Change in Net Position	(1,021,213)	(46,743)	2,649,395	1,163,017	305,115	1,075,019	4,124,590
Net Position - Beginning of Year	5,152,949	2,601,377	47,079,741	14,338,330	15,542,935	7,887,061	92,602,393
Net Position - Ending	\$ 4,131,736	2,554,634	49,729,136	15,501,347	15,848,050	8,962,080	96,726,983



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	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	\$ 4,121,151	4,439,433	13,032,187	703,122	236,373	125,926	22,658,192
Receipts from Interfund Services Provided	9,935,753	5,375,176	40,019,759	7,054,820	5,323,282	2,694,142	70,402,932
Payments to Suppliers for Goods and Services	(7,905,864)	(787,308)	(49,533,342)	(3,213,040)	(1,843,661)	(228,806)	(63,512,021)
Payments to Employees	(5,017,813)	(7,652,056)	(596,551)	(2,038,100)	(1,384,089)	(515,352)	(17,203,961)
Payments for Interfund Services Provided	(328,742)	(1,416,592)	(622,508)	(805,586)	(676,797)	(281,257)	(4,131,482)
Net Cash Provided by Operating Activities	804,485	(41,347)	2,299,545	1,701,216	1,655,108	1,794,653	8,213,660
Cash Flows from Noncapital Financing Activities							
Transfers from Other Funds	-	227,223	-	-	-	-	227,223
Transfers to Other Funds	(123,030)	(190,009)	(62,299)	(1,395)	-	(598)	(377,331)
Repayments from Other Funds	-	-	162,566	-	-	-	162,566
Net Cash Provided (Used) by Noncapital Financing Activities	(123,030)	37,214	100,267	(1,395)	-	(598)	12,458
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(264,366)	(33,638)	-	(4,606,430)	(908,810)	(74,675)	(5,887,919)
Proceeds from Sale of Capital Assets	-	2,800	-	268,245	393,679	10,590	675,314
Proceeds from Leases/Lease Interest	-	-	-	119,766	-	130,598	250,364
Cost of Debt Issuance	-	-	-	-	-	(2,653)	(2,653)
Principal Payments of COP's	-	-	-	-	-	(1,030,000)	(1,030,000)
Principal Payments of Lease's	-	-	-	(1,315)	-	-	(1,315)
Interest and Fiscal Charges Paid	-	-	-	(395,849)	-	(227,175)	(623,024)
Net Cash Provided (Used) by Capital and Related Financing Activities	(264,366)	(30,838)	-	(4,615,583)	(515,131)	(1,193,315)	(6,619,233)
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	2,700,461	2,827,819	38,083,109	5,253,752	2,392,528	1,364,216	52,621,885
Purchases of Investments	(4,024,301)	(3,717,448)	(52,889,379)	(7,480,170)	(4,341,215)	(2,419,611)	(74,872,124)
Interest and Other Receipts	17,384	6,049	40,548	5,094	-	-	69,075
Net Cash Provided (Used) by Investing Activities	(1,306,456)	(883,580)	(14,765,722)	(2,221,324)	(1,948,687)	(1,055,395)	(22,181,164)
Net Increase in Cash and Cash Equivalents	(889,367)	(918,551)	(12,365,910)	(5,137,086)	(808,710)	(454,655)	(20,574,279)
Cash and Cash Equivalents - Beginning	955,185	982,438	13,295,158	5,350,391	880,805	497,380	21,961,357
Cash and Cash Equivalents - Ending	\$ 65,818	63,887	929,248	213,305	72,095	42,725	1,387,078
Reconciliation of Operating Income to Net Cash Provided by Operating Activities							
Operating Income	\$ (872,596)	(47,890)	2,672,387	894,994	(53,955)	1,061,213	3,654,153
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	352,857	25,872	-	1,235,950	1,797,080	671,942	4,083,701
Changes in Assets and Liabilities:							
Accounts Receivable	1,976	78,955	80	(28,890)	(72,376)	15,607	(4,648)
Due from Other Funds	106,855	(9,523)	327	(13,789)	21,863	2,414	108,147
Due from Other Governments	(35,250)	1,033	(62)	(37,651)	18,090	-	(53,840)
Inventories	-	-	-	(567,483)	(76,077)	-	(643,560)
Prepaid Expenses	(63,843)	-	-	-	-	-	(63,843)
Deferred Outflows for OPEB	12,357	23,264	2,182	7,272	5,453	1,819	52,347
Accounts Payable	1,117,911	(100,667)	(549,302)	205,529	42,753	43,191	759,415
Accrued Liabilities	25,036	5,699	3,394	9,991	9,730	2,089	55,939
Accrued Compensated Absences	148,291	(35,445)	26,388	(12,084)	(42,332)	5,043	89,861
Due to Other Funds	(171)	(2,043)	2,025	870	-	(10,293)	(9,612)
Due to Other Governments	7	26	(9,808)	-	-	-	(9,775)
Unearned Revenue	-	(1,440)	-	-	-	-	(1,440)
Claims	-	-	149,981	-	-	-	149,981
Total OPEB Liability	14,682	27,639	2,593	8,640	6,479	2,161	62,194
Deferred Inflows for OPEB	(3,627)	(6,827)	(640)	(2,133)	(1,600)	(533)	(15,360)
Total Adjustments	1,677,081	6,543	(372,842)	806,222	1,709,063	733,440	4,559,507
Net Cash Provided by Operating Activities	\$ 804,485	(41,347)	2,299,545	1,701,216	1,655,108	1,794,653	8,213,660
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Purchase of Capital Assets on Account	\$ -	-	-	(582,639)	-	-	(582,639)
Change in Fair Value of Investments	(53,013)	(48,533)	-	-	-	-	(101,546)



CUSTODIAL FUNDS

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

Developer TIF Deposits - 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.

Seized Funds - To account for funds seized by law enforcement. Seized funds are turned over to the state and federal agencies for seized funds programs.

Collections Due Other Governments - To account for the sales tax collections on sales made by the City of Lincoln to be remitted to the State of Nebraska.



CITY OF LINCOLN, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AUGUST 31, 2022

	<u>Developer TIF Deposits</u>	<u>Seized Funds</u>	<u>Collections Due Other Governments</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,868,175	489,364	-	5,357,539
Receivables:				
Taxes	634,617	-	-	634,617
Accrued Interest	10,528	-	-	10,528
Total Assets	<u>5,513,320</u>	<u>489,364</u>	<u>-</u>	<u>6,002,684</u>
LIABILITIES				
Liabilities:				
Due to Other Contractors	5,459,030	-	-	5,459,030
Total Liabilities	<u>5,459,030</u>	<u>-</u>	<u>-</u>	<u>5,459,030</u>
NET POSITION				
Restricted	54,290	489,364	-	543,654
Total Net Position	<u>54,290</u>	<u>489,364</u>	<u>-</u>	<u>543,654</u>

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Developer TIF Deposits</u>	<u>Seized Cash</u>	<u>Collections Due Other Governments</u>	<u>Total</u>
Additions:				
Investment Income	\$ 24,253	-	-	24,253
Real Property and Personal Property Tax	10,770,614	-	-	10,770,614
Sales Tax Collections For Other Governments	-	-	377,469	377,469
Seized Cash	-	358,649	-	358,649
Miscellaneous	858,010	-	-	858,010
Total Additions	<u>11,652,877</u>	<u>358,649</u>	<u>377,469</u>	<u>12,388,995</u>
Deductions:				
Seized Cash Used	-	254,452	-	254,452
Payments of Sales Tax to Other Governments	-	-	377,469	377,469
Developer Purchased TIF Payments	10,350,572	-	-	10,350,572
Miscellaneous	2,187,820	-	-	2,187,820
Total Deductions	<u>12,538,392</u>	<u>254,452</u>	<u>377,469</u>	<u>13,170,313</u>
Change in Net Position	<u>(885,515)</u>	<u>104,197</u>	<u>-</u>	<u>(781,318)</u>
 Net Position - Beginning of the Year,	 <u>939,805</u>	 <u>385,167</u>	 <u>-</u>	 <u>1,324,972</u>
Net Position - Ending	<u>\$ 54,290</u>	<u>489,364</u>	<u>-</u>	<u>543,654</u>

STATISTICAL SECTION

This part of the City of Lincoln’s annual comprehensive 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>
Financial Trends	163
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	168
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	177
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	181
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	183
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 annual comprehensive financial reports for the relevant year.



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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 944,153,513	898,840,745	909,494,423	891,303,701	846,442,664	803,312,775	773,243,018	587,747,372	545,831,558	522,108,202
Restricted	241,220,367	249,233,964	174,029,693	162,762,413	182,122,089	170,845,285	159,387,584	165,389,543	155,105,392	144,925,083
Unrestricted	172,059,358	132,001,733	96,474,096	94,424,924	104,886,320	101,154,775	82,713,956	216,775,964	264,484,057	253,913,437
Total Governmental Activities										
Net Position	\$ <u>1,357,433,238</u>	<u>1,280,076,442</u>	<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>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 1,038,944,270	942,386,540	856,941,115	765,731,464	793,807,694	725,334,301	664,773,842	692,461,543	673,582,095	615,635,246
Restricted	23,259,053	44,896,951	41,381,436	35,564,865	28,846,167	16,243,396	17,071,503	14,820,181	15,841,002	13,167,482
Unrestricted	237,478,046	220,495,637	238,519,168	252,143,234	153,286,143	193,344,188	217,843,287	152,834,566	143,784,800	179,766,596
Total Business-Type Activities										
Net Position	\$ <u>1,299,681,369</u>	<u>1,207,779,128</u>	<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>
Primary Government:										
Net Investment in										
Capital Assets	\$ 1,983,097,783	1,841,227,285	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
Restricted	264,479,420	294,130,915	215,411,129	198,327,278	210,968,256	187,088,681	176,459,087	180,209,724	170,946,394	158,092,565
Unrestricted	409,537,404	352,497,370	334,993,264	346,568,158	258,172,463	294,498,963	300,557,243	369,610,530	408,268,857	433,680,033
Total Primary Government										
Net Position	\$ <u>2,657,114,607</u>	<u>2,487,855,570</u>	<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>

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
General Government	\$ 70,790,806	53,297,715	57,362,717	58,007,177	47,260,387	52,387,910	49,756,620	48,543,231	45,355,465	43,666,952
Public Safety	126,709,784	123,218,823	115,994,657	111,464,206	102,979,449	96,915,706	93,495,599	91,997,706	87,571,014	86,493,288
Streets and Highways	55,667,322	63,862,502	64,899,917	71,078,034	66,223,821	49,055,496	59,111,970	41,302,726	46,525,688	39,551,411
Culture and Recreation	45,042,153	44,913,469	51,835,619	48,510,294	41,524,548	41,071,450	37,633,355	33,418,770	35,878,349	29,419,132
Economic Opportunity	51,154,814	19,046,331	14,998,235	25,490,737	24,018,579	21,384,298	20,703,598	18,101,822	21,549,476	14,819,767
Health and Welfare	34,795,734	33,647,236	31,811,506	21,944,351	20,885,234	22,433,400	21,701,621	22,273,013	21,456,657	20,939,140
Mass Transit	18,566,091	17,572,030	17,211,162	16,283,063	15,822,765	15,298,159	14,576,742	13,477,089	13,582,835	13,453,926
Equipment Management	971,044	654,123	627,942	562,531	508,118	527,243	614,893	1,032,440	1,181,947	1,479,534
Engineering Services	2,146,618	7,298,448	1,519,718	3,900,549	4,394,576	4,159,498	2,527,524	3,495,741	2,774,223	2,570,054
Interest on Long-Term Debt	17,701,759	17,064,945	19,211,309	19,395,458	19,721,240	21,172,325	20,931,956	21,310,128	21,776,180	19,787,131
Total Governmental Activities Expenses	423,546,125	380,575,622	375,472,782	376,636,400	343,338,717	324,405,485	321,053,878	294,952,666	297,651,834	272,180,335
Business-Type Activities:										
Golf	6,189,024	5,272,495	4,204,729	3,959,217	3,981,087	4,193,694	3,939,149	3,261,611	3,473,671	3,404,885
Parking System	10,303,150	8,913,548	10,263,845	10,634,630	10,302,430	9,874,516	9,418,838	9,223,770	8,078,478	7,144,511
Municipal Auditorium	-	-	-	-	-	-	-	33,652	1,538,108	2,632,482
Municipal Arena	15,004,368	6,003,519	8,185,336	12,241,290	11,587,968	11,783,010	8,630,522	8,353,078	11,462,603	1,712,916
Solid Waste Management	20,150,425	13,264,852	12,893,945	11,197,893	11,767,958	11,684,258	11,742,556	9,498,841	8,838,837	8,472,030
Emergency Medical Services	8,248,858	7,744,230	8,019,204	7,533,068	6,422,207	6,395,628	6,865,689	6,507,925	5,564,099	4,931,379
Broadband Enterprise	3,795,636	7,043,569	2,496,469	1,288,701	948,029	819,075	402,264	-	-	-
Wastewater System	30,303,932	29,504,080	29,051,899	26,849,143	25,728,896	25,637,244	24,852,092	24,128,351	23,864,691	23,116,057
Water System	32,625,429	38,261,132	31,205,232	28,776,618	28,275,160	29,304,869	27,243,026	26,368,801	25,941,743	25,499,420
Electric System	309,378,000	269,435,000	282,163,000	288,860,000	312,132,000	303,928,000	286,006,000	298,753,000	272,692,000	263,674,000
Total Business-Type Activities Expenses	435,998,822	385,442,425	388,483,659	391,340,560	411,145,735	403,620,294	379,100,136	386,129,029	361,454,230	340,587,680
Total	\$ 859,544,947	766,018,047	763,956,441	767,976,960	754,484,452	728,025,779	700,154,014	681,081,695	659,106,064	612,768,015
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 42,877,500	38,815,037	39,315,341	36,149,520	36,481,336	36,328,041	33,956,597	34,039,065	31,498,610	26,631,508
Public Safety	10,197,940	8,647,156	7,477,549	7,676,309	7,724,306	8,234,573	7,428,315	7,653,414	7,446,309	6,903,567
Streets and Highways	6,490,756	6,986,644	5,905,768	6,049,314	5,278,153	5,695,776	6,599,287	5,070,875	5,162,445	5,711,018
Culture and Recreation	7,745,967	7,183,798	5,636,080	7,630,497	4,549,413	5,736,276	4,675,252	4,565,482	4,328,220	4,367,112
Economic Opportunity	147,389	45,797	42,693	977,619	2,138,366	1,112,696	1,346,373	1,709,576	918,794	863,053
Health and Welfare	5,509,725	5,360,437	5,343,749	5,010,683	5,144,629	4,943,035	4,974,773	5,120,923	5,332,189	4,715,133
Other Activities	6,989,889	13,311,928	8,699,231	10,074,900	10,077,571	9,979,442	8,765,439	7,439,039	7,957,457	6,402,371
Operating Grants and Contributions	122,435,670	126,896,770	74,440,798	70,640,446	63,076,418	65,860,903	63,971,798	59,762,954	71,235,768	57,394,538
Capital Grants and Contributions	26,322,072	19,123,793	13,993,017	18,219,765	37,901,112	23,824,607	19,411,483	25,708,872	23,165,428	28,517,996
Total Governmental Activities	228,716,908	226,371,360	160,854,226	162,429,053	172,371,304	161,715,349	151,129,317	151,070,200	157,045,220	141,506,296
Business-Type Activities:										
Charges for Services:										
Wastewater System	35,925,952	35,333,419	32,529,755	31,804,206	31,323,851	29,580,844	27,950,057	27,004,622	25,804,120	24,550,035
Water System	49,798,252	47,853,869	41,023,731	38,144,187	38,914,946	36,176,115	35,346,948	31,275,854	32,558,575	31,931,843
Electric System	368,898,000	311,213,000	317,210,000	332,902,000	321,549,000	315,502,000	311,093,000	314,623,000	290,121,000	276,110,000
Other Activities	54,030,688	40,941,958	44,358,888	49,646,851	47,132,633	47,318,628	39,632,958	37,177,844	38,456,326	25,575,522
Operating Grants and Contributions	3,163,517	4,428,538	264,280	19,303	112,847	-	61,066	-	-	-
Capital Grants and Contributions	14,685,621	16,582,535	32,086,296	11,316,858	18,800,761	11,416,105	9,765,195	13,309,086	5,403,759	7,195,503
Total Business-Type Activities	526,502,030	456,353,319	467,472,950	463,833,405	457,834,038	439,993,692	423,849,224	423,390,406	392,343,780	365,362,903
Total	\$ 755,218,938	682,724,679	628,327,176	626,262,458	630,205,342	601,709,041	574,978,541	574,460,606	549,389,000	506,869,199
Net (Expense)/Revenue										
Governmental Activities	\$ (194,829,217)	(154,204,262)	(214,618,556)	(214,207,347)	(170,967,413)	(162,690,136)	(169,924,561)	(143,882,466)	(140,606,614)	(130,674,039)
Business-Type Activities	90,503,208	70,910,894	78,989,291	72,492,845	46,688,303	36,373,398	44,749,088	37,261,377	30,889,550	24,775,223
Total	\$ (104,326,009)	(83,293,368)	(135,629,265)	(141,714,502)	(124,279,110)	(126,316,738)	(125,175,473)	(106,621,089)	(109,717,064)	(105,898,816)

(Continued)

(Changes In Net Position, Table 2, Continued)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 89,012,920	80,373,285	85,070,230	78,379,964	74,308,924	70,687,331	66,338,373	60,781,216	55,871,758	56,130,131
Motor Vehicle Tax	6,787,141	6,977,769	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623
Wheel Tax	19,529,692	19,884,563	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558
Sales and Use Tax	117,494,209	105,320,265	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137
Turnback Tax	677,204	1,453,709	2,400,569	-	-	-	-	-	-	-
Sundry and In Lieu Tax	29,048	103,155	54,872	2,433,643	2,153,276	1,659,560	1,618,479	1,543,657	62,239	65,882
Occupation Tax	28,099,332	24,219,554	24,548,465	27,867,756	27,438,041	27,167,889	26,618,563	26,367,092	25,830,488	25,437,045
Unrestricted Grants and Contributions	25,405	27,580	56,090	50,330	60,620	71,620	67,640	65,051	80,178	79,177
Unrestricted Investment Earnings (Loss)	(3,195,233)	1,452,336	5,276,803	7,211,377	3,022,679	2,308,284	1,914,541	1,842,730	2,855,984	(833,074)
Miscellaneous General Revenues	3,994,211	888,231	1,580,490	1,576,598	919,184	489,198	708,314	1,251,922	890,450	1,925,791
Gain on Sale of Capital Assets	662,074	1,443,961	-	-	-	-	-	-	-	-
Gain on Extinguishment of Debt	-	-	170,995	-	-	-	-	-	-	-
Transfers	9,070,010	10,722,635	8,050,770	6,303,689	11,533,601	7,617,803	11,071,731	11,754,684	10,825,543	11,290,702
Total Governmental Activities	272,186,013	252,867,043	246,125,730	229,247,312	234,019,074	222,658,413	215,356,240	195,641,807	185,080,899	177,793,972
Business-Type Activities:										
Occupation Tax	5,336,074	5,028,574	3,964,450	3,456,319	3,622,544	3,809,059	4,194,442	2,832,539	2,598,793	2,011,468
Unrestricted Investment Earnings (Loss)	(217,999)	1,722,098	7,362,809	7,068,187	2,197,770	2,339,375	1,517,819	961,154	1,757,946	(713,969)
Miscellaneous General Revenues	4,322,030	3,138,463	1,034,848	680,853	192,670	233,578	89,483	329,954	136,403	874,807
Gain on Sale of Capital Assets	112,575	144,015	-	-	-	-	-	-	-	-
Transfers	(8,053,066)	(10,006,635)	(7,949,242)	(6,198,645)	(11,431,370)	(7,522,157)	(10,978,490)	(11,594,036)	(10,744,119)	(11,040,534)
Total Business-Type Activities	1,499,614	26,515	4,412,865	5,006,714	(5,418,386)	(1,140,145)	(5,176,746)	(7,470,389)	(6,250,977)	(8,868,228)
Total	\$ 273,685,627	252,893,558	250,538,595	234,254,026	228,600,688	221,518,268	210,179,494	188,171,418	178,829,922	168,925,744
Change in Net Position										
Governmental Activities	\$ 77,356,796	98,662,781	31,507,174	15,039,965	63,051,661	59,968,277	45,431,679	51,759,341	44,474,285	47,119,933
Business-Type Activities	92,002,822	70,937,409	83,402,156	77,499,559	41,269,917	35,233,253	39,572,342	29,790,988	24,638,573	15,906,995
Total	\$ 169,359,618	169,600,190	114,909,330	92,539,524	104,321,578	95,201,530	85,004,021	81,550,329	69,112,858	63,026,928

Table 3

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 511,606	321,325	288,584	327,026	571,722	440,254	470,421	658,674	1,711,883	3,313,783
Restricted	18,388,040	16,257,716	7,571,500	8,685,274	6,817,137	4,278,240	7,432,974	6,674,867	13,605,640	6,281,230
Assigned	19,303,807	15,956,829	13,974,762	18,210,543	16,389,131	15,038,279	17,888,953	16,266,623	14,859,083	14,425,933
Unassigned	99,138,967	80,101,969	46,934,528	36,948,163	46,062,651	47,898,455	39,910,750	37,916,609	27,287,777	31,198,290
Total General Fund	\$ 137,342,420	112,637,839	68,769,374	64,171,006	69,840,641	67,655,228	65,703,098	61,516,773	57,464,383	55,219,236
Other Governmental Funds										
Special Revenue Funds										
Nonspendable	\$ 2,697,441	2,149,463	1,673,011	1,554,284	1,355,050	1,390,659	1,272,150	1,473,802	1,449,797	740,047
Restricted	108,160,268	119,141,086	78,948,532	73,393,289	76,311,564	73,522,250	64,216,765	90,127,670	80,627,691	81,155,945
Committed	845,575	309,043	269,582	120,295	1,024,874	1,592,063	1,367,357	2,011,552	1,002,975	821,517
Assigned	68,542,240	56,632,849	70,751,051	80,483,527	83,470,334	81,800,834	75,624,539	48,431,382	58,046,223	48,189,249
Unassigned	(682,107)	(4,542,810)	(339,815)	(298,670)	(77,349)	(85,684)	(111,254)	(130,824)	(144,837)	(133,773)
Debt Service										
Restricted	6,519,717	7,439,764	6,680,318	8,230,190	9,261,327	9,086,748	11,259,554	12,026,455	12,305,606	18,524,649
Committed	6,666	205,923	657,857	109,791	1,967,704	1,600,425	1,256,039	1,021,894	797,894	-
Capital Projects Funds										
Nonspendable	-	-	-	-	-	-	-	915,875	-	-
Restricted	52,945,697	47,306,024	30,849,764	23,436,053	30,637,636	27,307,586	21,989,096	9,458,562	14,395,343	16,818,180
Assigned	-	-	-	-	14,583	15,467	29,271	42,922	42,649	54,154
Unassigned	-	-	-	-	-	-	-	(178,013)	-	-
Permanent Funds										
Nonspendable	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	27,250,365	39,882,375	28,551,520	28,261,020	29,225,321	28,946,351	27,117,060	24,842,747	28,175,169	22,080,008
Total Other Governmental Funds	\$ 303,445,862	305,683,717	255,201,820	252,449,779	270,351,044	262,336,699	241,180,577	227,204,024	233,858,510	225,409,976

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes:										
Property	\$ 89,401,800	80,368,837	85,070,354	77,755,818	74,310,035	70,638,227	66,224,399	61,045,754	55,821,121	55,971,572
Motor Vehicle	6,787,141	6,977,769	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623
Wheel	19,529,692	19,884,562	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558
Sales and Use	117,494,208	105,320,265	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137
Turnback	677,204	1,453,709	2,400,569	236,107	-	-	-	-	-	-
Sundry and In Lieu	41,303	73,419	68,218	2,177,001	2,169,669	1,662,544	1,605,175	1,541,109	62,443	62,155
Occupation	28,441,563	23,770,178	24,540,772	28,326,640	27,454,221	26,692,821	26,618,563	26,367,092	25,830,488	25,437,045
Special Assessment	1,545,535	1,761,177	1,391,217	1,614,261	1,627,311	1,445,861	1,393,824	1,775,903	1,873,228	1,147,640
Intergovernmental	124,200,688	111,296,869	72,330,346	70,773,739	72,965,698	74,133,945	64,711,049	70,694,942	79,378,553	81,340,882
Permits and Fees	28,559,289	28,245,058	24,371,734	26,301,490	25,157,171	25,823,013	25,704,855	25,327,804	23,794,402	22,936,015
Reimbursement for Services	20,001,124	15,358,830	17,329,391	18,074,725	18,348,789	17,102,484	16,807,455	16,083,267	14,283,172	8,341,522
Court Settlements	800,011	-	-	-	-	-	75,000	-	265,120	856,188
Program Income	144,389	43,297	40,193	18,129	172,718	267,705	22,726	13,858	51,071	442,313
Investment Earnings (Loss)	(13,986,102)	15,526,322	7,821,284	8,009,926	5,859,234	6,868,335	6,249,869	1,006,466	10,571,021	1,732,354
Donations	3,928,590	3,546,670	3,431,623	3,211,562	3,689,161	5,125,339	3,526,770	3,485,683	3,153,911	3,554,614
Keno Proceeds	7,082,106	6,813,166	5,641,379	5,725,745	5,220,645	4,795,736	4,559,104	4,343,261	4,189,006	3,930,602
Private Sector Share of Projects	2,836,448	-	-	-	-	-	-	-	-	-
Miscellaneous	1,909,360	2,958,442	2,062,235	2,274,926	3,870,499	4,605,585	2,359,028	3,183,321	3,326,065	3,253,780
Total Revenues	439,394,349	423,398,570	365,415,761	349,924,024	355,427,900	351,818,323	326,876,416	306,903,915	311,263,860	292,705,000
Expenditures										
General Government	72,993,154	66,768,481	66,488,738	61,932,785	59,728,570	58,560,593	54,483,582	50,714,491	51,044,096	42,761,424
Public Safety	98,553,703	97,809,248	89,394,116	88,641,405	86,243,206	81,171,971	77,399,174	75,625,163	72,833,698	72,489,536
Streets and Highways	27,858,002	31,183,868	28,058,815	28,872,044	21,746,886	20,634,650	20,896,834	19,464,370	21,054,394	18,355,326
Culture and Recreation	29,534,303	28,168,478	25,807,794	33,703,112	27,301,223	26,730,859	25,310,935	24,538,296	25,172,100	22,323,942
Economic Opportunity	44,658,620	15,390,008	3,085,972	13,771,289	14,563,832	13,034,266	14,012,940	14,773,423	13,792,741	12,831,193
Health and Welfare	34,516,518	34,349,001	32,757,648	22,527,910	21,863,274	23,116,621	22,605,745	23,038,785	22,097,954	21,339,175
Mass Transit	18,296,044	22,913,739	20,340,337	18,867,231	18,315,179	13,439,363	12,380,084	15,539,838	14,419,436	11,980,828
Debt Service										
Principal Retirement	19,700,984	17,568,363	15,747,214	14,080,005	14,487,368	15,192,206	16,306,212	13,669,561	12,562,312	11,105,182
Interest and Fiscal Charges	18,847,219	17,623,252	18,144,268	20,107,773	20,414,414	20,901,231	21,315,928	21,615,227	21,341,587	19,880,928
Miscellaneous	3,723,315	3,238,034	19,367,530	10,385,276	9,786,777	9,207,578	5,543,071	3,350,198	2,545,313	735,215
Capital Outlay	60,227,484	45,429,683	57,786,098	89,824,049	70,547,020	60,766,351	65,209,483	63,654,540	93,177,287	208,303,537
Total Expenditures	428,909,346	380,442,155	376,978,530	402,712,879	364,997,749	342,755,689	335,463,988	325,983,892	350,040,918	442,106,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,485,002	42,956,415	(11,562,769)	(52,788,855)	(9,569,849)	9,062,634	(8,587,572)	(19,079,977)	(38,777,058)	(149,401,286)
Other Financing Sources (Uses)										
Transfers In	92,868,782	75,428,739	78,194,986	81,767,242	68,618,530	67,614,670	71,316,460	64,347,309	63,910,985	56,859,969
Transfers Out	(81,395,952)	(61,064,177)	(63,944,397)	(71,583,343)	(55,385,315)	(55,136,381)	(59,277,115)	(53,620,582)	(53,396,515)	(45,380,837)
Note Proceeds	-	7,325,000	-	2,175,079	-	-	-	-	-	-
Issuance of Debt	-	22,860,890	-	13,468,200	8,784,375	710,000	12,935,000	3,400,000	37,675,000	35,433,437
Issuance of Refunding Debt	-	-	125,905,000	-	-	14,735,000	-	9,010,000	-	-
Premium on Debt Issued	93,718	4,496,279	2,313,786	1,600,192	892,807	1,523,051	622,829	435,077	682,653	980,327
Discounts on Debt Issued	-	-	-	-	-	-	-	-	-	-
Transfer to Bond Refunding Agent	-	-	(127,329,995)	-	(5,706,591)	(16,091,516)	-	(9,280,206)	-	-
Sale of Capital Assets	415,175	931,764	3,773,798	1,790,585	2,565,801	690,794	1,153,276	2,186,283	598,616	28,367,245
Total Other Financing Sources (Uses)	11,981,723	49,978,495	18,913,178	29,217,955	19,769,607	14,045,618	26,750,450	16,477,881	49,470,739	76,260,141
Net Change in Fund Balances	\$ 22,466,725	92,934,910	7,350,409	(23,570,900)	10,199,758	23,108,252	18,162,878	(2,602,096)	10,693,681	(73,141,145)
Debt Service as a Percentage of Noncapital Expenditures	11.0%	10.5%	10.3%	10.4%	11.3%	12.6%	13.8%	13.8%	12.9%	12.0%

Table 5

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

Lincoln Electric System Megawatt-Hour Sales								
Calendar Year	Residential	Commercial	Industrial	Street and Highway Lighting	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	Average Cent per Kilowatt Hour Rate
2021	1,310,455	1,435,244	477,804	8,388	-	832,831	4,064,722	\$ 0.0852
2020	1,284,674	1,359,192	433,624	8,214	-	978,747	4,064,451	0.0852
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

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 Annual Report

Table 6

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

Customer Type	2021			2012		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 127,732	1	36.69 %	\$ 103,387	1	39.46 %
Commercial	111,372	2	32.00	81,531	2	31.12
Industrial	32,467	3	9.33	29,370	3	11.21
Other	<u>76,580</u>	-	<u>22.00</u>	<u>47,725</u>	-	<u>18.21</u>
Total	<u>\$ 348,151</u>		<u>100.02 %</u>	<u>\$ 262,013</u>		<u>100.00 %</u>

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

Source: Lincoln Electric System
2012 City of Lincoln ACFR

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
2022	\$ 6,892,613,749	0.0175
2021	6,217,440,415	0.0175
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	0.0175
2014	4,657,424,242	0.0175
2013	4,469,320,749	0.0175

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

Fiscal Year	Direct ¹	Overlapping ²	Total Tax Rate
	City of Lincoln	State of Nebraska	
2022	0.0175	0.0550	0.0725
2021	0.0175	0.0550	0.0725
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

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	2021			2012		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 2,143,818,641	1	49.93 %	\$ 1,640,000,062	1	49.90 %
Accommodation & Food Services	689,621,745	2	16.06	518,937,115	2	15.79
Wholesale Trade	330,683,251	3	7.70	-	-	-
Utilities	282,668,814	4	6.58	244,602,887	3	7.44
Other	846,667,210	-	19.73	882,889,280	-	26.86
Total	\$ 4,293,459,661		100.00 %	\$ 3,286,429,344		100.0 %

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. 2022 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		
2022	\$ 18,524,321,766	\$ 8,028,196,147	\$ 711,468,072	\$ 596,595,243	\$ 27,860,581,228	0.3179
2021	16,151,804,023	6,775,086,845	641,171,654	431,669,274	23,999,731,796	0.3198
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

Note: Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Source: Lancaster County Assessor's Office

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City of Lincoln										
General	0.2273	0.2271	0.2127	0.2094	0.1930	0.1990	0.1957	0.1859	0.1889	0.1854
Library	0.0353	0.0373	0.0365	0.0373	0.0413	0.0444	0.0421	0.0438	0.0417	0.0423
Social Security	0.0000	0.0000	0.0123	0.0117	0.0146	0.0158	0.0144	0.0163	0.0155	0.0157
Police and Fire Pension	0.0404	0.0385	0.0327	0.0347	0.0367	0.0402	0.0352	0.0374	0.0378	0.0382
Unemployment Compensation	0.0000	0.0000	0.0002	0.0003	0.0003	0.0003	0.0003	-	-	-
Bond Interest and Redemption	0.0150	0.0169	0.0254	0.0231	0.0306	0.0340	0.0319	0.0362	0.0319	0.0342
Total City of Lincoln	<u>0.3179</u>	<u>0.3198</u>	<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>
Overlapping Rates ¹										
School District No. 1	1.2109	1.2220	1.2222	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447
Lancaster County	0.2641	0.2816	0.2816	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Southeast Community College	0.0937	0.0937	0.0937	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627
Lower Platte South N.R.D.	0.0272	0.0300	0.0309	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378
Lancaster County Correctional JPA City	0.0077	0.0086	0.0093	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177
Lancaster County Correctional JPA County	0.0061	0.0068	0.0070	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099
Railroad Transportation Safety District	0.0222	0.0147	0.0147	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100
Agricultural Society of Lancaster County	0.0013	0.0014	0.0014	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015
Lancaster County Fairgrounds	0.0024	0.0024	0.0025	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167
Total Overlapping Rates	<u>1.6677</u>	<u>1.6932</u>	<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>

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

CITY OF LINCOLN, NEBRASKA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2022			2013		
		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	\$ 177,146,600	1	0.64 %	\$ 82,747,800	2	0.50 %
Windstream Nebraska Inc	Telecommunications	163,466,468	2	0.59	44,654,631	10	0.27
BNSF Railway Company	Railroad	151,210,198	3	0.54	86,771,479	1	0.52
Allo Communications LLC	Communications	139,504,000	4	0.50	-		0.00
NEBCO INC	Construction/Development	109,697,012	5	0.39	54,963,428	7	0.33
Bousek, Mark A	Property Management	65,219,600	6	0.23	-		0.00
Red Capital Management LLC	Property Management	62,597,000	7	0.22	-		0.00
Kawasaki Motors MFG Corp	Manufacturing	61,867,959	8	0.22	69,833,590	3	0.42
Black Hills Nebraska Gas LLC	Energy	54,224,213	9	0.19	-		0.00
Hampton Enterprises Inc	Property Management	50,903,791	10	0.18	-		0.00
Chateau Van Dorn LLC	Property Management	-	-	-	61,562,261	4	0.37
Ameritas Life Insurance Corp	Insurance	-	-	-	59,752,377	5	0.36
WEA Gateway LLC	Retail Management	-	-	-	58,201,700	6	0.35
Total		\$ 1,035,836,841		3.70 %	\$ 518,487,266		3.12 %

Source: Lancaster County Assessor's Office

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
2022	\$ 85,256,757	\$ 83,361,780	97.78 %	\$ -	\$ 83,414,972	97.84 %
2021	76,804,268	75,159,229	97.86	1,645,039	76,804,268	100.00
2020	74,337,612	72,577,018	97.63	1,760,594	74,337,612	100.00
2019	68,390,503	66,842,290	97.74	1,548,213	68,390,503	100.00
2018	64,824,600	63,903,976	98.58	921,003	64,824,979	100.00
2017	62,977,211	61,735,542	98.03	1,244,246	62,979,788	100.00
2016	58,944,563	57,685,951	97.86	1,237,341	58,923,292	99.96
2015	55,459,815	54,235,009	97.79	1,205,323	55,440,332	99.96
2014	53,880,835	52,616,370	97.65	1,252,037	53,868,407	99.98
2013	52,460,687	51,226,109	97.65	1,209,750	52,435,859	99.95

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.

CITY OF LINCOLN, NEBRASKA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts in thousands, except per capita)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
General Bonds	\$ 27,605	30,620	33,545	40,685	35,275	40,780	45,370	43,800	48,775	53,015
Tax Supported Bonds	47,785	53,835	43,775	47,290	52,005	56,565	62,385	66,700	69,975	73,165
Tax Allocation Bonds	1,644	2,514	2,401	3,009	3,738	4,911	4,966	6,461	7,976	9,254
Special Assessment Bonds	2,175	2,380	2,575	2,765	2,955	3,135	3,315	3,490	3,665	3,840
Antelope Valley Project Bonds	-	-	-	-	-	-	2,020	2,875	3,690	4,470
West Haymarket JPA Bonds	313,610	319,285	324,795	325,400	325,980	326,545	327,095	327,635	328,175	300,000
Capital Leases	35,807	41,910	29,859	35,433	37,490	39,370	43,320	40,989	43,731	39,043
Notes from Direct Borrowing	1,723	1,855	1,985	2,112	-	-	-	-	-	-
Unamortized Premiums/Discounts	11,009	12,467	13,666	12,907	12,217	12,328	11,690	11,640	11,782	11,610
Business-Type Activities										
Revenue Bonds	712,870	752,475	784,955	819,355	677,650	705,720	755,635	718,790	743,660	750,500
Project Loans	24,520	26,442	28,362	30,167	31,972	33,739	35,469	37,119	35,881	27,429
Notes Payable	-	-	-	800	1,000	1,200	1,400	1,600	1,800	1,575
Capital Leases	1,253	1,974	1,138	1,582	1,290	1,241	1,677	1,540	1,939	2,389
Unamortized Premiums/Discounts	54,546	62,642	69,991	77,208	60,739	65,823	57,341	46,242	50,155	49,240
Total Primary Government	\$ 1,234,547	1,308,399	1,337,047	1,398,713	1,242,311	1,291,357	1,351,683	1,308,881	1,351,204	1,325,530
Net Debt Per Capita ¹	\$ 4,241	4,495	4,625	4,867	4,363	4,606	4,874	4,795	5,028	4,994
Percentage of Personal Income ¹	% 427.03	452.57	462.48	486.68	436.30	460.60	487.36	479.45	502.80	499.44

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.

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 ¹	Net Bonded Debt Per Capita ²	Ratio of Net Debt To Estimated Valuation of Taxable Real Property ³
2022	\$ 27,605	\$ 47,785	\$ 1,644	\$ 2,175	\$ 313,610	\$ 11,009	\$ 403,828	\$ 6,520	\$397,308	1,364.93	1.50 %
2021	30,620	53,835	2,514	2,380	319,285	12,467	421,101	7,440	413,661	1,431	1.80
2020	33,545	43,775	2,401	2,575	324,795	13,666	420,757	6,680	414,077	1,440.76	1.87
2019	40,685	47,290	3,009	2,765	325,400	12,907	432,056	8,230	423,826	1,488.49	2.05
2018	35,275	52,005	3,738	2,955	325,980	12,217	432,170	9,261	422,909	1,508.43	2.16
2017	40,780	56,565	4,911	3,135	326,545	12,328	444,264	8,221	436,043	1,572.19	2.42
2016	45,370	62,385	4,966	3,315	327,095	11,664	454,795	8,328	446,467	1,635.43	2.53
2015	43,800	66,700	6,461	3,490	327,635	11,602	459,688	9,143	450,545	1,676.52	2.71
2014	48,775	69,975	7,976	3,665	328,175	11,734	470,300	9,427	460,873	1,736.50	2.82
2013	53,015	73,165	9,254	3,840	300,000	11,552	450,826	15,640	435,186	1,658.86	2.73

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Only net position externally restricted for repayment of debt principal is used in this calculation, see page 18.

² Population data can be found in Table 18, Demographic and Economic Statistics.

³ 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, 2022

<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	\$ 441,358,000	100.0 %	\$ 441,358,000
Overlapping:			
School District #1	547,745,000	99.5	545,006,000
Public Building Commission	22,120,000	85.4	18,890,000
Lancaster County Correctional Facility	25,110,000	85.4	21,444,000
Lancaster County Fairgrounds	6,360,000	85.4	5,431,000
	<u>601,335,000</u>		<u>590,771,000</u>
Total	\$ <u>1,042,693,000</u>		\$ <u>1,032,129,000</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
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Wastewater System										
Gross Revenues	\$ 39,432,749	36,556,660	34,202,886	33,903,796	32,381,312	30,516,105	29,026,442	28,026,866	27,049,162	24,988,275
Direct Operating Expenses	18,130,744	17,269,392	17,049,907	15,684,880	14,863,221	14,726,200	14,019,061	13,541,561	13,337,986	12,522,159
Net Available Revenue	21,302,005	19,287,268	17,152,979	18,218,916	17,518,091	15,789,905	15,007,381	14,485,305	13,711,176	12,466,116
Debt Service Requirements										
Principal	5,916,442	5,736,464	5,667,004	4,858,054	4,599,602	4,761,635	4,562,314	3,747,284	4,053,916	3,487,906
Interest	2,591,888	2,901,665	2,860,124	2,164,027	2,361,501	2,619,980	2,847,529	3,114,518	3,077,999	3,089,698
Total	8,508,330	8,638,129	8,527,128	7,022,081	6,961,103	7,381,615	7,409,843	6,861,802	7,131,915	6,577,604
Coverage	2.50	2.23	2.01	2.59	2.52	2.14	2.03	2.11	1.92	1.90
Water System										
Gross Revenues	\$ 52,317,638	50,654,404	44,192,982	41,761,560	41,473,196	38,494,901	37,985,431	34,481,875	34,933,647	34,241,815
Direct Operating Expenses	22,479,192	21,046,449	19,434,182	18,186,821	17,768,444	17,893,434	16,969,116	16,955,058	16,308,059	16,113,390
Net Available Revenue	29,838,446	29,607,955	24,758,800	23,574,739	23,704,752	20,601,467	21,016,315	17,526,817	18,625,588	18,128,425
Debt Service Requirements										
Principal	4,701,657	4,866,353	4,681,388	4,636,755	4,517,445	4,408,451	4,344,979	4,290,300	3,923,000	1,850,000
Interest	1,012,912	1,284,289	1,488,760	1,763,603	1,877,042	2,021,708	2,123,747	2,116,262	2,044,417	2,345,562
Total	5,714,569	6,150,642	6,170,148	6,400,358	6,394,487	6,430,159	6,468,726	6,406,562	5,967,417	4,195,562
Coverage	5.22	4.81	4.01	3.68	3.71	3.20	3.25	2.74	3.12	4.32
Lincoln Electric System										
Gross Revenues	\$ 369,108,000	312,467,000	321,264,000	335,104,000	322,763,000	317,007,000	300,693,000	309,537,000	288,299,000	274,770,000
Direct Operating Expenses	242,426,000	195,858,000	193,303,000	202,954,000	216,520,000	218,203,000	200,104,000	214,677,000	194,336,000	184,558,000
Net Available Revenue	126,682,000	116,609,000	127,961,000	132,150,000	106,243,000	98,804,000	100,589,000	94,860,000	93,963,000	90,212,000
Debt Service Requirements										
Principal	30,183,000	28,228,000	24,705,000	20,570,000	17,873,000	21,557,000	22,633,000	21,390,000	20,263,000	19,695,000
Interest	19,504,000	25,672,000	28,777,000	26,907,000	24,816,000	26,631,000	27,324,000	26,041,000	26,701,000	26,569,000
Total	49,687,000	53,900,000	53,482,000	47,477,000	42,689,000	48,188,000	49,957,000	47,431,000	46,964,000	46,264,000
Coverage	2.55	2.16	2.39	2.78	2.49	2.05	2.01	2.00	2.00	1.95
Parking Systems										
Gross Revenues	\$ 12,371,262	8,672,167	13,401,784	13,738,594	12,691,925	12,674,910	10,697,157	10,419,352	9,816,550	8,444,055
Direct Operating Expenses	6,593,739	4,167,311	5,042,333	5,315,077	5,152,321	4,905,848	4,575,662	4,577,437	4,211,473	3,919,678
Net Available Revenue	5,777,523	4,504,856	8,359,451	8,423,517	7,539,604	7,769,062	6,121,495	5,841,915	5,605,077	4,524,377
Debt Service Requirements										
Principal	2,880,000	2,515,000	2,315,000	1,380,000	1,345,000	1,320,000	1,290,000	1,260,000	1,310,000	1,270,000
Interest	1,164,936	1,240,388	1,433,544	1,025,065	1,066,890	1,095,315	1,130,215	1,148,265	1,172,465	1,091,614
Total	4,044,936	3,755,388	3,748,544	2,405,065	2,411,890	2,415,315	2,420,215	2,408,265	2,482,465	2,361,614
Coverage	1.43	1.20	2.23	3.50	3.13	3.22	2.53	2.43	2.26	1.92
Solid Waste Management										
Gross Revenues	\$ 15,400,420	15,343,678	14,237,210	12,860,596	12,863,464	12,697,221	12,371,412	10,074,541	9,132,756	7,933,037
Direct Operating Expenses	11,707,107	11,720,275	10,871,529	9,512,437	9,083,674	9,460,290	7,896,480	7,519,523	7,319,215	7,087,935
Net Available Revenue	3,693,313	3,623,403	3,365,681	3,348,159	3,779,790	3,236,931	4,474,932	2,555,018	1,813,541	845,102
Debt Service Requirements										
Principal	575,000	850,000	830,000	810,000	810,000	795,000	775,000	550,000	550,000	475,000
Interest	269,284	303,284	327,084	348,896	366,796	382,096	396,521	196,202	198,128	133,463
Total	844,284	1,153,284	1,157,084	1,158,896	1,176,796	1,177,096	1,171,521	746,202	748,128	608,463
Coverage	4.37	3.14	2.91	2.89	3.21	2.75	3.82	3.42	2.42	1.39

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.

CITY OF LINCOLN, NEBRASKA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2022	292,657	\$ -	\$ -	41,784	2.1 %
2021	291,114	19,462,058	56,887	41,747	1.7
2020	289,102	17,924,429	53,057	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

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 Nebraska Department of Education for Lincoln Public Schools.

⁴ State of Nebraska, Department of Labor.

Median age from 2020 census was 33.5 years old. Education statistics per the 2020 census indicate that 93.3% of the population 25 years and older has a high school degree or higher with 39.6% 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	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Nebraska	8,500	1	4.43 %	8,899	1	5.00 %
Lincoln Public Schools	7,780	2	4.06	7,824	2	4.40
Bryan Health	6,000	3	3.13	3,796	4	2.13
University of Nebraska-Lincoln	5,771	4	3.01	6,119	3	3.44
US Government	3,000	5	1.56	3,066	5	1.72
City of Lincoln	2,881	6	1.50	2,573	6	1.42
Kawasaki Motors Mfg. Corp.	2,600	7	1.36	-	-	0.00
Saint Elizabeth Regional Medical Center	1,825	8	0.95	2,177	7	1.22
Duncan Aviation	1,751	9	0.91	-	-	0.00
Madonna Rehabilitation Hospital	1,500	10	0.78	1,400	9	0.79
Burlington Northern Railroad	-	-	-	2,000	8	1.12
B&R Stores, Inc	-	-	-	1,391	10	0.78
Total	41,608		21.69 %	39,245		21.85

Sources: Nebraska Department of Labor, Lincoln Partnership for Economic Development, and Employers.

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Legislative	9.00	8.50	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00
Executive	20.10	17.60	17.75	17.75	17.70	17.95	17.25	17.25	18.25	19.08
Financial Administration	83.50	79.50	79.50	74.50	70.20	69.95	69.20	69.20	69.20	69.20
Law	32.40	32.40	32.70	32.70	32.25	32.00	32.50	32.50	31.75	31.75
Human Resources	26.00	22.00	22.00	22.00	22.80	22.80	22.80	22.80	22.80	22.80
Planning and Zoning	21.00	20.00	21.00	21.00	21.00	20.75	20.00	20.00	21.00	21.00
Urban Development	9.30	9.30	10.05	10.05	9.22	9.22	9.50	9.50	9.58	9.28
Public Safety										
Police	438.63	438.63	413.13	412.46	397.63	396.63	388.03	388.03	400.79	400.79
Fire	273.51	266.51	264.18	265.13	270.46	270.06	268.97	268.97	273.69	273.69
Building and Safety	56.14	56.14	53.47	53.47	53.15	53.13	50.85	50.85	50.38	50.38
Transportation	19.75	19.75	19.75	19.75	14.25	14.25	16.00	16.00	15.00	15.00
911 Communication	59.25	58.25	57.88	57.88	56.25	56.25	56.00	56.00	41.50	41.50
Streets and Highways	126.00	125.00	113.00	114.00	112.02	111.95	108.32	108.20	104.99	105.49
Culture and Recreation										
Parks and Recreation	252.84	253.50	254.89	254.71	242.83	243.79	239.99	238.89	229.60	228.95
Library	107.04	107.04	107.54	107.54	105.54	105.54	105.54	105.54	105.79	106.59
Economic Opportunity										
Urban Development	8.17	8.12	8.10	8.10	8.81	8.81	9.15	9.15	9.80	9.80
Workforce Investment Act ¹	0.00	0.00	0.00	0.00	13.80	13.65	12.85	12.85	13.19	13.19
Health and Welfare										
Health Services	121.90	116.20	115.47	110.70	109.25	109.00	108.52	108.52	107.02	106.77
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	45.01	44.81	46.03	46.03	48.04	48.04	48.05	48.05	48.24	48.24
Mass Transit	144.00	142.00	135.52	136.52	133.52	133.52	120.52	120.52	119.52	118.01
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	14.00	14.00	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	69.73	69.73	78.85	78.85	71.55	70.51	69.55	69.55	64.45	65.45
Broadband	3.00	2.90	5.90	5.90	4.90	4.90	0.00	0.00	0.00	0.00
Municipal Services Center ²	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf	30.82	29.82	30.70	30.70	31.04	30.49	28.78	29.02	27.99	28.23
Parking Facilities	2.83	3.08	2.60	2.60	2.98	2.98	2.98	2.98	2.95	2.95
Sanitary Landfill	35.50	34.17	32.50	32.50	35.22	36.19	36.47	35.47	33.17	33.17
Emergency Medical Services	43.74	43.74	43.11	43.16	37.83	36.68	33.28	33.28	28.56	28.56
Wastewater System	82.30	82.30	83.80	83.80	87.68	87.60	87.18	87.20	89.87	89.87
Water System	104.13	104.13	101.73	101.73	105.66	102.60	100.26	100.28	104.80	104.30
Electric System	527.00	488.00	476.00	480.00	490.00	492.00	491.00	494.00	498.00	486.00
Total	2,795.59	2,726.12	2,679.15	2,675.53	2,652.58	2,648.24	2,600.54	2,601.60	2,588.88	2,577.04

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

CITY OF LINCOLN, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police:										
Arrests	16,966	16,669	16,623	19,716	22,390	22,811	23,076	23,543	25,424	24,035
Parking Violations	69,638	68,837	90,148	114,287	99,263	100,560	82,276	71,433	73,141	70,338
Traffic Violations	20,036	21,048	26,000	34,047	38,968	41,214	42,888	44,064	51,854	49,515
Fire:										
Number of Calls Answered	32,494	29,995	26,802	26,440	26,166	25,310	24,663	23,878	22,760	21,357
Building and Safety:										
Number of Commercial Building Permits	1,053	1,153	852	986	1,036	1,007	1,038	1,321	1,197	1,341
Number of Residential Building Permits	2,926	2,621	2,128	2,380	3,014	3,036	2,891	2,346	2,300	2,323
Culture and Recreation										
Library:										
Total Circulation (thousands)	2,816	2,784	2,399	3,089	3,072	3,100	3,089	3,074	3,176	3,293
Golf:										
Rounds of Golf	208,526	209,787	185,191	155,963	158,080	164,307	168,272	162,359	164,089	169,170
Mass Transit										
StarTran Ridership (thousands)	2,375	1,727	1,934	2,442	2,464	2,379	2,275	2,415	2,495	1,810
Wastewater										
Number of Consumers	89,040	87,254	86,425	85,126	84,300	83,479	82,511	80,704	80,851	80,066
Water										
Number of Consumers	89,514	87,578	86,736	85,460	84,636	83,797	82,853	82,058	81,196	80,418
Average Daily Consumption (thousand gallons)	37,536	36,380	33,136	31,881	34,734	34,242	34,858	31,766	34,584	35,873
Electric System										
Number of Consumers	145,834	143,797	141,658	140,034	138,489	136,641	134,417	132,672	131,915	130,537

Note: Indicators are not available for the general government function.

Sources: Various City Departments

CITY OF LINCOLN, NEBRASKA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Fire Stations	16	16	16	15	14	14	14	14	14	14
Ambulances	13	13	13	13	13	13	13	12	12	11
Streets and Highways										
Lane Miles of Streets	2,967	2,982	2,948	2,921	2,909	2,899	2,820	2,891	2,823	2,766
Streetlights	32,501	32,158	31,858	31,514	31,236	31,010	30,740	30,516	29,997	29,759
Culture and Recreation										
Parks Acreage	7,855	7,815	7,747	7,528	7,511	7,303	6,814	6,808	6,557	6,503
Parks	165	165	165	161	160	158	161	159	135	141
Playgrounds	93	93	91	89	89	90	90	89	86	85
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	172	172	170	170	166	165	161	158	133	131
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	91	92	94	84	80	80	80	80	74	70
Wastewater										
Miles of Wastewater Mains	1,152	1,146	1,134	1,149	1,140	1,107	1,070	1,044	1,033	1,024
Water										
Miles of Water Mains	1,204	1,171	1,161	1,225	1,249	1,234	1,216	1,211	1,194	1,259

Note: No capital asset indicators are available for the general government function.

In 2016, the qualifications for Lane Miles of Streets were reassessed.

The lane miles went down in 2022 due to a meeting with the State where it was decided that on/off ramps, service roads for I-80 and removing parts of HWY 77.

Sources: Various City Departments

