

**NEW ISSUE –FULL BOOK ENTRY
NOT BANK QUALIFIED**

**RATING: S&P: “AAA”
See “RATING”**

The interest on the Bonds is included in gross income for federal income tax purposes. In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law, the interest on the Bonds is exempt from income taxation by the State of Nebraska. See “TAX MATTERS” in this Official Statement.

**OFFICIAL STATEMENT
\$21,765,000
THE CITY OF LINCOLN, NEBRASKA
LIMITED TAX GENERAL OBLIGATION ARENA REFUNDING BONDS
TAXABLE SERIES 2020**

Dated: date of delivery

Due: July 15, as shown below

The Limited Tax General Obligation Arena Refunding Bonds, Taxable Series 2020 (the “**Bonds**”) are being issued to provide the funds necessary to (a) fund an escrow for the purpose of paying the principal of and interest on \$20,440,000 outstanding principal amount of the City’s Limited Tax General Obligation Arena Bonds, Series 2013, dated August 7, 2013 (the “**Refunded Bonds**”) on July 15, 2023 (the “**Redemption Date**”), and (b) pay certain costs of issuing the Bonds. See “**THE REFUNDING**” and “**ESTIMATED SOURCES AND USES OF FUNDS**” herein.

The Bonds are issuable in fully registered form and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), New York, New York, which will act as securities depository for the Bonds. Purchases of the Bonds will be originally made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal or redemption price of and interest on the Bonds will be made directly to DTC. Interest is payable on January 15 and July 15 of each year, beginning January 15, 2021. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC participants. BOKF, National Association, Lincoln, Nebraska, is bond registrar and paying agent for the Bonds (the “**Registrar**”). For terms relating to principal and interest payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see “**THE BONDS—Book-Entry System.**”

The Bonds are limited tax general obligations of the City, and the full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of, premium, if any, and interest on the Bonds as the same become due. The City has further pledged the income, proceeds, and revenue of the Project (as defined herein), any appropriations from the State received under the Act (as defined herein) or other State source for the Project, and available revenue, income, and receipts of the City for such purpose, including City sales, use, occupation and/or property tax revenue, fees or receipts, in an amount sufficient to pay the principal of and interest on said Bonds as the same become due and payable; provided, however, the City shall not levy property taxes in excess of its statutory and Charter limits. See “**SECURITY**” and “**NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION.**”

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds maturing on or after July 15, 2031 are subject to optional redemption prior to maturity at the option of the City at any time on or after July 15, 2030 as set forth herein. See “**THE BONDS—Optional Redemption.**”

MATURITY SCHEDULE

Maturity (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP (534239)	Maturity (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP (534239)
2021	\$1,150,000	0.200%	0.200%	100.000%	FS2	2030	\$1,320,000	3.000%	1.200%	116.758%	GB8
2022	1,105,000	3.000	0.250	105.216	FT0	2031	1,350,000	1.300	1.300	100.000	GC6
2023	1,130,000	3.000	0.300	107.797	FU7	2032	1,360,000	1.400	1.400	100.000	GD4
2024	1,155,000	3.000	0.450	109.853	FV5	2033	1,370,000	1.500	1.500	100.000	GE2
2025	1,185,000	3.000	0.600	111.577	FW3	2034	1,380,000	1.550	1.550	100.000	GF9
2026	1,220,000	3.000	0.750	112.967	FX1	2035	1,390,000	1.600	1.600	100.000	GG7
2027	1,250,000	3.000	0.900	114.023	FY9	2036	1,405,000	1.650	1.650	100.000	GH5
2028	1,280,000	3.000	1.000	115.160	FZ6	2037	1,405,000	1.700	1.700	100.000	GJ1
2029	1,310,000	1.100	1.100	100.000	GA0						

The Bonds are offered when, as, and if issued, subject to the approval of legality by Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel to the City. It is expected that the Bonds will be available for delivery through DTC on or about August 20, 2020.

PFM FINANCIAL ADVISORS LLC

Has Acted as Municipal Advisor with respect to the Bonds

The date of this Official Statement is August 5, 2020

**THE CITY OF LINCOLN, NEBRASKA
CITY OFFICIALS**

Leirion Gaylor Baird, Mayor

City Council Members

Richard Meginnis (Chair)

James Michael Bowers
Jane Raybould
Tammy Ward

Roy Christensen
Bennie Shobe
Sandra Washington

City Department Heads

Brandon A. Kauffman.....	Finance Director
Yohance Christie.....	City Attorney
David Cary.....	Planning Director
Lynn Johnson.....	Parks and Recreation Director
Kevin Wailes.....	LES Administrator and CEO
Dan Marvin.....	Urban Development Director
Pat Leach.....	Library Director
Elizabeth Elliott.....	Transportation and Utilities Director
Patricia Lopez.....	Interim Health Director
Douglas J. McDaniel.....	Human Resources Director
Chad Blahak.....	Building and Safety Director
Jeff Bliemeister.....	Police Chief
Michael Despain.....	Interim Fire Chief

Melinda Jones, City Controller

Municipal Advisor

PFM Financial Advisors LLC

Bond Counsel

Gilmore & Bell, P.C.

Registrar and Paying Agent

BOKF, National Association

Independent Auditors

BKD LLP

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, sales representative or other person has been authorized by the City or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FORWARD-LOOKING STATEMENTS

This Official Statement contains "forward-looking statements" within the meaning of federal securities laws. These forward-looking statements include statements about the City's future expectations, plans and strategies, and other statements that are not historical in nature. These forward-looking statements are based on the current expectations of the City. When used in this Official Statement, the words "project," "plan," "expect," "estimate," "budget," "intend," "anticipate," "should," "will," and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations or assumptions expressed in forward-looking statements. The City undertakes no obligation to update any forward-looking statements contained in this Official Statement to reflect future events or developments.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
AUTHORITY	1
SECURITY	1
General.....	1
Additional Obligations.....	2
BONDHOLDERS' RISKS	2
NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION.....	5
Budget and Levy Limitations.....	5
State Turnback Tax	6
THE REFUNDING.....	8
Refunding of Refunded Bonds.....	8
Verification of Mathematical Computations.....	8
ESTIMATED SOURCES AND USES OF FUNDS	9
THE BONDS	10
General.....	10
Book-Entry System.....	10
Interchangeability and Transfer	10
Optional Redemption	11
Notice and Effect of Call for Redemption	11
RATING	11
TAX MATTERS.....	12
Tax Status of the Bonds – Federal and State of Nebraska	12
Other Tax Consequences	12
CONTINUING DISCLOSURE.....	13
LITIGATION	15
LEGAL MATTERS.....	16
MUNICIPAL ADVISOR	16
INDEPENDENT AUDITORS.....	16
MISCELLANEOUS	16
THE CITY OF LINCOLN.....	APPENDIX A
FINANCIAL STATEMENTS	APPENDIX B
BOOK-ENTRY SYSTEM.....	APPENDIX C
FORM OF BOND COUNSEL OPINION	APPENDIX D

OFFICIAL STATEMENT

\$21,765,000

THE CITY OF LINCOLN, NEBRASKA LIMITED TAX GENERAL OBLIGATION ARENA REFUNDING BONDS TAXABLE SERIES 2020

INTRODUCTION

This Official Statement, including the preceding pages and appendices hereto, is furnished by The City of Lincoln, Nebraska (the **“City”**), a home rule city of the primary class and political subdivision of the State of Nebraska (the **“State”**), to provide information about the City and its \$21,765,000 Limited Tax General Obligation Arena Refunding Bonds, Taxable Series 2020 (the **“Bonds”**). BOKF, National Association, Lincoln, Nebraska is bond registrar and paying agent for the Bonds (the **“Registrar”**).

Descriptions of and references to the Bonds, the Bond Ordinance (defined herein), related transaction documents and other matters do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the complete texts thereof. Copies of such documents are available for inspection at the office of the City.

AUTHORITY

The City is issuing the Bonds under the authority of Section 10-142, Reissue Revised Statutes of Nebraska, as amended, the Convention Center Facility Financing Assistance Act, Sections 13-2601 et seq., Reissue Revised Statutes of Nebraska, as amended, and Article IX, Sections 39 to 43, inclusive, of the Home Rule Charter of the City (collectively, the **“Act”**), and an Ordinance passed by the Council on June 8, 2020 and approved by the Mayor on June 15, 2020 (the **“Bond Ordinance”**) authorizing the issuance of limited tax general obligation refunding bonds of the City. The Bonds are being issued to (a) fund an escrow for the purpose of paying the principal of and interest on \$20,440,000 outstanding principal amount of the City’s Limited Tax General Obligation Arena Bonds, Series 2013, dated August 7, 2013 (the **“Refunded Bonds”**) on July 15, 2023 (the **“Redemption Date”**), and (b) pay certain costs of issuing the Bonds. The Refunded Bonds were issued for the purpose of paying a portion of the costs incident to acquiring, constructing, equipping and furnishing a sports/entertainment arena and related facilities and improvements in the Lincoln Haymarket area of the City (collectively, the **“Project”**) and were approved by a majority of the qualified electors in the City voting on the proposition at an election held on May 11, 2010 (the **“Bond Election”**).

SECURITY

General

The Bonds are limited tax general obligations of the City, and the full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of, premium, if any, and interest on the Bonds as the same become due. In the Bond Ordinance, the City has pledged the income, proceeds, and revenue of the Project, any appropriations from the State received under the Act or other State source

for the Project, and available revenue, income, and receipts of the City for such purpose, including City sales, use, occupation and/or property tax revenue, fees or receipts, in an amount sufficient to pay the principal of and interest on said Bonds as the same become due and payable; provided, however, the City shall not levy property taxes in excess of its statutory and Charter limits. See **“NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION.”**

Such tax shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. Such income, revenues, State assistance and tax collections shall be deposited in the Debt Service Fund (as defined in the Bond Ordinance), shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds as and when the same become due and the fees and expenses of the Registrar. If at any time said taxes are not so timely collected, the Finance Director or the Controller is authorized and directed to pay such principal, premium and/or interest out of the funds of the City and to reimburse such funds for money so expended when such taxes are collected.

The Bonds and the interest thereon shall not constitute nor give rise to an indebtedness, obligation or pecuniary liability of the State nor a charge against the general credit, revenue or taxing power of the State.

Additional Obligations

Additional bonds or notes may be issued on a parity as to the income, revenues and receipts pledged under the Bond Ordinance to refund the Bonds.

BONDHOLDERS’ RISKS

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should review this entire Official Statement (including the Appendices hereto) in order to make an investment decision.

COVID-19; Economic Downturn. Within the State, in order to slow the spread of COVID-19, the Governor closed all K-12 schools through the end of the 2019-20 school year and instituted State-wide restrictions on the number of people who can gather in one place. Many businesses in the State, including bars, restaurants, and entertainment venues were closed for a period of time, and many are still operating under restrictions. The arena constituting part of the Project, and the surrounding West Haymarket area have experienced materially reduced operations due to these restrictions. The unemployment rate in the State and the Lincoln Metropolitan Statistical Area as of April 2020 was 8.7% and 9.3%, respectively, which were significant increases from the February 2020 unemployment rates of 3.0% and 2.6%, respectively. As of May 2020, the unemployment rate in the State was 5.2%, and within the Lincoln Metropolitan Statistical Area, it was 5.0%. The unemployment rate may increase during future periods, as a result of ongoing or new closures, limitations on operations, and continuing economic pressure.

The City typically conducts a two-year biennial budget process, however with the uncertainty due to COVID-19 the City has proposed an annual budget for the upcoming biennium. The Mayor has currently proposed a balanced budget for 2020, based on a combination of fee increases and service cuts. The budget is currently being considered by the City Council, who can propose changes before adoption in

late August. Sales tax makes up approximately 44% of the General Fund budget for 2021, and the budget amount is based off a 2019-2020 increase of 2.92% and a 2020-2021 increase of 1.82%. The average sales tax increase for the last ten years is 3.77%.

Continued reductions of operations at the arena constituting part of the Project and associated hotels and the economic activity within the surrounding West Haymarket area may materially and adversely impact revenues from the Project available for debt service on the Bonds and reduce the State Turnback Tax available for debt service on the Bonds. March 2020 sales taxes in the City decreased 4.39% compared to March of 2019, and April 2020 sales taxes in the City decreased 13.80% compared to April of 2019. Certain hotel-based tax revenues in the City that are not pledged in whole for payment of the Bonds, but may constitute part of the State Turnback Tax, were approximately 51%, 76% and 66% lower in March, April and May 2020 than the same months in 2019.

The continued proliferation of COVID-19 throughout the State and the City may materially adversely affect the operations and finances of the City due to the economic ramifications of government responses to try to slow the spread of the disease. The pandemic could negatively impact the timely collection of property and sales taxes within the City if taxpayers are unemployed, or their business is closed or suffering due to mandatory closures or other restrictions. Tax payment delinquencies, disruption of the collection or distribution of taxes by the State or Lancaster County, or other related factors may pressure the City's budget and cash flows. If the City is required to levy taxes to pay for the Bonds, significant delays or non-payments of taxes, fees, or other revenues of the City could materially and adversely impact the City's ability to make timely payments on the Bonds.

In addition, the economic downturn may be exacerbated by continued restrictions on businesses and limits on the number of people who can gather in one place, as well as possible changes in social and economic practices of individuals during and after the pandemic. Such a downturn could cause reductions in assessed valuations in the City, which would reduce the amount of limited tax revenues available for debt service on the Bonds.

Significant developments regarding COVID-19 continue to occur daily and the extent to which COVID-19 will impact the City in the future is highly uncertain and cannot be predicted.

Financial Condition of the City from Time to Time. No representation is made as to the future financial condition of the City. Certain risks discussed herein could adversely affect the financial condition and or operations of the City in future.

Limitation of Rights Upon Insolvency. Among other factors affecting an investment in the Bonds, potential investors should be aware that the United States Bankruptcy Code enables debtors (including municipalities such as the City) that are insolvent to obtain relief through a petition and plan that may result in the modification or delay of payments to creditors, including registered owners of the Bonds. In the event the City becomes insolvent, the registered owners of the Bonds would be treated as general creditors of the City along with all other unsecured claimants. The extent to which the exception from limitations upon overall tax rates provided for in existing legislation might entitle registered owners of the Bonds to be treated as a separate class or otherwise given priority over other unsecured claimants is a matter that would be subject to future determinations of state and federal courts interpreting and applying both state law and the provisions of the United States Bankruptcy Code. Procedures under the United States Bankruptcy Code or other insolvency laws could result in delays in payment and modifications of payment rights.

The State of Nebraska has authorized its political subdivisions to seek relief under the United States Bankruptcy Code; provided, however, recent limitations have been imposed by the State. In 2017, the

Nebraska Legislature (the “**Legislature**”) passed and the Governor approved Legislative Bill 72 (“**LB 72**”), which prohibits a city or village in the State from filing for bankruptcy if its defined benefit retirement plan, if any, is below certain funding levels at the time of the filing of the bankruptcy petition as follows:

<u>Period of Petition Filing</u>	<u>Funded Ratio of Actuarial Value of Assets</u>
January 1, 2020 to January 1, 2023	Less than 51.65%
January 1, 2023 to January 1, 2026	Less than 54.41%
January 1, 2026 to January 1, 2029	Less than 58.21%
January 1, 2029 to January 1, 2032	Less than 63.41%
January 1, 2032 to January 1, 2035	Less than 70.71%
January 1, 2035 to January 1, 2038	Less than 80.61%
After January 1, 2038	Less than 90.00%

The City’s funded ratio for its only defined benefit retirement plan, the Police and Fire Pension Plan, based on the actuarial value of assets as of August 31, 2019, and as discussed more fully in Footnote 13 to the City’s audited financial statements attached hereto, was 75.76%. The City expects that its funded ratio will increase over time, and does not believe that the limitation imposed by LB 72 would prohibit the City from filing for bankruptcy.

Nebraska Laws Related to Budgets and Taxation. The Nebraska Legislature has taken actions designed to reduce the reliance of local governmental units on property taxation. For a discussion of such changes, see “**NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION.**”

Cybersecurity. The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City’s operations and financial condition.

Suitability of Investment. The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether the Bonds are an appropriate investment for such investor.

Secondary Market Not Established. There is no established secondary market for the Bonds, and there is no assurance a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal bonds traded in the secondary market, if any, are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance of the entities operating the facilities subject to bonded indebtedness. From time to time it may be necessary to suspend indefinitely secondary market trading in selected issues of municipal bonds as a result of the financial condition or market position, prevailing market conditions, lack of adequate current financial information about the entity, operating the subject facilities, or a material adverse change in the operations of that entity, whether or not the subject bonds are in default as to principal and interest payments, and other factors which, may give rise to uncertainty concerning prudent secondary market practices.

Municipal bonds are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Rating Loss. S&P Global Ratings ("S&P") has assigned a rating to the Bonds. See "RATING". Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Rating agencies are currently not regulated by any regulatory body. Future regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION

Budget and Levy Limitations

The Legislature has enacted legislation intended to reduce the level of expenditures and property taxes by political subdivisions in the State. Sections 13-518 to 13-522, inclusive, Reissue Revised Statutes of Nebraska, as amended, and related sections (collectively, the "**Budget Limitations**"), limit the increase of certain restricted funds that may be budgeted by governmental units such as the City. Such restricted funds include property taxes, sales taxes and other funding sources comprising approximately 75% of funding sources used to fund the City's tax supported budget, but exclude restricted funds pledged to retire bonded indebtedness. The Budget Limitations currently provide for a base limitation of 2.5% upon increases plus the percentage increase in the property tax provided by new construction, improvements to existing property, annexations and new personal property added to the property tax base. The base limitation is subject to review by the Legislature from year to year and may be exceeded by an additional 1% upon an affirmative vote of at least 75% of the governing body. The Budget Limitations are enforced through the office of the Auditor of Public Accounts of the State and State aid may be withheld from governmental units that fail to comply. The Budget Limitations do not apply to the revenues of proprietary funds except to the extent such revenues are used for general fund purposes.

For the 2013-2014 fiscal year, the City was permitted to increase its appropriation of restricted funds under the Budget Limitations by 2.5%. Unused restricted fund authority from prior years can be carried over into future fiscal years to use in addition to the annual increases allowed. As of August 31, 2019, the City had accumulated \$12,863,030.10 of unused restricted funds authority which would be available for future fiscal years.

The Legislature has also enacted Section 77-3442, Reissue Revised Statutes of Nebraska, as amended, and related sections (collectively, the "**Levy Limitations**"), to provide overall limitations on the property tax levies of political subdivisions, including the City. The Levy Limitations expressly exclude any property taxes levied for bonded indebtedness. The maximum levy for the City is presently set at 45¢ per \$100 of taxable valuation with an additional 5¢ per \$100 of taxable valuation available to provide for the

City's share of revenue required under any agreement executed by the City with another governmental unit pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The City's current levy (excluding its bond levy) is \$.3165 per \$100 of taxable valuation on all the taxable property within the City.

In general, State law provides that ad valorem taxes levied to pay debt service on bonded indebtedness are not subject to the Levy Limitations. At the Bond Election, the voters authorized the City to pay debt service on the Bonds from property taxes as well as other legally available sources of the City. However, the voter-approved proposition specified that the City could not levy property taxes in excess of its statutory levy limitation (i.e., 45¢ per \$100 of valuation upon all of the taxable property in the City) to pay the principal of and the interest on the Bonds. Consequently, any tax levied by the City to pay debt service on the Bonds, together with all other taxes now or hereafter authorized to be levied by the City (excluding certain tax levies relating to other bonds approved by law and not subject to the Levy Limitations), may not exceed 45¢ per \$100 of taxable valuation with an additional 5¢ per \$100 of taxable valuation available to provide for the City's share of revenue required under any agreement executed by the City with another governmental unit pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act.

Future legislation, decisions of the Nebraska Supreme Court, or initiative petitions proposed and passed by qualified voters in the State may alter the Budget Limitations and the Levy Limitations, or may otherwise modify the sources of and limitations on the revenues used by governmental units in the State to finance their activities.

State Turnback Tax

Under the Act, any political subdivision that has acquired, constructed, improved, or equipped or has approved a general obligation bond issue to acquire, construct, improve, or equip convention and meeting center facilities and sports arena facilities ("**Eligible Facilities**") for operation within the State may apply for State assistance. State assistance (referred to herein as the "**State Turnback Tax**") consists of a portion of (a) the State sales tax revenue collected by retailers and operators doing business at such Eligible Facilities on sales at such facilities, (b) the State sales tax revenue collected on primary and secondary box office sales of admissions to such Eligible Facilities and (c) the State sales tax revenue collected by associated hotels (as defined in the Act). The State Turnback Tax may be used to pay back amounts expended or borrowed through one or more issues of bonds to be expended by the political subdivision to acquire, construct, improve and equip Eligible Facilities until repayment in full of the amounts expended or borrowed by the political subdivision, including the principal of and interest on bonds, for such Eligible Facilities. The City has applied for and has been approved for State Turnback Tax financing, and the City expects to apply any State Turnback Tax receipts to (i) pay the principal of, any premium, and the interest on the Bonds and (ii) repay any expenditures relating to the acquisition, construction, improvement or equipping of the Project.

In connection with an approved application for the State Turnback Tax, the State Tax Commissioner shall annually (a) audit or review audits of the approved convention and meeting center facility, sports arena facility, or associated hotel to determine the State sales tax revenue collected by retailers and operators doing business at the Eligible Facilities on sales at such facilities, the State sales tax revenue collected on primary and secondary box office sales of admissions to such Eligible Facilities, and the State sales tax revenue collected by associated hotels, and (b) certify annually to the State Treasurer the amount of State sales tax revenue collected by retailers and operators doing business at such Eligible Facilities on sales at such facilities, the State sales tax revenue collected on primary and secondary box office sales of admissions to such Eligible Facilities, and the State sales tax revenue collected by associated hotels. The

State Treasurer shall deposit all moneys certified to him or her in the Convention Center Support Fund established pursuant to the Act.

The Act provides further that it is the intent of the Legislature to appropriate from the Convention Center Support Fund to any political subdivision for which an application for State assistance under the Act has been approved an amount not to exceed (i) 70% of the State sales tax revenue audited by the State Tax Commissioner and certified to the State Treasurer, (ii) \$75 million for any one approved Eligible Facility, or (iii) the total cost of acquiring, constructing, improving, or equipping the Eligible Facility. State assistance shall not be used for an operating subsidy or other ancillary facility.

Consequently, each year the State must separately approve the appropriate amount of the State Turnback Tax to be returned to the City based upon actual operating data from the Project and any associated hotels. Therefore, the payment by the State of the State Turnback Tax each year is subject to the risk of annual appropriation and the level of operation of the Project and any associated hotels. Further, the Act specifically provides that it may be repealed by the State (although no such repeal is expected by the City). The City began receiving the State Turnback Tax in 2015 and estimates that the State cap of \$75 million will not be reached or needed. No assurance can be given that any expectations described herein are accurate or correct.

The table below shows State Turnback Tax collections for the Project for the fiscal years indicated:

<u>Year</u>	<u>Collections</u>
2019-2020	\$2,400,569
2018-2019	2,361,067
2017-2018	2,076,839
2016-2017	1,581,691
2015-2016	1,551,691

[The remainder of this page intentionally left blank]

THE REFUNDING

Refunding of Refunded Bonds

The City is using the Bond proceeds to provide funds to (a) fund an escrow for the purpose of paying the principal of and interest on the City's Refunded Bonds through and including the Redemption Date and (b) pay the costs of issuing the Bonds.

On the date of issuance of the Bonds, the net proceeds thereof, together with certain other funds held by the City with respect to the Refunded Bonds, will be deposited into an escrow account (the "**Escrow Account**") to be held under an Escrow Agreement, dated the date of the Bonds (the "**Escrow Agreement**"), between the City and BOKF, National Association (the "**Escrow Agent**"). Such deposit, as held and invested, will be sufficient to pay when due the principal amount or redemption price of and all interest due on the Refunded Bonds through and including the Redemption Date and to redeem on the applicable Redemption Date all of the then outstanding Refunded Bonds.

After the issuance of the Bonds and the deposit of the proceeds thereof and other moneys with the Escrow Agent pursuant to the Escrow Agreement, the Refunded Bonds will be payable from the deposit thereof held for such purpose by the Escrow Agent. Under the Escrow Agreement, the moneys held by the Escrow Agent are irrevocably pledged to the payment of the Refunded Bonds and the interest thereon and may be applied only to such payment, and the Refunded Bonds will no longer be deemed outstanding.

Verification of Mathematical Computations

Upon delivery of the Bonds, Chris D. Berens, CPA, P.C., a firm of independent certified public accountants, will deliver to the City and the Underwriter a report for each of the Refunded Bonds verifying the mathematical accuracy of certain computations relating to the adequacy of the maturing principal amount of the securities held in the respective escrow account, interest earned thereon and certain uninvested cash to pay the principal and redemption price of, and interest on, the Refunded Bonds as such principal and redemption price and interest become due and payable. Such verification of the accuracy of the computations will be based upon information supplied by the City's Municipal Advisor.

[The remainder of this page intentionally left blank]

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS:

Principal Amount of the Bonds	\$21,765,000.00
Plus: Aggregate Original Issue Premium	<u>1,145,471.00</u>

TOTAL SOURCES:	<u>\$22,910,471.00</u>
-----------------------	-------------------------------

USES OF FUNDS:

Deposit to Escrow for Refunded Bonds	\$22,678,068.72
Costs of Issuance (including Underwriters' Discount)	<u>232,402.28</u>

TOTAL USES:	<u>\$22,910,471.00</u>
--------------------	-------------------------------

[The remainder of this page intentionally left blank]

THE BONDS

General

The Bonds will be initially issued in fully registered, book-entry form, in denominations of \$5,000 or any integral multiple thereof, will have a date of original issue (the **“Date of Original Issue”**) of the date of delivery thereof, will bear interest from the Date of Original Issue payable on January 15 and July 15 of each year, commencing January 15, 2021, will mature on July 15 in the years and in the principal amounts, and will bear interest at the rates (calculated on the basis of a 30-day month and a 360-day year) as set forth on the cover page of this Official Statement. Each installment of interest will be payable by check or draft mailed by the Registrar on the due date thereof (or on the next business day if such due date falls on a Saturday, Sunday or bank holiday applicable to the Registrar) to the registered owner of a Bond as shown on the bond registration records of the City maintained by the Registrar as of the Record Date (hereinafter defined). The principal of each Bond will be payable upon the surrender of such Bond to the Registrar. The **“Record Date”** for each installment of interest shall be the fifteenth day immediately preceding such interest payment date.

Book-Entry System

General. The Depository Trust Company (**“DTC”**), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity, as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as the nominee for DTC. Ownership interests in the Bonds will be available to purchasers only through a book-entry system maintained by DTC (the **“Book-Entry System”**). A description of DTC, the Book-Entry System and definitions of initially capitalized terms used herein are found in **“APPENDIX C—BOOK-ENTRY SYSTEM”** to this Official Statement.

Risk Factors. Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of the principal or redemption price of and interest on the Bonds because such distributions will be forwarded by the Registrar to DTC, credited by DTC to its Direct Participants, and then credited to the accounts of the Beneficial Owners either directly or indirectly through Indirect Participants.

Because transactions in the Bonds can only be effected through DTC, DTC Participants and certain banks, the ability of a Beneficial Owner to pledge Bonds to persons or entities that do not participate in the Book-Entry System, or otherwise to take actions in respect of such Bonds, may be limited due to the lack of physical certificates. Beneficial Owners will not be recognized by the Registrar as registered owners for purposes of the Bond Ordinance, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and DTC Participants.

Interchangeability and Transfer

The Bonds, upon surrender thereof to the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds in registered form of the same series, rate of interest, maturity and of any authorized denomination.

In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the City shall execute and the Registrar shall deliver the Bonds in accordance with the Bond Ordinance. For every such transfer or exchange of Bonds, the Registrar shall require the payment by the registered owner requesting such transfer or exchange of any tax or other governmental charges payable with respect thereto, and may charge a sum not exceeding the actual cost for each new Bond.

Neither the City nor the Registrar is required to make any such exchange or registration of transfer of Bonds during the period between a Record Date and the next succeeding interest payment date or, in the case of any proposed redemption of Bonds, after notice of the redemption of such Bonds or any portion thereof shall have been given pursuant to the Bond Ordinance.

The foregoing procedures do not apply to Beneficial Owners, whose transfer and exchange privileges will be governed by the procedures described under “**THE BONDS—Book-Entry System**” so long as the Bonds are held in book-entry format.

Optional Redemption

Bonds maturing on or prior to July 15, 2030 are not subject to redemption prior to their stated maturities. Bonds maturing on or after July 15, 2031 are subject to redemption prior to maturity at the option of the City in whole or in part, at any time on or after July 15, 2030 in such principal amounts and from such maturity or maturities as the City shall specify and by lot in integral multiples of \$5,000 within a maturity at a redemption price equal to 100% of the principal amount then being redeemed, together with accrued interest on such principal amount to the date fixed for redemption.

Notice and Effect of Call for Redemption

In the event of any such redemption, the Registrar will give written notice of the City’s intention to redeem and pay such Bonds by first-class mail to the registered owner of each Bond to be redeemed, such notice to be mailed not less than 30 days prior to the redemption date. Notice of redemption having been given as stated above, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest. Failure to give notice to any particular registered owner or any defect in the notice given to such owner shall not affect the validity of the proceedings calling the Bonds or the redemption of any Bonds for which proper notice has been given. The City shall have the right to direct further notice of redemption for any Bond for which defective notice has been given. Notice of redemption may be waived in writing by the registered owner of any Bond.

So long as DTC is effecting book-entry transfers of the Bonds, the Registrar will provide the notices of Bonds to be redeemed to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Registrar, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, will not affect the validity of the redemption of such Bond.

RATING

S&P Global Ratings has assigned the Bonds the rating of “AAA.” Such rating reflects only the views of such organization, and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, New York, New York, 10041, telephone (212) 438-2124.

Generally, a rating agency bases its rating on such information and materials and investigations, studies and assumptions furnished to and obtained and made by the rating agency. The debt rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment as to market price or suitability for a particular investor. There is no assurance that the above rating will remain for any given period of time or that it may not be lowered, suspended or withdrawn entirely by such rating service

if it deems circumstances are appropriate. Any downward change in, suspension or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

TAX MATTERS

The following is a summary of the material federal and State of Nebraska income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Nebraska, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Tax Status of the Bonds – Federal and State of Nebraska

No Federal Tax Exemption. The interest on the Bonds is *included* in gross income for federal income tax purposes, in accordance with an owner's normal method of accounting.

Nebraska Tax Exemption. In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds, the interest on the Bonds is exempt from income taxation by the State of Nebraska.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, except as expressly provided herein. Purchasers of the Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, the owner of a Bond having bond premium may elect to amortize the premium over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. An owner of a Bond amortizes bond premium by offsetting the qualified stated interest allocable to an accrual period with the bond premium allocable to that accrual period. This offset occurs when the owner takes the qualified stated interest into income under the owner's regular method of accounting. If the premium allocable to an accrual period exceeds the qualified stated interest for that period, the excess is treated by the owner as a deduction under Section 171(a)(1) of the Code. As premium is amortized, the owner's basis in the Bond will be reduced by the amount of amortizable bond premium properly allocable to the owner. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement. Further, if the City establishes a legal defeasance of any Bond, that Bond may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, an owner will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest) and (ii) the owner's adjusted tax basis in the Bond.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

The City is executing the Continuing Disclosure Undertaking for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "**Rule**"). The City is the only "obligated person" within the meaning of the Rule with responsibility for continuing disclosure. The City believes it has complied in all material respects with its prior undertakings under the Rule in the past five years.

Annual Reports. Pursuant to the Continuing Disclosure Undertaking, the City shall, not later than **May 1** of each year, commencing May 1, 2021, provide to the Municipal Securities Rulemaking Board ("**MSRB**") the following financial information and operating data (the "**Annual Report**"):

(a) The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(b) Updates as of the end of the fiscal year of the financial information and operating data relating to the City contained in **APPENDIX A** of this Official Statement in substantially the same format contained in this Official Statement.

Material Event Notices. Pursuant to the Continuing Disclosure Undertaking, not later than 10 business days after the occurrence of any of the following events, the City shall also give, or cause a dissemination agent to give, notice of the occurrence of any of the following events with respect to the Bonds (**“Material Events”**):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondowners, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For purposes of events (15) and (16) above, **“Financial Obligation”** means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of repayment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); *provided, however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

If the City has not submitted the Annual Report to the MSRB by the date specified above, the City shall send a notice to the MSRB of the failure of the City to file the Annual Report on a timely basis, which notice shall be given by the City in the same manner as for a Material Event as described above.

Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Continuing Disclosure Undertaking, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Undertaking.

Amendment. Notwithstanding any other provision of the Continuing Disclosure Undertaking, the City and any dissemination agent may amend the Continuing Disclosure Undertaking (and such dissemination agent shall agree to any amendment so requested by the City) and any provision of the Continuing Disclosure Undertaking may be waived, provided Bond Counsel or other counsel experienced in federal securities law matters provides the City and any dissemination agent with its opinion that the undertaking of the City, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Undertaking.

Default. In the event of a failure of the City or any dissemination agent to comply with any provision of the Continuing Disclosure Undertaking, any owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or any dissemination agent, as the case may be, to comply with its obligations under the Continuing Disclosure Undertaking. A default under the Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Ordinance, and the sole remedy under the Continuing Disclosure Undertaking in the event of any failure of the City or any dissemination agent to comply with the Continuing Disclosure Undertaking shall be an action to compel performance.

Termination. The City's obligations under the Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations under the Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with the Continuing Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility thereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Material Event as described above.

Electronic Municipal Market Access System (EMMA). All Annual Reports and notices of Material Events required to be filed by the City or the dissemination agent pursuant to the Continuing Disclosure Undertaking must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the City or the Bonds is incorporated by reference in this Official Statement.

LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the City, nor the title of the members of the Council or other officers of the City to their respective offices is being contested or questioned.

There is no litigation pending that in any manner questions the right of the City to pass the Bond Ordinance pursuant to which the Bonds are being issued.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel. Bond Counsel has participated in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City and other sources as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof except for the information under **“THE BONDS,” “LEGAL MATTERS” and “TAX MATTERS.”**

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Des Moines, Iowa, is serving as municipal advisor to the City with respect to the Bonds. The municipal advisor has assisted the City in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds and provided other financial advice regarding the City’s financial plan. PFM Financial Advisors LLC is a financial and investment advisory and consulting organization and is not engaged in the underwriting, marketing or trading of municipal securities or other negotiable instruments.

INDEPENDENT AUDITORS

The financial statements and schedules of the City for the year ended August 31, 2019, included in **“APPENDIX B—FINANCIAL STATEMENTS,”** have been audited by BKD LLP, independent auditors, as stated in their report appearing herein.

MISCELLANEOUS

All estimates and assumptions herein have been made on the basis of the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are current or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information set forth in this Official Statement should not be construed as representing all of the conditions affecting the City or the Bonds.

This Official Statement is issued by the City.

THE CITY OF LINCOLN, NEBRASKA

APPENDIX A

THE CITY OF LINCOLN

THE CITY OF LINCOLN

General

Lincoln, the capital of Nebraska, is located in southeastern Nebraska near the center of population of the state. The City was originally incorporated in 1869. It is approximately midway between Chicago and Denver. It has an area of 99.12 square miles, 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 governmental and educational activities.

Population

The 1980 population of the City was 171,932; the 1990 population was 191,972; the 2000 population was 225,588; and the 2010 population was 258,379, a 14.5 percent increase over the 2000 count. The 2010 count represents 90.5 percent of the population of Lancaster County, the county in which the City is located. The estimated 2019 population is 287,401.

City Government

The City, operating under a home rule charter, 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 are elected at large and four by district on a nonpartisan basis for a term of four years. The administration of City government is performed under the direction of the Mayor by administrative departments.

City government has a broad range of responsibilities, including electric, water, and sanitary sewer systems, and an impressive park and playground system of over 7,528 acres maintained for public use, nine public swimming pools, and five public golf courses. The City has cooperated actively with the county government in several joint governmental buildings, and in other specific areas of responsibility, including health, planning, civil defense, data processing, tax collection, parks, and jail facilities. There are cooperative agreements with the United States government on parks and flood control, with the University of Nebraska on planning and property transfer, with the area Watershed District on flood control, and with the Lincoln School District on recreation.

Transportation

The Lincoln metropolitan area is served by Interstate 80, and U.S. Highways 2, 6, 34, and 77.

Lincoln is served by two commercial airports with daily shuttle service available between locations. The Lincoln Municipal Airport is located less than 4 miles from downtown and has daily departures to Chicago, Denver, Minneapolis and Atlanta. Eppley Airfield, located in east Omaha, is 50 miles from downtown Lincoln and offers service from numerous airlines. Together the two airports offer more than 100 arrivals and departures daily. The Lincoln Municipal Airport also offers General Aviation services. The General Aviation runway is 8,649 feet long, and the runway is lit dusk to dawn.

Railroad transportation facilities include those of Burlington Northern/Santa Fe and Union Pacific, both maintaining yards in Lincoln. AMTRAK provides daily passenger and package express services. Ground transportation is furnished by Greyhound/Black Hills Stage Lines, multiple taxi companies, Uber and local StarTran bus services.

The mean commute time in Lincoln is 19 minutes and nearly 17 percent of area commuters spend less than 10 minutes on the road.

Government Center

The State Capitol, an architectural achievement located in Lincoln, is considered one of the most impressive in all the 50 states. Other state governmental facilities in the City include the Nebraska Educational Telecommunications facility, the Nebraska Game and Parks Commission headquarters, the Lincoln Regional Center (state hospital), and the Nebraska Penal Complex.

Federal agencies in Lincoln include regional offices of the U.S. Department of Agriculture (Mid-West Regional Technical Service Center), the Immigration & Naturalization Service and the Veterans Administration, as well as the state offices of other federal agencies. There is also a U.S. Veterans Medical Facility.

Lancaster County offices are also located in Lincoln, the county seat.

Education

The University of Nebraska, with approximately 25,332 students, Nebraska Wesleyan University, with approximately 2,100 students, Union College, with approximately 813 students, Purdue Global University, with approximately 600 students, Bryan LGH College of Health Sciences with approximately 716 students, and Southeast Community College, with more than 9,000 students and a number of facilities for both full-time and part-time occupational training, are located in the City of Lincoln. The City's modern and progressive school system, with an enrollment of over 42,000 is served by 6 high schools, 12 middle schools, and 39 elementary schools. Lincoln is home to over 30 private and parochial schools. Lincoln's private school offerings range from pre-K to high school institutions. Affiliations include Roman Catholic, Lutheran, SDA, and nondenominational Christians.

Building Permits and Property Values

LAST TEN YEARS

FISCAL YEAR	COMMERCIAL ¹ CONSTRUCTION		RESIDENTIAL ¹ CONSTRUCTION		PROPERTY VALUE ²		TOTALS
	# PERMITS	VALUE	# PERMITS	VALUE	COMMERCIAL	RESIDENTIAL	
2019	986	\$ 585,746,852	2,380	\$ 292,365,215	\$ 6,278,422,408	\$ 14,354,319,521	\$ 20,632,741,929
2018	1,036	308,714,552	3,014	352,657,602	5,582,574,159	13,997,042,582	19,579,616,741
2017	1,007	441,939,943	3,036	280,532,269	5,443,342,291	12,573,902,552	18,017,244,843
2016	1,038	285,396,259	2,891	248,194,698	5,264,621,434	12,353,764,148	17,618,385,582
2015	1,321	309,759,043	2,346	379,740,291	5,017,666,961	11,584,715,041	16,602,382,002
2014	1,197	264,070,303	2,300	249,343,435	4,962,314,863	11,403,992,418	16,366,307,281
2013	1,341	484,317,980	2,323	250,266,476	4,787,396,700	11,181,988,692	15,969,385,392
2012	1,372	338,918,061	2,319	186,712,560	4,476,953,562	10,745,000,908	15,221,954,470
2011	1,320	223,215,672	2,336	155,181,140	4,477,256,519	10,648,151,681	15,125,408,200
2010	1,234	241,509,266	2,225	116,914,465	4,438,463,100	10,546,474,527	14,984,937,627

¹ City of Lincoln, Building and Safety Department.

² Lancaster County Assessor.

Police and Fire Protection

Lincoln has fourteen fire stations manned by 288 firefighters and three police stations with 339 police officers.

City Employee Information

For the 2019-2020 fiscal year, contracts have been signed with all of our unions. Unions include: the Lincoln Police Union (LPU) representing police officers; the International Association of Firefighters (IAF) representing firefighters, the Amalgamated Transit Union (ATU) representing transit workers, the Public Association of Government Employees (PAGE) representing labor, trades, and clerical personnel, the Lincoln City Employees Association (LCEA) representing supervisory, highly technical, and professional personnel, and the Lincoln M Class Employees Association (LMCEA) representing upper management, administration and professional personnel. The LPU contract will expire at the end of August, 2022 and ATU, LMCEA, PAGE, IAF and LCEA contracts will expire at the end of August, 2020.

Since the inception of labor contracts in 1970, the City of Lincoln has been able to handle its labor relations in such a manner as to avoid interruptions, although it has been necessary to use the facilities of the Nebraska Commission of Industrial Relations on issues involving the International Association of Firefighters, International Brotherhood of Police Officers, and the Public Association of Government Employees.

SELECTED ECONOMIC INDICATORS

LINCOLN SMSA (LANCASTER COUNTY) NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

	MAY 31, 2019		NOVEMBER 30, 2019	
	Number Employed	Percent of Total	Number Employed	Percent of Total
Industry Manufacturing:				
Durable Goods	8,532	4.4	8,707	4.4
Nondurable Goods	4,993	2.6	5,062	2.6
Total Industry Manufacturing	13,525	7.0	13,769	7.0
Nonmanufacturing:				
Natural Resource & Construction	9,595	5.0	9,411	4.8
Transportation, Warehousing & Utili	11,154	5.8	11,409	5.8
Wholesale Trade	4,179	2.2	4,155	2.1
Retail Trade	18,810	9.7	18,657	9.5
Information	3,149	1.6	3,248	1.7
Finance, Insurance & Real Estate	13,303	6.9	13,320	6.8
Services (except domestic)	77,522	39.9	78,827	40.2
Government	42,307	21.9	43,407	22.1
Total Nonmanufacturing	180,019	93.0	182,434	93.0
TOTAL	193,544	100.0	196,203	100.0

Lincoln is proud to have some of the nation's leading industrial companies as local employers, including Goodyear Tire and Rubber Company, Burlington Northern Railroad, Archer-Daniels-Midlands Company, Kawasaki Motors Corporation USA, and Schneider Electric.

As of December 2019 the unemployment rate in Lincoln was 2.4%, among the lowest unemployment rates in the United States.

LINCOLN SMSA (LANCASTER COUNTY LABOR FORCE DATA 2018-2009) (For the Calendar Year Indicated)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Civilian Labor Force	182,114	178,854	177,616	176,130	176,594	177,962	176,563	172,923	171,331	169,553
Unemployment	4,633	4,661	4,920	4,668	5,279	6,176	6,366	6,902	7,202	7,290
Percent of Labor Force	2.5	2.6	2.8	2.7	3.0	3.5	3.6	4.0	4.2	4.3
Employment	177,481	174,193	172,696	171,462	171,315	171,786	170,197	166,021	164,129	162,263

STATE OF NEBRASKA

Percent of Labor Force										
Unemployment	2.8	2.9	3.1	3.0	3.3	3.8	4.0	4.4	4.6	4.6

Source: State of Nebraska, Department of Labor

**LINCOLN PRINCIPAL EMPLOYERS
CURRENT YEAR**

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
State of Nebraska	8,921	1	4.55 %
Lincoln Public Schools	8,325	2	4.24
University of Nebraska-Lincoln	6,315	3	3.22
US Government	3,561	4	1.82
Bryan Health	3,500	5	1.78
City of Lincoln	2,676	6	1.36
Saint Elizabeth Regional Medical Center	2,300	7	1.17
Burlington Northern Railroad	2,000	8	1.02
Madonna Rehabilitation Hospital	1,500	9	0.76
Duncan Aviation	<u>1,200</u>	10	<u>0.61</u>
Total	<u><u>40,298</u></u>		<u><u>20.53 %</u></u>

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population ¹</u>	<u>Per Capita Personal Income ²</u>	<u>School Enrollment ³</u>
2019	287,401	\$	42,258
2018	284,736	49,886	42,020
2017	280,364	46,924	41,737
2016	277,348	45,511	40,109
2015	272,996	44,133	39,842
2014	268,738	43,399	39,066
2013	265,404	42,743	37,845
2012	262,341	41,584	36,902
2011	258,379	40,015	36,530
2010	254,001	37,864	35,896

Sources:

1 U.S. Bureau of the Census, population estimates.

2 U.S. Dept. of Commerce Bureau of Economic Analysis.

Per Capital Income is based on Lincoln Metropolitan Statistical Area, which includes all of Lancaster and Seward Counties. Per Capita Income for 2019 is unavailable.

3 Lincoln Public Schools.

Median age from the 2010 census was 31.8. Education statistics per the 2010 Census indicate that 92.4% of the population 25 years and older has a high school degree or greater with 35.2% of the same population holding a Bachelor's degree or greater.

**LINCOLN UTILITY CUSTOMERS
LAST TEN YEARS**

<u>Year</u>	<u>Water Customers</u>	<u>Gas Customers</u>	<u>Electricity Customers</u>
2019	85,460	99,421	140,034
2018	84,636	99,259	138,489
2017	83,797	98,600	136,641
2016	82,853	97,639	134,417
2015	82,058	96,680	132,672
2014	81,196	96,368	131,915
2013	80,418	95,480	130,537
2012	79,698	94,592	129,163
2011	79,184	94,231	128,373
2010	78,740	93,916	129,322

Source: Indicated Utility Companies



SELECTED FINANCIAL STATISTICS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ¹ LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Streets And Highways	Culture And Recreation	Economic Opportunity	Health And Welfare	Mass Transit	Debt Service	Totals
2019 \$	61,932,785	88,641,405	28,872,044	33,703,112	13,771,289	22,527,910	18,867,231	44,573,054	312,888,830
2018	59,728,570	86,243,206	21,746,886	27,301,223	14,563,832	21,863,274	18,315,179	44,688,559	294,450,729
2017	58,560,593	81,171,971	20,634,650	26,730,859	13,034,266	23,116,621	13,439,363	45,301,015	281,989,338
2016	54,483,582	77,399,174	20,896,834	25,310,935	14,012,940	22,605,745	12,380,084	43,165,211	270,254,505
2015	50,714,491	75,625,163	19,464,370	24,538,296	14,773,423	23,038,785	15,539,838	38,634,986	262,329,352
2014	51,044,096	72,833,698	21,054,394	25,172,100	13,792,741	22,097,954	14,419,436	36,449,212	256,863,631
2013	42,761,424	72,489,536	18,355,326	22,323,942	12,831,193	21,339,175	11,980,828	31,721,325	233,802,749
2012	39,048,320	70,444,362	18,471,067	22,518,532	14,673,671	22,070,619	10,288,935	31,689,831	229,205,337
2011	36,622,362	69,537,057	18,335,078	21,794,585	15,811,914	21,993,415	15,088,883	26,439,462	225,622,756
2010	35,865,006	64,679,523	19,832,223	21,483,873	15,359,628	21,652,729	12,034,413	17,032,401	207,939,796

¹ Includes General, Special Revenue, and Debt Service Funds.

GENERAL GOVERNMENTAL REVENUES BY SOURCE ¹ LAST TEN FISCAL YEARS

Fiscal Year	Taxes And Special Assessment	Inter-Governmental	Permits And Fees	Reimbursement For Services	Investment Earnings	Other	Totals
2019 \$	215,533,782	70,773,739	26,301,490	18,074,725	8,009,926	11,230,362	349,924,024
2018	220,143,985	72,965,698	25,157,171	18,348,789	5,859,234	12,953,023	355,427,900
2017	213,096,181	74,133,945	25,823,013	17,102,484	6,868,335	14,794,365	351,818,323
2016	202,860,560	64,711,049	25,704,855	16,807,455	6,249,869	10,542,628	326,876,416
2015	182,765,313	70,694,942	25,327,804	16,083,267	1,006,466	11,026,123	306,903,915
2014	172,251,539	79,378,553	23,794,402	14,283,172	10,571,021	10,985,173	311,263,860
2013	166,316,730	81,340,882	22,936,015	8,341,522	1,732,354	12,037,497	292,705,000
2012	161,333,989	68,267,660	20,239,031	7,850,732	4,744,887	20,209,185	282,645,484
2011	144,632,640	71,532,824	18,524,372	7,521,366	5,454,877	11,279,552	258,945,631
2010	131,562,303	61,640,301	16,432,219	7,004,334	5,197,259	6,467,138	228,303,554

¹ Includes General, Special Revenue, and Debt Service Funds.

**SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS¹**

Fiscal Year Ended <u>August 31</u>	Special Assessment Collections <u>Including Interest</u>
2019	\$ 1,622,878
2018	1,600,742
2017	1,694,846
2016	1,585,717
2015	1,590,119
2014	1,577,645
2013	1,021,572
2012	1,151,931
2011	1,103,720
2010	1,136,150

¹ Special assessment collections are not tracked by levy year, therefore the portion of collections during any year that apply to any particular levy cannot be determined.

Authority to Levy Taxes

Article IX, Section 3 of the Home Rule Charter of the City provides that the City shall have power to levy a tax each year for general revenue purposes upon all property subject to taxation; provided that the maximum amount of taxes that can be levied by the City in any one year for general revenue purposes shall not exceed an amount known as the City tax limit. The City tax limit is a tax ceiling 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 also has the power to levy taxes each year sufficient to pay any judgment existing against the City and the interest on bonded debt and the principal on any bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law. The City is also authorized to receive all taxes collected and distributed pursuant to state law and in lieu of tax payments imposed by law. The 2019 tax levy for the 2019-2020 fiscal year is \$176,324,311 below the legal limit, a tax rate per \$100 valuation of .31980. The assessed value upon which the 2019 levy is based is \$23,267,163,467. By charter, only 90% of the property tax levy may be appropriated.

For the 2019-2020 fiscal year the City is subject to a state-imposed lid on the appropriation of “restricted funds”, that are revenues received from property tax, sales tax, state aid, in-lieu of tax and highway allocation fees. Bonded indebtedness, capital improvements, and costs associated with inter local agreements are exempt from the lid. For 2019-2020 the City can also use authority equal to the greater of 2.5% or the amount of real growth in the tax base which was 3.5%. An additional 1% can be authorized by a 75% vote of the City Council and was utilized for the 2019-2020 budget. The 2019-2020 budget is \$12,863,030 below the state-imposed lid limit.

**PROPERTY TAX LEVIED AND COLLECTED
LAST TEN YEARS**

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. Delinquent taxes bear 14 percent interest. The figures below include interest and penalties. The figures below do not include motor vehicle in lieu of ad valorem taxes.

Fiscal Year Ended August 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Accumulated Collections As Of August 31, 2019	
		Amount	Percent	Amount	Percent
2019	\$ 68,475,411	\$ 66,842,290	97.62 %	\$ 66,842,290	97.62 %
2018	64,818,581	63,903,976	98.59	64,817,478	100.00
2017	62,977,104	61,735,542	98.03	62,975,651	100.00
2016	58,944,563	57,685,951	97.86	58,920,834	99.96
2015	55,459,815	54,235,009	97.79	55,436,997	99.96
2014	53,880,835	52,616,370	97.65	53,865,336	99.97
2013	52,460,687	51,226,109	97.65	52,432,639	99.95
2012	50,168,325	48,788,943	97.25	50,123,247	99.91
2011	45,597,934	44,206,917	96.95	45,558,250	99.91
2010	45,211,603	43,791,366	96.86	45,183,357	99.94

TEN LARGEST TAXPAYERS

Listed below are the ten largest taxpayers in the City of Lincoln as reported by the County Assessor. These taxpayers each pay less than five percent of the total taxes levied.

Taxpayers	Type of Business	2019 Assessed Valuations	Percentage Of Total Assessed Valuation
B & J Partnership Ltd.	Building Management	\$ 170,326,200	0.79%
Burlington Northern	Railroad	123,143,348	0.57%
Kawasaki	Manufacturing	89,274,173	0.41%
Allo Commuications LLC	Communication	86,292,203	0.40%
Nebco	Construction/Development	78,609,442	0.36%
Ameritas Life Insurance Corp	Insurance	64,396,036	0.30%
WEA Gateway LLC	Retail Management	64,287,200	0.30%
RED Capital Management	Retail Management	60,252,000	0.28%
Windstream	Telecommunications	58,505,551	0.27%
Assurity Life Insurance Co.	Insurance	44,459,257	0.21%
		<u>\$ 839,545,410</u>	<u>3.89%</u>

CITY SALES TAX INFORMATION

The City had a one percent (1%) sales and use tax through June 30, 1985. Effective July 1, 1985 the sales and use tax was raised to one and one half percent (1.5%). These taxes are administered and collected for the City by the State of Nebraska. The State receives three percent (3%) for their service. The City has had a sales tax since 1969.

SALES AND USE TAX COLLECTIONS LAST TEN YEARS

<u>Year Ended</u> <u>August 31</u>	<u>Amount</u>
2019	\$ 78,563,436
2018	76,812,830
2017	75,259,945
2016	71,621,717
2015	68,861,600
2014	66,393,391
2013	63,134,808
2012	61,472,342
2011	57,959,545
2010	54,925,013

GENERAL FUND TAX COLLECTIONS LAST TEN YEARS

Fiscal Year	Property and Motor Vehicle Taxes	Sales and Use Taxes	Sundry Taxes	Taxes In Lieu	Occupation Taxes	Total
2019	\$ 50,054,765	\$ 78,563,436	\$ 40,315	\$ 2,300,935	\$ 8,420,903	\$ 139,380,353
2018	46,009,808	76,812,830	31,436	2,208,834	8,758,996	133,821,904
2017	42,669,103	75,259,945	33,512	2,260,572	9,494,397	129,717,529
2016	40,564,330	71,621,717	26,396	2,119,674	9,617,902	123,950,019
2015	37,333,435	68,861,600	31,314	2,120,619	11,024,711	119,371,679
2014	37,428,736	66,393,391	31,218	2,042,148	11,184,522	117,080,015
2013	34,599,257	63,134,808	28,713	1,962,330	11,741,366	111,466,474
2012	33,574,992	61,472,342	31,610	1,936,396	12,583,795	109,599,135
2011	31,449,267	57,959,545	30,957	1,755,098	11,699,691	102,894,558
2010	31,486,553	54,925,013	11,895	1,620,431	10,467,534	98,511,426

**TAXABLE ASSESSED VALUATION
LAST TEN YEARS ¹**

Fiscal Year Ended August 31,	Real Estate	All Other	Total
2019	\$ 20,632,741,929	\$ 1,037,615,147	\$ 21,670,357,076
2018	19,579,616,741	937,318,112	20,516,934,853
2017	18,017,244,843	853,580,721	18,870,825,564
2016	17,618,385,582	838,933,170	18,457,318,752
2015	16,602,382,002	777,744,371	17,380,126,373
2014	16,366,307,281	744,661,478	17,110,968,759
2013	15,969,385,392	706,811,504	16,676,196,896
2012	15,221,954,470	678,874,343	15,900,828,813
2011	15,125,408,200	755,852,220	15,881,260,420
2010	14,984,937,627	761,515,955	15,746,453,582

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

**TOTAL PROPERTY TAX LEVIES
ALL OVERLAPPING GOVERNMENTS
LAST TEN YEARS ¹**

	Tax Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of Lincoln	0.3165	0.3165	0.3337	0.3196	0.3196	0.3158	0.3158	0.3158	0.2879	0.2879
School District No. 1	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447	1.2461	1.2462	1.2537
Lancaster County	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843	0.2683	0.2683	0.2683
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0145	0.0150
Community Technical College	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627	0.0627	0.0600	0.0676
Lower Platte South Natural Res. Dist.	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378	0.0398	0.0406	0.0410
Railroad Transportation Safety Dist.	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100	0.0260	0.0260	0.0260
Lancaster County Correctional JPA City	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177	0.0185	0.0189	0.0194
Lancaster County Correctional JPA County	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099	0.0105	0.0106	0.0107
Agricultural Society of Lancaster County	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015	0.0016	0.0017	0.0016
Lancaster County Fairgrounds	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037	0.0037	0.0038	0.0038
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167	0.0170	0.0170	0.0170
	<u>2.0060</u>	<u>2.0252</u>	<u>2.0367</u>	<u>2.0280</u>	<u>2.0159</u>	<u>2.0207</u>	<u>2.0198</u>	<u>2.0250</u>	<u>1.9955</u>	<u>2.0120</u>

¹The assessment rate is 100% of market and the levy is expressed as the tax per \$100 of estimated market value.

DEBT MANAGEMENT

OUTSTANDING INDEBTEDNESS AS OF AUGUST 31, 2019

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

Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
General Obligation Bonds:							
General Bonds:							
8,200	02/10/11	Stormwater Bonds	2.000 - 4.500	Serial 2013 to 2030	2020	Semiannually	5,545
19,290	06/21/11	Refunding	0.2000 - 5.000	Serial 2011 to 2022	2019	"	3,485
8,090	06/26/12	Refunding	1.000 - 3.000	Serial 2013 to 2023	-	"	2,585
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	4,600
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
5,720	04/15/15	Stormwater Refunding Bonds	1.000 - 5.000	Serial 2016 to 2025	-	"	3,590
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	5,750
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	-	"	3,715
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2019 to 2039	2029	"	9,900
Total General Bonds							\$ 40,685
Tax Allocation Bonds:							
601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	"	375
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	9
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	18
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	150
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	48
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	1,555
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	87
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	54
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	109
600	12/01/16	Tax Allocation Bonds	2.300	Serial 2018 to 2021	Anytime	"	389
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	87
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	128
Total Tax Allocation Bonds							\$ 3,009
Tax Supported Bonds:							
28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	na	Semiannually	13,790
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	na	"	12,125
16,515	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Serial 2016 to 2031	2023	"	12,890
2,635	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Term 2035	2023	"	2,635
5,850	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Term 2037	2023	"	5,850
Total Tax Supported Bonds							\$ 47,290
Special Assessment Bonds:							
825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	420
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	"	1,970
Total Special Assessment Bonds							\$ 2,765
West Haymarket Joint Public Agency							
31,515	09/08/10	Facility Bonds Taxable Build America Bonds	3.500 - 4.45	Serial 2020 to 2030	Anytime	Semiannually	31,515
68,485	09/08/10	Facility Bonds Taxable Build America Bonds	4.750 / 5.000	Term 2035 & 2045	Anytime	"	68,485
15,785	12/01/10	Facility Bonds Taxable Build America Bonds	4.000 - 5.000	Serial 2020 - 2025	Anytime	"	15,785
52,180	12/01/10	Facility Bonds Taxable Build America Bonds	5.400 / 5.800 / 6.000	Term 2030 2035 2039	Anytime	"	52,180
32,035	12/01/10	Recovery Zone Economic Development	6.750	Term 2045	Anytime	"	32,035
44,290	08/24/11	Facility Bonds	3.500 - 5.000	Serial 2021 to 2032	2021	"	44,290
55,710	08/24/11	Facility Bonds	4.250 - 5.000	Term 2036 & 2042	2021	"	55,710
20,850	12/04/13	Facility Bonds	2.000 - 5.000	Serial 2014 to 2038	2023	"	18,075
7,325	12/04/13	Facility Bonds	4.500	Term 2043	2023	"	7,325
Total West Haymarket Joint Public Agency							\$ 325,400
TOTAL GENERAL OBLIGATION BONDS							\$ 419,149
Revenue Bonds:							
38,290	05/24/12	Wastewater Revenue Refunding	1.000 - 5.000	Serial 2013 to 2028	2023	Semiannually	\$ 23,305
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	9,365
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	12,065
20,120	07/24/19	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2020 to 2040	2029	"	20,120
2,760	07/24/19	Wastewater Revenue Refunding	3.00	Term 2042	2029	"	2,760
2,925	07/24/19	Wastewater Revenue Refunding	3.00	Serial 2043 to 2044	2029	"	2,925
Total Wastewater Bonds							\$ 70,540
10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	N/A	"	3,420
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2013 to 2025	2023	"	14,960
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	10,170
Total Water Bonds							\$ 28,550
48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000	Serial 2020 to 2035	2029	Semiannually	41,720
Total Parking Bonds							\$ 6,655
8,340	02/26/13	Solid Waste Management Revenue and Refunding	.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	4,485
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	4,610
Total Solid Waste Management Bonds							\$ 9,095
93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2013	Semiannually	1,150
247,150	08/15/12	Electric Revenue and Refunding Bonds	1.000 - 5.000	Serial 2013 to 2032	2022	"	186,855
30,165	08/15/12	Electric Revenue and Refunding Bonds	3.625 - 5.000	Term 2037	2022	"	30,165
75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	"	75,525
127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	"	127,090
40,170	03/11/15	Electric Revenue and Refunding Bonds	4.00	Term 2040	2025	"	40,710
116,645	09/01/16	Electric Revenue Refunding Bonds	3.000 - 5.000	Serial 2017 to 2034	2027	"	80,095
121,205	07/01/18	Electric Revenue Bonds	3.000 - 5.000	Serial 2025 to 2034	2027	"	121,205
Total Electric Bonds							\$ 662,795
TOTAL REVENUE BONDS							\$ 819,355

The annual requirements to pay principal and interest on all outstanding debt are as follows (in thousands of dollars):

Fiscal Year Ended August 31	Governmental Activities					
	General Obligation Bonds		Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 10,853	19,514	127	41	5,574	990
2021	14,866	19,147	130	39	4,809	893
2022	18,338	18,525	132	36	4,862	746
2023	19,026	17,763	135	33	4,258	600
2024	17,946	16,967	137	31	4,390	460
2025 - 2029	73,906	74,670	730	112	10,735	710
2030 - 2034	75,209	58,407	721	36	805	26
2035 - 2039	82,565	39,813	-	-	-	-
2040 - 2044	83,460	17,792	-	-	-	-
2045 - 2049	22,980	1,363	-	-	-	-
Total	\$ 419,149	283,961	2,112	328	35,433	4,425

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 34,400	34,500	2,044	642	444	34
2021	40,700	32,939	2,083	602	449	25
2022	42,195	31,087	2,123	561	346	16
2023	43,050	29,242	2,164	520	139	9
2024	45,010	27,254	2,006	477	143	5
2025 - 2029	222,030	109,517	10,695	1,722	61	1
2030 - 2034	233,940	63,296	9,852	554	-	-
2035 - 2039	123,355	18,576	-	-	-	-
2040 - 2044	34,675	2,314	-	-	-	-
Total	\$ 819,355	348,725	30,967	5,078	1,582	90

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 5,689	2,864	4,682	1,374	22,750	29,146
2021	5,758	2,784	4,866	1,176	28,615	28,039
2022	5,939	2,594	4,702	1,013	30,045	26,608
2023	6,146	2,382	3,862	857	31,455	25,201
2024	6,353	2,154	3,993	736	33,020	23,636
2025 - 2029	31,611	7,091	9,490	2,064	171,655	97,645
2030 - 2034	14,620	3,047	8,612	693	208,875	57,964
2035 - 2039	6,045	1,605	-	-	108,710	16,206
2040 - 2044	7,005	643	-	-	27,670	1,671
Total	\$ 89,166	25,164	40,207	7,913	662,795	306,116

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 \$1,545,479, \$3,665,997, \$1,116,232, and \$2,012,273 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

The City has entered into lease agreements for financing the acquisition of land, buildings, street lights, emergency ambulances and defibrillators, fire engines, golf equipment and computer equipment and software. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Land	\$ 1,780,066	\$ 199,546
Buildings	28,996,161	1,647,945
Improvements	5,070,465	-
Infrastructure	30,925,499	-
Machinery and Equipment	10,988,333	3,293,849
Construction In Progress		-
Less Accumulated Depreciation, (where applicable)	(22,605,604)	(2,544,400)
Total	\$ 55,154,920	\$ 2,596,940

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 coverage.

The general obligation debt of all local governmental units which provide services within the City's boundaries and which debt must be borne by properties in the City (commonly called overlapping debt) as of August 31, 2019, is summarized below (unaudited):

<u>Governmental Units</u>	Debt Outstanding	Estimated Percentage Applicable	Direct And Overlapping Debt To The City
Direct:			
City	\$ 469,601,000	100.0 %	\$ 469,601,000
Overlapping:			
School District #1	357,952,134	99.5	356,162,000
Public Building Commission	30,220,000	85.4	25,808,000
Lancaster County Correctional Facility	33,600,000	85.4	28,694,000
Lancaster County Fairgrounds	7,855,000	85.4	6,708,000
	429,627,134		417,372,000
Total	\$ 899,228,134		\$ 886,973,000

The City has no direct liability for the School District, Public Building Commission, Lancaster County Fairgrounds or Lancaster County Correctional Facility debt summarized above. This results in a per capita direct City debt of \$1,633.96; a per capita direct and overlapping debt of \$3,086.19; a ratio of direct City debt to 2019 actual valuation of 2.17 percent; and a ratio of direct and overlapping debt to 2019 actual valuation of 4.09 percent.

In addition to the governmental units listed above, the Airport Authority of the City of Lincoln, Nebraska (the "Airport Authority"), a body politic and corporate separate and distinct from the City of Lincoln, provides services within the City's boundaries and has overlapping general obligation indebtedness. As of June 30, 2019, the Airport Authority had outstanding \$50,045,000 in aggregate principal amount of its general obligation airport bonds. The bonds are secured by a pledge of all revenues and income derived by the Airport Authority directly or indirectly from the ownership, use and operations of the Airport. The Airport Authority is authorized to levy a property tax, at a rate not to exceed three and five-tenths cents (\$.035) on each \$100 of taxable valuation, on all the taxable property in the City. The Airport Authority has not levied a property tax since 1985 for any purpose, including airport operating expenses or debt service on its bonds.

Debt Payment Record

The City of Lincoln has never defaulted on its obligation to pay principal or interest on its indebtedness.

Contingencies

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

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio Of Debt Service To Total General Expenditures
2019	\$ 10,315,005	\$ 3,358,108	\$ 13,673,113	\$ 312,888,830	4.37%
2018	10,687,368	3,611,998	14,299,366	294,450,729	4.86%
2017	10,705,534	4,074,708	14,780,242	281,989,338	5.24%
2016	11,709,540	4,472,154	16,181,694	270,254,505	5.99%
2015	10,134,997	4,812,005	14,947,002	262,329,352	5.70%
2014	9,662,748	5,240,713	14,903,461	256,863,631	5.80%
2013	8,427,726	4,266,429	12,694,155	233,802,749	5.43%
2012	7,485,645	5,123,060	12,608,705	229,205,337	5.50%
2011	6,857,978	5,147,840	12,005,818	225,622,756	5.32%
2010	7,457,532	5,676,933	13,134,465	207,939,796	6.32%

¹ Includes: General, Special Revenue, and Debt Service Funds.

² Does not include fiscal and miscellaneous charges.

SCHEDULE OF GENERAL OBLIGATION DEBT IN RELATION TO POPULATION, ASSESSED VALUATION, AND REAL PROPERTY VALUATION LAST TEN FISCAL YEAR

Fiscal Year	General Obligation Bonded Debt	Sinking Funds	Net General Obligation Bonded Debt	Population	Net G.O. Bonded Debt Per Capita	Assessed Valuation Real And Personal	Ratio of Net Debt To Assessed Valuation Real & Personal	Assessed Valuation Of Taxable Real Property	Ratio of Net Debt To Estimated Valuation Of Taxable Real Property
2019	\$ 93,749,000	\$ 8,230,000	\$ 85,519,000	287,401	\$ 297.56	\$ 21,670,357,076	0.39%	\$ 20,632,741,929	0.41%
2018	93,973,000	9,261,000	84,712,000	284,736	297.51	20,516,934,853	0.41%	19,579,616,741	0.43%
2017	105,391,000	8,221,000	97,170,000	280,364	346.59	18,870,825,564	0.51%	18,017,244,843	0.54%
2016	116,036,000	8,328,000	107,708,000	277,348	388.35	18,457,318,752	0.58%	17,618,385,582	0.61%
2015	120,451,000	9,143,000	111,308,000	272,996	407.73	17,380,126,373	0.64%	16,602,382,002	0.67%
2014	130,391,000	9,427,000	120,964,000	268,738	450.12	17,110,968,759	0.71%	16,366,307,281	0.74%
2013	139,274,000	15,640,000	123,634,000	265,404	465.83	16,676,196,896	0.74%	15,969,385,392	0.77%
2012	113,958,000	15,142,000	98,816,000	262,341	376.67	15,900,828,813	0.62%	15,221,954,470	0.65%
2011	119,663,000	13,305,000	106,358,000	258,379	411.64	15,881,260,420	0.67%	15,125,408,200	0.70%
2010	118,383,000	13,480,000	104,903,000	254,001	413.00	15,746,453,582	0.67%	14,984,937,627	0.70%

¹ Source: U.S. Bureau of the Census, population estimates.

² Assessed valuation is 100% of actual

**REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

		Gross	Direct	Net	Debt Service Requirements			
		Revenue	Operating	Available	Principal	Interest	Total	Coverage
			Expenses	Revenue				
<u>Wastewater System</u>								
2019	\$	33,903,796	15,684,880	18,218,916	4,858,054	2,164,027	7,022,081	2.59
2018		32,381,312	14,863,221	17,518,091	4,599,602	2,361,501	6,961,103	2.52
2017		30,516,105	14,726,200	15,789,905	4,761,635	2,619,980	7,381,615	2.14
2016		29,026,442	14,019,061	15,007,381	4,562,314	2,847,529	7,409,843	2.03
2015		28,026,866	13,541,561	14,485,305	3,747,284	3,114,518	6,861,802	2.11
2014		27,049,162	13,337,986	13,711,176	4,053,916	3,077,999	7,131,915	1.92
2013		24,988,275	12,522,159	12,466,116	3,487,906	3,089,698	6,577,604	1.90
2012		24,763,975	12,378,673	12,385,302	3,137,858	3,655,156	6,793,014	1.82
2011		23,546,370	12,543,964	11,002,406	2,865,000	3,647,609	6,512,609	1.69
2010		22,472,095	11,664,593	10,807,502	2,695,000	3,731,444	6,426,444	1.68
<u>Water System</u>								
2019	\$	41,761,560	18,186,821	23,574,739	4,636,755	1,763,603	6,400,358	3.68
2018		41,473,196	17,768,444	23,704,752	4,517,445	1,877,042	6,394,487	3.71
2017		38,494,901	17,893,434	20,601,467	4,408,451	2,021,708	6,430,159	3.20
2016		37,985,431	16,969,116	21,016,315	4,344,979	2,123,747	6,468,726	3.25
2015		34,481,875	16,955,058	17,526,817	4,290,300	2,116,262	6,406,562	2.74
2014		34,933,647	16,308,059	18,625,588	3,923,000	2,044,417	5,967,417	3.12
2013		34,241,815	16,113,390	18,128,425	1,850,000	2,345,562	4,195,562	4.32
2012		35,984,891	15,636,494	20,348,397	5,380,000	2,955,202	8,335,202	2.44
2011		30,629,506	15,455,027	15,174,479	6,310,000	3,191,857	9,501,857	1.60
2010		26,515,467	14,091,292	12,424,175	6,050,000	3,458,097	9,508,097	1.31
<u>Parking Facilities</u>								
2019	\$	13,738,594	5,315,077	8,423,517	1,380,000	1,025,065	2,405,065	3.50
2018		12,691,925	5,152,321	7,539,604	1,345,000	1,066,890	2,411,890	3.13
2017		12,674,910	4,905,848	7,769,062	1,320,000	1,095,315	2,415,315	3.22
2016		10,697,157	4,575,662	6,121,495	1,290,000	1,130,215	2,420,215	2.53
2015		10,419,352	4,577,437	5,841,915	1,260,000	1,148,265	2,408,265	2.43
2014		9,816,550	4,211,473	5,605,077	1,310,000	1,172,465	2,482,465	2.26
2013		8,444,055	3,919,678	4,524,377	1,270,000	1,091,614	2,361,614	1.92
2012		7,382,101	3,823,131	3,558,970	860,000	1,078,688	1,938,688	1.84
2011		7,698,018	3,606,008	4,092,010	580,000	689,717	1,269,717	3.22
2010		6,869,392	3,340,601	3,528,791	1,435,000	558,519	1,993,519	1.77
<u>Solid Waste Management</u>								
2019	\$	12,860,596	9,512,437	3,348,159	810,000	348,896	1,158,896	2.89
2018		12,863,464	9,083,674	3,779,790	810,000	366,796	1,176,796	3.21
2017		12,697,221	9,460,290	3,236,931	795,000	382,096	1,177,096	2.75
2016		12,371,412	7,896,480	4,474,932	775,000	396,521	1,171,521	3.82
2015		10,074,541	7,519,523	2,555,018	550,000	196,202	746,202	3.42
2014		9,132,756	7,319,215	1,813,541	550,000	198,128	748,128	2.42
2013		7,933,037	7,087,935	845,102	475,000	133,463	608,463	1.39
2012		7,745,565	6,376,120	1,369,445	220,000	124,025	344,025	3.98
2011		7,615,130	6,253,133	1,361,997	210,000	132,425	342,425	3.98
2010		7,377,385	5,768,077	1,609,308	200,000	140,425	340,425	4.73

CITY OF LINCOLN, NEBRASKA
GENERAL FUND
SUMMARY CASH FLOW STATEMENT - CASH BASIS
FOR LAST TEN FISCAL YEARS

	F.Y. 2019	F.Y. 2018	F.Y. 2017	F.Y. 2016	F.Y. 2015	F.Y. 2014	F.Y. 2013	F.Y. 2012	F.Y. 2011	F.Y. 2010
Cash & Investment Balance - September 1 of Year Indicated	\$ 44,336,245	\$ 40,447,532	\$ 38,315,059	\$ 36,190,807	\$ 32,471,866	\$ 25,932,021	\$ 22,789,222	\$ 16,942,409	\$ 14,597,487	\$ 16,286,626
Receipts:										
Property Tax	50,054,765	46,009,808	42,669,103	40,564,330	37,333,435	37,428,736	34,599,257	33,574,992	31,449,267	31,486,553
City Sales & Use Tax	78,563,436	76,812,830	75,259,945	71,621,717	68,861,600	66,393,392	63,134,808	61,472,342	57,959,545	54,925,013
Other Income	38,650,878	38,470,133	37,291,708	37,383,280	38,281,650	36,929,588	36,298,994	36,542,477	33,232,580	27,906,103
Total Receipts	167,269,079	161,292,771	155,220,756	149,569,327	144,476,685	140,751,716	134,033,059	131,589,811	122,641,392	114,317,669
Less Disbursements	169,572,607	157,404,058	153,088,283	147,445,075	140,757,744	134,211,871	130,890,260	125,742,998	120,296,470	116,006,808
Cash & Investment Balance - August 31 of Year Indicated	\$ 42,032,717	\$ 44,336,245	\$ 40,447,532	\$ 38,315,059	\$ 36,190,807	\$ 32,471,866	\$ 25,932,021	\$ 22,789,222	\$ 16,942,409	\$ 14,597,487

CITY OF LINCOLN, NEBRASKA
GENERAL BONDED INDEBTEDNESS AND DEBT SERVICE FUND
SUMMARY CASH FLOW STATEMENT - CASH BASIS
FOR LAST TEN FISCAL YEARS

	<u>F.Y. 2019</u>	<u>F.Y. 2018</u>	<u>F.Y. 2017</u>	<u>F.Y. 2016</u>	<u>F.Y. 2015</u>	<u>F.Y. 2014</u>	<u>F.Y. 2013</u>	<u>F.Y. 2012</u>	<u>F.Y. 2011</u>	<u>F.Y. 2010</u>
Cash Balance - September 1 of Year Indicated \$	3,892,886	3,663,200	3,361,571	3,572,272	3,561,702	3,883,237	3,929,968	2,234,981	2,941,245	3,533,968
Receipts:										
Property Tax	4,936,360	6,370,523	6,298,844	5,829,094	6,214,882	5,558,081	5,594,005	5,773,392	5,337,610	5,517,878
Interest Income	47,528	22,655	12,163	9,711	8,214	10,126	8,507	13,723	28,331	60,063
Bond Proceeds		5,016,382			6,092,475			8,369,497	20,236,484	
Other Income	<u>3,175</u>	<u>6,135</u>	<u>3,769</u>	<u>98,043</u>	<u>119,376</u>	<u>98,027</u>	<u>104,162</u>	<u>110,962</u>	<u>116,758</u>	<u>124,279</u>
Total Receipts	<u>4,987,063</u>	<u>11,415,695</u>	<u>6,314,776</u>	<u>5,936,848</u>	<u>12,434,947</u>	<u>5,666,234</u>	<u>5,706,674</u>	<u>14,267,574</u>	<u>25,719,183</u>	<u>5,702,220</u>
Disbursements:										
Bonds Paid	4,490,000	4,775,000	4,590,000	4,730,000	4,355,000	4,240,000	4,225,000	2,390,000	2,720,000	4,110,000
Bonds Defeased										
Interest Paid	1,095,220	1,170,162	1,420,473	1,414,275	1,500,213	1,745,495	1,521,904	1,822,197	1,753,957	2,178,545
Transfer to Trustee		4,956,976			5,990,206			8,242,367	21,746,822	
Other Disbursements	<u>4,781</u>	<u>283,871</u>	<u>2,674</u>	<u>3,274</u>	<u>578,958</u>	<u>2,274</u>	<u>6,501</u>	<u>118,023</u>	<u>204,668</u>	<u>6,398</u>
Total Disbursements	<u>5,590,001</u>	<u>11,186,009</u>	<u>6,013,147</u>	<u>6,147,549</u>	<u>12,424,377</u>	<u>5,987,769</u>	<u>5,753,405</u>	<u>12,572,587</u>	<u>26,425,447</u>	<u>6,294,943</u>
Cash Balance - August 31 of Year Indicated \$	<u>3,289,948</u>	<u>3,892,886</u>	<u>3,663,200</u>	<u>3,361,571</u>	<u>3,572,272</u>	<u>3,561,702</u>	<u>3,883,237</u>	<u>3,929,968</u>	<u>2,234,981</u>	<u>2,941,245</u>

CITY OF LINCOLN, NEBRASKA
SPECIAL ASSESSMENT REVOLVING FUND
SUMMARY CASH FLOW STATEMENT - CASH BASIS
FOR LAST TEN FISCAL YEARS

	<u>F.Y. 2019</u>	<u>F.Y. 2018</u>	<u>F.Y. 2017</u>	<u>F.Y. 2016</u>	<u>F.Y. 2015</u>	<u>F.Y. 2014</u>	<u>F.Y. 2013</u>	<u>F.Y. 2012</u>	<u>F.Y. 2011</u>	<u>F.Y. 2010</u>
Cash & Investment Balance - September 1 of Year Indicated	\$ 2,581,022	\$ 2,768,599	2,195,823	2,133,866	2,619,720	2,509,487	2,348,773	759,180	4,302,257	4,161,711
Receipts:										
Special Assessment Collections	1,438,699	1,429,730	1,497,442	1,420,191	1,394,764	1,521,959	941,365	1,049,570	996,209	984,301
Interest on Special Assessments	166,149	165,098	180,258	161,882	193,995	53,761	78,642	98,844	106,379	148,383
City's Share of Costs	2,074,213	1,039,944	1,422,840	1,509,919	901,883	783,436	1,205,443	621,898	233,615	292,420
Developers' Share of Costs										
Bond Proceeds								3,036,003	1,200,000	
Interest on Investments	50,283	34,326	21,763	18,537	19,392	40,673	41,212	47,349	60,248	135,149
Miscellaneous			301,716	188,457	82,000	733			38,456	
Total Receipts	<u>3,729,344</u>	<u>2,669,098</u>	<u>3,424,019</u>	<u>3,298,986</u>	<u>2,592,034</u>	<u>2,400,562</u>	<u>2,266,662</u>	<u>4,853,664</u>	<u>2,634,907</u>	<u>1,560,253</u>
Disbursements:										
Construction Costs	1,610,160	1,500,618	1,294,057	1,829,379	1,880,449	1,213,770	901,811	2,359,096	2,081,765	1,113,691
Bonds Paid	190,000	180,000	180,000	175,000	175,000	175,000	170,000	190,000		
Equity Transfer										
Interest Paid on Bonds & Notes	95,773	99,448	102,923	106,123	109,122	112,023	114,722	94,911	3,758,342	
Other Refunds & Expenses	<u>2,103,758</u>	<u>1,076,609</u>	<u>1,274,263</u>	<u>1,126,527</u>	<u>913,317</u>	<u>789,536</u>	<u>919,415</u>	<u>620,064</u>	<u>337,877</u>	<u>306,016</u>
Total Disbursements	<u>3,999,691</u>	<u>2,856,675</u>	<u>2,851,243</u>	<u>3,237,029</u>	<u>3,077,888</u>	<u>2,290,329</u>	<u>2,105,948</u>	<u>3,264,071</u>	<u>6,177,984</u>	<u>1,419,707</u>
Cash & Investment Balance - August 31 of Year Indicated	<u>\$ 2,310,676</u>	<u>2,581,022</u>	<u>2,768,599</u>	<u>2,195,823</u>	<u>2,133,866</u>	<u>2,619,720</u>	<u>2,509,487</u>	<u>2,348,773</u>	<u>759,180</u>	<u>4,302,257</u>

APPENDIX B

FINANCIAL STATEMENTS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
AUGUST 31, 2019

Cover photo taken by Ryan Lindbeck at Altitude Motion Media, www.altitudemotion.com

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

Prepared by:

The Accounting Division of the Finance Department

Dedicated to Peggy B. Tharnish

former City Controller – retired November 2019

In gratitude for 33 years of outstanding service to City government and the citizens of Lincoln

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

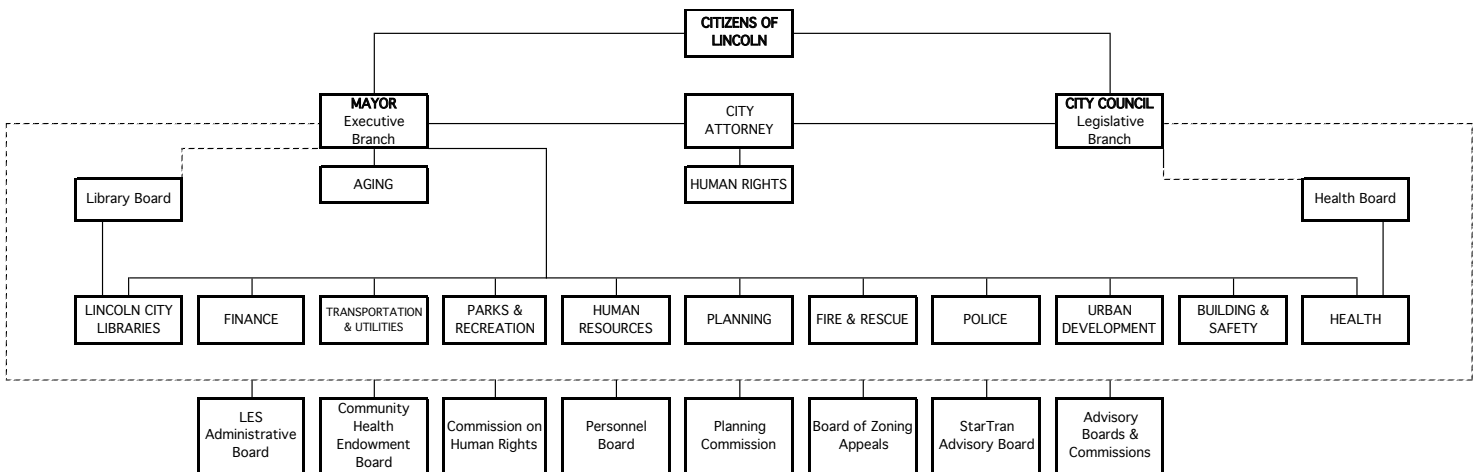
Leirion Gaylor Baird	Mayor
Jane Raybould	Chair, City Council
Richard Meginnis	Vice Chair, City Council
James Michael Bowers	Council Member
Roy Christensen	Council Member
Bennie Shobe	Council Member
Tammy Ward	Council Member
Sandra Washington	Council Member

* * * * *

Brandon Kauffman	Finance Director
David Cary	Planning Director
Lynn Johnson	Parks and Recreation Director
Kevin Wailes	Lincoln Electric System Administrator
Dan Marvin	Urban Development Director
Pat Leach	Library Director
Elizabeth Elliott	Transportation & Utilities Director
Chad Blahak	Building and Safety Director
Patricia Lopez	Interim Health Director
Douglas McDaniel	Human Resources Director
Jeffery Kirkpatrick	City Attorney
Jeff Bliemeister	Chief of Police
Michael Despain	Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2019
TABLE OF CONTENTS**

INTRODUCTORY SECTION

Page

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

FINANCIAL SECTION

Independent Auditor's Report		2
Management's Discussion and Analysis		5
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position		16
Statement of Activities		17
Fund Financial Statements:		
Balance Sheet – Governmental Funds		18
Statement of Revenues, Expenditures, and Changes in Fund Balances		
– Governmental Funds		19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities		20
Statement of Revenues, Expenditures, and Changes in Fund Balances		
– Budget and Actual (Budget Basis) – General Fund		21
Statement of Revenues, Expenditures, and Changes in Fund Balances		
– Budget and Actual (Budget Basis) – Street Construction Fund		23
Statement of Net Position – Proprietary Funds		24
Statement of Revenues, Expenses, and Changes in Fund Net Position		
– Proprietary Funds		27
Statement of Cash Flows – Proprietary Funds		28
Statement of Fiduciary Net Position – Fiduciary Funds		30
Statement of Changes in Fiduciary Net Position – Fiduciary Fund		31
Notes to the Financial Statements:		
	<u>Note</u>	
Summary of Significant Accounting Policies	1	34
Reconciliation of Government-wide and Fund Financial Statements	2	41
Restricted Assets	3	43
Deposits and Investments	4	43
Fund Balances	5	50
Receivables and Due From Other Governments	6	51
Capital Assets	7	52
Interfund Balances and Activity	8	55
Debt Obligations	9	55
Reconciliation of Budget Basis to GAAP	10	62
Deficit Net Position	11	62
Excess of Expenditures Over Appropriations	12	63
Employees' Retirement Plans	13	63
Other Postemployment Benefits (OPEB)	14	70
Property Taxes	15	74
Risk Management	16	74
Commitments and Contingencies	17	76
Landfill Closure and Postclosure Care Costs	18	77
Segment Information	19	79
Pledged Revenues	20	80
Public Building Commission	21	80
Tax Abatements	22	81

Jointly Owned Facilities	23.....	82
Jointly Governed Organizations	24.....	82
Subsequent Events	25.....	83
Required Supplementary Information:		
Schedule of Changes in the Police and Fire Pension (PFP) Net Pension Liability and Related Ratios		84
Schedule of Employer Contributions for the Police and Fire Pension		85
Schedule of Investment Returns for the Police and Fire Pension		85
Schedule of Changes in the Total OPEB Liability and Related Ratios		86
Combining and Individual Fund Statements and Schedules:		
Governmental Funds:		
Combining Balance Sheet – General Fund		90
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund		91
Combining Balance Sheet – Nonmajor Governmental Funds		93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds		94
Subcombining Balance Sheet – Nonmajor Special Revenue Funds		98
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds		100
Subcombining Balance Sheet – Nonmajor Debt Service Funds		104
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds		105
Subcombining Balance Sheet – Nonmajor Capital Projects Funds		108
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds		109
Subcombining Balance Sheet – Nonmajor Permanent Funds		112
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Permanent Funds		113
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis):		
Cable Access Television Fund		115
Lincoln City Libraries Fund		116
Lincoln/Lancaster County Health Fund		117
Social Security Fund		118
StarTran Fund		119
Keno Fund		121
Federal Grants Fund		122
Building & Safety Fund		124
Library Special Trust Fund		125
Lincoln Bike Share Fund		126
Tax Allocation Projects Debt Service Fund		127
Bond Interest & Redemption Debt Service Fund		128
Tax Supported Bonds Debt Service Fund		129
Community Health Permanent Endowment Fund		130
Athletic Field & Facilities Improvement Fund		131
Lincoln Area Agency on Aging Fund		132
911 Communication Fund		133
Unemployment Compensation Fund		134
Proprietary Funds:		
Combining Statement of Net Position – Nonmajor Enterprise Funds		136
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds		139
Combining Statement of Cash Flows – Nonmajor Enterprise Funds		140
Combining Statement of Net Position – Internal Service Funds		144
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds		146
Combining Statement of Cash Flows – Internal Service Funds		148
Agency Funds:		
Combining Balance Sheet – Agency Funds		153
Combining Statement of Changes in Assets and Liabilities – Agency Funds		154

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	159
Changes in Net Position	2	160
Fund Balances of Governmental Funds	3	162
Changes in Fund Balances of Governmental Funds	4	163
Lincoln Electric System Megawatt-Hour Sales	5	164
Revenue from Electrical Sales by Customer Type.....	6	165
Total City Taxable Sales	7	166
Sales Tax Rates	8	167
Net Taxable Sales by Business Classification.....	9	168
Assessed Value and Actual Value of Taxable Property	10	169
Property Tax Rates	11	170
Principal Property Taxpayers	12	171
Property Tax Levies and Collections	13	172
Ratios of Outstanding Debt by Type	14	173
Ratios of General Bonded Debt Outstanding	15	174
Direct and Overlapping Governmental Activities Debt	16	175
Pledged Revenue Coverage	17	176
Demographic and Economic Statistics	18	177
Principal Employers	19	178
Full-Time Equivalent City Government Employees by Function	20	179
Operating Indicators by Function.....	21	180
Capital Asset Statistics by Function	22	181

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	184
Notes to Schedule of Expenditures of Federal Awards.....	189
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards – Independent Auditor’s Report	190
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report.....	192
Schedule of Findings and Questioned Costs	194
Summary Schedule of Prior Audit Findings	196



February 24, 2020

Dear Honorable City Council members and residents of Lincoln:

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

A significant responsibility of that work is ensuring both fiscal and operational accountability in our use of public resources. To that end, this letter serves as an introduction to the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year ended August 31, 2019.

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 2018 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 36th consecutive year. This recognition is a credit to the City and a compliment to our dedicated public servants in the Finance Department.

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

Sincerely,



Leirion Gaylor Baird
Mayor of Lincoln

February 21, 2020

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

Both the City Charter and State law require an annual audit of the City's funds and accounts be made by a recognized independent and qualified accountant covering all financial transactions, affairs, and financial condition of the City, with the audit report published within six months after the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2019, is hereby submitted.

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

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The federal government, under Title 2 U.S. Code of Federal Regulations Part 200, requires local governments that expend \$750,000 or more in federal funds in any fiscal year to have a financial and compliance audit performed. As part of the City's Single Audit, tests were made of the City's internal control structure over compliance and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 2019, disclosed no material internal control weaknesses. The independent auditor's reports are included in the Single Audit section found at the end of the CAFR.

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, 2019, 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 99 square miles, serves a population of approximately 287,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

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

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

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

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

Economic Condition and Outlook

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

The Lincoln metropolitan area population base (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, Lancaster County's rate of growth between 2010 and 2018 has been 10.9% or approximately 1.30% per year. The 2018 population of Lancaster County has been estimated to be in excess of 317,000 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, 2019, was 2.9%, well below the national average of 3.9%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current value of construction permits is up 71% when compared to levels 5 years ago.

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

Net sales and use tax revenue decreased \$9,644,716 or 10.7% from the previous fiscal year, of which \$11,914,344 comes from the ending of a voter approved .25% tax increase, effective October 1, 2018, to fund replacement of the City's emergency 911 radio system and the construction and/or relocation of four fire stations.

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 and HOME federal grants, Advanced Land Acquisition funds, Special Assessments, and General Fund. Funding is often combined with developer, grant or other private sector funds.

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

Ongoing and anticipated future projects include:

- Parking Services Projects:
 - 1) The redevelopment agreement with Speedway Properties for a residential development on Block 4 in the West Haymarket has been completed. The City has committed to construction of a 700 space parking garage as part of this project. Construction should start in the summer of 2020 with a completion date of August 2021.

- 2) The renovation of the Eagle Parking Garage started in December 2019 and work will continue throughout 2020. Completion of the project is anticipated in December 2020 and the parking garage is scheduled to reopen in 2021.
 - 3) Parking Services acquired property on Block 65 totaling 75,000 square feet with the intention to build a new parking garage. The need for this parking garage was indicated by the results of an internal study conducted by Parking Services. Parking Services will begin design work on the new parking garage during 2020, while at the same time issuing a request for an expression of interest to determine if there is development interest in the property. Parking Services will also explore financing options for this structure during 2020.
- Downtown Redevelopment Projects:
 - 1) West Haymarket, Block 2 (north half).
 - 2) West Haymarket, Block 4.
 - 3) West Haymarket, Block 5.
 - 4) Pershing Redevelopment.
 - 5) Greater Downtown Primary Corridors Revitalization.
 - 6) South Haymarket Parking & Streetscape.
 - 7) Champion Redevelopment.
 - 8) Huber Redevelopment.
 - 9) Willys Knight Redevelopment.
 - 10) 9th and O Redevelopment.
 - 11) Lied Place Redevelopment.
 - 12) Gold's Block Redevelopment.
 - Antelope Valley Redevelopment Projects:
 - 1) Telegraph District Redevelopment.
 - 2) Hoppe Block Redevelopment.
 - University Place Redevelopment:
 - 1) 48th and Madison.
 - West O Street Redevelopment:
 - 1) Lincoln Sports Complex project.
 - 2) West O Street Streetscape.
 - North 27th Street Redevelopment Project:
 - 1) 28th & Vine Container Housing.
 - 2) Oriental Market.
 - 3) 27th and Star Housing.
 - Skate Zone Redevelopment.
 - Innovation Campus Redevelopment.
 - 56th and Arbor Road Redevelopment.
 - North Cotner Redevelopment.
 - VA Victory Park Redevelopment.

Ongoing and anticipated Livable Neighborhood projects include:

- Housing rehabilitation programs for quality, affordable housing and home ownership:
 - 1) Continuation of First-time Homebuyer and Owner-Occupied Housing Rehabilitation Loan programs and lead-based paint abatement 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) Coordinate with other City Departments to implement neighborhood improvement projects in focused geographic areas. Projects may include, but are not limited to, infrastructure, parks, trails and housing improvements.

Ongoing and anticipated Administration projects include:

- Real estate major acquisition, negotiation and relocation projects:
 - 1) Sale of 27th and Old Cheney.
 - 2) For effective transportation:
 - ✓ A Street, 89th to 93rd and 93rd to 98th.
 - ✓ Pine Lake Road, 61st to Hwy 2.
 - ✓ Rokeby Road, 40th to 56th and 70th to 84th Streets.
 - ✓ 14th and Cornhusker Hwy safety project.
 - ✓ 33rd and Cornhusker Hwy RTSD project.
 - ✓ 14th/Old Cheney/Warlick intersection.
 - ✓ South 84th, Hwy 2 to Rokeby Road.
 - ✓ East Beltway preliminary acquisitions.
 - ✓ South 40th Street Improvements.
 - ✓ West A Street, Folsom to SW 40th Street, 2 Phases: East/West.
 - ✓ New LFR & LPD station acquisitions/surplus.
 - ✓ StarTran site acquisition and bus shelter projects.
 - ✓ Arterial/residential rehabs, executive order, traffic signals & bridge replacement.
 - ✓ 56th & Yankee Hill Road Improvements.
 - 3) For environmental quality:
 - ✓ Park sites citywide, Prairie Corridor, Jensen Park, Salt Creek wetland acquisitions.
 - ✓ Stevens Creek Phase V, Cardwell Branch, Beal Slough Trunk Sewer and miscellaneous sanitary sewer upgrade projects.
 - ✓ 98th Street water main, Holdrege to Alvo and Holdrege, 98th to Sky Ranch.
 - ✓ 56th & Morton, Dead Man's Run 46th & High/Hillside, 84th & Glynoak, conservation easements, wetlands acquisitions and storm water improvements.
 - 4) Relocation activities:
 - ✓ 14th/Old Cheney/Warlick intersection project.
 - ✓ Downtown library site project.
 - ✓ West A Street widening project.

West Haymarket Project

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

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

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

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$91,888,000 over the 5-year period of fiscal year 2019-20 through fiscal year 2023-24. Funding for these projects will come from impact fees, revenue bonds, 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 \$143,729,400 over the 5-year period of fiscal year 2019-20 through 2023-24. These projects will be financed through impact fees, revenue bonds, and utility revenues. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement and new wells, and additional storage reservoirs.

Streets and Highways

The 2020-2024 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$43 million for the next five years. Funding for these projects includes \$136 million in City revenues, \$30 million in federal aid, and \$47 million in other funds.

Infrastructure Impact Fees

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

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

Pension Costs

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

Property Tax Collections

As of August 31, 2019, current tax collections by the County Treasurer were 97.62% of the tax levy, a decrease of 1% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy by Purpose</u>	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>
General Fund	.2094	.1930	.1990
Library	.0373	.0413	.0444
Social Security	.0117	.0146	.0158
Police and Fire Pension	.0347	.0367	.0402
Unemployment Compensation	.0003	.0003	.0003
General Obligation Debt	<u>.0231</u>	<u>.0306</u>	<u>.0340</u>
Total	<u>.3165</u>	<u>.3165</u>	<u>.3337</u>

Parking Facilities

The City of Lincoln operates the following parking garages:

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

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

Solid Waste Management

The City of Lincoln owns and operates a municipal solid waste landfill and a construction and demolition debris landfill that are subject to the U.S. Environmental Protection Agency rule *Solid Waste Disposal Facility Criteria*, which establishes closure and postclosure care requirements. As of August 31, 2019, the City estimates that it will incur costs approximating \$30 million to adhere to such requirements (see Note 18 of Notes to the Financial Statements).

Water and Wastewater System

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

<u>Wastewater System</u>	<u>2018-2019</u>	<u>2017-2018</u>
Operating Revenues	\$32,202,451	31,409,050
Operating Income	7,481,815	7,730,640
Revenue Available For Debt Service	18,218,916	17,518,091
Debt Service	7,022,081	6,961,103
Debt Service Coverage Ratio	2.59	2.52

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

<u>Water System</u>	<u>2018-2019</u>	<u>2017-2018</u>
Operating Revenues	\$38,378,994	38,981,816
Operating Income	11,127,322	12,366,484
Revenue Available For Debt Service	23,574,739	23,704,752
Debt Service	6,400,358	6,394,487
Debt Service Coverage Ratio	3.68	3.71

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, 2018, is included in the City's August 31, 2019, financial statements.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2018. This was the thirty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



Brandon Kauffman
Finance Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lincoln
Nebraska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2018

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska (the City), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Lincoln Wastewater System and Lincoln Water System, which are both major funds and represent 35%, 57%, and 17%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln Wastewater System and Lincoln Water System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska, as of August 31, 2019, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison information for the general fund and street construction fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary and other information, consisting of combining and individual fund financial statements, budgetary comparison schedules and the introductory and statistical sections, and including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated February 21, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
February 21, 2020



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, 2019. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on page vii) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2019, by \$2,201,930,601 (net position). Of this amount, \$346,568,158 (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 \$92,539,524. Of this amount, \$15,039,965, or 16%, was an increase in governmental activities and \$77,499,559, or 84%, related to business-type activities. Please refer to the fund descriptions preceding the various combining statements (beginning on page 87) for information regarding constraints imposed on the City in spending available funds.
- As of August 31, 2019, the City's governmental funds reported combined ending fund balances of \$316,620,785 a decrease of \$23,570,900 in comparison with the prior year. Of this total fund balance, 12%, or \$36,649,493 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2019, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the General Fund was \$55,158,706, or 38% of total General fund expenditures. Following the implementation of GASB Statement No. 54, reference must be made to pages 89-91 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 increased by \$140,900,891 (13%) during the current fiscal year. Current year activity included the following: Lincoln Electric System issued \$121,205,000 in tax exempt bonds; Lincoln Water System issued \$10,170,000 in refunding bonds for an economic gain of approximately \$2,082,000; Lincoln Wastewater System issued \$25,805,000 in revenue bonds; and Lincoln Parking System issued \$21,285,000 in general obligation parking system and refunding bonds for an economic gain of approximately \$2,084,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how the City's net position changed during the year ended August 31, 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater and Electric Systems, all of which are considered to be major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-83 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 84-86 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 87 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 \$2,201,930,601 at August 31, 2019.

City Of Lincoln Condensed Statements of Net Position August 31, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 424,804,219	441,956,426	452,583,880	337,420,808	877,388,099	779,377,234
Capital Assets	1,348,321,417	1,311,852,970	1,705,850,004	1,631,708,999	3,054,171,421	2,943,561,969
Total Assets	1,773,125,636	1,753,809,396	2,158,433,884	1,969,129,807	3,931,559,520	3,722,939,203
Deferred Outflows of Resources	23,182,380	5,614,207	17,696,303	17,145,308	40,878,683	22,759,515
Long-Term Liabilities Outstanding	594,902,080	568,719,411	973,499,816	840,088,872	1,568,401,896	1,408,808,283
Other Liabilities	39,056,342	40,059,179	148,279,243	169,206,946	187,335,585	209,266,125
Total Liabilities	633,958,422	608,778,590	1,121,779,059	1,009,295,818	1,755,737,481	1,618,074,408
Deferred Inflows of Resources	13,858,556	17,193,940	911,565	1,039,293	14,770,121	18,233,233
Net Position:						
Net Investment in Capital Assets	891,303,701	846,442,664	765,731,464	793,807,694	1,657,035,165	1,640,250,358
Restricted	162,762,413	182,122,089	35,564,865	28,846,167	198,327,278	210,968,256
Unrestricted	94,424,924	104,886,320	252,143,234	153,286,143	346,568,158	258,172,463
Total Net Position	\$ 1,148,491,038	1,133,451,073	1,053,439,563	975,940,004	2,201,930,601	2,109,391,077

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 (9%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (16%) may be used to meet the government's ongoing obligations to citizens and creditors.

At August 31, 2019, 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, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 73,568,842	71,393,774	452,497,244	438,920,430	526,066,086	510,314,204
Operating Grants and Contributions	70,640,446	63,076,418	19,303	112,847	70,659,749	63,189,265
Capital Grants and Contributions	18,219,765	37,901,112	11,316,858	18,800,761	29,536,623	56,701,873
General Revenues:						
Property Tax	78,379,964	74,308,924	-	-	78,379,964	74,308,924
Sales and Use Tax	80,333,822	89,978,538	-	-	80,333,822	89,978,538
Occupation Tax	27,867,756	27,438,041	3,456,319	3,622,544	31,324,075	31,060,585
Other Taxes	27,523,776	26,757,487	-	-	27,523,776	26,757,487
Unrestricted Grants and Contributions	50,330	60,620	-	-	50,330	60,620
Unrestricted Investment Earnings	7,211,377	3,022,679	7,068,187	2,197,770	14,279,564	5,220,449
Other	1,576,598	919,184	680,853	192,670	2,257,451	1,111,854
Total Revenues	385,372,676	394,856,777	475,038,764	463,847,022	860,411,440	858,703,799
Expenses:						
General Government	58,007,177	47,260,387	-	-	58,007,177	47,260,387
Public Safety	111,464,206	102,979,449	-	-	111,464,206	102,979,449
Streets and Highways	71,078,034	66,223,821	-	-	71,078,034	66,223,821
Culture and Recreation	48,510,294	41,524,548	-	-	48,510,294	41,524,548
Economic Opportunity	25,490,737	24,018,579	-	-	25,490,737	24,018,579
Health and Welfare	21,944,351	20,885,234	-	-	21,944,351	20,885,234
Mass Transit	16,283,063	15,822,765	-	-	16,283,063	15,822,765
Equipment Management	562,531	508,118	-	-	562,531	508,118
Engineering Services	3,900,549	4,394,576	-	-	3,900,549	4,394,576
Interest on Long-Term Debt	19,395,458	19,721,240	-	-	19,395,458	19,721,240
Golf	-	-	3,959,217	3,981,087	3,959,217	3,981,087
Parking System	-	-	10,634,630	10,302,430	10,634,630	10,302,430
Municipal Arena	-	-	12,241,290	11,587,968	12,241,290	11,587,968
Solid Waste Management	-	-	11,197,893	11,767,958	11,197,893	11,767,958
Emergency Medical Services	-	-	7,533,068	6,422,207	7,533,068	6,422,207
Broadband Enterprise	-	-	1,288,701	948,029	1,288,701	948,029
Wastewater System	-	-	26,849,143	25,728,896	26,849,143	25,728,896
Water System	-	-	28,776,618	28,275,160	28,776,618	28,275,160
Electric System	-	-	288,860,000	312,132,000	288,860,000	312,132,000
Total Expenses	376,636,400	343,338,717	391,340,560	411,145,735	767,976,960	754,484,452
Increase in Net Position Before Transfers	8,736,276	51,518,060	83,698,204	52,701,287	92,434,480	104,219,347
Transfers	6,303,689	11,533,601	(6,198,645)	(11,431,370)	105,044	102,231
Increase in Net Position	15,039,965	63,051,661	77,499,559	41,269,917	92,539,524	104,321,578
Net Position - Beginning	1,133,451,073	1,070,399,412	975,940,004	934,670,087	2,109,391,077	2,005,069,499
Net Position - Ending	\$ 1,148,491,038	1,133,451,073	1,053,439,563	975,940,004	2,201,930,601	2,109,391,077

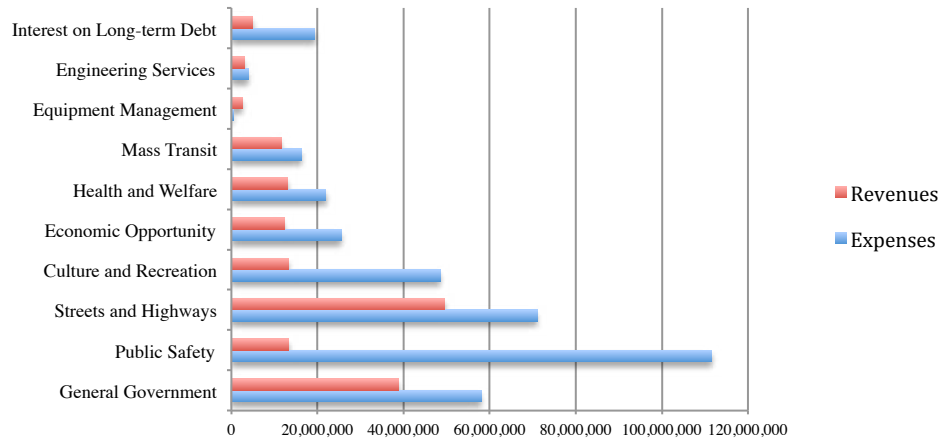
GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$15,039,965, accounting for 16% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

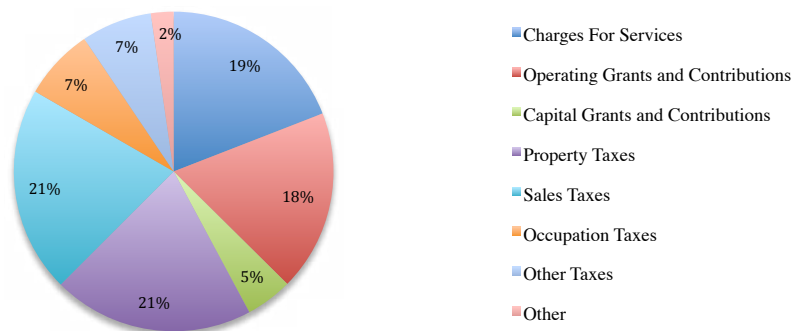
- Operating grants and contributions increased by approximately \$7.6 million (12.0%) during 2019. This can be attributed to increased funding in the areas of parks, libraries, and the City's bus system.

- Capital grants and contributions decreased by approximately \$19.7 million (51.9%) during 2019. This decrease is primarily impacted by changes in activity of the streets and highways programs and infrastructure contributions by new construction developers.
- Property Tax receipts increased by approximately \$4.1 million (5.5%) in 2019 primarily due to a 5.6% increase in the overall tax base.
- Unrestricted investment earnings increased by approximately \$4.2 million (138.6%) during 2019. Pooled cash investments increased 7.4% over the prior year and the investments yield increased 44% in 2019.
- Sales taxes decreased by approximately \$9.6 million (10.7%) during 2019. The .25% cent sales tax established to provide funding for a new 911 radio system and four new fire stations ended in October 2018.
- Governmental expenses increased by approximately \$33.3 million (9.7%) during 2019. The most significant increases were in the general government and culture and recreation programs.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

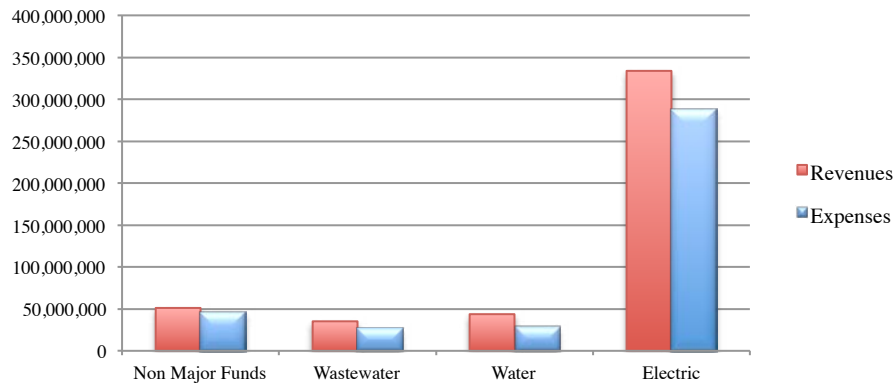


BUSINESS-TYPE ACTIVITIES

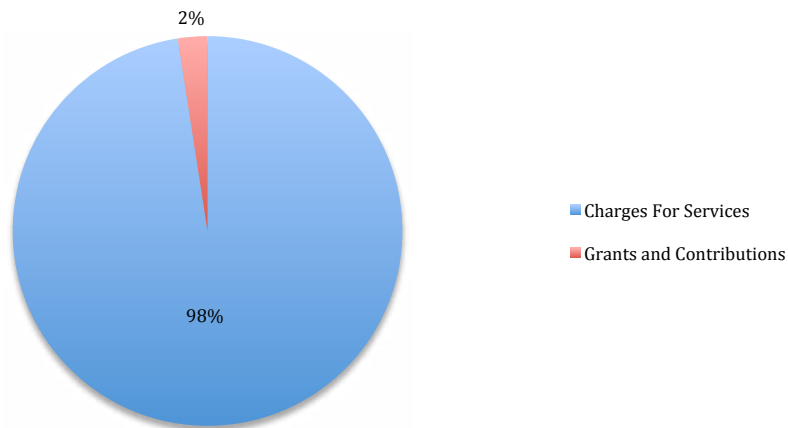
Business-type activities increased the City's net position by \$77,499,599, accounting for 84% of the total growth in the government's net position. Key elements of this increase are as follows:

- Lincoln Electric System operating revenue in 2018 was up 3.5% from 2017. Retail revenue was 3% higher primarily due to higher use per residential customer. Wholesale revenue increased 8% due to increased sales in the Southwest Power Pool Integrated Marketplace. Other revenue was up 2.3% primarily due to the year-over-year change in unbilled revenue amount. Operating expenses in 2018 were \$254,313,000, a decrease of 4.9%. Other non-operating expenses decreased \$12,484,000 primarily related to the one-time \$10,500,000 payment made for the termination of the Sheldon Generating Station agreement in 2017.
- Lincoln Wastewater System reported increased revenues primarily due to a 5% rate increase implemented November 2018. For operating expenses, categories were reevaluated and changes made as determined by the analysis. In general, overall operating expenses are expected to increase approximately 3% per year. Capital contributions decreased due to a decrease in developer contributions for the year.
- Lincoln Water System reported decreased revenues due to a considerably wet spring, including a flood in March 2019, which included voluntary water use restrictions. Lincoln Water System nonoperating revenues decreased due to a grant received from the State Water Sustainability fund in 2018. Capital contributions decreased during the year because of decreased development activity.

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, 2019, the City's governmental funds reported combined ending fund balances of \$316,620,785, a decrease of \$23,570,900 in comparison with the prior year. Of this total amount, 12% constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$1,881,310), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$142,005,826), committed for particular purposes (\$230,086), or assigned for particular purposes (\$98,694,070).

The General Fund is the chief operating fund of the City. At August 31, 2019, the unrestricted fund balance of the General Fund was \$55,158,706, while total fund balance reached \$64,171,006. 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 38% of total General Fund expenditures, while total fund balance represents 44% of that same amount.

The fund balance of the City's General Fund decreased by \$5,669,635 during 2019. 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 \$55,420,605, which is to be used in the construction and maintenance of streets and highways. The net decrease in fund balance during 2019 in the Street Construction Fund was \$11,115,902, with total revenues showing an 11% decrease and capital construction expenses showing a 2% increase. Included in current year expense is a \$15,000,000 contribution to the State of Nebraska South Beltway project.

The West Haymarket JPA Fund had a fund balance of \$40,878,626, 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 \$3,751,639. The fund balance is a result of the issuance of bonds in prior years, occupation tax and donation revenue, less the Agency's expenditures for construction, debt service and general operations.

PROPRIETARY FUNDS

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

Unrestricted net position of the Wastewater System, Water System, Electric System, and other enterprise funds amounted to \$27,368,741, \$39,670,428, \$185,198,000 and \$(93,935), respectively, at August 31, 2019 (December 31, 2018 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:

- \$(2,662,994) decrease in taxes collected by others.
- \$(650,000) decrease in court fees.

Expenditure appropriations:

- \$(21,025) decrease in miscellaneous changes in general government activities.
- \$(500,000) decrease allocated to public safety.
- \$(467,005) in decreases to streets & highways.
- \$66,655 increase allocated to parks and recreation.
- \$(756,859) in decreases allocated for General Fund net transfers to other City funds.

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

- \$6,651,699 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future expenditures.
- \$4,085,829 positive variance in police expenditures. Salary related expenditure variances are the result of vacancies in positions during the year reducing actual costs compared to a fully staffed budget. Remaining balances are reappropriated to the next year to assist with one-time expenditures that are not ongoing operating expenditures.

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, 2019, amounts to \$3,054,171,421 (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 2019 was 4% (2.8% increase for governmental activities and 4.5% increase for business-type activities).

Major capital asset events during 2019 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$49 million.
- The City invested in energy efficiency projects for the Park & Recreation and Library departments at a cost of \$2.8 million.
- The construction of 5 new fire stations continued with current year expenses of \$12.6 million, along with 8 new fire trucks costing \$2.2 million.
- StarTran, the City's mass transit system, added 6 new buses and 2 new trolleys at a cost of \$3.9 million.
- LES is a 12.76% share owner in the Laramie River Station. LES' share of capital improvements for the plant in 2018 was \$17,242,000.
- Construction continues for the LES Operation Center (LOC). Capital expenditures in 2018 for this project totaled \$31,688,000. Phase one of the LOC, which includes a second LES operations center and fleet building, was completed in 2019. Phase two of construction, which will include an administrative building and control center is planned for completion in 2021. Total project cost is expected to be \$104,183,000.
- The Duct Installation Program (DIP), which started in 2012, is a 10-year project to install duct adjacent to distribution cable, allowing the cable to be replaced quickly when it reaches the end of its useful life. Capital expenditures in 2018 totaled \$3,533,000. The DIP project is now expected to be completed in 2020 with a total project cost of \$28,826,000, which is a reduction of \$1.5 million from last year's projection.
- Lincoln Wastewater System 2019 major capital asset events included construction of Stevens Creek development.
- Lincoln Water System 2019 capital assets activity included \$12 million in additions to power and production equipment and \$10.8 million in additions to distribution mains and accessories.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 172,113,975	170,489,231	32,485,031	25,448,134	204,599,006	195,937,365
Buildings	290,212,645	281,707,136	140,650,883	142,846,179	430,863,528	424,553,315
Improvements Other Than Buildings	91,290,543	93,097,543	551,556,417	509,434,926	642,846,960	602,532,469
Machinery and Equipment	55,699,079	42,496,297	23,721,811	21,902,823	79,420,890	64,399,120
Utility Plant	-	-	793,602,000	787,222,000	793,602,000	787,222,000
Infrastructure	640,603,894	637,274,730	-	-	640,603,894	637,274,730
Construction-in-progress	98,401,281	86,788,033	163,833,862	144,854,937	262,235,143	231,642,970
Total	<u>\$ 1,348,321,417</u>	<u>1,311,852,970</u>	<u>1,705,850,004</u>	<u>1,631,708,999</u>	<u>3,054,171,421</u>	<u>2,943,561,969</u>

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

LONG-TERM DEBT

At August 31, 2019, the City of Lincoln had total bonded debt outstanding of \$1,238,504,264. Of this amount, \$419,149,264 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, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 419,149,264	419,953,373	-	-	419,149,264	419,953,373
Revenue Bonds	-	-	819,355,000	677,650,000	819,355,000	677,650,000
Total	<u>\$ 419,149,264</u>	<u>419,953,373</u>	<u>819,355,000</u>	<u>677,650,000</u>	<u>1,238,504,264</u>	<u>1,097,603,373</u>

The City's total bonded debt increased by \$140,900,891 (13%) during the current fiscal year. Current year activity included the following: Lincoln Electric System issued \$121,205,000 in tax exempt bonds; Lincoln Water System issued \$10,170,000 in refunding bonds for an economic gain of approximately \$2,082,000; Lincoln Wastewater System issued \$25,805,000 in revenue bonds; and Lincoln Parking System issued \$21,285,000 in general obligation parking system and refunding bonds for an economic gain of approximately \$2,084,000.

The City maintains the following credit ratings:

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

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

Additional information on the City's long-term debt can be found in Note 9 of the notes to the financial statements on pages 55-62 of this report.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- In August 2018, the Lincoln City Council approved a 5% revenue increase for both fiscal years 2019 and 2020 for both the Water and Wastewater Systems. 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 2019-2020 budget increased \$5,243,439 from the prior year. Total valuation growth is 7.37%, with an increase of 1.05% in the current tax rate.
- The budgeted local sales tax rate is 1.5%, which supports the General Fund. Due to fiscal year 2018-19 sales tax receipts lagging below projections, the 2019-20 projected sales tax collections were reduced to a 2% increase over prior year projections in August 2019. Projected sales tax collections could be impacted by legislative changes and unanticipated changes in economic activity. Following a Supreme Court decision in the South Dakota vs. Wayfair case in June 2019, Nebraska began collecting online sales tax in July 2019.
- Lincoln voters approved a .25% cent sales tax increase in 2015, for three years only, to provide funding for a new 911 radio system and 4 new fire stations. This tax ended in October 2018. Lincoln voters approved another .25% cent sales tax increase in 2019, for six years only, to provide funding for street rehabilitation, reconstruction, and new construction of arterial streets in all quadrants of the City. This tax began on October 1, 2019 and ends on October 1, 2025.
- Health insurance is projected to increase 10% in 2020. Dental insurance is projected to increase 4%.
- The City negotiates with six different bargaining units. One contract will expire in August 2022, with the remaining five agreements in effect until August 2020.
- Staffing changes included in the 2019-2020 fiscal year budget resulted in an increase for all funds of 3.62 full-time equivalents.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
AUGUST 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 22,740,709	27,418,180	50,158,889
Investments	304,858,863	227,726,611	532,585,474
Receivables, (Net of Allowance for Uncollectibles)	34,893,755	54,770,968	89,664,723
Internal Balances	(9,877,835)	9,877,835	-
Due from Other Governments	26,416,892	30,630	26,447,522
Inventories	2,214,011	15,990,910	18,204,921
Plant Operation Assets	-	13,781,000	13,781,000
Prepaid Items	1,280,951	2,937,751	4,218,702
Other Assets	5,116,873	5,403,634	10,520,507
Restricted Assets:			
Cash and Cash Equivalents	-	10,306,757	10,306,757
Investments	37,160,000	84,288,726	121,448,726
Receivables	-	50,878	50,878
Capital Assets:			
Non-depreciable	270,515,256	196,318,893	466,834,149
Depreciable (Net)	1,077,806,161	1,509,531,111	2,587,337,272
Total Assets	<u>1,773,125,636</u>	<u>2,158,433,884</u>	<u>3,931,559,520</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	641,514	15,819,563	16,461,077
Deferred Outflows for Pension	21,646,007	1,768,705	23,414,712
Deferred Outflows for OPEB	894,859	108,035	1,002,894
Total Deferred Outflows of Resources	<u>23,182,380</u>	<u>17,696,303</u>	<u>40,878,683</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	20,693,740	30,546,822	51,240,562
Accrued Liabilities	5,008,990	36,682,788	41,691,778
Due to Other Governments	587,453	243,204	830,657
Unearned Revenue	8,369,010	4,533,129	12,902,139
Commercial Paper	-	65,500,000	65,500,000
Accrued Interest Payable	4,397,149	10,773,300	15,170,449
Noncurrent Liabilities:			
Payable within One Year	31,287,973	45,975,895	77,263,868
Payable in More Than One Year	563,614,107	927,523,921	1,491,138,028
Total Liabilities	<u>633,958,422</u>	<u>1,121,779,059</u>	<u>1,755,737,481</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Beneficial Interest Revenue	3,378,108	-	3,378,108
Deferred Gain on Refunding	843,272	-	843,272
Deferred Inflows for Pension	7,582,293	663,485	8,245,778
Deferred Inflows for OPEB	2,054,883	248,080	2,302,963
Total Deferred Inflows of Resources	<u>13,858,556</u>	<u>911,565</u>	<u>14,770,121</u>
NET POSITION			
Net Investment in Capital Assets	891,303,701	765,731,464	1,657,035,165
Restricted for:			
Debt Service	6,264,815	21,185,424	27,450,239
Capital Projects	56,144,759	13,927,441	70,072,200
Grantor Loan Programs	17,901,000	-	17,901,000
Other	15,375,464	452,000	15,827,464
Trust Donations:			
Expendable	2,470,697	-	2,470,697
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	27,445,678	-	27,445,678
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>94,424,924</u>	<u>252,143,234</u>	<u>346,568,158</u>
Total Net Position	<u>\$ 1,148,491,038</u>	<u>1,053,439,563</u>	<u>2,201,930,601</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, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Functions/Programs							
Governmental Activities:							
General Government	\$ (58,007,177)	36,149,520	1,859,462	893,765	(19,104,430)	-	(19,104,430)
Public Safety	(111,464,206)	7,676,309	5,090,688	610,813	(98,086,396)	-	(98,086,396)
Streets and Highways	(71,078,034)	6,049,314	29,590,398	13,860,157	(21,578,165)	-	(21,578,165)
Culture and Recreation	(48,510,294)	7,630,497	3,558,223	2,009,107	(35,312,467)	-	(35,312,467)
Economic Opportunity	(25,490,737)	977,619	11,248,761	-	(13,264,357)	-	(13,264,357)
Health and Welfare	(21,944,351)	5,010,683	8,074,016	-	(8,859,652)	-	(8,859,652)
Mass Transit	(16,283,063)	4,046,330	7,558,000	-	(4,678,733)	-	(4,678,733)
Equipment Management	(562,531)	2,583,507	-	-	2,020,976	-	2,020,976
Engineering Services	(3,900,549)	3,037,823	-	3,458	(859,268)	-	(859,268)
Interest on Long-Term Debt	(19,395,458)	407,240	3,660,898	842,465	(14,484,855)	-	(14,484,855)
Total Governmental Activities	(376,636,400)	73,568,842	70,640,446	18,219,765	(214,207,347)	-	(214,207,347)
Business-Type Activities:							
Golf	(3,959,217)	3,973,638	846	-	-	15,267	15,267
Parking System	(10,634,630)	15,549,216	-	-	-	4,914,586	4,914,586
Municipal Arena	(12,241,290)	12,855,641	-	-	-	614,351	614,351
Solid Waste Management	(11,197,893)	9,181,592	14,215	30,080	-	(1,972,006)	(1,972,006)
Emergency Medical Services	(7,533,068)	6,711,644	-	-	-	(821,424)	(821,424)
Broadband Enterprise	(1,288,701)	1,375,120	4,242	1,426,656	-	1,517,317	1,517,317
Wastewater System	(26,849,143)	31,804,206	-	3,388,772	-	8,343,835	8,343,835
Water System	(28,776,618)	38,144,187	-	5,564,350	-	14,931,919	14,931,919
Electric System	(288,860,000)	332,902,000	-	907,000	-	44,949,000	44,949,000
Total Business-Type Activities	(391,340,560)	452,497,244	19,303	11,316,858	-	72,492,845	72,492,845
Total	\$ (767,976,960)	526,066,086	70,659,749	29,536,623	(214,207,347)	72,492,845	(141,714,502)
General Revenues:							
Property Tax					78,379,964	-	78,379,964
Motor Vehicle Tax					6,257,221	-	6,257,221
Wheel Tax					18,832,912	-	18,832,912
Sales and Use Tax					80,333,822	-	80,333,822
Sundry and In Lieu Tax					2,433,643	-	2,433,643
Occupation Tax					27,867,756	3,456,319	31,324,075
Unrestricted Grants and Contributions					50,330	-	50,330
Unrestricted Investment Earnings					7,211,377	7,068,187	14,279,564
Miscellaneous General Revenues					1,576,598	680,853	2,257,451
Transfers					6,303,689	(6,198,645)	105,044
Total General Revenues and Transfers					229,247,312	5,006,714	234,254,026
Change in Net Position					15,039,965	77,499,559	92,539,524
Net Position - Beginning of Year					1,133,451,073	975,940,004	2,109,391,077
Net Position - Ending					\$ 1,148,491,038	1,053,439,563	2,201,930,601

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2019

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 6,653,498	2,111,988	1,888,319	9,171,635	19,825,440
Investments	49,484,855	41,205,296	44,146,537	149,977,929	284,814,617
Receivables, (Net of Allowance for Uncollectibles)	7,253,879	229,125	2,385,013	24,503,835	34,371,852
Due from Other Funds	477,771	11,840,583	-	4,135,269	16,453,623
Due from Other Governments	14,885,376	5,335,240	764,617	5,286,734	26,271,967
Inventories	39,523	371,925	-	876,613	1,288,061
Beneficial Interest Asset	-	-	-	3,378,108	3,378,108
Assets Held for Resale	-	-	1,738,765	-	1,738,765
Prepaid Items	287,503	-	305,746	-	593,249
Total Assets	<u>79,082,405</u>	<u>61,094,157</u>	<u>51,228,997</u>	<u>197,330,123</u>	<u>388,735,682</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,530,129	4,336,037	306,967	5,371,929	11,545,062
Contracts Payable	-	855,005	-	1,228,625	2,083,630
Accrued Liabilities	2,405,387	196,121	183,000	1,695,116	4,479,624
Due to Other Funds	8,584,523	174,424	442,572	19,612,839	28,814,358
Due to Other Governments	110,151	11,385	370,471	207,033	699,040
Due to Other Contractors	-	-	-	5,065,507	5,065,507
Unearned Revenue	1,350	-	8,091,138	246,329	8,338,817
Total Liabilities	<u>12,631,540</u>	<u>5,572,972</u>	<u>9,394,148</u>	<u>33,427,378</u>	<u>61,026,038</u>
Deferred Inflows of Resources:					
Unavailable Revenues	2,279,859	100,580	956,223	4,374,089	7,710,751
Beneficial Interest Revenue	-	-	-	3,378,108	3,378,108
Total Deferred Inflows of Resources	<u>2,279,859</u>	<u>100,580</u>	<u>956,223</u>	<u>7,752,197</u>	<u>11,088,859</u>
Fund Balances:					
Nonspendable	327,026	371,925	305,746	38,036,613	39,041,310
Restricted	8,685,274	37,094,139	2,769,407	93,457,006	142,005,826
Committed	-	-	-	230,086	230,086
Assigned	18,210,543	17,954,541	37,803,473	24,725,513	98,694,070
Unassigned	36,948,163	-	-	(298,670)	36,649,493
Total Fund Balances	<u>64,171,006</u>	<u>55,420,605</u>	<u>40,878,626</u>	<u>156,150,548</u>	<u>316,620,785</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 79,082,405</u>	<u>61,094,157</u>	<u>51,228,997</u>	<u>197,330,123</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,316,567,336
Revenues earned during the current period are not available for current period expenditures and, therefore, are recognized as unavailable revenue in the funds.	7,710,751
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.	70,135,824
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(562,543,658)
Net position of governmental activities	<u>\$ 1,148,491,038</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 44,843,640	-	-	32,912,178	77,755,818
Motor Vehicle	6,257,221	-	-	-	6,257,221
Wheel	-	-	-	18,832,912	18,832,912
Sales and Use	79,227,583	-	-	1,106,239	80,333,822
Turnback	-	-	-	236,107	236,107
Sundry and In Lieu	38,962	-	-	2,138,039	2,177,001
Occupation	9,172,661	-	17,698,974	1,455,005	28,326,640
Special Assessment	10,956	-	-	1,603,305	1,614,261
Intergovernmental	4,512,909	31,357,833	3,658,460	31,244,537	70,773,739
Permits and Fees	5,058,254	5,439,108	27,788	15,776,340	26,301,490
Reimbursement for Services	7,633,053	24,653	8,809,747	1,607,272	18,074,725
Program Income	-	-	-	18,129	18,129
Investment Earnings	1,281,065	1,153,877	1,353,137	4,221,847	8,009,926
Donations	980,740	75,000	-	2,155,822	3,211,562
Keno Proceeds	-	-	-	5,725,745	5,725,745
Miscellaneous	679,281	565,900	3,952	1,025,793	2,274,926
Total Revenues	159,696,325	38,616,371	31,552,058	120,059,270	349,924,024
EXPENDITURES					
Current:					
General Government	39,700,253	-	7,996,618	14,235,914	61,932,785
Public Safety	77,206,409	-	-	11,434,996	88,641,405
Streets and Highways	6,148,803	22,723,132	-	109	28,872,044
Culture and Recreation	17,949,054	-	4,136,299	11,617,759	33,703,112
Economic Opportunity	3,624,937	-	-	10,146,352	13,771,289
Health and Welfare	647,095	-	-	21,880,815	22,527,910
Mass Transit	-	-	-	18,867,231	18,867,231
Debt Service	72,862	-	16,773,200	27,726,992	44,573,054
Capital Outlay	-	46,573,860	119,482	43,130,707	89,824,049
Total Expenditures	145,349,413	69,296,992	29,025,599	159,040,875	402,712,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,346,912	(30,680,621)	2,526,459	(38,981,605)	(52,788,855)
OTHER FINANCING SOURCES (USES)					
Transfers In	13,089,187	25,838,451	217,370	42,622,234	81,767,242
Transfers Out	(36,873,730)	(6,359,992)	(361,900)	(27,987,721)	(71,583,343)
Note Proceeds	-	-	-	2,175,079	2,175,079
Issuance of Debt	3,440,000	-	-	10,028,200	13,468,200
Premium on Debt Issued	310,216	-	-	1,289,976	1,600,192
Sale of Capital Assets	17,780	86,260	1,369,710	316,835	1,790,585
Total Other Financing Sources (Uses)	(20,016,547)	19,564,719	1,225,180	28,444,603	29,217,955
Net Change in Fund Balances	(5,669,635)	(11,115,902)	3,751,639	(10,537,002)	(23,570,900)
Fund Balances - Beginning	69,840,641	66,536,507	37,126,987	166,687,550	340,191,685
Fund Balances - Ending	\$ 64,171,006	55,420,605	40,878,626	156,150,548	316,620,785

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, 2019

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

Net change in fund balances - total governmental funds	\$ (23,570,900)
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 capital outlays exceeded depreciation in the current period.	30,076,937
The net effect of various transactions involving capital contributions is to increase net position.	6,975,894
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.	542,161
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,583,689)
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.	(2,537,506)
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.	(4,758,009)
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.	9,895,077
Change in net position of governmental activities	<u>\$ 15,039,965</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 49,695,631	49,695,631	50,054,765	359,134
Taxes Collected by Others	80,620,335	77,957,341	78,563,436	606,095
Sundry Taxes and In Lieu	33,510	33,510	68,250	34,740
Occupation Taxes	9,182,975	9,182,975	8,777,829	(405,146)
Intergovernmental	3,039,332	3,039,332	2,512,080	(527,252)
Permits and Fees	3,834,111	3,834,111	4,051,402	217,291
Reimbursement for Services	3,359,756	3,359,756	4,057,680	697,924
Court Fees	755,000	105,000	80,247	(24,753)
Recreation Receipts	2,804,212	2,804,212	2,413,705	(390,507)
Investment Earnings	288,221	288,221	1,018,690	730,469
Donations	945,728	945,728	963,141	17,413
Rental Income	571,308	571,308	636,100	64,792
Miscellaneous	357,015	357,015	497,916	140,901
Total Revenues	155,487,134	152,174,140	153,695,241	1,521,101
Expenditures:				
General Government:				
Legislative	418,693	418,693	244,923	173,770
Executive	1,918,230	1,986,087	1,786,773	199,314
Financial Administration	3,652,419	3,682,419	3,259,086	423,333
Law	3,614,648	3,614,648	3,011,020	603,628
Personnel Administration	1,819,236	1,799,236	1,092,129	707,107
Planning and Zoning	2,115,176	2,115,176	1,988,086	127,090
Urban Development	1,486,835	1,221,999	1,012,780	209,219
Miscellaneous	33,504,829	33,670,783	27,019,084	6,651,699
Total General Government	48,530,066	48,509,041	39,413,881	9,095,160
Public Safety:				
Police	44,826,570	44,826,570	40,740,741	4,085,829
Fire	32,327,171	31,827,171	31,031,474	795,697
Traffic Engineering	-	-	4,317	(4,317)
Total Public Safety	77,153,741	76,653,741	71,776,532	4,877,209
Streets and Highways:				
Street Maintenance	2,776,340	2,309,335	2,170,104	139,231
Street Lighting	3,137,456	3,137,456	4,100,528	(963,072)
Total Streets and Highways	5,913,796	5,446,791	6,270,632	(823,841)
Culture and Recreation:				
Parks and Recreation	18,572,823	18,639,478	17,725,217	914,261
Libraries	212,814	212,814	212,814	-
Total Culture and Recreation	18,785,637	18,852,292	17,938,031	914,261
Economic Opportunity:				
Lincoln Area Agency on Aging	175,190	175,190	175,190	-
Job Programs	17,080	17,080	17,080	-
Total Economic Opportunity	192,270	192,270	192,270	-
Health and Welfare:				
Lincoln/Lancaster County Health	643,701	643,701	643,701	-
Debt Service:				
Issuance and Management Costs	-	-	53,482	(53,482)
Total Expenditures	151,219,211	150,297,836	136,288,529	14,009,307
Excess of Revenues Over Expenditures	4,267,923	1,876,304	17,406,712	15,530,408
Other Financing Sources (Uses):				
Transfers In	12,824,257	13,474,257	13,101,248	(373,009)
Transfers Out	(39,520,807)	(39,413,948)	(43,910,765)	(4,496,817)
Proceeds from Issuance of Debt	3,440,000	3,440,000	3,440,000	-
Premium on Debt Issued	-	-	310,216	310,216
Sale of Capital Assets	3,260	3,260	15,201	11,941
Total Other Financing Sources (Uses)	(23,253,290)	(22,496,431)	(27,044,100)	(4,547,669)
Net Change in Fund Balances	\$ (18,985,367)	(20,620,127)	(9,637,388)	10,982,739
Fund Balances - Beginning			46,525,589	
Fund Balances - Ending			\$ 36,888,201	

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	25,516,800	25,516,800	27,503,140	1,986,340
Permits and Fees	360,000	360,000	396,865	36,865
Reimbursement for Services	-	-	23,628	23,628
Investment Earnings	-	-	1,095,782	1,095,782
Donations	-	-	75,000	75,000
Miscellaneous	-	-	11,683	11,683
Total Revenues	25,876,800	25,876,800	29,106,098	3,229,298
Expenditures -- Streets and Highways:				
Personal Services	10,577,446	10,753,257	10,580,879	172,378
Materials and Supplies	2,264,548	2,430,186	2,033,906	396,280
Other Services and Charges	7,435,080	8,613,653	9,365,453	(751,800)
Capital Outlay	1,713,615	1,713,615	440,526	1,273,089
Total Expenditures	21,990,689	23,510,711	22,420,764	1,089,947
Excess of Revenues Over Expenditures	3,886,111	2,366,089	6,685,334	4,319,245
Other Financing Sources (Uses):				
Transfers In	26,259,296	26,259,296	26,259,296	-
Transfers Out	(6,359,992)	(6,359,992)	(6,359,992)	-
Sale of Capital Assets	-	-	85,760	85,760
Total Other Financing Sources (Uses)	19,899,304	19,899,304	19,985,064	85,760
Net Change in Fund Balances	\$ 23,785,415	22,265,393	26,670,398	4,405,005
Amount Budgeted on Project Basis			(36,654,761)	
Fund Balances - Beginning			61,298,646	
Fund Balances - Ending			\$ 51,314,283	

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2019

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,956,421	1,703,537	18,041,000	5,717,222	27,418,180	2,915,269
Investments	16,509,276	25,442,322	153,347,000	21,420,155	216,718,753	47,807,902
Restricted Assets:						
Cash and Cash Equivalents	-	-	8,435,000	-	8,435,000	-
Investments	-	-	11,749,000	-	11,749,000	-
Receivables, (Net of Allowance for Uncollectibles)	2,599,589	3,561,596	21,614,000	3,992,014	31,767,199	521,903
Unbilled Revenues	3,212,508	4,870,261	14,921,000	-	23,003,769	-
Due from Other Funds	413,455	1,240,365	-	1,498,899	3,152,719	2,599,844
Due from Other Governments	-	-	-	30,630	30,630	144,925
Inventories	37,895	1,621,119	13,812,000	519,896	15,990,910	925,950
Plant Operation Assets	-	-	13,781,000	-	13,781,000	-
Prepaid Expenses	-	-	2,841,000	96,751	2,937,751	687,702
Total Current Assets	24,729,144	38,439,200	258,541,000	33,275,567	354,984,911	55,603,495
Noncurrent Assets:						
Investments	3,928,155	2,809,515	-	4,270,188	11,007,858	9,396,344
Costs Recoverable from Future Billings	803,885	346,749	4,253,000	-	5,403,634	-
Restricted Assets:						
Cash and Cash Equivalents	-	-	768,000	1,103,757	1,871,757	-
Investments	23,340,617	7,871,372	19,706,000	21,621,737	72,539,726	-
Receivables	-	-	-	50,878	50,878	-
Due from Other Funds	1,313,435	5,570,401	-	-	6,883,836	-
Total Restricted Assets	24,654,052	13,441,773	20,474,000	22,776,372	81,346,197	-
Capital Assets:						
Land	7,891,881	5,756,709	-	18,836,441	32,485,031	1,594,451
Buildings	81,564,453	83,073,962	-	82,301,708	246,940,123	18,235,694
Improvements Other Than Buildings	343,691,965	402,949,280	-	74,321,583	820,962,828	759,550
Machinery and Equipment	15,058,013	28,281,595	-	22,277,976	65,617,584	40,430,843
Utility Plant	-	-	1,570,474,000	-	1,570,474,000	-
Construction in Progress	10,897,334	6,202,940	144,745,000	1,988,588	163,833,862	769,308
Less Accumulated Depreciation	(162,606,109)	(174,567,420)	(776,872,000)	(80,417,895)	(1,194,463,424)	(30,035,765)
Total Capital Assets, Net	296,497,537	351,697,066	938,347,000	119,308,401	1,705,850,004	31,754,081
Total Noncurrent Assets	325,883,629	368,295,103	963,074,000	146,354,961	1,803,607,693	41,150,425
Total Assets	350,612,773	406,734,303	1,221,615,000	179,630,528	2,158,592,604	96,753,920
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	663,772	537,857	13,487,000	1,130,934	15,819,563	-
Deferred Outflows for Pension	-	-	-	1,768,705	1,768,705	-
Deferred Outflows for OPEB	24,547	35,119	-	48,369	108,035	50,470
Total Deferred Outflows of Resources	688,319	572,976	13,487,000	2,948,008	17,696,303	50,470

(Continued)

(Proprietary Funds, Statement of Net Position, continued)

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 534,823	1,171,053	26,043,000	2,797,946	30,546,822	1,999,541
Construction Contracts	4,484,741	2,901,003	-	-	7,385,744	-
Accrued Liabilities	552,578	960,051	34,701,000	469,159	36,682,788	351,876
Accrued Compensated Absences	405,239	515,623	-	674,255	1,595,117	972,169
Due to Other Funds	-	-	-	158,720	158,720	116,944
Due to Other Governments	-	-	-	243,204	243,204	64,714
Unearned Revenue	-	-	-	4,533,129	4,533,129	30,193
Claims	-	-	-	-	-	3,889,822
Accrued Interest	556,715	100,857	9,900,000	215,728	10,773,300	95,787
Current Portion of Commercial Paper and Notes Payable	-	-	65,500,000	200,000	65,700,000	-
Current Portion of Capital Lease	21,594	-	-	422,013	443,607	1,614,097
Current Portion of Long-Term Debt	5,667,004	4,681,388	22,750,000	3,145,000	36,243,392	-
Current Portion of Total OPEB Liability	24,547	35,119	-	48,369	108,035	50,470
Total Current Liabilities	<u>12,247,241</u>	<u>10,365,094</u>	<u>158,894,000</u>	<u>12,907,523</u>	<u>194,413,858</u>	<u>9,185,613</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	807,517	860,776	-	245,996	1,914,289	1,340,012
Claims	-	-	588,000	-	588,000	6,216,891
Notes Payable	-	-	-	600,000	600,000	-
Capital Lease Payable	93,970	-	-	1,049,268	1,143,238	8,960,205
Long-Term Debt, Net	89,122,134	38,855,409	708,807,000	55,197,015	891,981,558	-
Accrued Liabilities	-	-	646,000	-	646,000	-
Net Pension Liability	-	-	-	4,744,405	4,744,405	-
Total OPEB Liability, Net	413,399	591,437	-	814,595	1,819,431	849,951
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	24,087,000	24,087,000	-
Total Noncurrent Liabilities	<u>90,437,020</u>	<u>40,307,622</u>	<u>710,041,000</u>	<u>86,738,279</u>	<u>927,523,921</u>	<u>17,367,059</u>
Total Liabilities	<u>102,684,261</u>	<u>50,672,716</u>	<u>868,935,000</u>	<u>99,645,802</u>	<u>1,121,937,779</u>	<u>26,552,672</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows for Pension	-	-	-	663,485	663,485	-
Deferred Inflows for OPEB	56,368	80,644	-	111,068	248,080	115,894
Total Deferred Inflows of Resources	<u>56,368</u>	<u>80,644</u>	<u>-</u>	<u>774,553</u>	<u>911,565</u>	<u>115,894</u>
NET POSITION						
Net Investment in Capital Assets	211,745,830	305,797,123	172,980,000	75,208,511	765,731,464	21,066,791
Restricted for:						
Debt Service	8,132,457	5,515,967	7,537,000	-	21,185,424	-
Capital Projects	1,313,435	5,570,401	-	7,043,605	13,927,441	-
Other	-	-	452,000	-	452,000	-
Unrestricted	27,368,741	39,670,428	185,198,000	(93,935)	252,143,234	49,069,033
Total Net Position	<u>\$ 248,560,463</u>	<u>356,553,919</u>	<u>366,167,000</u>	<u>82,158,181</u>	<u>1,053,439,563</u>	<u>70,135,824</u>

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, 2019

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
Operating Revenues						
Charges for Services	\$ 32,202,451	38,378,994	317,785,000	10,165,911	398,532,356	86,743,653
Fees	-	-	-	13,146,886	13,146,886	-
Parking Revenue	-	-	-	12,601,584	12,601,584	-
Performance Revenue	-	-	-	11,046,353	11,046,353	-
Other Operating Revenue	-	-	15,117,000	2,733,115	17,850,115	-
Total Operating Revenues	<u>32,202,451</u>	<u>38,378,994</u>	<u>332,902,000</u>	<u>49,693,849</u>	<u>453,177,294</u>	<u>86,743,653</u>
Operating Expenses						
Personal Services	-	-	-	16,302,713	16,302,713	17,325,269
Contractual Services	-	-	-	9,522,863	9,522,863	-
Operation and Maintenance	13,233,591	15,154,843	27,497,000	14,041,515	69,926,949	60,244,533
Purchased Power	-	-	129,745,000	-	129,745,000	-
Depreciation	9,035,758	9,064,851	52,448,000	5,573,108	76,121,717	3,665,402
Administrative Costs	2,451,287	3,031,978	44,623,000	-	50,106,265	-
Total Operating Expenses	<u>24,720,636</u>	<u>27,251,672</u>	<u>254,313,000</u>	<u>45,440,199</u>	<u>351,725,507</u>	<u>81,235,204</u>
Operating Income	<u>7,481,815</u>	<u>11,127,322</u>	<u>78,589,000</u>	<u>4,253,650</u>	<u>101,451,787</u>	<u>5,508,449</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	855,433	1,163,609	4,107,000	946,387	7,072,429	1,627,205
Grant Revenue	-	-	-	14,215	14,215	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	(11,777)	(11,777)	293,023
Insurance Recovery	-	-	-	1,650	1,650	-
Occupation Tax	-	-	-	3,456,319	3,456,319	-
Payments in Lieu of Taxes	-	-	(10,388,000)	-	(10,388,000)	-
Net Costs Recoverable	(53,345)	(49,076)	-	-	(102,421)	-
Debt Issuance Expense	-	-	-	(328,338)	(328,338)	-
Interest Expense and Fiscal Charges	(2,075,162)	(1,475,870)	(23,252,000)	(1,074,485)	(27,877,517)	(282,295)
Total Nonoperating Revenues (Expenses)	<u>(1,273,074)</u>	<u>(361,337)</u>	<u>(29,533,000)</u>	<u>3,003,971</u>	<u>(28,163,440)</u>	<u>1,637,933</u>
Income Before Contributions and Transfers	<u>6,208,741</u>	<u>10,765,985</u>	<u>49,056,000</u>	<u>7,257,621</u>	<u>73,288,347</u>	<u>7,146,382</u>
Capital Contributions	3,388,772	5,564,350	907,000	6,798,397	16,658,519	1,287,243
Plant Costs Recovered through Capital Contributions	-	-	(907,000)	-	(907,000)	-
Transfers In	1,482,970	688,710	-	346,854	2,518,534	1,644,000
Transfers Out	(8,493)	(10,310)	(9,792,000)	(4,248,038)	(14,058,841)	(182,548)
Change in Net Position	<u>11,071,990</u>	<u>17,008,735</u>	<u>39,264,000</u>	<u>10,154,834</u>	<u>77,499,559</u>	<u>9,895,077</u>
Net Position - Beginning of Year	<u>237,488,473</u>	<u>339,545,184</u>	<u>326,903,000</u>	<u>72,003,347</u>	<u>975,940,004</u>	<u>60,240,747</u>
Net Position - Ending	<u>\$ 248,560,463</u>	<u>356,553,919</u>	<u>366,167,000</u>	<u>82,158,181</u>	<u>1,053,439,563</u>	<u>70,135,824</u>

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, 2019

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 31,315,635	36,802,552	343,536,000	43,384,479	455,038,666	17,786,238
Receipts from Interfund Services Provided	98,897	838,692	6,692,000	2,077,903	9,707,492	69,040,524
Payments to Suppliers for Goods and Services	(3,558,807)	(4,631,730)	(174,698,000)	(18,735,477)	(201,624,014)	(56,904,679)
Payments to Employees	(8,382,165)	(8,988,681)	(33,595,000)	(15,768,891)	(66,734,737)	(17,029,143)
Payments for Interfund Services Provided	(3,661,378)	(4,252,325)	(2,096,000)	(3,892,691)	(13,902,394)	(4,688,407)
Other Receipts	-	-	-	2,693,626	2,693,626	-
Net Cash Provided by Operating Activities	<u>15,812,182</u>	<u>19,768,508</u>	<u>139,839,000</u>	<u>9,758,949</u>	<u>185,178,639</u>	<u>8,204,533</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	3,433,950	3,433,950	-
Payments in Lieu of Taxes	-	-	(10,724,000)	-	(10,724,000)	-
Transfers from Other Funds	-	-	-	346,854	346,854	1,644,000
Transfers to Other Funds	(8,493)	(10,310)	(9,645,000)	(4,248,038)	(13,911,841)	(182,547)
Advances from General Fund	-	-	-	13,712	13,712	4,685,320
Repayment of Advances from General Fund	-	-	-	(590,026)	(590,026)	(5,064,749)
Advances to Other Funds	(404,186)	(1,212,558)	-	(1,210,327)	(2,827,071)	(733,750)
Repayments from Other Funds	36,567	109,702	-	109,701	255,970	(583,750)
Grant Proceeds	-	-	-	109,004	109,004	-
Principal Payment of Long-Term Debt	-	-	-	(200,000)	(200,000)	-
Interest and Fiscal Charges Paid	-	-	-	(3,216)	(3,216)	-
Net Cash Used by Noncapital Financing Activities	<u>(376,112)</u>	<u>(1,113,166)</u>	<u>(20,369,000)</u>	<u>(2,238,386)</u>	<u>(24,096,664)</u>	<u>(235,476)</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(21,498,102)	(14,403,462)	(86,035,000)	(13,231,064)	(135,167,628)	(2,901,503)
Capital Contributions	845,912	2,218,957	907,000	30,080	4,001,949	-
Grant Proceeds	-	1,204,516	-	-	1,204,516	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	552,435
Insurance Recovery	-	-	-	1,650	1,650	-
Transfer from Other Funds	1,482,970	688,710	-	-	2,171,680	-
Proceeds from Issuance of Long-Term Debt	27,818,409	-	142,318,000	23,992,409	194,128,818	-
Cost of Debt Issuance	(268,639)	(41,175)	(872,000)	(324,838)	(1,506,652)	-
Net Cost of Retiring Plant	-	-	(1,502,000)	-	(1,502,000)	-
Principal Payments of Capital Lease	(20,883)	-	-	(366,749)	(387,632)	(1,585,215)
Principal Payments of Long-Term Debt	(4,858,054)	(4,636,755)	(79,480,000)	(810,000)	(89,784,809)	-
Interest and Fiscal Charges Paid	<u>(2,275,934)</u>	<u>(1,857,160)</u>	<u>(26,744,000)</u>	<u>(888,857)</u>	<u>(31,765,951)</u>	<u>(333,191)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,225,679</u>	<u>(16,826,369)</u>	<u>(51,408,000)</u>	<u>8,402,631</u>	<u>(58,606,059)</u>	<u>(4,267,474)</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	13,811,017	20,563,714	164,347,000	21,115,724	219,837,455	39,923,311
Purchases of Investments	(30,051,606)	(22,852,771)	(231,888,000)	(40,794,793)	(325,587,170)	(44,184,932)
Interest and Other Receipts	510,110	866,371	3,281,000	612,996	5,270,477	1,157,697
Net Cash Used by Investing Activities	<u>(15,730,479)</u>	<u>(1,422,686)</u>	<u>(64,260,000)</u>	<u>(19,066,073)</u>	<u>(100,479,238)</u>	<u>(3,103,924)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	931,270	406,287	3,802,000	(3,142,879)	1,996,678	597,659
Cash and Cash Equivalents - Beginning	1,025,151	1,297,250	23,442,000	9,963,858	35,728,259	2,317,610
Cash and Cash Equivalents - Ending	<u>\$ 1,956,421</u>	<u>1,703,537</u>	<u>27,244,000</u>	<u>6,820,979</u>	<u>37,724,937</u>	<u>2,915,269</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 to Net Cash Provided by Operating Activities						
Operating Income	\$ 7,481,815	11,127,322	78,589,000	4,253,650	101,451,787	5,508,449
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	9,035,758	9,064,851	52,448,000	5,573,108	76,121,717	3,665,402
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable and Unbilled Revenues	(774,418)	(803,651)	(996,000)	391,591	(2,182,478)	(8,944)
Due from Other Funds	-	-	-	100,041	100,041	156,339
Due from Other Governments	-	-	-	5,936	5,936	(70,925)
Inventories	9,316	16,653	(1,085,000)	25,047	(1,033,984)	(47,893)
Plant Operation Assets	-	-	4,120,000	-	4,120,000	-
Prepaid Expenses	-	-	-	5,374	5,374	(58,047)
Other Assets	-	-	(111,000)	-	(111,000)	-
Deferred Outflows for Pension	-	-	-	(1,455,575)	(1,455,575)	-
Deferred Outflows for OPEB	7,010	10,360	-	4,446	21,816	2,438
Accounts Payable	(144,308)	261,358	2,536,000	252,411	2,905,461	53,817
Accrued Liabilities	(32,836)	76,171	4,282,000	33,351	4,358,686	7,723
Accrued Compensated Absences	291,110	108,944	-	104,602	504,656	201,125
Due to Other Funds	-	-	-	(17,350)	(17,350)	(110,391)
Due to Other Governments	-	-	-	(9,970)	(9,970)	39,621
Unearned Revenue	-	-	-	(2,011,433)	(2,011,433)	6,639
Claims	-	-	56,000	-	56,000	(1,225,660)
Net Pension Liability	-	-	-	2,035,371	2,035,371	-
Total OPEB Liability	(90,019)	(134,346)	-	(21,323)	(245,688)	15,244
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	687,000	687,000	-
Deferred Inflows for Pension	-	-	-	(262,180)	(262,180)	-
Deferred Inflows for OPEB	28,754	40,846	-	64,852	134,452	69,596
Total Adjustments	8,330,367	8,641,186	61,250,000	5,505,299	83,726,852	2,696,084
Net Cash Provided by Operating Activities	<u>\$ 15,812,182</u>	<u>19,768,508</u>	<u>139,839,000</u>	<u>9,758,949</u>	<u>185,178,639</u>	<u>8,204,533</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 2,542,860	2,140,877	-	6,768,317	11,452,054	1,287,243
Capital Asset Trade-Ins	-	-	-	8,769	8,769	-
Purchase of Capital Assets on Account	4,484,741	2,901,003	2,446,000	961,633	10,793,377	112,988
Change in Fair Value of Investments	345,323	297,238	(539,000)	289,857	393,418	400,717
Refunding Bond Proceeds Delivered Directly to Trustee	-	11,720,622	-	-	11,720,622	-
Allowance for Funds in Construction	-	-	1,806,000	-	1,806,000	-

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2019

	Police & Fire Pension Trust Fund	Agency Funds
	<u>Trust Fund</u>	<u>Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,421,107	3,968,524
Investments:		
Pooled Investment Funds	3,169,638	-
Mutual Funds	122,433,344	-
Limited Partnership	72,885,553	-
Real Estate Limited Partnerships	46,067,744	-
Total Investments	<u>244,556,279</u>	<u>-</u>
Receivables:		
Contributions	709,149	-
Accrued Interest	10,801	-
Other	-	72,350
Due from Other Governments	277	-
Contractor Retainage	<u>-</u>	<u>67,617</u>
Total Assets	<u>246,697,613</u>	<u>4,108,491</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for OPEB	<u>341</u>	<u>-</u>
 LIABILITIES		
Warrants Payable	-	1,594,219
Accounts Payable	32,238	329,332
Accrued Liabilities	3,538	-
Accrued Compensated Absences	11,874	-
Due to Other Governments	8	914,170
Total OPEB Liability	6,090	-
Due to Contractors	-	1,152,844
Due to Bondholders	<u>-</u>	<u>117,926</u>
Total Liabilities	<u>53,748</u>	<u>4,108,491</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for OPEB	<u>784</u>	
 NET POSITION		
Net Position Restricted for Pensions	<u>\$ 246,643,422</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, 2019

	<u>Police & Fire Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 8,158,612
Employee	3,366,841
Total Contributions	<u>11,525,453</u>
Investment Earnings:	
Interest	112,178
Dividends	2,459,226
Increase in Fair Value of Investments	3,303,929
Investment Earnings	<u>5,875,333</u>
Less Investment Expense	<u>(372,072)</u>
Net Investment Earnings	<u>5,503,261</u>
Total Additions	<u>17,028,714</u>
Deductions:	
Benefit Payments	16,273,100
Refunds of Contributions	190,379
Administrative Costs	<u>317,674</u>
Total Deductions	<u>16,781,153</u>
Change in Net Position	247,561
Net Position Restricted for Pensions - Beginning	<u>246,395,861</u>
Net Position Restricted for Pensions - Ending	<u><u>\$ 246,643,422</u></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, 2019

(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/finance/account/westhay/audits.htm.

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, 2019. 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, 2018. The amounts included in the City's 2019 financial statements for LES are amounts as of and for the year ended December 31, 2018.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

The Street Construction Fund, a special revenue fund, accounts for the resources accumulated, primarily highway allocation fees received from the State of Nebraska, and the payments made for the maintenance, construction, and improvement of the streets and highways in the City. Certain capital outlay expenditures reported in this fund are paid with a combination of these restricted resources and the proceeds from previous bond issuances.

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

The City reports the following major enterprise funds:

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Additionally, the City reports the following fund types:

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

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

The Agency Funds account for the collection of various taxes, fines, and fees due to other government entities; funds held in escrow for homeowners; good faith money due to contractors upon project completion; funds held for payroll taxes and other payroll related payables; funds held to pay outstanding warrants; funds to pay phone system charges; funds to pay matured bonds and coupons for which the City Treasurer is trustee; and reserve funds held for the Public Building Commission Bonds.

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

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

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

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

ASSETS, LIABILITIES, AND NET POSITION OR FUND EQUITY

Deposits and Investments

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

Receivables and Payables

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

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

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

Inventories and Prepaid Items

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

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

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

Plant Operation Assets

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

Costs Recoverable from Future Billings

Certain income and expense items of the Wastewater System, Water System, and LES, which would be recognized during the current period are deferred and not included in the determination of the change in net position until such costs are expected to be recovered through rates, in accordance with the regulated operations provisions of GASB Statement No. 62.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drainage systems, street lights, 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, 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

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

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

Compensated Absences

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

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

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

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

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. For current and advance refundings 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Fund Equity

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

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

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

The City has established a policy intended to address the primary consideration of meeting unanticipated short-term cash flow needs of the City and the long-term goal of managing General Fund balances in a manner that at all times preserves the City's ability to meet its cash flow needs. No less than twenty percent of the ensuing year's General Fund budget is to be set aside to meet excess cash flow needs. Currently \$35,146,421 of the General Fund's spendable and unrestricted fund balance meets the requirements of this policy.

Net Position Classification

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

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

Restricted – This component of net position consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use through external parties such as creditors (debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$198,327,278 of restricted net position, of which enabling legislation restricts \$31,840,323.

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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.

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

ENDOWMENTS

The Community Health Permanent Endowment Fund was established in 1997 with the \$37,000,000 cash proceeds realized by the City from the sale of Lincoln General Hospital, and may be increased by donations, bequests, or appropriations to the fund. Investment earnings of the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln. Earnings deposited with the City Treasurer shall be paid out only by order of those persons designated by the Community Health Endowment (CHE) Board of Trustees as outlined in the Fiscal and Budget Directives policy between the CHE and the City. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The current amount of net appreciation available for expenditure is \$26,580,678, 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

In 2019 the City implemented the provisions of the following GASB Statements:

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations. An asset retirement obligation is defined as a legally enforceable liability associated with the retirement of a tangible capital asset. It also enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to the asset retirement obligations. The implementation of Statement 83 did not have an impact on the City's current financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement specifies disclosures that should be made in the financial statements related to debt. It also provides a definition of debt so that governments know which type of liabilities should be included in those disclosures. If a government has direct borrowings or direct placements, disclosure related to these should be provided separately from disclosures related to other types of debt. The implementation of Statement 88 is evidenced by changes in the Debt Obligations footnote and separate disclosure of the City's direct borrowings.

(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 \$562,543,658 difference are as follows:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Bonds Payable	\$ 421,261,646
Less issuance discounts	(988,582)
Plus issuance premiums	13,494,999
Plus deferred gain on refunding	843,272
Less deferred loss on refunding	(641,514)
Capital Leases Payable	25,258,856
Accrued Interest Payable	4,301,362
Net Pension Liability	74,070,489
Deferred Outflows for Pension	(21,646,007)
Deferred Inflows for Pension	7,582,293
Total OPEB Liability	15,065,257
Deferred Outflows for OPEB	(844,389)
Deferred Inflows for OPEB	1,938,989
Compensated Absences	22,845,798
Other	1,189
Net difference	<u>\$ 562,543,658</u>

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$30,076,937 difference are as follows:

Capital outlay	\$ 74,881,566
Depreciation expense	(44,804,629)
Net difference	<u>\$ 30,076,937</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(1,583,689) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation stormwater bonds	\$ (9,900,000)
Issuance of direct borrowing loan	(2,175,079)
Issuance of tax allocation bonds	(128,200)
Issuance of certificates of participation	(3,440,000)
Issuance premiums	(1,600,192)
Amortization of deferred premiums, discounts, and amounts from refundings	853,234
Principal repayments	14,806,548
Net difference	<u>\$ (1,583,689)</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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 \$(2,537,506) difference are as follows:

Loss on disposal of capital assets	\$ (893,379)
Accrued interest	83,986
Compensated absences	(1,662,136)
Other	(65,977)
Net difference	<u>\$ (2,537,506)</u>

(3) RESTRICTED ASSETS

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

A recap of the proprietary funds restrictions and related balances at August 31, 2019, are as follows:

Fund Account	Parking System	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Total
Principal and Interest	\$ -	-	1,711,986	405,374	17,352,000	19,469,360
Reserve	-	1,117,084	6,977,186	5,211,450	19,235,000	32,540,720
Surplus	-	-	15,964,880	7,824,949	-	23,789,829
Renewal and Replacement	2,521,620	-	-	-	-	2,521,620
Capital Construction and Equipment	19,087,303	50,365	-	-	-	19,137,668
Customer/Developer Deposits	-	-	-	-	2,136,000	2,136,000
Claims	-	-	-	-	1,935,000	1,935,000
Total	<u>\$ 21,608,923</u>	<u>1,167,449</u>	<u>24,654,052</u>	<u>13,441,773</u>	<u>40,658,000</u>	<u>101,530,197</u>

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

(4) DEPOSITS AND INVESTMENTS

DEPOSITS

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

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to provide a bond, provide a Federal Home Loan Bank letter of credit, or to pledge government securities (types of which are specifically identified in the Statutes) 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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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, 2019.

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 48, the City's remaining investments carried at net asset value have no unfunded commitments and these investments can be redeemed at any time. These investments have been noted with NAV in the table below.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

At August 31, 2019, the City had the following investments, maturities, credit ratings, and fair value measurement:

	August 31, 2019							
	Maturities in Years							
Type	Carrying Value	Less than 1	1-5	6-10	More than 10	Moody's	Credit Rating S&P	Hierarchy Level
General City:								
U.S. Treasury Obligations	\$ 222,480,662	208,895,218	12,042,178	1,543,266	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	266,081,910	175,084,948	84,389,023	6,607,939	-	Aaa	AA+	2
Commercial Issuers (Commercial Paper)	94,514,000	94,514,000	-	-	-	P1	A1	2
Commercial Issuers (Commercial Paper)	2,439,000	2,439,000	-	-	-	P2	A2	2
Money Market Funds - U.S. Treasury	3,956,546	3,956,546	-	-	-	Aaa-mf	AAAm	N/A
Money Market Funds - U.S. Agencies	16,554,609	16,554,609	-	-	-	Aaa	AAAm	N/A
Money Market Funds	20,328,000	20,328,000	-	-	-	Not rated	Not rated	N/A
External Investment Trust	11,840,000	11,840,000	-	-	-	Not rated	Not rated	N/A
Tax Increment Financing Investments	9,227,460	-	1,163,048	3,629,388	4,435,024	Not rated	Not rated	2
Equities	3,962,904	3,962,904	-	-	-	Not rated	Not rated	1
Total General City	651,385,091	537,575,225	97,594,249	11,780,593	4,435,024			
Community Health Endowment:								
Money Market Mutual Funds	1,196,905	1,196,905	-	-	-	Not rated	Not rated	N/A
Institutional funds	-	-	-	-	-			
Fixed Income	8,927,473	-	4,178,417	4,729,858	19,198	Not rated	Not rated	NAV
Intermediate Term Credit	1,800,034	-	1,800,034	-	-	Not rated	Not rated	NAV
Large Cap Equity	7,622,718	7,622,718	-	-	-	Not rated	Not rated	NAV
International Equity	12,939,737	12,939,737	-	-	-	Not rated	Not rated	NAV
High-Yield Bonds	6,583,770	-	-	6,583,770	-	Not rated	Not rated	NAV
Emerging Markets Equity	1,826,873	1,826,873	-	-	-	Not rated	Not rated	NAV
Mid Cap Equity	2,453,434	2,453,434	-	-	-	Not rated	Not rated	NAV
U.S. Treasuries	4,774,220	-	4,774,220	-	-	Not rated	Not rated	NAV
Small Cap Equity	2,418,897	2,418,897	-	-	-	Not rated	Not rated	NAV
Commodities	4,770,247	4,770,247	-	-	-	Not rated	Not rated	NAV
Real Estate	4,848,693	4,848,693	-	-	-	Not rated	Not rated	NAV
Limited Partnership	210,669	210,669	-	-	-	Not rated	Not rated	NAV
Total Community Health Endowment:	60,373,670	38,288,173	10,752,671	11,313,628	19,198			
Police & Fire Pension Trust:								
Mutual Funds	122,433,344	122,433,344	-	-	-	Not rated	Not rated	1
Limited Partnerships	72,885,553							NAV
Real Estate Limited Partnerships	46,067,744							NAV
Total Police & Fire Pension Trust	241,386,641							
Total Primary Government	\$ 953,145,402							

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, 2019 that are classified within Level 3 of the hierarchy.

INVESTMENT POLICIES

General City Policy

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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 not 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 are allowed to exceed 10 years as the interest rates are guaranteed by the fund and the investment is made within the City's funds.

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

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

The external investment funds are held in the City's idle fund pool and are comprised of Nebraska Public Agency Investment Trust (NPAIT) and Short-Term Federal Investment Trust (STFIT) funds. These Funds are carried by the City at amortized cost. NPAIT 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	15.80 %	40.00 %
Federal Home Loan Mortgage Corporation	13.35	40.00
Federal National Mortgage Association	5.33	40.00
Federal Farm Credit Bank	6.38	40.00
Federal Agricultural Mortgage Corporation	0.00	25.00

Community Health Endowment (CHE) Policy

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is CHE's policy to limit its investments in fixed income securities to issues with at least BBB-/Baa3 ratings. Short-term fixed income issues should have a minimum A-2/P-2 rating. None of CHE's investments were rated at August 31, 2019.

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

Foreign Currency Risk. This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. CHE had no investment denominated in foreign currency at August 31, 2019.

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 is allowed to 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, 2019:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

<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	15.0
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 currently held by the Plan are greater than 5% of the Plan's fiduciary net position:

Vanguard Total Stock Market Index	25.17 %
RREEF America REIT II	11.00
American New Perspective R6	10.90
J.P. Morgan Core Bond Fund	9.87
Dodge and Cox Global Stock Fund	9.37
Prudential PRISA III LP	5.29
Bain Capital Senior Loan Fund	5.27
Parametric Defensive Equity Fund LLC	5.19
Bpif Non-Taxable LP	5.07

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

Tenaska TPF II, LP - \$66,521
Aberdeen U.S. Private Equity VI - \$630,000
Greenspring Partners IX-B - \$3,990,000
Warburg Pincus Global Growth - \$3,288,250
Weathergage Venture Capital IV - \$1,200,000
Golub Capital Partners International Fund 11 - \$1,300,000
Principal Real Estate Debt Fund II - \$2,717,867

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2019:

	Totals		
Investments	\$ 953,145,402		
Deposits and Cash on Hand	11,300,354		
	<u>\$ 964,445,756</u>		
	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals
Cash and Cash Equivalents	\$ 50,158,889	5,389,631	55,548,520
Investments	532,585,474	244,556,279	777,141,753
Restricted Assets:			
Cash and Cash Equivalents	10,306,757	-	10,306,757
Investments	121,448,726	-	121,448,726
	<u>\$ 714,499,846</u>	<u>249,945,910</u>	<u>964,445,756</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

(5) **FUND BALANCES**

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

	Major Funds			Other	
	General	Street	West	Governmental	
	Fund	Construction	Haymarket	Funds	Total
			JPA		
Fund Balances:					
Nonspendable:					
Inventory	\$ 39,523	371,925	-	876,613	1,288,061
Prepaid Items	287,503	-	305,746	-	593,249
Permanent Fund Principal	-	-	-	37,160,000	37,160,000
Total Nonspendable	327,026	371,925	305,746	38,036,613	39,041,310
Restricted For:					
Capital Improvements	3,956,547	37,094,139	1,040,986	23,436,053	65,527,725
Human Services	1,383,479	-	-	-	1,383,479
Donor Purposes	3,345,248	-	-	3,340,811	6,686,059
Agency Activities	-	-	1,728,421	-	1,728,421
Land Purchases	-	-	-	3,720,343	3,720,343
Social Security Obligations	-	-	-	1,539,024	1,539,024
Community Betterment	-	-	-	5,133,659	5,133,659
Federal Loan Programs	-	-	-	17,901,000	17,901,000
Grant Programs	-	-	-	543,636	543,636
Special Assessment Improvements	-	-	-	338,756	338,756
Debt Service	-	-	-	8,230,190	8,230,190
Health Care	-	-	-	26,669,763	26,669,763
Claims Contingencies	-	-	-	865,000	865,000
Library Media	-	-	-	815,342	815,342
Street Maintenance	-	-	-	923,429	923,429
Total Restricted	8,685,274	37,094,139	2,769,407	93,457,006	142,005,826
Committed To:					
Public Access Television	-	-	-	120,295	120,295
Debt Service	-	-	-	109,791	109,791
Total Committed	-	-	-	230,086	230,086
Assigned To:					
Capital Improvements	-	17,954,541	-	-	17,954,541
Donor Purposes	922,216	-	-	-	922,216
Public Improvements	-	-	-	190,242	190,242
Athletic Facility Improvements	816,228	-	-	-	816,228
Senior Care	1,661,262	-	-	-	1,661,262
Emergency Communications	2,759,726	-	-	-	2,759,726
Economic Development Projects	5,144,995	-	-	-	5,144,995
Debt Service	-	-	37,803,473	-	37,803,473
Land Purchases	-	-	-	183,090	183,090
Public Access Television	-	-	-	229,725	229,725
Library Services	-	-	-	3,501,940	3,501,940
Health Care	-	-	-	4,210,610	4,210,610
Social Security Obligations	-	-	-	510,809	510,809
Public Transportation	-	-	-	4,269,428	4,269,428
Community Betterment	-	-	-	322,715	322,715
Building Code Enforcement	-	-	-	11,167,458	11,167,458
Park Projects	-	-	-	139,496	139,496
Subsequent Year's Appropriated Fund Balance	6,710,455	-	-	-	6,710,455
Other Purposes	195,661	-	-	-	195,661
Total Assigned	18,210,543	17,954,541	37,803,473	24,725,513	98,694,070
Unassigned	36,948,163	-	-	(298,670)	36,649,493
Total Fund Balances	\$ 64,171,006	55,420,605	40,878,626	156,150,548	316,620,785

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

(6) RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables at August 31, 2019, consist of the following (in thousands):

Fund	Taxes	Accounts	Accrued Interest	Loans	Special Assessment		Contributions	Gross Receivables	Allowance For Uncollectibles	Net
					Current	Deferred				
General	\$ 4,783	2,248	223	-	-	-	-	7,254	-	7,254
Street Construction	-	22	207	-	-	-	-	229	-	229
West Haymarket JPA	1,728	370	287	-	-	-	-	2,385	-	2,385
Wastewater System	-	5,812	-	-	-	-	-	5,812	-	5,812
Water System	-	8,432	-	-	-	-	-	8,432	-	8,432
Electric System	-	36,319	1,176	-	-	-	-	37,495	960	36,535
Nonmajor -										
Special Revenue	1,727	424	297	22,188	-	-	-	24,636	4,287	20,349
Debt Service	1,808	120	48	-	396	1,829	-	4,201	162	4,039
Capital Projects	-	9	100	-	-	-	-	109	-	109
Permanent	-	-	7	-	-	-	-	7	-	7
Enterprise	-	6,871	173	-	-	-	-	7,044	3,001	4,043
Internal Service	-	217	305	-	-	-	-	522	-	522
Fiduciary	-	72	11	-	-	-	709	792	-	792
Total	\$ 10,046	60,916	2,834	22,188	396	1,829	709	98,918	8,410	90,508

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2019, were \$112,897.

The total of Due From Other Governments of \$26,447,522 includes the following significant items:

Fund/Fund Type	Amount	Service
General/Major Governmental	\$13,878,301	State of Nebraska, July/August Sales & Use Tax
	604,387	August Motor Vehicle Taxes Collected by Lancaster County
	7,257	August Property Tax Interest Collected by Lancaster County
	258,524	Federal Government, Cost Reimbursements
	127,433	Lancaster County, Cost Reimbursements
Street Construction/Major Governmental	5,143,956	State of Nebraska, July/August Highway User Fees
	155,548	State of Nebraska, Cost Reimbursements
	35,736	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	764,617	Federal Government, Cost Reimbursements
StarTran/Special Revenue	43,623	Federal Government, Cost Reimbursements
Federal Grants/Special Revenue	2,352,177	Federal Government, Cost Reimbursements
	435,978	State of Nebraska, Cost Reimbursements
Vehicle Tax Residual Revenue/Special Revenue	899,480	August Motor Vehicle Taxes Collected by Lancaster County
Special Assessment/Debt Service	7,499	August Special Assessments Collected by Lancaster County
Vehicle Tax/Capital Projects	899,480	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Bonds/Capital Projects	327,210	Federal Government, Cost Reimbursements
Other Capital Projects/Capital Projects	305,549	Federal Government, Cost Reimbursements
Pinnacle Bank Arena/Enterprise	25,204	University of Nebraska Billings
Information Services/Internal Service	97,744	Lancaster County Billings
Police Garage/Internal Service	35,650	State of Nebraska Billings
Subtotal	26,405,353	
All other	42,169	
Total Due From Other Governments	<u>\$26,447,522</u>	

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

(7) CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 170,489,231	2,457,400	832,656	-	172,113,975
Construction in Progress	86,788,033	43,415,070	27,691,870	(4,109,952)	98,401,281
Total Capital Assets, not being Depreciated	<u>257,277,264</u>	<u>45,872,470</u>	<u>28,524,526</u>	<u>(4,109,952)</u>	<u>270,515,256</u>
Capital Assets, being Depreciated:					
Buildings	355,802,639	16,642,058	23,549	-	372,421,148
Improvements Other Than Buildings	141,836,322	2,707,505	44,813	-	144,499,014
Machinery and Equipment	114,561,615	21,099,499	4,627,029	28,157	131,062,242
Infrastructure	990,136,419	31,553,059	143,038	-	1,021,546,440
Total Capital Assets, being Depreciated	<u>1,602,336,995</u>	<u>72,002,121</u>	<u>4,838,429</u>	<u>28,157</u>	<u>1,669,528,844</u>
Less Accumulated Depreciation for:					
Buildings	74,095,503	8,136,550	23,550	-	82,208,503
Improvements Other Than Buildings	48,738,779	4,498,225	28,533	-	53,208,471
Machinery and Equipment	72,065,318	7,622,379	4,352,691	28,157	75,363,163
Infrastructure	352,861,689	28,212,877	132,020	-	380,942,546
Total Accumulated Depreciation	<u>547,761,289</u>	<u>48,470,031</u>	<u>4,536,794</u>	<u>28,157</u>	<u>591,722,683</u>
Total Capital Assets, being Depreciated, Net	<u>1,054,575,706</u>	<u>23,532,090</u>	<u>301,635</u>	<u>-</u>	<u>1,077,806,161</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,311,852,970</u>	<u>69,404,560</u>	<u>28,826,161</u>	<u>(4,109,952)</u>	<u>1,348,321,417</u>
	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 25,448,134	7,036,897	-	-	32,485,031
Construction in Progress	144,854,937	127,360,902	108,381,977	-	163,833,862
Total Capital Assets, not being Depreciated	<u>170,303,071</u>	<u>134,397,799</u>	<u>108,381,977</u>	<u>-</u>	<u>196,318,893</u>
Capital Assets, being Depreciated:					
Buildings	243,729,703	3,220,185	9,765	-	246,940,123
Improvements Other Than Buildings	763,946,964	53,012,036	106,124	4,109,952	820,962,828
Machinery and Equipment	61,193,180	5,119,593	667,032	(28,157)	65,617,584
Utility Plant	1,521,767,000	57,326,000	8,619,000	-	1,570,474,000
Total Capital Assets, being Depreciated	<u>2,590,636,847</u>	<u>118,677,814</u>	<u>9,401,921</u>	<u>4,081,795</u>	<u>2,703,994,535</u>
Less Accumulated Depreciation for:					
Buildings	100,883,524	5,415,481	9,765	-	106,289,240
Improvements Other Than Buildings	254,512,038	14,995,615	101,242	-	269,406,411
Machinery and Equipment	39,290,357	3,262,621	629,048	(28,157)	41,895,773
Utility Plant	734,545,000	52,448,000	10,121,000	-	776,872,000
Total Accumulated Depreciation	<u>1,129,230,919</u>	<u>76,121,717</u>	<u>10,861,055</u>	<u>(28,157)</u>	<u>1,194,463,424</u>
Total Capital Assets, being Depreciated, Net	<u>1,461,405,928</u>	<u>42,556,097</u>	<u>(1,459,134)</u>	<u>4,109,952</u>	<u>1,509,531,111</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,631,708,999</u>	<u>176,953,896</u>	<u>106,922,843</u>	<u>4,109,952</u>	<u>1,705,850,004</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 1,848,132
Public Safety	2,683,363
Streets and Highways, including Infrastructure	27,665,119
Culture and Recreation	10,352,309
Economic Opportunity	46,237
Health and Welfare	365,740
Mass Transit	1,843,729
Subtotal	<u>44,804,629</u>
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	3,665,402
Total Depreciation Expense - Governmental	<u>\$ 48,470,031</u>
Business-type Activities:	
Golf	\$ 375,986
Parking System	2,101,205
Pinnacle Bank Arena	41,749
Solid Waste Management	2,268,943
Emergency Medical Services	291,538
Broadband Enterprise	493,687
Wastewater System	9,035,758
Water System	9,064,851
Lincoln Electric System	52,448,000
Total Depreciation Expense - Business-type	<u>\$ 76,121,717</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	\$ 6,995,636	896,245	-	7,891,881
Construction in Progress	7,642,088	22,709,717	19,454,471	10,897,334
Total Capital Assets, not being Depreciated	<u>14,637,724</u>	<u>23,605,962</u>	<u>19,454,471</u>	<u>18,789,215</u>
Capital Assets, being Depreciated:				
Buildings	81,530,458	33,995	-	81,564,453
Improvements Other Than Buildings	323,087,528	20,604,437	-	343,691,965
Machinery and Equipment	13,785,451	1,362,925	90,363	15,058,013
Total Capital Assets, being Depreciated	<u>418,403,437</u>	<u>22,001,357</u>	<u>90,363</u>	<u>440,314,431</u>
Less Accumulated Depreciation for:				
Buildings	36,142,556	1,839,114	-	37,981,670
Improvements Other Than Buildings	109,171,814	6,455,807	-	115,627,621
Machinery and Equipment	8,335,229	740,837	79,248	8,996,818
Total Accumulated Depreciation	<u>153,649,599</u>	<u>9,035,758</u>	<u>79,248</u>	<u>162,606,109</u>
Total Capital Assets, being Depreciated, Net	<u>264,753,838</u>	<u>12,965,599</u>	<u>11,115</u>	<u>277,708,322</u>
Wastewater System Capital Assets, Net	<u>\$ 279,391,562</u>	<u>36,571,561</u>	<u>19,465,586</u>	<u>296,497,537</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,737,347	19,362	-	5,756,709
Construction in Progress	18,937,236	14,348,864	27,083,160	6,202,940
Total Capital Assets, not being Depreciated	<u>24,674,583</u>	<u>14,368,226</u>	<u>27,083,160</u>	<u>11,959,649</u>
Capital Assets, being Depreciated:				
Buildings	82,113,847	960,115	-	83,073,962
Improvements Other Than Buildings	375,785,802	27,163,478	-	402,949,280
Machinery and Equipment	26,957,943	1,488,168	164,516	28,281,595
Total Capital Assets, being Depreciated	<u>484,857,592</u>	<u>29,611,761</u>	<u>164,516</u>	<u>514,304,837</u>
Less Accumulated Depreciation for:				
Buildings	34,206,968	1,671,713	-	35,878,681
Improvements Other Than Buildings	112,699,759	6,214,148	-	118,913,907
Machinery and Equipment	18,740,385	1,178,990	144,543	19,774,832
Total Accumulated Depreciation	<u>165,647,112</u>	<u>9,064,851</u>	<u>144,543</u>	<u>174,567,420</u>
Total Capital Assets, being Depreciated, Net	<u>319,210,480</u>	<u>20,546,910</u>	<u>19,973</u>	<u>339,737,417</u>
Water System Capital Assets, Net	<u>\$ 343,885,063</u>	<u>34,915,136</u>	<u>27,103,133</u>	<u>351,697,066</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 116,933,000	86,640,000	58,828,000	144,745,000
Capital Assets, being Depreciated:				
Utility Plant	1,521,767,000	57,326,000	8,619,000	1,570,474,000
Less Accumulated Depreciation	734,545,000	52,448,000	10,121,000	776,872,000
Total Capital Assets, being Depreciated, Net	<u>787,222,000</u>	<u>4,878,000</u>	<u>(1,502,000)</u>	<u>793,602,000</u>
Electric System Capital Assets, Net	<u>\$ 904,155,000</u>	<u>91,518,000</u>	<u>57,326,000</u>	<u>938,347,000</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.

Lincoln Electric System utility plant includes an allowance for funds used during construction for projects costing in excess of \$500,000. The allowance for funds used during construction is based on LES' true interest cost of the most recent borrowing. The rate for 2018 was 2.3% from January to June and 3.2% from July to December.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2019, consist of the following:

Due To	Due From						Total
	General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	389	130	351,496	125,702	54	477,771
Street Construction	1,240,365	-	-	10,595,643	-	4,575	11,840,583
Nonmajor Governmental	2,274,002	-	160,000	1,693,437	7,830	-	4,135,269
Lincoln Wastewater System	413,455	-	-	1,313,435	-	-	1,726,890
Lincoln Water System	1,240,365	-	-	5,570,401	-	-	6,810,766
Nonmajor Enterprise	1,240,451	14,764	228,370	15,314	-	-	1,498,899
Internal Service	2,175,885	159,271	54,072	73,113	25,188	112,315	2,599,844
Total	\$ 8,584,523	174,424	442,572	19,612,839	158,720	116,944	29,090,022

“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, 2019, consist of the following:

Transfer To	Transfer From									Total
	General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Lincoln Wastewater	Lincoln Water System	Lincoln Electric System	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	11,553	-	883,210	8,493	10,310	9,897,044	2,268,661	9,916	13,089,187
Street Construction	5,497,430	-	-	19,959,624	-	-	-	344,397	37,000	25,838,451
Nonmajor Governmental	31,025,892	5,009,893	160,000	4,755,837	-	-	-	1,634,980	35,632	42,622,234
Lincoln Wastewater	-	-	-	1,482,970	-	-	-	-	-	1,482,970
Lincoln Water System	-	-	-	688,710	-	-	-	-	-	688,710
West Haymarket JPA	-	-	-	217,370	-	-	-	-	-	217,370
Nonmajor Enterprise	44,954	-	201,900	-	-	-	-	-	100,000	346,854
Internal Service	305,454	1,338,546	-	-	-	-	-	-	-	1,644,000
Total	\$ 36,873,730	6,359,992	361,900	27,987,721	8,493	10,310	9,897,044	4,248,038	182,548	85,929,776

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.

The \$105,044 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.

(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, 2018, LES had \$65.5 million of tax-exempt 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, 2018, was 1.42%. The outstanding commercial paper notes are secured by a revolving credit agreement. There were no advances outstanding under the credit agreement at December 31, 2018. 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 2018 was 62 days.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Commercial paper activity for the year ended December 31, 2018, is as follows:

	Beginning			Ending	Due Within
Lincoln Electric System:	Balance	Additions	Reductions	Balance	One Year
Commercial Paper Notes	\$ 95,500,000	493,000,000	(523,000,000)	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 \$1,545,479, \$3,665,997, \$1,116,232, and \$2,012,273 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

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

	Governmental Activities	Business-Type Activities
Land	\$ 1,780,066	\$ 199,546
Buildings	28,996,161	1,647,945
Improvements	5,070,465	-
Infrastructure	30,925,499	-
Machinery and Equipment	10,988,333	3,293,849
Construction in Progress	-	-
Less Accumulated Depreciation, (where applicable)	(22,605,604)	(2,544,400)
Total	\$ 55,154,920	\$ 2,596,940

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

In January 2019, the City executed a Promissory Note in the aggregate principal amount of \$2,175,079, with an interest rate of 1.95% per annum, and final maturity date of January 15, 2034. The note is issued to provide financing for a portion of the costs of various HVAC and lighting improvements and related equipment in and for the City Libraries and Park's facilities. The note is secured by and payable from any and all general fund resources of the City, including but not limited to any and all authorized levies of taxes.

In July 2019, the Parking System issued \$21,285,000 of General Obligation Parking System and Refunding Bonds with an average interest rate of 2.532% to refund \$23,990,000 of Parking System Revenue Bonds, Series 2011 and 2012. The System completed the advance refunding to reduce its total debt service payments for the next 13 years by \$2,280,643 for an economic gain (difference between the present values of the old and new debt service payments) of \$2,084,485. At August 31, 2019, \$22,610,000 of Series 2011 and 2012 Bonds remain outstanding.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

In August 2019, the Water System issued \$10,170,000 of Water Revenue Refunding Bonds with an average interest rate of 3.971% to refund \$11,180,000 of Water Revenue Bonds, Series 2009. The System completed the refunding to reduce its total debt service payments for the next 15 years by \$2,413,462 for an economic gain (difference between the present values of the old and new debt service payments) of \$2,081,929.

During 2018, LES replaced its existing revolving credit agreement with The Bank of Tokyo-Mitsubishi with a similar agreement with JPMorgan Chase Bank, National Association, dated August 24, 2018. The new agreement expires on August 23, 2021. The revolving credit agreement, which primarily supports LES' commercial paper program, also includes a Note Purchase Agreement which provides LES the ability to borrow monies on a short-term basis. There was \$1.5 million outstanding under the Note Purchase Agreement as of December 31, 2018. Amounts outstanding under the agreement reduce the amount available under the revolving credit agreement.

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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:							
\$ 8,200	02/10/11	Stormwater Bonds	2.000 - 4.500	Serial 2013 to 2030	2020	Semiannually	\$ 5,545
19,290	06/21/11	Refunding	0.200 - 5.000	Serial 2011 to 2022	2019	"	3,485
8,090	06/26/12	Refunding	1.000 - 3.000	Serial 2013 to 2023	---	"	2,585
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	4,600
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
5,720	04/15/15	Stormwater Refunding Bonds	1.000 - 5.000	Serial 2016 to 2025	---	"	3,590
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	5,750
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	---	"	3,715
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2020 to 2039	2029	"	9,900
Total General Bonds							<u>\$ 40,685</u>
Tax Allocation Bonds:							
\$ 601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	"	\$ 375
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	9
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	18
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	150
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	48
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	1,555
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	87
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	54
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	109
600	12/01/16	Tax Allocation Bonds	2.300	Serial 2018 to 2021	Anytime	"	389
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	87
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	128
Total Tax Allocation Bonds							<u>\$ 3,009</u>
Tax Supported Bonds:							
\$ 28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	Semiannually	\$ 13,790
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	"	12,125
16,515	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Serial 2016 to 2031	2023	"	12,890
2,635	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Term 2035	2023	"	2,635
5,850	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Term 2037	2023	"	5,850
Total Tax Supported Bonds							<u>\$ 47,290</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 420
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	"	1,970
Total Special Assessment Bonds							<u>\$ 2,765</u>
West Haymarket Joint Public Agency Bonds:							
\$ 31,515	09/08/10	Facility Bonds Taxable Build America Bonds	3.500 - 4.450	Serial 2020 to 2030	Anytime	Semiannually	\$ 31,515
68,485	09/08/10	Facility Bonds Taxable Build America Bonds	4.750 / 5.000	Term 2035 & 2045	Anytime	"	68,485
15,785	12/01/10	Facility Bonds Taxable Build America Bonds	4.000 - 5.000	Serial 2020 to 2025	Anytime	"	15,785
52,180	12/01/10	Facility Bonds Taxable Build America Bonds	5.400 / 5.800 / 6.000	Term 2030 2035 2039	Anytime	"	52,180
32,035	12/01/10	Recovery Zone Economic Development	6.750	Term 2045	Anytime	"	32,035
44,290	08/24/11	Facility Bonds	3.500 - 5.000	Serial 2021 to 2032	2021	"	44,290
55,710	08/24/11	Facility Bonds	4.250 / 5.000	Term 2036 & 2042	2021	"	55,710
20,850	12/04/13	Facility Bonds	2.000 - 5.000	Serial 2014 to 2038	2023	"	18,075
7,325	12/04/13	Facility Bonds	4.500	Term 2043	2023	"	7,325
Total West Haymarket Joint Public Agency Bonds							<u>\$ 325,400</u>
TOTAL GENERAL OBLIGATION BONDS							<u><u>\$ 419,149</u></u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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	\$ 23,305
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	9,365
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	12,065
20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	"	20,120
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>\$ 70,540</u>
\$ 10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	---	"	3,420
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	"	14,960
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	10,170
Total Water Bonds							<u>\$ 28,550</u>
\$ 48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.3000 - 3.000	Serial 2020 to 2035	2029	Semiannually	\$ 41,720
Total Parking Bonds							<u>\$ 48,375</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 4,485
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	4,610
Total Solid Waste Management Bonds							<u>\$ 9,095</u>
\$ 93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2013	Semiannually	\$ 1,150
247,150	08/15/12	Electric Revenue and Refunding Bonds	1.000 - 5.000	Serial 2013 to 2032	2022	"	186,855
30,165	08/15/12	Electric Revenue and Refunding Bonds	3.625 - 5.000	Term 2037	2022	"	30,165
75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	"	75,525
127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	"	127,090
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	"	80,095
121,205	07/01/18	Electric Revenue Bonds	3.000 - 5.000	Serial 2025 to 2034	2027	"	121,205
Total Electric Bonds							<u>\$ 662,795</u>
TOTAL REVENUE BONDS							<u>\$ 819,355</u>

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

Fiscal Year Ended August 31	Governmental Activities					
	General Obligation Bonds		Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 10,853	19,514	127	41	5,574	990
2021	14,866	19,147	130	39	4,809	893
2022	18,338	18,525	132	36	4,862	746
2023	19,026	17,763	135	33	4,258	600
2024	17,946	16,967	137	31	4,390	460
2025 - 2029	73,906	74,670	730	112	10,735	710
2030 - 2034	75,209	58,407	721	36	805	26
2035 - 2039	82,565	39,813	-	-	-	-
2040 - 2044	83,460	17,792	-	-	-	-
2045 - 2049	22,980	1,363	-	-	-	-
Total	<u>\$ 419,149</u>	<u>283,961</u>	<u>2,112</u>	<u>328</u>	<u>35,433</u>	<u>4,425</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 34,400	34,500	2,044	642	444	34
2021	40,700	32,939	2,083	602	449	25
2022	42,195	31,087	2,123	561	346	16
2023	43,050	29,242	2,164	520	139	9
2024	45,010	27,254	2,006	477	143	5
2025 - 2029	222,030	109,517	10,695	1,722	61	1
2030 - 2034	233,940	63,296	9,852	554	-	-
2035 - 2039	123,355	18,576	-	-	-	-
2040 - 2044	34,675	2,314	-	-	-	-
Total	<u>\$ 819,355</u>	<u>348,725</u>	<u>30,967</u>	<u>5,078</u>	<u>1,582</u>	<u>90</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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
2020	\$ 5,689	2,864	4,682	1,374	22,750	29,146
2021	5,758	2,784	4,866	1,176	28,615	28,039
2022	5,939	2,594	4,702	1,013	30,045	26,608
2023	6,146	2,382	3,862	857	31,455	25,201
2024	6,353	2,154	3,993	736	33,020	23,636
2025 - 2029	31,611	7,091	9,490	2,064	171,655	97,645
2030 - 2034	14,620	3,047	8,612	693	208,875	57,964
2035 - 2039	6,045	1,605	-	-	108,710	16,206
2040 - 2044	7,005	643	-	-	27,670	1,671
Total	\$ 89,166	25,164	40,207	7,913	662,795	306,116

Long-term liability activity for the year ended August 31, 2019, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bond, Notes, and Leases Payable:					
General Bonds	\$ 35,275	9,900	(4,490)	40,685	4,610
Tax Allocation Bonds	3,738	128	(857)	3,009	608
Tax Supported Bonds	52,005	-	(4,715)	47,290	4,840
Special Assessment Debt with Government Commitment	2,955	-	(190)	2,765	190
West Haymarket Joint Public Agency Bonds	325,980	-	(580)	325,400	605
Note from Direct Borrowing	-	2,175	(63)	2,112	127
Capital Leases	37,490	3,440	(5,497)	35,433	5,574
Gross Bonds and Leases Payable	457,443	15,643	(16,392)	456,694	16,554
Deferred Amounts:					
For Issuance Premiums	13,206	1,600	(911)	13,895	-
For Issuance Discounts	(989)	-	1	(988)	-
Net Bonds, Notes, and Leases Payable	469,660	17,243	(17,302)	469,601	16,554
Other Liabilities:					
Compensated Absences	23,294	11,610	(9,746)	25,158	9,950
Claims and Judgements	11,333	36,371	(37,597)	10,107	3,889
Net Pension Liability	47,851	26,219	-	74,070	-
Total OPEB Liability	16,581	-	(615)	15,966	895
Governmental Activities Long-Term Liabilities	\$ 568,719	91,443	(65,260)	594,902	31,288
Business-Type Activities:					
Bonds, Loans, Note, and Leases Payable:					
Wastewater Revenue Bonds	\$ 48,435	25,805	(3,700)	70,540	4,485
Wastewater Loans from Direct Borrowing	19,668	-	(1,158)	18,510	1,182
Water Revenue Bonds	34,250	10,170	(15,870)	28,550	4,020
Water Loan from Direct Borrowing	12,304	-	(647)	11,657	661
Electric System Revenue Bonds	561,070	121,205	(19,480)	662,795	22,750
Parking Revenue Bonds	23,990	48,375	(23,990)	48,375	2,315
Solid Waste Management Revenue Bonds	9,905	-	(810)	9,095	830
Pinnacle Bank Arena Note from Direct Borrowing	1,000	-	(200)	800	200
Capital Leases	1,290	680	(388)	1,582	444
Gross Bonds, Loans, Note, and Leases Payable	711,912	206,235	(66,243)	851,904	36,887
Deferred Amounts:					
For Issuance Premiums	60,783	23,656	(7,231)	77,208	-
For Issuance Discounts	(44)	-	44	-	-
Net Bonds, Loans, Note, and Leases Payable	772,651	229,891	(73,430)	929,112	36,887
Other Liabilities:					
Compensated Absences	3,005	2,038	(1,534)	3,509	1,595
Construction Contracts	4,973	7,386	(4,973)	7,386	7,386
Revolving Credit Agreement	30,000	-	(30,000)	-	-
Note Purchase Agreement	-	1,500	-	1,500	-
Developer Performance Deposits	646	-	-	646	-
Claims and Judgements	532	56	-	588	-
Net Pension Liability	2,709	2,035	-	4,744	-
Total OPEB Liability	2,173	-	(246)	1,927	108
Accrued Landfill Closure/Postclosure Care Costs	23,400	687	-	24,087	-
Business-Type Activities Long-Term Liabilities	\$ 840,089	243,593	(110,183)	973,499	45,976

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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, 2019, 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	\$ 48,435	25,805	(3,700)	70,540	4,485
Wastewater Loans from Direct Borrowing	19,668	-	(1,158)	18,510	1,182
Capital Leases	137	-	(21)	116	22
Deferred for Issuance Premiums	4,105	2,013	(379)	5,739	-
Net Bonds and Loans Payable	72,345	27,818	(5,258)	94,905	5,689
Other Liabilities:					
Compensated Absences	922	694	(403)	1,213	405
Construction Contracts	2,405	4,485	(2,405)	4,485	4,485
Total OPEB Liability	528	-	(90)	438	-
Total Long-Term Liabilities	\$ 76,200	32,997	(8,156)	101,041	10,579
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 34,250	10,170	(15,870)	28,550	4,020
Water Loan from Direct Borrowing	12,304	-	(647)	11,657	662
Deferred for Issuance Premiums	1,974	1,690	(334)	3,330	-
Deferred for Issuance Discounts	(23)	-	23	-	-
Net Bonds and Loan Payable	48,505	11,860	(16,828)	43,537	4,682
Other Liabilities:					
Compensated Absences	1,267	597	(488)	1,376	516
Construction Contracts	2,568	2,901	(2,568)	2,901	2,901
Total OPEB Liability	761	-	(134)	627	-
Total Long-Term Liabilities	\$ 53,101	15,358	(20,018)	48,441	8,099
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 561,070	121,205	(19,480)	662,795	22,750
Deferred for Issuance Premiums	53,895	19,613	(6,246)	67,262	-
Net Bonds Payable	614,965	140,818	(25,726)	730,057	22,750
Other Liabilities:					
Revolving Credit Agreement	30,000	-	(30,000)	-	-
Note Purchase Agreement	-	1,500	-	1,500	-
Developer Performance Deposits	646	-	-	646	-
Claims and Judgements	532	56	-	588	-
Total Long-Term Liabilities	\$ 646,143	142,374	(55,726)	732,791	22,750

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2019, \$91,643,459 of developer purchased tax increment financing notes and bonds were outstanding. Developer purchased tax increment financing allows the City to create special districts to enable public/private improvements within those districts that will generate public/private-sector development. For a period of 15 years, the tax base is frozen at the predevelopment level, and taxes generated from the incremental increases in assessed value are remitted to the developer. The agreements between the City and developer expressly limit the City's commitment for debt repayment to the incremental tax collected during the 15-year period. At the end of the 15-year period, the tax jurisdiction collects on the increased property values. The related tax increment districts are not component units of the City; therefore, the City is not liable for the outstanding debt. The City's responsibility for this liability is limited only to remittance of paid taxes, thus these notes and bonds are not reflected in the City's financial statements.

CONDUIT DEBT

The Bonds are limited obligations of the City and are payable solely from payments to be made by NWU pursuant to a loan agreement dated January 1, 2012, by and between the City and NWU. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2019, \$14,165,000 of these bonds remain outstanding.

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, 2019, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

(11) DEFICIT NET POSITION OR FUND BALANCE

Internal Service - Transportation & Utilities Revolving Fund	(1,518,071)
---	-------------

- 62

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

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

General Fund	
Traffic Engineering	\$ 4,317
Street Lighting	963,072
Debt Service	53,482

(13) **EMPLOYEES' RETIREMENT PLANS**

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

POLICE AND FIRE PENSION

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

Summary of Benefit Provisions -

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

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

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

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

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

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

Amount of Pension –

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

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

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

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

Amount of Pension –

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

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

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

Amount of Pension –

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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

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 anytime 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, 2019, is \$7,824,152.

Membership of the pension plan consisted of the following at August 31, 2019, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	536
Terminated plan members entitled to	
but not yet receiving benefits	24
Active plan members (non-DROP)	590
Death benefit refund due	4
DROP members	42
Total	<u>1,196</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 2019 was \$8,333,901. For the fiscal year ended August 31, 2019, the Plan received \$8,333,901 in employer contributions.

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2017, actuarial valuation using the entry age actuarial funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually, (b) projected salary increases of 7.3% grading down to 3.5% per year, including wage inflation at 2.5%, and (c) the assumption that benefits will increase 2.50% after retirement. The actuarial value of assets was determined using a five year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a remaining period of layered bases varying from twenty to twenty-seven years.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Net Pension Liability

Total pension liability	\$ 325,109,208
Plan fiduciary net position	(246,294,314)
Net pension liability	<u>\$ 78,814,894</u>

Plan fiduciary net position as a percentage of the total pension liability	75.76%
--	--------

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, 2019
Measurement date	August 31, 2019

Assumptions

The total pension liability as of August 31, 2019, was determined by an actuarial valuation performed as of August 31, 2019, 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	7.45%
Municipal Bond Index Rate	3.16%
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.45%
Post-retirement adjustment	COLA benefit payments are assumed to increase 2.25% each year.
Mortality	Mortality rates are based on the PubS-2010 Mortality Tables for Actives, Healthy Annuitants, and Disabled, with generational mortality improvement using the Nebraska Public Employees Retirement System Mortality Improvement Scale.

The actuarial assumptions that determined the total pension liability as of August 31, 2019 were based on the results of the most recent actuarial experience study for the four-year period ending August 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability at August 31, 2019, was 7.45%, which is a change from the discount rate of 7.50% used to measure the total pension liability at August 31, 2018. 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. 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 7.45% 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 2118.

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 7.45% long-term assumed rate of return for the current measurement date and the 7.50% 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-

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
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 7.45%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.45%) or 1 percentage point higher (8.45%) than the current rate.

	1% <u>Decrease</u> 6.45%	Current <u>Discount Rate</u> 7.45%	1% <u>Increase</u> 8.45%
Total Pension Liability	\$ 365,268,605	325,109,208	291,587,390
Fiduciary Net Position	<u>246,294,314</u>	<u>246,294,314</u>	<u>246,294,314</u>
Net Pension Liability	\$ 118,974,291	78,814,894	45,293,076

Rate of Return - For the year ended August 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.24 percent. 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2018	\$ 296,440,660	245,880,530	50,560,130
Changes for the year:			
Service cost at end of year	7,731,662	-	7,731,662
Interest on TPL	21,633,724	-	21,633,724
Difference between expected and actual experience	1,839,825	-	1,839,825
Assumption changes	13,739,593	-	13,739,593
Employer contributions	-	8,333,901	(8,333,901)
Employee contributions	-	3,366,841	(3,366,841)
Net investment income	-	5,434,779	(5,434,779)
Benefit payments, including member refunds	(16,276,256)	(16,276,256)	-
Administrative expenses	-	(445,481)	445,481
Net changes	28,668,548	413,784	28,254,764
Balances at August 31, 2019	\$ 325,109,208	246,294,314	78,814,894

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
As of August 31, 2019

Differences between expected and actual experience	\$ 4,101,738
Changes of assumptions	11,565,607
Differences between projected and actual earnings	7,148,998
Change in the City's proportion of the collective net pension liability since the prior measurement date	203,135
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	395,234
Total	\$ 23,414,712

Deferred Inflows of Resources
As of August 31, 2019

Differences between expected and actual experience	\$ 2,113,888
Changes of assumptions	5,533,521
Change in the City's proportion of the collective net pension liability since the prior measurement date	395,234
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	203,135
Total	\$ 8,245,778

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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 Ending August 31</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2020	\$ 5,034,701	(4,431,457)	603,244
2021	4,436,655	(2,764,783)	1,671,872
2022	5,360,636	(613,006)	4,747,630
2023	5,238,360	(279,438)	4,958,922
2024	2,535,712	(137,278)	2,398,434
Thereafter	808,648	(19,816)	788,832
	<u>\$ 23,414,712</u>	<u>(8,245,778)</u>	<u>15,168,934</u>

Pension Expense

The calculation of the pension expense for the year ended August 31, 2019, is shown below:

Pension Expense	
For the Fiscal Year Ended August 31, 2019	
Service cost at end of year	\$ 7,731,662
Interest on the total pension liability	21,633,724
Expensed portion of current-period differences between expected and actual experience in the total pension liability	291,112
Expensed portion of current-period assumption changes	2,173,986
Employee contributions	(3,366,841)
Projected earnings on plan investments	(18,244,140)
Expensed portion of current-period differences between projected and actual earnings on plan investments	2,561,872
Administrative expenses	445,481
Amortization of beginning deferred outflows of resources	1,453,410
Amortization of beginning deferred inflows of resources	<u>(1,851,560)</u>
Total Pension Expense	<u>\$ 12,828,706</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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

contributions occurs over a three-year period. Employee forfeitures are used to reduce future employer contributions. For the year ended December 31, 2018, LES incurred contribution expense of approximately \$4,508,000 or 10.04% of covered payroll and its employees contributed approximately \$3,705,000 or 8.25% of covered payroll.

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 6% to 12% and the employee contributes 0% to 6% of earned income in one calendar year. Employees covered by the Plan may also make voluntary contributions. Participant accounts are immediately 100% vested. City contributions totaled \$194,067 and employee contributions totaled \$65,175. There were no voluntary employee contributions made for the year ended December 31, 2018.

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, 2018, the City incurred contribution expense totaling \$8,353,442, which included a reduction in expense of \$66,918 for employee forfeitures. Employee contributions totaled \$4,689,878. Employees made \$337,866 in voluntary contributions for the year ended December 31, 2018.

(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. The City does not issue a separate report that includes financial statements and required supplementary information for OPEB.

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Actuarial Methods and Assumptions

The total OPEB liability of \$17,899,234 at August 31, 2019, was measured at August 31, 2018. An actuarial valuation was prepared as of August 31, 2018 for members in payment under the plan, and for active members an actuarial valuation was prepared as of April 30, 2019, rolled backward 8 months using standard actuarial formulae. The total OPEB liability is based on the following actuarial assumptions and other inputs:

<u>Price Inflation</u>	2.50%
<u>Municipal Bond Index Rate</u>	3.96%
<u>Healthcare Cost Trend Rate</u>	7.25%, decreasing by 0.25% per year until an ultimate rate of 4.75% is reached in 2028.
<u>Cost-Sharing Premiums</u>	Premiums, effective as of November 1, 2018, were trended forward to the valuation date, April 30, 2019 for active members, and backward to August 31, 2018 for members in pay. Civilian premium rates were based on the base plan and the combined rate for Police and Fire was based on an average of the Police group and the Fire group.

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

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

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

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

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

Sensitivity of the total OPEB liability to changes in the rates

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 16,021,703	17,899,234	20,111,616

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

The following presents the total OPEB liability of the plan, calculated using the discount rate of 3.96% (3.53% at prior measurement date), as well as the Plan's total OPEB liability calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>2.96%</u>	<u>3.96%</u>	<u>4.96%</u>
Total OPEB Liability	\$ 19,608,140	17,899,234	16,354,879

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at Beginning of Year	\$ 18,762,241
Changes for the year:	
Service cost at end of year	1,160,514
Interest on total OPEB liability	645,475
Difference between expected and actual experience	(231,632)
Assumption changes	(1,475,337)
Benefit payments	(962,027)
Net changes	(863,007)
Balance at End of Year	\$ 17,899,234

The assumption changes, shown above, are due to the change in the discount rate from 3.53% to 3.96% related to a change in the municipal bond rate since the prior measurement date.

OPEB Expense

The calculation of the OPEB expense for the fiscal year ended August 31, 2019, is shown below:

OPEB Expense
Year Ending August 31, 2019

Service cost at end of year	\$ 1,160,514
Interest on the total OPEB liability	645,475
Expensed portion of current-period differences between expected and actual experience in the total OPEB liability	(31,302)
Expensed portion of current-period assumption changes	(199,370)
Amortization of beginning deferred inflows of resources	(153,232)
Total OPEB Expense	\$ 1,422,085

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources As of August 31, 2019	
Benefit payments subsequent to the measurement date	\$ <u>1,003,235</u>
Total	\$ <u><u>1,003,235</u></u>

Deferred Inflows of Resources As of August 31, 2019	
Differences between expected and actual experience	\$ 200,330
Changes of assumptions	<u>2,103,417</u>
Total	\$ <u><u>2,303,747</u></u>

The Deferred Outflows of Resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the fiscal year ending August 31, 2020. Amounts reported as Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense in future years as follows:

<u>Fiscal Year</u> <u>Ending August 31</u>	<u>Inflows</u> <u>of Resources</u>
2020	\$ 383,904
2021	383,904
2022	383,904
2023	383,904
2024	383,904
Thereafter	<u>384,227</u>
	\$ <u><u>2,303,747</u></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 \$1,362,000.

Long-Term Disability Plan

The City also provides employees with long-term disability benefits when they become disabled due to a non-work related accident or illness and are unable to perform their essential job functions. Results of an actuarial valuation have not been included here as it did not have a significant impact on the City's financial statements. Long-term disability claims liability of \$794,933 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, 2019

(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 2018 tax levy, for the 2018-2019 fiscal year, was \$165,508,208 below the legal limit, with a tax rate per \$100 valuation of \$0.3165. The assessed value upon which the 2018 levy was based was \$21,670,357,076.

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 2018-2019 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2019. 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, 2019, the City had a self-insured retention for workers' compensation exposures up to \$800,000 per claim; law enforcement liability, commercial general liability, public officials liability, public transportation liability, EMT and medical professional liability, and auto liability exposures up to \$250,000 per occurrence; all-risk property exposures up to \$100,000 per occurrence; health care claims of \$150,000 per person; self-insured dental benefits; and self-insured employee long-term disability benefits.

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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 \$10,106,713 were recorded at August 31, 2019, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance programs. Excluding medical care claims approximating \$1,692,000, 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. These liabilities have been discounted using a 1.82% discount rate. The City has purchased no annuity contracts in the current fiscal year to resolve City of Lincoln claims.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2019 and 2018:

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

	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at August 31, 2017	\$ 7,755,000	1,044,639	1,797,538	10,597,177
Current year claims and changes in estimates	3,012,292	(161,355)	32,359,048	35,209,985
Claims payments	(2,692,292)	(164,940)	(31,617,557)	(34,474,789)
Balance at August 31, 2018	<u>\$ 8,075,000</u>	<u>718,344</u>	<u>2,539,029</u>	<u>11,332,373</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:

	2018	2017
Balance beginning of year	\$ 532,000	541,000
Claims and fees incurred	6,194,000	5,597,000
Claims paid/other	(6,138,000)	(5,606,000)
Balance end of year	<u>\$ 588,000</u>	<u>532,000</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$588,000 and \$532,000 at December 31, 2018 and 2017, respectively. LES established two separate bank accounts for the self-funded employee health and dental insurance plan reserve to ensure compliance with statutory requirements. Although not required by the statute, LES maintains excess insurance that limits the total claims liability for each plan year to not more than 125% of the expected claims liability, up to an annual aggregate maximum of \$1,000,000.

(17) COMMITMENTS AND CONTINGENCIES

GENERAL

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

At August 31, 2019, approximately 96% 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 \$9,417,000 as of August 31, 2019, 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, 2019.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$20,753,000 as of August 31, 2019.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$4,453,000 as of August 31, 2019.

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 56 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 2018, 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), respectively.

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 \$9,225,000 in 2018.

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 \$42,213,000 as of December 31, 2018. These are primarily related to construction contracts for the LES Operations Center.

(18) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

At August 31, 2019, the City had incurred a liability of approximately \$15,738,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 61% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$10.2 million, which will be recognized as the remaining capacity is used (estimated to be approximately 17 years).

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

As of August 31, 2019, the City had incurred a liability of approximately \$1,405,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 39% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,229,000, which will be recognized as the remaining capacity is used (estimated to be approximately 30 years).

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

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

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, 2019, a liability for closure and postclosure care costs is recorded in the amount of approximately \$6,944,000. 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

(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, 2019, is presented as follows:

	Parking Facilities	Solid Waste Management
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 11,204,461	9,865,776
Due from Other Funds	849,200	428,305
Other Assets	23,653,847	2,620,472
Capital Assets, Net	65,927,733	28,949,061
Total Assets	<u>101,635,241</u>	<u>41,863,614</u>
Deferred Outflows of Resources	<u>1,121,038</u>	<u>21,151</u>
Liabilities:		
Current Liabilities, excluding Due to Other Funds	5,071,406	2,284,276
Due to Other Funds	22,998	-
Noncurrent Liabilities	46,410,966	33,156,083
Total Liabilities	<u>51,505,370</u>	<u>35,440,359</u>
Deferred Inflows of Resources	<u>1,568</u>	<u>24,276</u>
Net Position:		
Net Investment in Capital Assets	32,384,112	19,864,073
Restricted	6,993,241	50,364
Unrestricted	11,871,988	(13,494,307)
Total Net Position	<u>\$ 51,249,341</u>	<u>6,420,130</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 13,224,090	9,182,312
Depreciation Expense	(2,095,452)	(2,268,943)
Other Operating Expenses	(5,315,077)	(8,624,031)
Operating Income (Loss)	<u>5,813,561</u>	<u>(1,710,662)</u>
Nonoperating Revenues (Expenses):		
Investment Earnings	514,504	301,965
Grant Proceeds	-	14,215
Loss on Disposal of Capital Assets	(6,814)	-
Insurance Recovery	-	1,650
Occupation Tax	-	3,376,319
Debt Issuance Expense	(320,838)	-
Interest Expense and Fiscal Charges	(741,950)	(304,919)
Capital Contributions	-	30,080
Transfers	<u>(2,095,026)</u>	<u>(1,575,406)</u>
Change in Net Position	3,163,437	133,242
Beginning Net Position	48,085,904	6,286,888
Ending Net Position	<u>\$ 51,249,341</u>	<u>6,420,130</u>
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 8,245,097	1,231,905
Noncapital Financing Activities	(2,828,777)	1,520,673
Capital and Related Financing Activities	11,597,615	(2,529,364)
Investing Activities	<u>(18,690,285)</u>	<u>(247,695)</u>
Net Decrease in Cash	(1,676,350)	(24,481)
Beginning Balance	3,520,439	542,859
Ending Balance	<u>\$ 1,844,089</u>	<u>518,378</u>

(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 \$114,202,383 with annual payments expected to require 41% of net revenues. Principal and interest paid for the current year and net system revenues were \$7,022,081 and \$18,218,916, 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 \$48,119,432, with annual payments expected to require 28% of net revenues. Principal and interest paid for the current year and net system revenues were \$6,400,358 and \$23,574,739, 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 \$968,911,000, with annual payments expected to require 41% of net revenues. Principal and interest paid for the current year and net system revenues were \$47,477,000 and \$132,150,000, 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 \$60,669,767, with annual payments expected to require 30% of net revenues. Principal and interest paid for the current year and net system revenues were \$2,405,065 and \$8,423,517, 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 \$11,418,674, with annual payments expected to require 34% of net revenues. Principal and interest paid for the current year and net system revenues were \$1,158,896 and \$3,348,159 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, 2019, the City made rental payments of approximately \$3.1 million to the Commission.

As of August 31, 2019, the Commission has debt outstanding of \$31,573,176. Bond and note proceeds have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

and County. The City's proportionate share of these buildings has been recorded in capital assets in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

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

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

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

(22) TAX ABATEMENTS

As of August 31, 2019, the City provides tax abatements through three programs-the Tax Increment Financing (TIF) program, the Employment and Investment Growth Act and the Nebraska Advantage Act:

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

During the fiscal year ended August 31, 2019 the City abated \$1,681,289 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, 2019 the City abated \$768,802 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 \$39 million are reflected in utility plant at December 31, 2018.

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 \$2 million at December 31, 2018.

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 2018 LES billed the County approximately \$3.2 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 unit 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 \$127.8 million are reflected in utility plant at December 31, 2018.

(24) JOINTLY GOVERNED ORGANIZATIONS

District Energy Corporation

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

The DEC Board of Directors, under a management agreement, has appointed LES to supervise and manage the system and business affairs of DEC. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to DEC on an established rate schedule. The total amount of payments to LES for management, operations, and maintenance services was approximately \$1,736,000 in 2018. The total amount of payments to LES for energy was approximately \$650,000 in 2018.

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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2019

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 \$123,000 in 2018. The total amount of payments to LES for energy was approximately \$8.8 million in 2018.

(25) SUBSEQUENT EVENTS

In November 2019, the West Haymarket Joint Public Agency issued \$100,000,000 of General Obligation Facility Refunding Bonds, Series 2019. The bond proceeds, together with other Agency funds, will be used to provide for payment of the principal and interest on the \$100,000,000 outstanding principal amount of the Agency's General Obligation Facility Bonds, Series 2011, through the redemption date of December 15, 2021, and to redeem any remaining balance of the Series 2011 bonds on that redemption date. The refunding resulted in debt service savings of approximately \$26,858,000 and net present value savings of approximately \$21,042,000.

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

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2019

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

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 7,731,662	\$ 7,416,228	\$ 7,117,899	\$ 8,539,932	\$ 7,929,376	\$ 7,289,994
Interest	21,633,724	20,800,989	19,817,083	19,098,818	17,507,641	16,897,591
Differences between expected and actual experience	1,839,825	(1,147,672)	1,513,600	(3,351,824)	7,390,055	736,647
Effect of assumption changes or inputs	13,739,593	-	-	-	(23,499,491)	22,725,982
Benefit payments, including refunds of member contributions	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Net change in total pension liability	28,668,548	11,401,988	13,444,450	9,860,499	(4,381,224)	34,220,051
Total pension liability - beginning	296,440,660	285,038,672	271,594,222	261,733,723	266,114,947	231,894,896
Total pension liability - ending (a)	<u>\$ 325,109,208</u>	<u>\$ 296,440,660</u>	<u>\$ 285,038,672</u>	<u>\$ 271,594,222</u>	<u>\$ 261,733,723</u>	<u>\$ 266,114,947</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 8,333,901	\$ 8,239,839	\$ 7,974,731	\$ 7,170,104	\$ 8,045,293	\$ 7,865,929
Contributions - employee	3,366,841	3,195,658	3,112,583	2,817,102	2,604,101	2,613,971
Net investment income	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	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Administrative expense	(445,481)	(435,578)	(445,579)	(493,860)	(444,578)	(407,146)
Net change in plan fiduciary net position	413,784	12,740,195	19,282,400	9,862,664	(9,347,544)	27,574,866
Plan fiduciary net position - beginning	245,880,530	233,140,335	213,857,935	203,995,271	213,342,815	185,767,949
Plan fiduciary net position - ending (b)	<u>\$ 246,294,314</u>	<u>\$ 245,880,530</u>	<u>\$ 233,140,335</u>	<u>\$ 213,857,935</u>	<u>\$ 203,995,271</u>	<u>\$ 213,342,815</u>
PFP Net Pension Liability - Ending (a) - (b)	<u>\$ 78,814,894</u>	<u>\$ 50,560,130</u>	<u>\$ 51,898,337</u>	<u>\$ 57,736,287</u>	<u>\$ 57,738,452</u>	<u>\$ 52,772,132</u>
Plan fiduciary net position as a percentage of the total pension liability	75.76%	82.94%	81.79%	78.74%	77.94%	80.17%
Covered payroll	\$ 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	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:

8/31/2019 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, 2019

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

	2019	2018	2017	2016	2015	2014
Actuarial determined employer contribution	\$ 8,333,901	\$ 8,164,782	\$ 7,829,103	\$ 9,666,852	\$ 8,418,199	\$ 7,377,763
Actual employer contributions	8,333,901	8,239,839	7,974,731	7,170,104	8,045,293	7,865,929
Annual contribution deficiency (excess)	\$ -	\$ (75,057)	\$ (145,628)	\$ 2,496,748	\$ 372,906	\$ (488,166)
Covered payroll - current	\$ 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	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:	8/31/2017	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	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method:	30 years, level percent, closed	30 years, level percent, closed	30 years, level percent, closed	30 years, level percent, closed	30 years, level percent, open	30 years, level percent, open
Remaining amortization period:	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
Inflation:	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%
Salary increases:	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:	7.50%	7.50%	6.40%	6.75%	7.50%	7.50%

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money-weighted rate of return, net of investment expense	2.24%	7.59%	11.25%	7.36%	-3.52%	16.67%	12.42%	5.47%	12.64%	9.60%

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2019

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

Measurement Period Ending August 31,

	2018	2017
Total OPEB Liability		
Service cost	\$ 1,160,514	\$ 969,040
Interest	645,475	539,411
Differences between expected and actual experience	(231,632)	-
Effect of assumption changes or inputs	(1,475,337)	(1,133,914)
Benefit payments	(962,027)	(1,070,494)
Net change in total OPEB liability	(863,007)	(695,957)
Total OPEB liability - beginning	18,762,241	19,458,198
Total OPEB liability - ending	<u>\$ 17,899,234</u>	<u>\$ 18,762,241</u>
 Covered payroll	 \$ 140,466,565	 \$ 138,350,403
Total OPEB liability as a percentage of covered payroll	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:

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



GENERAL FUND COMBINING FUNDS

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
GENERAL FUND
AUGUST 31, 2019

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
ASSETS							
Cash and Cash Equivalents	\$ 5,968,796	37,296	94,801	295,345	9,170	248,090	6,653,498
Investments	39,572,955	728,474	1,549,945	2,580,659	182,119	4,870,703	49,484,855
Receivables:							
Taxes	4,779,147	-	-	-	4,149	-	4,783,296
Accounts	2,000,489	115,459	1,905	129,542	-	-	2,247,395
Accrued Interest	172,620	3,798	6,505	13,155	908	26,202	223,188
Due from Other Funds	474,462	-	3,309	-	-	-	477,771
Due from Other Funds (Inter-fund)	12	-	-	-	-	-	12
Due from Other Governments	14,739,694	-	145,680	-	2	-	14,885,376
Inventories	39,523	-	-	-	-	-	39,523
Prepaid Items	287,503	-	-	-	-	-	287,503
Total Assets	68,035,201	885,027	1,802,145	3,018,701	196,348	5,144,995	79,082,417
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	1,465,978	-	55,171	8,980	-	-	1,530,129
Accrued Liabilities	2,247,395	-	46,674	111,318	-	-	2,405,387
Due to Other Funds	8,580,925	-	95	3,503	-	-	8,584,523
Due to Other Funds (Inter-fund)	-	-	12	-	-	-	12
Due to Other Governments	99,824	-	4,272	6,055	-	-	110,151
Unearned Revenue	1,350	-	-	-	-	-	1,350
Total Liabilities	12,395,472	-	106,224	129,856	-	-	12,631,552
Deferred Inflows of Resources:							
Unavailable Revenues	2,046,595	68,799	34,659	129,119	687	-	2,279,859
Fund Balances:							
Nonspendable	327,026	-	-	-	-	-	327,026
Restricted	8,685,274	-	-	-	-	-	8,685,274
Assigned	7,632,671	816,228	1,661,262	2,759,726	195,661	5,144,995	18,210,543
Unassigned	36,948,163	-	-	-	-	-	36,948,163
Total Fund Balances	53,593,134	816,228	1,661,262	2,759,726	195,661	5,144,995	64,171,006
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 68,035,201	885,027	1,802,145	3,018,701	196,348	5,144,995	79,082,417

CITY OF LINCOLN, NEBRASKA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2019

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
Revenues							
Taxes:							
Property	\$ 44,796,504	-	-	-	47,136	-	44,843,640
Motor Vehicle	6,257,221	-	-	-	-	-	6,257,221
Sales and Use	79,227,583	-	-	-	-	-	79,227,583
Sundry and In Lieu	38,934	-	-	-	28	-	38,962
Occupation	9,172,661	-	-	-	-	-	9,172,661
Special Assessment	10,956	-	-	-	-	-	10,956
Intergovernmental	2,357,011	-	1,498,717	657,181	-	-	4,512,909
Permits and Fees	4,136,721	-	47,690	873,843	-	-	5,058,254
Reimbursement for Services	7,024,502	481,745	110,806	16,000	-	-	7,633,053
Investment Earnings	1,018,190	19,028	34,244	68,089	4,590	136,924	1,281,065
Donations	980,740	-	-	-	-	-	980,740
Miscellaneous	670,618	8,285	378	-	-	-	679,281
Total Revenues	155,691,641	509,058	1,691,835	1,615,113	51,754	136,924	159,696,325
Expenditures							
Current:							
General Government	39,700,253	-	-	-	-	-	39,700,253
Public Safety	71,462,572	-	-	5,743,837	-	-	77,206,409
Streets and Highways	6,148,803	-	-	-	-	-	6,148,803
Culture and Recreation	17,949,054	-	-	-	-	-	17,949,054
Economic Opportunity	186,177	-	3,438,760	-	-	-	3,624,937
Health and Welfare	647,095	-	-	-	-	-	647,095
Debt Service	72,862	-	-	-	-	-	72,862
Total Expenditures	136,166,816	-	3,438,760	5,743,837	-	-	145,349,413
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,524,825	509,058	(1,746,925)	(4,128,724)	51,754	136,924	14,346,912
Other Financing Sources (Uses):							
Transfers In	13,089,187	-	-	-	-	-	13,089,187
Transfers In (Inter-Fund)	22,264	-	2,367,061	4,547,713	-	-	6,937,038
Transfers Out	(36,552,882)	(320,848)	-	-	-	-	(36,873,730)
Transfers Out (Inter-Fund)	(6,937,038)	-	-	-	-	-	(6,937,038)
Issuance of Debt	3,440,000	-	-	-	-	-	3,440,000
Premium on Debt Issued	310,216	-	-	-	-	-	310,216
Sale of Capital Assets	15,392	-	2,250	138	-	-	17,780
Total Other Financing Sources (Uses)	(26,612,861)	(320,848)	2,369,311	4,547,851	-	-	(20,016,547)
Net Change In Fund Balances	(7,088,036)	188,210	622,386	419,127	51,754	136,924	(5,669,635)
Fund Balances - Beginning	60,681,170	628,018	1,038,876	2,340,599	143,907	5,008,071	69,840,641
Fund Balances - Ending	\$ 53,593,134	816,228	1,661,262	2,759,726	195,661	5,144,995	64,171,006



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2019

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 4,080,820	2,305,659	1,365,654	1,419,502	9,171,635
Investments	52,474,498	9,098,179	24,241,145	64,164,107	149,977,929
Receivables, (Net of Allowance for Uncollectibles)	20,348,563	4,039,476	108,652	7,144	24,503,835
Due from Other Funds	2,316,186	-	1,819,083	-	4,135,269
Due from Other Governments	3,746,811	7,684	1,532,239	-	5,286,734
Inventories	876,613	-	-	-	876,613
Beneficial Interest Asset	3,378,108	-	-	-	3,378,108
Total Assets	<u>87,221,599</u>	<u>15,450,998</u>	<u>29,066,773</u>	<u>65,590,753</u>	<u>197,330,123</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,452,322	27,115	3,750,906	141,586	5,371,929
Contracts Payable	-	-	1,215,529	-	1,215,529
Retainages Payable	-	-	13,096	-	13,096
Accrued Liabilities	1,686,969	-	-	8,147	1,695,116
Due to Other Funds	19,530,008	44,401	18,430	20,000	19,612,839
Due to Other Governments	207,033	-	-	-	207,033
Due to Other Contractors	-	5,065,507	-	-	5,065,507
Unearned Revenue	246,329	-	-	-	246,329
Total Liabilities	<u>23,122,661</u>	<u>5,137,023</u>	<u>4,997,961</u>	<u>169,733</u>	<u>33,427,378</u>
Deferred Inflows of Resources:					
Unavailable Revenues	1,767,336	1,973,994	632,759	-	4,374,089
Beneficial Interest Revenue	3,378,108	-	-	-	3,378,108
Total Deferred Inflows of Resources	<u>5,145,444</u>	<u>1,973,994</u>	<u>632,759</u>	<u>-</u>	<u>7,752,197</u>
Fund Balances (Deficits):					
Nonspendable	876,613	-	-	37,160,000	38,036,613
Restricted	33,529,743	8,230,190	23,436,053	28,261,020	93,457,006
Committed	120,295	109,791	-	-	230,086
Assigned	24,725,513	-	-	-	24,725,513
Unassigned	(298,670)	-	-	-	(298,670)
Total Fund Balances	<u>58,953,494</u>	<u>8,339,981</u>	<u>23,436,053</u>	<u>65,421,020</u>	<u>156,150,548</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 87,221,599</u>	<u>15,450,998</u>	<u>29,066,773</u>	<u>65,590,753</u>	<u>197,330,123</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 17,603,307	15,308,871	-	-	32,912,178
Wheel	9,416,456	-	9,416,456	-	18,832,912
Sales and Use	-	-	1,106,239	-	1,106,239
Turnback	-	-	236,107	-	236,107
Sundry and In Lieu	10,185	2,127,854	-	-	2,138,039
Occupation	-	1,455,005	-	-	1,455,005
Special Assessment	962	1,602,343	-	-	1,603,305
Intergovernmental	28,357,373	-	2,887,164	-	31,244,537
Permits and Fees	15,449,484	-	326,856	-	15,776,340
Reimbursement for Services	1,607,272	-	-	-	1,607,272
Program Income	18,129	-	-	-	18,129
Investment Earnings	1,250,519	290,431	642,731	2,038,166	4,221,847
Donations	464,068	-	1,691,459	295	2,155,822
Keno Proceeds	5,725,745	-	-	-	5,725,745
Miscellaneous	506,850	152,560	359,683	6,700	1,025,793
Total Revenues	80,410,350	20,937,064	16,666,695	2,045,161	120,059,270
EXPENDITURES					
Current:					
General Government	14,235,914	-	-	-	14,235,914
Public Safety	11,434,996	-	-	-	11,434,996
Streets and Highways	109	-	-	-	109
Culture and Recreation	11,608,538	-	-	9,221	11,617,759
Economic Opportunity	10,146,352	-	-	-	10,146,352
Health and Welfare	18,880,574	-	-	3,000,241	21,880,815
Mass Transit	18,867,231	-	-	-	18,867,231
Debt Service:					
Principal Retirement	-	13,500,005	-	-	13,500,005
Interest and Fiscal Charges	-	3,914,573	-	-	3,914,573
Developer Purchased TIF Payments	-	10,001,305	-	-	10,001,305
Miscellaneous	-	311,109	-	-	311,109
Capital Outlay	-	-	43,130,707	-	43,130,707
Total Expenditures	85,173,714	27,726,992	43,130,707	3,009,462	159,040,875
Deficiency of Revenues Under Expenditures	(4,763,364)	(6,789,928)	(26,464,012)	(964,301)	(38,981,605)
OTHER FINANCING SOURCES (USES)					
Transfers In	17,419,379	8,845,152	16,357,703	-	42,622,234
Transfers Out	(12,426,363)	(4,944,274)	(10,617,084)	-	(27,987,721)
Note Proceeds	-	-	2,175,079	-	2,175,079
Issuance of Debt	-	-	10,028,200	-	10,028,200
Premium on Debt Issued	-	-	1,289,976	-	1,289,976
Sale of Capital Assets	302,863	-	13,972	-	316,835
Total Other Financing Sources (Uses)	5,295,879	3,900,878	19,247,846	-	28,444,603
Net Change in Fund Balances	532,515	(2,889,050)	(7,216,166)	(964,301)	(10,537,002)
Fund Balances - Beginning	58,420,979	11,229,031	30,652,219	66,385,321	166,687,550
Fund Balances - Ending	\$ 58,953,494	8,339,981	23,436,053	65,421,020	156,150,548

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

Library Special Trust Fund - To account for the receipt of investment earnings from the following trusts:

Charles Gere Library Fund - To be used as directed by the Library Board for the benefit of the Lincoln City Libraries.

Lillian Polley Trust Fund - 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, 2019

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
ASSETS							
Cash and Cash Equivalents	\$ 187,761	17,358	159,246	246,940	99,039	-	1,487,699
Investments	3,684,995	325,489	3,053,392	4,370,846	1,933,557	-	3,115,390
Receivables, (Net of Allowance for Uncollectibles):							
Taxes	-	-	771,389	-	245,951	709,149	-
Accounts	-	33,126	-	39,474	-	-	71,896
Accrued Interest	19,805	2,253	11,411	24,875	10,648	-	16,680
Loans	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	60
Due from Other Governments	10,890	-	298	-	94	-	43,623
Inventories	-	-	-	-	-	-	876,613
Beneficial Interest Asset	-	-	-	-	-	-	-
Total Assets	3,903,451	378,226	3,995,736	4,682,135	2,289,289	709,149	5,611,961
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	18	198	147,788	148,826	1,582	-	140,248
Accrued Liabilities	-	517	141,643	218,314	171,125	531,659	240,636
Due to Other Funds	-	-	862	6,096	-	-	3,876
Due to Other Governments	-	-	177	3,842	-	-	13,384
Unearned Revenue	-	-	-	-	-	-	24,153
Total Liabilities	18	715	290,470	377,078	172,707	531,659	422,297
Deferred Inflows of Resources:							
Unavailable Revenues	-	27,491	203,326	5,362	66,749	177,490	43,623
Beneficial Interest Revenue	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	27,491	203,326	5,362	66,749	177,490	43,623
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	876,613
Restricted	3,720,343	-	-	89,085	1,539,024	-	-
Committed	-	120,295	-	-	-	-	-
Assigned	183,090	229,725	3,501,940	4,210,610	510,809	-	4,269,428
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	3,903,433	350,020	3,501,940	4,299,695	2,049,833	-	5,146,041
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,903,451	378,226	3,995,736	4,682,135	2,289,289	709,149	5,611,961

Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
263,311	58,935	6,688	514,896	917,606	86,039	4,601	28,216	-	2,485	4,080,820
5,134,194	-	374,994	9,601,911	17,433,010	1,619,693	120,121	1,687,532	-	19,374	52,474,498
-	-	-	-	-	-	-	-	-	-	1,726,489
273,376	6,184	-	-	-	-	-	-	288	-	424,344
27,365	3,834	13,673	46,335	108,749	8,304	708	-	-	2,090	296,730
-	17,901,000	-	-	-	-	-	-	-	-	17,901,000
-	-	42,124	1,447,092	826,910	-	-	-	-	-	2,316,186
-	2,792,426	-	-	-	-	-	-	-	899,480	3,746,811
-	-	-	-	-	-	-	-	-	-	876,613
-	-	-	-	-	832,806	-	2,545,302	-	-	3,378,108
<u>5,698,246</u>	<u>20,762,379</u>	<u>437,479</u>	<u>11,610,234</u>	<u>19,286,275</u>	<u>2,546,842</u>	<u>125,430</u>	<u>4,261,050</u>	<u>288</u>	<u>923,429</u>	<u>87,221,599</u>
71,980	734,763	56,599	56,977	7,841	57,402	16	-	28,084	-	1,452,322
-	265,044	-	116,183	-	-	1,848	-	-	-	1,686,969
49,532	7,708	42,124	45,867	19,088,192	15,314	-	-	270,437	-	19,530,008
120,360	66,933	-	1,573	-	327	-	-	437	-	207,033
-	-	-	222,176	-	-	-	-	-	-	246,329
<u>241,872</u>	<u>1,074,448</u>	<u>98,723</u>	<u>442,776</u>	<u>19,096,033</u>	<u>73,043</u>	<u>1,864</u>	<u>-</u>	<u>298,958</u>	<u>-</u>	<u>23,122,661</u>
-	1,243,295	-	-	-	-	-	-	-	-	1,767,336
-	-	-	-	-	832,806	-	2,545,302	-	-	3,378,108
-	1,243,295	-	-	-	832,806	-	2,545,302	-	-	5,145,444
-	-	-	-	-	-	-	-	-	-	876,613
5,133,659	18,444,636	338,756	-	-	1,501,497	123,566	1,715,748	-	923,429	33,529,743
-	-	-	-	-	-	-	-	-	-	120,295
322,715	-	-	11,167,458	190,242	139,496	-	-	-	-	24,725,513
-	-	-	-	-	-	-	-	(298,670)	-	(298,670)
<u>5,456,374</u>	<u>18,444,636</u>	<u>338,756</u>	<u>11,167,458</u>	<u>190,242</u>	<u>1,640,993</u>	<u>123,566</u>	<u>1,715,748</u>	<u>(298,670)</u>	<u>923,429</u>	<u>58,953,494</u>
<u>5,698,246</u>	<u>20,762,379</u>	<u>437,479</u>	<u>11,610,234</u>	<u>19,286,275</u>	<u>2,546,842</u>	<u>125,430</u>	<u>4,261,050</u>	<u>288</u>	<u>923,429</u>	<u>87,221,599</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, 2019

	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	\$ -	-	7,927,235	-	2,488,571	7,187,501	-
Wheel Tax	-	-	-	-	-	-	-
Sundry and In Lieu Tax	-	-	4,671	-	1,465	4,049	-
Special Assessment	-	-	-	962	-	-	-
Intergovernmental	-	-	800,205	2,442,427	-	-	7,325,033
Permits and Fees	-	239,408	211,684	4,898,032	-	-	3,706,342
Reimbursement for Services	936	-	1,200	416,311	-	-	162,424
Program Income	-	-	-	-	-	-	-
Investment Earnings	106,369	19,481	60,180	137,042	55,276	-	91,268
Donations	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-
Private Sector Share of Projects	-	-	-	-	-	-	-
Miscellaneous	-	-	32,984	4,347	-	-	238,713
Total Revenues	<u>107,305</u>	<u>258,889</u>	<u>9,038,159</u>	<u>7,899,121</u>	<u>2,545,312</u>	<u>7,191,550</u>	<u>11,523,780</u>
Expenditures -- Current:							
General Government	6,024	952,237	-	-	2,796,899	7,191,550	-
Public Safety	-	-	-	-	-	-	-
Streets and Highways	-	-	-	-	-	-	-
Culture and Recreation	-	-	9,245,374	-	-	-	-
Economic Opportunity	-	-	-	-	-	-	-
Health and Welfare	-	-	-	14,786,455	-	-	-
Mass Transit	-	-	-	-	-	-	18,206,220
Total Expenditures	<u>6,024</u>	<u>952,237</u>	<u>9,245,374</u>	<u>14,786,455</u>	<u>2,796,899</u>	<u>7,191,550</u>	<u>18,206,220</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>101,281</u>	<u>(693,348)</u>	<u>(207,215)</u>	<u>(6,887,334)</u>	<u>(251,587)</u>	<u>-</u>	<u>(6,682,440)</u>
Other Financing Sources (Uses):							
Transfers In	-	-	-	6,800,524	-	-	7,306,189
Transfers Out	(193,117)	-	(58,336)	(184,990)	-	-	(13,835)
Sale of Capital Assets	302,391	71	401	-	-	-	-
Total Other Financing Sources (Uses)	<u>109,274</u>	<u>71</u>	<u>(57,935)</u>	<u>6,615,534</u>	<u>-</u>	<u>-</u>	<u>7,292,354</u>
Net Change In Fund Balances	210,555	(693,277)	(265,150)	(271,800)	(251,587)	-	609,914
Fund Balances (Deficits) - Beginning	<u>3,692,878</u>	<u>1,043,297</u>	<u>3,767,090</u>	<u>4,571,495</u>	<u>2,301,420</u>	<u>-</u>	<u>4,536,127</u>
Fund Balances (Deficits) - Ending	<u>\$ 3,903,433</u>	<u>350,020</u>	<u>3,501,940</u>	<u>4,299,695</u>	<u>2,049,833</u>	<u>-</u>	<u>5,146,041</u>

Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
-	-	-	-	-	-	-	-	-	-	17,603,307
-	-	-	-	-	-	-	-	-	9,416,456	9,416,456
-	-	-	-	-	-	-	-	-	-	10,185
-	-	-	-	-	-	-	-	-	-	962
-	17,789,708	-	-	-	-	-	-	-	-	28,357,373
-	192,949	-	6,042,744	158,325	-	-	-	-	-	15,449,484
-	648,449	-	197,258	-	131,685	-	-	49,009	-	1,607,272
-	18,129	-	-	-	-	-	-	-	-	18,129
140,216	16,043	50,775	279,523	103,926	44,107	3,913	122,505	-	19,895	1,250,519
-	17,654	-	-	-	329,098	107,816	-	9,500	-	464,068
5,725,745	-	-	-	-	-	-	-	-	-	5,725,745
-	-	-	-	-	91,080	-	-	-	-	91,080
16,000	15,549	-	271	-	68,014	-	-	39,892	-	415,770
5,881,961	18,698,481	50,775	6,519,796	262,251	663,984	111,729	122,505	98,401	9,436,351	80,410,350
2,156,134	47,577	1,082,664	-	2,829	-	-	-	-	-	14,235,914
-	4,494,744	-	6,940,252	-	-	-	-	-	-	11,434,996
-	-	-	-	-	-	-	-	-	109	109
852,518	876,975	-	-	-	538,005	95,666	-	-	-	11,608,538
-	10,146,352	-	-	-	-	-	-	-	-	10,146,352
-	4,094,119	-	-	-	-	-	-	-	-	18,880,574
-	272,109	-	-	-	-	-	-	388,902	-	18,867,231
3,008,652	19,931,876	1,082,664	6,940,252	2,829	538,005	95,666	-	388,902	109	85,173,714
2,873,309	(1,233,395)	(1,031,889)	(420,456)	259,422	125,979	16,063	122,505	(290,501)	9,436,242	(4,763,364)
-	435,863	1,553,268	1,300,710	-	22,825	-	-	-	-	17,419,379
(1,842,024)	(117,117)	(605,193)	(5,038)	-	-	-	-	-	(9,406,713)	(12,426,363)
-	-	-	-	-	-	-	-	-	-	302,863
(1,842,024)	318,746	948,075	1,295,672	-	22,825	-	-	-	(9,406,713)	5,295,879
1,031,285	(914,649)	(83,814)	875,216	259,422	148,804	16,063	122,505	(290,501)	29,529	532,515
4,425,089	19,359,285	422,570	10,292,242	(69,180)	1,492,189	107,503	1,593,243	(8,169)	893,900	58,420,979
5,456,374	18,444,636	338,756	11,167,458	190,242	1,640,993	123,566	1,715,748	(298,670)	923,429	58,953,494



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:

- 2009 Certificates of Participation – Street Lights
- 2010 Certificates of Participation – Street Lights & Emergency Equipment
- 2011 Stormwater Bonds
- 2011 General Obligation Refunding Bonds
- 2011B Certificates of Participation – Street Lights
- 2012 General Obligation Refunding Bonds
- 2012 Certificates of Participation – Street Lights
- 2013 Stormwater Bonds
- 2014A Certificates of Participation – Street Lights, Corridor Improvements, Sidewalks
- 2015 Storm Sewer and Drainage System Refunding Bonds
- 2015 Certificates of Participation – Street Lights
- 2016 Stormwater Bonds
- 2016 Certificates of Participation – Street Lights, Fire Equipment, and Fire Station
- 2017 Stormwater Refunding Bonds
- 2017 Certificates of Participation – Street Lights
- 2019 Stormwater Drainage and Flood Management System Bonds
- 2019 Certificates of Participation – Street Lights

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 Bonds, Series 2006, and the Highway Allocation Refunding Bonds, Series 2012 and Series 2016. For the prompt payment of principal of and interest on the bonds, the City has pledged funds received and to be received by the City from the State Highway Allocation Fund as authorized under Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

Turn Back Tax Debt Fund - To accumulate resources for payment of principal and interest on the Limited Tax General Obligation Arena Bonds, Series 2013. 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, 2019

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
ASSETS					
Cash and Cash Equivalents	\$ 225,004	160,559	106,886	1,813,210	2,305,659
Investments	4,390,220	3,146,389	1,561,570	-	9,098,179
Receivables (Net of Allowance for Uncollectibles):					
Taxes	1,315,861	492,211	-	-	1,808,072
Accounts	-	-	120,620	-	120,620
Accrued Interest	24,076	11,338	12,374	-	47,788
Special Assessment	-	-	-	2,062,996	2,062,996
Due from Other Governments	-	185	-	7,499	7,684
Total Assets	<u>5,955,161</u>	<u>3,810,682</u>	<u>1,801,450</u>	<u>3,883,705</u>	<u>15,450,998</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	27,115	-	-	-	27,115
Due To Other Funds	-	-	2,278	42,123	44,401
Due To Other Contractors	4,382,567	-	682,940	-	5,065,507
Total Liabilities	<u>4,409,682</u>	<u>-</u>	<u>685,218</u>	<u>42,123</u>	<u>5,137,023</u>
Deferred Inflows of Resources:					
Unavailable Revenues	-	144,685	-	1,829,309	1,973,994
Fund Balances:					
Restricted	1,435,688	3,665,997	1,116,232	2,012,273	8,230,190
Committed	109,791	-	-	-	109,791
Total Fund Balances	<u>1,545,479</u>	<u>3,665,997</u>	<u>1,116,232</u>	<u>2,012,273</u>	<u>8,339,981</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 5,955,161</u>	<u>3,810,682</u>	<u>1,801,450</u>	<u>3,883,705</u>	<u>15,450,998</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, 2019

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 10,397,035	4,911,836	-	-	15,308,871
Sundry and In Lieu Tax	-	2,894	2,124,960	-	2,127,854
Occupation Tax	-	-	1,455,005	-	1,455,005
Special Assessment	-	-	-	1,449,784	1,449,784
Special Assessment Interest	-	-	-	152,559	152,559
Investment Earnings	153,959	72,696	63,776	-	290,431
Miscellaneous	152,560	-	-	-	152,560
Total Revenues	10,703,554	4,987,426	3,643,741	1,602,343	20,937,064
Expenditures -- Debt Service:					
Principal Retirement	857,309	4,552,696	4,715,000	190,000	10,315,005
Interest	154,040	1,116,663	1,991,632	95,773	3,358,108
Fiscal Charges	350	12,918	1,200	800	15,268
Capital Lease Principal	-	3,185,000	-	-	3,185,000
Capital Lease Interest	-	541,197	-	-	541,197
Developer Purchased TIF Payments	8,535,283	-	1,466,022	-	10,001,305
Miscellaneous	307,533	1,857	1,563	156	311,109
Total Expenditures	9,854,515	9,410,331	8,175,417	286,729	27,726,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	849,039	(4,422,905)	(4,531,676)	1,315,614	(6,789,928)
Other Financing Sources (Uses):					
Transfers In	90,622	3,820,330	4,934,200	-	8,845,152
Transfers Out	(3,173,636)	-	(217,370)	(1,553,268)	(4,944,274)
Total Other Financing Sources (Uses)	(3,083,014)	3,820,330	4,716,830	(1,553,268)	3,900,878
Net Change in Fund Balances	(2,233,975)	(602,575)	185,154	(237,654)	(2,889,050)
Fund Balances - Beginning	3,779,454	4,268,572	931,078	2,249,927	11,229,031
Fund Balances - Ending	\$ 1,545,479	3,665,997	1,116,232	2,012,273	8,339,981



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).

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.

1999 G.O. Various Purpose Bonds Fund - To account for the cost of financing, acquiring, and improving interactive recreational facilities for children and families, referred to as the Children's Museum; financing the construction and equipping of two new park and recreational facilities; and financing construction and equipping of two public libraries and necessary site improvements.

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, 2019

	Vehicle Tax	Storm Sewer Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Total
ASSETS						
Cash and Cash Equivalents	\$ 4,562	646,040	-	596,420	118,632	1,365,654
Investments	34,874	12,639,804	-	11,566,467	-	24,241,145
Accounts Receivable	-	9,278	-	-	-	9,278
Accrued Interest Receivable	2,180	18,334	-	78,860	-	99,374
Due from Other Funds	-	-	-	1,776,959	42,124	1,819,083
Due From Other Governments	899,480	327,210	-	305,549	-	1,532,239
Total Assets	<u>941,096</u>	<u>13,640,666</u>	<u>-</u>	<u>14,324,255</u>	<u>160,756</u>	<u>29,066,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	-	1,091,731	-	2,519,728	139,447	3,750,906
Contracts Payable	-	153,366	-	1,062,163	-	1,215,529
Retainages Payable	-	-	-	-	13,096	13,096
Due to Other Funds	-	10,217	-	-	8,213	18,430
Total Liabilities	<u>-</u>	<u>1,255,314</u>	<u>-</u>	<u>3,581,891</u>	<u>160,756</u>	<u>4,997,961</u>
Deferred Inflows of Resources:						
Unavailable Revenues	<u>-</u>	<u>327,210</u>	<u>-</u>	<u>305,549</u>	<u>-</u>	<u>632,759</u>
Fund Balances:						
Restricted	<u>941,096</u>	<u>12,058,142</u>	<u>-</u>	<u>10,436,815</u>	<u>-</u>	<u>23,436,053</u>
Total Fund Balances	<u>941,096</u>	<u>12,058,142</u>	<u>-</u>	<u>10,436,815</u>	<u>-</u>	<u>23,436,053</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 941,096</u>	<u>13,640,666</u>	<u>-</u>	<u>14,324,255</u>	<u>160,756</u>	<u>29,066,773</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Vehicle Tax	Storm Sewer Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Total
Revenues:						
Wheel Tax	\$ 9,416,456	-	-	-	-	9,416,456
Sales and Use Tax	-	-	-	1,106,239	-	1,106,239
Turnback Tax	-	-	-	236,107	-	236,107
Intergovernmental	-	1,876,956	-	1,010,208	-	2,887,164
Permits and Fees	-	-	-	326,856	-	326,856
Investment Income	17,817	136,300	246	488,368	-	642,731
Donations	-	-	-	1,691,459	-	1,691,459
Rental Income	-	-	-	5,690	-	5,690
Developer's Share	-	100,148	-	190,479	-	290,627
Miscellaneous	-	63,366	-	-	-	63,366
Total Revenues	9,434,273	2,176,770	246	5,055,406	-	16,666,695
Expenditures:						
Capital Outlay:						
General Government	-	-	-	3,246	-	3,246
Public Safety	-	-	-	17,957,376	-	17,957,376
Streets and Highways	109	5,447,773	-	10,271,273	619,156	16,338,311
Culture and Recreation	-	-	-	7,529,858	-	7,529,858
Economic Opportunity	-	-	-	1,070,244	-	1,070,244
Health & Welfare	-	-	-	231,672	-	231,672
Total Expenditures	109	5,447,773	-	37,063,669	619,156	43,130,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,434,164	(3,271,003)	246	(32,008,263)	(619,156)	(26,464,012)
Other Financing Sources (Uses):						
Transfers In	-	-	-	15,752,511	605,192	16,357,703
Transfers Out	(9,421,608)	(75,000)	(14,829)	(1,105,647)	-	(10,617,084)
Note Proceeds	-	-	-	2,175,079	-	2,175,079
Issuance of Debt	-	9,900,000	-	128,200	-	10,028,200
Premium on Debt Issued	-	1,289,976	-	-	-	1,289,976
Sale of Capital Assets	-	-	-	13,972	-	13,972
Total Other Financing Sources (Uses)	(9,421,608)	11,114,976	(14,829)	16,964,115	605,192	19,247,846
Net Change in Fund Balances	12,556	7,843,973	(14,583)	(15,044,148)	(13,964)	(7,216,166)
Fund Balances - Beginning	928,540	4,214,169	14,583	25,480,963	13,964	30,652,219
Fund Balances - Ending	\$ 941,096	12,058,142	-	10,436,815	-	23,436,053



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, 2019

	Community Health Permanent Endowment	JJ Hompes	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,404,007	15,495	1,419,502
Investments	63,202,748	961,359	64,164,107
Accrued Interest Receivable	6,908	236	7,144
	<u>64,613,663</u>	<u>977,090</u>	<u>65,590,753</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	139,838	1,748	141,586
Accrued Liabilities	8,147	-	8,147
Due to Other Funds	20,000	-	20,000
	<u>167,985</u>	<u>1,748</u>	<u>169,733</u>
Total Liabilities			
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	27,445,678	815,342	28,261,020
	<u>64,445,678</u>	<u>975,342</u>	<u>65,421,020</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 64,613,663</u>	<u>977,090</u>	<u>65,590,753</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Community Health Permanent Endowment	JJ Hompes	Total
Revenues:			
Investment Earnings	\$ 2,002,784	35,382	2,038,166
Donations	295	-	295
Miscellaneous	6,700	-	6,700
Total Revenues	<u>2,009,779</u>	<u>35,382</u>	<u>2,045,161</u>
Expenditures -- Current:			
Culture and Recreation	-	9,221	9,221
Health and Welfare	3,000,241	-	3,000,241
Total Expenditures	<u>3,000,241</u>	<u>9,221</u>	<u>3,009,462</u>
Net Change in Fund Balances	(990,462)	26,161	(964,301)
Fund Balances - Beginning	<u>65,436,140</u>	<u>949,181</u>	<u>66,385,321</u>
Fund Balances - Ending	<u><u>\$ 64,445,678</u></u>	<u><u>975,342</u></u>	<u><u>65,421,020</u></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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 248,859	248,859	236,414	(12,445)
Investment Earnings	4,262	4,262	22,311	18,049
Total Revenues	253,121	253,121	258,725	5,604
Expenditures -- General Government:				
Personal Services	26,433	26,433	26,367	66
Materials and Supplies	14,300	14,300	6,629	7,671
Other Services and Charges	35,895	35,895	39,363	(3,468)
Capital Outlay	500,000	500,000	879,806	(379,806)
Total Expenditures	576,628	576,628	952,165	(375,537)
Deficiency of Revenues Under Expenditures	(323,507)	(323,507)	(693,440)	(369,933)
Other Financing Sources:				
Sale of Assets	-	-	71	71
Net Change in Fund Balances	<u><u>\$ (323,507)</u></u>	<u><u>(323,507)</u></u>	<u><u>(693,369)</u></u>	<u><u>(369,862)</u></u>
Fund Balance - Beginning			1,035,943	
Fund Balance - Ending			<u><u>\$ 342,574</u></u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (693,369)	
Revenue and Transfer Accruals			164	
Expenditure and Transfer Accruals			<u>(72)</u>	
Net Change in Fund Balance, GAAP Basis			(693,277)	
Fund Balance - Beginning, GAAP Basis			<u>1,043,297</u>	
Fund Balance - Ending, GAAP Basis			<u><u>\$ 350,020</u></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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 7,905,590	7,905,590	7,861,644	(43,946)
Sundry Taxes and In Lieu	5,000	5,000	5,003	3
Intergovernmental	830,410	830,410	800,205	(30,205)
Permits and Fees	322,560	322,560	214,384	(108,176)
Investment Earnings	9,000	9,000	59,624	50,624
Rental Income	1,200	1,200	1,200	-
Miscellaneous	32,800	32,800	33,070	270
Total Revenues	9,106,560	9,106,560	8,975,130	(131,430)
Expenditures -- Culture and Recreation:				
Personal Services	7,213,816	7,213,816	6,881,967	331,849
Materials and Supplies	169,901	169,901	151,215	18,686
Other Services and Charges	2,186,038	2,181,412	1,328,403	853,009
Capital Outlay	868,250	868,250	834,392	33,858
Total Expenditures	10,438,005	10,433,379	9,195,977	1,237,402
Deficiency of Revenues Under Expenditures	(1,331,445)	(1,326,819)	(220,847)	1,105,972
Other Financing Sources (Uses):				
Transfers Out	-	(4,626)	(58,336)	(53,710)
Sale of Capital Assets	-	-	401	401
Total Other Financing Sources (Uses)	-	(4,626)	(57,935)	(53,309)
Net Change in Fund Balances	\$ (1,331,445)	(1,331,445)	(278,782)	1,052,663
Fund Balance - Beginning			3,581,324	
Fund Balance - Ending			\$ 3,302,542	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (278,782)	
Revenue and Transfer Accruals			63,029	
Expenditure and Transfer Accruals			(49,397)	
Net Change in Fund Balance, GAAP Basis			(265,150)	
Fund Balance - Beginning, GAAP Basis			3,767,090	
Fund Balance - Ending, GAAP Basis			\$ 3,501,940	

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special Assessment	\$ 2,000	2,000	962	(1,038)
Intergovernmental	2,444,824	2,444,824	2,442,427	(2,397)
Permits and Fees	4,894,507	4,894,507	4,883,282	(11,225)
Reimbursement for Services	752,001	752,001	415,884	(336,117)
Investment Earnings	15,300	15,300	133,790	118,490
Miscellaneous	-	-	4,347	4,347
Total Revenues	<u>8,108,632</u>	<u>8,108,632</u>	<u>7,880,692</u>	<u>(227,940)</u>
Expenditures -- Health and Welfare:				
Personal Services	11,001,551	11,090,251	10,606,756	483,495
Materials and Supplies	344,525	344,525	287,683	56,842
Other Services and Charges	5,485,985	5,090,444	3,517,521	1,572,923
Capital Outlay	369,306	527,754	372,969	154,785
Total Expenditures	<u>17,201,367</u>	<u>17,052,974</u>	<u>14,784,929</u>	<u>2,268,045</u>
Deficiency of Revenues Under Expenditures	<u>(9,092,735)</u>	<u>(8,944,342)</u>	<u>(6,904,237)</u>	<u>2,040,105</u>
Other Financing Sources (Uses):				
Transfers In	6,779,493	6,779,493	6,800,524	21,031
Transfers Out	-	(191,952)	(184,990)	6,962
Total Other Financing Sources (Uses)	<u>6,779,493</u>	<u>6,587,541</u>	<u>6,615,534</u>	<u>27,993</u>
Net Change in Fund Balances	<u>\$ (2,313,242)</u>	<u>(2,356,801)</u>	<u>(288,703)</u>	<u>2,068,098</u>
Fund Balance - Beginning			4,946,422	
Fund Balance - Ending			<u>\$ 4,657,719</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (288,703)	
Revenue and Transfer Accruals			18,428	
Expenditure and Transfer Accruals			<u>(1,525)</u>	
Net Change in Fund Balance, GAAP Basis			(271,800)	
Fund Balance - Beginning, GAAP Basis			<u>4,571,495</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 4,299,695</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 2,505,789	2,505,789	2,486,731	(19,058)
Sundry Taxes and In Lieu	1,600	1,600	1,594	(6)
Investment Earnings	11,320	11,320	54,097	42,777
Total Revenues	<u>2,518,709</u>	<u>2,518,709</u>	<u>2,542,422</u>	<u>23,713</u>
Expenditures -- General Government:				
Personal Services	2,734,473	2,737,342	2,608,895	128,447
Other Services and Charges	180,255	180,255	171,658	8,597
Total Expenditures	<u>2,914,728</u>	<u>2,917,597</u>	<u>2,780,553</u>	<u>137,044</u>
Net Change in Fund Balances	<u>\$ (396,019)</u>	<u>(398,888)</u>	<u>(238,131)</u>	<u>160,757</u>
Fund Balance - Beginning			<u>2,596,399</u>	
Fund Balance - Ending			<u>\$ 2,358,268</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (238,131)	
Revenue and Transfer Accruals			2,891	
Expenditure and Transfer Accruals			<u>(16,347)</u>	
Net Change in Fund Balance, GAAP Basis			(251,587)	
Fund Balance - Beginning, GAAP Basis			<u>2,301,420</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,049,833</u>	

CITY OF LINCOLN, NEBRASKA
STARTRAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 2,422,306	2,422,306	4,471,673	2,049,367
Permits and Fees	3,693,109	3,693,109	2,946,565	(746,544)
Reimbursement for Services	135,000	135,000	147,910	12,910
Miscellaneous	148,000	148,000	264,605	116,605
Total Revenues	<u>6,398,415</u>	<u>6,398,415</u>	<u>7,830,753</u>	<u>1,432,338</u>
Expenditures -- Mass Transit:				
Personal Services	10,402,872	10,402,872	10,166,128	236,744
Materials and Supplies	1,698,443	1,698,443	1,653,120	45,323
Other Services and Charges	2,066,411	2,066,411	1,831,385	235,026
Capital Outlay	<u>1,334</u>	<u>1,334</u>	<u>-</u>	<u>1,334</u>
Total Expenditures	<u>14,169,060</u>	<u>14,169,060</u>	<u>13,650,633</u>	<u>518,427</u>
Deficiency of Revenues Under Expenditures	(7,770,645)	(7,770,645)	(5,819,880)	1,950,765
Other Financing Sources (Uses):				
Transfers In	7,301,189	7,301,189	7,306,189	5,000
Transfers Out	<u>-</u>	<u>-</u>	<u>(13,835)</u>	<u>(13,835)</u>
Total Other Financing Sources (Uses)	<u>7,301,189</u>	<u>7,301,189</u>	<u>7,292,354</u>	<u>(8,835)</u>
Net Change in Fund Balances	<u>\$ (469,456)</u>	<u>(469,456)</u>	1,472,474	<u>1,941,930</u>
Amount Budgeted on Project Basis			(1,066,367)	
Fund Balance - Beginning			<u>4,271,172</u>	
Fund Balance - Ending			<u>\$ 4,677,279</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,472,474	
Revenue and Transfer Accruals			58,828	
Expenditure and Transfer Accruals			144,979	
Amount Budgeted on Project Basis			<u>(1,066,367)</u>	
Net Change in Fund Balance, GAAP Basis			609,914	
Fund Balance - Beginning, GAAP Basis			<u>4,536,127</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 5,146,041</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ -	-	130,806	130,806
Keno Proceeds	4,900,000	5,440,000	5,656,154	216,154
Miscellaneous	-	-	16,000	16,000
Total Revenues	<u>4,900,000</u>	<u>5,440,000</u>	<u>5,802,960</u>	<u>362,960</u>
Expenditures:				
General Government:				
Other Services and Charges	1,797,250	1,797,250	2,116,729	(319,479)
Culture and Recreation:				
Materials and Supplies	-	-	7,922	(7,922)
Other Services and Charges	35,000	35,000	55,993	(20,993)
Capital Outlay	864,482	864,482	787,685	76,797
Total Expenditures	<u>2,696,732</u>	<u>2,696,732</u>	<u>2,968,329</u>	<u>(271,597)</u>
Excess of Revenues Over Expenditures	2,203,268	2,743,268	2,834,631	91,363
Other Financing Uses:				
Transfers Out	<u>(4,325,810)</u>	<u>(5,290,810)</u>	<u>(1,831,821)</u>	<u>3,458,989</u>
Net Change in Fund Balances	<u>\$ (2,122,542)</u>	<u>(2,547,542)</u>	<u>1,002,810</u>	<u>3,550,352</u>
Fund Balance - Beginning			<u>4,387,699</u>	
Fund Balance - Ending			<u>\$ 5,390,509</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,002,810	
Revenue and Transfer Accruals			79,002	
Expenditure and Transfer Accruals			<u>(50,527)</u>	
Net Change in Fund Balance, GAAP Basis			1,031,285	
Fund Balance - Beginning, GAAP Basis			<u>4,425,089</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 5,456,374</u>	

CITY OF LINCOLN, NEBRASKA
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 17,404,294	17,404,294	17,345,394	(58,900)
Permits and Fees	195,318	195,318	195,318	-
Reimbursement for Services	644,622	644,622	644,622	-
Program Income	1,102,664	1,102,664	1,138,901	36,237
Investment Earnings	14,897	14,897	14,947	50
Donations	17,654	17,654	17,654	-
Miscellaneous	18,833	18,833	18,833	-
Total Revenues	19,398,282	19,398,282	19,375,669	(22,613)
Expenditures:				
General Government:				
Personal Services	1,390	1,390	1,390	-
Materials and Supplies	40	40	40	-
Other Services and Charges	179,009	179,009	179,009	-
Capital Outlay	2,797	2,797	2,797	-
Total General Government	183,236	183,236	183,236	-
Public Safety:				
Personal Services	2,178,203	2,178,203	2,178,203	-
Materials and Supplies	169,891	169,891	169,891	-
Other Services and Charges	1,939,151	1,939,151	1,939,151	-
Capital Outlay	81,188	81,188	81,188	-
Total Public Safety	4,368,433	4,368,433	4,368,433	-
Culture and Recreation:				
Personal Services	252,186	252,186	252,186	-
Materials and Supplies	40,900	40,900	40,900	-
Other Services and Charges	86,883	86,883	86,883	-
Capital Outlay	499,333	499,333	499,333	-
Total Culture and Recreation	879,302	879,302	879,302	-
Economic Opportunity:				
Personal Services	4,830,760	4,847,711	4,826,248	21,463
Materials and Supplies	37,377	37,377	36,677	700
Other Services and Charges	1,995,071	2,246,263	2,137,126	109,137
Capital Outlay	13,691	645,653	31,585	614,068
Loans and Grants	4,151,317	5,005,678	4,147,775	857,903
Total Economic Opportunity	11,028,216	12,782,682	11,179,411	1,603,271

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Health and Welfare:				
Personal Services	2,852,666	2,852,666	2,852,666	-
Materials and Supplies	116,025	116,025	116,025	-
Other Services and Charges	1,096,563	1,096,563	1,096,563	-
Capital Outlay	21,452	21,452	21,452	-
Loans and Grants	28,487	28,487	28,487	-
Total Health and Welfare	4,115,193	4,115,193	4,115,193	-
Mass Transit:				
Personal Services	262,806	262,806	262,806	-
Other Services and Charges	10,414	10,414	10,414	-
Total Mass Transit	273,220	273,220	273,220	-
Total Expenditures	20,847,600	22,602,066	20,998,795	1,603,271
Deficiency of Revenues Under Expenditures	(1,449,318)	(3,203,784)	(1,623,126)	1,580,658
Other Financing Sources (Uses):				
Transfers In	430,614	430,614	435,863	5,249
Transfers Out	(118,453)	(118,453)	(117,117)	1,336
Total Other Financing Sources (Uses)	312,161	312,161	318,746	6,585
Net Change in Fund Balances	<u>\$ (1,137,157)</u>	<u>(2,891,623)</u>	(1,304,380)	<u>1,587,243</u>
Fund Balance - Beginning			1,180,428	
Fund Balance - Ending			<u>\$ (123,952)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (1,304,380)	
Revenue and Transfer Accruals			(677,187)	
Expenditure and Transfer Accruals			<u>1,066,918</u>	
Net Change in Fund Balance, GAAP Basis			(914,649)	
Fund Balance - Beginning, GAAP Basis			<u>19,359,285</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 18,444,636</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 6,224,443	6,224,443	6,023,855	(200,588)
Reimbursement for Services	137,200	137,200	196,374	59,174
Investment Earnings	58,215	58,215	276,889	218,674
Miscellaneous	331	331	271	(60)
Total Revenues	<u>6,420,189</u>	<u>6,420,189</u>	<u>6,497,389</u>	<u>77,200</u>
Expenditures -- Public Safety:				
Personal Services	5,724,251	5,803,722	5,455,980	347,742
Materials and Supplies	93,823	95,374	40,842	54,532
Other Services and Charges	1,623,619	1,625,247	1,220,853	404,394
Capital Outlay	330,450	333,450	168,537	164,913
Total Expenditures	<u>7,772,143</u>	<u>7,857,793</u>	<u>6,886,212</u>	<u>971,581</u>
Deficiency of Revenue Under Expenditures	(1,351,954)	(1,437,604)	(388,823)	1,048,781
Other Financing Sources (Uses):				
Transfers In	1,300,710	1,300,710	1,300,710	-
Transfers Out	-	-	(5,038)	(5,038)
Total Other Financing Sources (Uses)	<u>1,300,710</u>	<u>1,300,710</u>	<u>1,295,672</u>	<u>(5,038)</u>
Net Change in Fund Balances	<u>\$ (51,244)</u>	<u>(136,894)</u>	<u>906,849</u>	<u>1,043,743</u>
Fund Balance - Beginning			<u>10,450,243</u>	
Fund Balance - Ending			<u>\$ 11,357,092</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 906,849	
Revenue and Transfer Accruals			22,407	
Expenditure and Transfer Accruals			<u>(54,040)</u>	
Net Change in Fund Balance, GAAP Basis			875,216	
Fund Balance - Beginning, GAAP Basis			<u>10,292,242</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 11,167,458</u>	

CITY OF LINCOLN, NEBRASKA
LIBRARY SPECIAL TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ -	-	3,738	3,738
Donations	107,785	107,785	107,816	31
Total Revenues	107,785	107,785	111,554	3,769
Expenditures -- Culture and Recreation:				
Personal Services	99,924	99,924	90,243	9,681
Other Services and Charges	250	250	-	250
Capital Outlay	10,000	10,000	6,942	3,058
Total Expenditures	110,174	110,174	97,185	12,989
Net Change in Fund Balance	\$ (2,389)	(2,389)	14,369	16,758
Fund Balance - Beginning			110,699	
Fund Balance - Ending			\$ 125,068	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 14,369	
Revenue and Transfer Accruals			176	
Expenditure and Transfer Accruals			1,518	
Net Change in Fund Balance, GAAP Basis			16,063	
Fund Balance - Beginning, GAAP Basis			107,503	
Fund Balance - Ending, GAAP Basis			\$ 123,566	

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ -	-	128	128
Donations	228,951	228,951	9,500	(219,451)
Rental Income	98,127	98,127	49,879	(48,248)
Miscellaneous	-	-	39,892	39,892
Total Revenues	<u>327,078</u>	<u>327,078</u>	<u>99,399</u>	<u>(227,679)</u>
Expenditures -- Mass Transit:				
Other Services and Charges	327,078	327,078	340,224	(13,146)
Capital Outlay	-	-	48,593	(48,593)
Total Expenditures	<u>327,078</u>	<u>327,078</u>	<u>388,817</u>	<u>(61,739)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>(289,418)</u>	<u>(289,418)</u>
Fund Balance - Beginning			<u>18,385</u>	
Fund Balance - Ending			<u>\$ (271,033)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (289,418)	
Revenue and Transfer Accruals			(998)	
Expenditure and Transfer Accruals			<u>(85)</u>	
Net Change in Fund Balance, GAAP Basis			(290,501)	
Fund Balance - Beginning, GAAP Basis			<u>(8,169)</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ (298,670)</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 1,059,038	1,059,038	9,544,229	8,485,191
Investment Earnings	-	-	160,436	160,436
Miscellaneous	-	-	419,227	419,227
Total Revenues	<u>1,059,038</u>	<u>1,059,038</u>	<u>10,123,892</u>	<u>9,064,854</u>
Expenditures -- Debt Service:				
Principal Retirement	735,567	735,567	857,309	(121,742)
Interest	168,847	168,847	154,040	14,807
Fiscal Charges	-	-	350	(350)
Developer Purchased TIF Payments	-	-	9,682,542	(9,682,542)
Miscellaneous	-	-	320,363	(320,363)
Total Expenditures	<u>904,414</u>	<u>904,414</u>	<u>11,014,604</u>	<u>(10,110,190)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>154,624</u>	<u>154,624</u>	<u>(890,712)</u>	<u>(1,045,336)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	90,622	90,622
Transfers Out	-	-	(3,173,636)	(3,173,636)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,083,014)</u>	<u>(3,083,014)</u>
Net Change in Fund Balances	<u>\$ 154,624</u>	<u>154,624</u>	<u>(3,973,726)</u>	<u>(4,128,350)</u>
Fund Balances - Beginning			<u>8,556,063</u>	
Fund Balances - Ending			<u>\$ 4,582,337</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (3,973,726)	
Revenue and Transfer Accruals			579,661	
Expenditure and Transfer Accruals			<u>1,160,090</u>	
Net Change in Fund Balance, GAAP Basis			(2,233,975)	
Fund Balance - Beginning, GAAP Basis			<u>3,779,454</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,545,479</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 5,011,118	5,011,118	4,936,360	(74,758)
Sundry and In Lieu Tax	3,600	3,600	3,175	(425)
Investment Earnings	12,000	12,000	72,257	60,257
Total Revenues	5,026,718	5,026,718	5,011,792	(14,926)
Expenditures -- Debt Service:				
Principal Retirement	4,490,000	4,490,000	4,552,696	(62,696)
Interest	1,095,419	1,095,419	1,116,663	(21,244)
Fiscal Charges	2,750	2,750	12,918	(10,168)
Capital Lease Principal	-	-	3,185,000	(3,185,000)
Capital Lease Interest	-	-	541,197	(541,197)
Miscellaneous	-	-	1,857	(1,857)
Total Expenditures	5,588,169	5,588,169	9,410,331	(3,822,162)
Deficiency of Revenues Under Expenditures	(561,451)	(561,451)	(4,398,539)	(3,837,088)
Other Financing Sources:				
Transfers In	-	-	3,820,330	3,820,330
Net Change in Fund Balances	<u>\$ (561,451)</u>	<u>(561,451)</u>	<u>(578,209)</u>	<u>(16,758)</u>
Fund Balances - Beginning			3,882,217	
Fund Balances - Ending			<u>\$ 3,304,008</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (578,209)	
Revenue and Transfer Accruals			<u>(24,366)</u>	
Net Change in Fund Balance, GAAP Basis			(602,575)	
Fund Balance - Beginning, GAAP Basis			<u>4,268,572</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,665,997</u>	

CITY OF LINCOLN, NEBRASKA
TAX SUPPORTED BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Sundry and In Lieu Tax	\$ 2,028,830	2,028,830	2,124,960	96,130
Occupation Tax	-	-	1,447,370	1,447,370
Investment Earnings	-	-	64,605	64,605
Total Revenues	<u>2,028,830</u>	<u>2,028,830</u>	<u>3,636,935</u>	<u>1,608,105</u>
Expenditures -- Debt Service:				
Principal Retirement	4,715,000	4,715,000	4,715,000	-
Interest	1,991,631	1,991,631	1,991,632	(1)
Fiscal Charges	750	750	1,200	(450)
Payments Made to Developer	-	-	2,298,078	(2,298,078)
Miscellaneous	-	-	1,563	(1,563)
Total Expenditures	<u>6,707,381</u>	<u>6,707,381</u>	<u>9,007,473</u>	<u>(2,300,092)</u>
Deficiency of Revenues Under Expenditures	(4,678,551)	(4,678,551)	(5,370,538)	(691,987)
Other Financing Sources:				
Transfer In	4,934,200	4,934,200	4,934,200	-
Transfer Out	(424,270)	(424,270)	(217,370)	206,900
Total Other Financing Sources and (Uses)	<u>4,509,930</u>	<u>4,509,930</u>	<u>4,716,830</u>	<u>206,900</u>
Net Change in Fund Balances	<u>\$ (168,621)</u>	<u>(168,621)</u>	<u>(653,708)</u>	<u>(485,087)</u>
Fund Balances - Beginning			<u>2,319,591</u>	
Fund Balances - Ending			<u>\$ 1,665,883</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (653,708)	
Revenue and Transfer Accruals			6,806	
Expenditure and Transfer Accruals			<u>832,056</u>	
Net Change in Fund Balance, GAAP Basis			185,154	
Fund Balance - Beginning, GAAP Basis			<u>931,078</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,116,232</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ 3,100,000	3,100,000	2,005,394	(1,094,606)
Donations	-	-	295	295
Miscellaneous	-	-	7,552	7,552
Total Revenues	<u>3,100,000</u>	<u>3,100,000</u>	<u>2,013,241</u>	<u>(1,086,759)</u>
Expenditures -- Health and Welfare:				
Personal Services	414,586	414,586	391,567	23,019
Materials and Supplies	6,372	6,372	4,282	2,090
Other Services and Charges	82,147	82,147	94,977	(12,830)
Grants	<u>4,662,442</u>	<u>4,662,442</u>	<u>2,408,828</u>	<u>2,253,614</u>
Total Expenditures	<u>5,165,547</u>	<u>5,165,547</u>	<u>2,899,654</u>	<u>2,265,893</u>
Net Change in Fund Balance	<u>\$ (2,065,547)</u>	<u>(2,065,547)</u>	<u>(886,413)</u>	<u>1,179,134</u>
Fund Balances - Beginning			<u>65,520,288</u>	
Fund Balances - Ending			<u>\$ 64,633,875</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (886,413)	
Revenue and Transfer Accruals			(3,462)	
Expenditure and Transfer Accruals			<u>(100,587)</u>	
Net Change in Fund Balance, GAAP Basis			(990,462)	
Fund Balance - Beginning, GAAP Basis			<u>65,436,140</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 64,445,678</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Reimbursement for Services	\$ 106,700	106,700	-	(106,700)
Investment Earnings	1,200	1,200	18,020	16,820
Rental Income	365,741	365,741	435,085	69,344
Miscellaneous	-	95,951	8,285	(87,666)
Total Revenues	<u>473,641</u>	<u>569,592</u>	<u>461,390</u>	<u>(108,202)</u>
Other Financing Uses:				
Transfers Out	<u>(918,896)</u>	<u>(994,847)</u>	<u>(320,848)</u>	<u>673,999</u>
Net Change in Fund Balances	<u>\$ (445,255)</u>	<u>(425,255)</u>	140,542	<u>565,797</u>
Fund Balance - Beginning			<u>624,252</u>	
Fund Balance - Ending			<u>\$ 764,794</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 140,542	
Revenue and Transfer Accruals			<u>47,668</u>	
Net Change in Fund Balance, GAAP Basis			188,210	
Fund Balance - Beginning, GAAP Basis			<u>628,018</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 816,228</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,234,220	1,234,220	1,349,003	114,783
Permits and Fees	65,294	65,294	48,715	(16,579)
Reimbursement for Services	3,000	3,000	-	(3,000)
Client Contributions	140,862	140,862	110,970	(29,892)
Investment Earnings	-	-	33,490	33,490
Donations	89,000	89,000	-	(89,000)
Miscellaneous	-	-	378	378
Total Revenues	<u>1,532,376</u>	<u>1,532,376</u>	<u>1,542,556</u>	<u>10,180</u>
Expenditures -- Economic Opportunity:				
Personal Services	2,711,773	2,711,773	2,327,946	383,827
Materials and Supplies	257,061	257,061	210,785	46,276
Other Services and Charges	1,734,585	1,721,657	899,052	822,605
Capital Outlay	14,375	14,375	10,093	4,282
Total Expenditures	<u>4,717,794</u>	<u>4,704,866</u>	<u>3,447,876</u>	<u>1,256,990</u>
Deficiency of Revenues Under Expenditures	(3,185,418)	(3,172,490)	(1,905,320)	1,267,170
Other Financing Sources (Uses):				
Transfers In	2,367,061	2,367,061	2,367,061	-
Transfers Out	-	(12,928)	-	12,928
Sale of Capital Assets	-	-	2,250	2,250
Total Other Financing Sources (Uses)	<u>2,367,061</u>	<u>2,354,133</u>	<u>2,369,311</u>	<u>15,178</u>
Net Change in Fund Balances	<u>\$ (818,357)</u>	<u>(818,357)</u>	463,991	<u>1,282,348</u>
Fund Balance - Beginning			<u>1,176,490</u>	
Fund Balance - Ending			<u>\$ 1,640,481</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 463,991	
Revenue and Transfer Accruals			149,279	
Expenditure and Transfer Accruals			<u>9,116</u>	
Net Change in Fund Balance, GAAP Basis			622,386	
Fund Balance - Beginning, GAAP Basis			<u>1,038,876</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,661,262</u>	

CITY OF LINCOLN, NEBRASKA
911 COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 358,367	358,367	657,181	298,814
Permits and Fees	1,030,000	1,030,000	729,098	(300,902)
Reimbursement for Services	39,772	39,772	16,000	(23,772)
Investment Earnings	20,000	20,000	66,348	46,348
Total Revenues	<u>1,448,139</u>	<u>1,448,139</u>	<u>1,468,627</u>	<u>20,488</u>
Expenditures -- Public Safety:				
Personal Services	5,018,585	5,018,585	4,846,335	172,250
Materials and Supplies	38,300	38,300	13,381	24,919
Other Services and Charges	1,005,415	1,005,415	749,909	255,506
Capital Outlay	369,817	369,817	117,031	252,786
Total Expenditures	<u>6,432,117</u>	<u>6,432,117</u>	<u>5,726,656</u>	<u>705,461</u>
Deficiency of Revenues Under Expenditures	<u>(4,983,978)</u>	<u>(4,983,978)</u>	<u>(4,258,029)</u>	<u>725,949</u>
Other Financing Sources (Uses):				
Transfers In	4,612,998	4,612,998	4,547,713	(65,285)
Transfers Out	(853)	-	-	-
Sale of Capital Assets	-	-	138	138
Total Other Financing Sources (Uses)	<u>4,612,145</u>	<u>4,612,998</u>	<u>4,547,851</u>	<u>(65,147)</u>
Net Change in Fund Balances	<u>\$ (371,833)</u>	<u>(370,980)</u>	<u>289,822</u>	<u>660,802</u>
Fund Balance - Beginning			<u>2,482,781</u>	
Fund Balance - Ending			<u>\$ 2,772,603</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 289,822	
Revenue and Transfer Accruals			146,486	
Expenditure and Transfer Accruals			<u>(17,181)</u>	
Net Change in Fund Balance, GAAP Basis			419,127	
Fund Balance - Beginning, GAAP Basis			<u>2,340,599</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,759,726</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 44,858	44,858	46,752	1,894
Sundry Taxes and In Lieu	-	-	30	30
Investment Earnings	300	300	4,149	3,849
Total Revenues	<u>45,158</u>	<u>45,158</u>	<u>50,931</u>	<u>5,773</u>
Expenditures -- General Government:				
Unemployment Insurance Payments	<u>50,000</u>	<u>50,000</u>	-	50,000
Net Change in Fund Balances	<u>\$ (4,842)</u>	<u>(4,842)</u>	50,931	<u>55,773</u>
Fund Balance - Beginning			<u>140,123</u>	
Fund Balance - Ending			<u>\$ 191,054</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 50,931	
Revenue and Transfer Accruals			<u>823</u>	
Net Change in Fund Balance, GAAP Basis			51,754	
Fund Balance - Beginning, GAAP Basis			<u>143,907</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 195,661</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 nine downtown parking garages: Carriage Park, Que Place, Center Park, Cornhusker Square, University Square, Market Place, Haymarket, Larson Building, and Lumberworks; 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, 2019

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 456,805	977,129	3,693,827	461,207	128,254	-	5,717,222
Investments	-	12,076,703	-	7,288,668	2,054,784	-	21,420,155
Receivables (Net of Allowance for Uncollectibles)	3,150	173,470	73,892	2,110,475	1,509,790	121,237	3,992,014
Due from Other Funds	-	969,361	101,233	428,305	-	-	1,498,899
Due from Other Governments	-	-	25,204	5,426	-	-	30,630
Inventories	77,307	-	218,223	-	224,366	-	519,896
Prepaid Expenses	-	-	96,751	-	-	-	96,751
Total Current Assets	537,262	14,196,663	4,209,130	10,294,081	3,917,194	121,237	33,275,567
Noncurrent Assets:							
Investments	-	2,407,536	-	1,453,023	409,629	-	4,270,188
Restricted Assets:							
Cash and Cash Equivalents	-	1,046,586	-	57,171	-	-	1,103,757
Investments	-	20,517,401	-	1,104,336	-	-	21,621,737
Receivables	-	44,936	-	5,942	-	-	50,878
Total Restricted Assets	-	21,608,923	-	1,167,449	-	-	22,776,372
Capital Assets:							
Land	1,068,949	16,227,040	-	1,540,452	-	-	18,836,441
Buildings	4,377,824	74,204,296	-	3,551,225	168,363	-	82,301,708
Improvements Other Than Buildings	8,350,114	2,743,028	-	46,280,634	-	16,947,807	74,321,583
Machinery and Equipment	3,493,306	4,713,452	848,223	10,268,875	2,954,120	-	22,277,976
Construction in Progress	-	625,642	-	1,362,946	-	-	1,988,588
Less Accumulated Depreciation	(11,298,398)	(32,255,389)	(302,774)	(34,055,071)	(1,248,747)	(1,257,516)	(80,417,895)
Total Capital Assets, Net	5,991,795	66,258,069	545,449	28,949,061	1,873,736	15,690,291	119,308,401
Total Noncurrent Assets	5,991,795	90,274,528	545,449	31,569,533	2,283,365	15,690,291	146,354,961
Total Assets	6,529,057	104,471,191	4,754,579	41,863,614	6,200,559	15,811,528	179,630,528
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	1,120,355	-	10,579	-	-	1,130,934
Deferred Outflows for Pension	-	-	-	-	1,768,705	-	1,768,705
Deferred Outflows for OPEB	4,774	683	-	10,572	30,633	1,707	48,369
Total Deferred Outflows of Resources	4,774	1,121,038	-	21,151	1,799,338	1,707	2,948,008

(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	236,968	945,074	237,420	1,155,612	118,969	103,903	2,797,946
Accrued Liabilities	41,515	6,737	215,955	60,969	133,744	10,239	469,159
Accrued Compensated Absences	96,823	25,892	113,445	130,999	276,367	30,729	674,255
Due to Other Funds	-	22,998	7,830	-	112,327	15,565	158,720
Due to Other Governments	50,508	1,644	121,391	68,862	799	-	243,204
Unearned Revenue	120,134	1,782,453	2,630,542	-	-	-	4,533,129
Accrued Interest	10,183	178,283	-	27,262	-	-	215,728
Current Portion of Notes Payable	-	-	200,000	-	-	-	200,000
Current Portion of Capital Lease	355,223	-	-	-	66,790	-	422,013
Current Portion of Long-Term Debt	-	2,315,000	-	830,000	-	-	3,145,000
Current Portion of OPEB Liability	4,774	683	-	10,572	30,633	1,707	48,369
Total Current Liabilities	916,128	5,278,764	3,526,583	2,284,276	739,629	162,143	12,907,523
Noncurrent Liabilities:							
Accrued Compensated Absences	109,040	-	-	93,500	43,456	-	245,996
Notes Payable	-	-	600,000	-	-	-	600,000
Capital Lease Payable	982,478	-	-	-	66,790	-	1,049,268
Long-Term Debt, Net	-	46,399,470	-	8,797,545	-	-	55,197,015
Net Pension Liability	-	-	-	-	4,744,405	-	4,744,405
Total OPEB Liability, Net	80,396	11,496	-	178,038	515,923	28,742	814,595
Accrued Landfill Closure/ Postclosure Care Costs	-	-	-	24,087,000	-	-	24,087,000
Total Noncurrent Liabilities	1,171,914	46,410,966	600,000	33,156,083	5,370,574	28,742	86,738,279
Total Liabilities	2,088,042	51,689,730	4,126,583	35,440,359	6,110,203	190,885	99,645,802
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Pension	-	-	-	-	663,485	-	663,485
Deferred Inflows for OPEB	10,962	1,568	-	24,276	70,343	3,919	111,068
Total Deferred Inflows of Resources	10,962	1,568	-	24,276	733,828	3,919	774,553
NET POSITION							
Net Investment in Capital Assets	4,654,094	32,714,448	545,449	19,864,073	1,740,156	15,690,291	75,208,511
Restricted for:							
Capital Projects	-	6,993,241	-	50,364	-	-	7,043,605
Unrestricted	(219,267)	14,193,242	82,547	(13,494,307)	(584,290)	(71,860)	(93,935)
Total Net Position	\$ 4,434,827	53,900,931	627,996	6,420,130	1,155,866	15,618,431	82,158,181



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Operating Revenues							
Charges for Services	\$ 244,721	1,815,888	-	23,822	6,711,644	1,369,836	10,165,911
Fees	3,709,638	1,042,814	-	8,389,150	-	5,284	13,146,886
Parking Revenue	-	12,601,584	-	-	-	-	12,601,584
Performance Revenue	-	-	11,046,353	-	-	-	11,046,353
Other Operating Revenue	63,805	90,682	1,809,288	769,340	-	-	2,733,115
Total Operating Revenues	<u>4,018,164</u>	<u>15,550,968</u>	<u>12,855,641</u>	<u>9,182,312</u>	<u>6,711,644</u>	<u>1,375,120</u>	<u>49,693,849</u>
Operating Expenses							
Personal Services	1,724,671	317,306	4,898,624	2,889,333	5,954,889	517,890	16,302,713
Contractual Services	398,272	4,474,435	1,407,039	2,695,906	488,058	59,153	9,522,863
Operation and Maintenance	1,423,425	2,672,082	5,891,978	3,038,792	798,583	216,655	14,041,515
Depreciation	375,986	2,101,205	41,749	2,268,943	291,538	493,687	5,573,108
Total Operating Expenses	<u>3,922,354</u>	<u>9,565,028</u>	<u>12,239,390</u>	<u>10,892,974</u>	<u>7,533,068</u>	<u>1,287,385</u>	<u>45,440,199</u>
Operating Income (Loss)	<u>95,810</u>	<u>5,985,940</u>	<u>616,251</u>	<u>(1,710,662)</u>	<u>(821,424)</u>	<u>87,735</u>	<u>4,253,650</u>
Nonoperating Revenues (Expenses)							
Investment Earnings	379	575,345	-	301,965	64,456	4,242	946,387
Grant Revenue	-	-	-	14,215	-	-	14,215
Gain (Loss) on Disposal of Capital Assets	(4,963)	(6,814)	-	-	-	-	(11,777)
Insurance Recovery	-	-	-	1,650	-	-	1,650
Occupation Tax	-	-	-	3,376,319	-	80,000	3,456,319
Debt Issuance Expense	(7,500)	(320,838)	-	-	-	-	(328,338)
Interest Expense and Fiscal Charges	(24,400)	(741,950)	(1,900)	(304,919)	-	(1,316)	(1,074,485)
Total Nonoperating Revenues (Expenses)	<u>(36,484)</u>	<u>(494,257)</u>	<u>(1,900)</u>	<u>3,389,230</u>	<u>64,456</u>	<u>82,926</u>	<u>3,003,971</u>
Income (Loss) Before Contributions and Transfers	59,326	5,491,683	614,351	1,678,568	(756,968)	170,661	7,257,621
Capital Contributions	428,930	-	253,343	30,080	231,263	5,854,781	6,798,397
Transfers In	44,954	-	201,900	-	-	100,000	346,854
Transfers Out	(62,867)	(2,109,367)	-	(1,575,406)	-	(500,398)	(4,248,038)
Change in Net Position	<u>470,343</u>	<u>3,382,316</u>	<u>1,069,594</u>	<u>133,242</u>	<u>(525,705)</u>	<u>5,625,044</u>	<u>10,154,834</u>
Net Position - Beginning	<u>3,964,484</u>	<u>50,518,615</u>	<u>(441,598)</u>	<u>6,286,888</u>	<u>1,681,571</u>	<u>9,993,387</u>	<u>72,003,347</u>
Net Position - Ending	<u>\$ 4,434,827</u>	<u>53,900,931</u>	<u>627,996</u>	<u>6,420,130</u>	<u>1,155,866</u>	<u>15,618,431</u>	<u>82,158,181</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	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	\$ 3,962,766	13,837,346	8,947,707	8,193,119	7,110,061	1,333,480	43,384,479
Receipts from Interfund Services Provided	-	1,987,543	-	90,360	-	-	2,077,903
Payments to Suppliers for Goods and Services	(1,364,741)	(6,196,371)	(5,968,733)	(4,173,055)	(949,374)	(83,203)	(18,735,477)
Payments to Employees	(1,658,800)	(315,783)	(5,087,931)	(2,848,668)	(5,346,722)	(510,987)	(15,768,891)
Payments for Interfund Services Provided	(432,787)	(880,621)	(1,161,843)	(760,192)	(563,325)	(93,923)	(3,892,691)
Other Receipts	64,012	89,985	1,809,288	730,341	-	-	2,693,626
Net Cash Provided (Used) by Operating Activities	570,450	8,522,099	(1,461,512)	1,231,905	250,640	645,367	9,758,949
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	3,353,950	-	80,000	3,433,950
Transfers from Other Funds	44,954	-	201,900	-	-	100,000	346,854
Transfers to Other Funds	(62,867)	(2,109,367)	-	(1,575,406)	-	(500,398)	(4,248,038)
Advances from General Fund	-	-	-	-	-	13,712	13,712
Repayment of Advances from General Fund	-	-	(250,000)	-	-	(340,026)	(590,026)
Advances to Other Funds	-	(806,885)	-	(403,442)	-	-	(1,210,327)
Repayments from Other Funds	-	73,134	-	36,567	-	-	109,701
Grant Proceeds	-	-	-	109,004	-	-	109,004
Principal Payment of Long-Term Debt	-	-	(200,000)	-	-	-	(200,000)
Interest and Fiscal Charges Paid	-	-	(1,900)	-	-	(1,316)	(3,216)
Net Cash Provided (Used) by Non-Capital Financing Activities	(17,913)	(2,843,118)	(250,000)	1,520,673	-	(648,028)	(2,238,386)
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(679,805)	(10,882,118)	-	(1,400,956)	(268,185)	-	(13,231,064)
Capital Contributions	-	-	-	30,080	-	-	30,080
Insurance Recovery	-	-	-	1,650	-	-	1,650
Proceeds from Long-Term Debt	679,805	23,312,604	-	-	-	-	23,992,409
Cost of Debt Issuance	(7,500)	(317,338)	-	-	-	-	(324,838)
Principal Payments of Capital Lease	(299,958)	-	-	-	(66,791)	-	(366,749)
Principal Payments of Bonded Debt	-	-	-	(810,000)	-	-	(810,000)
Interest and Fiscal Charges Paid	(23,186)	(515,533)	-	(350,138)	-	-	(888,857)
Net Cash Provided (Used) by Capital and Related Financing Activities	(330,644)	11,597,615	-	(2,529,364)	(334,976)	-	8,402,631
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	-	11,909,883	-	7,225,490	1,980,351	-	21,115,724
Purchases of Investments	-	(31,181,292)	-	(7,688,985)	(1,924,516)	-	(40,794,793)
Interest and Other Receipts	216	349,468	-	215,800	44,851	2,661	612,996
Net Cash Provided (Used) by Investing Activities	216	(18,921,941)	-	(247,695)	100,686	2,661	(19,066,073)
Net Increase (Decrease) in Cash and Cash Equivalents	222,109	(1,645,345)	(1,711,512)	(24,481)	16,350	-	(3,142,879)
Cash and Cash Equivalents - Beginning	234,696	3,669,060	5,405,339	542,859	111,904	-	9,963,858
Cash and Cash Equivalents - Ending	\$ 456,805	2,023,715	3,693,827	518,378	128,254	-	6,820,979

(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 by Operating Activities							
Operating Income (Loss)	\$ 95,810	5,985,940	616,251	(1,710,662)	(821,424)	87,735	4,253,650
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Depreciation	375,986	2,101,205	41,749	2,268,943	291,538	493,687	5,573,108
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable and Unbilled Revenues	(319)	(64,019)	264,123	(164,971)	398,417	(41,640)	391,591
Due from Other Funds	-	139,350	(59,921)	(3,364)	23,976	-	100,041
Due from Other Governments	-	2,662	3,431	(157)	-	-	5,936
Inventories	(9,384)	-	66,855	-	(32,424)	-	25,047
Prepaid Expenses	-	-	5,374	-	-	-	5,374
Deferred Outflows for Pension	-	-	-	-	(1,455,575)	-	(1,455,575)
Deferred Outflows for OPEB	329	245	-	2,423	1,764	(315)	4,446
Accounts Payable	53,771	53,055	(80,302)	136,272	(12,685)	102,300	252,411
Accrued Liabilities	2,490	435	8,756	1,610	22,090	(2,030)	33,351
Accrued Compensated Absences	34,332	2,003	11,231	28,168	33,124	(4,256)	104,602
Due to Other Funds	(708)	18,403	(14,295)	(2,776)	(17,995)	21	(17,350)
Due to Other Governments	2,920	(505)	(18,485)	5,318	782	-	(9,970)
Unearned Revenue	8,933	285,913	(2,306,279)	-	-	-	(2,011,433)
Net Pension Liability	-	-	-	-	2,035,371	-	2,035,371
Total OPEB Liability	(207)	(3,344)	-	(28,804)	3,868	7,164	(21,323)
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	687,000	-	-	687,000
Deferred Inflows for Pension	-	-	-	-	(262,180)	-	(262,180)
Deferred Inflows for OPEB	6,497	756	-	12,905	41,993	2,701	64,852
Total Adjustments	474,640	2,536,159	(2,077,763)	2,942,567	1,072,064	557,632	5,505,299
Net Cash Provided (Used) by Operating Activities	\$ 570,450	8,522,099	(1,461,512)	1,231,905	250,640	645,367	9,758,949
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 428,930	-	253,343	-	231,263	5,854,781	6,768,317
Capital Asset Trade-Ins	-	8,769	-	-	-	-	8,769
Purchase of Capital Assets on Account	-	376,527	-	585,106	-	-	961,633
Change in Fair Value of Investments	-	200,956	-	70,711	18,190	-	289,857
Refunding Bond Proceeds Delivered Directly to Trustee	-	25,401,866	-	-	-	-	25,401,866



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 engineering pool. Revenues are derived from billings to various capital improvement projects as well as private developers.

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, 2019

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 163,667	11,391	2,260,536	179,130
Investments	2,655,712	151,847	37,488,750	2,901,252
Accounts Receivable	10,631	160,404	-	40
Accrued Interest Receivable	15,826	-	244,897	16,299
Due from Other Funds	317,201	160,492	1,653,819	16,725
Due from Other Governments	97,744	2,928	-	730
Inventories	-	-	-	799,970
Prepaid Expenses	627,807	-	-	59,895
Total Current Assets	3,888,588	487,062	41,648,002	3,974,041
Noncurrent Assets:				
Investments	529,426	30,271	7,339,184	578,375
Capital Assets:				
Land	-	-	-	-
Buildings	26,486	-	-	-
Improvements Other Than Buildings	-	-	-	340,565
Machinery and Equipment	4,776,894	100,558	28,936	23,129,609
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(2,965,143)	(18,029)	(28,936)	(15,957,454)
Total Capital Assets, Net	1,838,237	82,529	-	7,512,720
Total Noncurrent Assets	2,367,663	112,800	7,339,184	8,091,095
Total Assets	6,256,251	599,862	48,987,186	12,065,136
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows for OPEB	11,250	23,528	2,048	6,822
LIABILITIES				
Current Liabilities:				
Accounts Payable	460,112	120,586	909,632	251,363
Accrued Liabilities	88,407	176,205	14,575	38,000
Accrued Compensated Absences	267,110	488,964	33,177	110,419
Due to Other Funds	1,193	81,445	18,975	14,631
Due to Other Governments	64,714	-	-	-
Unearned Revenue	-	30,193	-	-
Claims	-	-	3,889,822	-
Accrued Interest	-	-	-	4,138
Current Portion of Capital Lease	-	-	-	549,097
Current Portion of Total OPEB Liability	11,250	23,528	2,048	6,822
Total Current Liabilities	892,786	920,921	4,868,229	974,470
Noncurrent Liabilities:				
Accrued Compensated Absences	215,189	770,278	63,479	187,015
Claims	-	-	6,216,891	-
Capital Lease Payable	-	-	-	-
Total OPEB Liability, Net	189,454	396,234	34,490	114,886
Total Noncurrent Liabilities	404,643	1,166,512	6,314,860	301,901
Total Liabilities	1,297,429	2,087,433	11,183,089	1,276,371
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for OPEB	25,833	54,028	4,703	15,665
NET POSITION				
Net Investment in Capital Assets	1,838,237	82,529	-	6,920,673
Unrestricted	3,106,002	(1,600,600)	37,801,442	3,859,249
Total Net Position	\$ 4,944,239	(1,518,071)	37,801,442	10,779,922

Police Garage	Municipal Services Center	Total
221,059	79,486	2,915,269
3,624,949	985,392	47,807,902
39,700	6,396	217,171
20,769	6,941	304,732
445,118	6,489	2,599,844
37,573	5,950	144,925
125,980	-	925,950
-	-	687,702
4,515,148	1,090,654	55,603,495
722,647	196,441	9,396,344
335,751	1,258,700	1,594,451
1,157,290	17,051,918	18,235,694
45,500	373,485	759,550
12,288,821	106,025	40,430,843
769,308	-	769,308
(7,303,195)	(3,763,008)	(30,035,765)
7,293,475	15,027,120	31,754,081
8,016,122	15,223,561	41,150,425
12,531,270	16,314,215	96,753,920
5,115	1,707	50,470
170,358	87,490	1,999,541
25,488	9,201	351,876
45,805	26,694	972,169
643	57	116,944
-	-	64,714
-	-	30,193
-	-	3,889,822
-	91,649	95,787
-	1,065,000	1,614,097
5,115	1,707	50,470
247,409	1,281,798	9,185,613
104,051	-	1,340,012
-	-	6,216,891
-	8,960,205	8,960,205
86,145	28,742	849,951
190,196	8,988,947	17,367,059
437,605	10,270,745	26,552,672
11,746	3,919	115,894
7,223,437	5,001,915	21,066,791
4,863,597	1,039,343	49,069,033
12,087,034	6,041,258	70,135,824

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services
Operating Revenues				
Charges for Services	\$ 11,192,855	10,942,330	47,967,113	8,127,063
Operating Expenses				
Personal Services	4,459,000	8,505,965	642,530	1,893,181
Materials and Supplies	104,534	21,772	7,731	1,978,467
Other Services and Charges	6,361,244	3,586,376	43,692,812	1,894,654
Depreciation	403,009	11,115	-	1,165,822
Total Operating Expenses	11,327,787	12,125,228	44,343,073	6,932,124
Operating Income (Loss)	(134,932)	(1,182,898)	3,624,040	1,194,939
Nonoperating Revenues (Expenses)				
Investment Earnings	87,596	814	1,318,613	73,237
Gain on Disposal of Capital Assets	(22,927)	66,612	-	67,134
Interest Expense and Fiscal Charges	-	-	-	(13,840)
Total Nonoperating Revenues (Expenses)	64,669	67,426	1,318,613	126,531
Income (Loss) Before Contributions and Transfers	(70,263)	(1,115,472)	4,942,653	1,321,470
Capital Contributions	-	-	-	525,598
Transfers In	-	1,644,000	-	-
Transfers Out	(100,000)	(7,991)	-	(65,402)
Change in Net Position	(170,263)	520,537	4,942,653	1,781,666
Net Position - Beginning of Year	5,114,502	(2,038,608)	32,858,789	8,998,256
Net Position - Ending	\$ 4,944,239	(1,518,071)	37,801,442	10,779,922

Police Garage	Municipal Services Center	Total
5,578,357	2,935,935	86,743,653
1,354,048	470,545	17,325,269
1,355,933	13,681	3,482,118
622,926	604,403	56,762,415
1,421,584	663,872	3,665,402
4,754,491	1,752,501	81,235,204
823,866	1,183,434	5,508,449
106,093	40,852	1,627,205
182,204	-	293,023
-	(268,455)	(282,295)
288,297	(227,603)	1,637,933
1,112,163	955,831	7,146,382
761,645	-	1,287,243
-	-	1,644,000
-	(9,155)	(182,548)
1,873,808	946,676	9,895,077
10,213,226	5,094,582	60,240,747
12,087,034	6,041,258	70,135,824

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,198,006	2,299,683	11,740,261	1,113,462
Receipts from Interfund Services Provided	8,876,893	8,627,648	36,227,129	7,004,969
Payments to Suppliers for Goods and Services	(5,897,976)	(1,183,475)	(44,434,165)	(3,544,561)
Payments to Employees	(4,447,669)	(8,272,707)	(649,337)	(1,868,893)
Payments for Interfund Services Provided	(329,062)	(2,552,690)	(437,775)	(446,112)
Net Cash Provided (Used) by Operating Activities	400,192	(1,081,541)	2,446,113	2,258,865
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	1,644,000	-	-
Transfers to Other Funds	(100,000)	(7,990)	-	(65,402)
Advance from General Fund	-	4,685,320	-	-
Repayment of Advances from General Fund	-	(5,064,749)	-	-
Advances to Other Funds	-	-	(733,750)	-
Repayments from Other Funds	-	-	(583,750)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(100,000)	1,256,581	(1,317,500)	(65,402)
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(461,982)	(57,099)	-	(223,685)
Proceeds from Sale of Capital Assets	1,386	74,755	-	181,912
Principal Payments of Capital Lease	-	-	-	(540,215)
Interest and Fiscal Charges Paid	-	-	-	(17,912)
Net Cash Provided (Used) by Capital and Related Financing Activities	(460,596)	17,656	-	(599,900)
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	2,603,288	-	32,780,553	1,175,669
Purchases of Investments	(2,487,346)	(181,305)	(34,480,906)	(2,717,319)
Interest and Other Receipts	61,811	-	950,462	42,866
Net Cash Provided (Used) by Investing Activities	177,753	(181,305)	(749,891)	(1,498,784)
Net Increase in Cash and Cash Equivalents	17,349	11,391	378,722	94,779
Cash and Cash Equivalents - Beginning	146,318	-	1,881,814	84,351
Cash and Cash Equivalents - Ending	\$ 163,667	11,391	2,260,536	179,130
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(134,932)	(1,182,898)	3,624,040	1,194,939
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	403,009	11,115	-	1,165,822
Changes in Assets and Liabilities:				
Accounts Receivable	5,968	(8,755)	3,251	(29)
Due from Other Funds	(40,338)	(10,196)	(2,974)	(14,924)
Due from Other Governments	(83,586)	(2,687)	-	6,321
Inventories	-	-	-	(44,965)
Prepaid Expenses	(24,244)	26,092	-	(59,895)
Deferred Outflows for OPEB	3,137	(4,502)	1,663	1,998
Accounts Payable	222,479	(10,364)	35,574	(25,777)
Accrued Liabilities	(4,710)	2,762	3,582	3,785
Accrued Compensated Absences	39,654	96,170	12,047	36,410
Due to Other Funds	462	(143,609)	18,975	13,085
Due to Other Governments	40,043	(136)	(286)	-
Unearned Revenue	-	6,639	-	-
Claims	-	-	(1,225,660)	-
Total OPEB Liability	(39,994)	101,449	(25,554)	(25,852)
Deferred Inflows for OPEB	13,244	37,379	1,455	7,947
Total Adjustments	535,124	101,357	(1,177,927)	1,063,926
Net Cash Provided (Used) by Operating Activities	\$ 400,192	(1,081,541)	2,446,113	2,258,865
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	-	-	525,598
Purchase of Capital Assets on Account	-	-	-	42,950
Change in Fair Value of Investments	23,635	814	317,495	21,048

Police Garage	Municipal Services Center	Total
86,519	348,307	17,786,238
5,728,556	2,575,329	69,040,524
(1,324,978)	(519,524)	(56,904,679)
(1,357,172)	(433,365)	(17,029,143)
(647,517)	(275,251)	(4,688,407)
2,485,408	1,695,496	8,204,533
-	-	1,644,000
-	(9,155)	(182,547)
-	-	4,685,320
-	-	(5,064,749)
-	-	(733,750)
-	-	(583,750)
-	(9,155)	(235,476)
(1,702,481)	(456,256)	(2,901,503)
294,382	-	552,435
-	(1,045,000)	(1,585,215)
-	(315,279)	(333,191)
(1,408,099)	(1,816,535)	(4,267,474)
2,321,414	1,042,387	39,923,311
(3,395,136)	(922,920)	(44,184,932)
71,267	31,291	1,157,697
(1,002,455)	150,758	(3,103,924)
74,854	20,564	597,659
146,205	58,922	2,317,610
221,059	79,486	2,915,269
823,866	1,183,434	5,508,449
1,421,584	663,872	3,665,402
(9,519)	140	(8,944)
231,260	(6,489)	156,339
14,977	(5,950)	(70,925)
(2,928)	-	(47,893)
-	-	(58,047)
1,849	(1,707)	2,438
8,649	(176,744)	53,817
843	1,461	7,723
13,786	3,058	201,125
643	53	(110,391)
-	-	39,621
-	-	6,639
-	-	(1,225,660)
(25,254)	30,449	15,244
5,652	3,919	69,596
1,661,542	512,062	2,696,084
2,485,408	1,695,496	8,204,533
761,645	-	1,287,243
70,038	-	112,988
28,737	8,988	400,717



AGENCY FUNDS

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

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

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

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

HILP Escrow Accounts - Various bank accounts used for the Home Improvement Loan Program for owner-occupied housing rehabilitation loans. The City is the fiduciary agent for these accounts.

Contractor Deposits - To account for good faith money deposited with the City to assure the completion of special projects. The money will be returned to the contractors upon completion.

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

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

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

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



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
AGENCY FUNDS
AUGUST 31, 2019

	Collections Due Other Governments	HILP Escrow Accounts	Contractor Deposits	Payroll Revolving	Outstanding Warrants	Telephone Bill Suspense	Unredeemed Bonds And Coupons	Total
ASSETS								
Cash and Cash Equivalents	\$ 109,109	-	1,085,227	1,057,878	1,594,219	4,165	117,926	3,968,524
Receivables	72,350	-	-	-	-	-	-	72,350
Contractor Retainage	-	-	67,617	-	-	-	-	67,617
Total Assets	<u>181,459</u>	<u>-</u>	<u>1,152,844</u>	<u>1,057,878</u>	<u>1,594,219</u>	<u>4,165</u>	<u>117,926</u>	<u>4,108,491</u>
LIABILITIES								
Warrants Payable	-	-	-	-	1,594,219	-	-	1,594,219
Accounts Payable	-	-	-	325,167	-	4,165	-	329,332
Due to Other Governments	181,459	-	-	732,711	-	-	-	914,170
Due to Contractors	-	-	1,152,844	-	-	-	-	1,152,844
Due to Bondholders	-	-	-	-	-	-	117,926	117,926
Total Liabilities	<u>\$ 181,459</u>	<u>-</u>	<u>1,152,844</u>	<u>1,057,878</u>	<u>1,594,219</u>	<u>4,165</u>	<u>117,926</u>	<u>4,108,491</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Balance September 1, 2018	Additions	Deductions	Balance August 31, 2019
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash and Cash Equivalents	\$ 102,788	1,324,997	1,318,676	109,109
Receivables	57,776	72,350	57,776	72,350
	<u>160,564</u>	<u>1,397,347</u>	<u>1,376,452</u>	<u>181,459</u>
Liabilities:				
Due to Other Governments	\$ 160,564	1,271,493	1,250,598	181,459
	<u>160,564</u>	<u>1,271,493</u>	<u>1,250,598</u>	<u>181,459</u>
HILP ESCROW ACCOUNTS:				
Assets:				
Cash and Cash Equivalents	\$ 2,647	-	2,647	-
	<u>2,647</u>	<u>-</u>	<u>2,647</u>	<u>-</u>
Liabilities:				
Due to Homeowners	\$ 2,647	-	2,647	-
	<u>2,647</u>	<u>-</u>	<u>2,647</u>	<u>-</u>
CONTRACTOR DEPOSITS:				
Assets:				
Cash and Cash Equivalents	\$ 1,193,518	561,124	669,415	1,085,227
Contractor Retainage	78,454	-	10,837	67,617
	<u>1,271,972</u>	<u>561,124</u>	<u>680,252</u>	<u>1,152,844</u>
Liabilities:				
Due to Contractors	\$ 1,271,972	561,124	680,252	1,152,844
	<u>1,271,972</u>	<u>561,124</u>	<u>680,252</u>	<u>1,152,844</u>
PAYROLL REVOLVING:				
Assets:				
Cash and Cash Equivalents	\$ 1,011,821	273,815,383	273,769,326	1,057,878
	<u>1,011,821</u>	<u>273,815,383</u>	<u>273,769,326</u>	<u>1,057,878</u>
Liabilities:				
Accounts Payable	293,360	170,250,672	170,218,865	325,167
Due to Other Governments	718,461	37,109,839	37,095,589	732,711
	<u>\$ 1,011,821</u>	<u>207,360,511</u>	<u>207,314,454</u>	<u>1,057,878</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash and Cash Equivalents	\$ 973,590	547,536,938	546,916,309	1,594,219
	<u>973,590</u>	<u>547,536,938</u>	<u>546,916,309</u>	<u>1,594,219</u>
Liabilities:				
Warrants Payable	\$ 973,590	547,536,938	546,916,309	1,594,219
	<u>973,590</u>	<u>547,536,938</u>	<u>546,916,309</u>	<u>1,594,219</u>
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash and Cash Equivalents	\$ 3,387	50,428	49,650	4,165
	<u>3,387</u>	<u>50,428</u>	<u>49,650</u>	<u>4,165</u>
Liabilities:				
Accounts Payable	\$ 3,387	46,780	46,002	4,165
	<u>3,387</u>	<u>46,780</u>	<u>46,002</u>	<u>4,165</u>

(Continued)

(Agency Funds, Continued)

	Balance September 1, 2018	Additions	Deductions	Balance August 31, 2019
UNREDEEMED BONDS AND COUPONS:				
Assets:				
Cash and Cash Equivalents	\$ 117,926	-	-	117,926
Liabilities:				
Due to Bondholders	\$ 117,926	-	-	117,926
AGENCY FUND TOTALS:				
Total Assets	\$ 3,541,907	823,361,220	822,794,636	4,108,491
Total Liabilities	\$ 3,541,907	756,776,846	756,210,262	4,108,491



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
------------------------	--------------------

Financial Trends	159
-------------------------	------------

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	164
-------------------------	------------

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

Debt Capacity	173
----------------------	------------

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

Demographic and Economic Information	177
---	------------

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

Operating Information	179
------------------------------	------------

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

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



Table 1

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 891,303,701	846,442,664	803,312,775	773,243,018	587,747,372	545,831,558	522,108,202	405,635,743	386,451,715	482,099,420
Restricted	162,762,413	182,122,089	170,845,285	159,387,584	165,389,543	155,105,392	144,925,083	246,533,919	235,695,091	121,155,820
Unrestricted	94,424,924	104,886,320	101,154,775	82,713,956	216,775,964	264,484,057	253,913,437	228,009,224	216,250,335	207,317,364
Total Governmental Activities										
Net Position	\$ <u>1,148,491,038</u>	<u>1,133,451,073</u>	<u>1,075,312,835</u>	<u>1,015,344,558</u>	<u>969,912,879</u>	<u>965,421,007</u>	<u>920,946,722</u>	<u>880,178,886</u>	<u>838,397,141</u>	<u>810,572,604</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 765,731,464	793,807,694	725,334,301	664,773,842	692,461,543	673,582,095	615,635,246	608,119,231	622,950,944	598,053,416
Restricted	35,564,865	28,846,167	16,243,396	17,071,503	14,820,181	15,841,002	13,167,482	31,470,517	31,480,358	37,040,667
Unrestricted	252,143,234	153,286,143	193,344,188	217,843,287	152,834,566	143,784,800	179,766,596	153,480,358	107,063,389	100,903,096
Total Business-Type Activities										
Net Position	\$ <u>1,053,439,563</u>	<u>975,940,004</u>	<u>934,921,885</u>	<u>899,688,632</u>	<u>860,116,290</u>	<u>833,207,897</u>	<u>808,569,324</u>	<u>793,070,106</u>	<u>761,494,691</u>	<u>735,997,179</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 1,657,035,165	1,640,250,358	1,528,647,076	1,438,016,860	1,280,208,915	1,219,413,653	1,137,743,448	1,013,754,974	1,009,402,659	1,080,152,836
Restricted	198,327,278	210,968,256	187,088,681	176,459,087	180,209,724	170,946,394	158,092,565	278,004,436	267,175,449	158,196,487
Unrestricted	346,568,158	258,172,463	294,498,963	300,557,243	369,610,530	408,268,857	433,680,033	381,489,582	323,313,724	308,220,460
Total Primary Government										
Net Position	\$ <u>2,201,930,601</u>	<u>2,109,391,077</u>	<u>2,010,234,720</u>	<u>1,915,033,190</u>	<u>1,830,029,169</u>	<u>1,798,628,904</u>	<u>1,729,516,046</u>	<u>1,673,248,992</u>	<u>1,599,891,832</u>	<u>1,546,569,783</u>

Table 2

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
General Government	\$ 58,007,177	47,260,387	52,387,910	49,756,620	48,543,231	45,355,465	43,666,952	40,635,824	40,059,839	36,991,820
Public Safety	111,464,206	102,979,449	96,915,706	93,495,599	91,997,706	87,571,014	86,493,288	82,915,183	81,218,142	75,364,591
Streets and Highways	71,078,034	66,223,821	49,055,496	59,111,970	41,302,726	46,525,688	39,551,411	38,319,958	39,840,551	38,150,193
Culture and Recreation	48,510,294	41,524,548	41,071,450	37,633,355	33,418,770	35,878,349	29,419,132	28,049,044	26,578,448	25,713,710
Economic Opportunity	25,490,737	24,018,579	21,384,298	20,703,598	18,101,822	21,549,476	14,819,767	16,840,478	16,336,855	17,198,314
Health and Welfare	21,944,351	20,885,234	22,433,400	21,701,621	22,273,013	21,456,657	20,939,140	21,414,951	21,153,869	20,840,847
Mass Transit	16,283,063	15,822,765	15,298,159	14,576,742	13,477,089	13,582,835	13,453,926	12,463,592	12,007,410	11,198,681
Equipment Management	562,531	508,118	527,243	614,893	1,032,440	1,181,947	1,479,534	1,162,325	1,882,136	1,767,774
Engineering Services	3,900,549	4,394,576	4,159,498	2,527,524	3,495,741	2,774,223	2,570,054	1,900,278	1,219,084	829,470
Interest on Long-Term Debt	19,395,458	19,721,240	21,172,325	20,931,956	21,310,128	21,776,180	19,787,131	20,417,899	11,568,353	6,373,674
Total Governmental Activities Expenses	376,636,400	343,338,717	324,405,485	321,053,878	294,952,666	297,651,834	272,180,335	264,119,532	251,864,687	234,429,074
Business-Type Activities:										
Golf	3,959,217	3,981,087	4,193,694	3,939,149	3,261,611	3,473,671	3,404,885	3,762,650	3,414,074	3,165,446
Parking System	10,634,630	10,302,430	9,874,516	9,418,838	9,223,770	8,078,478	7,144,511	5,933,848	5,632,973	5,475,157
Municipal Auditorium	-	-	-	-	33,652	1,538,108	2,632,482	2,468,566	2,202,234	2,243,518
Municipal Arena	12,241,290	11,587,968	11,783,010	8,630,522	8,353,078	11,462,603	1,712,916	18,851	-	-
Solid Waste Management	11,197,893	11,767,958	11,684,258	11,742,556	9,498,841	8,838,837	8,472,030	8,080,971	8,490,392	10,607,775
Emergency Medical Services	7,533,068	6,422,207	6,395,628	6,865,689	6,507,925	5,564,099	4,931,379	4,148,850	3,940,669	3,819,895
Broadband Enterprise	1,288,701	948,029	819,075	402,264	-	-	-	-	-	-
Wastewater System	26,849,143	25,728,896	25,637,244	24,852,092	24,128,351	23,864,691	23,116,057	23,017,798	23,135,157	22,265,579
Water System	28,776,618	28,275,160	29,304,869	27,243,026	26,368,801	25,941,743	25,499,420	25,908,587	26,084,158	23,469,948
Electric System	288,860,000	312,132,000	303,928,000	286,006,000	298,753,000	272,692,000	263,674,000	250,676,000	242,743,000	229,241,000
Total Business-Type Activities Expenses	391,340,560	411,145,735	403,620,294	379,100,136	386,129,029	361,454,230	340,587,680	324,016,121	315,642,657	300,288,318
Total	\$ 767,976,960	754,484,452	728,025,779	700,154,014	681,081,695	659,106,064	612,768,015	588,135,653	567,507,344	534,717,392
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 36,149,520	36,481,336	36,328,041	33,956,597	34,039,065	31,498,610	26,631,508	22,686,194	21,544,375	20,614,039
Public Safety	7,676,309	7,724,306	8,234,573	7,428,315	7,653,414	7,446,309	6,903,567	6,150,370	5,730,687	5,034,014
Streets and Highways	6,049,314	5,278,153	5,695,776	6,599,287	5,070,875	5,162,445	5,711,018	3,489,348	4,087,358	3,291,012
Culture and Recreation	7,630,497	4,549,413	5,736,276	4,675,252	4,565,482	4,328,220	4,367,112	4,473,514	4,114,179	3,880,012
Economic Opportunity	977,619	2,138,366	1,112,696	1,346,373	1,709,576	918,794	863,053	2,346,582	2,269,303	1,014,906
Health and Welfare	5,010,683	5,144,629	4,943,035	4,974,773	5,120,923	5,332,189	4,715,133	4,773,397	4,435,710	4,257,066
Other Activities	10,074,900	10,077,571	9,979,442	8,765,439	7,439,039	7,957,457	6,402,371	5,808,815	4,244,695	3,610,376
Operating Grants and Contributions	70,640,446	63,076,418	65,860,903	63,971,798	59,762,954	71,235,768	57,394,538	51,263,862	73,594,748	55,013,696
Capital Grants and Contributions	18,219,765	37,901,112	23,824,607	19,411,483	25,708,872	23,165,428	28,517,996	32,043,686	7,982,667	16,171,192
Total Governmental Activities	162,429,053	172,371,304	161,715,349	151,129,317	151,070,200	157,045,220	141,506,296	133,035,768	128,003,722	112,886,313
Business-Type Activities:										
Charges for Services:										
Wastewater System	31,804,206	31,323,851	29,580,844	27,950,057	27,004,622	25,804,120	24,550,035	24,040,603	22,931,019	21,661,455
Water System	38,144,187	38,914,946	36,176,115	35,346,948	31,275,854	32,558,575	31,931,843	34,021,393	28,474,175	25,012,703
Electric System	332,902,000	321,549,000	315,502,000	311,093,000	314,623,000	290,121,000	276,110,000	269,043,000	261,377,000	245,705,000
Other Activities	49,646,851	47,132,633	47,318,628	39,632,958	37,177,844	38,456,326	25,575,522	23,402,117	22,423,038	21,311,191
Operating Grants and Contributions	19,303	112,847	-	61,066	-	-	-	-	-	-
Capital Grants and Contributions	11,316,858	18,800,761	11,416,105	9,765,195	13,309,086	5,403,759	7,195,503	6,731,837	4,645,062	5,767,531
Total Business-Type Activities	463,833,405	457,834,038	439,993,692	423,849,224	423,390,406	392,343,780	365,362,903	357,238,950	339,850,294	319,457,880
Program Revenues	463,833,405	457,834,038	439,993,692	423,849,224	423,390,406	392,343,780	365,362,903	357,238,950	339,850,294	319,457,880
Total	\$ 626,262,458	630,205,342	601,709,041	574,978,541	574,460,606	549,389,000	506,869,199	490,274,718	467,854,016	432,344,193
Net (Expense)/Revenue										
Governmental Activities	\$ (214,207,347)	(170,967,413)	(162,690,136)	(169,924,561)	(143,882,466)	(140,606,614)	(130,674,039)	(131,083,764)	(123,860,965)	(121,542,761)
Business-Type Activities	72,492,845	46,688,303	36,373,398	44,749,088	37,261,377	30,889,550	24,775,223	33,222,829	24,207,637	19,169,562
Total	\$ (141,714,502)	(124,279,110)	(126,316,738)	(125,175,473)	(106,621,089)	(109,717,064)	(105,898,816)	(97,860,935)	(99,653,328)	(102,373,199)

(Continued)

(Changes In Net Position, Table 2, Continued)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes										
In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 78,379,964	74,308,924	70,687,331	66,338,373	60,781,216	55,871,758	56,130,131	53,302,884	48,621,668	48,637,701
Motor Vehicle Tax	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331	4,284,369	4,247,118
Wheel Tax	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801	12,031,376	11,519,622
Sales and Use Tax	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551	57,996,100	55,362,688
Sundry and In Lieu Tax	2,433,643	2,153,276	1,659,560	1,618,479	1,543,657	62,239	65,882	68,405	63,118	54,431
Occupation Tax	27,867,756	27,438,041	27,167,889	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963	20,403,399	10,847,214
Unrestricted Grants and Contributions	50,330	60,620	71,620	67,640	65,051	80,178	79,177	93,633	1,927,588	2,006,071
Unrestricted Investment Earnings (Loss)	7,211,377	3,022,679	2,308,284	1,914,541	1,842,730	2,855,984	(833,074)	1,014,773	1,370,358	1,926,976
Miscellaneous General Revenues	1,576,598	919,184	489,198	708,314	1,251,922	890,450	1,925,791	2,623,024	2,309,497	793,365
Transfers	6,303,689	11,533,601	7,617,803	11,071,731	11,754,684	10,825,543	11,290,702	9,254,144	2,678,029	2,581,647
Total Governmental Activities	229,247,312	234,019,074	222,658,413	215,356,240	195,641,807	185,080,899	177,793,972	172,865,509	151,685,502	137,976,833
Business-Type Activities:										
Occupation Tax	3,456,319	3,622,544	3,809,059	4,194,442	2,832,539	2,598,793	2,011,468	2,048,615	2,059,361	1,984,400
Unrestricted Investment Earnings (Loss)	7,068,187	2,197,770	2,339,375	1,517,819	961,154	1,757,946	(713,969)	983,824	1,564,708	1,673,103
Miscellaneous General Revenues	680,853	192,670	233,578	89,483	329,954	136,403	874,807	380,531	343,835	893,109
Transfers	(6,198,645)	(11,431,370)	(7,522,157)	(10,978,490)	(11,594,036)	(10,744,119)	(11,040,534)	(5,060,384)	(2,678,029)	(2,581,647)
Total Business-Type Activities	5,006,714	(5,418,386)	(1,140,145)	(5,176,746)	(7,470,389)	(6,250,977)	(8,868,228)	(1,647,414)	1,289,875	1,968,965
Total	\$ 234,254,026	228,600,688	221,518,268	210,179,494	188,171,418	178,829,922	168,925,744	171,218,095	152,975,377	139,945,798
Change in Net Position										
Governmental Activities	\$ 15,039,965	63,051,661	59,968,277	45,431,679	51,759,341	44,474,285	47,119,933	41,781,745	27,824,537	16,434,072
Business-Type Activities	77,499,559	41,269,917	35,233,253	39,572,342	29,790,988	24,638,573	15,906,995	31,575,415	25,497,512	21,138,527
Total	\$ 92,539,524	104,321,578	95,201,530	85,004,021	81,550,329	69,112,858	63,026,928	73,357,160	53,322,049	37,572,599

Table 3

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 ¹	2010
General Fund										
Reserved	\$ -	-	-	-	-	-	-	-	-	4,723,651
Unreserved	-	-	-	-	-	-	-	-	-	25,701,931
Nonspendable	327,026	571,722	440,254	470,421	658,674	1,711,883	3,313,783	4,833,496	6,891,170	-
Restricted	8,685,274	6,817,137	4,278,240	7,432,974	6,674,867	13,605,640	6,281,230	5,277,054	5,525,739	-
Assigned	18,210,543	16,389,131	15,038,279	17,888,953	16,266,623	14,859,083	14,425,933	13,359,297	13,750,394	-
Unassigned	36,948,163	46,062,651	47,898,455	39,910,750	37,916,609	27,287,777	31,198,290	25,631,426	15,586,533	-
Total General Fund	<u>\$ 64,171,006</u>	<u>69,840,641</u>	<u>67,655,228</u>	<u>65,703,098</u>	<u>61,516,773</u>	<u>57,464,383</u>	<u>55,219,236</u>	<u>49,101,273</u>	<u>41,753,836</u>	<u>30,425,582</u>
Other Governmental Funds										
Reserved	\$ -	-	-	-	-	-	-	-	-	73,769,526
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	57,417,341
Nonspendable	1,554,284	1,355,050	1,390,659	1,272,150	1,473,802	1,449,797	740,047	952,070	971,115	-
Restricted	73,393,289	76,311,564	73,522,250	64,216,765	90,127,670	80,627,691	81,155,945	193,309,126	275,451,124	-
Committed	120,295	1,024,874	1,592,063	1,367,357	2,011,552	1,002,975	821,517	805,612	633,206	-
Assigned	80,483,527	83,470,334	81,800,834	75,624,539	48,431,382	58,046,223	48,189,249	21,386,596	21,097,190	-
Unassigned	(298,670)	(77,349)	(85,684)	(111,254)	(130,824)	(144,837)	(133,773)	(191,814)	(140,056)	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted	8,230,190	9,261,327	9,086,748	11,259,554	12,026,455	12,305,606	18,524,649	17,964,189	16,060,411	-
Committed	109,791	1,967,704	1,600,425	1,256,039	1,021,894	797,894	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	8,764,922
Nonspendable	-	-	-	-	915,875	-	-	-	-	-
Restricted	23,436,053	30,637,636	27,307,586	21,989,096	9,458,562	14,395,343	16,818,180	11,783,064	13,748,458	-
Assigned	-	14,583	15,467	29,271	42,922	42,649	54,154	207,968	207,940	-
Unassigned	-	-	-	-	(178,013)	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-	-	-	16,511,201
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	-
Restricted	28,261,020	29,225,321	28,946,351	27,117,060	24,842,747	28,175,169	22,080,008	21,292,273	19,553,118	-
Total Other Governmental Funds	<u>\$ 252,449,779</u>	<u>270,351,044</u>	<u>262,336,699</u>	<u>241,180,577</u>	<u>227,204,024</u>	<u>233,858,510</u>	<u>225,409,976</u>	<u>304,669,084</u>	<u>384,742,506</u>	<u>156,462,990</u>

Note: ¹ In 2011, Reporting of fund balances was changed to meet the requirements of GASB 54.

Table 4

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes:										
Property	\$ 77,755,818	74,310,035	70,638,227	66,224,399	61,045,754	55,821,121	55,971,572	53,542,530	48,204,472	48,916,327
Motor Vehicle	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331	4,284,369	4,247,118
Wheel	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801	12,031,376	11,519,622
Sales and Use	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551	57,996,100	55,362,688
Turnback	236,107	-	-	-	-	-	-	-	-	-
Sundry and In Lieu	2,177,001	2,169,669	1,662,544	1,605,175	1,541,109	62,443	62,155	68,845	61,251	57,195
Occupation	28,326,640	27,454,221	26,692,821	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963	20,936,558	10,314,055
Special Assessment	1,614,261	1,627,311	1,445,861	1,393,824	1,775,903	1,873,228	1,147,640	1,213,968	1,118,514	1,145,298
Intergovernmental	70,773,739	72,965,698	74,133,945	64,711,049	70,694,942	79,378,553	81,340,882	68,267,660	71,532,824	61,640,301
Permits and Fees	26,301,490	25,157,171	25,823,013	25,704,855	25,327,804	23,794,402	22,936,015	20,239,031	18,524,372	16,432,219
Reimbursement for Services	18,074,725	18,348,789	17,102,484	16,807,455	16,083,267	14,283,172	8,341,522	7,850,732	7,521,366	7,004,334
Court Settlements	-	-	-	75,000	-	265,120	856,188	1,931,804	1,700,000	-
Program Income	18,129	172,718	267,705	22,726	13,858	51,071	442,313	122,767	1,217,936	207,978
Investment Earnings	8,009,926	5,859,234	6,868,335	6,249,869	1,006,466	10,571,021	1,732,354	4,744,887	5,454,877	5,197,259
Donations	3,211,562	3,689,161	5,125,339	3,526,770	3,485,683	3,153,911	3,554,614	9,510,272	1,985,681	1,251,904
Keno Proceeds	5,725,745	5,220,645	4,795,736	4,559,104	4,343,261	4,189,006	3,930,602	3,639,819	3,321,506	3,132,180
Miscellaneous	2,274,926	3,870,499	4,605,585	2,359,028	3,183,321	3,326,065	3,253,780	5,004,523	3,054,429	1,875,076
Total Revenues	349,924,024	355,427,900	351,818,323	326,876,416	306,903,915	311,263,860	292,705,000	282,645,484	258,945,631	228,303,554
Expenditures										
General Government	61,932,785	59,728,570	58,560,593	54,483,582	50,714,491	51,044,096	42,761,424	39,048,320	36,622,362	35,865,006
Public Safety	88,641,405	86,243,206	81,171,971	77,399,174	75,625,163	72,833,698	72,489,536	70,444,362	69,537,057	64,679,523
Streets and Highways	28,872,044	21,746,886	20,634,650	20,896,834	19,464,370	21,054,394	18,355,326	18,471,067	18,335,078	19,832,223
Culture and Recreation	33,703,112	27,301,223	26,730,859	25,310,935	24,538,296	25,172,100	22,323,942	22,518,532	21,794,585	21,483,873
Economic Opportunity	13,771,289	14,563,832	13,034,266	14,012,940	14,773,423	13,792,741	12,831,193	14,673,671	15,811,914	15,359,628
Health and Welfare	22,527,910	21,863,274	23,116,621	22,605,745	23,038,785	22,097,954	21,339,175	22,070,619	21,993,415	21,652,729
Mass Transit	18,867,231	18,315,179	13,439,363	12,380,084	15,539,838	14,419,436	11,980,828	10,288,935	15,088,883	12,034,413
Debt Service										
Principal Retirement	14,080,005	14,487,368	15,192,206	16,306,212	13,669,561	12,562,312	11,105,182	10,403,101	9,657,542	10,087,532
Interest and Fiscal Charges	20,107,773	20,414,414	20,901,231	21,315,928	21,615,227	21,341,587	19,880,928	20,265,733	12,625,404	6,285,998
Miscellaneous	10,385,276	9,786,777	9,207,578	5,543,071	3,350,198	2,545,313	735,215	1,020,997	4,156,516	658,871
Capital Outlay ¹	89,824,049	70,547,020	60,766,351	65,209,483	63,654,540	93,177,287	208,303,537	142,260,715	109,581,050	32,547,239
Total Expenditures	402,712,879	364,997,749	342,755,689	335,463,988	325,983,892	350,040,918	442,106,286	371,466,052	335,203,806	240,487,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,788,855)	(9,569,849)	9,062,634	(8,587,572)	(19,079,977)	(38,777,058)	(149,401,286)	(88,820,568)	(76,258,175)	(12,183,481)
Other Financing Sources (Uses)										
Transfers In	81,767,242	68,618,530	67,614,670	71,316,460	64,347,309	63,910,985	56,859,969	53,359,760	43,860,255	46,026,786
Transfers Out	(71,583,343)	(55,385,315)	(55,136,381)	(59,277,115)	(53,620,582)	(53,396,515)	(45,380,837)	(44,157,324)	(41,111,608)	(43,259,113)
Note Proceeds	2,175,079	-	-	-	-	-	-	-	-	-
Issuance of Debt ¹	13,468,200	8,784,375	710,000	12,935,000	3,400,000	37,675,000	35,433,437	6,080,000	313,480,500	4,131,948
Issuance of Refunding Debt	-	-	14,735,000	-	9,010,000	-	-	36,185,000	22,415,000	-
Premium on Debt Issued	1,600,192	892,807	1,523,051	622,829	435,077	682,653	980,327	4,182,049	5,761,647	-
Discounts on Debt Issued	-	-	-	-	-	-	-	-	(6,427)	-
Transfer to Bond Refunding Agent	-	(5,706,591)	(16,091,516)	-	(9,280,206)	-	-	(39,840,997)	(28,822,296)	-
Sale of Capital Assets	1,790,585	2,565,801	690,794	1,153,276	2,186,283	598,616	28,367,245	286,095	288,874	1,405,357
Total Other Financing Sources (Uses)	29,217,955	19,769,607	14,045,618	26,750,450	16,477,881	49,470,739	76,260,141	16,094,583	315,865,945	8,304,978
Net Change in Fund Balances	\$ (23,570,900)	10,199,758	23,108,252	18,162,878	(2,602,096)	10,693,681	(73,141,145)	(72,725,985)	239,607,770	(3,878,503)
Debt Service as a Percentage of Noncapital Expenditures	10.4%	11.3%	12.6%	13.8%	13.8%	12.9%	12.0%	12.7%	9.8%	7.7%

Note: ¹ In 2011 West Haymarket JPA settled \$300,000,000 in bonds to fund portion of construction costs.

Table 5

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

Lincoln Electric System Megawatt-Hour Sales								Average Cent per Kilowatt Hour Rate
Calendar Year	Residential	Commercial	Industrial	Street and Highway Lighting	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	
2018	1,308,303	1,504,735	453,693	20,483	12,052	1,648,155	4,947,421	\$ 0.0836
2017	1,196,667	1,477,742	470,520	21,159	28,594	1,380,272	4,574,954	0.0838
2016	1,206,243	1,525,139	492,110	21,419	(13,024)	1,228,376	4,460,263	0.0809
2015	1,171,732	1,492,176	486,001	21,516	(1,043)	918,131	4,088,513	0.0808
2014	1,202,922	1,508,493	497,872	21,642	(11,244)	932,130	4,151,815	0.0799
2013	1,213,553	1,488,594	497,388	21,403	15,653	963,306	4,199,897	0.0778
2012	1,183,412	1,477,103	497,908	21,172	15,817	881,355	4,076,767	0.0758
2011	1,214,170	1,467,530	496,957	21,166	(25,504)	1,116,821	4,291,140	0.0738
2010	1,216,899	1,474,185	495,279	21,082	(17,765)	1,006,085	4,195,765	0.0721
2009	1,121,769	1,427,402	483,982	20,651	269	1,092,093	4,146,166	0.0700

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

Source: Lincoln Electric System

Table 6

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

Customer Type	2018				2009		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales		Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 125,460	1	39.48 %	\$	91,066	1	37.94 %
Commercial	115,408	2	36.31		93,305	2	38.87
Industrial	31,487	3	9.91		27,547	3	11.48
Other	45,430	-	14.30		28,120	-	11.71
Total	\$ <u>317,785</u>		<u>100.00 %</u>	\$	<u>240,038</u>		<u>100.00 %</u>

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

Source: Lincoln Electric System

Table 7

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

Fiscal Year Ended August 31,		Total City Taxable Sales	Total Direct Tax Rate
2019	\$	5,671,852,317	0.0150
2018		6,255,529,425	0.0175
2017		6,119,491,231	0.0175
2016		5,686,683,753	0.0175
2015		4,823,960,412	0.0150
2014		4,657,424,242	0.0150
2013		4,469,320,749	0.0150
2012		4,290,698,668	0.0150
2011		4,098,124,125	0.0150
2010		3,918,162,825	0.0150

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

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	
2019	0.0150	0.0550	0.0700
2018	0.0175	0.0550	0.0725
2017	0.0175	0.0550	0.0725
2016	0.0175	0.0550	0.0725
2015	0.0150	0.0550	0.0700
2014	0.0150	0.0550	0.0700
2013	0.0150	0.0550	0.0700
2012	0.0150	0.0550	0.0700
2011	0.0150	0.0550	0.0700
2010	0.0150	0.0550	0.0700

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

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	2018			2009		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 1,835,398,318	1	48.29 %	\$ 1,496,250,495	1	51.14 %
Accommodation & Food Services	651,885,128	2	17.15	440,835,744	2	15.07
Utilities	277,889,160	3	7.31	206,459,462	3	7.06
Other	1,035,551,830	-	27.25	782,054,286	-	26.73
Total	\$ <u>3,800,724,436</u>		<u>100.00 %</u>	\$ <u>2,925,599,987</u>		<u>100.00 %</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales.
The numbers are only available on a calendar year basis. 2019 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		
2019	\$ 14,354,319,521	\$ 6,278,422,408	\$ 679,715,484	\$ 357,899,663	\$ 21,670,357,076	0.3165
2018	13,997,042,582	5,582,574,159	686,085,810	251,232,302	20,516,934,853	0.3165
2017	12,573,902,552	5,443,342,291	622,334,345	231,246,376	18,870,825,564	0.3337
2016	12,353,764,148	5,264,621,434	613,850,419	225,082,751	18,457,318,752	0.3196
2015	11,584,715,041	5,017,666,961	573,730,282	204,014,089	17,380,126,373	0.3196
2014	11,403,992,418	4,962,314,863	554,193,402	190,468,076	17,110,968,759	0.3158
2013	11,181,988,692	4,787,396,700	524,415,751	182,395,753	16,676,196,896	0.3158
2012	10,745,000,908	4,476,953,562	517,899,056	160,975,287	15,900,828,813	0.3158
2011	10,648,151,681	4,477,256,519	565,104,377	190,747,843	15,881,260,420	0.2879
2010	10,546,474,527	4,438,463,100	566,308,151	195,207,804	15,746,453,582	0.2879

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

Source: Lancaster County Assessor's Office

Table 11

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of Lincoln										
General	0.2094	0.1930	0.1990	0.1957	0.1859	0.1889	0.1854	0.1876	0.1739	0.1772
Library	0.0373	0.0413	0.0444	0.0421	0.0438	0.0417	0.0423	0.0400	0.0398	0.0398
Social Security	0.0117	0.0146	0.0158	0.0144	0.0163	0.0155	0.0157	0.0163	0.0141	0.0097
Police and Fire Pension	0.0347	0.0367	0.0402	0.0352	0.0374	0.0378	0.0382	0.0348	0.0261	0.0251
Unemployment Compensation	0.0003	0.0003	0.0003	0.0003	-	-	-	-	-	-
Bond Interest and Redemption	0.0231	0.0306	0.0340	0.0319	0.0362	0.0319	0.0342	0.0371	0.0340	0.0361
Total City of Lincoln	<u>0.3165</u>	<u>0.3165</u>	<u>0.3337</u>	<u>0.3196</u>	<u>0.3196</u>	<u>0.3158</u>	<u>0.3158</u>	<u>0.3158</u>	<u>0.2879</u>	<u>0.2879</u>
Overlapping Rates ¹										
School District No. 1	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447	1.2461	1.2462	1.2537
Lancaster County	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843	0.2683	0.2683	0.2683
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0145	0.0150
Community Technical College	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627	0.0627	0.0600	0.0676
Lower Platte South N.R.D.	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378	0.0398	0.0406	0.0410
Lancaster County Correctional JPA City	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177	0.0185	0.0189	0.0194
Lancaster County Correctional JPA County	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099	0.0105	0.0106	0.0107
Railroad Transportation Safety District	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100	0.0260	0.0260	0.0260
Agricultural Society of Lancaster County	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015	0.0016	0.0017	0.0016
Lancaster County Fairgrounds	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037	0.0037	0.0038	0.0038
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167	0.0170	0.0170	0.0170
Total Overlapping Rates	<u>1.6895</u>	<u>1.7087</u>	<u>1.7030</u>	<u>1.7084</u>	<u>1.6963</u>	<u>1.7049</u>	<u>1.7040</u>	<u>1.7092</u>	<u>1.7076</u>	<u>1.7241</u>

Note: ¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Lincoln.

State of Nebraska State Statute 77-3442 limits the maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy.

Sources: Lancaster County Clerk's Office and City of Lincoln Budget Office

Table 12

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

Taxpayer	Type of Business	2019			2010		
		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	\$ 170,326,200	1	0.79 %	\$ 74,599,700	1	0.47 %
Burlington Northern	Railroad	123,143,348	2	0.57	61,450,603	3	0.39
Kawasaki	Manufacturing	89,274,173	3	0.41	72,236,265	2	0.46
Allo Communications LLC	Communication	86,292,203	4	0.40	-	-	-
Nebco	Construction / Development	78,609,442	5	0.36	46,246,722	9	0.29
Ameritas Life Insurance Corp.	Insurance	64,396,036	6	0.30	59,924,993	4	0.38
WEA Gateway LLC	Retail Management	64,287,200	7	0.30	59,352,318	5	0.38
RED Capital Management	Retail Management	60,252,000	8	0.28	-	-	-
Windstream	Telecommunications	58,505,551	9	0.27	-	-	-
Assurity Life Insurance Co.	Insurance	44,459,257	10	0.21	-	-	-
Bryan LGH	Hospital	-	-	-	54,594,956	6	0.35
Chateau Van Dorn LLC	Real Estate Development	-	-	-	52,339,987	7	0.33
Pfizer	Animal Health	-	-	-	49,057,780	8	0.31
Black Hills Utility Holdings	Gas Utility	-	-	-	44,987,318	10	0.29
Total		<u>\$ 839,545,410</u>		<u>3.89 %</u>	<u>\$ 574,790,642</u>		<u>3.65 %</u>

Source: Lancaster County Assessor's Office

Table 13

CITY OF LINCOLN, NEBRASKA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 68,475,411	\$ 66,842,290	97.62 %	\$ -	\$ 66,842,290	97.62 %
2018	64,818,581	63,903,976	98.59	913,502	64,817,478	100.00
2017	62,977,104	61,735,542	98.03	1,240,109	62,975,651	100.00
2016	58,944,563	57,685,951	97.86	1,234,883	58,920,834	99.96
2015	55,459,815	54,235,009	97.79	1,201,988	55,436,997	99.96
2014	53,880,835	52,616,370	97.65	1,248,966	53,865,336	99.97
2013	52,460,687	51,226,109	97.65	1,206,530	52,432,639	99.95
2012	50,168,325	48,788,943	97.25	1,334,304	50,123,247	99.91
2011	45,597,934	44,206,917	96.95	1,351,333	45,558,250	99.91
2010	45,211,603	43,791,366	96.86	1,391,991	45,183,357	99.94

Note: The fiscal year of the City begins September 1 and ends August 31. Taxes are levied in October. First installments of real estate taxes are delinquent the following April 1, second installments delinquent August 1; personal property taxes are delinquent April 1 and August 1. The figures above do not include motor vehicle in lieu of ad valorem taxes.

Table 14

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

		Fiscal Year									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities											
General Bonds	\$	40,685	35,275	40,780	45,370	43,800	48,775	53,015	49,340	51,600	48,330
Tax Supported Bonds		47,290	52,005	56,565	62,385	66,700	69,975	73,165	50,250	55,205	57,655
Tax Allocation Bonds		3,009	3,738	4,911	4,966	6,461	7,976	9,254	10,358	11,658	12,398
Special Assessment Bonds		2,765	2,955	3,135	3,315	3,490	3,665	3,840	4,010	1,200	-
Antelope Valley Project Bonds		-	-	-	2,020	2,875	3,690	4,470	5,210	5,920	6,605
West Haymarket JPA Bonds		325,400	325,980	326,545	327,095	327,635	328,175	300,000	300,000	300,000	-
Capital Leases		35,433	37,490	39,370	43,320	40,989	43,731	39,043	33,371	33,525	28,989
Notes from Direct Borrowing		2,112	-	-	-	-	-	-	-	-	-
Unamortized Premiums/Discounts		12,907	12,217	12,328	11,690	11,640	11,782	11,610	10,444	8,197	2,577
Business-Type Activities											
Revenue Bonds		819,355	677,650	705,720	755,635	718,790	743,660	750,500	701,560	732,650	745,660
Project Loans		30,167	31,972	33,739	35,469	37,119	35,881	27,429	16,532	6,991	3,049
Notes Payable		800	1,000	1,200	1,400	1,600	1,800	1,575	-	-	-
Capital Leases		1,582	1,290	1,241	1,677	1,540	1,939	2,389	2,271	1,009	1,328
Unamortized Premiums/Discounts		77,208	60,739	65,823	57,341	46,242	50,155	49,240	7,768	4,754	5,410
Total Primary Government	\$	<u>1,398,713</u>	<u>1,242,311</u>	<u>1,291,357</u>	<u>1,351,683</u>	<u>1,308,881</u>	<u>1,351,204</u>	<u>1,325,530</u>	<u>1,191,114</u>	<u>1,212,709</u>	<u>912,001</u>
Net Debt Per Capita ¹	\$	4,867	4,363	4,606	4,874	4,795	5,028	4,994	4,540	4,694	3,591
Percentage of Personal Income ¹	%	-	7.44	8.30	9.08	9.17	9.76	9.87	9.23	9.89	7.95

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

¹ See Table 18, Demographic and Economic Statistics, for income and population data.

Table 15

CITY OF LINCOLN, NEBRASKA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Special Assessment Bonds	West Haymarket Joint Public Agency Bonds	Unamortized Premiums and Discounts	General Bonded Debt	Sinking Funds	Net General Bonded Debt	Net Bonded Debt Per Capita ¹	Ratio of Net Debt To Estimated Valuation of Taxable Real Property ²
2019	\$ 40,685	\$ 47,290	\$ 3,009	\$ 2,765	\$ 325,400	\$ 12,907	\$432,056	\$ 8,230	423,826	\$ 1,474.69	2.05 %
2018	35,275	52,005	3,738	2,955	325,980	12,217	432,170	9,261	422,909	1,485.27	2.16
2017	40,780	56,565	4,911	3,135	326,545	12,328	444,264	8,221	436,043	1,555.27	2.42
2016	45,370	62,385	4,966	3,315	327,095	11,664	454,795	8,328	446,467	1,609.77	2.53
2015	43,800	66,700	6,461	3,490	327,635	11,602	459,688	9,143	450,545	1,650.37	2.71
2014	48,775	69,975	7,976	3,665	328,175	11,734	470,300	9,427	460,873	1,714.95	2.82
2013	53,015	73,165	9,254	3,840	300,000	11,552	450,826	15,640	435,186	1,639.71	2.73
2012	49,340	50,250	10,358	4,010	300,000	10,376	424,334	15,142	409,192	1,559.77	2.69
2011	51,600	55,205	11,658	1,200	300,000	8,120	427,783	13,305	414,478	1,604.15	2.74
2010	48,330	57,655	12,398	-	-	2,491	120,874	13,480	107,394	422.81	0.72

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

¹ Population data can be found in Table 18, Demographic and Economic Statistics.

² Property value information can be found in Table 10, Assessed Value and Actual Value of Taxable Property.

CITY OF LINCOLN, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2019

<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	\$ <u>469,601,000</u>	100.0 %	\$ <u>469,601,000</u>
Overlapping:			
School District #1	357,952,134	99.5	356,162,000
Public Building Commission	30,220,000	85.4	25,808,000
Lancaster County Correctional Facility	33,600,000	85.4	28,694,000
Lancaster County Fairgrounds	<u>7,855,000</u>	85.4	<u>6,708,000</u>
	<u>429,627,134</u>		<u>417,372,000</u>
Total	\$ <u><u>899,228,134</u></u>		\$ <u><u>886,973,000</u></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

Table 17

		Fiscal Year									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Wastewater System											
Gross Revenues	\$	33,903,796	32,381,312	30,516,105	29,026,442	28,026,866	27,049,162	24,988,275	24,763,975	23,546,370	22,472,095
Direct Operating Expenses		15,684,880	14,863,221	14,726,200	14,019,061	13,541,561	13,337,986	12,522,159	12,378,673	12,543,964	11,664,593
Net Available Revenue		18,218,916	17,518,091	15,789,905	15,007,381	14,485,305	13,711,176	12,466,116	12,385,302	11,002,406	10,807,502
Debt Service Requirements											
Principal		4,858,054	4,599,602	4,761,635	4,562,314	3,747,284	4,053,916	3,487,906	3,137,858	2,865,000	2,695,000
Interest		2,164,027	2,361,501	2,619,980	2,847,529	3,114,518	3,077,999	3,089,698	3,655,156	3,647,609	3,731,444
Total		7,022,081	6,961,103	7,381,615	7,409,843	6,861,802	7,131,915	6,577,604	6,793,014	6,512,609	6,426,444
Coverage		2.59	2.52	2.14	2.03	2.11	1.92	1.90	1.82	1.69	1.68
Water System											
Gross Revenues	\$	41,761,560	41,473,196	38,494,901	37,985,431	34,481,875	34,933,647	34,241,815	35,984,891	30,629,506	26,515,467
Direct Operating Expenses		18,186,821	17,768,444	17,893,434	16,969,116	16,955,058	16,308,059	16,113,390	15,636,494	15,455,027	14,091,292
Net Available Revenue		23,574,739	23,704,752	20,601,467	21,016,315	17,526,817	18,625,588	18,128,425	20,348,397	15,174,479	12,424,175
Debt Service Requirements											
Principal		4,636,755	4,517,445	4,408,451	4,344,979	4,290,300	3,923,000	1,850,000	5,380,000	6,310,000	6,050,000
Interest		1,763,603	1,877,042	2,021,708	2,123,747	2,116,262	2,044,417	2,345,562	2,955,202	3,191,857	3,458,097
Total		6,400,358	6,394,487	6,430,159	6,468,726	6,406,562	5,967,417	4,195,562	8,335,202	9,501,857	9,508,097
Coverage		3.68	3.71	3.20	3.25	2.74	3.12	4.32	2.44	1.60	1.31
Lincoln Electric System											
Gross Revenues	\$	335,104,000	322,763,000	317,007,000	300,693,000	309,537,000	288,299,000	274,770,000	269,236,000	261,748,000	246,182,000
Direct Operating Expenses		202,954,000	216,520,000	218,203,000	200,104,000	214,677,000	194,336,000	184,558,000	176,956,000	169,389,000	158,143,000
Net Available Revenue		132,150,000	106,243,000	98,804,000	100,589,000	94,860,000	93,963,000	90,212,000	92,280,000	92,359,000	88,039,000
Debt Service Requirements											
Principal		20,570,000	17,873,000	21,557,000	22,633,000	21,390,000	20,263,000	19,695,000	18,990,000	18,107,000	17,273,000
Interest		26,907,000	24,816,000	26,631,000	27,324,000	26,041,000	26,701,000	26,569,000	27,126,000	27,763,000	29,052,000
Total		47,477,000	42,689,000	48,188,000	49,957,000	47,431,000	46,964,000	46,264,000	46,116,000	45,870,000	46,325,000
Coverage		2.78	2.49	2.05	2.01	2.00	2.00	1.95	2.00	2.01	1.90
Parking Facilities											
Gross Revenues	\$	13,738,594	12,691,925	12,674,910	10,697,157	10,419,352	9,816,550	8,444,055	7,382,101	7,698,018	6,869,392
Direct Operating Expenses		5,315,077	5,152,321	4,905,848	4,575,662	4,577,437	4,211,473	3,919,678	3,823,131	3,606,008	3,340,601
Net Available Revenue		8,423,517	7,539,604	7,769,062	6,121,495	5,841,915	5,605,077	4,524,377	3,558,970	4,092,010	3,528,791
Debt Service Requirements											
Principal		1,380,000	1,345,000	1,320,000	1,290,000	1,260,000	1,310,000	1,270,000	860,000	580,000	1,435,000
Interest		1,025,065	1,066,890	1,095,315	1,130,215	1,148,265	1,172,465	1,091,614	1,078,688	689,717	558,519
Total		2,405,065	2,411,890	2,415,315	2,420,215	2,408,265	2,482,465	2,361,614	1,938,688	1,269,717	1,993,519
Coverage		3.50	3.13	3.22	2.53	2.43	2.26	1.92	1.84	3.22	1.77
Solid Waste Management											
Gross Revenues	\$	12,860,596	12,863,464	12,697,221	12,371,412	10,074,541	9,132,756	7,933,037	7,745,565	7,615,130	7,377,385
Direct Operating Expenses		9,512,437	9,083,674	9,460,290	7,896,480	7,519,523	7,319,215	7,087,935	6,376,120	6,253,133	5,768,077
Net Available Revenue		3,348,159	3,779,790	3,236,931	4,474,932	2,555,018	1,813,541	845,102	1,369,445	1,361,997	1,609,308
Debt Service Requirements											
Principal		810,000	810,000	795,000	775,000	550,000	550,000	475,000	220,000	210,000	200,000
Interest		348,896	366,796	382,096	396,521	196,202	198,128	133,463	124,025	132,425	140,425
Total		1,158,896	1,176,796	1,177,096	1,171,521	746,202	748,128	608,463	344,025	342,425	340,425
Coverage		2.89	3.21	2.75	3.82	3.42	2.42	1.39	3.98	3.98	4.73

Note: The Wastewater System, Water System, and Lincoln Electric System bonds are secured by revenues are from utility service charges. Parking Facilities bonds are secured by revenues from parking fees, and Solid Waste Management's gross revenues include various waste disposal fees. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Direct Operating Expenses do not include interest, depreciation and amortization expenses, or in lieu of taxes.

Table 18

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

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (thousands of dollars) ²</u>	<u>Per Capita Personal Income ²</u>	<u>School Enrollment ³</u>	<u>Unemployment Rate ⁴</u>
2019	287,401	\$ -	\$ -	42,258	2.9 %
2018	284,736	16,691,498	49,886	42,020	2.6
2017	280,364	15,556,200	46,924	41,737	2.5
2016	277,348	14,878,513	45,511	40,109	3.0
2015	272,996	14,280,552	44,133	39,842	2.3
2014	268,738	13,841,972	43,399	39,066	3.1
2013	265,404	13,426,786	42,743	37,845	3.3
2012	262,341	12,905,285	41,584	36,902	3.4
2011	258,379	12,267,734	40,015	36,530	3.7
2010	254,001	11,471,038	37,864	35,896	3.9

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. 2019 numbers are unavailable.

³ Lincoln Public Schools.

⁴ State of Nebraska, Department of Labor.

Median age from 2010 census was 31.8 years old. Education statistics per the 2010 census indicate that 92.4% of the population 25 years and older has a high school degree or greater with 35.2% of the same population holding a Bachelor's degree or greater.

Table 19

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

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Nebraska	8,921	1	4.55 %	9,258	1	5.45 %
Lincoln Public Schools	8,325	2	4.24	7,505	2	4.42
University of Nebraska-Lincoln	6,315	3	3.22	5,965	3	3.51
US Government	3,561	4	1.82	2,976	5	1.75
Bryan Health	3,500	5	1.78	3,773	4	2.22
City of Lincoln	2,676	6	1.36	2,561	6	1.51
Saint Elizabeth Regional Medical Center	2,300	7	1.17	2,259	7	1.33
Burlington Northern Railroad	2,000	8	1.02	1,700	8	1.00
Madonna Rehabilitation Hospital	1,500	9	0.76	-	-	-
Duncan Aviation	1,200	10	0.61	-	-	-
State Farm Insurance	-	-	-	1,382	9	0.81
B&R Stores, Inc.	-	-	-	1,365	10	0.80
Total	<u>40,298</u>		<u>20.53 %</u>	<u>38,744</u>		<u>22.80 %</u>

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Legislative	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Executive	17.75	17.70	17.95	17.25	17.25	18.25	19.08	19.70	20.75	21.15
Financial Administration	74.50	70.20	69.95	69.20	69.20	69.20	69.20	71.30	70.58	66.20
Law	32.70	32.25	32.00	32.50	32.50	31.75	31.75	30.00	29.00	27.00
Human Resources	22.00	22.80	22.80	22.80	22.80	22.80	22.80	22.42	23.47	22.80
Planning and Zoning	21.00	21.00	20.75	20.00	20.00	21.00	21.00	21.00	22.00	21.50
Urban Development	10.05	9.22	9.22	9.50	9.50	9.58	9.28	9.06	9.28	9.44
Public Safety										
Police	412.46	397.63	396.63	388.03	388.03	400.79	400.79	402.38	402.51	406.43
Fire	265.13	270.46	270.06	268.97	268.97	273.69	273.69	272.71	272.76	267.76
Building and Safety	53.47	53.15	53.13	50.85	50.85	50.38	50.38	51.00	54.58	54.62
Transportation	19.75	14.25	14.25	16.00	16.00	15.00	15.00	16.25	17.25	17.25
911 Communication	57.88	56.25	56.25	56.00	56.00	41.50	41.50	41.50	41.50	41.50
Streets and Highways	114.00	112.02	111.95	108.32	108.20	104.99	105.49	106.84	108.84	106.85
Culture and Recreation										
Parks and Recreation	254.71	242.83	243.79	239.99	238.89	229.60	228.95	230.28	232.43	226.26
Library	107.54	105.54	105.54	105.54	105.54	105.79	106.59	107.09	107.47	107.47
Economic Opportunity										
Lincoln Area Agency on Aging	46.03	48.04	48.04	48.05	48.05	48.24	48.24	50.84	51.03	51.33
Urban Development	8.10	8.81	8.81	9.15	9.15	9.80	9.80	10.22	10.43	10.31
Workforce Investment Act ¹	0.00	13.80	13.65	12.85	12.85	13.19	13.19	13.11	12.02	8.98
Health and Welfare	113.70	112.25	112.00	111.52	111.52	110.02	109.77	112.97	112.25	112.03
Mass Transit	136.52	133.52	133.52	120.52	120.52	119.52	118.01	109.52	111.52	112.38
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	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Radio Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	78.85	71.55	70.51	69.55	69.55	64.45	65.45	66.02	68.45	68.65
Broadband	5.90	4.90	4.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal Services Center ²	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf	30.70	31.04	30.49	28.78	29.02	27.99	28.23	29.50	27.86	28.00
Parking Facilities	2.60	2.98	2.98	2.98	2.98	2.95	2.95	2.80	2.80	1.72
Sanitary Landfill	32.50	35.22	36.19	36.47	35.47	33.17	33.17	31.70	31.70	30.80
Emergency Medical Services	43.16	37.83	36.68	33.28	33.28	28.56	28.56	28.54	28.49	28.49
Wastewater System	83.80	87.68	87.60	87.18	87.20	89.87	89.87	90.23	92.43	93.65
Water System	101.73	105.66	102.60	100.26	100.28	104.80	104.30	106.81	108.56	107.43
Electric System	480.00	490.00	492.00	491.00	494.00	498.00	486.00	478.00	456.00	456.00
Total	2,675.53	2,652.58	2,648.24	2,600.54	2,601.60	2,588.88	2,577.04	2,575.79	2,569.96	2,550.00

Note: ¹ The job training program of the Workforce Investment Act was contracted out in 2019.

² Employees added to maintain the Municipal Services Center in 2019.

Source: City of Lincoln Budget Office

Table 21

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

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police:										
Arrests	19,716	22,390	22,811	23,076	23,543	25,424	24,035	24,868	25,637	26,796
Parking Violations	114,287	99,263	100,560	82,276	71,433	73,141	70,338	72,670	78,405	61,493
Traffic Violations	34,047	38,968	41,214	42,888	44,064	51,854	49,515	50,059	50,872	48,580
Fire:										
Number of Calls Answered	26,440	26,166	25,310	24,663	23,878	22,760	21,357	21,179	20,770	19,602
Building and Safety:										
Number of Commercial Building Permits	986	1,036	1,007	1,038	1,321	1,197	1,341	1,372	1,320	1,234
Number of Residential Building Permits	2,380	3,014	3,036	2,891	2,346	2,300	2,323	2,319	2,336	2,225
Culture and Recreation										
Library:										
Total Circulation (thousands)	3,089	3,072	3,100	3,089	3,074	3,176	3,293	3,294	3,417	3,343
Golf:										
Rounds of Golf	155,963	158,080	164,307	168,272	162,359	164,089	169,170	191,997	171,518	175,940
Mass Transit										
StarTran Ridership (thousands)	2,442	2,464	2,379	2,275	2,415	2,495	1,810	2,067	1,935	1,810
Wastewater										
Number of Consumers	85,126	84,300	83,479	82,511	80,704	80,851	80,066	79,346	78,811	78,376
Water										
Number of Consumers	85,460	84,636	83,797	82,853	82,058	81,196	80,418	79,698	79,184	78,740
Average Daily Consumption (thousand gallons)	31,881	34,734	34,242	34,858	31,766	34,584	35,873	38,445	32,017	31,064
Electric System										
Number of Consumers	140,034	138,489	136,641	134,417	132,672	131,915	130,537	129,163	128,373	129,322

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

Sources: Various City Departments

Table 22

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

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Fire Stations	15	14	14	14	14	14	14	14	14	14
Ambulances	13	13	13	13	12	12	11	11	11	10
Streets and Highways										
Lane Miles of Streets	2,921	2,909	2,899	2,820	2,891	2,823	2,766	2,760	2,757	2,732
Streetlights	31,514	31,236	31,010	30,740	30,516	29,997	29,759	29,393	29,040	28,928
Culture and Recreation										
Parks Acreage	7,528	7,511	7,303	6,814	6,808	6,557	6,503	6,503	6,503	6,503
Parks	161	160	158	161	159	135	141	141	141	141
Playgrounds	89	89	90	90	89	86	85	85	84	84
Swimming Pools (Public)	9	9	9	9	9	9	9	9	9	9
Golf Courses (Public)	5	5	5	5	5	5	5	5	5	5
Trail Miles	170	166	165	161	158	133	131	128	128	128
Recreation Centers	6	6	6	6	6	6	6	6	6	6
Libraries	8	8	8	8	8	8	8	8	8	8
Mass Transit										
Buses and Handivans	84	80	80	80	80	74	70	71	71	70
Wastewater										
Miles of Wastewater Mains	1,149	1,140	1,107	1,070	1,044	1,033	1,024	1,022	1,017	1,015
Water										
Miles of Water Mains	1,225	1,249	1,234	1,216	1,211	1,194	1,259	1,250	1,243	1,237

Note: No capital asset indicators are available for the general government function.
In 2016, the qualifications for Lane Miles of Streets were reassessed.

Sources: Various City Departments



SINGLE AUDIT SECTION

CITY OF LINCOLN, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through State Department Of Education:				
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	FY 2018	\$ 16,452	-
Pass-Through State Department Of Health And Human Services:				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	39839-Y3	113,798	
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	46022-Y3	861,003	974,801
				-
Total U.S. Department Of Agriculture			\$ 991,253	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Multifamily Housing Service Coordinators (Mahoney Manor)	14.191	MFSC189856-01-01	\$ 73,915	
Multifamily Housing Service Coordinators (Burke Plaza)	14.191	MFSC189855-01-01	44,574	118,489
				-
CDBG Entitlement Grants Cluster:				
Community Development Block Grant	14.218	B-16-MC-31-0001	33,113	
Community Development Block Grant	14.218	B-17-MC-31-0001	1,062,093	
Community Development Block Grant	14.218	B-18-MC-31-0001	1,330,913	
Community Development Block Grant	14.218		11,489,974	13,916,093
				217,031
Emergency Solutions Grant Program	14.231	E17-MC-31-0002	95,032	95,032
Emergency Solutions Grant Program	14.231	E18-MC-31-0002	97,995	97,995
				193,027
HOME Investment Partnerships Program	14.239	* M-16-MC-31-0202	50,417	
HOME Investment Partnerships Program	14.239	* M-17-MC-31-0202	591,861	
HOME Investment Partnerships Program	14.239	* M-18-MC-31-0202	973,195	
HOME Investment Partnerships Program	14.239	*	10,318,766	11,934,239
				53,360
Continuum of Care Program	14.267	NE0073L7D021603	31,568	31,568
Continuum of Care Program	14.267	NE0107L7D021600	57,498	57,498
Continuum of Care Program	14.267	NE0095L7D021706	33,700	33,700
Continuum of Care Program	14.267	NE0073L7D021704	42,459	42,459
				165,225
Fair Housing Assistance Program - State and Local	14.401	FF207K187017	59,420	-
Pass-Through State Department of Economic Development:				
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	092N40	116,207	-
Total U.S. Department Of Housing And Urban Development			\$ 26,502,700	\$ 628,643
U.S. DEPARTMENT OF INTERIOR				
Pass-Through State Historical Society:				
Historic Preservation Fund Grants-in-Aid	15.904	18/19	\$ 20,000	
Historic Preservation Fund Grants-in-Aid	15.904	18/19	6,000	\$ 26,000
				\$ -
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Equitable Sharing Program	16.922	NB0550100	\$ 52,158	-
Pass-Through State Commission On Law Enforcement And Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	18DA300	110,411	110,411
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	15DA0303	154,687	154,687
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	17DA307	10,406	10,406
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	17DA309	51,466	51,466
				326,970
Pass-Through Lancaster County:				
Violence Against Women Formula Grants (DV Specialist)	16.588	17-VW-709	43,738	
Violence Against Women Formula Grants (DV Specialist)	16.588	18-VW-0713	21,988	65,726
				-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0007	15,603	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0043	93,290	108,893
				88,782
Pass-Through State Commission On Law Enforcement And Criminal Justice:				
Crime Victim Assistance	16.575	17-VA-0203	110,636	-
Total U.S. Department Of Justice			\$ 664,383	\$ 415,752

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF LABOR				
Pass-Through State Department Of Labor:				
WIA/WIOA Cluster:				
WIOA Adult Program	17.258	* 2018	\$ 74,651	
WIOA Adult Program	17.258	* 2018	289,419	
WIOA Adult Program	17.258	* 2018	50,539	
WIOA Dislocated Workers Formula Grants	17.278	* 2018	25,611	
WIOA Dislocated Workers Formula Grants	17.278	* 2018	48,612	
WIOA Dislocated Workers Formula Grants	17.278	* 2018	49,482	
WIOA In School Youth Activities	17.259	* 2018	61,952	
WIOA Out of School Youth Activities	17.259	* 2018	265,773	
WIOA In School Youth Activities	17.259	* 2017	52,464	
WIOA Out of School Youth Activities	17.259	* 2017	67,224	\$ 985,727
				\$ -
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Grants for Rural Areas (Ladders Grant)	20.509	NE--03-0042	\$ 1,026,995	-
Federal Transit Cluster:				
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0097	40,707	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0103	33,557	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-2017-005	1,222,074	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-2019-007	1,715,000	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-2019-008	1,715,000	
Federal Transit: Formula Grants (Transit Planning)	20.507	NE-2018-005	81,532	
Bus and Bus Facilities Program (Sec. 9 Capital)	20.526	NE-34-0005	183,947	
Pass-Through Nebraska Department Of Roads:				
Federal Transit: Formula Grants (Transit Planning)	20.507	RTP-C990 (017)	708	
Federal Transit: Formula Grants (Transit Planning)	20.507	RTP-C990 (018)	147,435	5,139,960
				-
Pass-Through Nebraska Department Of Roads:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Planning)	20.205	SPR-PLI(56)	338,029	
Highway Planning and Construction (Planning)	20.205	SPR-PLI(57)	71,166	
Highway Planning and Construction (10th & Military/Salt Creek)	20.205	LCLC-5215(3)	6,044	
Highway Planning and Construction (14th/Cornhusker Intersection)	20.205	HSIP-5227(7)	5,284	
Highway Planning and Construction (56th & Yankee Hill Road)	20.205	HISP-5241(6)	43,079	
Highway Planning and Construction (Holdrege; 47th-70th)	20.205	LCLC-5244(9)	115,565	579,167
				-
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(219)	56,392	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(220)	12,854	69,246
				-
Highway Safety Cluster:				
State and Community Highway Safety	20.600	402-19-25-14	366	
State and Community Highway Safety	20.600	402-18-33-1-07	8,800	
State and Community Highway Safety	20.600	402-18-12-1-43	10,159	
State and Community Highway Safety	20.600	402-18-25-09	337	
State and Community Highway Safety	20.600	402-18-12-1-76	7,894	
State and Community Highway Safety	20.600	402-19-25-01	637	
State and Community Highway Safety	20.600	402-19-22-11	3,431	
State and Community Highway Safety	20.600	402-19-05-13	8,629	
State and Community Highway Safety	20.600	402-19-22-5	4,409	
National Priority Safety Programs (DRE TrainingI)	20.616	45-18-04-02	1,990	
National Priority Safety Programs (Click it or Ticket)	20.616	405B-19-14-9	5,429	
National Priority Safety Programs	20.616	405e-19-02-03	5,553	
National Priority Safety Programs	20.616	405e-19-02-2	9,471	
National Priority Safety Programs	20.616	405d-19-05-1-13	6,418	
National Priority Safety Programs	20.616	405d-19-05-1-1	2,863	76,386
				-
Total U.S. Department Of Transportation			\$ 6,891,754	\$ -
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Programs:				
Employment Discrimination - State and Local Fair Employment Practices				
Agency Contracts	30.002	EEC4530018C0067	\$ 23,679	\$ -
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
Grants to States (Net Lender Contract)	45.310	LS-00-170028-17	\$ 519	
Grants to States (Net Lender Contract)	45.310	LS-00-180028-18	1,768	\$ 2,287
				\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Pass-Through State Department Of Environmental Quality:				
Performance Partnership Grants	66.605	A 91016	\$ 92,008	
Performance Partnership Grants	66.605	A 91016	17,653	109,661
				-

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	DO 21667	8,820	
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	DO 019412	12,676	21,496
Total U.S. Environmental Protection Agency			\$ 131,157	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
Food and Drug Administration General Grant Funding Program (Retail Food Safety)	93.103	FY 2020	\$ 10,281	
Food and Drug Administration General Grant Funding Program (Retail Food Safety)	93.103	1U18FD005629-02	3,123	
Food and Drug Administration General Grant Funding Program (Retail Food Safety)	93.103	EO 92049	75,890	89,294
Pass-Through State Department Of Health And Human Services:				
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 46501-Y3-III-D	6,907	
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 39669-Y3-III-D	10,348	17,255
Aging Cluster:				
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 46501-Y3-III-B	407,734	
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 39699-Y3-III-B	33,042	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 39699-Y3-III-C1	135,287	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 46501-Y3-III-C1	383,934	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 39699-Y3-III-C2	95,606	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 46501-Y3-III-C2	48,444	
Nutrition Program for the Elderly (Commodities)	93.053	NGA 39797-Y3	104,613	1,208,660
National Family Caregiver Support, Title III, Part E	93.052	NGA 46501-Y3-III-E	16,978	
National Family Caregiver Support, Title III, Part E	93.052	NGA 39699-Y3-III-E	36,477	53,455
Public Health Emergency Preparedness	93.069	27577Y3	10,418	
Public Health Emergency Preparedness	93.069	FY 2020	26,975	
Public Health Emergency Preparedness	93.069	44173 Y3	234,993	272,386
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 21394	7,606	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 18704	2,852	10,458
Injury Prevention and Control Research and State and Community Based Programs	93.136			1,531
Childhood Lead Poisoning Prevention Projects	93.197	45958 Y3	6,515	
Childhood Lead Poisoning Prevention Projects	93.197		777	7,292
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	40510-Y3	33,691	
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	47452-Y3	69,982	
Immunization Cooperative Agreements (Hepatitis B)	93.268	FY 2020	991	
Immunization Cooperative Agreements (Hepatitis B)	93.268	H231P00756 / 2019	11,749	116,413
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	2018	5,224	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	EO 91245/92048	16,438	21,662
National State Based Tobacco Control Programs	93.305	42270-Y3	6,585	
National State Based Tobacco Control Programs	93.305	42270-Y3	47,930	54,515
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	49575 Y3	1,816	
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	DO 19692	6,664	
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	DO 20189	2,042	10,522
Refugee and Entrant Assistance Program (Health Screening)	93.566	FY 2018	5,354	
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 92483	38,237	43,591
Social Services Block Grant (SSBG)	93.667	2018/2019		37,014
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	34833-Y3	977	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	40060-Y3	7,300	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	30019-Y3	1,448	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	17NB01OT009151B	8,355	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	17NB01OT009151B	1,870	19,950
Maternal, Infant, and Early Childhood Home Visiting Cluster:				
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	45391 Y3	299,793	
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	X10MC29488	39,374	339,167

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	46445 Y3	62,831	-
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	49030 Y3	12,713	
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	41899 Y3	<u>19,276</u>	31,989 -
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	FY 2018	8,665	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	47907 Y3	<u>17,927</u>	26,592 -
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	47513 Y3	17,476	
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	DO 18657	<u>5,975</u>	23,451 -
Preventive Health and Health Services Block Grant (GIS-Walkability)	93.991	2B01DP009036-10	883	
Preventive Health and Health Services Block Grant	93.991	49044-Y3	15,259	
Preventive Health and Health Services Block Grant	93.991	DO 20599	<u>1,500</u>	<u>17,642</u> -
Total U.S. Department Of Health And Human Services			\$ <u>2,465,670</u>	\$ -
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Pass-Through Nebraska Volunteer Service Commission: AmeriCorps (Youth on the Move)	94.006	17AC193230108	\$ <u>4,963</u>	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass-Through Nebraska State Patrol: High Intensity Drug Trafficking Areas Program	95.001	18HD02	\$ 72,546	
High Intensity Drug Trafficking Areas Program	95.001	19HD02	<u>3,417</u>	\$ <u>75,963</u> -
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2015-CA-00034A	\$ 49,151	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2016-CA-00022	106,962	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2016-CA-00022A	43,182	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2016-CA-00022B	37,805	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2017-CA-00081	359,925	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2018-CA-00052	837,532	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2013-CA-USR-0017	24,492	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2013-CA-USR-0017	1,093,914	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2013-CA-USR-0017	<u>91,057</u>	2,644,020 -
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2017-FH-00486	489,406	-
Pass-Through Nebraska Emergency Management: Hazard Mitigation Grant	97.039	4013-0050	<u>1,387,164</u>	-
Total Department of Homeland Security			\$ <u>4,520,590</u>	\$ -
Total Federal Expenditures			\$ <u>43,286,126</u>	\$ <u>1,044,395</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards



CITY OF LINCOLN, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

REPORTING ENTITY

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Lincoln, Nebraska (the City) under programs of the federal government for the year ended August 31, 2019. The City for purposes of the Schedule, includes all funds of the City as defined in Note 1 of the Notes to the Financial Statements, including Lincoln Electric System, Lincoln Water System, and Lincoln Wastewater System. Lincoln Electric System (LES) operates on a calendar year basis for reporting purposes as opposed to the August 31 fiscal year basis of the City. As a result, the amounts included in the City's August 31, 2019, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

PASS-THROUGH AWARDS

The City receives certain federal awards in the form of pass-through awards. Such amounts received as pass-through awards are specifically identified on the Schedule.

MAJOR PROGRAMS

In accordance with the Uniform Guidance, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are determined by the independent auditor to be major programs.

FEDERAL LOANS OUTSTANDING

The federal loan programs listed subsequently are administered directly by the City and balances and transactions relating to these programs are included in the City basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding, at August 31, 2019, consist of:

CFDA#	Program Name	Outstanding Balance as of August 31, 2019
14.218	Community Development Block Grant	\$11,241,000
14.228	Community Development Block Grant - Neighborhood Stabilization Program	116,000
14.239	HOME Investment Partnership Program	10,223,000

New loans included in the Schedule totaled \$1,091,000, \$0, and \$1,375,000, for CFDA# 14.218, 14.228, and 14.239, respectively.

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska (the City), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 21, 2020. Our report includes a reference to other auditors who audited the financial statements of Lincoln Wastewater System and Lincoln Water System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "BKD, LLP". The letters are stylized and slanted to the right.

Lincoln, Nebraska
February 21, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Lincoln, Nebraska's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended August 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Lincoln, Nebraska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control over Compliance

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

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

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

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

BKD, LLP

Lincoln, Nebraska
February 21, 2020

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2019

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None Reported

Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None Reported

Material weakness(es)? ☐ Yes ☒ No

5. The opinions expressed in the independent auditor's report on compliance for major federal award programs were:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2019

Summary of Auditor's Results - Continued

7. The City's major programs were:

Cluster/Program	CFDA Number
HOME Investment Partnerships Program	14.239
WIA / WIOA Cluster	17.258 / 17.278 / 17.259

8. The threshold used to distinguish between Type A and Type B programs was \$1,298,584.

9. The City qualified as a low-risk auditee? ☒ Yes ☐ No

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
No matters are reportable.	

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
No matters are reportable.	

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2019

Reference Number	Summary of Finding	Status
No matters are reportable.		

APPENDIX C

BOOK-ENTRY SYSTEM

BOOK-ENTRY SYSTEM

The Depository Trust Company, New York, NY, will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Bond will be issued for each maturity of the Series 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Bonds Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. Bonds brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, or the Bond Fund Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2020 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the City, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Bond Fund Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the City or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and neither the City nor the Underwriter takes responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

APPENDIX D

FORM OF BOND COUNSEL OPINION

_____, 2020

City of Lincoln, Nebraska
Lincoln, Nebraska

Robert W. Baird & Co., Inc.
Milwaukee, Wisconsin

Re: \$21,765,000 City of Lincoln, Nebraska, Limited Tax General Obligation Arena
Refunding Bonds, Taxable Series 2020

Ladies and Gentlemen:

We have acted as bond counsel to the City of Lincoln (the “Issuer”) in the State of Nebraska, (“State”) in connection with the issuance of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding limited tax general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from (a) a pledge of funds received and to be received by the Issuer from certain income, revenues, State assistance and tax collections and (b) a levy of ad valorem taxes upon all the taxable property in the Issuer at such rate or rates within applicable statutory and constitutional limitations which, together with receipts from available income, revenues, State assistance and tax collections and any other money made available and used for such purpose, will be sufficient to make payment of the principal of and interest on the Bonds, when and as the same shall become due.

3. Interest on the Bonds is exempt from income taxation by the State of Nebraska. We express no opinion regarding other tax consequences related to the ownership or disposition of the Bonds.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,