

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Nebraska. The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” in this Official Statement.

OFFICIAL STATEMENT
\$11,550,000
THE CITY OF LINCOLN, NEBRASKA
GENERAL OBLIGATION HIGHWAY ALLOCATION FUND BONDS
SERIES 2022

Dated: date of delivery

Due: November 15, as shown on the inside cover

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 Purchases of the Bonds will be originally made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC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 May 15 and November 15 of each year, beginning May 15, 2023. 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 being issued to provide funds necessary to (a) construct improvements to certain streets and state highways or federal-aid routes of the City (the “Project”) and (b) pay certain costs of issuing the Bonds. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Series 2022 Bonds, together with \$14,510,000 outstanding aggregate principal amount of the City’s General Obligation Highway Allocation Fund Bonds, Series 2021, dated July 8, 2021 (the “Series 2021 Bonds”); \$8,015,000 outstanding aggregate principal amount of the City’s General Obligation Highway Allocation Fund Refunding Bonds, Series 2016, dated December 15, 2016 (the “Series 2016 Bonds”); \$5,750,000 outstanding aggregate principal amount of the City’s General Obligation Highway Allocation Fund Refunding Bonds, Series 2012, dated June 6, 2012 (the “Series 2012 Bonds”); and any additional highway allocation fund bonds hereafter issued (collectively, the “Bonds”), are payable from and equally and ratably secured by a pledge of the funds received and to be received from the Highway Allocation Fund of the State of Nebraska. In addition, to the extent that other legally available money of the City appropriated for such purposes is insufficient to pay the principal of and interest on the Bonds when and as the same shall become due, the City has agreed that it will cause to be levied and collected annually ad valorem taxes on all the taxable property in the City sufficient in amount to pay the principal of and interest on the Bonds until the same is fully paid. The full faith and credit of the City is pledged to the prompt payment of the principal of and interest on the Series 2022 Bonds. 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 November 15, 2031 are subject to optional redemption prior to maturity at the option of the City at any time on or after November 15, 2030 as set forth herein. See “THE BONDS—Optional Redemption.”

The Bonds are offered when, as, and if issued, subject to the approval of legality by Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel. It is expected that the Bonds will be available for delivery through DTC on or about November 3, 2022.

MATURITY SCHEDULE – SEE INSIDE COVER

PIPER SANDLER & CO.
Has Acted as Municipal Advisor with respect to the Bonds

The date of this Official Statement is October 19, 2022

MATURITY SCHEDULE

\$11,550,000
THE CITY OF LINCOLN, NEBRASKA
GENERAL OBLIGATION HIGHWAY ALLOCATION FUND BONDS
SERIES 2022

Maturity (November 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP (534239)
2023	\$340,000	5.000%	3.000%	102.018%	HL5
2024	375,000	5.000	3.030	103.855	HM3
2025	390,000	5.000	3.070	105.548	HN1
2026	410,000	5.000	3.080	107.228	HP6
2027	430,000	5.000	3.090	108.839	HQ4
2028	455,000	5.000	3.120	110.265	HR2
2029	475,000	5.000	3.140	111.655	HS0
2030	500,000	5.000	3.160	112.963	HT8
2031	525,000	5.000	3.220 [±]	112.510	HU5
2032	550,000	5.000	3.280 [±]	112.059	HV3
2033	580,000	5.000	3.350 [±]	111.535	HW1
2034	605,000	5.000	3.400 [±]	111.163	HX9
2035	635,000	5.000	3.500 [±]	110.424	HY7
2038 [†]	2,090,000	4.000	4.000	100.000	JB5
2039	750,000	4.000	4.040	99.509	JC3
2040	780,000	4.000	4.080	98.984	JD1
2041	815,000	4.125	4.125	100.000	JE9
2042	845,000	4.125	4.160	99.526	JF6

[†]Term Bond

[±]Yield to first optional call date of November 15, 2030.

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

Leirion Gaylor Baird, Mayor

City Council Members

Tammy Ward (Chair)

Tom Beckius
Richard Meginnis
Bennie Shobe

James Michael Bowers
Jane Raybould
Sandra Washington

City Department Heads

Lyn Heaton	Finance Director
Yohance Christie.....	City Attorney
David Cary	Planning Director
Maggie Stuckey-Ross	Parks and Recreation Director
Kevin Wailes.....	LES Administrator and CEO
Dan Marvin	Urban Development Director
Jocelyn Golden.....	Interim Library Director
Elizabeth Elliott	Transportation and Utilities Director
Patricia Lopez	Health Director
Barb McIntyre.....	Human Resources Director
Chad Blahak.....	Building and Safety Director
Teresa Ewins.....	Police Chief
Dave Engler	Fire Chief

Melinda Jones, City Controller

Municipal Advisor

Piper Sandler & Co.

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. These future risks and uncertainties include those discussed in the “BONDHOLDERS’ RISKS” section of this Official Statement. 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
DEBT SERVICE SCHEDULE.....	3
BONDHOLDERS' RISKS	3
NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION.....	6
THE PROJECT	7
ESTIMATED SOURCES AND USES OF FUNDS	8
THE BONDS	8
RATING	10
TAX MATTERS.....	10
CONTINUING DISCLOSURE.....	12
LITIGATION.....	13
LEGAL MATTERS.....	13
MUNICIPAL ADVISER.....	13
INDEPENDENT AUDITORS.....	14
MISCELLANEOUS	14
THE CITY OF LINCOLN.....	APPENDIX A
FINANCIAL STATEMENTS	APPENDIX B
FORM OF CONTINUING DISCLOSURE UNDERTAKING	APPENDIX C
BOOK-ENTRY SYSTEM.....	APPENDIX D
FORM OF BOND COUNSEL OPINION	APPENDIX E

OFFICIAL STATEMENT

\$11,550,000

THE CITY OF LINCOLN, NEBRASKA GENERAL OBLIGATION HIGHWAY ALLOCATION FUND BONDS SERIES 2022

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 \$11,550,000 General Obligation Highway Allocation Fund Bonds, Series 2022 (the **“Bonds”** or the **“Series 2022 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 Piper Sandler & Co., Lincoln, Nebraska, as municipal advisor to the City with respect to the Bonds.

AUTHORITY

The City is issuing the Series 2022 Bonds under the authority of the provisions of Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended (the **“Act”**), and Ordinance No. 21352 duly adopted by the Council on September 26, 2022 and approved by the Mayor on September 29, 2022 (the **“Bond Ordinance”**). The Bond Ordinance authorizes the issuance of General Obligation Highway Allocation Fund Bonds of the City as provided herein.

SECURITY

The Series 2022 Bonds, together with \$14,510,000 outstanding aggregate principal amount of the City’s General Obligation Highway Allocation Fund Bonds, Series 2021, dated July 8, 2021 (the **“Series 2021 Bonds”**); \$8,015,000 outstanding aggregate principal amount of the City’s General Obligation Highway Allocation Fund Refunding Bonds, Series 2016, dated December 15, 2016 (the **“Series 2016 Bonds”**); \$5,750,000 outstanding aggregate principal amount of the City’s General Obligation Highway Allocation Fund Refunding Bonds, Series 2012, dated June 6, 2012 (the **“Series 2012 Bonds”**); and any additional highway allocation fund bonds hereafter issued (collectively, the **“Parity Bonds”**), are payable from and equally and ratably secured by a pledge of the funds received and to be received from the Highway Allocation Fund of the State of Nebraska. In addition, to the extent that other legally available money of the City appropriated for such purposes is insufficient to pay the principal of and interest on the Bonds and the Parity Bonds when and as the same shall become due, the City has agreed that it will cause to be levied and collected annually ad valorem taxes on all the taxable property in the City sufficient in amount to pay the principal of and interest on the Bonds and Parity Bonds until the same is fully paid. The full faith and credit of the City is pledged to the prompt payment of the principal of and interest on the Bonds. See **“NEBRASKA LAWS RELATED TO BUDGETS AND TAXATION.”**

The pledge of money received from the Highway Allocation Fund shall not prevent the City from applying receipts from the Highway Allocation Fund in any year for other lawful purposes so long as sufficient receipts from the Highway Allocation Fund have been set aside for the payment of the principal of and interest falling due in such year on the Bonds and Parity Bonds. Pursuant to the Bond Ordinance, the City has reserved the right to issue additional highway allocation fund bonds (the “**Additional Bonds**”) payable on a parity with the Bonds and Parity Bonds and equally and ratably secured by a pledge of the receipts from the Highway Allocation Fund if the maximum annual debt service on all highway allocation fund bonds of the City outstanding upon the issuance of such Additional Bonds does not exceed the receipts from the Highway Allocation Fund for the prior fiscal year of the City.

Maximum annual debt service on the Bonds and Parity Bonds is estimated to be \$7,300,000. See “**DEBT SERVICE SCHEDULE.**” The City received \$29,021,037.98 from the Highway Allocation Fund during the fiscal year ended August 31, 2021 and expects to receive approximately \$25,785,254 from the Highway Allocation Fund during the fiscal year ending August 31, 2022. In addition to paying debt service on the Series 2012 Bonds, the Series 2016 Bonds, and the Series 2021 Bonds, the City currently uses receipts from the Highway Allocation Fund to pay the costs of routine street maintenance and repair, improvements to existing streets, including widening and resurfacing, and construction of new streets. The City also imposes a Street Improvement Vehicle Tax on all classes of licensed motor vehicles with registered addresses within the corporate limits of the City. The City is currently using the revenues generated by such tax to replace amounts used from the Highway Allocation Fund for debt service on the Series 2012 Bonds, the Series 2016 Bonds and the Series 2021 Bonds, and anticipates doing so in the future with respect to the Series 2012 Bonds, the Series 2016 Bonds, the Series 2021 Bonds, the Series 2022 Bonds and any Additional Bonds.

DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2022 Bonds and Outstanding Series 2012 Bonds, Outstanding Series 2016 Bonds and Outstanding Series 2021 Bonds (collectively, the “**Outstanding Bonds**”) for each of the fiscal years ending August 31:

<u>Year</u>	<u>Outstanding Bonds</u>	<u>Series 2022 Bonds</u>			<u>Total Debt Service</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2023	\$ 6,428,900		\$ 280,946.67	\$ 280,946.67	\$ 6,709,846.67
2024	6,203,400	\$ 340,000	518,275.00	858,275.00	7,061,675.00
2025	3,267,100	375,000	500,400.00	875,400.00	4,142,500.00
2026	3,229,450	390,000	481,275.00	871,275.00	4,100,725.00
2027	3,193,700	410,000	461,275.00	871,275.00	4,064,975.00
2028	1,327,200	430,000	440,275.00	870,275.00	2,197,475.00
2029	1,292,200	455,000	418,150.00	873,150.00	2,165,350.00
2030	1,256,450	475,000	394,900.00	869,900.00	2,126,350.00
2031	1,219,950	500,000	370,525.00	870,525.00	2,090,475.00
2032	1,198,150	525,000	344,900.00	869,900.00	2,068,050.00
2033	1,191,200	550,000	318,025.00	868,025.00	2,059,225.00
2034	1,183,500	580,000	289,775.00	869,775.00	2,053,275.00
2035	1,186,200	605,000	260,150.00	865,150.00	2,051,350.00
2036	1,193,400	635,000	229,150.00	864,150.00	2,057,550.00
2037	-	670,000	199,875.00	869,875.00	869,875.00
2038	-	695,000	172,575.00	867,575.00	867,575.00
2039	-	725,000	144,175.00	869,175.00	869,175.00
2040	-	750,000	114,675.00	864,675.00	864,675.00
2041	-	780,000	84,075.00	864,075.00	864,075.00
2042	-	815,000	51,665.63	866,665.63	866,665.63
2043	-	845,000	17,428.13	862,428.13	862,428.13
TOTALS	<u>\$33,370,800</u>	<u>\$11,550,000</u>	<u>\$6,092,490.43</u>	<u>\$17,642,490.43</u>	<u>\$51,013,290.43</u>

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.

Infectious Diseases. Recent events with the COVID-19 pandemic have shown that an outbreak of infectious disease can trigger governmentally imposed restrictions and changes in consumer behavior which could negatively impact local economic conditions. Such changes can cause unemployment rates to rise, taxable sales to decrease, delinquencies in tax payments, and other negative pressures on economic activity which could result in decreased or delayed tax collections for the City.

With respect to the COVID-19 pandemic, economic conditions have stabilized in the State and nearly all restrictions have been lifted. The unemployment rate in the Lincoln Metropolitan Statistical Area as of

June 2022 was 2.4% which reflected decreases from the June 2021 and June 2020 unemployment rates of 2.8% and 5.6%, respectively.

On August 22, 2022, the City Council adopted a biennial budget for fiscal years 2022-2023 and 2023-2024. The 2022-2024 biennial budget is balanced. The primary revenue sources for the tax funded budget are property tax (32%) and sales tax (40%). The City experienced a 10% increase in sales tax revenue in 2020-2021 and a 12% increase in sales tax revenue in 2021-2022. Following those increases, sales tax revenue is budgeted to be approximately the same in 2022-2023 as the City actually received in 2021-2022. The average sales tax increase for the last ten years is 5%. Prior to 2020-2021, the ten year average sales tax increase was 3.9%.

While conditions have significantly improved, the COVID-19 pandemic is ongoing. New, more harmful variants of the virus or significant spreading of existing variants of the virus could cause reduced health care availability and reduced economic activity. Such reduced economic activity could in turn negatively impact sales taxes, property values, or the delays in the collections of such taxes, and the operations and finances of the City could be negatively impacted.

Continuing Inflation. The City, like the rest of the country, has recently experienced significant increases in costs of gas, energy, and food, in addition to associated wage and salary pressures. Some cost increases are being driven by COVID-19-related supply chain disruptions, whereas others appear unrelated to the pandemic. Due to the varying contributors to the current inflationary environment, it is not possible to state with certainty the period of time over which the recent price increases will continue. The City also relies on highly skilled employees in many areas and if it does not offer or keep pace with prevailing market wages and salaries, it may have difficulty recruiting and retaining talent and face significant pressures in operating effectively. The City cannot predict the extent of inflationary pressures on its wages and salaries or other operating costs.

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 or operations of the City in future.

Limitation of Rights Upon Insolvency. 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, 2021, and as discussed more fully in Footnote 13 to the City's audited financial statements attached hereto, was 88.94%. 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. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons beyond its current insurance policy, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. While the City maintains and updates a robust information security program, no assurance can be given that such efforts will prevent a security breach. Any failure to maintain proper functionality and security of the City's information systems could interrupt the City's operations, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations and financial condition. Further, at least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality.

Tax Matters and Loss of Tax Exemption. As discussed under the heading "**TAX MATTERS,**" the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants related ongoing tax compliance for the Bonds. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rates on the Bonds. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

It is possible legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of legislation being enacted cannot be reliably predicted.

Pending Federal Tax Legislation. From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal (or state) tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing

the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

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, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions of their 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

The Nebraska Legislature (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 2022-2023 fiscal year, the City was permitted to increase its appropriation of restricted funds under the Budget Limitations by 2.5%. In addition, the City Council approved the additional 1% for each year of the 2022-2024 biennium allowing a total increase of 3.5% for 2022-2023. 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, 2022, the City estimates it has accumulated \$5,991,000 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 \$0.29880 per \$100 of taxable valuation on all the taxable property within the City.

Ad valorem taxes levied to pay debt service on the Bonds are not subject to either the Budget Limitations or the Levy Limitations. The City is authorized to levy ad valorem taxes without limitation as to rate or amount upon all of the taxable property in the City sufficient to pay the principal or redemption price of and interest on the Bonds, which taxes may be in excess of and in addition to all other taxes now or hereafter authorized to be levied by the City. The authority of the City to levy such taxes with respect to the Bonds is not subject to any charter, statutory or constitutional limitations.

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.

THE PROJECT

The City is using the Bond proceeds to provide funds to (a) construct improvements to certain streets and state highways or federal-aid routes of the City (the **“Project”**) and (b) pay certain costs of issuing the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS:

Principal Amount of Series 2022 Bonds	\$ 11,550,000.00
Less/Plus Original Issue Discount/Premium	<u>594,500.10</u>

TOTAL SOURCES: \$ 12,144,500.10

USES OF FUNDS:

Deposit to Construction Fund	\$ 11,959,993.85
Costs of Issuance (including Underwriter's Discount)	<u>184,506.25</u>

TOTAL USES: \$ 12,144,500.10

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 May 15 and November 15 of each year, commencing May 15, 2023, will mature on May 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 inside 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 (whether a business day or not) next 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 inside 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 D—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 November 15, 2030 are not subject to redemption prior to their stated maturities. Bonds maturing on or after November 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 November 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.

Mandatory Sinking Fund Redemption

Bonds maturing on November 15, 2038 are subject to mandatory sinking fund redemption by lot on November 15 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Years	Principal Amount
2036	\$670,000
2037	695,000
2038*	725,000

*Maturity

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 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 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 agency if it deems circumstances are appropriate. Any downward change in, suspension or withdrawal of such 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.

Opinion of Bond Counsel

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:

Federal and State of Nebraska Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Nebraska.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Nebraska income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). 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 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

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 stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). 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, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the

loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. 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 actually or constructively 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.

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, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. 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.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

CONTINUING DISCLOSURE

Continuing Disclosure Undertaking

The City is executing and delivering a Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Series 2022 Bonds and in order to assist the Underwriter in complying with its obligations under Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "**Rule**"). The City is the only "obligated person" with responsibility for continuing disclosure under the Rule.

The form of Continuing Disclosure Undertaking for the Series 2022 Bonds is included in this Official Statement as **APPENDIX C**.

Compliance with Prior Undertakings

The City believes that it has complied in all material respects during the past five years with its prior undertakings under the Rule, except that for the fiscal year ended August 31, 2021, the City failed to timely link its audited financial statements and operating data to one outstanding bond issue, and such disclosures were linked approximately 135 days late, and the City did not file notice of such late filing.

Electronic Municipal Market Access (“EMMA”)

All Annual Reports and notices of Material Events required to be filed by the City 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 Series 2022 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

Piper Sandler & Co., Lincoln, Nebraska, 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.

INDEPENDENT AUDITORS

The financial statements and schedules of the City for the year ended August 31, 2021, included in “**APPENDIX B—FINANCIAL STATEMENTS**,” have been audited by BKD LLP, independent auditors, as stated in their report appearing herein. The City did not request BKD LLP to perform any updating procedures subsequent to the date of its audit report on the August 31, 2021 financial statements.

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 101 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 2021 population is 291,082.

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 7,815 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 and Denver. 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 18 minutes and nearly 18 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 24,431 students, Nebraska Wesleyan University, with approximately 2,100 students, Union College, with approximately 783 students, Purdue Global University, with approximately 288 students, Bryan LGH College of Health Sciences with approximately 750 students, and Southeast Community College, with approximately 9,302 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 41,000 is served by 7 high schools, 13 middle schools, and 42 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

PROPERTY VALUE AND CONSTRUCTION LAST TEN YEARS

FISCAL YEAR	COMMERCIAL ¹ CONSTRUCTION		RESIDENTIAL ¹ CONSTRUCTION		PROPERTY VALUE ²		TOTALS
	# PERMITS	VALUE	# PERMITS	VALUE	COMMERCIAL	RESIDENTIAL	
2021	1,153	\$ 539,318,764	2,621	\$ 510,465,764	\$ 6,775,086,845	\$ 16,151,804,023	\$ 22,926,890,868
2020	852	278,467,784	2,128	404,061,832	6,349,850,359	15,805,225,977	22,155,076,336
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

¹ City of Lincoln, Building and Safety Department.

² Lancaster County Assessor.

Police and Fire Protection

Lincoln has sixteen fire stations manned by 308 firefighters and three police stations with 358 police officers.

City Employee Information

For the 2021-2022 fiscal year, contracts have been signed with all 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 and LMCEA contract will expire at the end of August 2022, PAGE and IAF will expire at the end of August 2023, and ATU and LCEA contracts will expire at the end of August 2024.

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, 2021		NOVEMBER 30, 2021	
	<u>Number Employed</u>	<u>Percent of Total</u>	<u>Number Employed</u>	<u>Percent of Total</u>
Industry Manufacturing:				
Durable Goods	8,433	4.5	8,606	4.5
Nondurable Goods	4,930	2.6	4,869	2.6
Total Industry Manufacturing	13,363	7.1	13,475	7.1
Nonmanufacturing:				
Natural Resource & Construction	10,354	5.5	10,315	5.5
Transportation, Warehousing & Utilities	10,318	5.5	10,618	5.6
Wholesale Trade	4,066	2.2	4,014	2.1
Retail Trade	17,956	9.6	18,605	9.9
Information	3,305	1.8	3,356	1.8
Finance, Insurance & Real Estate	11,364	6.1	11,088	5.9
Services (except domestic)	75,209	40.1	75,877	40.3
Government	41,527	22.2	41,162	21.8
Total Nonmanufacturing	174,099	93.0	175,035	92.9
TOTAL	187,462	100.1	188,510	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 2021, the unemployment rate in Lincoln was 1.6%, among the lowest unemployment rates in the United States.

LINCOLN SMSA (LANCASTER COUNTY LABOR FORCE DATA 2021-2012) (For the Calendar Year Indicated)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Civilian Labor Force	188,166	188,745	186,998	184,089	178,854	177,616	176,130	176,594	177,962	176,563
Unemployment	3,023	5,451	4,385	4,574	4,661	4,920	4,668	5,279	6,176	6,366
Percent of Labor Force	1.6	2.9	2.3	2.5	2.6	2.8	2.7	3.0	3.5	3.6
Employment ¹	185,143	183,294	182,613	179,515	174,193	172,696	171,462	171,315	171,786	170,197

STATE OF NEBRASKA

Percent of Labor Force

Unemployment ¹	1.8	2.8	2.7	2.8	2.9	3.1	3.0	3.3	3.8	4.0
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Source: State of Nebraska, Department of Labor

¹ 2021 Preliminary

**LINCOLN PRINCIPAL EMPLOYERS
CURRENT YEAR**

Employer	Employees	Rank	Percentage of Total City Employment
State of Nebraska	9,064	1	4.72 %
Lincoln Public Schools	7,780	2	4.06
University of Nebraska-Lincoln	5,983	3	3.12
Bryan Health	5,000	5	2.61
US Government	3,429	4	1.79
City of Lincoln	2,725	6	1.42
Saint Elizabeth Regional Medical Center	2,400	7	1.25
Burlington Northern Railroad	1,825	8	0.95
Madonna Rehabilitation Hospital	1,500	9	0.78
Duncan Aviation	1,237	10	0.64
Total	<u>40,943</u>		<u>21.34 %</u>

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	Population ¹	Per Capita Personal Income ²	School Enrollment ³
2021	291,082	\$	41,747
2020	289,102	53,057	41,674
2019	287,401	50,833	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

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 2021 is unavailable.

³ Lincoln Public Schools.

Median age from the 2020 census was 33.5. Education statistics per the 2020 Census indicate that 93.3% of the population 25 years and older has a high school degree or greater with 39.6% 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>
2021	87,578	100,525	143,797
2020	86,736	100,288	141,658
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

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
2021	\$ 66,768,481	97,809,248	31,183,868	28,168,478	15,390,008	34,349,001	22,913,739	38,429,649	335,012,472
2020	\$ 66,488,738	89,394,116	28,058,815	25,807,794	3,085,972	32,757,648	20,340,337	53,259,012	319,192,432
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

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
2021	\$ 239,609,916	111,296,869	28,245,058	15,358,830	15,526,322	13,361,575	423,398,570
2020	\$ 232,387,576	72,330,346	24,371,734	17,329,391	7,821,284	11,175,430	365,415,761
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

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>
2021	\$ 1,600,711
2020	1,422,630
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

¹ Special assessment collections are not tracked by levy year, therefore the portion of collections during any year that apply to any 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 2021 tax levy for the 2021-2022 fiscal year is \$198,073,819 below the legal limit, a tax rate per \$100 valuation of .31793. The assessed value upon which the 2021 levy is based is \$26,730,353,054. By charter, only 90% of the property tax levy may be appropriated.

For the 2021-2022 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 2021-2022 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 3.65%. An additional 1% can be authorized by a 75% vote of the City Council and was utilized for the 2021-2022 budget. The 2021-2022 budget is \$4,226,921 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, 2021	
		Amount	Percent	Amount	Percent
2021	\$ 76,837,371	\$ 75,159,229	97.82 %	\$ 75,159,229	97.82 %
2020	74,373,669	72,577,018	97.58 %	72,577,018	97.58
2019	68,475,360	66,842,290	97.62	68,410,430	99.91
2018	64,820,459	63,903,976	98.59	64,820,439	100.00
2017	62,977,104	61,735,542	98.03	62,977,061	100.00
2016	58,944,563	57,685,951	97.86	58,923,184	99.96
2015	55,459,815	54,235,009	97.79	55,440,267	99.96
2014	53,880,835	52,616,370	97.65	53,868,289	99.98
2013	52,460,687	51,226,109	97.65	52,435,843	99.95
2012	50,168,325	48,788,943	97.25	50,151,243	99.97

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	2021 Assessed Valuations	Percentage Of Total Assessed Valuation
B & J Partnership Ltd.	Building Management	\$ 178,268,500	0.75%
Burlington Northern	Railroad	141,622,129	0.57%
Allo Communications LLC	Communication	129,321,896	0.56%
Nebco	Construction/Development	95,887,951	0.35%
RED Capital Management	Retail Management	66,302,900	0.29%
Ameritas Life Insurance Corp	Insurance	64,615,184	0.27%
Kawasaki	Manufacturing	66,007,463	0.25%
WEA Gateway LLC	Retail Management	59,851,800	0.25%
Windstream	Telecommunications	54,379,833	0.24%
BVCEAI Lincoln I Apartments LLC	Real Estate Development	48,311,233	0.20%
		<u>\$ 904,568,889</u>	<u>3.73%</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 two- and one-half percent (2.5%) for their service. The City has had a sales tax since 1969.

SALES AND USE TAX COLLECTIONS LAST TEN YEARS

Year Ended August 31	Amount
2021	\$ 88,723,756
2020	80,343,337
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

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
2021	\$ 61,923,848	\$ 88,723,756	\$ 26,441	\$ 2,197,903	\$ 6,204,868	\$ 159,076,816
2020	55,648,747	80,343,337	30,791	2,248,961	8,128,463	146,400,299
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

**TAXABLE ASSESSED VALUATION
LAST TEN YEARS ¹**

Fiscal Year Ended August 31,	Real Estate	All Other	Total
2021	\$ 22,926,890,868	\$ 1,072,840,928	\$ 23,999,731,796
2020	22,155,576,336	1,111,587,131	23,267,163,467
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

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**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City of Lincoln	0.3198	0.3198	0.3165	0.3165	0.3337	0.3196	0.3196	0.3158	0.3158	0.3158
School District No. 1	1.2220	1.2222	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447	1.2461
Lancaster County	0.2816	0.2816	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843	0.2683
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Community Technical College	0.0937	0.0937	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627	0.0627
Lower Platte South Natural Res. Dist.	0.0300	0.0309	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378	0.0398
Lancaster County Correctional JPA City	0.0086	0.0093	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177	0.0185
Lancaster County Correctional JPA County	0.0068	0.0070	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099	0.0105
Railroad Transportation Safety Dist.	0.0147	0.0147	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100	0.0260
Agricultural Society of Lancaster County	0.0014	0.0014	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015	0.0016
Lancaster County Fairgrounds	0.0024	0.0025	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037	0.0037
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167	0.0170
	<u>2.0130</u>	<u>2.0151</u>	<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>

¹ The 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, 2021

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:							
8,090	06/26/12	Refunding	1.000 - 3.000	Serial 2013 to 2023	-	Semiannually	1,325
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	3,845
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	-	"	2,450
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	5,190
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	-	"	2,900
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2019 to 2039	2029	"	9,590
4,140	08/20/20	Stormwater Refunding Bonds	5.00	Serial 2021 to 2030	-	"	3,805
Total General Bonds							\$ 30,620
Tax Allocation Bonds:							
601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	Semiannually	307
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	5
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	50
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	10
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	980
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	34
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	37
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	88
600	12/01/16	Tax Allocation Bonds	2.300	Serial 2018 to 2021	Anytime	"	77
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	53
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	119
180	10/14/16	Tax Allocation Bonds	1.240	Serial 2022 to 2035	Anytime	"	180
120	11/30/16	Tax Allocation Bonds	1.420	Serial 2021 to 2034	Anytime	"	116
222	12/31/16	Tax Allocation Bonds	1.450	Serial 2021 to 2034	Anytime	"	214
192	12/31/16	Tax Allocation Bonds	1.450	Serial 2022 to 2035	Anytime	"	192
52	05/31/17	Tax Allocation Bonds	2.060	Serial 2022 to 2035	Anytime	"	52
Total Tax Allocation Bonds							\$ 2,514
Tax Supported Bonds:							
28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	-	Semiannually	8,545
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	"	9,415
21,765	08/20/20	Limited Tax Arena Bonds	.200-3.000	Serial 2021 to 2037	2030	"	20,615
15,260	05/14/17	Highway Allocation Fund Bonds	2.000 - 5.000	Serial 2022 to 2037	2029	"	15,260
Total Tax Supported Bonds							\$ 53,835
Special Assessment Bonds:							
825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	310
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	"	1,695
Total Special Assessment Bonds							\$ 2,380
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	29,075
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	"	13,345
52,180	12/01/10	Facility Bonds Taxable Build America Bonds	5.400 / 5.800 / 6.000	Term 2030 2035 2039	Anytime	"	52,180
32,035	12/01/10	Recovery Zone Economic Development	6.750	Term 2045	Anytime	"	32,035
20,850	12/04/13	Facility Bonds	2.000 - 5.000	Serial 2014 to 2038	2023	"	16,840
7,325	12/04/13	Facility Bonds	4.500	Term 2043	2023	"	7,325
88,270	11/21/19	Facility Bonds Refunding Bonds	2.375-3.050	Serial 2022 to 2040	2029	"	88,270
55,710	11/21/19	Facility Bonds Refunding Bonds	3.250	Term 2042	2029	"	11,730
Total West Haymarket Joint Public Agency							\$ 319,285
TOTAL GENERAL OBLIGATION BONDS							\$ 408,634
Revenue Bonds:							
38,290	05/24/12	Wastewater Revenue Refunding	1.000 - 5.000	Serial 2013 to 2028	2023	Semiannually	\$ 18,640
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	7,830
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	10,585
20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	"	18,785
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							\$ 61,525
10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	N/A	Semiannually	965
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2013 to 2025	2023	"	10,150
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	9,225
Total Water Bonds							\$ 20,340
48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000	Serial 2020 to 2035	2029	Semiannually	36,890
Total Parking Bonds							\$ 6,655
Total Parking Bonds							\$ 43,545
8,340	02/26/13	Solid Waste Management Revenue and Refunding	.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	3,045
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	\$ 4,370
Total Solid Waste Management Bonds							\$ 7,415
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	"	24,865
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	"	32,885
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	"	65,960
121,205	07/01/18	Electric Revenue Bonds	3.000 - 5.000	Serial 2025 to 2034	2027	"	121,205
72,200	01/29/16	Electric Revenue Bonds	5.00	Serial 2025 to 2033	2027	"	72,200
185,150	09/22/16	Electric Revenue Refunding Bonds	.400 - 2.100	Serial 2023 to 2037	2027	"	185,150
Total Electric Bonds							\$ 619,650
TOTAL REVENUE BONDS							\$ 752,475

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
2022	\$ 15,526	17,062	132	36	6,103	1,308
2023	20,235	16,465	135	33	5,793	1,331
2024	19,651	15,667	137	31	5,915	1,104
2025	16,935	14,948	140	28	4,885	872
2026	16,719	14,285	143	25	4,910	678
2027 - 2031	80,724	61,685	759	82	10,970	1,408
2032 - 2036	85,128	44,231	409	12	2,770	244
2037 - 2041	78,650	28,256	-	-	565	37
2042 - 2046	70,655	8,922	-	-	-	-
2047 - 2051	-	-	-	-	-	-
Total	\$ 404,223	221,521	1,855	247	41,911	6,982

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 39,605	26,513	1,923	560	426	61
2023	41,800	24,453	1,964	519	249	67
2024	42,525	22,527	2,006	477	258	58
2025	49,745	21,538	2,049	434	181	48
2026	45,745	20,442	2,093	390	125	41
2027 - 2031	245,505	76,203	11,058	1,259	735	106
2032 - 2036	207,340	32,182	5,347	193	-	-
2037 - 2041	75,885	8,922	-	-	-	-
2042 - 2046	4,325	262	-	-	-	-
Total	\$ 752,475	233,042	26,440	3,832	1,974	381

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 5,939	2,594	4,702	1,013	27,455	22,034
2023	6,146	2,383	3,862	858	30,205	20,412
2024	6,353	2,154	3,993	736	30,535	18,909
2025	6,575	1,917	3,620	583	37,800	18,385
2026	6,827	1,671	1,381	446	35,740	17,730
2027 - 2031	25,976	5,034	7,768	1,460	204,345	67,548
2032 - 2036	9,163	2,266	5,334	268	189,165	28,291
2037 - 2041	6,415	1,237	-	-	64,405	7,378
2042 - 2046	4,325	262	-	-	-	-
Total	\$ 77,719	19,518	30,660	5,364	619,650	200,687

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

Net position of \$2,527,881, \$3,325,912, \$1,062,061, and \$729,833 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	35,874,796	-
Machinery and Equipment	11,030,492	3,335,025
Construction In Progress	7,956,891	9,257
Less Accumulated Depreciation, (where applicable)	(28,582,500)	(3,033,081)
Total	<u>\$ 62,126,371</u>	<u>\$ 2,158,692</u>

Under the City's Home Rule Charter, there is no legal debt limit. The various bond indentures contain significant limitations and restrictions on annual debt service requirements, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond 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, 2021, is summarized below (unaudited):

	Debt Outstanding	Estimated Percentage Applicable	Direct And Overlapping Debt To The City
<u>Governmental Units</u>			
Direct:			
City	\$ 464,866,000	100.0 %	\$ 464,866,000
Overlapping:			
School District #1	508,090,000	99.5	505,550,000
Public Building Commission	24,910,000	85.4	21,273,000
Lancaster County Correctional Facility	28,070,000	85.4	23,972,000
Lancaster County Fairgrounds	6,870,000	85.4	5,867,000
	<u>567,940,000</u>		<u>556,662,000</u>
Total	<u>\$ 1,032,806,000</u>		<u>\$ 1,021,528,000</u>

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 \$1,597.03; a per capita direct and overlapping debt of \$3,509.42; a ratio of direct City debt to 2021 actual valuation of 1.94 percent; and a ratio of direct and overlapping debt to 2021 actual valuation of 4.26 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, 2021, the Airport Authority had outstanding \$44,365,000 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 ²	Total Debt Service	Total General Governmental ¹ Expenditures	Ratio Of Debt Service To Total General Expenditures
2021	\$ 9,043,363	\$ 2,645,644	\$ 11,689,007	\$ 335,012,472	3.49%
2020	11,867,214	3,377,738	15,244,952	319,192,432	4.78%
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%

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 ¹	Net G.O. Bonded Debt Per Capita	Assessed Valuation Real And Personal	Ratio of Net Debt To Assessed Valuation Real & Personal ²	Assessed Valuation Of Taxable Real Property ²	Ratio of Net Debt To Estimated Valuation Of Taxable Real Property
2021	\$ 89,349,000	\$ 7,440,000	\$ 81,909,000	291,082	\$ 281.39	\$ 23,999,731,796	0.34%	\$ 22,926,890,868	0.36%
2020	82,296,000	6,680,000	\$ 75,616,000	289,102	\$ 261.55	\$ 23,267,163,467	0.32%	22,155,576,336	0.34%
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%

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				
			Expenses	Revenue	Principal	Interest	Total	Coverage
<u>Wastewater System</u>								
2021	\$	36,556,660	17,269,392	19,287,268	5,736,464	2,901,665	8,638,129	2.23
2020		34,202,886	17,049,907	17,152,979	5,667,004	2,860,124	8,527,128	2.01
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
<u>Water System</u>								
2021	\$	50,654,404	21,046,449	29,607,955	4,866,353	1,284,289	6,150,642	4.81
2020		44,192,982	19,434,182	24,758,800	4,681,388	1,488,760	6,170,148	4.01
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
<u>Parking Facilities</u>								
2021	\$	8,672,167	4,167,311	4,504,856	2,515,000	1,240,388	3,755,388	1.20
2020		13,401,784	5,042,333	8,359,451	2,315,000	1,433,544	3,748,544	2.23
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
<u>Solid Waste Management</u>								
2021	\$	15,343,678	11,720,275	3,623,403	850,000	303,284	1,153,284	3.14
2020		14,237,210	10,871,529	3,365,681	830,000	327,084	1,157,084	2.91
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

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

	<i>Fiscal Year</i>									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cash & Investment Balance - September 1 of Year Indicated \$	45,270,259	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
Receipts:										
Property Tax	61,923,848	55,648,747	50,054,765	46,009,808	42,669,103	40,564,330	37,333,435	37,428,736	34,599,257	33,574,992
City Sales & Use Tax	88,723,756	80,343,337	78,563,436	76,812,830	75,259,945	71,621,717	68,861,600	66,393,392	63,134,808	61,472,342
Other Income	<u>75,934,678</u>	<u>38,283,948</u>	<u>38,650,878</u>	<u>38,470,133</u>	<u>37,291,708</u>	<u>37,383,280</u>	<u>38,281,650</u>	<u>36,929,588</u>	<u>36,298,994</u>	<u>36,542,477</u>
Total Receipts	226,582,282	174,276,032	167,269,079	161,292,771	155,220,756	149,569,327	144,476,685	140,751,716	134,033,059	131,589,811
Less Disbursements	<u>189,676,396</u>	<u>171,038,490</u>	<u>169,572,607</u>	<u>157,404,058</u>	<u>153,088,283</u>	<u>147,445,075</u>	<u>140,757,744</u>	<u>134,211,871</u>	<u>130,890,260</u>	<u>125,742,998</u>
Cash & Investment Balance - August 31 of Year Indicated \$	<u>82,176,145</u>	<u>45,270,259</u>	<u>\$ 42,032,717</u>	<u>44,336,245</u>	<u>40,447,532</u>	<u>38,315,059</u>	<u>36,190,807</u>	<u>32,471,866</u>	<u>25,932,021</u>	<u>22,789,222</u>

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

		Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cash Balance - September 1 of Year Indicated	\$	2,980,788	3,289,948	3,892,886	3,663,200	3,361,571	3,572,272	3,561,702	3,883,237	3,929,968	2,234,981
Receipts:											
Property Tax		4,296,600	5,844,422	4,936,360	6,370,523	6,298,844	5,829,094	6,214,882	5,558,081	5,594,005	5,773,392
Interest Income		19,632	35,695	47,528	22,655	12,163	9,711	8,214	10,126	8,507	13,723
Bond Proceeds			5,186,389		5,016,382			6,092,475			8,369,497
Other Income		1,900	1,302,722	3,175	6,135	3,769	98,043	119,376	98,027	104,162	110,962
Total Receipts		4,318,131	12,369,228	4,987,063	11,415,695	6,314,776	5,936,848	12,434,947	5,666,234	5,706,674	14,267,574
Disbursements:											
Bonds Paid		2,925,000	6,150,000	4,490,000	4,775,000	4,590,000	4,730,000	4,355,000	4,240,000	4,225,000	2,390,000
Bonds Defeased											
Interest Paid		1,160,459	1,296,965	1,095,220	1,170,162	1,420,473	1,414,275	1,500,213	1,745,495	1,521,904	1,822,197
Transfer to Trustee			5,130,000		4,956,976			5,990,206			8,242,367
Other Disbursements		5,898	101,423	4,781	283,871	2,674	3,274	578,958	2,274	6,501	118,023
Total Disbursements		4,091,357	12,678,388	5,590,001	11,186,009	6,013,147	6,147,549	12,424,377	5,987,769	5,753,405	12,572,587
Cash Balance - August 31 of Year Indicated	\$	3,207,562	2,980,788	3,289,948	3,892,886	3,663,200	3,361,571	3,572,272	3,561,702	3,883,237	3,929,968

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cash & Investment Balance - September 1 of Year Indicated	\$ 531,408	2,310,676	\$ 2,581,022	\$ 2,768,599	2,195,823	2,133,866	2,619,720	2,509,487	2,348,773	759,180
Receipts:										
Special Assessment Collections	1,463,701	1,293,247	1,438,699	1,429,730	1,497,442	1,420,191	1,394,764	1,521,959	941,365	1,049,570
Interest on Special Assessments	135,662	127,529	166,149	165,098	180,258	161,882	193,995	53,761	78,642	98,844
City's Share of Costs	1,189,072	1,849,950	2,074,213	1,039,944	1,422,840	1,509,919	901,883	783,436	1,205,443	621,898
Developers' Share of Costs										
Bond Proceeds										3,036,003
Interest on Investments	10,365	38,939	50,283	34,326	21,763	18,537	19,392	40,673	41,212	47,349
Miscellaneous					301,716	188,457	82,000	733		
Total Receipts	<u>2,798,800</u>	<u>3,309,665</u>	<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>
Disbursements:										
Construction Costs	1,131,419	1,653,095	1,610,160	1,500,618	1,294,057	1,829,379	1,880,449	1,213,770	901,811	2,359,096
Bonds Paid	195,000	190,000	190,000	180,000	180,000	175,000	175,000	175,000	170,000	190,000
Equity Transfer										
Interest Paid on Bonds & Notes	86,163	91,725	95,773	99,448	102,923	106,123	109,122	112,023	114,722	94,911
Other Refunds & Expenses	<u>1,189,872</u>	<u>3,154,113</u>	<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>
Total Disbursements	<u>2,602,454</u>	<u>5,088,933</u>	<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>
Cash & Investment Balance - August 31 of Year Indicated	<u>\$ 727,754</u>	<u>531,408</u>	<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>

APPENDIX B

FINANCIAL STATEMENTS



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
Fiscal Year Ended August 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

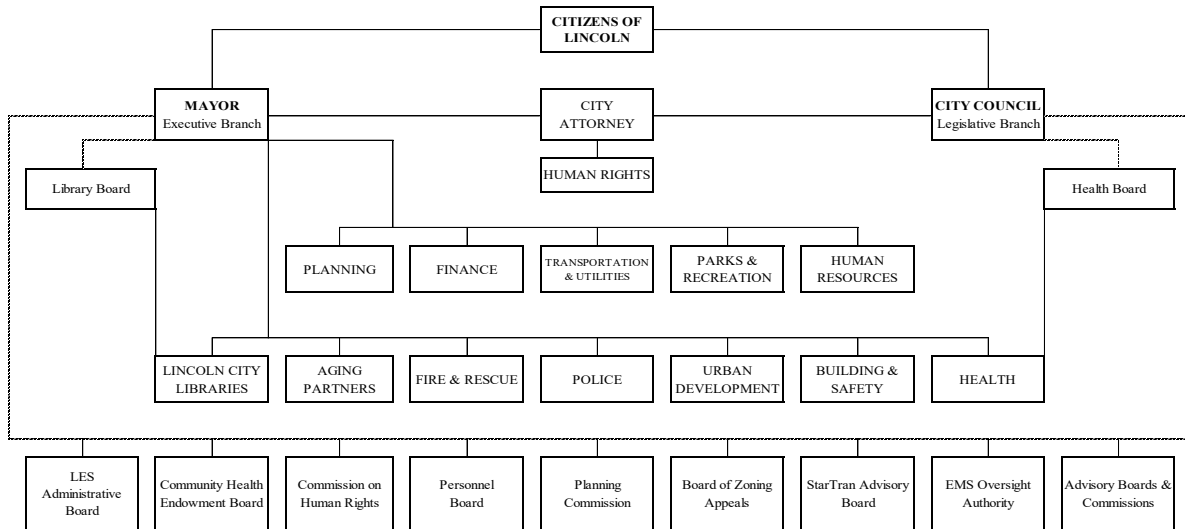
Leirion Gaylor Baird	Mayor
James Michael Bowers	Chair, City Council
Tammy Ward	Vice Chair, City Council
Richard Meginnis	Council Member
Jane Raybould	Council Member
Bennie Shobe	Council Member
Tom Beckius	Council Member
S�ndra Washington	Council Member

* * * * *

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

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2021
TABLE OF CONTENTS**

INTRODUCTORY SECTION

Page

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

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 42
Restricted Assets	3 43
Deposits and Investments	4 44
Fund Balances	5 50
Receivables and Due From Other Governments	6 51
Capital Assets	7 52
Interfund Balances and Activity	8 55
Debt Obligations	9 56
Reconciliation of Budget Basis to GAAP	10 62
Deficit Net Position or Fund Balance	11 62
Excess of Expenditures Over Appropriations	12 63
Employees' Retirement Plans	13 63
Other Postemployment Benefits (OPEB).....	14 71
Property Taxes	15 75
Risk Management	16 75
Commitments and Contingencies	17 77
Landfill Closure and Postclosure Care Costs	18 78
Segment Information	19 79
Pledged Revenues	20 81
Public Building Commission	21 81
Tax Abatements	22 82
Jointly Owned Facilities	23 82
Jointly Governed Organizations.....	24 83

Required Supplementary Information:

Schedule of Changes in the Police and Fire Pension (PFP) Net Pension Liability and Related Ratios.....	85
Schedule of Employer Contributions for the Police and Fire Pension	86
Schedule of Investment Returns for the Police and Fire Pension	86
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	87
Combining and Individual Fund Statements and Schedules:	
Governmental Funds:	
Combining Balance Sheet – General Fund.....	92
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund	93
Combining Balance Sheet – Nonmajor Governmental Funds	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	96
Subcombining Balance Sheet – Nonmajor Special Revenue Funds.....	100
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	102
Subcombining Balance Sheet – Nonmajor Debt Service Funds.....	106
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	107
Subcombining Balance Sheet – Nonmajor Capital Projects Funds	110
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	111
Subcombining Balance Sheet – Nonmajor Permanent Funds	114
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Permanent Funds	115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis):	
Athletic Field & Facilities Improvement Fund	117
Lincoln Area Agency on Aging Fund	118
911 Communication Fund.....	119
Unemployment Compensation Fund.....	120
Cable Access Television Fund	121
Lincoln City Libraries Fund	122
Lincoln/Lancaster County Health Fund	123
Social Security Fund	124
StarTran Fund	125
Keno Fund.....	127
Federal Grants Fund	128
Building & Safety Fund	130
Library Special Trust Fund	131
Lincoln Bike Share Fund.....	132
Tax Allocation Projects Debt Service Fund	133
Bond Interest & Redemption Debt Service Fund.....	134
Tax Supported Bonds Debt Service Fund	135
Community Health Permanent Endowment Fund.....	136
Proprietary Funds:	
Combining Statement of Net Position – Nonmajor Enterprise Funds	138
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds	141
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	142
Combining Statement of Net Position – Internal Service Funds	146
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	147
Combining Statement of Cash Flows – Internal Service Funds	149
Custodial Funds:	
Statement of Fiduciary Net Position – Custodial Funds.....	153
Statement of Changes in Fiduciary Net Position – Custodial Funds.....	154

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	157
Changes in Net Position	2	158
Fund Balances of Governmental Funds	3	160

Changes in Fund Balances of Governmental Funds	4	161
Lincoln Electric System Megawatt-Hour Sales	5	162
Revenue from Electrical Sales by Customer Type.....	6	163
Total City Taxable Sales	7	164
Sales Tax Rates	8	165
Net Taxable Sales by Business Classification.....	9	166
Assessed Value and Actual Value of Taxable Property	10	167
Property Tax Rates.....	11	168
Principal Property Taxpayers	12	169
Property Tax Levies and Collections	13	170
Ratios of Outstanding Debt by Type.....	14	171
Ratios of General Bonded Debt Outstanding	15	172
Direct and Overlapping Governmental Activities Debt	16	173
Pledged Revenue Coverage.....	17	174
Demographic and Economic Statistics.....	18	175
Principal Employers	19	176
Full-Time Equivalent City Government Employees by Function.....	20	177
Operating Indicators by Function.....	21	178
Capital Asset Statistics by Function.....	22	179

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	182
Notes to Schedule of Expenditures of Federal Awards.....	187
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.....	188
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report.....	190
Schedule of Findings and Questioned Costs	192
Summary Schedule of Prior Audit Findings	194



March 21, 2022

Dear Honorable City Council members and residents of Lincoln:

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

A significant responsibility of that work is ensuring both fiscal and operational accountability in our use of public resources. To that end, this letter serves as an introduction to the City of Lincoln's Annual Comprehensive Financial Report for the fiscal year ended August 31, 2021.

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 2020 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 38th 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



FINANCE

555 South 10th Street, Suite 103 | Lincoln, NE 68508402-
441-7411 | F: 402-441-8325

March 21, 2022

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

Both the City Charter and State law require an annual audit of the City's funds and accounts be made by a recognized independent and qualified accountant covering all financial transactions, affairs, and financial condition of the City, with the audit report published within six months after the close of the fiscal year. Pursuant to this requirement, the Annual Comprehensive Financial Report of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2021, 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, 2021, disclosed no material internal control weaknesses. The independent auditor's reports are included in the Single Audit section found at the end of the comprehensive report.

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

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

City's financial statements for the fiscal year ended August 31, 2021, are fairly presented in accordance with GAAP.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found in the Financial Section immediately following the report of the independent auditors.

Profile of the City

The City of Lincoln, capital city of Nebraska, was originally incorporated on April 7, 1869. Lincoln is located in the southeastern corner of the state, is midway between Chicago and Denver, and is currently one of the fastest growing metro areas in the Midwest. It occupies a land area of approximately 101 square miles, serves a population of approximately 291,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

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

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

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

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

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 2020 has been approximately 1.13% per year. The 2020 Census population of Lancaster County has been estimated to be in excess of 322,000 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, 2021, was 1.7%, well below the national average of 5.2%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current value of construction permits is up 97% 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 increased \$11,305,798 or 12.0% from the previous fiscal year, of which \$2,733,951 comes from the addition of a voter approved .25% tax increase, effective October 1, 2019, to fund street improvements and construction.

Long-Term Planning and Major Initiatives

Urban Development

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

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

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

Ongoing and anticipated future projects include:

- **Parking Services Projects:**
Most major Parking Services projects have been suspended pending identification of sufficient revenue sources. Ongoing projects that will continue:
 - 1) Work to identify necessary repair and restoration issues in all parking garages will continue. Once identified the required work will be performed as funds allow.

- 2) Interior improvements to the stairways and elevator landings at Que Place Garage will begin in 2022 and be completed in 2023. The majority of the funding for this project is from TIF funds generated by the construction of the Lied Place condominium project. The Lied Place building will have access points on the 1st, 2nd, and 5th floors of the west stairway.
 - 3) Construction design for the American Jobs Center, to be located on the first floor of the Eagle Garage, began in December 2021. Final construction of the new office space is anticipated in October 2022 with move-in happening shortly thereafter.
 - 4) Parking Services acquired property on Block 65 totaling 75,000 square feet with the intention to build a new parking garage. The need for this parking garage was indicated by the results of an internal study conducted by Parking Services. Parking Services began preliminary design work on the new parking garage during 2020 and Urban Development began negotiating a redevelopment agreement with a developer for a portion of the site. Parking Services will also explore financing options for this structure during 2022.
- Downtown Redevelopment Projects:
 - 1) West Haymarket, Block 2 (north half).
 - 2) West Haymarket, Block 4.
 - 3) West Haymarket, Block 5.
 - 4) Greater Downtown Principal Corridors Revitalization.
 - 5) South Haymarket Parking & Streetscape Phase I.
 - 6) Pershing Redevelopment.
 - 7) Campion Redevelopment.
 - 8) Lied Place Redevelopment.
 - 9) 1040 O Street Redevelopment.
 - 10) Terminal Building Redevelopment.
 - 11) 9th and O Redevelopment.
 - 12) Cotswold Redevelopment.
 - 13) Gold's Block Redevelopment.
 - 14) Central Hotel.
 - 15) Dairy House Phase II Redevelopment.
 - 16) Skypark Redevelopment.
 - 17) Landmark II Redevelopment.
 - 18) Atrium Building Redevelopment.
 - Antelope Valley Redevelopment Projects:
 - 1) Telegraph District Redevelopment.
 - 2) Hoppe Block Redevelopment.
 - 3) Greater Downtown Principal Corridors Revitalization.
 - 4) 2236 R
 - 5) Hepburn Square
 - 6) 25th and Vine
 - 7) 23rd and Y Millennial Housing
 - South of Downtown Redevelopment
 - 1) Rental Rehabilitation Program
 - University Place Redevelopment:
 - 1) 48th and Madison
 - 2) 47th & St Paul Housing
 - West O Street Redevelopment:
 - 1) West O Street Streetscape and bike trail including improvements at NW 48th & West O.
 - North 27th Street Redevelopment Project:
 - 1) 28th & Vine Container Housing.
 - 2) 27th and Starr Housing.
 - Revolution Wraps Redevelopment.
 - Innovation Campus Redevelopment.

- Central Lumber Redevelopment.
- North Cotner Redevelopment.
- VA Victory Park Redevelopment.

Ongoing and anticipated Livable Neighborhood projects include:

- Housing rehabilitation programs for quality, affordable housing, and home ownership:
 - 1) Continuation of First-time Homebuyer and Owner-Occupied Housing Rehabilitation Loan programs and Lead-Based Paint Hazard Control grant program.
 - 2) Partner with other non-profit and for-profit housing organizations for affordable housing projects in low-to-moderate income neighborhoods.
 - 3) Continue RESCUE program for neglected/problem properties.
 - 4) Continue Emergency Rental/Utility Assistance Program due to COVID-19
 - 5) Coordinate with other City Departments to implement neighborhood improvement projects in focused geographic areas. Projects may include, but are not limited to, infrastructure, parks, trails and housing improvements.

Ongoing and anticipated Administration projects include:

- Real estate major acquisition, negotiation, and relocation projects:
 - 1) For effective transportation:
 - ✓ LOTM Projects:
 - ✓ NW56th & West Holdrege/NW48th-Chitwood
 - ✓ Holdrege Roundabouts – Cedar Cove & 104th Streets
 - ✓ Yankee Hill, 40th to 52nd Street
 - ✓ S. Folsom & W. Palm Canyon Road
 - ✓ 40th & Rokeby area – multiple projects
 - ✓ 70th & Saltillo area – two projects
 - ✓ R Street, 50th to Cotner
 - ✓ Adams, 36th to 49th Street rehab
 - ✓ 33rd and Cornhusker Hwy RTSD project.
 - ✓ 14th/Old Cheney/Warlick intersection.
 - ✓ South 40th Street improvements, South of YHR
 - ✓ West A Street, Folsom to SW 40th Street, 2 Phases: East/West.
 - ✓ New LFR & LPD station acquisitions/surplus.
 - ✓ East Beltway preliminary acquisitions.
 - ✓ Williams Branch Library lease
 - ✓ StarTran site acquisition and bus shelter projects.
 - ✓ Arterial/residential rehabs, executive order, traffic signals & bridge replacement.
 - 2) For environmental quality:

<ul style="list-style-type: none"> ✓ Park sites citywide, Prairie Corridor, Jensen Park, NW Community Park, Salt Creek wetland acquisitions, Beal Slough trail project. ✓ Cardwell Branch Sewer, BNSF crossings PE project and miscellaneous sanitary sewer upgrade projects. 	<ul style="list-style-type: none"> ✓ 98th Street water main, Holdrege to Alvo and Holdrege, 98th to Sky Ranch. ✓ Dead Man's Run, conservation easements, misc storm water improvements.
---	---
 - 3) Relocation activities:
 - ✓ 14th/Old Cheney/Warlick intersection project.
 - ✓ West A Street widening project.
 - ✓ Deadman's Run

West Haymarket Project

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

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

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

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$93,025,000 over the 5-year period of fiscal year 2021-22 through fiscal year 2025-26. Funding for these projects will come from impact fees and utility revenue fees. The majority of these dollars are needed for replacement and maintenance of existing infrastructure, new infrastructure to serve development in various basins throughout the City, and improvements to both the Theresa Street and Northeast treatment plants.

Water System

The Lincoln Water System is projecting a capital improvements program in the amount of approximately \$187,819,500 over the 5-year period of fiscal year 2021-22 through 2025-26. These projects will be financed through impact fees and utility revenues. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement and new wells, and additional storage reservoirs.

Streets and Highways

The 2021-2026 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$51 million for the next five years. Funding for these projects includes \$204 million in City revenues, \$30 million in federal aid, and \$21 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, 2021, current tax collections by the County Treasurer were 97.82% of the tax levy, an increase of less than 1% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy by Purpose</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>
General Fund	.2271	.2127	.2094
Library	.0373	.0365	.0373
Social Security	.0000	.0123	.0117
Police and Fire Pension	.0385	.0327	.0347
Unemployment Compensation	.0000	.0002	.0003
General Obligation Debt	.0169	.0254	.0231
Total	<u>.3198</u>	<u>.3198</u>	<u>.3165</u>

Parking Facilities

The City of Lincoln operates the following parking garages:

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

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

Solid Waste Management

The City of Lincoln owns and operates a municipal solid waste landfill and a construction and demolition debris landfill that are subject to the U.S. Environmental Protection Agency rule *Solid Waste Disposal Facility Criteria*, which establishes closure and postclosure care requirements. As of August 31, 2021, 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 an increase in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Wastewater System</u>	<u>2020-2021</u>	<u>2019-2020</u>
Operating Revenues	\$35,635,355	32,587,103
Operating Income	8,656,972	6,208,601
Revenue Available For Debt Service	19,467,268	17,152,979
Debt Service	8,638,129	8,527,128
Debt Service Coverage Ratio	2.23	2.01

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

<u>Water System</u>	<u>2020-2021</u>	<u>2019-2020</u>
Operating Revenues	\$47,955,460	41,125,527
Operating Income	17,886,629	12,871,867
Revenue Available For Debt Service	29,607,955	24,758,800
Debt Service	6,150,642	6,170,148
Debt Service Coverage Ratio	4.81	4.01

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, 2020, is included in the City's August 31, 2021, financial statements.

Certificate of Achievement


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its annual comprehensive financial report for the fiscal year ended August 31, 2020. This was the thirty-eighth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to 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,



Melinda Jones
Interim Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lincoln
Nebraska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

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, as of and for the year ended August 31, 2021, 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 36%, 55%, and 21%, 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 opinions, insofar as they relate to the amounts included for Lincoln Wastewater System and Lincoln Water System, are based solely on the report 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 report 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2021, the City adopted Governmental Accounting Standards Board (GASB) Statements No. 84, *Fiduciary Activities* and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

audit, the procedures performed as described above, and the report 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March 21, 2022, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
March 21, 2022

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, 2021. 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, 2021, by \$2,487,855,570 (net position). Of this amount, \$352,497,370 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$169,600,190. Of this amount, \$98,662,781, or 58%, was an increase in governmental activities and \$70,937,409, or 42%, related to business-type activities. Please refer to the fund descriptions preceding the various combining statements (beginning on page 89) for information regarding constraints imposed on the City in spending available funds.
- As of August 31, 2021, the City's governmental funds reported combined ending fund balances of \$418,321,556 an increase of \$94,350,362 in comparison with the prior year. Of this total fund balance, 18%, or \$75,559,159 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2021, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the General Fund was \$96,058,798, or 63% of total General fund expenditures. Following the implementation of GASB Statement No. 54, reference must be made to pages 91-93 of this report for an accurate comparison of the City's General funds based on the structure used for budgeting.
- The City's total bonded debt decreased by \$30,937,488 (3%) during the current fiscal year. Current year activity included the following: the City issued \$15,260,000 of Highway Allocation Bonds and \$766,000 in Tax Allocation Bonds.

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, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administrative services, public safety,

streets and highways, health, planning and zoning, parks and recreation, libraries, aging services, job programs, urban development, mass transportation, engineering, self-insurance, and fleet management. The business-type activities of the City include water, wastewater and electric utilities; ambulance transport; solid waste management; golf courses; entertainment center; broadband facilities; and parking.

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

FUND FINANCIAL STATEMENTS

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

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

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

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

Normally, the City adopts a biennial appropriated budget for its general fund and most other governmental funds, however, due to the unknown financial effects of the COVID-19 pandemic, a one year budget was adopted for fiscal year 2020-21. A budgetary comparison statement has been provided for the General and Street Construction major funds to demonstrate compliance with this budget. The West Haymarket JPA major fund is not required to adopt an annual budget so a budgetary comparison has not been provided.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

The combining statements referred to earlier are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found beginning on page 89 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 \$2,487,855,570 at August 31, 2021.

City Of Lincoln Condensed Statements of Net Position August 31, 2021 and 2020 **						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 578,981,083	435,999,315	394,345,405	419,877,985	973,326,488	855,877,300
Capital Assets	1,347,834,456	1,342,973,087	1,826,419,819	1,772,174,272	3,174,254,275	3,115,147,359
Total Assets	1,926,815,539	1,778,972,402	2,220,765,224	2,192,052,257	4,147,580,763	3,971,024,659
Deferred Outflows of Resources	21,966,506	19,920,069	24,126,986	18,734,222	46,093,492	38,654,291
Long-Term Liabilities Outstanding	569,747,872	576,152,088	891,563,764	938,822,145	1,461,311,636	1,514,974,233
Other Liabilities	63,756,703	33,145,205	143,270,795	134,505,664	207,027,498	167,650,869
Total Liabilities	633,504,575	609,297,293	1,034,834,559	1,073,327,809	1,668,339,134	1,682,625,102
Deferred Inflows of Resources	35,201,028	9,596,966	2,278,523	616,951	37,479,551	10,213,917
Net Position:						
Net Investment in Capital Assets	898,840,745	909,494,423	942,386,540	856,941,115	1,841,227,285	1,766,435,538
Restricted	249,233,964	174,029,693	44,896,951	41,381,436	294,130,915	215,411,129
Unrestricted	132,001,733	96,474,096	220,495,637	238,519,168	352,497,370	334,993,264
Total Net Position	\$ 1,280,076,442	1,179,998,212	1,207,779,128	1,136,841,719	2,487,855,570	2,316,839,931

**During fiscal year 2021, the City implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which required restatement of certain beginning balances. The condensed financial information for 2020 has not been adjusted for the impacts of the implementation of the new standard.

By far the largest portion of the City’s net position (74%) 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 (12%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (14%) may be used to meet the government’s ongoing obligations to citizens and creditors.

At August 31, 2021, 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, 2021 and 2020

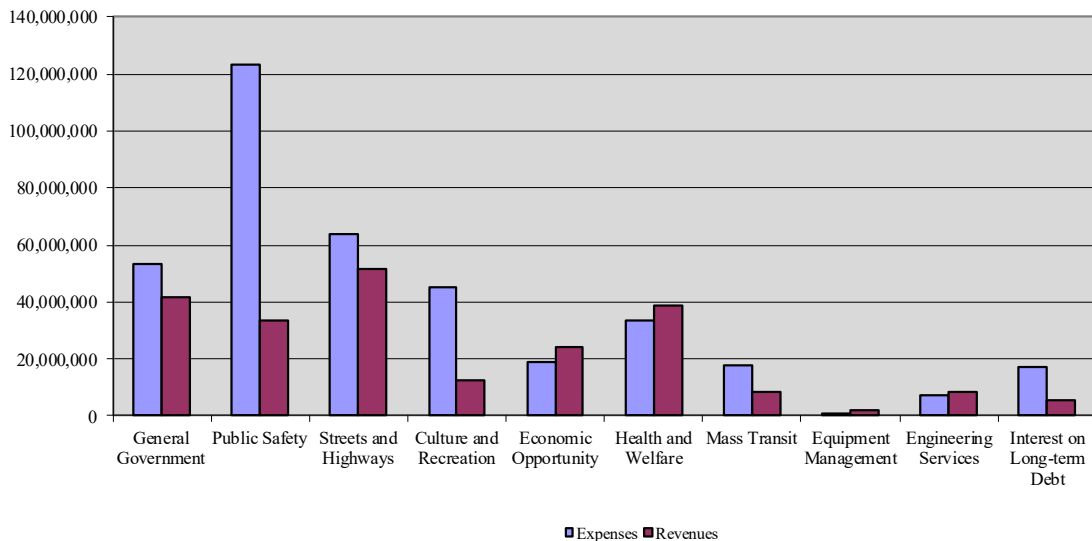
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 80,350,797	72,420,411	435,342,246	435,122,374	515,693,043	507,542,785
Operating Grants and Contributions	126,896,770	74,440,798	4,428,538	264,280	131,325,308	74,705,078
Capital Grants and Contributions	19,123,793	13,993,017	16,582,535	32,086,296	35,706,328	46,079,313
General Revenues:						
Property Tax	80,373,285	85,070,230	-	-	80,373,285	85,070,230
Sales and Use Tax	105,320,265	94,014,467	-	-	105,320,265	94,014,467
Occupation Tax	24,219,554	24,548,465	5,028,574	3,964,450	29,248,128	28,512,915
Other Taxes	28,419,196	27,357,420	-	-	28,419,196	27,357,420
Unrestricted Grants and Contributions	27,580	56,090	-	-	27,580	56,090
Unrestricted Investment Earnings	1,452,336	5,276,803	1,722,098	7,362,809	3,174,434	12,639,612
Other	2,332,192	1,751,485	3,282,478	1,034,848	5,614,670	2,786,333
Total Revenues	<u>468,515,768</u>	<u>398,929,186</u>	<u>466,386,469</u>	<u>479,835,057</u>	<u>934,902,237</u>	<u>878,764,243</u>
Expenses:						
General Government	53,297,715	57,362,717	-	-	53,297,715	57,362,717
Public Safety	123,218,823	115,994,657	-	-	123,218,823	115,994,657
Streets and Highways	63,862,502	64,899,917	-	-	63,862,502	64,899,917
Culture and Recreation	44,913,469	51,835,619	-	-	44,913,469	51,835,619
Economic Opportunity	19,046,331	14,998,235	-	-	19,046,331	14,998,235
Health and Welfare	33,647,236	31,811,506	-	-	33,647,236	31,811,506
Mass Transit	17,572,030	17,211,162	-	-	17,572,030	17,211,162
Equipment Management	654,123	627,942	-	-	654,123	627,942
Engineering Services	7,298,448	1,519,718	-	-	7,298,448	1,519,718
Interest on Long-Term Debt	17,064,945	19,211,309	-	-	17,064,945	19,211,309
Golf	-	-	5,272,495	4,204,729	5,272,495	4,204,729
Parking System	-	-	8,913,548	10,263,845	8,913,548	10,263,845
Municipal Arena	-	-	6,003,519	8,185,336	6,003,519	8,185,336
Solid Waste Management	-	-	13,264,852	12,893,945	13,264,852	12,893,945
Emergency Medical Services	-	-	7,744,230	8,019,204	7,744,230	8,019,204
Broadband Enterprise	-	-	7,043,569	2,496,469	7,043,569	2,496,469
Wastewater System	-	-	29,504,080	29,051,899	29,504,080	29,051,899
Water System	-	-	38,261,132	31,205,232	38,261,132	31,205,232
Electric System	-	-	269,435,000	282,163,000	269,435,000	282,163,000
Total Expenses	<u>380,575,622</u>	<u>375,472,782</u>	<u>385,442,425</u>	<u>388,483,659</u>	<u>766,018,047</u>	<u>763,956,441</u>
Increase in Net Position Before Transfers	87,940,146	23,456,404	80,944,044	91,351,398	168,884,190	114,807,802
Transfers	10,722,635	8,050,770	(10,006,635)	(7,949,242)	716,000	101,528
Increase in Net Position	98,662,781	31,507,174	70,937,409	83,402,156	169,600,190	114,909,330
Net Position - Beginning, Before Restatement	1,179,998,212	-	-	-	1,179,998,212	-
Adjustment for Implementation of GASB 84	1,415,452	-	-	-	1,415,452	-
Net Position - Beginning, as Restated	<u>1,181,413,661</u>	<u>1,148,491,038</u>	<u>1,136,841,719</u>	<u>1,053,439,563</u>	<u>2,318,255,380</u>	<u>2,201,930,601</u>
Net Position - Ending	<u>\$ 1,280,076,442</u>	<u>1,179,998,212</u>	<u>1,207,779,128</u>	<u>1,136,841,719</u>	<u>2,487,855,570</u>	<u>2,316,839,931</u>

GOVERNMENTAL ACTIVITIES

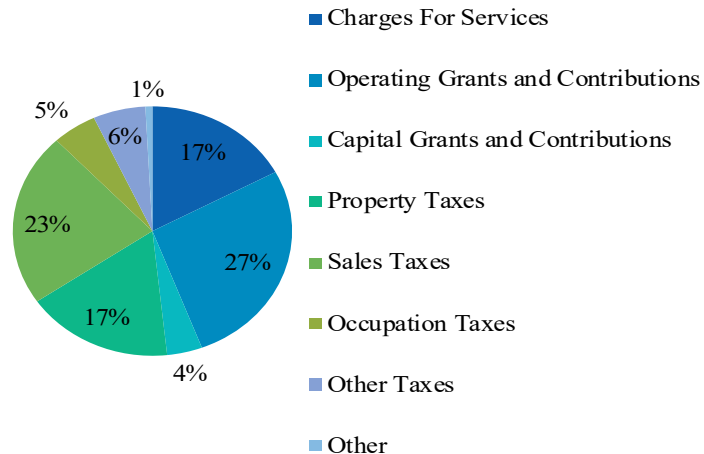
Governmental activities increased the City's net position by \$98,662,781, accounting for 58% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

- Operating Grants and Contributions increased \$52.5 million (70.5%) during 2021. The City was awarded over \$41 million in grants through the CARES Act and the American Rescue Plan Act in response to the COVID-19 pandemic.
- Capital Grants and Contributions increased \$5.1 million (36.7%) due to the completion of several paving and drainage projects that were funded through developer's contributions.
- Unrestricted investment earnings decreased by approximately \$3.8 million (72.5%) during 2021. Even though pooled cash investments increased 19.1% over the prior year, the investments yield decreased 80.5% in 2021.
- Total governmental expenses increased by approximately \$5.1 million during 2021. The most significant increase in expense amount was in Public Safety, where the City purchased land for a future fire station and building a new police station.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities

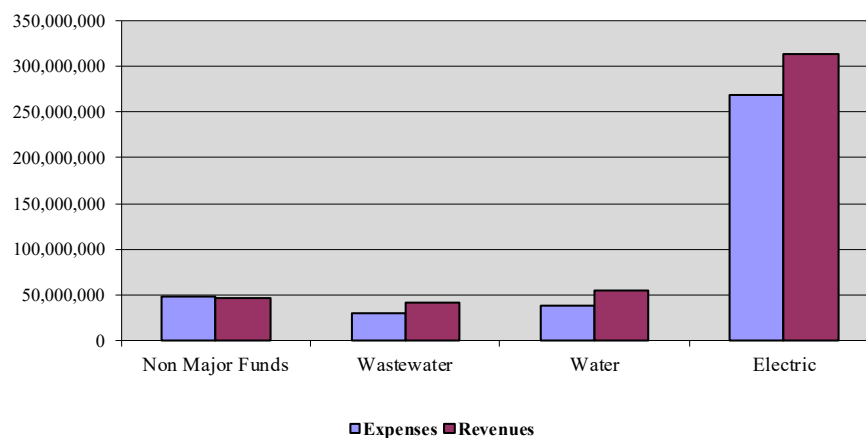


BUSINESS-TYPE ACTIVITIES

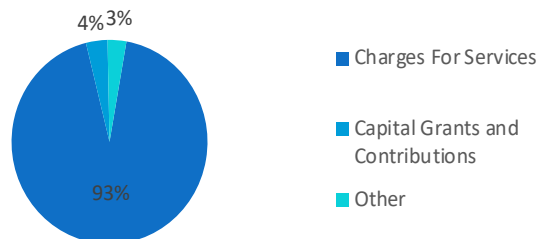
Business-type activities increased the City's net position by \$70,937,409, accounting for 42% of the total growth in the government's net position. Key elements of this increase are as follows:

- Lincoln Electric System operating revenue in 2020 was down 1.9% from 2019. Retail revenue was 2.2% lower primarily due to lower energy sales, primarily in commercial revenue, related to the COVID-19 pandemic. Wholesale revenue was down 6.9% due primarily to units not being operated as planned for 2020 and an extended outage at the Rokeby Generation Station. Other revenue was up 12.3% primarily due an increase in renewable energy certificates sales and miscellaneous revenue related to sales of natural gas capacity. Operating expenses in 2020 were \$235,069,000, a decrease of 4.5%. Purchased power and produced power expenses were down 2.2% primarily due to reduced produced power expenses. Depreciation and amortization expenses were down 25.9% primarily due to the implementation of new depreciation rates based on the results of the 2019 depreciation study. Operations and maintenance expenses were down 1.3% due to lower transmission expenses.
- Lincoln Wastewater System reported increased operating revenues primarily due to a 4% rate increase implemented November 2020. Capital Contributions increased due to an increase in private construction agreement projects completed in 2021.
- Lincoln Water System reported increased revenues primarily due to a 6% rate increase implemented November 2020. Lincoln Water System nonoperating revenues increased due to insurance and FEMA reimbursements for 2019 flood damage. Nonoperating expenses increased due to repair expenditures related to 2019 flooding event.

Expenses And Program Revenues - Business-type Activities



Revenues By Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of August 31, 2021, the City's governmental funds reported combined ending fund balances of \$418,321,556, an increase of \$94,350,362 in comparison with the prior year. Of this total amount, 18% 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 (\$2,470,788), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$230,026,965), committed for particular purposes (\$514,966), or assigned for particular purposes (\$72,589,678).

The General Fund is the chief operating fund of the City. At August 31, 2021, the unrestricted fund balance of the General Fund was \$96,058,798, while total fund balance reached \$112,637,839. 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 63% of total General Fund expenditures, while total fund balance represents 74% of that same amount.

The fund balance of the City's General Fund increased by \$43,868,465 during 2021. Capital improvement project expenditures in the current year were less than appropriated. The remaining appropriations remain, and the expenditures will occur in future years. The City appropriates General Fund balance as a funding source for budget, with the allocation of balances spread over the one or two-year budget cycle.

The Street Construction Fund has a total fund balance of \$74,869,211, which is to be used in the construction and maintenance of streets and highways. The net increase in fund balance during 2021 in the Street Construction Fund was \$22,732,744, with total revenues showing a 14% decrease and capital construction expenses showing a 9% decrease.

The West Haymarket JPA Fund had a fund balance of \$36,695,033, 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 (\$1,879,534). 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 \$15,116,597, \$44,611,769, \$159,807,000 and \$960,271, respectively, at August 31, 2021 (December 31, 2020 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:

Expenditure appropriations:

- \$(547,536) decrease in miscellaneous changes in general government activities.
- \$15,847,867 increase allocated to public safety.
- \$11,927 increase to streets & highways.
- \$73,547 increase allocated to parks and recreation.
- \$1,647,390 increases 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:

- \$3,781,079 positive variance in real estate and personal property tax. Actual property tax collections were 97.82% of the 2020 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- \$11,064,166 positive variance in taxes collected by others. Projected sales tax shortfall due to COVID-19 pandemic did not materialize.
- \$15,603,510 positive variance in intergovernmental revenue. \$20,705,455 positive variance in public safety expenditures. Police and Fire Departments each received revenue from the State of Nebraska through the CARES Act. This resulted in a budget revision increasing budgeted expenditures. However, the funds were not expensed in FY 20/21.
- \$(1,244,808) negative variance in recreation receipts. \$1,724,427 positive variance in parks and recreation expenditures. These variances are primarily because of the COVID-19 pandemic effects on Parks activities.
- \$8,952,066 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of August 31, 2021, amounts to \$3,174,254,275 (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 2021 was 2% (0.4% increase for governmental activities and 3.1% increase for business-type activities).

Major capital asset events during 2021 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$34 million.
- The construction of a new northeast police station was started with expenditures of \$2.5 million.
- StarTran, the City's mass transit system, added 6 new electric buses and 3 natural gas fueled buses at a cost of just over \$7 million
- LES is a 12.76% share owner in the Laramie River Station. LES' share of capital improvements for the plant in 2020 was \$2,263,000.
- Construction continues for the LES Operation Center (LOC). Capital expenditures in 2020 for this project totaled \$21,714,000. Phase one of the LOC, which includes a second LES operations center was completed in 2019. Substantial construction of phase two, which includes an administrative building, was completed 2021. Total project cost is expected to be \$104,100,000.
- The Duct Installation Program (DIP), which started in 2012, is a 9-year project to install over 600 miles of duct adjacent to distribution cable, allowing the cable to be replaced quickly when it reaches the end of its useful life. The DIP project concluded in 2020 with capital expenditures for the year totaling \$3,142,000.
- Lincoln Wastewater System 2021 major capital asset events included the replacement of raw Wastewater pumps 1-4 project and the Cardwell/South Salt Creek project.
- Lincoln Water System 2021 capital assets activity annual selected main replacements and water treatment plant chemical feed equipment replacement.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 169,778,897	167,644,381	33,735,594	33,658,567	203,514,491	201,302,948
Buildings	294,358,918	299,256,884	138,045,902	139,689,124	432,404,820	438,946,008
Improvements Other Than Buildings	89,150,373	89,984,360	606,578,623	589,629,193	695,728,996	679,613,553
Machinery and Equipment	64,707,572	61,249,630	24,669,258	24,498,616	89,376,830	85,748,246
Utility Plant	-	-	864,300,000	858,088,000	864,300,000	858,088,000
Infrastructure	649,860,855	657,934,101	-	-	649,860,855	657,934,101
Construction-in-progress	79,977,841	66,903,731	159,090,442	126,610,772	239,068,283	193,514,503
Total	<u>\$ 1,347,834,456</u>	<u>1,342,973,087</u>	<u>1,826,419,819</u>	<u>1,772,174,272</u>	<u>3,174,254,275</u>	<u>3,115,147,359</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, 2021, the City of Lincoln had total bonded debt outstanding of \$1,161,108,648. Of this amount, \$408,633,648 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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 408,633,648	407,091,136	-	-	408,633,648	407,091,136
Revenue Bonds	-	-	752,475,000	784,955,000	752,475,000	784,955,000
Total	<u>\$ 408,633,648</u>	<u>407,091,136</u>	<u>752,475,000</u>	<u>784,955,000</u>	<u>1,161,108,648</u>	<u>1,192,046,136</u>

- The City's total bonded debt decreased by \$30,937,488 (3%) during the current fiscal year. Current year activity included the following: the City issued \$15,260,000 of Highway Allocation Bonds and \$766,000 in Tax Allocation Bonds.

The City maintains the following credit ratings:

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

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

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

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- In August 2021, the Lincoln City Council approved a 6% and 4% revenue increase for fiscal year 2022 for the Water and Wastewater Systems, respectively. This will be attained through increases in the usage rates and service charges.

- The electric utility industry repeatedly has been faced with new and proposed environmental regulations. The increase in legislation has been a major issue facing LES and all electric utility providers. LES continues to work diligently with industry groups and government representatives to help shape legislation and to implement cost-effective means to comply with all regulations.
- Property tax revenue expected to fund the 2021-2022 budget increased \$7,631,834 from the prior year. Total valuation growth is 11.38%, with no increase in the current tax rate.
- The budgeted local sales tax rate is 1.5%, which supports the General Fund. An increase of 8.6% in collections is projected for 2021-2022. Projected sales tax collections could be impacted by legislative changes and unanticipated changes in economic activity. Nebraska began collecting online sales tax in 2019 which has a positive impact on revenues.
- Lincoln voters approved a .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.
- Sales tax revenue is projected at \$6.7 million more than 2020-21 adopted budget.
- The City negotiates with six different bargaining units. Two contracts will expire in August 2022, two will expire in August 2023, and two will expire in August 2024.
- Staffing changes included in the 2021-2022 fiscal year budget resulted in an increase for all funds of 25.57 full-time equivalents.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
AUGUST 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 123,147,507	47,598,883	170,746,390
Investments	352,475,092	158,310,312	510,785,404
Receivables, (Net of Allowance for Uncollectibles)	33,879,122	58,177,674	92,056,796
Internal Balances	(14,031,084)	14,031,084	-
Due from Other Governments	33,802,297	73,877	33,876,174
Inventories	2,723,313	23,660,561	26,383,874
Plant Operation Assets	-	18,332,000	18,332,000
Prepaid Items	1,316,135	3,832,485	5,148,620
Other Assets	5,008,294	5,409,850	10,418,144
Restricted Assets:			
Cash and Cash Equivalents	3,500,407	11,577,577	15,077,984
Investments	37,160,000	53,330,592	90,490,592
Receivables	-	10,510	10,510
Capital Assets:			
Non-depreciable	249,756,738	192,826,036	442,582,774
Depreciable (Net)	1,098,077,718	1,633,593,783	2,731,671,501
Total Assets	<u>1,926,815,539</u>	<u>2,220,765,224</u>	<u>4,147,580,763</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	2,722,076	18,893,700	21,615,776
Deferred Outflows for Pension	12,881,301	1,035,414	13,916,715
Deferred Outflows for OPEB	6,363,129	717,872	7,081,001
Deferred Costs for Asset Retirement Obligations	-	3,480,000	3,480,000
Total Deferred Outflows of Resources	<u>21,966,506</u>	<u>24,126,986</u>	<u>46,093,492</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	21,780,059	29,050,983	50,831,042
Accrued Liabilities	6,049,241	32,331,023	38,380,264
Due to Other Governments	723,203	177,815	901,018
Unearned Revenue	31,148,181	7,971,945	39,120,126
Commercial Paper	-	65,500,000	65,500,000
Accrued Interest Payable	4,056,019	8,239,029	12,295,048
Noncurrent Liabilities:			
Payable within One Year	39,491,338	49,918,148	89,409,486
Payable in More Than One Year	530,256,534	841,645,616	1,371,902,150
Total Liabilities	<u>633,504,575</u>	<u>1,034,834,559</u>	<u>1,668,339,134</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Beneficial Interest Revenue	3,269,529	-	3,269,529
Deferred Gain on Refunding	721,547	-	721,547
Deferred Inflows for Pension	29,830,125	2,122,855	31,952,980
Deferred Inflows for OPEB	1,379,827	155,668	1,535,495
Total Deferred Inflows of Resources	<u>35,201,028</u>	<u>2,278,523</u>	<u>37,479,551</u>
NET POSITION			
Net Investment in Capital Assets	898,840,745	942,386,540	1,841,227,285
Restricted for:			
Debt Service	5,790,786	23,931,883	29,722,669
Capital Projects	116,967,974	18,892,068	135,860,042
Grantor Loan Programs	19,641,000	-	19,641,000
Other	28,026,875	2,073,000	30,099,875
Trust Donations:			
Expendable	2,951,355	-	2,951,355
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	38,695,974	-	38,695,974
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>132,001,733</u>	<u>220,495,637</u>	<u>352,497,370</u>
Total Net Position	<u>\$ 1,280,076,442</u>	<u>1,207,779,128</u>	<u>2,487,855,570</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, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Expenses							
Functions/Programs							
Governmental Activities:							
General Government	\$ (53,297,715)	38,815,037	2,066,964	1,001,677	(11,414,037)	-	(11,414,037)
Public Safety	(123,218,823)	8,647,156	23,414,734	1,325,482	(89,831,451)	-	(89,831,451)
Streets and Highways	(63,862,502)	6,986,644	31,008,889	13,529,360	(12,337,609)	-	(12,337,609)
Culture and Recreation	(44,913,469)	7,183,798	4,287,811	1,296,495	(32,145,365)	-	(32,145,365)
Economic Opportunity	(19,046,331)	45,797	23,653,926	514,429	5,167,821	-	5,167,821
Health and Welfare	(33,647,236)	5,360,437	33,287,069	-	5,000,270	-	5,000,270
Mass Transit	(17,572,030)	2,777,398	5,542,198	-	(9,252,434)	-	(9,252,434)
Equipment Management	(654,123)	1,937,190	-	-	1,283,067	-	1,283,067
Engineering Services	(7,298,448)	8,199,206	-	22,854	923,612	-	923,612
Interest on Long-Term Debt	(17,064,945)	398,134	3,635,179	1,433,496	(11,598,136)	-	(11,598,136)
Total Governmental Activities	(380,575,622)	80,350,797	126,896,770	19,123,793	(154,204,262)	-	(154,204,262)
Business-Type Activities:							
Golf	(5,272,495)	5,869,187	1,481	670,989	-	1,269,162	1,269,162
Parking System	(8,913,548)	9,903,338	-	-	-	989,790	989,790
Municipal Arena	(6,003,519)	4,178,142	2,000,000	-	-	174,623	174,623
Solid Waste Management	(13,264,852)	10,422,334	471,123	20,000	-	(2,351,395)	(2,351,395)
Emergency Medical Services	(7,744,230)	8,475,341	1,278,950	-	-	2,010,061	2,010,061
Broadband Enterprise	(7,043,569)	2,093,616	5,917	922,944	-	(4,021,092)	(4,021,092)
Wastewater System	(29,504,080)	35,333,419	325,228	6,271,558	-	12,426,125	12,426,125
Water System	(38,261,132)	47,853,869	345,839	6,613,044	-	16,551,620	16,551,620
Electric System	(269,435,000)	311,213,000	-	2,084,000	-	43,862,000	43,862,000
Total Business-Type Activities	(385,442,425)	435,342,246	4,428,538	16,582,535	-	70,910,894	70,910,894
Total	\$ (766,018,047)	515,693,043	131,325,308	35,706,328	(154,204,262)	70,910,894	(83,293,368)
General Revenues:							
Property Tax					80,373,285	-	80,373,285
Motor Vehicle Tax					6,977,769	-	6,977,769
Wheel Tax					19,884,563	-	19,884,563
Sales and Use Tax					105,320,265	-	105,320,265
Turnback Tax					1,453,709	-	1,453,709
Sundry and In Lieu Tax					103,155	-	103,155
Occupation Tax					24,219,554	5,028,574	29,248,128
Unrestricted Grants and Contributions					27,580	-	27,580
Unrestricted Investment Earnings					1,452,336	1,722,098	3,174,434
Miscellaneous General Revenues					888,231	3,138,463	4,026,694
Gain on Sale of Capital Assets					1,443,961	144,015	1,587,976
Transfers					10,722,635	(10,006,635)	716,000
Total General Revenues and Transfers					252,867,043	26,515	252,893,558
Change in Net Position					98,662,781	70,937,409	169,600,190
Net Position - Beginning of Year, Before Restatement					1,179,998,212	1,136,841,719	2,316,839,931
Adjustment for Implementation of GASB 84					1,415,452	-	1,415,452
Net Position - Beginning of Year, After Restatement					1,181,413,661	1,136,841,719	2,318,255,380
Net Position - Ending					\$ 1,280,076,442	1,207,779,128	2,487,855,570

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 34,674,046	13,264,562	8,031,449	48,716,500	104,686,557
Investments	70,463,246	41,534,201	33,147,472	181,822,404	326,967,323
Receivables, (Net of Allowance for Uncollectibles)	6,162,572	126,274	2,786,082	24,554,418	33,629,346
Due from Other Funds	5,923,390	19,953,951	-	4,116,278	29,993,619
Due from Other Governments	17,227,703	6,713,425	753,659	8,653,494	33,348,281
Inventories	67,420	755,738	-	1,115,462	1,938,620
Beneficial Interest Asset	-	-	-	3,269,529	3,269,529
Assets Held for Resale	-	-	1,738,765	-	1,738,765
Prepaid Items	253,905	-	278,263	-	532,168
Total Assets	<u>134,772,282</u>	<u>82,348,151</u>	<u>46,735,690</u>	<u>272,248,085</u>	<u>536,104,208</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	8,149,173	5,229,455	10,068	4,640,781	18,029,477
Contracts Payable	-	526,117	-	586,880	1,112,997
Accrued Liabilities	3,123,168	265,743	181,000	1,870,350	5,440,261
Due to Other Funds	7,851,729	237,427	162,872	38,045,578	46,297,606
Due to Other Governments	109,994	4,854	284,178	314,369	713,395
Due to Other Contractors	-	-	-	1,563,368	1,563,368
Unearned Revenue	3,540	-	7,945,420	23,181,083	31,130,043
Total Liabilities	<u>19,237,604</u>	<u>6,263,596</u>	<u>8,583,538</u>	<u>70,202,409</u>	<u>104,287,147</u>
Deferred Inflows of Resources:					
Unavailable Revenues	2,896,839	1,215,344	1,457,119	4,656,674	10,225,976
Beneficial Interest Revenue	-	-	-	3,269,529	3,269,529
Total Deferred Inflows of Resources	<u>2,896,839</u>	<u>1,215,344</u>	<u>1,457,119</u>	<u>7,926,203</u>	<u>13,495,505</u>
Fund Balances:					
Nonspendable	321,325	755,738	278,263	38,275,462	39,630,788
Restricted	16,257,716	74,003,758	2,799,074	136,966,417	230,026,965
Committed	-	-	-	514,966	514,966
Assigned	15,956,829	109,715	33,617,696	22,905,438	72,589,678
Unassigned	80,101,969	-	-	(4,542,810)	75,559,159
Total Fund Balances	<u>112,637,839</u>	<u>74,869,211</u>	<u>36,695,033</u>	<u>194,119,473</u>	<u>418,321,556</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 134,772,282</u>	<u>82,348,151</u>	<u>46,735,690</u>	<u>272,248,085</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.	1,314,676,545
Balances representing the net exchange of property in an asset bank are not financial resources and, therefore, not reported in the funds.	216,300
Revenues earned during the current period are not available for current period expenditures and, therefore, are recognized as unavailable revenue in the funds.	10,225,976
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.	92,602,393
Long-term construction contracts and other liabilities require the use of unavailable financial resources and, therefore, are not reported in the funds.	(681,938)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(555,284,390)
Net position of governmental activities	<u>\$ 1,280,076,442</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, 2021

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 54,590,375	-	-	25,778,462	80,368,837
Motor Vehicle	6,977,769	-	-	-	6,977,769
Wheel	-	-	-	19,884,562	19,884,562
Sales and Use	90,010,201	-	-	15,310,064	105,320,265
Turnback	-	-	-	1,453,709	1,453,709
Sundry and In Lieu	63,667	-	-	9,752	73,419
Occupation	6,119,306	-	16,163,372	1,487,500	23,770,178
Special Assessment	13,398	-	-	1,747,779	1,761,177
Intergovernmental	23,054,670	31,724,794	3,647,762	52,869,643	111,296,869
Permits and Fees	6,203,744	6,116,445	2,930	15,921,939	28,245,058
Reimbursement for Services	8,370,752	859,529	4,998,240	1,130,309	15,358,830
Program Income	-	-	-	43,297	43,297
Investment Earnings	764,482	21,151	286,916	14,453,773	15,526,322
Donations	702,326	-	-	2,844,344	3,546,670
Keno Proceeds	-	-	-	6,813,166	6,813,166
Private Sector Share of Projects	-	1,406,394	-	438,286	1,844,680
Miscellaneous	756,554	147,378	-	209,830	1,113,762
Total Revenues	<u>197,627,244</u>	<u>40,275,691</u>	<u>25,099,220</u>	<u>160,396,415</u>	<u>423,398,570</u>
EXPENDITURES					
Current:					
General Government	43,782,988	-	7,135,731	15,849,762	66,768,481
Public Safety	83,898,943	-	-	13,910,305	97,809,248
Streets and Highways	5,704,617	25,479,147	-	104	31,183,868
Culture and Recreation	16,007,003	-	-	12,161,475	28,168,478
Economic Opportunity	-	-	-	15,390,008	15,390,008
Health and Welfare	3,649,943	-	-	30,699,058	34,349,001
Mass Transit	-	-	-	22,913,739	22,913,739
Debt Service	80,554	-	19,843,023	18,506,072	38,429,649
Capital Outlay	-	30,860,980	-	14,568,703	45,429,683
Total Expenditures	<u>153,124,048</u>	<u>56,340,127</u>	<u>26,978,754</u>	<u>143,999,226</u>	<u>380,442,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,503,196</u>	<u>(16,064,436)</u>	<u>(1,879,534)</u>	<u>16,397,189</u>	<u>42,956,415</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	14,340,026	25,907,617	-	35,181,096	75,428,739
Transfers Out	(23,858,539)	(5,741,856)	-	(31,463,782)	(61,064,177)
Issuance of Debt	5,990,000	16,105,000	-	8,090,890	30,185,890
Premium on Debt Issued	1,039,360	2,521,419	-	935,500	4,496,279
Sale of Capital Assets	15,440	5,000	-	911,324	931,764
Total Other Financing Sources (Uses)	<u>(2,473,713)</u>	<u>38,797,180</u>	<u>-</u>	<u>13,655,028</u>	<u>49,978,495</u>
Net Change in Fund Balances	<u>42,029,483</u>	<u>22,732,744</u>	<u>(1,879,534)</u>	<u>30,052,217</u>	<u>92,934,910</u>
Fund Balances - Beginning of Year, Before Restatement	68,769,374	52,136,467	38,574,567	164,490,786	323,971,194
Adjustment for Implementation of GASB 84	<u>1,838,982</u>	<u>-</u>	<u>-</u>	<u>(423,530)</u>	<u>1,415,452</u>
Fund Balances - Beginning of Year, After Restatement	<u>70,608,356</u>	<u>52,136,467</u>	<u>38,574,567</u>	<u>164,067,256</u>	<u>325,386,646</u>
Fund Balances - Ending	<u>\$ 112,637,839</u>	<u>74,869,211</u>	<u>36,695,033</u>	<u>194,119,473</u>	<u>418,321,556</u>

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

CITY OF LINCOLN, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

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

Net change in fund balances - total governmental funds	\$ 92,934,910
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(3,171,516)
The net effect of various transactions involving capital contributions is to increase net position.	9,083,069
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.	2,558,217
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.	(15,507,499)
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.	(1,641,966)
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.	4,636,892
Internal service funds are used by management to charge the costs of certain services to individual funds. The net income of the internal service funds is reported within governmental activities.	<u>9,770,674</u>
Change in net position of governmental activities	<u><u>\$ 98,662,781</u></u>

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

CITY OF LINCOLN, NEBRASKA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 58,529,797	58,529,797	62,310,876	3,781,079
Taxes Collected by Others	77,659,590	77,659,590	88,723,756	11,064,166
Sundry Taxes and In Lieu	33,510	33,510	49,344	15,834
Occupation Taxes	7,499,920	7,499,920	6,552,053	(947,867)
Intergovernmental	4,509,755	4,509,755	20,113,265	15,603,510
Permits and Fees	5,075,856	5,075,856	4,781,016	(294,840)
Reimbursement for Services	4,402,912	4,402,912	5,228,708	825,796
Court Fees	730,000	730,000	79,901	(650,099)
Recreation Receipts	2,618,531	2,618,531	1,830,862	(787,669)
Investment Earnings	2,850,392	2,850,392	1,605,584	(1,244,808)
Donations	696,472	696,472	737,184	40,712
Rental Income	585,447	585,447	582,317	(3,130)
Miscellaneous	470,742	470,742	677,031	206,289
Total Revenues	<u>165,662,924</u>	<u>165,662,924</u>	<u>193,271,897</u>	<u>27,608,973</u>
Expenditures:				
General Government:				
Legislative	463,758	464,248	265,964	198,284
Executive	1,928,028	1,908,012	1,678,228	229,784
Financial Administration	3,985,869	4,190,290	3,828,910	361,380
Law	3,749,231	3,775,175	3,260,994	514,181
Personnel Administration	2,178,874	2,201,485	1,459,885	741,600
Planning and Zoning	2,010,373	2,023,792	1,975,178	48,614
Urban Development	1,180,876	1,187,459	949,486	237,973
Miscellaneous	39,247,893	38,446,905	29,494,839	8,952,066
Total General Government	<u>54,744,902</u>	<u>54,197,366</u>	<u>42,913,484</u>	<u>11,283,882</u>
Public Safety:				
Police	47,421,698	55,105,326	43,839,046	11,266,280
Fire	34,256,595	42,420,834	32,981,659	9,439,175
Total Public Safety	<u>81,678,293</u>	<u>97,526,160</u>	<u>76,820,705</u>	<u>20,705,455</u>
Streets and Highways:				
Street Maintenance	2,511,562	2,523,489	2,039,039	484,450
Street Lighting	3,375,636	3,375,636	3,791,080	(415,444)
Total Streets and Highways	<u>5,887,198</u>	<u>5,899,125</u>	<u>5,830,119</u>	<u>69,006</u>
Culture and Recreation:				
Parks and Recreation	17,449,398	17,522,945	15,798,518	1,724,427
Libraries	105,514	105,514	105,514	-
Total Culture and Recreation	<u>17,554,912</u>	<u>17,628,459</u>	<u>15,904,032</u>	<u>1,724,427</u>
Health and Welfare:				
Health Services	311,228	311,228	311,228	-
Aging Assistance	88,895	88,895	88,895	-
Total Health and Welfare	<u>400,123</u>	<u>400,123</u>	<u>400,123</u>	<u>-</u>
Debt Service:				
Issuance and Management Costs	-	-	80,555	(80,555)
Total Expenditures	<u>160,265,428</u>	<u>175,651,233</u>	<u>141,949,018</u>	<u>33,702,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,397,496</u>	<u>(9,988,309)</u>	<u>51,322,879</u>	<u>61,311,188</u>
Other Financing Sources (Uses):				
Transfers In	14,374,612	14,374,612	14,519,378	144,766
Transfers Out	(34,699,843)	(36,347,233)	(30,750,486)	5,596,747
Proceeds from Issuance of Debt	-	-	5,990,000	5,990,000
Premium on Debt Issued	-	-	1,039,360	1,039,360
Sale of Capital Assets	2,500	2,500	7,140	4,640
Total Other Financing Sources (Uses)	<u>(20,322,731)</u>	<u>(21,970,121)</u>	<u>(9,194,608)</u>	<u>12,775,513</u>
Net Change in Fund Balances	<u>\$ (14,925,235)</u>	<u>(31,958,430)</u>	<u>42,128,271</u>	<u>74,086,701</u>
Fund Balances - Beginning			<u>38,397,978</u>	
Fund Balances - Ending			<u>\$ 80,526,249</u>	

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



CITY OF LINCOLN, NEBRASKA
STREET CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	27,229,335	27,229,335	31,374,953	4,145,618
Permits and Fees	377,850	377,850	577,337	199,487
Reimbursement for Services	505,000	505,000	851,210	346,210
Investment Earnings	20,500	20,500	40,440	19,940
Miscellaneous	550	550	122,803	122,253
Total Revenues	<u>28,133,235</u>	<u>28,133,235</u>	<u>32,966,743</u>	<u>4,833,508</u>
Expenditures -- Streets and Highways:				
Personal Services	12,192,984	12,192,984	11,526,503	666,481
Materials and Supplies	2,797,951	2,797,951	2,455,390	342,561
Other Services and Charges	9,263,354	9,263,354	11,643,098	(2,379,744)
Capital Outlay	178,841	178,841	99,048	79,793
Total Expenditures	<u>24,433,130</u>	<u>24,433,130</u>	<u>25,724,039</u>	<u>(1,290,909)</u>
Excess of Revenues Over Expenditures	<u>3,700,105</u>	<u>3,700,105</u>	<u>7,242,704</u>	<u>3,542,599</u>
Other Financing Sources (Uses):				
Transfers In	26,778,935	26,778,935	26,778,935	-
Transfers Out	(5,741,856)	(5,741,856)	(5,741,856)	-
Sale of Capital Assets	-	-	5,000	5,000
Total Other Financing Sources (Uses)	<u>21,037,079</u>	<u>21,037,079</u>	<u>21,042,079</u>	<u>5,000</u>
Net Change in Fund Balances	<u>\$ 24,737,184</u>	<u>24,737,184</u>	<u>28,284,783</u>	<u>3,547,599</u>
Amount Budgeted on Project Basis			(4,173,571)	
Fund Balances - Beginning			<u>47,653,267</u>	
Fund Balances - Ending			<u>\$ 71,764,479</u>	

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2021

	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	\$ 2,748,608	8,119,964	20,098,000	16,632,311	47,598,883	18,460,950
Investments	7,559,479	22,326,973	104,006,000	16,024,884	149,917,336	50,954,047
Restricted Assets:						
Cash and Cash Equivalents	-	-	6,672,000	-	6,672,000	-
Investments	-	-	13,527,000	-	13,527,000	-
Receivables, (Net of Allowance for Uncollectibles)	3,040,773	4,457,559	21,536,000	4,198,778	33,233,110	249,776
Unbilled Revenues	3,692,911	6,261,653	14,990,000	-	24,944,564	-
Due from Other Funds	382,837	1,147,942	-	1,325,635	2,856,414	2,326,770
Due from Other Governments	-	-	-	73,877	73,877	237,716
Inventories	115,793	1,702,682	21,262,000	580,086	23,660,561	784,693
Plant Operation Assets	-	-	18,332,000	-	18,332,000	-
Prepaid Expenses	-	-	3,697,000	135,485	3,832,485	783,967
Total Current Assets	17,540,401	44,016,773	224,120,000	38,971,056	324,648,230	73,797,919
Noncurrent Assets:						
Investments	15,560	5,158,835	-	3,696,312	8,870,707	11,713,722
Costs Recoverable from Future Billings	672,774	248,076	4,489,000	-	5,409,850	-
Restricted Assets:						
Cash and Cash Equivalents	-	-	958,000	3,947,577	4,905,577	3,500,407
Investments	8,942,893	5,916,329	16,256,000	8,210,639	39,325,861	-
Receivables	-	-	-	10,510	10,510	-
Due from Other Funds	2,964,924	8,356,117	-	-	11,321,041	-
Total Restricted Assets	11,907,817	14,272,446	17,214,000	12,168,726	55,562,989	3,500,407
Capital Assets:						
Land	8,242,170	5,756,983	-	19,736,441	33,735,594	1,594,451
Buildings	84,643,953	86,774,768	-	83,471,429	254,890,150	22,348,103
Improvements Other Than Buildings	372,240,521	434,438,918	-	101,082,842	907,762,281	826,876
Machinery and Equipment	17,908,298	30,496,618	-	23,983,618	72,388,534	41,346,546
Utility Plant	-	-	1,722,444,000	-	1,722,444,000	-
Construction in Progress	25,705,739	6,174,930	106,843,000	20,366,773	159,090,442	-
Less Accumulated Depreciation	(181,608,579)	(192,368,542)	(858,144,000)	(91,770,061)	(1,323,891,182)	(32,958,065)
Total Capital Assets, Net	327,132,102	371,273,675	971,143,000	156,871,042	1,826,419,819	33,157,911
Total Noncurrent Assets	339,728,253	390,953,032	992,846,000	172,736,080	1,896,263,365	48,372,040
Total Assets	357,268,654	434,969,805	1,216,966,000	211,707,136	2,220,911,595	122,169,959
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	526,061	384,939	17,044,000	938,700	18,893,700	-
Deferred Outflows for Pension	-	-	-	1,035,414	1,035,414	-
Deferred Outflows for OPEB	147,229	210,623	-	360,020	717,872	294,487
Deferred Costs for Asset Retirement Obligations	-	-	3,480,000	-	3,480,000	-
Total Deferred Outflows of Resources	673,290	595,562	20,524,000	2,334,134	24,126,986	294,487

(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	\$ 375,367	808,753	21,663,000	6,203,863	29,050,983	2,827,171
Construction Contracts	1,683,774	4,606,688	-	-	6,290,462	-
Accrued Liabilities	703,955	1,179,686	29,918,000	529,382	32,331,023	443,300
Accrued Compensated Absences	408,516	549,594	-	625,924	1,584,034	1,005,468
Due to Other Funds	-	-	-	146,372	146,372	53,866
Due to Other Governments	-	-	-	177,815	177,815	9,808
Unearned Revenue	-	-	-	7,971,945	7,971,945	18,138
Claims	-	-	-	-	-	4,224,744
Accrued Interest	539,007	81,063	7,532,000	86,959	8,239,029	101,619
Current Portion of Commercial Paper and Notes Payable	-	-	65,500,000	-	65,500,000	-
Current Portion of Capital Lease	23,087	-	-	403,226	426,313	1,315,000
Current Portion of Long-Term Debt	5,916,442	4,701,657	27,455,000	3,455,000	41,528,099	-
Current Portion of Total OPEB Liability	18,302	26,183	-	44,755	89,240	36,608
Total Current Liabilities	9,668,450	11,953,624	152,068,000	19,645,241	193,335,315	10,035,722
Noncurrent Liabilities:						
Accrued Compensated Absences	1,107,074	1,158,707	-	320,558	2,586,339	1,659,814
Claims	-	-	613,000	-	613,000	6,969,425
Capital Lease Payable	48,555	-	-	1,499,612	1,548,167	10,039,161
Long-Term Debt, Net	76,527,343	28,451,370	648,052,000	48,499,439	801,530,152	-
Accrued Liabilities	-	-	946,000	-	946,000	-
Net Pension Liability	-	-	-	2,280,193	2,280,193	-
Total OPEB Liability, Net	542,585	776,211	-	1,326,968	2,645,764	1,085,276
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	26,016,000	26,016,000	-
Asset Retirement Obligation	-	-	3,480,000	-	3,480,000	-
Total Noncurrent Liabilities	78,225,557	30,386,288	653,091,000	79,942,770	841,645,615	19,753,676
Total Liabilities	87,894,007	42,339,912	805,159,000	99,588,011	1,034,980,930	29,789,398
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows for Refunding	-	-	-	-	-	8,797
Deferred Inflows for Pension	-	-	-	2,122,855	2,122,855	-
Deferred Inflows for OPEB	31,926	45,673	-	78,069	155,668	63,858
Total Deferred Inflows of Resources	31,926	45,673	-	2,200,924	2,278,523	72,655
NET POSITION						
Net Investment in Capital Assets	243,530,604	333,898,899	261,236,000	103,721,037	942,386,540	21,322,986
Restricted for:						
Debt Service	8,403,886	6,312,997	9,215,000	-	23,931,883	-
Capital Projects	2,964,924	8,356,117	-	7,571,027	18,892,068	-
Other	-	-	2,073,000	-	2,073,000	-
Unrestricted	15,116,597	44,611,769	159,807,000	960,271	220,495,637	71,279,407
Total Net Position	\$ 270,016,011	393,179,782	432,331,000	112,252,335	1,207,779,128	92,602,393

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, 2021

	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	\$ 35,635,355	47,955,460	292,983,000	12,278,273	388,852,088	96,124,010
Fees	-	-	-	15,760,788	15,760,788	-
Parking Revenue	-	-	-	7,763,402	7,763,402	-
Performance Revenue	-	-	-	2,393,511	2,393,511	-
Other Operating Revenue	-	-	18,230,000	2,802,396	21,032,396	-
Total Operating Revenues	<u>35,635,355</u>	<u>47,955,460</u>	<u>311,213,000</u>	<u>40,998,370</u>	<u>435,802,185</u>	<u>96,124,010</u>
Operating Expenses						
Personal Services	-	-	-	12,476,035	12,476,035	16,852,520
Contractual Services	-	-	-	8,940,103	8,940,103	-
Operation and Maintenance	14,503,184	17,758,913	25,645,000	13,414,498	71,321,595	66,148,032
Purchased Power	-	-	119,067,000	-	119,067,000	-
Depreciation	9,708,991	9,022,382	39,883,000	6,535,785	65,150,158	4,026,529
Administrative Costs	2,766,208	3,287,536	50,474,000	-	56,527,744	-
Total Operating Expenses	<u>26,978,383</u>	<u>30,068,831</u>	<u>235,069,000</u>	<u>41,366,421</u>	<u>333,482,635</u>	<u>87,027,081</u>
Operating Income (Loss)	<u>8,656,972</u>	<u>17,886,629</u>	<u>76,144,000</u>	<u>(368,051)</u>	<u>102,319,550</u>	<u>9,096,929</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	(39,582)	33,444	1,690,000	44,154	1,728,016	47,270
Grant Revenue	14,029	-	-	3,750,073	3,764,102	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	(5,170,470)	(5,170,470)	1,232,245
Insurance Recoveries	25,604	2,993,726	-	6,942	3,026,272	-
Occupation Tax	-	-	-	5,028,574	5,028,574	-
Payments in Lieu of Taxes	-	-	(10,581,000)	-	(10,581,000)	-
Net Costs Recoverable	(65,556)	(49,337)	-	-	(114,893)	-
Debt Issuance Expense	-	-	-	-	-	(57,833)
Interest Expense and Fiscal Charges	(2,460,141)	(933,406)	(21,701,000)	(1,598,314)	(26,692,861)	(254,695)
Other - Flood Recovery Costs	-	(7,209,557)	-	-	(7,209,557)	-
Total Nonoperating Revenues (Expenses)	<u>(2,525,646)</u>	<u>(5,165,130)</u>	<u>(30,592,000)</u>	<u>2,060,959</u>	<u>(36,221,817)</u>	<u>966,987</u>
Income Before Contributions and Transfers	6,131,326	12,721,499	45,552,000	1,692,908	66,097,733	10,063,916
Capital Contributions	6,257,529	6,974,850	2,084,000	4,803,672	20,120,051	158,945
Plant Costs Recovered through Capital Contributions	-	-	(2,084,000)	-	(2,084,000)	-
Transfers In	1,064,396	-	-	100,000	1,164,396	494,953
Transfers Out	(8,572)	(10,406)	(10,309,000)	(4,032,793)	(14,360,771)	(947,140)
Change in Net Position	<u>13,444,679</u>	<u>19,685,943</u>	<u>35,243,000</u>	<u>2,563,787</u>	<u>70,937,409</u>	<u>9,770,674</u>
Net Position - Beginning of Year	<u>256,571,332</u>	<u>373,493,839</u>	<u>397,088,000</u>	<u>109,688,548</u>	<u>1,136,841,719</u>	<u>82,831,719</u>
Net Position - Ending	<u>\$ 270,016,011</u>	<u>393,179,782</u>	<u>432,331,000</u>	<u>112,252,335</u>	<u>1,207,779,128</u>	<u>92,602,393</u>

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, 2021

	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	\$ 33,720,935	43,978,916	322,416,000	38,923,928	439,039,779	27,629,107
Receipts from Interfund Services Provided	69,887	924,714	5,655,000	1,401,187	8,050,788	69,509,444
Payments to Suppliers for Goods and Services	(5,299,611)	(14,212,357)	(181,940,000)	(14,946,747)	(216,398,715)	(62,652,420)
Payments to Employees	(8,134,970)	(9,451,704)	(36,147,000)	(14,452,004)	(68,185,678)	(16,838,439)
Payments for Interfund Services Provided	(3,588,667)	(4,141,057)	(1,129,000)	(3,711,802)	(12,570,526)	(3,047,815)
Other Receipts	-	-	-	2,577,037	2,577,037	-
Net Cash Provided by Operating Activities	<u>16,767,574</u>	<u>17,098,512</u>	<u>108,855,000</u>	<u>9,791,599</u>	<u>152,512,685</u>	<u>14,599,877</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	5,011,447	5,011,447	-
Payments in Lieu of Taxes	-	-	(10,828,000)	-	(10,828,000)	-
Insurance Recoveries	-	2,993,726	-	-	2,993,726	-
Transfers from Other Funds	1,064,396	-	-	100,000	1,164,396	494,953
Transfers to Other Funds	(8,572)	(10,406)	(10,003,000)	(4,032,793)	(14,054,771)	(947,139)
Advances to Other Funds	-	245	-	-	245	-
Repayments from Other Funds	40,724	121,925	-	81,283	243,932	162,566
Grant Proceeds	14,029	-	-	3,750,073	3,764,102	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,110,577</u>	<u>3,105,490</u>	<u>(20,831,000)</u>	<u>4,910,010</u>	<u>(11,704,923)</u>	<u>(289,620)</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(17,044,594)	(10,232,078)	(69,123,000)	(15,766,978)	(112,166,650)	(3,175,131)
Capital Contributions	960,887	2,665,501	2,084,000	20,000	5,730,388	-
Grant Proceeds	25,604	1,087,343	-	-	1,112,947	-
Proceeds from Sale of Capital Assets	-	-	-	118,165	118,165	1,454,683
Insurance Recoveries	-	361,807	-	6,942	368,749	-
Proceeds from Issuance of Long-Term Debt	-	-	92,292,000	-	92,292,000	3,541,091
Transfer to Bond Escrow Agent	-	-	(91,279,000)	-	(91,279,000)	-
Cost of Debt Issuance	-	-	(1,798,000)	-	(1,798,000)	(66,630)
Net Cost of Retiring Plant	-	-	(2,278,000)	-	(2,278,000)	-
Proceeds from Capital Lease	-	-	-	1,542,455	1,542,455	-
Principal Payments of Capital Lease	(22,328)	-	-	(426,660)	(448,988)	(1,095,000)
Principal Payments of Long-Term Debt	(5,736,464)	(4,866,353)	(28,615,000)	(3,365,000)	(42,582,817)	-
Interest and Fiscal Charges Paid	(2,901,665)	(1,284,292)	(27,008,000)	(1,524,298)	(32,718,255)	(235,720)
Net Cash Used by Capital and Related Financing Activities	<u>(24,718,560)</u>	<u>(12,268,072)</u>	<u>(125,725,000)</u>	<u>(19,395,374)</u>	<u>(182,107,006)</u>	<u>423,293</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	15,234,007	23,723,936	339,887,000	36,067,890	414,912,833	53,148,617
Purchases of Investments	(10,289,604)	(29,970,521)	(307,713,000)	(27,590,913)	(375,564,038)	(61,734,252)
Interest and Other Receipts	133,999	221,732	2,623,000	157,012	3,135,743	83,132
Net Cash Provided (Used) by Investing Activities	<u>5,078,402</u>	<u>(6,024,853)</u>	<u>34,797,000</u>	<u>8,633,989</u>	<u>42,484,538</u>	<u>(8,502,503)</u>
Net Increase in Cash and Cash Equivalents	(1,762,007)	1,911,077	(2,904,000)	3,940,224	1,185,294	6,231,047
Cash and Cash Equivalents - Beginning	4,510,615	6,208,887	30,632,000	16,639,664	57,991,166	15,730,310
Cash and Cash Equivalents - Ending	<u>\$ 2,748,608</u>	<u>\$ 8,119,964</u>	<u>\$ 27,728,000</u>	<u>\$ 20,579,888</u>	<u>\$ 59,176,460</u>	<u>\$ 21,961,357</u>

(Continued)

(Proprietary Funds, Statement of Cash Flows, continued)

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 8,656,972	17,886,629	76,144,000	(368,051)	102,319,550	9,096,929
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	9,708,991	9,022,382	39,883,000	6,535,785	65,150,158	4,026,529
Other - Flood Recovery Costs	-	(7,209,557)	-	-	(7,209,557)	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable and Unbilled Revenues	(921,884)	(1,768,264)	(1,989,000)	(675,035)	(5,354,183)	93,984
Due from Other Funds	(925,149)	(1,295,767)	-	(38,936)	(2,259,852)	899,265
Due from Other Governments	-	-	-	(55,238)	(55,238)	10,492
Inventories	(19,033)	252,197	(4,443,000)	(61,939)	(4,271,775)	(64,243)
Plant Operation Assets	-	-	(2,803,000)	-	(2,803,000)	-
Prepaid Expenses	-	-	-	(72,221)	(72,221)	(42,457)
Other Assets	-	-	1,069,000	-	1,069,000	-
Deferred Outflows for Pension	-	-	-	300,467	300,467	-
Deferred Outflows for OPEB	(91,485)	130,872	-	(251,305)	(211,918)	(176,001)
Accounts Payable	76,080	51,906	4,513,000	1,171,144	5,812,130	643,680
Accrued Liabilities	41,006	40,001	(3,510,000)	137,458	(3,291,535)	44,758
Accrued Compensated Absences	166,643	160,415	-	(12,129)	314,929	80,194
Due to Other Funds	-	(78,504)	-	(16,896)	(95,400)	(31,887)
Due to Other Governments	-	-	-	19,705	19,705	9,668
Unearned Revenue	-	-	-	2,543,391	2,543,391	10,800
Claims	-	-	(9,000)	-	(9,000)	(75,761)
Net Pension Liability	-	-	-	(2,392,650)	(2,392,650)	-
Total OPEB Liability	61,365	(113,928)	-	433,279	380,716	99,034
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	899,000	899,000	-
Deferred Inflows for Refunding	-	-	-	-	-	8,797
Deferred Inflows for Pension	-	-	-	1,707,402	1,707,402	-
Deferred Inflows for OPEB	14,068	20,130	-	(11,632)	22,566	(33,904)
Total Adjustments	8,110,602	(788,117)	32,711,000	10,159,650	50,193,135	5,502,948
Net Cash Provided by Operating Activities	<u>\$ 16,767,574</u>	<u>17,098,512</u>	<u>108,855,000</u>	<u>9,791,599</u>	<u>152,512,685</u>	<u>14,599,877</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 5,296,642	2,860,200	-	4,783,672	12,940,514	158,945
Purchase of Capital Assets on Account	(1,683,774)	(4,606,688)	(2,905,000)	(3,511,372)	(12,706,834)	(471,967)
Change in Fair Value of Investments	(173,580)	(36,161)	(146,000)	65,696	(290,045)	(25,579)
Allowance for Funds Used in Construction	-	-	655,000	-	655,000	-

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, 2021

	Police & Fire Pension Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 4,793,500	1,361,188
Investments:		
Pooled Investment Funds	3,311,102	3,301,259
Mutual Funds	169,645,155	-
Limited Partnership	91,421,969	-
Real Estate Limited Partnerships	49,727,893	-
Total Investments	314,106,119	3,301,259
Receivables:		
Contributions	571,793	-
Taxes	-	780,006
Accrued Interest	1,403	1,950
Due from Other Funds	39,170	-
Due from Other Governments	672	-
Total Assets	<u>319,512,657</u>	<u>5,444,403</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for OPEB	<u>2,042</u>	<u>-</u>
 LIABILITIES		
Accounts Payable	24,838	22,433
Accrued Liabilities	4,552	-
Accrued Compensated Absences	16,198	-
Total OPEB Liability	7,776	-
Due to Contractors	-	4,096,998
Total Liabilities	<u>53,364</u>	<u>4,119,431</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for OPEB	<u>443</u>	<u>-</u>
 NET POSITION		
Restricted for:		
Pensions	319,460,892	-
Developers, Seized Cash, and Other Governments	-	1,324,972
Total Net Position	<u>\$ 319,460,892</u>	<u>1,324,972</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, 2021

	Police & Fire Pension Trust Fund	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 9,952,094	-
Employee	3,706,959	-
Total Contributions	<u>13,659,053</u>	<u>-</u>
Investment Earnings (Loss):		
Interest	437	-
Dividends	2,043,217	-
Increase (Decrease) in Fair Value of Investments	<u>56,327,722</u>	<u>(900)</u>
Investment Earnings	58,371,376	(900)
Less Investment Expense	<u>(442,820)</u>	<u>-</u>
Net Investment Earnings (Loss)	<u>57,928,556</u>	<u>(900)</u>
Real Property and Personal Property Tax	-	10,082,048
Sales Tax Collections For Other Governments	-	332,867
Seized Cash	-	202,567
Miscellaneous	<u>-</u>	<u>56,692</u>
Total Additions	<u>71,587,609</u>	<u>10,673,274</u>
Deductions:		
Benefit Payments	19,017,968	-
Refunds of Contributions	488,139	-
Administrative Costs	423,664	-
Seized Cash Used	-	106,965
Payments of Sales Tax to Other Governments	-	332,867
Developer Purchased TIF Payments	-	9,535,023
Miscellaneous	<u>-</u>	<u>86,542</u>
Total Deductions	<u>19,929,771</u>	<u>10,061,397</u>
Change in Net Position	<u>51,657,838</u>	<u>611,877</u>
Net Position Restricted for Pensions - Beginning Before Restatement	267,803,054	-
Adjustment for Implementation of GASB 84	<u>-</u>	<u>713,095</u>
Net Position Restricted for Pensions - Beginning After Restatement	<u>267,803,054</u>	<u>713,095</u>
Net Position Restricted for Pensions - Ending	<u>\$ 319,460,892</u>	<u>1,324,972</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, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

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

FISCAL YEAR-END

All funds of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 2021. 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, 2020. The amounts included in the City's 2021 financial statements for LES are amounts as of and for the year ended December 31, 2020.

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, 2021

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. Custodial funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

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

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

The City reports the following major governmental funds:

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

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

The 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, 2021

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Receivables and Payables

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

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

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

Inventories and Prepaid Items

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

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

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

Plant Operation Assets

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

Costs Recoverable from Future Billings

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

Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to September 1, 2017, and the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest incurred during the construction phase of capital assets of business-type activities was included as part of the capitalization value of the assets constructed.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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

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

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

Compensated Absences

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

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

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

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

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

Long-Term Obligations

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Fund Balances

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

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

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

The City has established a policy intended to address the primary consideration of meeting unanticipated short-term cash flow needs of the City and the long-term goal of managing General Fund balances in a manner that at all times preserves the City's ability to meet its cash flow needs. No less than twenty percent of the ensuing year's General Fund budget is to be set aside to meet excess cash flow needs. Currently \$38,201,530 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 \$294,130,915 of restricted net position, of which enabling legislation restricts \$59,851,107.

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, 2021

BUDGETARY DATA

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

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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 \$37,830,974 which is reported along with \$865,000 of contingency funds as expendable health care restricted net position in the statement of net position. The initial endowment principal is reported as nonexpendable health care restricted net position in the statement of net position.

ESTIMATES

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

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

During 2021, the City implemented the provisions of the following accounting principles:

GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 97, *Certain Component Unit Criteria, and Account and Financial Reporting for Internal Revenue Code section 457 Deferred Compensation Plans*. The objective of these statements is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Implementation of these standards required the City to restate beginning balances for fiduciary activities that were evaluated as noted below:

Changes in Beginning Net Position/Fund Balance

		Governmental Activities	General Fund	Other Governmental Funds	Custodial Funds
Beginning of Year,					
Before Restatement	\$	1,179,998,212	68,769,374	7,338,175	-
Adjustment for Implementation of GASB 84		<u>1,415,452</u>	<u>1,838,982</u>	<u>(423,530)</u>	<u>713,095</u>
Beginning of Year,					
After Restatement	\$	<u><u>1,181,413,664</u></u>	<u><u>70,608,356</u></u>	<u><u>6,914,645</u></u>	<u><u>713,095</u></u>

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. The implementation of GASB Statement No. 98 did not have a significant impact on the City's financial statements.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(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 \$555,284,390 difference are as follows:

Bonds Payable	\$ 410,489,352
Less issuance discounts	(964,461)
Plus issuance premiums	12,242,003
Plus deferred gain on refunding	712,750
Less deferred loss on refunding	(2,722,076)
Capital Leases Payable	31,745,000
Accrued Interest Payable	3,954,400
Net Pension Liability	37,388,152
Deferred Outflows for Pension	(12,881,301)
Deferred Inflows for Pension	29,830,125
Total OPEB Liability	23,122,066
Deferred Outflows for OPEB	(6,068,642)
Deferred Inflows for OPEB	1,315,969
Compensated Absences	26,955,373
Other	165,680
Net difference	<u>\$ 555,284,390</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 \$(3,171,516) difference are as follows:

Capital outlay	\$ 45,670,710
Depreciation expense	<u>(48,842,226)</u>
Net difference	<u>\$ (3,171,516)</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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$15,507,499 difference are as follows:

Debt issued or incurred:

Issuance of tax allocation bonds	\$ (765,890)
Issuance of tax supported bonds	(15,260,000)
Issuance of certificates of participation	(14,160,000)
Issuance premiums	(4,496,279)
Amortization of deferred premiums, discounts, and amounts from refundings	859,438
Principal repayments	18,315,232
Net difference	<u>\$ (15,507,499)</u>

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 \$(1,641,966) difference are as follows:

Loss on disposal of capital assets	\$ (49,977)
Construction contracts	68,982
Accrued interest	(153,601)
Compensated absences	(1,666,402)
Other	159,032
Net difference	<u>\$ (1,641,966)</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, 2021, are as follows:

Fund Account	Golf	Parking System	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Total
Principal and Interest	\$ -	-	-	1,187,723	310,372	17,039,000	18,537,095
Reserve	-	-	1,117,084	7,216,165	6,002,624	15,631,000	29,966,873
Surplus	-	-	-	3,503,929	7,959,450	-	11,463,379
Renewal and Replacement	-	2,566,393	-	-	-	-	2,566,393
Capital Construction and Equipment	1,525,170	6,895,337	64,742	-	-	-	8,485,249
Customer/Developer Deposits	-	-	-	-	-	1,892,000	1,892,000
Claims	-	-	-	-	-	2,851,000	2,851,000
Total	<u>\$ 1,525,170</u>	<u>9,461,730</u>	<u>1,181,826</u>	<u>11,907,817</u>	<u>14,272,446</u>	<u>37,413,000</u>	<u>75,761,989</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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(4) **DEPOSITS AND INVESTMENTS**

DEPOSITS

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

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

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

INVESTMENTS

Fair Value Measurement

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

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

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

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

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2021.

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

At August 31, 2021, the City had the following investments, maturities, credit ratings, and fair value measurement:

	August 31, 2021							
	Maturities in Years							
Type	Carrying Value	Less than 1	1-5	6-10	More than 10	Credit Rating		Hierarchy
						Moody's	S&P	Level
General City:								
U.S. Treasury Obligations	\$ 209,535,753	201,751,460	7,784,293	-	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	187,560,562	107,457,363	70,846,451	9,256,748	-	Aaa	AA+	2
Commercial Issuers (Commercial Paper)	50,129,419	50,129,419	-	-	-	P1	A1	2
Commercial Issuers (Commercial Paper)	9,553,000	9,553,000	-	-	-	P2	A2	2
Muncipal Bonds	1,014,100	1,014,100	-	-	-	Aa1	AA	2
Muncipal Bonds	2,142,006	2,142,006	-	-	-	Aa1	AA+	2
Muncipal Bonds	3,410,821	3,410,821	-	-	-	Aa2	AA	2
Muncipal Bonds	507,065	507,065	-	-	-	Aa2	AA-	2
Muncipal Bonds	407,691	407,691	-	-	-	Aa2	AA+	2
Muncipal Bonds	308,517	-	308,517	-	-	Aa2	AAA	2
Muncipal Bonds	1,727,148	1,534,456	192,692	-	-	Aaa	AA+	2
Muncipal Bonds	7,718,801	2,597,393	5,121,408	-	-	Aaa	AAA	2
Muncipal Bonds	2,553,858	835,887	1,717,971	-	-	Aa3	AA-	2
Money Market Funds - U.S. Treasury	20,375,493	20,375,493	-	-	-	Aaa-mf	AAA	N/A
Money Market Funds - U.S. Agencies	24,188,050	24,188,050	-	-	-	Aaa-mf	AAA	N/A
Money Market Funds	14,889,000	14,889,000	-	-	-	Aaa-mf	Not rated	N/A
Money Market Funds	70,596,000	70,596,000	-	-	-	Not Rated	Not Rated	N/A
External Investment Trust	47,800,000	45,000,000	2,800,000	-	-	Not rated	Not rated	N/A
Tax Increment Financing Investments	7,539,774	448,015	124,506	2,389,666	4,577,587	Not rated	Not rated	2
Equities	6,188,180	6,188,180	-	-	-	Not rated	Not rated	1
Total General City	668,145,238	563,025,399	88,895,838	11,646,414	4,577,587			
Community Health Endowment:								
Money Market Mutual Funds	193	193	-	-	-	Not Rated	Not Rated	N/A
Mutual Funds	74,351,202	74,351,202	-	-	-	Not Rated	Not Rated	NAV
Limited Partnership	8,320	8,320	-	-	-	Not Rated	Not Rated	NAV
Total Community Health Endowment:	74,359,715	74,359,715	-	-	-			
Police & Fire Pension Trust:								
Mutual Funds	169,645,155	169,645,155	-	-	-	Not rated	Not rated	1
Limited Partnership	91,421,969							NAV
Real Estate Limited Partnerships	49,727,893							NAV
Total Police & Fire Pension Trust	310,795,017							
Total Primary Government	\$ 1,053,299,970							

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

inputs are not available, securities are classified within Level 3 of the hierarchy. The City has no investments at August 31, 2021 that are classified within Level 3 of the hierarchy.

INVESTMENT POLICIES

General City Policy

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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	16.28 %	40.00 %
Federal Home Loan Mortgage Corporation	4.56	40.00
Federal National Mortgage Association	3.64	40.00
Federal Farm Credit Bank	3.59	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.

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

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is CHE's policy to limit its investments in fixed income securities to issues with at least BBB-/Baa3 ratings. Short-term fixed income issues should have a minimum A-2/P-2 rating. CHE's investments in fixed income securities at August 31, 2021 were made through mutual funds, which do not receive individual credit ratings.

Concentration of Credit Risk. Concentration of credit risk is the risk associated with the amount of investments CHE has with any one issuer that exceeds 5% or more of its total investments. None of CHE's investments exceeded 5% or more of its total investments at August 31, 2021.

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. CHE had no investment denominated in foreign currency at August 31, 2021.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Police & Fire Pension Trust Policy

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

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

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

The investment board has the responsibility to allocate plan assets in various investment strategies to reach the overall return and risk objectives of the plan. Annually the board reviews the plan's investments from an "asset allocation" perspective. The strategic allocation process is based on such factors as historical absolute returns of the benchmarks, recent returns for benchmarks, volatility of benchmark returns as measured by standard deviation, and the correlation of returns with other asset classes used in the portfolio. The following was the asset allocation as of August 31, 2021:

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

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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	23.74 %
J.P. Morgan Core Bond Fund	14.82
American New Perspective R6	11.04
Dodge and Cox Global Stock Fund	9.78
RREEF America REIT II	8.78
Bain Capital Senior Loan Fund	6.70
Prudential Prisa III Fund	5.30

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

TenaskaTPF II, LP - \$66,521
Aberdeen U.S. Private Equity VI - \$292,500
Greenspring Partners IX-B - \$1,785,000
Warburg Pincus Global Growth - \$885,500
Weathergage Venture Capital IV - \$840,000
Golub Capital Partners International Fund 11 - \$571,630
Principal Real Estate Debt Fund II - \$1,450,912
OHA Tactical Opportunities Fund (Offshore) - \$2,220,128
Varde Dislocation Fund Offshore - \$1,500,000

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2021:

	<u>Totals</u>		
Investments	\$ 1,053,299,970		
Deposits and Cash on Hand	<u>57,362,466</u>		
	<u>\$ 1,110,662,436</u>		
	<u>Government-wide</u>	<u>Fiduciary Funds</u>	
	<u>Statement of</u>	<u>Statement of</u>	
	<u>Net Position</u>	<u>Net Position</u>	<u>Totals</u>
Cash and Cash Equivalents	\$ 170,746,390	6,154,688	176,901,078
Investments	510,785,404	317,407,378	828,192,782
Restricted Assets:			
Cash and Cash Equivalents	15,077,984	-	15,077,984
Investments	<u>90,490,592</u>	<u>-</u>	<u>90,490,592</u>
	<u>\$ 787,100,370</u>	<u>323,562,066</u>	<u>1,110,662,436</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(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	\$ 67,420	755,738	-	1,115,462	1,938,620
Prepaid Items	253,905	-	278,263	-	532,168
Permanent Fund Principal	-	-	-	37,160,000	37,160,000
Total Nonspendable	321,325	755,738	278,263	38,275,462	39,630,788
Restricted For:					
Capital Improvements	6,261,500	74,003,758	1,057,750	47,306,024	128,629,032
Human Services	2,093,269	-	-	-	2,093,269
Donor Purposes	5,687,151	-	-	4,618,127	10,305,278
Public Improvements	376,814	-	-	-	376,814
Agency Activities	-	-	1,741,324	-	1,741,324
Land Purchases	-	-	-	3,179,720	3,179,720
Community Betterment	-	-	-	6,206,808	6,206,808
Federal Loan Programs	-	-	-	27,075,697	27,075,697
Special Assessment Improvements	-	-	-	251,030	251,030
Debt Service	-	-	-	7,439,764	7,439,764
Health Care	-	-	-	37,830,974	37,830,974
Claims Contingencies	-	-	-	865,000	865,000
Library Media	-	-	-	1,186,401	1,186,401
Street Maintenance	-	-	-	1,006,872	1,006,872
Fiduciary Purposes	1,838,982	-	-	-	1,838,982
Total Restricted	16,257,716	74,003,758	2,799,074	136,966,417	230,026,965
Committed To:					
Public Access Television	-	-	-	309,043	309,043
Debt Service	-	-	-	205,923	205,923
Total Committed	-	-	-	514,966	514,966
Assigned To:					
Capital Improvements	-	109,715	-	-	109,715
Donor Purposes	1,048,973	-	-	-	1,048,973
Public Improvements	303	-	-	537,586	537,889
Athletic Facility Improvements	844,897	-	-	-	844,897
Senior Care	2,728,607	-	-	-	2,728,607
Emergency Communications	4,569,444	-	-	-	4,569,444
Economic Development Projects	5,227,219	-	-	-	5,227,219
Debt Service	-	-	33,617,696	-	33,617,696
Land Purchases	-	-	-	208,579	208,579
Public Access Television	-	-	-	275	275
Library Services	-	-	-	4,286,741	4,286,741
Health Care	-	-	-	6,485,002	6,485,002
Public Transportation	-	-	-	122,835	122,835
Community Betterment	-	-	-	356,912	356,912
Building Code Enforcement	-	-	-	10,681,627	10,681,627
Park Projects	-	-	-	225,881	225,881
Subsequent Year's Appropriated Fund Balance	1,302,275	-	-	-	1,302,275
Other Purposes	235,111	-	-	-	235,111
Total Assigned	15,956,829	109,715	33,617,696	22,905,438	72,589,678
Unassigned	80,101,969	-	-	(4,542,810)	75,559,159
Total Fund Balances	\$ 112,637,839	74,869,211	36,695,033	194,119,473	418,321,556

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(6) RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables at August 31, 2021, consist of the following (in thousands):

Fund	Taxes	Accounts	Accrued Interest	Loans	<u>Special Assessment</u>		Contributions	Gross Receivables	Allowance For Uncollectibles	Net
General	\$ 4,069	1,875	218	-	-	-	-	6,162	-	6,162
Street Construction	-	118	8	-	-	-	-	126	-	126
West Haymarket JPA	1,741	945	100	-	-	-	-	2,786	-	2,786
Wastewater System	-	6,734	-	-	-	-	-	6,734	-	6,734
Water System	-	10,719	-	-	-	-	-	10,719	-	10,719
Electric System	-	38,868	166	-	-	-	-	39,034	2,508	36,526
Nonmajor -										
Special Revenue	1,201	698	50	22,059	-	-	-	24,008	2,419	21,589
Debt Service	768	132	6	-	431	1,760	-	3,097	160	2,937
Capital Projects	-	-	28	-	-	-	-	28	-	28
Permanent	-	-	2	-	-	-	-	2	-	2
Enterprise	-	6,920	15	-	-	-	-	6,935	2,726	4,209
Internal Service	-	245	5	-	-	-	-	250	-	250
Fiduciary	780	-	3	-	-	-	572	1,355	-	1,355
Total	\$ 8,559	67,254	601	22,059	431	1,760	572	101,236	7,813	93,423

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2021, were \$117,425.

The total of Due From Other Governments of \$33,876,174 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General/Major Governmental	\$16,259,763	State of Nebraska, July/August Sales & Use Tax
	644,860	August Motor Vehicle Taxes Collected by Lancaster County
	9,060	August Property Tax Interest Collected by Lancaster County
	143,965	Federal Government, Cost Reimbursements
	141,810	Lancaster County, Cost Reimbursements
	28,245	State of Nebraska, Cost Reimbursements
Street Construction/Major Governmental	5,527,163	State of Nebraska, July/August Highway User Fees
	85,067	State of Nebraska, Cost Reimbursements
	1,101,195	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	753,659	Federal Government, Cost Reimbursements
StarTran/Special Revenue	79,234	Federal Government, Cost Reimbursements
Federal Grants/Special Revenue	3,488,931	Federal Government, Cost Reimbursements
	356,525	State of Nebraska, Cost Reimbursements
Vehicle Tax Residual Revenue/Special Revenue	942,854	August Motor Vehicle Taxes Collected by Lancaster County
Special Assessment/Debt Service	87,499	August Special Assessments Collected by Lancaster County
Lincoln On The Move/Capital Projects	2,730,065	State of Nebraska, July/August Sales & Use Tax
Vehicle Tax/Capital Projects	942,854	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Bonds/Capital Projects	24,585	Federal Government, Cost Reimbursements
Solid Waste Management/Enterprise	70,654	State of Nebraska Billings
Information Services/Internal Service	187,788	Lancaster County Billings
Police Garage/Internal Service	39,979	State of Nebraska Billings
Subtotal	33,645,755	
LPS Asset Bank Balance	216,300	
All other	14,119	
Total Due From Other Governments	<u>\$33,876,174</u>	

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(7) CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 167,644,381	2,179,438	44,922	-	169,778,897
Construction in Progress	66,903,731	24,779,266	8,809,604	(2,895,552)	79,977,841
Total Capital Assets, not being Depreciated	234,548,112	26,958,704	8,854,526	(2,895,552)	249,756,738
Capital Assets, being Depreciated:					
Buildings	390,035,595	4,225,111	-	-	394,260,706
Improvements Other Than Buildings	147,598,003	3,716,392	25,000	-	151,289,395
Machinery and Equipment	138,918,986	13,093,041	5,146,505	-	146,865,522
Infrastructure	1,068,147,293	21,715,075	6,147	-	1,089,856,221
Total Capital Assets, being Depreciated	1,744,699,877	42,749,619	5,177,652	-	1,782,271,844
Less Accumulated Depreciation for:					
Buildings	90,778,711	9,123,077	-	-	99,901,788
Improvements Other Than Buildings	57,613,643	4,550,379	25,000	-	62,139,022
Machinery and Equipment	77,669,356	9,407,271	4,918,677	-	82,157,950
Infrastructure	410,213,192	29,788,028	5,854	-	439,995,366
Total Accumulated Depreciation	636,274,902	52,868,755	4,949,531	-	684,194,126
Total Capital Assets, being Depreciated, Net	1,108,424,975	(10,119,136)	228,121	-	1,098,077,718
Governmental Activities Capital Assets, Net	\$ 1,342,973,087	16,839,568	9,082,647	(2,895,552)	1,347,834,456
Business-type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 33,658,567	77,027	-	-	33,735,594
Construction in Progress	126,610,772	111,965,491	79,485,821	-	159,090,442
Total Capital Assets, not being Depreciated	160,269,339	112,042,518	79,485,821	-	192,826,036
Capital Assets, being Depreciated:					
Buildings	251,025,221	3,864,929	-	-	254,890,150
Improvements Other Than Buildings	874,710,383	35,565,178	5,408,832	2,895,552	907,762,281
Machinery and Equipment	69,380,362	3,766,282	758,110	-	72,388,534
Utility Plant	1,683,877,000	43,817,000	5,250,000	-	1,722,444,000
Total Capital Assets, being Depreciated	2,878,992,966	87,013,389	11,416,942	2,895,552	2,957,484,965
Less Accumulated Depreciation for:					
Buildings	111,336,097	5,508,151	-	-	116,844,248
Improvements Other Than Buildings	285,081,190	16,222,662	120,194	-	301,183,658
Machinery and Equipment	44,881,746	3,536,345	698,815	-	47,719,276
Utility Plant	825,789,000	39,883,000	7,528,000	-	858,144,000
Total Accumulated Depreciation	1,267,088,033	65,150,158	8,347,009	-	1,323,891,182
Total Capital Assets, being Depreciated, Net	1,611,904,933	21,863,231	3,069,933	2,895,552	1,633,593,783
Business-type Activities Capital Assets, Net	\$ 1,772,174,272	133,905,749	82,555,754	2,895,552	1,826,419,819

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 1,833,370
Public Safety	4,358,167
Streets and Highways, including Infrastructure	29,028,335
Culture and Recreation	10,598,273
Economic Opportunity	4,772
Health and Welfare	378,981
Mass Transit	<u>2,640,328</u>
Subtotal	48,842,226
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	<u>4,026,529</u>
Total Depreciation Expense - Governmental	<u><u>\$ 52,868,755</u></u>

Business-type Activities:

Golf	\$ 442,127
Parking System	2,087,366
Pinnacle Bank Arena	95,559
Solid Waste Management	2,271,080
Emergency Medical Services	317,445
Broadband Enterprise	1,322,208
Wastewater System	9,708,991
Water System	9,022,382
Lincoln Electric System	<u>39,883,000</u>
Total Depreciation Expense - Business-type	<u><u>\$ 65,150,158</u></u>

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

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Wastewater System:				
Capital Assets, not being Depreciated:				
Land	\$ 8,165,347	76,823	-	8,242,170
Construction in Progress	<u>26,664,366</u>	<u>14,063,071</u>	<u>15,021,698</u>	<u>25,705,739</u>
Total Capital Assets, not being Depreciated	<u>34,829,713</u>	<u>14,139,894</u>	<u>15,021,698</u>	<u>33,947,909</u>
Capital Assets, being Depreciated:				
Buildings	81,564,453	3,079,500	-	84,643,953
Improvements Other Than Buildings	355,573,814	16,666,707	-	372,240,521
Machinery and Equipment	<u>16,920,148</u>	<u>1,063,215</u>	<u>75,065</u>	<u>17,908,298</u>
Total Capital Assets, being Depreciated	<u>454,058,415</u>	<u>20,809,422</u>	<u>75,065</u>	<u>474,792,772</u>
Less Accumulated Depreciation for:				
Buildings	39,789,067	1,959,329	-	41,748,396
Improvements Other Than Buildings	122,272,325	6,896,534	-	129,168,859
Machinery and Equipment	<u>9,873,312</u>	<u>853,128</u>	<u>35,116</u>	<u>10,691,324</u>
Total Accumulated Depreciation	<u>171,934,704</u>	<u>9,708,991</u>	<u>35,116</u>	<u>181,608,579</u>
Total Capital Assets, being Depreciated, Net	<u>282,123,711</u>	<u>11,100,431</u>	<u>39,949</u>	<u>293,184,193</u>
Wastewater System Capital Assets, Net	<u><u>\$ 316,953,424</u></u>	<u><u>25,240,325</u></u>	<u><u>15,061,647</u></u>	<u><u>327,132,102</u></u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,756,779	204	-	5,756,983
Construction in Progress	9,309,601	13,742,464	16,877,135	6,174,930
Total Capital Assets, not being Depreciated	15,066,380	13,742,668	16,877,135	11,931,913
Capital Assets, being Depreciated:				
Buildings	86,701,688	73,080	-	86,774,768
Improvements Other Than Buildings	417,842,416	16,596,502	-	434,438,918
Machinery and Equipment	28,984,437	1,572,264	60,083	30,496,618
Total Capital Assets, being Depreciated	533,528,541	18,241,846	60,083	551,710,304
Less Accumulated Depreciation for:				
Buildings	37,508,072	1,681,737	-	39,189,809
Improvements Other Than Buildings	124,924,763	6,264,888	-	131,189,651
Machinery and Equipment	20,954,062	1,075,757	40,737	21,989,082
Total Accumulated Depreciation	183,386,897	9,022,382	40,737	192,368,542
Total Capital Assets, being Depreciated, Net	350,141,644	9,219,464	19,346	359,341,762
Water System Capital Assets, Net	\$ 365,208,024	22,962,132	16,896,481	371,273,675
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 85,899,000	67,039,000	46,095,000	106,843,000
Capital Assets, being Depreciated:				
Utility Plant	1,683,877,000	43,817,000	5,250,000	1,722,444,000
Less Accumulated Depreciation	825,789,000	39,883,000	7,528,000	858,144,000
Total Capital Assets, being Depreciated, Net	858,088,000	3,934,000	(2,278,000)	864,300,000
Electric System Capital Assets, Net	\$ 943,987,000	70,973,000	43,817,000	971,143,000

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

Lincoln Electric System utility plant includes an allowance for funds used during construction for projects costing in excess of \$500,000. The allowance for funds used during construction is based on LES' true interest cost of the most recent borrowing. The rate for 2020 was 3.2 percent.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2021, consist of the following:

Due To	Due From						Total
	General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	755	200	5,801,345	120,966	124	5,923,390
Street Construction	1,144,635	-	15,247	18,789,494	-	4,575	19,953,951
Lincoln Wastewater System	382,837	-	-	2,964,924	-	-	3,347,761
Lincoln Water System	1,147,942	-	-	8,356,117	-	-	9,504,059
Nonmajor Governmental	2,056,131	-	-	2,060,147	-	-	4,116,278
Nonmajor Enterprise	1,135,985	12,478	147,425	13,945	15,802	-	1,325,635
Internal Service	1,984,199	224,194	-	59,606	9,604	49,167	2,326,770
Total	\$ 7,851,729	237,427	162,872	38,045,578	146,372	53,866	46,497,844

“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, 2021, consist of the following:

Transfer To	Transfer From								Total
	General Fund	Street Construction	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	62,480	8,572	10,406	11,025,000	973,573	2,112,588	147,407	14,340,026
Street Construction	1,796,759	-	-	-	-	24,080,858	-	30,000	25,907,617
Lincoln Wastewater System	-	-	-	-	-	1,064,396	-	-	1,064,396
Nonmajor Governmental	21,566,827	5,679,376	-	-	-	5,344,955	1,920,205	669,733	35,181,096
Nonmajor Enterprise	-	-	-	-	-	-	-	100,000	100,000
Internal Service	494,953	-	-	-	-	-	-	-	494,953
Total	\$ 23,858,539	5,741,856	8,572	10,406	11,025,000	31,463,782	4,032,793	947,140	77,088,088

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

On the fund statements, because the governmental funds do not record capital assets, the movement of capital assets from governmental to enterprise funds are shown as capital contributions. On the government-wide Statement of Activities these transactions are recorded as transfers and shown netted with other operating transfers. The current year reassignment of capital assets amounted to \$3,189,740.

The \$716,000 variance for transfers on the Statement of Activities is caused by the different fiscal year end dates used by the City (August 31) and Lincoln Electric System (December 31). Lincoln Electric System records an estimate for payments of return on equity as an accrued liability at December 31. The City, however, receives the payments before the August 31 fiscal year end, and records the total amount as a transfer in.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(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, 2020, LES had \$65.5 million of commercial paper notes outstanding. The notes mature at various dates but not more than 270 days after the date of issuance. The weighted-average interest rate for the year ended December 31, 2020, was .60%. The outstanding commercial paper notes are secured by a revolving credit agreement. There were no advances outstanding under the credit agreement at December 31, 2020. The revolving credit agreement which secures LES' commercial paper program also includes a note purchase agreement which provides LES the ability to borrow monies on a short-term basis. There was \$1,500,000 outstanding under the note purchase agreement as of December 31, 2020. Amounts outstanding under the note purchase agreement reduce the amount available under the revolving credit agreement. LES uses commercial paper notes as part of their long-term financing strategy. As such, commercial paper is typically renewed as it matures. The weighted average length of maturity of commercial paper for 2020 was 154 days.

In April of 2020, LES paid down \$35,000,000 of commercial paper to mitigate the potential for interest rate risk due to the COVID-19 pandemic. In November and December of 2020, LES reissued \$35,000,000 of commercial paper. Additionally, in April 2020, LES drew \$35,000,000 on the revolving credit agreement to provide for potential unforeseen liquidity needs due to the COVID-19 pandemic. In December 2020, LES paid down \$35,000,000 on the revolving credit agreement. Funds drawn on the revolving credit agreement are available for operating or capital needs.

Commercial paper activity for the year ended December 31, 2020, is as follows:

	Beginning			Ending	Due Within
Lincoln Electric System:	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Commercial Paper Notes	\$ <u>65,500,000</u>	<u>178,300</u>	<u>(178,300)</u>	<u>65,500,000</u>	<u>65,500,000</u>

LONG-TERM

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

Net position of \$2,527,881, \$3,325,912, \$1,062,061, and \$729,833 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

	Governmental Activities	Business-Type Activities
Land	\$ 1,780,066	\$ 199,546
Buildings	28,996,161	1,647,945
Improvements	5,070,465	-
Infrastructure	35,874,796	-
Machinery and Equipment	11,030,492	3,335,025
Construction in Progress	7,956,891	9,257
Less Accumulated Depreciation, (where applicable)	<u>(28,582,500)</u>	<u>(3,033,081)</u>
Total	<u>\$ 62,126,371</u>	<u>\$ 2,158,692</u>

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

In May 2021, the City issued \$15,260,000 of General Obligation Highway Allocation Fund Bonds, Series 2021 with an interest rate of 2.000-5.000%. These funds will be used to construct improvements to certain streets and state highways or federal-aid routes of the City.

During the period October 15, 2020 through June 1, 2021 the City issued Tax Allocation Bonds totaling \$766,000. The bonds are for Developer Tax Incremental Financing projects throughout the City.

In January 2020, LES conducted two significant revenue bond transactions. On January 6, 2020, using available cash, LES defeased a total of \$81,475,000 of revenue bonds, including \$66,365,000 of Series 2012 and \$15,110,000 of Series 2015. On January 22, 2020, LES sold \$72,200,000 of tax-exempt Revenue Bonds, Series 2020A. The bond issuance closed on January 30, 2020. These two transactions resulted in a net present value debt service savings of approximately \$19,000,000.

In September 2020, LES issued the Series 2020B taxable Revenue Refunding Bonds in the amount of \$185,150,000. Proceeds from the bond issue were used to refund a total of \$167,655,000 in revenue bonds, including \$125,790,000 of Series 2012 and \$41,865,000 of Series 2015. This refinancing allowed LES to achieve net-present-value debt service savings of \$16,400,000 for LES customers.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environment and Energy (NDEE) consisting of three separate contracts. Under contract 317247 the Lincoln Wastewater System has borrowed \$4,808,792 to fund certain sewer system extension and sewer repairs. The 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 NDEE to fund certain water system extension and water repairs. The interest rate throughout the term of the loan is 2.25%. In addition, an administrative fee of 1% will be incurred on the loan.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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

Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Governmental Activities:							
General Obligation Bonds:							
General Bonds:							
\$ 8,090	06/26/12	Refunding Bonds	1.000 - 3.000	Serial 2013 to 2023	---	Semiannually	\$ 1,325
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	3,845
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	---	"	2,450
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	5,190
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	---	"	2,900
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2020 to 2039	2029	"	9,590
4,140	08/20/20	Stormwater Refunding Bonds	5.00	Serial 2021 to 2030	---	"	3,805
Total General Bonds							<u>\$ 30,620</u>
Tax Allocation Bonds:							
\$ 601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	Semiannually	\$ 307
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	5
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	50
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	10
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	980
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	34
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	37
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	88
600	12/01/16	Tax Allocation Bonds	2.300	Serial 2018 to 2021	Anytime	"	77
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	53
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	119
180	10/15/20	Tax Allocation Bonds	1.240	Serial 2022 to 2035	Anytime	"	180
120	12/01/20	Tax Allocation Bonds	1.420	Serial 2021 to 2034	Anytime	"	116
222	01/01/21	Tax Allocation Bonds	1.450	Serial 2021 to 2034	Anytime	"	214
192	01/01/21	Tax Allocation Bonds	1.450	Serial 2022 to 2035	Anytime	"	192
52	06/01/21	Tax Allocation Bonds	2.060	Serial 2022 to 2035	Anytime	"	52
Total Tax Allocation Bonds							<u>\$ 2,514</u>
Tax Supported Bonds:							
\$ 28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	Semiannually	\$ 8,545
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	"	9,415
21,765	08/20/20	Limited Tax Arena Refunding Bonds	.200 - 3.000	Serial 2021 to 2037	2030	"	20,615
15,260	05/15/21	Highway Allocation Fund Bonds	2.000 - 5.000	Serial 2022 to 2037	2029	"	15,260
Total Tax Supported Bonds							<u>\$ 53,835</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 310
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	"	1,695
Total Special Assessment Bonds							<u>\$ 2,380</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	\$ 29,075
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	"	13,345
52,180	12/01/10	Facility Bonds Taxable Build America Bonds	5.400 / 5.800 / 6.000	Term 2030 2035 2039	Anytime	"	52,180
32,035	12/01/10	Recovery Zone Economic Development	6.750	Term 2045	Anytime	"	32,035
20,850	12/04/13	Facility Bonds	2.000 - 5.000	Serial 2014 to 2038	2023	"	16,840
7,325	12/04/13	Facility Bonds	4.500	Term 2043	2023	"	7,325
88,270	11/21/19	Facility Refunding Bonds	2.375 - 3.050	Serial 2022 to 2040	2029	"	88,270
11,730	11/21/19	Facility Refunding Bonds	3.250	Term 2042	2029	"	11,730
Total West Haymarket Joint Public Agency Bonds							<u>\$ 319,285</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 408,634</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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	\$ 18,640
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	7,830
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	10,585
20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	"	18,785
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>\$ 61,525</u>
\$ 10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	---	Semiannually	965
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	"	10,150
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	9,225
		Total Water Bonds					<u>\$ 20,340</u>
\$ 48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000	Serial 2020 to 2035	2029	Semiannually	\$ 36,890
			3.00	Term 2039	2029	"	6,655
		Total Parking Bonds					<u>\$ 43,545</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 3,045
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	4,370
		Total Solid Waste Management Bonds					<u>\$ 7,415</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	"	24,865
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	"	32,885
40,170	03/11/15	Electric Revenue and Refunding Bonds	4.000	Term 2040	2025	"	40,710
116,645	09/01/16	Electric Revenue Refunding Bonds	3.000 - 5.000	Serial 2017 to 2034	2027	"	65,960
121,205	07/01/18	Electric Revenue Bonds	3.000 - 5.000	Serial 2025 to 2034	2027	"	121,205
72,200	01/30/20	Electric Revenue Bonds	5.00	Serial 2025 to 2033	2027	"	72,200
185,150	09/23/20	Electric Revenue Refunding Bonds	.400 - 2.100	Serial 2023 to 2037	2027	"	185,150
		Total Electric Bonds					<u>\$ 619,650</u>
		TOTAL REVENUE BONDS					<u>\$ 752,475</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
2022	\$ 15,526	17,062	132	36	6,103	1,308
2023	20,235	16,465	135	33	5,792	1,331
2024	19,651	15,667	137	31	5,915	1,104
2025	16,935	14,948	140	28	4,885	872
2026	16,719	14,285	143	25	4,910	678
2027 - 2031	80,725	61,685	759	82	10,970	1,408
2032 - 2036	85,128	45,865	409	12	2,770	244
2037 - 2041	83,060	28,256	-	-	565	37
2042 - 2046	70,655	8,922	-	-	-	-
Total	<u>\$ 408,634</u>	<u>223,155</u>	<u>1,855</u>	<u>247</u>	<u>41,910</u>	<u>6,982</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 39,605	26,513	1,923	560	426	61
2023	41,800	24,453	1,964	519	249	67
2024	42,525	22,527	2,007	477	258	58
2025	49,745	21,538	2,049	434	181	48
2026	45,745	20,442	2,093	390	125	41
2027 - 2031	245,505	76,203	11,058	1,259	735	106
2032 - 2036	207,340	32,182	5,348	193	-	-
2037 - 2041	75,885	8,922	-	-	-	-
2042 - 2046	4,325	262	-	-	-	-
Total	<u>\$ 752,475</u>	<u>233,042</u>	<u>26,442</u>	<u>3,832</u>	<u>1,974</u>	<u>381</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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

Fiscal Year Ended	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
August 31						
2022	\$ 5,939	2,594	4,702	1,013	27,455	22,034
2023	6,146	2,383	3,862	858	30,205	20,412
2024	6,353	2,154	3,993	736	30,535	18,909
2025	6,575	1,917	3,620	583	37,800	18,385
2026	6,827	1,671	1,381	446	35,740	17,730
2027 - 2031	25,976	5,034	7,768	1,460	204,345	67,548
2032 - 2036	9,163	2,266	5,334	268	189,165	28,291
2037 - 2041	6,415	1,237	-	-	64,405	7,378
2042 - 2046	4,325	262	-	-	-	-
Total	\$ 77,719	19,518	30,660	5,364	619,650	200,687

Long-term liability activity for the year ended August 31, 2021, 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	\$ 33,545	-	(2,925)	30,620	3,015
Tax Allocation Bonds	2,401	766	(653)	2,514	581
Tax Supported Bonds	43,775	15,260	(5,200)	53,835	6,050
Special Assessment Debt with Government Commitment	2,575	-	(195)	2,380	205
West Haymarket Joint Public Agency Bonds	324,795	-	(5,510)	319,285	5,675
Note from Direct Borrowing	1,985	-	(130)	1,855	132
Capital Leases	29,859	19,930	(7,879)	41,910	6,103
Gross Bonds and Leases Payable	438,935	35,956	(22,492)	452,399	21,761
Deferred Amounts:					
For Issuance Premiums	9,117	5,374	(1,060)	13,431	-
For Issuance Discounts	(988)	-	24	(964)	-
Net Bonds, Notes, and Leases Payable	447,064	41,330	(23,528)	464,866	21,761
Other Liabilities:					
Compensated Absences	27,874	13,007	(11,260)	29,621	10,962
Construction Contracts	751	1,753	(69)	2,435	1,753
Claims and Judgements	11,270	39,182	(39,258)	11,194	4,225
Net Pension Liability	71,222	-	(33,834)	37,388	-
Total OPEB Liability	17,971	6,273	-	24,244	791
Governmental Activities Long-Term Liabilities	\$ 576,152	101,545	(107,949)	569,748	39,492
Business-Type Activities:					
Bonds, Loans, Note, and Leases Payable:					
Wastewater Revenue Bonds	\$ 66,055	-	(4,530)	61,525	4,685
Wastewater Loans from Direct Borrowing	17,328	-	(1,206)	16,122	1,231
Water Revenue Bonds	24,530	-	(4,190)	20,340	4,010
Water Loan from Direct Borrowing	10,996	-	(676)	10,320	692
Electric System Revenue Bonds	640,045	257,350	(277,745)	619,650	27,455
Parking Revenue Bonds	46,060	-	(2,515)	43,545	2,880
Solid Waste Management Revenue Bonds	8,265	-	(850)	7,415	575
Capital Leases	1,138	1,285	(449)	1,974	426
Gross Bonds, Loans, Note, and Leases Payable	814,417	258,635	(292,161)	780,891	41,954
Deferred Amounts:					
For Issuance Premiums	69,489	21,762	(28,609)	62,642	-
Net Bonds, Loans, Note, and Leases Payable	883,906	280,397	(320,770)	843,533	41,954
Other Liabilities:					
Compensated Absences	3,855	315	-	4,170	1,584
Construction Contracts	6,771	6,291	(6,771)	6,291	6,291
Note Purchase Agreement	1,500	35,000	(35,000)	1,500	-
Developer Performance Deposits	896	300	(250)	946	-
Claims and Judgements	622	-	(9)	613	-
Net Pension Liability	4,673	-	(2,393)	2,280	-
Total OPEB Liability	2,108	627	-	2,735	89
Accrued Landfill Closure/Postclosure Care Costs	25,117	899	-	26,016	-
Asset Retirement Obligation	3,374	1,347	(1,241)	3,480	-
Business-Type Activities Long-Term Liabilities	\$ 932,822	325,176	(366,434)	891,564	49,918

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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, 2021, 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	\$ 66,055	-	(4,530)	61,525	4,685
Wastewater Loans from Direct Borrowing	17,328	-	(1,206)	16,122	1,231
Capital Leases	94	-	(22)	72	23
Deferred for Issuance Premiums	5,268	-	(471)	4,797	-
Net Bonds and Loans Payable	88,745	-	(6,229)	82,516	5,939
Other Liabilities:					
Compensated Absences	1,349	615	(448)	1,516	409
Construction Contracts	4,160	1,684	(4,160)	1,684	1,684
Total OPEB Liability	481	80	-	561	18
Total Long-Term Liabilities	\$ 94,735	2,379	(10,837)	86,277	8,050
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 24,530	-	(4,190)	20,340	4,010
Water Loan from Direct Borrowing	10,996	-	(676)	10,320	692
Deferred for Issuance Premiums	2,912	-	(418)	2,494	-
Net Bonds and Loan Payable	38,438	-	(5,284)	33,154	4,702
Other Liabilities:					
Compensated Absences	1,548	(432)	592	1,708	550
Construction Contracts	2,611	4,607	(2,611)	4,607	4,607
Total OPEB Liability	688	114	-	802	26
Total Long-Term Liabilities	\$ 43,285	4,289	(7,303)	40,271	9,885
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 640,045	257,350	(277,745)	619,650	27,455
Deferred for Issuance Premiums	60,500	21,505	(27,648)	54,357	-
Net Bonds Payable	700,545	278,855	(305,393)	674,007	27,455
Other Liabilities:					
Note Purchase Agreement from Direct Borrowing	1,500	35,000	(35,000)	1,500	-
Developer Performance Deposits	896	300	(250)	946	-
Claims and Judgements	622	-	(9)	613	-
Asset Retirement Obligation	3,374	1,347	(1,241)	3,480	-
Total Long-Term Liabilities	\$ 706,937	315,502	(341,893)	680,546	27,455

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2021, \$109,920,978 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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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

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

The Bonds are limited obligations of the City and are payable solely from payments to be made by NWU pursuant to a loan agreement dated January 1, 2012, by and between the City and NWU. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2021, \$12,340,000 of these bonds remain outstanding.

(10) RECONCILIATION OF BUDGET BASIS TO GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, funds for which budget and reporting structures differ, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 2021, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	<u>General Fund</u>	<u>Street Construction Fund</u>
Net Change in Fund Balances:		
Balance on a GAAP basis	\$42,029,483	22,732,744
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds.	1,668,023	1,378,468
Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting.	(1,569,215)	-
Amount budgeted on a project basis.	<u>-</u>	<u>4,173,571</u>
Balance on a budget basis	<u>\$42,128,271</u>	<u>28,284,783</u>

(11) DEFICIT NET POSITION OR FUND BALANCE

The following funds had a fund balance deficit as of August 31, 2021:

Special Revenue – Lincoln Bike Share Fund	\$ (429,823)
Special Revenue – StarTran Fund	\$ (2,874,690)

- The Lincoln Bike Share Fund fund balance deficit is due to large startup costs of the Lincoln Bike Share Program.
- The StarTran Fund fund balance deficit is due to awaiting Federal reimbursement for purchase of vehicles and equipment.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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

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

General Fund		
Street Lighting	\$	415,444
Debt Service		80,555

(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, 2021

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

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

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

Amount of Pension –

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

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

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

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

Amount of Pension –

Plan A: 58% of regular pay.

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

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

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

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

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

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

Amount of Pension –

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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

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

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

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

Deferred Retirement Option Plan (DROP) - The City has established DROP for police and fire pension members. The DROP program allows a member to retire for pension purposes, but to continue working. The member receives a paycheck and the member’s monthly pension benefit is deposited into the member’s DROP account. At the end of five years, or any time before five years, the member must “retire-in-fact”. Contributions to the pension are eliminated at the beginning of the DROP period. Pension benefits are set, and will not be increased because of raises, promotions, increased years of service or pension enhancements. When a member retires-in-fact, their monthly pension benefit will be paid directly to them and the member will have access to the funds in their DROP account. The balance held by the third-party DROP administrator at August 31, 2021, is \$10,241,217.

Membership of the pension plan consisted of the following at August 31, 2021, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	560
Terminated plan members entitled to	
but not yet receiving benefits	29
Active plan members (non-DROP)	599
Death benefit refund due	6
DROP members	48
Total	<u>1,242</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 2021 was \$9,733,221. For the fiscal year ended August 31, 2021, the Plan received \$9,988,807 in employer contributions.

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2019, 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 7.45% per year compounded annually, (b) projected salary increases of 8.25% grading down to 2.75% per year, including wage inflation at 2.25%, and (c) the assumption that benefits will increase 2.25% after retirement. The actuarial value of assets was determined using a five-year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a remaining period of layered bases varying from 18 to 25 years.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Net Pension Liability

Total pension liability	\$ 358,573,819
Plan fiduciary net position	<u>(318,905,474)</u>
Net pension liability	<u><u>\$ 39,668,345</u></u>

Plan fiduciary net position as a percentage
of the total pension liability 88.94%

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, 2021
Measurement date	August 31, 2021

Assumptions

The total pension liability as of August 31, 2021, was determined by an actuarial valuation performed as of August 31, 2021, 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	7.35%
Municipal Bond Index Rate	2.12%
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.35%
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, 2021 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, 2021, was 7.35%, which is a change from the discount rate of 7.40% used to measure the total pension liability at August 31, 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be equal to the actuarially determined contribution rates determined in the actuarial valuation prepared two years prior to the current fiscal year end. Administrative expenses in the prior year were projected forward with price inflation as an estimate for

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.35% 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 2120.

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 7.35% long-term assumed rate of return for the current measurement date and the 7.40% long-term assumed rate of return for the prior measurement date were actuarially developed. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by investment consultants. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of August 31, 2021, are summarized in the following table:

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

* Geometric mean, net of investment expenses

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.35%, as well as the City's net pension liability calculated using a discount rate that is 1 percentage point lower (6.35%) or 1 percentage point higher (8.35%) than the current rate.

	<u>1% Decrease 6.35%</u>	<u>Current Discount Rate 7.35%</u>	<u>1% Increase 8.35%</u>
Total Pension Liability \$	402,838,797	358,573,819	321,651,944
Fiduciary Net Position	<u>318,905,474</u>	<u>318,905,474</u>	<u>318,905,474</u>
Net Pension Liability \$	83,933,323	39,668,345	2,746,470

Rate of Return - For the year ended August 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.93%. The money-weighted rate of return

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2020	\$ 343,087,750	267,193,074	75,894,676
Changes for the year:			
Service cost at end of year	7,853,350	-	7,853,350
Interest on TPL	24,697,386	-	24,697,386
Difference between expected and actual experience	(45,165)	-	(45,165)
Assumption changes	1,998,466	-	1,998,466
Employer contributions	-	9,988,807	(9,988,807)
Employee contributions	-	3,706,959	(3,706,959)
Net investment income	-	57,584,162	(57,584,162)
Benefit payments, including member refunds	(19,017,968)	(19,017,968)	-
Administrative expenses	-	(549,560)	549,560
Net changes	15,486,069	51,712,400	(36,226,331)
Balances at August 31, 2021	\$ 358,573,819	318,905,474	39,668,345

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources As of August 31, 2021	
Differences between expected and actual experience	\$ 3,133,772
Changes of assumptions	10,193,575
Change in the City's proportion of the collective net pension liability since the prior measurement date	320,029
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>269,339</u>
Total	<u>\$ 13,916,715</u>

Deferred Inflows of Resources As of August 31, 2021	
Differences between expected and actual experience	\$ 778,878
Differences between projected and actual earnings	30,584,734
Change in the City's proportion of the collective net pension liability since the prior measurement date	269,339
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>320,029</u>
Total	<u>\$ 31,952,980</u>

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

<u>Fiscal Year</u> <u>Ending August 31</u>	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>	<u>Net Deferred</u> <u>Outflows/Inflows</u> <u>of Resources</u>
2022	\$ 3,938,417	(7,494,903)	(3,556,486)
2023	3,797,305	(7,142,499)	(3,345,194)
2024	3,656,529	(9,562,211)	(5,905,682)
2025	1,929,465	(7,688,268)	(5,758,803)
2026	497,595	(51,804)	445,791
Thereafter	<u>97,404</u>	<u>(13,295)</u>	<u>84,109</u>
	<u>\$ 13,916,715</u>	<u>(31,952,980)</u>	<u>(18,036,265)</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Pension Expense

The calculation of the pension expense for the year ended August 31, 2021, is shown below:

Pension Expense	
For the Fiscal Year Ended August 31, 2021	
Service cost at end of year	\$ 7,853,350
Interest on the total pension liability	24,697,386
Expensed portion of current-period differences between expected and actual experience in the total pension liability	(7,203)
Expensed portion of current-period assumption changes	318,735
Employee contributions	(3,706,959)
Projected earnings on plan investments	(19,558,909)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(7,605,051)
Administrative expenses	549,560
Amortization of beginning deferred outflows of resources	6,616,621
Amortization of beginning deferred inflows of resources	(5,955,346)
Total Pension Expense	<u>\$ 3,202,184</u>

ELECTRIC SYSTEM

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

LES has a defined contribution retirement plan created in accordance with Internal Revenue Code Section 401(K). The plan assets are held, managed and administered by a custodian. The plan was established under the authority of the LES administrative board and contributions are also established by the administrative board. LES' contribution is equal to 200% of the employees' contributions, up to 5% of applicable compensation for employees hired prior to 1/1/11. For employees hired after 1/1/11, LES' contribution is equal to 100% of employee's contributions up to 10% of applicable compensation. Vesting of LES contributions occurs over a three-year period. Employee forfeitures are used to reduce future employer contributions. For the year ended December 31, 2020, LES incurred contribution expense of approximately \$4,582,000 and its employees contributed approximately \$4,237,000.

DEPARTMENT DIRECTORS

Directors of City departments are eligible the first of the month following the date employed to be covered by the Director's Money Purchase Plan, established by City Ordinance, and administered by an insurance company. The Plan is a defined contribution plan requiring contributions determined by the employees' date of hire. The City contributes 12% of compensation for employees hired prior to May 1, 2011, with no required contribution by the employee. For those hired subsequent to that date, the employee contributes 6% of compensation with an employer match of 6%. Employees covered by the Plan may also make voluntary contributions. Participant accounts are immediately 100% vested. City contributions totaled \$160,999 and employee contributions totaled \$76,043. There were no voluntary employee contributions made for the year ended December 31, 2020.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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, 2020, the City incurred contribution expense totaling \$9,011,720, which included a reduction in expense of \$139,709 for employee forfeitures. Employee contributions totaled \$5,323,472. Employees made \$187,527 in voluntary contributions for the year ended December 31, 2020.

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which covers substantially all full-time employees. Plan provisions, including contribution requirements, are established and amended by City Ordinance. Participation in this plan is voluntary and employees may contribute a percentage of their total compensation up to the IRS allowed maximum. Employee Contributions to this plan totaled \$818,797 for the year ended December 31, 2020.

(14) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

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

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

Actuarial Methods and Assumptions

The total OPEB liability of \$26,986,730 at August 31, 2021 was measured as of August 31, 2020. An actuarial valuation was prepared as of August 31, 2020 for members in payment under the plan, and for active members an actuarial valuation was prepared as of September 5, 2020. Active data is not available retroactively, but was provided close to the valuation date. The total OPEB liability as of August 31, 2021 is based on the following actuarial assumptions and other inputs:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

<u>Price Inflation</u>	2.25%
<u>Municipal Bond Index Rate</u>	2.11% (Bond Buyer General Obligation 20-year Municipal Bond Index Rate)
<u>Healthcare Cost Trend Rate</u>	7.00%, decreasing by 0.25% per year until an ultimate rate of 4.50% is reached in 2030.

Cost-Sharing Premiums Premiums, effective as of November 1, 2020, were trended forward to the valuation date, August 31, 2020. Civilian premium rates were based on the base plan and the combined rate for Police and Fire was based on an average of the Police group and the Fire group.

	<u>Police/Fire</u>	<u>Civilians</u>
<u>Premiums trended to August 31, 2020</u>		
Retiree	\$10,687	\$9,542
Spouse	\$13,039	\$11,640

Mortality General Pub-2010 Tables used for Civilians and Safety Pub-2010 Tables used for Police and Fire.

Active: Pub-2010 Active Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.

Retirees: Pub-2010 Healthy Annuitant Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.

Disabled Retirees: Pub-2010 Disabled Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.

Beneficiaries: Pub-2010 Contingent Annuitant Mortality Table with generational mortality improvement using the Nebraska Public Retirement System Mortality Improvement Scale.

The Police and Fire demographic actuarial assumptions used in the August 31, 2020 valuation are consistent with those used in the valuation of the Lincoln Police and Fire Pension Plan at the time, which were based on the actuarial experience study covering the four-year period ending August 31, 2018. The experience study report was dated June 1, 2019, so the new demographic assumptions are first used for the Police and Fire demographic assumptions in this valuation (August 31, 2020)

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

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

Sensitivity of the total OPEB liability to changes in the rates

The following presents the total OPEB liability of the plan, calculated using health care cost trend rates ranging from 7.00% in 2020 and trending downward to 4.50% in 2030, as well as the total OPEB liability calculated using trend rates that are 1% lower or 1% higher than the current rate:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

		1% <u>Decrease</u>	Current <u>Trend Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$	23,592,895	26,986,730	31,054,757

The following presents the total OPEB liability of the plan, calculated using the discount rate of 2.11% (3.16% 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:

		1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
		<u>1.11%</u>	<u>2.11%</u>	<u>3.11%</u>
Total OPEB Liability	\$	29,883,200	26,986,730	24,381,041

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at Beginning of Year	\$ 20,085,510
Changes for the year:	
Service cost at end of year	1,236,714
Interest on total OPEB liability	621,025
Difference between expected and actual experience	265,188
Assumption changes	5,650,737
Benefit payments	<u>(872,444)</u>
Net changes	<u>6,901,220</u>
Balance at End of Year	<u>\$ 26,986,730</u>

The assumption changes, shown above, are due to the change in the discount rate from 3.16% to 2.11% 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, 2021, is shown below:

OPEB Expense	
Year Ending August 31, 2021	
Service cost at end of year	\$ 1,236,714
Interest on the total OPEB liability	621,025
Expensed portion of current-period differences between expected and actual experience in the total OPEB liability	34,395
Expensed portion of current-period assumption changes	732,910
Recognition of beginning deferred outflows of resources	184,574
Recognition of beginning deferred inflows of resources	<u>(383,904)</u>
Total OPEB Expense	<u>\$ 2,425,714</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
As of August 31, 2021

Benefit payments subsequent to the measurement date	\$ 880,503
Differences between expected and actual experience	230,793
Changes of assumptions	<u>5,971,747</u>
Total	<u>\$ 7,083,043</u>

Deferred Inflows of Resources
As of August 31, 2021

Differences between expected and actual experience	\$ 137,726
Changes of assumptions	<u>1,398,212</u>
Total	<u>\$ 1,535,938</u>

The deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the fiscal year ending August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Fiscal Year Ending August 31	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/Inflows of Resources
2022	\$ 951,879	(383,904)	567,975
2023	951,879	(383,904)	567,975
2024	951,879	(383,904)	567,975
2025	951,879	(291,962)	659,917
2026	951,879	(92,264)	859,615
Thereafter	<u>1,443,145</u>	<u>-</u>	<u>1,443,145</u>
	<u>\$ 6,202,540</u>	<u>(1,535,938)</u>	<u>4,666,602</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 \$1,515,000.

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 \$783,960 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, 2021

(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 2020 tax levy, for the 2020-2021 fiscal year, was \$187,245,017 below the legal limit, with a tax rate per \$100 valuation of \$0.3198. The assessed value upon which the 2020 levy was based was \$23,999,731,796.

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 2020-2021 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2021. 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, 2021, 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, 2021

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

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

The City funds its self-insurance program on an "incurred loss" basis. The governmental and proprietary funds pay annual premium amounts, based on past experience of incurred losses, to the Insurance Revolving Fund. Claim liabilities of \$11,194,169 were recorded at August 31, 2021, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance programs. Excluding medical care claims approximating \$1,301,000, the remaining liability is the actuarially estimated amount of claims based on an estimate of ultimate incurred and incurred but not reported losses as of that date and is calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. The claims liability estimate also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of their allocation to specific claims. The City has purchased no annuity contracts in the current fiscal year to resolve City of Lincoln claims.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2021 and 2020:

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

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

	2020	2019
Balance beginning of year	\$ 622,000	588,000
Claims and fees incurred	7,056,000	6,246,000
Claims paid/other	<u>(7,065,000)</u>	<u>(6,212,000)</u>
Balance end of year	<u>\$ 613,000</u>	<u>622,000</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$613,000 and \$622,000 at December 31, 2020 and 2019, 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, 2021, approximately 92% 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 \$18,132,000 as of August 31, 2021, 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, 2021.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

SOLID WASTE MANAGEMENT

The Solid Waste Management Fund has commitments under major construction contracts in progress of approximately \$1,550,000 as of August 31, 2021.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$20,044,000 as of August 31, 2021.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$7,081,000 as of August 31, 2021.

LINCOLN ELECTRIC SYSTEM

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

During 2020, LES had a participation contract in one existing Nebraska Public Power District (NPPD) coal-fired power plant that provided for an entitlement of eight percent (109 MW) of the output of the Gerald Gentleman Station Power Plant (GGS) (nominally rated 1,365 MW).

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

The participation contract for GGS continues until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. The fixed cost payments to NPPD under this contract, including capital additions and improvements, debt service payments, fixed costs and credits were \$7,661,000 in 2020.

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 \$6,694,000 as of December 31, 2020. 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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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, 2021, the City had incurred a liability of approximately \$17,345,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 65% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$9.4 million, which will be recognized as the remaining capacity is used (estimated to be approximately 15 years).

As of August 31, 2021, the City had incurred a liability of approximately \$1,541,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 41% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,201,000, which will be recognized as the remaining capacity is used (estimated to be approximately 31 years).

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

The City of Lincoln has demonstrated compliance with the financial assurance requirements as specified in Title 132 - *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

The City of Lincoln also owns a solid waste disposal area that discontinued operations in 1990. Although exempt from the U.S. Environmental Protection Agency *Solid Waste Disposal Facility Criteria* issued October 9, 1991, the City must still adhere to certain closure and postclosure care requirements under prior legislation, including the construction of final cover, monitoring of ground water conditions and landfill gas migration, and general site maintenance. At August 31, 2021, a liability for closure and postclosure care costs is recorded in the amount of approximately \$7,130,000. If any unanticipated corrective action costs related to landfill gas migration or groundwater contamination are identified through current monitoring procedures, then an additional accrued liability will be recorded once these costs can be reasonably estimated.

(19) SEGMENT INFORMATION

The City has issued revenue bonds and other debt instruments to finance capital construction and acquisitions for both the Urban Development and Transportation & Utilities Departments. The Parking Facilities Division of the Urban Development Department operates the City's downtown parking garages and is accounted for in the Parking System Fund. The Solid Waste Management Division of the Transportation & Utilities Department operates the City's solid waste disposal sites, yard waste composting facility, and re-cycling drop-off program. Summary financial information for these divisions as of and for the year ended August 31, 2021, is presented as follows:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

	Parking Facilities	Solid Waste Management
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 8,654,653	8,835,603
Due from Other Funds	766,747	392,547
Other Assets	10,872,744	2,288,134
Capital Assets, Net	78,694,723	32,349,175
Total Assets	98,988,867	43,865,459
Deferred Outflows of Resources	942,783	67,476
Liabilities:		
Current Liabilities, excluding Due to Other Funds	5,792,050	2,892,695
Due to Other Funds	15,931	329
Noncurrent Liabilities	40,985,622	33,672,332
Total Liabilities	46,793,603	36,565,356
Deferred Inflows of Resources	885	14,632
Net Position:		
Net Investment in Capital Assets	35,522,083	24,274,647
Restricted	7,506,285	64,742
Unrestricted	10,108,794	(16,986,442)
Total Net Position	\$ 53,137,162	7,352,947
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 8,651,670	10,422,696
Depreciation Expense	(2,081,613)	(2,271,080)
Other Operating Expenses	(4,167,311)	(10,739,575)
Operating Income (Loss)	2,402,746	(2,587,959)
Nonoperating Revenues (Expenses):		
Investment Earnings	20,497	12,408
Grant Proceeds	-	471,123
Gain on Disposal of Capital Assets	-	107,010
Occupation Tax	-	4,908,574
Interest Expense and Fiscal Charges	(1,314,669)	(254,199)
Capital Contributions	-	20,000
Transfers	(2,095,026)	(1,879,700)
Change in Net Position	(986,452)	797,257
Beginning Net Position	54,123,614	6,555,690
Ending Net Position	\$ 53,137,162	7,352,947
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 4,586,344	681,558
Noncapital Financing Activities	(2,013,743)	3,482,870
Capital and Related Financing Activities	(14,150,734)	(6,355,898)
Investing Activities	9,195,911	1,957,733
Net Increase in Cash	(2,382,222)	(233,737)
Beginning Balance	6,899,212	2,590,669
Ending Balance	\$ 4,516,990	2,356,932

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

(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 \$97,157,477 with annual payments expected to require 43% of net revenues. Principal and interest paid for the current year and net system revenues were \$8,638,129 and \$19,287,268, 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 \$36,021,839, with annual payments expected to require 25% of net revenues. Principal and interest paid for the current year and net system revenues were \$6,150,542 and \$29,607,955, 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 \$820,337,000, with annual payments expected to require 41% of net revenues. Principal and interest paid for the current year and net system revenues were \$53,901,000 and \$116,609,000, 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 \$53,165,835, with annual payments expected to require 49% of net revenues. Principal and interest paid for the current year and net system revenues were \$3,755,384 and \$4,504,856, 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 \$9,108,306, with annual payments expected to require 34% of net revenues. Principal and interest paid for the current year and net system revenues were \$1,153,284 and \$3,623,403 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, 2021, the City made rental payments of approximately \$3.0 million to the Commission.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

As of August 31, 2021, the Commission has debt outstanding of \$25,793,538. Bond and note proceeds have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City and County. The City's proportionate share of these buildings has been recorded in capital assets in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

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

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

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

(22) TAX ABATEMENTS

As of August 31, 2021, 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, 2021 the City abated \$2,233,687 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, 2021 the City abated \$1,850,290 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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

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 \$51.4 million are reflected in utility plant at December 31, 2020.

LRS has certain postretirement obligations, which have not yet been billed to the owners, as these costs are not due and payable. Thus, LES has not reflected these costs in its financial statements. As a co-owner of LRS, LES' allocation of these postretirement obligations was \$1.6 million at December 31, 2020.

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

<u>Asset Retirement Obligations (in thousands):</u>	<u>2020</u>
Obligation, beginning of year	\$ 3,374
Additional obligations	1,152
Accretion	195
Liabilities settled	(1,241)
Obligation, end of year	<u>\$ 3,480</u>

LES has a participation power sales agreement with the County of Los Alamos, New Mexico (the County) whereby the County purchases from LES approximately 10 MW of LES's capacity interest in LRS. The section of the agreement which provides for the County to pay LES monthly payments for the capital budget, processing and dispatch costs was amended in September 2016. The monthly payments are subject to true-up each January 1 based on actual costs (as compared to budget) of LRS. The agreement remains in effect until either the final maturity occurs on any LRS related debt or LRS is removed from commercial operation. During 2020 LES billed the County approximately \$1.7 million for demand and energy charges.

Walter Scott Energy Center (WSEC #4)

MidAmerican Energy's Walter Scott Energy Center includes four coal-fired units. LES maintains ownership interest in 12.66%, or 103 MW of WSEC #4. In order to minimize unit outage risk, LES has executed a power purchase and sales agreement with MidAmerican Energy to "swap" capacity and energy from LES' WSEC #4 ownership with capacity and energy from WSEC #3. Under this agreement LES will schedule 50 MW of capacity and energy from WSEC #3 and 53 MW of capacity and energy from WSEC #4. This twenty-year agreement can be extended through mutual agreement of the parties. LES is responsible for the operation and maintenance expense and maintains a fuel inventory at the plant site. LES issued debt in conjunction with the construction of WSEC #4 and has capitalized these costs plus interest. Costs, net of accumulated depreciation, associated with WSEC #4 of approximately \$118.4 million are reflected in utility plant at December 31, 2020.

(24) JOINTLY GOVERNED ORGANIZATIONS

District Energy Corporation

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

The DEC Board of Directors, under a management agreement, has appointed LES to supervise and manage the system and business affairs of DEC. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to DEC on an established rate schedule. The

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2021

total amount of payments to LES for management, operations, and maintenance services was approximately \$2,331,000 in 2020. The total amount of payments to LES for energy was approximately \$777,000 in 2020.

Nebraska Utility Corporation

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

Operations commenced in January 2002. The NUCorp board of directors, under a twenty-year management agreement, appointed LES to supervise and manage the energy supply and financial affairs of NUCorp. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to NUCorp on an established rate schedule. The total payment to LES for management services was approximately \$158,000 in 2020. The total amount of payments to LES for energy was approximately \$7.2 million in 2020.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2021

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

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 7,853,350	\$ 7,359,480	\$ 7,731,662	\$ 7,416,228	\$ 7,117,899	\$ 8,539,932	\$ 7,929,376	\$ 7,289,994
Interest	24,697,386	23,577,966	21,633,724	20,800,989	19,817,083	19,098,818	17,507,641	16,897,591
Differences between expected and actual experience	(45,165)	2,693,155	1,839,825	(1,147,672)	1,513,600	(3,351,824)	7,390,055	736,647
Effect of assumption changes or inputs	1,998,466	1,916,405	13,739,593	-	-	-	(23,499,491)	22,725,982
Benefit payments, including refunds of member contributions	(19,017,968)	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Net change in total pension liability	15,486,069	17,978,542	28,668,548	11,401,988	13,444,450	9,860,499	(4,381,224)	34,220,051
Total pension liability - beginning	343,087,750	325,109,208	296,440,660	285,038,672	271,594,222	261,733,723	266,114,947	231,894,896
Total pension liability - ending (a)	<u>\$ 358,573,819</u>	<u>\$ 343,087,750</u>	<u>\$ 325,109,208</u>	<u>\$ 296,440,660</u>	<u>\$ 285,038,672</u>	<u>\$ 271,594,222</u>	<u>\$ 261,733,723</u>	<u>\$ 266,114,947</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 9,988,807	\$ 8,490,046	\$ 8,333,901	\$ 8,239,839	\$ 7,974,731	\$ 7,170,104	\$ 8,045,293	\$ 7,865,929
Contributions - employee	3,706,959	3,576,557	3,366,841	3,195,658	3,112,583	2,817,102	2,604,101	2,613,971
Net investment income	57,584,162	26,911,382	5,434,779	17,407,833	23,644,797	14,795,745	(5,843,555)	30,932,275
Benefit payments, including refunds of member contributions	(19,017,968)	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Administrative expense	(549,560)	(510,761)	(445,481)	(435,578)	(445,579)	(493,860)	(444,578)	(407,146)
Net change in plan fiduciary net position	51,712,400	20,898,760	413,784	12,740,195	19,282,400	9,862,664	(9,347,544)	27,574,866
Plan fiduciary net position - beginning	267,193,074	246,294,314	245,880,530	233,140,335	213,857,935	203,995,271	213,342,815	185,767,949
Plan fiduciary net position - ending (b)	<u>\$ 318,905,474</u>	<u>\$ 267,193,074</u>	<u>\$ 246,294,314</u>	<u>\$ 245,880,530</u>	<u>\$ 233,140,335</u>	<u>\$ 213,857,935</u>	<u>\$ 203,995,271</u>	<u>\$ 213,342,815</u>
PFP Net Pension Liability - Ending (a) - (b)	<u>\$ 39,668,345</u>	<u>\$ 75,894,676</u>	<u>\$ 78,814,894</u>	<u>\$ 50,560,130</u>	<u>\$ 51,898,337</u>	<u>\$ 57,736,287</u>	<u>\$ 57,738,452</u>	<u>\$ 52,772,132</u>
Plan fiduciary net position as a percentage of the total pension liability	88.94%	77.88%	75.76%	82.94%	81.79%	78.74%	77.94%	80.17%
Covered payroll	\$ 50,519,878	\$ 48,498,340	\$ 46,518,365	\$ 44,885,478	\$ 42,930,194	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
PFP net pension liability as a percentage of covered payroll	78.52%	156.49%	169.43%	112.64%	120.89%	136.23%	152.39%	138.48%

Note to schedule:

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

Changes of benefit and funding terms:

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

Changes in actuarial assumptions:

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2021

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

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

Note to Schedule:

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

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

Valuation date:	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015	8/31/2014	8/31/2013	8/31/2012
Methods and assumptions used to determine contribution rates:								
Actuarial cost method:	Entry Age Normal	Entry Age Normal	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, closed	30 years, level percent, closed	30 years, level percent, open	30 years, level percent, open
Remaining amortization period:	layered bases varying 18-25 years	layered bases varying 19-26 years	layered bases varying 20-27 years	28 years	29 years	30 years	30 years	30 years
Asset valuation method:	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation:	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%
Salary increases:	2.75% - 8.25%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	4.25% - 8.25%	4.25% - 8.25%
Investment rate of return:	7.45%	7.50%	7.50%	7.50%	6.40%	6.75%	7.50%	7.50%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Annual money-weighted rate of return, net of investment expense	21.93%	11.11%	2.24%	7.59%	11.25%	7.36%	-3.52%	16.67%	12.42%	5.47%

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2021

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

Measurement Period Ending August 31,

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 1,236,714	\$ 1,071,230	\$ 1,160,514	\$ 969,040
Interest	621,025	689,255	645,475	539,411
Differences between expected and actual experience	265,188	-	(231,632)	-
Effect of assumption changes or inputs	5,650,737	1,423,068	(1,475,337)	(1,133,914)
Benefit payments	(872,444)	(997,277)	(962,027)	(1,070,494)
Net change in total OPEB liability	6,901,220	2,186,276	(863,007)	(695,957)
Total OPEB liability - beginning	20,085,510	17,899,234	18,762,241	19,458,198
Total OPEB liability - ending	<u>\$ 26,986,730</u>	<u>\$ 20,085,510</u>	<u>\$ 17,899,234</u>	<u>\$ 18,762,241</u>
 Covered-employee payroll	 \$ 150,561,373	 \$ 145,528,734	 \$ 140,466,565	 \$ 138,350,403
Total OPEB liability as a percentage of covered-employee payroll	17.92%	13.80%	12.74%	13.56%

Notes to schedule:

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

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

Changes in actuarial assumptions:

- 8/31/20 valuation - The discount rate has changed from 3.16% to 2.11% due to a change in the municipal bond rate. The inflation rate has changed from 2.50% to 2.25% based on the most recent Lincoln Police and Fire Pension Plan experience study. The mortality assumption was updated to the Pub-2010 family of mortality tables. The Safety tables are used for the Police and Fire members and the General tables are used for the Civilian members. The retirement rates for the Police and Fire members were adjusted to service-based rates. The termination rates were adjusted to service-based rates. The disability rates for Civilians were reduced at most ages and combined for males and females. The percentage of members assumed to be married was updated from 100% to 90%. The trend rate assumption was adjusted to 7.00% in the first year, decreasing by 0.25% per year until an ultimate of 4.50% is reached in 2030.
- 8/31/19 valuation - The discount rate has changed from 3.96% to 3.16% due to a change in the municipal bond rate.
- 8/31/18 valuation - The discount rate has changed from 3.53% to 3.96% due to a change in the municipal bond rate. The trend rate assumption is now 7.25% decreasing by 0.25% per year until an ultimate rate of 4.75% is reached in 2028, which changed from 7.50% for 2017, decreasing by 0.50% per year for four years, then decreasing by 0.25% per year until an ultimate rate of 5.00% is reached in 2023.
- 8/31/17 valuation - The discount rate has changed from 2.85% to 3.53% due to a change in the municipal bond rate. due to a change in the municipal bond rate.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



GENERAL FUND COMBINING FUNDS

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
GENERAL FUND
AUGUST 31, 2021

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
ASSETS							
Cash and Cash Equivalents	\$ 31,491,925	191,558	671,125	1,073,188	53,677	1,192,573	34,674,046
Investments	59,698,435	652,526	2,263,332	3,635,501	182,707	4,030,745	70,463,246
Receivables:							
Taxes	4,068,918	-	-	-	72	-	4,068,990
Accounts	1,779,607	-	519	95,863	-	-	1,875,989
Accrued Interest	207,597	121	2,339	3,635	-	3,901	217,593
Due from Other Funds	5,918,893	-	4,497	-	-	-	5,923,390
Due from Other Funds (Inter-fund)	5,623	692	-	-	240	-	6,555
Due from Other Governments	17,163,309	-	64,394	-	-	-	17,227,703
Inventories	67,420	-	-	-	-	-	67,420
Prepaid Items	253,905	-	-	-	-	-	253,905
Total Assets	120,655,632	844,897	3,006,206	4,808,187	236,696	5,227,219	134,778,837
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	7,998,407	-	144,789	5,977	-	-	8,149,173
Accrued Liabilities	2,937,661	-	64,471	121,036	-	-	3,123,168
Due to Other Funds	7,849,798	-	1,931	-	-	-	7,851,729
Due to Other Funds (Inter-fund)	5,041	-	-	-	1,514	-	6,555
Due to Other Governments	79,816	-	3,332	26,846	-	-	109,994
Unearned Revenue	3,540	-	-	-	-	-	3,540
Total Liabilities	18,874,263	-	214,523	153,859	1,514	-	19,244,159
Deferred Inflows of Resources:							
Unavailable Revenues	2,748,808	-	63,076	84,884	71	-	2,896,839
Fund Balances:							
Nonspendable	321,325	-	-	-	-	-	321,325
Restricted	16,257,716	-	-	-	-	-	16,257,716
Assigned	2,351,551	844,897	2,728,607	4,569,444	235,111	5,227,219	15,956,829
Unassigned	80,101,969	-	-	-	-	-	80,101,969
Total Fund Balances	99,032,561	844,897	2,728,607	4,569,444	235,111	5,227,219	112,637,839
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 120,655,632	844,897	3,006,206	4,808,187	236,696	5,227,219	134,778,837

CITY OF LINCOLN, NEBRASKA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
Revenues							
Taxes:							
Property	\$ 54,589,741	-	-	-	634	-	54,590,375
Motor Vehicle	6,977,769	-	-	-	-	-	6,977,769
Sales and Use	90,010,201	-	-	-	-	-	90,010,201
Sundry and In Lieu	63,666	-	-	-	1	-	63,667
Occupation	6,119,306	-	-	-	-	-	6,119,306
Special Assessment	13,398	-	-	-	-	-	13,398
Intergovernmental	20,023,610	-	1,311,895	1,719,165	-	-	23,054,670
Permits and Fees	5,331,802	-	28,012	843,930	-	-	6,203,744
Reimbursement for Services	7,834,559	457,584	62,609	16,000	-	-	8,370,752
Investment Earnings (Loss)	761,959	63	(34)	457	-	2,037	764,482
Donations	702,326	-	-	-	-	-	702,326
Miscellaneous	748,832	7,712	10	-	-	-	756,554
Total Revenues	193,177,169	465,359	1,402,492	2,579,552	635	2,037	197,627,244
Expenditures							
Current:							
General Government	43,775,939	-	-	-	7,049	-	43,782,988
Public Safety	77,565,489	-	-	6,333,454	-	-	83,898,943
Streets and Highways	5,704,617	-	-	-	-	-	5,704,617
Culture and Recreation	16,007,003	-	-	-	-	-	16,007,003
Health and Welfare	396,625	-	3,253,318	-	-	-	3,649,943
Debt Service	80,554	-	-	-	-	-	80,554
Total Expenditures	143,530,227	-	3,253,318	6,333,454	7,049	-	153,124,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,646,942	465,359	(1,850,826)	(3,753,902)	(6,414)	2,037	44,503,196
Other Financing Sources (Uses):							
Transfers In	14,340,026	-	-	-	-	-	14,340,026
Transfers In (Inter-Fund)	189,042	-	2,227,405	5,154,503	-	-	7,570,950
Transfers Out	(23,181,292)	(677,247)	-	-	-	-	(23,858,539)
Transfers Out (Inter-Fund)	(7,570,950)	-	-	-	-	-	(7,570,950)
Issuance of Debt	5,990,000	-	-	-	-	-	5,990,000
Premium on Debt Issued	1,039,360	-	-	-	-	-	1,039,360
Sale of Capital Assets	7,140	-	8,300	-	-	-	15,440
Total Other Financing Sources (Uses)	(9,186,674)	(677,247)	2,235,705	5,154,503	-	-	(2,473,713)
Net Change In Fund Balances	40,460,268	(211,888)	384,879	1,400,601	(6,414)	2,037	42,029,483
Fund Balances - Beginning of Year, Before Restatement	56,733,311	1,056,785	2,343,728	3,168,843	241,525	5,225,182	68,769,374
Adjustment for Implementation of GASB 84	1,838,982	-	-	-	-	-	1,838,982
Fund Balances - Beginning of Year, After Restatement	58,572,293	1,056,785	2,343,728	3,168,843	241,525	5,225,182	70,608,356
Fund Balances - Ending	\$ 99,032,561	844,897	2,728,607	4,569,444	235,111	5,227,219	112,637,839



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 29,788,480	2,152,476	16,406,847	368,697	48,716,500
Investments	70,927,008	5,953,421	28,148,100	76,793,875	181,822,404
Receivables, (Net of Allowance for Uncollectibles)	21,588,173	2,936,673	28,003	1,569	24,554,418
Due from Other Funds	2,100,624	-	2,015,654	-	4,116,278
Due from Other Governments	4,868,196	87,794	3,697,504	-	8,653,494
Inventories	1,115,462	-	-	-	1,115,462
Beneficial Interest Asset	3,269,529	-	-	-	3,269,529
Total Assets	<u>133,657,472</u>	<u>11,130,364</u>	<u>50,296,108</u>	<u>77,164,141</u>	<u>272,248,085</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	2,352,810	5,521	2,160,684	121,766	4,640,781
Contracts Payable	-	-	586,880	-	586,880
Accrued Liabilities	1,870,350	-	-	-	1,870,350
Due to Other Funds	37,767,015	60,628	217,935	-	38,045,578
Due to Other Governments	314,369	-	-	-	314,369
Due to Other Contractors	-	1,563,368	-	-	1,563,368
Unearned Revenue	23,181,083	-	-	-	23,181,083
Total Liabilities	<u>65,485,627</u>	<u>1,629,517</u>	<u>2,965,499</u>	<u>121,766</u>	<u>70,202,409</u>
Deferred Inflows of Resources:					
Unavailable Revenues	2,776,929	1,855,160	24,585	-	4,656,674
Beneficial Interest Revenue	3,269,529	-	-	-	3,269,529
Total Deferred Inflows of Resources	<u>6,046,458</u>	<u>1,855,160</u>	<u>24,585</u>	<u>-</u>	<u>7,926,203</u>
Fund Balances (Deficits):					
Nonspendable	1,115,462	-	-	37,160,000	38,275,462
Restricted	42,338,254	7,439,764	47,306,024	39,882,375	136,966,417
Committed	309,043	205,923	-	-	514,966
Assigned	22,905,438	-	-	-	22,905,438
Unassigned	(4,542,810)	-	-	-	(4,542,810)
Total Fund Balances	<u>62,125,387</u>	<u>7,645,687</u>	<u>47,306,024</u>	<u>77,042,375</u>	<u>194,119,473</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 133,657,472</u>	<u>11,130,364</u>	<u>50,296,108</u>	<u>77,164,141</u>	<u>272,248,085</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 18,161,116	7,617,346	-	-	25,778,462
Wheel	9,942,281	-	9,942,281	-	19,884,562
Sales and Use	-	-	15,310,064	-	15,310,064
Turnback	-	1,453,709	-	-	1,453,709
Sundry and In Lieu	7,921	1,831	-	-	9,752
Occupation	-	1,487,500	-	-	1,487,500
Special Assessment	1,348	1,746,431	-	-	1,747,779
Intergovernmental	51,487,720	-	1,381,923	-	52,869,643
Permits and Fees	15,443,856	-	478,083	-	15,921,939
Reimbursement for Services	1,130,309	-	-	-	1,130,309
Program Income	43,297	-	-	-	43,297
Investment Earnings	804,384	3,783	100,905	13,544,701	14,453,773
Donations	536,578	-	2,306,766	1,000	2,844,344
Keno Proceeds	6,813,166	-	-	-	6,813,166
Private Sector Share of Projects	129,360	-	308,926	-	438,286
Miscellaneous	183,232	10,798	9,917	5,883	209,830
Total Revenues	104,684,568	12,321,398	29,838,865	13,551,584	160,396,415
EXPENDITURES					
Current:					
General Government	15,849,762	-	-	-	15,849,762
Public Safety	13,910,305	-	-	-	13,910,305
Streets and Highways	104	-	-	-	104
Culture and Recreation	12,158,392	-	-	3,083	12,161,475
Economic Opportunity	15,390,008	-	-	-	15,390,008
Health and Welfare	28,481,412	-	-	2,217,646	30,699,058
Mass Transit	22,913,739	-	-	-	22,913,739
Debt Service:					
Principal Retirement	-	12,058,363	-	-	12,058,363
Interest and Fiscal Charges	-	3,290,229	-	-	3,290,229
Developer Purchased TIF Payments	-	3,137,922	-	-	3,137,922
Miscellaneous	-	19,558	-	-	19,558
Capital Outlay	-	-	14,568,703	-	14,568,703
Total Expenditures	108,703,722	18,506,072	14,568,703	2,220,729	143,999,226
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,019,154)	(6,184,674)	15,270,162	11,330,855	16,397,189
OTHER FINANCING SOURCES (USES)					
Transfers In	18,469,108	9,067,697	7,644,291	-	35,181,096
Transfers Out	(13,827,218)	(2,151,981)	(15,484,583)	-	(31,463,782)
Issuance of Debt	-	-	8,090,890	-	8,090,890
Premium on Debt Issued	-	-	935,500	-	935,500
Sale of Capital Assets	911,324	-	-	-	911,324
Total Other Financing Sources (Uses)	5,553,214	6,915,716	1,186,098	-	13,655,028
Net Change in Fund Balances	1,534,060	731,042	16,456,260	11,330,855	30,052,217
Fund Balances - Beginning of the Year, Before Restatement	60,591,327	7,338,175	30,849,764	65,711,520	164,490,786
Adjustment for Implementation of GASB 84	-	(423,530)	-	-	(423,530)
Fund Balances - Beginning of the Year, After Restatement	60,591,327	6,914,645	30,849,764	65,711,520	164,067,256
Fund Balances - Ending	\$ 62,125,387	7,645,687	47,306,024	77,042,375	194,119,473

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2021

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran	Keno
ASSETS								
Cash and Cash Equivalents	\$ 773,692	65,351	975,911	1,605,583	2,503	-	1,857,319	1,449,406
Investments	2,613,832	216,265	3,288,730	5,406,643	11,186	-	-	4,914,451
Receivables, (Net of Allowance for Uncollectibles):								
Taxes	-	-	562,921	-	22,438	571,793	-	-
Accounts	-	28,358	-	45,771	-	-	5,860	586,345
Accrued Interest	826	-	2,253	4,446	-	-	2,021	-
Loans	-	-	-	-	-	-	-	-
Due from Other Funds	-	285	5,410	-	15	39,170	-	6,468
Due from Other Governments	-	-	652	-	-	-	79,234	-
Inventories	-	-	-	-	-	-	1,115,462	-
Beneficial Interest Asset	-	-	-	-	-	-	-	-
Total Assets	3,388,350	310,259	4,835,877	7,062,443	36,142	610,963	3,059,896	6,956,670
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	51	276	157,255	135,482	-	-	354,780	191,864
Accrued Liabilities	-	665	182,611	323,633	-	445,282	282,688	-
Due to Other Funds	-	-	127	34,917	13,846	-	5,285,662	58,608
Due to Other Governments	-	-	40,626	83,004	-	-	-	142,478
Unearned Revenue	-	-	-	-	-	-	93	-
Total Liabilities	51	941	380,619	577,036	13,846	445,282	5,923,223	392,950
Deferred Inflows of Resources:								
Unavailable Revenues	-	-	168,517	405	22,296	165,681	11,363	-
Beneficial Interest Revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	168,517	405	22,296	165,681	11,363	-
Fund Balances (Deficits):								
Nonspendable	-	-	-	-	-	-	1,115,462	-
Restricted	3,179,720	-	-	-	-	-	-	6,206,808
Committed	-	309,043	-	-	-	-	-	-
Assigned	208,579	275	4,286,741	6,485,002	-	-	122,835	356,912
Unassigned	-	-	-	-	-	-	(4,112,987)	-
Total Fund Balances (Deficits)	3,388,299	309,318	4,286,741	6,485,002	-	-	(2,874,690)	6,563,720
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,388,350	310,259	4,835,877	7,062,443	36,142	610,963	3,059,896	6,956,670

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
13,034,104	46,071	2,220,301	7,238,359	433,794	41,394	27,204	2,007	15,481	29,788,480
17,733,788	306,904	7,509,640	24,434,295	1,435,557	137,962	2,869,282	-	48,473	70,927,008
-	-	43,473	-	-	-	-	-	-	1,200,625
5,148	-	-	19,968	4,270	-	-	2,089	-	697,809
17,116	2,175	-	19,438	1,319	145	-	-	-	49,739
19,640,000	-	-	-	-	-	-	-	-	19,640,000
307	-	1,307,717	741,188	-	-	-	-	64	2,100,624
3,845,456	-	-	-	-	-	-	-	942,854	4,868,196
-	-	-	-	-	-	-	-	-	1,115,462
-	-	-	-	-	-	3,269,529	-	-	3,269,529
54,275,919	355,150	11,081,131	32,453,248	1,874,940	179,501	6,166,015	4,096	1,006,872	133,657,472
1,286,242	104,120	26,986	4,997	89,754	607	-	396	-	2,352,810
473,090	-	159,848	-	-	2,533	-	-	-	1,870,350
12,171	-	6,217	31,910,665	13,924	-	-	430,878	-	37,767,015
47,515	-	-	-	101	-	-	645	-	314,369
22,974,537	-	206,453	-	-	-	-	-	-	23,181,083
24,793,555	104,120	399,504	31,915,662	103,779	3,140	-	431,919	-	65,485,627
2,406,667	-	-	-	-	-	-	2,000	-	2,776,929
-	-	-	-	-	-	3,269,529	-	-	3,269,529
2,406,667	-	-	-	-	-	3,269,529	2,000	-	6,046,458
-	-	-	-	-	-	-	-	-	1,115,462
27,075,697	251,030	-	-	1,545,280	176,361	2,896,486	-	1,006,872	42,338,254
-	-	-	-	-	-	-	-	-	309,043
-	-	10,681,627	537,586	225,881	-	-	-	-	22,905,438
-	-	-	-	-	-	-	(429,823)	-	(4,542,810)
27,075,697	251,030	10,681,627	537,586	1,771,161	176,361	2,896,486	(429,823)	1,006,872	62,125,387
54,275,919	355,150	11,081,131	32,453,248	1,874,940	179,501	6,166,015	4,096	1,006,872	133,657,472

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran	Keno
Revenues:								
Real Property and								
Personal Property Tax	\$ -	-	8,872,155	-	103,893	9,185,068	-	-
Wheel Tax	-	-	-	-	-	-	-	-
Sundry and In Lieu Tax	-	-	3,984	-	41	3,896	-	-
Special Assessment	-	-	-	1,348	-	-	-	-
Intergovernmental	-	-	895,417	2,700,595	-	-	5,266,559	-
Permits and Fees	-	221,365	166,566	4,791,564	-	-	2,536,251	-
Reimbursement for Services	7,888	-	1,200	345,497	-	-	107,533	-
Program Income	-	-	-	-	-	-	-	-
Investment Earnings (Loss)	(1,876)	-	(4,731)	11,019	-	-	8,727	-
Donations	-	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-	6,813,166
Private Sector Share of Projects	-	-	-	-	-	-	-	-
Miscellaneous	-	-	25,410	283	-	-	123,589	-
Total Revenues	6,012	221,365	9,960,001	7,850,306	103,934	9,188,964	8,042,659	6,813,166
Expenditures -- Current:								
General Government	3,285	294,996	-	-	2,189,482	9,188,964	-	2,554,412
Public Safety	-	-	-	-	-	-	-	-
Streets and Highways	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	9,334,884	-	-	-	-	992,558
Economic Opportunity	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	14,311,394	-	-	-	-
Mass Transit	-	-	-	-	-	-	22,453,034	-
Total Expenditures	3,285	294,996	9,334,884	14,311,394	2,189,482	9,188,964	22,453,034	3,546,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,727	(73,631)	625,117	(6,461,088)	(2,085,548)	-	(14,410,375)	3,266,196
Other Financing Sources (Uses):								
Transfers In	-	-	91	7,634,526	-	-	7,528,747	-
Transfers Out	(767,469)	(9,979)	(90,832)	(38,530)	-	-	(88,212)	(2,707,604)
Sale of Capital Assets	902,627	-	-	-	-	-	8,500	-
Total Other Financing Sources (Uses)	135,158	(9,979)	(90,741)	7,595,996	-	-	7,449,035	(2,707,604)
Net Change In Fund Balances	137,885	(83,610)	534,376	1,134,908	(2,085,548)	-	(6,961,340)	558,592
Fund Balances (Deficits) - Beginning	3,250,414	392,928	3,752,365	5,350,094	2,085,548	-	4,086,650	6,005,128
Fund Balances (Deficits) - Ending	\$ 3,388,299	309,318	4,286,741	6,485,002	-	-	(2,874,690)	6,563,720

Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
-	-	-	-	-	-	-	-	-	18,161,116
-	-	-	-	-	-	-	-	9,942,281	9,942,281
-	-	-	-	-	-	-	-	-	7,921
-	-	-	-	-	-	-	-	-	1,348
42,614,049	-	-	-	11,100	-	-	-	-	51,487,720
164,668	-	7,315,793	247,649	-	-	-	-	-	15,443,856
349,564	-	161,221	-	111,730	-	-	45,676	-	1,130,309
43,297	-	-	-	-	-	-	-	-	43,297
13,869	5,446	36,775	(69,619)	(3,449)	224	807,999	-	-	804,384
27,317	-	-	-	297,893	103,368	-	108,000	-	536,578
-	-	-	-	-	-	-	-	-	6,813,166
-	-	-	-	129,360	-	-	-	-	129,360
5,665	-	144	-	28,067	-	-	74	-	183,232
43,218,429	5,446	7,513,933	178,030	574,701	103,592	807,999	153,750	9,942,281	104,684,568
363,698	1,219,295	-	35,630	-	-	-	-	-	15,849,762
5,453,899	-	8,456,406	-	-	-	-	-	-	13,910,305
-	-	-	-	-	-	-	-	104	104
416,453	-	-	-	1,328,519	85,978	-	-	-	12,158,392
15,390,008	-	-	-	-	-	-	-	-	15,390,008
14,170,018	-	-	-	-	-	-	-	-	28,481,412
216,947	-	-	-	-	-	-	243,758	-	22,913,739
36,011,023	1,219,295	8,456,406	35,630	1,328,519	85,978	-	243,758	104	108,703,722
7,207,406	(1,213,849)	(942,473)	142,400	(753,818)	17,614	807,999	(90,008)	9,942,177	(4,019,154)
858,602	1,123,185	1,323,957	-	-	-	-	-	-	18,469,108
(156,938)	3,174	(6,530)	-	(35,000)	-	-	-	(9,929,298)	(13,827,218)
-	-	197	-	-	-	-	-	-	911,324
701,664	1,126,359	1,317,624	-	(35,000)	-	-	-	(9,929,298)	5,553,214
7,909,070	(87,490)	375,151	142,400	(788,818)	17,614	807,999	(90,008)	12,879	1,534,060
19,166,627	338,520	10,306,476	395,186	2,559,979	158,747	2,088,487	(339,815)	993,993	60,591,327
27,075,697	251,030	10,681,627	537,586	1,771,161	176,361	2,896,486	(429,823)	1,006,872	62,125,387



NONMAJOR DEBT SERVICE FUNDS

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

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

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

- 2010 Certificates of Participation – Street Lights & Emergency Equipment
- 2011 Stormwater Bonds
- 2011 General Obligation Refunding Bonds
- 2011B Certificates of Participation – Street Lights
- 2012 General Obligation Refunding Bonds
- 2012 Certificates of Participation – Street Lights
- 2013 Stormwater Bonds
- 2014A Certificates of Participation – Street Lights, Corridor Improvements, Sidewalks
- 2015 Storm Sewer and Drainage System Refunding Bonds
- 2015 Certificates of Participation – Street Lights
- 2016 Stormwater Bonds
- 2016 Certificates of Participation – Street Lights, Fire Equipment, and Fire Station
- 2017 Stormwater Refunding Bonds
- 2017 Certificates of Participation – Street Lights
- 2019 Stormwater Drainage and Flood Management System Bonds
- 2019 Certificates of Participation – Street Lights
- 2020 Stormwater Refunding Bonds
- 2021 Certificate of Participation – Street Lights

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

Highway Allocation Debt Fund - To accumulate resources for payment of principal and interest on the Highway Allocation Refunding Bonds, Series 2012, Series 2016, and Series 2021. For the prompt payment of principal of and interest on the bonds, the City has pledged funds received and to be received by the City from the State Highway Allocation Fund as authorized under Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

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

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

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

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AUGUST 31, 2021

	<u>Tax Allocation Projects</u>	<u>Bond Interest & Redemption</u>	<u>Tax Supported Bonds</u>	<u>Special Assessment</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 639,882	728,931	411,908	371,755	2,152,476
Investments	2,176,229	2,475,869	1,301,323	-	5,953,421
Receivables (Net of Allowance for Uncollectibles):					
Taxes	494,342	273,603	-	-	767,945
Accounts	-	-	132,724	-	132,724
Accrued Interest	2,082	1,742	1,723	-	5,547
Special Assessment	-	-	-	2,030,457	2,030,457
Due from Other Governments	-	295	-	87,499	87,794
Total Assets	<u>3,312,535</u>	<u>3,480,440</u>	<u>1,847,678</u>	<u>2,489,711</u>	<u>11,130,364</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	4,273	1,248	-	-	5,521
Due to Other Funds	-	57,998	2,630	-	60,628
Due to Other Contractors	780,381	-	782,987	-	1,563,368
Total Liabilities	<u>784,654</u>	<u>59,246</u>	<u>785,617</u>	<u>-</u>	<u>1,629,517</u>
Deferred Inflows of Resources:					
Unavailable Revenues	-	95,282	-	1,759,878	1,855,160
Fund Balances:					
Restricted	2,321,958	3,325,912	1,062,061	729,833	7,439,764
Committed	205,923	-	-	-	205,923
Total Fund Balances	<u>2,527,881</u>	<u>3,325,912</u>	<u>1,062,061</u>	<u>729,833</u>	<u>7,645,687</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,312,535</u>	<u>3,480,440</u>	<u>1,847,678</u>	<u>2,489,711</u>	<u>11,130,364</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, 2021

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 3,581,158	4,036,188	-	-	7,617,346
Turnback Tax	-	-	1,453,709	-	1,453,709
Sundry and In Lieu Tax	-	1,831	-	-	1,831
Occupation Tax	-	-	1,487,500	-	1,487,500
Special Assessment	-	-	-	1,627,790	1,627,790
Special Assessment Interest	-	-	-	118,641	118,641
Investment Earnings	1,120	1,260	1,403	-	3,783
Miscellaneous	10,798	-	-	-	10,798
Total Revenues	<u>3,593,076</u>	<u>4,039,279</u>	<u>2,942,612</u>	<u>1,746,431</u>	<u>12,321,398</u>
Expenditures -- Debt Service:					
Principal Retirement	653,378	2,994,985	5,200,000	195,000	9,043,363
Interest	100,832	1,181,306	1,277,344	86,162	2,645,644
Fiscal Charges	350	14,265	1,400	800	16,815
Capital Lease Principal	-	3,015,000	-	-	3,015,000
Capital Lease Interest	-	627,770	-	-	627,770
Developer Purchased TIF Payments	1,650,230	-	1,487,692	-	3,137,922
Miscellaneous	16,558	3,000	-	-	19,558
Total Expenditures	<u>2,421,348</u>	<u>7,836,326</u>	<u>7,966,436</u>	<u>281,962</u>	<u>18,506,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,171,728</u>	<u>(3,797,047)</u>	<u>(5,023,824)</u>	<u>1,464,469</u>	<u>(6,184,674)</u>
Other Financing Sources (Uses):					
Transfers In	406,401	3,743,721	4,917,575	-	9,067,697
Transfers Out	(1,074,717)	-	-	(1,077,264)	(2,151,981)
Total Other Financing Sources (Uses)	<u>(668,316)</u>	<u>3,743,721</u>	<u>4,917,575</u>	<u>(1,077,264)</u>	<u>6,915,716</u>
Net Change in Fund Balances	<u>503,412</u>	<u>(53,326)</u>	<u>(106,249)</u>	<u>387,205</u>	<u>731,042</u>
Fund Balances - Beginning of the Year, Before Restatement	2,447,999	3,379,238	1,168,310	342,628	7,338,175
Adjustment for Implementation of GASB 84	<u>(423,530)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(423,530)</u>
Fund Balances - Beginning of the Year, After Restatement	<u>2,024,469</u>	<u>3,379,238</u>	<u>1,168,310</u>	<u>342,628</u>	<u>6,914,645</u>
Fund Balances - Ending	<u>\$ 2,527,881</u>	<u>3,325,912</u>	<u>1,062,061</u>	<u>729,833</u>	<u>7,645,687</u>



NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AUGUST 31, 2021

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Special Assessment	Total
ASSETS						
Cash and Cash Equivalents	\$ 4,877,934	19,626	2,169,242	9,336,871	3,174	16,406,847
Investments	16,514,496	67,117	7,341,848	4,224,639	-	28,148,100
Accrued Interest Receivable	16,508	-	7,252	4,243	-	28,003
Due from Other Funds	-	88	-	2,015,566	-	2,015,654
Due from Other Governments	2,730,065	942,854	24,585	-	-	3,697,504
Total Assets	<u>24,139,003</u>	<u>1,029,685</u>	<u>9,542,927</u>	<u>15,581,319</u>	<u>3,174</u>	<u>50,296,108</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	227,472	-	358,370	1,574,842	-	2,160,684
Contracts Payable	-	-	19,035	564,671	3,174	586,880
Due to Other Funds	-	-	2,499	215,436	-	217,935
Total Liabilities	<u>227,472</u>	<u>-</u>	<u>379,904</u>	<u>2,354,949</u>	<u>3,174</u>	<u>2,965,499</u>
Deferred Inflows of Resources:						
Unavailable Revenues	<u>-</u>	<u>-</u>	<u>24,585</u>	<u>-</u>	<u>-</u>	<u>24,585</u>
Fund Balances:						
Restricted	<u>23,911,531</u>	<u>1,029,685</u>	<u>9,138,438</u>	<u>13,226,370</u>	<u>-</u>	<u>47,306,024</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,139,003</u>	<u>1,029,685</u>	<u>9,542,927</u>	<u>15,581,319</u>	<u>3,174</u>	<u>50,296,108</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, 2021

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Special Assessment	Total
Revenues:						
Wheel Tax	\$ -	9,942,281	-	-	-	9,942,281
Sales and Use Tax	15,310,064	-	-	-	-	15,310,064
Intergovernmental	-	-	1,028,138	353,785	-	1,381,923
Permits and Fees	-	-	-	478,083	-	478,083
Investment Income (Loss)	103,067	-	513	(2,675)	-	100,905
Donations	-	-	-	2,306,766	-	2,306,766
Rental Income	-	-	-	2,500	-	2,500
Developer's Share	-	-	(138,013)	446,939	-	308,926
Miscellaneous	-	-	-	7,417	-	7,417
Total Revenues	<u>15,413,131</u>	<u>9,942,281</u>	<u>890,638</u>	<u>3,592,815</u>	<u>-</u>	<u>29,838,865</u>
Expenditures:						
Capital Outlay:						
General Government	-	-	-	38,850	-	38,850
Public Safety	-	-	-	5,174,023	-	5,174,023
Streets and Highways	227,472	104	2,299,857	32,063	-	2,559,496
Culture and Recreation	-	-	-	5,899,506	-	5,899,506
Economic Opportunity	-	-	-	822,188	-	822,188
Health & Welfare	-	-	-	74,640	-	74,640
Total Expenditures	<u>227,472</u>	<u>104</u>	<u>2,299,857</u>	<u>12,041,270</u>	<u>-</u>	<u>14,568,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,185,659</u>	<u>9,942,177</u>	<u>(1,409,219)</u>	<u>(8,448,455)</u>	<u>-</u>	<u>15,270,162</u>
Other Financing Sources (Uses):						
Transfers In	-	-	766,793	6,831,577	45,921	7,644,291
Transfers Out	(3,745,000)	(9,924,298)	(1,064,396)	(704,968)	(45,921)	(15,484,583)
Issuance of Debt	-	-	-	8,090,890	-	8,090,890
Premium on Debt Issued	-	-	-	935,500	-	935,500
Total Other Financing Sources (Uses)	<u>(3,745,000)</u>	<u>(9,924,298)</u>	<u>(297,603)</u>	<u>15,152,999</u>	<u>-</u>	<u>1,186,098</u>
Net Change in Fund Balances	11,440,659	17,879	(1,706,822)	6,704,544	-	16,456,260
Fund Balances - Beginning	<u>12,470,872</u>	<u>1,011,806</u>	<u>10,845,260</u>	<u>6,521,826</u>	<u>-</u>	<u>30,849,764</u>
Fund Balances - Ending	<u>\$ 23,911,531</u>	<u>1,029,685</u>	<u>9,138,438</u>	<u>13,226,370</u>	<u>-</u>	<u>47,306,024</u>



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, 2021

	Community Health Permanent Endowment	JJ Hompes	Total
ASSETS			
Cash and Cash Equivalents	\$ 332,746	35,951	368,697
Investments	75,481,866	1,312,009	76,793,875
Accrued Interest Receivable	1,507	62	1,569
Total Assets	<u>75,816,119</u>	<u>1,348,022</u>	<u>77,164,141</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	120,145	1,621	121,766
Total Liabilities	<u>120,145</u>	<u>1,621</u>	<u>121,766</u>
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	38,695,974	1,186,401	39,882,375
Total Fund Balances	<u>75,695,974</u>	<u>1,346,401</u>	<u>77,042,375</u>
Total Liabilities and Fund Balances	<u>\$ 75,816,119</u>	<u>1,348,022</u>	<u>77,164,141</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Community Health Permanent Endowment	JJ Hompes	Total
Revenues:			
Investment Earnings	\$ 13,275,516	269,185	13,544,701
Donations	1,000	-	1,000
Miscellaneous	5,883	-	5,883
Total Revenues	<u>13,282,399</u>	<u>269,185</u>	<u>13,551,584</u>
Expenditures -- Current:			
Culture and Recreation	-	3,083	3,083
Health and Welfare	<u>2,217,646</u>	<u>-</u>	<u>2,217,646</u>
Total Expenditures	<u>2,217,646</u>	<u>3,083</u>	<u>2,220,729</u>
Net Change in Fund Balances	11,064,753	266,102	11,330,855
Fund Balances - Beginning	<u>64,631,221</u>	<u>1,080,299</u>	<u>65,711,520</u>
Fund Balances - Ending	<u>\$ 75,695,974</u>	<u>1,346,401</u>	<u>77,042,375</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ -	-	622	622
Rental Income	375,697	375,697	493,954	118,257
Miscellaneous	-	-	7,712	7,712
Total Revenues	<u>375,697</u>	<u>375,697</u>	<u>502,288</u>	<u>126,591</u>
Other Financing Uses:				
Transfers Out	<u>(1,132,308)</u>	<u>(1,132,308)</u>	<u>(677,247)</u>	<u>455,061</u>
Net Change in Fund Balances	<u>\$ (756,611)</u>	<u>(756,611)</u>	<u>(174,959)</u>	<u>581,652</u>
Fund Balance - Beginning			<u>1,019,701</u>	
Fund Balance - Ending			<u>\$ 844,742</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (174,959)	
Revenue and Transfer Accruals			<u>(36,929)</u>	
Net Change in Fund Balance, GAAP Basis			(211,888)	
Fund Balance - Beginning, GAAP Basis			<u>1,056,785</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 844,897</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,286,918	1,286,918	1,348,693	61,775
Permits and Fees	50,300	50,300	25,781	(24,519)
Client Contributions	123,300	123,300	64,299	(59,001)
Investment Earnings	14,400	14,400	8,553	(5,847)
Donations	87,500	87,500	-	(87,500)
Miscellaneous	-	-	135	135
Total Revenues	<u>1,562,418</u>	<u>1,562,418</u>	<u>1,447,461</u>	<u>(114,957)</u>
Expenditures -- Health and Welfare:				
Personal Services	2,613,850	2,628,537	2,137,171	491,366
Materials and Supplies	215,508	215,508	62,679	152,829
Other Services and Charges	2,199,195	2,199,195	928,169	1,271,026
Capital Outlay	<u>16,500</u>	<u>16,500</u>	<u>46,357</u>	<u>(29,857)</u>
Total Expenditures	<u>5,045,053</u>	<u>5,059,740</u>	<u>3,174,376</u>	<u>1,885,364</u>
Deficiency of Revenues Under Expenditures	(3,482,635)	(3,497,322)	(1,726,915)	1,770,407
Other Financing Sources:				
Transfers In	2,212,718	2,212,718	2,227,405	14,687
Transfers Out	-	(100,000)	-	100,000
Sale of Capital Assets	-	-	8,300	8,300
Total Other Financing Sources	<u>2,212,718</u>	<u>2,112,718</u>	<u>2,235,705</u>	<u>122,987</u>
Net Change in Fund Balances	<u>\$ (1,269,917)</u>	<u>(1,384,604)</u>	<u>508,790</u>	<u>1,893,394</u>
Fund Balance - Beginning			<u>2,363,693</u>	
Fund Balance - Ending			<u>\$ 2,872,483</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 508,790	
Revenue and Transfer Accruals			(44,969)	
Expenditure and Transfer Accruals			<u>(78,942)</u>	
Net Change in Fund Balance, GAAP Basis			384,879	
Fund Balance - Beginning, GAAP Basis			<u>2,343,728</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,728,607</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 373,477	373,477	1,719,165	1,345,688
Permits and Fees	720,000	720,000	950,182	230,182
Reimbursement for Services	-	-	16,000	16,000
Investment Earnings	-	-	9,891	9,891
Total Revenues	<u>1,093,477</u>	<u>1,093,477</u>	<u>2,695,238</u>	<u>1,601,761</u>
Expenditures -- Public Safety:				
Personal Services	5,182,247	5,207,740	5,080,443	127,297
Materials and Supplies	47,300	47,300	5,978	41,322
Other Services and Charges	1,343,330	2,349,030	1,240,524	1,108,506
Capital Outlay	246,979	246,979	6,389	240,590
Total Expenditures	<u>6,819,856</u>	<u>7,851,049</u>	<u>6,333,334</u>	<u>1,517,715</u>
Deficiency of Revenues Under Expenditures	<u>(5,726,379)</u>	<u>(6,757,572)</u>	<u>(3,638,096)</u>	<u>3,119,476</u>
Other Financing Sources:				
Transfers In	<u>5,221,151</u>	<u>5,221,151</u>	<u>5,154,503</u>	<u>(66,648)</u>
Net Change in Fund Balances	<u>\$ (505,228)</u>	<u>(1,536,421)</u>	<u>1,516,407</u>	<u>3,052,828</u>
Fund Balance - Beginning			<u>3,229,040</u>	
Fund Balance - Ending			<u>\$ 4,745,447</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,516,407	
Revenue and Transfer Accruals			(115,687)	
Expenditure and Transfer Accruals			<u>(119)</u>	
Net Change in Fund Balance, GAAP Basis			1,400,601	
Fund Balance - Beginning, GAAP Basis			<u>3,168,843</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 4,569,444</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 50,000	50,000	3,982	(46,018)
Sundry Taxes and In Lieu	-	-	4	4
Total Revenues	50,000	50,000	3,986	(46,014)
Expenditures -- General Government:				
Personal Services	-	-	14,163	(14,163)
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	50,000	(10,177)	(31,851)
Other Financing Sources:				
Transfers Out	(50,000)	(50,000)	-	50,000
Net Change in Fund Balances	\$ -	-	(10,177)	(10,177)
Fund Balance - Beginning			245,288	
Fund Balance - Ending			\$ 235,111	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (10,177)	
Revenue and Transfer Accruals			(3,351)	
Expenditure Accruals			7,114	
Net Change in Fund Balance, GAAP Basis			(6,414)	
Fund Balance - Beginning, GAAP Basis			241,525	
Fund Balance - Ending, GAAP Basis			\$ 235,111	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 224,000	224,000	196,622	(27,378)
Expenditures -- General Government:				
Personal Services	27,676	27,676	27,608	68
Materials and Supplies	3,500	3,500	4	3,496
Other Services and Charges	65,964	65,964	36,601	29,363
Capital Outlay	250,000	250,000	230,433	19,567
Total Expenditures	347,140	347,140	294,646	52,494
Deficiency of Revenues Under Expenditures	(123,140)	(123,140)	(98,024)	25,116
Other Financing Sources:				
Transfers Out	-	-	(9,979)	(9,979)
Net Change in Fund Balances	\$ (123,140)	(123,140)	(108,003)	15,137
Fund Balance - Beginning			390,148	
Fund Balance - Ending			\$ 282,145	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (108,003)	
Revenue and Transfer Accruals			24,743	
Expenditure and Transfer Accruals			(350)	
Net Change in Fund Balance, GAAP Basis			(83,610)	
Fund Balance - Beginning, GAAP Basis			392,928	
Fund Balance - Ending, GAAP Basis			\$ 309,318	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 8,694,956	8,694,956	9,024,475	329,519
Sundry Taxes and In Lieu	5,000	5,000	3,854	(1,146)
Intergovernmental	888,354	888,354	895,417	7,063
Permits and Fees	175,000	175,000	166,962	(8,038)
Investment Earnings	9,500	9,500	3,440	(6,060)
Rental Income	1,200	1,200	1,200	-
Miscellaneous	29,800	29,800	25,665	(4,135)
Total Revenues	<u>9,803,810</u>	<u>9,803,810</u>	<u>10,121,013</u>	<u>317,203</u>
Expenditures -- Culture and Recreation:				
Personal Services	7,279,994	7,179,994	6,891,365	288,629
Materials and Supplies	161,000	161,000	130,201	30,799
Other Services and Charges	2,443,990	2,943,990	1,309,846	1,634,144
Capital Outlay	863,000	863,000	867,278	(4,278)
Total Expenditures	<u>10,747,984</u>	<u>11,147,984</u>	<u>9,198,690</u>	<u>1,949,294</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(944,174)	(1,344,174)	922,323	2,266,497
Other Financing Sources (Uses):				
Transfers In			91	91
Transfers Out	-	-	(90,832)	(90,832)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(90,741)</u>	<u>(90,741)</u>
Net Change in Fund Balances	<u>\$ (944,174)</u>	<u>(1,344,174)</u>	831,582	<u>2,175,756</u>
Fund Balance - Beginning			<u>3,481,917</u>	
Fund Balance - Ending			<u>\$ 4,313,500</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 831,582	
Revenue and Transfer Accruals			(161,012)	
Expenditure and Transfer Accruals			<u>(136,194)</u>	
Net Change in Fund Balance, GAAP Basis			534,376	
Fund Balance - Beginning, GAAP Basis			<u>3,752,365</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 4,286,741</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN/LANCASTER COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special Assessment	\$ 1,000	1,000	1,348	348
Intergovernmental	2,705,102	2,705,105	2,700,684	(4,421)
Permits and Fees	5,016,354	5,016,354	4,793,813	(222,541)
Reimbursement for Services	645,267	645,267	339,801	(305,466)
Investment Earnings	30,900	30,900	26,531	(4,369)
Miscellaneous	-	-	283	283
Total Revenues	<u>8,398,623</u>	<u>8,398,626</u>	<u>7,862,460</u>	<u>(536,166)</u>
Expenditures -- Health and Welfare:				
Personal Services	11,623,391	11,616,157	10,550,688	1,065,469
Materials and Supplies	340,575	340,575	285,215	55,360
Other Services and Charges	5,321,678	5,321,678	3,264,842	2,056,836
Capital Outlay	<u>211,307</u>	<u>226,307</u>	<u>20,237</u>	<u>206,070</u>
Total Expenditures	<u>17,496,951</u>	<u>17,504,717</u>	<u>14,120,982</u>	<u>3,383,735</u>
Deficiency of Revenues Under Expenditures	<u>(9,098,328)</u>	<u>(9,106,091)</u>	<u>(6,258,522)</u>	<u>2,847,569</u>
Other Financing Sources (Uses):				
Transfers In	7,540,041	7,540,043	7,634,526	94,483
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(38,530)</u>	<u>1,470</u>
Total Other Financing Sources (Uses)	<u>7,500,041</u>	<u>7,500,043</u>	<u>7,595,996</u>	<u>95,953</u>
Net Change in Fund Balances	<u>\$ (1,598,287)</u>	<u>(1,606,048)</u>	<u>1,337,474</u>	<u>2,943,522</u>
Fund Balance - Beginning			<u>5,682,332</u>	
Fund Balance - Ending			<u>\$ 7,019,806</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,337,474	
Revenue and Transfer Accruals			(12,154)	
Expenditure and Transfer Accruals			<u>(190,412)</u>	
Net Change in Fund Balance, GAAP Basis			1,134,908	
Fund Balance - Beginning, GAAP Basis			<u>5,350,094</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 6,485,002</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 220,000	220,000	286,946	66,946
Sundry Taxes and In Lieu	-	-	216	216
Total Revenues	<u>220,000</u>	<u>220,000</u>	<u>287,162</u>	<u>67,162</u>
Expenditures -- General Government:				
Personal Services	-	-	2,572,078	(2,572,078)
Other Services and Charges	-	-	8,237	(8,237)
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,580,315</u>	<u>(2,580,315)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	220,000	220,000	(2,293,153)	(2,513,153)
Other Financing Sources:				
Transfers Out	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>	<u>220,000</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>(2,293,153)</u>	<u>(2,293,153)</u>
Fund Balance - Beginning			<u>2,293,012</u>	
Fund Balance - Ending			<u>\$ (141)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (2,293,153)	
Revenue and Transfer Accruals			(183,228)	
Expenditure and Transfer Accruals			<u>390,833</u>	
Net Change in Fund Balance, GAAP Basis			(2,085,548)	
Fund Balance - Beginning, GAAP Basis			<u>2,085,548</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ -</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 2,955,291	2,955,291	2,665,755	(289,536)
Permits and Fees	3,020,001	3,020,001	2,151,926	(868,075)
Reimbursement for Services	140,000	140,000	112,947	(27,053)
Miscellaneous	158,000	158,000	118,911	(39,089)
Total Revenues	<u>6,273,292</u>	<u>6,273,292</u>	<u>5,049,539</u>	<u>(1,223,753)</u>
Expenditures -- Mass Transit:				
Personal Services	10,851,378	10,851,378	10,026,003	825,375
Materials and Supplies	1,456,597	1,456,597	1,577,392	(120,795)
Other Services and Charges	1,987,811	1,987,811	1,054,599	933,212
Capital Outlay	-	-	512	(512)
Total Expenditures	<u>14,295,786</u>	<u>14,295,786</u>	<u>12,658,506</u>	<u>1,637,280</u>
Deficiency of Revenues Under Expenditures	(8,022,494)	(8,022,494)	(7,608,967)	413,527
Other Financing Sources (Uses):				
Transfers In	7,506,580	7,506,580	7,528,747	22,167
Transfers Out	-	-	(24,138)	(24,138)
Sale of Assets	-	-	8,500	8,500
Total Other Financing Sources (Uses)	<u>7,506,580</u>	<u>7,506,580</u>	<u>7,513,109</u>	<u>6,529</u>
Net Change in Fund Balances	<u>\$ (515,914)</u>	<u>(515,914)</u>	<u>(95,858)</u>	<u>420,056</u>
Amount Budgeted on Project Basis			(7,751,611)	
Fund Balance - Beginning			<u>2,631,287</u>	
Fund Balance - Ending			<u>\$ (5,216,182)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (95,858)	
Revenue and Transfer Accruals			878,378	
Expenditure and Transfer Accruals			7,751	
Amount Budgeted on Project Basis			<u>(7,751,611)</u>	
Net Change in Fund Balance, GAAP Basis			(6,961,340)	
Fund Balance - Beginning, GAAP Basis			<u>4,086,650</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ (2,874,690)</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Keno Proceeds	\$ 5,579,765	5,579,765	6,746,566	1,166,801
Expenditures:				
General Government:				
Other Services and Charges	2,046,578	2,046,578	2,444,572	(397,994)
Culture and Recreation:				
Materials and Supplies	-	-	3,578	(3,578)
Other Services and Charges	35,000	35,000	-	35,000
Capital Outlay	1,188,389	1,188,389	955,215	233,174
Total Expenditures	3,269,967	3,269,967	3,403,365	(133,398)
Excess of Revenues Over Expenditures	2,309,798	2,309,798	3,343,201	1,033,403
Other Financing Uses:				
Transfers Out	(6,293,435)	(7,093,435)	(2,697,913)	4,395,522
Net Change in Fund Balances	\$ (3,983,637)	(4,783,637)	645,288	1,033,403
Fund Balance - Beginning			5,725,038	
Fund Balance - Ending			\$ 6,370,326	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 645,288	
Revenue and Transfer Accruals			66,600	
Expenditure and Transfer Accruals			(153,296)	
Net Change in Fund Balance, GAAP Basis			558,592	
Fund Balance - Beginning, GAAP Basis			6,005,128	
Fund Balance - Ending, GAAP Basis			\$ 6,563,720	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 65,082,498	65,082,498	65,675,731	593,233
Permits and Fees	164,541	164,541	164,541	-
Reimbursement for Services	351,532	351,532	351,532	-
Program Income	1,459,393	1,459,393	1,716,297	256,904
Investment Earnings (Loss)	(3,872)	(3,872)	(3,843)	29
Donations	27,317	27,317	27,317	-
Miscellaneous	5,665	5,665	5,665	-
Total Revenues	67,087,074	67,087,074	67,937,240	850,166
Expenditures:				
General Government:				
Other Services and Charges	439,649	439,649	439,649	-
Capital Outlay	1,779	1,779	1,779	-
Total General Government	441,428	441,428	441,428	-
Public Safety:				
Personal Services	2,762,860	2,762,860	2,762,860	-
Materials and Supplies	233,787	233,787	233,787	-
Other Services and Charges	1,558,961	1,558,961	1,558,961	-
Capital Outlay	688,296	688,296	688,296	-
Total Public Safety	5,243,904	5,243,904	5,243,904	-
Culture and Recreation:				
Personal Services	201,028	201,028	201,028	-
Materials and Supplies	37,964	37,964	37,964	-
Other Services and Charges	35,022	35,022	35,022	-
Capital Outlay	81,195	81,195	81,195	-
Total Culture and Recreation	355,209	355,209	355,209	-
Economic Opportunity:				
Personal Services	1,221,995	1,269,260	1,254,923	14,337
Materials and Supplies	3,185	3,185	2,046	1,139
Other Services and Charges	2,310,907	2,553,609	1,816,049	737,560
Capital Outlay	47,539	452,070	51,004	401,066
Loans and Grants	12,375,202	15,229,526	13,648,803	1,580,723
Total Economic Opportunity	15,958,828	19,507,650	16,772,825	2,734,825

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Health and Welfare:				
Personal Services	9,065,944	9,065,944	9,065,944	-
Materials and Supplies	1,356,821	1,356,821	1,356,821	-
Other Services and Charges	3,127,773	3,127,773	3,127,773	-
Capital Outlay	177,226	177,226	177,226	-
Loans and Grants	490,183	490,183	490,183	-
Total Health and Welfare	<u>14,217,947</u>	<u>14,217,947</u>	<u>14,217,947</u>	<u>-</u>
Mass Transit:				
Personal Services	<u>208,517</u>	<u>208,517</u>	<u>208,517</u>	<u>-</u>
Total Expenditures	<u>36,425,833</u>	<u>39,974,655</u>	<u>37,239,830</u>	<u>2,734,825</u>
Excess of Revenues Over Expenditures	<u>30,661,241</u>	<u>27,112,419</u>	<u>30,697,410</u>	<u>3,584,991</u>
Other Financing Sources (Uses):				
Transfers In	871,339	871,339	858,370	(12,969)
Transfers Out	<u>(324,068)</u>	<u>(324,068)</u>	<u>(156,938)</u>	<u>167,130</u>
Total Other Financing Sources (Uses)	<u>547,271</u>	<u>547,271</u>	<u>701,432</u>	<u>154,161</u>
Net Change in Fund Balances	<u>\$ 31,208,512</u>	<u>27,659,690</u>	31,398,842	<u>3,739,152</u>
Fund Balance - Beginning			(998,632)	
Fund Balance - Ending			<u>\$ 30,400,210</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 31,398,842	
Revenue and Transfer Accruals			(24,718,580)	
Expenditure and Transfer Accruals			<u>1,228,808</u>	
Net Change in Fund Balance, GAAP Basis			7,909,070	
Fund Balance - Beginning, GAAP Basis			<u>19,166,627</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 27,075,697</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 6,143,763	6,143,763	7,316,869	1,173,106
Reimbursement for Services	136,207	136,207	161,113	24,906
Investment Earnings	-	-	37,062	37,062
Miscellaneous	332	332	144	(188)
Total Revenues	<u>6,280,302</u>	<u>6,280,302</u>	<u>7,515,188</u>	<u>1,234,886</u>
Expenditures -- Public Safety:				
Personal Services	6,209,109	6,211,715	5,978,820	232,895
Materials and Supplies	86,434	86,434	37,557	48,877
Other Services and Charges	2,022,108	2,022,108	1,900,637	121,471
Capital Outlay	530,250	530,250	458,815	71,435
Total Expenditures	<u>8,847,901</u>	<u>8,850,507</u>	<u>8,375,829</u>	<u>474,678</u>
Deficiency of Revenue Under Expenditures	(2,567,599)	(2,570,205)	(860,641)	1,709,564
Other Financing Sources (Uses):				
Transfers In	1,421,351	1,421,351	1,323,957	(97,394)
Transfers Out	-	-	(6,530)	(6,530)
Sale of Capital Assets	-	-	198	198
Total Other Financing Sources (Uses)	<u>1,421,351</u>	<u>1,421,351</u>	<u>1,317,625</u>	<u>(103,726)</u>
Net Change in Fund Balances	<u>\$ (1,146,248)</u>	<u>(1,148,854)</u>	456,984	<u>1,605,838</u>
Fund Balance - Beginning			<u>10,484,033</u>	
Fund Balance - Ending			<u>\$ 10,941,017</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 456,984	
Revenue and Transfer Accruals			(1,255)	
Expenditure and Transfer Accruals			<u>(80,578)</u>	
Net Change in Fund Balance, GAAP Basis			375,151	
Fund Balance - Beginning, GAAP Basis			<u>10,306,476</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 10,681,627</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Investment Earnings	\$ -	-	826	826
Donations	112,646	112,646	103,368	(9,278)
Total Revenues	112,646	112,646	104,194	(8,452)
Expenditures -- Culture and Recreation:				
Personal Services	98,947	98,947	80,605	18,342
Other Services and Charges	250	250	-	250
Capital Outlay	10,000	10,000	4,993	5,007
Total Expenditures	109,197	109,197	85,598	23,599
Net Change in Fund Balance	\$ 3,449	3,449	18,596	15,147
Fund Balance - Beginning			161,042	
Fund Balance - Ending			\$ 179,638	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 18,596	
Revenue and Transfer Accruals			(602)	
Expenditure and Transfer Accruals			(380)	
Net Change in Fund Balance, GAAP Basis			17,614	
Fund Balance - Beginning, GAAP Basis			158,747	
Fund Balance - Ending, GAAP Basis			\$ 176,361	

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Donations	\$ 200,000	200,000	108,000	(92,000)
Rental Income	55,000	55,000	44,626	(10,374)
Miscellaneous	-	-	74	74
Total Revenues	<u>255,000</u>	<u>255,000</u>	<u>152,700</u>	<u>(102,300)</u>
Expenditures -- Mass Transit:				
Other Services and Charges	356,000	356,000	310,956	45,044
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>406,000</u>	<u>406,000</u>	<u>310,956</u>	<u>95,044</u>
Net Change in Fund Balances	<u>\$ (151,000)</u>	<u>(151,000)</u>	(158,256)	<u>(7,256)</u>
Fund Balance - Beginning			<u>(273,266)</u>	
Fund Balance - Ending			<u>\$ (431,522)</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (158,256)	
Revenue and Transfer Accruals			1,050	
Expenditure and Transfer Accruals			<u>67,198</u>	
Net Change in Fund Balance, GAAP Basis			(90,008)	
Fund Balance - Beginning, GAAP Basis			<u>(339,815)</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ (429,823)</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 195,638	195,638	3,529,373	3,333,735
Investment Earnings	-	-	7,470	7,470
Miscellaneous	-	-	10,798	10,798
Total Revenues	<u>195,638</u>	<u>195,638</u>	<u>3,547,641</u>	<u>3,352,003</u>
Expenditures -- Debt Service:				
Principal Retirement	641,149	641,149	653,378	(12,229)
Interest	98,653	98,653	100,832	(2,179)
Fiscal Charges	-	-	350	(350)
Developer Purchased TIF Payments	-	-	1,583,447	(1,583,447)
Miscellaneous	-	-	14,278	(14,278)
Total Expenditures	<u>739,802</u>	<u>739,802</u>	<u>2,352,285</u>	<u>(1,612,483)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(544,164)</u>	<u>(544,164)</u>	<u>1,195,356</u>	<u>1,739,520</u>
Other Financing Sources (Uses):				
Transfers In	-	-	406,401	406,401
Transfers Out	-	-	(1,074,717)	(1,074,717)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(668,316)</u>	<u>(668,316)</u>
Net Change in Fund Balances	<u>\$ (544,164)</u>	<u>(544,164)</u>	<u>527,040</u>	<u>1,071,204</u>
Fund Balances - Beginning of the Year, Before Restatement			5,973,424	
Adjustment for Implementation of GASB 84			<u>(3,684,940)</u>	
Fund Balances - Beginning of the Year, After Restatement			2,288,484	
Fund Balances - Ending			<u>\$ 2,815,524</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 527,040	
Revenue and Transfer Accruals			45,434	
Expenditure and Transfer Accruals			<u>(69,062)</u>	
Net Change in Fund Balance, GAAP Basis			<u>503,412</u>	
Fund Balance - Beginning, GAAP Basis			2,447,999	
Adjustment for Implementation of GASB 84			<u>(423,530)</u>	
Fund Balances - Beginning of the Year, After Restatement			<u>2,024,469</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 2,527,881</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 4,148,756	4,148,756	4,238,602	89,846
Sundry and In Lieu Tax	3,600	3,600	1,900	(1,700)
Investment Earnings	12,000	12,000	7,618	(4,382)
Total Revenues	<u>4,164,356</u>	<u>4,164,356</u>	<u>4,248,120</u>	<u>83,764</u>
Expenditures -- Debt Service:				
Principal Retirement	2,955,000	2,955,000	2,994,985	(39,985)
Interest	1,206,256	1,206,256	1,181,306	24,950
Fiscal Charges	3,100	3,100	13,017	(9,917)
Capital Lease Principal	-	-	3,015,000	(3,015,000)
Capital Lease Interest	-	-	627,770	(627,770)
Miscellaneous	-	-	3,000	(3,000)
Total Expenditures	<u>4,164,356</u>	<u>4,164,356</u>	<u>7,835,078</u>	<u>(3,670,722)</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(3,586,958)</u>	<u>(3,586,958)</u>
Other Financing Sources:				
Transfers In	<u>-</u>	<u>-</u>	<u>3,743,721</u>	<u>3,743,721</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>156,763</u>	<u>156,763</u>
Fund Balances - Beginning			<u>2,989,544</u>	
Fund Balances - Ending			<u>\$ 3,146,307</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 156,763	
Revenue and Transfer Accruals			(208,841)	
Expenditure and Transfer Accruals			<u>(1,248)</u>	
Net Change in Fund Balance, GAAP Basis			(53,326)	
Fund Balance - Beginning, GAAP Basis			<u>3,379,238</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,325,912</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Turnback Tax	\$ 2,204,100	2,204,100	1,453,710	(750,390)
Occupation Tax	-	-	1,468,252	1,468,252
Investment Earnings	-	-	9,130	9,130
Total Revenues	<u>2,204,100</u>	<u>2,204,100</u>	<u>2,931,092</u>	<u>726,992</u>
Expenditures -- Debt Service:				
Principal Retirement	4,840,000	4,840,000	5,200,000	(360,000)
Interest	1,837,356	1,837,356	1,277,344	560,012
Fiscal Charges	750	750	1,400	(650)
Bond Issuance Expense	-	-	1,450	(1,450)
Payments Made to Developer	-	-	1,207,543	(1,207,543)
Total Expenditures	<u>6,678,106</u>	<u>6,678,106</u>	<u>7,687,737</u>	<u>(1,009,631)</u>
Deficiency of Revenues Under Expenditures	(4,474,006)	(4,474,006)	(4,756,645)	(282,639)
Other Financing Sources (Uses):				
Transfers In	4,917,575	4,917,575	4,917,575	-
Transfers Out	(588,670)	(588,670)	-	588,670
Total Other Financing Sources (Uses)	<u>4,328,905</u>	<u>4,328,905</u>	<u>4,917,575</u>	<u>588,670</u>
Net Change in Fund Balances	<u>\$ (145,101)</u>	<u>(145,101)</u>	160,930	306,031
Fund Balances - Beginning			<u>1,551,865</u>	
Fund Balances - Ending			<u>\$ 1,712,795</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 160,930	
Revenue and Transfer Accruals			11,521	
Expenditure and Transfer Accruals			<u>(278,700)</u>	
Net Change in Fund Balance, GAAP Basis			(106,249)	
Fund Balance - Beginning, GAAP Basis			<u>1,168,310</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,062,061</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ 3,623,000	3,623,000	13,274,978	9,651,978
Donations	-	-	1,000	1,000
Miscellaneous	-	-	5,883	5,883
Total Revenues	<u>3,623,000</u>	<u>3,623,000</u>	<u>13,281,861</u>	<u>9,658,861</u>
Expenditures -- Health and Welfare:				
Personal Services	441,408	441,408	432,396	9,012
Materials and Supplies	6,372	6,372	4,474	1,898
Other Services and Charges	82,993	82,993	108,293	(25,300)
Grants	<u>3,296,505</u>	<u>3,296,505</u>	<u>1,579,500</u>	<u>1,717,005</u>
Total Expenditures	<u>3,827,278</u>	<u>3,827,278</u>	<u>2,124,663</u>	<u>1,702,615</u>
Net Change in Fund Balance	<u>\$ (204,278)</u>	<u>(204,278)</u>	11,157,198	<u>11,361,476</u>
Fund Balances - Beginning			<u>64,666,810</u>	
Fund Balances - Ending			<u>\$ 75,824,008</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 11,157,198	
Revenue and Transfer Accruals			538	
Expenditure and Transfer Accruals			<u>(92,983)</u>	
Net Change in Fund Balance, GAAP Basis			11,064,753	
Fund Balance - Beginning, GAAP Basis			<u>64,631,221</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 75,695,974</u>	

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2021

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 2,615,486	2,935,065	7,698,954	2,089,302	816,850	476,654	16,632,311
Investments	-	7,665,524	-	4,796,255	2,251,179	1,311,926	16,024,884
Receivables (Net of Allowance for Uncollectibles)	5,649	175,566	107,040	1,879,392	1,685,550	345,581	4,198,778
Due from Other Funds	-	870,097	59,345	392,547	3,646	-	1,325,635
Due from Other Governments	-	3,223	-	70,654	-	-	73,877
Inventories	82,843	-	175,281	-	321,962	-	580,086
Prepaid Expenses	-	-	135,485	-	-	-	135,485
Total Current Assets	<u>2,703,978</u>	<u>11,649,475</u>	<u>8,176,105</u>	<u>9,228,150</u>	<u>5,079,187</u>	<u>2,134,161</u>	<u>38,971,056</u>
Noncurrent Assets:							
Investments	-	1,768,135	-	1,106,308	519,259	302,610	3,696,312
Restricted Assets:							
Cash and Cash Equivalents	1,525,170	2,154,777	-	267,630	-	-	3,947,577
Investments	-	7,297,103	-	913,536	-	-	8,210,639
Receivables	-	9,850	-	660	-	-	10,510
Total Restricted Assets	<u>1,525,170</u>	<u>9,461,730</u>	<u>-</u>	<u>1,181,826</u>	<u>-</u>	<u>-</u>	<u>12,168,726</u>
Capital Assets:							
Land	1,068,949	17,127,040	-	1,540,452	-	-	19,736,441
Buildings	4,431,721	75,320,120	-	3,551,225	168,363	-	83,471,429
Improvements Other Than Buildings	8,507,190	2,743,028	-	48,893,553	-	40,939,071	101,082,842
Machinery and Equipment	3,492,846	4,797,007	1,077,515	11,376,343	3,239,907	-	23,983,618
Construction in Progress	647,405	14,950,780	-	4,768,588	-	-	20,366,773
Less Accumulated Depreciation	(12,125,016)	(35,924,422)	(465,023)	(37,780,986)	(1,881,680)	(3,592,934)	(91,770,061)
Total Capital Assets, Net	<u>6,023,095</u>	<u>79,013,553</u>	<u>612,492</u>	<u>32,349,175</u>	<u>1,526,590</u>	<u>37,346,137</u>	<u>156,871,042</u>
Total Noncurrent Assets	<u>7,548,265</u>	<u>90,243,418</u>	<u>612,492</u>	<u>34,637,309</u>	<u>2,045,849</u>	<u>37,648,747</u>	<u>172,736,080</u>
Total Assets	<u>10,252,243</u>	<u>101,892,893</u>	<u>8,788,597</u>	<u>43,865,459</u>	<u>7,125,036</u>	<u>39,782,908</u>	<u>211,707,136</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	938,700	-	-	-	-	938,700
Deferred Outflows for Pension	-	-	-	-	1,035,414	-	1,035,414
Deferred Outflows for OPEB	28,635	4,083	-	67,476	259,826	-	360,020
Total Deferred Outflows of Resources	<u>28,635</u>	<u>942,783</u>	<u>-</u>	<u>67,476</u>	<u>1,295,240</u>	<u>-</u>	<u>2,334,134</u>

(Continued)

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

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
LIABILITIES							
Current Liabilities:							
Accounts Payable	1,025,641	2,698,555	198,386	2,052,492	99,188	129,601	6,203,863
Accrued Liabilities	53,014	9,807	214,674	75,138	169,576	7,173	529,382
Accrued Compensated Absences	102,403	19,767	133,709	81,735	288,310	-	625,924
Due to Other Funds	4,178	15,931	-	329	124,808	1,126	146,372
Due to Other Governments	60,615	34	39,669	77,497	-	-	177,815
Unearned Revenue	151,607	325,778	7,494,560	-	-	-	7,971,945
Accrued Interest	15,994	48,520	-	22,445	-	-	86,959
Current Portion of Capital Lease	403,226	-	-	-	-	-	403,226
Current Portion of Long-Term Debt	-	2,880,000	-	575,000	-	-	3,455,000
Current Portion of OPEB Liability	3,560	508	-	8,388	32,299	-	44,755
Total Current Liabilities	1,820,238	5,998,900	8,080,998	2,893,024	714,181	137,900	19,645,241
Noncurrent Liabilities:							
Accrued Compensated Absences	135,746	-	-	137,875	46,937	-	320,558
Capital Lease Payable	1,499,612	-	-	-	-	-	1,499,612
Long-Term Debt, Net	259,077	40,970,577	-	7,269,785	-	-	48,499,439
Net Pension Liability	-	-	-	-	2,280,193	-	2,280,193
Total OPEB Liability, Net	105,529	15,045	-	248,672	957,722	-	1,326,968
Postclosure Care Costs	-	-	-	26,016,000	-	-	26,016,000
Total Noncurrent Liabilities	1,999,964	40,985,622	-	33,672,332	3,284,852	-	79,942,770
Total Liabilities	3,820,202	46,984,522	8,080,998	36,565,356	3,999,033	137,900	99,588,011
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Pension	-	-	-	-	2,122,855	-	2,122,855
Deferred Inflows for OPEB	6,209	885	-	14,632	56,343	-	78,069
Total Deferred Inflows of Resources	6,209	885	-	14,632	2,179,198	-	2,200,924
NET POSITION							
Net Investment in Capital Assets	4,120,257	35,840,914	612,492	24,274,647	1,526,590	37,346,137	103,721,037
Restricted for:							
Capital Projects	-	7,506,285	-	64,742	-	-	7,571,027
Unrestricted	2,334,210	12,503,070	95,107	(16,986,442)	715,455	2,298,871	960,271
Total Net Position	\$ 6,454,467	55,850,269	707,599	7,352,947	2,242,045	39,645,008	112,252,335



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Operating Revenues							
Charges for Services	\$ 367,084	1,394,238	-	7,657	8,472,947	2,036,347	12,278,273
Fees	5,439,615	650,756	-	9,655,887	-	14,530	15,760,788
Parking Revenue	-	7,763,402	-	-	-	-	7,763,402
Performance Revenue	-	-	2,393,511	-	-	-	2,393,511
Other Operating Revenue	96,199	110,728	1,784,631	759,152	4,249	47,437	2,802,396
Total Operating Revenues	5,902,898	9,919,124	4,178,142	10,422,696	8,477,196	2,098,314	40,998,370
Operating Expenses							
Personal Services	1,746,071	350,913	1,184,517	3,077,802	5,960,659	156,073	12,476,035
Contractual Services	649,603	2,839,544	195,426	4,484,408	559,757	211,365	8,940,103
Operation and Maintenance	2,416,403	2,321,056	4,528,017	3,177,365	906,369	65,288	13,414,498
Depreciation	442,127	2,087,366	95,559	2,271,080	317,445	1,322,208	6,535,785
Total Operating Expenses	5,254,204	7,598,879	6,003,519	13,010,655	7,744,230	1,754,934	41,366,421
Operating Income (Loss)	648,694	2,320,245	(1,825,377)	(2,587,959)	732,966	343,380	(368,051)
Nonoperating Revenues (Expenses)							
Investment Earnings	6,626	20,497	-	12,408	1,248	3,375	44,154
Grant Revenue	-	-	2,000,000	471,123	1,278,950	-	3,750,073
Gain (Loss) on Disposal of Capital Assets	11,155	-	-	107,010	-	(5,288,635)	(5,170,470)
Insurance Recoveries	-	-	-	-	6,942	-	6,942
Occupation Tax	-	-	-	4,908,574	-	120,000	5,028,574
Interest Expense and Fiscal Charges	(29,446)	(1,314,669)	-	(254,199)	-	-	(1,598,314)
Total Nonoperating Revenues (Expenses)	(11,665)	(1,294,172)	2,000,000	5,244,916	1,287,140	(5,165,260)	2,060,959
Income (Loss) Before Contributions and Transfers	637,029	1,026,073	174,623	2,656,957	2,020,106	(4,821,880)	1,692,908
Capital Contributions	874,720	-	90,456	20,000	-	3,818,496	4,803,672
Transfers In	-	-	-	-	-	100,000	100,000
Transfers Out	(57,770)	(2,095,026)	-	(1,879,700)	-	(297)	(4,032,793)
Change in Net Position	1,453,979	(1,068,953)	265,079	797,257	2,020,106	(903,681)	2,563,787
Net Position - Beginning	5,000,488	56,919,222	442,520	6,555,690	221,939	40,548,689	109,688,548
Net Position - Ending	\$ 6,454,467	55,850,269	707,599	7,352,947	2,242,045	39,645,008	112,252,335

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 5,824,818	8,573,216	4,869,274	9,712,231	7,838,725	2,105,664	38,923,928
Receipts from Interfund Services Provided	-	1,399,750	-	1,437	-	-	1,401,187
Payments to Suppliers for Goods and Services	(1,919,386)	(4,306,522)	(1,587,858)	(5,849,972)	(1,081,305)	(201,704)	(14,946,747)
Payments to Employees	(1,700,761)	(356,534)	(3,261,696)	(3,079,775)	(5,900,453)	(152,785)	(14,452,004)
Payments for Interfund Services Provided	(540,185)	(851,059)	(921,060)	(636,156)	(689,221)	(74,121)	(3,711,802)
Other Receipts	96,199	110,728	1,784,631	533,793	4,249	47,437	2,577,037
Net Cash Provided by Operating Activities	1,760,685	4,569,579	883,291	681,558	171,995	1,724,491	9,791,599
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	4,891,447	-	120,000	5,011,447
Transfers from Other Funds	-	-	-	-	-	100,000	100,000
Transfers to Other Funds	(57,770)	(2,095,026)	-	(1,879,700)	-	(297)	(4,032,793)
Repayments from Other Funds	-	81,283	-	-	-	-	81,283
Grant Proceeds	-	-	2,000,000	471,123	1,278,950	-	3,750,073
Net Cash Provided (Used) by Non-Capital Financing Activities	(57,770)	(2,013,743)	2,000,000	3,482,870	1,278,950	219,703	4,910,010
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	-	(10,391,103)	-	(5,375,875)	-	-	(15,766,978)
Capital Contributions	-	-	-	20,000	-	-	20,000
Proceeds from Sale of Capital Assets	11,155	-	-	107,010	-	-	118,165
Insurance Recoveries	-	-	-	-	6,942	-	6,942
Proceeds from Capital Lease	1,542,455	-	-	-	-	-	1,542,455
Principal Payments of Capital Lease	(359,870)	-	-	-	(66,790)	-	(426,660)
Principal Payments of Bonded Debt	-	(2,515,000)	-	(850,000)	-	-	(3,365,000)
Interest and Fiscal Charges Paid	(22,634)	(1,244,631)	-	(257,033)	-	-	(1,524,298)
Net Cash Provided (Used) by Capital and Related Financing Activities	1,171,106	(14,150,734)	-	(6,355,898)	(59,848)	-	(19,395,374)
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	-	25,624,808	-	8,679,044	1,674,727	89,311	36,067,890
Purchases of Investments	-	(16,526,555)	-	(6,732,905)	(2,736,624)	(1,594,829)	(27,590,913)
Interest and Other Receipts	6,209	133,259	-	11,594	590	5,360	157,012
Net Cash Provided (Used) by Investing Activities	6,209	9,231,512	-	1,957,733	(1,061,307)	(1,500,158)	8,633,989
Net Increase in Cash and Cash Equivalents	2,880,230	(2,363,386)	2,883,291	(233,737)	329,790	444,036	3,940,224
Cash and Cash Equivalents - Beginning	1,260,426	7,453,228	4,815,663	2,590,669	487,060	32,618	16,639,664
Cash and Cash Equivalents - Ending	\$ 4,140,656	5,089,842	7,698,954	2,356,932	816,850	476,654	20,579,888

(Continued)

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

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ 648,694	2,320,245	(1,825,377)	(2,587,959)	732,966	343,380	(368,051)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	442,127	2,087,366	95,559	2,271,080	317,445	1,322,208	6,535,785
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable and Unbilled Revenues	625	(36,086)	190,828	(121,367)	(634,222)	(74,813)	(675,035)
Due from Other Funds	-	(3,671)	(33,896)	(1,369)	-	-	(38,936)
Due from Other Governments	-	(2,739)	-	(52,499)	-	-	(55,238)
Inventories	(7,838)	-	20,126	-	(74,227)	-	(61,939)
Prepaid Expenses	-	-	(72,221)	-	-	-	(72,221)
Deferred Outflows for Pension	-	-	-	-	300,467	-	300,467
Deferred Outflows for OPEB	(17,794)	(2,533)	-	(43,469)	(187,509)	-	(251,305)
Accounts Payable	633,111	5,350	92,626	309,429	1,027	129,601	1,171,144
Accrued Liabilities	7,568	1,436	68,726	3,953	48,602	7,173	137,458
Accrued Compensated Absences	20,723	(8,762)	2,932	(36,333)	9,311	-	(12,129)
Due to Other Funds	4,063	109	-	(487)	(17,523)	(3,058)	(16,896)
Due to Other Governments	(855)	22	25,157	(3,058)	(1,561)	-	19,705
Unearned Revenue	17,494	207,066	2,318,831	-	-	-	2,543,391
Net Pension Liability	-	-	-	-	(2,392,650)	-	(2,392,650)
Total OPEB Liability	15,503	2,170	-	49,813	365,793	-	433,279
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	899,000	-	-	899,000
Deferred Inflows for Pension	-	-	-	-	1,707,402	-	1,707,402
Deferred Inflows for OPEB	(2,736)	(394)	-	(5,176)	(3,326)	-	(11,632)
Total Adjustments	1,111,991	2,249,334	2,708,668	3,269,517	(560,971)	1,381,111	10,159,650
Net Cash Provided by Operating Activities	\$ 1,760,685	4,569,579	883,291	681,558	171,995	1,724,491	9,791,599
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 874,720	-	90,456	-	-	3,818,496	4,783,672
Purchase of Capital Assets on Account	-	(2,164,545)	-	(1,346,827)	-	-	(3,511,372)
Change in Fair Value of Investments	-	71,640	-	(4,650)	1,248	(2,542)	65,696



INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2021

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 955,185	982,438	13,295,158	1,849,984	880,805	497,380	18,460,950
Investments	2,632,941	2,702,627	36,744,046	5,084,090	2,417,821	1,372,522	50,954,047
Accounts Receivable	1,976	204,018	80	-	23,587	15,607	245,268
Accrued Interest Receivable	3,216	52	1,240	-	-	-	4,508
Due from Other Funds	118,417	196,221	1,541,609	25,645	440,241	4,637	2,326,770
Due from Other Governments	187,788	1,033	3,517	5,399	39,979	-	237,716
Inventories	-	-	-	588,711	195,982	-	784,693
Prepaid Expenses	783,967	-	-	-	-	-	783,967
Total Current Assets	4,683,490	4,086,389	51,585,650	7,553,829	3,998,415	1,890,146	73,797,919
Noncurrent Assets:							
Investments	607,316	623,390	8,436,033	1,172,700	557,696	316,587	11,713,722
Restricted Cash and Cash Equivalents	-	-	-	3,500,407	-	-	3,500,407
Capital Assets:							
Land	-	-	-	-	335,751	1,258,700	1,594,451
Buildings	26,486	-	-	-	5,269,699	17,051,918	22,348,103
Improvements Other Than Buildings	-	-	-	407,891	45,500	373,485	826,876
Machinery and Equipment	5,070,841	144,260	28,936	21,556,698	14,429,481	116,330	41,346,546
Less Accumulated Depreciation	(3,805,760)	(58,615)	(28,936)	(15,592,687)	(8,365,348)	(5,106,719)	(32,958,065)
Total Capital Assets, Net	1,291,567	85,645	-	6,371,902	11,715,083	13,693,714	33,157,911
Total Noncurrent Assets	1,898,883	709,035	8,436,033	11,045,009	12,272,779	14,010,301	48,372,040
Total Assets	6,582,373	4,795,424	60,021,683	18,598,838	16,271,194	15,900,447	122,169,959
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows for OPEB	69,518	130,871	12,276	40,911	30,676	10,235	294,487
LIABILITIES							
Current Liabilities:							
Accounts Payable	491,837	122,710	1,587,251	119,531	469,555	36,287	2,827,171
Accrued Liabilities	130,131	207,994	15,136	48,563	29,037	12,439	443,300
Accrued Compensated Absences	323,622	512,791	3,557	132,312	7,290	25,896	1,005,468
Due to Other Funds	2,706	19,751	18,975	1,393	-	11,041	53,866
Due to Other Governments	-	-	9,808	-	-	-	9,808
Unearned Revenue	-	18,138	-	-	-	-	18,138
Claims	-	-	4,224,744	-	-	-	4,224,744
Accrued Interest	-	-	-	26,740	-	74,879	101,619
Current Portion of Capital Lease	-	-	-	285,000	-	1,030,000	1,315,000
Current Portion of Total OPEB Liability	8,642	16,269	1,526	5,086	3,813	1,272	36,608
Total Current Liabilities	956,938	897,653	5,860,997	618,625	509,695	1,191,814	10,035,722
Noncurrent Liabilities:							
Accrued Compensated Absences	270,735	916,589	75,892	267,062	129,536	-	1,659,814
Claims	-	-	6,969,425	-	-	-	6,969,425
Capital Lease Payable	-	-	-	3,256,090	-	6,783,071	10,039,161
Total OPEB Liability, Net	256,194	482,297	45,242	150,771	113,052	37,720	1,085,276
Total Noncurrent Liabilities	526,929	1,398,886	7,090,559	3,673,923	242,588	6,820,791	19,753,676
Total Liabilities	1,483,867	2,296,539	12,951,556	4,292,548	752,283	8,012,605	29,789,398
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Refunding	-	-	-	-	-	8,797	8,797
Deferred Inflows for OPEB	15,075	28,379	2,662	8,871	6,652	2,219	63,858
Total Deferred Inflows of Resources	15,075	28,379	2,662	8,871	6,652	11,016	72,655
NET POSITION							
Net Investment in Capital Assets	1,291,567	85,645	-	2,709,492	11,364,436	5,871,846	21,322,986
Unrestricted	3,861,382	2,515,732	47,079,741	11,628,838	4,178,499	2,015,215	71,279,407
Total Net Position	\$ 5,152,949	2,601,377	47,079,741	14,338,330	15,542,935	7,887,061	92,602,393

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
Operating Revenues							
Charges for Services	\$ 14,217,557	12,239,978	52,467,218	8,524,162	5,703,072	2,972,023	96,124,010
Operating Expenses							
Personal Services	4,381,482	7,958,448	662,061	2,029,010	1,314,392	507,127	16,852,520
Materials and Supplies	169,211	16,563	20,483	1,632,795	1,186,730	13,184	3,038,966
Other Services and Charges	8,274,197	3,117,122	47,733,977	2,337,487	1,031,765	614,518	63,109,066
Depreciation	419,114	22,478	-	1,170,055	1,742,940	671,942	4,026,529
Total Operating Expenses	13,244,004	11,114,611	48,416,521	7,169,347	5,275,827	1,806,771	87,027,081
Operating Income	973,553	1,125,367	4,050,697	1,354,815	427,245	1,165,252	9,096,929
Nonoperating Revenues (Expenses)							
Investment Earnings	3,938	(7,628)	50,960	-	-	-	47,270
Gain on Disposal of Capital Assets	-	-	-	1,089,077	135,868	7,300	1,232,245
Debt Issuance Expense	-	-	-	(40,684)	-	(17,149)	(57,833)
Interest Expense and Fiscal Charges	-	-	-	(26,740)	-	(227,955)	(254,695)
Total Nonoperating Revenues (Expenses)	3,938	(7,628)	50,960	1,021,653	135,868	(237,804)	966,987
Income Before Contributions and Transfers	977,491	1,117,739	4,101,657	2,376,468	563,113	927,448	10,063,916
Capital Contributions	-	-	-	9,415	149,530	-	158,945
Transfers In	-	224,953	-	-	270,000	-	494,953
Transfers Out	(100,000)	(145,463)	(45,876)	(1,432)	(653,857)	(512)	(947,140)
Change in Net Position	877,491	1,197,229	4,055,781	2,384,451	328,786	926,936	9,770,674
Net Position - Beginning of Year	4,275,458	1,404,148	43,023,960	11,953,879	15,214,149	6,960,125	82,831,719
Net Position - Ending	\$ 5,152,949	2,601,377	47,079,741	14,338,330	15,542,935	7,887,061	92,602,393



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 4,201,533	9,955,306	12,485,119	417,868	220,337	348,944	27,629,107
Receipts from Interfund Services Provided	10,279,497	2,378,646	39,982,594	8,334,289	5,908,562	2,625,856	69,509,444
Payments to Suppliers for Goods and Services	(8,437,263)	(1,973,845)	(46,401,716)	(3,705,147)	(1,831,473)	(302,976)	(62,652,420)
Payments to Employees	(4,332,134)	(7,963,432)	(700,878)	(1,985,807)	(1,348,638)	(507,550)	(16,838,439)
Payments for Interfund Services Provided	(291,306)	(1,113,853)	(545,949)	(469,551)	(327,131)	(300,025)	(3,047,815)
Net Cash Provided by Operating Activities	1,420,327	1,282,822	4,819,170	2,591,652	2,621,657	1,864,249	14,599,877
Cash Flows from Noncapital Financing Activities							
Transfers from Other Funds	-	224,953	-	-	270,000	-	494,953
Transfers to Other Funds	(100,000)	(145,463)	(45,876)	(1,432)	(653,857)	(511)	(947,139)
Repayments from Other Funds	-	-	162,566	-	-	-	162,566
Net Cash Provided (Used) by Noncapital Financing Activities	(100,000)	79,490	116,690	(1,432)	(383,857)	(511)	(289,620)
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	-	-	-	(422,805)	(2,752,326)	-	(3,175,131)
Proceeds from Sale of Capital Assets	-	-	-	1,169,241	278,142	7,300	1,454,683
Proceeds from Long-Term Debt	-	-	-	3,541,091	-	-	3,541,091
Cost of Debt Issuance	-	-	-	(40,684)	-	(25,946)	(66,630)
Principal Payments of Capital Lease	-	-	-	-	-	(1,095,000)	(1,095,000)
Interest and Fiscal Charges Paid	-	-	-	-	-	(235,720)	(235,720)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-	4,246,843	(2,474,184)	(1,349,366)	423,293
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	2,182,031	2,243,952	40,667,281	3,628,143	3,147,468	1,279,742	53,148,617
Purchases of Investments	(3,200,708)	(3,285,422)	(44,460,006)	(6,180,423)	(2,939,200)	(1,668,493)	(61,734,252)
Interest and Other Receipts	21,495	9,040	52,597	-	-	-	83,132
Net Cash Provided (Used) by Investing Activities	(997,182)	(1,032,430)	(3,740,128)	(2,552,280)	208,268	(388,751)	(8,502,503)
Net Increase in Cash and Cash Equivalents	323,145	329,882	1,195,732	4,284,783	(28,116)	125,621	6,231,047
Cash and Cash Equivalents - Beginning	632,040	652,556	12,099,426	1,065,608	908,921	371,759	15,730,310
Cash and Cash Equivalents - Ending	\$ 955,185	982,438	13,295,158	5,350,391	880,805	497,380	21,961,357
Reconciliation of Operating Income to Net Cash Provided by Operating Activities							
Operating Income	\$ 973,553	1,125,367	4,050,697	1,354,815	427,245	1,165,252	9,096,929
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	419,114	22,478	-	1,170,055	1,742,940	671,942	4,026,529
Changes in Assets and Liabilities:							
Accounts Receivable	2,401	3,604	3,685	62,850	22,511	(1,067)	93,984
Due from Other Funds	235,819	80,518	328	169,434	415,390	(2,224)	899,265
Due from Other Governments	25,253	(948)	(3,517)	(4,289)	(12,074)	6,067	10,492
Inventories	-	-	-	(23,155)	(41,088)	-	(64,243)
Prepaid Expenses	(42,457)	-	-	-	-	-	(42,457)
Deferred Outflows for OPEB	(43,971)	(73,565)	(7,626)	(25,420)	(19,060)	(6,359)	(176,001)
Accounts Payable	(243,081)	52,744	853,912	(127,140)	102,265	4,980	643,680
Accrued Liabilities	28,461	12,499	(1,712)	5,100	(1,247)	1,657	44,758
Accrued Compensated Absences	26,560	71,116	(34,923)	45,312	(27,594)	(277)	80,194
Due to Other Funds	377	(6,757)	18,975	(54,121)	(1,286)	10,925	(31,887)
Due to Other Governments	-	-	9,668	-	-	-	9,668
Unearned Revenue	-	10,800	-	-	-	-	10,800
Claims	-	-	(75,761)	-	-	-	(75,761)
Total OPEB Liability	44,301	3,870	6,619	22,122	16,587	5,535	99,034
Deferred Inflows for Refunding	-	-	-	-	-	8,797	8,797
Deferred Inflows for OPEB	(6,003)	(18,904)	(1,175)	(3,911)	(2,932)	(979)	(33,904)
Total Adjustments	446,774	157,455	768,473	1,236,837	2,194,412	698,997	5,502,948
Net Cash Provided by Operating Activities	\$ 1,420,327	1,282,822	4,819,170	2,591,652	2,621,657	1,864,249	14,599,877
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ -	-	-	9,415	149,530	-	158,945
Purchase of Capital Assets on Account	-	-	-	(121,320)	(350,647)	-	(471,967)
Change in Fair Value of Investments	(12,615)	(12,964)	-	-	-	-	(25,579)



CUSTODIAL FUNDS

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

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

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

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



CITY OF LINCOLN, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AUGUST 31, 2021

	<u>Developer TIF Deposits</u>	<u>Seized Funds</u>	<u>Collections Due Other Governments</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 976,021	385,167	-	1,361,188
Investments	3,301,259	-	-	3,301,259
Receivables:				
Taxes	780,006	-	-	780,006
Accrued Interest	1,950	-	-	1,950
Total Assets	<u>5,059,236</u>	<u>385,167</u>	<u>-</u>	<u>5,444,403</u>
LIABILITIES				
Liabilities:				
Accounts Payable	22,433	-	-	22,433
Due to Other Contractors	4,096,998	-	-	4,096,998
Total Liabilities	<u>4,119,431</u>	<u>-</u>	<u>-</u>	<u>4,119,431</u>
NET POSITION				
Restricted	939,805	385,167	-	1,324,972
Total Net Position	<u>939,805</u>	<u>385,167</u>	<u>-</u>	<u>1,324,972</u>

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Developer TIF Deposits	Seized Cash	Collections Due Other Governments	Total
Additions:				
Investment Loss	\$ (900)	-	-	(900)
Real Property and Personal Property Tax	10,082,048	-	-	10,082,048
Sales Tax Collections For Other Governments	-	-	332,867	332,867
Seized Cash	-	202,567	-	202,567
Miscellaneous	56,692	-	-	56,692
Total Additions	10,137,840	202,567	332,867	10,673,274
Deductions:				
Seized Cash Used	-	106,965	-	106,965
Payments of Sales Tax to Other Governments	-	-	332,867	332,867
Developer Purchased TIF Payments	9,535,023	-	-	9,535,023
Miscellaneous	86,542	-	-	86,542
Total Deductions	9,621,565	106,965	332,867	10,061,397
Change in Net Position	516,275	95,602	-	611,877
Net Position - Beginning of the Year, Before Restatement	-	-	-	-
Adjustment for Implemenation of GASB 84	423,530	289,565	-	713,095
Net Postion - Beginning of the Year, After Restatement	423,530	289,565	-	713,095
Net Position - Ending	\$ 939,805	385,167	-	1,324,972

STATISTICAL SECTION

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

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

Financial Trends	157
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	162
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These schedules contain information to help the reader assess the City's three most significant local revenue sources; electrical sales, sales tax, and property tax.

Debt Capacity	171
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	175
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	177
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 898,840,745	909,494,423	891,303,701	846,442,664	803,312,775	773,243,018	587,747,372	545,831,558	522,108,202	405,635,743
Restricted	249,233,964	174,029,693	162,762,413	182,122,089	170,845,285	159,387,584	165,389,543	155,105,392	144,925,083	246,533,919
Unrestricted	132,001,733	96,474,096	94,424,924	104,886,320	101,154,775	82,713,956	216,775,964	264,484,057	253,913,437	228,009,224
Total Governmental Activities										
Net Position	<u>\$ 1,280,076,442</u>	<u>1,179,998,212</u>	<u>1,148,491,038</u>	<u>1,133,451,073</u>	<u>1,075,312,835</u>	<u>1,015,344,558</u>	<u>969,912,879</u>	<u>965,421,007</u>	<u>920,946,722</u>	<u>880,178,886</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 942,386,540	856,941,115	765,731,464	793,807,694	725,334,301	664,773,842	692,461,543	673,582,095	615,635,246	608,119,231
Restricted	44,896,951	41,381,436	35,564,865	28,846,167	16,243,396	17,071,503	14,820,181	15,841,002	13,167,482	31,470,517
Unrestricted	220,495,637	238,519,168	252,143,234	153,286,143	193,344,188	217,843,287	152,834,566	143,784,800	179,766,596	153,480,358
Total Business-Type Activities										
Net Position	<u>\$ 1,207,779,128</u>	<u>1,136,841,719</u>	<u>1,053,439,563</u>	<u>975,940,004</u>	<u>934,921,885</u>	<u>899,688,632</u>	<u>860,116,290</u>	<u>833,207,897</u>	<u>808,569,324</u>	<u>793,070,106</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 1,841,227,285	1,766,435,538	1,657,035,165	1,640,250,358	1,528,647,076	1,438,016,860	1,280,208,915	1,219,413,653	1,137,743,448	1,013,754,974
Restricted	294,130,915	215,411,129	198,327,278	210,968,256	187,088,681	176,459,087	180,209,724	170,946,394	158,092,565	278,004,436
Unrestricted	352,497,370	334,993,264	346,568,158	258,172,463	294,498,963	300,557,243	369,610,530	408,268,857	433,680,033	381,489,582
Total Primary Government										
Net Position	<u>\$ 2,487,855,570</u>	<u>2,316,839,931</u>	<u>2,201,930,601</u>	<u>2,109,391,077</u>	<u>2,010,234,720</u>	<u>1,915,033,190</u>	<u>1,830,029,169</u>	<u>1,798,628,904</u>	<u>1,729,516,046</u>	<u>1,673,248,992</u>

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities:										
General Government	\$ 53,297,715	57,362,717	58,007,177	47,260,387	52,387,910	49,756,620	48,543,231	45,355,465	43,666,952	40,635,824
Public Safety	123,218,823	115,994,657	111,464,206	102,979,449	96,915,706	93,495,599	91,997,706	87,571,014	86,493,288	82,915,183
Streets and Highways	63,862,502	64,899,917	71,078,034	66,223,821	49,055,496	59,111,970	41,302,726	46,525,688	39,551,411	38,319,958
Culture and Recreation	44,913,469	51,835,619	48,510,294	41,524,548	41,071,450	37,633,355	33,418,770	35,878,349	29,419,132	28,049,044
Economic Opportunity	19,046,331	14,998,235	25,490,737	24,018,579	21,384,298	20,703,598	18,101,822	21,549,476	14,819,767	16,840,478
Health and Welfare	33,647,236	31,811,506	21,944,351	20,885,234	22,433,400	21,701,621	22,273,013	21,456,657	20,939,140	21,414,951
Mass Transit	17,572,030	17,211,162	16,283,063	15,822,765	15,298,159	14,576,742	13,477,089	13,582,835	13,453,926	12,463,592
Equipment Management	654,123	627,942	562,531	508,118	527,243	614,893	1,032,440	1,181,947	1,479,534	1,162,325
Engineering Services	7,298,448	1,519,718	3,900,549	4,394,576	4,159,498	2,527,524	3,495,741	2,774,223	2,570,054	1,900,278
Interest on Long-Term Debt	17,064,945	19,211,309	19,395,458	19,721,240	21,172,325	20,931,956	21,310,128	21,776,180	19,787,131	20,417,899
Total Governmental Activities Expenses	<u>380,575,622</u>	<u>375,472,782</u>	<u>376,636,400</u>	<u>343,338,717</u>	<u>324,405,485</u>	<u>321,053,878</u>	<u>294,952,666</u>	<u>297,651,834</u>	<u>272,180,335</u>	<u>264,119,532</u>
Business-Type Activities:										
Golf	5,272,495	4,204,729	3,959,217	3,981,087	4,193,694	3,939,149	3,261,611	3,473,671	3,404,885	3,762,650
Parking System	8,913,548	10,263,845	10,634,630	10,302,430	9,874,516	9,418,838	9,223,770	8,078,478	7,144,511	5,933,848
Municipal Auditorium	-	-	-	-	-	-	33,652	1,538,108	2,632,482	2,468,566
Municipal Arena	6,003,519	8,185,336	12,241,290	11,587,968	11,783,010	8,630,522	8,353,078	11,462,603	1,712,916	18,851
Solid Waste Management	13,264,852	12,893,945	11,197,893	11,767,958	11,684,258	11,742,556	9,498,841	8,838,837	8,472,030	8,080,971
Emergency Medical Services	7,744,230	8,019,204	7,533,068	6,422,207	6,395,628	6,865,689	6,507,925	5,564,099	4,931,379	4,148,850
Broadband Enterprise	7,043,569	2,496,469	1,288,701	948,029	819,075	402,264	-	-	-	-
Wastewater System	29,504,080	29,051,899	26,849,143	25,728,896	25,637,244	24,852,092	24,128,351	23,864,691	23,116,057	23,017,798
Water System	38,261,132	31,205,232	28,776,618	28,275,160	29,304,869	27,243,026	26,368,801	25,941,743	25,499,420	25,908,587
Electric System	269,435,000	282,163,000	288,860,000	312,132,000	303,928,000	286,006,000	298,753,000	272,692,000	263,674,000	250,676,000
Total Business-Type Activities Expenses	<u>385,442,425</u>	<u>388,483,659</u>	<u>391,340,560</u>	<u>411,145,735</u>	<u>403,620,294</u>	<u>379,100,136</u>	<u>386,129,029</u>	<u>361,454,230</u>	<u>340,587,680</u>	<u>324,016,121</u>
Total	<u>\$ 766,018,047</u>	<u>763,956,441</u>	<u>767,976,960</u>	<u>754,484,452</u>	<u>728,025,779</u>	<u>700,154,014</u>	<u>681,081,695</u>	<u>659,106,064</u>	<u>612,768,015</u>	<u>588,135,653</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 38,815,037	39,315,341	36,149,520	36,481,336	36,328,041	33,956,597	34,039,065	31,498,610	26,631,508	22,686,194
Public Safety	8,647,156	7,477,549	7,676,309	7,724,306	8,234,573	7,428,315	7,653,414	7,446,309	6,903,567	6,150,370
Streets and Highways	6,986,644	5,905,768	6,049,314	5,278,153	5,695,776	6,599,287	5,070,875	5,162,445	5,711,018	3,489,348
Culture and Recreation	7,183,798	5,636,080	7,630,497	4,549,413	5,736,276	4,675,252	4,565,482	4,328,220	4,367,112	4,473,514
Economic Opportunity	45,797	42,693	977,619	2,138,366	1,112,696	1,346,373	1,709,576	918,794	863,053	2,346,582
Health and Welfare	5,360,437	5,343,749	5,010,683	5,144,629	4,943,035	4,974,773	5,120,923	5,332,189	4,715,133	4,773,397
Other Activities	13,311,928	8,699,231	10,074,900	10,077,571	9,979,442	8,765,439	7,439,039	7,957,457	6,402,371	5,808,815
Operating Grants and Contributions	126,896,770	74,440,798	70,640,446	63,076,418	65,860,903	63,971,798	59,762,954	71,235,768	57,394,538	51,263,862
Capital Grants and Contributions	19,123,793	13,993,017	18,219,765	37,901,112	23,824,607	19,411,483	25,708,872	23,165,428	28,517,996	32,043,686
Total Governmental Activities	<u>226,371,360</u>	<u>160,854,226</u>	<u>162,429,053</u>	<u>172,371,304</u>	<u>161,715,349</u>	<u>151,129,317</u>	<u>151,070,200</u>	<u>157,045,220</u>	<u>141,506,296</u>	<u>133,035,768</u>
Business-Type Activities:										
Charges for Services:										
Wastewater System	35,333,419	32,529,755	31,804,206	31,323,851	29,580,844	27,950,057	27,004,622	25,804,120	24,550,035	24,040,603
Water System	47,853,869	41,023,731	38,144,187	38,914,946	36,176,115	35,346,948	31,275,854	32,558,575	31,931,843	34,021,393
Electric System	311,213,000	317,210,000	332,902,000	321,549,000	315,502,000	311,093,000	314,623,000	290,121,000	276,110,000	269,043,000
Other Activities	40,941,958	44,358,888	49,646,851	47,132,633	47,318,628	39,632,958	37,177,844	38,456,326	25,575,522	23,402,117
Operating Grants and Contributions	4,428,538	264,280	19,303	112,847	-	61,066	-	-	-	-
Capital Grants and Contributions	16,582,535	32,086,296	11,316,858	18,800,761	11,416,105	9,765,195	13,309,086	5,403,759	7,195,503	6,731,837
Total Business-Type Activities	<u>456,353,319</u>	<u>467,472,950</u>	<u>463,833,405</u>	<u>457,834,038</u>	<u>439,993,692</u>	<u>423,849,224</u>	<u>423,390,406</u>	<u>392,343,780</u>	<u>365,362,903</u>	<u>357,238,950</u>
Program Revenues	<u>456,353,319</u>	<u>467,472,950</u>	<u>463,833,405</u>	<u>457,834,038</u>	<u>439,993,692</u>	<u>423,849,224</u>	<u>423,390,406</u>	<u>392,343,780</u>	<u>365,362,903</u>	<u>357,238,950</u>
Total	<u>\$ 682,724,679</u>	<u>628,327,176</u>	<u>626,262,458</u>	<u>630,205,342</u>	<u>601,709,041</u>	<u>574,978,541</u>	<u>574,460,606</u>	<u>549,389,000</u>	<u>506,869,199</u>	<u>490,274,718</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (154,204,262)	(214,618,556)	(214,207,347)	(170,967,413)	(162,690,136)	(169,924,561)	(143,882,466)	(140,606,614)	(130,674,039)	(131,083,764)
Business-Type Activities	70,910,894	78,989,291	72,492,845	46,688,303	36,373,398	44,749,088	37,261,377	30,889,550	24,775,223	33,222,829
Total	<u>\$ (83,293,368)</u>	<u>(135,629,265)</u>	<u>(141,714,502)</u>	<u>(124,279,110)</u>	<u>(126,316,738)</u>	<u>(125,175,473)</u>	<u>(106,621,089)</u>	<u>(109,717,064)</u>	<u>(105,898,816)</u>	<u>(97,860,935)</u>

(Continued)

(Changes In Net Position, Table 2, Continued)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes										
In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 80,373,285	85,070,230	78,379,964	74,308,924	70,687,331	66,338,373	60,781,216	55,871,758	56,130,131	53,302,884
Motor Vehicle Tax	6,977,769	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331
Wheel Tax	19,884,563	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801
Sales and Use Tax	105,320,265	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551
Turnback Tax	1,453,709	2,400,569	-	-	-	-	-	-	-	-
Sundry and In Lieu Tax	103,155	54,872	2,433,643	2,153,276	1,659,560	1,618,479	1,543,657	62,239	65,882	68,405
Occupation Tax	24,219,554	24,548,465	27,867,756	27,438,041	27,167,889	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963
Unrestricted Grants and Contributions	27,580	56,090	50,330	60,620	71,620	67,640	65,051	80,178	79,177	93,633
Unrestricted Investment Earnings (Loss)	1,452,336	5,276,803	7,211,377	3,022,679	2,308,284	1,914,541	1,842,730	2,855,984	(833,074)	1,014,773
Miscellaneous General Revenues	888,231	1,580,490	1,576,598	919,184	489,198	708,314	1,251,922	890,450	1,925,791	2,623,024
Gain on Sale of Capital Assets	1,443,961	-	-	-	-	-	-	-	-	-
Gain on Extinguishment of Debt	-	170,995	-	-	-	-	-	-	-	-
Transfers	10,722,635	8,050,770	6,303,689	11,533,601	7,617,803	11,071,731	11,754,684	10,825,543	11,290,702	9,254,144
Total Governmental Activities	<u>252,867,043</u>	<u>246,125,730</u>	<u>229,247,312</u>	<u>234,019,074</u>	<u>222,658,413</u>	<u>215,356,240</u>	<u>195,641,807</u>	<u>185,080,899</u>	<u>177,793,972</u>	<u>172,865,509</u>
Business-Type Activities:										
Occupation Tax	5,028,574	3,964,450	3,456,319	3,622,544	3,809,059	4,194,442	2,832,539	2,598,793	2,011,468	2,048,615
Unrestricted Investment Earnings (Loss)	1,722,098	7,362,809	7,068,187	2,197,770	2,339,375	1,517,819	961,154	1,757,946	(713,969)	983,824
Miscellaneous General Revenues	3,138,463	1,034,848	680,853	192,670	233,578	89,483	329,954	136,403	874,807	380,531
Gain on Sale of Capital Assets	144,015	-	-	-	-	-	-	-	-	-
Transfers	(10,006,635)	(7,949,242)	(6,198,645)	(11,431,370)	(7,522,157)	(10,978,490)	(11,594,036)	(10,744,119)	(11,040,534)	(5,060,384)
Total Business-Type Activities	<u>26,515</u>	<u>4,412,865</u>	<u>5,006,714</u>	<u>(5,418,386)</u>	<u>(1,140,145)</u>	<u>(5,176,746)</u>	<u>(7,470,389)</u>	<u>(6,250,977)</u>	<u>(8,868,228)</u>	<u>(1,647,414)</u>
Total	<u>\$ 252,893,558</u>	<u>250,538,595</u>	<u>234,254,026</u>	<u>228,600,688</u>	<u>221,518,268</u>	<u>210,179,494</u>	<u>188,171,418</u>	<u>178,829,922</u>	<u>168,925,744</u>	<u>171,218,095</u>
Change in Net Position										
Governmental Activities	\$ 98,662,781	31,507,174	15,039,965	63,051,661	59,968,277	45,431,679	51,759,341	44,474,285	47,119,933	41,781,745
Business-Type Activities	70,937,409	83,402,156	77,499,559	41,269,917	35,233,253	39,572,342	29,790,988	24,638,573	15,906,995	31,575,415
Total	<u>\$ 169,600,190</u>	<u>114,909,330</u>	<u>92,539,524</u>	<u>104,321,578</u>	<u>95,201,530</u>	<u>85,004,021</u>	<u>81,550,329</u>	<u>69,112,858</u>	<u>63,026,928</u>	<u>73,357,160</u>

Table 3

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

		Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund											
Nonspendable	\$	321,325	288,584	327,026	571,722	440,254	470,421	658,674	1,711,883	3,313,783	4,833,496
Restricted		16,257,716	7,571,500	8,685,274	6,817,137	4,278,240	7,432,974	6,674,867	13,605,640	6,281,230	5,277,054
Assigned		15,956,829	13,974,762	18,210,543	16,389,131	15,038,279	17,888,953	16,266,623	14,859,083	14,425,933	13,359,297
Unassigned		80,101,969	46,934,528	36,948,163	46,062,651	47,898,455	39,910,750	37,916,609	27,287,777	31,198,290	25,631,426
Total General Fund	\$	112,637,839	68,769,374	64,171,006	69,840,641	67,655,228	65,703,098	61,516,773	57,464,383	55,219,236	49,101,273
Other Governmental Funds											
Special Revenue Funds											
Nonspendable	\$	2,149,463	1,673,011	1,554,284	1,355,050	1,390,659	1,272,150	1,473,802	1,449,797	740,047	952,070
Restricted		119,141,086	78,948,532	73,393,289	76,311,564	73,522,250	64,216,765	90,127,670	80,627,691	81,155,945	193,309,126
Committed		309,043	269,582	120,295	1,024,874	1,592,063	1,367,357	2,011,552	1,002,975	821,517	805,612
Assigned		56,632,849	70,751,051	80,483,527	83,470,334	81,800,834	75,624,539	48,431,382	58,046,223	48,189,249	21,386,596
Unassigned		(4,542,810)	(339,815)	(298,670)	(77,349)	(85,684)	(111,254)	(130,824)	(144,837)	(133,773)	(191,814)
Debt Service											
Restricted		7,439,764	6,680,318	8,230,190	9,261,327	9,086,748	11,259,554	12,026,455	12,305,606	18,524,649	17,964,189
Committed		205,923	657,857	109,791	1,967,704	1,600,425	1,256,039	1,021,894	797,894	-	-
Capital Projects Funds											
Nonspendable		-	-	-	-	-	-	915,875	-	-	-
Restricted		47,306,024	30,849,764	23,436,053	30,637,636	27,307,586	21,989,096	9,458,562	14,395,343	16,818,180	11,783,064
Assigned		-	-	-	14,583	15,467	29,271	42,922	42,649	54,154	207,968
Unassigned		-	-	-	-	-	-	(178,013)	-	-	-
Permanent Funds											
Nonspendable		37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000
Restricted		39,882,375	28,551,520	28,261,020	29,225,321	28,946,351	27,117,060	24,842,747	28,175,169	22,080,008	21,292,273
Total Other											
Governmental Funds	\$	305,683,717	255,201,820	252,449,779	270,351,044	262,336,699	241,180,577	227,204,024	233,858,510	225,409,976	304,669,084

Table 4

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes:										
Property	\$ 80,368,837	85,070,354	77,755,818	74,310,035	70,638,227	66,224,399	61,045,754	55,821,121	55,971,572	53,542,530
Motor Vehicle	6,977,769	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331
Wheel	19,884,562	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801
Sales and Use	105,320,265	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551
Turnback	1,453,709	2,400,569	236,107	-	-	-	-	-	-	-
Sundry and In Lieu	73,419	68,218	2,177,001	2,169,669	1,662,544	1,605,175	1,541,109	62,443	62,155	68,845
Occupation	23,770,178	24,540,772	28,326,640	27,454,221	26,692,821	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963
Special Assessment	1,761,177	1,391,217	1,614,261	1,627,311	1,445,861	1,393,824	1,775,903	1,873,228	1,147,640	1,213,968
Intergovernmental	111,296,869	72,330,346	70,773,739	72,965,698	74,133,945	64,711,049	70,694,942	79,378,553	81,340,882	68,267,660
Permits and Fees	28,245,058	24,371,734	26,301,490	25,157,171	25,823,013	25,704,855	25,327,804	23,794,402	22,936,015	20,239,031
Reimbursement for Services	15,358,830	17,329,391	18,074,725	18,348,789	17,102,484	16,807,455	16,083,267	14,283,172	8,341,522	7,850,732
Court Settlements	-	-	-	-	-	75,000	-	265,120	856,188	1,931,804
Program Income	43,297	40,193	18,129	172,718	267,705	22,726	13,858	51,071	442,313	122,767
Investment Earnings	15,526,322	7,821,284	8,009,926	5,859,234	6,868,335	6,249,869	1,006,466	10,571,021	1,732,354	4,744,887
Donations	3,546,670	3,431,623	3,211,562	3,689,161	5,125,339	3,526,770	3,485,683	3,153,911	3,554,614	9,510,272
Keno Proceeds	6,813,166	5,641,379	5,725,745	5,220,645	4,795,736	4,559,104	4,343,261	4,189,006	3,930,602	3,639,819
Miscellaneous	2,958,442	2,062,235	2,274,926	3,870,499	4,605,585	2,359,028	3,183,321	3,326,065	3,253,780	5,004,523
Total Revenues	423,398,570	365,415,761	349,924,024	355,427,900	351,818,323	326,876,416	306,903,915	311,263,860	292,705,000	282,645,484
Expenditures										
General Government	66,768,481	66,488,738	61,932,785	59,728,570	58,560,593	54,483,582	50,714,491	51,044,096	42,761,424	39,048,320
Public Safety	97,809,248	89,394,116	88,641,405	86,243,206	81,171,971	77,399,174	75,625,163	72,833,698	72,489,536	70,444,362
Streets and Highways	31,183,868	28,058,815	28,872,044	21,746,886	20,634,650	20,896,834	19,464,370	21,054,394	18,355,326	18,471,067
Culture and Recreation	28,168,478	25,807,794	33,703,112	27,301,223	26,730,859	25,310,935	24,538,296	25,172,100	22,323,942	22,518,532
Economic Opportunity	15,390,008	3,085,972	13,771,289	14,563,832	13,034,266	14,012,940	14,773,423	13,792,741	12,831,193	14,673,671
Health and Welfare	34,349,001	32,757,648	22,527,910	21,863,274	23,116,621	22,605,745	23,038,785	22,097,954	21,339,175	22,070,619
Mass Transit	22,913,739	20,340,337	18,867,231	18,315,179	13,439,363	12,380,084	15,539,838	14,419,436	11,980,828	10,288,935
Debt Service										
Principal Retirement	17,568,363	15,747,214	14,080,005	14,487,368	15,192,206	16,306,212	13,669,561	12,562,312	11,105,182	10,403,101
Interest and Fiscal Charges	17,623,252	18,144,268	20,107,773	20,414,414	20,901,231	21,315,928	21,615,227	21,341,587	19,880,928	20,265,733
Miscellaneous	3,238,034	19,367,530	10,385,276	9,786,777	9,207,578	5,543,071	3,350,198	2,545,313	735,215	1,020,997
Capital Outlay	45,429,683	57,786,098	89,824,049	70,547,020	60,766,351	65,209,483	63,654,540	93,177,287	208,303,537	142,260,715
Total Expenditures	380,442,155	376,978,530	402,712,879	364,997,749	342,755,689	335,463,988	325,983,892	350,040,918	442,106,286	371,466,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,956,415	(11,562,769)	(52,788,855)	(9,569,849)	9,062,634	(8,587,572)	(19,079,977)	(38,777,058)	(149,401,286)	(88,820,568)
Other Financing Sources (Uses)										
Transfers In	75,428,739	78,194,986	81,767,242	68,618,530	67,614,670	71,316,460	64,347,309	63,910,985	56,859,969	53,359,760
Transfers Out	(61,064,177)	(63,944,397)	(71,583,343)	(55,385,315)	(55,136,381)	(59,277,115)	(53,620,582)	(53,396,515)	(45,380,837)	(44,157,324)
Note Proceeds	7,325,000	-	2,175,079	-	-	-	-	-	-	-
Issuance of Debt	22,860,890	-	13,468,200	8,784,375	710,000	12,935,000	3,400,000	37,675,000	35,433,437	6,080,000
Issuance of Refunding Debt	-	125,905,000	-	-	14,735,000	-	9,010,000	-	-	36,185,000
Premium on Debt Issued	4,496,279	2,313,786	1,600,192	892,807	1,523,051	622,829	435,077	682,653	980,327	4,182,049
Discounts on Debt Issued	-	-	-	-	-	-	-	-	-	-
Transfer to Bond Refunding Agent	-	(127,329,995)	-	(5,706,591)	(16,091,516)	-	(9,280,206)	-	-	(39,840,997)
Sale of Capital Assets	931,764	3,773,798	1,790,585	2,565,801	690,794	1,153,276	2,186,283	598,616	28,367,245	286,095
Total Other Financing Sources (Uses)	49,978,495	18,913,178	29,217,955	19,769,607	14,045,618	26,750,450	16,477,881	49,470,739	76,260,141	16,094,583
Net Change in Fund Balances	\$ 92,934,910	7,350,409	(23,570,900)	10,199,758	23,108,252	18,162,878	(2,602,096)	10,693,681	(73,141,145)	(72,725,985)
Debt Service as a Percentage of Noncapital Expenditures	10.5%	10.3%	10.4%	11.3%	12.6%	13.8%	13.8%	12.9%	12.0%	12.7%

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	
2020	1,284,674	1,359,192	433,624	8,214	-	978,747	4,064,451	\$ 0.0852
2019	1,275,179	1,450,849	450,062	10,914	-	1,195,990	4,382,994	0.0843
2018	1,308,303	1,504,735	453,693	20,483	12,052	1,648,155	4,947,421	0.0836
2017	1,196,667	1,477,742	470,520	21,159	28,594	1,380,272	4,574,954	0.0838
2016	1,206,243	1,525,139	492,110	21,419	(13,024)	1,228,376	4,460,263	0.0809
2015	1,171,732	1,492,176	486,001	21,516	(1,043)	918,131	4,088,513	0.0808
2014	1,202,922	1,508,493	497,872	21,642	(11,244)	932,130	4,151,815	0.0799
2013	1,213,553	1,488,594	497,388	21,403	15,653	963,306	4,199,897	0.0778
2012	1,183,412	1,477,103	497,908	21,172	15,817	881,355	4,076,767	0.0758
2011	1,214,170	1,467,530	496,957	21,166	(25,504)	1,116,821	4,291,140	0.0738

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

Source: Lincoln Electric System

Table 6

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

Customer Type	2020			2011		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 125,672	1	42.89 %	\$ 103,387	1	39.46 %
Commercial	105,808	2	36.12	81,531	2	31.12
Industrial	29,497	3	10.07	29,370	3	11.21
Other	<u>32,006</u>	-	<u>10.92</u>	<u>47,725</u>	-	<u>18.21</u>
Total	<u>\$ 292,983</u>		<u>100.00 %</u>	<u>\$ 262,013</u>		<u>100.00 %</u>

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

Source: Lincoln Electric System

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
2021	\$	6,474,592,989	0.0175
2020		5,607,176,737	0.0175
2019		5,671,852,317	0.0150
2018		6,255,529,425	0.0175
2017		6,119,491,231	0.0175
2016		5,686,683,753	0.0175
2015		4,823,960,412	0.0150
2014		4,657,424,242	0.0150
2013		4,469,320,749	0.0150
2012		4,290,698,668	0.0150

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

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

Source: City of Lincoln Treasurer's Office

Table 8

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

Fiscal Year	Direct ¹	Overlapping ²	Total Tax Rate
	City of Lincoln	State of Nebraska	
2021	0.0175	0.0550	0.0725
2020	0.0175	0.0550	0.0725
2019	0.0150	0.0550	0.0700
2018	0.0175	0.0550	0.0725
2017	0.0175	0.0550	0.0725
2016	0.0175	0.0550	0.0725
2015	0.0150	0.0550	0.0700
2014	0.0150	0.0550	0.0700
2013	0.0150	0.0550	0.0700
2012	0.0150	0.0550	0.0700

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

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

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

Table 9

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

Business Classification	2020			2011		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 1,884,195,485	1	50.87 %	\$ 1,585,151,644	1	50.83 %
Accommodation & Food Services	536,822,312	2	14.49	485,332,201	2	15.56
Wholesale Trade	279,616,207	3	7.55	161,171,440	4	5.17
Utilities	276,801,638	4	7.47	230,072,822	3	7.38
Other	726,412,673	-	19.62	656,941,919	-	21.06
Total	\$ 3,703,848,315		100.00 %	\$ 3,118,670,026		100.00 %

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. 2021 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		
2021	\$ 16,151,804,023	\$ 6,775,086,845	\$ 641,171,654	\$ 431,669,274	\$ 23,999,731,796	0.3198
2020	15,805,725,977	6,349,850,359	699,265,096	412,322,035	23,267,163,467	0.3198
2019	14,354,319,521	6,278,422,408	679,715,484	357,899,663	21,670,357,076	0.3165
2018	13,997,042,582	5,582,574,159	686,085,810	251,232,302	20,516,934,853	0.3165
2017	12,573,902,552	5,443,342,291	622,334,345	231,246,376	18,870,825,564	0.3337
2016	12,353,764,148	5,264,621,434	613,850,419	225,082,751	18,457,318,752	0.3196
2015	11,584,715,041	5,017,666,961	573,730,282	204,014,089	17,380,126,373	0.3196
2014	11,403,992,418	4,962,314,863	554,193,402	190,468,076	17,110,968,759	0.3158
2013	11,181,988,692	4,787,396,700	524,415,751	182,395,753	16,676,196,896	0.3158
2012	10,745,000,908	4,476,953,562	517,899,056	160,975,287	15,900,828,813	0.3158

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City of Lincoln										
General	0.2271	0.2127	0.2094	0.1930	0.1990	0.1957	0.1859	0.1889	0.1854	0.1876
Library	0.0373	0.0365	0.0373	0.0413	0.0444	0.0421	0.0438	0.0417	0.0423	0.0400
Social Security	0.0000	0.0123	0.0117	0.0146	0.0158	0.0144	0.0163	0.0155	0.0157	0.0163
Police and Fire Pension	0.0385	0.0327	0.0347	0.0367	0.0402	0.0352	0.0374	0.0378	0.0382	0.0348
Unemployment Compensation	0.0000	0.0002	0.0003	0.0003	0.0003	0.0003	-	-	-	-
Bond Interest and Redemption	0.0169	0.0254	0.0231	0.0306	0.0340	0.0319	0.0362	0.0319	0.0342	0.0371
Total City of Lincoln	<u>0.3198</u>	<u>0.3198</u>	<u>0.3165</u>	<u>0.3165</u>	<u>0.3337</u>	<u>0.3196</u>	<u>0.3196</u>	<u>0.3158</u>	<u>0.3158</u>	<u>0.3158</u>
Overlapping Rates ¹										
School District No. 1	1.2220	1.2222	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447	1.2461
Lancaster County	0.2816	0.2816	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843	0.2683
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Southeast Community College	0.0937	0.0937	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627	0.0627
Lower Platte South N.R.D.	0.0300	0.0309	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378	0.0398
Lancaster County Correctional JPA City	0.0086	0.0093	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177	0.0185
Lancaster County Correctional JPA County	0.0068	0.0070	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099	0.0105
Railroad Transportation Safety District	0.0147	0.0147	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100	0.0260
Agricultural Society of Lancaster County	0.0014	0.0014	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015	0.0016
Lancaster County Fairgrounds	0.0024	0.0025	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037	0.0037
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167	0.0170
Total Overlapping Rates	<u>1.6932</u>	<u>1.6953</u>	<u>1.6895</u>	<u>1.7087</u>	<u>1.7030</u>	<u>1.7084</u>	<u>1.6963</u>	<u>1.7049</u>	<u>1.7040</u>	<u>1.7092</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	2021			2012		
		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	\$ 178,268,500	1	0.74 %	\$ 79,342,600	2	0.50 %
Burlington Northern	Railroad	141,622,129	2	0.59	82,347,921	1	0.52
Allo Communications LLC	Communication	129,321,896	3	0.54	-	-	-
Nebco	Construction / Development	95,887,951	4	0.40	44,869,204	9	0.28
RED Capital Management	Retail Management	66,302,900	5	0.28	-	-	-
Kawasaki	Manufacturing	66,007,463	6	0.28	72,189,027	3	0.45
Ameritas Life Insurance Corp.	Insurance	64,615,184	7	0.27	59,515,629	4	0.37
WEA Gateway LLC	Retail Management	59,851,800	8	0.25	57,102,771	5	0.36
Windstream	Telecommunications	54,379,833	9	0.23	40,146,292	10	0.25
Hampton Enterprises Inc	Property Management	48,311,233	10	0.20	-	-	-
Bryan LGH	Hospital	-	-	-	51,802,894	6	0.33
Chateau Van Dorn LLC	Real Estate Development	-	-	-	49,141,073	7	0.31
Pfizer	Animal Health	-	-	-	45,496,415	8	0.29
Total		<u>\$ 904,568,889</u>		<u>3.78 %</u>	<u>\$ 581,953,826</u>		<u>3.66 %</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
2021	\$ 76,837,371	\$ 75,159,229	97.82 %	\$ -	\$ 75,159,229	97.82 %
2020	74,348,044	72,577,018	97.62	1,770,957	74,347,975	100.00
2019	68,395,638	66,842,290	97.73	1,553,342	68,395,632	100.00
2018	64,824,600	63,903,976	98.58	919,758	64,823,734	100.00
2017	62,979,611	61,735,542	98.02	1,243,918	62,979,460	100.00
2016	58,944,563	57,685,951	97.86	1,237,341	58,923,292	99.96
2015	55,459,815	54,235,009	97.79	1,205,323	55,440,332	99.96
2014	53,880,835	52,616,370	97.65	1,252,037	53,868,407	99.98
2013	52,460,687	51,226,109	97.65	1,209,750	52,435,859	99.95
2012	50,168,325	48,788,943	97.25	1,362,316	50,151,259	99.97

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									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities											
General Bonds	\$	30,620	33,545	40,685	35,275	40,780	45,370	43,800	48,775	53,015	49,340
Tax Supported Bonds		53,835	43,775	47,290	52,005	56,565	62,385	66,700	69,975	73,165	50,250
Tax Allocation Bonds		2,514	2,401	3,009	3,738	4,911	4,966	6,461	7,976	9,254	10,358
Special Assessment Bonds		2,380	2,575	2,765	2,955	3,135	3,315	3,490	3,665	3,840	4,010
Antelope Valley Project Bonds		-	-	-	-	-	2,020	2,875	3,690	4,470	5,210
West Haymarket JPA Bonds		319,285	324,795	325,400	325,980	326,545	327,095	327,635	328,175	300,000	300,000
Capital Leases		41,910	29,859	35,433	37,490	39,370	43,320	40,989	43,731	39,043	33,371
Notes from Direct Borrowing		1,855	1,985	2,112	-	-	-	-	-	-	-
Unamortized Premiums/Discounts		12,467	13,666	12,907	12,217	12,328	11,690	11,640	11,782	11,610	10,444
Business-Type Activities											
Revenue Bonds		752,475	784,955	819,355	677,650	705,720	755,635	718,790	743,660	750,500	701,560
Project Loans		26,442	28,362	30,167	31,972	33,739	35,469	37,119	35,881	27,429	16,532
Notes Payable		-	-	800	1,000	1,200	1,400	1,600	1,800	1,575	-
Capital Leases		1,974	1,138	1,582	1,290	1,241	1,677	1,540	1,939	2,389	2,271
Unamortized Premiums/Discounts		62,642	69,991	77,208	60,739	65,823	57,341	46,242	50,155	49,240	7,768
Total Primary Government	\$	<u>1,308,399</u>	<u>1,337,047</u>	<u>1,398,713</u>	<u>1,242,311</u>	<u>1,291,357</u>	<u>1,351,683</u>	<u>1,308,881</u>	<u>1,351,204</u>	<u>1,325,530</u>	<u>1,191,114</u>
Net Debt Per Capita ¹	\$	4,495	4,625	4,867	4,363	4,606	4,874	4,795	5,028	4,994	4,540
Percentage of Personal Income ¹	%	-	7.46	8.18	7.44	8.30	9.08	9.17	9.76	9.87	9.23

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 ¹	Net Bonded Debt Per Capita ²	Ratio of Net Debt To Estimated Valuation of Taxable Real Property ³
2021	\$ 30,620	\$ 53,835	\$ 2,514	\$ 2,380	\$ 319,285	\$ 12,467	\$ 421,101	\$ 7,440	\$413,661	1,421.12	1.80 %
2020	33,545	43,775	2,401	2,575	324,795	13,666	420,757	6,680	414,077	1,432.29	1.87
2019	40,685	47,290	3,009	2,765	325,400	12,907	432,056	8,230	423,826	1,474.69	2.05
2018	35,275	52,005	3,738	2,955	325,980	12,217	432,170	9,261	422,909	1,485.27	2.16
2017	40,780	56,565	4,911	3,135	326,545	12,328	444,264	8,221	436,043	1,555.27	2.42
2016	45,370	62,385	4,966	3,315	327,095	11,664	454,795	8,328	446,467	1,609.77	2.53
2015	43,800	66,700	6,461	3,490	327,635	11,602	459,688	9,143	450,545	1,650.37	2.71
2014	48,775	69,975	7,976	3,665	328,175	11,734	470,300	9,427	460,873	1,714.95	2.82
2013	53,015	73,165	9,254	3,840	300,000	11,552	450,826	15,640	435,186	1,639.71	2.73
2012	49,340	50,250	10,358	4,010	300,000	10,376	424,334	15,142	409,192	1,559.77	2.69

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

¹ Only net position externally restricted for repayment of debt principal is used in this calculation, see page 16.

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

³ Property value information can be found in Table 10, Assessed Value and Actual Value of Taxable Property.

CITY OF LINCOLN, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2021

<u>Governmental Units</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u> ¹	<u>Direct And</u> <u>Overlapping Debt</u> <u>To The City</u>
Direct:			
City	\$ 464,866,000	100.0 %	\$ 464,866,000
Overlapping:			
School District #1	508,090,000	99.5	505,550,000
Public Building Commission	24,910,000	85.4	21,273,000
Lancaster County Correctional Facility	28,070,000	85.4	23,972,000
Lancaster County Fairgrounds	6,870,000	85.4	5,867,000
	<u>567,940,000</u>		<u>556,662,000</u>
Total	\$ <u>1,032,806,000</u>		\$ <u>1,021,528,000</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lincoln. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable revenue base that is within the City of Lincoln's boundaries and dividing it by the unit's total taxable revenue base.

Sources: Assessed value data used to estimate applicable percentages provided by the County Assessor's Office. Debt outstanding data provided by each governmental entity.

CITY OF LINCOLN, NEBRASKA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

		Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Wastewater System											
Gross Revenues	\$	36,556,660	34,202,886	33,903,796	32,381,312	30,516,105	29,026,442	28,026,866	27,049,162	24,988,275	24,763,975
Direct Operating Expenses		17,269,392	17,049,907	15,684,880	14,863,221	14,726,200	14,019,061	13,541,561	13,337,986	12,522,159	12,378,673
Net Available Revenue		19,287,268	17,152,979	18,218,916	17,518,091	15,789,905	15,007,381	14,485,305	13,711,176	12,466,116	12,385,302
Debt Service Requirements											
Principal		5,736,464	5,667,004	4,858,054	4,599,602	4,761,635	4,562,314	3,747,284	4,053,916	3,487,906	3,137,858
Interest		2,901,665	2,860,124	2,164,027	2,361,501	2,619,980	2,847,529	3,114,518	3,077,999	3,089,698	3,655,156
Total		8,638,129	8,527,128	7,022,081	6,961,103	7,381,615	7,409,843	6,861,802	7,131,915	6,577,604	6,793,014
Coverage		2.23	2.01	2.59	2.52	2.14	2.03	2.11	1.92	1.90	1.82
Water System											
Gross Revenues	\$	50,654,404	44,192,982	41,761,560	41,473,196	38,494,901	37,985,431	34,481,875	34,933,647	34,241,815	35,984,891
Direct Operating Expenses		21,046,449	19,434,182	18,186,821	17,768,444	17,893,434	16,969,116	16,955,058	16,308,059	16,113,390	15,636,494
Net Available Revenue		29,607,955	24,758,800	23,574,739	23,704,752	20,601,467	21,016,315	17,526,817	18,625,588	18,128,425	20,348,397
Debt Service Requirements											
Principal		4,866,353	4,681,388	4,636,755	4,517,445	4,408,451	4,344,979	4,290,300	3,923,000	1,850,000	5,380,000
Interest		1,284,289	1,488,760	1,763,603	1,877,042	2,021,708	2,123,747	2,116,262	2,044,417	2,345,562	2,955,202
Total		6,150,642	6,170,148	6,400,358	6,394,487	6,430,159	6,468,726	6,406,562	5,967,417	4,195,562	8,335,202
Coverage		4.81	4.01	3.68	3.71	3.20	3.25	2.74	3.12	4.32	2.44
Lincoln Electric System											
Gross Revenues	\$	312,467,000	321,264,000	335,104,000	322,763,000	317,007,000	300,693,000	309,537,000	288,299,000	274,770,000	269,236,000
Direct Operating Expenses		195,858,000	193,303,000	202,954,000	216,520,000	218,203,000	200,104,000	214,677,000	194,336,000	184,558,000	176,956,000
Net Available Revenue		116,609,000	127,961,000	132,150,000	106,243,000	98,804,000	100,589,000	94,860,000	93,963,000	90,212,000	92,280,000
Debt Service Requirements											
Principal		28,228,000	24,705,000	20,570,000	17,873,000	21,557,000	22,633,000	21,390,000	20,263,000	19,695,000	18,990,000
Interest		25,672,000	28,777,000	26,907,000	24,816,000	26,631,000	27,324,000	26,041,000	26,701,000	26,569,000	27,126,000
Total		53,900,000	53,482,000	47,477,000	42,689,000	48,188,000	49,957,000	47,431,000	46,964,000	46,264,000	46,116,000
Coverage		2.16	2.39	2.78	2.49	2.05	2.01	2.00	2.00	1.95	2.00
Parking Facilities											
Gross Revenues	\$	8,672,167	13,401,784	13,738,594	12,691,925	12,674,910	10,697,157	10,419,352	9,816,550	8,444,055	7,382,101
Direct Operating Expenses		4,167,311	5,042,333	5,315,077	5,152,321	4,905,848	4,575,662	4,577,437	4,211,473	3,919,678	3,823,131
Net Available Revenue		4,504,856	8,359,451	8,423,517	7,539,604	7,769,062	6,121,495	5,841,915	5,605,077	4,524,377	3,558,970
Debt Service Requirements											
Principal		2,515,000	2,315,000	1,380,000	1,345,000	1,320,000	1,290,000	1,260,000	1,310,000	1,270,000	860,000
Interest		1,240,388	1,433,544	1,025,065	1,066,890	1,095,315	1,130,215	1,148,265	1,172,465	1,091,614	1,078,688
Total		3,755,388	3,748,544	2,405,065	2,411,890	2,415,315	2,420,215	2,408,265	2,482,465	2,361,614	1,938,688
Coverage		1.20	2.23	3.50	3.13	3.22	2.53	2.43	2.26	1.92	1.84
Solid Waste Management											
Gross Revenues	\$	15,343,678	14,237,210	12,860,596	12,863,464	12,697,221	12,371,412	10,074,541	9,132,756	7,933,037	7,745,565
Direct Operating Expenses		11,720,275	10,871,529	9,512,437	9,083,674	9,460,290	7,896,480	7,519,523	7,319,215	7,087,935	6,376,120
Net Available Revenue		3,623,403	3,365,681	3,348,159	3,779,790	3,236,931	4,474,932	2,555,018	1,813,541	845,102	1,369,445
Debt Service Requirements											
Principal		850,000	830,000	810,000	810,000	795,000	775,000	550,000	550,000	475,000	220,000
Interest		303,284	327,084	348,896	366,796	382,096	396,521	196,202	198,128	133,463	124,025
Total		1,153,284	1,157,084	1,158,896	1,176,796	1,177,096	1,171,521	746,202	748,128	608,463	344,025
Coverage		3.14	2.91	2.89	3.21	2.75	3.82	3.42	2.42	1.39	3.98

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

Table 18

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

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (thousands of dollars) ²</u>	<u>Per Capita Personal Income ²</u>	<u>School Enrollment ³</u>	<u>Unemployment Rate ⁴</u>
2021	291,082	\$ -	\$ -	41,747	1.7 %
2020	289,102	17,924,429	53,057	41,674	3.8
2019	287,401	17,098,776	50,833	42,258	2.9
2018	284,736	16,691,498	49,886	42,020	2.6
2017	280,364	15,556,200	46,924	41,737	2.5
2016	277,348	14,878,513	45,511	40,109	3.0
2015	272,996	14,280,552	44,133	39,842	2.3
2014	268,738	13,841,972	43,399	39,066	3.1
2013	265,404	13,426,786	42,743	37,845	3.3
2012	262,341	12,905,285	41,584	36,902	3.4

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

² U.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Lincoln Metropolitan Statistical Area, which includes all of Lancaster and Seward Counties. 2020 numbers are unavailable.

³ Nebraska Department of Education for Lincoln Public Schools.

⁴ State of Nebraska, Department of Labor.

Median age from 2020 census was 33.5 years old. Education statistics per the 2020 census indicate that 93.3% of the population 25 years and older has a high school degree or higher with 39.6% of the same population holding a Bachelor's degree or greater.

Table 19

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Nebraska	9,064	1	4.72 %	8,894	1	5.00 %
Lincoln Public Schools	7,780	2	4.06	7,515	2	4.23
University of Nebraska-Lincoln	5,983	3	3.12	6,006	3	3.38
Bryan Health	5,000	4	2.61	3,865	4	2.17
US Government	3,429	5	1.79	3,035	5	1.71
City of Lincoln	2,725	6	1.42	2,587	6	1.45
Kawasaki Motors Mfg. Corp.	2,400	7	1.25	-	-	-
Saint Elizabeth Regional Medical Center	1,825	8	0.95	2,259	7	1.27
Madonna Rehabilitation Hospital	1,500	9	0.78	-	-	-
Duncan Aviation	1,237	10	0.64	-	-	-
Burlington Northern Railroad	-	-	-	1,800	8	1.01
B&R Stores, Inc	-	-	-	1,506	9	0.85
State Farm Insurance	-	-	-	1,382	10	0.78
Total	<u>40,943</u>		<u>21.34 %</u>	<u>38,849</u>		<u>21.85 %</u>

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

Table 20

CITY OF LINCOLN, NEBRASKA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of August 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Legislative	8.50	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Executive	17.60	17.75	17.75	17.70	17.95	17.25	17.25	18.25	19.08	19.70
Financial Administration	79.50	79.50	74.50	70.20	69.95	69.20	69.20	69.20	69.20	71.30
Law	32.40	32.70	32.70	32.25	32.00	32.50	32.50	31.75	31.75	30.00
Human Resources	22.00	22.00	22.00	22.80	22.80	22.80	22.80	22.80	22.80	22.42
Planning and Zoning	20.00	21.00	21.00	21.00	20.75	20.00	20.00	21.00	21.00	21.00
Urban Development	9.30	10.05	10.05	9.22	9.22	9.50	9.50	9.58	9.28	9.06
Public Safety										
Police	438.63	413.13	412.46	397.63	396.63	388.03	388.03	400.79	400.79	402.38
Fire	266.51	264.18	265.13	270.46	270.06	268.97	268.97	273.69	273.69	272.71
Building and Safety	56.14	53.47	53.47	53.15	53.13	50.85	50.85	50.38	50.38	51.00
Transportation	19.75	19.75	19.75	14.25	14.25	16.00	16.00	15.00	15.00	16.25
911 Communication	58.25	57.88	57.88	56.25	56.25	56.00	56.00	41.50	41.50	41.50
Streets and Highways	125.00	113.00	114.00	112.02	111.95	108.32	108.20	104.99	105.49	106.84
Culture and Recreation										
Parks and Recreation	253.50	254.89	254.71	242.83	243.79	239.99	238.89	229.60	228.95	230.28
Library	107.04	107.54	107.54	105.54	105.54	105.54	105.54	105.79	106.59	107.09
Economic Opportunity										
Urban Development	8.12	8.10	8.10	8.81	8.81	9.15	9.15	9.80	9.80	10.22
Workforce Investment Act ¹	0.00	0.00	0.00	13.80	13.65	12.85	12.85	13.19	13.19	13.11
Health and Welfare										
Health Services	116.20	115.47	110.70	109.25	109.00	108.52	108.52	107.02	106.77	109.97
Community Health Endowment	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Lincoln Area Agency on Aging	44.81	46.03	46.03	48.04	48.04	48.05	48.05	48.24	48.24	50.84
Mass Transit	142.00	135.52	136.52	133.52	133.52	120.52	120.52	119.52	118.01	109.52
Equipment Management										
Police Garage	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Fleet Services	14.00	14.00	14.00	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	69.73	78.85	78.85	71.55	70.51	69.55	69.55	64.45	65.45	66.02
Broadband	2.90	5.90	5.90	4.90	4.90	0.00	0.00	0.00	0.00	0.00
Municipal Services Center ²	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf	29.82	30.70	30.70	31.04	30.49	28.78	29.02	27.99	28.23	29.50
Parking Facilities	3.08	2.60	2.60	2.98	2.98	2.98	2.98	2.95	2.95	2.80
Sanitary Landfill	34.17	32.50	32.50	35.22	36.19	36.47	35.47	33.17	33.17	31.70
Emergency Medical Services	43.74	43.11	43.16	37.83	36.68	33.28	33.28	28.56	28.56	28.54
Wastewater System	82.30	83.80	83.80	87.68	87.60	87.18	87.20	89.87	89.87	90.23
Water System	104.13	101.73	101.73	105.66	102.60	100.26	100.28	104.80	104.30	106.81
Electric System	488.00	476.00	480.00	490.00	492.00	491.00	494.00	498.00	486.00	478.00
Total	2,726.12	2,679.15	2,675.53	2,652.58	2,648.24	2,600.54	2,601.60	2,588.88	2,577.04	2,575.79

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Police:										
Arrests	16,669	16,623	19,716	22,390	22,811	23,076	23,543	25,424	24,035	24,868
Parking Violations	68,837	90,148	114,287	99,263	100,560	82,276	71,433	73,141	70,338	72,670
Traffic Violations	21,048	26,000	34,047	38,968	41,214	42,888	44,064	51,854	49,515	50,059
Fire:										
Number of Calls Answered	29,995	26,802	26,440	26,166	25,310	24,663	23,878	22,760	21,357	21,179
Building and Safety:										
Number of Commercial Building Permits	1,153	852	986	1,036	1,007	1,038	1,321	1,197	1,341	1,372
Number of Residential Building Permits	2,621	2,128	2,380	3,014	3,036	2,891	2,346	2,300	2,323	2,319
Culture and Recreation										
Library:										
Total Circulation (thousands)	2,784	2,399	3,089	3,072	3,100	3,089	3,074	3,176	3,293	3,294
Golf:										
Rounds of Golf	209,787	185,191	155,963	158,080	164,307	168,272	162,359	164,089	169,170	191,997
Mass Transit										
StarTran Ridership (thousands)	1,727	1,934	2,442	2,464	2,379	2,275	2,415	2,495	1,810	2,067
Wastewater										
Number of Consumers	87,254	86,425	85,126	84,300	83,479	82,511	80,704	80,851	80,066	79,346
Water										
Number of Consumers	87,578	86,736	85,460	84,636	83,797	82,853	82,058	81,196	80,418	79,698
Average Daily Consumption (thousand gallons)	36,380	33,136	31,881	34,734	34,242	34,858	31,766	34,584	35,873	38,445
Electric System										
Number of Consumers	143,797	141,658	140,034	138,489	136,641	134,417	132,672	131,915	130,537	129,163

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Fire Stations	16	16	15	14	14	14	14	14	14	14
Ambulances	13	13	13	13	13	13	12	12	11	11
Streets and Highways										
Lane Miles of Streets	2,982	2,948	2,921	2,909	2,899	2,820	2,891	2,823	2,766	2,760
Streetlights	32,158	31,858	31,514	31,236	31,010	30,740	30,516	29,997	29,759	29,393
Culture and Recreation										
Parks Acreage	7,815	7,747	7,528	7,511	7,303	6,814	6,808	6,557	6,503	6,503
Parks	165	165	161	160	158	161	159	135	141	141
Playgrounds	93	91	89	89	90	90	89	86	85	85
Swimming Pools (Public)	9	9	9	9	9	9	9	9	9	9
Golf Courses (Public)	5	5	5	5	5	5	5	5	5	5
Trail Miles	172	170	170	166	165	161	158	133	131	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	92	94	84	80	80	80	80	74	70	71
Wastewater										
Miles of Wastewater Mains	1,146	1,134	1,149	1,140	1,107	1,070	1,044	1,033	1,024	1,022
Water										
Miles of Water Mains	1,171	1,161	1,225	1,249	1,234	1,216	1,211	1,194	1,259	1,250

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, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures		Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
Pass-Through State Department Of Health And Human Services:					
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	52200-Y3	\$ 136,721		
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	FY 2021	925,771	\$ 1,062,492	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct Programs:					
Multifamily Housing Service Coordinators (Mahoney Manor)	14.191	MFSC189856-01-03	\$ 24,613		
Multifamily Housing Service Coordinators (Mahoney Manor)	14.191	MFSC189856-01-04	47,359		
Multifamily Housing Service Coordinators (Burke Plaza)	14.191	MFSC189855-01-03	31,783		
Multifamily Housing Service Coordinators (Burke Plaza)	14.191	MFSC189855-01-02	16,339	120,094	-
CDBG Entitlement Grants Cluster:					
Community Development Block Grant	14.218	* B-18-MC-31-0001	627,145		229,698
Community Development Block Grant	14.218	* B-19-MC-31-0001	42,538		4,374
Community Development Block Grant	14.218	* B-20-MC-31-0001	1,589,085		-
COVID-19 Community Development Block Grant	14.218	* B-20-MW-31-0001	1,526,010		619,085
Community Development Block Grant	14.218	*	11,268,106	15,052,884	- 853,157
Emergency Solutions Grant Program	14.231	E19-MC-31-0002	43,053		43,053
Emergency Solutions Grant Program	14.231	E20-MC-31-0002	6,906		6,906
COVID-19 Emergency Solutions Grant Program	14.231	E20-MW-31-0002	703,958	753,917	- 49,959
HOME Investment Partnerships Program	14.239	M-18-MC-31-0202	32,087		28,906
HOME Investment Partnerships Program	14.239	M-19-MC-31-0202	241,256		14,158
HOME Investment Partnerships Program	14.239	M-20-MC-31-0202	770,057		189,626
HOME Investment Partnerships Program	14.239		10,283,116	11,326,516	- 232,690
Continuum of Care Program	14.267	NE0073L7D021805	30,207		30,207
Continuum of Care Program	14.267	NE0059L7D021908	38,366		38,366
Continuum of Care Program	14.267	NE0073L7D021906	41,759		41,759
Continuum of Care Program	14.267	NE111L7D021700	4,375		4,375
Continuum of Care Program	14.267	NE117L7D021800	67,684	182,391	67,684 182,391
Fair Housing Assistance Program - State and Local	14.401	FF217K720017	94,362		
Fair Housing Assistance Program - State and Local	14.401	FHEOI1900391	124,563		
Fair Housing Assistance Program - State and Local	14.401	FF207K207017	7,628		
COVID 19 Fair Housing Assistance Program - State and Local	14.401		19,943	246,496	-
Lead Hazard Reduction Demonstration Grant Program	14.905	NELHD0444-20	23,795		
Lead Hazard Reduction Demonstration Grant Program	14.905	NELHD0444-20	5,579	29,374	-
Pass-Through State Department of Economic Development:					
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	092N40		89,189	-
Total U.S. Department Of Housing And Urban Development				\$ 27,800,861	\$ 1,318,197
U.S. DEPARTMENT OF INTERIOR					
Pass-Through State Historical Society:					
Historic Preservation Fund Grants-in-Aid	15.904	19/20	\$ 20,000		
Historic Preservation Fund Grants-in-Aid	15.904	20/21	6,000	\$ 26,000	\$ -
U.S. DEPARTMENT OF JUSTICE					
Direct Programs:					
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0149	\$ 323,948		-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034		76,880	400,828	-
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0116		9,212	-
Equitable Sharing Program	16.922	NB0550100		363,522	-
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	2018-DJVB170		143,697	143,697
Pass-Through State Commission On Law Enforcement And Criminal Justice:					
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	DA3003	68,412		73,000
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	102-2022-DA3007	13,469	81,881	13,469
Pass-Through Lancaster County:					
Violence Against Women Formula Grants (DV Specialist)	16.588	187-2021-VW4012	34,584		
Violence Against Women Formula Grants (DV Specialist)	16.588	102-2022-DA3007	13,196	47,780	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0043		38,799	-
Pass-Through City of Omaha:					
Project Safe Neighborhood	16.609			19,440	-
Pass-Through State Commission On Law Enforcement And Criminal Justice:					
Crime Victim Assistance	16.575	102-2020-VA1033		101,138	-
Total U.S. Department Of Justice				\$ 1,206,297	\$ 230,166

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing 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	\$ 23,289	
WIOA Adult Program	17.258	2018	41,991	
WIOA Adult Program	17.258	2019	148,337	
WIOA Adult Program	17.258	2020	73,017	
WIOA Adult Program	17.258	2020	229,277	
WIOA Dislocated Workers Formula Grants	17.278	2019	2,384	
WIOA Dislocated Workers Formula Grants	17.278	2019	120,662	
WIOA Dislocated Workers Formula Grants	17.278	2020	5,078	
WIOA Youth Activities	17.259	2019	42,678	
WIOA Youth Activities	17.259	2019	152,299	
WIOA Youth Activities	17.259	2020	129,473	
WIOA Youth Activities	17.259	2020	51,602	\$ 1,020,087
				\$ -
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0103	\$ 32,000	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-2017-005	95,429	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-2021-005	1,425,000	
COVID-19 Urbanized Area Formula	20.507	* NE-2020-010	2,477,490	
COVID-19 Urbanized Area Formula	20.507	* NE-2020-010	1,734,646	
Federal Transit: Formula Grants (Transit Planning)	20.507	*	114,911	
Bus and Bus Facilities Program (Sec. 9 Capital)	20.526	* NE-2018-010	32,712	5,912,188
				-
Pass-Through Nebraska Department Of Roads:				
Federal Transit: Formula Grants (Transit Planning)	20.507	* RTP-C990 (020)	68,564	-
Pass-Through Nebraska Department Of Roads:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Planning)	20.205	HPR-PL1(58)	477,255	
Highway Planning and Construction (Planning)	20.205	HPR-PL1(59)	123,470	
Highway Planning and Construction (14th/Cornhusker Intersection Imp)	20.205	HSIP-5227(7)	266	
Highway Planning and Construction (56th & Yankee Hill Road)	20.205	HSIP-5241(6)	635,574	
Highway Planning and Construction (Holdrege; 47th-70th)	20.205	LCLC-5244(9)	398,910	
Highway Planning and Construction (So. 56th Spruce to Van Dorn)	20.205	LCLC-5241(7)	743	
Highway Planning and Construction (S. Coddington & W. Van Dorn)	20.205	HSIP-5205(1)	2,486	
Highway Planning and Construction (Adams, 36th to 48th St. Widening & Rehab)	20.205	LCLC-5250(4)	87,981	
Highway Planning and Construction (66th/Cotner/Adams Traffic Signal Replacement)	20.205	LCLC-5245(2)	16,598	1,743,283
				-
Formula Grants for Rural Areas and Tribal Transit Programs (Lancaster County Rural Transit)	20.509	RPT-C551(221)(21/22)	115,337	-
Highway Safety Cluster:				
State and Community Highway Safety	20.600	4021-20-33-04	7,680	
State and Community Highway Safety (Click It or Ticket)	20.600	402-20-05-68	10,000	
State and Community Highway Safety (25 mph zone)	20.600	4021-20-33-03	10,000	
State and Community Highway Safety (Red Light)	20.600	402-21-27-10	5,438	
State and Community Highway Safety	20.600	402-20-27-09	6,437	
State and Community Highway Safety	20.600	402-21-27-34	1,506	
State and Community Highway Safety (North Bottoms Alcohol)	20.600	4021-21-12-01	5,266	
State and Community Highway Safety (Click It or Ticket)	20.600	402-21-05-25	10,000	
State and Community Highway Safety	20.600	402-21-27-32	7,784	
State and Community Highway Safety (School Zones)	20.600	402-20-27-08	9,659	
State and Community Highway Safety (Click It or Ticket)	20.600	402-21-05-73	7,260	
State and Community Highway Safety (School Zones)	20.600	402-21-27-08	10,795	
State and Community Highway Safety	20.600	4021-21-33-02	9,034	
State and Community Highway Safety	20.600	4021-21-12-19	3,868	
National Priority Safety Programs	20.600	405D-20-51-07	9,164	
National Priority Safety Programs	20.616	405B-14-12-03	1,000	
National Priority Safety Programs	20.616	405B-14-12-03	2,400	
National Priority Safety Programs (DRE Training)	20.616	405D-20-04	250	
National Priority Safety Programs (Click it or Ticket)	20.616	405D-21-04-11	3,871	
National Priority Safety Programs	20.616	405D-21-07-01	3,649	125,060
				-
Total U.S. Department Of Transportation			\$ 7,964,432	\$ -
DEPARTMENT OF THE TREASURY				
Direct Programs:				
COVID-19 Emergency Rental Assistance Program	21.023	*	\$ 8,689,674	
COVID-19 Emergency Rental Assistance Program	21.023	*	354,648	9,044,322
				-
Pass-Through State Department Of Health And Human Services:				
COVID-19 Coronavirus Relief Fund	21.019	*	156,399	
COVID-19 Coronavirus Relief Fund	21.019	*	2,994,445	
COVID-19 Coronavirus Relief Fund	21.019	*	8,232,726	
COVID-19 Coronavirus Relief Fund	21.019	*	1,278,950	
COVID-19 Coronavirus Relief Fund	21.019	*	8,892,518	
COVID-19 Coronavirus Relief Fund	21.019	*	1,005,700	22,560,739
				-
Total Department of the Treasury			\$ 31,605,061	\$ -

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Programs:				
Employment Discrimination - State and Local Fair Employment Practices				
Agency Contracts	30.002	EEC45310018C0067	\$ 18,575	\$ -
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
Grants to States (Net Lender Contract)	45.310	LS-246174-OLS-20	\$ 1,030	\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Pass-Through State Department Of Environmental Quality:				
Performance Partnership Grants	66.605	A 91016	\$ 12,876	-
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	DO 24094	14,712	
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	FY 2022	5,956	20,668
				-
Total U.S. Environmental Protection Agency			\$ 33,544	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
Food and Drug Administration Research (Retail Food Safety)	93.103	FY 2021	\$ 25,260	
Food and Drug Administration Research (Retail Food Safety)	93.103	FY 2022	6,769	32,029
				-
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 51798-Y3-III-D	378	
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 58040-Y3-III-D	2,573	2,951
				-
Aging Cluster:				
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 51798-Y3-III-B	207,284	
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 58040-Y3-III-B	51,225	
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers (COVID-19)	93.044		819,790	65,605
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 51798-Y3-III-C1	84,305	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 58040-Y3-III-C1	49,253	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 51798-Y3-III-C2	137,430	
Nutrition Services Incentive Program	93.053	NGA 51703-Y3	112,387	1,461,674
				65,605
National Family Caregiver Support, Title III, Part E	93.052	NGA 51798-Y3-III-E	3,518	
National Family Caregiver Support, Title III, Part E	93.052	NGA 58040-Y3-III-E	190,091	193,609
				-
Public Health Emergency Preparedness	93.069		251,884	
Public Health Emergency Preparedness	93.069	27577Y3	4,060	
Public Health Emergency Preparedness	93.069	FY 2022	28,705	284,649
				-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 23503	1,957	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	FY 2021	2,289	4,246
				-
Injury Prevention and Control Research and State and Community Based Programs	93.136		836	
Injury Prevention and Control Research and State and Community Based Programs	93.136	52978 Y3 EO 94088	15,788	
Injury Prevention and Control Research and State and Community Based Programs	93.136	FY 2021	31,244	47,868
				-
Community Programs to Improve Minority Health Grant Program	93.137			1,190
				-
Childhood Lead Poisoning Prevention Projects	93.197	45958 Y3 DO 23097	3,977	
Childhood Lead Poisoning Prevention Projects	93.197	FY 2021	15,407	19,384
				-
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	79985-Y3	519	
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	56942 Y3	54,650	
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	62537 Y3	7,395	
Immunization Cooperative Agreements (Hepatitis B)	93.268	50311-Y3	196	
Immunization Cooperative Agreements (Hepatitis B)	93.268	56188 Y3	12,531	
Immunization Cooperative Agreements (Hepatitis B)	93.268	62774 Y3 DO26696	1,307	
COVID-19 Immunization Cooperative Agreements (COVID Vaccine)	93.268	FY 2021	72,368	
COVID-19 Immunization Cooperative Agreements (COVID Vaccine)	93.268	61937 Y3 EO 95847	133,139	
Immunization Cooperative Agreements (Immunization Flu Clinic)	93.268	56942 Y3	31,701	313,806
				-
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	49575 Y3 DO 21906	514	
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	FY 2021	3,145	
COVID Contact Tracing	93.323	56804 Y3	97,613	101,272
				-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	62272 Y3		725
				-
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 93572	955	
Refugee and Entrant Assistance Program (Health Screening)	93.566	FY 2021	11,006	11,961
				-

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number / Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Child Care and Development Fund (CCDF) Cluster:				
COVID-19 Child Care and Development Block Grant	93.575		500	
COVID-19 Child Care and Development Block Grant	93.575		5,550	
COVID-19 Child Care and Development Block Grant	93.575		5,550	
COVID-19 Child Care and Development Block Grant	93.575		5,550	
COVID-19 Child Care and Development Block Grant	93.575		5,550	
COVID-19 Child Care and Development Block Grant	93.575		3,550	
COVID-19 Child Care and Development Block Grant	93.575		6,000	32,250 -
Foster Care Title IV-E (FFPSA)	93.658	51343 Y3 EO 94125	55,280	
Foster Care Title IV-E (FFPSA)	93.658	FY 2021	211,572	266,852 -
Social Services Block Grant (SSBG)	93.667	April 2020-March 2021	11,293	
Social Services Block Grant (SSBG)	93.667	April 2021-March 2022	5,349	16,642 -
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds	93.758	FY 2021		7,533 -
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	51607 Y3	68,429	
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	FY 2021	300,747	369,176 -
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	46445 Y3	11,745	
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	FY 2021	68,671	80,416 -
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	55070 Y3 DO 23754		2,776 -
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	53036 Y3 DO 23096	8,036	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	FY 2021	10,457	18,493 -
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	52718 Y3 EO 94055	21,416	
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	FY 2021	12,912	34,328 -
Preventive Health and Health Services Block Grant (Oral Health Access)	93.991	52669-Y3	3,484	
Preventive Health and Health Services Block Grant (Oral Health Access)	93.991	FY 2021	10,803	
Preventive Health and Health Services Block Grant (Safe Kids Injury Prevention)	93.991	DO 22616	5,350	
Preventive Health and Health Services Block Grant (GIS-Walkability)	93.991	2B01DP009036-10	1,126	20,763 -
Total U.S. Department Of Health And Human Services			\$ 3,324,593	\$ 65,605
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass-Through Nebraska State Patrol:				
High Intensity Drug Trafficking Areas Program	95.001	19HD02	\$ 10,004	
High Intensity Drug Trafficking Areas Program	95.001	20HD02	62,223	
High Intensity Drug Trafficking Areas Program	95.001	21HD02	9,831	\$ 82,058 -
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2018-CA-00052	\$ 141,729	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2020-CA-00-066	928,588	1,070,317 -
Assistance to Firefighters Grant	97.044	EMW-2013-FO-04850		228,974 -
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2017-FH-00486		1,238,282 -
Pass-Through Nebraska Emergency Management:				
Flood Mitigation Assistance Program	97.029	EMK-2019-FM-E002		24,585 -
COVID-19 Disaster Grants - Public Assistance	97.036	4521DR-NE (4521DR)		900,589 -
Hazard Mitigation Grant	97.039	4013-0050		24,870 -
Total Department of Homeland Security			\$ 3,487,617	\$ -
Total Federal Expenditures			\$ 77,632,647	\$ 1,613,968

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, 2021

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, 2021. 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, 2021, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

PASS-THROUGH AWARDS

The City receives certain federal awards in the form of pass-through awards. Such amounts received as pass-through awards are specifically identified on the Schedule.

MAJOR PROGRAMS

In accordance with the Uniform Guidance, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are determined by the independent auditor to be major programs.

FEDERAL LOANS OUTSTANDING

The federal loan programs listed subsequently are administered directly by the City and balances and transactions relating to these programs are included in the City basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding, at August 31, 2021, consist of:

Assistance Listing #	Program Name	Outstanding Balance as of August 31, 2021
14.218	Community Development Block Grant	\$11,577,000
14.228	Community Development Block Grant - Neighborhood Stabilization Program	80,000
14.239	HOME Investment Partnership Program	9,817,000

New loans included in the Schedule totaled \$1,083,000, \$0, and \$881,000, for CFDA numbers 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 as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 21, 2022, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle. 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 on compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

BKD, LLP

Lincoln, Nebraska
March 21, 2022

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, 2021. 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 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, 2021.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

BKD, LLP

Lincoln, Nebraska
March 21, 2022

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2021

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, 2021

Summary of Auditor's Results - Continued

7. The City's major programs were:

Cluster/Program	Assistance Listing Number
CDBG Entitlement Grants Cluster	14.218
Federal Transit Cluster	20.507 / 20.526
COVID-19 Coronavirus Relief Fund	21.019
COVID-19 Emergency Rental Assistance Program	21.023

8. The threshold used to distinguish between Type A and Type B programs was \$2,328,979.

9. The City qualified as a low-risk auditee? ☒ Yes ☐ No

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2021

Reference Number	Summary of Finding	Status
No matters are reportable.		

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated November 3, 2022 (the “**Disclosure Undertaking**”), is executed and delivered by **THE CITY OF LINCOLN, NEBRASKA** (the “**Issuer**”).

RECITALS

1. This Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$11,550,000 General Obligation Highway Allocation Fund Bonds, Series 2022** (the “**Bonds**”), pursuant to an ordinance passed on September 26, 2022, by the governing body of the Issuer and approved by the Mayor on September 29, 2022 (the “**Ordinance**”).

2. The Issuer is entering into this Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday, or legal holiday, (b) a day on which banks located in the city in which the designated payment office of the paying agent for the Bonds is located is required or authorized by law to remain closed, or a day on which the Securities Depository or the New York Stock Exchange is closed.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *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.

“Fiscal Year” means the **12-month** period beginning on **September 1** and ending on **August 31** or any other **12-month** period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** of this Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than **May 1 of each year**, commencing May 1, 2023, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):

(1) The audited financial statements of the Issuer 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.

(2) Updates as of the end of the Fiscal Year of the financial information and operating data relating to the Issuer contained in APPENDIX A to the final Official Statement related to the Bonds, in substantially the same format contained in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **“obligated person”** (as defined by the Rule), which have been filed with the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(b) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same has been filed with the MSRB.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, 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 bondholders, 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 Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer’s obligations under this Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and

may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including, without limitation, the Annual Report) prepared by the Issuer pursuant to this Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, 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 this Disclosure Undertaking.

If a provision of this Disclosure Undertaking is amended or waived, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Disclosure Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Nebraska.

[The remainder of this page intentionally left blank.]

APPENDIX D

BOOK-ENTRY SYSTEM

BOOK-ENTRY SYSTEM

The Depository Trust Company, New York, NY, will act as securities depository for the Series 2022 Bonds. The Series 2022 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 2022 Bond will be issued for each maturity of the Series 2022 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 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 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 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 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 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 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 2022 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 2022 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 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2022 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 Registrar and Paying Agent, 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 2022 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 Registrar and Paying Agent, 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 2022 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 E

FORM OF BOND COUNSEL OPINION

_____, 2022

City of Lincoln, Nebraska
Lincoln, Nebraska

Robert W. Baird & Co. Inc.
Milwaukee, Wisconsin

Re: \$11,550,000 City of Lincoln, Nebraska, General Obligation Highway Allocation Fund
Bonds, Series 2022

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 general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from (1) a pledge of funds received and to be received by the Issuer from the Highway Allocation Fund of the State of Nebraska (the “Highway Allocation Fund”) and (2) a levy of ad valorem taxes upon all the taxable property within the territorial limits of the Issuer at such rate or rates which, together with receipts from the Highway Allocation Fund 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. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Nebraska, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these

requirements may cause the interest on the Bonds to be included in gross income for federal and Nebraska income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

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,