

NEW ISSUE – FULL BOOK ENTRY
NOT BANK QUALIFIED

RATING: S&P Global Ratings: “AAA”
See “RATING”

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 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
\$17,250,000*
THE CITY OF LINCOLN, NEBRASKA
MUNICIPAL IMPROVEMENT BONDS
SERIES 2024

Dated: date of delivery

Due: August 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 Purchases of the Bonds will be originally made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC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 February 15 and August 15 of each year, beginning February 15, 2025. 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. Union Bank and Trust Company, 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) acquire streetlights and heavy equipment, and construct and replace sidewalks and related improvements (the “Project”) and (b) pay certain costs of issuing the Bonds. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

For the prompt payment of the Bonds, the City has pledged all receipts now or hereafter received by the City from revenues from the first 1½ percent sales and use tax (the “Sales Tax”) imposed within the City and the City will designate a portion of its property tax levy (pursuant to Section 77-3442, R.R.S. Neb., as amended), in such amount as will provide funds which, together with receipts from the Sales Tax as pledged to the payment of such principal and interest and any other legally available funds, will be sufficient to make payment of the principal of and interest on the Bonds as the same fall due. See “SECURITY” and “NEBRASKA DEVELOPMENTS 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 August 15, 2031 are subject to optional redemption prior to maturity at the option of the City at any time on or after February 15, 2031 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 October 17, 2024*.

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 _____, 2024

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor may there be any sale of these securities in any jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

\$17,250,000
THE CITY OF LINCOLN, NEBRASKA
MUNICIPAL IMPROVEMENT BONDS
SERIES 2024

<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> <u>()</u>
2025	\$4,230,000				
2026	5,320,000				
2027	740,000				
2028	775,000				
2029	815,000				
2030	855,000				
2031	895,000				
2032	945,000				
2033	990,000				
2034	1,040,000				
2035	645,000				

[†Yield to first optional call date of February 15, 2031.]

* Preliminary; subject to change.

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

Leirion Gaylor Baird, Mayor

City Council Members

Sändra Washington (Chair)

Tom Beckius
Justin P. Carlson
Bennie Shobe

James Michael Bowers
Tom Duden
Brodey Weber

City Department Heads

Steve Hubka Interim Finance Director
Yohance Christie City Attorney
David Cary Planning Director
Maggie Stuckey-Ross Parks and Recreation Director
Emeka Anyanwu LES Administrator and CEO
Peter Hind Urban Development Director
Ryan Wieber Library Director
Elizabeth Elliott Transportation and Utilities Director
Patricia Lopez Health Director
Barb McIntyre Human Resources Director
Chad Blahak Building and Safety Director
Michon Morrow 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

Union Bank and Trust Company

Independent Auditors

FORVIS, 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.

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OFFICIAL STATEMENT

\$17,250,000*

THE CITY OF LINCOLN, NEBRASKA MUNICIPAL IMPROVEMENT BONDS SERIES 2024

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 \$17,250,000* Municipal Improvement Bonds, Series 2024 (the “**Bonds**” or the “**Series 2024 Bonds**”). Union Bank and Trust Company, 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 2024 Bonds under the authority of the provisions of Section 77-27,142, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), and Ordinance No. 21653 duly adopted by the Council on August 26, 2024 and approved by the Mayor on August 30, 2024 (the “**Bond Ordinance**”). The Bond Ordinance authorizes the issuance of Municipal Improvement Bonds of the City in an aggregate principal amount not to exceed \$19,000,000.

SECURITY

For the prompt payment of the Series 2024 Bonds, both principal or redemption price and interest, when and as the same shall become due, the City pledges all receipts now or hereafter received by the City from a sales and use tax in the amount of one and one-half percent (1.50%) upon the same transactions on which the State of Nebraska is authorized to impose a sales and use tax within the City (the “**Sales Tax**”), as provided by the Act. The pledge of the Sales Tax shall not prevent the City from applying receipts from the Sales Tax in any year for other purposes so long as sufficient amounts from such fund or other legally available sources have been set aside for the payment of the principal or redemption price of and interest on the Series 2024 Bonds falling due in such year. Pursuant to the requirements of the Act, to the extent that other legally available money of the City available or appropriated for such purposes is insufficient to pay the principal or redemption price of and interest on the Series 2024 Bonds when and as the same shall become due, the City will designate a portion of its property tax authority pursuant to Section 77-3442, R.R.S. Neb., as amended (the “**Property Tax**”), in such amount as will provide funds which, together with receipts from the Sales Tax as pledged to the payment of such principal and interest

* Preliminary; subject to change.

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 Series 2024 Bonds as the same fall due.

Pursuant to the Bond Ordinance, the City has reserved the right to issue additional municipal improvement bonds (the “**Additional Bonds**”) payable on a parity with the Bonds and equally and ratably secured by a pledge of receipts from the Sales Tax and Property Tax described above, so long as the maximum annual debt service on all municipal improvement bonds of the City issued and outstanding under Section 77-27,142 upon the issuance of the Additional Bonds does not exceed the total of (1) the receipts from the Sales Tax for the prior fiscal year of the City, and (2) amounts expected to be available therefor pursuant to the City’s levy under the provisions of Section 77-3442 R.R.S. Neb, as amended.

The City has issued and outstanding \$11,160,000 of its Municipal Improvement Bonds, Series 2022, payable on a parity with the Series 2024 Bonds.

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DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2024 Bonds and the Series 2022 Bonds for each of the fiscal years ending August 31:

<u>Year</u>	Series 2022 Bonds <u>Debt Service</u>	Series 2024 Bonds			Total <u>Debt Service</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 878,268.76	\$	\$	\$	\$
2026	879,268.76				
2027	879,268.76				
2028	878,268.76				
2029	876,268.76				
2030	878,143.76				
2031	878,768.76				
2032	873,268.76				
2033	876,518.76				
2034	873,393.76				
2035	873,893.76				
2036	876,068.76				
2037	874,756.26				
2038	871,587.51				
2039	871,837.51				
2040	870,346.88				
2041	871,987.50				
2042	871,587.50				
2043	<u>869,125.00</u>				
TOTALS	<u>\$16,622,628.28</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 all restrictions have been lifted. 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, 2023, and as discussed more fully in Footnote 13 to the City’s audited financial statements attached hereto, was 77.84%. 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 Developments 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 DEVELOPMENTS 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.

Risks Related to Sales Tax. The City's local option sales tax (the City's 1.5% Sales Tax described herein) represents a significant source for funding the City's operations and payment for certain of its outstanding indebtedness other than the Bonds.

The Bonds are special, limited obligations of the City payable from receipts of the Sales Tax and the Property Tax, as more fully described in "SECURITY" herein. Sales tax receipts are subject to fluctuation based on changes in local and national economic conditions, the rates of employment and economic growth, the availability of consumer credit and the level of consumer spending, and the level of residential and commercial development, among other factors. Such fluctuations could materially affect the amount of Sales Tax receipts available for payment of the Bonds and other operations of the City. Because the City does not have the ability to levy an unlimited ad valorem tax for payment of the Bonds, any unexpected shortfall in Sales Tax could have a material effect on the City's operations.

NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION

The Nebraska Legislature (the “**Legislature**”) has periodically enacted legislation intended to reduce or restrict the level of property taxation in the State, with the most recent legislative action taking place during a special session called in July 2024 for the purpose of property tax reduction. On August 20, 2024, the Legislature passed, and the Governor signed, Legislative Bill 34 (“**LB34**”).

Prior to 2024 and through the 2024-25 fiscal year, cities were and are subject to budget limitations (Sections 13-518 to 13-522, R.R.S. Neb., as amended, and related sections, the “**Budget Limitations**”) which limit the growth in amounts permitted to be budgeted with respect to certain restricted funds. Restricted funds included property taxes, as well as sales taxes and certain other revenue sources. The Budget Limitations provided for a base limitation of 2.5% upon increases and could be exceeded by an additional 1% upon an affirmative vote of at least 75% of the governing body. The Budget Limitations did not apply to (i) restricted funds pledged to retire bonded indebtedness or (ii) to the revenues of proprietary funds unless such revenues were transferred to fund a service for a function not directly related to the charges and activity for which the charges are imposed.

LB34 was passed to place more restrictions on property taxes and eliminate the Budget Limitations for cities. After passage of LB34, the Budget Limitations will no longer apply to the City beginning with Fiscal year 2025-26. The following limits apply to the City for future years, beginning with fiscal year 2025-26.

Tax levy rate limitations (Section 77-3442, R.R.S. Neb., as amended, and related sections, the “**Levy Rate Limitations**”) have been in effect since 1996 and were not changed. Levy Rate Limitations currently provide for overall limitations on the tax levy rate of political subdivisions, including cities. The maximum levy rate 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 payments required by interlocal agreements with other political subdivisions. The Levy Rate Limitations also provide an express exclusion for property taxes levied for bonded indebtedness secured by a levy on property. Any property taxes levied and used to pay the city’s municipal improvement bonds, including the Bonds offered herein and any municipal improvement bonds issued to refinance the Bonds, do not qualify for the exclusion and are subject to the Levy Rate Limitations. The City’s current property tax levy rate subject to the Levy Rate Limitation is \$0.307835 per \$100 of assessed valuation, or \$0.192165 below the Levy Rate Limitation.

Total property tax request limitations enacted through LB34 in August 2024 (the “**Property Tax Request Limitations**”) provide an additional limit on the growth in the dollar amount of property tax revenue which may be imposed by a city each year. The Property Tax Request Limitation provides that a city may only request the dollar amount of property tax levied in the prior fiscal year, less any Exceptions (defined below) claimed by the City for the prior year, increased by multiplying (a) the amount of property taxes levied in the prior year increased by the percentage growth in valuation due to improvements to real estate, annexations, changes in use of real property, and valuation attributable to tax increment financing (but not other valuation increases), by (b) the greater of 0% or the annual change in the State and Local Consumption Expenditures and Gross Investment index (as reported in December of the prior year). A City may then add to its property tax request amounts levied for payment of bonds, for public safety and emergency services, for certain types of emergencies, and for those purposes approved by the voters (collectively, the “**Exceptions**”).

Taxes to pay principal and interest on the Bonds are not subject to the Property Tax Request Limitations but are subject to the Levy Rate Limitations.

It is unclear what impact the new Property Tax Request Limitations will have on the City’s property tax levying authority in future years. However, approximately 52% of the City’s tax-supported budget for 2024-2025 – inclusive of property taxes and sales taxes - consists of public safety expenditures, which are likely to constitute Exceptions under the Property Tax Request Limitations. As such, the City does not expect the Property Tax Request Limitations to have a negative impact on its ability to levy property taxes for operating purposes as expenditures for public safety, which are Exceptions, constitute approximately 147% of the City’s current expected property tax collections.

In addition, future legislation related to property tax requests is expected to occur in future special or regular sessions of the Legislature. Decisions of the Nebraska Supreme Court, or initiative petitions proposed and passed by qualified voters in the State may also alter the Levy Rate Limitations or the Property Tax Request Limitations, or may otherwise modify the sources of and limitations on the revenues used by governmental units in the State to finance their operations, services, and activities. It is expected that changes to the Property Tax Request Limitations will be proposed in the next Legislative session beginning in January 2025, but the City cannot be sure what changes will be proposed or passed.

THE PROJECT

The City is using the Bond proceeds to provide funds to (a) acquire streetlights and heavy equipment, and construct and replace sidewalks and related improvements (the “**Project**”) and (b) pay certain costs of issuing the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS:

Principal Amount of Series 2024 Bonds	\$ _____
Less/Plus Original Issue Discount/Premium	_____

TOTAL SOURCES:	\$ _____
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USES OF FUNDS:

Deposit to Construction Fund	\$ _____
Costs of Issuance (including Underwriter’s Discount)	_____

TOTAL USES:	\$ _____
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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 February 15 and August 15 of each year, commencing February 15, 2025, will mature on August 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 August 15, 2030 are not subject to redemption prior to their stated maturities. Bonds maturing on or after August 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 February 15, 2031 in such principal amounts and from such maturity or maturities as the City shall specify and by lot in integral multiples of \$5,000 within a maturity at a redemption price equal to 100% of the principal amount then being redeemed, together with accrued interest on such principal amount to the date fixed for redemption.

Notice and Effect of Call for Redemption

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

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

RATING

S&P 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 State of 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 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 2024 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 2024 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 2024 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, 2023, included in **"APPENDIX B—FINANCIAL STATEMENTS,"** have been audited by FORVIS, LLP, independent auditors, as stated in their report appearing herein. The City did not request FORVIS, LLP to perform any updating procedures subsequent to the date of its audit report on the August 31, 2023 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 100 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 2023 population is 292,627.

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 7,200 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, Houston, 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, ride-sharing and local StarTran bus services.

The mean commute time in Lincoln is 18 minutes and nearly 17 percent of area commuters spend less than 10 minutes on the road.

Government Center

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

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

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

Education

The University of Nebraska, with approximately 23,600 students, Nebraska Wesleyan University, with approximately 2,100 students, Union College, with approximately 705 students, Bryan LGH College of Health Sciences with approximately 747 students, and Southeast Community College, with approximately 9,505 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 8 high schools, 12 middle schools, and 41 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	
2023	765	\$ 590,716,690	2,270	\$ 190,138,477	\$ 8,218,611,787	\$ 18,522,976,666	\$ 26,741,588,453
2022	1,053	970,120,929	2,926	243,406,740	8,028,196,147	18,524,321,766	26,552,517,913
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

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 four police stations with 351 police officers.

City Employee Information

For the 2023-2024 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 (IAFF) 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 IAFF contract expired at the end of August 2023, PAGE, ATU and LCEA will expire at the end of August 2024, and LPU and LMCEA contracts will expire at the end of August 2025

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 (LANCASTER COUNTY) NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

	MAY 31, 2023		NOVEMBER 30, 2023	
	Number Employed	Percent of Total	Number Employed	Percent of Total
Industry Manufacturing:				
Durable Goods	9,153	4.7	9,128	4.6
Nondurable Goods	5,560	2.9	5,647	2.9
Total Industry Manufacturing	14,713	7.6	14,775	7.5
Nonmanufacturing:				
Natural Resource & Construction	11,095	5.7	11,200	5.7
Transportation, Warehousing & Utilities	10,814	5.6	11,310	5.7
Wholesale Trade	4,420	2.3	4,421	2.2
Retail Trade	17,987	9.3	18,205	9.3
Information	3,584	1.9	3,796	1.9
Finance, Insurance & Real Estate	10,644	5.5	10,690	5.4
Services (except domestic)	77,515	40.1	79,340	40.4
Government	42,484	22.0	43,235	21.9
Total Nonmanufacturing	178,543	92.4	182,197	92.5
TOTAL	193,256	100.0	196,972	100.0

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

As of December 2023, the unemployment rate in Lincoln was 2.1%, among the lowest unemployment rates in the United States.

LINCOLN LABOR FORCE DATA 2023-2014 (For the Calendar Year Indicated)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Civilian Labor Force	189,774	189,969	188,166	188,745	186,998	184,089	178,854	177,616	176,130	176,594
Unemployment	3,900	4,066	3,023	5,451	4,385	4,574	4,661	4,920	4,668	5,279
Percent of Labor Force	2.1	2.1	1.6	2.9	2.3	2.5	2.6	2.8	2.7	3.0
Employment ¹	185,874	185,903	185,143	183,294	182,613	179,515	174,193	172,696	171,462	171,315

STATE OF NEBRASKA

Percent of Labor Force

Unemployment ¹	2.5	2.6	1.8	2.8	2.7	2.8	2.9	3.1	3.0	3.3
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Source: State of Nebraska, Department of Labor

¹ 2023 Preliminary

**LINCOLN PRINCIPAL EMPLOYERS
CURRENT YEAR**

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
State of Nebraska	8,300	1	4.33 %
Lincoln Public Schools	7,780	2	4.06
University of Nebraska-Lincoln	7,500	3	3.91
Bryan Health	4,900	5	2.55
US Government	3,300	4	1.72
City of Lincoln	2,766	6	1.44
Kawasaki Motors Mfg. Corp.	2,450	7	1.28
Saint Elizabeth Regional Medical Center	1,825	8	0.95
B&R Stores, Inc	1,800	9	0.93
Duncan Aviation	1,750	10	0.91
Total	<u><u>42,371</u></u>		<u><u>22.07 %</u></u>

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population ¹</u>	<u>Per Capita Personal Income ²</u>	<u>School Enrollment ³</u>
2023	292,627	\$	41,850
2022	292,657	60,299	41,784
2021	291,082	56,887	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

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 2023 is unavailable.

³ Lincoln Public Schools.

Median age from the 2022 census was 33.0. Education statistics per the 2022 Census indicate that 92.9% of the population 25 years and older has a high school degree or greater with 40.9% 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>
2023	89,735	101,563	151,924
2022	89,514	101,101	147,843
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

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
2023	\$ 74,806,616	109,937,772	31,183,919	31,644,070	20,373,747	38,592,638	27,660,245	46,566,516	380,765,523
2022	72,993,154	98,553,703	27,858,002	29,534,303	44,658,620	34,516,518	18,296,044	42,271,518	368,681,862
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

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
2023	\$ 275,908,226	115,253,784	28,422,288	20,875,392	30,190,731	17,521,330	488,171,751
2022	263,918,446	124,200,688	28,559,289	20,001,124	(13,986,102)	16,700,904	439,394,349
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

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

**SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS ¹**

Fiscal Year Ended <u>August 31</u>	Special Assessment Collections <u>Including Interest</u>
2023	\$ 1,392,786
2022	1,745,504
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

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 2023 tax levy for the 2023-2024 fiscal year is \$227,202,532 below the legal limit, a tax rate per \$100 valuation of .31293. The assessed value upon which the 2023 levy is based is \$29,517,651,936. By charter, only 90% of the property tax levy may be appropriated.

For the 2023-2024 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 2023-2024 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 3.50%. An additional 1% can be authorized by a 75% vote of the City Council and was utilized for the 2023-2024 budget. The 2023-2024 budget is \$450,184 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, 2023	
		Amount	Percent	Amount	Percent
2023	\$ 87,201,511	\$ 85,374,290	97.90 %	\$ 85,374,290	97.90 %
2022	85,256,757	83,361,780	97.78	83,414,972	97.84
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

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.

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2023 Assessed Valuations</u>	<u>Percentage Of Total Assessed Valuation</u>
B & J Partnership Ltd.	Building Management	\$ 191,469,400	0.69%
Burlington Northern Windstream	Railroad Telecommunications	163,818,339 160,189,706	0.59% 0.57%
Allo Communications LLC	Communication	157,265,193	0.56%
Nebco	Construction / Development	112,983,571	0.41%
Bousek, Mark A	Property Management	75,457,300	0.27%
Bryan Medical Center	Hospital	65,320,300	0.23%
RED Capital Management	Retail Management	62,645,500	0.22%
HPI Lincoln LLC	Manufacturing / Development	61,231,100	0.22%
Kawasaki	Manufacturing	57,632,343	0.21%
		<u>\$ 1,108,012,752</u>	<u>3.97%</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
2023	\$ 104,821,993
2022	99,344,559
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

**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
2023	\$ 71,072,131	\$ 104,821,993	\$ 29,612	\$ 2,200,001	\$ 5,904,220	\$ 184,027,957
2022	67,159,453	99,344,559	23,262	2,203,419	6,055,887	174,786,580
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

**TAXABLE ASSESSED VALUATION
LAST TEN YEARS ¹**

Fiscal Year Ended August 31,	Real Estate	All Other	Total
2023	\$ 26,741,588,453	\$ 1,132,507,561	\$ 27,874,096,014
2022	26,552,517,913	1,308,063,315	27,860,581,228
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

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City of Lincoln	0.3129	0.3198	0.3198	0.3165	0.3165	0.3337	0.3196	0.3196	0.3158	0.3158
School District No. 1	1.2072	1.2220	1.2222	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447
Lancaster County	0.2608	0.2816	0.2816	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843
Lincoln Airport Authority	0.0171	0.0076	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
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	0.0937	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627
Lower Platte South Natural Res. Dist.	0.0260	0.0300	0.0309	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378
Lancaster County Correctional JPA City	0.0074	0.0086	0.0093	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177
Lancaster County Correctional JPA County	0.0059	0.0068	0.0070	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099
Railroad Transportation Safety Dist.	0.0222	0.0147	0.0147	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100
Agricultural Society of Lancaster County	0.0013	0.0014	0.0014	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015
Lancaster County Fairgrounds	0.0020	0.0024	0.0025	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167
	<u>1.9885</u>	<u>2.0206</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>

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

DEBT MANAGEMENT
OUTSTANDING INDEBTEDNESS AS OF AUGUST 31, 2023

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
Governmental Activities:							
General Obligation Bonds:							
General Bonds:							
\$ 6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	Semiannually	\$ 3,065
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
5,720	04/15/15	Stormwater Refunding Bonds	1.000 - 5.000	Serial 2016 to 2025	---	"	1,260
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	4,620
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	---	"	2,015
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2020 to 2039	2029	"	8,920
4,140	08/20/20	Stormwater Refunding Bonds	5.00	Serial 2021 to 2030	---	"	3,100
Total General Bonds							<u>\$ 24,495</u>
Tax Allocation Bonds:							
\$ 3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	Semiannually	\$ 350
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	20
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	66
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	107
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	173
180	10/15/20	Tax Allocation Bonds	1.240	Serial 2022 to 2035	Anytime	"	161
120	12/01/20	Tax Allocation Bonds	1.420	Serial 2021 to 2034	Anytime	"	99
222	01/01/21	Tax Allocation Bonds	1.450	Serial 2021 to 2034	Anytime	"	185
192	01/01/21	Tax Allocation Bonds	1.450	Serial 2022 to 2035	Anytime	"	182
52	06/01/21	Tax Allocation Bonds	2.060	Serial 2022 to 2035	Anytime	"	48
240	02/01/23	Tax Allocation Bonds	4.020	Serial 2025 to 2039	Anytime	"	240
308	03/01/23	Tax Allocation Bonds	4.360	Serial 2025 to 2044	Anytime	"	308
Total Tax Allocation Bonds							<u>\$ 1,779</u>
Tax Supported Bonds:							
\$ 28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	Semiannually	\$ 2,840
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	"	6,555
21,765	08/20/20	Limited Tax Arena Refunding Bonds	.200 - 3.000	Serial 2021 to 2037	2030	"	18,380
15,260	05/15/21	Highway Allocation Fund Bonds	2.000 - 5.000	Serial 2022 to 2037	2029	"	13,560
11,550	10/19/22	Highway Allocation Fund Bonds	4.000 - 5.000	Serial 2023 to 2042	2030	"	11,550
Total Tax Supported Bonds							<u>\$ 52,885</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 190
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	"	1,400
Total Special Assessment Bonds							<u>\$ 1,965</u>
Municipal Improvement Bonds:							
\$ 8,360	10/26/2022	Municipal Improvement Bonds	3.270 - 4.250	Serial 2023 to 2028	2030	Semiannually	\$ 8,360
1,525	10/26/2022	Municipal Improvement Bonds	4.375	Term 2040	2030	"	1,525
1,665	10/26/2022	Municipal Improvement Bonds	4.500	Term 2042	2030	"	1,665
Total Municipal Improvement Bonds							<u>\$ 11,550</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	\$ 23,980
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	"	8,250
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	"	15,495
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	"	84,380
11,730	11/21/19	Facility Refunding Bonds	3.250	Term 2042	2029	"	11,730
Total West Haymarket Joint Public Agency Bonds							<u>\$ 303,860</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 396,534</u>
Business-Type Activities:							
Revenue Bonds:							
\$ 38,290	05/24/12	Wastewater Revenue Refunding	1.000 - 5.000	Serial 2013 to 2028	2023	Semiannually	\$ 13,655
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	6,235
13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	"	8,980
20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	"	17,420
2,760	07/24/19	Wastewater Revenue Bonds	3.00	Term 2042	2029	"	2,760
2,925	07/24/19	Wastewater Revenue Bonds	3.00	Serial 2043 to 2044	2029	"	2,925
27,640	10/12/22	Wastewater Revenue Bonds	3.020 - 4.300	Serial 2024 to 2043	2031	"	27,640
4,320	10/12/22	Wastewater Revenue Bonds	4.125	Term 2045	2031	"	4,320
4,685	10/12/22	Wastewater Revenue Bonds	4.250	Term 2047	2031	"	4,685
Total Wastewater Bonds							<u>\$ 88,620</u>
\$ 28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	Semiannually	\$ 4,990
10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	"	8,185
Total Water Bonds							<u>\$ 13,175</u>
\$ 48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000	Serial 2020 to 2035	2029	Semiannually	\$ 31,035
Total Parking Bonds			3.00	Term 2039	2029	"	<u>\$ 6,655</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 2,370
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	3,870
Total Solid Waste Management Bonds							<u>\$ 6,240</u>
\$ 75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	Semiannually	\$ 45,310
127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	"	31,455
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>\$ 561,990</u>
TOTAL REVENUE BONDS							<u>\$ 707,715</u>

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		COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 20,368	16,720	256	37	5,915	1,104
2025	17,697	16,008	271	32	4,885	872
2026	17,521	15,278	275	27	4,910	678
2027	18,022	14,581	247	23	3,563	481
2028	16,199	13,834	149	20	2,720	354
2029-2033	86,607	59,244	790	52	5,757	715
2034-2038	91,442	41,567	84	1	1,915	125
2039-2043	93,195	21,603	-	-	350	15
2044-2048	35,483	3,070	-	-	-	-
Total	\$ 396,534	201,905	2,072	192	30,015	4,344

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 43,370	24,175	2,162	477	140	54
2025	50,630	23,144	2,222	434	120	47
2026	46,675	22,004	2,265	390	125	41
2027	11,335	3,879	2,310	345	135	35
2028	11,195	3,448	2,184	300	140	28
2029-2033	239,355	80,287	10,668	786	460	41
2034-2038	212,300	35,989	1,416	21	-	-
2039-2043	82,365	11,323	-	-	-	-
2044-2048	10,490	1,012	-	-	-	-
Total	\$ 707,715	205,261	23,227	2,753	1,120	246

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,173	3,801	3,993	736	30,535	18,909
2025	7,460	3,522	3,620	583	37,800	18,385
2026	7,757	3,232	1,381	446	35,740	17,730
2027	8,044	2,935	1,439	396	37,580	16,807
2028	7,793	2,612	1,496	346	39,325	15,063
2029-2033	23,341	10,065	8,337	943	220,110	51,764
2034-2038	13,975	6,651	1,829	43	120,190	16,284
2039-2043	16,220	3,893	-	-	40,710	3,299
2044-2048	10,490	1,013	-	-	-	-
Total	\$ 102,253	37,724	22,095	3,493	561,990	158,241

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 \$3,032,382, \$3,072,211, \$674,888 and \$1,031,708 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

The City has entered into financed purchase agreements for financing the acquisition of land, buildings, streetlights, entry corridor improvements, sidewalks, dump trucks, street sweepers, motor grader, emergency vehicles and equipment, golf equipment and computer equipment and software. These financed purchase agreements 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	\$ 178,066	\$ 199,546
Buildings	29,141,504	1,502,602
Improvements	5,070,465	-
Infrastructure	38,996,521	-
Machinery and Equipment	13,813,615	2,632,245
Construction In Progress	461,516	-
Less Accumulated Depreciation, (where applicable)	<u>(34,518,749)</u>	<u>(2,800,592)</u>
Total	<u>\$ 53,142,938</u>	<u>\$ 1,533,801</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, 2023, is summarized below (unaudited):

<u>Governmental Units</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ 438,983,000	100.0 %	\$ 438,983,000
Overlapping:			
School District #1	521,980,000	99.5	519,370,000
Public Building Commission	19,250,000	85.4	16,440,000
Lancaster County Correctional Facility	22,000,000	85.4	18,788,000
Lancaster County Fairgrounds	5,845,000	85.4	4,992,000
	<u>569,075,000</u>		<u>559,590,000</u>
Total	<u>\$ 1,008,058,000</u>		<u>\$ 998,573,000</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 \$1,500.15; a per capita direct and overlapping debt of \$3,412.44; a ratio of direct City debt to 2023 actual valuation of 1.58 percent; and a ratio of direct and overlapping debt to 2023 actual valuation of 3.58 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, 2023, the Airport Authority had outstanding \$83,630,000 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 a property tax levy rate of \$0.016750 cents per hundred dollars valuation for 2023.

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			Total Debt Service	Total General Governmental ¹ Expenditures	Ratio Of Debt Service To Total General Expenditures
	Principal	Interest ²			
2023	\$ 10,255,697	\$ 2,938,167	\$ 13,193,864	\$ 380,765,523	3.47%
2022	10,211,126	2,972,526	13,183,652	368,681,862	3.58%
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%

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		Net General Obligation	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
	Bonded Debt	Sinking Funds	Bonded Debt						
2023	\$ 92,674,000	\$ 7,804,000	\$ 84,870,000	292,627	\$ 290.03	\$ 27,874,096,014	0.30%	\$ 26,741,588,453	0.32%
2022	79,209,000	6,520,000	72,689,000	292,657	248.38	27,860,581,228	0.26%	26,552,517,913	0.27%
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%

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 Revenue	Direct Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Wastewater System</u>							
2023	\$ 42,368,731	18,561,072	23,807,659	6,121,951	3,424,271	9,546,222	2.49
2022	39,432,749	18,130,744	21,302,005	5,916,442	2,591,888	8,508,330	2.50
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
<u>Water System</u>							
2023	\$ 61,721,651	28,215,819	33,505,832	3,862,307	857,212	4,719,519	7.10
2022	52,317,638	22,479,192	29,838,446	4,701,657	1,012,912	5,714,569	5.22
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
<u>Parking Facilities</u>							
2023	\$ 13,747,064	7,510,810	6,236,254	2,975,000	1,078,538	4,053,538	1.54
2022	12,371,262	6,593,739	5,777,523	2,880,000	1,164,936	4,044,936	1.43
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
<u>Solid Waste Management</u>							
2023	\$ 17,537,242	14,139,997	3,397,245	600,000	243,834	843,834	4.03
2022	15,400,420	11,707,107	3,693,313	575,000	269,284	844,284	4.37
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

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

	<i>Fiscal Year</i>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Cash & Investment Balance - September 1 of Year Indicated \$	105,302,663	82,176,145	45,270,259	42,032,717	44,336,245	40,447,532	38,315,059	36,190,807	32,471,866	25,932,021
Receipts:										
Property Tax	71,072,131	67,159,453	61,923,848	55,648,747	50,054,765	46,009,808	42,669,103	40,564,330	37,333,435	37,428,736
City Sales & Use Tax	104,821,993	99,344,559	88,723,756	80,343,337	78,563,436	76,812,830	75,259,945	71,621,717	68,861,600	66,393,392
Other Income	51,338,511	42,269,505	75,934,678	38,283,948	38,650,878	38,470,133	37,291,708	37,383,280	38,281,650	36,929,588
Total Receipts	227,232,635	208,773,517	226,582,282	174,276,032	167,269,079	161,292,771	155,220,756	149,569,327	144,476,685	140,751,716
Less Disbursements	204,881,868	185,646,999	189,676,396	171,038,490	169,572,607	157,404,058	153,088,283	147,445,075	140,757,744	134,211,871
Cash & Investment Balance - August 31 of Year Indicated \$	<u>127,653,430</u>	<u>105,302,663</u>	<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>

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

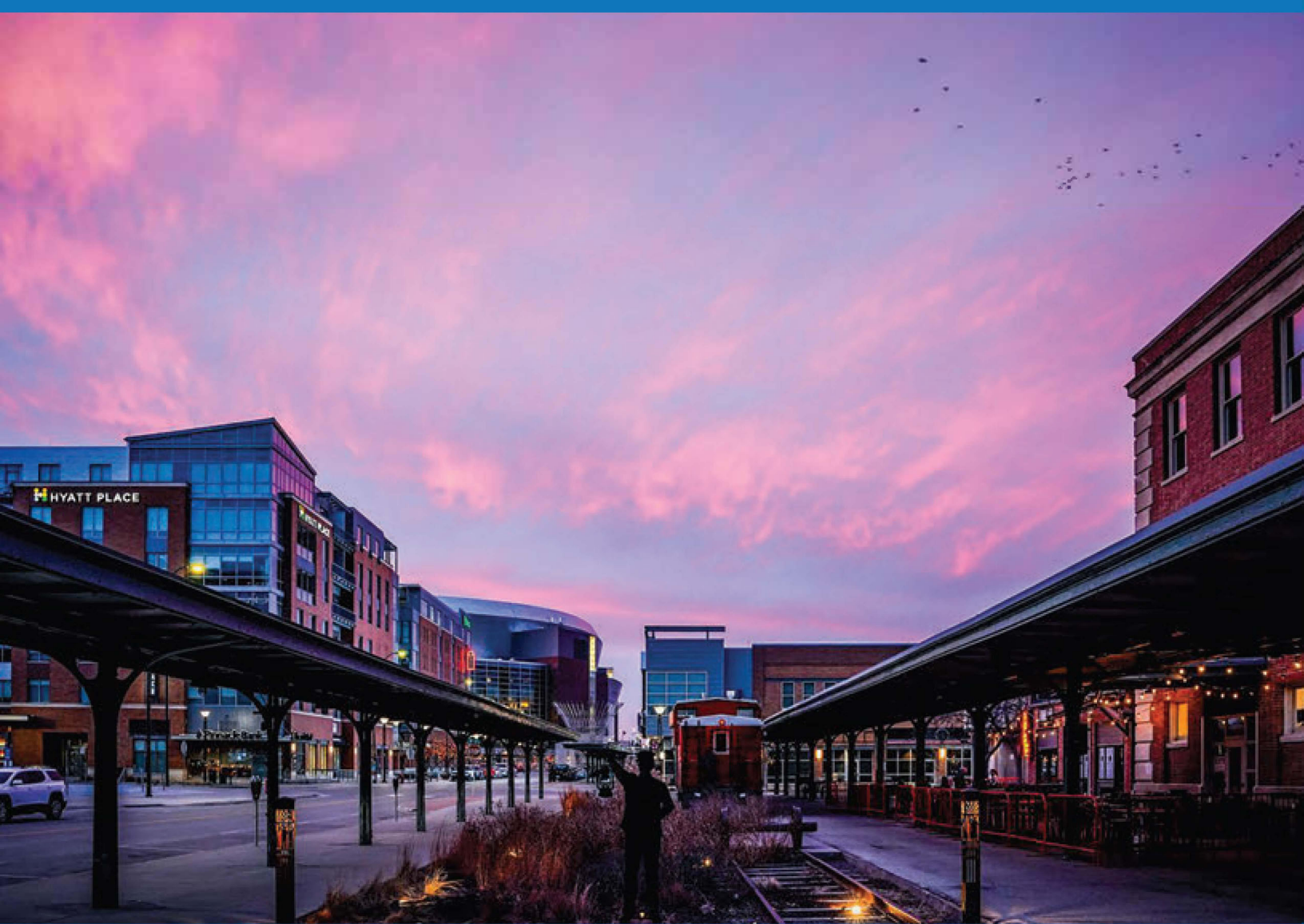
	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash Balance - September 1 of Year Indicated \$	3,027,951	3,207,562	2,980,788	3,289,948	3,892,886	3,663,200	3,361,571	3,572,272	3,561,702
Receipts:									
Property Tax	3,941,503	3,989,442	4,296,600	5,844,422	4,936,360	6,370,523	6,298,844	5,829,094	6,214,882
Interest Income	46,252	8,809	19,632	35,695	47,528	22,655	12,163	9,711	8,214
Bond Proceeds	-	-	-	5,186,389	-	5,016,382	-	-	6,092,475
Other Income	1,310	1,615	1,900	1,302,722	3,175	6,135	3,769	98,043	119,376
Total Receipts	<u>3,989,065</u>	<u>3,999,866</u>	<u>4,318,131</u>	<u>12,369,228</u>	<u>4,987,063</u>	<u>11,415,695</u>	<u>6,314,776</u>	<u>5,936,848</u>	<u>12,434,947</u>
Disbursements:									
Bonds Paid	3,110,000	3,015,000	2,925,000	6,150,000	4,490,000	4,775,000	4,590,000	4,730,000	4,355,000
Interest Paid	991,190	1,102,923	1,160,459	1,296,965	1,095,220	1,170,162	1,420,473	1,414,275	1,500,213
Transfer to Trustee	-	-	-	5,130,000	-	4,956,976	-	-	5,990,206
Other Disbursements	3,248	61,554	5,898	101,423	4,781	283,871	2,674	3,274	578,958
Total Disbursements	<u>4,104,438</u>	<u>4,179,477</u>	<u>4,091,357</u>	<u>12,678,388</u>	<u>5,590,001</u>	<u>11,186,009</u>	<u>6,013,147</u>	<u>6,147,549</u>	<u>12,424,377</u>
Cash Balance - August 31 of Year Indicated \$	<u>2,912,578</u>	<u>3,027,951</u>	<u>3,207,562</u>	<u>2,980,788</u>	<u>3,289,948</u>	<u>3,892,886</u>	<u>3,663,200</u>	<u>3,361,571</u>	<u>3,572,272</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Cash & Investment Balance - September 1 of Year Indicated	\$ 1,020,465	727,754	531,408	2,310,676	2,581,022	2,768,599	2,195,823	2,133,866	2,619,720	2,509,487
Receipts:										
Special Assessment Collections	1,298,999	1,615,868	1,463,701	1,293,247	1,438,699	1,429,730	1,497,442	1,420,191	1,394,764	1,521,959
Interest on Special Assessments	92,298	104,231	135,662	127,529	166,149	165,098	180,258	161,882	193,995	53,761
City's Share of Costs	1,215,291	831,337	1,189,072	1,849,950	2,074,213	1,039,944	1,422,840	1,509,919	901,883	783,436
Interest on Investments	20,486	7,536	10,365	38,939	50,283	34,326	21,763	18,537	19,392	40,673
Miscellaneous	-	-	-	-	-	-	301,716	188,457	82,000	733
Total Receipts	<u>2,627,074</u>	<u>2,558,972</u>	<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>
Disbursements:										
Construction Costs	1,231,869	1,148,784	1,131,419	1,653,095	1,610,160	1,500,618	1,294,057	1,829,379	1,880,449	1,213,770
Bonds Paid	210,000	205,000	195,000	190,000	190,000	180,000	180,000	175,000	175,000	175,000
Interest Paid on Bonds & Notes	74,100	80,340	86,163	91,725	95,773	99,448	102,923	106,123	109,122	112,023
Other Refunds & Expenses	<u>1,216,091</u>	<u>832,137</u>	<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>
Total Disbursements	<u>2,732,060</u>	<u>2,266,261</u>	<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>
Cash & Investment Balance - August 31 of Year Indicated	<u>\$ 915,479</u>	<u>1,020,465</u>	<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>

APPENDIX B

FINANCIAL STATEMENTS



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
Fiscal Year Ended August 31, 2023

CITY OF
LINCOLN
NEBRASKA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

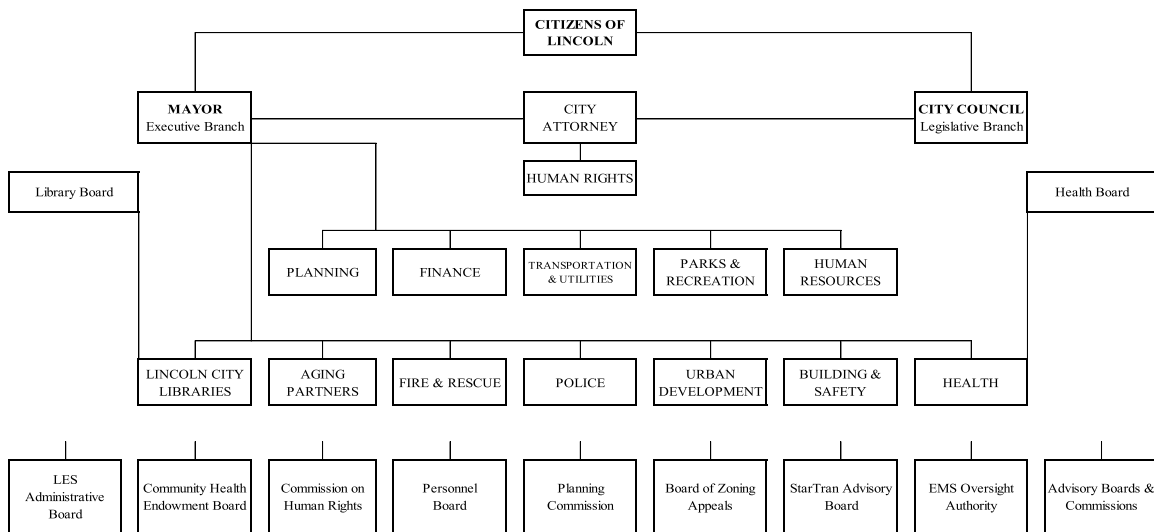
Leirion Gaylor Baird Mayor
 Tom Beckius Chair, City Council
 Sandra Washington Vice Chair, City Council
 James Michael Bowers Council Member
 Tom Duden Council Member
 Justin Carlson Council Member
 Brodey Weber Council Member
 Bennie Shobe Council Member

* * * * *

Lyn Heaton Finance Director
 Randall Jones Director of Aging Partners
 David Cary Planning Director
 Maggie Stuckey-Ross Director of Parks and Recreation
 Emeka Anyanwu Lincoln Electric System Chief Executive Officer
 Peter Hind Director of Urban Development
 Ryan Wieber Director of Libraries
 Elizabeth Elliott Director of Transportation & Utilities
 Chad Blahak Director of Building and Safety
 Patricia Lopez Health Director
 Barb McIntyre Human Resources Director
 Yohance Christie City Attorney
 Michon Morrow Acting 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, 2023
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February 28, 2024

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' futures.

A significant responsibility of that work is ensuring both fiscal and operational accountability in our use of public resources. To that end, this letter serves as an introduction to the City of Lincoln's Annual Comprehensive Financial Report for the fiscal year ended August 31, 2023.

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 2022 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 40th consecutive year. This award is a credit to the City and well-deserved recognition for our dedicated public servants in the Finance Department.

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

Sincerely,



Leirion Gaylor Baird
Mayor



FINANCE

555 South 10th Street, Suite 103 | Lincoln, NE 68508
402-441-7411 | F: 402-441-8325

February 28, 2024

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, 2023, is hereby submitted.

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

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

A firm of licensed certified public accountants has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended August 31, 2023, 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 the 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. It occupies a land area of approximately 100 square miles, serves a population of approximately 293,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

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

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

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

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

Economic Condition and Outlook

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

The Lincoln metropolitan area population base (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, Lancaster County's rate of growth between 2010 and 2022 has been approximately 1.05% per year. The 2022 Census population of Lancaster County has been estimated to be in excess of 324,000 persons.

Lincoln has a healthy pace of expansions, growth, and a high quality of life. For example, Lincoln ranks the #1 Best American City to Retire In, the 5th Safest U.S. Capital City and the 6th Best Run City in America.

Lincoln's unemployment rate at August 31, 2023, was 1.8%, well below the national average of 3.8%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current value of construction permits is up 18% when compared to levels 5 years ago.

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

Net sales and use tax revenue increased \$5,241,810 or 4.5% from the previous fiscal year, of which \$897,277 comes from the addition of a voter approved .25% tax increase, effective October 1, 2019, to fund street improvements and construction, known as Lincoln on the Move.

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, Community Development Block Grants, HOME Investment Partnership Program, Emergency Solutions Grants, Lead Hazard Control, U.S. Treasury federal grants, Advanced Land Acquisition funds, Special Assessments, and the General Fund. Funding is often combined with developer, grant, or other private sector funds.

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

Ongoing and anticipated future Economic Opportunity projects include:

- Parking Services Projects:
 - On-going projects that will continue:
 - 1) Repair and restoration issues in all parking garages will continue to be addressed. It's anticipated Center Park and Carriage Park will have some restoration completed the Summer-Fall of 2024.

University Square, Market Place, Larson Garage and Haymarket Square to follow over the next few years.

- 2) Elevator modernization at University Square and Carriage Park Garages will begin in 2024 and be completed in 2025. Cornhusker, Market Place and Haymarket Square to follow over the next few years.
- 3) New Parking and Revenue Control equipment will be purchased in 2024. Installation will begin in summer 2024 and be completed in early fall of 2024.
- 4) There will be a Downtown Parking Study completed in 2024; the previous study was completed in 2008 and an updated study is intended to ensure it coincides with the Downtown Master Plan. Study items that are prioritized for the City will be implemented over the next few years.
- 5) Parking Services plans to install a Mobile License Plate Reader Unit on an enforcement vehicle to assist with enforcement.

- Downtown Redevelopment Projects:

- | | |
|--|--|
| 1) 1040 O Street | 15) Central at South Haymarket |
| 2) Pershing Redevelopment | 16) League of Nebraska Municipalities Redevelopment |
| 3) Terminal Building Redevelopment | 17) South Haymarket Street, Streetscape, and Park Improvements |
| 4) Sharp Building Redevelopment Phase I | 18) West Haymarket Streetscape |
| 5) Cotswold Redevelopment | 19) Downtown Corridors Phase I |
| 6) Gold's Building Phase I Redevelopment | 20) Dairy House Phase II Redevelopment |
| 7) Central Hotel Redevelopment | 21) Landmark II Redevelopment. |
| 8) Dairy House Phase II Redevelopment | 22) Atrium Building Redevelopment |
| 9) Landmark II Redevelopment | 23) 300 S. 16 th Street |
| 10) Campion Redevelopment | |
| 11) Atrium Building Redevelopment | |
| 12) 300 S. 16 th Street Redevelopment | |
| 13) Lincoln Bold Redevelopment | |
| 14) North Haymarket Arts and Humanities, Phase III Redevelopment | |

- Antelope Valley Redevelopment Projects:

- 1) Telegraph District Redevelopment
- 2) Downtown Corridors Phase II Antelope Square Apartments
- 3) Union Annex Group Affordable Housing
- 4) Eighteen N Apartments
- 5) Net Zero Live-Work
- 6) 2236 R
- 7) 25th & Vine Apartments
- 8) 23 & Y Housing

- South of Downtown Redevelopment

- 1) Residential Rental Rehabilitation Program
- 2) Center Terrace (13th & D)

- South Street Redevelopment

- 1) Trabert Hall (Centerpointe)

- University Place Redevelopment:

- 1) 48th and Madison
- 2) 47th & St Paul Housing
- 3) 48th & Leighton Phase II

- College View Redevelopment:
 - 1) Pioneers Mixed Income Row House
 - 2) College View Commercial Façade District
- 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
 - 3) 27th & Holdrege (SW Corner)
 - 4) Epworth Church
- Innovation Campus Redevelopment
- North Cotner Redevelopment
- VA Victory Park Redevelopment
- Bishop Heights Redevelopment
- Van Dorn Redevelopment
 - 1) Pedestrian Crossing
- Coyote/Finke Redevelopment
- Revolution Wraps
- Outer Area Redevelopment
 - 1) Instinct
 - 2) Lincoln Logistics
 - 3) Foxtail Meadows
 - 4) Kinney Industries
 - 5) 56th and Arbor
 - 6) Central Lumber

Ongoing and anticipated Livable Neighborhood projects include:

- Housing rehabilitation programs for quality, affordable housing, and home ownership:
 - 1) Continuation of First-time Homebuyer and Owner-Occupied Housing Rehabilitation Loan programs and Lead-Based Paint Hazard Control grant program.
 - 2) Partner with other non-profit and for-profit housing organizations for affordable housing projects in low-to-moderate income neighborhoods.
 - 3) Continue RESCUE program for neglected/problem properties.
 - 4) Continue Emergency Rental Assistance (ERA2) due to COVID-19 with focus on homeless prevention, eviction diversion, and refugee assistance.
 - 5) Coordinate with other City Departments to implement neighborhood improvement projects in focused geographic areas. Projects may include, but are not limited to, infrastructure, parks, trails and housing improvements.
 - 6) Permanent Supportive Housing for Chronic Homeless, 24 units.
 - 7) In partnership with the Parks and Recreation Department, removal and replacement of ash trees on private property for qualifying low-to moderate income homeowners.

Ongoing and anticipated Administration projects include:

- Real estate major acquisition, negotiation, and relocation projects:
 - 1) For effective transportation:
 - ✓ West A Street, Coddington to SW 40th Street, West Phase
 - ✓ 14th/Old Cheney/Warlick intersection, 2 projects
 - ✓ S. 40th Street/Rokeby/Tiger Lily area – multiple projects
 - ✓ 70th & Saltillo area – two projects
 - ✓ S. Folsom @ Foxtail Meadows
 - ✓ Cotner/Adams/66th Intersection
 - ✓ R Street, 50th to Cotner improvements
 - ✓ Adams, 36th to 49th Street rehab
 - ✓ 33rd and Cornhusker Hwy RTSD project
 - ✓ A Street, multiple projects
 - ✓ Calvert and 56th
 - ✓ 84th and Cornhusker
 - ✓ LFR acquisitions/surplus
 - ✓ East Beltway preliminary acquisitions
 - ✓ StarTran MMTC and bus garage projects
 - ✓ Arterial/residential rehabs, executive order, traffic signals & bridge replacement
 - 2) For environmental quality:
 - ✓ Park sites city wide, Prairie Corridor/Greenways, Wilderness Park, NW Community Park, Salt Creek wetland acquisitions, Haymarket Park, Rock Island, Beal Slough & Fletcher trail project and West O trail project
 - ✓ Arbor Road Water Main, Alvo to 40th Street, Phase I & II
 - ✓ 112th & O Sewer, SV Sewer 14t & Saltillo, Blowdown pipeline N 56th
 - ✓ BNSF PE project, NE Treatment digester project, Theresa Street sewer acquisitions & miscellaneous sanitary sewer upgrade projects
 - ✓ Ashland Water Main issues
 - ✓ Dead Man’s Run, miscellaneous storm water improvement projects.
 - ✓ Water 2.0: 98th Street water main, Holdrege to Alvo, Ashland Collector Wells easements, Lincoln 2nd Supply Source
 - 3) Relocation activities:
 - ✓ Deadman’s Run
 - ✓ 33rd & Cornhusker Transportation Project

West Haymarket Project

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

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

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

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$119,245,000 over the 5-year period of fiscal year 2023-24 through fiscal year 2027-28. Funding for these projects will come from revenue bonds, impact fees and utility user 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 \$226,253,500 over the 5-year period of fiscal year 2023-24 through 2027-28. These projects will be financed through revenue bonds, impact fees, utility user fees, and grant funding. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement and new wells, replacement of lead service lines, and additional storage reservoirs as well as a second source of water for the City of Lincoln.

Streets and Highways

The 2023-2028 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$41 million for the next six years. Funding for these projects includes \$198 million in City revenues, \$34 million in federal and state aid, and \$19 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 that have been grandfathered into the original civilian retirement plan. In an effort to control this significant budget item, the City and the civilian unions, as well as non-union employees, agreed to change these plans to a \$1.29 to \$1 match for new employees hired after a union specific effective date. Newly hired Department Directors and Mayoral Aides receive a \$1 to \$1 match. The City was unable to legally change the match for current employees at the time the change was implemented.

Property Tax Collections

As of August 31, 2023, current tax collections by the County Treasurer were 97.90% 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>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
General Fund	.22891	.22727	.22707
Library	.03518	.03529	.03736
Police and Fire Pension	.03472	.04038	.03848
General Obligation Debt	.01412	.01499	.01699
Total	<u>.31293</u>	<u>.31793</u>	<u>.31980</u>

Parking Facilities

The City of Lincoln operates the following parking garages:

<u>Facility</u>	<u>Number of Stalls</u>	<u>Date Opened</u>
Center Park	1,057	November, 1978
Cornhusker Square	390	December, 1983
University Square	432	April, 1990
Que Place	810	October, 1994
Carriage Park	701	February, 1995
Market Place	385	August, 2000
Haymarket	408	August, 2002
Larson Building	647	July, 2012
Lumberworks	530	January, 2014
M Street	384	November, 2018
Eagle	301	March, 2019
Gold 4	700	October, 2022

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

Solid Waste Management

The City of Lincoln owns and operates a municipal solid waste landfill and a construction and demolition debris landfill that are subject to the U.S. Environmental Protection Agency rule *Solid Waste Disposal Facility Criteria*, which establishes closure and post closure care requirements. As of August 31, 2023, the City estimates that it will incur costs approximating \$46 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>2022-2023</u>	<u>2021-2022</u>
Operating Revenues	\$41,397,882	38,812,883
Operating Income	12,312,516	10,832,699
Revenue Available For Debt Service	23,807,659	21,302,005
Debt Service	9,546,222	8,508,330
Debt Service Coverage Ratio	2.49	2.50

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>2022-2023</u>	<u>2021-2022</u>
Operating Revenues	\$58,888,525	49,975,040
Operating Income	21,157,275	18,166,632
Revenue Available For Debt Service	33,505,832	29,837,446
Debt Service	4,719,519	5,714,569
Debt Service Coverage Ratio	7.10	5.22

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, 2022, is included in the City's August 31, 2023, financial statements.

Certificate of Achievement

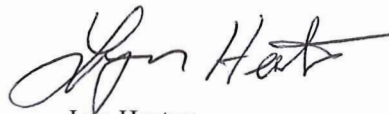
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its annual comprehensive financial report for the fiscal year ended August 31, 2022. This was the fortieth 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 will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,



Lyn Heaton
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lincoln
Nebraska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



1248 O Street, Suite 1040 / Lincoln, NE 68508

P 402.473.7600 / F 402.473.7698

forvis.com

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska (City), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska, as of August 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Street Construction, and Federal Grants Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

FORVIS,LLP

Lincoln, Nebraska
February 28, 2024

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, 2023. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on page 7) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 35).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2023, by \$2,834,022,313 (net position). Of this amount, \$469,502,872 (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 \$176,907,706. Of this amount, \$83,016,618, or 47%, was an increase in governmental activities and \$93,891,088, or 53%, related to business-type activities. Please refer to the fund descriptions preceding the various combining statements (beginning on page 118) for information regarding constraints imposed on the City in spending available funds.
- As of August 31, 2023, the City's governmental funds reported combined ending fund balances of \$497,773,499 an increase of \$56,985,217 in comparison with the prior year. Of this total fund balance, 27%, or \$133,831,538 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2023, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the General Fund was \$158,301,214, or 89% of total General fund expenditures. Following the implementation of GASB Statement No. 54, reference must be made to pages 120-122 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 \$1,439,739 (.13%) during the current fiscal year. The current year activity included the following: the City issued \$11,550,000 of Highway Allocation Bonds, \$11,550,000 of Municipal Improvement Bonds, \$36,645,000 of Sanitary Sewer Revenue Bonds, and \$548,164 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, 2023. 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 35-36 of this report.

FUND FINANCIAL STATEMENTS

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 37-44 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 45-50 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 51-52 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 55-114 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 115-117 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 118 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 \$2,834,022,313 at August 31, 2023.

City Of Lincoln
Condensed Statements of Net Position
August 31, 2023 and 2022 **

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 695,292,253	666,105,757	516,314,161	456,561,045	1,211,606,414	1,122,666,802
Capital Assets	1,420,450,696	1,371,556,255	1,908,667,510	1,869,333,375	3,329,118,206	3,240,889,630
Total Assets	2,115,742,949	2,037,662,012	2,424,981,671	2,325,894,420	4,540,724,620	4,363,556,432
Deferred Outflows of Resources	31,206,017	24,616,648	16,024,711	19,409,358	47,230,728	44,026,006
Long-Term Liabilities Outstanding	588,289,296	582,122,151	836,278,938	852,323,160	1,424,568,234	1,434,445,311
Other Liabilities	92,094,875	105,578,596	146,624,219	135,546,435	238,719,094	241,125,031
Total Liabilities	680,384,171	687,700,747	982,903,157	987,869,595	1,663,287,328	1,675,570,342
Deferred Inflows of Resources	26,114,939	17,144,675	64,530,768	57,752,814	90,645,707	74,897,489
Net Position:						
Net Investment in Capital Assets	1,006,682,574	944,153,513	1,099,894,307	1,038,944,270	2,106,576,881	1,983,097,783
Restricted	229,988,358	241,220,367	27,954,202	23,259,053	257,942,560	264,479,420
Unrestricted	203,778,924	172,059,358	265,723,948	237,478,046	469,502,872	409,537,404
Total Net Position	\$ 1,440,449,856	1,357,433,238	1,393,572,457	1,299,681,369	2,834,022,313	2,657,114,607

**During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, Subscription Based Information Technology Arrangements. The condensed financial information for 2022 has not been adjusted for the impact 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 (9%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (17%) may be used to meet the government’s ongoing obligations to citizens and creditors.

At August 31, 2023, 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, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 88,147,107	79,959,166	517,086,688	508,652,892	605,233,795	588,612,058
Operating Grants and Contributions	108,152,182	122,435,670	2,099,741	3,163,517	110,251,923	125,599,187
Capital Grants and Contributions	22,309,320	26,322,072	14,439,996	14,685,621	36,749,316	41,007,693
General Revenues:						
Property Tax	92,516,589	89,012,920	-	-	92,516,589	89,012,920
Sales and Use Tax	122,736,019	117,494,209	-	-	122,736,019	117,494,209
Occupation Tax	29,841,524	28,099,332	5,715,780	5,336,074	35,557,304	33,435,406
Other Taxes	29,417,321	27,023,085	-	-	29,417,321	27,023,085
Unrestricted Grants and Contributions	30,170	25,405	-	-	30,170	25,405
Unrestricted Investment Earnings (Loss)	24,898,619	(3,195,233)	5,097,820	(217,999)	29,996,439	(3,413,232)
Other	4,474,836	4,656,285	1,558,315	4,434,605	6,033,151	9,090,890
Total Revenues	<u>522,523,687</u>	<u>491,832,911</u>	<u>545,998,340</u>	<u>536,054,710</u>	<u>1,068,522,027</u>	<u>1,027,887,621</u>
Expenses:						
General Government	87,469,415	70,790,806	-	-	87,469,415	70,790,806
Public Safety	133,864,552	126,709,784	-	-	133,864,552	126,709,784
Streets and Highways	69,761,860	55,667,322	-	-	69,761,860	55,667,322
Culture and Recreation	48,607,218	45,042,153	-	-	48,607,218	45,042,153
Economic Opportunity	25,519,922	51,154,814	-	-	25,519,922	51,154,814
Health and Welfare	38,174,446	34,795,734	-	-	38,174,446	34,795,734
Mass Transit	21,355,145	18,566,091	-	-	21,355,145	18,566,091
Equipment Management	2,480,241	971,044	-	-	2,480,241	971,044
Engineering Services	6,717,158	2,146,618	-	-	6,717,158	2,146,618
Interest on Long-Term Debt	16,330,688	17,701,759	-	-	16,330,688	17,701,759
Golf	-	-	5,201,449	6,189,024	5,201,449	6,189,024
Parking System	-	-	11,530,177	10,303,150	11,530,177	10,303,150
Municipal Arena	-	-	12,645,849	15,004,368	12,645,849	15,004,368
Solid Waste Management	-	-	16,261,556	20,150,425	16,261,556	20,150,425
Emergency Medical Services	-	-	9,558,747	8,248,858	9,558,747	8,248,858
Broadband Enterprise	-	-	4,323,255	3,795,636	4,323,255	3,795,636
Wastewater System	-	-	32,561,876	30,303,932	32,561,876	30,303,932
Water System	-	-	38,477,447	32,625,429	38,477,447	32,625,429
Electric System	-	-	311,561,000	309,378,000	311,561,000	309,378,000
Total Expenses	<u>450,280,645</u>	<u>423,546,125</u>	<u>442,121,356</u>	<u>435,998,822</u>	<u>892,402,001</u>	<u>859,544,947</u>
Increase in Net Position Before Transfers	72,243,042	68,286,786	103,876,984	100,055,888	176,120,026	168,342,674
Transfers	10,773,576	9,070,010	(9,985,896)	(8,053,066)	787,680	1,016,944
Increase in Net Position	83,016,618	77,356,796	93,891,088	92,002,822	176,907,706	169,359,618
Net Position - Beginning	1,357,433,238	1,280,076,442	1,299,681,369	1,207,678,547	2,657,114,607	2,487,754,989
Net Position - Ending	<u>\$ 1,440,449,856</u>	<u>1,357,433,238</u>	<u>1,393,572,457</u>	<u>1,299,681,369</u>	<u>2,834,022,313</u>	<u>2,657,114,607</u>

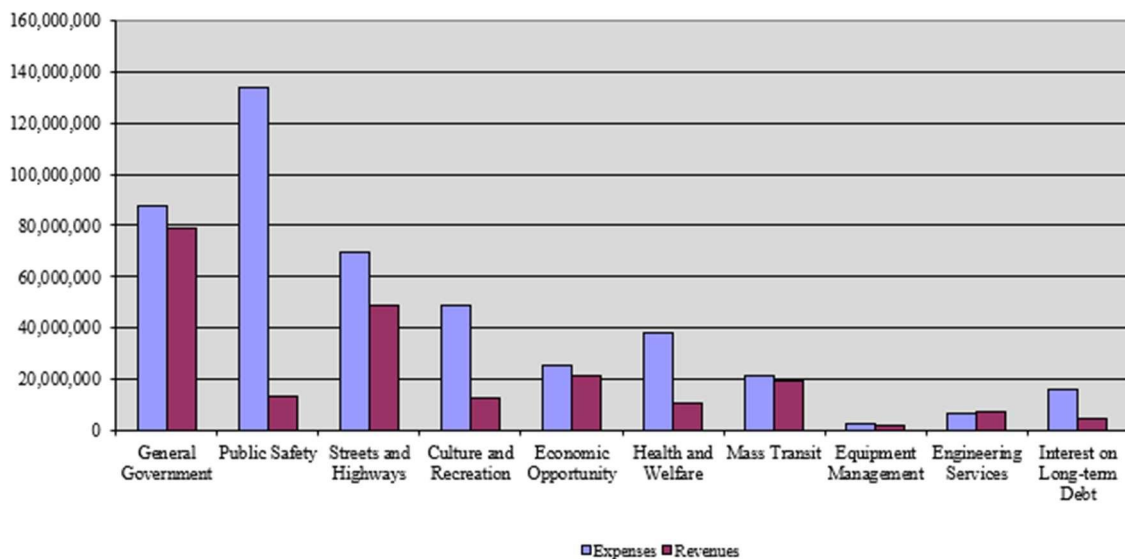
**During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, Subscription Based Information Technology Arrangements. The condensed financial information for 2022 has not been adjusted for the impact of the implementation of the new standard.

GOVERNMENTAL ACTIVITIES

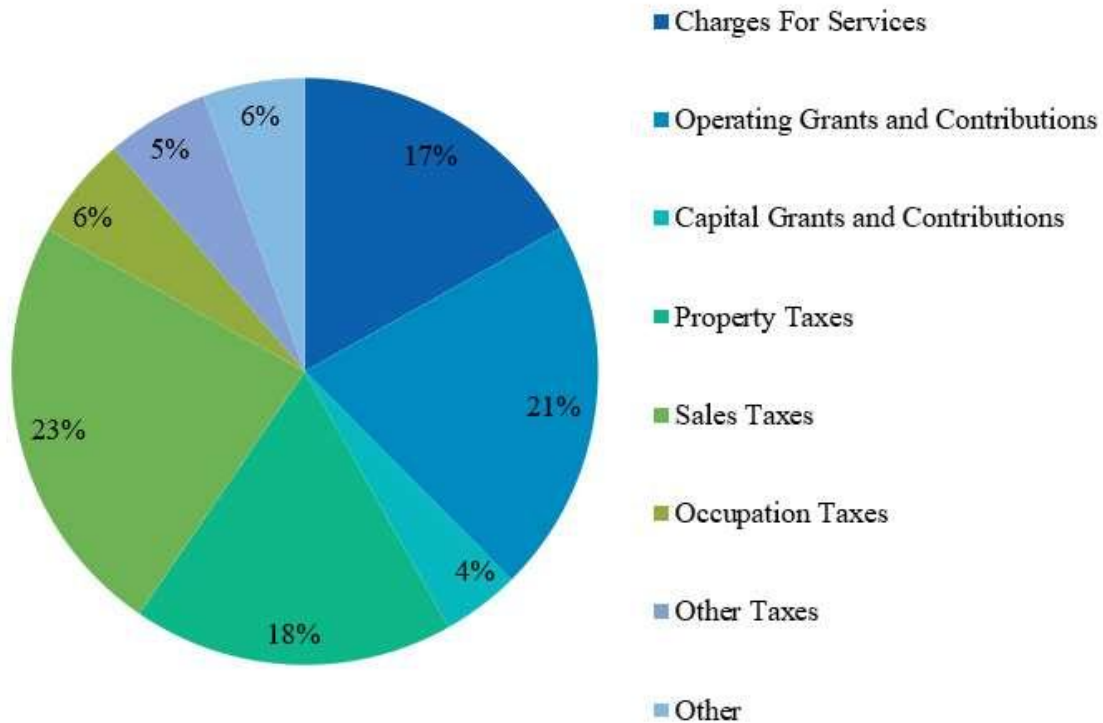
Governmental activities increased the City’s net position by \$83,016,618, accounting for 47% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

- Operating Grants and Contributions decreased approximately \$14.3 million (11.67%) in 2023 primarily due to Emergency Rental Assistance and ARPA grant funding in prior years and less funding in current year.
- Sales and Use Tax increased \$5.2 million (4.5%) in 2023 mainly to do with an improving economy and spending habits from citizens and visitors to Lincoln as well as inflation and increase in pricing which in turn has an impact on the sales and use tax.
- Unrestricted investment earnings (loss) increased by approximately \$28 million during 2023 due to market value changes from interest rates. The investment portfolio yield as of 08/31/23 was 4.6051 and as of 08/31/22 was 1.6802.
- Total governmental expenses for Economic Opportunity decreased by approximately \$25.6 million during 2023. This decrease in expense amount was mainly related to the spending down of the ARPA and Emergency Rental Assistance grants in the prior year and less grant expenditures in the current year.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities

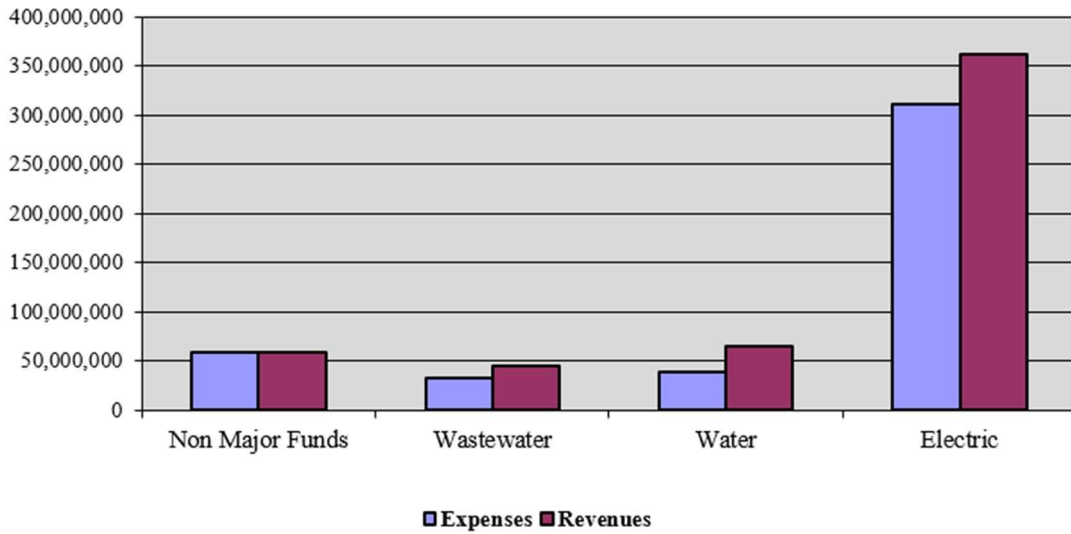


BUSINESS-TYPE ACTIVITIES

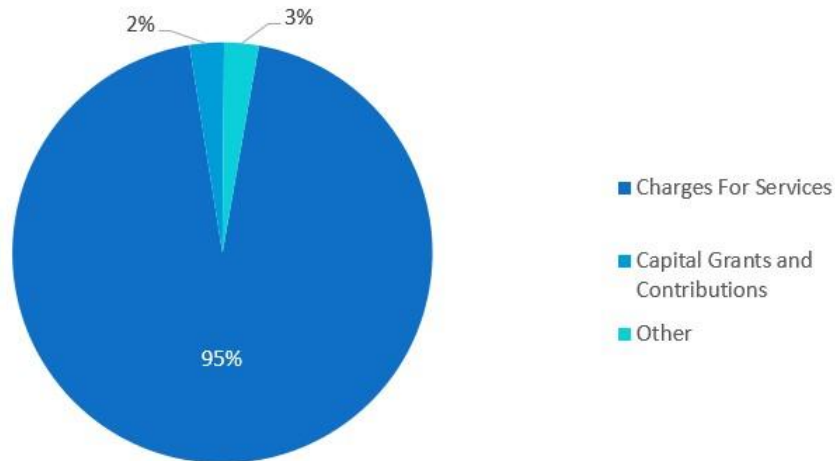
Business-type activities increased the City's net position by \$93,891,088, accounting for 53% of the total growth in the government's net position. Key elements of this increase are as follows:

- Lincoln Electric System (LES) operating revenue in 2022 was down 2.0% from 2021. Retail revenue was 0.7% higher due to slightly higher energy sales. Wholesale revenue was down 12.4% due primarily to the positive impact of Winter Storm Uri in 2021. Operating expenses in 2022 were \$282,132,000, an increase of 1.4%. Purchased power and produced power expenses were down 2.3% primarily due to the impact of Winter Storm Uri on purchased power expenses in 2021. Depreciation and amortization expenses were down 4.0% primarily due to a decrease in amortization of gains/losses. Administrative and general expenses were up 10.8%, primarily due to a write-off of tool inventory and higher costs for technology projects. Operations and maintenance expenses were up 15.2% due to higher transmission expenses.
- Lincoln Wastewater System reported an increase in Capital Assets mainly due to the completion of the Northeast Treatment Plant Solids Handling project and West A Improvements.
- Lincoln Wastewater System reported an increase in current liabilities due to an increase in accounts payable due to timing of payment of invoices.
- Lincoln Wastewater System reported an increase in Long Term Liabilities due to the issuance of \$36,645,000 in Wastewater revenue bonds, Series 2022 to finance the costs of acquiring, constructing, equipping, and furnishing certain improvements to the City's sanitary sewer system.
- Lincoln Water System reported current assets increased in part due to a growth in cash and investments and an increase in rates and usage.
- Lincoln Water System reported current and long-term liabilities decreased primarily due to debt service payments made during the year.

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, 2023, the City’s governmental funds reported combined ending fund balances of \$497,773,499, an increase of \$56,985,217 in comparison with the prior year. Of this total amount, 27% 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 (\$2,491,677), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$225,637,861), committed for particular purposes (\$12,262,492), or assigned for particular purposes (\$86,389,931).

The General Fund is the chief operating fund of the City. At August 31, 2023, the unrestricted fund balance of the General Fund was \$158,301,214, while total fund balance reached \$169,802,538. 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 89% of total General Fund expenditures, while total fund balance represents 96% of that same amount.

The fund balance of the City's General Fund increased by \$32,460,118 during 2023.

Capital improvement project expenditures in the current year were less than appropriated. The remaining appropriations remain, and the expenditures will occur in future years. The City appropriates General Fund balance as a funding source for budget, with the allocation of balances spread over the two-year budget cycle.

The Street Construction Fund has a total fund balance of \$79,462,341, which is to be used in the construction and maintenance of streets and highways. The net increase in fund balance during 2023 in the Street Construction Fund was \$5,342,097, with total revenues showing a 10.6% increase and capital construction expenses showing a 37.6% increase.

The Federal Grants Fund has a total fund balance of \$24,117,301, which is to be used towards federal expenditures. The net increase in fund balance during 2023 in the Federal Grants Fund was \$6,344,610.

The West Haymarket JPA Fund had a fund balance of \$45,962,928, which is to be used for funding improvements of the West Haymarket Redevelopment Project and debt service on the related debt. The current year change in fund balance is an increase of \$3,933,705. The fund balance is a result of the issuance of bonds in prior years, occupation tax and donation revenue, less the Agency's expenditures for construction, debt service and general operations.

PROPRIETARY FUNDS

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

Unrestricted net position of the Wastewater System, Water System, LES, and other enterprise funds amounted to \$33,583,703, \$74,783,594, \$163,936,000 and (\$6,609,064), respectively, at August 31, 2023 (December 31, 2022 for LES). Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Revenue projections:

- \$196,183 increase to investment earnings.

Expenditure appropriations:

- \$1,224,833 decrease in general government activities between changes to legislative, executive, and miscellaneous.
- \$3,809,283 decrease in public safety.
- \$287,600 increase allocated to parks and recreation.
- \$4,922,491 increase 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:

- \$3,996,858 positive variance in real estate and personal property tax. Estimated tax revenue is based on 90% collections as provided by the City Charter.
- \$5,021,993 positive variance in taxes collected by others. The City is continuing to see increase in sales tax due to spending of citizens, visitors and on-line sales.
- \$10,044,126 positive variance in investment gain (loss). Projected investment earnings for 2023 exceeded projects and ended in a larger than expected gain due to the market throughout the fiscal year.
- \$16,352,838 positive variance in public safety expenditures. A portion is due to Police and Fire departments each receiving revenue from the State of Nebraska through the CARES Act in a prior year.

The unspent CARES Act funds from prior years were carried over, and resulted in an increased budget for fiscal year 2022/2023. However, the funds were not fully expended in this fiscal year and will be carried over into next fiscal year.

- \$14,613,208 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, 2023, amounts to \$3,329,118,206 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, bridges, storm sewers, electric plant, water and sewer plant, lease assets, and software subscription assets. The total increase in the City's investment in capital assets for 2023 was 2.72% (3.6% increase for governmental activities and 2.1% increase for business-type activities).

Major capital asset events during 2023 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$62 million.
- The new northeast police station was completed and put into service in 2023. This included \$3.5 million in costs this fiscal year.
- Aging Partners completed a capital project for Victory Park improvements where their new headquarters will be located, the expenditures in 2023 were over \$3 million.
- StarTran, the City's mass transit system, has a new Fueling Station in construction in progress (CIP) that accounted for almost \$1 million in expenditures, as well as a new CAD System that was another \$1.3 million.
- The Parks Department's 2023 capital assets major activity included \$7.2 million in expenditures for the new Air Park Recreation Center.
- LES' share of capital improvements at Laramie River Station and Walter Scott Energy Center for 2022 were \$3,417,000 and \$1,394,000, respectively.
- LES costs for Underground Relocations in 2022 totaled \$7,023,000. This project relocates existing underground equipment in conflict with non-LES projects and converts existing overhead to underground.
- LES costs for Underground Rebuilds in 2022 totaled \$4,820,000. This project rebuilds existing underground systems due to age, deterioration, or other factors.
- LES costs for Underground Residential Extensions and Development in 2022 totaled \$4,517,000. This project installs primary and secondary extensions to new homes, residential developments and apartment complexes.
- Software, labor, and consulting costs for the Construction Design Automation project totaled \$3,896,000 for LES in 2022. This project implements a graphical work design tool to optimize existing construction design processes and standardize how LES utilizes SAP, geographic information systems and computer-aided design solutions. The project has an estimated cost of \$5,549,000.
- Lincoln Wastewater System reported an increase in Capital Assets mainly due to the completion of the Northeast Treatment Plant Solids Handling project and West A Improvements.
- Lincoln Water System 2023 capital assets activity included annual selected water main replacements.

City Of Lincoln
Capital Assets (net of depreciation and amortization)
August 31, 2023 and 2022**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 172,189,863	170,939,693	33,911,943	33,834,311	206,101,806	204,774,004
Buildings	297,900,141	286,884,644	147,867,119	133,975,411	445,767,260	420,860,055
Improvements Other Than Buildings	87,034,312	87,343,804	677,012,827	650,981,108	764,047,139	738,324,912
Machinery and Equipment	74,224,049	63,269,936	27,367,223	24,621,577	101,591,272	87,891,513
Utility Plant	-	-	903,933,000	897,574,000	903,933,000	897,574,000
Infrastructure	641,486,314	646,959,163	-	-	641,486,314	646,959,163
Construction-in-progress	145,570,758	116,159,015	114,871,224	128,346,966	260,441,982	244,505,981
Lease Assets	769,104	1,426,001	3,600,892	3,324,352	4,369,996	4,750,353
Software Subscriptions	1,276,155	-	103,282	-	1,379,437	-
Total	\$ 1,420,450,696	1,372,982,256	1,908,667,510	1,872,657,725	3,329,118,206	3,245,639,981

**During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, Subscription Based Information Technology Arrangements. The condensed financial information for 2022 has not been adjusted for the impact of the implementation of the new standard.

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 74-80 of this report.

LONG-TERM DEBT

At August 31, 2023, the City of Lincoln had total bonded debt outstanding of \$1,104,249,158. Of this amount, \$396,534,158 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, 2023 and 2022

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 396,534,158	392,818,897	-	-	396,534,158	392,818,897
Revenue Bonds	-	-	707,715,000	712,870,000	707,715,000	712,870,000
Total	\$ 396,534,158	392,818,897	707,715,000	712,870,000	1,104,249,158	1,105,688,897

- The City's total bonded debt decreased by \$1,439,739 (.13%) during the current fiscal year.

The City maintains the following credit ratings:

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

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

Additional information on the City's long-term debt can be found in Note 9 of the notes to the financial statements on pages 82-88 of this report.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- In August 2022, the Lincoln City Council approved a 5% and 6% revenue increase effective November 2023 for the Water and Wastewater Systems, respectively. This will be attained through increases in the usage rates and service charges.
- The approved Capital Improvement Program for Fiscal Year 2023/24 – 2027/2028 identifies the need for \$119,245,000 to fund capital improvements for Wastewater and \$226,253,500 for Water. A portion of that total is projected to be funded by revenue bonds. Future user fee increases will be necessary to make the needed improvements possible.
- In 2022, the Nebraska State Legislature approved \$20 million in American Rescue Plan Act funds for Lincoln to begin work securing a second source of reliable drinking water and followed up with another \$177.2 million appropriation in 2023. Enhancing the existing capacity will help the capital city and surrounding communities in the decades to come.
- Lincoln Water System plans to replace lead pipes in homes and other property with the help of a \$32.6 million dollar loan from the federal government through the Nebraska Department of Environment and Energy.
- 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 2023-2024 budget increased \$4,766,487 from the prior year.
- The budgeted local sales tax rate is 1.5%, which supports the General Fund. 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.
- In addition to the 1.5% Sales Tax rate to support the General Fund, Lincoln voters approved a 0.25% sales tax rate increase in 2019 for six years to provide funding for street rehabilitation, reconstruction, and new construction of arterial streets in all quadrants of the City. This tax began on October 1, 2019, and is scheduled to end on October 1, 2025.
- Sales tax revenue is projected at \$1.2 million more than 2022-23 adopted budget.
- The City negotiates with six different bargaining units. Three contracts will expire in August 2024, two will expire in August 2025, and one bargaining unit that expired in August 2023 is currently in negotiations with the City.
- Staffing changes included in the 2023-2024 fiscal year budget resulted in an increase for all funds of 14.01 full-time equivalents, with the Police department accounting for an increase of 5 and Parks and Recreation department accounting for an increase of 3.51 of the 14.01 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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 41,354,742	32,244,448	73,599,190
Investments	525,172,089	258,547,160	783,719,249
Receivables, (Net of Allowance for Uncollectibles)	55,965,599	94,208,921	150,174,520
Internal Balances	(12,946,623)	12,946,623	-
Due from Other Governments	39,362,762	645,632	40,008,394
Inventories	3,200,157	31,621,543	34,821,700
Plant Operation Assets	-	14,010,000	14,010,000
Prepaid Items	1,644,779	4,853,654	6,498,433
Other Assets	4,378,748	4,329,746	8,708,494
Restricted Assets:			
Cash and Cash Equivalents	-	6,843,215	6,843,215
Investments	37,160,000	56,017,836	93,177,836
Receivables	-	45,383	45,383
Capital Assets:			
Non-depreciable	317,760,621	148,783,167	466,543,788
Depreciable (Net)	1,100,644,816	1,756,180,169	2,856,824,985
Lease Assets:			
Lease Assets, net	769,104	3,600,892	4,369,996
Subscriptions Assets:			
Subscriptions Assets, net	1,276,155	103,282	1,379,437
Total Capital Assets, Net	<u>1,420,450,696</u>	<u>1,908,667,510</u>	<u>3,329,118,206</u>
Total Assets	<u>2,115,742,949</u>	<u>2,424,981,671</u>	<u>4,540,724,620</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	2,233,247	10,796,078	13,029,325
Deferred Outflows for Pension	24,586,704	1,508,397	26,095,101
Deferred Outflows for OPEB	4,386,066	540,236	4,926,302
Deferred Costs for Asset Retirement Obligations	-	3,180,000	3,180,000
Total Deferred Outflows of Resources	<u>31,206,017</u>	<u>16,024,711</u>	<u>47,230,728</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	39,359,585	30,282,581	69,642,166
Accrued Liabilities	7,801,019	36,176,565	43,977,584
Due to Other Governments	1,302,834	412,099	1,714,933
Unearned Revenue	39,426,652	6,843,566	46,270,218
Commercial Paper	-	65,500,000	65,500,000
Accrued Interest Payable	4,204,785	7,409,408	11,614,193
Noncurrent Liabilities:			
Payable within One Year	45,094,821	47,750,053	92,844,874
Payable in More Than One Year	543,194,475	788,528,885	1,331,723,360
Total Liabilities	<u>680,384,171</u>	<u>982,903,157</u>	<u>1,663,287,328</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Beneficial Interest Revenue	2,639,980	-	2,639,980
Deferred Gain on Refunding	525,418	-	525,418
Reductions of Future Billings	-	34,932,000	34,932,000
Deferred Inflows for Pension	197,893	280,875	478,768
Deferred Inflows for OPEB	11,089,907	1,391,979	12,481,886
Deferred Inflows for Leases	11,661,741	27,925,914	39,587,655
Total Deferred Inflows of Resources	<u>26,114,939</u>	<u>64,530,768</u>	<u>90,645,707</u>
NET POSITION			
Net Investment in Capital Assets	1,006,682,574	1,099,894,307	2,106,576,881
Restricted for:			
Debt Service	6,187,035	11,698,400	17,885,435
Capital Projects	112,159,265	13,399,802	125,559,067
Grantor Loan Programs	23,620,000	-	23,620,000
Other	19,533,565	2,856,000	22,389,565
Trust Donations:			
Expendable	2,967,133	-	2,967,133
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	28,361,360	-	28,361,360
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>203,778,924</u>	<u>265,723,948</u>	<u>469,502,872</u>
Total Net Position	<u>\$ 1,440,449,856</u>	<u>1,393,572,457</u>	<u>2,834,022,313</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, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities:							
General Government	\$ (87,469,415)	46,956,374	31,079,383	634,949	(8,798,709)	-	(8,798,709)
Public Safety	(133,864,552)	8,543,211	3,978,748	861,691	(120,480,902)	-	(120,480,902)
Streets and Highways	(69,761,860)	5,314,071	28,161,539	15,030,382	(21,255,868)	-	(21,255,868)
Culture and Recreation	(48,607,218)	7,771,896	3,643,646	925,579	(36,266,097)	-	(36,266,097)
Economic Opportunity	(25,519,922)	36,092	19,086,299	2,193,934	(4,203,597)	-	(4,203,597)
Health and Welfare	(38,174,446)	5,511,568	3,713,214	1,692,007	(27,257,657)	-	(27,257,657)
Mass Transit	(21,355,145)	4,184,561	14,985,661	-	(2,184,923)	-	(2,184,923)
Equipment Management	(2,480,241)	2,098,123	-	106,146	(275,972)	-	(275,972)
Engineering Services	(6,717,158)	7,327,171	-	15,716	625,729	-	625,729
Interest on Long-Term Debt	(16,330,688)	404,040	3,503,692	848,916	(11,574,040)	-	(11,574,040)
Total Governmental Activities	(450,280,645)	88,147,107	108,152,182	22,309,320	(231,672,036)	-	(231,672,036)
Business-Type Activities:							
Golf	(5,201,449)	6,301,044	332	111,113	-	1,211,040	1,211,040
Parking System	(11,530,177)	13,509,031	-	-	-	1,978,854	1,978,854
Municipal Arena	(12,645,849)	14,183,225	-	165,341	-	1,702,717	1,702,717
Solid Waste Management	(16,261,556)	11,679,469	696,203	6,000	-	(3,879,884)	(3,879,884)
Emergency Medical Services	(9,558,747)	11,069,020	-	5,744	-	1,516,017	1,516,017
Broadband Enterprise	(4,323,255)	107,666	21,471	1,808,829	-	(2,385,289)	(2,385,289)
Wastewater System	(32,561,876)	40,070,237	1,317,272	4,439,826	-	13,265,459	13,265,459
Water System	(38,477,447)	58,783,996	64,463	6,915,143	-	27,286,155	27,286,155
Electric System	(311,561,000)	361,383,000	-	988,000	-	50,810,000	50,810,000
Total Business-Type Activities	(442,121,356)	517,086,688	2,099,741	14,439,996	-	91,505,069	91,505,069
Total	\$ (892,402,001)	605,233,795	110,251,923	36,749,316	(231,672,036)	91,505,069	(140,166,967)
General Revenues:							
Property Tax					92,516,589	-	92,516,589
Motor Vehicle Tax					7,085,198	-	7,085,198
Wheel Tax					19,971,982	-	19,971,982
Sales and Use Tax					122,736,019	-	122,736,019
Turnback Tax					2,301,626	-	2,301,626
Sundry and In Lieu Tax					58,515	-	58,515
Occupation Tax					29,841,524	5,715,780	35,557,304
Unrestricted Grants and Contributions					30,170	-	30,170
Unrestricted Investment Earnings					24,898,619	5,097,820	29,996,439
Miscellaneous General Revenues					4,229,432	1,554,120	5,783,552
Gain on Sale of Capital Assets					245,404	4,195	249,599
Transfers					10,773,576	(9,985,896)	787,680
Total General Revenues and Transfers					314,688,654	2,386,019	317,074,673
Change in Net Position					83,016,618	93,891,088	176,907,706
Net Position - Beginning					1,357,433,238	1,299,681,369	2,657,114,607
Net Position - Ending					\$ 1,440,449,856	1,393,572,457	2,834,022,313

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2023

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Federal Grants Fund	Other Governmental Funds	Total
ASSETS						
Cash and Cash Equivalents	\$ 17,324,294	3,039,018	2,047,488	1,606,436	13,653,062	37,670,298
Investments	140,859,107	64,965,036	47,912,402	33,098,701	197,080,502	483,915,748
Receivables, (Net of Allowance for Uncollectibles)	20,293,940	331,136	3,938,711	23,878,483	5,163,963	53,606,233
Due from Other Funds	902,765	24,974,616	-	49,596	3,792,762	29,719,739
Due from Other Governments	19,144,055	6,615,967	725,711	5,642,299	6,920,190	39,048,222
Inventories	75,501	527,828	-	-	1,195,551	1,798,880
Beneficial Interest Asset	-	-	-	-	2,639,980	2,639,980
Assets Held for Resale	-	-	1,738,765	-	-	1,738,765
Prepaid Items	474,702	-	218,094	-	-	692,796
Total Assets	<u>199,074,364</u>	<u>100,453,601</u>	<u>56,581,171</u>	<u>64,275,515</u>	<u>230,446,010</u>	<u>650,830,661</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	4,566,105	19,704,039	68,810	4,115,383	3,922,494	32,376,831
Contracts Payable	-	-	-	-	58,732	58,732
Accrued Liabilities	4,280,990	367,874	184,000	541,455	1,711,258	7,085,577
Due to Other Funds	6,486,431	473,944	447,514	19,610	37,491,957	44,919,456
Due to Other Governments	118,926	996	362,082	399,360	397,828	1,279,192
Due to Other Contractors	-	-	-	-	2,194,886	2,194,886
Unearned Revenue	1,644,429	-	7,757,437	29,658,769	316,909	39,377,544
Total Liabilities	<u>17,096,881</u>	<u>20,546,853</u>	<u>8,819,843</u>	<u>34,734,577</u>	<u>46,094,064</u>	<u>127,292,218</u>
Deferred Inflows of Resources:						
Unavailable Revenues	2,739,587	444,407	1,058,681	5,423,637	3,276,522	12,942,834
Beneficial Interest Revenue	-	-	-	-	2,639,980	2,639,980
Deferred Inflow for Leases	9,435,358	-	739,719	-	7,053	10,182,130
Total Deferred Inflows of Resources	<u>12,174,945</u>	<u>444,407</u>	<u>1,798,400</u>	<u>5,423,637</u>	<u>5,923,555</u>	<u>25,764,944</u>
Fund Balances:						
Nonspendable	550,204	527,828	218,094	-	38,355,551	39,651,677
Restricted	10,951,120	78,719,410	3,189,241	23,620,000	109,158,090	225,637,861
Committed	-	-	-	-	12,262,492	12,262,492
Assigned	23,764,324	215,103	42,555,593	497,301	19,357,610	86,389,931
Unassigned	134,536,890	-	-	-	(705,352)	133,831,538
Total Fund Balances	<u>169,802,538</u>	<u>79,462,341</u>	<u>45,962,928</u>	<u>24,117,301</u>	<u>178,428,391</u>	<u>497,773,499</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 199,074,364</u>	<u>100,453,601</u>	<u>56,581,171</u>	<u>64,275,515</u>	<u>230,446,010</u>	

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

Capital, lease, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,381,308,738
Balances representing the net exchange of property in an asset bank are not financial resources and, therefore, not reported in the funds.	216,301
Revenues earned during the current period are not available for current period expenditures and, therefore, are recognized as unavailable revenue in the funds.	12,942,834
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.	93,734,127
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(545,525,643)
Net position of governmental activities	<u>\$ 1,440,449,856</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, 2023

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Federal Grants Fund	Other Governmental Funds	Total
REVENUES						
Taxes:						
Property	\$ 65,017,831	-	-	-	27,382,559	92,400,390
Motor Vehicle	7,085,198	-	-	-	-	7,085,198
Wheel	-	-	-	-	19,971,982	19,971,982
Sales and Use	104,922,263	-	-	-	17,813,756	122,736,019
Turnback	-	-	-	-	2,301,626	2,301,626
Sundry and In Lieu	68,755	-	-	-	7,522	76,277
Occupation	6,349,591	-	21,934,450	-	1,672,322	29,956,363
Special Assessment	-	-	-	-	1,380,371	1,380,371
Intergovernmental	5,408,591	40,486,344	3,518,178	44,040,235	21,800,436	115,253,784
Permits and Fees	6,969,638	5,183,790	3,381	154,490	16,110,989	28,422,288
Reimbursement for Services	9,104,721	581,152	9,893,936	741,895	553,688	20,875,392
Court Settlements	22,149	-	-	-	-	22,149
Program Income	-	-	-	36,092	-	36,092
Investment Earnings	16,513,249	1,192,159	1,974,371	1,733,068	8,777,884	30,190,731
Donations	716,261	-	-	311,949	2,035,925	3,064,135
Keno Proceeds	-	-	-	-	7,117,073	7,117,073
Private Sector Share of Projects	-	664,228	-	-	2,174,328	2,838,556
Miscellaneous	1,407,198	130,787	-	2,313,703	591,637	4,443,325
Total Revenues	<u>223,585,445</u>	<u>48,238,460</u>	<u>37,324,316</u>	<u>49,331,432</u>	<u>129,692,098</u>	<u>488,171,751</u>
EXPENDITURES						
Current:						
General Government	48,477,548	-	10,136,610	1,483,681	14,708,777	74,806,616
Public Safety	97,002,107	-	-	4,018,441	8,917,224	109,937,772
Streets and Highways	6,716,810	24,467,109	-	-	-	31,183,919
Culture and Recreation	18,984,395	-	-	612,019	12,047,656	31,644,070
Economic Opportunity	14,482	-	-	20,359,265	-	20,373,747
Health and Welfare	4,274,884	-	-	15,544,700	18,773,054	38,592,638
Mass Transit	-	-	-	180,446	27,479,799	27,660,245
Debt Service	556	-	23,565,562	25,262	21,484,985	45,076,365
Debt Service P & I	1,490,151	-	-	-	-	1,490,151
Capital Outlay	-	66,545,858	-	-	26,321,177	92,867,035
Total Expenditures	<u>176,960,933</u>	<u>91,012,967</u>	<u>33,702,172</u>	<u>42,223,814</u>	<u>129,732,672</u>	<u>473,632,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>46,624,512</u>	<u>(42,774,507)</u>	<u>3,622,144</u>	<u>7,107,618</u>	<u>(40,574)</u>	<u>14,539,193</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	25,962,963	42,694,442	311,561	487,301	42,033,941	111,490,208
Transfers Out	(40,440,190)	(6,722,338)	-	(1,250,359)	(46,075,721)	(94,488,608)
Issuance of Debt	-	12,144,500	-	-	12,417,281	24,561,781
Subscriptions	304,755	-	-	-	-	304,755
Sale of Capital Assets	8,078	-	-	50	569,760	577,888
Total Other Financing Sources (Uses)	<u>(14,164,394)</u>	<u>48,116,604</u>	<u>311,561</u>	<u>(763,008)</u>	<u>8,945,261</u>	<u>42,446,024</u>
Net Change in Fund Balances	<u>32,460,118</u>	<u>5,342,097</u>	<u>3,933,705</u>	<u>6,344,610</u>	<u>8,904,687</u>	<u>56,985,217</u>
Fund Balances - Beginning of Year	<u>137,342,420</u>	<u>74,120,244</u>	<u>42,029,223</u>	<u>17,772,691</u>	<u>169,523,704</u>	<u>440,788,282</u>
Fund Balances - Ending	<u>\$ 169,802,538</u>	<u>79,462,341</u>	<u>45,962,928</u>	<u>24,117,301</u>	<u>178,428,391</u>	<u>497,773,499</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, 2023

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

Net change in fund balances - total governmental funds	\$ 56,985,217
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.	42,251,630
The net effect of various transactions involving capital contributions is to increase net position.	2,773,312
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.	(7,330,956)
The issuance of long-term debt (e.g., bonds, COPs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	305,936
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(2,977,528)
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.	(5,998,137)
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>(2,992,856)</u>
Change in net position of governmental activities	<u><u>\$ 83,016,618</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Estate and Personal Property Tax	\$ 68,625,758	68,625,758	72,622,616	3,996,858
Taxes Collected by Others	99,800,000	99,800,000	104,821,993	5,021,993
Sundry Taxes and In Lieu	29,710	29,710	50,613	20,903
Occupation Taxes	5,477,680	5,477,680	6,291,094	813,414
Intergovernmental	4,449,144	4,449,144	3,116,797	(1,332,347)
Permits and Fees	4,621,449	4,621,449	5,567,566	946,117
Reimbursement for Services	5,058,735	5,058,735	5,524,308	465,573
Court Fees	80,000	80,000	92,089	12,089
Court Settlements	-	-	22,149	22,149
Recreation Receipts	2,428,611	2,428,611	2,149,634	(278,977)
Investment Earnings (Loss)	1,062,804	1,258,987	11,303,113	10,044,126
Donations	708,581	708,581	700,383	(8,198)
Client Contributions	34	34	34	-
Rental Income	582,151	582,151	702,021	119,870
Miscellaneous	648,040	648,040	979,797	331,757
Total Revenues	<u>193,572,697</u>	<u>193,768,880</u>	<u>213,944,207</u>	<u>20,175,327</u>
Expenditures:				
General Government:				
Legislative	619,011	614,011	282,640	331,371
Executive	2,677,536	2,646,771	2,345,816	300,955
Financial Administration	4,777,900	4,777,900	4,177,183	600,717
Law	3,926,692	3,926,692	3,453,801	472,891
Personnel Administration	3,345,423	3,345,423	2,462,697	882,726
Planning and Zoning	2,397,197	2,397,197	2,120,450	276,747
Urban Development	1,336,795	1,396,795	1,147,924	248,871
Miscellaneous	48,749,959	47,500,891	32,887,683	14,613,208
Total General Government	<u>67,830,513</u>	<u>66,605,680</u>	<u>48,878,194</u>	<u>17,727,486</u>
Public Safety:				
Police	61,935,997	58,603,164	50,071,588	8,531,576
Fire	48,142,562	47,666,112	39,844,850	7,821,262
Total Public Safety	<u>110,078,559</u>	<u>106,269,276</u>	<u>89,916,438</u>	<u>16,352,838</u>
Streets and Highways:				
Street Maintenance	3,215,856	3,215,856	2,164,991	1,050,865
Street Lighting	3,970,100	3,970,100	4,654,233	(684,133)
Total Streets and Highways	<u>7,185,956</u>	<u>7,185,956</u>	<u>6,819,224</u>	<u>366,732</u>
Culture and Recreation:				
Parks and Recreation	20,192,527	19,904,927	18,481,811	1,423,116
Libraries	260,663	260,663	260,663	-
Total Culture and Recreation	<u>20,453,190</u>	<u>20,165,590</u>	<u>18,742,474</u>	<u>1,423,116</u>
Economic Opportunity:				
Job Programs	14,482	14,482	14,482	-
Total Economic Opportunity	<u>14,482</u>	<u>14,482</u>	<u>14,482</u>	<u>-</u>
Health and Welfare:				
Health Services	202,434	202,434	202,434	-
Aging Assistance	167,381	167,381	167,381	-
Total Health and Welfare	<u>369,815</u>	<u>369,815</u>	<u>369,815</u>	<u>-</u>
Total Expenditures	<u>205,932,515</u>	<u>200,610,799</u>	<u>164,740,627</u>	<u>35,870,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,359,818)</u>	<u>(6,841,919)</u>	<u>49,203,580</u>	<u>56,045,499</u>
Other Financing Sources (Uses):				
Transfers In	17,085,026	17,085,026	16,883,944	(201,082)
Transfers Out	(52,441,179)	(57,363,670)	(40,222,106)	17,141,564
Sale of Capital Assets	350	350	7,255	6,905
Total Other Financing Sources (Uses)	<u>(35,355,803)</u>	<u>(40,278,294)</u>	<u>(23,330,907)</u>	<u>16,947,387</u>
Net Change in Fund Balances	<u>\$ (47,715,621)</u>	<u>(47,120,213)</u>	<u>25,872,673</u>	<u>72,992,886</u>
Fund Balances - Beginning			101,302,496	
Fund Balances - Ending			<u>\$ 127,175,169</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 28,100,000	28,100,000	34,365,981	6,265,981
Permits and Fees	48,500	48,500	35,206	(13,294)
Reimbursement for Services	800,000	800,000	579,664	(220,336)
Investment Earnings	500	500	24,690	24,190
Miscellaneous	131,000	131,000	121,282	(9,718)
Total Revenues	29,080,000	29,080,000	35,126,823	6,046,823
Expenditures -- Streets and Highways:				
Personal Services	12,879,637	12,879,637	11,884,909	994,728
Materials and Supplies	3,227,746	2,619,791	2,704,227	(84,436)
Other Services and Charges	18,854,262	19,426,085	9,374,824	10,051,261
Capital Outlay	289,110	325,242	79,851	245,391
Lease Principal	-	-	70,000	(70,000)
Interest	-	-	38,450	(38,450)
Fiscal Charges	-	-	61	(61)
Total Expenditures	35,250,755	35,250,755	24,152,322	11,098,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,170,755)	(6,170,755)	10,974,501	17,145,256
Other Financing Sources (Uses):				
Transfers In	42,680,537	42,680,537	42,680,537	-
Transfers Out	(6,722,338)	(6,722,338)	(6,722,338)	-
Sale of Capital Assets	10,000	10,000	-	(10,000)
Total Other Financing Sources (Uses)	35,968,199	35,968,199	35,958,199	(10,000)
Net Change in Fund Balances	\$ 29,797,444	29,797,444	46,932,700	17,135,256
Amount Budgeted on Project Basis			(38,083,184)	
Fund Balances - Beginning			<u>75,711,479</u>	
Fund Balances - Ending			<u>\$ 84,560,995</u>	

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

CITY OF LINCOLN, NEBRASKA
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 27,394,180	29,909,274	27,963,406	(1,945,868)
Permits and Fees	155,879	155,879	155,879	-
Reimbursement for Services	746,492	746,492	746,492	-
Program Income	952,509	952,509	1,056,484	103,975
Investment Earnings (Loss)	1,365,111	1,365,111	1,365,163	52
Donations	312,062	312,062	312,062	-
Miscellaneous	2,265,024	2,265,024	2,265,024	-
Total Revenues	<u>33,191,257</u>	<u>35,706,351</u>	<u>33,864,510</u>	<u>(1,841,841)</u>
Expenditures:				
General Government:				
Personal Services	136,397	136,397	136,397	-
Materials and Supplies	528	528	528	-
Other Services and Charges	3,233,557	3,233,557	3,233,557	-
Total General Government	<u>3,370,482</u>	<u>3,370,482</u>	<u>3,370,482</u>	<u>-</u>
Public Safety:				
Personal Services	1,920,843	1,920,843	1,920,843	-
Materials and Supplies	96,071	96,071	96,071	-
Other Services and Charges	1,391,287	1,391,287	1,391,287	-
Capital Outlay	142,137	142,137	142,137	-
Total Public Safety	<u>3,550,338</u>	<u>3,550,338</u>	<u>3,550,338</u>	<u>-</u>
Culture and Recreation:				
Personal Services	287,098	287,098	287,098	-
Materials and Supplies	55,903	55,903	55,903	-
Other Services and Charges	101,877	101,877	101,877	-
Capital Outlay	117,593	117,593	117,593	-
Total Culture and Recreation	<u>562,471</u>	<u>562,471</u>	<u>562,471</u>	<u>-</u>
Economic Opportunity:				
Personal Services	1,659,368	1,659,368	1,568,200	91,168
Materials and Supplies	4,079	4,079	18,518	(14,439)
Other Services and Charges	2,805,575	3,225,539	3,001,716	223,823
Capital Outlay	126,635	799,347	169,325	630,022
Loans and Grants	19,937,915	21,485,333	20,807,120	678,213
Total Economic Opportunity	<u>24,533,572</u>	<u>27,173,666</u>	<u>25,564,879</u>	<u>1,608,787</u>

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Personal Services	8,639,844	8,639,844	8,639,844	-
Materials and Supplies	454,294	454,294	454,294	-
Other Services and Charges	4,646,064	4,646,064	4,646,064	-
Capital Outlay	1,234,051	1,234,051	1,234,051	-
Loans and Grants	562,875	562,875	562,875	-
Total Health and Welfare	<u>15,537,128</u>	<u>15,537,128</u>	<u>15,537,128</u>	<u>-</u>
Mass Transit:				
Personal Services	<u>182,858</u>	<u>182,858</u>	<u>182,858</u>	<u>-</u>
Total Expenditures	<u>47,736,849</u>	<u>50,376,943</u>	<u>48,768,156</u>	<u>1,608,787</u>
Excess of Revenues Over Expenditures	<u>(14,545,592)</u>	<u>(14,670,592)</u>	<u>(14,903,646)</u>	<u>(233,054)</u>
Other Financing Sources (Uses):				
Transfers In	487,301	487,301	487,301	-
Transfers Out	(1,275,360)	(1,275,360)	(1,250,360)	25,000
Sale of Assets	50	50	50	-
Total Other Financing Sources (Uses)	<u>(788,009)</u>	<u>(788,009)</u>	<u>(763,009)</u>	<u>25,000</u>
Net Change in Fund Balances	<u>\$ (15,333,601)</u>	<u>(15,458,601)</u>	(15,666,655)	<u>(208,054)</u>
Fund Balance - Beginning			<u>50,232,769</u>	
Fund Balance - Ending			<u>\$ 34,566,114</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, 2023

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,937,695	2,924,538	14,130,000	13,252,215	32,244,448	3,684,442
Investments	23,406,533	53,519,000	142,646,000	22,996,625	242,568,158	67,364,617
Restricted Assets:						
Cash and Cash Equivalents	-	-	6,497,000	-	6,497,000	-
Investments	-	-	14,131,000	-	14,131,000	-
Receivables, (Net of Allowance for Uncollectibles)	2,529,106	4,633,829	27,429,000	5,530,772	40,122,707	902,582
Unbilled Revenues	4,438,249	7,201,438	15,484,000	-	27,123,687	-
Due from Other Funds	510,049	1,029,586	-	1,500,340	3,039,975	2,614,609
Due from Other Governments	-	627,949	-	17,683	645,632	98,241
Inventories	228,832	2,851,632	27,692,000	849,079	31,621,543	1,401,276
Plant Operation Assets	-	-	14,010,000	-	14,010,000	-
Prepaid Expenses	-	-	4,729,000	124,654	4,853,654	951,982
Total Current Assets	<u>33,050,464</u>	<u>72,787,972</u>	<u>266,748,000</u>	<u>44,271,368</u>	<u>416,857,804</u>	<u>77,017,749</u>
Noncurrent Assets:						
Investments	3,718,055	8,470,823	-	3,790,124	15,979,002	11,051,726
Costs Recoverable from Future Billings	718,730	165,016	3,446,000	-	4,329,746	-
Lease Receivable	-	-	6,781,000	20,181,527	26,962,527	1,456,784
Restricted Assets:						
Cash and Cash Equivalents	-	-	163,000	183,215	346,215	-
Investments	23,456,388	4,439,939	10,112,000	3,878,509	41,886,836	-
Receivables	-	-	-	45,383	45,383	-
Due from Other Funds	1,074,752	9,335,027	-	-	10,409,779	-
Total Restricted Assets	<u>24,531,140</u>	<u>13,774,966</u>	<u>10,275,000</u>	<u>4,107,107</u>	<u>52,688,213</u>	<u>-</u>
Capital Assets:						
Land	8,319,748	5,855,753	-	19,736,442	33,911,943	1,594,451
Buildings	84,790,833	87,932,970	-	102,966,155	275,689,958	22,361,139
Improvements Other Than Buildings	427,487,162	457,074,078	-	129,503,445	1,014,064,685	2,376,735
Machinery and Equipment	20,193,802	33,444,667	-	26,999,251	80,637,720	49,382,708
Utility Plant	-	-	1,810,643,000	-	1,810,643,000	-
Construction in Progress	11,313,541	10,343,525	91,931,000	1,283,158	114,871,224	461,516
Less Accumulated Depreciation	(201,902,909)	(210,999,321)	(906,710,000)	(105,242,964)	(1,424,855,194)	(38,058,704)
Total Assets, Net	<u>350,202,177</u>	<u>383,651,672</u>	<u>995,864,000</u>	<u>175,245,487</u>	<u>1,904,963,336</u>	<u>38,117,845</u>
Lease Assets:						
Lease Assets	-	-	-	4,205,470	4,205,470	18,918
Less Amortization	-	-	-	(604,578)	(604,578)	(2,838)
Total Lease Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,600,892</u>	<u>3,600,892</u>	<u>16,080</u>
Subscription Assets:						
Subscription Assets	-	-	-	120,915	120,915	1,679,688
Less Amortization	-	-	-	(17,633)	(17,633)	(671,655)
Total Subscription Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,282</u>	<u>103,282</u>	<u>1,008,033</u>
Total Capital Assets, Net	<u>350,202,177</u>	<u>383,651,672</u>	<u>995,864,000</u>	<u>178,949,661</u>	<u>1,908,667,510</u>	<u>39,141,958</u>
Total Noncurrent Assets	<u>379,170,102</u>	<u>406,062,477</u>	<u>1,016,366,000</u>	<u>207,028,419</u>	<u>2,008,626,998</u>	<u>51,650,468</u>
Total Assets	<u>412,220,566</u>	<u>478,850,449</u>	<u>1,283,114,000</u>	<u>251,299,787</u>	<u>2,425,484,802</u>	<u>128,668,217</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	388,350	229,683	9,421,000	757,045	10,796,078	-
Deferred Outflows for Pension	-	-	-	1,508,397	1,508,397	-
Deferred Outflows for OPEB	108,406	136,472	-	295,358	540,236	214,087
Deferred Costs for Asset Retirement Obligations	-	-	3,180,000	-	3,180,000	-
Total Deferred Outflows of Resources	<u>496,756</u>	<u>366,155</u>	<u>12,601,000</u>	<u>2,560,800</u>	<u>16,024,711</u>	<u>214,087</u>

(Continued)

(Proprietary Funds, Statement of Net Position, continued)

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 3,971,241	5,173,993	18,130,000	3,007,347	30,282,581	4,729,135
Accrued Liabilities	930,075	790,340	33,821,000	635,150	36,176,565	610,986
Accrued Compensated Absences	448,644	604,079	-	428,076	1,480,799	1,079,446
Notes Payable	-	-	-	156,055	156,055	-
Due to Other Funds	123,121	190,319	-	189,691	503,131	361,514
Due to Other Governments	-	-	-	412,099	412,099	23,644
Unearned Revenue	-	-	-	6,843,566	6,843,566	49,108
Accrued Interest	793,223	64,280	6,438,000	97,055	7,392,558	113,628
Accrued Lease Interest	-	-	-	15,725	15,725	166
Accrued Subscription Interest	-	-	-	1,125	1,125	11,739
Claims	-	-	-	-	-	5,819,719
Current Portion of Commercial Paper and Notes Payable	-	-	65,500,000	-	65,500,000	-
Current Portion of COPS	24,684	-	-	115,000	139,684	1,610,000
Current Portion of Long-Term Debt	7,173,002	3,993,310	30,535,000	3,675,000	45,376,312	-
Current Portion of Total OPEB Liability	18,768	22,618	-	39,580	80,966	33,453
Current Portion of Lease Liability	-	-	-	486,966	486,966	1,167
Current Portion of Subscription Liability	-	-	-	29,271	29,271	406,859
Total Current Liabilities	<u>13,482,758</u>	<u>10,838,939</u>	<u>154,424,000</u>	<u>16,131,706</u>	<u>194,877,403</u>	<u>14,850,564</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	1,104,084	1,542,805	-	469,594	3,116,483	1,745,701
Long-Term Debt, Net	100,062,217	19,871,327	572,137,000	41,099,176	733,169,720	-
Developer Performance Deposits	-	-	250,000	-	250,000	-
Claims	-	-	708,000	-	708,000	8,902,142
COPs Payable	-	-	-	980,000	980,000	6,565,119
Notes Payable	-	-	-	517,663	517,663	-
Net Pension Liability	-	-	-	4,826,973	4,826,973	-
Total OPEB Liability, Net	380,163	458,166	-	967,284	1,805,613	677,611
Lease Liability	-	-	-	2,958,989	2,958,989	15,289
Subscription Liability	-	-	-	60,444	60,444	387,493
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	36,955,000	36,955,000	-
Asset Retirement Obligation	-	-	3,180,000	-	3,180,000	-
Total Noncurrent Liabilities	<u>101,546,464</u>	<u>21,872,298</u>	<u>576,275,000</u>	<u>88,835,123</u>	<u>788,528,885</u>	<u>18,293,355</u>
Total Liabilities	<u>115,029,222</u>	<u>32,711,237</u>	<u>730,699,000</u>	<u>104,966,829</u>	<u>983,406,288</u>	<u>33,143,919</u>
DEFERRED INFLOWS OF RESOURCES						
Reductions of future billings	-	-	34,932,000	-	34,932,000	-
Deferred Inflows for Pension	-	-	-	280,875	280,875	-
Deferred Inflows for OPEB	294,345	354,738	-	742,896	1,391,979	524,647
Deferred Inflows for Leases	-	-	6,890,000	21,035,914	27,925,914	1,479,611
Total Deferred Inflows of Resources	<u>294,345</u>	<u>354,738</u>	<u>41,822,000</u>	<u>22,059,685</u>	<u>64,530,768</u>	<u>2,004,258</u>
NET POSITION						
Net Investment in Capital Assets	261,666,684	361,651,224	346,153,000	130,423,399	1,099,894,307	27,702,294
Restricted for:						
Debt Service	1,068,616	380,784	10,249,000	-	11,698,400	-
Capital Projects	1,074,752	9,335,027	-	2,990,023	13,399,802	-
Other	-	-	2,856,000	-	2,856,000	-
Unrestricted	33,583,703	74,783,594	163,936,000	(6,579,349)	265,723,948	66,031,833
Total Net Position	<u>\$ 297,393,755</u>	<u>446,150,629</u>	<u>523,194,000</u>	<u>126,834,073</u>	<u>1,393,572,457</u>	<u>93,734,127</u>

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



CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	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	\$ 41,397,882	58,888,525	340,822,000	13,601,301	454,709,708	97,131,341
Fees	-	-	-	17,671,489	17,671,489	-
Parking Revenue	-	-	-	10,344,610	10,344,610	-
Performance Revenue	-	-	-	12,236,947	12,236,947	-
Other Operating Revenue	-	-	20,561,000	3,179,272	23,740,272	-
Total Operating Revenues	<u>41,397,882</u>	<u>58,888,525</u>	<u>361,383,000</u>	<u>57,033,619</u>	<u>518,703,026</u>	<u>97,131,341</u>
Operating Expenses						
Personal Services	-	-	-	18,504,786	18,504,786	17,899,116
Contractual Services	-	-	-	13,238,124	13,238,124	-
Operation and Maintenance	15,195,829	24,165,273	25,679,000	18,110,422	83,150,524	78,078,746
Purchased Power	-	-	164,382,000	-	164,382,000	-
Depreciation	10,524,294	9,515,431	35,428,000	7,922,285	63,390,010	4,422,550
Amortization	-	-	-	389,158	389,158	673,074
Administrative Costs	3,365,243	4,050,546	56,643,000	-	64,058,789	-
Total Operating Expenses	<u>29,085,366</u>	<u>37,731,250</u>	<u>282,132,000</u>	<u>58,164,775</u>	<u>407,113,391</u>	<u>101,073,486</u>
Operating Income (Loss)	<u>12,312,516</u>	<u>21,157,275</u>	<u>79,251,000</u>	<u>(1,131,156)</u>	<u>111,589,635</u>	<u>(3,942,145)</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	225,118	62,063	3,763,000	671,055	4,721,236	303,608
Lease Income	-	-	-	1,257,458	1,257,458	233,844
Lease Interest Income	-	-	-	397,940	397,940	32,640
Grant Revenue	-	867,701	-	696,203	1,563,904	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	118,258	118,258	182,540
Insurance Recoveries	-	228,693	-	2,030	230,723	-
Occupation Tax	-	-	-	5,715,780	5,715,780	-
Payments in Lieu of Taxes	-	-	(10,059,000)	-	(10,059,000)	-
Net Costs Recoverable	(67,422)	(34,348)	-	-	(101,770)	-
Interest Expense and Fiscal Charges	(3,409,087)	(711,851)	(18,382,000)	(1,474,303)	(23,977,241)	(181,741)
Total Nonoperating Revenues (Expenses)	<u>(3,251,391)</u>	<u>412,258</u>	<u>(24,678,000)</u>	<u>7,384,421</u>	<u>(20,132,712)</u>	<u>570,891</u>
Income Before Contributions and Transfers	<u>9,061,125</u>	<u>21,569,533</u>	<u>54,573,000</u>	<u>6,253,265</u>	<u>91,456,923</u>	<u>(3,371,254)</u>
Capital Contributions	4,439,826	5,883,212	988,000	8,597,303	19,908,341	106,146
Plant Costs Recovered through Capital Contributions	-	-	(988,000)	-	(988,000)	-
Transfers In	-	-	-	1,498,708	1,498,708	543,640
Transfers Out	(8,361)	(10,291)	(12,949,000)	(5,017,229)	(17,984,881)	(271,388)
Change in Net Position	<u>13,492,590</u>	<u>27,442,454</u>	<u>41,624,000</u>	<u>11,332,047</u>	<u>93,891,091</u>	<u>(2,992,856)</u>
Net Position - Beginning of Year	<u>283,901,165</u>	<u>418,708,175</u>	<u>481,570,000</u>	<u>115,502,026</u>	<u>1,299,681,366</u>	<u>96,726,983</u>
Net Position - Ending	<u>\$ 297,393,755</u>	<u>446,150,629</u>	<u>523,194,000</u>	<u>126,834,073</u>	<u>1,393,572,457</u>	<u>93,734,127</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, 2023

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 37,573,153	55,734,059	354,777,000	55,952,837	504,037,049	31,073,249
Receipts from Interfund Services Provided	-	-	6,883,000	2,141,871	9,024,871	65,040,346
Receipts from Sales Tax	2,347,148	657,380	16,673,000	-	19,677,528	-
Payments for Sales Tax	(2,468,300)	(688,972)	(16,454,000)	-	(19,611,272)	-
Payments to Suppliers for Goods and Services	(7,800,736)	(16,742,906)	(232,534,000)	(25,296,706)	(282,374,348)	(71,508,018)
Payments to Employees	(8,248,318)	(9,956,694)	(18,666,000)	(17,894,357)	(54,765,369)	(17,686,178)
Payments for Interfund Services Provided	-	-	(1,513,000)	(5,069,544)	(6,582,544)	(3,768,560)
Other Receipts	-	-	-	3,179,273	3,179,273	-
Net Cash Provided by Operating Activities	<u>21,402,947</u>	<u>29,002,867</u>	<u>109,166,000</u>	<u>13,013,374</u>	<u>172,585,188</u>	<u>3,150,839</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	5,578,034	5,578,034	-
Payments in Lieu of Taxes	-	-	(10,453,000)	-	(10,453,000)	-
Insurance Recoveries	-	-	-	-	-	-
Transfers from Other Funds	(110,000)	270,843	-	1,498,708	1,659,551	543,640
Transfers to Other Funds	(8,361)	(10,291)	(12,555,000)	(5,017,229)	(17,590,881)	(271,388)
Repayments from Other Funds	-	-	-	121,924	121,924	162,566
Grant Proceeds	-	-	-	927,304	927,304	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(118,361)</u>	<u>260,552</u>	<u>(23,008,000)</u>	<u>3,108,741</u>	<u>(19,757,068)</u>	<u>434,818</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(14,622,253)	(9,120,327)	(53,595,000)	(5,712,725)	(83,050,305)	(5,654,312)
Capital Contributions	-	-	988,000	11,744	999,744	-
Insurance Recoveries	-	-	-	2,030	2,030	-
Proceeds from Sale of Capital Assets	-	-	-	50,160	50,160	245,609
Debt Issuance Costs	(178,934)	-	-	-	(178,934)	-
Cost of Debt Issuance	-	-	-	-	-	(1,631)
Net Cost of Retiring Plant	-	-	(1,566,000)	-	(1,566,000)	-
Other Capital and Related Financing Activities	-	468,445	-	-	468,445	-
Proceeds from Leases/Lease Interest	-	-	421,000	1,474,051	1,895,051	235,830
Proceeds from Long Term Debt	37,787,459	-	-	-	37,787,459	-
Principal Payments of Leases	-	-	-	(480,512)	(480,512)	(1,452)
Principal Payments of Subscriptions	-	-	-	(31,200)	(31,200)	(899,917)
Principal Payments of COPs	-	-	-	(110,000)	(110,000)	(1,535,000)
Principal Payments of Notes	-	-	-	(190,482)	(190,482)	-
Principal Payments of Long-Term Debt	(6,121,951)	(3,862,307)	(30,205,000)	(3,575,000)	(43,764,258)	-
Interest and Fiscal Charges Paid	(3,528,647)	(951,729)	(21,050,000)	(1,422,358)	(26,952,734)	(361,912)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>13,335,674</u>	<u>(13,465,918)</u>	<u>(105,007,000)</u>	<u>(9,984,292)</u>	<u>(115,121,536)</u>	<u>(7,972,785)</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	16,789,026	52,819,093	277,757,000	34,156,561	381,521,680	90,257,064
Purchases of Investments	(49,878,588)	(66,585,981)	(267,748,000)	(32,751,804)	(416,964,373)	(83,731,058)
Interest and Other Receipts	250,575	180,991	2,223,000	220,831	2,875,397	158,486
Net Cash Provided (Used) by Investing Activities	<u>(32,838,987)</u>	<u>(13,585,897)</u>	<u>12,232,000</u>	<u>1,625,588</u>	<u>(32,567,296)</u>	<u>6,684,492</u>
Net Increase/Decrease in Cash and Cash Equivalents	1,781,273	2,211,604	(6,617,000)	7,763,411	5,139,288	2,297,364
Cash and Cash Equivalents - Beginning	156,422	712,934	27,407,000	5,672,019	33,948,375	1,387,078
Cash and Cash Equivalents - Ending	<u>\$ 1,937,695</u>	<u>2,924,538</u>	<u>20,790,000</u>	<u>13,435,430</u>	<u>39,087,663</u>	<u>3,684,442</u>

(Continued)

(Proprietary Funds, Statement of Cash Flows, continued)

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 12,312,516	21,157,275	79,251,000	(1,131,156)	111,589,635	(3,942,145)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	10,524,294	9,515,431	35,428,000	8,311,443	63,779,168	5,095,624
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable and Unbilled Revenues	(1,523,081)	(2,478,406)	(4,769,000)	(860,898)	(9,631,385)	(501,100)
Due from Other Funds	-	-	-	(7,572)	(7,572)	(742,372)
Due from Other Governments	-	-	-	(16,874)	(16,874)	193,315
Inventories	(58,222)	(580,638)	(3,689,000)	(218,229)	(4,546,089)	26,977
Plant Operation Assets	-	-	464,000	-	464,000	-
Prepaid Expenses	-	-	-	(53,721)	(53,721)	(104,172)
Other Assets	-	-	(1,174,000)	-	(1,174,000)	-
Deferred Outflows for Pension	-	-	-	(362,011)	(362,011)	-
Deferred Outflows for OPEB	12,652	36,711	-	3,910	53,273	28,053
Accounts Payable	(85,595)	1,182,723	1,524,000	(1,970,460)	650,668	(839,220)
Accrued Liabilities	201,618	121,223	180,000	(127,051)	375,790	111,747
Accrued Compensated Absences	(58,284)	94,588	-	(38,944)	(2,640)	70,004
Due to Other Funds	-	-	-	12,943	12,943	317,261
Due to Other Governments	-	-	-	103,468	103,468	23,611
Unearned Revenue	-	-	-	5,152,940	5,152,940	32,410
Reductions in Future Billings	-	-	75,000	-	75,000	-
Claims	-	-	1,876,000	-	1,876,000	3,377,711
Net Pension Liability	-	-	-	751,870	751,870	-
Total OPEB Liability	(193,050)	(366,092)	-	(456,571)	(1,015,713)	(473,014)
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	3,323,000	3,323,000	-
Deferred Inflows for Pension	-	-	-	(85,671)	(85,671)	-
Deferred Inflows for OPEB	270,099	320,052	-	682,958	1,273,109	476,149
Total Adjustments	9,090,431	7,845,592	29,915,000	14,144,530	60,995,553	7,092,984
Net Cash Provided by Operating Activities	\$ 21,402,947	29,002,867	109,166,000	13,013,374	172,585,188	3,150,839
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 3,694,095	3,112,149	-	8,597,303	15,403,547	106,146
Capital Asset Trade-Ins	-	-	-	301,400	301,400	-
Purchase of Capital Assets on Account	(3,283,172)	(2,360,369)	414,000	321,827	(4,907,714)	2,453,737
Change in Fair Value of Investments	(118,958)	(129,058)	(881,000)	201,479	(927,537)	104,627
Note Payable Incurred for Acquisition of Capital Assets	-	-	-	864,200	864,200	-
Amortization of Debt Premiums	486,689	310,876	6,536,000	78,400	7,411,965	182,236

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, 2023

	<u>Police & Fire Pension Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,641,016	7,066,524
Investments:		
Pooled Investment Funds	3,365,545	-
Mutual Funds	147,842,310	-
Limited Partnership	106,173,535	-
Real Estate Limited Partnerships	50,144,302	-
Total Investments	<u>307,525,692</u>	<u>-</u>
Receivables:		
Contributions	418,887	-
Taxes	-	680,136
Accrued Interest	60,047	37,021
Due from Other Governments	340	-
Total Assets	<u>312,645,982</u>	<u>7,783,681</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for OPEB	<u>1,533</u>	<u>-</u>
LIABILITIES		
Accounts Payable	19,911	-
Accrued Liabilities	6,431	-
Accrued Compensated Absences	22,716	-
Total OPEB Liability	5,093	-
Due to Contractors	-	7,225,800
Total Liabilities	<u>54,151</u>	<u>7,225,800</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for OPEB	<u>3,757</u>	<u>-</u>
NET POSITION		
Restricted for:		
Pensions	312,589,607	-
Developers, Seized Cash, and Other Governments	-	557,881
Total Net Position	<u>\$ 312,589,607</u>	<u>557,881</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, 2023

	Police & Fire Pension Trust Fund	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 10,604,206	-
Employee	4,228,254	-
Total Contributions	14,832,460	-
Investment Earnings:		
Interest	321,562	-
Dividends	2,953,204	-
Increase in Fair Value of Investments	14,866,774	99,293
Investment Earnings	18,141,540	99,293
Less Investment Expense	(590,511)	-
Net Investment Earnings	17,551,029	99,293
Real Property and Personal Property Tax	-	13,061,859
Sales Tax Collections For Other Governments	-	398,709
Seized Cash	-	231,689
Miscellaneous	-	66,333
Total Additions	32,383,489	13,857,883
Deductions:		
Benefit Payments	20,640,866	-
Refunds of Contributions	462,838	-
Administrative Costs	431,909	-
Seized Cash Used	-	231,416
Payments of Sales Tax to Other Governments	-	398,709
Developer Purchased TIF Payments	-	12,321,772
Miscellaneous	-	891,759
Total Deductions	21,535,613	13,843,656
Change in Net Position	10,847,876	14,227
Net Position Restricted - Beginning	301,741,731	543,654
Net Position Restricted - Ending	\$ 312,589,607	557,881

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



**NOTES TO THE
FINANCIAL STATEMENTS**

(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 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, 2023. 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, 2022. The amounts included in the City's 2023 financial statements for LES are amounts as of and for the year ended December 31, 2022.

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 blended component unit. Fiduciary activities, whose resources are not available to finance the City's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

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 fiduciary 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 use the economic resources measurement focus.

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

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

The City reports the following major governmental funds:

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

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

The Federal Grants Fund, a special revenue fund, includes federal sub-funds as follows:

- Community Development Block Grant Fund – to account for the costs of providing services under the City’s Community Development Block Grant Program with funding provided by grants from the Department of Housing and Urban Development.
- Grants-In-Aid Fund – to account for monies received from various federal and state agencies under several small categorical grants and the City’s matching funds where applicable. Monies are utilized to provide services as stipulated in the individual grant agreements.
- Workforce Investment Act (WIA) Fund – to account for the costs of providing services under the Workforce Investment Act with funding provided by grants from the Department of Labor.
- Disaster Recovery Fund (FEMA) Fund – to account for reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood

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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 the COVID-19 pandemic. Monies are utilized as stipulated in the Final Rule from the US Treasury Department.

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

In 2011, the City Council approved an ordinance requiring LES to pay an annual dividend to the City for the City’s ownership of LES, in an amount based on the total net position of LES as of the most recent audited year-end financial statements. The annual dividend shall be remitted to the City on a semiannual basis on the

CITY OF LINCOLN, NEBRASKA
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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 Police & Fire Pension Trust Fund are carried at either fair value or net asset value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

Receivables and Payables

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

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

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

Inventories and Prepaid Items

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

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

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

Plant Operation Assets

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

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Costs Recoverable from Future Billings

Certain income and expense items of the Wastewater System, Water System, and LES, which would be recognized during the current period are deferred and not included in the determination of the change in net position until such costs are expected to be recovered through rates, in accordance with the regulated operations provisions of GASB Codification Section Re10, *Regulated Operations*.

Capital Assets

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

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

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

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

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

The exceptions to this rule are library media, which is depreciated using a composite depreciation method, and LES, which depreciates its utility plant on a straight-line basis using composite rates ranging between 0.6% and 20%, depending on the respective asset type.

Lease and Software Subscription Assets

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

Capital, Lease, and Subscription Asset Impairment

The City evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease, or subscription asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital, lease, or subscription asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended August 31, 2023.

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Compensated Absences

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

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

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

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

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

Long-Term Obligations

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

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

Fund Balances

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

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

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

The City has established a policy intended to address the primary consideration of meeting unanticipated short-term cash flow needs of the City and the long-term goal of managing General Fund balances in a manner that at all times preserves the City's ability to meet its cash flow needs. No less than twenty percent of the ensuing year's General Fund budget is to be set aside to meet excess cash flow needs. Currently \$44,718,164 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, lease, and subscription assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use through external parties such as creditors (debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$256,949,598 of restricted net position, of which enabling legislation restricts \$71,796,953.

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.

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BUDGETARY DATA

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

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

Appropriation transfers between departments or agencies may only be authorized by resolution of the City Council. The Council may not make any appropriations in addition to those authorized in the biennial budget, except that it may authorize emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community, or for circumstances which could not reasonably have been anticipated at the time the budget was adopted.

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

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

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

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ENDOWMENTS

The Community Health Permanent Endowment Fund was established in 1997 with the \$37,000,000 cash proceeds realized by the City from the sale of Lincoln General Hospital, and may be increased by donations, bequests, or appropriations to the fund. Investment earnings of the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln. Earnings deposited with the City Treasurer shall be paid out only by order of those persons designated by the Community Health Endowment (CHE) Board of Trustees as outlined in the Fiscal and Budget Directives policy between the CHE and the City. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The current amount of net appreciation available for expenditure is \$27,496,360 which is reported along with \$865,000 of contingency funds as expendable health care restricted net position in the statement of net position. The initial endowment principal is reported as nonexpendable health care restricted net position in the statement of net position.

ESTIMATES

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

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

During the fiscal year ended August 31, 2023, the City implemented the following GASB Pronouncement:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). In governmental funds, the City now recognizes an expenditure for the current year software subscriptions and interest due for subscriptions with payments made during the term of over \$5,000. Payments on contracts under that threshold are recorded as expenditures. In the government-wide statements, the City recognizes a subscription liability and subscription asset for the present value of all future payments at the commencement of the subscription for subscriptions with total future minimum payments over \$5,000.

In both proprietary funds and government-wide statements, the City recognizes a subscription liability and subscription asset for the present value of all future payments at the commencement of the subscription for subscriptions with total future minimum payments over \$5,000. Payments on contracts under that threshold are recorded as expenses.

Adoption of GASB 96 had no effect on beginning net position as of September 1, 2022, or on the previously reported change in net position.

(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 \$545,525,643 difference are as follows:

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Bonds Payable	\$	396,534,158
Less issuance discounts		(914,093)
Plus issuance premiums		10,421,450
Plus deferred gain on refunding		525,418
Less deferred loss on refunding		(2,233,247)
Notes Payable		2,072,353
COPs Payable		22,700,000
Accrued Interest Payable		4,074,431
Accrued Lease Interest Payable		725
Accrued SBITA Interest Payable		4,096
Net Pension Liability		84,070,228
Deferred Outflows for Pension		(24,586,704)
Deferred Inflows for Pension		197,893
Total OPEB Liability		14,319,320
Deferred Outflows for OPEB		(4,171,979)
Deferred Inflows for OPEB		10,565,260
Leases		770,840
SBITAs		222,123
Compensated Absences		30,848,624
Other		104,747
Net difference	\$	<u><u>545,525,643</u></u>

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.” The details of this \$42,251,630 difference are as follows:

Capital outlay	\$	90,800,005
SBITAs		2,000,193
Depreciation expense		(49,840,706)
Amortization expense		(707,862)
Net difference	\$	<u><u>42,251,630</u></u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, COPs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$305,936 difference are as follows:

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Debt issued or incurred:	
Issuance of tax allocation bonds	\$ (548,164)
Issuance of tax supported bonds	(11,550,000)
Issuance of Municipal Improvement Bonds	(11,550,000)
Issuance of Subscriptions	(304,755)
Issuance premiums	(913,617)
Amortization of deferred premiums, discounts, and amounts from refundings	764,391
Principal repayments	<u>24,408,081</u>
Net difference	<u>\$ 305,936</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 \$(2,977,528) difference are as follows:

Loss on disposal of capital assets	\$ (29,366)
Accrued interest	278,331
Compensated absences	(1,812,916)
Other	<u>(1,413,577)</u>
Net difference	<u>\$ (2,977,528)</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, 2023, are as follows:

Fund Account	Parking System	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Total
Principal and Interest	\$ -	-	2,118,489	350,377	16,753,000	19,221,866
Reserve	-	1,117,084	9,187,642	4,080,833	9,389,000	23,774,559
Surplus	-	-	1,218,259	9,343,756	-	10,562,015
Renewal and Replacement	2,668,134	-	-	-	-	2,668,134
Capital Construction and Equipment	209,852	112,037	12,006,750	-	-	12,328,639
Customer/Developer Deposits	-	-	-	-	1,198,000	1,198,000
Claims	-	-	-	-	3,563,000	3,563,000
Total	<u>\$ 2,877,986</u>	<u>1,229,121</u>	<u>24,531,140</u>	<u>13,774,966</u>	<u>30,903,000</u>	<u>73,316,213</u>

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

(4) **DEPOSITS AND INVESTMENTS**

DEPOSITS

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

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

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 on August 31, 2023.

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 69, 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.

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At August 31, 2023, the City had the following investments, maturities, credit ratings, and fair value measurement:

Type	August 31, 2023					Credit Rating		Hierarchy Level
	Carrying Value	Maturities in Years				Moody's	S&P	
		Less than 1	1-5	6-10	More than 10			
General City:								
U.S. Treasury Obligations	\$ 398,556,553	395,406,115	1,853,360	1,297,078	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	349,714,261	241,004,320	92,597,677	16,112,264	-	Aaa	AA+	2
Commercial Issuers (Commercial Paper)	53,084,000	53,084,000	-	-	-	P1	A1	2
Commercial Issuers (Commercial Paper)	1,579,000	1,579,000	-	-	-	P2	A2	2
Municipal Bonds	-	-	-	-	-	Aa2	AAA	2
Municipal Bonds	-	-	-	-	-	Aa3	AA-	2
Municipal Bonds	-	-	-	-	-	Aaa	AA+	2
Municipal Bonds	1,373,159	1,373,159	-	-	-	Aaa	AAA	2
Money Market Funds - U.S. Treasury	3,081,818	3,081,818	-	-	-	Aaa-mf	AAAm	N/A
Money Market Funds - U.S. Agencies	12,020,701	12,020,701	-	-	-	Aaa-mf	AAAm	N/A
Money Market Funds	15,125,000	15,125,000	-	-	-	Aaa-mf	Not rated	N/A
Money Market Funds	31,255,949	31,255,949	-	-	-	Not Rated	Not Rated	N/A
External Investment Trust	500,000	500,000	-	-	-	Not rated	Not rated	N/A
Tax Increment Financing Investments	5,783,395	17,471	19,712	4,420,301	1,325,911	Not rated	Not rated	2
Equities	6,134,635	6,134,635	-	-	-	Not rated	Not rated	1
Total General City	878,208,471	760,582,168	94,470,749	21,829,643	1,325,911			
Community Health Endowment:								
Money Market Mutual Funds	1,975,938	1,975,938	-	-	-	Not Rated	Not Rated	N/A
Mutual Funds	62,472,037	62,472,037	-	-	-	Not Rated	Not Rated	1
Limited Partnership	491	491	-	-	-	Not Rated	Not Rated	NAV
Total Community Health Endowment:	64,448,466	64,448,466	-	-	-			
Total Primary Government	942,656,937	825,030,634	94,470,749	21,829,643	1,325,911			
Police & Fire Pension Trust:								
Mutual Funds	147,842,310	147,842,310	-	-	-	Not Rated	Not Rated	1
Limited Partnership	106,173,535	-	-	-	-	-	-	NAV
Real Estate Limited Partnerships	50,144,302	-	-	-	-	-	-	NAV
Total Police & Fire Pension Trust	304,160,147	-	-	-	-			
Total	\$ 1,246,817,084							

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City has no investments at August 31, 2023 that are classified within Level 3 of the hierarchy.

INVESTMENT POLICIES

General City Policy

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

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.

CITY OF LINCOLN, NEBRASKA
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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/Aam-G	---
Corporate Notes	AA-	Aa3
Investment Agreements	AA-	Aa3
Commercial Paper	A-1	P-1
Bankers’ Acceptance	A-1	P-1
Local Government Debt	AA-	Aa3

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

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

<u>Type</u>	<u>Portfolio Composition</u>	<u>Policy Limits on Issuer</u>
U.S. agency obligations:		
Federal Home Loan Bank	30.12 %	40.00 %
Federal Home Loan Mortgage Corporation	1.83	40.00
Federal National Mortgage Association	3.68	40.00
Federal Farm Credit Bank	4.09	40.00
Federal Agricultural Mortgage Corporation	0.11	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.

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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, CHE compares the risk and return characteristics derived from the actual performance of an investment to appropriate benchmarks, at least annually. Asset allocation and investments are adjusted as necessary by this monitoring.

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 individual 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, 2023 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, 2023.

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, 2023.

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, 2023:

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Asset Class	Target Allocation	Minimum Allocation	Maximum Allocation
Public Equity	50 %	40 %	60 %
US Equity	21	16	26
Non-US Developed Equity	5	3	7
Emerging Market Equity	6	4	8
Global Equity	18	14	22
Private Equity	10	6	14
Fixed Rate Debt	15	12	18
Floating Rate Debt	10	8	12
Real Estate	15	12	18
Total	100 %	n/a	n/a

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

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

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

Concentration of Credit Risk. The policy places no limit on the amount that may be invested in any one issuer. The following individual investments held by the Plan as of August 31, 2023, are greater than 5% of the Plan's fiduciary net position:

Vanguard Total Stock Market Index	26.06 %
J.P. Morgan Core Bond Fund	17.95
RREEF America REIT II	9.62
Vanguard Total Intl Stock Index Fund Ins	7.44
GQG Partners Emrging Markets Equity	6.41
Bain Capital Senior Loan Fund	6.15
Prudential Prisa III Fund	5.67

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The Trust does not currently hold any investments with mandatory redemption periods. The Trust is required to fund the following additional amounts in accordance with the related investment agreements:

TenaskaTPF II, LP - \$53,712
Aberdeen U.S. Private Equity VI - \$247,500
StepStone VC Global Partners IX-B - \$577,500
Warburg Pincus Global Growth - \$334,250
Weathergace Venture Capital IV - \$840,000
Golub Capital Partners International Fund 11 - \$500,000
Principal Real Estate Debt Fund II - \$307,364
OHA Tactical Opportunities Fund (Offshore) - \$644,185
Varde Dislocation Fund Offshore - \$615,000
Grosvenor Co-Investment Opportunities Feeder II - \$5,310,445

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2023:

	<u>Totals</u>			
Investments	\$ 1,246,817,084			
Deposits and Cash on Hand	<u>29,755,638</u>			
	<u>\$ 1,276,572,722</u>			
		<u>Government-wide</u>	<u>Fiduciary Funds</u>	
		Statement of	Statement of	
		Net Position	Net Position	<u>Totals</u>
Cash and Cash Equivalents	\$ 73,599,190	11,707,540	85,306,730	
Investments	783,719,249	307,525,692	1,091,244,941	
Restricted Assets:				
Cash and Cash Equivalents	6,843,215	-	6,843,215	
Investments	<u>93,177,836</u>	<u>-</u>	<u>93,177,836</u>	
	<u>\$ 957,339,490</u>	<u>319,233,232</u>	<u>1,276,572,722</u>	

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(5) FUND BALANCES

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

	Major Funds					Total
	General Fund	Street Construction	West Haymarket JPA	Federal Grants Fund	Other Governmental Funds	
Fund Balances:						
Nonspendable:						
Inventory	\$ 75,502	527,828	-	-	1,195,551	1,798,881
Prepaid Items	474,702	-	218,094	-	-	692,796
Permanent Fund Principal	-	-	-	-	37,160,000	37,160,000
Total Nonspendable	550,204	527,828	218,094	-	38,355,551	39,651,677
Restricted For:						
Capital Improvements	3,081,818	78,719,410	1,085,240	-	55,612,414	138,498,882
Human Services	202,628	-	-	-	-	202,628
Donor Purposes	5,685,914	-	-	-	4,894,713	10,580,627
Public Improvements	1,980,760	-	-	-	-	1,980,760
Agency Activities	-	-	2,104,001	-	-	2,104,001
Land Purchases	-	-	-	-	3,120,170	3,120,170
Social Security Obligations	-	-	-	-	1,675	1,675
Community Betterment	-	-	-	-	7,183,588	7,183,588
Federal Loan Programs	-	-	-	23,620,000	-	23,620,000
Debt Service	-	-	-	-	7,803,835	7,803,835
Health Care	-	-	-	-	27,496,361	27,496,361
Claims Contingencies	-	-	-	-	865,000	865,000
Library Media	-	-	-	-	1,148,200	1,148,200
Street Maintenance	-	-	-	-	1,032,134	1,032,134
Total Restricted	10,951,120	78,719,410	3,189,241	23,620,000	109,158,090	225,637,861
Committed To:						
Public Access Television	-	-	-	-	279,110	279,110
Building Code Enforcement	-	-	-	-	11,976,028	11,976,028
Debt Service	-	-	-	-	7,354	7,354
Total Committed	-	-	-	-	12,262,492	12,262,492
Assigned To:						
Capital Improvements	-	215,103	-	-	-	215,103
Donor Purposes	1,288,569	-	-	-	-	1,288,569
Public Improvements	37,556	-	-	-	801,347	838,903
Athletic Facility Improvements	812,095	-	-	-	-	812,095
Senior Care	3,114,333	-	-	-	-	3,114,333
Emergency Communications	6,783,689	-	-	-	-	6,783,689
Economic Development Projects	6,449,624	-	-	-	-	6,449,624
Debt Service	-	-	42,555,593	-	-	42,555,593
Land Purchases	-	-	-	-	20,000	20,000
Library Services	-	-	-	-	5,034,375	5,034,375
Health Care	-	-	-	-	7,078,370	7,078,370
Public Transportation	-	-	-	-	3,355,832	3,355,832
Community Betterment	-	-	-	-	356,912	356,912
Park Projects	-	-	-	-	228,502	228,502
Subsequent Year's Appropriated Fund Balance	5,043,314	-	-	-	1,298,024	6,341,338
Other Purposes	235,144	-	-	497,301	1,184,248	1,916,693
Total Assigned	23,764,324	215,103	42,555,593	497,301	19,357,610	86,389,931
Unassigned	134,536,890	-	-	-	(705,352)	133,831,538
Total Fund Balances	\$ 169,802,538	79,462,341	45,962,928	24,117,301	178,428,391	497,773,499

CITY OF LINCOLN, NEBRASKA
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(6) RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables at August 31, 2023, consist of the following (in thousands):

Fund	Taxes	Accounts	Accrued Interest	Lease Accounts	Lease Interest	Loans	Special Assessment			Gross Receivables	Allowance For Uncollectibles	Net
							Current	Deferred	Contributions			
General	\$ 3,801	2,063	4,522	9,900	8	-	-	-	-	20,294	-	20,294
Street Construction	-	12	319	-	-	-	-	-	-	331	-	331
West Haymarket JPA	2,104	558	524	753	-	-	-	-	-	3,939	-	3,939
Federal Grants	-	1,772	409	-	-	23,620	-	-	-	25,801	1,922	23,879
Wastewater System	-	6,967	-	-	-	-	-	-	-	6,967	-	6,967
Water System	-	11,835	-	-	-	-	-	-	-	11,835	-	11,835
Electric System	-	43,840	1,441	7,074	47	-	-	-	-	52,402	2,708	49,694
Nonmajor -												
Special Revenue	904	958	610	-	-	-	-	-	-	2,472	-	2,472
Debt Service	395	142	88	-	-	-	258	1,349	-	2,232	117	2,115
Capital Projects	-	-	562	7	-	-	-	-	-	569	-	569
Permanent	-	-	7	-	-	-	-	-	-	7	-	7
Enterprise	-	7,233	167	21,378	37	-	-	-	-	28,815	3,058	25,757
Internal Service	-	751	57	1,551	-	-	-	-	-	2,359	-	2,359
Fiduciary	680	-	97	-	-	-	-	-	419	1,196	-	1,196
Total	\$ 7,884	76,131	8,803	40,663	92	23,620	258	1,349	419	159,219	7,805	151,414

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2023, were \$133,888.

The total of Due From Other Governments of \$40,008,394 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General/Major Governmental	\$17,593,203	State of Nebraska, July/August Sales & Use Tax
	648,562	August Motor Vehicle Taxes Collected by Lancaster County
	8,883	August Property Tax Interest Collected by Lancaster County
	650,823	Federal Government, Cost Reimbursements
	239,433	Lancaster County, Cost Reimbursements
	3,150	State of Nebraska, Cost Reimbursements
Street Construction/Major Governmental	6,174,625	State of Nebraska, July/August Highway User Fees
	441,342	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	725,711	Federal Government, Cost Reimbursements
Federal Grants/Major Governmental	5,642,299	Federal Government, Cost Reimbursements
StarTran/Special Revenue	1,631,196	Federal Government, Cost Reimbursements
Vehicle Tax Residual Revenue/Special Revenue	953,460	August Motor Vehicle Taxes Collected by Lancaster County
Casino Tax/Special Revenue	212,192	July/August Casino Taxes Collected by Lancaster County
Special Assessment/Debt Service	10,972	August Special Assessments Collected by Lancaster County
Lincoln On The Move/Capital Projects	2,965,083	State of Nebraska, July/August Sales & Use Tax
Vehicle Tax/Capital Projects	953,116	State of Nebraska, July/August Sales & Use Tax
Storm Sewer Bonds/Capital Projects	139,575	State of Nebraska, Cost Reimbursement
Other Capital Projects/Capital Projects	54,596	State of Nebraska, Cost Reimbursement
Lincoln Water System/Enterprise Fund	627,949	Federal Government, Cost Reimbursements
Solid Waste Management/Enterprise Fund	17,683	Federal Government, Cost Reimbursements
Information Services/Internal Service	60,214	Lancaster County Billings
Police Garage/Internal Service	<u>38,026</u>	State of Nebraska Billings
Subtotal	39,792,093	
LPS Asset Bank Balance	<u>216,301</u>	
Total Due From Other Governments	<u>\$40,008,394</u>	

CITY OF LINCOLN, NEBRASKA
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(7) CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balances*	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 170,939,693	1,250,170	-	-	172,189,863
Construction in Progress	116,159,015	66,509,147	30,597,128	(6,500,276)	145,570,758
Total Capital Assets, not being Depreciated	<u>287,098,708</u>	<u>67,759,317</u>	<u>30,597,128</u>	<u>(6,500,276)</u>	<u>317,760,621</u>
Capital Assets, being Depreciated:					
Buildings	395,592,498	19,996,639	3,905,631	-	411,683,506
Improvements Other Than Buildings	154,090,914	4,371,608	292,602	-	158,169,920
Machinery and Equipment	151,168,317	21,828,709	4,687,311	-	168,309,715
Infrastructure	1,116,894,801	24,526,602	2,382	-	1,141,419,021
Leases	2,072,984	-	-	-	2,072,984
SBITAs	1,361,600	638,592	-	-	2,000,192
Total Capital Assets, being Depreciated	<u>1,821,181,114</u>	<u>71,362,150</u>	<u>8,887,926</u>	<u>-</u>	<u>1,883,655,338</u>
Less Accumulated Depreciation and Amortization for:					
Buildings	108,707,854	8,981,142	3,905,631	-	113,783,365
Improvements Other Than Buildings	66,747,110	4,661,731	273,233	-	71,135,608
Machinery and Equipment	87,898,381	10,620,931	4,433,646	-	94,085,666
Infrastructure	469,935,638	29,999,451	2,382	-	499,932,707
Leases	646,983	656,897	-	-	1,303,880
SBITAs	-	724,037	-	-	724,037
Total Accumulated Depreciation and Amortization	<u>733,935,966</u>	<u>55,644,189</u>	<u>8,614,892</u>	<u>-</u>	<u>780,965,263</u>
Total Capital Assets, being Depreciated, Net	<u>1,087,245,148</u>	<u>15,717,961</u>	<u>273,034</u>	<u>-</u>	<u>1,102,690,075</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,374,343,856</u>	<u>83,477,278</u>	<u>30,870,162</u>	<u>(6,500,276)</u>	<u>1,420,450,696</u>
Business-type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 33,834,311	77,632	-	-	33,911,943
Construction in Progress	128,346,966	81,040,713	94,516,455	-	114,871,224
Total Capital Assets, not being Depreciated	<u>162,181,277</u>	<u>81,118,345</u>	<u>94,516,455</u>	<u>-</u>	<u>148,783,167</u>
Capital Assets, being Depreciated:					
Buildings	256,111,588	19,578,370	-	-	275,689,958
Improvements Other Than Buildings	969,501,098	38,063,311	-	6,500,276	1,014,064,685
Machinery and Equipment	75,256,539	6,647,524	1,266,343	-	80,637,720
Utility Plant	1,771,573,000	40,221,000	1,151,000	-	1,810,643,000
Leases	3,557,406	648,064	-	-	4,205,470
SBITAs	-	120,915	-	-	120,915
Total Capital Assets, being Depreciated	<u>3,075,999,631</u>	<u>105,279,184</u>	<u>2,417,343</u>	<u>6,500,276</u>	<u>3,185,361,748</u>
Less Accumulated Depreciation and Amortization for:					
Buildings	122,136,177	5,686,662	-	-	127,822,839
Improvements Other Than Buildings	318,519,990	18,531,868	-	-	337,051,858
Machinery and Equipment	50,634,962	3,743,481	1,107,946	-	53,270,497
Utility Plant	873,999,000	35,428,000	2,717,000	-	906,710,000
Leases	233,054	371,524	-	-	604,578
SBITAs	-	17,633	-	-	17,633
Total Accumulated Depreciation and Amortization	<u>1,365,523,183</u>	<u>63,779,168</u>	<u>3,824,946</u>	<u>-</u>	<u>1,425,477,405</u>
Total Capital Assets, being Depreciated, Net	<u>1,710,476,448</u>	<u>41,500,016</u>	<u>(1,407,603)</u>	<u>6,500,276</u>	<u>1,759,884,343</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,872,657,725</u>	<u>122,618,361</u>	<u>93,108,852</u>	<u>6,500,276</u>	<u>1,908,667,510</u>

*The beginning balance shown represents the restated beginning balance as a result of the City's implementation of GASB Statement No. 96.

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Lease asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Land	18,918	-	-	18,918
Buildings	2,011,685	-	-	2,011,685
Machinery and Equipment	42,381	-	-	42,381
	<u>2,072,984</u>	<u>-</u>	<u>-</u>	<u>2,072,984</u>
Less Accumulated Amortization for:				
Land	1,419	1,419	-	2,838
Buildings	644,151	647,002	-	1,291,153
Machinery and Equipment	1,413	8,476	-	9,889
	<u>646,983</u>	<u>656,897</u>	<u>-</u>	<u>1,303,880</u>
Governmental Activities Lease Assets, Net	\$ <u>1,426,001</u>	<u>(656,897)</u>	<u>-</u>	<u>769,104</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Land	2,581,967	-	-	2,581,967
Machinery and Equipment	975,439	648,064	-	1,623,503
	<u>3,557,406</u>	<u>648,064</u>	<u>-</u>	<u>4,205,470</u>
Less Accumulated Amortization for:				
Land	107,298	107,298	-	214,596
Machinery and Equipment	125,756	264,226	-	389,982
	<u>233,054</u>	<u>371,524</u>	<u>-</u>	<u>604,578</u>
Business-type Activities Lease Assets, Net	\$ <u>3,324,352</u>	<u>276,540</u>	<u>-</u>	<u>3,600,892</u>

CITY OF LINCOLN, NEBRASKA
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August 31, 2023

Subscription asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balances*	Increases	Decreases	Ending Balances
Governmental Activities:				
Subscriptions	1,361,600	638,592	-	2,000,192
	<u>1,361,600</u>	<u>638,592</u>	<u>-</u>	<u>2,000,192</u>
Less Accumulated Amortization for:				
Subscriptions	-	724,037	-	724,037
	<u>-</u>	<u>724,037</u>	<u>-</u>	<u>724,037</u>
Governmental Activities Lease Assets, Net	\$ 1,361,600	(85,445)	-	1,276,155
	<u><u>1,361,600</u></u>	<u><u>(85,445)</u></u>	<u><u>-</u></u>	<u><u>1,276,155</u></u>
Business-type Activities:				
Subscriptions	-	120,915	-	120,915
	<u>-</u>	<u>120,915</u>	<u>-</u>	<u>120,915</u>
Less Accumulated Amortization for:				
Subscriptions	-	17,633	-	17,633
	<u>-</u>	<u>17,633</u>	<u>-</u>	<u>17,633</u>
Business-type Activities Lease Assets, Net	\$ -	103,282	-	103,282
	<u><u>-</u></u>	<u><u>103,282</u></u>	<u><u>-</u></u>	<u><u>103,282</u></u>

*As restated per GASB 96

CITY OF LINCOLN, NEBRASKA
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Asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 170,939,693	1,250,170	-	-	172,189,863
Construction in Progress	116,159,015	66,509,147	30,597,128	(6,500,276)	145,570,758
Total Capital Assets, not being Depreciated	<u>287,098,708</u>	<u>67,759,317</u>	<u>30,597,128</u>	<u>(6,500,276)</u>	<u>317,760,621</u>
Capital Assets, being Depreciated:					
Buildings	395,592,498	19,996,639	3,905,631	-	411,683,506
Improvements Other Than Buildings	154,090,914	4,371,608	292,602	-	158,169,920
Machinery and Equipment	151,168,317	21,828,709	4,687,311	-	168,309,715
Infrastructure	1,116,894,801	24,526,602	2,382	-	1,141,419,021
Total Capital Assets, being Depreciated	<u>1,817,746,530</u>	<u>70,723,558</u>	<u>8,887,926</u>	<u>-</u>	<u>1,879,582,162</u>
Less Accumulated Depreciation for:					
Buildings	108,707,854	8,981,142	3,905,631	-	113,783,365
Improvements Other Than Buildings	66,747,110	4,661,731	273,233	-	71,135,608
Machinery and Equipment	87,898,381	10,620,931	4,433,646	-	94,085,666
Infrastructure	469,935,638	29,999,451	2,382	-	499,932,707
Total Accumulated Depreciation	<u>733,288,983</u>	<u>54,263,255</u>	<u>8,614,892</u>	<u>-</u>	<u>778,937,346</u>
Total Capital Assets, being Depreciated, Net	<u>1,084,457,547</u>	<u>16,460,303</u>	<u>273,034</u>	<u>-</u>	<u>1,100,644,816</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,371,556,255</u>	<u>84,219,620</u>	<u>30,870,162</u>	<u>(6,500,276)</u>	<u>1,418,405,437</u>
Business-type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 33,834,311	77,632	-	-	33,911,943
Construction in Progress	128,346,966	81,040,713	94,516,455	-	114,871,224
Total Capital Assets, not being Depreciated	<u>162,181,277</u>	<u>81,118,345</u>	<u>94,516,455</u>	<u>-</u>	<u>148,783,167</u>
Capital Assets, being Depreciated:					
Buildings	256,111,588	19,578,370	-	-	275,689,958
Improvements Other Than Buildings	969,501,098	38,063,311	-	6,500,276	1,014,064,685
Machinery and Equipment	75,256,539	6,647,524	1,266,343	-	80,637,720
Utility Plant	1,771,573,000	40,221,000	1,151,000	-	1,810,643,000
Total Capital Assets, being Depreciated	<u>3,072,442,225</u>	<u>104,510,205</u>	<u>2,417,343</u>	<u>6,500,276</u>	<u>3,181,035,363</u>
Less Accumulated Depreciation for:					
Buildings	122,136,177	5,686,662	-	-	127,822,839
Improvements Other Than Buildings	318,519,990	18,531,868	-	-	337,051,858
Machinery and Equipment	50,634,962	3,743,481	1,107,946	-	53,270,497
Utility Plant	873,999,000	35,428,000	2,717,000	-	906,710,000
Total Accumulated Depreciation	<u>1,365,290,129</u>	<u>63,390,011</u>	<u>3,824,946</u>	<u>-</u>	<u>1,424,855,194</u>
Total Capital Assets, being Depreciated, Net	<u>1,707,152,096</u>	<u>41,120,194</u>	<u>(1,407,603)</u>	<u>6,500,276</u>	<u>1,756,180,169</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,869,333,373</u>	<u>122,238,539</u>	<u>93,108,852</u>	<u>6,500,276</u>	<u>1,904,963,336</u>

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

Governmental Activities:

General Government	\$	1,409,617
Public Safety		5,050,224
Streets and Highways, including Infrastructure		29,225,451
Culture and Recreation		10,889,103
Economic Opportunity		4,637
Health and Welfare		992,010
Mass Transit		<u>2,977,523</u>
Subtotal		50,548,565
Internal Service Funds Capital Assets		
Depreciation is charged to the various functions based on usage of the assets.		<u>5,095,624</u>
Total Depreciation and Amortization Expense - Governmental	\$	<u><u>55,644,189</u></u>

Business-type Activities:

Golf	\$	635,352
Parking System		2,823,800
Pinnacle Bank Arena		108,150
Solid Waste Management		2,743,933
Emergency Medical Services		330,304
Broadband Enterprise		1,669,904
Wastewater System		10,524,294
Water System		9,515,431
Lincoln Electric System		<u>35,428,000</u>
Total Depreciation and Amortization Expense - Business-type	\$	<u><u>63,779,168</u></u>

CITY OF LINCOLN, NEBRASKA
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August 31, 2023

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

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Wastewater System:				
Capital Assets, not being Depreciated:				
Land	\$ 8,242,170	77,578	-	8,319,748
Construction in Progress	22,575,841	12,600,939	23,863,239	11,313,541
Total Capital Assets, not being Depreciated	<u>30,818,011</u>	<u>12,678,517</u>	<u>23,863,239</u>	<u>19,633,289</u>
Capital Assets, being Depreciated:				
Buildings	84,646,093	144,740	-	84,790,833
Improvements Other Than Buildings	400,739,470	26,747,692	-	427,487,162
Machinery and Equipment	18,823,884	1,369,918	-	20,193,802
Total Capital Assets, being Depreciated	<u>504,209,447</u>	<u>28,262,350</u>	<u>-</u>	<u>532,471,797</u>
Less Accumulated Depreciation for:				
Buildings	43,488,645	1,756,658	-	45,245,303
Improvements Other Than Buildings	136,381,743	7,831,357	-	144,213,100
Machinery and Equipment	11,508,227	936,279	-	12,444,506
Total Accumulated Depreciation	<u>191,378,615</u>	<u>10,524,294</u>	<u>-</u>	<u>201,902,909</u>
Total Capital Assets, being Depreciated, Net	<u>312,830,832</u>	<u>17,738,056</u>	<u>-</u>	<u>330,568,888</u>
Wastewater System Capital Assets, Net	<u>\$ 343,648,843</u>	<u>30,416,573</u>	<u>23,863,239</u>	<u>350,202,177</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,855,699	54	-	5,855,753
Construction in Progress	5,357,844	14,655,514	9,669,833	10,343,525
Total Capital Assets, not being Depreciated	<u>11,213,543</u>	<u>14,655,568</u>	<u>9,669,833</u>	<u>16,199,278</u>
Capital Assets, being Depreciated:				
Buildings	87,711,859	221,111	-	87,932,970
Improvements Other Than Buildings	447,997,417	9,076,661	-	457,074,078
Machinery and Equipment	31,657,444	1,843,936	56,713	33,444,667
Total Capital Assets, being Depreciated	<u>567,366,720</u>	<u>11,141,708</u>	<u>56,713</u>	<u>578,451,715</u>
Less Accumulated Depreciation for:				
Buildings	40,883,853	1,704,919	-	42,588,772
Improvements Other Than Buildings	137,729,555	6,671,457	-	144,401,012
Machinery and Equipment	22,927,195	1,139,055	56,713	24,009,537
Total Accumulated Depreciation	<u>201,540,603</u>	<u>9,515,431</u>	<u>56,713</u>	<u>210,999,321</u>
Total Capital Assets, being Depreciated, Net	<u>365,826,117</u>	<u>1,626,277</u>	<u>-</u>	<u>367,452,394</u>
Water System Capital Assets, Net	<u>\$ 377,039,660</u>	<u>16,281,845</u>	<u>9,669,833</u>	<u>383,651,672</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 82,922,000	50,796,000	41,787,000	91,931,000
Capital Assets, being Depreciated:				
Utility Plant	1,771,573,000	40,221,000	1,151,000	1,810,643,000
Less Accumulated Depreciation	873,999,000	35,428,000	2,717,000	906,710,000
Total Capital Assets, being Depreciated, Net	897,574,000	4,793,000	(1,566,000)	903,933,000
Electric System Capital Assets, Net	\$ 980,496,000	55,589,000	40,221,000	995,864,000

CITY OF LINCOLN, NEBRASKA
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August 31, 2023

(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2023, consist of the following:

Due To	Due From									
	General Fund	Street Construction	West Haymarket JPA	Federal Grants	Nonmajor Governmental	Nonmajor Enterprise	Wastewater	Water	Internal Service	Total
General Fund	\$ 4,133	-	-	-	720,060	142,000	-	-	36,572	902,765
Street Construction	899,039	-	-	-	24,038,164	-	-	-	37,413	24,974,616
Lincoln Wastewater System	319,730	-	-	-	1,074,751	-	-	190,320	-	1,584,801
Lincoln Water System	906,465	-	-	-	9,335,027	-	123,121	-	-	10,364,613
Nonmajor Governmental	1,604,741	-	-	-	2,164,021	24,000	-	-	-	3,792,762
Federal Grants	49,173	-	-	-	-	423	-	-	-	49,596
Nonmajor Enterprise	886,738	130,799	447,514	-	35,289	-	-	-	-	1,500,340
Internal Service	1,816,412	343,145	-	19,610	124,645	23,268	-	-	287,529	2,614,609
Total	\$ 6,486,431	473,944	447,514	19,610	37,491,957	189,691	123,121	190,320	361,514	45,784,102

“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, 2023, consist of the following:

Transfer To	Transfer From									
	General Fund	Street Construction	Federal Grants	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ 9,161,310	12,491	20	8,361	10,291	13,736,680	803,983	2,058,439	171,388	25,962,963
Street Construction	1,776,551	-	-	-	-	-	40,912,622	5,269	-	42,694,442
West Haymarket JPA	-	-	-	-	-	-	311,561	-	-	311,561
Federal Grants	487,301	-	-	-	-	-	-	-	-	487,301
Nonmajor Governmental	28,311,155	6,709,847	20,281	-	-	-	4,039,137	2,953,521	-	42,033,941
Nonmajor Enterprise	168,650	-	1,230,058	-	-	-	-	-	100,000	1,498,708
Internal Service	535,223	-	-	-	-	-	8,417	-	-	543,640
Total	\$ 40,440,190	6,722,338	1,250,359	8,361	10,291	13,736,680	46,075,721	5,017,229	271,388	113,532,557

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 \$6,500,276.

The \$787,680 variance for transfers on the Statement of Activities is caused by the different fiscal year end dates used by the City (August 31) and Lincoln Electric System (December 31). Lincoln Electric System records an estimate for payments of return on equity as an accrued liability at December 31. The City, however, receives the payments before the August 31 fiscal year end, and records the total amount as a transfer in.

CITY OF LINCOLN, NEBRASKA
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(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, 2022, 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, 2022, was 1.13%. The outstanding commercial paper notes are secured by a revolving credit agreement with JPMorgan Chase Bank, National Association, that was amended on August 19, 2021, and expires on August 19, 2024. There were no advances outstanding under the credit agreement at December 31, 2022. The revolving credit agreement which secures LES' commercial paper program also includes a note purchase agreement which provides LES the ability to borrow monies on a short-term basis. There were no amounts outstanding under the note purchase agreement as of December 31, 2022. 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 2022 was 58 days.

Commercial paper activity for the year ended December 31, 2022, is as follows:

Lincoln Electric System:	Beginning			Ending	Due Within
	Balance			Additions	Reductions
Commercial Paper Notes	\$ 65,500,000	453,700,000	(453,700,000)	65,500,000	65,500,000

In November 2017, LES entered into a revolving credit agreement with U.S. Bank National Association. The agreement permits LES to draw up to \$50,000,000 on a variable rate basis. No amount is outstanding as of December 31, 2022. The U.S. Bank revolving credit agreement terminated on March 17, 2023. Following the expiration of the revolving credit agreement with U.S. Bank National Association, LES entered into a similar agreement with Bank of America National Association. The revolving credit agreement with Bank of America National Association allows LES to draw up to \$50,000,000 on a variable rate basis and was executed on April 6, 2023, and will expire in April 2026. Electric revenues secure the agreement.

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 \$3,032,382, \$3,072,211, \$674,888, and \$1,031,708 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

The City has entered into financed purchase agreements for financing the acquisition of land, buildings, streetlights, entry corridor improvements, sidewalks, dump trucks, street sweepers, motor grader, emergency vehicles and equipment, golf equipment, and computer equipment and software. These financed purchase agreements have been recorded at the present value of their future minimum payments as of the inception date.

CITY OF LINCOLN, NEBRASKA
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Assets acquired through finance purchases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 178,066	\$ 199,546
Buildings	29,141,504	1,502,602
Improvements	5,070,465	-
Infrastructure	38,996,521	-
Machinery and Equipment	13,813,615	2,632,245
Construction in Progress	461,516	-
Less Accumulated Depreciation, (where applicable)	<u>(34,518,749)</u>	<u>(2,800,592)</u>
Total	<u>\$ 53,142,938</u>	<u>\$ 1,533,801</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.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environment and Energy (NDEE) consisting of three separate contracts. Under Contract 317247, the Lincoln Wastewater System has borrowed \$4,808,792 to fund certain sewer system extension and sewer repairs. The interest rate throughout the term of the loan is 2.0%. The Lincoln Wastewater System has also borrowed \$5,000,000 under Contract 317078 to fund certain projects at the Theresa Street and Northeast Wastewater Treatment Facilities. The interest rate throughout the term of the loan is 2.0%. The Lincoln 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 the loan is 3.25%. In addition, an administrative fee of 1% will be incurred on the loan.

The Lincoln Water System has entered into a loan agreement with the NDEE, borrowing \$14,977,829 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
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August 31, 2023

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:							
\$ 6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	Semiannually	\$ 3,065
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
5,720	04/15/15	Stormwater Refunding Bonds	1.000 - 5.000	Serial 2016 to 2025	---	"	1,260
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	4,620
4,345	09/20/17	Stormwater Refunding Bonds	2.000 - 5.000	Serial 2018 to 2027	---	"	2,015
9,900	08/08/19	Stormwater Bonds	2.750 - 5.000	Serial 2020 to 2039	2029	"	8,920
4,140	08/20/20	Stormwater Refunding Bonds	5.00	Serial 2021 to 2030	---	"	3,100
Total General Bonds							<u>\$ 24,495</u>
Tax Allocation Bonds:							
\$ 3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	Semiannually	\$ 350
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	20
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	66
110	05/01/17	Tax Allocation Bonds	2.740	Serial 2018 to 2024	Anytime	"	17
128	03/15/19	Tax Allocation Bonds	3.090	Serial 2020 to 2034	Anytime	"	103
180	10/15/20	Tax Allocation Bonds	1.240	Serial 2022 to 2035	Anytime	"	161
120	12/01/20	Tax Allocation Bonds	1.420	Serial 2021 to 2034	Anytime	"	99
222	01/01/21	Tax Allocation Bonds	1.450	Serial 2021 to 2034	Anytime	"	185
192	01/01/21	Tax Allocation Bonds	1.450	Serial 2022 to 2035	Anytime	"	182
52	06/01/21	Tax Allocation Bonds	2.060	Serial 2022 to 2035	Anytime	"	48
240	02/01/23	Tax Allocation Bonds	4.020	Serial 2025 to 2039	Anytime	"	240
308	03/01/23	Tax Allocation Bonds	4.360	Serial 2025 to 2044	Anytime	"	308
Total Tax Allocation Bonds							<u>\$ 1,779</u>
Tax Supported Bonds:							
\$ 28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	Semiannually	\$ 2,840
14,735	12/15/16	Highway Allocation Fund Refunding	2.000 - 5.000	Serial 2018 to 2027	2026	"	6,555
21,765	08/20/20	Limited Tax Arena Refunding Bonds	.200 - 3.000	Serial 2021 to 2037	2030	"	18,380
15,260	05/15/21	Highway Allocation Fund Bonds	2.000 - 5.000	Serial 2022 to 2037	2029	"	13,560
11,550	10/19/22	Highway Allocation Fund Bonds	4.000 - 5.000	Serial 2023 to 2042	2030	"	11,550
Total Tax Supported Bonds							<u>\$ 52,885</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 190
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	"	1,400
Total Special Assessment Bonds							<u>\$ 1,965</u>
Municipal Improvement Bonds:							
\$ 8,360	10/26/2022	Municipal Improvement Bonds	3.270 - 4.250	Serial 2023 to 2028	2030	Semiannually	\$ 8,360
1,525	10/26/2022	Municipal Improvement Bonds	4.375	Term 2040	2030	"	1,525
1,665	10/26/2022	Municipal Improvement Bonds	4.500	Term 2042	2030	"	1,665
Total Municipal Improvement Bonds							<u>\$ 11,550</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	\$ 23,980
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	"	8,250
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	"	15,495
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	"	84,380
11,730	11/21/19	Facility Refunding Bonds	3.250	Term 2042	2029	"	11,730
Total West Haymarket Joint Public Agency Bonds							<u>\$ 303,860</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 396,534</u>

CITY OF LINCOLN, NEBRASKA
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August 31, 2023

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 \$ 13,655
	12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	" 6,235
	13,235	09/13/17	Wastewater Revenue Refunding	2.000 - 5.000	Serial 2018 to 2032	2027	" 8,980
	20,120	07/24/19	Wastewater Revenue Bonds	2.000 - 5.000	Serial 2020 to 2040	2029	" 17,420
	2,760	07/24/19	Wastewater Revenue Bonds	3.00	Term 2042	2029	" 2,760
	2,925	07/24/19	Wastewater Revenue Bonds	3.00	Serial 2043 to 2044	2029	" 2,925
	27,640	10/12/22	Wastewater Revenue Bonds	3.020 - 4.300	Serial 2024 to 2043	2031	" 27,640
	4,320	10/12/22	Wastewater Revenue Bonds	4.125	Term 2045	2031	" 4,320
	4,685	10/12/22	Wastewater Revenue Bonds	4.250	Term 2047	2031	" 4,685
			Total Wastewater Bonds				\$ 88,620
\$	28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	Semiannually 4,990
	10,170	08/20/19	Water Revenue Refunding	2.750 - 5.000	Serial 2020 to 2039	2029	" 8,185
			Total Water Bonds				\$ 13,175
\$	48,375	07/11/19	General Obligation Parking System and Refunding Bonds	2.300 - 3.000	Serial 2020 to 2035	2029	Semiannually \$ 31,035
				3.00	Term 2039	2029	" 6,655
			Total Parking Bonds				\$ 37,690
\$	8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually \$ 2,370
	5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	" 3,870
			Total Solid Waste Management Bonds				\$ 6,240
\$	75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	Semiannually \$ 45,310
	127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	" 31,455
	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				\$ 561,990
			TOTAL REVENUE BONDS				\$ 707,715

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

Fiscal Year Ended August 31	Governmental Activities					
	General Obligation Bonds		Note from Direct Borrowing		COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 20,368	16,720	256	37	5,915	1,104
2025	17,697	16,008	271	32	4,885	872
2026	17,521	15,278	275	27	4,910	678
2027	18,022	14,581	247	23	3,563	481
2028	16,199	13,834	149	20	2,720	354
2029-2033	86,607	59,244	790	52	5,757	715
2034-2038	91,442	41,567	84	1	1,915	125
2039-2043	93,195	21,603	-	-	350	15
2044-2048	35,483	3,070	-	-	-	-
Total	\$ 396,534	201,905	2,072	192	30,015	4,344

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note from Direct Borrowing		COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 43,370	24,175	2,162	477	140	54
2025	50,630	23,144	2,222	434	120	47
2026	46,675	22,004	2,265	390	125	41
2027	11,335	3,879	2,310	345	135	35
2028	11,195	3,448	2,184	300	140	28
2029-2033	239,355	80,287	10,668	786	460	41
2034-2038	212,300	35,989	1,416	21	-	-
2039-2043	82,365	11,323	-	-	-	-
2044-2048	10,490	1,012	-	-	-	-
Total	\$ 707,715	205,261	23,227	2,753	1,120	246

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

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,173	3,801	3,993	736	30,535	18,909
2025	7,460	3,522	3,620	583	37,800	18,385
2026	7,757	3,232	1,381	446	35,740	17,730
2027	8,044	2,935	1,439	396	37,580	16,807
2028	7,793	2,612	1,496	346	39,325	15,063
2029-2033	23,341	10,065	8,337	943	220,110	51,764
2034-2038	13,975	6,651	1,829	43	120,190	16,284
2039-2043	16,220	3,893	-	-	40,710	3,299
2044-2047	10,490	1,013	-	-	-	-
Total	\$ 102,253	37,724	22,095	3,493	561,990	158,241

Long-term liability activity for the year ended August 31, 2023, was as follows (in thousands of dollars):

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bond, Notes, and COPs Payable:					
General Bonds	\$ 27,605	-	(3,110)	24,495	2,520
Tax Allocation Bonds	1,644	548	(413)	1,779	438
Tax Supported Bonds	47,785	11,550	(6,450)	52,885	6,825
Municipal Improvement Bonds	-	11,550	-	11,550	390
Special Assessment Debt with Government Commitment	2,175	-	(210)	1,965	215
West Haymarket Joint Public Agency Bonds	313,610	-	(9,750)	303,860	9,980
Note from Direct Borrowing	1,723	483	(134)	2,072	256
COPs	35,807	-	(5,792)	30,015	5,915
Gross Bonds and COPs Payable	430,349	24,131	(25,859)	428,621	26,539
Deferred Amounts:					
For Issuance Premiums	11,949	914	(1,587)	11,276	-
For Issuance Discounts	(940)	-	26	(914)	-
Net Bonds, Notes, and COPs Payable	441,358	25,045	(27,420)	438,983	26,539
Other Liabilities:					
Leases	1,442	-	(656)	786	614
Subscription Software	-	2,003	(986)	1,017	497
Compensated Absences	31,796	13,881	(11,997)	33,680	11,057
Claims and Judgements	11,344	7,811	(4,433)	14,722	5,820
Net Pension Liability	70,171	13,899	-	84,070	-
Total OPEB Liability	25,832	-	(10,801)	15,031	568
Governmental Activities Long-Term Liabilities	\$ 581,943	62,639	(56,293)	588,289	45,095
Business-Type Activities:					
Bonds, Loans, Note, and COPs:					
Wastewater Revenue Bonds	\$ 56,840	36,645	(4,865)	88,620	5,890
Wastewater Loans from Direct Borrowing	14,892	-	(1,259)	13,633	1,283
Water Revenue Bonds	16,330	-	(3,155)	13,175	3,270
Water Loan from Direct Borrowing	9,628	-	(708)	8,920	723
Electric System Revenue Bonds	592,195	-	(30,205)	561,990	30,535
Parking Revenue Bonds	40,665	-	(2,975)	37,690	3,055
Solid Waste Management Revenue Bonds	6,840	-	(600)	6,240	620
Note from Direct Borrowing	-	674	-	674	156
COPs	1,253	-	(133)	1,120	140
Gross Bonds, Loans, Note, and COPs Payable	738,643	37,319	(43,900)	732,062	45,672
Deferred Amounts:					
For Issuance Premiums	54,546	1,142	(7,411)	48,277	-
Net Bonds, Loans, Note, and COPs Payable	793,189	38,461	(51,311)	780,339	45,672
Other Liabilities:					
Compensated Absences	4,600	1,153	(1,156)	4,597	1,480
Developer Performance Deposits	-	250	-	250	-
Claims and Judgements	633	75	-	708	-
Leases	3,278	638	(470)	3,446	487
Subscription Software	-	121	(31)	90	29
Net Pension Liability	4,075	752	-	4,827	-
Total OPEB Liability	2,902	-	(1,015)	1,887	81
Accrued Landfill Closure/Postclosure Care Costs	33,632	3,323	-	36,955	-
Asset Retirement Obligation	3,510	711	(1,041)	3,180	-
Business-Type Activities Long-Term Liabilities	\$ 845,819	45,484	(55,024)	836,279	47,749

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

Long-term liability activity for the major enterprise funds for the year ended August 31, 2023, 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	\$ 56,840	36,645	(4,865)	88,620	5,890
Wastewater Loans from Direct Borrowing	14,892	-	(1,259)	13,633	1,283
COPs	49	-	(24)	25	25
Deferred for Issuance Premiums	4,326	1,142	(486)	4,982	-
Net Bonds and Loans Payable	<u>76,107</u>	<u>37,787</u>	<u>(6,634)</u>	<u>107,260</u>	<u>7,198</u>
Other Liabilities:					
Compensated Absences	1,611	389	(447)	1,553	449
Total OPEB Liability	<u>592</u>	<u>-</u>	<u>(193)</u>	<u>399</u>	<u>19</u>
Total Long-Term Liabilities	<u>\$ 78,310</u>	<u>38,176</u>	<u>(7,274)</u>	<u>109,212</u>	<u>7,666</u>
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 16,330	-	(3,155)	13,175	3,270
Water Loan from Direct Borrowing	9,628	-	(708)	8,920	723
Deferred for Issuance Premiums	2,080	-	(310)	1,770	-
Net Bonds and Loan Payable	<u>28,038</u>	<u>-</u>	<u>(4,173)</u>	<u>23,865</u>	<u>3,993</u>
Other Liabilities:					
Compensated Absences	2,052	719	(624)	2,147	604
Total OPEB Liability	<u>847</u>	<u>-</u>	<u>(366)</u>	<u>481</u>	<u>23</u>
Total Long-Term Liabilities	<u>\$ 30,937</u>	<u>719</u>	<u>(5,163)</u>	<u>26,493</u>	<u>4,620</u>
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 592,195	-	(30,205)	561,990	30,535
Deferred for Issuance Premiums	47,218	-	(6,536)	40,682	-
Net Bonds Payable	<u>639,413</u>	<u>-</u>	<u>(36,741)</u>	<u>602,672</u>	<u>30,535</u>
Other Liabilities:					
Developer Performance Deposits	-	250	-	250	-
Claims and Judgements	633	75	-	708	-
Asset Retirement Obligation	3,510	711	(1,041)	3,180	-
Total Long-Term Liabilities	<u>\$ 643,556</u>	<u>1,036</u>	<u>(37,782)</u>	<u>606,810</u>	<u>30,535</u>

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2023, \$122,981,468 of developer purchased tax increment financing notes and bonds were outstanding. Developer purchased tax increment financing allows the City to create special districts to enable public/private improvements within those districts that will generate public/private-sector development. For a period of 15 or 20 years, depending on the project location as provided by State Statute, the tax base is frozen at the predevelopment level, and taxes generated from the incremental increases in assessed value are remitted to the developer. The agreements between the City and developer expressly limit the City's commitment for debt repayment to the incremental tax collected during the 15 or 20-year period. At the end of the 15 or 20-year period, the tax jurisdiction collects on the increased property values. The related tax increment districts are not component units of the City; therefore, the City is not liable for the outstanding debt. The City's responsibility for this liability is limited only to remittance of paid taxes, thus these notes and bonds are not reflected in the City's financial statements.

CITY OF LINCOLN, NEBRASKA
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CONDUIT DEBT

On March 30, 2021, the City issued its taxable \$11,562,000 of Educational Facilities Revenue Refunding Bonds, which were converted to tax-exempt bonds on January 4, 2022. The Bonds were issued to refund the City's \$19,815,000 of Educational Facilities Revenue and Refunding Bonds which were issued for the purpose of paying the cost of acquiring, constructing, equipping, and furnishing improvements to Nebraska Wesleyan University's (NWU) higher education facilities and refinancing certain outstanding indebtedness of NWU. The Bonds are limited obligations of the City and are payable solely from payments to be made by NWU pursuant to a loan agreement dated March 1, 2021 by and between the City and NWU. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2023, \$9,441,000 of these bonds remain outstanding.

On December 1, 2021, the City issued a maximum of \$10,000,000 of Multifamily Revenue Bonds, Series 2021 Bonds for the purpose of providing all or part of the funds with which to pay the cost of the acquisition, construction, and equipping of a 98-unit multifamily housing development located in the City of Lincoln, Nebraska to be known as Gatehouse Rows. The Bonds are limited obligations of the City and are payable solely from payments to be made by Gatehouse Rows, LP pursuant to a loan agreement dated December 1, 2021, by and between the City, Horizon Bank, and Gatehouse Rows, LP. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2023, \$10,000,000 of these bonds are outstanding.

On June 1, 2022, the City issued a maximum of \$18,000,000 of Multifamily Revenue Bonds, Series 2022A and maximum of \$8,100,000 of Multifamily Revenue Bonds, Taxable Series 2022B Bonds for the purpose of financing the cost of the acquisition, construction, and equipping of a multifamily rental housing facility, consisting of approximately 192 units and related personal property and equipment to be located in Lincoln, Nebraska and known as Union at Middle Creek Apartments. The Bonds are limited obligations of the City and are payable solely from payments to be made by Union at Middle Creek, LP pursuant to a loan agreement dated June 1, 2022, by and between the City and Union at Middle Creek, LP. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2023, \$21,550,000 of these bonds are outstanding.

(10) RECONCILIATION OF BUDGET BASIS TO GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, funds for which budget and reporting structures differ, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 2023, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Street Construction Fund	Federal Grants Fund
Net Change in Fund Balances:			
Balance on a GAAP basis	\$ 32,460,118	5,342,097	6,344,610
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.	(3,833,755)	3,507,419	(22,011,265)
Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting.	(2,753,690)	-	-
Amount budgeted on a project basis.	-	38,083,184	-
Balance on a budget basis	<u>\$ 25,872,673</u>	<u>46,932,700</u>	<u>(15,666,655)</u>

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

The following funds had a fund balance deficit as of August 31, 2023:

Special Revenue – Lincoln Bike Share Fund	\$	(705,352)
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- The Lincoln Bike Share Fund fund balance deficit is due to large initial implementation costs of the Lincoln Bike Share Program.

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

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

General Fund		
Street Lighting	\$	684,133
Street Construction Fund		
Materials & Supplies	\$	84,436
Lease Principal		70,000
Interest		38,450
Fiscal Charges		61
Federal Grants Fund		
Economic Opportunity	\$	14,439

(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.

CITY OF LINCOLN, NEBRASKA
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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.
- 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%

CITY OF LINCOLN, NEBRASKA
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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.

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, 2023, is \$10,409,282.

Membership of the pension plan consisted of the following at August 31, 2023, the date of the latest actuarial valuation:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Retirees and beneficiaries receiving benefits	574
Terminated plan members entitled to but not yet receiving benefits	26
Active plan members (non-DROP)	607
Death benefit refund due	10
DROP members	44
Total	<u>1,261</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 2023 was \$10,159,639. For the fiscal year ended August 31, 2023, the Plan received \$10,533,904 in employer contributions.

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2021, 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 7.35% 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 16 to 23 years.

Net Pension Liability

Total pension liability	\$ 401,094,971
Plan fiduciary net position	<u>(312,197,770)</u>
Net pension liability	<u>\$ 88,897,201</u>

Plan fiduciary net position as a percentage of the total pension liability	77.84%
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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, 2023
Measurement date	August 31, 2023

Assumptions

The total pension liability as of August 31, 2023, was determined by an actuarial valuation performed as of August 31, 2023, using the following key actuarial assumptions:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Price inflation	2.50%
Salary increases, including wage inflation	3.00% to 8.75%
Long-term Rate of Return, net of investment expense, including price inflation	7.25%
Municipal Bond Index Rate	3.77%
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.25%
Post-retirement adjustment	13th check payments are assumed to increase 2.50% 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 MP-2021 Mortality Improvement Scale and on the Pub-2010 Mortality Table for contingent survivors with generational mortality improvement using the MP-2021 Mortality Improvement Scale

The actuarial assumptions that determined the total pension liability as of August 31, 2023 were based on the results of the most recent actuarial experience study for the four-year period ending August 31, 2022.

Discount Rate

The discount rate used to measure the total pension liability at August 31, 2023, was 7.25%, which is a change from the discount rate of 7.30% used to measure the total pension liability at August 31, 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be equal to the actuarially determined contribution rates determined in the actuarial valuation prepared two years prior to the current fiscal year end. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.25% 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 2122.

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 7.25% long-term assumed rate of return for the current measurement date and the 7.30% 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of August 31, 2023, are summarized in the following table:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
US Equity	21.0 %	4.3 %
Emerging Markets Equity	6.0	8.8
Private Equity	10.0	7.5
Fixed Rate Debt	15.0	1.5
Floating Rate Debt	10.0	5.5
Global Equity	18.0	5.4
Non-US Developed Equity	5.0	6
Core Real Estate	<u>15.0</u>	3.3
Total	<u><u>100.0</u></u> %	

* Arithmetic 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 7.25%, as well as the City's net pension liability calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.25%	7.25%	8.25%
Total Pension Liability \$	450,837,137	401,094,971	359,614,116
Fiduciary Net Position	<u>312,197,770</u>	<u>312,197,770</u>	<u>312,197,770</u>
Net Pension Liability \$	138,639,367	88,897,201	47,416,346

Rate of Return - For the year ended August 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2022	\$ 375,472,940	301,227,002	74,245,938
Changes for the year:			
Service cost at end of year	8,628,850	-	8,628,850
Interest on TPL	26,669,539	-	26,669,539
Difference between expected and actual experience	6,150,550	-	6,150,550
Assumption changes	4,810,131	-	4,810,131
Employer contributions	-	10,533,904	(10,533,904)
Employee contributions	-	4,495,428	(4,495,428)
Net investment income	-	17,165,392	(17,165,392)
Benefit payments, including member refunds	(20,637,039)	(20,637,039)	-
Administrative expenses	-	(586,917)	586,917
Net changes	25,622,031	10,970,768	14,651,263
Balances at August 31, 2023	\$ 401,094,971	312,197,770	88,897,201

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources	
As of August 31, 2023	
Differences between expected and actual experience	\$ 7,193,877
Differences between projected and actual earnings	8,477,713
Changes of assumptions	10,034,959
Change in the City's proportion of the collective net pension liability since the prior measurement date	275,979
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>112,573</u>
Total	\$ <u><u>26,095,101</u></u>

Deferred Inflows of Resources	
As of August 31, 2023	
Differences between expected and actual experience	\$ 90,216
Differences between projected and actual earnings	-
Change in the City's proportion of the collective net pension liability since the prior measurement date	112,573
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	<u>275,979</u>
Total	\$ <u><u>478,768</u></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:

Fiscal Year	Deferred	Deferred	Net Deferred
<u>Ending August 31</u>	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows/Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
2024	\$ 4,788,053	(230,181)	4,557,872
2025	4,817,471	(112,719)	4,704,752
2026	10,990,650	(81,306)	10,909,344
2027	3,336,253	(42,802)	3,293,451
2028	1,911,992	(10,994)	1,900,998
Thereafter	<u>250,682</u>	<u>(766)</u>	<u>249,916</u>
	\$ <u><u>26,095,101</u></u>	<u><u>(478,768)</u></u>	<u><u>25,616,333</u></u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Pension Expense

The calculation of the pension expense for the year ended August 31, 2023, is shown below:

Pension Expense	
For the Fiscal Year Ended August 31, 2023	
Service cost at end of year	\$ 8,628,850
Interest on the total pension liability	26,669,539
Expensed portion of current-period differences between expected and actual experience in the total pension liability	1,001,718
Expensed portion of current-period assumption changes	783,409
Employee contributions	(4,495,428)
Projected earnings on plan investments	(21,767,450)
Expensed portion of current-period differences between projected and actual earnings on plan investments	920,412
Administrative expenses	586,917
Amortization of beginning deferred outflows of resources	13,961,725
Amortization of beginning deferred inflows of resources	<u>(9,548,903)</u>
Total Pension Expense	\$ <u>16,740,789</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, 2022, LES incurred contribution expense of approximately \$4,918,000 and its employees contributed approximately \$4,935,000.

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 \$160,224 and employee contributions totaled \$81,289. There were no voluntary employee contributions made for the year ended December 31, 2022.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

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, 2022, the City incurred contribution expense totaling \$8,802,043 which included a reduction in expense of \$212,197 for employee forfeitures. Employee contributions totaled \$5,500,326. Employees made \$354,043 in voluntary contributions for the year ended December 31, 2022.

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 \$875,025 for the year ended December 31, 2022.

(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, 2023, for members in payment and as of August 31, 2023, for active members. This was the data used in the valuation to develop the August 31, 2022, total OPEB liability:

Retired members	50
Spouses of retired members	18
Surviving spouses	0
Active employees	<u>2,080</u>
Total	<u><u>2,118</u></u>
Number of participating employers	<u><u>1</u></u>

Actuarial Methods and Assumptions

The total OPEB liability of \$16,922,057 on August 31, 2023, was measured as of August 31, 2022. An actuarial valuation was prepared as of August 31, 2022, for active members and members in payment under the plan. The total OPEB liability as of August 31, 2022, is based on the following actuarial assumptions and other inputs:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

<u>Price Inflation</u>	2.25%
<u>Municipal Bond Index Rate</u>	3.38% (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 2032.

Cost-Sharing Premiums Premiums, effective as of November 1, 2022, were trended backwards to the valuation date, August 31, 2022. 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.

Premiums trended to August 31, 2022

	<u>Police/Fire</u>	<u>Civilians</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.
Retires:	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, 2022, valuation are consistent with those used in the valuation of the Lincoln Police and Fire Pension Plan at the time, which were based on the actuarial experience study covering the four-year period ending August 31, 2018.

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

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 2022 and trending downward to 4.50% in 2032, as well as the total OPEB liability calculated using trend rates that are 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 14,917,434	16,922,057	19,312,218

The following presents the total OPEB liability of the plan, calculated using the discount rate of 3.38%, as well as the Plan's total OPEB liability calculated using a discount rate that is 1% lower (2.38%) or 1% higher (4.38%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>2.38%</u>	<u>3.38%</u>	<u>4.38%</u>
Total OPEB Liability	\$ 18,706,304	16,922,057	15,324,016

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at Beginning of Year	\$ <u>28,742,670</u>
Changes for the year:	
Service cost at end of year	1,899,828
Interest on total OPEB liability	600,161
Difference between expected and actual experience	(11,865,943)
Assumption changes	(1,583,693)
Benefit payments	(870,966)
Net changes	<u>(11,820,613)</u>
Balance at End of Year	\$ <u><u>16,922,057</u></u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

OPEB Expense

The calculation of the OPEB expense for the fiscal year ended August 31, 2023, is shown below:

OPEB Expense
Year Ending August 31, 2023

Service cost at end of year	\$	1,899,828
Interest on the total OPEB liability		600,161
Expensed portion of current-period differences between expected and actual experience in the total OPEB liability		(1,547,059)
Expensed portion of current-period assumption changes		(206,479)
Recognition of beginning deferred outflows of resources		951,879
Recognition of beginning deferred inflows of resources		<u>(387,681)</u>
Total OPEB Expense	\$	<u><u>1,310,649</u></u>

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
As of August 31, 2023

Benefit payments subsequent to the measurement date	\$	629,053
Differences between expected and actual experience		162,003
Changes of assumptions		<u>4,136,779</u>
Total	\$	<u><u>4,927,835</u></u>

Deferred Inflows of Resources
As of August 31, 2023

Differences between expected and actual experience	\$	10,394,006
Changes of assumptions		<u>2,091,637</u>
Total	\$	<u><u>12,485,643</u></u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Fiscal Year</u> <u>Ending August 31</u>	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>	<u>Net Deferred</u> <u>Outflows/Inflows</u> <u>of Resources</u>
2023	\$ 951,879	(2,141,219)	(1,189,340)
2024	951,879	(2,049,277)	(1,097,398)
2025	951,879	(1,849,580)	(897,701)
2026	898,355	(1,757,315)	(858,960)
2027	544,790	(1,757,315)	(1,212,525)
Thereafter	-	(2,930,937)	(2,930,937)
	<u>\$ 4,298,782</u>	<u>(12,485,643)</u>	<u>(8,186,861)</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 \$1,381,051.

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 \$981,475 has been included in the Insurance Revolving Internal Service Fund, as it relates to these benefits.

(15) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966, City dollar tax limit as an initial tax limit, and increasing that tax limit each year following 1966 by 7% so that in each fiscal year thereafter the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 2022 tax levy, for the 2022-2023 fiscal year, was \$213,458,017 below the legal limit, with a tax rate per \$100 valuation of \$0.3129. The assessed value upon which the 2022 levy was based was \$27,860,581,228.

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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Within the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. Property taxes levied for 2022-2023 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2023. 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, 2023, the City had a self-insured retention for workers' compensation exposures up to \$800,000 per claim; law enforcement liability, commercial general liability, public officials liability, public transportation liability, EMT and medical professional liability, and auto liability exposures up to \$400,000 per occurrence; all-risk property exposures up to \$100,000 per occurrence; health care claims of \$150,000 per person; self-insured dental benefits; and self-insured employee long-term disability benefits.

The City also obtained excess liability insurance coverage in the current year. Workers' compensation was covered by a policy that provided statutory limits above the City's retention of \$800,000 per individual. Law enforcement, commercial general, public officials, public transportation, EMT and medical professional, and auto liabilities were covered by an aggregate policy that provided limits of \$6 million per occurrence with a \$12 million annual aggregate above the City's \$400,000 retention.

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

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

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 \$14,721,861 were recorded at August 31, 2023, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance programs. Excluding medical care claims approximating \$1,787,301, 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

CITY OF LINCOLN, NEBRASKA
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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, 2023 and 2022:

	Worker's Compensation and Others	Long-Term Dis ability	Health and Dental	Total
Balance at August 31, 2022	\$ 8,901,898	890,135	1,552,117	11,344,150
Current year claims and changes in estimates	4,250,894	205,597	40,395,838	44,852,329
Claims payments	(1,199,707)	(114,257)	(40,160,654)	(41,474,618)
Balance at August 31, 2023	<u>\$ 11,953,085</u>	<u>981,475</u>	<u>1,787,301</u>	<u>14,721,861</u>

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

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:

	2022	2021
Balance beginning of year	\$ 633,000	613,000
Claims and fees incurred	7,478,000	7,629,000
Claims paid/other	(7,403,000)	(7,609,000)
Balance end of year	<u>\$ 708,000</u>	<u>633,000</u>

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$708,000 and \$633,000 at December 31, 2022 and 2021, 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, 2023, approximately 93% 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.

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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 \$18,113,000 as of August 31, 2023, 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 if the contamination or the applicable regulatory requirements. No liability has been recorded for potential future remediation activities as of August 31, 2023.

SOLID WASTE MANAGEMENT

The Solid Waste Management Fund has commitments under major construction contracts in progress of approximately \$1,492,000 as of August 31, 2023.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$13,995,000 as of August 31, 2023.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$24,873,000 as of August 31, 2023.

LINCOLN ELECTRIC SYSTEM

LES has an allocation from the U.S. Department of Energy, through Western Area Power Administration (WAPA), of firm power under contract from Upper Missouri Basin hydroelectric plants of approximately 54 megawatts (MW). LES has also received an allocation of 72 MW of firm peaking power from WAPA for the six-month summer season and 22 MW for the remaining months. LES has signed an amendment which extends the contract to 2051.

During 2022, 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).

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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 \$8,280,000 in 2022.

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 \$3,681,000 as of December 31, 2022. These are primarily related to construction contracts of a carport and reel & transformer warehouse at the LES Operations Center, overhead to underground line conversions and the Rokeby Generation Station expansion.

(18) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City of Lincoln currently owns and operates both a municipal solid waste landfill and a construction and demolition debris landfill. State and federal laws require the City to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years on the municipal solid waste landfill and five subsequent years on the construction and demolition debris landfill. Although certain closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used 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, 2023, the City had incurred a liability of approximately \$29,729,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 72% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$11,837,000 million, which will be recognized as the remaining capacity is used (estimated to be approximately 12 years).

As of August 31, 2023, the City had incurred a liability of approximately \$1,926,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 45% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,316,000, which will be recognized as the remaining capacity is used (estimated to be approximately 27 years).

The estimated costs of closure and post closure 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.

CITY OF LINCOLN, NEBRASKA
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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 post closure 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, 2023, a liability for closure and post closure care costs is recorded in the amount of approximately \$5,300,000. 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, 2023, is presented as follows:

CITY OF LINCOLN, NEBRASKA
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	Parking Systems	Solid Waste Management
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 7,340,191	11,031,428
Due from Other Funds	995,171	433,900
Other Assets	3,990,594	2,469,187
Capital Assets, Net	90,722,106	31,892,550
Total Assets	103,048,062	45,827,065
Deferred Outflows of Resources	763,201	49,288
Liabilities:		
Current Liabilities, excluding Due to Other Funds	4,368,971	1,394,951
Due to Other Funds	1,060	2,048
Noncurrent Liabilities	37,231,291	43,341,490
Total Liabilities	41,601,322	44,738,489
Deferred Inflows of Resources	15,084	120,787
Net Position:		
Net Investment in Capital Assets	50,833,876	26,378,176
Restricted	2,877,986	112,037
Unrestricted	8,482,995	(25,473,136)
Total Net Position	\$ 62,194,857	1,017,077
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 13,533,474	11,802,648
Depreciation and Amortization Expense	(2,823,800)	(2,743,933)
Other Operating Expenses	(7,510,810)	(13,296,290)
Operating Income (Loss)	3,198,864	(4,237,575)
Nonoperating Revenues (Expenses):		
Investment Earnings	213,590	58,814
Grant Revenue	-	696,203
Gain (Loss) on Disposal of Capital Assets	-	(13,905)
Insurance Recovery	-	2,030
Occupation Tax	-	5,675,780
Interest Expense and Fiscal Charges	(1,195,565)	(207,334)
Capital Contributions	-	6,000
Transfers	(816,070)	(1,954,518)
Change in Net Position	1,400,819	25,495
Beginning Net Position	60,794,038	991,582
Ending Net Position	\$ 62,194,857	1,017,077
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 5,403,724	1,236,456
Noncapital Financing Activities	(734,787)	4,551,461
Capital and Related Financing Activities	(7,109,392)	(3,405,049)
Investing Activities	2,772,234	(1,091,660)
Net Increase in Cash	331,779	1,291,208
Beginning Balance	328,248	125,913
Ending Balance	\$ 660,027	1,417,121

(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 2047. The total principal and interest remaining to be paid is \$139,976,539 with annual payments expected to require 41% of net revenues. Principal and interest paid for the current year and net system revenues were \$9,546,222 and \$23,807,659, 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 \$25,587,751, with annual payments expected to require 18% of net revenues. Principal and interest paid for the current year and net system revenues were \$4,719,519 and \$33,505,832, 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 \$720,231,000, with annual payments expected to require 41% of net revenues. Principal and interest paid for the current year and net system revenues were \$50,226,000 and \$116,714,000, 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 \$45,067,363, with annual payments expected to require 72% of net revenues. Principal and interest paid for the current year and net system revenues were \$4,052,273 and \$6,236,254, 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 \$7,420,192, with annual payments expected to require 23% of net revenues. Principal and interest paid for the current year and net system revenues were \$843,834 and \$5,609,434 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

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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, 2023, the City made rental payments of approximately \$4.2 million to the Commission.

As of August 31, 2023, the Commission has debt outstanding of \$20,248,899. 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 long-term obligations in the City's statement of net position. Lease payments 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, 2023, 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 statutes for community redevelopment/TIF are found in Neb.Rev.Stat. SS 18-2101 through 18-2155. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer, and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project. The project must not exceed a 15-year period. Currently, the City has Developer TIF bonds that extend through December 31, 2044.

During the fiscal year ended August 31, 2023, the City abated \$2,717,078 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 (Neb.Rev.Stat. SS 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 the 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, 2023, the City abated \$1,960,397 in sales tax revenue under these two programs.

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(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 28MW, or 13%, of its ownership in LRS to Municipal Energy Agency of Nebraska (MEAN). Costs, net of accumulated depreciation, and excluding costs allocated to MEAN for its ownership share, associated with LRS of approximately \$47,986,000, are reflected in the utility plant on December 31, 2022.

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 \$1,653,000 on December 31, 2022.

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.

(Dollars in thousands)	
Asset retirement obligations:	
Obligation, beginning of year	\$ 3,510
Additional obligations	573
Accretion	138
Liabilities settled	<u>(1,041)</u>
Obligation, end of year	<u>\$ 3,180</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, or 5%, 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 the final maturity occurs on any LRS related debt or LRS is removed from commercial operation. During 2022 LES billed the County \$1,917,000 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 of 12.66%, or 104 MW of WSEC #4. In order to minimize unit outage risk, LES 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 \$111,785,000, are reflected in utility plant on December 31, 2022.

(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

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state buildings. The Board of Directors of DEC is comprised of five members: two appointed by the Lancaster County Board of Commissioners, two by the Mayor of Lincoln who must be confirmed by the City Council, and one appointed by LES. No participant has any obligation, entitlement, or residual interest.

The DEC Board of Directors, under a management agreement, has appointed LES to supervise and manage the system and business affairs of DEC. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to DEC on an established rate schedule. The total amount of payments to LES for management, operations, and maintenance services was approximately \$2,203,000 in 2022. The total amount of payments to LES for energy was approximately \$888,000 in 2022.

Nebraska Utility Corporation

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

Operations commenced in January 2002. The NUCorp board of directors, under a twenty-year management agreement, appointed LES to supervise and manage the energy supply and financial affairs of NUCorp. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to NUCorp on an established rate schedule.

Effective October 28, 2021, NUCorp and LES entered into a Termination of Services agreement which terminates LES' management agreement with NUCorp effective June 30, 2022. NUCorp is responsible for paying LES all sums necessary to satisfy all amounts owed to LES for costs incurred by LES up to the termination date and any services provided post-termination. The total payments to LES for management services in 2022 were \$96,000. The amount of payments in 2022 to LES for energy through the date of termination of the management agreement was \$3,446,000.

Additionally, the Termination of Services Agreement includes agreement by NUCorp and LES that it is in the best interest of NUCorp for the nonprofit and interlocal entity which was dissolved on or after January 1, 2024, at which time NUCorp's outstanding bonds were called in accordance with the provisions of the bonds.

(25) Leases and Subscriptions

Receivables

Leases

The City, as lessor, leases City-owned buildings, land and tower space at various locations, the terms of which expire in various years through 2055. Payments increase annually based on scheduled lease payments in the related agreements. The leases were measured at lease commencement. Revenue recognized under lease contracts during the year ended August 31, 2023, was \$3,198,956, which includes both lease revenue and interest. This revenue is included within Charges for Services and Miscellaneous General Revenues in the Statement of Activities. The total revenue recognized for LES in 2022 (01/01/2022 through 12/31/2022) was \$652,000, which was reported as Other Income and Interest Income on the Statement of Revenues, Expenses and Changes in Net Position.

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Liabilities

Leases

The City, as lessee, leases equipment, land and building space at various locations for its operations, the terms of which expire in various years through 2054. The leases were measured at lease commencement. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.

The following is a schedule by year of payments for leases as of August 31, 2023:

Governmental Activities

Fiscal Year Ended August 31		Total to be Paid	Principal	Interest
2024	\$	620,515	614,397	6,118
2025		19,658	15,949	3,709
2026		19,657	16,301	3,356
2027		17,432	14,432	3,000
2028		10,757	7,993	2,764
2029 - 2033		54,415	43,408	11,007
2034 - 2038		47,619	41,426	6,193
2039 - 2043		34,846	33,390	1,456
Total	\$	824,899	787,296	37,604

Business-Type Activities

Fiscal Year Ended August 31		Total to be Paid	Principal	Interest
2024	\$	551,023	486,966	64,057
2025		490,024	434,769	55,254
2026		362,163	313,744	48,419
2027		216,704	172,217	44,488
2028		137,531	95,029	42,502
2029 - 2033		687,525	504,466	183,059
2034 - 2038		687,290	557,170	130,121
2039 - 2043		376,251	290,965	85,286
2044 - 2048		298,197	240,761	57,436
2049 - 2053		298,197	271,696	26,501
2054 - 2058		79,519	78,172	1,347
Total	\$	4,184,426	3,445,955	738,471

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2023

Subscriptions

The City has agreements covering software subscriptions for various locations of its operations, the terms of which expire in various years through 2027. The subscriptions were measured at subscription commencement. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

The following is a schedule by year of payments for subscriptions as of August 31, 2023:

Governmental Activities

Fiscal Year Ended August 31		Total to be Paid	Principal	Interest
2024	\$	524,522	496,661	27,861
2025		383,317	368,978	14,339
2026		155,932	150,836	5,095
Total	\$	1,063,770	1,016,475	47,296

Business-Type Activities

Fiscal Year Ended August 31		Total to be Paid	Principal	Interest
2024	\$	30,885	29,271	1,614
2025		30,879	29,900	978
2026		30,872	30,543	328
Total	\$	92,636	89,715	2,921

(26) Subsequent Events

Currently the Lincoln Firefighters Association Local 644 is still in negotiations for their labor contract, the most recent contract expired on August 31, 2023.

A new Conduit Debt was issued on September 26, 2023, for the Union at Antelope Valley Project with a maximum principal amount of \$25,560,000.

The City of Lincoln has announced the selection of Nationwide as the recordkeeper of their deferred compensation and retirement plans. This decision comes as a result of thorough analysis completed with the assistance of the programs consulting firm, through a competitive bid process.

In 2022, the Nebraska State Legislature approved \$20 million in American Rescue Plan Act Funds for the City of Lincoln to being work securing a second source of reliable drinking water and approved an additional \$177.2 million appropriation in 2023. These funds must be obligated by December 31, 2024 and spent in accordance with the grant agreement by December 31, 2026.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 8,628,850	\$ 8,031,765	\$ 7,853,350	\$ 7,359,480	\$ 7,731,662	\$ 7,416,228	\$ 7,117,899	\$ 8,539,932	\$ 7,929,376	\$ 7,289,994
Interest	26,669,539	25,636,533	24,697,386	23,577,966	21,633,724	20,800,989	19,817,083	19,098,818	17,507,641	16,897,591
Differences between expected and actual experience	6,150,550	1,046,833	(45,165)	2,693,155	1,839,825	(1,147,672)	1,513,600	(3,351,824)	7,390,055	736,647
Effect of assumption changes or inputs	4,810,131	2,091,838	1,998,466	1,916,405	13,739,593	-	-	-	(23,499,491)	22,725,982
Benefit payments, including refunds of member contributions	(20,637,039)	(19,907,848)	(19,017,968)	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Net change in total pension liability	25,622,031	16,899,121	15,486,069	17,978,542	28,668,548	11,401,988	13,444,450	9,860,499	(4,381,224)	34,220,051
Total pension liability - beginning	375,472,940	358,573,819	343,087,750	325,109,208	296,440,660	285,038,672	271,594,222	261,733,723	266,114,947	231,894,896
Total pension liability - ending (a)	\$ 401,094,971	\$ 375,472,940	\$ 358,573,819	\$ 343,087,750	\$ 325,109,208	\$ 296,440,660	\$ 285,038,672	\$ 271,594,222	\$ 261,733,723	\$ 266,114,947
Plan Fiduciary Net Position										
Contributions - employer	\$ 10,533,904	\$ 11,573,047	\$ 9,988,807	\$ 8,490,046	\$ 8,333,901	\$ 8,239,839	\$ 7,974,731	\$ 7,170,104	\$ 8,045,293	\$ 7,865,929
Contributions - employee	4,495,428	4,304,858	3,706,959	3,576,557	3,366,841	3,195,658	3,112,583	2,817,102	2,604,101	2,613,971
Net investment income	17,165,392	(13,000,395)	57,584,162	26,911,382	5,434,779	17,407,833	23,644,797	14,795,745	(5,843,555)	30,932,275
Benefit payments, including refunds of member contributions	(20,637,039)	(19,907,848)	(19,017,968)	(17,568,464)	(16,276,256)	(15,667,557)	(15,004,132)	(14,426,427)	(13,708,805)	(13,430,163)
Administrative expense	(586,917)	(648,134)	(549,560)	(510,761)	(445,481)	(435,578)	(445,579)	(493,860)	(444,578)	(407,146)
Net change in plan fiduciary net position	10,970,768	(17,678,472)	51,712,400	20,898,760	413,784	12,740,195	19,282,400	9,862,664	(9,347,544)	27,574,866
Plan fiduciary net position - beginning	301,227,002	318,905,474	267,193,074	246,294,314	245,880,530	233,140,335	213,857,935	203,995,271	213,342,815	185,767,949
Plan fiduciary net position - ending (b)	\$ 312,197,770	\$ 301,227,002	\$ 318,905,474	\$ 267,193,074	\$ 246,294,314	\$ 245,880,530	\$ 233,140,335	\$ 213,857,935	\$ 203,995,271	\$ 213,342,815
FPF Net Pension Liability - Ending (a) - (b)	\$ 88,897,201	\$ 74,245,938	\$ 39,668,345	\$ 75,894,676	\$ 78,814,894	\$ 50,560,130	\$ 51,898,337	\$ 57,736,287	\$ 57,738,452	\$ 52,772,132
Plan fiduciary net position as a percentage of the total pension liability	77.84%	80.23%	88.94%	77.88%	75.76%	82.94%	81.79%	78.74%	77.94%	80.17%
Covered payroll	\$ 54,911,565	\$ 50,982,757	\$ 50,519,878	\$ 48,498,340	\$ 46,518,365	\$ 44,885,478	\$ 42,930,194	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
FPF net pension liability as a percentage of covered payroll	161.89%	145.63%	78.52%	156.49%	169.43%	112.64%	120.89%	136.23%	152.39%	138.48%

Note to schedule:
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:

8/31/2023 valuation - Price inflation was increased from 2.25% to 2.50%.
Expected future investment return was reduced from 7.30% to 7.25% compounded annually.
Interest on member contributions was reduced from 7.30% to 7.25% compounded annually.
General wage increase assumption was increased from 2.75% to 3.00%.
Payroll growth assumption was increased from 2.75% to 3.00%.
Disabilities rates were adjusted to better reflect actual observed experience.
Retirement rates were adjusted to better reflect actual observed experience.
Termination rates were adjusted to better reflect actual observed experience.
Salary merit assumption was increased by 0.25% for members with less than 20 years of service.
The mortality improvement scale was changed to use the MP-2021 Scale.
The 13th check increase was changed from 2.25% to 2.50%.

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

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

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

8/31/2019 valuation - Price inflation was reduced from 2.50% to 2.25%.
Expected future investment return was reduced from 7.50% to 7.45% compounded annually.
Interest on member contributions was 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, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial determined employer contribution	\$ 10,159,639	\$ 10,509,325	\$ 9,733,221	\$ 8,422,965	\$ 8,333,901	\$ 8,164,782	\$ 7,829,103	\$ 9,666,852	\$ 8,418,199	\$ 7,377,763
Actual employer contributions	10,533,904	11,573,047	9,988,807	8,490,046	8,333,901	8,239,839	7,974,731	7,170,104	8,045,293	7,865,929
Annual contribution deficiency (excess)	<u>\$ (374,265)</u>	<u>\$ (1,063,722)</u>	<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	\$ 54,911,565	\$ 50,982,757	\$ 50,519,878	\$ 48,498,340	\$ 46,518,365	\$ 44,885,478	\$ 42,930,194	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
Actual contributions as a percentage of covered payroll	19.18%	22.70%	19.77%	17.51%	17.92%	18.36%	18.58%	16.92%	21.23%	20.64%

Note to Schedule:

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:	8/31/2021	8/31/2020	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015	8/31/2014	8/31/2013	8/31/2012
Methods and assumptions used to determine contribution rates:										
Actuarial cost method:	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,	Entry Age Normal 30 years,
Amortization method:	level percent, closed layered bases varying 16-23 years	level percent, closed layered bases varying 17-24 years	level percent, closed layered bases varying 18-25 years	level percent, closed layered bases varying 19-26 years	level percent, closed layered bases varying 20-27 years	28 years	29 years	30 years	30 years	30 years
Remaining amortization period:	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation:	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%
Salary increases:	2.75% - 8.25%	2.75% - 8.25%	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:	7.35%	7.40%	7.45%	7.50%	7.50%	7.50%	6.40%	6.75%	7.50%	7.50%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	5.79%	-4.14%	21.93%	11.11%	2.24%	7.59%	11.25%	7.36%	-3.52%	16.67%

CITY OF LINCOLN, NEBRASKA
 Required Supplementary Information
 August 31, 2023

**Schedule of Changes in the Total OPEB Liability
 and Related Ratios**
 Measurement Period Ending August 31,

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 1,899,828	\$ 1,852,572	\$ 1,236,714	\$ 1,071,230	\$ 1,160,514	\$ 969,040
Interest	600,161	562,803	621,025	689,255	645,475	539,411
Differences between expected and actual experience	(11,865,943)	-	265,188	-	(231,632)	-
Effect of assumption changes or inputs	(1,583,693)	(28,968)	5,650,737	1,423,068	(1,475,337)	(1,133,914)
Benefit payments	(870,966)	(630,467)	(872,444)	(997,277)	(962,027)	(1,070,494)
Net change in total OPEB liability	(11,820,613)	1,755,940	6,901,220	2,186,276	(863,007)	(695,957)
Total OPEB liability - beginning	28,742,670	26,986,730	20,085,510	17,899,234	18,762,241	19,458,198
Total OPEB liability - ending	<u>\$ 16,922,057</u>	<u>\$ 28,742,670</u>	<u>\$ 26,986,730</u>	<u>\$ 20,085,510</u>	<u>\$ 17,899,234</u>	<u>\$ 18,762,241</u>
Covered-employee payroll	\$ 159,975,739	\$ 152,654,512	\$ 150,561,373	\$ 145,528,734	\$ 140,466,565	\$ 138,350,403
Total OPEB liability as a percentage of covered-employee payroll	10.58%	18.83%	17.92%	13.80%	12.74%	13.56%

Notes to schedule:

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

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

Changes in actuarial assumptions:

8/31/22 valuation - The discount rate has changed from 2.12% to 3.38% due to a change in the municipal bond rate. 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 2032.

8/31/21 valuation - The discount rate has changed from 2.11% to 2.12% due to a change in the municipal bond rate.

8/31/20 valuation - The discount rate has changed from 3.16% to 2.11% due to a change in the municipal bond rate.

The inflation rate has changed from 2.50% to 2.25% based on the most recent Lincoln Police and Fire Pension Plan experience study.

The mortality assumption was updated to the Pub-2010 family of mortality tables. The Safety tables are used for the Police and Fire members and the General tables are used for the Civilian members.

The retirement rates for the Police and Fire members were adjusted to service-based rates.

The termination rates were adjusted to service-based rates.

The disability rates for Civilians were reduced at most ages and combined for males and females.

The percentage of members assumed to be married was updated from 100% to 90%.

The trend rate assumption was adjusted to 7.00% in the first year, decreasing by 0.25% per year until an ultimate of 4.50% is reached in 2030.

8/31/19 valuation - The discount rate has changed from 3.96% to 3.16% due to a change in the municipal bond rate.

8/31/18 valuation - The discount rate has changed from 3.53% to 3.96% due to a change in the municipal bond rate.

The trend rate assumption is now 7.25% decreasing by 0.25% per year until an ultimate rate of 4.75% is reached in 2028, which changed from 7.50% for 2017, decreasing by 0.50% per year for four years, then decreasing by 0.25% per year until an ultimate rate of 5.00% is reached in 2023.

8/31/17 valuation - The discount rate has changed from 2.85% to 3.53% due to a change in the municipal bond rate. due to a change in the municipal bond rate.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES**



GENERAL FUND COMBINING FUNDS

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
GENERAL FUND
AUGUST 31, 2023

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
ASSETS							
Cash and Cash Equivalents	\$ 16,551,601	25,487	142,278	309,818	9,773	285,337	17,324,294
Investments	124,444,252	525,476	3,027,740	6,543,421	225,204	6,093,014	140,859,107
Receivables:							
Taxes	3,802,042	-	-	-	41	-	3,802,083
Accounts	2,011,977	-	1,624	48,858	-	-	2,062,459
Lease Receivable	4,022,088	5,877,560	-	-	-	-	9,899,648
Accrued Interest	4,346,151	1,964	18,691	83,710	-	71,273	4,521,789
Accrued Lease Interest	7,961	-	-	-	-	-	7,961
Due from Other Funds	902,765	-	-	-	-	-	902,765
Due from Other Funds (Inter-fund)	1,628	311	-	-	167	-	2,106
Due from Other Governments	18,495,572	-	648,483	-	-	-	19,144,055
Inventories	75,501	-	-	-	-	-	75,501
Prepaid Items	474,702	-	-	-	-	-	474,702
Total Assets	175,136,240	6,430,798	3,838,816	6,985,807	235,185	6,449,624	199,076,470
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	4,504,054	-	47,167	14,884	-	-	4,566,105
Accrued Liabilities	4,040,590	-	88,036	152,364	-	-	4,280,990
Due to Other Funds	6,481,869	-	4,562	-	-	-	6,486,431
Due to Other Funds (Inter-fund)	2,106	-	-	-	-	-	2,106
Due to Other Governments	103,313	-	14,237	1,376	-	-	118,926
Unearned Revenue	1,612,625	-	31,804	-	-	-	1,644,429
Total Liabilities	<u>16,744,557</u>	<u>-</u>	<u>185,806</u>	<u>168,624</u>	<u>-</u>	<u>-</u>	<u>17,098,987</u>
Deferred Inflows of Resources:							
Unavailable Revenues	2,167,375	-	538,677	33,494	41	-	2,739,587
Deferred Inflow for Leases	3,816,655	5,618,703	-	-	-	-	9,435,358
Total Deferred Inflows of Resources	<u>5,984,030</u>	<u>5,618,703</u>	<u>538,677</u>	<u>33,494</u>	<u>41</u>	<u>-</u>	<u>12,174,945</u>
Fund Balances:							
Nonspendable	550,204	-	-	-	-	-	550,204
Restricted	10,951,120	-	-	-	-	-	10,951,120
Assigned	6,369,439	812,095	3,114,333	6,783,689	235,144	6,449,624	23,764,324
Unassigned	134,536,890	-	-	-	-	-	134,536,890
Total Fund Balances	<u>152,407,653</u>	<u>812,095</u>	<u>3,114,333</u>	<u>6,783,689</u>	<u>235,144</u>	<u>6,449,624</u>	<u>169,802,538</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 175,136,240</u>	<u>6,430,798</u>	<u>3,838,816</u>	<u>6,985,807</u>	<u>235,185</u>	<u>6,449,624</u>	<u>199,076,470</u>

CITY OF LINCOLN, NEBRASKA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GENERAL FUND
 FOR THE YEAR ENDED AUGUST 31, 2023

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Total
Revenues							
Taxes:							
Property	\$ 65,017,816	-	-	-	15	-	65,017,831
Motor Vehicle	7,085,198	-	-	-	-	-	7,085,198
Sales and Use	104,922,263	-	-	-	-	-	104,922,263
Sundry and In Lieu	68,755	-	-	-	-	-	68,755
Occupation	6,349,591	-	-	-	-	-	6,349,591
Intergovernmental	2,758,304	-	1,919,232	731,055	-	-	5,408,591
Permits and Fees	5,921,604	-	31,533	1,016,501	-	-	6,969,638
Reimbursement for Services	8,523,479	485,052	80,190	16,000	-	-	9,104,721
Court Settlements	22,149	-	-	-	-	-	22,149
Investment Income	15,877,588	9,005	81,269	291,703	-	253,684	16,513,249
Donations	710,205	-	6,056	-	-	-	716,261
Miscellaneous	1,249,892	157,116	27	163	-	-	1,407,198
Total Revenues	<u>218,506,844</u>	<u>651,173</u>	<u>2,118,307</u>	<u>2,055,422</u>	<u>15</u>	<u>253,684</u>	<u>223,585,445</u>
Expenditures							
Current:							
General Government	48,477,548	-	-	-	-	-	48,477,548
Public Safety	91,063,779	-	-	5,938,328	-	-	97,002,107
Streets and Highways	6,716,810	-	-	-	-	-	6,716,810
Culture and Recreation	18,984,395	-	-	-	-	-	18,984,395
Economic Opportunity	14,482	-	-	-	-	-	14,482
Health and Welfare	349,563	-	3,925,321	-	-	-	4,274,884
Debt Service	556	-	-	-	-	-	556
Debt Service P & I	1,480,151	-	-	10,000	-	-	1,490,151
Total Expenditures	<u>167,087,284</u>	<u>-</u>	<u>3,925,321</u>	<u>5,948,328</u>	<u>-</u>	<u>-</u>	<u>176,960,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,419,560	651,173	(1,807,014)	(3,892,906)	15	253,684	46,624,512
Other Financing Sources (Uses):							
Transfers In	16,806,653	-	2,311,880	5,844,430	-	1,000,000	25,962,963
Transfers In (Inter-Fund)	108,083	-	-	3,193	-	-	111,276
Transfers Out	(38,794,304)	(624,792)	-	(1,021,094)	-	-	(40,440,190)
Transfers Out (Inter-Fund)	(108,083)	-	-	(3,193)	-	-	(111,276)
Sale of Capital Assets	6,940	-	1,138	-	-	-	8,078
Subscriptions	267,579	-	-	37,176	-	-	304,755
Total Other Financing Sources (Uses)	<u>(21,713,132)</u>	<u>(624,792)</u>	<u>2,313,018</u>	<u>4,860,512</u>	<u>-</u>	<u>1,000,000</u>	<u>(14,164,394)</u>
Net Change In Fund Balances	<u>29,706,428</u>	<u>26,381</u>	<u>506,004</u>	<u>967,606</u>	<u>15</u>	<u>1,253,684</u>	<u>32,460,118</u>
Fund Balances - Beginning of Year,	<u>122,701,225</u>	<u>785,714</u>	<u>2,608,329</u>	<u>5,816,083</u>	<u>235,129</u>	<u>5,195,940</u>	<u>137,342,420</u>
Fund Balances - Ending	<u>\$ 152,407,653</u>	<u>812,095</u>	<u>3,114,333</u>	<u>6,783,689</u>	<u>235,144</u>	<u>6,449,624</u>	<u>169,802,538</u>



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,672,581	2,515,879	2,400,830	2,063,772	13,653,062
Investments	76,014,026	6,806,159	49,551,089	64,709,228	197,080,502
Receivables, (Net of Allowance for Uncollectibles)	2,472,427	2,115,018	569,101	7,417	5,163,963
Due from Other Funds	1,665,312	-	2,127,450	-	3,792,762
Due from Other Governments	2,796,848	10,972	4,112,370	-	6,920,190
Inventories	1,195,551	-	-	-	1,195,551
Beneficial Interest Asset	2,639,980	-	-	-	2,639,980
	<u>93,456,725</u>	<u>11,448,028</u>	<u>58,760,840</u>	<u>66,780,417</u>	<u>230,446,010</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	880,835	1,262	2,930,249	110,148	3,922,494
Contracts Payable	-	-	58,732	-	58,732
Accrued Liabilities	1,711,258	-	-	-	1,711,258
Due to Other Funds	37,434,540	39,979	16,730	708	37,491,957
Due to Other Governments	397,828	-	-	-	397,828
Due to Other Contractors	-	2,194,886	-	-	2,194,886
Unearned Revenue	262,261	-	54,648	-	316,909
Total Liabilities	<u>40,686,722</u>	<u>2,236,127</u>	<u>3,060,359</u>	<u>110,856</u>	<u>46,094,064</u>
Deferred Inflows of Resources:					
Unavailable Revenues	1,794,796	1,400,712	81,014	-	3,276,522
Beneficial Interest Revenue	2,639,980	-	-	-	2,639,980
Deferred Inflows for Leases	-	-	7,053	-	7,053
Total Deferred Inflows of Resources	<u>4,434,776</u>	<u>1,400,712</u>	<u>88,067</u>	<u>-</u>	<u>5,923,555</u>
Fund Balances (Deficits):					
Nonspendable	1,195,551	-	-	37,160,000	38,355,551
Restricted	16,232,280	7,803,835	55,612,414	29,509,561	109,158,090
Committed	12,255,138	7,354	-	-	12,262,492
Assigned	19,357,610	-	-	-	19,357,610
Unassigned	(705,352)	-	-	-	(705,352)
Total Fund Balances	<u>48,335,227</u>	<u>7,811,189</u>	<u>55,612,414</u>	<u>66,669,561</u>	<u>178,428,391</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 93,456,725</u>	<u>11,448,028</u>	<u>58,760,840</u>	<u>66,780,417</u>	<u>230,446,010</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 19,669,225	7,713,334	-	-	27,382,559
Wheel	9,985,991	-	9,985,991	-	19,971,982
Sales and Use	-	-	17,813,756	-	17,813,756
Turnback	-	2,301,626	-	-	2,301,626
Sundry and In Lieu	6,194	1,328	-	-	7,522
Occupation	-	1,672,322	-	-	1,672,322
Special Assessment	1,489	1,378,882	-	-	1,380,371
Intergovernmental	20,563,731	-	1,236,705	-	21,800,436
Permits and Fees	15,732,161	-	378,828	-	16,110,989
Reimbursement for Services	553,688	-	-	-	553,688
Investment Earnings	1,405,571	312,404	2,070,491	4,989,418	8,777,884
Donations	612,082	-	1,422,918	925	2,035,925
Keno Proceeds	7,117,073	-	-	-	7,117,073
Private Sector Share of Projects	70,140	-	2,104,188	-	2,174,328
Miscellaneous	557,805	23,412	10,420	-	591,637
Total Revenues	<u>76,275,150</u>	<u>13,403,308</u>	<u>35,023,297</u>	<u>4,990,343</u>	<u>129,692,098</u>
EXPENDITURES					
Current:					
General Government	14,708,777	-	-	-	14,708,777
Public Safety	8,917,224	-	-	-	8,917,224
Culture and Recreation	12,029,008	-	-	18,648	12,047,656
Health and Welfare	16,060,555	-	-	2,712,499	18,773,054
Mass Transit	27,479,799	-	-	-	27,479,799
Debt Service:					
Principal Retirement	839,807	12,930,697	-	-	13,770,504
Interest and Fiscal Charges	211,590	3,448,945	-	-	3,660,535
Developer Purchased TIF Payments	-	4,040,860	-	-	4,040,860
Miscellaneous	-	13,086	-	-	13,086
Capital Outlay	-	-	26,321,177	-	26,321,177
Total Expenditures	<u>80,246,760</u>	<u>20,433,588</u>	<u>26,321,177</u>	<u>2,731,147</u>	<u>129,732,672</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,971,610)</u>	<u>(7,030,280)</u>	<u>8,702,120</u>	<u>2,259,196</u>	<u>(40,574)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	19,807,901	9,980,059	12,245,981	-	42,033,941
Transfers Out	(13,712,083)	(1,664,973)	(30,698,665)	-	(46,075,721)
Issuance of Debt	-	-	12,098,164	-	12,098,164
Premium on Debt Issued	-	-	319,117	-	319,117
Sale of Capital Assets	569,760	-	-	-	569,760
Total Other Financing Sources (Uses)	<u>6,665,578</u>	<u>8,315,086</u>	<u>(6,035,403)</u>	<u>-</u>	<u>8,945,261</u>
Net Change in Fund Balances	2,693,968	1,284,806	2,666,717	2,259,196	8,904,687
Fund Balances - Beginning	<u>45,641,259</u>	<u>6,526,383</u>	<u>52,945,697</u>	<u>64,410,365</u>	<u>169,523,704</u>
Fund Balances - Ending	<u>\$ 48,335,227</u>	<u>7,811,189</u>	<u>55,612,414</u>	<u>66,669,561</u>	<u>178,428,391</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2023

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
ASSETS							
Cash and Cash Equivalents	\$ 156,501	11,579	231,414	374,224	1,678	-	3,139,147
Investments	3,284,222	287,760	4,873,160	7,788,298	-	-	913,326
Receivables, (Net of Allowance for Uncollectibles):							
Taxes	-	-	449,409	-	10,776	443,812	-
Accounts	-	26,254	517	34,964	-	-	585,073
Accrued Interest	43,710	-	43,273	91,928	-	-	32,582
Due from Other Funds	-	213	1,187	-	-	-	-
Due from Other Governments	-	-	344	-	-	-	1,631,196
Inventories	-	-	-	-	-	-	1,195,551
Beneficial Interest Asset	-	-	-	-	-	-	-
Total Assets	3,484,433	325,806	5,599,304	8,289,414	12,454	443,812	7,496,875
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	14,301	74,537	80,405	-	-	546,344
Accrued Liabilities	-	888	250,484	443,235	-	319,934	471,125
Due to Other Funds	-	50	608	31,603	-	13,569	57,425
Due to Other Governments	22	-	609	90,767	-	-	9,139
Unearned Revenue	-	-	-	-	-	-	69,149
Total Liabilities	22	15,239	326,238	646,010	-	333,503	1,153,182
Deferred Inflows of Resources:							
Unavailable Revenues	-	-	111,878	8,126	10,779	110,309	1,553,704
Beneficial Interest Revenue	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	111,878	8,126	10,779	110,309	1,553,704
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	1,195,551
Restricted	3,120,170	-	-	-	1,675	-	-
Committed	-	279,110	-	-	-	-	-
Assigned	364,241	31,457	5,161,188	7,635,278	-	-	3,594,438
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	3,484,411	310,567	5,161,188	7,635,278	1,675	-	4,789,989
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,484,433	325,806	5,599,304	8,289,414	12,454	443,812	7,496,875

Keno	Casino	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
337,749	45,532	3,104	545,351	1,652,280	80,585	11,716	77,827	-	3,894	6,672,581
7,256,566	925,838	-	10,878,594	34,768,962	1,751,585	212,692	2,997,955	-	75,068	76,014,026
-	-	-	-	-	-	-	-	-	-	903,997
292,192	-	-	18,349	532	25	-	-	410	-	958,316
-	-	12,145	-	364,148	19,564	2,764	-	-	-	610,114
5,380	686	35,416	1,020,080	578,294	24,000	-	-	-	56	1,665,312
-	212,192	-	-	-	-	-	-	-	953,116	2,796,848
-	-	-	-	-	-	-	-	-	-	1,195,551
-	-	-	-	-	-	-	2,639,980	-	-	2,639,980
<u>7,891,887</u>	<u>1,184,248</u>	<u>50,665</u>	<u>12,462,374</u>	<u>37,364,216</u>	<u>1,875,759</u>	<u>227,172</u>	<u>5,715,762</u>	<u>410</u>	<u>1,032,134</u>	<u>93,456,725</u>
165	-	50,665	45,484	1,415	9,330	-	-	58,189	-	880,835
-	-	-	216,322	-	-	9,270	-	-	-	1,711,258
55,966	-	-	31,426	36,561,455	35,289	-	-	647,149	-	37,434,540
295,257	-	-	1,109	-	501	-	-	424	-	397,828
-	-	-	192,005	-	1,107	-	-	-	-	262,261
<u>351,388</u>	<u>-</u>	<u>50,665</u>	<u>486,346</u>	<u>36,562,870</u>	<u>46,227</u>	<u>9,270</u>	<u>-</u>	<u>705,762</u>	<u>-</u>	<u>40,686,722</u>
-	-	-	-	-	-	-	-	-	-	1,794,796
-	-	-	-	-	-	-	2,639,980	-	-	2,639,980
-	-	-	-	-	-	-	2,639,980	-	-	4,434,776
-	-	-	-	-	-	-	-	-	-	1,195,551
7,183,587	-	-	-	-	1,601,030	217,902	3,075,782	-	1,032,134	16,232,280
-	-	-	11,976,028	-	-	-	-	-	-	12,255,138
356,912	1,184,248	-	-	801,346	228,502	-	-	-	-	19,357,610
-	-	-	-	-	-	-	-	(705,352)	-	(705,352)
<u>7,540,499</u>	<u>1,184,248</u>	<u>-</u>	<u>11,976,028</u>	<u>801,346</u>	<u>1,829,532</u>	<u>217,902</u>	<u>3,075,782</u>	<u>(705,352)</u>	<u>1,032,134</u>	<u>48,335,227</u>
<u>7,891,887</u>	<u>1,184,248</u>	<u>50,665</u>	<u>12,462,374</u>	<u>37,364,216</u>	<u>1,875,759</u>	<u>227,172</u>	<u>5,715,762</u>	<u>410</u>	<u>1,032,134</u>	<u>93,456,725</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	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	\$ -	-	9,687,251	-	898	9,981,076	-	-
Wheel Tax	-	-	-	-	-	-	-	-
Sundry and In Lieu Tax	-	-	3,308	-	-	2,886	-	-
Special Assessment	-	-	-	1,489	-	-	-	-
Intergovernmental	-	-	955,147	3,284,195	-	-	15,140,141	-
Permits and Fees	-	164,004	75,220	4,928,609	-	-	3,854,071	-
Reimbursement for Services	3,920	-	1,654	181,567	-	-	121,227	-
Investment Earnings	153,981	-	153,140	351,114	-	-	102,012	-
Donations	-	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-	7,117,073
Private Sector Share of Projects	-	-	-	-	-	-	-	-
Miscellaneous	-	-	28,623	-	-	-	204,546	258,353
Total Revenues	<u>157,901</u>	<u>164,004</u>	<u>10,904,343</u>	<u>8,746,974</u>	<u>898</u>	<u>9,983,962</u>	<u>19,421,997</u>	<u>7,375,426</u>
Expenditures -- Current:								
General Government	597,077	187,004	-	-	-	9,983,962	-	2,683,940
Public Safety	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	10,245,818	-	-	-	-	1,182,209
Health and Welfare	-	-	-	16,060,555	-	-	-	-
Mass Transit	-	-	-	-	-	-	27,143,239	-
Debt Service	-	-	-	566,797	-	-	-	484,600
Total Expenditures	<u>597,077</u>	<u>187,004</u>	<u>10,245,818</u>	<u>16,627,352</u>	<u>-</u>	<u>9,983,962</u>	<u>27,143,239</u>	<u>4,350,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(439,176)</u>	<u>(23,000)</u>	<u>658,525</u>	<u>(7,880,378)</u>	<u>898</u>	<u>-</u>	<u>(7,721,242)</u>	<u>3,024,677</u>
Other Financing Sources (Uses):								
Transfers In	-	-	1,961	8,306,443	-	-	8,749,161	-
Transfers Out	-	-	(178,738)	(37,077)	-	-	(14,459)	(3,486,892)
Sale of Capital Assets	523,722	-	658	-	-	-	35,285	-
Total Other Financing Sources (Uses)	<u>523,722</u>	<u>-</u>	<u>(176,119)</u>	<u>8,269,366</u>	<u>-</u>	<u>-</u>	<u>8,769,987</u>	<u>(3,486,892)</u>
Net Change In Fund Balances	84,546	(23,000)	482,406	388,988	898	-	1,048,745	(462,215)
Fund Balances (Deficits) - Beginning	3,399,865	333,567	4,678,782	7,246,290	777	-	3,741,244	8,002,714
Fund Balances (Deficits) - Ending	<u>\$ 3,484,411</u>	<u>310,567</u>	<u>5,161,188</u>	<u>7,635,278</u>	<u>1,675</u>	<u>-</u>	<u>4,789,989</u>	<u>7,540,499</u>

Casino	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Vehicle Tax Residual Revenue	Total
-	-	-	-	-	-	-	-	-	19,669,225
-	-	-	-	-	-	-	-	9,985,991	9,985,991
-	-	-	-	-	-	-	-	-	6,194
-	-	-	-	-	-	-	-	-	1,489
1,184,248	-	-	-	-	-	-	-	-	20,563,731
-	-	6,622,073	88,184	-	-	-	-	-	15,732,161
-	-	110,459	-	92,221	-	-	42,640	-	553,688
-	31,942	45,130	3,822	73,080	10,123	481,227	-	-	1,405,571
-	-	-	-	366,645	132,652	-	112,785	-	612,082
-	-	-	-	-	-	-	-	-	7,117,073
-	-	-	-	70,140	-	-	-	-	70,140
-	-	446	-	65,737	-	-	100	-	557,805
1,184,248	31,942	6,778,108	92,006	667,823	142,775	481,227	155,525	9,985,991	76,275,150
-	1,239,998	-	16,796	-	-	-	-	-	14,708,777
-	-	8,917,224	-	-	-	-	-	-	8,917,224
-	-	-	-	488,542	112,439	-	-	-	12,029,008
-	-	-	-	-	-	-	-	-	16,060,555
-	-	-	-	-	-	-	336,560	-	27,479,799
-	-	-	-	-	-	-	-	-	1,051,397
-	1,239,998	8,917,224	16,796	488,542	112,439	-	336,560	-	80,246,760
1,184,248	(1,208,056)	(2,139,116)	75,210	179,281	30,336	481,227	(181,035)	9,985,991	(3,971,610)
-	1,148,504	1,444,042	-	-	-	-	157,790	-	19,807,901
-	-	(3,162)	-	-	-	-	-	(9,991,755)	(13,712,083)
-	-	-	-	10,095	-	-	-	-	569,760
-	1,148,504	1,440,880	-	10,095	-	-	157,790	(9,991,755)	6,665,578
1,184,248	(59,552)	(698,236)	75,210	189,376	30,336	481,227	(23,245)	(5,764)	2,693,968
-	59,552	12,674,264	726,136	1,640,156	187,566	2,594,555	(682,107)	1,037,898	45,641,259
1,184,248	-	11,976,028	801,346	1,829,532	217,902	3,075,782	(705,352)	1,032,134	48,335,227



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 outstanding as follows:

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

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, Series 2021, and Series 2022. For the prompt payment of principal of and interest on the bonds, the City has pledged funds received and to be received by the City from the State Highway Allocation Fund as authorized under Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AUGUST 31, 2023

	<u>Tax Allocation Projects</u>	<u>Bond Interest & Redemption</u>	<u>Tax Supported Bonds</u>	<u>Special Assessment</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,385,539	132,799	82,062	915,479	2,515,879
Investments	2,771,258	2,783,769	1,251,132	-	6,806,159
Receivables (Net of Allowance for Uncollectibles):					
Taxes	208,149	186,913	-	-	395,062
Accounts	-	-	141,869	-	141,869
Accrued Interest	43,779	23,055	21,164	-	87,998
Special Assessment	-	-	-	1,490,089	1,490,089
Due from Other Governments	-	138	-	10,834	10,972
Total Assets	<u>4,408,725</u>	<u>3,126,674</u>	<u>1,496,227</u>	<u>2,416,402</u>	<u>11,448,028</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	14	1,248	-	-	1,262
Due to Other Funds	-	1,781	2,782	35,416	39,979
Due to Other Contractors	1,376,329	-	818,557	-	2,194,886
Total Liabilities	<u>1,376,343</u>	<u>3,029</u>	<u>821,339</u>	<u>35,416</u>	<u>2,236,127</u>
Deferred Inflows of Resources:					
Unavailable Revenues	-	51,434	-	1,349,278	1,400,712
Fund Balances:					
Restricted	3,025,028	3,072,211	674,888	1,031,708	7,803,835
Committed	7,354	-	-	-	7,354
Total Fund Balances	<u>3,032,382</u>	<u>3,072,211</u>	<u>674,888</u>	<u>1,031,708</u>	<u>7,811,189</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,408,725</u>	<u>3,126,674</u>	<u>1,496,227</u>	<u>2,416,402</u>	<u>11,448,028</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 3,823,352	3,889,982	-	-	7,713,334
Turnback Tax	-	-	2,301,626	-	2,301,626
Sundry and In Lieu Tax	-	1,328	-	-	1,328
Occupation Tax	-	-	1,672,322	-	1,672,322
Special Assessment	-	-	-	1,279,217	1,279,217
Special Assessment Interest	-	-	-	99,665	99,665
Investment Income	137,592	103,445	71,367	-	312,404
Miscellaneous	23,412	-	-	-	23,412
Total Revenues	<u>3,984,356</u>	<u>3,994,755</u>	<u>4,045,315</u>	<u>1,378,882</u>	<u>13,403,308</u>
Expenditures -- Debt Service:					
Principal Retirement	412,903	3,182,794	6,450,000	210,000	10,255,697
Interest	46,545	1,009,228	1,808,294	74,100	2,938,167
Fiscal Charges	350	10,959	2,000	800	14,109
COPs Principal	-	2,675,000	-	-	2,675,000
COPs Interest	-	496,669	-	-	496,669
Developer Purchased TIF Payments	2,347,004	-	1,693,856	-	4,040,860
Miscellaneous	13,086	-	-	-	13,086
Total Expenditures	<u>2,819,888</u>	<u>7,374,650</u>	<u>9,954,150</u>	<u>284,900</u>	<u>20,433,588</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,164,468</u>	<u>(3,379,895)</u>	<u>(5,908,835)</u>	<u>1,093,982</u>	<u>(7,030,280)</u>
Other Financing Sources (Uses):					
Transfers In	-	3,270,212	6,709,847	-	9,980,059
Transfers Out	(204,908)	-	(311,561)	(1,148,504)	(1,664,973)
Total Other Financing Sources (Uses)	<u>(204,908)</u>	<u>3,270,212</u>	<u>6,398,286</u>	<u>(1,148,504)</u>	<u>8,315,086</u>
Net Change in Fund Balances	959,560	(109,683)	489,451	(54,522)	1,284,806
Fund Balances - Beginning	<u>2,072,822</u>	<u>3,181,894</u>	<u>185,437</u>	<u>1,086,230</u>	<u>6,526,383</u>
Fund Balances - Ending	<u>\$ 3,032,382</u>	<u>3,072,211</u>	<u>674,888</u>	<u>1,031,708</u>	<u>7,811,189</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.

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AUGUST 31, 2023

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Total
ASSETS					
Cash and Cash Equivalents	\$ 1,247,724	73,029	312,429	767,648	2,400,830
Investments	26,536,513	43,790	6,674,790	16,295,996	49,551,089
Lease Receivable	-	-	-	7,310	7,310
Accrued Interest Receivable	278,401	-	78,182	205,165	561,748
Accrued Lease Interest	-	-	-	43	43
Due from Other Funds	-	32	-	2,127,418	2,127,450
Due from Other Governments	2,965,083	953,116	139,575	54,596	4,112,370
Total Assets	31,027,721	1,069,967	7,204,976	19,458,176	58,760,840
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	-	-	2,930,249	2,930,249
Contracts Payable	-	-	58,732	-	58,732
Due to Other Funds	-	-	2,824	13,906	16,730
Unearned Revenue	-	-	30,986	23,662	54,648
Total Liabilities	-	-	92,542	2,967,817	3,060,359
Deferred Inflows of Resources:					
Unavailable Revenues	-	-	26,418	54,596	81,014
Deferred Inflows for Leases	-	-	-	7,053	7,053
Total Deferred Inflows of Resources	-	-	26,418	61,649	88,067
Fund Balances:					
Restricted	31,027,721	1,069,967	7,086,016	16,428,710	55,612,414
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,027,721	1,069,967	7,204,976	19,458,176	58,760,840

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Lincoln On The Move	Vehicle Tax	Storm Sewer Bonds	Other Capital Projects	Total
Revenues:					
Wheel Tax	\$ -	9,985,991	-	-	9,985,991
Sales and Use Tax	17,813,756	-	-	-	17,813,756
Intergovernmental	-	-	962,923	273,782	1,236,705
Permits and Fees	-	-	-	378,828	378,828
Investment Income	1,037,456	-	297,491	735,544	2,070,491
Donations	-	-	-	1,422,918	1,422,918
Variable Lease Income	-	-	-	10,000	10,000
Developer's Share	-	-	-	2,104,188	2,104,188
Miscellaneous	-	-	-	420	420
Total Revenues	<u>18,851,212</u>	<u>9,985,991</u>	<u>1,260,414</u>	<u>4,925,680</u>	<u>35,023,297</u>
Expenditures:					
Capital Outlay:					
Public Safety	-	-	-	5,487,665	5,487,665
Streets and Highways	-	-	1,226,010	89,925	1,315,935
Culture and Recreation	-	-	-	12,779,168	12,779,168
Economic Opportunity	-	-	-	3,547,735	3,547,735
Health & Welfare	-	-	-	3,190,674	3,190,674
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,226,010</u>	<u>25,095,167</u>	<u>26,321,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,851,212</u>	<u>9,985,991</u>	<u>34,404</u>	<u>(20,169,487)</u>	<u>8,702,120</u>
Other Financing Sources (Uses):					
Transfers In	-	-	20,114	12,225,867	12,245,981
Transfers Out	(20,583,514)	(9,981,756)	(23,714)	(109,681)	(30,698,665)
Issuance of Debt	-	-	-	12,098,164	12,098,164
Premium on Debt Issued	-	-	-	319,117	319,117
Total Other Financing Sources (Uses)	<u>(20,583,514)</u>	<u>(9,981,756)</u>	<u>(3,600)</u>	<u>24,533,467</u>	<u>(6,035,403)</u>
Net Change in Fund Balances	(1,732,302)	4,235	30,804	4,363,980	2,666,717
Fund Balances - Beginning	<u>32,760,023</u>	<u>1,065,732</u>	<u>7,055,212</u>	<u>12,064,730</u>	<u>52,945,697</u>
Fund Balances - Ending	<u>\$ 31,027,721</u>	<u>1,069,967</u>	<u>7,086,016</u>	<u>16,428,710</u>	<u>55,612,414</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
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
AUGUST 31, 2023

	<u>Community Health Permanent Endowment</u>	<u>JJ Hompes</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,023,880	39,892	2,063,772
Investments	63,442,155	1,267,073	64,709,228
Accrued Interest Receivable	6,181	1,236	7,417
	<u>65,472,216</u>	<u>1,308,201</u>	<u>66,780,417</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	110,148	-	110,148
Due to Other Funds	708	-	708
Total Liabilities	<u>110,856</u>	<u>-</u>	<u>110,856</u>
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	28,361,360	1,148,201	29,509,561
Total Fund Balances	<u>65,361,360</u>	<u>1,308,201</u>	<u>66,669,561</u>
Total Liabilities and Fund Balances	<u>\$ 65,472,216</u>	<u>1,308,201</u>	<u>66,780,417</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Community Health Permanent Endowment</u>	<u>JJ Hompes</u>	<u>Total</u>
Revenues:			
Investment Earnings	\$ 4,892,778	96,640	4,989,418
Donations	925	-	925
Total Revenues	<u>4,893,703</u>	<u>96,640</u>	<u>4,990,343</u>
Expenditures -- Current:			
Culture and Recreation	-	18,648	18,648
Health and Welfare	<u>2,712,499</u>	<u>-</u>	<u>2,712,499</u>
Total Expenditures	<u>2,712,499</u>	<u>18,648</u>	<u>2,731,147</u>
Net Change in Fund Balances	2,181,204	77,992	2,259,196
Fund Balances - Beginning	<u>63,180,156</u>	<u>1,230,209</u>	<u>64,410,365</u>
Fund Balances - Ending	<u><u>\$ 65,361,360</u></u>	<u><u>1,308,201</u></u>	<u><u>66,669,561</u></u>



CITY OF LINCOLN, NEBRASKA
ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	7,193	7,193
Rental Income	375,697	375,697	473,453	97,756
Miscellaneous	-	-	51,028	51,028
Total Revenues	<u>375,697</u>	<u>375,697</u>	<u>531,674</u>	<u>155,977</u>
Other Financing Uses:				
Transfers Out	<u>(1,036,220)</u>	<u>(1,036,220)</u>	<u>(624,792)</u>	<u>411,428</u>
Net Change in Fund Balances	<u>\$ (660,523)</u>	<u>(660,523)</u>	<u>(93,118)</u>	<u>567,405</u>
Fund Balance - Beginning			<u>643,974</u>	
Fund Balance - Ending			<u>\$ 550,856</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (93,118)	
Revenue and Transfer Accruals			<u>119,499</u>	
Net Change in Fund Balance, GAAP Basis			26,381	
Fund Balance - Beginning, GAAP Basis			<u>785,714</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 812,095</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,576,486	1,741,758	1,966,323	224,565
Permits and Fees	38,000	38,000	34,506	(3,494)
Client Contributions	72,801	72,801	82,436	9,635
Investment Earnings	15,600	15,600	66,754	51,154
Donations	20,000	20,000	5,000	(15,000)
Miscellaneous	-	-	27	27
Total Revenues	<u>1,722,887</u>	<u>1,888,159</u>	<u>2,155,046</u>	<u>266,887</u>
Expenditures -- Health and Welfare:				
Personal Services	3,005,197	3,005,197	2,578,375	426,822
Materials and Supplies	233,506	233,506	257,345	(23,839)
Other Services and Charges	1,893,699	2,011,699	1,038,499	973,200
Capital Outlay	38,483	38,483	37,102	1,381
Total Expenditures	<u>5,170,885</u>	<u>5,288,885</u>	<u>3,911,321</u>	<u>1,377,564</u>
Deficiency of Revenues Under Expenditures	(3,447,998)	(3,400,726)	(1,756,275)	1,644,451
Other Financing Sources:				
Transfers In	2,359,152	2,429,880	2,311,880	(118,000)
Transfers Out	(550,000)	(668,000)	-	668,000
Sale of Capital Assets	-	-	1,293	1,293
Total Other Financing Sources	<u>1,809,152</u>	<u>1,761,880</u>	<u>2,313,173</u>	<u>551,293</u>
Net Change in Fund Balances	<u>\$ (1,638,846)</u>	<u>(1,638,846)</u>	556,898	<u>2,195,744</u>
Fund Balance - Beginning			<u>2,605,995</u>	
Fund Balance - Ending			<u>\$ 3,162,893</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 556,898	
Revenue and Transfer Accruals			(36,894)	
Expenditure and Transfer Accruals			<u>(14,000)</u>	
Net Change in Fund Balance, GAAP Basis			506,004	
Fund Balance - Beginning, GAAP Basis			<u>2,608,329</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 3,114,333</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 422,227	422,227	731,055	308,828
Permits and Fees	771,993	771,993	1,021,247	249,254
Reimbursement for Services	-	-	16,000	16,000
Investment Earnings	-	15,394	204,690	189,296
Miscellaneous	-	-	163	163
Total Revenues	1,194,220	1,209,614	1,973,155	763,541
Expenditures -- Public Safety:				
Personal Services	5,847,806	5,847,806	4,993,576	854,230
Materials and Supplies	47,200	47,200	21,708	25,492
Other Services and Charges	3,731,614	2,725,914	1,167,388	1,558,526
Capital Outlay	299,509	299,509	65,499	234,010
Total Expenditures	9,926,129	8,920,429	6,248,171	2,672,258
Deficiency of Revenues Under Expenditures	(8,731,909)	(7,710,815)	(4,275,016)	3,435,799
Other Financing Sources:				
Transfers In	5,844,430	5,889,744	5,847,623	(42,121)
Transfers Out	-	(1,021,094)	(1,024,287)	(3,193)
Total Other Financing Sources	5,844,430	4,868,650	4,823,336	(45,314)
Net Change in Fund Balances	\$ (2,887,479)	(2,842,165)	548,320	3,390,485
Fund Balance - Beginning			6,282,975	
Fund Balance - Ending			\$ 6,831,295	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 548,320	
Revenue and Transfer Accruals			119,443	
Expenditure and Transfer Accruals			299,843	
Net Change in Fund Balance, GAAP Basis			967,606	
Fund Balance - Beginning, GAAP Basis			5,816,083	
Fund Balance - Ending, GAAP Basis			\$ 6,783,689	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 5,000	5,000	19	(4,981)
Total Revenues	5,000	5,000	19	(4,981)
Other Financing Uses:				
Transfers Out	(5,000)	(5,000)	-	5,000
Net Change in Fund Balances	\$ -	-	19	19
Fund Balance - Beginning			235,125	
Fund Balance - Ending			\$ 235,144	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 19	
Revenue and Transfer Accruals			(4)	
Expenditure Accruals			-	
Net Change in Fund Balance, GAAP Basis			15	
Fund Balance - Beginning, GAAP Basis			235,129	
Fund Balance - Ending, GAAP Basis			\$ 235,144	

CITY OF LINCOLN, NEBRASKA
FAST FORWARD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ -	-	179,594	179,594
Total Revenues	-	-	179,594	179,594
Expenditures -- Health and Welfare:				
Other Services and Charges	1,000,000	1,000,000	-	1,000,000
Total Expenditures	1,000,000	1,000,000	-	1,000,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000,000)	(1,000,000)	179,594	1,179,594
Other Financing Uses:				
Transfers Out	1,000,000	1,000,000	1,000,000	-
Total Other Financing Uses	1,000,000	1,000,000	1,000,000	-
Net Change in Fund Balances	\$ -	-	1,179,594	1,179,594
Fund Balance - Beginning			5,244,580	
Fund Balance - Ending			\$ 6,424,174	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis Revenue and Transfer Accruals			\$ 1,179,594	
			74,090	
Net Change in Fund Balance, GAAP Basis			1,253,684	
Fund Balance - Beginning, GAAP Basis			5,195,940	
Fund Balance - Ending, GAAP Basis			\$ 6,449,624	

CITY OF LINCOLN, NEBRASKA
ADVANCE ACQUISITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ -	-	109,610	109,610
Rental Income	-	-	4,000	4,000
Total Revenues	-	-	113,610	113,610
Expenditures -- Health and Welfare:				
Other Services and Charges	20,000	20,000	38,794	(18,794)
Capital Outlay	-	558,317	558,317	-
Total Expenditures	20,000	578,317	597,111	(18,794)
Deficiency of Revenues Under Expenditures	(20,000)	(578,317)	(483,501)	94,816
Other Financing Sources (Uses):				
Transfers Out	(2,761,057)	(2,761,057)	-	2,761,057
Sale of Assets	-	-	530,753	530,753
Total Other Financing Sources (Uses)	(2,761,057)	(2,761,057)	530,753	3,291,810
Net Change in Fund Balances	\$ (2,781,057)	(3,339,374)	47,252	3,386,626
Fund Balance - Beginning			3,424,431	
Fund Balance - Ending			\$ 3,471,683	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 47,252	
Revenue and Transfer Accruals			37,258	
Expenditure and Transfer Accruals			36	
Net Change in Fund Balance, GAAP Basis			84,546	
Fund Balance - Beginning, GAAP Basis			3,399,865	
Fund Balance - Ending, GAAP Basis			\$ 3,484,411	

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Permits and Fees	\$ 190,000	190,000	165,604	(24,396)
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>165,604</u>	<u>(24,396)</u>
Expenditures -- General Government:				
Personal Services	28,655	28,655	29,269	(614)
Materials and Supplies	6,920	19,251	16,650	2,601
Other Services and Charges	77,570	77,570	39,686	37,884
Capital Outlay	100,000	87,669	87,670	(1)
Total Expenditures	<u>213,145</u>	<u>213,145</u>	<u>173,275</u>	<u>39,870</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,145)	(23,145)	(7,671)	15,474
Other Financing Sources:				
Net Change in Fund Balances	<u>\$ (23,145)</u>	<u>(23,145)</u>	(7,671)	<u>15,474</u>
Fund Balance - Beginning			<u>307,224</u>	
Fund Balance - Ending			<u>\$ 299,553</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (7,671)	
Revenue and Transfer Accruals			(1,600)	
Expenditure and Transfer Accruals			<u>(13,729)</u>	
Net Change in Fund Balance, GAAP Basis			(23,000)	
Fund Balance - Beginning, GAAP Basis			<u>333,567</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 310,567</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN CITY LIBRARIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 9,446,179	9,446,179	9,785,131	338,952
Sundry Taxes and In Lieu	5,000	5,000	3,247	(1,753)
Intergovernmental	955,147	955,147	955,147	-
Permits and Fees	72,000	72,000	76,203	4,203
Investment Earnings	9,500	9,500	108,721	99,221
Rental Income	1,200	1,200	1,200	-
Miscellaneous	26,800	26,800	28,811	2,011
Total Revenues	10,515,826	10,515,826	10,958,460	442,634
Expenditures -- Culture and Recreation:				
Personal Services	7,829,246	7,772,722	7,626,994	145,728
Materials and Supplies	179,000	179,000	156,034	22,966
Other Services and Charges	3,374,059	3,410,583	1,516,710	1,893,873
Capital Outlay	992,844	892,844	957,236	(64,392)
Total Expenditures	12,375,149	12,255,149	10,256,974	1,998,175
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,859,323)	(1,739,323)	701,486	2,440,809
Other Financing Sources (Uses):				
Transfers In	-	-	1,961	1,961
Transfers Out	-	-	(178,738)	(178,738)
Sale of Capital Assets	-	-	658	658
Total Other Financing Sources (Uses)	-	-	(176,119)	(176,119)
Net Change in Fund Balances	\$ (1,859,323)	(1,739,323)	525,367	2,264,690
Fund Balance - Beginning			4,566,857	
Fund Balance - Ending			\$ 5,092,224	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 525,367	
Revenue and Transfer Accruals			(54,116)	
Expenditure and Transfer Accruals			11,155	
Net Change in Fund Balance, GAAP Basis			482,406	
Fund Balance - Beginning, GAAP Basis			4,678,782	
Fund Balance - Ending, GAAP Basis			\$ 5,161,188	

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Assessment	\$ 1,000	1,000	1,489	489
Intergovernmental	3,285,390	3,285,390	3,284,195	(1,195)
Permits and Fees	5,153,128	5,153,128	5,013,865	(139,263)
Reimbursement for Services	714,148	714,148	232,788	(481,360)
Investment Earnings	31,500	31,500	257,296	225,796
Parking Revenue	-	-	2	2
Miscellaneous	-	-	781	781
Total Revenues	<u>9,185,166</u>	<u>9,185,166</u>	<u>8,790,416</u>	<u>(394,750)</u>
Expenditures -- Health and Welfare:				
Personal Services	13,709,847	13,693,067	12,174,340	1,518,727
Materials and Supplies	565,159	675,159	415,958	259,201
Other Services and Charges	7,291,076	7,157,856	3,989,749	3,168,107
Capital Outlay	105,790	145,790	61,958	83,832
Total Expenditures	<u>21,671,872</u>	<u>21,671,872</u>	<u>16,642,005</u>	<u>5,029,867</u>
Deficiency of Revenues Under Expenditures	<u>(12,486,706)</u>	<u>(12,486,706)</u>	<u>(7,851,589)</u>	<u>4,635,117</u>
Other Financing Sources (Uses):				
Transfers In	8,288,123	8,288,123	8,306,442	18,319
Transfers Out	-	-	(37,077)	(37,077)
Total Other Financing Sources (Uses)	<u>8,288,123</u>	<u>8,288,123</u>	<u>8,269,365</u>	<u>(18,758)</u>
Net Change in Fund Balances	<u>\$ (4,198,583)</u>	<u>(4,198,583)</u>	417,776	<u>4,616,359</u>
Fund Balance - Beginning			<u>7,636,545</u>	
Fund Balance - Ending			<u>\$ 8,054,321</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 417,776	
Revenue and Transfer Accruals			(43,442)	
Expenditure and Transfer Accruals			<u>14,654</u>	
Net Change in Fund Balance, GAAP Basis			388,988	
Fund Balance - Beginning, GAAP Basis			<u>7,246,290</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 7,635,278</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 220,000	220,000	1,019	(218,981)
Total Revenues	220,000	220,000	1,019	(218,981)
Expenditures -- General Government:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,000	220,000	1,019	(218,981)
Other Financing Sources:				
Transfers Out	(220,000)	(220,000)	-	220,000
Net Change in Fund Balances	\$ -	-	1,019	1,019
Fund Balance - Beginning			659	
Fund Balance - Ending			\$ 1,678	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,019	
Revenue and Transfer Accruals			(121)	
Net Change in Fund Balance, GAAP Basis			898	
Fund Balance - Beginning, GAAP Basis			777	
Fund Balance - Ending, GAAP Basis			\$ 1,675	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,891,724	5,906,303	5,905,539	(764)
Permits and Fees	3,529,443	3,529,443	3,221,595	(307,848)
Reimbursement for Services	140,000	140,000	118,387	(21,613)
Miscellaneous	158,000	158,000	204,546	46,546
Total Revenues	<u>6,719,167</u>	<u>9,733,746</u>	<u>9,450,067</u>	<u>(283,679)</u>
Expenditures -- Mass Transit:				
Personal Services	12,085,018	14,014,915	12,220,858	1,794,057
Materials and Supplies	1,610,226	2,694,908	3,233,612	(538,704)
Other Services and Charges	1,881,857	1,881,857	1,724,694	157,163
Capital Outlay	-	-	11,392	(11,392)
Total Expenditures	<u>15,577,101</u>	<u>18,591,680</u>	<u>17,190,556</u>	<u>1,401,124</u>
Deficiency of Revenues Under Expenditures	(8,857,934)	(8,857,934)	(7,740,489)	1,117,445
Other Financing Sources (Uses):				
Transfers In	8,749,161	8,749,161	8,749,161	-
Transfers Out	-	-	(14,459)	(14,459)
Sale of Assets	-	-	35,285	35,285
Total Other Financing Sources (Uses)	<u>8,749,161</u>	<u>8,749,161</u>	<u>8,769,987</u>	<u>20,826</u>
Net Change in Fund Balances	<u>\$ (108,773)</u>	<u>(108,773)</u>	1,029,498	<u>1,138,271</u>
Amount Budgeted on Project Basis			(187,703)	
Fund Balance - Beginning			<u>2,767,294</u>	
Fund Balance - Ending			<u>\$ 3,609,089</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,029,498	
Revenue and Transfer Accruals			649,760	
Expenditure and Transfer Accruals			(442,810)	
Amount Budgeted on Project Basis			<u>(187,703)</u>	
Net Change in Fund Balance, GAAP Basis			1,048,745	
Fund Balance - Beginning, GAAP Basis			<u>3,741,244</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 4,789,989</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Keno Proceeds	\$ 5,991,558	5,991,558	7,133,752	1,142,194
Miscellaneous	-	-	258,352	258,352
Total Revenues	5,991,558	5,991,558	7,392,104	1,400,546
Expenditures:				
General Government:				
Other Services and Charges	2,314,000	2,314,000	2,773,291	(459,291)
Culture and Recreation:				
Materials and Supplies	-	209,000	183,709	25,291
Capital Outlay	1,229,585	1,020,585	928,762	91,823
Debt Service	-	-	484,600	(484,600)
Total Expenditures	3,543,585	3,543,585	4,370,362	(826,777)
Excess of Revenues Over Expenditures	2,447,973	2,447,973	3,021,742	573,769
Other Financing Uses:				
Transfers Out	(6,930,744)	(7,130,744)	(3,492,671)	3,638,073
Net Change in Fund Balances	\$ (4,482,771)	(4,682,771)	(470,929)	573,769
Fund Balance - Beginning			8,070,625	
Fund Balance - Ending			\$ 7,599,696	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (470,929)	
Revenue and Transfer Accruals			(16,679)	
Expenditure and Transfer Accruals			25,393	
Net Change in Fund Balance, GAAP Basis			(462,215)	
Fund Balance - Beginning, GAAP Basis			8,002,714	
Fund Balance - Ending, GAAP Basis			\$ 7,540,499	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 7,646,513	7,646,513	6,577,919	(1,068,594)
Reimbursement for Services	158,716	158,716	127,879	(30,837)
Investment Earnings	-	-	45,417	45,417
Miscellaneous	52	52	446	394
Total Revenues	7,805,281	7,805,281	6,751,661	(1,053,620)
Expenditures -- Public Safety:				
Personal Services	6,724,158	6,724,158	6,532,387	191,771
Materials and Supplies	78,649	78,649	54,288	24,361
Other Services and Charges	2,724,196	2,724,196	2,111,727	612,469
Capital Outlay	85,563	85,563	209,041	(123,478)
Total Expenditures	9,612,566	9,612,566	8,907,443	705,123
Deficiency of Revenue Under Expenditures	(1,807,285)	(1,807,285)	(2,155,782)	(348,497)
Other Financing Sources (Uses):				
Transfers In	1,444,042	1,444,042	1,444,042	-
Transfers Out	-	-	(3,162)	(3,162)
Total Other Financing Sources (Uses)	1,444,042	1,444,042	1,440,880	(3,162)
Net Change in Fund Balances	\$ (363,243)	(363,243)	(714,902)	(351,659)
Fund Balance - Beginning			12,932,582	
Fund Balance - Ending			\$ 12,217,680	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (714,902)	
Revenue and Transfer Accruals			26,447	
Expenditure and Transfer Accruals			(9,781)	
Net Change in Fund Balance, GAAP Basis			(698,236)	
Fund Balance - Beginning, GAAP Basis			12,674,264	
Fund Balance - Ending, GAAP Basis			\$ 11,976,028	

CITY OF LINCOLN, NEBRASKA
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Permits and Fees	\$ 6,555,100	6,555,100	157,340	(6,397,760)
Investment Earnings	-	-	(353,960)	(353,960)
Total Revenues	6,555,100	6,555,100	(196,620)	(6,751,720)
Expenditures -- Health and Welfare:				
Other Services and Charges	40,610	40,610	20,254	20,356
Total Expenditures	40,610	40,610	20,254	20,356
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,514,490	6,514,490	(216,874)	(6,731,364)
Other Financing Uses:				
Transfers Out	(6,355,100)	(6,355,100)	-	6,355,100
Net Change in Fund Balances	\$ 159,390	159,390	(216,874)	(376,264)
Fund Balance - Beginning			556,194	
Fund Balance - Ending			\$ 339,320	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (216,874)	
Revenue and Transfer Accruals			288,626	
Expenditure and Transfer Accruals			3,458	
Net Change in Fund Balance, GAAP Basis			75,210	
Fund Balance - Beginning, GAAP Basis			726,136	
Fund Balance - Ending, GAAP Basis			\$ 801,346	

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ 1,400	1,400	7,327	5,927
Donations	95,220	95,220	132,652	37,432
Total Revenues	<u>96,620</u>	<u>96,620</u>	<u>139,979</u>	<u>43,359</u>
Expenditures -- Culture and Recreation:				
Personal Services	86,370	86,370	106,237	(19,867)
Other Services and Charges	250	250	-	250
Capital Outlay	10,000	10,000	5,777	4,223
Total Expenditures	<u>96,620</u>	<u>96,620</u>	<u>112,014</u>	<u>(15,394)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	27,965	<u>27,965</u>
Fund Balance - Beginning			<u>195,742</u>	
Fund Balance - Ending			<u>\$ 223,707</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 27,965	
Revenue and Transfer Accruals			2,796	
Expenditure and Transfer Accruals			<u>(425)</u>	
Net Change in Fund Balance, GAAP Basis			30,336	
Fund Balance - Beginning, GAAP Basis			<u>187,566</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 217,902</u>	

CITY OF LINCOLN, NEBRASKA
LINCOLN BIKE SHARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Donations	\$ 100,000	100,000	112,785	12,785
Rental Income	45,000	45,000	47,754	2,754
Total Revenues	145,000	145,000	160,539	15,539
Expenditures -- Mass Transit:				
Other Services and Charges	302,790	302,790	427,281	(124,491)
Total Expenditures	302,790	302,790	427,281	(124,491)
Deficiency of Revenues Under Expenditures	(157,790)	(157,790)	(266,742)	(108,952)
Other Financing Sources:				
Transfers In	157,790	157,790	157,790	-
Net Change in Fund Balances	\$ -	-	(108,952)	(108,952)
Fund Balance - Beginning			(539,060)	
Fund Balance - Ending			\$ (648,012)	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (108,952)	
Revenue and Transfer Accruals			(5,014)	
Expenditure and Transfer Accruals			90,721	
Net Change in Fund Balance, GAAP Basis			(23,245)	
Fund Balance - Beginning, GAAP Basis			(682,107)	
Fund Balance - Ending, GAAP Basis			\$ (705,352)	

CITY OF LINCOLN, NEBRASKA
VEHICLE TAX RESIDUAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Wheel Tax	\$ 9,690,950	9,690,950	10,001,756	310,806
Total Revenues	<u>9,690,950</u>	<u>9,690,950</u>	<u>10,001,756</u>	<u>310,806</u>
Other Financing Uses:				
Transfers Out	<u>(9,690,950)</u>	<u>(9,690,950)</u>	<u>(9,991,756)</u>	<u>(300,806)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	10,000	<u>10,000</u>
Fund Balance - Beginning			<u>69,018</u>	
Fund Balance - Ending			<u>\$ 79,018</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis Revenue and Transfer Accruals			\$ 10,000 <u>(15,764)</u>	
Net Change in Fund Balance, GAAP Basis			(5,764)	
Fund Balance - Beginning, GAAP Basis			<u>1,037,898</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 1,032,134</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ -	-	3,784,631	3,784,631
Investment Earnings	-	-	90,573	90,573
Miscellaneous	-	-	12,635	12,635
Total Revenues	-	-	3,887,839	3,887,839
Expenditures -- Debt Service:				
Principal Retirement	542,416	542,416	412,903	129,513
Interest	66,944	66,944	46,546	20,398
Fiscal Charges	-	-	350	(350)
Developer Purchased TIF Payments	-	-	2,010,490	(2,010,490)
Miscellaneous	-	-	13,072	(13,072)
Total Expenditures	609,360	609,360	2,483,361	(1,874,001)
Excess (Deficiency) of Revenues				
Over (Under) Over Expenditures	(609,360)	(609,360)	1,404,478	2,013,838
Other Financing Uses:				
Transfers Out	-	-	(204,908)	(204,908)
Net Change in Fund Balances	\$ (609,360)	(609,360)	1,199,570	1,808,930
Fund Balances - Beginning			2,934,190	
Fund Balances - Ending			\$ 4,133,760	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 1,199,570	
Revenue and Transfer Accruals			96,518	
Expenditure and Transfer Accruals			(336,528)	
Net Change in Fund Balance, GAAP Basis			959,560	
Fund Balance - Beginning, GAAP Basis			2,072,822	
Fund Balance - Ending, GAAP Basis			\$ 3,032,382	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 4,090,785	4,090,785	3,939,722	(151,063)
Sundry and In Lieu Tax	1,900	1,900	1,310	(590)
Investment Earnings	12,240	12,240	81,633	69,393
Total Revenues	4,104,925	4,104,925	4,022,665	(82,260)
Expenditures -- Debt Service:				
Principal Retirement	3,110,000	3,110,000	3,182,794	(72,794)
Interest	991,825	991,825	1,009,228	(17,403)
Fiscal Charges	3,100	3,100	10,959	(7,859)
Capital Lease Principal	-	-	2,675,000	(2,675,000)
Capital Lease Interest	-	-	496,669	(496,669)
Total Expenditures	4,104,925	4,104,925	7,374,650	(3,269,725)
Deficiency of Revenues Under Expenditures	-	-	(3,351,985)	(3,351,985)
Other Financing Sources:				
Transfers In	-	-	3,270,212	3,270,212
Total Other Financing Sources (Uses)	-	-	3,270,212	3,270,212
Net Change in Fund Balances	\$ -	-	(81,773)	(81,773)
Fund Balances - Beginning			2,990,506	
Fund Balances - Ending			\$ 2,908,733	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (81,773)	
Revenue and Transfer Accruals			(27,910)	
Net Change in Fund Balance, GAAP Basis			(109,683)	
Fund Balance - Beginning, GAAP Basis			3,181,894	
Fund Balance - Ending, GAAP Basis			\$ 3,072,211	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Turnback Tax	\$ 1,800,000	1,800,000	2,301,626	501,626
Occupation Tax	-	-	1,667,939	1,667,939
Investment Earnings	-	-	49,938	49,938
Total Revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>4,019,503</u>	<u>2,219,503</u>
Expenditures -- Debt Service:				
Principal Retirement	6,450,000	6,450,000	6,450,000	-
Interest	1,527,348	1,527,348	1,808,294	(280,946)
Fiscal Charges	-	-	2,000	(2,000)
Payments Made to Developer	-	-	1,677,124	(1,677,124)
Total Expenditures	<u>7,977,348</u>	<u>7,977,348</u>	<u>9,937,418</u>	<u>(1,960,070)</u>
Deficiency of Revenues Under Expenditures	(6,177,348)	(6,177,348)	(5,917,915)	259,433
Other Financing Sources (Uses):				
Transfers In	6,428,900	6,428,900	6,709,847	280,947
Transfers Out	(311,561)	(311,561)	(311,561)	-
Total Other Financing Sources (Uses)	<u>6,117,339</u>	<u>6,117,339</u>	<u>6,398,286</u>	<u>280,947</u>
Net Change in Fund Balances	<u>\$ (60,009)</u>	<u>(60,009)</u>	480,371	<u>540,380</u>
Fund Balances - Beginning			<u>848,009</u>	
Fund Balances - Ending			<u>\$ 1,328,380</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 480,371	
Revenue and Transfer Accruals			25,812	
Expenditure and Transfer Accruals			<u>(16,732)</u>	
Net Change in Fund Balance, GAAP Basis			489,451	
Fund Balance - Beginning, GAAP Basis			<u>185,437</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 674,888</u>	

CITY OF LINCOLN, NEBRASKA
SPECIAL ASSESSMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessment	\$ 1,500,000	1,500,000	1,298,999	(201,001)
Special Assessment Interest	125,000	125,000	92,299	(32,701)
Total Revenues	1,625,000	1,625,000	1,391,298	(233,702)
Expenditures -- Debt Service:				
Principal Retirement	210,000	210,000	210,000	-
Interest	74,100	74,100	74,100	-
Fiscal Charges	-	-	800	(800)
Total Expenditures	284,100	284,100	284,900	(800)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,340,900	1,340,900	1,106,398	(234,502)
Other Financing Sources (Uses):				
Transfers Out	(1,600,000)	(1,600,000)	(1,212,117)	387,883
Total Other Financing Sources (Uses)	(1,600,000)	(1,600,000)	(1,212,117)	387,883
Net Change in Fund Balances	\$ (259,100)	(259,100)	(105,719)	153,381
Fund Balances - Beginning			1,021,198	
Fund Balances - Ending			\$ 915,479	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ (105,719)	
Revenue and Transfer Accruals			(12,416)	
Expenditure and Transfer Accruals			63,613	
Net Change in Fund Balance, GAAP Basis			(54,522)	
Fund Balance - Beginning, GAAP Basis			1,086,230	
Fund Balance - Ending, GAAP Basis			\$ 1,031,708	

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ 2,788,461	2,788,461	4,888,943	2,100,482
Donations	-	-	925	925
Total Revenues	<u>2,788,461</u>	<u>2,788,461</u>	<u>4,889,868</u>	<u>2,101,407</u>
Expenditures -- Health and Welfare:				
Personal Services	500,905	500,905	456,708	44,197
Materials and Supplies	4,200	4,200	6,055	(1,855)
Other Services and Charges	4,880,433	4,880,433	2,193,519	2,686,914
Grants	-	-	7,906	(7,906)
Total Expenditures	<u>5,385,538</u>	<u>5,385,538</u>	<u>2,664,188</u>	<u>2,721,350</u>
Net Change in Fund Balance	<u>\$ (2,597,077)</u>	<u>(2,597,077)</u>	2,225,680	<u>4,822,757</u>
Fund Balances - Beginning			<u>63,256,959</u>	
Fund Balances - Ending			<u>\$ 65,482,639</u>	
Reconciliation between Budget Basis and GAAP:				
Net Change in Fund Balance, Budget Basis			\$ 2,225,680	
Revenue and Transfer Accruals			3,834	
Expenditure and Transfer Accruals			<u>(48,310)</u>	
Net Change in Fund Balance, GAAP Basis			2,181,204	
Fund Balance - Beginning, GAAP Basis			<u>63,180,156</u>	
Fund Balance - Ending, GAAP Basis			<u>\$ 65,361,360</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 12 downtown parking garages: Carriage Park, Que Place, Center Park, Cornhusker Square, University Square, Market Place, Haymarket, Larson Building, Lumberworks, 1318M, Eagle, and Gold 4; 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, 2023

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 394,164	535,036	10,622,609	1,358,897	304,774	36,735	13,252,215
Investments	2,577,855	6,750,768	-	7,524,114	5,526,277	617,611	22,996,625
Receivables (Net of Allowance for Uncollectibles)	31,722	54,387	351,428	2,130,734	1,703,062	1,259,439	5,530,772
Due from Other Funds	-	995,171	71,269	433,900	-	-	1,500,340
Due from Other Governments	-	-	-	17,683	-	-	17,683
Inventories	107,917	-	316,984	-	424,178	-	849,079
Prepaid Expenses	-	-	124,654	-	-	-	124,654
Total Current Assets	3,111,658	8,335,362	11,486,944	11,465,328	7,958,291	1,913,785	44,271,368
Noncurrent Assets:							
Investments	424,862	1,112,608	-	1,240,066	910,798	101,790	3,790,124
Leases Receivable	-	-	-	-	-	20,181,527	20,181,527
Restricted Assets:							
Cash and Cash Equivalents	-	124,991	-	58,224	-	-	183,215
Investments	-	2,721,212	-	1,157,297	-	-	3,878,509
Receivables	-	31,783	-	13,600	-	-	45,383
Total Restricted Assets	-	2,877,986	-	1,229,121	-	-	4,107,107
Capital Assets:							
Land	1,068,949	17,127,041	-	1,540,452	-	-	19,736,442
Buildings	4,447,857	94,706,495	-	3,643,440	168,363	-	102,966,155
Improvements Other Than Buildings	10,876,779	11,663,760	-	54,869,730	-	52,093,176	129,503,445
Machinery and Equipment	2,927,801	5,115,254	1,294,696	13,659,070	3,892,409	110,021	26,999,251
Construction in Progress	-	696,738	-	586,420	-	-	1,283,158
Less Accumulated Depreciation	(12,485,161)	(40,954,553)	(661,562)	(42,406,562)	(2,029,754)	(6,705,372)	(105,242,964)
Total Assets, Net	6,836,225	88,354,735	633,134	31,892,550	2,031,018	45,497,825	175,245,487
Lease Assets:							
Lease Assets	1,623,503	2,581,967	-	-	-	-	4,205,470
Less Amortization	(389,982)	(214,596)	-	-	-	-	(604,578)
Total Lease, Net	1,233,521	2,367,371	-	-	-	-	3,600,892
Subscription Assets:							
Subscription Assets	120,915	-	-	-	-	-	120,915
Less Amortization	(17,633)	-	-	-	-	-	(17,633)
Total Subscription Assets, Net	103,282	-	-	-	-	-	103,282
Total Capital Assets, Net	8,173,028	90,722,106	633,134	31,892,550	2,031,018	45,497,825	178,949,661
Total Noncurrent Assets	8,597,890	94,712,700	633,134	34,361,737	2,941,816	65,781,142	207,028,419
Total Assets	11,709,548	103,048,062	12,120,078	45,827,065	10,900,107	67,694,927	251,299,787
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	757,045	-	-	-	-	757,045
Deferred Outflows for Pension	-	-	-	-	1,508,397	-	1,508,397
Deferred Outflows for OPEB	23,111	6,156	-	49,288	216,803	-	295,358
Total Deferred Outflows of Resources	23,111	763,201	-	49,288	1,725,200	-	2,560,800

(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	266,782	735,396	1,326,484	466,907	146,715	65,063	3,007,347
Accrued Liabilities	73,461	11,105	187,822	112,509	229,840	20,413	635,150
Accrued Compensated Absences	103,679	24,628	13,933	161,470	84,803	39,563	428,076
Notes Payable	-	-	-	-	156,055	-	156,055
Due to Other Funds	219	1,060	30,179	2,048	143,116	13,069	189,691
Due to Other Governments	63,503	62	340,208	8,252	74	-	412,099
Unearned Revenue	194,696	402,324	6,246,546	-	-	-	6,843,566
Accrued Interest	23,395	41,204	-	18,111	14,345	-	97,055
Accrued Lease Interest	5,235	10,490	-	-	-	-	15,725
Accrued Subscription Interest	1,125	-	-	-	-	-	1,125
Current Portion of COPs	115,000	-	-	-	-	-	115,000
Current Portion of Long-Term Debt	-	3,055,000	-	620,000	-	-	3,675,000
Current Portion of OPEB Liability	3,611	962	-	7,702	27,305	-	39,580
Current Portion of Lease Liability	399,166	87,800	-	-	-	-	486,966
Current Portion of Subscription Liability	29,271	-	-	-	-	-	29,271
Total Current Liabilities	<u>1,279,143</u>	<u>4,370,031</u>	<u>8,145,172</u>	<u>1,396,999</u>	<u>802,253</u>	<u>138,108</u>	<u>16,131,706</u>
Noncurrent Liabilities:							
Accrued Compensated Absences	128,092	-	-	250,188	91,314	-	469,594
Long-Term Debt, Net	219,388	34,899,490	-	5,980,298	-	-	41,099,176
COPs Payable	980,000	-	-	-	-	-	980,000
Notes Payable	-	-	-	-	517,663	-	517,663
Net Pension Liability	-	-	-	-	4,826,973	-	4,826,973
Total OPEB Liability, Net	73,149	19,483	-	156,004	718,648	-	967,284
Lease Liability	646,671	2,312,318	-	-	-	-	2,958,989
Subscription Liability	60,444	-	-	-	-	-	60,444
Postclosure Care Costs	-	-	-	36,955,000	-	-	36,955,000
Total Noncurrent Liabilities	<u>2,107,744</u>	<u>37,231,291</u>	<u>-</u>	<u>43,341,490</u>	<u>6,154,598</u>	<u>-</u>	<u>88,835,123</u>
Total Liabilities	<u>3,386,887</u>	<u>41,601,322</u>	<u>8,145,172</u>	<u>44,738,489</u>	<u>6,956,851</u>	<u>138,108</u>	<u>104,966,829</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Pension	-	-	-	-	280,875	-	280,875
Deferred Inflows for OPEB	56,636	15,084	-	120,787	550,389	-	742,896
Deferred Inflows for Leases	-	-	-	-	-	21,035,914	21,035,914
Total Deferred Inflows of Resources	<u>56,636</u>	<u>15,084</u>	<u>-</u>	<u>120,787</u>	<u>831,264</u>	<u>21,035,914</u>	<u>22,059,685</u>
NET POSITION							
Net Investment in Capital Assets	5,723,088	50,833,876	633,134	26,378,176	1,357,300	45,497,825	130,423,399
Restricted for:							
Capital Projects	-	2,877,986	-	112,037	-	-	2,990,023
Unrestricted	2,566,048	8,482,995	3,341,772	(25,473,136)	3,479,892	1,023,080	(6,579,349)
Total Net Position	<u>\$ 8,289,136</u>	<u>62,194,857</u>	<u>3,974,906</u>	<u>1,017,077</u>	<u>4,837,192</u>	<u>46,520,905</u>	<u>126,834,073</u>



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Operating Revenues							
Charges for Services	\$ 448,911	1,984,850	-	-	11,069,020	98,520	13,601,301
Fees	5,844,349	946,670	-	10,880,470	-	-	17,671,489
Parking Revenue	-	10,344,610	-	-	-	-	10,344,610
Performance Revenue	-	-	12,236,947	-	-	-	12,236,947
Other Operating Revenue	49,023	257,344	1,946,278	922,178	-	4,449	3,179,272
Total Operating Revenues	<u>6,342,283</u>	<u>13,533,474</u>	<u>14,183,225</u>	<u>11,802,648</u>	<u>11,069,020</u>	<u>102,969</u>	<u>57,033,619</u>
Operating Expenses							
Personal Services	1,887,143	405,540	4,832,238	3,308,537	7,423,183	648,145	18,504,786
Contractual Services	189,128	4,124,775	1,249,166	6,157,814	783,144	734,097	13,238,124
Operation and Maintenance	2,482,924	2,980,495	6,456,294	3,829,939	1,089,774	1,270,996	18,110,422
Depreciation	353,492	2,716,502	108,150	2,743,933	330,304	1,669,904	7,922,285
Amortization	281,860	107,298	-	-	-	-	389,158
Total Operating Expenses	<u>5,194,547</u>	<u>10,334,610</u>	<u>12,645,848</u>	<u>16,040,223</u>	<u>9,626,405</u>	<u>4,323,142</u>	<u>58,164,775</u>
Operating Income (Loss)	<u>1,147,736</u>	<u>3,198,864</u>	<u>1,537,377</u>	<u>(4,237,575)</u>	<u>1,442,615</u>	<u>(4,220,173)</u>	<u>(1,131,156)</u>
Nonoperating Revenues (Expenses)							
Investment Earnings	102,322	213,590	-	58,814	254,169	42,160	671,055
Lease Income	-	-	-	-	-	1,257,458	1,257,458
Lease Interest Income	-	-	-	-	-	397,940	397,940
Grant Revenue	-	-	-	696,203	-	-	696,203
Gain (Loss) on Disposal of Capital Assets	50,160	-	-	(13,905)	82,003	-	118,258
Insurance Recoveries	-	-	-	2,030	-	-	2,030
Occupation Tax	-	-	-	5,675,780	-	40,000	5,715,780
Interest Expense and Fiscal Charges	(57,059)	(1,195,565)	-	(207,334)	(14,345)	-	(1,474,303)
Total Nonoperating Revenues (Expenses)	<u>95,423</u>	<u>(981,975)</u>	<u>-</u>	<u>6,211,588</u>	<u>321,827</u>	<u>1,737,558</u>	<u>7,384,421</u>
Income (Loss) Before Contributions and Transfers	1,243,159	2,216,889	1,537,377	1,974,013	1,764,442	(2,482,615)	6,253,265
Capital Contributions	441,505	-	165,341	6,000	5,744	7,978,713	8,597,303
Transfers In	168,650	1,230,058	-	-	-	100,000	1,498,708
Transfers Out	(1,016,583)	(2,046,128)	-	(1,954,518)	-	-	(5,017,229)
Change in Net Position	836,731	1,400,819	1,702,718	25,495	1,770,186	5,596,098	11,332,047
Net Position - Beginning	<u>7,452,405</u>	<u>60,794,038</u>	<u>2,272,188</u>	<u>991,582</u>	<u>3,067,006</u>	<u>40,924,807</u>	<u>115,502,026</u>
Net Position - Ending	<u>\$ 8,289,136</u>	<u>62,194,857</u>	<u>3,974,906</u>	<u>1,017,077</u>	<u>4,837,192</u>	<u>46,520,905</u>	<u>126,834,073</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	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	\$ 6,322,048	11,194,694	17,238,195	10,624,525	10,405,179	168,196	55,952,837
Receipts from Interfund Services Provided	-	2,141,847	-	24	-	-	2,141,871
Payments to Suppliers for Goods and Services	(2,018,736)	(6,699,846)	(6,736,431)	(6,310,553)	(1,444,883)	(2,086,257)	(25,296,706)
Payments to Employees	(1,860,304)	(390,968)	(5,317,329)	(3,231,517)	(6,459,613)	(634,626)	(17,894,357)
Payments for Interfund Services Provided	(895,970)	(1,099,348)	(1,332,157)	(768,201)	(916,691)	(57,177)	(5,069,544)
Other Receipts	49,023	257,345	1,946,278	922,178	-	4,449	3,179,273
Net Cash Provided (Used) by Operating Activities	<u>1,596,061</u>	<u>5,403,724</u>	<u>5,798,556</u>	<u>1,236,456</u>	<u>1,583,992</u>	<u>(2,605,415)</u>	<u>13,013,374</u>
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	5,538,034	-	40,000	5,578,034
Transfers from Other Funds	168,650	1,230,058	-	-	-	100,000	1,498,708
Transfers to Other Funds	(1,016,583)	(2,046,128)	-	(1,954,518)	-	-	(5,017,229)
Repayments from Other Funds	-	81,283	-	40,641	-	-	121,924
Grant Proceeds	-	-	-	927,304	-	-	927,304
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(847,933)</u>	<u>(734,787)</u>	<u>-</u>	<u>4,551,461</u>	<u>-</u>	<u>140,000</u>	<u>3,108,741</u>
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(94,480)	(2,950,466)	-	(2,568,066)	(99,713)	-	(5,712,725)
Capital Contributions	-	-	-	6,000	5,744	-	11,744
Proceeds from Sale of Capital Assets	50,160	-	-	-	-	-	50,160
Proceeds from Leases/Lease Interest	-	-	-	-	-	1,474,051	1,474,051
Insurance Recoveries	-	-	-	2,030	-	-	2,030
Principal Payments of Leases	(394,429)	(86,083)	-	-	-	-	(480,512)
Principal Payments of Subscriptions	(31,200)	-	-	-	-	-	(31,200)
Principal Payments of COPS	(110,000)	-	-	-	-	-	(110,000)
Principal Payments of Notes	-	-	-	-	(190,482)	-	(190,482)
Principal Payments of Bonded Debt	-	(2,975,000)	-	(600,000)	-	-	(3,575,000)
Interest and Fiscal Charges Paid	(79,502)	(1,097,843)	-	(245,013)	-	-	(1,422,358)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(659,451)</u>	<u>(7,109,392)</u>	<u>-</u>	<u>(3,405,049)</u>	<u>(284,451)</u>	<u>1,474,051</u>	<u>(9,984,292)</u>
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	3,177,233	14,000,581	-	9,478,959	5,749,656	1,750,132	34,156,561
Purchases of Investments	(3,207,031)	(11,304,784)	-	(10,596,565)	(6,875,073)	(768,351)	(32,751,804)
Interest and Other Receipts	46,422	76,437	-	25,946	52,221	19,805	220,831
Net Cash Provided (Used) by Investing Activities	<u>16,624</u>	<u>2,772,234</u>	<u>-</u>	<u>(1,091,660)</u>	<u>(1,073,196)</u>	<u>1,001,586</u>	<u>1,625,588</u>
Net Increase in Cash and Cash Equivalents	105,301	331,779	5,798,556	1,291,208	226,345	10,222	7,763,411
Cash and Cash Equivalents - Beginning	288,863	328,248	4,824,053	125,913	78,429	26,513	5,672,019
Cash and Cash Equivalents - Ending	<u>\$ 394,164</u>	<u>660,027</u>	<u>10,622,609</u>	<u>1,417,121</u>	<u>304,774</u>	<u>36,735</u>	<u>13,435,430</u>

(Continued)

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

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ 1,147,736	3,198,864	1,537,377	(4,237,575)	1,442,615	(4,220,173)	(1,131,156)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Depreciation and Amortization	635,352	2,823,800	108,150	2,743,933	330,304	1,669,904	8,311,443
Accounts Receivable and Unbilled Revenues	261	17,549	(163,908)	(147,870)	(663,841)	96,911	(860,898)
Due from Other Funds	-	(1,102)	84,707	(91,177)	-	-	(7,572)
Due from Other Governments	-	-	-	(16,874)	-	-	(16,874)
Inventories	(17,055)	-	(53,325)	-	(147,849)	-	(218,229)
Prepaid Expenses	-	-	(53,721)	-	-	-	(53,721)
Deferred Outflows for Pension	-	-	-	-	(362,011)	-	(362,011)
Deferred Outflows for OPEB	434	(2,799)	-	6,194	81	-	3,910
Accounts Payable	(208,292)	(670,708)	(579,777)	(359,256)	53,783	(206,210)	(1,970,460)
Accrued Liabilities	15,341	(1,106)	(182,722)	20,629	18,040	2,767	(127,051)
Accrued Compensated Absences	(23,570)	35	(100,430)	14,307	31,151	39,563	(38,944)
Due to Other Funds	219	(12,218)	10,739	(20,736)	23,116	11,823	12,943
Due to Other Governments	3,565	(10,998)	111,017	(190)	74	-	103,468
Unearned Revenue	28,526	43,965	5,080,449	-	-	-	5,152,940
Net Pension Liability	-	-	-	-	751,870	-	751,870
Total OPEB Liability	(38,376)	4,030	-	(107,604)	(314,621)	-	(456,571)
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	3,323,000	-	-	3,323,000
Deferred Inflows for Pension	-	-	-	-	(85,671)	-	(85,671)
Deferred Inflows for OPEB	51,920	14,412	-	109,675	506,951	-	682,958
Total Adjustments	448,325	2,204,860	4,261,179	5,474,031	141,377	1,614,758	14,144,530
Net Cash Provided (Used) by Operating Activities	\$ 1,596,061	5,403,724	5,798,556	1,236,456	1,583,992	(2,605,415)	13,013,374
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 441,505	-	165,341	6,000	5,744	7,978,713	8,597,303
Capital Asset Trade-Ins	-	-	-	61,000	240,400	-	301,400
Purchase of Capital Assets on Account	-	290,667	-	31,160	-	-	321,827
Change in Fair Value of Investments	35,075	69,828	-	13,891	61,883	20,802	201,479
Note Payable Incurred for Acquisition of Capital Assets	-	-	-	-	864,200	-	864,200
Amortization of Debt Premiums	22,039	20,876	-	35,485	-	-	78,400



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, 2023

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 144,429	205,460	2,684,183	323,966	247,852	78,552	3,684,442
Investments	2,647,672	3,786,224	49,045,735	5,961,290	4,538,099	1,385,597	67,364,617
Accounts Receivable	1,664	168,515	22,371	7,625	547,662	3,179	751,016
Lease Receivable	-	-	-	94,153	-	-	94,153
Accrued Interest Receivable	50,546	-	6,867	-	-	-	57,413
Due from Other Funds	34,840	256,304	1,198,677	69,689	977,208	77,891	2,614,609
Due from Other Governments	60,215	-	-	-	38,026	-	98,241
Inventories	-	-	-	1,022,185	379,091	-	1,401,276
Prepaid Expenses	951,982	-	-	-	-	-	951,982
Total Current Assets	3,891,348	4,416,503	52,957,833	7,478,908	6,727,938	1,545,219	77,017,749
Noncurrent Assets:							
Investments	436,369	624,016	8,032,550	982,494	747,934	228,363	11,051,726
Leases Receivable	-	-	-	1,456,784	-	-	1,456,784
Capital Assets:							
Land	-	-	-	-	335,751	1,258,700	1,594,451
Buildings	26,486	-	-	-	5,294,266	17,040,387	22,361,139
Improvements Other Than Buildings	-	-	-	407,891	45,500	1,923,344	2,376,735
Machinery and Equipment	5,335,207	187,707	28,936	27,328,453	16,386,075	116,330	49,382,708
Construction in Progress	-	-	-	461,516	-	-	461,516
Less Accumulated Depreciation	(4,444,918)	(110,530)	(28,936)	(15,680,837)	(1,323,993)	(6,469,490)	(38,058,704)
Total Assets, Net	916,775	77,177	-	12,517,023	10,737,599	13,869,271	38,117,845
Lease Assets:							
Lease Assets	-	-	-	18,918	-	-	18,918
Less Ammortization	-	-	-	(2,838)	-	-	(2,838)
Total Lease Assets, Net	-	-	-	16,080	-	-	16,080
Subscription Assets:							
Subscription Assets	1,138,782	540,906	-	-	-	-	1,679,688
Less Ammortization	(520,704)	(150,951)	-	-	-	-	(671,655)
Total Subscription Assets	618,078	389,955	-	-	-	-	1,008,033
Total Capital Assets, Net	1,534,853	467,132	-	12,533,103	10,737,599	13,869,271	39,141,958
Total Noncurrent Assets	1,971,222	1,091,148	8,032,550	14,972,381	11,485,533	14,097,634	51,650,468
Total Assets	5,862,570	5,507,651	60,990,383	22,451,289	18,213,471	15,642,853	128,668,217
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows for OPEB	58,511	87,777	7,711	29,267	23,110	7,711	214,087
LIABILITIES							
Current Liabilities:							
Accounts Payable	1,288,923	19,387	205,737	2,492,429	649,665	72,994	4,729,135
Accrued Liabilities	193,464	269,013	24,727	65,644	43,370	14,768	610,986
Accrued Compensated Absences	426,336	454,513	28,418	88,053	57,371	24,755	1,079,446
Due to Other Funds	4,900	117,923	-	218,849	15,592	4,250	361,514
Due to Other Governments	23,409	225	-	10	-	-	23,644
Unearned Revenue	-	49,108	-	-	-	-	49,108
Claims	-	-	5,819,719	-	-	-	5,819,719
Accrued Interest	-	-	-	48,748	-	64,880	113,628
Accrued Lease Interest	-	-	-	166	-	-	166
Accrued Subscription Interest	7,562	4,177	-	-	-	-	11,739
Current Portion of COPs	-	-	-	425,000	-	1,185,000	1,610,000
Current Portion of Lease Liability	-	-	-	1,167	-	-	1,167
Current Portion of Subscription Liability	223,503	183,356	-	-	-	-	406,859
Current Portion of Total OPEB Liability	9,143	13,716	1,205	4,573	3,611	1,205	33,453
Total Current Liabilities	2,177,240	1,111,418	6,079,806	3,344,639	769,609	1,367,852	14,850,564
Noncurrent Liabilities:							
Accrued Compensated Absences, Net	319,310	942,588	134,148	258,084	91,571	-	1,745,701
Claims, Net	-	-	8,902,142	-	-	-	8,902,142
COPs Payable, Net	-	-	-	2,314,224	-	4,250,895	6,565,119
Lease Liability, Net	-	-	-	15,289	-	-	15,289
Subscription Liability, Net	198,958	188,535	-	-	-	-	387,493
Total OPEB Liability, Net	185,193	277,824	24,407	92,632	73,149	24,406	677,611
Total Noncurrent Liabilities	703,461	1,408,947	9,060,697	2,680,229	164,720	4,275,301	18,293,355
Total Liabilities	2,880,701	2,520,365	15,140,503	6,024,868	934,329	5,643,153	33,143,919
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for OPEB	143,387	215,108	18,897	71,722	56,636	18,897	524,647
Deferred Inflows for Leases	-	-	-	1,479,611	-	-	1,479,611
Total Deferred Inflows of Resources	143,387	215,108	18,897	1,551,333	56,636	18,897	2,004,258
NET POSITION							
Net Investment in Capital Assets	1,112,392	95,241	-	7,650,295	10,410,990	8,433,376	27,702,294
Unrestricted	1,784,601	2,764,714	45,838,694	7,254,060	6,834,626	1,555,138	66,031,833
Total Net Position	\$ 2,896,993	2,859,955	45,838,694	14,904,355	17,245,616	9,988,514	93,734,127

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Information Services	Transportation & Utilities Revolving	Insurance Revolving	Fleet Services	Police Garage	Municipal Services Center	Total
Operating Revenues							
Charges for Services	\$ 15,940,077	10,169,406	52,370,994	8,084,087	7,674,711	2,892,066	97,131,341
Operating Expenses							
Personal Services	5,512,805	7,824,724	608,831	1,997,530	1,445,839	509,387	17,899,116
Materials and Supplies	1,303,209	68,769	9,946	2,363,007	1,754,670	44,989	5,544,590
Other Services and Charges	9,635,240	1,954,244	55,633,237	3,064,385	1,620,991	626,059	72,534,156
Depreciation	286,300	26,043	-	1,582,643	1,825,778	701,786	4,422,550
Amortization	520,704	150,951	-	1,419	-	-	673,074
Total Operating Expenses	17,258,258	10,024,731	56,252,014	9,008,984	6,647,278	1,882,221	101,073,486
Operating Income (Loss)	(1,318,181)	144,675	(3,881,020)	(924,897)	1,027,433	1,009,845	(3,942,145)
Nonoperating Revenues (Expenses)							
Investment Earnings	200,451	63,150	39,578	429	-	-	303,608
Lease Income	-	-	-	124,007	-	109,837	233,844
Lease Interest Income	-	-	-	30,811	-	1,829	32,640
Gain (Loss) on Disposal of Capital Assets	-	-	-	205,985	(23,445)	-	182,540
Interest Expense and Fiscal Charges	(17,013)	(9,307)	-	(60,934)	-	(94,487)	(181,741)
Total Nonoperating Revenues (Expenses)	183,438	53,843	39,578	300,298	(23,445)	17,179	570,891
Income Before Contributions and Transfers	(1,134,743)	198,518	(3,841,442)	(624,599)	1,003,988	1,027,024	(3,371,254)
Capital Contributions	-	-	-	20,568	85,578	-	106,146
Transfers In	-	227,223	-	8,417	308,000	-	543,640
Transfers Out	(100,000)	(120,420)	(49,000)	(1,378)	-	(590)	(271,388)
Change in Net Position	(1,234,743)	305,321	(3,890,442)	(596,992)	1,397,566	1,026,434	(2,992,856)
Net Position - Beginning of Year	4,131,736	2,554,634	49,729,136	15,501,347	15,848,050	8,962,080	96,726,983
Net Position - Ending	\$ 2,896,993	2,859,955	45,838,694	14,904,355	17,245,616	9,988,514	93,734,127



CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	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	\$ 4,904,126	9,056,661	14,132,276	1,302,628	1,586,690	90,868	31,073,249
Receipts from Interfund Services Provided	11,173,832	1,051,143	38,220,255	6,812,433	5,061,358	2,721,325	65,040,346
Payments to Suppliers for Goods and Services	(10,872,806)	(827,684)	(52,600,553)	(4,374,423)	(2,467,726)	(364,826)	(71,508,018)
Payments to Employees	(5,426,103)	(7,787,517)	(550,396)	(2,029,529)	(1,379,675)	(512,958)	(17,686,178)
Payments for Interfund Services Provided	(464,873)	(1,097,571)	(518,129)	(540,803)	(837,980)	(309,204)	(3,768,560)
Net Cash Provided (Used) by Operating Activities	(685,824)	395,032	(1,316,547)	1,170,306	1,962,667	1,625,205	3,150,839
Cash Flows from Noncapital Financing Activities							
Transfers from Other Funds	-	227,223	-	8,417	308,000	-	543,640
Transfers to Other Funds	(100,000)	(120,420)	(49,000)	(1,378)	-	(590)	(271,388)
Repayments from Other Funds	-	-	162,566	-	-	-	162,566
Net Cash Provided (Used) by Noncapital Financing Activities	(100,000)	106,803	113,566	7,039	308,000	(590)	434,818
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	-	(9,809)	-	(2,411,469)	(1,757,849)	(1,475,185)	(5,654,312)
Proceeds from Sale of Capital Assets	-	-	-	220,838	24,771	-	245,609
Proceeds from Leases/Lease Interest	-	-	-	119,678	-	116,152	235,830
Cost of Debt Issuance	-	-	-	-	-	(1,631)	(1,631)
Principal Payments of COP's	-	-	-	(400,000)	-	(1,135,000)	(1,535,000)
Principal Payments of Subscriptions	(725,772)	(174,145)	-	-	-	-	(899,917)
Principal Payments of Lease's	-	-	-	(1,452)	-	-	(1,452)
Interest and Fiscal Charges Paid	-	-	-	(137,217)	-	(224,695)	(361,912)
Net Cash Used by Capital and Related Financing Activities	(725,772)	(183,954)	-	(2,609,622)	(1,733,078)	(2,720,359)	(7,972,785)
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	4,775,923	4,516,840	63,866,302	8,958,770	5,283,879	2,855,350	90,257,064
Purchases of Investments	(3,293,888)	(4,710,327)	(60,941,094)	(7,416,259)	(5,645,711)	(1,723,779)	(83,731,058)
Interest and Other Receipts	108,172	17,179	32,708	427	-	-	158,486
Net Cash Provided (Used) by Investing Activities	1,590,207	(176,308)	2,957,916	1,542,938	(361,832)	1,131,571	6,684,492
Net Increase in Cash and Cash Equivalents	78,611	141,573	1,754,935	110,661	175,757	35,827	2,297,364
Cash and Cash Equivalents - Beginning	65,818	63,887	929,248	213,305	72,095	42,725	1,387,078
Cash and Cash Equivalents - Ending	\$ 144,429	205,460	2,684,183	323,966	247,852	78,552	3,684,442
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ (1,318,181)	144,675	(3,881,020)	(924,897)	1,027,433	1,009,845	(3,942,145)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	807,004	176,994	-	1,584,062	1,825,778	701,786	5,095,624
Changes in Assets and Liabilities:							
Accounts Receivable	(1,664)	(43,452)	(22,371)	21,265	(451,699)	(3,179)	(501,100)
Due from Other Funds	(23,278)	(50,560)	328	(33,341)	(558,827)	(76,694)	(742,372)
Due from Other Governments	162,823	-	3,579	43,050	(16,137)	-	193,315
Inventories	-	-	-	134,009	(107,032)	-	26,977
Prepaid Expenses	(104,172)	-	-	-	-	-	(104,172)
Deferred Outflows for OPEB	(1,350)	19,830	2,383	4,372	2,113	705	28,053
Accounts Payable	(320,826)	(2,656)	(832,209)	161,561	161,395	(6,485)	(839,220)
Accrued Liabilities	38,297	55,320	6,197	7,090	4,603	240	111,747
Accrued Compensated Absences	2,998	3,166	56,729	(41,153)	54,448	(6,184)	70,004
Due to Other Funds	2,366	100,215	(21,000)	216,586	15,592	3,502	317,261
Due to Other Governments	23,402	199	-	10	-	-	23,611
Unearned Revenue	-	32,410	-	-	-	-	32,410
Claims	-	-	3,377,711	-	-	-	3,377,711
Total OPEB Liability	(85,182)	(234,665)	(23,749)	(67,292)	(46,584)	(15,542)	(473,014)
Deferred Inflows for OPEB	131,939	193,556	16,875	64,984	51,584	17,211	476,149
Total Adjustments	632,357	250,357	2,564,473	2,095,203	935,234	615,360	7,092,984
Net Cash Provided (Used) by Operating Activities	\$ (685,824)	395,032	(1,316,547)	1,170,306	1,962,667	1,625,205	3,150,839
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ -	-	-	20,568	85,578	-	106,146
Purchase of Capital Assets on Account	-	-	-	2,127,128	326,609	-	2,453,737
Change in Fair Value of Investments	54,989	49,638	-	-	-	-	104,627
Amortization of Debt Premiums	-	-	-	68,243	-	113,993	182,236



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, 2023

	<u>Developer TIF Deposits</u>	<u>Seized Funds</u>	<u>Collections Due Other Governments</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 6,576,887	489,637	-	7,066,524
Receivables:				
Taxes	680,136	-	-	680,136
Accrued Interest	37,021	-	-	37,021
Total Assets	<u>7,294,044</u>	<u>489,637</u>	<u>-</u>	<u>7,783,681</u>
LIABILITIES				
Liabilities:				
Due to Other Contractors	7,225,800	-	-	7,225,800
Total Liabilities	<u>7,225,800</u>	<u>-</u>	<u>-</u>	<u>7,225,800</u>
NET POSITION				
Restricted	68,244	489,637	-	557,881
Total Net Position	<u>68,244</u>	<u>489,637</u>	<u>-</u>	<u>557,881</u>

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Developer TIF Deposits	Seized Cash	Collections Due Other Governments	Total
Additions:				
Investment Income	\$ 99,293	-	-	99,293
Real Property and Personal Property Tax	13,061,859	-	-	13,061,859
Sales Tax Collections For Other Governments	-	-	398,709	398,709
Seized Cash	-	231,689	-	231,689
Miscellaneous	66,333	-	-	66,333
Total Additions	<u>13,227,485</u>	<u>231,689</u>	<u>398,709</u>	<u>13,857,883</u>
Deductions:				
Seized Cash Used	-	231,416	-	231,416
Payments of Sales Tax to Other Governments	-	-	398,709	398,709
Developer Purchased TIF Payments	12,321,772	-	-	12,321,772
Miscellaneous	891,759	-	-	891,759
Total Deductions	<u>13,213,531</u>	<u>231,416</u>	<u>398,709</u>	<u>13,843,656</u>
Change in Net Position	<u>13,954</u>	<u>273</u>	<u>-</u>	<u>14,227</u>
 Net Position - Beginning of the Year	 <u>54,290</u>	 <u>489,364</u>	 <u>-</u>	 <u>543,654</u>
Net Position - Ending	<u>\$ 68,244</u>	<u>489,637</u>	<u>-</u>	<u>557,881</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
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Financial Trends	188
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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	193
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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	202
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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	206
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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	208
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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.



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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 1,006,682,574	944,153,513	898,840,745	909,494,423	891,303,701	846,442,664	803,312,775	773,243,018	587,747,372	545,831,558
Restricted	229,988,358	241,220,367	249,233,964	174,029,693	162,762,413	182,122,089	170,845,285	159,387,584	165,389,543	155,105,392
Unrestricted	203,778,924	172,059,358	132,001,733	96,474,096	94,424,924	104,886,320	101,154,775	82,713,956	216,775,964	264,484,057
Total Governmental Activities										
Net Position	\$ <u>1,440,449,856</u>	<u>1,357,433,238</u>	<u>1,280,076,442</u>	<u>1,179,998,212</u>	<u>1,148,491,038</u>	<u>1,133,451,073</u>	<u>1,075,312,835</u>	<u>1,015,344,558</u>	<u>969,912,879</u>	<u>965,421,007</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 1,099,894,307	1,038,944,270	942,386,540	856,941,115	765,731,464	793,807,694	725,334,301	664,773,842	692,461,543	673,582,095
Restricted	27,954,202	23,259,053	44,896,951	41,381,436	35,564,865	28,846,167	16,243,396	17,071,503	14,820,181	15,841,002
Unrestricted	265,723,948	237,478,046	220,495,637	238,519,168	252,143,234	153,286,143	193,344,188	217,843,287	152,834,566	143,784,800
Total Business-Type Activities										
Net Position	\$ <u>1,393,572,457</u>	<u>1,299,681,369</u>	<u>1,207,779,128</u>	<u>1,136,841,719</u>	<u>1,053,439,563</u>	<u>975,940,004</u>	<u>934,921,885</u>	<u>899,688,632</u>	<u>860,116,290</u>	<u>833,207,897</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 2,106,576,881	1,983,097,783	1,841,227,285	1,766,435,538	1,657,035,165	1,640,250,358	1,528,647,076	1,438,016,860	1,280,208,915	1,219,413,653
Restricted	257,942,560	264,479,420	294,130,915	215,411,129	198,327,278	210,968,256	187,088,681	176,459,087	180,209,724	170,946,394
Unrestricted	469,502,872	409,537,404	352,497,370	334,993,264	346,568,158	258,172,463	294,498,963	300,557,243	369,610,530	408,268,857
Total Primary Government										
Net Position	\$ <u>2,834,022,313</u>	<u>2,657,114,607</u>	<u>2,487,855,570</u>	<u>2,316,839,931</u>	<u>2,201,930,601</u>	<u>2,109,391,077</u>	<u>2,010,234,720</u>	<u>1,915,033,190</u>	<u>1,830,029,169</u>	<u>1,798,628,904</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities:										
General Government	\$ 87,469,415	70,790,806	53,297,715	57,362,717	58,007,177	47,260,387	52,387,910	49,756,620	48,543,231	45,355,465
Public Safety	133,864,552	126,709,784	123,218,823	115,994,657	111,464,206	102,979,449	96,915,706	93,495,599	91,997,706	87,571,014
Streets and Highways	69,761,860	55,667,322	63,862,502	64,899,917	71,078,034	66,223,821	49,055,496	59,111,970	41,302,726	46,525,688
Culture and Recreation	48,607,218	45,042,153	44,913,469	51,835,619	48,510,294	41,524,548	41,071,450	37,633,355	33,418,770	35,878,349
Economic Opportunity	25,519,922	51,154,814	19,046,331	14,998,235	25,490,737	24,018,579	21,384,298	20,703,598	18,101,822	21,549,476
Health and Welfare	38,174,446	34,795,734	33,647,236	31,811,506	21,944,351	20,885,234	22,433,400	21,701,621	22,273,013	21,456,657
Mass Transit	21,355,145	18,566,091	17,572,030	17,211,162	16,283,063	15,822,765	15,298,159	14,576,742	13,477,089	13,582,835
Equipment Management	2,480,241	971,044	654,123	627,942	562,531	508,118	527,243	614,893	1,032,440	1,181,947
Engineering Services	6,717,158	2,146,618	7,298,448	1,519,718	3,900,549	4,394,576	4,159,498	2,527,524	3,495,741	2,774,223
Interest on Long-Term Debt	16,330,688	17,701,759	17,064,945	19,211,309	19,395,458	19,721,240	21,172,325	20,931,956	21,310,128	21,776,180
Total Governmental Activities Expenses	450,280,645	423,546,125	380,575,622	375,472,782	376,636,400	343,338,717	324,405,485	321,053,878	294,952,666	297,651,834
Business-Type Activities:										
Golf	5,201,449	6,189,024	5,272,495	4,204,729	3,959,217	3,981,087	4,193,694	3,939,149	3,261,611	3,473,671
Parking System	11,530,177	10,303,150	8,913,548	10,263,845	10,634,630	10,302,430	9,874,516	9,418,838	9,223,770	8,078,478
Municipal Auditorium	-	-	-	-	-	-	-	-	33,652	1,538,108
Municipal Arena	12,645,849	15,004,368	6,003,519	8,185,336	12,241,290	11,587,968	11,783,010	8,630,522	8,353,078	11,462,603
Solid Waste Management	16,261,556	20,150,425	13,264,852	12,893,945	11,197,893	11,767,958	11,684,258	11,742,556	9,498,841	8,838,837
Emergency Medical Services	9,558,747	8,248,858	7,744,230	8,019,204	7,533,068	6,422,207	6,395,628	6,865,689	6,507,925	5,564,099
Broadband Enterprise	4,323,255	3,795,636	7,043,569	2,496,469	1,288,701	948,029	819,075	402,264	-	-
Wastewater System	32,561,876	30,303,932	29,504,080	29,051,899	26,849,143	25,728,896	25,637,244	24,852,092	24,128,351	23,864,691
Water System	38,477,447	32,625,429	38,261,132	31,205,232	28,776,618	28,275,160	29,304,869	27,243,026	26,368,801	25,941,743
Electric System	311,561,000	309,378,000	269,435,000	282,163,000	288,860,000	312,132,000	303,928,000	286,006,000	298,753,000	272,692,000
Total Business-Type Activities Expenses	442,121,356	435,998,822	385,442,425	388,483,659	391,340,560	411,145,735	403,620,294	379,100,136	386,129,029	361,454,230
Total	\$ 892,402,001	859,544,947	766,018,047	763,956,441	767,976,960	754,484,452	728,025,779	700,154,014	681,081,695	659,106,064
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 46,956,374	42,877,500	38,815,037	39,315,341	36,149,520	36,481,336	36,328,041	33,956,597	34,039,065	31,498,610
Public Safety	8,543,211	10,197,940	8,647,156	7,477,549	7,676,309	7,724,306	8,234,573	7,428,315	7,653,414	7,446,309
Streets and Highways	5,314,071	6,490,756	6,986,644	5,905,768	6,049,314	5,278,153	5,695,776	6,599,287	5,070,875	5,162,445
Culture and Recreation	7,771,896	7,745,967	7,183,798	5,636,080	7,630,497	4,549,413	5,736,276	4,675,252	4,565,482	4,328,220
Economic Opportunity	36,092	147,389	45,797	42,693	977,619	2,138,366	1,112,696	1,346,373	1,709,576	918,794
Health and Welfare	5,511,568	5,509,725	5,360,437	5,343,749	5,010,683	5,144,629	4,943,035	4,974,773	5,120,923	5,332,189
Other Activities	14,013,895	6,989,889	13,311,928	8,699,231	10,074,900	10,077,571	9,979,442	8,765,439	7,439,039	7,957,457
Operating Grants and Contributions	108,152,182	122,435,670	126,896,770	74,440,798	70,640,446	63,076,418	65,860,903	63,971,798	59,762,954	71,235,768
Capital Grants and Contributions	22,309,320	26,322,072	19,123,793	13,993,017	18,219,765	37,901,112	23,824,607	19,411,483	25,708,872	23,165,428
Total Governmental Activities	218,608,609	228,716,908	226,371,360	160,854,226	162,429,053	172,371,304	161,715,349	151,129,317	151,070,200	157,045,220
Business-Type Activities:										
Charges for Services:										
Wastewater System	40,070,237	35,925,952	35,333,419	32,529,755	31,804,206	31,323,851	29,580,844	27,950,057	27,004,622	25,804,120
Water System	58,783,996	49,798,252	47,853,869	41,023,731	38,144,187	38,914,946	36,176,115	35,346,948	31,275,854	32,558,575
Electric System	361,383,000	368,898,000	311,213,000	317,210,000	332,902,000	321,549,000	315,502,000	311,093,000	314,623,000	290,121,000
Other Activities	56,849,455	54,030,688	40,941,958	44,358,888	49,646,851	47,132,633	47,318,628	39,632,958	37,177,844	38,456,326
Operating Grants and Contributions	2,099,741	3,163,517	4,428,538	264,280	19,303	112,847	-	61,066	-	-
Capital Grants and Contributions	14,439,996	14,685,621	16,582,535	32,086,296	11,316,858	18,800,761	11,416,105	9,765,195	13,309,086	5,403,759
Total Business-Type Activities	533,626,425	526,502,030	456,353,319	467,472,950	463,833,405	457,834,038	439,993,692	423,849,224	423,390,406	392,343,780
Total	\$ 752,235,034	755,218,938	682,724,679	628,327,176	626,262,458	630,205,342	601,709,041	574,978,541	574,460,606	549,389,000
Net (Expense)/Revenue										
Governmental Activities	\$ (231,672,036)	(194,829,217)	(154,204,262)	(214,618,556)	(214,207,347)	(170,967,413)	(162,690,136)	(169,924,561)	(143,882,466)	(140,606,614)
Business-Type Activities	91,505,069	90,503,208	70,910,894	78,989,291	72,492,845	46,688,303	36,373,398	44,749,088	37,261,377	30,889,550
Total	\$ (140,166,967)	(104,326,009)	(83,293,368)	(135,629,265)	(141,714,502)	(124,279,110)	(126,316,738)	(125,175,473)	(106,621,089)	(109,717,064)

(Continued)

(Changes In Net Position, Table 2, Continued)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes										
In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 92,516,589	89,012,920	80,373,285	85,070,230	78,379,964	74,308,924	70,687,331	66,338,373	60,781,216	55,871,758
Motor Vehicle Tax	7,085,198	6,787,141	6,977,769	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197
Wheel Tax	19,971,982	19,529,692	19,884,563	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865
Sales and Use Tax	122,736,019	117,494,209	105,320,265	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197
Turnback Tax	2,301,626	677,204	1,453,709	2,400,569	-	-	-	-	-	-
Sundry and In Lieu Tax	58,515	29,048	103,155	54,872	2,433,643	2,153,276	1,659,560	1,618,479	1,543,657	62,239
Occupation Tax	29,841,524	28,099,332	24,219,554	24,548,465	27,867,756	27,438,041	27,167,889	26,618,563	26,367,092	25,830,488
Unrestricted Grants and Contributions	30,170	25,405	27,580	56,090	50,330	60,620	71,620	67,640	65,051	80,178
Unrestricted Investment Earnings (Loss)	24,898,619	(3,195,233)	1,452,336	5,276,803	7,211,377	3,022,679	2,308,284	1,914,541	1,842,730	2,855,984
Miscellaneous General Revenues	4,229,432	3,994,211	888,231	1,580,490	1,576,598	919,184	489,198	708,314	1,251,922	890,450
Gain on Sale of Capital Assets	245,404	662,074	1,443,961	-	-	-	-	-	-	-
Gain on Extinguishment of Debt	-	-	-	170,995	-	-	-	-	-	-
Transfers	10,773,576	9,070,010	10,722,635	8,050,770	6,303,689	11,533,601	7,617,803	11,071,731	11,754,684	10,825,543
Total Governmental Activities	314,688,654	272,186,013	252,867,043	246,125,730	229,247,312	234,019,074	222,658,413	215,356,240	195,641,807	185,080,899
Business-Type Activities:										
Occupation Tax	5,715,780	5,336,074	5,028,574	3,964,450	3,456,319	3,622,544	3,809,059	4,194,442	2,832,539	2,598,793
Unrestricted Investment Earnings (Loss)	5,097,820	(217,999)	1,722,098	7,362,809	7,068,187	2,197,770	2,339,375	1,517,819	961,154	1,757,946
Miscellaneous General Revenues	1,554,120	4,322,030	3,138,463	1,034,848	680,853	192,670	233,578	89,483	329,954	136,403
Gain on Sale of Capital Assets	4,195	112,575	144,015	-	-	-	-	-	-	-
Transfers	(9,985,896)	(8,053,066)	(10,006,635)	(7,949,242)	(6,198,645)	(11,431,370)	(7,522,157)	(10,978,490)	(11,594,036)	(10,744,119)
Total Business-Type Activities	2,386,019	1,499,614	26,515	4,412,865	5,006,714	(5,418,386)	(1,140,145)	(5,176,746)	(7,470,389)	(6,250,977)
Total	\$ 317,074,673	273,685,627	252,893,558	250,538,595	234,254,026	228,600,688	221,518,268	210,179,494	188,171,418	178,829,922
Change in Net Position										
Governmental Activities	\$ 83,016,618	77,356,796	98,662,781	31,507,174	15,039,965	63,051,661	59,968,277	45,431,679	51,759,341	44,474,285
Business-Type Activities	93,891,088	92,002,822	70,937,409	83,402,156	77,499,559	41,269,917	35,233,253	39,572,342	29,790,988	24,638,573
Total	\$ 176,907,706	169,359,618	169,600,190	114,909,330	92,539,524	104,321,578	95,201,530	85,004,021	81,550,329	69,112,858

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 550,204	511,606	321,325	288,584	327,026	571,722	440,254	470,421	658,674	1,711,883
Restricted	10,951,120	18,388,040	16,257,716	7,571,500	8,685,274	6,817,137	4,278,240	7,432,974	6,674,867	13,605,640
Assigned	23,764,324	19,303,807	15,956,829	13,974,762	18,210,543	16,389,131	15,038,279	17,888,953	16,266,623	14,859,083
Unassigned	134,536,890	99,138,967	80,101,969	46,934,528	36,948,163	46,062,651	47,898,455	39,910,750	37,916,609	27,287,777
Total General Fund	\$ 169,802,538	137,342,420	112,637,839	68,769,374	64,171,006	69,840,641	67,655,228	65,703,098	61,516,773	57,464,383
Other Governmental Funds										
Special Revenue Funds										
Nonspendable	\$ 1,941,473	2,697,441	2,149,463	1,673,011	1,554,284	1,355,050	1,390,659	1,272,150	1,473,802	1,449,797
Restricted	121,760,931	108,160,268	119,141,086	78,948,532	73,393,289	76,311,564	73,522,250	64,216,765	90,127,670	80,627,691
Committed	12,255,138	845,575	309,043	269,582	120,295	1,024,874	1,592,063	1,367,357	2,011,552	1,002,975
Assigned	62,625,607	68,542,240	56,632,849	70,751,051	80,483,527	83,470,334	81,800,834	75,624,539	48,431,382	58,046,223
Unassigned	(705,352)	(682,107)	(4,542,810)	(339,815)	(298,670)	(77,349)	(85,684)	(111,254)	(130,824)	(144,837)
Debt Service										
Restricted	7,803,835	6,519,717	7,439,764	6,680,318	8,230,190	9,261,327	9,086,748	11,259,554	12,026,455	12,305,606
Committed	7,354	6,666	205,923	657,857	109,791	1,967,704	1,600,425	1,256,039	1,021,894	797,894
Capital Projects Funds										
Nonspendable	-	-	-	-	-	-	-	-	915,875	-
Restricted	55,612,414	52,945,697	47,306,024	30,849,764	23,436,053	30,637,636	27,307,586	21,989,096	9,458,562	14,395,343
Assigned	-	-	-	-	-	14,583	15,467	29,271	42,922	42,649
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	29,509,561	27,250,365	39,882,375	28,551,520	28,261,020	29,225,321	28,946,351	27,117,060	24,842,747	28,175,169
Total Other Governmental Funds	\$ 327,970,961	303,445,862	305,683,717	255,201,820	252,449,779	270,351,044	262,336,699	241,180,577	227,204,024	233,858,510

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes:										
Property	\$ 92,400,390	89,401,800	80,368,837	85,070,354	77,755,818	74,310,035	70,638,227	66,224,399	61,045,754	55,821,121
Motor Vehicle	7,085,198	6,787,141	6,977,769	6,361,079	6,257,221	5,956,910	5,710,522	5,396,042	5,049,072	4,737,197
Wheel	19,971,982	19,529,692	19,884,562	18,540,900	18,832,912	18,647,301	18,452,773	18,061,400	17,548,482	17,173,865
Sales and Use	122,736,019	117,494,208	105,320,265	94,014,467	80,333,822	89,978,538	88,493,433	83,561,157	69,437,901	66,753,197
Turnback	2,301,626	677,204	1,453,709	2,400,569	236,107	-	-	-	-	-
Sundry and In Lieu	76,277	41,303	73,419	68,218	2,177,001	2,169,669	1,662,544	1,605,175	1,541,109	62,443
Occupation	29,956,363	28,441,563	23,770,178	24,540,772	28,326,640	27,454,221	26,692,821	26,618,563	26,367,092	25,830,488
Special Assessment	1,380,371	1,545,535	1,761,177	1,391,217	1,614,261	1,627,311	1,445,861	1,393,824	1,775,903	1,873,228
Intergovernmental	115,253,784	124,200,688	111,296,869	72,330,346	70,773,739	72,965,698	74,133,945	64,711,049	70,694,942	79,378,553
Permits and Fees	28,422,288	28,559,289	28,245,058	24,371,734	26,301,490	25,157,171	25,823,013	25,704,855	25,327,804	23,794,402
Reimbursement for Services	20,875,392	20,001,124	15,358,830	17,329,391	18,074,725	18,348,789	17,102,484	16,807,455	16,083,267	14,283,172
Court Settlements	22,149	800,011	-	-	-	-	-	75,000	-	265,120
Program Income	36,092	144,389	43,297	40,193	18,129	172,718	267,705	22,726	13,858	51,071
Investment Earnings (Loss)	30,190,731	(13,986,102)	15,526,322	7,821,284	8,009,926	5,859,234	6,868,335	6,249,869	1,006,466	10,571,021
Donations	3,064,135	3,928,590	3,546,670	3,431,623	3,211,562	3,689,161	5,125,339	3,526,770	3,485,683	3,153,911
Keno Proceeds	7,117,073	7,082,106	6,813,166	5,641,379	5,725,745	5,220,645	4,795,736	4,559,104	4,343,261	4,189,006
Private Sector Share of Projects	2,838,556	2,836,448	-	-	-	-	-	-	-	-
Miscellaneous	4,443,325	1,909,360	2,958,442	2,062,235	2,274,926	3,870,499	4,605,585	2,359,028	3,183,321	3,326,065
Total Revenues	488,171,751	439,394,349	423,398,570	365,415,761	349,924,024	355,427,900	351,818,323	326,876,416	306,903,915	311,263,860
Expenditures										
General Government	74,806,616	72,993,154	66,768,481	66,488,738	61,932,785	59,728,570	58,560,593	54,483,582	50,714,491	51,044,096
Public Safety	109,937,772	98,553,703	97,809,248	89,394,116	88,641,405	86,243,206	81,171,971	77,399,174	75,625,163	72,833,698
Streets and Highways	31,183,919	27,858,002	31,183,868	28,058,815	28,872,044	21,746,886	20,634,650	20,896,834	19,464,370	21,054,394
Culture and Recreation	31,644,070	29,534,303	28,168,478	25,807,794	33,703,112	27,301,223	26,730,859	25,310,935	24,538,296	25,172,100
Economic Opportunity	20,373,747	44,658,620	15,390,008	3,085,972	13,771,289	14,563,832	13,034,266	14,012,940	14,773,423	13,792,741
Health and Welfare	38,592,638	34,516,518	34,349,001	32,757,648	22,527,910	21,863,274	23,116,621	22,605,745	23,038,785	22,097,954
Mass Transit	27,660,245	18,296,044	22,913,739	20,340,337	18,867,231	18,315,179	13,439,363	12,380,084	15,539,838	14,419,436
Debt Service										
Principal Retirement	13,796,322	19,700,984	17,568,363	15,747,214	14,080,005	14,487,368	15,192,206	16,306,212	13,669,561	12,562,312
Interest and Fiscal Charges	27,223,375	18,847,219	17,623,252	18,144,268	20,107,773	20,414,414	20,901,231	21,315,928	21,615,227	21,341,587
Miscellaneous	5,546,819	3,723,315	3,238,034	19,367,530	10,385,276	9,786,777	9,207,578	5,543,071	3,350,198	2,545,313
Capital Outlay	92,867,035	60,227,484	45,429,683	57,786,098	89,824,049	70,547,020	60,766,351	65,209,483	63,654,540	93,177,287
Total Expenditures	473,632,558	428,909,346	380,442,155	376,978,530	402,712,879	364,997,749	342,755,689	335,463,988	325,983,892	350,040,918
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,539,193	10,485,002	42,956,415	(11,562,769)	(52,788,855)	(9,569,849)	9,062,634	(8,587,572)	(19,079,977)	(38,777,058)
Other Financing Sources (Uses)										
Transfers In	111,490,208	92,868,782	75,428,739	78,194,986	81,767,242	68,618,530	67,614,670	71,316,460	64,347,309	63,910,985
Transfers Out	(94,488,608)	(81,395,952)	(61,064,177)	(63,944,397)	(71,583,343)	(55,385,315)	(55,136,381)	(59,277,115)	(53,620,582)	(53,396,515)
Note Proceeds	-	-	7,325,000	-	2,175,079	-	-	-	-	-
Issuance of Debt	24,561,781	-	22,860,890	-	13,468,200	8,784,375	710,000	12,935,000	3,400,000	37,675,000
Issuance of Refunding Debt	-	-	-	125,905,000	-	-	14,735,000	-	9,010,000	-
Premium on Debt Issued	304,755	93,718	4,496,279	2,313,786	1,600,192	892,807	1,523,051	622,829	435,077	682,653
Discounts on Debt Issued	-	-	-	-	-	-	-	-	-	-
Transfer to Bond Refunding Agent	-	-	-	(127,329,995)	-	(5,706,591)	(16,091,516)	-	(9,280,206)	-
Sale of Capital Assets	577,888	415,175	931,764	3,773,798	1,790,585	2,565,801	690,794	1,153,276	2,186,283	598,616
Total Other Financing Sources (Uses)	42,446,024	11,981,723	49,978,495	18,913,178	29,217,955	19,769,607	14,045,618	26,750,450	16,477,881	49,470,739
Net Change in Fund Balances	\$ 56,985,217	22,466,725	92,934,910	7,350,409	(23,570,900)	10,199,758	23,108,252	18,162,878	(2,602,096)	10,693,681
Debt Service as a Percentage of Noncapital Expenditures	10.3%	11.0%	10.5%	10.3%	10.4%	11.3%	12.6%	13.8%	13.8%	12.9%

Table 5

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

Lincoln Electric System Megawatt-Hour Sales							
Calendar Year	Residential	Commercial	Industrial	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	Average Cent per Kilowatt Hour Rate
2022	1,345,068	1,475,289	455,298	-	968,125	4,243,780	\$ 0.0852
2021	1,310,455	1,443,632	477,804	-	832,831	4,064,722	0.0852
2020	1,284,674	1,367,406	433,624	-	978,747	4,064,451	0.0852
2019	1,275,179	1,461,763	450,062	-	1,195,990	4,382,994	0.0843
2018	1,308,303	1,525,218	453,693	12,052	1,648,155	4,947,421	0.0836
2017	1,196,667	1,498,901	470,520	28,594	1,380,272	4,574,954	0.0838
2016	1,206,243	1,546,558	492,110	(13,024)	1,228,376	4,460,263	0.0809
2015	1,171,732	1,513,692	486,001	(1,043)	918,131	4,088,513	0.0808
2014	1,202,922	1,530,135	497,872	(11,244)	932,130	4,151,815	0.0799
2013	1,213,553	1,509,997	497,388	15,653	963,306	4,199,897	0.0778

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

Source: [Lincoln Electric System Annual Report](#)

Table 6

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

Customer Type	2022			2013		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 130,691	1	38.35 %	\$ 109,377	1	39.37 %
Commercial	114,501	2	33.59	86,984	2	31.31
Industrial	30,300	3	8.89	30,981	3	11.15
Other	<u>65,330</u>	-	<u>19.17</u>	<u>50,506</u>	-	<u>18.17</u>
Total	<u>\$ 340,822</u>		<u>100.00 %</u>	<u>\$ 277,848</u>		<u>100.00 %</u>

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

Source: [Lincoln Electric System](#)
2014City of Lincoln ACFR

Table 7

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

Fiscal Year Ended August 31,		Total City Taxable Sales	Total Direct Tax Rate
2023	\$	7,327,275,011	0.0175
2022	\$	6,892,613,749	0.0175
2021		6,217,440,415	0.0175
2020		5,607,176,737	0.0175
2019		5,671,852,317	0.0150
2018		6,255,529,425	0.0175
2017		6,119,491,231	0.0175
2016		5,686,683,753	0.0175
2015		4,823,960,412	0.0175
2014		4,657,424,242	0.0175

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	
2023	0.0175	0.0550	0.0725
2022	0.0175	0.0550	0.0725
2021	0.0175	0.0550	0.0725
2020	0.0175	0.0550	0.0725
2019	0.0150	0.0550	0.0700
2018	0.0175	0.0550	0.0725
2017	0.0175	0.0550	0.0725
2016	0.0175	0.0550	0.0725
2015	0.0150	0.0550	0.0700
2014	0.0150	0.0550	0.0700

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	2022			2013		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 2,234,951,912	1	49.91 %	\$ 1,700,145,879	1	49.65 %
Accommodation & Food Services	718,937,418	2	16.06	542,678,636	2	15.85
Wholesale Trade	344,740,525	3	7.70	-	-	-
Utilities	1,106,902	4	0.02	249,778,326	3	7.29
Other	1,177,343,855	-	26.31	931,866,597	-	26.87
Total	\$ 4,477,080,612		100.00 %	\$ 3,424,469,438		99.66 %

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. 2023 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		
2023	\$ 18,522,976,666	\$ 8,218,611,787	\$ 714,303,729	\$ 418,203,832	\$ 27,874,096,014	0.3129
2022	18,524,321,766	8,028,196,147	711,468,072	596,595,243	27,860,581,228	0.3179
2021	16,151,804,023	6,775,086,845	641,171,654	431,669,274	23,999,731,796	0.3198
2020	15,805,725,977	6,349,850,359	699,265,096	412,322,035	23,267,163,467	0.3198
2019	14,354,319,521	6,278,422,408	679,715,484	357,899,663	21,670,357,076	0.3165
2018	13,997,042,582	5,582,574,159	686,085,810	251,232,302	20,516,934,853	0.3165
2017	12,573,902,552	5,443,342,291	622,334,345	231,246,376	18,870,825,564	0.3337
2016	12,353,764,148	5,264,621,434	613,850,419	225,082,751	18,457,318,752	0.3196
2015	11,584,715,041	5,017,666,961	573,730,282	204,014,089	17,380,126,373	0.3196
2014	11,403,992,418	4,962,314,863	554,193,402	190,468,076	17,110,968,759	0.3158

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

Source: Lancaster County Assessor's Office

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City of Lincoln										
General	0.2289	0.2271	0.2127	0.2094	0.1930	0.1990	0.1957	0.1859	0.1889	0.1854
Library	0.0352	0.0373	0.0365	0.0373	0.0413	0.0444	0.0421	0.0438	0.0417	0.0423
Social Security	0.0000	0.0000	0.0123	0.0117	0.0146	0.0158	0.0144	0.0163	0.0155	0.0157
Police and Fire Pension	0.0347	0.0385	0.0327	0.0347	0.0367	0.0402	0.0352	0.0374	0.0378	0.0382
Unemployment Compensation	0.0000	0.0000	0.0002	0.0003	0.0003	0.0003	0.0003	-	-	-
Bond Interest and Redemption	0.0141	0.0169	0.0254	0.0231	0.0306	0.0340	0.0319	0.0362	0.0319	0.0342
Total City of Lincoln	<u>0.3129</u>	<u>0.3198</u>	<u>0.3198</u>	<u>0.3165</u>	<u>0.3165</u>	<u>0.3337</u>	<u>0.3196</u>	<u>0.3196</u>	<u>0.3158</u>	<u>0.3158</u>
Overlapping Rates ¹										
School District No. 1	1.2072	1.2220	1.2222	1.2241	1.2389	1.2397	1.2429	1.2434	1.2441	1.2447
Lancaster County	0.2608	0.2816	0.2816	0.2666	0.2666	0.2753	0.2783	0.2813	0.2813	0.2843
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Southeast Community College	0.0937	0.0937	0.0937	0.0907	0.0907	0.0752	0.0757	0.0598	0.0667	0.0627
Lower Platte South N.R.D.	0.0260	0.0300	0.0309	0.0312	0.0321	0.0335	0.0345	0.0358	0.0361	0.0378
Lancaster County Correctional JPA City	0.0074	0.0086	0.0093	0.0110	0.0141	0.0153	0.0156	0.0168	0.0172	0.0177
Lancaster County Correctional JPA County	0.0059	0.0068	0.0070	0.0075	0.0079	0.0085	0.0088	0.0094	0.0096	0.0099
Lincoln Airport Authority	0.0171	0.0076								
Railroad Transportation Safety District	0.0222	0.0147	0.0147	0.0222	0.0222	0.0190	0.0160	0.0130	0.0130	0.0100
Agricultural Society of Lancaster County	0.0013	0.0014	0.0014	0.0014	0.0014	0.0015	0.0015	0.0015	0.0015	0.0015
Lancaster County Fairgrounds	0.0020	0.0024	0.0025	0.0028	0.0028	0.0030	0.0031	0.0033	0.0034	0.0037
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0167
Total Overlapping Rates	<u>1.6756</u>	<u>1.7008</u>	<u>1.6953</u>	<u>1.6895</u>	<u>1.7087</u>	<u>1.7030</u>	<u>1.7084</u>	<u>1.6963</u>	<u>1.7049</u>	<u>1.7040</u>

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

State of Nebraska State Statute 77-3442 limits the maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy. Lincoln Airport Authority is listed separately starting 2021.

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

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

Taxpayer	Type of Business	2023			2014		
		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	\$ 191,469,400	1	0.69 %	\$ 82,747,800	2	0.48 %
Burlington Northern	Railroad	163,818,339	2	0.59	86,771,479	1	0.51
Windstream	Telecommunications	160,189,706	3	0.57	44,654,631	10	0.26
Allo Communications LLC	Communication	157,265,193	4	0.56	-		0.00
Nebco	Construction / Development	112,983,571	5	0.41	54,963,428	7	0.32
Bousek, Mark A	Property Management	75,457,300	6	0.27	-		0.00
Bryan Medical Center	Hospital	65,320,300	7	0.23	46,119,400	8	0.27
RED Capital Management	Retail Management	62,645,500	8	0.22	-		0.00
HPI Lincoln LLC	Manufacturing / Development	61,231,100	9	0.22	-		0.00
Kawasaki	Manufacturing	57,632,343	10	0.21	69,833,590	3	0.41
Total		\$ <u>1,108,012,752</u>		<u>3.97 %</u>	\$ <u>385,090,328</u>		<u>2.25 %</u>

Source: Lancaster County Assessor's Office

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

Fiscal Year Ended August 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 87,201,511	\$ 85,374,290	97.90 %	\$ -	\$ 85,374,290	97.90 %
2022	85,119,448	83,361,780	97.94	1,744,506	85,106,286	99.98
2021	76,789,890	75,159,229	97.88	1,630,661	76,789,890	100.00
2020	74,339,497	72,577,018	97.63	1,762,479	74,339,497	100.00
2019	68,390,503	66,842,290	97.74	1,548,213	68,390,503	100.00
2018	64,824,600	63,903,976	98.58	919,503	64,823,479	100.00
2017	62,977,211	61,735,542	98.03	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

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
General Bonds	\$ 24,495	27,605	30,620	33,545	40,685	35,275	40,780	45,370	43,800	48,775
Tax Supported Bonds	52,885	47,785	53,835	43,775	47,290	52,005	56,565	62,385	66,700	69,975
Tax Allocation Bonds	1,779	1,644	2,514	2,401	3,009	3,738	4,911	4,966	6,461	7,976
Municipal Improvement Bonds	11,550	-	-	-	-	-	-	-	-	-
Special Assessment Bonds	1,965	2,175	2,380	2,575	2,765	2,955	3,135	3,315	3,490	3,665
Antelope Valley Project Bonds	-	-	-	-	-	-	-	2,020	2,875	3,690
West Haymarket JPA Bonds	303,860	313,610	319,285	324,795	325,400	325,980	326,545	327,095	327,635	328,175
Capital Leases	30,015	35,807	41,910	29,859	35,433	37,490	39,370	43,320	40,989	43,731
Notes from Direct Borrowing	2,072	1,723	1,855	1,985	2,112	-	-	-	-	-
Unamortized Premiums/Discounts	10,362	11,009	12,467	13,666	12,907	12,217	12,328	11,690	11,640	11,782
Business-Type Activities										
Revenue Bonds	708,389	712,870	752,475	784,955	819,355	677,650	705,720	755,635	718,790	743,660
Project Loans	22,553	24,520	26,442	28,362	30,167	31,972	33,739	35,469	37,119	35,881
Notes Payable	-	-	-	-	800	1,000	1,200	1,400	1,600	1,800
Capital Leases	1,120	1,253	1,974	1,138	1,582	1,290	1,241	1,677	1,540	1,939
Unamortized Premiums/Discounts	48,277	54,546	62,642	69,991	77,208	60,739	65,823	57,341	46,242	50,155
Total Primary Government	\$ <u>1,219,322</u>	<u>1,234,547</u>	<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>
Net Debt Per Capita ¹	\$ 4,167	4,218	4,495	4,625	4,867	4,363	4,606	4,874	4,795	5,028
Percentage of Personal Income ¹	% -	5.98	6.72	7.46	8.18	7.44	8.30	9.08	9.17	9.76

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

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

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

Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Municipal Improvement 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
2023	\$ 24,495	\$ 52,885	\$ 1,779	\$ 11,550	\$ 1,965	\$ 303,860	\$ 10,362	\$ 406,896	\$ 7,804	\$399,092	1,363.69	1.21 %
2022	27,605	47,785	1,644	-	2,175	313,610	11,009	403,828	6,520	397,308	1,364.93	1.50
2021	30,620	53,835	2,514	-	2,380	319,285	12,467	421,101	7,440	413,661	1,430.85	1.80
2020	33,545	43,775	2,401	-	2,575	324,795	13,666	420,757	6,680	414,077	1,440.76	1.87
2019	40,685	47,290	3,009	-	2,765	325,400	12,907	432,056	8,230	423,826	1,488.49	2.05
2018	35,275	52,005	3,738	-	2,955	325,980	12,217	432,170	9,261	422,909	1,508.43	2.16
2017	40,780	56,565	4,911	-	3,135	326,545	12,328	444,264	8,221	436,043	1,572.19	2.42
2016	45,370	62,385	4,966	-	3,315	327,095	11,664	454,795	8,328	446,467	1,635.43	2.53
2015	43,800	66,700	6,461	-	3,490	327,635	11,602	459,688	9,143	450,545	1,676.52	2.71
2014	48,775	69,975	7,976	-	3,665	328,175	11,734	470,300	9,427	460,873	1,736.50	2.82

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

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

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

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

CITY OF LINCOLN, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2023

<u>Governmental Units</u>	Debt <u>Outstanding</u>	Estimated Percentage <u>Applicable</u> ¹	Direct And Overlapping Debt <u>To The City</u>
Direct:			
City	\$ <u>438,983,000</u>	100.0 %	\$ <u>438,983,000</u>
Overlapping:			
School District #1	521,980,000	99.5	519,370,000
Public Building Commission	19,250,000	85.4	16,440,000
Lancaster County Correctional Facility	22,000,000	85.4	18,788,000
Lancaster County Fairgrounds	<u>5,845,000</u>	85.4	<u>4,992,000</u>
	<u>569,075,000</u>		<u>559,590,000</u>
Total	<u>\$ 1,008,058,000</u>		<u>\$ 998,573,000</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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Wastewater System										
Gross Revenues	\$ 42,368,731	39,432,749	36,556,660	34,202,886	33,903,796	32,381,312	30,516,105	29,026,442	28,026,866	27,049,162
Direct Operating Expenses	18,561,072	18,130,744	17,269,392	17,049,907	15,684,880	14,863,221	14,726,200	14,019,061	13,541,561	13,337,986
Net Available Revenue	23,807,659	21,302,005	19,287,268	17,152,979	18,218,916	17,518,091	15,789,905	15,007,381	14,485,305	13,711,176
Debt Service Requirements										
Principal	6,121,951	5,916,442	5,736,464	5,667,004	4,858,054	4,599,602	4,761,635	4,562,314	3,747,284	4,053,916
Interest	3,424,271	2,591,888	2,901,665	2,860,124	2,164,027	2,361,501	2,619,980	2,847,529	3,114,518	3,077,999
Total	9,546,222	8,508,330	8,638,129	8,527,128	7,022,081	6,961,103	7,381,615	7,409,843	6,861,802	7,131,915
Coverage	2.49	2.50	2.23	2.01	2.59	2.52	2.14	2.03	2.11	1.92
Water System										
Gross Revenues	\$ 61,721,651	52,317,638	50,654,404	44,192,982	41,761,560	41,473,196	38,494,901	37,985,431	34,481,875	34,933,647
Direct Operating Expenses	28,215,819	22,479,192	21,046,449	19,434,182	18,186,821	17,768,444	17,893,434	16,969,116	16,955,058	16,308,059
Net Available Revenue	33,505,832	29,838,446	29,607,955	24,758,800	23,574,739	23,704,752	20,601,467	21,016,315	17,526,817	18,625,588
Debt Service Requirements										
Principal	3,862,307	4,701,657	4,866,353	4,681,388	4,636,755	4,517,445	4,408,451	4,344,979	4,290,300	3,923,000
Interest	857,212	1,012,912	1,284,289	1,488,760	1,763,603	1,877,042	2,021,708	2,123,747	2,116,262	2,044,417
Total	4,719,519	5,714,569	6,150,642	6,170,148	6,400,358	6,394,487	6,430,159	6,468,726	6,406,562	5,967,417
Coverage	7.10	5.22	4.81	4.01	3.68	3.71	3.20	3.25	2.74	3.12
Lincoln Electric System										
Gross Revenues	\$ 364,351,000	369,108,000	312,467,000	321,264,000	335,104,000	322,763,000	317,007,000	300,693,000	309,537,000	288,299,000
Direct Operating Expenses	247,637,000	242,426,000	195,858,000	193,303,000	202,954,000	216,520,000	218,203,000	200,104,000	214,677,000	194,336,000
Net Available Revenue	116,714,000	126,682,000	116,609,000	127,961,000	132,150,000	106,243,000	98,804,000	100,589,000	94,860,000	93,963,000
Debt Service Requirements										
Principal	30,535,000	30,183,000	28,228,000	24,705,000	20,570,000	17,873,000	21,557,000	22,633,000	21,390,000	20,263,000
Interest	18,909,000	19,504,000	25,672,000	28,777,000	26,907,000	24,816,000	26,631,000	27,324,000	26,041,000	26,701,000
Total	49,444,000	49,687,000	53,900,000	53,482,000	47,477,000	42,689,000	48,188,000	49,957,000	47,431,000	46,964,000
Coverage	2.36	2.55	2.16	2.39	2.78	2.49	2.05	2.01	2.00	2.00
Parking Systems										
Gross Revenues	\$ 13,747,064	12,371,262	8,672,167	13,401,784	13,738,594	12,691,925	12,674,910	10,697,157	10,419,352	9,816,550
Direct Operating Expenses	7,510,810	6,593,739	4,167,311	5,042,333	5,315,077	5,152,321	4,905,848	4,575,662	4,577,437	4,211,473
Net Available Revenue	6,236,254	5,777,523	4,504,856	8,359,451	8,423,517	7,539,604	7,769,062	6,121,495	5,841,915	5,605,077
Debt Service Requirements										
Principal	2,975,000	2,880,000	2,515,000	2,315,000	1,380,000	1,345,000	1,320,000	1,290,000	1,260,000	1,310,000
Interest	1,078,538	1,164,936	1,240,388	1,433,544	1,025,065	1,066,890	1,095,315	1,130,215	1,148,265	1,172,465
Total	4,053,538	4,044,936	3,755,388	3,748,544	2,405,065	2,411,890	2,415,315	2,420,215	2,408,265	2,482,465
Coverage	1.54	1.43	1.20	2.23	3.50	3.13	3.22	2.53	2.43	2.26
Solid Waste Management										
Gross Revenues	\$ 17,537,242	15,400,420	15,343,678	14,237,210	12,860,596	12,863,464	12,697,221	12,371,412	10,074,541	9,132,756
Direct Operating Expenses	14,139,997	11,707,107	11,720,275	10,871,529	9,512,437	9,083,674	9,460,290	7,896,480	7,519,523	7,319,215
Net Available Revenue	3,397,245	3,693,313	3,623,403	3,365,681	3,348,159	3,779,790	3,236,931	4,474,932	2,555,018	1,813,541
Debt Service Requirements										
Principal	600,000	575,000	850,000	830,000	810,000	810,000	795,000	775,000	550,000	550,000
Interest	243,834	269,284	303,284	327,084	348,896	366,796	382,096	396,521	196,202	198,128
Total	843,834	844,284	1,153,284	1,157,084	1,158,896	1,176,796	1,177,096	1,171,521	746,202	748,128
Coverage	4.03	4.37	3.14	2.91	2.89	3.21	2.75	3.82	3.42	2.42

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

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

Fiscal Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2023	292,627	\$ -	\$ -	41,850	1.8 %
2022	292,657	20,649,415	60,299	41,784	2.1
2021	291,114	19,462,058	56,887	41,747	1.7
2020	289,102	17,924,429	53,057	41,674	3.8
2019	287,401	17,098,776	50,833	42,258	2.9
2018	284,736	16,691,498	49,886	42,020	2.6
2017	280,364	15,556,200	46,924	41,737	2.5
2016	277,348	14,878,513	45,511	40,109	3.0
2015	272,996	14,280,552	44,133	39,842	2.3
2014	268,738	13,841,972	43,399	39,066	3.1

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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Nebraska	8,300	1	4.33 %	8,988		5.05 %
Lincoln Public Schools	7,780	2	4.06	7,975		4.48
University of Nebraska-Lincoln	7,500	3	3.91	6,179		3.47
Bryan Health	4,900	4	2.55	3,796		2.13
US Government	3,300	5	1.72	3,206		1.80
City of Lincoln	2,766	6	1.44	2,589		1.43
Kawasaki Motors Mfg. Corp.	2,450	7	1.28	-		0.00
Saint Elizabeth Regional Medical Center	1,825	8	0.95	2,350		1.32
B&R Stores, Inc	1,800	9	0.93	1,391		0.78
Duncan Aviation	1,750	10	0.91	-		0.00
Madonna Rehabilitation Hospital	1,500	11	0.78	1,400		0.79
Burlington Northern Railroad	1,450	12	0.76	2,000		1.12
Total	<u>45,321</u>		<u>21.34 %</u>	<u>39,874</u>		<u>21.85</u>

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

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

Function	Full-Time Equivalent Employees as of August 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Legislative	8.00	9.00	8.50	9.00	9.00	8.00	8.00	8.00	8.00	8.00
Executive	20.63	20.10	17.60	17.75	17.75	17.70	17.95	17.25	17.25	18.25
Financial Administration	87.75	83.50	79.50	79.50	74.50	70.20	69.95	69.20	69.20	69.20
Law	32.85	32.40	32.40	32.70	32.70	32.25	32.00	32.50	32.50	31.75
Human Resources	30.00	26.00	22.00	22.00	22.00	22.80	22.80	22.80	22.80	22.80
Planning and Zoning	21.00	21.00	20.00	21.00	21.00	21.00	20.75	20.00	20.00	21.00
Urban Development	9.30	9.30	9.30	10.05	10.05	9.22	9.22	9.50	9.50	9.58
Public Safety										
Police	435.23	438.63	438.63	413.13	412.46	397.63	396.63	388.03	388.03	400.79
Fire	288.56	273.51	266.51	264.18	265.13	270.46	270.06	268.97	268.97	273.69
Building and Safety	59.14	56.14	56.14	53.47	53.47	53.15	53.13	50.85	50.85	50.38
Transportation	19.75	19.75	19.75	19.75	19.75	14.25	14.25	16.00	16.00	15.00
911 Communication	60.25	59.25	58.25	57.88	57.88	56.25	56.25	56.00	56.00	41.50
Streets and Highways	127.00	126.00	113.00	113.00	114.00	112.02	111.95	108.32	108.20	104.99
Culture and Recreation										
Parks and Recreation	250.63	252.84	253.50	254.89	254.71	242.83	243.79	239.99	238.89	229.60
Library	107.54	107.04	107.04	107.54	107.54	105.54	105.54	105.54	105.54	105.79
Economic Opportunity										
Urban Development	10.36	8.17	8.12	8.10	8.10	8.81	8.81	9.15	9.15	9.80
Workforce Investment Act ¹	1.78	0.00	0.00	0.00	0.00	13.80	13.65	12.85	12.85	13.19
Health and Welfare										
Health Services	135.15	121.90	116.20	115.47	110.70	109.25	109.00	108.52	108.52	107.02
Community Health Endowment	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Lincoln Area Agency on Aging	46.51	45.01	44.81	46.03	46.03	48.04	48.04	48.05	48.05	48.24
Mass Transit	147.00	144.00	135.52	135.52	136.52	133.52	133.52	120.52	120.52	119.52
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	14.00	14.00	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	69.63	69.73	78.85	78.85	78.85	71.55	70.51	69.55	69.55	64.45
Broadband	3.00	3.00	5.90	5.90	5.90	4.90	4.90	0.00	0.00	0.00
Municipal Services Center ²	6.00	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00
Golf	30.49	30.82	29.82	30.70	30.70	31.04	30.49	28.78	29.02	27.99
Parking Facilities	2.85	2.83	3.08	2.60	2.60	2.98	2.98	2.98	2.98	2.95
Sanitary Landfill	37.00	35.50	32.50	32.50	32.50	35.22	36.19	36.47	35.47	33.17
Emergency Medical Services	49.69	43.74	43.74	43.11	43.16	37.83	36.68	33.28	33.28	28.56
Wastewater System	85.00	82.30	83.80	83.80	83.80	87.68	87.60	87.18	87.20	89.87
Water System	104.63	104.13	101.73	101.73	101.73	105.66	102.60	100.26	100.28	104.80
Electric System	541.00	527.00	488.00	476.00	480.00	490.00	492.00	491.00	494.00	498.00
Total	2,865.72	2,795.59	2,717.19	2,679.15	2,675.53	2,652.58	2,648.24	2,600.54	2,601.60	2,588.88

Note: ¹ The job training program of the Workforce Investment Act was contracted out in 2019.

² Employees added to maintain the Municipal Services Center in 2019.

Source: City of Lincoln Budget Office

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

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police:										
Arrests	19,055	16,966	16,669	16,623	19,716	22,390	22,811	23,076	23,543	25,424
Parking Violations	69,228	69,638	68,837	90,148	114,287	99,263	100,560	82,276	71,433	73,141
Traffic Violations	26,181	20,036	21,048	26,000	34,047	38,968	41,214	42,888	44,064	51,854
Fire:										
Number of Calls Answered	33,042	32,494	29,995	26,802	26,440	26,166	25,310	24,663	23,878	22,760
Building and Safety:										
Number of Commercial Building Permits	765	1,053	1,153	852	986	1,036	1,007	1,038	1,321	1,197
Number of Residential Building Permits	2,270	2,926	2,621	2,128	2,380	3,014	3,036	2,891	2,346	2,300
Culture and Recreation										
Library:										
Total Circulation (thousands)	2,975	2,816	2,784	2,399	3,089	3,072	3,100	3,089	3,074	3,176
Golf:										
Rounds of Golf	220,117	208,526	209,787	185,191	155,963	158,080	164,307	168,272	162,359	164,089
Mass Transit										
StarTran Ridership (thousands)	2,112	2,375	1,727	1,934	2,442	2,464	2,379	2,275	2,415	2,495
Wastewater										
Number of Consumers	89,792	89,040	87,254	86,425	85,126	84,300	83,479	82,511	80,704	80,851
Water										
Number of Consumers	90,635	89,514	87,578	86,736	85,460	84,636	83,797	82,853	82,058	81,196
Average Daily Consumption (thousand gallons)	39,627	37,536	36,380	33,136	31,881	34,734	34,242	34,858	31,766	34,584
Electric System										
Number of Consumers	147,844	145,834	143,797	141,658	140,034	138,489	136,641	134,417	132,672	131,915

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

Sources: Various City Departments

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

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police Stations	4	3	3	3	3	3	3	3	3	3
Fire Stations	16	16	16	16	15	14	14	14	14	14
Ambulances	14	13	13	13	13	13	13	13	12	12
Streets and Highways										
Lane Miles of Streets		2,967	2,982	2,948	2,921	2,909	2,899	2,820	2,891	2,823
Streetlights	32,816	32,501	32,158	31,858	31,514	31,236	31,010	30,740	30,516	29,997
Culture and Recreation										
Parks Acreage	7,239	7,855	7,815	7,747	7,528	7,511	7,303	6,814	6,808	6,557
Parks	165	165	165	165	161	160	158	161	159	135
Playgrounds	95	93	93	91	89	89	90	90	89	86
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	183	172	172	170	170	166	165	161	158	133
Recreation Centers	6	6	6	6	6	6	6	6	6	6
Libraries	8	8	8	8	8	8	8	8	8	8
Mass Transit										
Buses and Handivans	91	91	92	94	84	80	80	80	80	74
Wastewater										
Miles of Wastewater Mains	1,137	1,152	1,146	1,134	1,149	1,140	1,107	1,070	1,044	1,033
Water										
Miles of Water Mains	1,275	1,204	1,171	1,161	1,225	1,249	1,234	1,216	1,211	1,194

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

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

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

Sources: Various City Departments



APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING dated _____, 2024 (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 \$_____ Municipal Improvement Bonds, Series 2024 (the “Bonds”), pursuant to an ordinance passed on August 26, 2024, by the governing body of the Issuer and approved by the Mayor on August 30, 2024 (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, 2025, 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.

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APPENDIX D

BOOK-ENTRY SYSTEM

BOOK-ENTRY SYSTEM

The Depository Trust Company, New York, NY, will act as securities depository for the Series 2024 Bonds. The Series 2024 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 2024 Bond will be issued for each maturity of the Series 2024 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 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 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 2024 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 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 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 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 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 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 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 2024 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 2024 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024 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 2024 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 2024 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

_____, 2024

City of Lincoln, Nebraska
Lincoln, Nebraska

[UNDERWRITER]
[CITY], [STATE]

Re: \$ _____ City of Lincoln, Nebraska, Municipal Improvement Bonds, Series 2024

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 a pledge of funds received from a sales and use tax in the amount of one and one-half percent (1.50%) upon the same transactions on which the State of Nebraska is authorized to impose a sales and use tax within the boundaries of the Issuer pursuant to Section 77-27,142, R.R.S. Neb., as amended. In addition, the Issuer has covenanted and agreed in the Ordinance that it shall designate a portion of its property tax authority pursuant to Section 77-3442, R.R.S. Neb., as amended, in such amount as will provide funds which, together with receipts from the Sales Tax as pledged to the payment of such principal and interest 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 as the same fall 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,