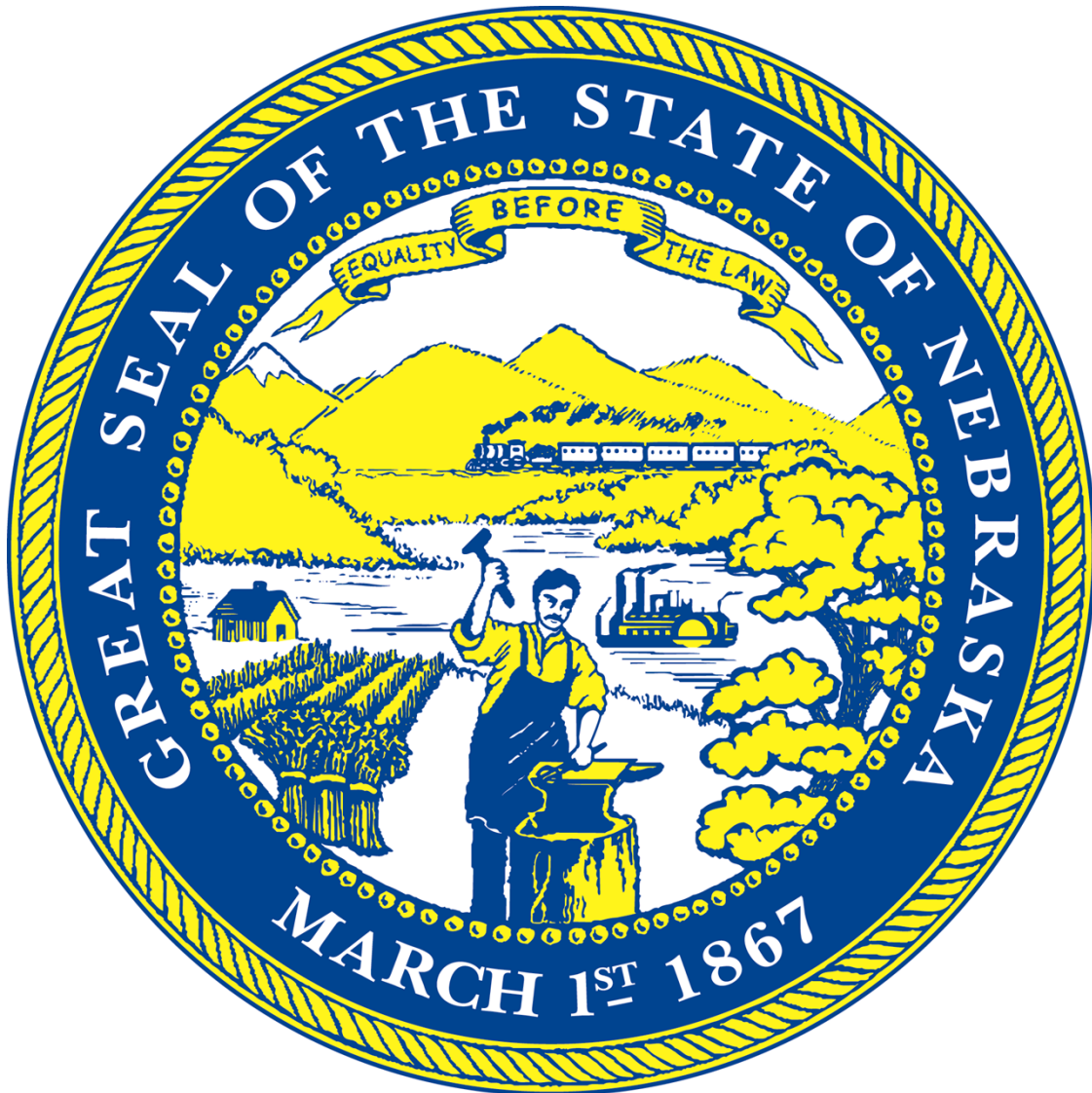


State of Nebraska

Annual Comprehensive Financial Report

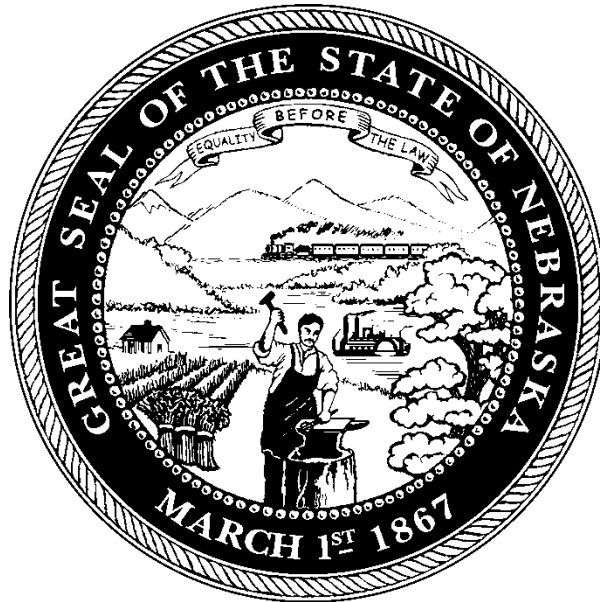
Fiscal Year Ended June 30, 2022



State of Nebraska

Annual Comprehensive Financial Report

Year Ended June 30, 2022



Pete Ricketts

Governor

Administrative Services

Jason Jackson

Director

Philip Olsen

State Accounting Administrator

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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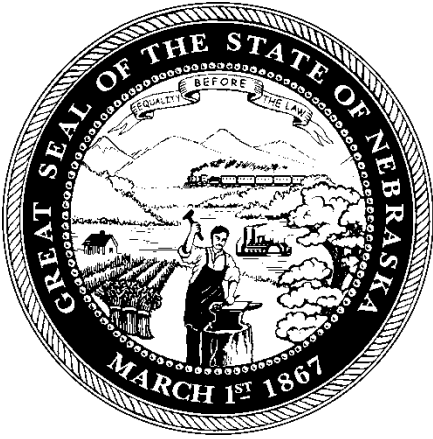
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INTRODUCTORY SECTION

SELECTED STATE OFFICIALS

As of June 30, 2022

EXECUTIVE

Pete Ricketts

Governor

Mike Foley

Lieutenant Governor

Doug Peterson

Attorney General

Charlie Janssen

Auditor of Public Accounts

Robert B. Evnen

Secretary of State

John Murante

State Treasurer

JUDICIAL

Supreme Court of Nebraska

Michael G. Heavican, Chief Justice

William B. Cassel, Justice

Jeffrey J. Funke, Justice

Jonathan J. Papik, Justice

Lindsey Miller-Lerman, Justice

Stephanie F. Stacy, Justice

John R. Freudenberg, Justice

LEGISLATIVE

Mike Hilgers

Speaker of the Legislature

Nebraska Unicameral (49 Senators)



Jim Pillen, Governor

January 30, 2023

The Honorable Jim Pillen, Governor
Members of the Legislature
Citizens of the State of Nebraska

We are pleased to present the updated Annual Comprehensive Financial Report (ACFR) of the State of Nebraska (the “State”) for the fiscal year ended June 30, 2022. This report is the primary means of reporting the State government’s financial activities. The ACFR is presented in three sections. (1) The Introductory Section contains this letter of transmittal and some information about the State and its operations. (2) The Financial Section contains Management’s Discussion and Analysis, Government Wide Financial Statements, Fund Financial Statements for Governmental Funds, Proprietary Funds, Fiduciary Funds, and Combining Statements for Major Component Units. The Financial Section also includes the Notes to the Financial Statements, Required Supplementary Information and various combining statements. (3) The Statistical Section contains selected financial and demographic information, generally presented on a multi-year basis.

This report updates our original report published on December 15, 2022, to meet the statutory deadline. Per Neb. Rev. Stat. § 81-1125.01 (Reissue 2014), the ACFR must be completed “at least twenty days before the commencement of each regular session of the Legislature[.]” For the fiscal year 2022, the ACFR was due on December 15, 2022. In order to ensure that the ACFR would be completed timely, an engagement letter was signed with the Auditor of Public Accounts on June 1, 2022. Additionally, a list of items to be submitted to the APA for testing, with estimated completion dates, was provided on August 3, 2022. Of those 217 items to be provided, 213 were submitted by the due date. A completed draft was delivered to the APA on December 1, 2022, two weeks prior to the required issuance date. On November 28, 2022, the APA notified DAS, the Governor’s Office, the Legislature, and the Department of Revenue of its anticipated delay in issuing the audited ACFR. This report includes the Independent Auditor’s Report. The original report can be retrieved from the [State Accounting’s](#) website.

The ACFR consists of management’s representations concerning the finances of the State of Nebraska. The State Accounting Division of Administrative Services assumes responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the State has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the State’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP) for governments. Because the cost of internal controls should not outweigh their benefits, the State’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Philip J. Olsen, CPA
Administrator

Department of Administrative Services | STATE ACCOUNTING

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Lincoln, Nebraska 68509-4664

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Lincoln, Nebraska 68508

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The State of Nebraska's financial statements have been audited by the State of Nebraska Auditor of Public Accounts (APA). The goal of the independent audit was to provide reasonable assurance that the financial statements of the State for the fiscal year ended June 30, 2022 are free of material misstatement. The independent 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the State's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP), with the exception of the Unemployment Insurance fund which received a disclaimer of opinion. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the State was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the State's separately issued Single Audit Report.

The ACFR has been prepared in conformance with Governmental Accounting Standards Board (GASB) statements 34 and 35, and other related statements. This reporting model's objective is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund based financial statements.

The State Accounting Division of Administrative Services engaged with an external consulting firm to support the State's adoption of Governmental Accounting Standards Board Statement No. 87, *Leases* ("GASB 87"). Specific tasks performed included the following:

- Assisted with reviewing and provided guidance on GASB 87 treatment for over 500 contracts;
- Performed lease data abstraction for leases the State determined to be in scope of GASB 87; and
- Drafted relevant financial information including GASB 87 journal entries and footnote disclosures for the State's consideration.

In addition, the State Accounting made significant improvements to the year-end close and ACFR production processes, including increasing staff resources, standardizing documentation, templates, processes, and enhancing technology solutions. As a result, the State Accounting completed the year-end close process in a timely manner and issued an ACFR which reflected significant reduction of proposed adjustments by more than eighty-eight percent, for the year ending June 30, 2022.

The APA issued a disclaimer of opinion on the Unemployment Insurance Fund. The Nebraska Department of Labor implemented a new unemployment insurance tax system in November 2021. Reporting capabilities of the new system were not designed to provide detailed information on account balances to ensure they agreed with the state's accounting system. Such reporting capabilities are necessary to reconcile the new system to the state's accounting system. The State Accounting Division of Administrative Services is assisting the Department of Labor to overcome the restrictive reporting capabilities for future years. The APA issued a disclaimer of opinion on the Unemployment Insurance Fund for fiscal years 2020 and 2021, which caused no adverse effect on the State's credit ratings or federal funding. In its September 7, 2022, credit opinion, Moody's Investors Service states, "The credit profile of the State of Nebraska (Aa1 stable) is characterized by an extremely low total liabilities burden, strong available fund balances and economic concentration in the agriculture sector."

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The State was admitted to the Union as the thirty-seventh state in 1867. Nebraska's government is divided into three branches: legislative, executive and judicial. Nebraska is the only state with a Unicameral Legislature, which has 49 members elected on a non-partisan ballot. The chief executive is the governor, who is elected for a four-year term. Within the executive branch are various departments and agencies that perform a variety of functions. Since Nebraska's Constitution generally allows no indebtedness, government expenses of such departments and agencies must be met on a pay-as-you-go basis. The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of natural resources, economic development, and recreation facilities and development. An organizational chart of the State is shown on page 13.

The State reporting entity reflected in this ACFR is described more fully in Note 1.B. to the financial statements. It should be noted that the reporting entity includes the familiar government activities plus two component units, the University of Nebraska and the State College System.

Budgetary control of state expenditures is maintained chiefly by three processes. First, a budget is required to be adopted through passage of appropriation bills by the Legislature. Second, the appropriated funds are allocated by program and fund type and are controlled by the executive branch through an allotment process. The Legislature may also enact a supplemental appropriation bill and other appropriation bills as it deems necessary. Finally, the State's accounting system checks each expenditure to ensure the appropriation and allotment are not exceeded.

Budget-to-actual comparisons are provided in this ACFR for various categories of General Fund revenues and appropriated annual budgets. This comparison is presented on page 95 as part of the Required Supplementary Information to the basic financial statements for the governmental funds. Budget-to-actual comparisons for Cash Funds, Construction Funds, Federal Funds, and Revolving Funds are also presented as Other Information on pages 156 through 159.

FACTORS AFFECTING FINANCIAL CONDITION

In order to better understand the information presented in the basic financial statements, such information should be considered from the broader perspective of the specific environment within which the State operates.

Current Revenue Outlook

The General Fund operations of the State are almost entirely dependent upon the income and sales taxes the State receives each year. Such taxes represent 97 percent of all General Fund revenues. Net revenue from income taxes and sales taxes for the fiscal year ended June 30, 2022 increased \$326 million from the prior year.

The current forecast for fiscal year 2023 anticipates net receipts in the General Fund to increase about \$96 million, a 1.5% increase over fiscal year 2022.

Significant changes in other governmental funds include an increase in federal revenue to support Coronavirus relief efforts. On March 11, 2021 the American Rescue Plan Act, P.L.117-2 (ARPA Act) was enacted. In that law, Nebraska was allocated \$1.04 billion through the Coronavirus State Fiscal Recovery Fund, \$129 million through the Coronavirus Capital Projects Fund, and \$50 million through the Homeowners Assistance Fund. In fiscal year 2022, \$38 million was recognized as revenue in the federal fund for these ARPA funds.

For the fiscal year ending June 30, 2022 the State's General Fund ended the fiscal year with a cash and investments balance of \$3,271 million. The balance had exceeded \$1 billion dollars for the prior three years.

Economy of the State

The University of Nebraska-Lincoln Bureau of Business Research and the Nebraska Business Forecast Council are forecasting the Nebraska economy will likely fall into a recession in 2023, as business investment, housing activity

and consumer spending weakens, jobs loss will occur in the construction, retail trade, and professional and business service industries, leading to an overall decline in employment. The Council’s December 2022 State forecast is shown on the following chart. The agriculture sector is a major segment of the Nebraska economy. Farm income (net) stood at a near-record level in 2022, at \$8 billion. Farm income is projected to remain near \$8 billion in 2023; however, will most likely fall in 2024 and 2025, and remain near \$7 billion. Farm income is expected to decline by 11.4%, or \$900 million in 2024 and then fall another 1.9%, or \$150 million in 2025. The retail sector grew in 2021 and 2022 as the industry recovered some of the jobs lost due to the Covid-19 pandemic. Recent job gains, however, are unlikely to be sustained in 2023 as economic growth weakens in Nebraska, due to advances in technology and online shopping. Retail trade employment will fall by 0.8%, during 2023, however, retail trade employment will grow by 0.1% in 2024 and 2025. Annual nonfarm income is expected to rise by 4.2% in 2023, growth will exceed inflation in 2024 and 2025.

	ACTUAL			PROJECTED		
	2020	2021	2022	2023	2024	2025
Net Farm Income (USDA):						
Annual Totals (in millions \$)	5,254	8,046	8,033	7,956	7,050	6,918
Growth Rates	34.0%	53.1%	-0.2%	-1.0%	-11.4%	-1.9%
Nonfarm Personal Income:						
Annual Totals (in millions \$)	108,592	115,369	118,084	123,053	127,597	132,763
Growth Rates	5.2%	6.2%	2.4%	4.2%	3.7%	4.0%
Nonfarm Employment:						
Annual Totals	989,300	1,006,900	1,021,400	1,019,800	1,026,200	1,035,300
Growth Rates	-3.7%	1.8%	1.4%	-0.2%	0.6%	0.9%

Long-term Financial Planning

The State is always looking at least four years out in its analysis of the financial condition of the State in preparing the State’s budgets. Currently, we have a working model of the biennium budget for fiscal years 2023 and 2024. In our analysis, we use forecasting models for revenues and then examine major expenditure categories, especially those that have a trend of outpacing revenues. Revenues for fiscal years 2023, 2024, 2025, and 2026 are projected to increase by 2.5%, 3.3%, 3.6%, and 4.6% respectively on a nominal basis. Note that revenue projections include receipts of one-time transfers which could influence growth rates.

Higher than projected tax receipts have historically boosted state revenue. By operation of law, any revenue above the certified forecast is used to rebuild the cash reserve, which is intended to supplement weak revenue during recessionary periods. The potential for relatively large annual growth in expenditures for aid to education, health and human services aid programs and provider rates, Medicaid and Medicaid expansion presents a challenge in preparing a budget that keeps expenses within projected revenue. Additionally, growth in the prison population continues to present complex challenges to controlling operating costs and planning for possible capital asset improvements. To ensure a balanced budget, the State exerts considerable time and effort in reviewing the trends of future revenues and expenditures.

Major Initiatives

Major initiatives focus on growing Nebraska by creating opportunity through more effective, more efficient, and customer focused state government. Priorities include efficient and effective customer service, sustainable growth, enhanced public safety and reduced regulatory burden that deliver value to the taxpayers of the State of Nebraska.

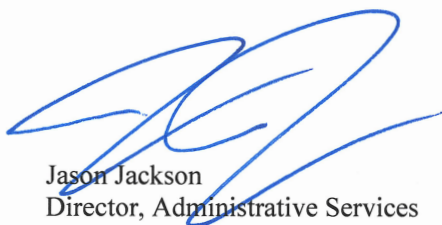
ACKNOWLEDGEMENTS

The 2022 ACFR continues our commitment to comprehensive disclosure of the State's financial condition. We are committed to issuing reports that are informative and meet governmental accounting standards. Reports that meet these standards provide the reader with an opportunity to make more informed judgments about the government's financial position and results of operations.

This report represents the continuous effort on our part to fulfill this commitment. We wish to express our appreciation to the accounting staff of the State Accounting Division of Administrative Services and the budget and accounting staff throughout State government for their assistance in the preparation of this report.

Questions or requests for additional information related to this report can be directed to the State Accounting office at (402) 471-2581.

Respectfully submitted,

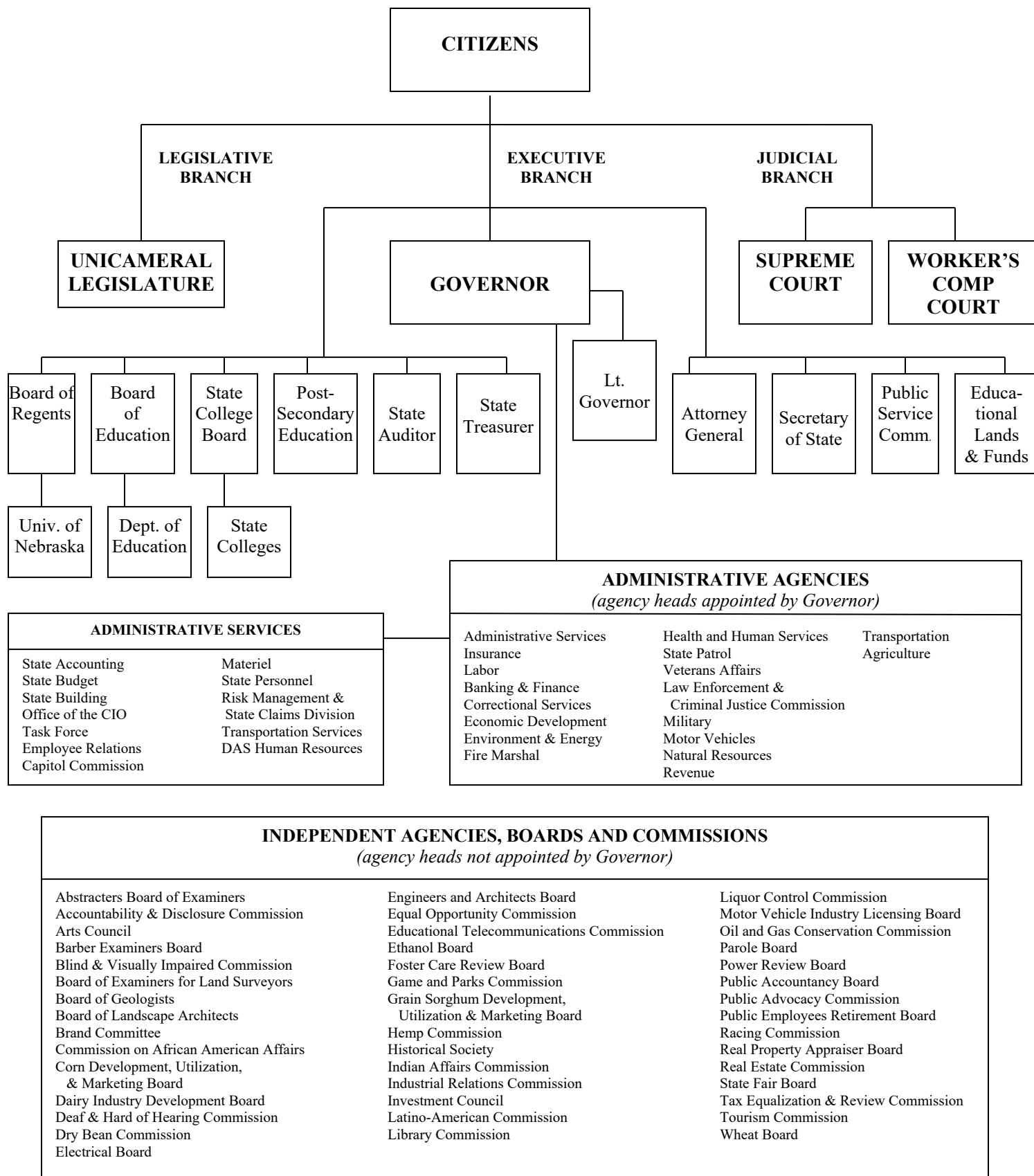


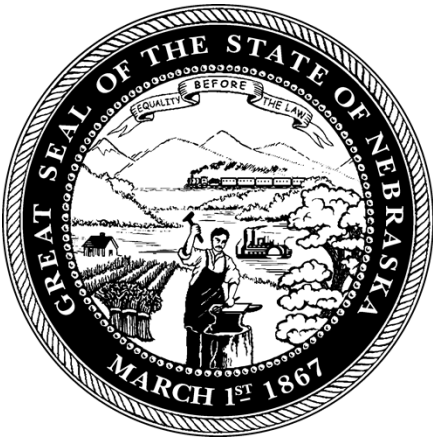
Jason Jackson
Director, Administrative Services



Philip J. Olsen
State Accounting Administrator

Nebraska State Government Organization Chart





FINANCIAL SECTION



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
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Independent Auditor's Report

The Honorable Governor,
Members of the Legislature and
Citizens of the State of Nebraska:

Report on the Audit of the Financial Statements

Unmodified and Disclaimer Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund (except the Enterprise Fund – Unemployment Insurance), and the aggregate remaining fund information; and we were engaged to audit the business-type activities and the Enterprise Fund - Unemployment Insurance, of the State of Nebraska, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State of Nebraska's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Disclaimer
Aggregate Discretely Presented Component Units	Unmodified
Governmental Fund - General	Unmodified
Governmental Fund - Highway	Unmodified
Governmental Fund – Federal	Unmodified
Governmental Fund - Health and Social Services	Unmodified
Governmental Fund – Permanent School	Unmodified
Enterprise Fund – Unemployment Insurance	Disclaimer
Aggregate Remaining Fund Information	Unmodified

Disclaimer of Opinions on the Business-Type Activities and Enterprise Fund - Unemployment Insurance

We do not express an opinion on the accompanying financial statements of the Business-Type Activities or the Enterprise Fund - Unemployment Insurance of the State of Nebraska. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Business-Type Activities and Enterprise Fund - Unemployment Insurance section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Business-Type Activities and the Enterprise Fund – Unemployment Insurance.

Unmodified Opinions on the Governmental Activities, Aggregate Discretely Presented Component Units, Governmental Fund – General, Governmental Fund – Highway, Governmental Fund – Federal, Governmental Fund – Health and Social Services, Governmental Fund – Permanent School and the Aggregate Remaining Fund Information

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the Governmental Fund – General, Governmental Fund – Highway, Governmental Fund – Federal, Governmental Fund – Health and Social

Services, Governmental Fund – Permanent School and the aggregate remaining fund information of the State of Nebraska, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of University of Nebraska Foundation, the University of Nebraska Facilities Corporation, the University Technology Development Corporation, the University Dental Associates, the UNeHealth, the UNMC Science Research Fund, the Nebraska Utility Corporation, the Nebraska State College System Foundations, the Nebraska State Colleges Facilities Corporation, and the activity of the Nebraska State College System Revenue and Refunding Bond Program, which represent 45%, 37%, and 16%, respectively, of the assets and deferred outflows of resources, net position or fund balances, and revenues of the aggregate discretely presented component units as of June 30, 2022. Lastly, we also did not audit the financial statements of the College Savings Plan and Enable Savings Plan which represent 22%, 24%, and 34% of the assets and deferred outflows of resources, net position or fund balances, and revenues of the aggregate remaining fund information as of June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units and aggregate remaining fund information for the College Savings Plan and Enable Savings Plan is based solely on the report of the other auditors.

The financial statements of the University of Nebraska Foundation, the University of Nebraska Facilities Corporation, the University Technology Development Corporation, the University Dental Associates, the UNeHealth, the UNMC Science Research Fund, the Nebraska Utility Corporation, the State Colleges Foundations, Nebraska State College System Revenue and Refunding Bond Program and the Nebraska State Colleges Facilities Corporation were not audited in accordance with *Government Auditing Standards*.

Basis for Disclaimer of Opinions on the Business-Type Activities and the Enterprise Fund – Unemployment Insurance

The State of Nebraska was unable to provide sufficient appropriate audit evidence that controls were in place to ensure the financial statements above were free from material misstatements. The Nebraska Department of Labor was unable to provide timely and accurate records of the Enterprise Fund - Unemployment Insurance including support of balances. Monies for the Fund are maintained outside of the Nebraska State Treasurer in separate bank accounts. Journal entries are prepared to record the activity in the State accounting system, EnterpriseOne. Our testing noted numerous errors and required multiple proposed adjustments totaling over \$80,000,000 to the financial statements. The Department agreed with the adjustments proposed by our office; however, due to the inability of the Department to provide accurate and complete accounting records; we were unable to determine whether any further adjustments may have been necessary for the financial statements.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, each major fund (except the Enterprise Fund – Unemployment Insurance), and the aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 State of 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 unmodified audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2022, the State of Nebraska adopted new accounting guidance for lease accounting in GASB Statement No. 87, *Leases*. Additionally, as discussed in Note 1 to the financial statements, the beginning balances have been adjusted. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Nebraska's ability to continue as a going concern for twelve 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

Auditor's Responsibilities for the Audit of the Business-Type Activities and the Enterprise Fund – Unemployment Insurance

Our responsibility is to conduct an audit of the State of Nebraska's financial statements in accordance with GAAS and *Government Auditing Standards* and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions on the Business-Type Activities and the Enterprise Fund – Unemployment Insurance section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Business-Type Activities and the Enterprise Fund – Unemployment Insurance.

We are required to be independent of the State of Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibilities for the Audit of the Governmental Activities, Aggregate Discretely Presented Component Units, Governmental Fund – General, Governmental Fund – Highway, Governmental Fund – Federal, Governmental Fund – Health and Social Services, Governmental Fund – Permanent School and the Aggregate Remaining Fund Information

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 State of Nebraska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Nebraska'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 on pages 19 through 33, the Budgetary Comparison Schedule on page 95, the Information About Infrastructure Assets Reported Using the Modified Approach on page 97, the Information About Pension Plans on pages 98 through 118, and the Information About Other Postemployment Benefit Plans on pages 119 through 121 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 State of Nebraska's basic financial statements. The combining financial statements 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 financial statements 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 section, budgetary comparison schedules – other than the General fund and the statistical section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of the State of Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report will be issued under separate cover in the State's Single Audit Report. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nebraska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nebraska's internal control over financial reporting and compliance.



Kris Kucera, CPA, CFE
Assistant Deputy

Lincoln, Nebraska
January 30, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management of the State of Nebraska provides the following discussion and analysis of the State of Nebraska’s financial performance, as reflected in the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. Please read it in conjunction with the additional information furnished in the letter of transmittal at the front of this report, and with the State’s basic financial statements. Numerical years refer to fiscal years with a June 30 year-end, unless otherwise noted.

The State of Nebraska (State) implemented one new standard in 2022 required by the Governmental Accounting Standards Board (GASB) that had an impact on the June 30, 2022 financial statements. Statement No. 87, *Leases*, established a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset; thereby, increasing the usefulness of governments’ financial statements. Since the State is both a lessee and lessor, the State is required to recognize a lease liability, an intangible right-to-use asset, a lease receivable, and a deferred inflow of resources.

The State also implemented the following new standards in 2022 that had no impact on the June 30, 2022 financial statements. Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Statement No. 92, *Omnibus 2022*. Statement No. 93, *Replacement of Interbank Offered Rates*. Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32)*. Statement No. 99, *Omnibus 2022*.

A comparative analysis of government-wide data for the last two years is presented below. Additionally, an analysis of activity in the State’s funds for the fiscal year ended June 30, 2022 is presented, along with an analysis of the State’s capital assets and long-term debt related to capital assets. These analyses include the restatement of certain balances for fiscal year ended June 30, 2022 as more fully described in Note 17 to the financial statements. These analyses also take into account restatements of certain balances for fiscal year ended June 30, 2021, presented for MD&A purposes including explanations of changes in the State’s funds.

FINANCIAL HIGHLIGHTS

Government-wide

The assets and deferred outflows of the State exceeded its liabilities and deferred inflows at June 30, 2022 by \$18.9 billion (presented as “net position” in the ACFR). The majority of the net position is represented by the investment in the State’s infrastructure and other capital assets which cannot be used to fund ongoing activities of the State. Of the net position, unrestricted net position was reported as \$3.4 billion, most of which is available to be used to fund future needs of the State. The primary government’s net general revenues, contributions and transfers exceeded net expenses for 2022 resulting in an increase in net position of \$1,576 million. This increase in net position follows an increase in 2021 of \$2,146 million.

Fund Level

General Fund revenues for 2022 were \$1,469 million above the original budgeted amount and above the final budget by \$624 million. Expenditures were \$338 million less than the original budgeted amount and below the final budget by \$553 million. On a Generally Accepted Accounting Principles (GAAP) basis, the General Fund had \$1,029 million excess in revenues prior to net other financing uses of \$218 million causing an increase in fund balances of \$811 million, and thereby increasing the fund balance on June 30, 2022 to \$3,194 million. Other governmental funds expenditures exceeded revenues by \$32 million, chiefly due to market changes. In addition to these operating changes, other governmental funds received \$273 million in net other financing sources. This \$241 million net increase resulted in raising such fund balances at June 30, 2022 to \$5,209 million.

The \$544 million of net position of the Unemployment Insurance Fund represents 88% of the enterprise funds. Such fund had a \$33 million increase in net position for 2022 compared to a \$29 million increase in 2021, an increase in growth of \$4 million. Business assessment fees collected from employers and federal revenue in response to the COVID-19 pandemic exceeded the unemployment insurance claims in 2022. Business assessment fees from employers was up 29.8% from 2021. Federal operating and nonoperating revenue of \$24 million represents a decrease of \$541 million from 2021.

Long-term Liabilities

Long-term liabilities shown on the government-wide financial statements totaled \$732 million at June 30, 2022, which is a \$382 million decrease from the prior year, primarily due to a decrease in the State's pension liability. The remaining liabilities consist of Medicaid liability, claims payable for workers' compensation, medical excess liability, lease liability, certificates of participation, unemployment insurance and employee health insurance, in addition to the calculated amount for accrued vacation and vested sick leave due to employees when they retire. After a retired employee reaches the age of 65, the State has no further obligation for other post-employment benefits, except for a very small number of employees.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the State's financial statements. The State's basic financial statements include three components: government-wide financial statements, fund financial statements and notes to the financial statements. This ACFR also contains other supplementary information (e.g., budgetary schedules and combining financial statements) in addition to the basic financial statements. These components are described below.

Government-wide Financial Statements

These statements provide a broad view of the State's operations in a manner similar to the private sector, providing both a short-term and a long-term view of the State's financial position. The statements are prepared using the accrual basis of accounting. This means all revenues and expenses related to the fiscal year are recorded in the statements, even if cash has not been received or paid. If taxes are owed to the State but not yet received, such transaction is recorded as an asset (a receivable) and revenue to the State. Likewise, if the State owes for vacation time but has not yet paid the worker for such vacation earned, then the liability and payroll expense are recorded. The government-wide financial statements include two statements, the Statement of Net Position and the Statement of Activities.

The *Statement of Net Position* (page 36) presents all the State's assets and liabilities with the difference between the two reported as "net position." Changes in net position over time may indicate the relative health of the State and this statement will assist users in assessing whether or not the State's financial position is improving or deteriorating.

The *Statement of Activities* (pages 37 and 38) presents information showing how the State's net position changed during the reported year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows, using the accrual basis of accounting discussed earlier.

Both of these statements have separate sections for three different types of State programs or activities. These sections are: Governmental Activities, Business-type Activities and Discretely Presented Component Units. Governmental Activities and Business-type Activities are combined to report on what is termed Primary Government activities, which is separate and distinct from the activity of the component units. Fiduciary Funds, which include the Pension Trust Funds, are not included in the government-wide financial statements.

Primary Government

GOVERNMENTAL ACTIVITIES – Activities in this section are mostly supported by taxes and federal grants. All General Fund activity is included here. Of the Governmental activities, program revenue, expenses and governmental assets represent 97% of all activity of the primary government.

BUSINESS-TYPE ACTIVITIES – Functions reported in this section include those activities whereby the State charges fees and other charges to external users of the State’s services and purchasers of State’s goods in order to recover all or a significant portion of the State’s operating costs related to these activities, much like a private business. Such activities are unemployment insurance services, lottery tickets, premium surcharges for excess liability coverage and the sales and services provided by Cornhusker State Industries.

Component Units

DISCRETELY PRESENTED COMPONENT UNITS – These are separate entities for which the State has financial accountability (in which the State provides over one-fifth of their funding) but such organizations have independent qualities as well. The University of Nebraska and the Nebraska State College System are the State’s only two discretely presented component units. While presented in this report, each of these two units have separate audited financial statements and such audited reports can be obtained from their respective administrative offices.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

This is the second set of financial statements presented in the ACFR. These statements are different from the government-wide statements in that some of these statements use a different accounting approach and focus on the near-term inflows and outflows of the State’s operations. As previously noted, these Statements are commonly referred to as GAAP Fund Statements, as they are prepared in accordance with generally accepted accounting principles. The Fund Financial Statements (which begin on page 39) provide detailed information about the State’s major funds. A fund is a method of accounting that uses a set of accounts to maintain accountability and control over specific sources of funding and spending for a particular activity or objective. The State’s funds are divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds. It is important to note that each of these three fund categories use different accounting approaches and should be analyzed differently.

Governmental Funds Financial Statements – Most of the basic services provided by the State are reported in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds financial statements use modified accrual accounting, which limits assets to cash and all other financial assets that can readily be converted into cash. This is different from the governmental activities recorded in the government-wide financial statements that use full accrual accounting. These fund statements provide a detailed short-term view of the State’s finances that assist the reader in determining whether or not there will be adequate financial resources to meet the current needs of the State.

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, the reader can better understand the long-term impact of the State’s near-term financing decisions. To aid the reader in such analysis, reconciliations are provided between the government-wide financial statements and the governmental funds financial statements (see pages 40 and 42).

The State of Nebraska’s governmental funds include five major funds: the General Fund, the Highway Fund, the Federal Fund, the Health and Social Services Fund and the Permanent School Fund. Non-major special revenue, capital project and other permanent funds are also included in the governmental funds.

Proprietary Funds Financial Statements – These funds are used to show activities that operate more like those of commercial enterprises. Thus, when the State charges for the services it provides, these services are generally reported in proprietary funds. Proprietary funds consist of both Enterprise Funds (services provided to outside customers) and Internal Service Funds (services provided to other State agencies). Proprietary funds utilize accrual accounting, the same method used by private businesses. Therefore, the net position reported in these statements as Enterprise Funds will be identical to the net position reported in the net position for business-type activities in the government-wide financial statements. However, because the Internal Service Funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds Financial Statements – Whenever the State receives funds on behalf of others, it is acting in a fiduciary capacity or trustee of those funds. Thus, assets in these funds are restricted as to use and do not represent discretionary assets that the State could use to finance its operations. They are presented in these statements only for the purpose of showing that the State has responsibility for these assets. For that reason, such assets are not included in the government-wide financial statements. Fiduciary funds are reported on the accrual basis of accounting.

The State’s principal fiduciary fund is the Pension Trust Fund, which contains retirement contributions held by the State for state employees, county employees and public school employees (see Note 13 to the financial statements). The Investment Trust Fund includes investments held in trust for the Omaha School Employees’ Retirement System. There are also Private-Purpose Trust Funds whereby the State has control of unclaimed property and contributions from State participants received by the College Savings Plan. The State also has Custodial Funds whereby the State collects funds for other governments or individuals.

Component Units Financial Statements – As mentioned in the discussion of the government-wide financial statements, the State has included the net position and activities of the University of Nebraska and the Nebraska State College System in a single column of such statements, labeling them as discretely presented component units. We have provided separate component unit statements to allow the reader to analyze each of these two units separately beginning on page 49.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in all of the basic financial statements. The notes can be found immediately following the component units’ financial statements beginning on page 51.

Required Supplementary Information

Following the basic financial statements and the accompanying notes thereto is additional Required Supplementary Information that further explains and supports the information in such financial statements. The required supplementary information includes a budgetary comparison schedule that reconciles the statutory fund balance used for budgetary purposes to the fund balance determined by GAAP used in the Fund Financial Statements. Other information included are the condition and maintenance data regarding certain aspects of the State’s infrastructure and certain pension and OPEB plan actuarial information.

Other Information and Supplementary Information

Other information includes the budgetary comparison schedules for Cash Funds, Construction Funds, Federal Funds and Revolving Funds. Also presented is an introductory section and statistical section providing State data. Supplementary information includes combining statements for non-major governmental, proprietary and fiduciary funds. These funds are summarized by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the Governmental Fund Financial Statements.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

The State’s assets and deferred outflows of resources totaled \$24,536 million at June 30, 2022 as compared to \$21,622 million at June 30, 2021. Total liabilities and deferred inflows of resources totaled \$5,641 million, and net position amounted to \$18,895 million as of June 30, 2022. As of June 30, 2021, these amounts were \$4,303 million and \$17,319 million, respectively. By far the largest portion of the State of Nebraska’s net position (53 percent) reflects the State’s investment in capital assets (e.g., land, buildings, equipment and infrastructure – highways, bridges, dams, etc.). The State uses these capital assets to provide services to citizens, thus, these assets are not available for future spending.

Restricted net position is subject to external restrictions, constitutional provisions or enabling legislation on how it can be used. It is also not available for future general government spending.

For Governmental Activities other than capital assets, the majority of the restricted net position consists of the Permanent School Trust, the Tobacco Settlement Trust, the Intergovernmental Trust, the Department of Transportation cash funds and the loans to political subdivisions for drinking water and clean water projects.

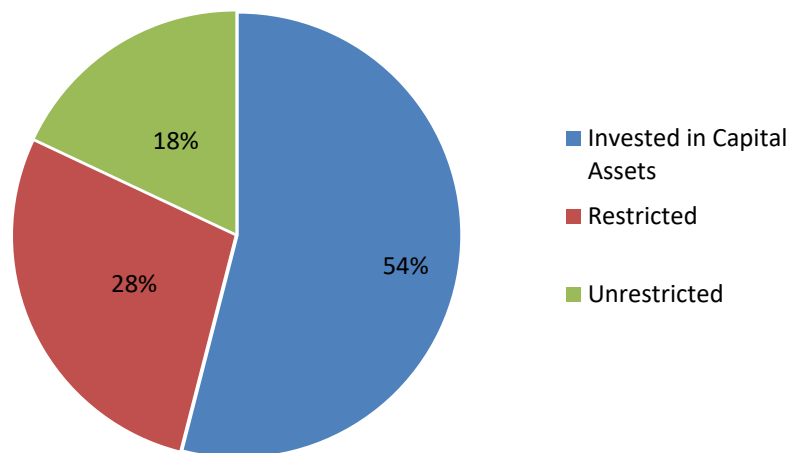
The net position for business-type activities primarily represent cash set aside for future unemployment insurance benefits.

STATE OF NEBRASKA
Net Position as of June 30
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other						
Non-current Assets	\$ 13,510	\$ 10,843	\$ 722	\$ 713	\$ 14,232	\$ 11,556
Capital Assets	10,028	9,698	11	11	10,039	9,709
Total Assets	<u>23,538</u>	<u>20,541</u>	<u>733</u>	<u>724</u>	<u>24,271</u>	<u>21,265</u>
Deferred Outflows of Resources	265	357	-	-	265	357
Non-current Liabilities	681	1,057	51	57	732	1,114
Other Liabilities	3,863	2,765	64	71	3,927	2,836
Total Liabilities	<u>4,544</u>	<u>3,822</u>	<u>115</u>	<u>128</u>	<u>4,659</u>	<u>3,950</u>
Deferred Inflows of Resources	<u>982</u>	<u>353</u>	<u>-</u>	<u>-</u>	<u>982</u>	<u>353</u>
Net position:						
Net Investment in						
Capital Assets	9,950	9,660	10	11	9,960	9,671
Restricted	5,029	4,925	546	514	5,575	5,439
Unrestricted	3,298	2,138	62	71	3,360	2,209
Total Net Position (as restated)	<u>\$ 18,277</u>	<u>\$ 16,723</u>	<u>\$ 618</u>	<u>\$ 596</u>	<u>\$ 18,895</u>	<u>\$ 17,319</u>

* Prior year amounts were not restated for the impact of GASB Statement No. 87

**Governmental Activities Net
Position - Total \$18,277**



Approximately 77% of the State's non-capital assets consist of cash and investments. It should be noted that \$485 million in 2022 and \$271 million in 2021 of such assets represent "Securities Lending Collateral," an amount established in accordance with GASB guidelines to record a lending transaction. Since the asset is offset by a corresponding equal liability, the effect on net position is zero and thus the asset cannot be spent. For more detail, see Note 2 to the financial statements. Receivables, primarily from taxes and the federal government, represent 18% of the non-capital assets.

Liabilities largely reflect three groupings which represent 98% of total State liabilities, not including the obligations under securities lending explained in the above paragraph. These are operational payables, which consist of accounts payable and accrued liabilities totaling \$2,740 million in 2022 (\$1,104 million in 2021), tax refunds payable of \$603 million (\$501 million in 2021) and long-term payables, discussed in the following paragraph.

Since the State's Constitution generally prohibits the State from incurring debt, the Statement of Net Position presents few long-term liabilities (shown as noncurrent liabilities), which total \$732 million in 2022 (\$1,114 million in 2021). Such liabilities include claims payable for workers' compensation, medical excess liability, certificates of participation, unemployment insurance and employee health insurance totaling \$157 million in 2022 (\$169 million in 2021), Medicaid claims for \$233 million in 2022 (\$281 million in 2021), the State's liability for pension funds of \$94 million in 2022 (\$465 million in 2021), the State's liability for OPEB of \$25 million in 2022 (\$22 million in 2021) and the calculated amount for vested sick leave, comp time, and accrued vacation due to employees when they leave employment with the State of \$144 million in 2022 (\$140 million for 2021). Another minor amount of long-term liabilities consists of certificates of participation (See Note 7 to the Financial Statements), which totaled \$33 million at June 30, 2022, compared to \$38 million at June 30, 2021.

The \$1,554 million increase in net position of Governmental Activities for 2022, was due to a \$290 million increase in the net investment in capital assets, a \$104 million increase in restricted net position, and a \$1,160 million increase in unrestricted net position. Additionally, there was a \$400 million increase in taxes collected.

At the end of June 30, 2022, the State reported a positive balance in all of the three categories of net position.

Changes in Net Position

The condensed financial information on the following page was derived from the Government-Wide Statement of Activities and reflects how the State's net position changed during the year. Following that table is management's analysis of the changes in net position for 2022, analyzing both the governmental activities and the business-type activities.

STATE OF NEBRASKA
CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues						
Charges for Services	\$ 756	\$ 783	\$ 311	\$ 296	\$ 1,067	\$ 1,079
Operating Grants and Contributions	5,207	4,623	18	444	5,225	5,067
Capital Grants and Contributions	39	6	-	-	39	6
General Revenues						
Taxes	7,267	6,867	-	-	7,267	6,867
Unrestricted Investment Earnings	(342)	411	(5)	12	(347)	423
Miscellaneous	4	2	-	-	4	2
Total Revenues	<u>12,931</u>	<u>12,692</u>	<u>324</u>	<u>752</u>	<u>13,255</u>	<u>13,444</u>
EXPENSES						
General Government	830	799	-	-	830	799
Conservation of Natural Resources	139	142	-	-	139	142
Culture - Recreation	50	49	-	-	50	49
Economic Development and Assistance	130	124	-	-	130	124
Education	2,336	2,084	-	-	2,336	2,084
Higher Education - Colleges and Universities	718	697	-	-	718	697
Health and Social Services	5,172	4,721	-	-	5,172	4,721
Public Safety	663	1,346	-	-	663	1,346
Regulation of Business and Professions	135	128	-	-	135	128
Transportation	1,303	1,257	-	-	1,303	1,257
Interest on Long-term Debt	1	-	-	-	1	-
Unemployment Insurance	-	-	80	609	80	609
Lottery	-	-	153	157	153	157
Excess Liability	-	-	8	7	8	7
Cornhusker State Industries	-	-	17	14	17	14
Total Expenses	<u>11,477</u>	<u>11,347</u>	<u>258</u>	<u>787</u>	<u>11,735</u>	<u>12,134</u>
Excess/(Deficiency) Before Transfers and Contributions: Permanent Fund Principal	1,454	1,345	66	(35)	1,520	1,310
Net Transfers In (Out)	50	53	(50)	(52)	-	1
Federal CARES	28	684	6	121	34	805
Contributions: Permanent Fund Principal	22	30	-	-	22	30
Increase/(Decrease) in Net Position	1,554	2,112	22	34	1,576	2,146
Net Position - Beginning (as restated)	<u>16,723</u>	<u>14,611</u>	<u>596</u>	<u>562</u>	<u>17,319</u>	<u>15,173</u>
Net Position - Ending	<u>\$ 18,277</u>	<u>\$ 16,723</u>	<u>\$ 618</u>	<u>\$ 596</u>	<u>\$ 18,895</u>	<u>\$ 17,319</u>

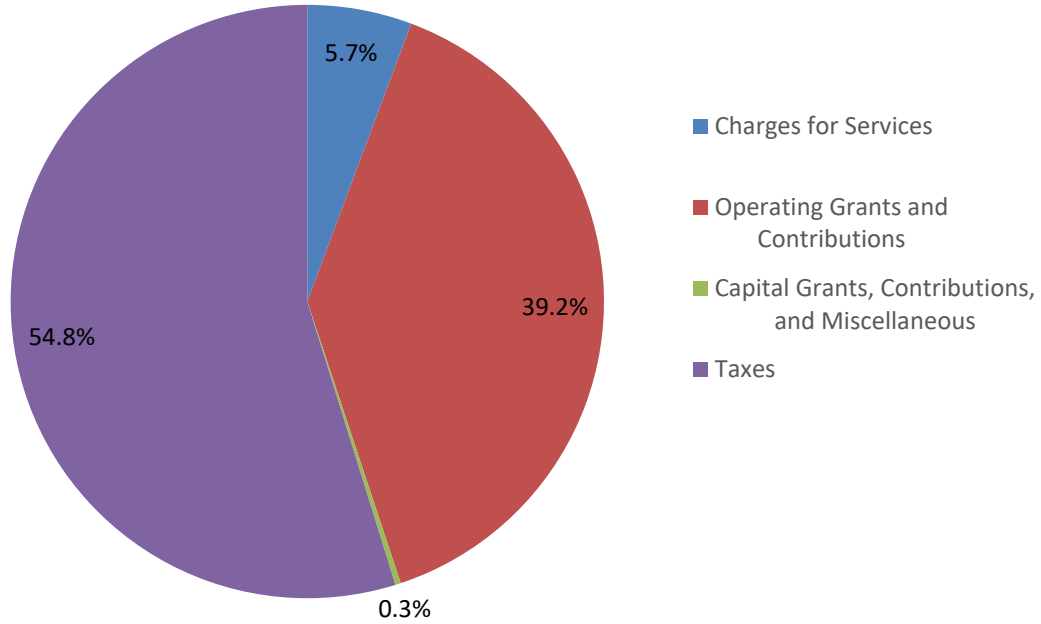
Governmental Activities

Governmental activities increased the State's net position by \$1,554 million in 2022 (\$1,995 million increase in 2021) and represent 98% of all primary government revenues. Program revenues from governmental activities were \$6,002 million and were used to partially offset program expenses of \$11,477 million, leaving net expenses of \$5,475 million. Only 7% of total expenses were incurred for general government services. General revenues from taxes, investment earnings, and miscellaneous sources, plus contributions to the permanent fund principal and transfers, totaling \$7,029 million, were \$1,554 million more than the remaining costs of the governmental activities' programs as shown below.

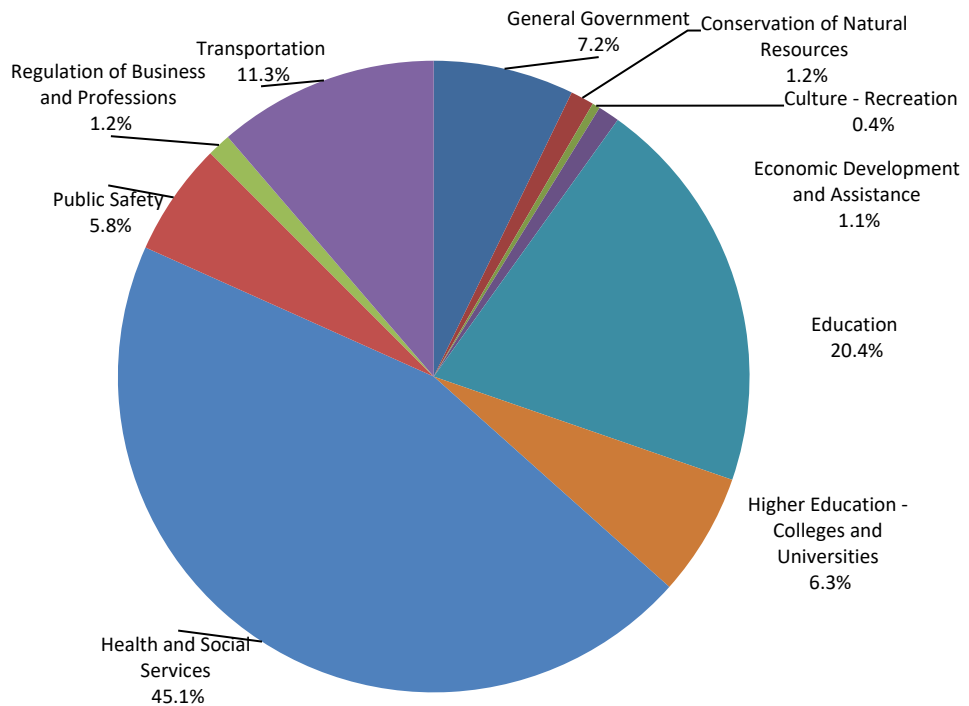
Tax revenues were up \$400 million from 2021, compared to an increase of \$1,130 million in 2021 over 2020. Program revenues increased 11% from 2021. Increases in education and health and social services contributed to the \$130 million increase in program expenses. The change in Net Position decreased \$558 million from 2021 to 2022 compared to the \$1,572 million increase from 2020 to 2021. Although the General Fund holds more investments than other programs and maintains more conservative investments, it showed a decrease in investment income in 2022 from 2021 of \$213 million due to the changes in the market value of the underlying investments.

STATE OF NEBRASKA
Governmental Activities
 As of June 30, 2022

Revenues - Total \$13,273 million



Expenses - Total \$11,477 million



Four functional areas of the State comprise 83% of the expenses of all Governmental Activities: Education, Public Safety, Health and Social Services, and Transportation. Education expenses were up \$252 million, Public Safety was down \$683 million, Health and Social Services was up \$451 million, and Transportation expenses were up \$46 million. General Government expenses were up \$31 million. All the other functional areas had small variances in net expenses.

Program expenses, net of revenue, decreased by \$460 million in 2022, over 2021, as shown below:

GOVERNMENTAL ACTIVITIES		
<i>(in millions of dollars)</i>		
	<u>2022</u>	<u>2021</u>
Program Expenses, Net of Revenue		
General Government	\$ (701)	\$ (665)
Conservation of Natural Resources	(30)	(49)
Culture - Recreation	(12)	(14)
Economic Development and Assistance	(79)	(35)
Education	(1,466)	(1,480)
Higher Education - Colleges and University	(718)	(697)
Health and Social Services	(1,579)	(1,418)
Public Safety	(326)	(1,024)
Regulation of Business and Professions	25	24
Transportation	(588)	(576)
Interest on Long-Term Debt	(1)	(1)
Subtotal	<u>(5,475)</u>	<u>(5,935)</u>
General Revenues		
Taxes	7,267	6,867
Unrestricted Investment Earnings	(342)	411
Miscellaneous	4	2
Transfers	50	53
Federal CARES	28	684
Contributions: Permanent Fund Principal	<u>22</u>	<u>30</u>
Increase(Decrease) in Net Position (as restated)	<u>\$ 1,554</u>	<u>\$ 2,112</u>

Business-type Activities

The business-type activities increased the State's net position by \$22 million for 2022, which was net of a \$50 million transfer to governmental activities. Most of the \$329 million of business-type activities' program revenues were related to business assessment fees in the Unemployment Insurance Fund and Lottery Fund revenues. The Unemployment Insurance Fund had an operating income of \$25 million in 2022. This income, when combined with transfers, Federal CARES funds of \$6 million, and \$3 million in investment income, produced a \$33 million increase in net position for the Unemployment Insurance Fund. Lottery revenues of \$202 million generated operating income of \$50 million, which was offset by a \$50 million transfer to Governmental Activities. The lottery transfer was used primarily for education and environmental studies.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with legal requirements for financial reporting

Governmental Funds

The focus of the State's Governmental Funds is to provide information on near-term inflows and outflows and the availability of spendable resources. At June 30, 2022, the State's Governmental Funds reported combined ending fund balances of \$8,403 million. Of this amount, \$666 million is non-spendable, either due to its form or legal constraints, and \$4,353 million is restricted for specific programs by external constraints, constitutional provisions or contractual obligations. Revenue restricted by enabling legislation and public school land lease revenues are included in restricted fund balance. An additional \$1,064 million of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. An additional \$57 million of total fund balance has been assigned to specific purposes, as expressed by legislative intent. The remaining \$2,263 million is unassigned and available for appropriations.

General Fund

The General Fund is the chief operating fund of the State. The major General Fund liability is the estimated tax refunds payable of \$584 million. However, such refunds payable are \$109 million less than the expected taxes owed the State. Other assets of the General Fund available to pay non tax-refund liabilities exceed such liabilities by \$3,220 million.

On June 30, 2021, the General Fund had a positive fund balance of \$2,383 million. For 2022, expenditures increased \$213 million from 2021 and revenues increased by \$145 million. The revenues were \$1,029 million more than expenditures for 2022 while revenues were \$1,098 million more than expenditures in 2021. The General Fund balance in 2022 increased by \$811 million, after adjusting for transfers in and out of the General Fund, ending with a fund balance of \$3,194 million on June 30, 2022.

Revenues increased during 2022 finishing \$145 million up from 2021. This increased was primarily due to an increase in income tax revenue of \$245 million (a 6.71% increase) from 2021, an increase in sales and use tax revenue of \$105 million (a 5.12% increase) over 2021, an increase in business and franchise taxes of \$13 million (a 11.91% increase) and a decrease in investment income of \$213 million (a 1,005% decrease) from 2021. Expenditures increased during 2022 by \$213 million over 2021 due to increases in General Government spending of \$23 million, an increase for Higher Education – Colleges and University of \$25 million, an increase in Health and Social Services of \$93 million, and an increase from 2021 for Public Safety of \$58 million. Overall expenditures were less than budgeted due to continued efforts by agency heads to be conservative in spending.

To compensate for downturns in revenues, the State has maintained a budgetary basis Cash Reserve Fund. While this Cash Reserve Fund is commingled with General Fund cash in the General Fund financial statements, it is separate and distinct in that, by State Statute, it can only be used (1) when the cash balance of the General Fund is insufficient to meet General Fund current obligations and (2) for legislatively mandated transfers to other funds. Any money transferred in accordance with item one above must be repaid as soon as there is sufficient cash in the General Fund cash account to do so. No such need existed in 2022.

The Cash Reserve Fund balance was \$426 million at the beginning of 2021. In 2021, there were net transfers in of \$41 million leaving a Cash Reserve Fund balance at June 30, 2021 of \$467 million. In 2022, there were statutory transfers to the Fund of \$585 million and other statutory transfers out equaling \$124 million leaving a Fund balance of \$928 million at June 30, 2022. The Cash Reserve Fund is reflected as committed to economic stabilization on the governmental funds balance sheet.

Other Governmental Funds

Other governmental fund balances totaled \$5,209 million at June 30, 2022. Of this amount, \$663 million is nonspendable, either due to its form or legal constraints, and \$4,353 million is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$137 million of total fund balance has been committed to specific purposes. The remaining \$56 million of total fund balance has been assigned to specific purposes, as expressed by legislative intent.

The three major funds presented as special revenue funds are the Highway Fund, the Federal Fund and the Health and Social Services Fund, with total fund balances of \$974 million. The non-major special revenue fund balances totaled \$1,382 million.

Governmental funds other than the General Fund saw an increase in fund balances of \$241 million. The fund balance of the following funds increased: Health and Social Service Fund (\$49 million) the Permanent School Fund (\$94 million), and the Other Nonmajor Funds (\$200 million). The fund balances of the following funds decreased: Highway Fund (\$48 million) and the Federal Fund (\$54 million).

The Highway Fund had a \$30 million decrease in Sales and Use Taxes, a \$44 million decrease in Petroleum Taxes, a \$1 million increase in Charges for Services, a \$29 million increase in federal grants revenue, a \$32 million decrease in investment income, a \$1 million increase in Licenses, Fees and Permits, and a \$23 million increase in operating expenses. These changes are mainly why the Highway Fund had a \$48 million decrease in its fund balance in 2022 as opposed to a \$49 million increase in 2021.

The activity in the Federal Fund represents federal funds received, and each year's spending should generally approximate grant funds received. In 2022, there was a decrease in federal grants and contracts revenue of \$66 million. Expenditures in 2022 increased by \$259 million for Education, increased \$5 million for Conservation of Natural Resources, decreased \$19 million for Economic Development and Assistance, increased \$397 million for Health and Social Services, decreased \$683 million for Public Safety, and decreased \$3 million for Transportation. Revenues were less than expenditures by \$34 million before transfers. Transfers out increased \$12 million in 2022 compared to a decrease of \$8 million in 2021. At the end of 2022 there was a \$54 million decrease in the fund.

The Health and Social Services Fund consists of the Intergovernmental Trust Fund and the Tobacco Settlement Trust Fund, in addition to various cash funds. The cash funds receive transfers from the trust funds, income from charges for services and some tax revenue, among other income. The funds had a \$184 million decrease in investment income in 2022, mainly due to changes in the market value of investments compared to a \$122 million increase in 2021. There was a \$5 million decrease in Charges for Services, and a \$9 million increase in Other revenue. There was a \$49 million increase in fund balance in 2022, as opposed to a \$135 million increase in 2021.

The Permanent School Fund had a \$170 million decrease in revenue, mainly due to a \$148 million decrease in investment income caused by changes in the market value of investments in 2022, compared to a \$197 million investment income increase in 2021 (when compared to 2020). There was a \$94 million increase in fund balance in 2022, compared to a \$265 million increase in 2021, a change of \$171 million.

The Nonmajor Funds revenues decreased \$67 million compared to 2021. Business and Franchise tax revenue increased by \$16 million, Other revenues decreased by \$13 million, and Investment Income decreased by \$89 million. Expenditures decreased by \$3 million compared to 2021. General government increased by \$8 million, Economic Development and Assistance increased by \$8 million, Regulation of Business and Professions increased by \$7 million, and Capital Projects decreased by \$27 million. There were \$300 million in net transfers in for the Nonmajor Funds in 2022 versus \$13 million in net transfers out for 2021. As a result, the fund balances increased \$200 million in 2022 as opposed to a \$51 million decrease in 2021.

Proprietary Funds

The State's proprietary funds provide the same type of information discussed earlier in the government-wide financial statements under Business-type Activities, but in more detail. The State's one major proprietary fund, the Unemployment Insurance Fund, reported net position of \$544 million at the end of 2022. This fund's net position increased \$33 million in 2022. Federal revenues decreased \$541 due to reduced COVID-19 funding. Net position increased because business assessment fees and federal operating and nonoperating revenues exceeded unemployment claims paid out by \$30 million, investment earnings of \$3 million and other changes. Other proprietary or enterprise funds, the Lottery Fund, the Excess Liability Fund (the fund established to provide limited liability for physicians working in Nebraska) and Cornhusker State Industries (an operation that utilizes incarcerated persons to manufacture and sell items) had combined income of \$40 million prior to a \$50 million transfer from the Lottery's net income to governmental funds. Such transfer was used primarily for education and environmental studies. The Excess Liability Fund had an operating income of \$3 million and lost \$7 million in investment earnings for a net position decrease of \$5 million.

Fiduciary Funds

The Pension Trust Funds represent the majority of the fiduciary funds. Such Pension Trust Fund's net position decreased \$1,222 million to \$19,252 million in 2022 mainly due to an decrease in the fair value of investments in 2022. Interest and dividend income in 2022 was \$243 million versus \$287 million in 2021. Benefits, refunds and related administrative expenses exceeded the contributions to the plans by \$405 million. Investment Trust Funds report the \$1,409 million net position of the Omaha School Employees' Retirement System. Private Purpose Trust Funds primarily report contributions from State participants received by the College Savings Plan which totaled \$547 million. The total net position in the College Savings Plan now totals over seven billion dollars. Custodial Funds are not held in trust or an equivalent arrangement and are for the benefit of other governments or individuals. Activity includes \$305 million in child support contributions and distributions, \$56 million in county court contributions and distributions, and distributions of \$14 million in Coronavirus Local Fiscal Recovery funds.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

During 2022, the State's economy continued to show improvement from the effects of recent economic pressures, especially in the agricultural sector. Forecasted revenues, upon which the State's budgeted General Fund expenditures are based, were anticipated to decrease in 2022 by \$1,075 million over 2021 net tax revenue of \$5,830 million. As revenues continued to moderate during 2022, the State's Forecasting Board made two new forecasts during the year. At the end, the forecasted net tax revenues were \$845 million above the original forecast. However, actual tax revenues, net of refunds for 2022 of \$6,224 million exceeded the revised forecast by \$624 million, leaving the State with actual tax revenues, net of refunds, of \$1,469 million above the original budget on a budgetary basis. Agencies continued to watch their General Fund expenditures and spent \$553 million less than the final appropriated amount. This reduction, when coupled with the increase in tax revenues, caused the State to finish 2022 with General Fund revenues of \$1,327 million more than expenditures on a budgetary basis, prior to net transfers out. There was a net \$222 million transferred out for specific purposes. The fund balance on a budgetary basis increased from \$2,323 million at the beginning of the fiscal year to \$3,428 million at June 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022, the State had invested \$10.0 billion, net of accumulated depreciation, in capital assets as reported in the Statement of Net Position and summarized in the table below. Depreciation expense for 2022 totaled \$94 million, compared to \$70 million for 2021.

CAPITAL ASSETS AS OF JUNE 30

(net of depreciation in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 659	\$ 657	\$ -	\$ -	\$ 659	\$ 657
Buildings and Equipment (as restated)	760	652	10	8	770	660
Infrastructure (as restated)	7,818	7,818	-	-	7,818	7,818
Lease Asset	45	-	1	-	46	-
Construction in Progress (as restated)	746	571	-	3	746	574
Total	\$ 10,028	\$ 9,698	\$ 11	\$ 11	\$ 10,039	\$ 9,709

* Prior year amounts were not restated for the impact of GASB Statement No. 87

Infrastructure (roads, bridges, dams, etc.) is by far the largest group of assets owned by the State. GASB Statement No. 34 requires the State to select one of two methods to account for its infrastructure assets. One process is to record depreciation expense on selected infrastructure assets. The State has adopted an alternative method, referred to as the modified approach. Under this method, the State expenses certain maintenance and preservation costs and does not record any depreciation expense. Assets accounted for under the modified approach include approximately 10,000 miles of roads that the State is responsible to maintain.

In assessing the condition of State roads, the State's goal is to maintain at least an overall system rating of 72 or above using the Nebraska Serviceability Index. The most recent condition assessment, completed for calendar year 2021, indicated an overall system rating of 83, a rating that has been very consistent over the past six years.

For 2022, it was estimated that the State needed to spend \$382 million to preserve and maintain the roads at the above-mentioned level. The State actually spent \$450 million on roads in 2022, compared to \$414 million in 2021. For 2023, it is estimated that the State needs to spend \$365 million, a decrease from actual 2022 and a decrease from the average of the previous five years.

The State also spent \$3 million on capitalized infrastructure and land purchases relating to roads in 2022 (\$63 million in 2021), most notably land additions for Highway 275 Scribner to West Point, Highway 136 Naponee to Bloomington, Highway 138 West, 23rd Street in Columbus, and infrastructure projects for Highway 30 Rogers to North Bend, and the intersection of US-75 and Nebraska Highway 2, Southeast of Nebraska City. At June 30, 2022, the State had contractual commitments of \$1,443 million for various highway and building projects. Most of the related expenditures will be expensed and not capitalized. (See Notes 1.J and 4 to the financial statements.)

During 2022, the State added \$208 million of new depreciable capital assets, including buildings, equipment, and infrastructure. A more detailed analysis of capital assets is shown in Note 4 to the financial statements.

Long-Term Debt

Long-term debt related to capital assets is minimal for reasons previously stated. For further detail and analysis of long-term debt, see Notes 7 and 15 to the financial statements.

CERTAIN LONG-TERM DEBT AS OF JUNE 30

(in millions of dollars)

	GOVERNMENTAL ACTIVITIES	
	<u>2022</u>	<u>2021</u>
Certificates of Participation:	<u>\$ 33</u>	<u>\$ 38</u>

There were new bonds issued in 2022 and 2021 with none outstanding at the end of each fiscal year. One new certificate of participation (COP) was added in 2022 (two COPs were added in 2021). Bonds and COPs issued on behalf of the State maintain an Aa2 rating from Moody's. Standard and Poor's has issued an AAA rating for the State as a whole.

FACTORS THAT WILL AFFECT THE FUTURE

The State's economy continues to be affected by the COVID-19 pandemic. However, fiscal year 2022 General Fund tax revenues increased 6.8% from 2021 and exceeded projections. A reduction is forecasted for fiscal year 2023, with tax revenues projected to come in under actual 2022 revenues by \$96 million, or 1.5%, on a nominal basis. Despite the pandemic, the State continues to have one of the lowest unemployment rates in the country and its debt, pension and other post-employment benefit burdens are among the lowest of all states.

The State faces a number of challenges in the coming years. Shifts in the national healthcare policy, ongoing increases in healthcare costs, and expansion of the Medicaid program present challenges to the State, as well as potential for continued growth from demand for existing health and human services aid programs and provider rates. In addition, the growth in recent years in the prison inmate population presents an additional challenge to address increased operating costs and possible capital asset improvements. There is also a need for continuous monitoring of the school finance formula to ensure sustainable growth in aid to education for K-12 schools, easily the largest annual General Fund financial commitment.

As previously explained, the State maintains a Cash Reserve Fund to help offset any future economic downturns. As of June 30, 2022, this Fund had a \$928 million balance. By operation of law, any General Fund revenue at the end of a fiscal year which is in excess of the official certified forecast is used to build the Cash Reserve Fund. A transfer of \$1,288 million was made in July 2022 from the General Fund to the Cash Reserve Fund in compliance with this statutory requirement. This and other transfers out of the fund since the end of the last fiscal year have resulted in a Cash Reserve Fund balance of \$1,903 million at November 30, 2022. No other significant statutory disbursements from this fund have been scheduled at this time.

CONTACTING THE STATE ACCOUNTING OFFICE

This report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have any questions about this report or need additional information, contact the State Accounting Division of Administrative Services, 1526 K Street, Suite 190, Lincoln, NE 68508, (402) 471-2581.

The State's component units issue their own separately issued audited financial statements. These statements may be obtained by directly contacting the component units or by going online to their websites. For the University of Nebraska, contact the University of Nebraska, Director of University Accounting, 3835 Holdrege, Lincoln, NE 68583, (402) 472-2111 or online at <http://www.nebraska.edu/offices-policies/business-finance/accounting-finance>. For the State College System, contact the Nebraska State College System at 1327 H Street, Suite 200, Lincoln, Nebraska 68508-3751, (402) 471-2505 or online at <http://www.nscs.edu/for-nebraska/audit-reports>.

BASIC FINANCIAL STATEMENTS





State of Nebraska

STATEMENT OF NET POSITION

June 30, 2022

(Dollars in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
ASSETS				
Cash and Cash Equivalents	\$ 836,008	\$ 573,279	\$ 1,409,287	\$ 1,030,929
Receivables, net of allowance:				
Taxes	766,264	-	766,264	-
Due from Federal Government	950,424	-	950,424	-
Other	448,803	46,507	495,310	567,840
Internal Balances	38,470	(38,470)	-	-
Investments	8,996,462	126,691	9,123,153	3,114,262
Loans Receivable	312,331	-	312,331	18,682
Investment in Joint Venture	-	-	-	613,461
Net Pension Asset	626,992	-	626,992	-
Other Assets	47,460	5,318	52,778	29,410
Restricted Assets:				
Cash and Cash Equivalents	6,908	-	6,908	896,652
Other	-	2,542	2,542	-
Securities Lending Collateral	478,820	5,731	484,551	-
Capital assets:				
Land	658,851	315	659,166	115,945
Infrastructure	7,818,840	-	7,818,840	42,113
Construction in Progress	746,586	-	746,586	283,518
Land Improvements	-	-	-	357,725
Buildings and Equipment	1,728,846	20,027	1,748,873	4,252,239
Lease Asset	48,372	1,154	49,526	133,535
Less Accumulated Depreciation	(973,024)	(10,283)	(983,307)	(1,781,492)
Total Capital Assets	10,028,471	11,213	10,039,684	3,403,583
Total Assets	\$ 23,537,413	\$ 732,811	\$ 24,270,224	\$ 9,674,819
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow related to OPEB and pensions	\$ 265,379	\$ -	\$ 265,379	\$ -
Deferred loss on bond refunding	-	-	-	30,150
Total Deferred Outflows of Resources	\$ 265,379	\$ -	\$ 265,379	\$ 30,150
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,685,527	\$ 54,054	\$ 2,739,581	\$ 258,061
Tax Refunds Payable	603,329	-	603,329	-
Deposits	2,920	-	2,920	18,119
Unearned Revenue	93,178	4,184	97,362	112,810
Obligations under Securities Lending	478,820	5,731	484,551	-
Noncurrent Liabilities:				
Due within one year	269,506	13,704	283,210	156,800
Due in more than one year	292,768	36,960	329,728	1,447,547
Net Pension Liability	93,694	-	93,694	-
Net OPEB Liability	24,606	-	24,606	-
Total Liabilities	\$ 4,544,348	\$ 114,633	\$ 4,658,981	\$ 1,993,337
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow related to OPEB and pensions	\$ 897,116	\$ -	\$ 897,116	\$ -
Revenues not yet available	84,496	-	84,496	41,781
Deferred service concession arrangement receipts	-	-	-	11,451
Total Deferred Inflows of Resources	\$ 981,612	\$ -	\$ 981,612	\$ 53,232
NET POSITION				
Net Investment in Capital Assets	\$ 9,950,483	\$ 10,123	\$ 9,960,606	\$ 2,341,348
Restricted for:				
Education	35,132	-	35,132	2,924,180
Health and Social Services	776,780	-	776,780	-
Conservation of Natural Resources	799,467	-	799,467	-
Transportation	229,745	-	229,745	-
Licensing and Regulation	186,332	-	186,332	-
Other Purposes	284,183	2,541	286,724	328,842
Unemployment Insurance Benefits	-	543,501	543,501	-
Debt Service and Construction	-	-	-	180,948
Nonexpendable	655,417	-	655,417	-
Expendable	2,061,694	-	2,061,694	-
Unrestricted	3,297,599	62,013	3,359,612	1,883,082
Total Net Position	\$ 18,276,832	\$ 618,178	\$ 18,895,010	\$ 7,658,400

The accompanying notes are an integral part of the financial statements.

State of Nebraska

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

(Dollars in Thousands)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 830,145	\$ 126,496	\$ 2,549	\$ -
Conservation of Natural Resources	138,574	40,427	66,807	1,031
Culture – Recreation	50,156	32,120	3,839	1,883
Economic Development and Assistance	130,174	2,406	48,935	-
Education	2,336,369	42,230	828,390	-
Higher Education - Colleges and University	717,690	-	-	-
Health and Social Services	5,172,386	142,282	3,450,759	221
Public Safety	662,755	43,687	272,164	21,339
Regulation of Business and Professions	134,492	153,211	5,795	-
Transportation	1,303,312	172,912	528,318	14,481
Interest on Long-term Debt	817	-	-	-
Total governmental activities	<u>11,476,870</u>	<u>755,771</u>	<u>5,207,556</u>	<u>38,955</u>
Business-type activities:				
Unemployment Insurance	79,442	85,594	18,528	-
Lottery	152,757	202,265	-	-
Excess Liability	8,236	10,922	-	-
Cornhusker State Industries	17,405	11,890	-	-
Total business-type activities	<u>257,840</u>	<u>310,671</u>	<u>18,528</u>	<u>-</u>
Total Primary Government	<u>\$ 11,734,710</u>	<u>\$ 1,066,442</u>	<u>\$ 5,226,084</u>	<u>\$ 38,955</u>
COMPONENT UNITS:				
University of Nebraska	2,371,241	882,109	568,185	25,160
State Colleges	150,761	55,757	2,822	2,412
Total Component Units	<u>\$ 2,522,002</u>	<u>\$ 937,866</u>	<u>\$ 571,007</u>	<u>\$ 27,572</u>

General revenues:
Income Taxes
Sales and Use Taxes
Petroleum Taxes
Excise Taxes
Business and Franchise Taxes
Other Taxes
Unrestricted Investment earnings
Miscellaneous
Payments from the State of Nebraska
Contributions: Permanent Fund Principal
Federal CARES
Transfers
Total General Revenues, Contributions and Transfers
Change in Net Position
Net Position - Beginning (as restated)
Net Position - Ending

**NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION**

PRIMARY GOVERNMENT				COMPONENT UNITS
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		
\$ (701,100)	\$ -	\$ (701,100)	\$ -	-
(30,309)	-	(30,309)	-	-
(12,314)	-	(12,314)	-	-
(78,833)	-	(78,833)	-	-
(1,465,749)	-	(1,465,749)	-	-
(717,690)	-	(717,690)	-	-
(1,579,124)	-	(1,579,124)	-	-
(325,565)	-	(325,565)	-	-
24,514	-	24,514	-	-
(587,601)	-	(587,601)	-	-
(817)	-	(817)	-	-
<u>(5,474,588)</u>	<u>-</u>	<u>(5,474,588)</u>	<u>-</u>	<u>-</u>
-	24,680	24,680	-	-
-	49,508	49,508	-	-
-	2,686	2,686	-	-
-	(5,515)	(5,515)	-	-
-	71,359	71,359	-	-
<u>\$ (5,474,588)</u>	<u>\$ 71,359</u>	<u>\$ (5,403,229)</u>	<u>\$ -</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (895,787)	-
-	-	-	(89,770)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (985,557)</u>	<u>-</u>
3,936,754	-	3,936,754	-	-
2,616,640	-	2,616,640	-	-
389,799	-	389,799	-	-
145,412	-	145,412	-	-
171,640	-	171,640	-	-
6,769	-	6,769	-	-
(342,021)	(4,536)	(346,557)	120,541	-
3,923	26	3,949	68,881	-
-	-	-	717,690	-
21,698	-	21,698	-	-
27,818	5,616	33,434	-	-
50,053	(49,913)	140	-	-
<u>7,028,485</u>	<u>(48,807)</u>	<u>6,979,678</u>	<u>907,112</u>	<u>-</u>
1,553,897	22,552	1,576,449	(78,445)	-
16,722,935	595,626	17,318,561	7,736,845	-
<u>\$ 18,276,832</u>	<u>\$ 618,178</u>	<u>\$ 18,895,010</u>	<u>\$ 7,658,400</u>	<u>-</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2022

(Dollars in Thousands)

	GENERAL FUND	HIGHWAY FUND	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	PERMANENT SCHOOL FUND	NONMAJOR FUNDS	TOTALS
ASSETS							
Assets:							
Cash and Cash Equivalents	\$ 330,668	\$ 51,759	\$ 131,810	\$ 10,236	\$ 7,305	\$ 137,555	\$ 669,333
Cash on Deposit with Fiscal Agents	-	-	-	-	-	6,908	6,908
Investments	2,940,817	458,535	1,082,926	624,035	2,639,855	1,250,294	8,996,462
Securities Lending Collateral	229,145	35,729	84,218	18,161	18,725	92,842	478,820
Receivables, net of allowance:							
Taxes	692,267	71,238	-	-	-	2,759	766,264
Due from Federal Government	6	50,137	898,100	-	-	2,181	950,424
Loans	-	-	12,760	105	-	299,466	312,331
Other	68,303	21,865	95,060	154,090	68,859	23,116	431,293
Due from Other Funds	276,987	61	106,044	102,625	-	11,813	497,530
Inventories	2,425	3,437	209	350	-	2,768	9,189
Prepaid Items	1,027	25	117	-	-	342	1,511
Other	254	-	-	-	31,661	4	31,919
Total Assets	<u>\$ 4,541,899</u>	<u>\$ 692,786</u>	<u>\$ 2,411,244</u>	<u>\$ 909,602</u>	<u>\$ 2,766,405</u>	<u>\$ 1,830,048</u>	<u>\$ 13,151,984</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 196,047	\$ 416,808	\$ 1,832,489	\$ 8,424	\$ 88,040	\$ 67,645	\$ 2,609,453
Tax Refunds Payable	583,607	19,717	-	-	5	-	603,329
Deposits	257	529	730	38	6	1,360	2,920
Due to Other Funds	129,937	2,854	312,371	24,141	27	79,324	548,654
Obligations under Securities Lending	229,145	35,729	84,218	18,161	18,725	92,842	478,820
Claims Payable	71,626	-	101,836	-	-	-	173,462
Unearned Revenue	2,641	-	77,811	26	12,501	194	93,173
Total Liabilities	<u>1,213,260</u>	<u>475,637</u>	<u>2,409,455</u>	<u>50,790</u>	<u>119,304</u>	<u>241,365</u>	<u>4,509,811</u>
Deferred Inflows of Resources:							
Revenues not yet available	134,725	900	-	103,336	-	180	239,141
Fund Balances:							
Nonspendable:							
Inventories and Prepaid Items	3,452	3,462	326	350	-	3,110	10,700
Endowment Principal	-	-	-	-	635,902	19,515	655,417
Restricted	-	212,787	1,463	754,213	2,011,199	1,373,751	4,353,413
Committed	927,524	-	-	-	-	136,705	1,064,229
Assigned	-	-	-	913	-	55,540	56,453
Unassigned	2,262,938	-	-	-	-	(118)	2,262,820
Total Fund Balances	<u>3,193,914</u>	<u>216,249</u>	<u>1,789</u>	<u>755,476</u>	<u>2,647,101</u>	<u>1,588,503</u>	<u>8,403,032</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,541,899</u>	<u>\$ 692,786</u>	<u>\$ 2,411,244</u>	<u>\$ 909,602</u>	<u>\$ 2,766,405</u>	<u>\$ 1,830,048</u>	<u>\$ 13,151,984</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2022

(Dollars in Thousands)

Total fund balances for governmental funds \$ 8,403,032

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	658,851	
Infrastructure		7,818,840	
Construction in progress		746,586	
Other capital assets		1,600,498	
Lease assets		40,524	
Accumulated depreciation		<u>(871,000)</u>	9,994,299

Certain tax revenues and charges are earned but not available and therefore are unearned in the funds. 154,645

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 80,999

Deferred Inflows and Outflows related to Pension, they are not related to governmental funds. These Deferred Inflows & Outflows consist of:

Deferred Inflows related to OPEB		(1,495)	
Deferred Outflows related to OPEB		8,296	
Deferred Inflows related to Pension		(895,621)	
Deferred Outflows related to Pension		<u>257,083</u>	(631,737)

Certain long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Lease Liability		(37,770)	
Compensated absences		(136,270)	
Net pension liability/asset		533,298	
OPEB liability		(24,606)	
Claims and judgments		<u>(59,058)</u>	<u>275,594</u>

Net position of governmental activities \$ 18,276,832

State of Nebraska

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	GENERAL FUND	HIGHWAY FUND	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	PERMANENT SCHOOL FUND	NONMAJOR FUNDS	TOTALS
REVENUES							
Income Taxes	\$ 3,899,524	\$ -	\$ -	\$ 4,125	\$ -	\$ -	\$ 3,903,649
Sales and Use Taxes	2,146,768	434,013	-	-	-	28,862	2,609,643
Petroleum Taxes	-	375,285	-	-	2,869	14,514	392,668
Excise Taxes	60,588	-	-	14,633	-	70,191	145,412
Business and Franchise Taxes	120,301	(3)	-	-	-	51,342	171,640
Other Taxes	747	2,236	-	-	-	3,786	6,769
Federal Grants and Contracts	61	511,660	4,756,496	8	-	6,105	5,274,330
Licenses, Fees and Permits	17,580	115,640	898	21,740	12	190,536	346,406
Charges for Services	2,582	46,879	4,980	35,948	-	53,431	143,820
Investment Income	(191,405)	(31,898)	(87,474)	(48,722)	100,498	(85,452)	(344,453)
Rental Income	2	160	-	357	50,026	29,633	80,178
Surcharge	-	-	-	-	-	48,040	48,040
Other	4,095	3,513	6,577	68,521	5,464	22,204	110,374
Total Revenues	6,060,843	1,457,485	4,681,477	96,610	158,869	433,192	12,888,476
EXPENDITURES							
Current:							
General Government	724,765	-	2,796	-	-	97,169	824,730
Conservation of Natural Resources	29,384	-	43,762	-	-	67,748	140,894
Culture – Recreation	6,320	-	5,495	-	-	44,570	56,385
Economic Development and Assistance	19,429	-	61,760	-	-	50,666	131,855
Education	1,488,779	-	816,286	-	64,346	26,060	2,395,471
Higher Education - Colleges and University	715,200	-	-	-	-	2,490	717,690
Health and Social Services	1,693,382	-	3,472,539	47,659	-	3,188	5,216,768
Public Safety	343,899	-	279,330	-	-	67,319	690,548
Regulation of Business and Professions	8,825	-	1,853	-	-	124,841	135,519
Transportation	41	1,494,596	31,139	-	-	2,725	1,528,501
Capital Projects	-	-	-	-	-	45,633	45,633
Debt Service:							
Principal - Bonds	-	-	-	-	-	3,820	3,820
Interest - Bonds	-	-	-	-	-	15	15
Principal - Lease Financing	1,527	1	211	-	-	1,058	2,797
Interest - Lease Financing	315	-	22	-	-	113	450
Total Expenditures	5,031,866	1,494,597	4,715,193	47,659	64,346	537,415	11,891,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,028,977	(37,112)	(33,716)	48,951	94,523	(104,223)	997,400
OTHER FINANCING SOURCES (USES)							
Transfers In	51,711	8	32	1,843	-	356,630	410,224
Transfers Out	(269,997)	(11,002)	(20,733)	(2,062)	-	(56,377)	(360,171)
Proceeds from Other Financing Arrangements	143	-	-	-	-	3,820	3,963
Total Other Financing Sources (Uses)	(218,143)	(10,994)	(20,701)	(219)	-	304,073	54,016
Net Change in Fund Balances	810,834	(48,106)	(54,417)	48,732	94,523	199,850	1,051,416
FUND BALANCES, JULY 1 (as restated)	2,383,080	264,355	56,206	706,744	2,552,578	1,388,653	7,351,616
FUND BALANCES, JUNE 30	\$ 3,193,914	\$ 216,249	\$ 1,789	\$ 755,476	\$ 2,647,101	\$ 1,588,503	\$ 8,403,032

The accompanying notes are an integral part of the financial statements.

State of Nebraska

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

(Dollars in Thousands)

Net change in fund balances—total governmental funds \$ 1,051,416

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

Capital outlays are reported as expenditures in governmental funds. Sales of capital assets are reported as revenues. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 367,081	
Capital assets sold	(452)	
Depreciation expense	(82,298)	
Lease expense	(419)	283,912

Bond proceeds and other financing arrangements provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from:

Other financing arrangements	(3,820)	(3,820)
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Repayment of long-term debt and other financing arrangements is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year these amounts consisted of:

Other financing arrangement payments	3,820	
Certificates of Participation	35	3,855

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

18,251

Because some revenues will not be collected in the next year, they are not considered available revenues and are deferred in the governmental funds. Deferred inflows of resources increased by this amount this year.

40,248

Some items 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. These activities consist of:

Decrease in accrued interest	(3,833)	
Increase in compensated absences	801,814	
Decrease in net pension liability/asset	(2,302)	
Decrease in net OPEB liability	424	
Increase in deferred inflows related to OPEB	144	
Increase in deferred outflows related to OPEB	(544,468)	
Increase in deferred inflows related to pension	(91,014)	
Decrease in deferred outflows related to pension	(730)	160,035

Change in net position of governmental activities \$ 1,553,897

The accompanying notes are an integral part of the financial statements.

State of Nebraska
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2022

(Dollars in Thousands)	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	ACTIVITIES - INTERNAL SERVICE FUNDS
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 530,053	\$ 43,226	\$ 573,279	\$ 166,675
Receivables, net of allowance	30,709	15,798	46,507	16,984
Due from Other Funds	-	1,511	1,511	33,975
Inventories	-	4,751	4,751	2,670
Prepaid Items	-	162	162	2,171
Other	-	405	405	-
Total Current Assets	<u>560,762</u>	<u>65,853</u>	<u>626,615</u>	<u>222,475</u>
Noncurrent Assets:				
Restricted Long-Term Deposits	-	2,542	2,542	-
Long-Term Investments	62,280	64,411	126,691	-
Securities Lending Collateral	4,853	878	5,731	-
Capital Assets:				
Land	-	315	315	-
Buildings and Equipment	-	20,027	20,027	128,348
Lease Assets	-	1,154	1,154	7,848
Less Accumulated Depreciation	-	(10,283)	(10,283)	(102,024)
Total Capital Assets	<u>-</u>	<u>11,213</u>	<u>11,213</u>	<u>34,172</u>
Total Noncurrent Assets	<u>67,133</u>	<u>79,044</u>	<u>146,177</u>	<u>34,172</u>
Total Assets	<u>\$ 627,895</u>	<u>\$ 144,897</u>	<u>\$ 772,792</u>	<u>\$ 256,647</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 31,433	\$ 22,621	\$ 54,054	\$ 18,248
Due to Other Funds	39,900	81	39,981	1,681
Certificates of Participation	-	-	-	12,335
Lease Liability	-	67	67	559
Claims, Judgments and Compensated Absences	8,208	5,429	13,637	54,429
Unearned Revenue	-	4,184	4,184	5
Total Current Liabilities	<u>79,541</u>	<u>32,382</u>	<u>111,923</u>	<u>87,257</u>
Noncurrent Liabilities:				
Certificates of Participation	-	-	-	20,629
Lease Liability	-	1,023	1,023	6,695
Claims, Judgments and Compensated Absences	-	35,937	35,937	61,067
Obligations under Securities Lending	4,853	878	5,731	-
Total Noncurrent Liabilities	<u>4,853</u>	<u>37,838</u>	<u>42,691</u>	<u>88,391</u>
Total Liabilities	<u>\$ 84,394</u>	<u>\$ 70,220</u>	<u>\$ 154,614</u>	<u>\$ 175,648</u>
NET POSITION				
Net Investment in Capital Assets	-	10,123	10,123	(6,046)
Restricted for:				
Lottery Prizes	-	2,541	2,541	-
Unemployment Insurance Benefits	543,501	-	543,501	-
Unrestricted	-	62,013	62,013	87,045
Total Net Position	<u>\$ 543,501</u>	<u>\$ 74,677</u>	<u>\$ 618,178</u>	<u>\$ 80,999</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	
OPERATING REVENUES				
Charges for Services	\$ 85,593	\$ 225,077	\$ 310,670	\$ 448,120
Federal	18,528	-	18,528	-
Other	1	-	1	962
Total Operating Revenues	<u>104,122</u>	<u>225,077</u>	<u>329,199</u>	<u>449,082</u>
OPERATING EXPENSES				
Personal Services	-	9,209	9,209	55,344
Services and Supplies	8	41,215	41,223	153,489
Lottery Prizes	-	119,567	119,567	-
Unemployment Claims	79,434	-	79,434	-
Insurance Claims	-	7,684	7,684	215,699
Depreciation	-	723	723	8,074
Total Operating Expenses	<u>79,442</u>	<u>178,398</u>	<u>257,840</u>	<u>432,606</u>
Operating Income (Loss)	<u>24,680</u>	<u>46,679</u>	<u>71,359</u>	<u>16,476</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	2,507	(7,043)	(4,536)	2,432
Gain (Loss) on Sale of Capital Assets	-	26	26	144
Federal CARES	5,616	-	5,616	(801)
Total Nonoperating Revenues (Expenses)	<u>8,123</u>	<u>(7,017)</u>	<u>1,106</u>	<u>1,775</u>
Income (Loss) Before Transfers	32,803	39,662	72,465	18,251
Transfers Out	(169)	(49,744)	(49,913)	-
Change in Net Position	<u>32,634</u>	<u>(10,082)</u>	<u>22,552</u>	<u>18,251</u>
NET POSITION, JULY 1 (as restated)	<u>510,867</u>	<u>84,759</u>	<u>595,626</u>	<u>62,748</u>
NET POSITION, JUNE 30	<u>\$ 543,501</u>	<u>\$ 74,677</u>	<u>\$ 618,178</u>	<u>\$ 80,999</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	ACTIVITIES - INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 101,491	\$ 215,348	\$ 316,839	\$ 49,904
Cash Received from Interfund Charges	-	9,037	9,037	404,995
Cash Received from Federal Government	18,528	-	18,528	-
Cash Paid to Employees	-	(8,875)	(8,875)	(55,379)
Cash Paid to Suppliers	(12,529)	(40,800)	(53,329)	(138,313)
Cash Paid for Lottery Prizes	-	(119,114)	(119,114)	-
Cash Paid for Insurance Claims	(88,592)	(5,587)	(94,179)	(219,167)
Cash Paid for Interfund Services	36,254	(1,033)	35,221	(12,239)
Net Cash Flows from Operating Activities	55,152	48,976	104,128	29,801
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Federal CARES	45,959	-	45,959	-
Transfers Out	(169)	(49,744)	(49,913)	-
Net Cash Flows from Noncapital Financing Activities	45,790	(49,744)	(3,954)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	-	(6,537)	(6,537)	(2,746)
Proceeds from Sale of Capital Assets	-	6,383	6,383	573
Principal Paid on Certificates of Participation	-	(72)	(72)	(12,330)
Interest Paid on Certificates of Participation	-	-	-	(801)
Net Cash Flows from Capital and Related Financing Activities	-	(226)	(226)	(15,304)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investment Securities	-	(54,923)	(54,923)	-
Proceeds from Sale of Investment Securities	(2,378)	55,077	52,699	-
Interest and Dividend Income	2,848	2,147	4,995	2,289
Net Cash Flows from Investing Activities	470	2,301	2,771	2,289
Net Increase (Decrease) in Cash and Cash Equivalents	101,412	1,307	102,719	16,786
CASH AND CASH EQUIVALENTS, JULY 1	468,094	41,919	510,013	149,889
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 569,506	\$ 43,226	\$ 612,732	\$ 166,675

The accompanying notes are an integral part of the financial statements.

State of Nebraska

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	ACTIVITIES - INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME TO NET CASH				
FLOW FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 24,680	\$ 46,678	\$ 71,358	\$ 16,476
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	723	723	8,074
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	15,832	(149)	15,683	(3,811)
(Increase) Decrease in Due from Other Funds	-	(966)	(966)	9,633
(Increase) Decrease in Inventories	-	(1,548)	(1,548)	(145)
(Increase) Decrease in Prepaid Items	-	(162)	(162)	43
(Increase) Decrease in Long-Term Deposits	-	52	52	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(11,611)	1,829	(9,782)	2,957
Increase (Decrease) in Due to Other Funds	36,254	(1)	36,253	59
Increase (Decrease) in Claims Payable	(10,003)	2,097	(7,906)	(3,468)
Increase (Decrease) in Unearned Revenue	-	423	423	(17)
Total Adjustments	30,472	2,298	32,770	13,325
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 55,152	\$ 48,976	\$ 104,128	\$ 29,801
NONCASH TRANSACTIONS:				
Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments.				
The following noncash transactions occurred during the year:				
Capital Assets acquired through Certificates of Participation	\$ -	\$ -	\$ -	\$ 6,810
New Lease Asset	-	-	-	6,390
Change in Fair Value of Investments	-	(9,275)	(9,275)	-
Total Noncash Transactions	\$ -	\$ (9,275)	\$ (9,275)	\$ 13,200

The accompanying notes are an integral part of the financial statements.

State of Nebraska

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2022

(Dollars in Thousands)	PENSION TRUST FUNDS	INVESTMENT TRUST FUND	PRIVATE PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 1,260	\$ 5	\$ 29,756	\$ 30,022
Investments:				
U.S. Treasury Notes and Bonds	691,812	63,098	-	-
U.S. Treasury Bills	75,414	6,633	-	-
Government Agency Securities	6,038	371	-	-
Corporate Bonds	1,616,867	119,441	-	-
International Bonds	166,539	6,733	-	-
Equity Securities	3,283,739	222,052	-	-
Private Equity	1,304,049	178,865	-	-
Options	(1,126)	(117)	-	-
Mortgages	843,699	82,290	-	-
Private Real Estate	1,219,833	112,214	-	-
Asset Backed Securities	248,902	21,765	-	-
Bank Loans	272,742	12,510	-	-
Municipal Bonds	6,473	652	-	-
Opportunistic Credit	17,476	-	-	-
Commingled Funds	9,291,312	550,785	6,535,477	-
Short Term Investments	438,067	43,148	595,596	-
Total Investments	<u>19,481,836</u>	<u>1,420,440</u>	<u>7,131,073</u>	<u>-</u>
Securities Lending Collateral	469,328	30,201	-	-
Receivables:				
Contributions	35,940	7,584	-	-
Interest and Dividends	35,520	2,693	7,207	58
Other	863,650	79,304	-	81
Total Receivables	<u>935,110</u>	<u>89,581</u>	<u>7,207</u>	<u>139</u>
Due from Other Funds	50,292	7,534	-	-
Capital Assets:				
Buildings and Equipment	6,575	-	-	-
Less Accumulated Depreciation	(6,568)	-	-	-
Total Capital Assets	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets	-	-	21,973	3,875
Total Assets	<u>\$ 20,937,833</u>	<u>\$ 1,547,761</u>	<u>\$ 7,190,009</u>	<u>\$ 34,036</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,216,064	\$ 108,602	\$ 15,750	\$ 16,744
Due to Other Governments	-	-	-	1,293
Deposits	-	-	-	5,439
Due to Other Funds	490	30	-	6
Obligations under Securities Lending	469,328	30,201	-	-
Accrued Compensated Absences	376	-	-	-
Total Liabilities	<u>\$ 1,686,258</u>	<u>\$ 138,833</u>	<u>\$ 15,750</u>	<u>\$ 23,482</u>
Restricted for:				
Pensions	\$ 19,251,575	\$ -	\$ -	-
Omaha School Employer Retirement System	-	1,408,928	-	-
College Savings Plan	-	-	7,115,724	-
Individuals, Organizations, and Other Governments	-	-	58,535	10,554
Total Net Position	<u>\$ 19,251,575</u>	<u>\$ 1,408,928</u>	<u>\$ 7,174,259</u>	<u>\$ 10,554</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUND	PRIVATE PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ADDITIONS				
Contributions:				
Participant Contributions	\$ 293,452	\$ -	\$ 561,363	\$ 5,631
Client Contributions	-	-	-	404,648
State Contributions	140,550	-	-	-
Political Subdivision Contributions	216,059	-	-	-
Court Fees	3,711	-	-	-
Total Contributions	<u>653,772</u>	<u>-</u>	<u>561,363</u>	<u>410,279</u>
Investment Income:				
Net Increase in Fair Value of Investments	(992,472)	(122,178)	632,506	-
Interest and Dividend Income	242,680	18,094	149,369	116
Securities Lending Income	3,160	206	-	-
Total Investment Income	<u>(746,632)</u>	<u>(103,878)</u>	<u>781,875</u>	<u>116</u>
Investment Expenses	67,642	6,143	16,432	-
Securities Lending Expenses	1,139	79	-	-
Total Investment Expense	<u>68,781</u>	<u>6,222</u>	<u>16,432</u>	<u>-</u>
Net Investment Income	<u>(815,413)</u>	<u>(110,100)</u>	<u>765,443</u>	<u>116</u>
Escheat Revenue	-	-	21,318	-
Settlements	-	-	-	3,684
Receipts From Depositors	-	112,028	-	-
Other Additions	266	-	-	-
Total Additions	<u>(161,375)</u>	<u>1,928</u>	<u>1,348,124</u>	<u>414,079</u>
DEDUCTIONS				
Benefits	1,031,064	-	616,940	5,454
Refunds	20,104	-	-	-
Amounts Distributed to Outside Parties	-	-	17,653	421,603
Administrative Expenses	7,376	29	504	-
Other Deductions	1,802	-	-	853
Payments to and for Depositors	-	146,170	-	-
Transfers to Other Funds	-	-	-	140
Total Deductions	<u>1,060,346</u>	<u>146,199</u>	<u>635,097</u>	<u>428,050</u>
Change in Net Position Restricted for:				
Pensions	(1,221,721)	-	-	-
Omaha School Employer Retirement System	-	(144,271)	-	-
College Savings Plan	-	-	700,920	-
Individuals, Organizations, and Other Governments	-	-	12,107	(13,971)
NET POSITION-BEGINNING OF YEAR (as restated)	<u>20,473,296</u>	<u>1,553,199</u>	<u>6,461,232</u>	<u>24,525</u>
NET POSITION-END OF YEAR	<u>\$ 19,251,575</u>	<u>\$ 1,408,928</u>	<u>\$ 7,174,259</u>	<u>\$ 10,554</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska
STATEMENT OF NET POSITION
COMPONENT UNITS

June 30, 2022

(Dollars in Thousands)

	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
ASSETS			
Cash and Cash Equivalents	\$ 988,400	\$ 42,529	\$ 1,030,929
Receivables, net of allowance:			
Loans	18,682	-	18,682
Other	563,764	4,076	567,840
Investments	3,034,685	79,577	3,114,262
Investment in Joint Venture	613,461	-	613,461
Other Assets	27,340	2,070	29,410
Restricted Assets:			
Cash and Cash Equivalents	832,822	63,830	896,652
Capital assets:			
Land	114,617	1,328	115,945
Infrastructure	-	42,113	42,113
Land Improvements	357,725	-	357,725
Construction in Progress	275,584	7,934	283,518
Buildings and Equipment	3,886,060	366,179	4,252,239
Lease Asset	132,387	1,148	133,535
Less Accumulated Depreciation	<u>(1,624,779)</u>	<u>(156,713)</u>	<u>(1,781,492)</u>
Total Capital Assets	<u>3,141,594</u>	<u>261,989</u>	<u>3,403,583</u>
Total Assets	<u>\$ 9,220,748</u>	<u>\$ 454,071</u>	<u>\$ 9,674,819</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 30,129	\$ 21	\$ 30,150
Total Deferred Outflows of Resources	<u>\$ 30,129</u>	<u>\$ 21</u>	<u>\$ 30,150</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 243,913	\$ 14,148	\$ 258,061
Deposits	18,002	117	18,119
Unearned Revenue	111,036	1,774	112,810
Noncurrent Liabilities:			
Due within one year	152,298	4,502	156,800
Due in more than one year	1,350,468	97,079	1,447,547
Total Liabilities	<u>\$ 1,875,717</u>	<u>\$ 117,620</u>	<u>\$ 1,993,337</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues not yet available	\$ 41,781	\$ -	\$ 41,781
Deferred service concession arrangement receipts	10,486	965	11,451
Total Deferred Inflows of Resources	<u>\$ 52,267</u>	<u>\$ 965</u>	<u>\$ 53,232</u>
NET POSITION			
Net Investment in Capital Assets	\$ 2,157,052	\$ 184,296	\$ 2,341,348
Restricted for:			
Education	2,924,180	-	2,924,180
Other Purposes	224,842	104,000	328,842
Construction and Debt Service	171,122	9,826	180,948
Unrestricted	<u>1,845,697</u>	<u>37,385</u>	<u>1,883,082</u>
Total Net Position	<u>\$ 7,322,893</u>	<u>\$ 335,507</u>	<u>\$ 7,658,400</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

STATEMENT OF ACTIVITIES

COMPONENT UNITS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
EXPENSES			
Compensation and benefits	\$ 1,483,673	\$ 76,843	\$ 1,560,516
Supplies and materials	597,035	43,321	640,356
Utilities	1,859	-	1,859
Depreciation	162,904	10,150	173,054
Scholarships and fellowships	116,781	15,094	131,875
Other	8,989	5,353	14,342
Total Operating Expenses	<u>2,371,241</u>	<u>150,761</u>	<u>2,522,002</u>
PROGRAM REVENUES			
Charges for Services	882,109	55,757	937,866
Operating Grants and Contributions	568,185	2,822	571,007
Capital Grants and Contributions	25,160	2,412	27,572
Total Program Revenues	<u>1,475,454</u>	<u>60,991</u>	<u>1,536,445</u>
NET (EXPENSE) REVENUE	<u>(895,787)</u>	<u>(89,770)</u>	<u>(985,557)</u>
GENERAL REVENUES			
Interest and investment earnings	119,212	1,329	120,541
Miscellaneous	41,051	27,830	68,881
Payments from the State of Nebraska	652,752	64,938	717,690
Total General Revenues	<u>813,015</u>	<u>94,097</u>	<u>907,112</u>
Change in Net Position	(82,772)	4,327	(78,445)
NET POSITION -BEGINNING (as restated)	<u>7,405,665</u>	<u>331,180</u>	<u>7,736,845</u>
NET POSITION - ENDING	<u>\$ 7,322,893</u>	<u>\$ 335,507</u>	<u>\$ 7,658,400</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

(Dollars in Thousands)

1. Summary of Significant Accounting Policies

A. Basis of Presentation. The accompanying financial statements for the State of Nebraska (the “State”) and its component units have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial statements have been prepared primarily from accounts maintained by the State Accounting Administrator of Administrative Services. Additional data has been derived from audited financial statements of certain entities and from reports prescribed by the State Accounting Administrator and prepared by various State agencies and departments based on independent or subsidiary accounting systems maintained by them.

B. Reporting Entity. In determining its financial reporting entity, the State has considered all potential component units for which it is financially accountable and other organizations which are fiscally dependent on the State or the significance of their relationship with the State is such that exclusion would be misleading. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

As required by GAAP, these financial statements present the State and its component units. The component units are included in the State’s reporting entity because of the significance of their operational or financial relationships with the State. Complete financial statements of the individual component units that issue separate financial statements, as noted below, can be obtained from their respective administrative offices.

Discretely Presented Component Units. The following component units are legally separate entities from the State but are financially accountable to the State or their relationships with the State are such that their exclusion would cause the State’s financial statements to be misleading. These component units are reported in a separate column in the government-wide financial statements.

Nebraska State College System. The Board of Trustees of the Nebraska State Colleges governs Chadron State College, Peru State College and Wayne State College. The Board of Trustees is also the Board of Directors of the Nebraska State Colleges Facilities Corporation, a nonprofit corporation incorporated in 1983 to finance the repair or construction of buildings or the acquisition of equipment for use by the State Colleges. The Board of Trustees consists of the Commissioner of Education and six members appointed by the Governor. Chadron State, Peru State and Wayne State Foundations are tax-exempt nonprofit corporations whose purpose is to provide financial support for the Nebraska State College System. Audit reports for the Nebraska State College System may be found on the [State Colleges’](#) website under [Audit Reports](#).

University of Nebraska. The University of Nebraska consists of the following campuses: University of Nebraska – Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney and University of Nebraska Medical Center. The University of Nebraska is governed by an elected eight-member Board of Regents. The University’s financial reporting entity also consists of the following units: the University of Nebraska Facilities Corporation, a nonprofit corporation organized to finance the construction and repair of buildings and hold them in trust for the University of Nebraska; the UNMC Science Research Fund, organized to solely support the research mission of the University of Nebraska Medical Center; the University Dental Associates, organized for the purpose of billing dental service fees generated by university dentists; the Nebraska Utility Corporation, formed to purchase, lease, construct and finance activities relating to energy requirements of the University of Nebraska-Lincoln; the University Technology Development Corporation, formed for the purpose of supporting the research mission of the University and advance technology transfer globally; the UNeHealth, a nonprofit corporation to further the general health care purpose of the University of Nebraska Medical Center; and the University of Nebraska Foundation, a tax-exempt nonprofit corporation whose purpose is to provide financial support for the University of Nebraska. The University of Nebraska is included as a component unit because it is fiscally dependent on the State since the Nebraska Legislature controls the budget of the University. Audit reports may be found on the [University’s Accounting and Finance](#) website.

The university and colleges are funded primarily through State appropriations, tuition, federal grants, private donations and grants, and auxiliary operations.

Related Organizations. The State’s officials are responsible for appointing members of boards of other organizations, but the State’s accountability for these organizations does not extend beyond making these appointments. The Governor appoints the boards of the following organizations: Nebraska Educational, Health, Cultural, and Social Services Finance Authority, Nebraska Investment Finance Authority and Wyuka Cemetery.

C. Government-wide and Fund Financial Statements. The basic financial statements include both government-wide and fund financial statements. The reporting model based on the GASB Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* focuses on the State as a whole in the government-wide financial statements and major individual funds in the fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents the reporting entity’s non-fiduciary assets and liabilities with the difference reported as net position. Net position is reported in three categories:

Net Investment in Capital Assets. This category reflects the portion of net position associated with capital assets net of accumulated depreciation and reduced by outstanding bonds and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position. This category results when constraints are externally imposed on net position use by creditors, grantors or contributors, or imposed by law through constitutional provisions or enabling legislation.

It is the policy of the State to spend restricted net position only when unrestricted net position is insufficient or unavailable.

The Statement of Net Position reports \$5,574,792 of restricted net position, of which \$2,297,179 is restricted by enabling legislation.

Unrestricted Net Position. This category represents net position that does not meet the definition of the preceding two categories. Unrestricted net position often has constraints on resources that are imposed by management, but those constraints can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are reflected in the general government function. Administrative overhead charges of internal service funds are included in direct expenses. 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; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and; 3) investment earnings of permanent funds that are legally restricted for a specific program. Taxes and other items not meeting the definition of program revenues are instead reported 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 with nonmajor funds being combined into a single column.

D. Basis of Accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except custodial funds. With the economic resources measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Exchange revenues are recorded when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and related receivables are recognized as they become susceptible to accrual; generally when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers taxes and other revenues available if the revenues are collected within 60 days after year end, except for federal reimbursement grants which use a one year availability period. Revenues are generally considered to be susceptible to accrual when the underlying activity takes place or when eligibility requirements are met. Major revenues that are determined to be susceptible to accrual include sales taxes, income taxes, other taxpayer-assessed tax revenues, unemployment insurance taxes, federal grants and contracts, charges for services and investment income. All other revenue items, including estate taxes, are considered to be measurable and available when cash is received by the State. Receivables not expected to be collected in the next 60 days (or 12 months in the case of federal reimbursement grants) are offset by deferred inflows of resources.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences and claims and judgments are recorded only when payment is due and payable.

The State reports the following major governmental funds:

General Fund. This is the State's primary operating fund. It reflects transactions related to resources received and used for those services traditionally provided by a state government which are not accounted for in any other fund.

Highway Fund. This fund accounts for the maintenance and preservation of State highways financed with sales tax on motor vehicles, gas taxes, federal aid and other highway user fees.

Federal Fund. This fund accounts for substantially all federal monies received by the State, except those received by the Highway Fund.

Health and Social Services Fund. This fund accounts for activities of agencies, boards and commissions providing health care and social services financed primarily by user fees and tobacco settlement proceeds.

Permanent School Fund. This fund receives proceeds from any sale of the school lands held in trust for public education, payments for easements and rights-of-way over these lands, royalties and severance taxes paid on oil, gas and minerals produced from these lands; escheats, unclaimed property, and other items provided by law. Net appreciation on investments is not available for expenditure. Income is distributed to public schools.

The State reports the following major enterprise fund:

Unemployment Insurance Fund. This fund accounts for the State's unemployment insurance benefits. Revenues consist of taxes assessed on employers to pay benefits to qualified unemployed persons.

The State also reports the following fund types:

Governmental Fund Types:

Special Revenue Funds. Reflect transactions related to resources received and used for restricted or specific purposes.

Capital Projects Fund. Reflects transactions related to resources received and used for the acquisition, construction, or improvement of capital facilities.

Permanent Funds. Reflect transactions related to resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens, such as veterans, state airports and others.

Proprietary Fund Types:

Enterprise Funds. Reflect transactions used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

Internal Service Funds. These funds account for fleet management, facilities management, accounting, risk management, communication, information technology, printing, purchasing and postal services provided to other funds on a cost reimbursement basis.

Fiduciary Fund Types:

Pension Trust Funds. These funds account for the State Employee Retirement System, County Employee Retirement System, School Retirement System, Judges Retirement System, State Patrol Retirement System and Deferred Compensation pension benefits.

Investment Trust Funds. These funds account for investments held in trust for the Omaha School Employee Retirement System.

Private Purpose Trust Funds. These funds account for Unclaimed Property and Nebraska College Savings Plan activity held for private individuals.

Custodial Funds. These funds account for assets held by the State pending distribution to other governments and individuals.

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

E. Cash and Cash Equivalents. In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements and U.S. treasury bills having original maturities (remaining

time to maturity at acquisition) of three months or less. These investments are stated at cost, which at June 30, 2022, approximates fair value due to their short-term nature. Banks pledge collateral, as required by law, to guarantee State funds held in time and demand deposits.

Cash and cash equivalents are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council that maintains an operating investment pool for such investments. Interest earned on these investments is allocated to funds based on their percentage of the investment pool.

F. Investments. Investments as reported in the basic financial statements include long-term investments. Law or legal instruments may restrict these investments. All investments of the State and its component units are recorded at fair value in accordance with generally accepted accounting principles. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The State's valuation methodologies are generally based on quoted market prices. These valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. 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. The State Treasurer is the custodian of all funds for the State, however, investments are under the responsibility of the Nebraska Investment Council or other administrative bodies determined by law.

G. Receivables. Receivables are stated net of estimated allowances for uncollectible amounts which are determined based upon past collection experience and current economic conditions.

H. Inventories. Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems. Significant inventories of governmental funds are valued using weighted average cost. Proprietary Funds' valuation method is primarily at the lower of cost (first-in, first-out) or market. Expenditures (governmental funds) and expenses (proprietary funds) are recognized using the consumption method (i.e., when used or sold).

Commodities on hand at fiscal year-end are reflected as inventories, offset by a like amount of unearned revenue, in the Federal Fund. Commodities are reported at fair values established by the federal government at the date received.

I. Restricted Assets. Assets held by the trustee purchased with certificates of participation are classified as restricted position on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited by applicable lease covenants. These assets are reflected as cash on deposit with fiscal agents in the fund financial statements. The nonmajor enterprise funds reflect long-term deposits with the Multi-State Lottery as restricted assets.

J. Capital Assets. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the applicable governmental or business-type activities columns in the Statement of Net Position. All capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The State possesses certain assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. These collection items are not capitalized by the State because they are (1) held for public exhibition, education or research in furtherance of public service, rather than financial gain, (2) protected, kept unencumbered, cared for and preserved and (3) subject to an agency policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. These assets include works of art and historical treasures such as: statues, historical documents, paintings, rare library books and miscellaneous capitol-related artifacts and furnishings.

Generally, equipment that has a cost in excess of \$5 at the date of acquisition and has an expected useful life of more than one year is capitalized. Substantially all initial building costs, land, land improvements, and software costing in excess of \$100 are capitalized. Building improvements and renovations in excess of \$100 are capitalized if a substantial portion of the life of the asset has expired and if the useful life of the asset has been extended as a result of the renovation or improvement. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Buildings and equipment are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation: Buildings 40 years and Equipment 3-20 years.

The State has elected to use the "modified approach" to account for certain infrastructure assets, as provided in GASB Statement No. 34. Under this process, the State does not record depreciation expense nor are amounts capitalized in connection with improvements to these assets unless the improvements expand the capacity or efficiency of an asset.

Utilization of this approach requires the State to: commit to maintaining and preserving affected assets at or above a condition level established by the State; maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. Roads and bridges maintained by the Department of Transportation are accounted for using the modified approach. Infrastructure acquired prior to June 30, 1980 is reported.

- K. Compensated Employee Absences.** All permanent employees earn sick and vacation leave. Temporary and intermittent employees and Board and Commission members are not eligible for paid leave. The liability has been calculated using the vesting method in which leave amounts, for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination, are included.

State employees accrue vested vacation leave at a variable rate based on years of service. Generally, accrued vacation leave cannot exceed 35 days at the end of a calendar year. Employees accrue sick leave at a variable rate based on years of service. In general, accrued sick leave cannot exceed 240 days (180 days for non-union employees). Sick leave is not vested except upon death or upon reaching the age of 55, at which time, the State is liable for 25 percent of the employee's accumulated sick leave. In addition, some State agencies permit employees to accumulate compensatory leave rather than paying overtime.

The government-wide, proprietary and fiduciary fund financial statements recognize the expense and accrued liability when vacation and compensatory leave is earned or when sick leave is expected to be paid as termination payments.

- L. Fund Balance.** In the governmental fund financial statements, fund balances are classified as nonspendable, restricted or unrestricted (committed, assigned or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature, the highest level of decision making authority for the State, by passing a legislative bill. Assigned fund balance is constrained by the Legislature's intent to be used for specific purposes by directive of the Executive Committee of the Legislature or, in some cases, by legislation. Unrestricted balances are used in the order listed above when expenditures are made which could be used from any of those categories. The State considers restricted balances to have been spent when both restricted and unrestricted fund balance is available.

The State maintains a stabilization fund reported as committed fund balance. The Cash Reserve Fund is part of the General Fund and was established by State Statute to be used as a reserve when the cash balance of the General Fund is insufficient to meet General Fund current obligations and for legislatively mandated transfers to other funds. Additions to the fund are made when actual General Fund revenues exceed certified projections for a fiscal year.

- M. Interfund Activities.** Interfund services provided and used are accounted for as revenues, expenditures or expenses in the funds involved. Activities that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund activities are reported as transfers.

The effect of interfund activity has been eliminated from the government-wide financial statements.

- N. Use of 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 and liabilities at fiscal year-end and revenues and expenses during the reporting period. Actual results could differ from those estimates.

- O. Effects of New Pronouncements.** In 2022, the State adopted GASB Statement No. 87, *Leases* (GASB 87). GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset (lease asset), and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For the transition, leases should be converted ("recognized and measured") using the facts and circumstances that exist at the beginning of the period of implementation, or the beginning of the earliest period restated. The implementation of GASB 87 resulted in an opening balance sheet adjustment, as of July 1, 2021, to recognize a lease liability and lease asset of \$42,994 and a lease receivable and deferred inflow of resources of \$1,171.

2. Deposits and Investments Portfolio

Listed below is a summary of the deposit and investment portfolio that comprises the Cash and Cash Equivalents and Investments on the June 30, 2022 basic financial statements. All securities purchased or held must either be in the custody of the State or deposited with an agent in the State's name.

Deposits. At June 30, 2022, the carrying amounts of the State's deposits were \$22,989 and the bank balances were \$88,030. All bank balances were covered by federal depository insurance or by collateral held by the State's agent in the State's name.

State Statutes require that the aggregate amount of collateral securities deposited by a bank with the State Treasurer shall be at least one hundred two percent of the amount of public funds deposited in that bank, less the amount insured by the Federal Deposit Insurance Corporation. The State Treasurer had compensating balance agreements with various banks totaling \$18,441 at June 30, 2022.

Investments. State Statute Section 72-1239.01 authorizes the appointed members of the Nebraska Investment Council to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims by diversifying the investments of the State. Certain State entities are also allowed by statute to invest in real estate and other investments.

Following are two different presentations of the primary government's investments, by investment type, at June 30, 2022. The first table below presents all investments stated at fair value using valuation techniques to measure fair value, followed by a table presenting investments at fair value for financial statement purposes, with debt securities presented with effective duration stated in years.

The State utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the State has the ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of a broadly traded range of equity and debt securities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset.

Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications, are used. If pricing information from external sources is not available or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value using discounted cash flows and other income valuation approaches.

For financial statement purposes, the investment amounts for some funds presented in the fiduciary fund financial statements reflect balances per audited financial statements for the period ended December 31, 2021. The underlying investments for these funds as of June 30, 2022 are included in the fair value measurement calculations and investment risk disclosures presented below for fiduciary funds.

PRIMARY GOVERNMENT INVESTMENTS AT JUNE 30, 2022 AT FAIR VALUE MEASUREMENTS USING:

	Fair Value	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Treasury Notes and Bonds	\$ 2,660,953	\$ -	\$ 2,660,953	\$ -
U.S. Treasury Bills	138,803	-	138,803	-
Government Agency Securities	2,026,438	-	2,026,438	-
Corporate Bonds	5,097,921	-	5,097,921	-
International Bonds	131,703	-	131,703	-
Mortgages	999,636	-	999,636	-
Asset Backed Securities	296,081	-	294,219	1,862
Bank Loans	264,245	-	264,245	-
Commingled Debt	1,550,034	1,413,275	136,759	-
Municipal Bonds	7,715	-	7,715	-
Short Term Investments	716,757	34,522	682,235	-
	<u>13,890,286</u>	<u>1,447,797</u>	<u>12,440,627</u>	<u>1,862</u>
Other Investments:				
Equity Securities	3,470,340	3,465,982	4,358	-
Private Equity	155	155	-	-
Commingled Funds	8,595,343	4,113,293	4,482,050	-
Options	(1,517)	(311)	(1,206)	-
U.S. Treasury Investment Pool	521,761	-	521,761	-
State Owned Land	1,580,683	-	1,580,683	-
Total Investments	<u>\$ 28,057,051</u>	<u>\$ 9,026,916</u>	<u>\$ 19,028,273</u>	<u>\$ 1,862</u>
Investments measured at the net asset value (NAV):				
		Unfunded Commitments	Redemption Frequency	Redemption Notice period
Real Estate Funds:				
Core	\$ 1,009,010	\$ -	Quarterly	90 Days
Non-Core	407,122	290,786		
Private Equity Funds	1,609,023	543,931		
Commingled Funds	827,060	-		
Opportunistic Credit Funds	16,137	25,000		
Hedge Funds	6,963	-		
Total investments measured at net asset value	<u>\$ 3,875,315</u>	<u>\$ 859,717</u>		
Total	31,932,366			
Other Investments not classified	1,017,296			
Component unit investment in State investment pool	(1,126,887)			
Other fair value measurements	7,772,056			
Total Investments at fair value	<u>\$ 39,594,831</u>			

Debt securities and other investments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities and other investments classified in Level 2 are valued using the following approaches:

- U.S. Treasury Notes and Bonds, Government Agency Securities, and Short Term Investments: quoted prices for identical securities in markets that are not active;
- Corporate, International, Municipal Bonds, and Equity Securities: quoted prices for similar securities in active markets;
- Asset Backed Securities, Bank Loans, and Mortgages: matrix pricing, based on accepted modeling and pricing conventions, of the securities' relationship to benchmark quoted prices;
- Commingled Funds: published fair value per share (unit) for each fund.

Debt securities and other investments including Asset Backed Securities, Corporate Bonds, and Mortgages, classified in Level 3 are valued using unobservable inputs, such as reviews, recommendations and adjustments made by portfolio management; or, the use of internal data to develop unobservable inputs if there is no objective information available without incurring undue cost and effort.

Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) have not been categorized in the fair value hierarchy. The fair value amounts at NAV presented in the above table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the consolidated statements of financial position. Investments valued using the net asset value per share are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The State values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions. The NAV table also presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the State’s alternative investments. Investments measured by NAV are either short term in nature or intended to be held to maturity. Therefore they do not bear a significant risk of being sold at amounts different than the NAV.

Other investments not classified. The following investments with fair value for financial statement purposes at June 30, 2022 were not classified for fair value measurement purposes: Securities Lending Short-term Collateral Investment Pool Investments in the amount of \$984,080 loaned to broker-dealers and banks under the securities lending program; Other Investments in the amount of \$26,308 presented as Commingled Funds held by a custodian for certain member accounts of the Nebraska Public Employees Retirement Systems Deferred Compensation Plan; and, Debt Securities in the amount of \$6,908 presented as Short Term Investments held by a trustee representing the balance of unexpended funds received from the issuance of certificates of participation.

Other fair value measurements. The fair value of certain Other Investment amounts presented as Short Term Investments and Commingled Funds for the Nebraska Educational Savings Plan Trust (Trust) and the Nebraska Enable Savings Plan were measured on December 31, 2021. These investments were not re-valued on June 30, 2022. Following is a summary of the fair value measurement and related input level: Fair Value \$7,131,073; Input Levels: 1 - \$6,469,078; 2 - \$661,995; 3 - \$0. Additional information regarding the Trust and Nebraska Enable Savings Plan assets and related measurement details can be found in the audited financial statements located on the Nebraska State Treasurer’s Office web site at treasurer.nebraska.gov.

The fair value of investments for the State and County Employees’ Retirement Plans are reported for financial statement purposes as of December 31, 2021. The investment balances on June 30, 2022 were re-valued for fair value measurement purposes, resulting in a decrease in fair value of \$640,983.

The primary government's investments at June 30, 2022 are presented below. All investments are presented by investment type and debt securities are presented with effective duration presented in years.

PRIMARY GOVERNMENT INVESTMENTS AT JUNE 30, 2022 FOR FINANCIAL STATEMENT PURPOSES

	GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES		FIDUCIARY FUNDS	
	FAIR VALUE	EFFECTIVE DURATION	FAIR VALUE	EFFECTIVE DURATION
Debt Securities:				
U.S. Treasury Notes and Bonds	\$ 1,861,791	3.90	\$ 754,910	9.19
U.S. Treasury Bills	64,047	-	82,047	-
Government Agency Securities	2,021,416	3.78	6,409	9.42
Corporate Bonds	3,309,565	4.03	1,736,308	5.69
International Bonds	13,200	8.22	173,272	7.80
Mortgages	65,171	4.22	925,989	4.44
Asset Backed Securities	18,820	0.81	270,667	1.17
Bank Loans	95	0.03	285,252	-0.11
Commingled Debt	206,357	5.79	1,403,506	5.36
Municipal Bonds	454	13.82	7,125	12.56
Short Term Investments	<u>209,838</u>	-	<u>1,076,811</u>	-
	7,770,754		6,722,296	
Other Investments:				
Opportunistic Credit	-		17,476	
Equity Securities	92,676		3,505,791	
Private Equity	124,828		1,482,914	
Commingled Funds	1,547,181		14,974,068	
Options	(130)		(1,243)	
Private Real Estate	66,536		1,332,047	
U.S. Treasury Investment Pool	521,761		-	
State Owned Land	1,580,683		-	
Less: Component Unit Investment in State Investment Pool	<u>(1,126,887)</u>		<u>-</u>	
Total Investments	10,577,402		28,033,349	
Securities Lending Short-term Collateral Investment Pool	<u>484,551</u>		<u>499,529</u>	
Total	\$ <u>11,061,953</u>		\$ <u>28,532,878</u>	

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

Credit Risk of Debt Securities. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State has contracts with investment managers that set minimum average quality ratings for its core fixed income accounts at an A. The maximum exposure to any single investment grade issuer excluding the U.S. government, its agencies or instrumentalities or government sponsored entities is 5 percent and the maximum exposure to a single issuer below investment grade is 3 percent. The primary government's rated debt investments as of June 30, 2022 were rated by Standard and Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard and Poor's rating scale.

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES INVESTMENTS AT JUNE 30, 2022

	FAIR VALUE	QUALITY RATINGS										
		AAA	AA	A	BBB	BB	B	CCC	CC	D	UNRATED	
Govt Agency Securities	\$ 2,021,416	\$ -	\$ 2,021,250	\$ 166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	3,309,565	302,397	814,351	1,825,953	339,411	19,532	6,161	473	-	-	-	1,287
International Bonds	13,200	-	1,213	1,158	3,531	4,461	1,998	595	125	119	-	-
Mortgages	65,171	11,289	274	78	40	-	19	193	345	-	-	52,933
Asset Backed Securities	18,820	14,558	-	29	314	-	77	2,509	584	749	-	-
Bank Loans	95	-	-	-	-	-	-	-	-	-	-	95
Commingled Debt	206,357	-	-	-	-	-	-	-	-	-	-	206,357
Short Term Investments	209,838	-	-	-	-	-	-	-	-	-	-	209,838
Municipal Bonds	454	-	454	-	-	-	-	-	-	-	-	-

FIDUCIARY FUND INVESTMENTS AT JUNE 30, 2022

	FAIR VALUE	QUALITY RATINGS										
		AAA	AA	A	BBB	BB	B	CCC	CC	C	D	UNRATED
Govt Agency Securities	\$ 5,022	\$ -	\$ 2,778	\$ 829	\$ 607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 808
Corporate Bonds	1,788,357	3,132	12,145	276,758	929,103	338,209	168,950	31,152	-	2,595	-	26,313
International Bonds	118,503	-	8,324	11,028	41,480	35,944	14,222	4,823	925	96	749	912
Mortgages	934,465	197,347	4,917	2,713	1,132	1,053	1,599	763	2,721	25	2,647	719,548
Asset Backed Securities	277,261	176,478	9,065	5,315	7,429	36,663	910	4,189	6,734	5	6,659	23,814
Bank Loans	264,150	-	-	-	-	-	-	-	-	-	-	264,150
Commingled Debt	1,343,677	-	-	-	-	-	-	-	-	-	-	1,343,677
Short Term Investments	1,109,422	-	-	-	-	-	-	-	-	-	-	1,109,422
Municipal Bonds	7,260	486	6,050	646	78	-	-	-	-	-	-	-

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The State has contracts with investment managers that limit the maximum amount for an issuer, excluding U.S. Treasury, U.S. Agency, mortgages and non-U.S. sovereign issuers, to 5 percent of the total account.

At June 30, 2022, the primary government, except fiduciary funds, had debt securities investments with more than 5 percent of total investments in Federal Farm Credit Bank (10 percent) and Federal Home Loan Bank (7 percent). At June 30, 2022, fiduciary funds had no investments that exceeded 5 percent or more of total investments.

Securities Lending Transactions. The State participates in securities lending transactions, where securities are loaned to broker-dealers and banks with a simultaneous agreement to return the collateral for the same securities in the future. The State's primary custodial bank administers the securities lending program and receives collateral in the form of cash, United States government or government agency obligations, sovereign debt rated A or better, or convertible bonds at least equal in value to the market value of the loaned securities. Securities on loan at year end consisted of United States government obligations, equity securities, corporate bonds, and non-US fixed income. At year-end, the State had no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The collateral securities cannot be pledged or sold by the State unless the borrower defaults. There are no restrictions on the amount of securities that can be loaned, and there were no losses resulting from borrower default during the year. Either the State or the borrowers can terminate all securities loans on demand. Cash collateral is invested in one of the lending agent's short-term investment pools that had average durations from one to four days. Because loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The custodian indemnifies the State against default by the borrower of securities, but does not indemnify against the default by an issuer of a security held in the short term investment funds where cash collateral is invested.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State does not have a formal policy to limit foreign currency risk. Primary Government exposure to foreign currency risk is presented on the following tables.

**FOREIGN CURRENCY AT JUNE 30, 2022
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

Currency	SHORT TERM INVESTMENTS	EQUITY SECURITIES	DEBT SECURITIES
Brazilian Real	\$ (3)	\$ -	\$ -
Canadian Dollar	51	-	-
Danish Krone	-	500	267
Euro Currency	259	18,975	7,052
Japanese Yen	95	1,708	-
Mexican Peso	9	211	-
Pound Sterling	71	6,682	2,312
Peruvian Nuevo Sol	-	-	248
South African Rand	-	-	1,758
South Korean Won	-	753	-
Swedish Krona	-	1,499	-
Swiss Franc	1	8,268	-
Total	\$ 483	\$ 38,596	\$ 11,637

FIDUCIARY FUND FOREIGN CURRENCY AT JUNE 30, 2022

Currency	SHORT TERM INVESTMENTS	EQUITY SECURITIES	DEBT SECURITIES
Argentine Peso	\$ 150	\$ -	\$ 154
Australian Dollar	2	13,253	-
Brazilian Real	(409)	33,337	2,942
Canadian Dollar	6,094	28,310	-
Czech Koruna	-	121	-
Danish Krone	76	11,526	2,005
Euro Currency	12,226	543,396	189,787
Hong Kong Dollar	44	34,009	-
Hungarian Forint	-	1,964	-
Indonesian Rupiah	34	2,966	-
Japanese Yen	2,070	152,668	-
Kuwaiti Dinar	-	1,340	-
Mexican Peso	-	5,337	4,577
New Israeli Sheqel	94	6,287	-
New Zealand Dollar	11	-	-
Norwegian Krone	66	6,294	-
Philippine Peso	4	2,037	-
Polish Zloty	2	534	-
Pound Sterling	4,232	211,384	54,569
Russian Ruble	-	4,567	-
Singapore Dollar	12	2,744	-
Peruvian Nuevo Sol	-	-	3,118
South African Rand	(573)	4,044	11,637
South Korean Won	-	16,869	-
Swedish Krona	69	38,512	-
Swiss Franc	3	171,085	-
Thailand Baht	3	4,511	-
Turkish Lira	63	1,703	-
Yuan Renminbi	3,131	61,358	-
Yuan Renminbi Offshore	(2,873)	-	-
Total	\$ 24,531	\$ 1,360,156	\$ 268,789

Derivative Instruments. Derivative instruments are financial contracts whose underlying values depend on the values of one or more underlying assets, reference rates or financial indices. These instruments are used primarily to enhance performance and reduce the volatility of the portfolio, in accordance with the Investment Council-approved Derivatives Policy. The State invests in futures contracts, options and swaps. Futures represent commitments to purchase or sell securities or money market instruments at a future date and at a specific price. Options represent the right, but not the obligation, to purchase or sell securities at a future date and at a specific price. The State invests in these contracts related to securities of the U.S. Government or Government Agency obligations based on reference notes, which are traded on organized exchanges, thereby minimizing the State's credit risk. The net change in futures and options contract values is settled daily in cash with the exchanges. Swaps represent an exchange of streams of payments over time according to specified terms. All changes in the fair value of derivative instruments are reflected in Investment Income and the fair value of derivative instruments at June 30, 2022 is reflected in Investments. The fair value balances and notional amounts of investment derivative instruments outstanding at June 30, 2022, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

DERIVATIVE INSTRUMENTS AT JUNE 30, 2022
GOVERNMENTAL ACTIVITIES

Derivative Instrument	Fair Value	Change in Fair Value	Notional
Credit Default Swap	\$ (823)	\$ (1,511)	\$ 20,622
Fixed Income Futures	-	(2,948)	29,706
Fixed Income Options	(117)	(97)	(22,423)
Foreign Currency Options	(29)	29	(4,948)
Futures Options	-	17	-
FX Forwards	156	736	33,398
Interest Rate Swap	648	828	120,800
Rights	(50)	(50)	(1,343)

DERIVATIVE INSTRUMENTS AT JUNE 30, 2022
BUSINESS-TYPE ACTIVITIES

Derivative Instrument	Fair Value	Change in Fair Value	Notional
Credit Default Swap	\$ (96)	\$ (177)	\$ 2,415
Fixed Income Futures	-	(345)	3,478
Fixed Income Options	(13)	(11)	(2,626)
Foreign Currency Options	(3)	3	(579)
Futures Options	-	2	-
FX Forwards	18	86	3,911
Interest Rate Swap	76	97	14,147
Return Swap	(6)	(6)	(157)

DERIVATIVE INSTRUMENTS AT JUNE 30, 2022
FIDUCIARY FUND

Derivative Instrument	Fair Value	Change in Fair Value	Notional
Credit Default Swap	\$ (7,470)	\$ (8,410)	\$ 154,020
Fixed Income Futures	-	(11,837)	229,084
Fixed Income Options	(1,076)	(647)	(210,859)
Foreign Currency Options	(247)	235	(35,958)
Futures Options	(311)	92	(547)
FX Forwards	3,334	18,296	416,306
Interest Rate Swap	(454)	(1,209)	1,102,358
Return Swap	(393)	(393)	(10,500)
Warrants	6,660	5,641	118

The change in fair value denotes the net realized and unrealized gains and losses recognized during the period. The fair value of the derivative instruments at June 30, 2022, denotes the market value, with the exception of FX Forwards, which denotes the net realized and unrealized gains and losses recognized during the period. Furthermore, the notional amount for Futures and Options was calculated as contract size times the number of contracts. The State is exposed to credit risk on derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Nebraska Investment Council's policy to require counterparty collateral posting provisions in its non-exchange-traded derivative instruments. These terms require full collateralization of the fair value of derivative instruments in asset positions. Collateral posted is to be in the form of U.S. Treasury securities held by a third-party custodian. The Plans have never failed to access collateral when required.

The aggregate fair value of derivative instruments in asset positions at June 30, 2022, was \$2,289 for Governmental and Business-Type Activities and \$21,173 for the Fiduciary Fund. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. There is no collateral held or liabilities included in netting arrangements with those counterparties; therefore, the net exposure to credit risk is \$23,462. Although the State executes derivative instruments with various counterparties, there is net exposure to credit risk of approximately 84 percent for the Governmental and Business-Type Activities and 91 percent for the Fiduciary Fund, held with three counterparties. The counterparties are rated A through BBB.

The State is exposed to interest rate risk on its interest rate swaps. Interest rate swaps are agreements between two counterparties to exchange future cash flows. These are generally fixed versus variable flows, and can be either received or paid. These swaps are used to adjust interest rate and yield curve exposure and substitute for physical securities. Long swap positions (receive fixed) increase exposure to long-term interest rates; short positions (pay fixed) decrease exposure. Counterparty risk is limited to monthly exchanged or netted cash flows. All of the State's interest rate swaps were fixed with a LIBOR (London Interbank Offered Rate) or SIFMA (Securities Industry and Financial Markets Association) reference rate. Foreign currency risk for derivative instruments at June 30, 2022 are as follows:

DERIVATIVE INSTRUMENTS FOREIGN CURRENCY AT JUNE 30, 2022
GOVERNMENTAL ACTIVITIES

Currency	Swaps	Forward Contracts	Options
Australian Dollar	\$ -	\$ (30)	\$ -
Brazilian Real	(41)	2	-
Chilean Peso	-	(1)	-
Yuan Renminbi	-	(1)	-
Danish Krone	-	14	-
Euro Currency	5	33	(1)
Pound Sterling	411	87	-
Japanese Yen	266	19	-
Norwegian Krone	-	(46)	-
Peruvian Nuevo Sol	-	(29)	-
South African Rand	-	107	-
Total	<u>\$ 641</u>	<u>\$ 155</u>	<u>\$ (1)</u>

DERIVATIVE INSTRUMENTS FOREIGN CURRENCY AT JUNE 30, 2022
BUSINESS-TYPE ACTIVITIES

Currency	Swaps	Forward Contracts
Australian Dollar	\$ -	\$ (4)
Brazilian Real	(5)	-
Danish Krone	-	2
Euro Currency	1	4
Pound Sterling	48	10
Japanese Yen	31	2
Norwegian Krone	-	(5)
Peruvian Nuevo Sol	-	(3)
South African Rand	-	12
Total	<u>\$ 75</u>	<u>\$ 18</u>

DERIVATIVE INSTRUMENTS FOREIGN CURRENCY AT JUNE 30, 2022
FIDUCIARY FUND

Currency	Swaps	Forward Contracts	Options
Australian Dollar	\$ -	\$ (141)	\$ (3)
Brazilian Real	(1,060)	(5)	-
Chilean Peso	-	3	-
Yuan Renminbi Offshore	-	(6)	-
Danish Krone	-	127	-
Euro Currency	(9,969)	1,608	(6)
Pound Sterling	5,429	1,410	-
Japanese Yen	2,053	139	-
Mexican Peso	-	(2)	-
Norwegian Krone	-	(358)	-
Peruvian Nuevo Sol	-	(230)	-
Polish Zloty	-	(2)	-
South African Rand	-	791	-
Total	<u>\$ (3,547)</u>	<u>\$ 3,334</u>	<u>\$ (9)</u>

A reconciliation of deposits and investments for the State to the basic financial statements at June 30, 2022 is as follows:

Disclosure Regarding Deposits and Investments:

Total Investments	\$ 39,594,831
Carrying amount of Deposits	<u>22,989</u>
Total	<u>\$ 39,617,820</u>

Statement of Net Position:

Cash and Cash Equivalents	\$ 1,409,287
Investments	9,123,153
Restricted Cash and Cash Equivalents	6,908
Securities Lending Collateral	484,551

Statement of Fiduciary Net Position:

Cash and Cash Equivalents	61,043
Investments	28,033,349
Securities Lending Collateral	<u>499,529</u>
Total	<u>\$ 39,617,820</u>

3. Receivables

Receivables are reflected net of allowances for doubtful accounts. The following are such related allowances listed by major fund at June 30, 2022:

Governmental Activities:

General Fund	\$ 228,165
Highway Fund	194
Federal Fund	78,158
Health and Social Services Fund	11,185
Other Special Revenue	<u>790</u>
Total Governmental Activities	<u>\$ 318,492</u>

Business-type Activities:

Unemployment Insurance	<u>\$ 37,728</u>
Total Business-type Activities	<u>\$ 37,728</u>

Of the taxes and other receivables, \$134,725 and \$19,920, respectively, is not expected to be collected within 60 days of the fiscal year end. These amounts have been offset by deferred inflows of resources in the General Fund and the Health and Social Services Fund. The majority of the loans receivable balance is not expected to be collected in the next year.

4. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	BALANCE July 1, 2021	ADDITIONS	REDUCTIONS	BALANCE June 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 657,356	\$ 2,561	\$ 1,066	\$ 658,851
Infrastructure	7,810,611	831	-	7,811,442
Construction in progress (as restated)	570,610	340,454	164,478	746,586
Total capital assets, not being depreciated	<u>9,038,577</u>	<u>343,846</u>	<u>165,544</u>	<u>9,216,879</u>
Capital assets, being depreciated / amortized:				
Buildings and improvements (as restated)	857,964	22,562	-	880,526
Equipment (as restated)	695,059	175,776	22,515	848,320
Infrastructure	7,398	-	-	7,398
Leased Land (as restated)	434	-	-	434
Leased Buildings (as restated)	39,156	6,110	-	45,266
Leased Equipment (as restated)	2,250	422	-	2,672
Total capital assets, being depreciated / amortized	<u>1,602,261</u>	<u>204,870</u>	<u>22,515</u>	<u>1,784,616</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements (as restated)	382,683	18,013	-	400,696
Equipment (as restated)	517,864	71,102	21,732	567,234
Infrastructure	666	563	-	1,229
Leased Land	-	128	-	128
Leased Buildings	-	3,191	-	3,191
Leased Equipment	-	546	-	546
Total accumulated depreciation / amortization	<u>901,213</u>	<u>93,543</u>	<u>21,732</u>	<u>973,024</u>
Total capital assets, being depreciated, net	<u>701,048</u>	<u>111,327</u>	<u>783</u>	<u>811,592</u>
Governmental activities capital assets, net	<u>\$ 9,739,625</u>	<u>\$ 455,173</u>	<u>\$ 166,327</u>	<u>\$ 10,028,471</u>
Business-type activities:				
Nonmajor Enterprise Funds				
Capital assets, not being depreciated:				
Land	315	-	-	315
Construction in progress	3,076	9	3,085	-
Total capital assets, not being depreciated	<u>3,391</u>	<u>9</u>	<u>3,085</u>	<u>315</u>
Capital assets, being depreciated / amortized:				
Buildings and improvements	9,540	3,085	-	12,625
Equipment	7,369	196	163	7,402
Leased Buildings (as restated)	1,154	-	-	1,154
Total capital assets, being depreciated / amortized	<u>18,063</u>	<u>3,281</u>	<u>163</u>	<u>21,181</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements	4,044	264	-	4,308
Equipment	5,663	387	147	5,903
Leased Buildings	-	72	-	72
Total accumulated depreciation / amortization	<u>9,707</u>	<u>723</u>	<u>147</u>	<u>10,283</u>
Total capital assets, being depreciated, net	<u>8,356</u>	<u>2,558</u>	<u>16</u>	<u>10,898</u>
Total Nonmajor Enterprise, net	<u>11,747</u>	<u>2,567</u>	<u>3,101</u>	<u>11,213</u>
Business-type activities capital assets, net	<u>\$ 11,747</u>	<u>\$ 2,567</u>	<u>\$ 3,101</u>	<u>\$ 11,213</u>

Current period depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General Government	\$ 18,090
Conservation of Natural Resources	2,067
Culture – Recreation	3,967
Economic Development and Assistance	1,774
Education	1,540
Health and Social Services	26,092
Public Safety	11,808
Regulation of Business and Professions	1,490
Transportation	26,715
Total depreciation expense - Governmental activities	<u>\$ 93,543</u>

Construction Commitments. At June 30, 2022, the State had contractual commitments of approximately \$1,443,129 for various highway and building projects. Funding of these future expenditures is expected to be provided as follows:

Federal funds	\$ 339,413
State funds	1,055,560
Local funds	48,156
	<u>\$ 1,443,129</u>

Most of these commitments will not be reflected as capital asset increases when they are paid because the State is using the modified approach to account for infrastructure. Under this method, capital asset additions are only reflected when improvements expand the capacity or efficiency of an asset.

5. Interfund Balances

Due To/From Other Funds at June 30, 2022 consists of the following:

DUE FROM:	DUE TO:									TOTALS
	General Fund	Highway Fund	Federal Fund	Health and Social Services	Investment Trust Funds	Nonmajor Government Funds	Nonmajor Enterprise Funds	Internal Service Funds	Pension Trust	
General Fund	\$ -	\$ 15	\$ 59,306	\$ 3	\$ 7,534	\$ 3,493	\$ 469	\$ 8,825	\$ 50,292	\$ 129,937
Highway Fund	-	-	230	14	-	564	560	1,486	-	2,854
Federal Fund	200,758	-	-	102,552	-	2,592	237	6,232	-	312,371
Health and Social Services	17,014	-	6,585	-	-	277	10	255	-	24,141
Permanent School Fund	-	-	-	-	-	-	-	27	-	27
Nonmajor Governmental Funds	59,044	5	141	12	-	3,711	196	16,215	-	79,324
Unemployment Insurance Fund	-	-	39,782	-	-	118	-	-	-	39,900
Nonmajor Enterprise	-	13	-	-	-	-	-	68	-	81
Internal Service Funds	171	28	-	44	-	1,052	39	347	-	1,681
Pension Trust	-	-	-	-	-	-	-	490	-	490
Custodial Funds	-	-	-	-	-	6	-	-	-	6
Investment Trust	-	-	-	-	-	-	-	30	-	30
TOTALS	\$ 276,987	\$ 61	\$ 106,044	\$ 102,625	\$ 7,534	\$ 11,813	\$ 1,511	\$ 33,975	\$ 50,292	\$ 590,842

Interfund receivables and payables are recorded for: (1) short term borrowings, (2) billing for services provided between agencies, (3) pension liabilities, and (4) risk management liabilities. All interfund receivables and payables are considered short term in nature.

Interfund transfers at June 30, 2022 consist of the following:

TRANSFERRED FROM:	TRANSFERRED TO:					TOTALS
	General Fund	Highway Fund	Federal Fund	Health and Social Services	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 269,997	\$ 269,997
Highway Fund	18	-	-	-	10,984	11,002
Federal Fund	-	-	-	-	20,733	20,733
Health & Social Services Fund	1,000	1	-	-	1,061	2,062
Nonmajor Governmental Funds	50,693	7	32	540	5,105	56,377
Unemployment Insurance Fund	-	-	-	-	169	169
Nonmajor Enterprise Funds	-	-	-	1,303	48,441	49,744
Fiduciary Funds	-	-	-	-	140	140
TOTALS	\$ 51,711	\$ 8	\$ 32	\$ 1,843	\$ 356,630	\$ 410,224

Transfers are used to (1) move revenues from the fund that statutes require to collect them to the fund that statutes require to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) move profits from the State Lottery Fund as required by law.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as presented in the financial statements at June 30, 2022 consist of the following:

	GENERAL FUND	HIGHWAY FUND	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	PERMANENT SCHOOL FUND	NONMAJOR GOVERNMENTAL FUNDS	OTHER FUNDS	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS
Payroll and Withholdings \$	18,931	4,444	5,955	419	12	3,566	1,718	-	297	35,342
Payables to Vendors	122,249	322,597	179,145	6,780	78,959	46,163	16,224	1,983	14,537	788,637
Payables to Governments Due to Fiduciary Funds *	54,867	89,767	1,647,365	1,225	9,069	17,912	306	-	24	1,820,535
Miscellaneous	-	-	24	-	-	4	-	29,450	7,763	37,241
TOTALS	\$ 196,047	\$ 416,808	\$ 1,832,489	\$ 8,424	\$ 88,040	\$ 67,645	\$ 76,074	\$ 31,433	\$ 22,621	\$ 2,739,581

* This amount represents amounts due to fiduciary funds, which were classified as external payables on the government-wide Statement of Net Position.

7. Noncurrent Liabilities

Changes in noncurrent liabilities for the year ended June 30, 2022 are summarized as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
Governmental Activities:					
Claims Payable	\$ 393,878	\$ 3,350,107	\$ 3,402,520	\$ 341,465	\$ 227,104
Lease Liability (as restated)	41,840	7,099	3,915	45,024	3,284
Certificates of Participation	37,825	6,810	11,670	32,965	12,335
Obligations Under Other Financing Arrangements	-	3,820	3,820	-	-
Compensated Absences	139,231	28,615	25,026	142,820	26,783
Net Pension Liability	464,824	-	371,130	93,694	-
OPEB Liability	22,304	2,302	-	24,606	-
Totals	\$ 1,099,902	\$ 3,398,753	\$ 3,818,081	\$ 680,574	\$ 269,506
Business-type Activities:					
Unemployment Insurance:					
Claims Payable	\$ 18,211	\$ 78,589	\$ 88,592	\$ 8,208	\$ 8,208
Totals for Unemployment Insurance	18,211	78,589	88,592	8,208	8,208
Nonmajor Enterprise Funds:					
Claims Payable	38,071	7,684	5,587	40,168	5,286
Lease Liability (as restated)	1,155	14	79	1,090	67
Compensated Absences	970	344	116	1,198	143
Totals for Nonmajor Enterprise Funds	40,196	8,042	5,782	42,456	5,496
Totals for Business-type Activities	\$ 58,407	\$ 86,631	\$ 94,374	\$ 50,664	\$ 13,704

The amount of claims payable reported in the fund financial statements are due and payable at fiscal year end. Claims payable, compensated absences and certificates of participation typically have been liquidated in the general, special revenue and internal service funds. Obligations under other financing arrangements have been liquidated in the special revenue funds.

The State issued certificates of participation (COP) to provide funds for the acquisition of vehicles, mobile radios, and computer equipment. The COPs have been issued for internal service funds. Interest is payable monthly and ranges from 0.48% to 3.48% percent over the life of the COPs. The COP payments are due through 2027.

8. Leases**A. Lease Agreements**

The State has entered into numerous lease agreements for buildings, equipment, and land. Several of these leases contain non-appropriation exculpatory clauses that allow lease cancellation if the Nebraska legislature does not make an appropriation for their continuation during any future fiscal period. Because legislative appropriation is reasonably assured, all leases contracted by the State that are reportable under GASB Standard 87 are included in the schedules below.

B. Lessee Positions***Governmental Activities***

As a lessee, the State has entered into multiple lease agreements related to governmental activities for buildings, land, and equipment. The terms of the various lease agreements range from 2-44 years. As of June 30, 2022, the aggregate value of the lease liability was \$45,024. The value of the right-of-use asset was \$48,372 and had accumulated amortization of \$3,865. The total amount of lease assets and related accumulated amortization by major asset class as of June 30, 2022, were as follows:

	Building	Equipment	Land
Lease asset	\$ 45,266	\$ 2,672	\$ 434
Accumulated amortization	3,191	546	128

Business-type Activities

As a lessee, the State entered into one lease agreement related to business-type activities for a building with a lease term of 20 years. As of June 30, 2022, the value of the lease liability was \$1,090. The value of the right-of-use asset was \$1,154 and had accumulated amortization of \$72.

Future Principal and Interest Payments

The future principal and interest payments aggregated for both governmental and business-type activities as of June 30, 2022, were as follows:

Year	Principal	Interest	Total
2023	\$ 3,300	\$ 562	\$ 3,862
2024	2,981	523	3,504
2025	2,663	487	3,150
2026	2,650	454	3,104
2027	2,589	421	3,010
2028-2032	11,785	1,632	13,417
2033-2037	9,092	979	10,071
2038-2042	7,645	453	8,098
2043-2047	3,334	72	3,406
2048-2052	23	-	23
	<u>\$ 46,062</u>	<u>\$ 5,583</u>	<u>\$ 51,645</u>

C. Lessor Positions

As a lessor, the State has entered into lease agreements related to governmental activities for land and equipment. In total, the State recognized \$90 in lease revenue and \$14 in interest revenue during fiscal year 2022 related to these leases. The terms of the various lease agreements range from 5 to 80 years. Information about lease revenues and interest revenues recognized during fiscal year 2022, as well as receivable and deferred inflows of resources amounts recognized as of June 30, 2022, is presented below:

	Lease Revenue	Interest Revenue	Lease Receivable	Deferred Inflow of Resources
Land	\$ 25	\$ 11	\$ 909	\$ 900
Equipment	65	3	184	180
Total	\$ 90	\$ 14	\$ 1,093	\$ 1,080

The future lease payments included in the measurement of the lease receivable related to governmental activities as of June 30, 2022, were as follows:

Year	Principal	Interest	Total
2023	\$ 81	\$ 12	\$ 93
2024	84	11	95
2025	70	10	80
2026	18	10	28
2027	18	10	28
2028-2032	97	46	143
2033-2037	106	41	147
2038-2042	115	35	150
2043-2047	123	30	153
2048-2052	76	24	100
2053-2057	40	23	63
2058-2062	31	19	50
2063-2067	38	13	51
2068-2072	14	12	26
2073-2100 *	174	36	210
	\$ 1,085	\$ 332	\$ 1,417

* The Years 2073-2100 consists of one lease that extends through 2100 for a highway overpass project.

The State also is a lessor of property, primarily farmland leased by the Board of Educational Lands and Funds to farmers and ranchers. At June 30, 2022, the State owned approximately 1.26 million acres of land valued at \$1,580,683 that was under lease. Under the terms of the leases, the annual payments are subject to change based on annual market analysis. These leases are reported as investments at fair value in accordance with GASB Statement No. 72 and do not meet the definition of a lease in accordance with GASB Statement No. 87.

9. Obligations Under Other Financing Arrangements

The State has entered into special financing arrangements with certain public benefit corporations to fund certain grant programs. Under these arrangements, the State enters into an agreement with a public benefit corporation, the Nebraska Investment Finance Authority (NIFA), whereby NIFA issues bonds, the proceeds of which, along with federal capitalization grants, are used to provide loans to various municipalities and local units of government in Nebraska that qualify for such loans. Such loans are used for improvements to wastewater and drinking water treatment facilities. Funds to repay NIFA come from the municipalities and units of government to which the loans are given.

As of June 30, 2022 the State has no Obligations Under Other Financing Arrangements.

10. Governmental Fund Balances

The State's governmental fund balances represent: (1) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are imposed by law through constitutional provisions or are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature; (3) Assigned Purposes, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2022, follows:

	Governmental Fund Balances					
	General Fund	Highway Fund	Federal Fund	Health and Social Services	Permanent School Fund	Nonmajor Funds
Restricted for:						
Education	\$ -	\$ -	\$ -	\$ -	\$ 2,011,199	\$ 39,514
Health and Social Services	-	-	-	754,213	-	48,583
Conservation of Natural Resources	-	-	-	-	-	799,467
Transportation	-	212,787	-	-	-	16,958
Licensing and Regulation	-	-	-	-	-	186,332
Economic Development	-	-	-	-	-	134,474
Public Safety	-	-	-	-	-	53,981
Culture – Recreation	-	-	-	-	-	50,147
Other Purposes	-	-	1,463	-	-	44,295
Total Restricted	<u>\$ -</u>	<u>\$ 212,787</u>	<u>\$ 1,463</u>	<u>\$ 754,213</u>	<u>\$ 2,011,199</u>	<u>\$ 1,373,751</u>
Committed to:						
Economic Stabilization	\$ 927,524	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purposes	-	-	-	-	-	136,705
Total Committed	<u>\$ 927,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,705</u>
Assigned to:						
Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779
Health and Social Services	-	-	-	913	-	842
Conservation of Natural Resources	-	-	-	-	-	175
Licensing and Regulation	-	-	-	-	-	47,482
Economic Development	-	-	-	-	-	84
Public Safety	-	-	-	-	-	3,787
Culture – Recreation	-	-	-	-	-	97
Other Purposes	-	-	-	-	-	2,294
Total Assigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913</u>	<u>\$ -</u>	<u>\$ 55,540</u>

11. Contingencies and Commitments

Grants and Contracts. The State participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the State.

All State agencies including institutions of higher education are required to comply with various federal regulations issued by the U.S. Office of Management and Budget if such agency or institution is a recipient of federal grants, contracts, or other sponsored agreements. Certain agencies or institutions may not be in total compliance with these regulations. Failure to comply may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. Management believes that the ultimate disallowance pertaining to these regulations, if any, will not be material to the overall financial condition of the State, except for the following event identified: the State disclosed having received, on or before June 30, 2022, audit reports claiming payment for disallowed costs, penalties and fines for the State's failure to meet federal requirements related to various federal grant programs. The State is in the process of contesting these claims. However, there exists a reasonable possibility that they will be settled in the future at an estimated amount of \$43.7 million or more.

Litigation. The State is named as a party in legal proceedings that occur in the normal course of governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contract, condemnation proceedings and other alleged violations of State and Federal laws. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the State for these proceedings. It is the State's opinion that the ultimate liability for these and other proceedings is not expected to have a material adverse effect on the State's financial position.

The State also has been named as a party in legal proceedings that occur outside of the normal course of governmental operations. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the State for all of these proceedings. The effects of this litigation, if any, will be reflected in future years, as the uncertainties regarding the litigation are determined.

The State is named for breach of contract with claims of \$2,865 in damages, and for a personal injury claim with a possible loss of up to \$3,000. It is not possible at the present time to determine the outcome of this proceeding.

Settlements. The State is a party in several opioid litigation settlements that have not yet been finalized but are expected to yield up to \$74,400 in proceeds over the course of several years. Of this amount, political subdivisions (cities and counties) are eligible for a percent of direct share. Once the settlements are finalized, the amount to be received directly by political subdivisions versus the State will be determined. A State Advisory Committee was established to provide recommendations for the use of the State's settlement funds, in compliance with the terms of each settlement agreement. Generally, the purpose of the proceeds are to provide opioid disorder related treatment and prevention within the State.

12. Risk Management

Through Administrative Services, the State maintains insurance and self-insurance programs. Workers' compensation, employee health care, general liability and employee indemnification are generally self-insured. However, the State does carry surety bonds for constitutional officers. All vehicles owned by the State have vehicle liability insurance coverage of \$4,700 with a self-insured retention of \$300 (coverage includes hot pursuit). There is an additional one-time corridor retention of \$300.

Risk Management has procured excess commercial crime coverage in the amount of \$10,975 with a self-insured retention of \$25. Risk Management has procured excess property coverage in the amount of \$200,700 with a self-insured retention of \$300. Each State agency has the option of purchasing insurance coverage for its contents, i.e. personal property. This coverage is not required, but Risk Management will purchase such coverage on behalf of an agency at its direction. Settled claims have not exceeded this commercial insurance coverage in any of the past three years. Administrative Services provides life insurance for eligible State employees. These activities are reported in the Risk Management Internal Service Fund.

Claims liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The balance of claims liabilities is determined by an analysis of past, current, and future estimated loss experience. Because actual claims liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability may not result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors, but do not include non-incremental claims adjustment expenses.

The liability for workers' compensation is recorded as a claims payable of \$73,116 at a discounted rate of 2.0 percent (\$9,573).

Changes in the balances of claims liabilities of the Risk Management Internal Service Fund during the years ended June 30, 2022, and 2021, were as follows:

	Fiscal Year	
	2022	2021
Beginning Balance	\$ 112,414	\$ 87,093
Current Year Claims and Changes in Estimates	215,699	254,172
Claim Payments	(219,167)	(228,851)
Ending Balance	<u>\$ 108,946</u>	<u>\$ 112,414</u>

13. Pension Plans

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by each plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plans Administered by the Public Employees Retirement Board

The Public Employees Retirement Board (the Board), which consists of eight members, was created in 1971 to administer the Nebraska retirement plans then in existence. Those plans were the School, State Employees', Judges' and State Patrol plans. In October of 1973, the Board assumed the administration of the Nebraska County Employee Retirement System. The plans have been created in accordance with Internal Revenue Code, Sections 401(a), 414(h) and 414(k). Contribution and benefit provisions are established by State law and may only be amended by the State Legislature.

The Board prepares separate reports for the defined contribution plans and for the defined benefit plans. Copies of these reports that include financial statements and required supplementary information for the plans may be obtained on the Nebraska Public Employees Retirement System (NPERS) website at: npers.ne.gov. Information on NPERS may also be obtained by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE 68509-4816, or by calling 402-471-2053.

Basis of Accounting. The financial statements of the plans are prepared using the accrual basis of accounting, and are included as pension trust funds in the accompanying financial statements. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Plan Description and Funding Policy. By State law, there is to be an equitable allocation of all plan administration expenses among the retirement systems administered by the Board, and all such expenses shall be provided from the investment income earned by the various retirement funds.

The main benefits provided by each of these plans are retirement benefits. However, the plan also provides ancillary benefits in the event of pre-retirement death, disability, or termination of employment prior to meeting the eligibility requirements to retire.

Following is a summary of each of these plans:

State Employees' Retirement. This single-employer plan became effective by statute on January 1, 1964. Prior to January 1, 2003, the plan consisted of a defined contribution plan that covered employees of the State. Effective January 1, 2003, a cash balance benefit was added to the State Employees Retirement Act. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003, elected to either continue participation in the defined contribution option or begin participation in the cash balance benefit. All new members of the plan on and after January 1, 2003, become members of the cash balance benefit. For both Cash Balance and Defined Contribution plans, benefits are vested after three years of plan participation. Members can become vested in less than three years if they attain age 55 before terminating employment, die before terminating employment or qualify for disability retirement.

Under the cash balance benefit, a member upon attainment of age 55, regardless of service, receives a retirement allowance equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single life annuity with five-year-certain, payable monthly. Members will have the option to convert their member cash balance account to a monthly annuity and have the option to purchase built in cost-of-living adjustments of 2.5 percent annually. If the retiree elects an annuity with no cost-of-living adjustments, the monthly annuity amount will never change. If the retiree purchases the cost-of-living adjustment, the annuity dollar amount increases 2.5 percent each year. Also available are additional forms of payment allowed under the plan, which are actuarially equivalent to the normal form, including the option of a full or partial lump-sum.

Under the defined contribution option, a member upon attainment of age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

For both the cash balance and defined contribution plans, the amounts presented in the accompanying financial statements for the State Employees' Retirement System are for the plan's fiscal year ended December 31, 2021.

Participation in the plan is required for all permanent full-time employees upon employment. Part-time employees may elect voluntary participation upon reaching age 18. Each member contributes 4.8 percent of their compensation. The State matches a member's contribution at a rate of 156 percent. Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 84-1301 through 84-1333 (Reissue 2014, Cum. Supp. 2020)) and may be amended only by the Nebraska Legislature. Pursuant to state statute, an actuarial valuation is performed each year to determine the actuarial required contribution. To the

extent member and State payroll-related contributions are insufficient to meet the full actuarial contribution; the remainder is paid by the State.

As of December 31, 2021, there were 30,365 members in the plan. Of these members, 15,812 were active, 12,062 were inactive, and 2,491 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$39,250 and State contributions of \$61,167 for the plan year ended December 31, 2021.

School Employees' Retirement. The State is the plan sponsor for the School Retirement System, a cost-sharing multiple-employer defined benefit pension plan, with 263 participating school districts; and, the Service Annuity Plan, a single-employer defined benefit pension plan. The State is also a non-employer contributing entity for the Omaha School Employees' Retirement System.

Participation in the School plan is required for all permanent employees of a Nebraska school district (other than the Omaha Public School District), an educational service unit, the state or county (if the position with the state or county requires a teaching certificate), working at least 20 hours per week on an ongoing basis, or with a full-time contract. Once an employee meets the requirements to participate in the plan, they will remain in the plan until termination or retirement. Members' benefits are vested after five years of plan participation or when termination occurs at age 65 or later.

In this plan, the State is in a special funding situation and contributes 2 percent of estimated payroll for the plan year. The employees' contribution is 9.78 percent of their compensation. Pursuant to state statute, a fixed contribution rate is paid by the employers. Currently the school district's contribution is 101 percent of the employees' contribution. Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 79-901 through 79-977.03 (Reissue 2014, Cum. Supp. 2020)) and may be amended only by the Nebraska Legislature.

Normal retirement age is 65. Unreduced benefits are also available for a member who is at least age 55 and whose age plus service equals or exceeds 85 (Rule of 85). The monthly benefit is equal to the greater of: 1) The sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor (currently 2 percent) set by statute, and an actuarial factor based on age. For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of: 1) The sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the five 12-month periods of service in which such compensation was the greatest, multiplied by the total years of creditable service, multiplied by a formula factor (currently 2 percent) set by statute, and an actuarial factor based on age. Benefit calculations vary with early retirement.

For employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or two and one-half percent. The current benefit paid to a retired member or beneficiary shall be adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit. For employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or one percent.

The accompanying financial statements include member contributions of \$216,126, employer contributions of \$216,059, and State contributions of \$46,307 for the plan year ended June 30, 2022.

The Service Annuity Plan provides benefits for the employees of the Omaha Public School District equal to \$3.50 times years of services. In this plan, the State is in a special funding situation because the benefits provided to the employees of the Omaha Public School District are funded exclusively by the State. There are no employee or employer contributions made to the plan. The benefit and contribution provisions for this plan are established by State law and may be amended only by the Nebraska Legislature.

Retirement is at age 65 with 5 years of service. Early retirement is at age 55 with 10 years of service, five of which must be with the Omaha Public School District. The benefit vests when the member has five years of service.

As of January 1, 2022, there were 8,435 members in the plan. Of these members, 7,085 were active and 1,350 were inactive. For the fiscal year ending June 30, 2022, the Service Annuity received \$1,603 in non-employer contributions from the State.

Under state statutes, the State, as a non-employer contributing entity with a special funding situation in the Omaha School Employees' Retirement System, contributes 2% of the members' compensation. The accompanying financial statements include the State's special funding contribution of \$7,534 for the plan year ended June 30, 2022.

Judges Retirement. The Judges Retirement System is a single-employer defined benefit pension plan. The membership includes judges and associate judges employed by the State for the Supreme Court, Court of Appeals, District Courts, Workers' Compensation Court, County Courts, and Juvenile Courts. Benefits vest when the member takes office.

Retirement is at age 65 with benefits calculated using the compensation for the three 12-month periods of service as a judge in which compensation was the greatest, or the average monthly compensation, multiplied by the total years of service and the formula factor of 3.5 percent, subject to a maximum of 70 percent of the final average salary. The calculation varies with early retirement.

The benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or one percent. The current benefit paid to a retired member or beneficiary shall be adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

The plan is funded by members' contributions, a portion of court fees collected, and the State's contribution. Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 24-701 through 24-714 (Reissue 2016, Cum. Supp. 2020)) and may be amended only by the Nebraska Legislature. Each member hired between July 1, 2004 and June 30, 2015, contributes nine percent of their monthly salary until the maximum benefit has been earned. Members hired after July 1, 2015 contribute ten percent of their monthly salary. After earning the maximum benefit, members contribute five percent of their monthly salary for the remainder of their active service. All other members contribute seven percent of their monthly salary until the maximum benefit has been earned. After earning the maximum benefit, those members contribute one percent of their monthly salary for the remainder of their active service. A six dollar fee for each case is collected for District and County courts, Juvenile courts, the Workers' Compensation Court, the Supreme Court, and the Court of Appeals, plus a 10 percent charge on certain fees collected in the County courts. An actuarial valuation is performed each year to determine the actuarial required contribution. To the extent member contributions and court fees are insufficient to meet the full actuarial required contribution, the remainder is paid by the State.

As of June 30, 2022, there were 351 members in the plan. Of these members, 143 were active, 4 were inactive, 3 were disabled and 201 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$2,127, court fees of \$3,711 and State contributions of \$231 for the plan year ended June 30, 2022.

State Patrol Retirement. The State Patrol Retirement System is a single-employer defined benefit pension plan for officers of the Nebraska State Patrol.

Participation is required upon employment. Each member hired prior to July 1, 2016 contributes sixteen percent of their monthly salary and the State Patrol contributes sixteen percent. Members hired on or after July 1, 2016 contribute seventeen percent of their monthly salary and the State Patrol contributes seventeen percent. Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 81-2014 through 81-2041 (Reissue 2014, Cum. Supp. 2020)) and may be amended only by the Nebraska Legislature. Pursuant to this statute, an actuarial valuation is performed each year to determine the actuarial required contribution. To the extent the member and employer statutory contributions are insufficient to meet the full actuarial required contribution; the remainder is paid by the State as an additional contribution. Member benefits are 20 percent vested at six years of service. This vesting percentage increases 20 percent for each additional year of service thereafter until reaching 100 percent at ten years of service.

Unreduced retirement benefits are payable upon meeting the following criteria: 1) age 50 and 25 years of service, 2) age 55 and 10 years of service, or 3) age 60 regardless of service. The retirement benefit is calculated using the compensation for the three 12-month periods of service in which compensation was the greatest, multiplied by the total years of service and the formula factor of 3.0 percent, subject to a maximum of 75 percent of the final average salary. The calculation varies with early retirement which is available at age 50 and 10 years of service.

The benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or two and one-half percent. The current benefit paid to a retired member or beneficiary shall be adjusted so that the purchasing power of the benefit being paid is not less than 60% of the purchasing power of the initial benefit.

Deferred Retirement Option Plan (DROP) Neb. Rev. Stat. § 81-2041 (Reissue 2014, Cum. Supp. 2020) established the Patrol DROP effective September 1, 2008. The DROP is a voluntary deferred retirement plan that a member can enter between the ages of 50 and 60, with 25 years of service. Upon choosing to participate in DROP, the member is deemed to have retired; however, the member continues in active employment for up to a five-year period with no retirement contributions withheld from his or her paychecks. When the member enters DROP, the individual's monthly benefit is calculated and paid into an IRC § 414(k) Deferred Compensation Plan (DCP). After the member retires (60 years of age) or has been in DROP for five years, whichever occurs first, the member then has the option to receive a lump sum payment and/or rollover the funds in the DCP account to another qualified plan. Thereafter, future retirement benefit payments are made directly to the member.

As of June 30, 2022, there were 967 members in the plan. Of these members, 388 were active, 42 were inactive, 15 were disabled, 35 were participating in the DROP program, and 487 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$5,122, and State contributions of \$8,874 for the plan year ended June 30, 2022.

Other Plan Administered

County Employees' Retirement. In 1973, the State Legislature brought the County Employees' Retirement System under the administration of the Board. This cost-sharing multiple-employer plan covers employees of 91 of the 93 counties and several county health districts. Douglas and Lancaster counties have separate retirement plans for their employees by State law. Prior to January 1, 2003, the plan consisted of a defined contribution plan. Effective January 1, 2003, a cash balance benefit was added to the County Employees Retirement Act. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003 elected to either continue participation in the defined contribution option or begin participation in the cash balance benefit. All new members of the Plan on and after January 1, 2003 become members of the cash balance benefit. Under the cash balance benefit, a member upon attainment of age 55, regardless of service, receives a retirement allowance equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment. Members have options on how to receive the payment. For both Cash Balance and Defined Contribution plans, benefits are vested after three years of plan participation. Members can become vested in less than three years if they attain age 55 before terminating employment, die before terminating employment or qualify for disability retirement.

Participation in the plan is required of all full-time employees upon employment and of all full-time elected officials upon taking office. Part-time employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to participate. County employees and elected officials contribute four and one half percent of their total compensation. Commissioned law enforcement personnel in participating counties with less than 85,000 inhabitants contribute an extra one percent, or a total of five and one half percent of their total compensation. Commissioned law enforcement personnel in participating counties with a population in excess of 85,000 inhabitants contribute an extra two percent, or a total of six and one half percent of their total compensation. The counties match a member's contribution at a rate of 150 percent for the first four and one half percent and 100 percent for the extra one and two percent. The State does not contribute to this plan.

As of December 31, 2021, there were 13,679 members in the plan. Of these members, 7,797 were active, 5,002 were inactive, and 880 were retirees or beneficiaries receiving benefits. Members contributed \$16,216 and counties contributed \$23,971 during the year ended December 31, 2021, which was equal to required contributions.

Net Pension Liability/(Asset)

The net pension liability/(asset) calculation for the Judges, Patrol and Service Annuity plans, and the collective net pension liability for the School plan were performed with a measurement date of June 30, 2021. The total pension liability for the Judges, Patrol, Service Annuity and School plans as of June 30, 2021 were determined based on the annual actuarial funding valuation report prepared as of July 1, 2021.

The net pension asset calculation for the State Employees' Retirement plan was performed with a measurement date of December 31, 2021. The total pension asset as of December 31, 2021 was determined based on the annual actuarial funding valuation report prepared as of January 1, 2022.

The net pension liability calculation for the Omaha School Employees' Retirement System was performed with a measurement date of August 31, 2021. The total pension liability as of August 31, 2021 was determined based on the annual actuarial funding valuation report prepared as of January 1, 2021.

The State Employees' Retirement plan, the State Patrol Retirement plan and the Judges' Retirement plan are all single employer plans with the State as the employer. The State will report 100 percent of the net pension liability/(asset) for each of those plans.

The State is a non-employer with a special funding situation for the school retirement plans. The State reported a \$151,668 total pension asset for its proportionate share of the collective net pension asset for the school retirement plans. The State's share is a combination of a pension asset for \$245,362 from the Nebraska Public Employees Retirement System's School plan, and pension liabilities for \$3,240 from the Service Annuity plan and \$90,454 from the Omaha School Employees' Retirement System. The State's proportionate share of the collective net pension asset for the school retirement plans represents an increase of \$529,583 from the pension liability for \$377,915 reported at June 30, 2021. The State's percentage of its proportionate share of the net pension liability for the Nebraska Public Employees Retirement System's School plan is 17.32 percent, the Service Annuity plan is 100 percent, and the Omaha School Employees' Retirement System is 11.31 percent. In the School plan and the Omaha School Employees Retirement System, the determination of proportionate share is based on individual employer contribution information.

The key actuarial assumptions used to measure the total pension liability, as of the latest valuation date, are as follows:

	STATE CASH BALANCE	STATE PATROL RETIREMENT	JUDGES' RETIREMENT	SCHOOL RETIREMENT	SCHOOL SERVICE ANNUITY	OMAHA SCHOOL EMPLOYEES' RETIREMENT
Measurement Date	12/31/2021	6/30/2021	6/30/2021	6/30/2021	6/30/2022	8/31/2021
Actuarial Valuation Date	1/1/2022	7/1/2021	7/1/2021	7/1/2021	7/1/2021	1/1/2021
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level dollar amount, closed	Level percent of payroll, closed	Level percent of payroll, closed	Level percent of payroll, closed	Level percent of payroll, closed	Level percent of payroll, closed
Single Amortization Period	25 years	17 years	25 years	25 years	8 years	30 years
Asset Valuation Method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	market related smoothed value
Actuarial Assumptions:						
Investment Rate of Return **	7.3%	7.3%	7.3%	7.3%	7.3%	7.5%
Projected Salary Increases **	3.15% to 9.50%	3.15% to 8.65%	3.4%	3.15% to 13.15%	3.15% to 13.15%	3.75% to 6.25%

** Includes assumed inflation of 2.65% per year for State, Judges, Patrol, School, Service Annuity plans, and 2.75% for Omaha School Employees Retirement System

Mortality Rates. The State, Judges, Patrol, School, and Service Annuity plans' pre-retirement mortality rates were based on the Pub-2010 General Members Employee Mortality Table, both male and female rates set back one year, projected generationally using MP-2019 modified to 75 percent of the ultimate rates (sex distinct with 100 percent of male rates for males and 95 percent of female rates for females).

The State, Judges, Patrol, School, and Service Annuity plans' post-retirement mortality rates for retired members were based on the Pub-2010 General Members Retiree Mortality Table, both male and female rates set back one year, projected generationally using MP-2019 modified to 75 percent of the ultimate rates (sex distinct with 100 percent of male rates for males and 95 percent of female rates for females). The mortality rates for beneficiaries were based on the Pub-2010 General Members Contingent Survivor Mortality Table, both male and female rates set back one year, projected generationally using MP-2019 modified to 75 percent of the ultimate rates (sex distinct with 100 percent of male rates for males and 95 percent of female rates for females). Mortality rates for cash balance members were based on hire date. For members hired before January 1, 2018, 1994 Group Annuity Mortality Table (sex distinct 50 percent of male rates for males and 50 percent of female rates for females) set statutorily. For members hired on or after January 1, 2018, Retiree Mortality Table, projected to 2040 (sex distinct 55 percent of male rates for males and 45 percent of female rates for females).

The Omaha School Employees' Retirement System pre-retirement and post-retirement mortality rates were based on the RP-2014 Mortality Table, female rates set back 1 year and male rates set forward 1 year, projected on a generational basis using Scale MP-2016.

The Judges, Patrol, School, and Service Annuity plans' disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static table).

The Omaha School Employee's Retirement System post-disability rates were based on the RP-2014 Disabled Retiree Mortality Table, without generational improvement.

The actuarial assumptions used in the valuation for the State, School, Judges, Patrol, and Service Annuity plans' are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2019. The experience study report is dated December 21, 2020.

The actuarial assumptions used in the January 1, 2021 valuation for the Omaha School Employees' Retirement System were based on the results of the most recent actuarial experience study, which covered the five-year period ending August 31, 2016. The experience study report is dated April 5, 2017.

Target Asset Allocation. The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the State, School, Service Annuity, Judges, and Patrol plans' target asset allocations are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equity	27.00%	4.50%
Non-U.S. Equity	11.50%	5.80%
Global Equity	19.00%	5.30%
Fixed Income	30.00%	0.70%
Private Equity	5.00%	7.40%
Real Estate	7.50%	4.20%
Total	100.00%	

*Arithmetic mean, net of investment expense

For the Omaha School Employees' Retirement System, the target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by the System's investment consultant for the last experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Large Cap Equity	26.10%	6.30%
Small Cap Equity	2.90%	6.80%
Global Equity	15.00%	7.20%
International Developed Equity	10.80%	7.20%
Emerging Markets	2.70%	7.50%
Core Bonds	20.00%	2.90%
High Yield Investments	3.50%	5.40%
Bank Loans	5.00%	4.40%
International Bonds	1.50%	2.20%
Real Estate	7.50%	5.70%
Private Equity	5.00%	8.50%
Total	100.00%	

*Arithmetic mean, net of investment expenses

Discount Rate. The discount rate used to measure the total pension liability was 7.20 percent for State and 7.30 percent for the Judges, Patrol and Schools. The State Discount rate represents a decrease from 7.30 percent used for the December 31, 2020 measurement date and the Judges, Patrol and Schools Discount rate represents a decrease from 7.50 percent used for the June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The change in the net pension liability/(asset) is presented in the following schedules:

Judges Retirement Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance at 6/30/2020	\$ 206,455	\$ 194,521	\$ 11,934
Changes for the year:			
Service Cost	5,725	-	5,725
Interest on Total Pension Liability	15,077	-	15,077
Differences between expected and actual experience	(1,806)	-	(1,806)
Assumption changes	3,554	-	3,554
Court fees	-	3,319	(3,319)
State Appropriations	-	1,428	(1,428)
Benefit payments, including member refunds	(12,066)	(12,066)	-
Employee contributions	-	2,029	(2,029)
Net investment income	-	57,339	(57,339)
Administrative expenses	-	(117)	117
Net changes	10,484	51,932	(41,448)
Balance at 6/30/2021	\$ 216,939	\$ 246,453	\$ (29,514)

State Retirement Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance at 12/31/2020	\$ 1,795,412	\$ 1,991,720	\$ (196,308)
Changes for the year:			
Service Cost	77,800	-	77,800
Interest on Total Pension Liability	126,535	-	126,535
Benefit term Changes	68,135	-	68,135
Differences between expected and actual experience	(15,112)	-	(15,112)
Assumption changes	11,781	-	11,781
Benefit payments, including member refunds	(132,839)	(132,839)	-
Employer contributions	-	52,714	(52,714)
Employee contributions	-	33,833	(33,833)
Net investment income	-	328,390	(328,390)
Administrative expenses	-	(1,497)	1,497
Transfers	6,513	6,513	-
Net changes	142,813	287,114	(144,301)
Balance at 12/31/2021	\$ 1,938,225	\$ 2,278,834	\$ (340,609)

State Patrol Retirement Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance at 6/30/2020	\$ 510,757	\$ 435,783	\$ 74,974
Changes for the year:			
Service Cost	9,175	-	9,175
Interest on Total Pension Liability	37,422	-	37,422
Differences between expected and actual experience	2,542	-	2,542
Assumption changes	6,936	-	6,936
Benefit payments, including member refunds	(26,256)	(26,256)	-
Employer contributions	-	9,164	(9,164)
Employee contributions	-	5,082	(5,082)
Net investment income	-	128,452	(128,452)
Administrative expenses	-	(158)	158
Other changes	-	15	(15)
Net changes	29,819	116,299	(86,480)
Balance at 6/30/2021	\$ 540,576	\$ 552,082	\$ (11,506)

Sensitivity of the net pension liability/(asset) to changes in the discount rate. The following presents the net pension liability/(asset) of the plans calculated using the current discount rate of 7.20 percent for State and a discount rate of 7.30 percent for Judges, Patrol, and School. The table also shows what the plans' net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

Net Pension Liability / (Asset)						
	1% Decrease (6.30%)		Current Discount Rate (7.30%)		1% Increase (8.30%)	
School *	\$	231,426	\$	(151,668)	\$	(466,667)
Judges		(6,747)		(29,514)		(48,972)
Patrol		63,453		(11,505)		(72,320)
	1% Decrease (6.20%)		Current Discount Rate (7.20%)		1% Increase (8.20%)	
State	\$	(162,611)	\$	(340,609)	\$	(489,055)

* Omaha School Employees' Retirement System current discount rate is 7.50%, for a 1% decrease of 6.50% and 1% increase of 8.50%.

Changes to Actuarial Assumptions Subsequent Event to June 30, 2022. The key changes in economic assumptions are as follows: Price Inflation, Investment Return, General Wage Growth, Wage Inflation, Cash Balance Interest Crediting Rate, and Cost of Living Adjustment. The key changes in demographic assumptions are as follows: Post Retirement Mortality, Pre-Retirement Mortality, Retirement, and Termination. Details of the assumption changes effective for future years are available in the audited pension financials.

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports prepared by the Nebraska Public Employees Retirement Board and the Omaha School Employee Retirement System.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As a result of its requirement to contribute to these retirement plans, the State recognized net pension expense of (\$46,635) for the year ended June 30, 2022. Of this amount, (\$58,406) pension expense was recognized for the Nebraska Public Employees Retirement System's School plan, \$18,256 pension expense was recognized for the State plan, \$4,964 pension expense was recognized for the Omaha School Plan, (\$7,498) pension expense was recognized for the State Patrol Plan, (\$4,819) pension expense was recognized for the Judges Plan, and \$868 in pension expense was recognized for the Service Annuity. In the accompanying financial statements, presented as of June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Actuarial Calculations:		
Judges Retirement		
Differences between expected and actual experience	\$ -	\$ 2,898
Changes of assumptions	2,716	-
Net difference between projected and actual earnings on pension plan investments	6,568	34,763
Patrol Retirement		
Differences between expected and actual experience	1,940	4,510
Changes of assumptions	5,292	-
Net difference between projected and actual earnings on pension plan investments	14,780	77,921
School Retirement		
Differences between expected and actual experience	6,909	42,255
Changes of assumptions	10,592	22,099
Net difference between projected and actual earnings on pension plan investments	74,851	402,154
Changes in proportion	6,500	8,684
State Retirement		
Differences between expected and actual experience	-	30,730
Changes of assumptions	30,845	-
Net difference between projected and actual earnings on pension plan investments	36,968	269,606
Total Actuarial Calculations	<u>197,961</u>	<u>895,620</u>
Employer Contributions Paid Subsequent to Actuarial Measurement Date:		
Judges Retirement	3,942	-
Patrol Retirement	8,874	-
School Retirement	46,307	-
TOTAL	<u>\$ 257,084</u>	<u>\$ 895,620</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Judges		Patrol		School		State	
	Outflow	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow	Inflow
2023	\$ 3,127	\$ 10,672	\$ 7,412	\$ 22,628	\$ 39,641	\$ 129,860	\$ 50,285	\$ 100,953
2024	3,127	9,259	7,412	20,927	29,522	118,871	7,319	97,415
2025	2,829	9,034	6,694	19,620	24,525	115,189	6,343	60,881
2026	201	8,695	494	19,257	2,632	107,784	3,501	40,617
2027	-	-	-	-	1,523	2,290	365	469
Thereafter	-	-	-	-	543	414	-	-
Total	\$ 9,284	\$ 37,660	\$ 22,012	\$ 82,432	\$ 98,386	\$ 474,408	\$ 67,813	\$ 300,335

Payable to the Pension Plans

The State reported a payable of \$57,826 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

14. Other Postemployment Benefits

The State provides State employees who are eligible for retirement, and do retire, the opportunity to continue medical benefits in accordance with State Law, Neb. Rev. Stat. §§ 84-1601 through 84-1615 (Reissue 2014, Cum. Supp. 2020), and Nebraska Administrative Code, Title 273, Chapter 17-014.

Plan Description

The State administers a single-employer benefit plan, known as the State of Nebraska Retiree Health Insurance Program (Plan), which provides postemployment medical insurance benefits for retirees. State employees who are eligible for retirement, and do retire, are provided the opportunity to continue health insurance coverage in a State health insurance plan until they reach age sixty-five or become Medicare eligible. Management of the Plan is governed by the State and administered by the Department of Administrative Services.

Permanent full-time and part-time employees, who work one-half or more of the regularly scheduled hours during each pay period, are between the ages of fifty-five and sixty-four, who voluntarily retire or terminate from state employment, who are enrolled in a State health insurance plan, and have actively contributed to the Nebraska Public Employees Retirement System prior to leaving state employment, are eligible to participate in the Plan until the first day of the month in which they turn age sixty-five. Commissioned employees of the Nebraska State Patrol who on or after July 17, 1986, has reached fifty-one years of age or becomes medically disabled and who will not receive benefits from the federal social security program is eligible for the Plan until age sixty-five. Furthermore, commissioned employees of the Nebraska State Patrol who began employment before 1982 were given grandfathered rights to lifetime benefits under the Plan.

The spouse and family member dependents of a retired State employee are eligible to participate in the Plan, as dependents only, until the employee reaches age sixty-five. If the spouse is age sixty-five or older at the time the State employee retires, he or she is not eligible to continue to participate in the Plan. The spouse of a retired participant reaching age sixty-five before the State employee, loses Plan eligibility at age sixty-five.

Benefits under the Plan include medical and prescription drug benefits that mirror the active health insurance plan in which the employee is enrolled at the time of retirement. The Plan is funded by premiums charged to the retirees, which are responsible for the entire cost of the premium. Retiree and dependent contribution rates are periodically adjusted by the State with Legislative approval.

The following circumstances may cause termination of benefits before the retiree or dependent reaches age sixty-five: the retiree or dependent begins receiving Medicare and/or Medicare disability benefits; the retiree fails to make premium payments on time; the retiree benefit provision is changed in a subsequent labor contract; applicable statutes, administrative regulations, or contract provisions are changed and benefit coverage is no longer available; or, the State ceases to provide group health insurance to State employees.

The Plan is not pre-funded. The State funds benefits on a pay-as-you-go basis.

As of June 30, 2020, there were 12,175 members in the Plan, of which 11,965 were active employees and 210 were retired employees or beneficiaries currently receiving benefits.

An implicit rate subsidy exists for the Plan in that retirees under the age of 65 (i.e. not eligible for Medicare) generate higher claims on average than the group of active employee members. Medical plans generally determine a premium by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired members. Since the volume and dollar amount of claims generally increase as individuals age, the blended premium paid for retirees is lower than the expected claims. If the retirees were removed from the plan, the premium for the active group would be lower. Therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the implicit rate subsidy.

A copy of the Plan's separately issued actuarial valuation may be obtained by writing to the Nebraska Department of Administrative Services, 1526 K Street, Suite 190, Lincoln, Nebraska 68508.

Net OPEB Liability

The Plan is not pre-funded and therefore there are no assets accumulated in a Governmental Accounting Standards Board, Statement 75, compliant trust. Benefits are funded on a pay-as-you-go basis, so Net OPEB Liability and Total OPEB Liability are equal. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2021, resulting in a Net OPEB Liability of \$24,606 reported as of June 30, 2022. Below is the schedule of changes in net OPEB liability:

Total OPEB Liability	
Service Cost	\$ 1,484
Interest	508
Change of benefit terms	321
Changes of assumptions	1,595
Estimated benefit payments, including refunds of member contributions	(1,606)
Net change in Total OPEB Liability	<u>2,302</u>
Total OPEB Liability – beginning	22,304
Total OPEB Liability – ending (a)	<u><u>\$ 24,606</u></u>
Plan Fiduciary Net Position (Assets)	
Estimated contributions	\$ 1,606
Estimated benefit payments, including refunds of member contributions	(1,606)
Net change in Plan Fiduciary Net Position	<u>-</u>
Plan Fiduciary Net Position (Assets) – beginning	-
Plan Fiduciary Net Position (Assets) – ending (b)	-
Net OPEB Liability – ending (a) – (b)	<u><u>\$ 24,606</u></u>
Covered employee payroll	N/A
Plan Net OPEB Liability as a percentage of covered employee	N/A

Key actuarial assumptions used to measure the Total OPEB Liability are as follows:

Actuarial cost method	Entry Age Normal, Level Percentage of Pay
Discount rate	2.16% as of June 30, 2021 and 2.21% as of June 30, 2020
Inflation	3.15%
Salary increases	Service-based table decreasing from 9.50% to ultimate of 3.15% over 30 years
Mortality rates	Pub-2010 General Members, adjusted based on age and sex, generationally projected
Healthcare cost trend rates:	
Medical	5.75% decreasing by 0.25% for 5 years to an ultimate of 4.50%
Prescription drug	7.25% decreasing by 0.25% for 11 years to an ultimate of 4.50%
Administrative costs	2.00% each year

Changes to benefit and funding terms:

Effective with the June 30, 2021 measurement:

- There was a one-month premium holiday for December 2021.
- During fiscal year 2023, the State will make a deposit of \$500 to the HSA/FSA account of every retiree.

Changes to assumptions:

Effective with the June 30, 2021 measurement:

- Trend rates were updated to reflect recent experience and future expectations.
- The discount rate was updated from 2.21% to 2.16%.

Sensitivity of the Net OPEB Liability (NOL) to changes in the current discount rate.

The table presents the NOL as well as what the NOL would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. Also shown is the NOL as if it were calculated using healthcare cost trend rates that were 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates.

	1% Decrease in Discount Rate (1.16%)	Current Discount Rate (2.16%)	1% Increase in Discount Rate (3.16%)
Net OPEB Liability	\$26,396	\$24,606	\$22,938

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Net OPEB Liability	\$22,092	\$24,606	\$27,587

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The State recognized OPEB expense of \$3,341 for the year ended June 30, 2022. The State also reported the following deferred outflows and inflows of resources for financial statement purposes:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	6,272	1,495
Difference between expected and actual experience in the Total OPEB Liability	2,024	0
Net difference between projected and actual earnings on investments	0	0
Total Deferred Outflows/Inflows of Resources	8,296	1,495

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ 1,029
2024	\$ 1,029
2025	\$ 1,128
2026	\$ 1,128
2027	\$ 1,184
Thereafter	\$ 1,302

15. Bonds Payable

Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the State's Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 2022, there was no outstanding debt for either of these purposes.

The component units issue bonds for various purposes including student housing, parking facilities and special event centers. Net revenues from student housing and dining facilities, special student fees and parking facilities fees are pledged to secure the appropriate issues.

All outstanding bond issues of the University of Nebraska Facilities Corporation and the Nebraska State College Facilities Corporation are general obligations of these corporations. They are separate legal entities that are not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself.

BONDS PAYABLE	INTEREST RATES	BALANCE June 30, 2022
COMPONENT UNITS		
University of Nebraska	1.83%-5.50%	\$ 1,212,625
Nebraska State Colleges	0.30%-5.00%	92,185
Component Units Total		<u>\$ 1,304,810</u>

COMPONENT UNITS DEBT SERVICE REQUIREMENTS TO MATURITY			
YEAR	PRINCIPAL	INTEREST	TOTAL
2023	\$ 64,805	\$ 44,578	\$ 109,383
2024	44,505	43,073	87,578
2025	41,350	40,913	82,263
2026	57,410	38,921	96,331
2027	45,965	36,954	82,919
2028-2032	208,005	159,851	367,856
2033-2037	120,490	130,496	250,986
2038-2042	125,640	110,043	235,683
2043-2047	128,055	90,156	218,211
2048-2052	148,350	66,836	215,186
2053-2057	131,725	46,079	177,804
2058-2062	153,970	22,620	176,590
2063	34,540	691	35,231
Total	<u>\$ 1,304,810</u>	<u>\$ 831,211</u>	<u>\$ 2,136,021</u>

16. Tax Abatements

Statement No. 77 of the Governmental Accounting Standards Board (GASB 77) requires the State to disclose specific information about tax abatement agreements to which it is a party. Tax abatement is defined as:

[a] reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

As of June 30, 2022, the State of Nebraska administers 11 separate tax abatement programs with activity to report in the fiscal year—the Nebraska Advantage Act, the Nebraska Advantage Rural Development Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Employment and Investment Growth Act, the Invest Nebraska Act, the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the Angel Investment Tax Credit Act, the Beginning Farmer Tax Credit Act, the Community Development Assistance Act, and the Affordable Housing Tax Credit Act. The State also administers the ImagiNE Nebraska Act, the Nebraska Higher Blend Tax Credit Act, the Renewable Chemical Production Tax Credit Act, and the Urban Redevelopment Act which did not have any approved or pending claims as of June 30, 2022.

Description of Tax Abatement Programs

A. Nebraska Advantage Act. Neb. Rev. Stat. §§ 77-5701 through 77-5735 (Reissue 2018, Cum. Supp. 2022), is a program that allows taxpayers involved in a qualified business to earn and use tax benefits based on investment and employment growth. The Nebraska Advantage Act has six tiers that have varying requirements for investment and employment growth. The required levels of employment and investment must be met within 4 to 7 years, depending on the applicable tier. The maximum life of each project is 10 to 30 years. No new Nebraska Advantage Act applications may be filed after December 31, 2020. However benefits may be paid out under the Nebraska Advantage Act until 2051.

Applicants are required to meet different levels of employment and investment based on the tier they choose and the year in which they apply. There is also a required wage for the jobs that create tax credits. The required employment, investment, and wage levels which calendar year 2020 applicants must meet to qualify for benefits are as follows:

	Investment and Employment Growth						
	Tier 1	Tier 2^{1,2}	Tier 2³	Tier 3	Tier 4	Tier 5	Tier 6
Investment	\$1,000	\$3,000	\$200,000	N/A	\$12,000	\$37,000 ^{1,2,3/} \$20,000 ⁴	\$10,000 / \$109,000
FTE⁵ Growth	10	30	30	30	100	N/A	75/50
Annual Wage	\$28	\$28	\$28	\$28	\$28	N/A	\$69 ⁶

¹ Web Portal

² Data Center

³ Large Data Center

⁴ Renewable Energy

⁵ Stated as Full-time Equivalent Employee

⁶ Varies by county. Greater of 200% of county average weekly wage for the county in which the project is located or 150% of state average weekly wage.

Once the taxpayer meets the employment and investment levels, they qualify for tax benefits including: 1) a direct refund of sales and use taxes paid on qualified property, 2) an investment that varies from 3% to 15%, depending on the applicable tier, of the investment made in qualified property, 3) a compensation credit that varies from 3% to 10% of the compensation paid to new employees, depending on the applicable tier, and 4) a personal property tax exemption on certain types of property for some tiers. Investment and compensation credits may be used to: 1) obtain a refund of sales or use taxes paid on otherwise nonrefundable purchases, 2) reduce income tax liability, or 3) obtain a reimbursement for real property tax for certain tiers, which affects only local government revenues and is not quantified in this footnote. Compensation credits may also be used to obtain a refund of, or to reduce, the taxpayer's income tax withholding liability attributable to the increase in employment. This Act has provisions through which the State may recapture benefits paid if the taxpayer fails to meet or maintain the required employment and investment levels. Benefits will be recaptured if the minimum levels of investment or employment are not maintained for all years during the entitlement period. For each year the levels are not maintained, the taxpayer cannot earn new tax credits or claim direct refunds of sales and use taxes for investments made during the year. The State will also recapture a portion of benefits already received and retain a portion of subsequent tax offsets or refunds to recover the portion of benefits subject to recapture.

B. Nebraska Advantage Rural Development Act. Neb. Rev. Stat. §§ 77-27,187 through 77-27,196.01 (Reissue 2018; Cum. Supp. 2022), is a program that provides tax benefits to encourage businesses to locate in rural areas and impoverished metropolitan areas. Taxpayers can earn investment and or employment credits if they operate a qualified business and meet the required employment and or investment levels for a project located in an eligible area. The required employment and investment levels which calendar year 2022 applicants must meet to qualify for benefits are as follows:

	Investment and Employment Levels		
	Level 1	Level 2	Livestock Modernization
Investment	\$125	\$250	\$50
FTE⁷ Growth	2	5	N/A
Wage Rate⁸	\$16.03	\$16.03	N/A
Eligible Location	County with Population less than 15,000; Village; or certain census tracts	County with population less than 25,000 but greater than 15,000; or city of second class	Any County

⁷ Stated as Full-time Equivalent Employee

⁸ Hourly Wage Rate is not expressed in thousands

Level 1 and Level 2 projects that meet both the employment and investment levels will earn a \$3 compensation credit for each new full-time equivalent employee, and a \$2.75 investment credit for each \$50 net increase in qualified investment. Taxpayers can use these credits to obtain a refund of state sales and use taxes paid, to reduce the income tax liability of the taxpayer, or to use as a refundable credit claimed on the income tax return of the taxpayer. Livestock modernization projects that have a net new investment of at least \$50 in any county in Nebraska can earn credits equal to 10% of investment. Livestock modernization projects applied for between January 1, 2016 and April 20, 2022, are limited to a maximum of \$150 in credits. Projects applied for after April 20, 2022 are limited to a maximum of \$500 in credits. These credits may be used to obtain a refund of state sales and use taxes paid, to reduce the income tax liability of the taxpayer, or to use as a refundable credit claimed on the income tax return of the taxpayer. The approval limit for this program for each calendar year is \$1000 for Level 1 and Level 2 projects combined and \$10,000 for livestock modernization projects. If a taxpayer with a Level 1 or Level 2 project fails to attain 75% of investment or employment estimates or to maintain required employment and investment levels for three years after the year of qualification, benefits will be recaptured. If a taxpayer with a livestock modernization project fails to attain 75% of investment estimates, all benefits will be recaptured.

C. Nebraska Advantage Microenterprise Tax Credit Act. Neb. Rev. Stat. §§ 77-5901 through 77-5908 (Reissue 2018, Cum. Supp. 2022), is a program that provides tax benefits to applicants who are actively engaged in the operation of a business that employs five or fewer equivalent employees at the time of application. The applicant earns a refundable income tax credit equal to 20% of new investment and employment. Beginning August 28, 2021, the lifetime limit in credits that may be granted to each applicant and related persons increased to \$20. The approval limit for this program is \$2,000 plus the dollars that were not approved by the end of the preceding calendar year.

D. Employment and Investment Growth Act. Neb. Rev. Stat. §§ 77-4101 through 77-4113 (Reissue 2018, Cum. Supp. 2022), is a program that allowed taxpayers involved in a qualified business to earn and use tax benefits based on investment and employment growth. This program is no longer accepting new applications but continues to provide tax benefits to taxpayers for projects in the carryover period. This Act had three application options with different required levels of employment and or investment. Taxpayers must meet the required levels within seven years of application and can use earned tax benefits for up to 14 additional years. A taxpayer that participated in this program elected one of the following application options: 1) \$20,000 in investment; 2) \$3,000 in investment and 30 new full-time equivalent employees; or 3) \$10,000 in investment and 100 new full-time equivalent employees. Once the taxpayer met the employment and investment levels they received tax benefits including: 1) a direct refund of sales and use taxes paid on qualified property; 2) an investment credit equal to 10% of the investment made in qualified property; 3) a compensation credit equal to 5% of the increase in compensation at the project; and 4) a personal property tax exemption on certain types of property, which affects only local government revenues and is not quantified in this footnote. Investment and compensation credits may be used to: 1) obtain a refund of sales or use taxes paid on otherwise nonrefundable purchases; or 2) reduce income tax liability. Each application option offers a different combination of these tax benefits. Benefits will be recaptured if the minimum levels of investment or employment are not maintained for all years during the seven-year entitlement period. For each year the levels are not maintained, the taxpayer cannot earn new tax credits or claim direct refunds of sales and use taxes for investments made during the year. The State will also assess a portion of benefits already received and retain a portion of subsequent tax offsets or refunds to recover the portion of benefits subject to recapture. For each year of recapture, the length of the property tax exemption will be reduced by one year.

- E. Invest Nebraska Act.** Neb. Rev. Stat. §§ 77-5501 through 77-5544 (Reissue 2018), is a program that allowed a qualified business to receive either a wage benefit credit or an alternative investment credit. This program is no longer accepting new applications but continues to provide tax benefits to taxpayers for projects in the carryover period. Each application was subject to the approval by a board comprised of the Governor, the State Treasurer, and the chairperson of the Nebraska Investment Council. This Act had three application levels: 1) \$10,000 in investment and 25 full-time equivalent employees; 2) \$50,000 in investment and 500 full-time equivalent employees, or \$100,000 in investment and 250 full-time equivalent employees; and 3) \$200,000 in investment and 500 full-time equivalent employees. A company that reached the employment and investment levels for the relevant application level was eligible for benefits. An eligible company earned a wage benefit credit up to 5% of the taxable wages paid to new employees earning more than the required wage level. A company that selected the \$200,000 investment and 500 full-time equivalent employee application level could choose to receive, in lieu of a wage benefit credit, an alternative investment tax credit equal to 15% of the company's investment in qualified property. The credits could be used to: 1) offset up to 100% of income tax liability, and 2) obtain a refund of, or to reduce, the taxpayer's income tax withholding liability attributable to the increase in employment. Each company is required to expend at least the value of the wage benefit credit or alternative investment tax credit for company training programs, employee benefit programs, educational institutional training programs, or workplace safety programs.
- F. The Nebraska Job Creation and Mainstreet Revitalization Act.** Neb. Rev. Stat. §§ 77-2901 to 77-2912 (Reissue 2018, Cum. Supp. 2022), is a program jointly administered by the History Nebraska State Historic Preservation Officer and the State. This Act provides non-refundable credits to applicants who incur eligible expenditures to rehabilitate historically significant real properties. Applicants may receive a credit equal to 20% of eligible expenditures up to \$1,000 per project. The credit may be used against income taxes, premium taxes imposed on insurance companies, or franchise taxes imposed on financial institutions. This credit is transferable and distributable, subject to certain limitations. Transferable credits may be claimed beginning with the year the improvement is placed in service. Distributable credits may be claimed beginning with the year the improvement is placed in service or the year the recipient became a member, partner, or shareholder of a flow-through entity in which they obtained an ownership interest in the entity, whichever is later. Credits may be carried forward until fully utilized, or until December 31, 2027. If, at any time during the five years after the improvement to the property is placed in service, the State Historic Preservation Officer determines that the property is the subject of work not in substantial conformance with the approved application or the documents from which the tax credit was calculated, tax credits may be recaptured from the property owner. The approval limit for this program is \$15,000 plus the dollars that were not allocated by the end of the preceding year.
- G. New Market Job Growth Investment Tax Credit Act.** Neb. Rev. Stat. §§ 77-1101 through 77-1120 (Reissue 2018, Cum. Supp. 2022), is a program that allows individuals, corporations, estates, trusts, financial institutions, and insurance companies to claim nonrefundable, nontransferable tax credits for investment in a qualified community development entity (CDE). The credits may be used against income taxes, premium taxes imposed on insurance companies, or franchise taxes imposed on financial institutions. This Act requires the CDE to file an application for certification with the State. Upon approval of its application, the CDE may accept cash investments that qualify for the tax credit. Flow-through entities that make a qualified investment may allocate the tax credit to their partners, members, or shareholders in the same proportion that income is distributed, or in accordance with any agreement made between the partners, members, or shareholders.

A CDE is a corporation or partnership with the primary mission of providing investment capital for low-income communities or low-income persons, meets the definition of 26 U.S.C. 45D(c), and has entered into an agreement with the Community Development Financial Institutions Fund of the United States Treasury. The CDE must include Nebraska in its service area.

Credits are issued for equity investments in CDEs or long-term debt securities issued by a CDE that: (1) have at least 100% of its cash price used by the CDE to make qualified low-income community investments in qualified active low-income community businesses located in Nebraska by the first anniversary of the initial credit allowance date; (2) are designated by the CDE as a qualified equity investment under section 45D of the Internal Revenue Code; and, (3) are certified by the Tax Commissioner as not exceeding the total fiscal year credit limitation for the program of \$15,000.

The tax credit is computed by multiplying the cash purchase price of the investment by the allocable percentage at each credit allowance date. The credit allowance dates and percentages are: 0% on the first and second credit allowance dates; 7% on the third credit allowance date; and 8% on the fourth through seventh credit allowance dates.

The Act provides that credits may be recaptured in several situations. First, credits may be recaptured if any amount of the federal qualified equity investment credit is recaptured. Second, credits may be recaptured if the CDE redeems or repays some or all of the principal of the investment prior to the last credit allowance date. Finally, credits may be recaptured if the CDE fails to invest pursuant to, and satisfy the requirements of, the program and maintain its investment in a qualified low-income community investment in Nebraska until the last credit allowance date.

- H. Angel Investment Tax Credit Act.** Neb. Rev. Stat. § 77-6301 to 77-6310 (Reissue 2018, Cum. Supp. 2022), is a program that provided refundable income tax credits to encourage entrepreneurship and to increase high-technology industries in underserved areas of Nebraska. Under Legislation enacted in 2019, the Angel Investment Tax Credit Act was terminated, and no tax credits may be allocated after 2019. However, taxpayers may still file and amend returns to claim credits allocated in previous years that may be allowed under the statute of limitation. Individuals, trusts, or pass-through entities could apply to be certified as a qualified investor by the Department of Economic Development. To receive credits, individual investors must invest a minimum of \$25, and investment funds must invest \$50, in a calendar year in a qualified small business. A qualified small business is a business based in Nebraska with more than 51% of its employees in Nebraska and have fewer than 25 employees. Qualified investors are eligible to earn a credit equal to 40% of their qualified investment in a qualified small business. Credits are capped at \$350 for married couples filing a joint return and at \$300 for all other filers. No more than \$1,000 in credits is to be allocated for investment in any one small business and no more than \$4,000 in credits may be allocated in any calendar year. These credits are subject to recapture if the investment is not held in the small business for at least three years. Credits do not carry forward.
- I. Beginning Farmer Tax Credit Act.** Neb. Rev. Stat. §§ 77-5201 through 77-5215 (Reissue 2018, Cum. Supp. 2022), is a program that provides tax benefits to eligible beginning farmers or livestock producers and owners who rent assets to those beginning farmers or livestock producers. Applicants must be certified by the Beginning Farmer Board (Board). To be certified as a qualified beginning farmer or livestock producer, an applicant must: 1) be a Nebraska resident who is farming or seeks to farm or raise crops or livestock in the state; 2) have a net worth of not more than \$200; 3) provide the majority of the day-to-day physical labor and management for the operation; 4) demonstrate profit potential to the Board; 5) demonstrate a need for assistance; 6) participate in a financial management program; 7) submit a nutrient management plan and soil conservation plan to the Board; and 8) have other qualifications as specified by the Board.

Certified beginning farmers and livestock producers are eligible for a personal property tax exemption for tangible personal property that is used in a qualifying beginning farmer or livestock producer operation. This portion of the tax benefit affects only local government revenue and is, therefore, not quantified in this footnote.

The Act also provides two refundable income tax credits. First, a beginning farmer or livestock producer is allowed a one-time income tax credit equal to the actual cost of participating in the financial management program required for eligibility under the Act, not to exceed \$0.5. Second, the owner of agricultural assets that are rented, pursuant to a three-year rental agreement, to a beginning farmer is allowed a credit equal to 10% of the gross rental income on cash rentals or 15% of the cash equivalent of a share-rental agreement. This credit is subject to recapture if the three-year lease agreement is terminated with fault on the part of the owner of the agricultural assets. Legislation operative August 31, 2019, amended provisions of the Beginning Farmer Tax Credit Act to limit qualified beginning farmers and owners to one successful lease agreement per asset while also allowing qualified beginning farmers to file subsequent applications for different assets. It also provided that owners of an agricultural asset rented on a rental agreement basis to a qualified beginning farmer may be issued tax credits for the asset for a maximum of three years.

- J. Community Development Assistance Act.** Neb. Rev. Stat. §§ 13-201 through 13-208 (Reissue 2022), is a program that encourages investment in community betterment organizations by providing tax credits to investors. This Act permits the Nebraska Department of Economic Development to distribute tax credits to businesses and individuals that make eligible contributions of cash, services, or materials to approved community betterment projects. Tax credits may be used against income tax, premium tax, and franchise tax liabilities. Under this Act, a non-profit community betterment organization may apply to have a project approved to receive eligible contributions. Applicants must be a village, city, or county government or a nonprofit 26 U.S.C. § 501(c)(3) organization that will serve an economically distressed area. Eligible projects include those that provide employment training, human and medical services, physical facility and neighborhood development services, recreational and education activities, or crime prevention. Income tax credits may be awarded by the Nebraska Department of Economic Development to individuals or entities that make eligible contributions. The credit awarded may be up to 40% of the value of the contribution. No more than \$50 in tax credits may be approved per project per year. A total of \$350 in credits are permitted to be certified by the Nebraska Department of Economic Development in the fiscal year. This Act has no provisions for recapture.
- K. The Affordable Housing Tax Credit Act,** Neb. Rev. Stat. §§ 77-2501 through 77-2507 (Reissue 2018, Cum. Supp. 2022), is a program modeled after the federal low-income housing tax credit (LIHTC). It was developed to encourage investment of private capital in the development of rental housing by providing a credit to offset an investor's income tax liability. This Act permits the Nebraska Investment Finance Authority (NIFA) to allocate credits to project owners that make eligible investment in qualifying developments. The maximum amount of Nebraska affordable housing tax credits awarded by NIFA to all qualified developments in any given allocation year is limited to no more than 100% of the total amount of LIHTC awarded in the same allocation year.

A qualified taxpayer (defined in the Act to mean a taxpayer owning an interest, direct or indirect, in a qualified project) may transfer, sell, or assign all or part of its interest in the development, including the credits. A qualified taxpayer cannot transfer, sell, or assign its interest in the credits separately from its interest in the qualified project.

Qualified taxpayers may claim the credits for taxable years beginning or deemed to begin on or after January 1, 2019. Any credit claimed, but not used may be carried over until used. A qualified taxpayer may use the credits to offset its income tax, financial institution tax, or insurance premium tax liability. A qualified taxpayer may claim the credits for a period of six years specifically, the first six years of the “credit period” as defined in Section 42 of the Internal Revenue Code.

The credits are subject to recapture in proportion to the percentage of recapture or disallowance of the related recaptured federal LIHTC.

Amount of State Taxes Abated

The following table reports the gross dollar amount, on an accrual basis, by which the State’s tax revenues were reduced during the fiscal year ending June 30, 2022 as a result of tax abatement agreements for each of the eleven programs.

No.	Program	Taxes Abated
A	Nebraska Advantage Act	\$382,686
B	Nebraska Advantage Rural Development Act	1,291
C	Nebraska Advantage Microenterprise Tax Credit Act	1,724
D	Employment and Investment Growth Act	10,814
E	Invest Nebraska Act	*
F	Job Creation and Mainstreet Revitalization Act	6,256
G	New Market Job Growth Investment Tax Credit	14,126
H	Angel Investment Tax Credit	267
I	Beginning Farmer Tax Credit Act	1,699
J	Community Development Assistance Act	505
K	Affordable Housing Tax Credit Act	9,617
Total		\$428,985 **

*To maintain confidentiality, no information is disclosed due to the low number companies reporting activity.

**This total excludes amounts for programs that were not individually reported.

1. **Confidentiality.** Unless a specific statutory exception exists, all information relating to a particular taxpayer which has been obtained by the State from any source is confidential.

Tabulations which would tend to identify a particular taxpayer either directly or indirectly are also confidential. The State follows the guidance of the Internal Revenue Service with reference to the disclosure of statistical information. To protect confidential information, the State will not release a statistical tabulation that contains information from fewer than three taxpayers. A statistical tabulation prepared for a geographic area less than the entire state will not be released if it contains information from fewer than ten taxpayers.

Additional Information. The State issues an Annual Report on Tax Incentives to the Nebraska Legislature and the Imagine Nebraska Act and Key Employer and Jobs Retention Act Joint Report on or before October 31 of each year. The report contains additional information on the Nebraska Advantage Act, the Nebraska Advantage Rural Development Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Employment and Investment Growth Act, and the Invest Nebraska Act. The reports can be found on the Nebraska Department of Revenue website here: <https://revenue.nebraska.gov/incentives/annual-reports> <https://revenue.nebraska.gov/incentives/imagine-nebraska-act-and-key-employer-and-jobs-retention-act-annual-reports>

Amounts Received or Receivable from Other Governments

The State collects the local sales and use taxes imposed by any city or county and remits the amounts back to the municipality on a monthly basis, less any refunds made. Deductions for refunds under certain tax abatement programs are delayed for cities of the first class, cities of the second class, and villages, resulting in refund amounts that are due to the State, or receivable from these local governments. Pursuant to Neb. Rev. Stat. § 77-27,144 (Reissue 2018, Cum. Supp. 2022), when a refund of local sales and use taxes is

made under the Nebraska Advantage Act, Neb. Rev. Stat. §§ 77-5725 and 77-5726 (Reissue 2018, Cum. Supp. 2022), or the Employment and Investment Growth Act, Neb. Rev. Stat. §§ 77-4105 and 77-4106 (Reissue 2018), deductions for the refund are delayed for one year after the refund has been made to the taxpayer. If a refund claimed under the Nebraska Advantage Act or the Employment and Investment Growth Act exceeds 25% of a municipality's total sales and use tax receipts, net of any refunds or sales tax collection fees, for the municipality's prior fiscal year, the State will deduct the refund over the period of one year in equal monthly amounts beginning one year after the refund is made to the taxpayer.

As of June 30, 2022, the amounts of refunds that are receivable are \$3,982 from municipalities pursuant to Neb. Rev. Stat. § 77-27,144 (Reissue 2018; Cum. Supp. 2022) are as follows: Ainsworth, Albion, Alliance, Arapahoe, Arnold, Ashland, Atkinson, Auburn, Bancroft, Beatrice, Beemer, Bellevue, Benkelman, Blair, Bloomfield, Bridgeport, Broken Bow, Callaway, Cambridge, Cedar Rapids, Central City, Chadron, Chester, Clearwater, Columbus, Cortland, Cozad, Creighton, Crete, Crofton, David City, Dodge, Doniphan, Elgin, Fairbury, Falls City, Franklin, Fremont, Geneva, Gering, Gordon, Gothenburg, Grand Island, Grant, Greenwood, Gretna, Hastings, Hay Springs, Hebron, Hubbell, Humphrey, Imperial, Jackson, Kearney, Kimball, La Vista, Lexington, McCook, Mitchell, Morrill, Nebraska City, Neligh, Niobrara, Norfolk, North Bend, North Platte, Oconto, Ogallala, O'Neill, Ord, Papillion, Pawnee City, Petersburg, Plainview, Plymouth, Ponca, Ralston, Randolph, Ravenna, Red Cloud, Saint Edward, Saint Paul, Schuyler, Scottsbluff, Scribner, Seward, Sidney, South Sioux City, Springfield, Superior, Syracuse, Tecumseh, Valentine, Valley, Verdigre, Wahoo, Wausa, Waverly, Wayne, West Point, Wisner, Wymore, and York

17. Restatements

The Net Position for fiscal year 2021 for Governmental Activities on the Government Wide Statement of Activities increased by \$128,371 mainly due to restatement of capital assets beginning balance in prior years.

Component Units Net Position – The restatement of prior year Net Position was mainly the result of implementing GASB 87 – Leases. The beginning Net Position for Component Units on the Statement of Activities increased by \$4,473.

The General Fund beginning Fund Balance was increased by \$19,464 mainly due to prior year revenue and expenditure adjustments.

The Highway Fund beginning Fund Balance was decreased by \$42,174 mainly due to highway allocation activity moving from a fiduciary fund to the Highway Fund because of prior year implementation of GASB Statement 84 – Fiduciary Activities.

The Federal Fund beginning Fund Balance was increased by \$2,619 mainly due to prior year expenditure adjustments for COVID19 reimbursements and understated accounts receivable.

The Health and Social Services Fund beginning Fund Balance was increased by \$10,654 mainly due to receivables understated in the prior year.

The Permanent School Fund beginning Fund Balance was increased by \$29,838 due to understated State-owned land in prior years for tenant-owned land improvements.

The Nonmajor Funds beginning Fund Balance was increased by \$3,565 due primarily to an overstatement of liabilities, and expenditures in the prior years.

The Internal Service Funds beginning Net Position was increased by \$1,712 due to an overstatement of expenses reported in the prior year and capital asset restatements.

The restatements of the Governmental and Internal Service Funds resulted in an increase in the Governmental Activities Net Position – Beginning on the Statement of Activities of \$25,678 that had not been reported in the prior year.

The beginning Net Position for Business-type Activities on the Government Wide Statement of Activities and for the Unemployment Insurance Fund decreased by \$68,168 mainly due to an understatement of both assets and liabilities reported in prior years. The beginning Net Position for Business-type Activities on the Government Wide Statement of Activities decreased by an additional \$7 due to an understatement of depreciation reported in the prior year.

The Pension Trust Funds beginning Net Position was increased by \$319 mainly due to activity that did not properly reverse in fiscal year 2021.

The Private Purpose Trust Fund beginning Net Position was decreased by \$14 due to accounting activity for stale checks.

The Investment Trust Funds beginning Net Position was increased by \$8,005 due to under reporting of contributions in the prior year.

The Custodial Funds beginning Net Position was increased by \$87 mainly due to Care Facility outside trust prior year activity.

18. COVID-19 Government Assistance

On March 11, 2021 the American Rescue Plan Act, P.L.117-2 (ARPA) was enacted. From that law, the State was allocated \$1,040,157 through the Coronavirus State Fiscal Recovery Fund, \$128,740 through the Coronavirus Capital Projects Fund (CPF), \$50,000 through the Homeowners Assistance Fund (HAF). An additional amount of \$111,190 was allocated through the Coronavirus Local Fiscal Recovery Fund. That amount is to be passed through to Nonentitlement Units of Local Government (NEU) that apply for the funds. The funds were credited to the Governor's Emergency Program-COVID19.

The federal fiscal recovery funds can be used to replace lost public sector revenue, respond to public health and negative economic impacts of the pandemic, provide premium pay for essential workers, and for investing in water, sewer, and broadband infrastructure. Legislative Bills 1014 and 1024 approved by the Governor on April 13, 2022, and April 18, 2022, respectively outline funded projects. The CPF funds can be used for strengthening and improving the infrastructure necessary for participation in work, education, and health monitoring, primarily through investments in broadband infrastructure. The HAF funds can be used for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardships associated with the pandemic.

As of June 30, 2022, \$31,437 Coronavirus State Fiscal Recovery funds had been spent, \$6,265 of the HAF funds were spent, and none of the CPF funds had been spent.

REQUIRED SUPPLEMENTARY INFORMATION



State of Nebraska

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2022

(Dollars in Thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 4,754,915	\$ 5,600,305	\$ 6,224,300	\$ 623,995
Federal Grants and Contracts	69	69	69	-
Sales and Charges	22,525	22,525	22,525	-
Other	51,011	51,011	51,011	-
Total Revenues	<u>4,828,520</u>	<u>5,673,910</u>	<u>6,297,905</u>	<u>623,995</u>
EXPENDITURES				
Current:				
General Government	709,546	721,715	745,926	(24,211)
Conservation of Natural Resources	39,383	40,038	29,395	10,643
Culture – Recreation	8,896	9,403	6,268	3,135
Economic Development and Assistance	36,344	39,914	18,823	21,091
Education	2,161,826	2,190,175	2,148,365	41,810
Health and Social Services	1,775,420	1,961,214	1,676,270	284,944
Public Safety	521,324	505,525	336,774	168,751
Regulation of Business and Professions	24,099	24,444	8,986	15,458
Transportation	100	100	41	59
Capital Projects	31,585	31,585	-	31,585
Total Expenditures	<u>5,308,523</u>	<u>5,524,113</u>	<u>4,970,848</u>	<u>553,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(480,003)</u>	<u>149,797</u>	<u>1,327,057</u>	<u>1,177,260</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	52,124	52,124	52,124	-
Transfers Out	(274,589)	(274,589)	(274,589)	-
Other	254	254	254	-
Total Other Financing Sources (Uses)	<u>(222,211)</u>	<u>(222,211)</u>	<u>(222,211)</u>	<u>-</u>
Net Change in Fund Balance	(702,214)	(72,414)	1,104,846	1,177,260
FUND BALANCES, JULY 1	<u>2,322,841</u>	<u>2,322,841</u>	<u>2,322,841</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 1,620,627</u>	<u>\$ 2,250,427</u>	<u>\$ 3,427,687</u>	<u>\$ 1,177,260</u>

A reconciliation of the budgetary basis versus GAAP fund balance for the General Fund as of June 30, 2022, follows:

Actual Fund Balances, budgetary basis, June 30, 2022

General	\$ 2,493,131
Cash Reserve	927,523
Property Tax Credit	7,033
Budgetary fund balances	<u>3,427,687</u>

DIFFERENCES DUE TO BASIS OF ACCOUNTING:

Record taxes receivable	692,267
Record tax refund liability	(583,607)
Record State contributions due pension funds	50,292
Record claims payable	(71,626)
Record other net accrued receivables and liabilities	<u>(321,099)</u>
	<u>\$ 3,193,914</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR BUDGETARY COMPARISONS

For the Year Ended June 30, 2022

Budgetary Process

The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, all State agencies, including the university and colleges, must submit their budget requests for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, subprograms, and activities. The Governor reviews the agency requests, establishes priorities, and presents the Legislature with one or more pieces of legislation covering the biennium. The Legislature holds hearings on the Governor's proposed budget, adopts changes and presents final legislation to the Governor. The Governor can either: a) approve the appropriation bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths majority of the Legislature.

The approved appropriations set spending limits by fund type for programs within each agency. These limits may include up to five budgetary fund types. Thus, the legal level of control is fund type within program within agency. The central accounting system maintains this control. A separate publication titled "Annual Budgetary Report" shows the detail of this legal level of control. This publication is available from the State Accounting Division of Administrative Services.

Appropriations are made for each fiscal year of the biennium; balances at the end of the first fiscal year are carried over into the second fiscal year, unless directed otherwise by the Legislature. For most appropriations, balances lapse at the end of the biennium.

The budgetary fund types used by the State differ from those presented in the basic financial statements. The budgetary funds, which are listed below, are generally segregated by revenue sources. Of these seven fund types, only the first five are subject to the spending limits set by the appropriations bills. The General Fund is the only major fund that corresponds to a budgetary fund type, so the General Fund is the only major fund that has a budget. The Budgetary Comparison Schedules for Cash Funds, Construction Funds, Federal Funds and Revolving Funds can be found starting on page 156.

General Fund. To account for activities funded by general tax dollars, primarily sales and income taxes.

Cash Reserve Fund. This is part of the General Fund, and is used to account for financial resources to be used as a reserve for the General Fund if the General Fund balance should become inadequate to meet current obligations. The Cash Reserve Fund is part of the budgetary basis fund balance.

Cash Funds. To account for the financing of goods or services provided by a State agency to individuals or entities outside State government on a cost-reimbursement basis, and to account for the revenues and expenditures related to highway construction.

Construction Funds. To account for financial resources to be used for the acquisition or construction of major capital facilities.

Federal Funds. To account for the financial resources related to the receipt and disbursement of funds generated from the federal government as a result of grants and contracts, except for federal highway monies accounted for in the Cash Funds.

Revolving Funds. To account for the financing of goods or services provided by one State agency to another State agency on a cost-reimbursement basis.

Trust Funds. To account for assets held in a trustee capacity.

Distributive Funds. To account for assets held as an agent for individuals, private organizations, and other governments and/or other funds.

The accompanying basic financial statements were prepared by converting budgetary fund data into the fund format required by GAAP. The cash basis of accounting is used for all budgetary fund types.

All State budgetary expenditures for the general, cash, construction, federal and revolving fund types are made pursuant to appropriations that may be amended by the Legislature, upon approval by the Governor. State agencies may allocate appropriations between object of expenditure accounts, except that personal service expenditures that exceed limitations contained in the appropriations bill require Legislative amendment. Any changes in appropriations are made through an annual deficit bill or other legislation. Appropriations from the federal fund type are considered to be estimated and the Legislature has approved an administrative procedure for changing them. During fiscal year 2022, the Legislature passed deficit appropriation bills that increased the allowable expenditure level in several of the programs.

For the year ended 2022, there was no budgetary programs in which expenditures exceeded appropriations. Revenues are not budgeted for any funds except for General Fund tax revenues.

REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH

For the Year Ended June 30, 2022

(Amounts in Millions)

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 10,000 miles of highway and bridges the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Measurement Scale

The Nebraska Department of Transportation uses the Nebraska Serviceability Index (NSI) to measure and monitor pavement conditions. The NSI is a numerical pavement rating scale used to monitor the condition on a scale ranging from 0 to 100 with 0 being the worst and 100 being the best. NSI represents the condition of the pavement at the time of measurement and is based on pavement’s surface distresses. Surface distresses include cracking, patching, roughness, rutting, and faulting.

Established Condition Level

It is the policy of the Nebraska Department of Transportation to maintain at least an overall NSI system rating of 72 or above.

Assessed Condition

The State assesses conditions on a calendar year basis. The following table reports the percentage of pavements meeting ratings of “Very Good”, “Good”, “Fair”, and “Poor”. This condition index is used to classify roads in very good (90-100), good (70-89), fair (50-69), and poor (0-49).

<u>Calendar Year</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Very Good	27%	41%	42%	44%	45%	46%
Good	63%	41%	40%	43%	39%	38%
Fair	9%	14%	13%	10%	13%	14%
Poor	1%	4%	5%	3%	3%	2%
Overall System Rating	83	83	84	85	84	84

Estimated and Actual Costs to Maintain

The following table presents the State’s estimate of spending necessary to preserve and maintain the roads at, or above, the established condition level cited above, and the actual amount spent during the past fiscal years (amounts in millions). The actual cost of system preservation is greater than estimated as a result of maintaining the system at a NSI level higher than the base level established for GASB-34 purposes (72 base versus 85 actual).

<u>Fiscal Year</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Estimated	\$ 365	\$ 382	\$ 340	\$ 305	\$ 324	\$ 325
Actual		450	414	514	376	391
Difference		68	74	209	52	66

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT PENSION PLANS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

**SCHEDULE OF STATE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Last 10 Fiscal Years

	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
State's proportion of the School plan collective net pension liability	17.32%	17.34%	17.37%	17.37%	17.34%	17.42%	17.32%	17.44%
State's net pension liability for the Service Annuity plan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportion of the Omaha School Employees Retirement System collective net pension liability	11.31%	10.98%	10.27%	11.14%	11.13%	16.84%	16.84%	16.84%
State's total proportionate share of the School plan collective net pension liability/(asset)	\$ (245,364)	270,347	211,006	236,269	274,623	262,124	188,604	169,592
Employer's proportionate share of the School plan collective net pension liability/(asset)	(1,170,939)	1,288,322	1,005,006	1,123,670	1,309,143	1,242,717	900,492	802,660
Total collective net pension liability/(asset) for the School plan	<u>\$ (1,416,303)</u>	<u>1,558,669</u>	<u>1,216,012</u>	<u>1,359,939</u>	<u>1,583,766</u>	<u>1,504,841</u>	<u>1,089,096</u>	<u>972,252</u>
State's net pension liability for the Service Annuity plan	<u>\$ 3,240</u>	<u>4,789</u>	<u>4,752</u>	<u>5,051</u>	<u>5,512</u>	<u>3,872</u>	<u>3,392</u>	<u>2,879</u>
State's proportionate share of the Omaha School Employees Retirement System collective net pension liability	\$ 90,454	102,780	97,084	99,495	96,462	114,156	97,833	72,739
Employer's proportionate share of the Omaha School Employees Retirement System collective net pension liability	709,651	833,386	848,152	793,575	770,477	563,804	483,189	359,251
Total collective net pension liability for the Omaha School Employees Retirement System	<u>\$ 800,105</u>	<u>936,166</u>	<u>945,236</u>	<u>893,070</u>	<u>866,939</u>	<u>677,960</u>	<u>581,022</u>	<u>431,990</u>
State's proportionate share, as an employer, of the School plan collective net pension liability/(asset) (a)	\$ (3,506)	3,906	3,273	3,661	4,391	4,352	3,149	2,996
School plan employer's covered-employee payroll (b)	\$ 6,316	6,212	6,468	6,268	6,258	6,307	6,102	6,319
Employer's proportionate share of the School plan collective net pension liability as a percentage of the employer's covered-employee payroll (a) / (b)	(55.51%)	62.88%	50.60%	58.41%	70.17%	69.00%	51.61%	47.41%
School plan Fiduciary net position as a percentage of the total pension liability	109.93%	88.73%	90.94%	89.53%	87.28%	86.56%	89.88%	90.66%
Service Annuity plan Fiduciary net position as a percentage of the total pension liability	80.94%	71.36%	71.93%	69.97%	66.88%	73.03%	76.90%	80.33%
Omaha School Employees Retirement System Fiduciary net position as a percentage of the total pension liability	67.13%	59.55%	57.82%	59.16%	58.72%	63.68%	67.58%	74.98%

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be reported as they become available.

*Scheduled year is shown as of June 30 besides The Omaha School Employees' Retirement System which has a measurement date of August 31.

See independent auditor's report

State of Nebraska

REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

SCHEDULE OF STATE CONTRIBUTIONS

School Employees Retirement Plan
 Last 10 Fiscal Years

(Dollars in Thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
School plan statutorily required contribution	\$ 44,704	43,034	41,860	40,544	39,339	38,039	36,920	35,494
Service Annuity plan statutorily required contribution	\$ 1,603	1,220	1,216	1,248	1,243	992	997	998
Omaha School Employees Retirement System statutorily required contribution	\$ 7,534	7,290	7,302	7,420	7,111	6,897	6,661	6,453
School plan contributions in relation to the statutorily required contribution	\$ 44,704	43,034	41,860	40,544	39,339	38,039	36,920	35,494
Service Annuity plan contributions in relation to the statutorily required contribution	\$ 1,603	1,220	1,216	1,248	1,243	992	997	998
Omaha School Employees Retirement System contributions in relation to the statutorily required contribution	\$ 7,534	7,290	7,302	7,420	7,111	6,897	6,661	6,453
School plan annual contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Service Annuity plan annual contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Omaha School Employees Retirement System annual contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
State's contributions, as an employer, in relation to the statutorily required contribution (a)	\$ 590	624	614	639	619	618	623	603
School plan employer's covered payroll (b)	\$ 5,970	6,316	6,212	6,468	6,268	6,258	6,307	6,102
Contributions recognized by the School plan in relation to the statutorily required contribution as a percentage of the employer's covered payroll (a) / (b)	9.88%	9.88%	9.88%	9.88%	9.88%	9.88%	9.88%	9.88%

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be reported as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

STATE PATROL RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$9,175	\$8,961	\$9,079	\$8,795	\$7,956	\$8,152	\$7,563	\$8,174
Interest	37,422	36,398	35,166	34,077	32,887	32,114	31,350	30,165
Differences between expected and actual experience	2,542	(6,168)	(2,864)	(4,017)	(1,509)	(8,977)	(10,659)	(3,788)
Assumption changes	6,936	-	-	-	27,948	-	-	-
Benefit payments, including member refunds	(26,256)	(24,953)	(24,954)	(23,829)	(24,139)	(19,577)	(19,459)	(20,010)
Net change in Total Pension Liability	\$29,819	\$14,238	\$16,427	\$15,026	\$43,143	\$11,712	\$8,795	\$14,541
Total Pension Liability - beginning	\$510,757	\$496,519	\$480,092	\$465,066	\$421,923	\$410,211	\$401,416	\$386,875
Total Pension Liability - ending (a)	\$540,576	\$510,757	\$496,519	\$480,092	\$465,066	\$421,923	\$410,211	\$401,416
Plan Fiduciary Net Position								
Employer contributions	\$9,164	\$9,083	\$8,694	\$8,953	\$7,053	\$7,053	\$8,647	\$8,753
Employee contributions	5,082	4,970	4,710	4,615	4,501	4,366	4,180	4,134
Net investment income	128,452	10,177	27,537	33,873	48,680	5,491	13,333	54,950
Benefit payments, including member refunds	(26,256)	(24,953)	(24,954)	(23,829)	(24,140)	(19,577)	(19,459)	(20,010)
Administrative expenses	(158)	(120)	(76)	(89)	(141)	(128)	(117)	(121)
Other	15	14	18	23	29	27	22	21
Net change in Plan Fiduciary Net Position	\$116,299	(\$829)	\$15,929	\$23,546	\$35,982	(\$2,768)	\$6,606	\$47,727
Plan Fiduciary Net Position - beginning	\$435,783	\$436,612	\$420,683	\$397,137	\$361,155	\$363,923	\$357,317	\$309,590
Plan Fiduciary Net Position - ending (b)	\$552,082	\$435,783	\$436,612	\$420,683	\$397,137	\$361,155	\$363,923	\$357,317
Net Pension Liability/(Asset) - ending (a) - (b)	<u>(\$11,506)</u>	<u>\$74,974</u>	<u>\$59,907</u>	<u>\$59,409</u>	<u>\$67,929</u>	<u>\$60,768</u>	<u>\$46,288</u>	<u>\$44,099</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.13%	85.32%	87.93%	87.63%	85.39%	85.60%	88.72%	89.01%
Covered payroll	\$31,342	\$30,810	\$29,302	\$28,698	\$28,092	\$27,048	\$26,294	\$25,624
Employers' Net Pension Liability as a percentage of covered payroll	(36.71%)	243.34%	204.45%	207.02%	241.81%	224.67%	176.04%	172.10%

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

STATE PATROL RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal years

(Dollars in Thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined employer contribution	\$8,874	\$9,164	\$9,083	\$8,694	\$8,953	\$7,053	\$7,053	\$8,074	\$8,753	\$9,769
Actual employer contributions*	\$8,874	\$9,164	\$9,083	\$8,694	\$8,953	\$7,053	\$7,053	\$8,074	\$8,753	\$7,516
Annual contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	2,253
Covered payroll	\$31,560	\$31,342	\$30,810	\$29,302	\$28,698	\$28,092	\$27,048	\$26,294	\$25,624	\$26,902
Actual contributions as a percentage of covered-employee payroll	28.12%	29.24%	29.48%	29.67%	31.20%	25.11%	26.08%	30.71%	34.16%	27.94%

*Includes any additional appropriations by the State beyond the regular, payroll-related contributions. 2015 excludes \$573 in military service credits.

Note: Information prior to 2013 was produced by the prior actuary.

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT PENSION PLANS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

**JUDGES' RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY**

Last 10 Fiscal Years

(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$5,725	\$5,551	\$5,641	\$5,589	\$4,998	\$4,721	\$4,759	\$4,257
Interest	15,077	14,472	14,200	13,721	13,100	12,643	12,171	11,568
Differences between expected and actual experience	(1,806)	(206)	(5,003)	(2,399)	(1,715)	(2,303)	(2,614)	42
Assumption changes	3,554	-	-	-	12,705	-	-	-
Benefit payments, including member refunds	(12,066)	(11,478)	(10,991)	(10,144)	(9,690)	(9,052)	(8,548)	(8,122)
Net change in Total Pension Liability	\$10,484	\$8,339	\$3,847	\$6,767	\$19,398	\$6,009	\$5,768	\$7,745
Total Pension Liability - beginning	\$206,455	\$198,116	\$194,269	\$187,502	\$168,104	\$162,095	\$156,327	\$148,582
Total Pension Liability - ending (a)	\$216,939	\$206,455	\$198,116	\$194,269	\$187,502	\$168,104	\$162,095	\$156,327
Plan Fiduciary Net Position								
Employer contributions*	\$4,747	\$3,897	\$4,389	\$4,780	\$3,698	\$3,459	\$3,071	\$3,906
Employee contributions	2,029	1,963	1,855	1,815	1,743	1,651	1,611	1,519
Net investment income	57,339	4,549	12,436	15,070	21,699	2,454	5,959	24,543
Benefit payments, including member refunds	(12,066)	(11,478)	(10,991)	(10,144)	(9,690)	(9,052)	(8,548)	(8,122)
Administrative expenses	(117)	(82)	(72)	(71)	(85)	(71)	(83)	(78)
Net change in Plan Fiduciary Net Position	\$51,932	(\$1,151)	\$7,617	\$11,450	\$17,365	(\$1,559)	\$2,010	\$21,768
Plan Fiduciary Net Position - beginning	\$194,521	\$195,672	\$188,055	\$176,606	\$159,241	\$160,800	\$158,790	\$137,022
Plan Fiduciary Net Position - ending (b)	\$246,453	\$194,521	\$195,672	\$188,056	\$176,606	\$159,241	\$160,800	\$158,790
Net Pension Liability/(Asset) - ending (a) - (b)	(\$29,514)	\$11,934	\$2,444	\$6,213	\$10,896	\$8,863	\$1,295	(\$2,463)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	113.60%	94.22%	98.77%	96.80%	94.19%	94.73%	99.20%	101.58%
Covered payroll	\$24,668	\$24,367	\$23,216	\$23,125	\$22,802	\$22,178	\$21,587	\$20,100
Employers' Net Pension Liability as a percentage of covered payroll	(119.65%)	48.98%	10.53%	26.87%	47.79%	39.96%	6.00%	(12.26%)

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

*Employer contributions for 2021 consist of \$3,319 in Court Fees and \$1,428 in State Appropriations.

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

JUDGES' RETIREMENT PLAN

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years

(Dollars in Thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined employer contribution	\$3,948	\$4,747	\$3,897	\$4,389	\$4,780	\$3,698	\$3,459	\$3,727	\$3,906	\$3,180
Actual employer contributions	\$3,948	\$4,747	\$3,897	\$4,389	\$4,780	\$3,698	\$3,459	\$3,071	\$3,906	\$3,180
Annual contribution deficiency (excess)	-	-	-	-	-	-	-	656	-	-
Covered payroll	\$25,258	\$24,668	\$24,367	\$23,216	\$23,125	\$22,802	\$22,178	\$21,587	\$20,100	\$19,005
Actual contributions as a percentage of covered-employee payroll	15.63%	19.24%	15.99%	18.90%	20.67%	16.22%	15.59%	14.23%	19.43%	16.73%

Note: Actuarially determined employer contributions, actual employer contributions and covered-employee payroll prior to 2013 was produced by the prior actuary. For years 2014 and prior, covered-employee payroll was estimated based on the valuation.

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

STATE EMPLOYEES' RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$77,800	\$66,766	\$61,854	\$61,061	\$64,051	\$61,768	\$57,305	\$54,921
Interest	126,535	121,384	116,719	108,435	102,759	98,054	89,967	85,696
Benefit term changes	68,135	33,746	-	56,312	31,485	-	35,893	-
Differences between expected and actual experience	(15,112)	(14,022)	(10,590)	(3,987)	(18,939)	(14,007)	721	(11,217)
Assumption changes	11,781	21,516	-	-	42,820	-	-	-
Transfers	6,513	9,318	5,372	7,735	3,591	5,115	5,849	4,195
Benefit payments, including member refunds	(132,839)	(112,331)	(113,827)	(121,911)	(94,359)	(84,773)	(85,278)	(73,527)
Net change in Total Pension Liability	\$142,813	\$126,377	\$59,528	\$107,645	\$131,408	\$66,157	\$104,457	\$60,068
Total Pension Liability - beginning	\$1,795,412	\$1,669,035	\$1,609,507	\$1,501,862	\$1,370,455	\$1,304,298	\$1,199,841	\$1,139,773
Total Pension Liability - ending (a)	\$1,938,225	\$1,795,412	\$1,669,035	\$1,609,507	\$1,501,863	\$1,370,455	\$1,304,298	\$1,199,841
Plan Fiduciary Net Position								
Employer contributions	\$52,714	\$51,506	\$48,890	\$46,581	\$45,438	\$44,894	\$43,340	\$41,456
Employee contributions	33,833	33,007	31,334	29,854	29,128	28,776	27,799	26,603
Net investment income	328,390	221,997	286,205	(63,591)	237,283	112,758	14,784	83,524
Benefit payments, including member refunds	(132,839)	(112,331)	(113,827)	(121,911)	(94,359)	(84,773)	(85,278)	(73,527)
Administrative expenses	(1,497)	(1,520)	(1,374)	(1,399)	(1,293)	(1,134)	(1,079)	(910)
Transfers	6,513	9,318	5,372	7,735	3,591	5,115	5,849	4,195
Net change in Plan Fiduciary Net Position	\$287,114	\$201,977	\$256,600	(\$102,731)	\$219,788	\$105,636	\$5,415	\$81,341
Plan Fiduciary Net Position - beginning	\$1,991,720	\$1,789,743	\$1,533,143	\$1,635,874	\$1,416,087	\$1,310,451	\$1,305,036	\$1,223,695
Plan Fiduciary Net Position - ending (b)	\$2,278,834	\$1,991,720	\$1,789,743	\$1,533,143	\$1,635,875	\$1,416,087	\$1,310,451	\$1,305,036
Net Pension Liability/(Asset) - ending (a) - (b)	(\$340,609)	(\$196,308)	(\$120,708)	\$76,364	(\$134,012)	(\$45,632)	(\$6,153)	(\$105,195)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	117.57%	110.93%	107.23%	95.26%	108.92%	103.33%	100.47%	108.77%
Covered payroll	\$703,979	\$687,847	\$652,909	\$622,068	\$606,807	\$599,550	\$578,789	\$553,631
Employers' Net Pension Liability as a percentage of covered payroll	(48.38%)	(28.54%)	(18.49%)	12.28%	(22.08%)	(7.61%)	(1.06%)	(19.00%)

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

STATE EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years

(Dollars in Thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined employer contribution	\$39,028	\$35,374	\$37,255	\$30,307	\$30,314	\$33,205	\$29,117	\$31,986	\$35,129	\$32,983
Actual employer contributions*	\$56,417	\$52,142	\$50,355	\$47,279	\$46,043	\$45,208	\$44,314	\$42,392	\$40,345	\$35,794
Annual contribution deficiency (excess)	(\$17,389)	(\$16,768)	(\$13,100)	(\$16,972)	(\$15,729)	(\$12,002)	(\$15,197)	(\$10,406)	(\$5,216)	(\$2,811)
Covered-employee payroll	\$753,441	\$696,341	\$672,470	\$631,395	\$614,895	\$603,735	\$591,799	\$566,127	\$538,790	\$478,020
Actual contributions as a percentage of covered-employee payroll	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%

*Provided by Nebraska Public Employees Retirement System

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR PENSION PLANS

For the Year Ended June 30, 2022

School

Changes of benefit and funding terms: The following changes were made by the Nebraska Legislature and reflected in the valuation performed as of July 1 listed below:

- 2021: Legislative Bill 17 (LB 17), which was passed by the 2021 Nebraska Legislature, changed the amortization period for amortization bases established on or after July 1, 2021 from 30 to 25 years. If the UAAL is less than or equal to zero, then all prior amortization bases are considered fully funded and the UAAL is reinitialized and amortized over a 25-year period as of the actuarial valuation date.
- 2017: The 2017 Legislature passed LB 415, which affects the benefit provisions only for members hired on or after July 1, 2017 (with additional changes for those hired on or after July 1, 2018). For members hired on or after July 1, 2017, the Public Employees Retirement Board (PERB) has the authority to set the actuarial assumptions used to determine the benefit amounts payable under optional forms of payment. In addition, LB 415 changed to the minimum age required to qualify for retirement under the Rule of 85 from 55 to 60 for members who are hired on or after July 1, 2018.
- 2014: As scheduled, the State contribution rate increased from 1% of covered payroll to 2%.
- 2013: Legislative Bill 553, which was passed by the 2013 Legislature, increased the State's payroll related contribution from 1% to 2% of pay, effective July 1, 2014. LB 553 also made some changes to the benefit structure for members hired on or after July 1, 2013 (Tier 2), including changing the period over which to determine final average salary to the highest 60 months rather than the current highest 36 months of service and changing the maximum cost of living adjustment from 2.5% to 1%. LB 553 also removed the scheduled reduction in the employee contribution rate in 2017. In addition, it required the use of the Entry Age Normal, level percent of payroll, method to determine the costs for the Omaha State Service Annuity and changed the amortization of the unfunded actuarial accrued liability to be based on payments determined as a level percent of payroll instead of a level dollar amount.

Changes in actuarial assumptions:

7/1/2022 valuation:

- Price inflation decreased from 2.65% to 2.55%.
- Long-term investment return decreased from 7.30% to 7.20%.
- General wage growth decreased from 3.15% to 3.05%.
- Payroll growth decreased from 3.15% to 3.05%.
- Cost of living adjustment assumption decreased to 2.10% for Tier 1 members.

7/1/2021 valuation:

- Price inflation decreased from 2.75% to 2.65%.
- Long-term investment return decreased from 7.50% to 7.30%.
- General wage growth decreased from 3.50% to 3.15%.
- Payroll growth decreased from 3.50% to 3.15%.
- Salary merit increase were adjusted to partially reflect observed experience.
- Interest on employee contribution balances decreased from 3.00% to 2.50%.
- Cost of living adjustment assumption decreased to 2.15% for Tier 1 members.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.16% of pay.
- Mortality assumption for non-disabled participants was changed to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% female rates), set back one-year, projected generationally using MP-2019 modified to 75% of ultimate rates.
- Mortality assumption for disabled participants was changed to the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static).
- Retirement rates changed to better fit the observed experience.
- Termination rates for males changed to better fit the observed experience.
- The assume retirement age for deferred vested members was increased from 62 to 64.

7/1/2017 valuation:

- Price inflation decreased from 3.25% to 2.75%.
- Long term investment return decreased from 8.00% to 7.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.
- Salary increase assumption decreased by 0.50% at each age.
- Interest on employee contribution balances decreased from 4.25% to 3.00%.
- Cost of living adjustment assumption decreased from 2.50% to 2.25% for members hired before January 1, 2013.
- Mortality assumptions changed to reflect recent mortality experience and future projected improvements.
- Retirement rates changed to better fit the observed experience.
- Termination rates changed to better fit the observed experience.
- Disability rates changed to better fit the observed experience.

Method and assumptions used in calculations of actuarially determined contributions.

The System is funded with contribution rates that are 9.78% of monthly salary for members, contribution rates that are 101% of the members' rates (9.88% of monthly salary) for the school districts and 2.00% of monthly salary for the State of Nebraska. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported in the most recent Measurement Date, June 30, 2022 (based on the July 1, 2021 actuarial valuation):

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 15 to 29 years (Single Equivalent Amortization Period is 8 years)
Asset valuation method	5-year smoothed market
Price Inflation	2.65 percent
Wage Inflation	3.15 percent
Salary increase, including inflation	3.15 to 13.15 percent
Long-term investment rate of return, net of investment expense, and including inflation	7.30 percent
Cost-of-living adjustments	Service annuity – none Formula annuity – For members hired before January 1, 2013, it is 2.15% per annum, compounded annually. For members hired on or after January 1, 2013, it is 1.00% per annum, compounded annually.

Service Annuity

Changes of benefit and funding terms: The following changes to the plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of July 1 listed below:

None

Changes in actuarial assumptions:

11/2021 valuation:

- Price inflation decreased from 2.75% to 2.65%.
- Long-term investment return decreased from 7.50% to 7.30%.
- General wage growth decreased from 3.50% to 3.15%.
- Payroll growth decreased from 3.50% to 3.15%.
- Salary merit increases were adjusted to partially reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.16% of pay.
- Mortality assumptions for non-disabled participants was changed to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% female rates), set back one-year, projected generationally using MP-2019 modified to 75% of ultimate rates.
- Mortality assumption for disabled participants was changed to the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static).
- Retirement rates changed to better fit the observed experience.
- Termination rates for males changed to better fit the observed experience.
- The assumed retirement age for deferred vested members was increased from 62 to 64.

1/1/2017 valuation:

- Price inflation decreased from 3.25% to 2.75%.
- Long-term investment return decreased from 8.00% to 7.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.
- Salary increase assumption decreased by 0.50% at each age.
- Mortality assumptions changed to reflect recent mortality experience and future projected improvements.
- Retirement rates changed to better fit the observed experience.
- Termination rates changed to better fit the observed experience.
- Disability rates changed to better fit the observed experience.

Method and assumptions used in calculations of Actuarially Determined Contributions.

The Plan is funded with contribution amounts from the State which are actuarially determined to fund the Service Annuity benefit. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent Measurement Date, June 30, 2022 (based on the July 1, 2021 actuarial valuation).

Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 15 to 29 years (Single Equivalent Amortization Period is 8 years)
Asset valuation method	5-year smoothed market
Price inflation	2.65 percent
Wage Inflation	3.15 percent
Salary increases, including wage inflation	3.15 to 13.15 percent

Long-term rate of return, net of investment expense, and including inflation	7.30 percent
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Omaha School Employees

Changes of benefit and funding terms: The following changes to the plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of September 1 (January 1 starting in 2017) listed below:

2018: The 2017 session of the Nebraska Legislature enacted Legislative Bill 415 (LB 415), which changed the retirement provisions for members hired on or after July 1, 2018 to match the School Employees Retirement System of the State of Nebraska. Retirement eligibility for members hired on or after July 1, 2018 is set at age 60 with 85 points (age plus service) or age 60 with five years of service. Benefits are unreduced at age 60 with 85 points. Early retirement eligibility is age 60 with five years of service. No medical COLA is provided for members hired on or after July 1, 2018.

The 2018 Session of the Nebraska Legislature enacted Legislative Bill 1005 (LB 1005), which states that the School District must contribute an amount equal to or greater than the actuarially required contribution rate provided in the most recent valuation report.

2017: The 2016 session of the Nebraska Legislature enacted Legislative Bill 447 (LB 447), which changed the retirement provisions for members hired on or after July 1, 2016 to match the School Employees Retirement System of the State of Nebraska. Retirement eligibility for members hired on or after July 1, 2016 is set at 35 years of service, age 55 with 85 points (age plus service) or age 60 with five years of service. Benefits are unreduced with 35 years of service or at age 55 with 85 points. Early retirement eligibility is age 60 with five years of service. No medical COLA is provided for members hired on or after July 1, 2016.

2013: The 2013 session of the Nebraska Legislature enacted Legislative Bill 553 (LB 553), which increased the Member's contribution rate from 9.30% of pay to 9.78% of pay. The School District's contribution rate is equal to 101% of the employee contribution rate so the District's contribution rate increased from 9.3930% of pay to 9.8778% of pay. The State contribution rate also increased permanently from 1.00% (plus \$973,301) to 2.00% of payroll, effective July 1, 2014. LB 553 also created a new benefit structure for members hired on or after July 1, 2013 with the same benefit structure as pre-July 1, 2013 hires except annual cost of living adjustments are the lesser of 1.00% or CPI and final average compensation is defined as 1/60 of the total compensation received during the five fiscal years of highest compensation.

Changes in actuarial assumptions:

1/1/2019 valuation:

- The amortization of the UAAL was changed to reset the legacy UAAL over a 30-year period beginning on January 1, 2019. New layers of UAAL that occur in the future are also amortized over a 30-year period beginning on the valuation date.

1/1/2017 valuation:

- The investment return assumption was lowered from 8.00% to 7.50%.
- The inflation assumption was lowered from 3.00% to 2.75%.
- The assumed interest rate credited on employee contributions was lowered from 3.00% to 2.75%.
- The general wage increase assumption was lowered from 4.00% to 3.25%.
- The mortality assumption was changed to the RP-2014 Mortality Table, with a one-year age set forward for males and a one-year age setback for females. Generational mortality improvements are modeled using the MP-2016 scale.
- Retirement rates were modified for both Certificated and Classified employees.
- The probability of electing a refund at termination was modified for Classified employees.
- Termination rates for Certificated employees were changed to be the same regardless of gender, and are purely service-based for both Certificated and Classified employees.
- The salary increase assumption was changed to a service-based assumption for both Certificated and Classified employees.
- The amortization of the UAAL was changed to a "layered" approach with new pieces of UAAL amortized over a 25-year period beginning on the valuation date. The legacy UAAL continues to be amortized on its current schedule.
- The valuation date changed from September 1 to January 1.

9/1/2013 valuation:

- The one-year age set forward in mortality rates for active male employees was eliminated.
- Classified members' retirement rates were adjusted.
- Vested Certificated members' assumption to elect a refund of contributions was adjusted at certain ages.

See independent auditor's report

- The assumed interest rate credited on member contribution accounts was lowered from 7.00% to 3.00%.

Method and assumptions used in calculations of Actuarially Determined Contributions.

The System is funded by statutory contribution rates for members, the School District and the State of Nebraska. If the statutory contribution rate is less than the Actuarially Determined Contribution, the School District will contribute the difference. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the valuation date that falls within the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent Measurement Date, August 31, 2021 (based on the January 1, 2021 actuarial valuation).

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Layered bases with the Legacy base amortized over a closed 30-year period beginning January 1, 2019. All subsequent bases are amortized over a closed 30-year period beginning on the valuation dated.
Asset valuation method	Market related smoothed value
Price inflation	2.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	3.75 to 6.25 percent
Long-term rate of return, net of investment expense, and including inflation	7.50 percent
Cost-of-living adjustments	1.50 percent for those who became OSERS members prior to July 1, 2013. 1.00 percent for those who became OSERS members on or after July 1, 2013. Medical COLA of \$10/month for each year retired (max \$250/month), for those who became OSERS members prior to July 1, 2016.

State Patrol

Changes of benefit and funding terms: The following changes to the plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of July 1 listed below:

- 2021: Legislative Bill 17 (LB 17), which was passed by the 2021 Nebraska Legislature, changed the amortization period for amortization bases established on or after July 1, 2021 from 30 to 25 years. If the UAAL is less than or equal to zero, then all prior amortization bases are considered fully funded and the UAAL is reinitialized and amortized over a 25-year period as of the actuarial valuation date.
- 2017: The 2017 Legislature passed LB 415, which grants the PERB the authority to set the actuarial assumptions used to determine the benefit amounts payable under optional forms of payment for members hired on or after July 1, 2017. Since these changes do not affect any members in the current valuation, the adopted changes have no impact on the valuation results.
- 2016: Legislative Bill 467 (LB 467) created a new tier of State Patrol members that are employed on or after July 1, 2016. This new tier includes changes to benefits and contributions as follows:
- Member and employer contributions are increased from 16% of pay to 17% of pay.
 - Compensation no longer includes compensation for unused sick leave, unused vacation leave, unused holiday compensatory time, unused compensatory time, or any other type of unused leave, compensatory time, or similar benefits, converted to cash payments.
 - Final average salary moves from the highest three 12-month periods to the highest five 12-month periods. During the five year period, the member's compensation for the preceding plan year is capped at an eight percent increase.
 - The automatic COLA is capped at 1.0% instead of 2.5%. However, a 1.5% discretionary COLA may be granted in addition to the automatic COLA if certain criteria are met.
 - The DROP program is eliminated.
- 2013: Legislative Bill 553 (LB 553) changed the amortization of the unfunded actuarial accrued liability from a level dollar payment to a level percent of payroll payment. As scheduled in state statute, the employee and employer contribution rate each decreased from 19% of pay to 16%.

Changes in actuarial assumptions:

7/1/2022 valuation:

- Price inflation decreased from 2.65% to 2.55%.
- Long-term investment return decreased from 7.30% to 7.20%.
- Covered payroll growth assumption decreased from 3.15% to 3.05%.
- General wage inflation decreased from 3.15% to 3.05%.
- Cost of living adjustment assumption decreased to 2.10% for Tier 1 members.

7/1/2021 valuation:

- Price inflation decreased from 2.75% to 2.65%.
- Long-term investment return decreased from 7.50% to 7.30%.
- Covered payroll growth assumption decreased from 3.50% to 3.15%.
- General wage inflation decreased from 3.50% to 3.15%.
- Salary merit increases were adjusted to better reflect observed experience.
- Interest on employee contribution balances decreased from 3.00% to 2.50%.
- Cost of living adjustment assumption decreased to 2.15% for Tier 1 members.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.26% of pay.
- Mortality assumption for non-disabled participants was changed to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% female rates), set back one-year, projected generationally using MP-2019 modified to 75% of ultimate rates.
- Mortality assumption for disabled participants was changed to the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static).
- Retirement rates changed to better fit the observed experience.

7/1/2017 valuation:

- Price inflation decreased from 3.25% to 2.75%.
- Long-term investment return decreased from 8.00% to 7.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.
- Salary increase assumption decreased by 0.50% at each age.
- Interest on employee contribution balances decreased from 4.25% to 3.00%.
- Cost of living adjustment assumption decreased from 2.50% to 2.25% for members hired before July 1, 2016.
- Mortality assumptions changed to reflect recent mortality experience and future projected improvements.
- Termination rates changed to better fit the observed experience.

Method and assumptions used in calculations of Actuarially Determined Contributions.

The Plan is funded by statutory contribution rates for members and the employer (State of Nebraska). State Statutes require the State of Nebraska to make additional contributions if the regular, payroll-related contributions are insufficient to meet the actuarial required contribution for the year. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent Measurement Date, June 30, 2022 (based on the July 1, 2021 actuarial valuation).

Actuarial cost method	Entry Age Normal
Amortized method	Level percentage of payroll, closed
Remaining amortization period	Range from 15 to 29 years (Single Equivalent Amortization Period is 17 years)
Asset valuation method	5-year smoothed market
Price inflation	2.65 percent
Wage Inflation	3.15 percent
Salary increases, including wage inflation	3.15 to 8.65 percent
Long-term rate of return, net of investment expense, and including price inflation	7.30 percent
Cost-of-living adjustment	2.15% per annum, compounded annually for Tier 1 members, 1.00% per annum, compounded annually for Tier 2 members.

Judges

Changes of benefit and funding terms: The following changes to the plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of July 1 listed below:

- 2021: LB 17, which was passed by the 2021 Nebraska Legislature, provided for an increase in the amount of court fees directed to fund the System, beginning in FY 2022 with further scheduled increases over a five-year period. The bill also authorized a payroll-related contribution from the state, beginning July 1, 2023 for the plan year ended June 30, 2023. The payroll-related contribution can be no greater than 5% of total annual compensation, based on the total member compensation reported in the most recent actuarial valuation. If the funded ratio is equal to or greater than 100% for two consecutive years, the actuary must assess whether the state contribution rate should be adjusted and make a recommendation to the Board in the annual actuarial valuation report. If the state contribution rate has been adjusted to less than 5% and the funded ratio is below 100% for two consecutive years, the actuary must assess whether the state contribution rate should be adjusted (not greater than 5%) and make a recommendation to the Board. LB 17 also changed the amortization period for amortization bases established on or after July 1, 2021 from 30 to 25 years. If the UAAL is less than or equal to zero, then all prior amortization bases are considered fully funded and the UAAL is reinitialized and amortized over a 25-year period as of the actuarial valuation date.
- 2017: LB 415, which was passed by the 2017 Nebraska Legislature, made changes to the benefit structure for judges who become members on or after July 1, 2017 by granting the Public Employees Retirement Board (PERB) the authority to set the actuarial assumptions used to determine the benefit amounts payable under optional forms of payment.
- 2015: LB 468, which was passed by the 2015 Nebraska Legislature, made changes to the benefit structure for judges who become members on or after July 1, 2015 including the calculation of final average salary based on the highest 5 years rather than the highest 3 years of salary and a cost-of-living-adjustment (COLA) of 1% rather than 2.5%. The bill also provided for a supplemental COLA, to be granted at the Board's discretion, up to an additional 1.5% if the System is more than 100% funded. In addition, the member contribution rate for those hired on or after July 1, 2015 was increased to 10% of pay. LB 468 also increased the amount of court fees directed to fund the Judges Retirement System with the increases phased-in over two years. Ultimately, in fiscal year 2018 the additional funding is estimated to be \$1.3 million. Due to the valuation date of July 1, 2015, the change to the benefit structure had no impact on the valuation results.
- 2013: Legislative Bill 553 (LB 553) changed the amortization of the unfunded actuarial accrued liability from a level dollar payment to a level percent of payroll payment. The court fee designated for the Judges Retirement System was scheduled to decrease from six to five dollars on July 1, 2014. Legislative Bill 306 (LB 306) removed the language to decrease the court fees so the court fee in future years remains at six dollars. The passage of Legislative Bill 414 (LB 414) in 2009 increased the member contribution rate by 1 percent, but this increase was scheduled to be removed July 1, 2014. Legislative Bill 306 (LB 306) removed the sunset provision on the increase in the member contribution rate, thereby retaining the higher contribution rates.

Changes in actuarial assumptions:*7/1/2022 valuation:*

- Price inflation decreased from 2.65% to 2.55%.
- Long-term investment return decreased from 7.30% to 7.20%.
- General wage growth decreased from 3.15% to 3.05%.
- Payroll growth decreased from 3.15% to 3.05%.
- Salary increases were lowered from a flat 3.40% to 3.30%.
- Cost of living adjustment assumption decreased to 2.10% for Tier 1 members.

7/1/2021 valuation:

- Price inflation decreased from 2.75% to 2.65%.
- Long-term investment return decreased from 7.50% to 7.30%.
- General wage growth decreased from 3.50% to 3.15%.
- Payroll growth decreased from 3.50% to 3.15%.
- Salary increases were lowered from a flat 3.50% to 3.40%.
- Interest on employee contribution balances decreased from 3.00% to 2.50%.
- Cost of living adjustment assumption decreased to 2.15% for Tier 1 members.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.31% of pay.

- Mortality assumption for non-disabled participants was changed to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% female rates), set back one-year, projected generationally using MP-2019 modified to 75% of ultimate rates.
- Mortality assumption for disabled participants was changed to the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static).
- Retirement rates changed to better fit the observed experience.

7/1/2020 valuation:

- Court fees for fiscal year 2021 are assumed to be 85% of actual fiscal year 2020 court fees. This assumption had no impact on the TPL.

7/1/2017 valuation:

- Price inflation decreased from 3.25% to 2.75%.
- Long-term investment return decreased from 8.00% to 7.50%.
- General wage growth decreased from 4.00% to 3.50%.
- Salary increase assumption decreased by 0.50% at each age.
- Interest on employee contribution balances decreased from 4.25% to 3.00%.
- Cost of living adjustment assumption decreased to 2.25% for Tier 1 members.
- Mortality assumptions changed to reflect recent mortality experience and future projected improvements.
- Retirement rates changed to better fit the observed experience.

Method and assumptions used in calculations of Actuarially Determined Contributions.

The Plan is funded with contribution rates that vary by date of hire and service for members, variable court fees as well as contributions from the State of Nebraska that cover the remaining required amounts, if necessary. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent fiscal year, June 30, 2022 (based on the July 1, 2021 actuarial valuation).

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Price Inflation	2.65 percent
Wage Inflation	3.15 percent
Salary increases, including inflation	3.40 percent
Long-term rate of return, net of investment expense, and including inflation	7.30 percent
Cost-of-living adjustments	2.15% per annum, compounded annually for Tier 1 members, 1.00% per annum, compounded annually for Tier 2 members.

State Employees

Changes of benefit and funding terms: The following changes to the plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of January 1 listed below:

- 2022: The Board granted a dividend of 5.25% in 2021 that was first reflected in the January 1, 2022 valuation.
- 2021: The Board granted a dividend of 3.00% in 2020 that was first reflected in the January 1, 2021 valuation.
- 2019: The Board granted a dividend of 5.46% in 2018 that was first reflected in the January 1, 2019 valuation.
- 2018: The Board granted a dividend of 3.07% in 2017 that was first reflected in the January 1, 2018 valuation.
- 2016: The Board granted a dividend of 4.53% in 2015 that was first reflected in the January 1, 2016 valuation.
- 2013: The 2012 Nebraska Legislature passed LB 916, as amended by AM1739, which created an election period beginning September 1, 2012 and ending October 31, 2012 during which members in the State Defined Contribution Plan could elect to transfer their account balances to the State Employees' Retirement System Cash Balance Benefit Fund.

Changes in actuarial assumptions:

1/1/2022 valuation:

- Price inflation assumption was lowered from 2.65% to 2.55%.
- Investment return assumption was lowered from 7.30% to 7.20%.
- Interest crediting rate on Cash Balance accounts decreased from 6.15% to 6.10%.
- General wage inflation was lowered from 3.15% to 3.05%.

1/1/2021 valuation:

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- Interest crediting rate on Cash Balance accounts decreased from 6.25% to 6.15%.
- General wage inflation was lowered from 3.50% to 3.15%.
- Salary merit increases were adjusted to better reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.21% of pay.
- Retirement rates were adjusted to better reflect observed experience.
- Termination rates were adjusted to better reflect observed experience.
- Mortality assumptions were changed to the Pub-2010 General Members (above Median) Mortality Tables (100% of male rate for males, 95% of female rates for females), set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

1/1/2018 valuation:

- Investment return assumption was lowered from 7.75% to 7.50%.
- Price inflation assumption was lowered from 3.25% to 2.75%.
- General wage growth was lowered from 4.00% to 3.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.
- Individual salary increase assumption was lowered by 0.50% in order to remain consistent with the general wage growth assumption.
- Assumed cash balance interest crediting rate was lowered from 6.75% to 6.25%.
- Mortality assumption was changed to the RP-2014 White Collar Mortality Table, with adjustments made to better reflect observed experience. Generational mortality improvements are modeled using a System-specific projection scale.
- Retirement rates were adjusted to better reflect observed experience.
- Termination rates were changed to a service-based assumption.

1/1/2013 valuation:

- The interest crediting rate on cash balance accounts was lowered from 7.00% to 6.75% per year.

- Salary increases were changed to rates grading down from 5.43% for less than one year of service to 4.00% at 20 years of service. Prior rates graded from 5.9% for less than one year of service to 4.5% at 20 years of service.
- Retirement rates increased at age 65 to 69 and 100% probability of retirement was extended to age 80 from age 70.
- Pre- and post-retirement healthy mortality assumptions were changed from the 1994 Group Annuity Mortality (GAM) table projected to 2010 (pre-retirement male rates were 65% of rates and female rates were 50% of rates) to the 1994 GAM table, with 1-year setback, projected to 2015 (pre-retirement rates are adjusted by 55% for males and 40% for females).
- The select and ultimate termination rates were increased.
- Disability rates were removed.
- Price inflation was lowered from 3.50% to 3.25% per year.
- Economic productivity was lowered from 1.00% to 0.75% per year.
- The assumption for the form of payment elected by retiring active members was changed from 100% elect an annuity to 50% elect a lump sum and 50% elect an annuity.

Method and assumptions used in calculations of actuarially determined contributions.

The Plan is funded with fixed contribution rates for both members and the State of Nebraska. If such contributions are less than the Actuarially Determined Contribution, the State makes an additional contribution. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the plan year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent plan year, January 1, 2021 to December 31, 2021 (based on the January 1, 2021 actuarial valuation).

Actuarial cost method	Entry age
Amortization method	Level dollar amount, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Price inflation	2.65 percent
Wage inflation	3.15 percent
Salary increases, including wage Inflation	3.15 to 9.50 percent
Long-term rate of return, net of investment expense, and including price inflation	7.30 percent
Interest crediting rate, including dividends	6.15 percent

State of Nebraska

REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT OTHER POSTEMPLOYMENT BENEFIT PLANS

For the Year Ended June 30, 2022

(Dollars in Thousands)

STATE OF NEBRASKA RETIREE HEALTH INSURANCE PROGRAM
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
OPEB LIABILITY

	2022	2021	2020	2019	2018
Reporting Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service cost	\$1,484	\$912	\$805	\$975	\$1,042
Interest	508	530	549	533	438
Change of benefit terms	321	-	-	(456)	-
Differences between expected and actual experience	-	1,265	-	2,150	-
Changes of assumptions	1,595	5,958	652	(2,594)	(695)
Estimated benefit payments, including refunds of member contributions	(1,606)	(1,177)	(1,127)	(1,157)	(1,218)
Net change in Total OPEB Liability	\$2,302	\$7,488	\$879	(\$549)	(\$433)
Total OPEB Liability - beginning	\$22,304	\$14,816	\$13,937	\$14,486	\$14,919
Total OPEB Liability – ending (a)	\$24,606	\$22,304	\$14,816	\$13,937	\$14,486
Plan Fiduciary Net Position					
Estimated contributions	\$1,606	\$1,117	\$1,127	\$1,157	\$1,218
Estimated benefit payments, including refunds of member contributions	(1,606)	(1,117)	(1,127)	(1,157)	(1,218)
Net OPEB Liability – ending (a) – (b)	24,606	22,304	14,816	13,937	14,486
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Plan Net OPEB Liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See independent auditor's report

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR OTHER POSTEMPLOYMENT BENEFIT PLANS

For the Year Ended June 30, 2022

The Plan is not pre-funded and therefore there are no assets accumulated in a trust compliant with Governmental Accounting Standards Board, Statement 75.

The following information is provided for the actuarial valuation of liabilities based on data as of June 30, 2021.

Changes of benefit and funding terms:

6/30/2021 valuation:

- There was a one-month premium holiday for December 2021.
- During fiscal year 2023, the State will make a deposit of \$500 to the HAS/FSA account of every retiree.

6/30/2020 valuation:

- Effective July 1, 2019, two DPC (Direct Primary Care) plans were added. Since enrollment is very low for these plans, their impact on the costs was considered negligible.

Changes in actuarial assumptions:

6/30/2021 valuation:

- Trend rates were updated to reflect recent experience and future expectations
- The discount rate was updated from 2.21% to 2.16%

6/30/2020 valuation:

- Medical, prescription drug, and administrative costs were updated to reflect recent experience.
- Medical, prescription drug, and administrative expense trend rates were updated to reflect recent experience and future expectations.
- Spousal age difference for future female retirees was lowered from three years to two years.
- Plan participation rate for future retirees was raised from 15% to 20%.
- The impact of the ACA excise tax was removed, as the tax has been repealed.
- Retirement, turnover, and mortality assumptions were updated to match the most recent NPERS Cash Balance Benefit Fund valuation.
- The discount rate was updated from 3.50% to 2.21%.

6/30/2019 valuation:

- Medical, prescription drug, and administrative expense trend rates were updated to reflect recent experience.
- The discount rate was updated from 3.87% to 3.50%.

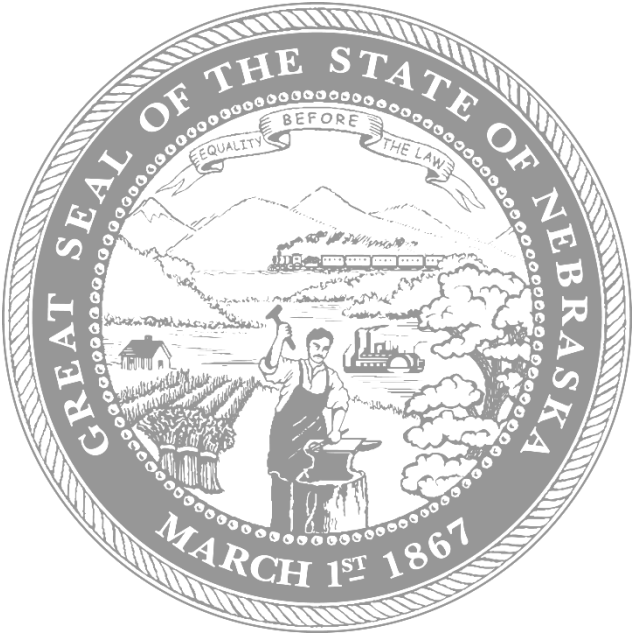
Methods and assumptions used in calculations of actuarially determined liabilities: The Plan is funded by premiums charged to retirees and their dependents. Following are actuarial methods and assumptions used to determine the employer's liability for the measurement date of June 30, 2021:

Data	Detailed census data, premium data and/or claim experience, and summary plan descriptions for OPEB were provided by the employer.
Actuarial cost method	Entry Age Normal, Level Percentage of Pay
Asset valuation method	N/A
Measurement date	June 30, 2021
Actuarial valuation date	June 30, 2020
Discount rate	2.16% - The discount rate is reset each year based on the rates of return on high quality 20-year tax exempt general obligation municipal bonds.
Inflation	3.15%

Salary increases	Service-based table, decreasing from 9.5% to ultimate of 3.15% over 30 years
Mortality rates:	
Pre-retirement healthy	Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
Post-retirement healthy	Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
Contingent Survivor	Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
Termination rates before retirement	Service-based table, decreasing from 30.00% for less than one year of service to 2.00% for twenty-five or more years of service. The termination rates were based on historical and current demographic data, adjusted to reflect economic conditions of the area and estimated future experience and professional judgment.
Actives' retirement rates	Graduated rates by retirement age after five years of service: age 55-58, 5%; age 59-61, 6%; age 62, 10%; age 63-64, 12%; age 65, 100%. Retirement rate at age 65 was set at 100%, as benefits under this plan cease at age 65.
Dependents	Demographic data was available for spouses of current retirees. For future retirees, male retirees were assumed to be three years older than female spouses, and female retirees were assumed to be two years younger than male spouses.
Participation and coverage election	20% of employees eligible to retire and receive postretirement coverage were assumed to elect medical and prescription drug coverage. 25% were assumed to cover a spouse.
Persistency	100% are assumed to remain covered until age 65.
Healthcare cost trend rates:	
Medical	5.75% decreasing by 0.25% for 5 years to an ultimate of 4.50%
Prescription drug	7.25% decreasing by 0.25% for 11 years to an ultimate of 4.50%
Administrative costs	2.00%



COMBINING FINANCIAL STATEMENTS



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Licensing and Regulation. This fund accounts for all activities of agencies, boards, and commissions whose primary function is licensing individuals and regulating industry and professions. This includes a diverse group of professions such as abstracters, medical professions, barbers, engineers, architects and accountants.

Economic Development. This fund accounts for activities to develop and promote the growth of industry, agriculture, commerce and tourism, and utilization of resources within Nebraska.

Airport Development. This fund accounts for the activities relating to aircraft fuels tax, which is administered by the Department of Transportation for the support and maintenance of public airports.

Game and Parks. This fund accounts for the activities related to the Nebraska Game and Parks Commission, which is responsible for the development and preservation of the fish and wildlife resources of Nebraska, and operation and administration of the State park system.

Environmental Quality. This fund accounts for the activities related to the Department of Environment and Energy, which is responsible for the protection of Nebraska's air, land, and water resources.

Energy Conservation. This fund accounts for activities relating to the oil and gas severance taxes as well as energy conservation and development activities. The Department of Environment and Energy is responsible for providing technical assistance on energy conservation and development, and administering and distributing federal funds provided to the State in the area of energy efficiency.

Other Special Revenue. This fund accounts for various other revenues that must be used for specific purposes.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for construction of buildings financed with tax dollars.

PERMANENT FUNDS

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

Aeronautics Trust Fund. This fund receives proceeds from the sale of state-owned airfields. Investment income is used to pay for expenses of the Department of Transportation.

Nebraska Veterans' Aid Fund. This fund accounts for the investment activity of a General Fund contribution made in a prior year. Earnings on the investment are used to provide emergency financial assistance to eligible veterans and dependents.

Permanent Endowment Fund. This fund receives the proceeds of sales of land and investments endowed to the State for the benefit of the University by the Federal Government. This fund is under the control of the Board of Educational Lands and Funds, which is a part of the primary government. Income on these funds is used for support and maintenance of the University.

Agriculture Endowment Fund. This fund receives the proceeds of sales of land and investments endowed to the State for the benefit of the University's Agriculture College by the Federal Government. This fund is under the control of the Board of Educational Lands and Funds, which is a part of the primary government. Income from this fund is used for support and maintenance of the College of Agriculture and Natural Resources.

Other Permanent Funds. Normal School Endowment and Miscellaneous Permanent Trust.

State of Nebraska

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

(Dollars in Thousands)

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUNDS	TOTALS
Assets				
Cash and Cash Equivalents	\$ 118,445	\$ 16,128	\$ 2,982	\$ 137,555
Cash on Deposit with Fiscal Agents	6,908	-	-	6,908
Investments	1,046,831	135,924	67,539	1,250,294
Securities Lending Collateral	80,749	10,763	1,330	92,842
Receivables, net of allowance:				
Taxes	2,759	-	-	2,759
Due from Federal Government	2,181	-	-	2,181
Loans	299,466	-	-	299,466
Other	18,588	262	4,266	23,116
Due from Other Funds	11,813	-	-	11,813
Inventories	2,768	-	-	2,768
Prepaid Items	342	-	-	342
Other	4	-	-	4
Total Assets	<u>\$ 1,590,854</u>	<u>\$ 163,077</u>	<u>\$ 76,117</u>	<u>\$ 1,830,048</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 47,282	\$ 15,469	\$ 4,894	\$ 67,645
Deposits	1,360	-	-	1,360
Due to Other Funds	79,183	140	1	79,324
Obligations under Securities Lending	80,749	10,763	1,330	92,842
Unearned Revenue	194	-	-	194
Total Liabilities	<u>208,768</u>	<u>26,372</u>	<u>6,225</u>	<u>241,365</u>
Deferred Inflows of Resources	180	-	-	180
Fund Balances:				
Nonspendable:				
Inventories and Prepaid Items	3,110	-	-	3,110
Endowment Principal	-	-	19,515	19,515
Restricted for:				
Education	35,132	-	4,382	39,514
Health and Social Services	2,647	-	45,936	48,583
Conservation of Natural Resources	799,467	-	-	799,467
Transportation	16,958	-	-	16,958
Licensing and Regulation	186,332	-	-	186,332
Economic Development	134,474	-	-	134,474
Public Safety	53,981	-	-	53,981
Culture – Recreation	50,147	-	-	50,147
Other Purposes	44,118	-	177	44,295
Committed to:				
Other Purposes	-	136,705	-	136,705
Assigned to:				
Education	779	-	-	779
Health and Social Services	842	-	-	842
Conservation of Natural Resources	175	-	-	175
Licensing and Regulation	47,482	-	-	47,482
Economic Development	84	-	-	84
Public Safety	3,787	-	-	3,787
Culture – Recreation	97	-	-	97
Other Purposes	2,294	-	-	2,294
Unassigned	-	-	(118)	(118)
Total Fund Balances	<u>1,381,906</u>	<u>136,705</u>	<u>69,892</u>	<u>1,588,503</u>
Total Liabilities and Fund Balances	<u>\$ 1,590,854</u>	<u>\$ 163,077</u>	<u>\$ 76,117</u>	<u>\$ 1,830,048</u>

State of Nebraska

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUNDS	TOTALS
REVENUES				
Sales and Use Taxes	\$ 28,862	\$ -	\$ -	\$ 28,862
Petroleum Taxes	14,514	-	-	14,514
Excise Taxes	61,028	9,163	-	70,191
Business and Franchise Taxes	51,342	-	-	51,342
Other Taxes	3,786	-	-	3,786
Federal Grants and Contracts	6,105	-	-	6,105
Licenses, Fees and Permits	190,536	-	-	190,536
Charges for Services	53,431	-	-	53,431
Investment Income	(72,472)	(7,801)	(5,179)	(85,452)
Rental Income	22,755	6,878	-	29,633
Surcharge	48,040	-	-	48,040
Other	21,453	751	-	22,204
Total Revenues	429,380	8,991	(5,179)	433,192
EXPENDITURES				
Current:				
General Government	97,168	-	1	97,169
Conservation of Natural Resources	67,748	-	-	67,748
Culture – Recreation	44,570	-	-	44,570
Economic Development and Assistance	50,666	-	-	50,666
Education	25,938	-	122	26,060
Higher Education - Colleges and University	-	2,490	-	2,490
Health and Social Services	2,036	-	1,152	3,188
Public Safety	67,319	-	-	67,319
Regulation of Business and Professions	124,841	-	-	124,841
Transportation	2,723	-	2	2,725
Capital Projects	-	45,633	-	45,633
Debt Service:				
Principal - Bonds	3,820	-	-	3,820
Interest - Bonds	15	-	-	15
Principal - Lease Financing	1,058	-	-	1,058
Interest - Lease Financing	113	-	-	113
Total Expenditures	488,015	48,123	1,277	537,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,635)	(39,132)	(6,456)	(104,223)
OTHER FINANCING SOURCES (USES)				
Transfers In	201,930	154,700	-	356,630
Transfers Out	(56,239)	(1)	(137)	(56,377)
Proceeds from Other Financing Arrangements	3,820	-	-	3,820
Total Other Financing Sources (Uses)	149,511	154,699	(137)	304,073
Net Change in Fund Balances	90,876	115,567	(6,593)	199,850
FUND BALANCES, JULY 1 (as restated)	1,291,030	21,138	76,485	1,388,653
FUND BALANCES, JUNE 30	\$ 1,381,906	\$ 136,705	\$ 69,892	\$ 1,588,503

State of Nebraska

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2022

(Dollars in Thousands)

	LICENSING AND REGULATION	ECONOMIC DEVELOPMENT	AIRPORT DEVELOPMENT
Assets			
Cash and Cash Equivalents	\$ 22,456	\$ 13,824	\$ 649
Cash on Deposit with Fiscal Agents	-	-	-
Investments	193,805	120,388	5,732
Securities Lending Collateral	15,101	9,380	447
Receivables, net of allowance:			
Taxes	2,603	-	141
Due from Federal Government	-	-	-
Loans	-	162	1,397
Other	5,751	2,510	194
Due from Other Funds	2,718	-	1,121
Inventories	16	-	-
Prepaid Items	111	-	-
Other	-	-	-
Total Assets	<u>\$ 242,561</u>	<u>\$ 146,264</u>	<u>\$ 9,681</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 5,954	\$ 3,583	\$ 475
Deposits	1,260	-	-
Due to Other Funds	4,214	25	2
Obligations under Securities Lending	15,101	9,380	447
Unearned Revenue	-	-	-
Total Liabilities	<u>26,529</u>	<u>12,988</u>	<u>924</u>
Deferred Inflows of Resources			
Revenues not yet available	-	-	-
Fund Balances:			
Nonspendable:			
Inventories and Prepaid Items	127	-	-
Restricted for:			
Education	-	-	-
Health and Social Services	-	-	-
Conservation of Natural Resources	5	-	-
Transportation	-	-	8,757
Licensing and Regulation	168,418	-	-
Economic Development	-	133,192	-
Public Safety	-	-	-
Culture – Recreation	-	-	-
Other Purposes	-	-	-
Assigned to:			
Education	-	-	-
Health and Social Services	-	-	-
Conservation of Natural Resources	-	-	-
Licensing and Regulation	47,482	-	-
Economic Development	-	84	-
Public Safety	-	-	-
Culture – Recreation	-	-	-
Other Purposes	-	-	-
Total Fund Balances	<u>216,032</u>	<u>133,276</u>	<u>8,757</u>
Total Liabilities and Fund Balances	<u>\$ 242,561</u>	<u>\$ 146,264</u>	<u>\$ 9,681</u>

GAME AND PARKS	ENVIRONMENTAL QUALITY	ENERGY CONSERVATION	OTHER SPECIAL REVENUE	TOTALS
\$ 15,227	\$ 31,726	\$ 1,435	\$ 33,128	\$ 118,445
-	-	-	6,908	6,908
133,997	282,106	12,761	298,042	1,046,831
10,318	21,981	994	22,528	80,749
-	15	-	-	2,759
2,038	-	-	143	2,181
-	275,582	22,229	96	299,466
2,127	1,732	78	6,196	18,588
2,047	15	-	5,912	11,813
579	-	-	2,173	2,768
79	-	-	152	342
-	-	-	4	4
<u>\$ 166,412</u>	<u>\$ 613,157</u>	<u>\$ 37,497</u>	<u>\$ 375,282</u>	<u>\$ 1,590,854</u>
\$ 13,059	\$ 1,531	\$ 1,084	\$ 21,596	\$ 47,282
-	-	-	100	1,360
3,946	7	1	70,988	79,183
10,318	21,981	994	22,528	80,749
178	-	-	16	194
<u>27,501</u>	<u>23,519</u>	<u>2,079</u>	<u>115,228</u>	<u>208,768</u>
-	-	-	180	180
658	-	-	2,325	3,110
-	-	-	35,132	35,132
-	-	-	2,647	2,647
100,309	588,672	35,418	75,063	799,467
-	-	-	8,201	16,958
-	791	-	17,123	186,332
-	-	-	1,282	134,474
157	-	-	53,824	53,981
37,787	-	-	12,360	50,147
-	-	-	44,118	44,118
-	-	-	779	779
-	-	-	842	842
-	175	-	-	175
-	-	-	-	47,482
-	-	-	-	84
-	-	-	3,787	3,787
-	-	-	97	97
-	-	-	2,294	2,294
<u>138,911</u>	<u>589,638</u>	<u>35,418</u>	<u>259,874</u>	<u>1,381,906</u>
<u>\$ 166,412</u>	<u>\$ 613,157</u>	<u>\$ 37,497</u>	<u>\$ 375,282</u>	<u>\$ 1,590,854</u>

State of Nebraska

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	LICENSING AND REGULATION	ECONOMIC DEVELOPMENT	AIRPORT DEVELOPMENT
REVENUES			
Sales and Use Taxes	\$ (2)	\$ 6,755	\$ -
Petroleum Taxes	12,023	556	1,605
Excise Taxes	17,918	33,617	-
Business and Franchise Taxes	6,419	83	-
Other Taxes	-	-	-
Federal Grants and Contracts	27	3	-
Licenses, Fees and Permits	90,826	673	36
Charges for Services	2,044	142	551
Investment Income	(12,368)	(8,199)	(301)
Rental Income	-	-	562
Surcharge	48,040	-	-
Other	11,692	455	4
Total Revenues	<u>176,619</u>	<u>34,085</u>	<u>2,457</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Conservation of Natural Resources	-	-	-
Culture – Recreation	-	-	-
Economic Development and Assistance	-	47,345	-
Education	-	-	-
Health and Social Services	-	-	-
Public Safety	-	-	-
Regulation of Business and Professions	117,862	-	-
Transportation	-	-	2,713
Debt Service:			
Principal - Bonds	-	-	-
Interest - Bonds	-	-	-
Principal - Lease Financing	90	-	95
Interest - Lease Financing	13	-	2
Total Expenditures	<u>117,965</u>	<u>47,345</u>	<u>2,810</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>58,654</u>	<u>(13,260)</u>	<u>(353)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,529	81,155	137
Transfers Out	(38,135)	(44)	-
Proceeds from Other Financing Arrangements	-	-	-
Total Other Financing Sources (Uses)	<u>(34,606)</u>	<u>81,111</u>	<u>137</u>
Net Change in Fund Balances	24,048	67,851	(216)
FUND BALANCES, JULY 1 (as restated)	<u>191,984</u>	<u>65,425</u>	<u>8,973</u>
FUND BALANCES, JUNE 30	<u>\$ 216,032</u>	<u>\$ 133,276</u>	<u>\$ 8,757</u>

GAME AND PARKS	ENVIRONMENTAL QUALITY	ENERGY CONSERVATION	OTHER SPECIAL REVENUE	TOTALS
\$ 8,437	\$ -	\$ -	\$ 13,672	\$ 28,862
-	-	300	30	14,514
1,309	3,034	-	5,150	61,028
-	2,649	-	42,191	51,342
-	-	-	3,786	3,786
1,757	-	-	4,318	6,105
37,899	5,587	-	55,515	190,536
2,178	-	63	48,453	53,431
(9,555)	(20,735)	(908)	(20,406)	(72,472)
19,836	-	-	2,357	22,755
-	-	-	-	48,040
1,015	3,208	3	5,076	21,453
<u>62,876</u>	<u>(6,257)</u>	<u>(542)</u>	<u>160,142</u>	<u>429,380</u>
-	(149)	-	97,317	97,168
44,181	11,610	221	11,736	67,748
41,384	-	-	3,186	44,570
-	-	-	3,321	50,666
-	-	-	25,938	25,938
-	-	-	2,036	2,036
-	-	-	67,319	67,319
-	342	-	6,637	124,841
-	-	-	10	2,723
-	3,820	-	-	3,820
-	15	-	-	15
6	-	-	867	1,058
-	-	-	98	113
<u>85,571</u>	<u>15,638</u>	<u>221</u>	<u>218,465</u>	<u>488,015</u>
<u>(22,695)</u>	<u>(21,895)</u>	<u>(763)</u>	<u>(58,323)</u>	<u>(58,635)</u>
21,930	21,090	-	74,089	201,930
(3)	(370)	-	(17,687)	(56,239)
-	3,820	-	-	3,820
<u>21,927</u>	<u>24,540</u>	<u>-</u>	<u>56,402</u>	<u>149,511</u>
(768)	2,645	(763)	(1,921)	90,876
<u>139,679</u>	<u>586,993</u>	<u>36,181</u>	<u>261,795</u>	<u>1,291,030</u>
<u>\$ 138,911</u>	<u>\$ 589,638</u>	<u>\$ 35,418</u>	<u>\$ 259,874</u>	<u>\$ 1,381,906</u>

State of Nebraska

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS**

June 30, 2022

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS' AID	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
Assets						
Cash and Cash Equivalents	\$ -	\$ 2,246	\$ 442	\$ 129	\$ 165	\$ 2,982
Investments	6,042	56,272	1,511	3,326	388	67,539
Securities Lending Collateral	483	775	21	46	5	1,330
Other Receivables, net of allowance	35	3,870	106	229	26	4,266
Total Assets	<u>\$ 6,560</u>	<u>\$ 63,163</u>	<u>\$ 2,080</u>	<u>\$ 3,730</u>	<u>\$ 584</u>	<u>\$ 76,117</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ 4,451	\$ 128	\$ 282	\$ 33	\$ 4,894
Due to Other Funds	-	1	-	-	-	1
Obligations under Securities Lending	483	775	21	46	5	1,330
Total Liabilities	<u>483</u>	<u>5,227</u>	<u>149</u>	<u>328</u>	<u>38</u>	<u>6,225</u>
Fund Balances:						
Nonspendable:						
Endowment Principal	6,195	12,000	503	722	95	19,515
Restricted for:						
Education	-	-	1,428	2,680	274	4,382
Health and Social Services	-	45,936	-	-	-	45,936
Other Purposes	-	-	-	-	177	177
Unassigned	(118)	-	-	-	-	(118)
Total Fund Balances	<u>6,077</u>	<u>57,936</u>	<u>1,931</u>	<u>3,402</u>	<u>546</u>	<u>69,892</u>
Total Liabilities and Fund Balances	<u>\$ 6,560</u>	<u>\$ 63,163</u>	<u>\$ 2,080</u>	<u>\$ 3,730</u>	<u>\$ 584</u>	<u>\$ 76,117</u>

State of Nebraska

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS' AID	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
REVENUES						
Investment Income	\$ (580)	\$ (4,213)	\$ (107)	\$ (249)	\$ (30)	\$ (5,179)
Total Revenues	<u>(580)</u>	<u>(4,213)</u>	<u>(107)</u>	<u>(249)</u>	<u>(30)</u>	<u>(5,179)</u>
EXPENDITURES						
General Government	-	-	-	-	1	1
Education	-	-	36	78	8	122
Health and Social Services	-	1,152	-	-	-	1,152
Transportation	2	-	-	-	-	2
Total Expenditures	<u>2</u>	<u>1,152</u>	<u>36</u>	<u>78</u>	<u>9</u>	<u>1,277</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(582)	(5,365)	(143)	(327)	(39)	(6,456)
OTHER FINANCING SOURCES (USES)						
Transfers Out	<u>(137)</u>	-	-	-	-	<u>(137)</u>
Net Change in Fund Balances	(719)	(5,365)	(143)	(327)	(39)	(6,593)
FUND BALANCES, JULY 1	<u>6,796</u>	<u>63,301</u>	<u>2,074</u>	<u>3,729</u>	<u>585</u>	<u>76,485</u>
FUND BALANCES, JUNE 30	<u>\$ 6,077</u>	<u>\$ 57,936</u>	<u>\$ 1,931</u>	<u>\$ 3,402</u>	<u>\$ 546</u>	<u>\$ 69,892</u>



NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are maintained to account for operations that are financed and operated in a manner similar to private business enterprises—where the costs of providing goods and services to the general public are financed primarily through user charges.

Lottery Fund. This fund accounts for all receipts and expenses from the operations of the State Lottery.

Excess Liability Fund. This fund accounts for the activity resulting from implementation of the Nebraska Hospital-Medical Liability Act. Revenues are primarily insurance premiums from certain health care providers and a surcharge levied on all participating health care providers in Nebraska. Expenses from the fund are used to pay judgments against participating health care providers, up to a limit of \$1,750,000 per occurrence on or before December 31, 2014 and \$2,250,000 for any occurrence after December 31, 2014.

Cornhusker State Industries. The activities of Cornhusker State Industries in the Department of Correctional Services are accounted for in this fund. One of the main activities is making furniture.

State of Nebraska

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

June 30, 2022

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	CORNHUSKER STATE INDUSTRIES	TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 8,942	\$ 33,080	\$ 1,204	\$ 43,226
Receivables, net of allowance	6,459	8,734	605	15,798
Due from Other Funds	-	-	1,511	1,511
Inventories	-	-	4,751	4,751
Prepaid Items	162	-	-	162
Other	405	-	-	405
Total Current Assets	<u>15,968</u>	<u>41,814</u>	<u>8,071</u>	<u>65,853</u>
Noncurrent Assets:				
Restricted Long-Term Deposits	2,542	-	-	2,542
Long-Term Investments	-	64,411	-	64,411
Securities Lending Collateral	-	878	-	878
Capital Assets:				
Land	-	-	315	315
Buildings and Equipment	660	-	19,367	20,027
Lease Asset	1,154	-	-	1,154
Less Accumulated Depreciation	<u>(618)</u>	<u>-</u>	<u>(9,665)</u>	<u>(10,283)</u>
Total Capital Assets	<u>1,196</u>	<u>-</u>	<u>10,017</u>	<u>11,213</u>
Total Noncurrent Assets	<u>3,738</u>	<u>65,289</u>	<u>10,017</u>	<u>79,044</u>
Total Assets	<u>\$ 19,706</u>	<u>\$ 107,103</u>	<u>\$ 18,088</u>	<u>\$ 144,897</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 10,412	\$ 9,896	\$ 2,313	\$ 22,621
Due to Other Funds	24	1	56	81
Lease Liability	67	-	-	67
Claims, Judgments and Compensated Absences	37	5,286	106	5,429
Unearned Revenue	-	4,184	-	4,184
Total Current Liabilities	<u>10,540</u>	<u>19,367</u>	<u>2,475</u>	<u>32,382</u>
Noncurrent Liabilities:				
Lease Liability	1,023	-	-	1,023
Claims, Judgments and Compensated Absences	274	34,882	781	35,937
Obligations under Securities Lending	-	878	-	878
Total Noncurrent Liabilities	<u>1,297</u>	<u>35,760</u>	<u>781</u>	<u>37,838</u>
Total Liabilities	<u>\$ 11,837</u>	<u>\$ 55,127</u>	<u>\$ 3,256</u>	<u>\$ 70,220</u>
NET POSITION				
Net Investment in Capital Assets	\$ 106	\$ -	\$ 10,017	\$ 10,123
Restricted for:				
Lottery Prizes	2,541	-	-	2,541
Unrestricted	5,222	51,976	4,815	62,013
Total Net Position	<u>\$ 7,869</u>	<u>\$ 51,976</u>	<u>\$ 14,832</u>	<u>\$ 74,677</u>

State of Nebraska

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	CORNHUSKER STATE INDUSTRIES	TOTALS
OPERATING REVENUES				
Charges for Services	\$ 202,265	\$ 10,922	\$ 11,890	\$ 225,077
Total Operating Revenues	<u>202,265</u>	<u>10,922</u>	<u>11,890</u>	<u>225,077</u>
OPERATING EXPENSES				
Personal Services	1,792	-	7,417	9,209
Services and Supplies	31,209	552	9,454	41,215
Lottery Prizes	119,567	-	-	119,567
Insurance Claims	-	7,684	-	7,684
Depreciation	189	-	534	723
Total Operating Expenses	<u>152,757</u>	<u>8,236</u>	<u>17,405</u>	<u>178,398</u>
Operating Income (Loss)	<u>49,508</u>	<u>2,686</u>	<u>(5,515)</u>	<u>46,679</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	219	(7,328)	66	(7,043)
Gain (Loss) on Sale of Capital Assets	7	-	19	26
Total Nonoperating Revenues (Expenses)	<u>226</u>	<u>(7,328)</u>	<u>85</u>	<u>(7,017)</u>
Income (Loss) Before Transfers	49,734	(4,642)	(5,430)	39,662
Transfers Out	(49,744)	-	-	(49,744)
Change in Net Position	<u>(10)</u>	<u>(4,642)</u>	<u>(5,430)</u>	<u>(10,082)</u>
NET POSITION, JULY 1 (as restated)	<u>7,879</u>	<u>56,618</u>	<u>20,262</u>	<u>84,759</u>
NET POSITION, JUNE 30	<u>\$ 7,869</u>	<u>\$ 51,976</u>	<u>\$ 14,832</u>	<u>\$ 74,677</u>

State of Nebraska

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	CORNHUSKER STATE INDUSTRIES	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 201,994	\$ 11,345	\$ 2,009	\$ 215,348
Cash Received from Interfund Charges	-	-	9,037	9,037
Cash Paid to Employees	(1,772)	-	(7,103)	(8,875)
Cash Paid to Suppliers	(30,354)	(1,072)	(9,374)	(40,800)
Cash Paid for Lottery Prizes	(119,114)	-	-	(119,114)
Cash Paid for Insurance Claims	-	(5,587)	-	(5,587)
Cash Paid for Interfund Services	(280)	(65)	(688)	(1,033)
Net Cash Flows from Operating Activities	<u>50,474</u>	<u>4,621</u>	<u>(6,119)</u>	<u>48,976</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers Out	(49,744)	-	-	(49,744)
Net Cash Flows from Noncapital Financing Activities	<u>(49,744)</u>	<u>-</u>	<u>-</u>	<u>(49,744)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:				
Acquisition and Construction of Capital Assets	(83)	-	(6,454)	(6,537)
Proceeds from Sale of Capital Assets	16	-	6,367	6,383
Lease Payments	(72)	-	-	(72)
Net Cash Flows from Capital and Related Financing Activities	<u>(139)</u>	<u>-</u>	<u>(87)</u>	<u>(226)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investment Securities	-	(54,923)	-	(54,923)
Proceeds from Sale of Investment Securities	-	55,077	-	55,077
Interest and Dividend Income	219	1,834	94	2,147
Net Cash Flows from Investing Activities	<u>219</u>	<u>1,988</u>	<u>94</u>	<u>2,301</u>
Net Increase (Decrease) in Cash and Cash Equivalents	810	6,609	(6,112)	1,307
CASH AND CASH EQUIVALENTS, JULY 1	<u>8,132</u>	<u>26,471</u>	<u>7,316</u>	<u>41,919</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 8,942</u>	<u>\$ 33,080</u>	<u>\$ 1,204</u>	<u>\$ 43,226</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 49,508	\$ 2,685	\$ (5,515)	\$ 46,678
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	189	-	534	723
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(271)	-	122	(149)
(Increase) Decrease in Due from Other Funds	-	-	(966)	(966)
(Increase) Decrease in Inventories	-	-	(1,548)	(1,548)
(Increase) Decrease in Prepaid Items	(162)	-	-	(162)
(Increase) Decrease in Long-Term Deposits and Accrued Liabilities	52	-	-	52
Increase (Decrease) in Due to Other Funds	1,157	(585)	1,257	1,829
Increase (Decrease) in Due to Other Funds	1	1	(3)	(1)
Increase (Decrease) in Claims Payable	-	2,097	-	2,097
Increase (Decrease) in Unearned Revenue	-	423	-	423
Total adjustments	<u>966</u>	<u>1,936</u>	<u>(604)</u>	<u>2,298</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 50,474</u>	<u>\$ 4,621</u>	<u>\$ (6,119)</u>	<u>\$ 48,976</u>
NONCASH TRANSACTIONS:				
Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments.				
The following noncash transactions occurred during the year:				
Change in Fair Value of Investments	\$ -	\$ (9,275)	\$ -	\$ (9,275)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the operations of State agencies that provide goods and services to other departments or agencies within State government on a cost-reimbursement basis. The State has the following internal service funds:

Buildings and Grounds. The activities of Administrative Services, State Building Division, for space rental, office and storage, and operating the parking areas are accounted for in this fund.

General Services. This fund accounts for the operations of central services provided by the Administrative Services, Materiel Division. These operations are the central mailroom, printing, central stores, purchasing services, surplus State property, and other miscellaneous office services.

Office of the CIO. This fund accounts for the activities of the central communications network and central data processing operations maintained by Administrative Services, Office of the Chief Information Officer.

Transportation Services Bureau. This fund accounts for the operations of the central motor pool, which is under Administrative Services, Transportation Services Bureau.

Risk Management. The activities of Administrative Services, Division of Risk Management, which include workers' compensation and general liability claims, and of the State Employees Insurance Fund, which include life and health insurance programs, are accounted for in this fund.

Accounting Services. The accounting operations maintained by Administrative Services, State Accounting Division, are accounted for in this fund.

Other Internal Service Funds. This fund accounts for the micrographics services and warehousing of records by the Records Management Division of the Secretary of State, the activities of the Investment Council, and the temporary employee pool maintained by Administrative Services, Division of State Personnel.

State of Nebraska

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

June 30, 2022

(Dollars in Thousands)

	BUILDINGS AND GROUNDS	GENERAL SERVICES	OFFICE OF THE CIO
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 12,931	\$ 5,172	\$ 26,260
Receivables, net of allowance:			
Accounts	-	149	1,205
Accrued Interest	77	31	128
Due from Other Funds	64	2,047	27,847
Inventories	1,956	679	35
Prepaid Items	1,601	564	-
Total Current Assets	<u>16,629</u>	<u>8,642</u>	<u>55,475</u>
Noncurrent Assets:			
Capital Assets:			
Buildings and Equipment	1,979	6,351	95,438
Lease Asset	117	822	942
Less Accumulated Depreciation	<u>(1,352)</u>	<u>(4,877)</u>	<u>(80,474)</u>
Total Capital Assets	<u>744</u>	<u>2,296</u>	<u>15,906</u>
Total Assets	<u>\$ 17,373</u>	<u>\$ 10,938</u>	<u>\$ 71,381</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 1,556	\$ 1,439	\$ 12,075
Due to Other Funds	150	22	54
Certificates of Participation	-	65	11,650
Lease Liability	20	246	60
Claims, Judgments and Compensated Absences	118	46	498
Unearned Revenue	-	-	5
Total Current Liabilities	<u>1,844</u>	<u>1,818</u>	<u>24,342</u>
Noncurrent Liabilities:			
Certificates of Participation	-	200	20,429
Lease Liability	-	305	825
Claims, Judgments and Compensated Absences	862	334	3,652
Total Noncurrent Liabilities	<u>862</u>	<u>839</u>	<u>24,906</u>
Total Liabilities	<u>\$ 2,706</u>	<u>\$ 2,657</u>	<u>\$ 49,248</u>
NET POSITION			
Net Investment in Capital Assets	\$ 724	\$ 1,480	\$ (17,058)
Unrestricted	13,943	6,801	39,191
Total Net Position	<u>\$ 14,667</u>	<u>\$ 8,281</u>	<u>\$ 22,133</u>

TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 4,006	\$ 108,499	\$ 3,577	\$ 6,230	\$ 166,675
64	12,984	2	1,679	16,083
21	550	60	34	901
1,296	613	-	2,108	33,975
-	-	-	-	2,670
-	-	-	6	2,171
<u>5,387</u>	<u>122,646</u>	<u>3,639</u>	<u>10,057</u>	<u>222,475</u>
21,863	-	1,748	969	128,348
-	-	-	5,967	7,848
<u>(13,167)</u>	<u>-</u>	<u>(1,618)</u>	<u>(536)</u>	<u>(102,024)</u>
8,696	-	130	6,400	34,172
<u>\$ 14,083</u>	<u>\$ 122,646</u>	<u>\$ 3,769</u>	<u>\$ 16,457</u>	<u>\$ 256,647</u>
\$ 228	\$ 1,782	\$ 140	\$ 1,028	\$ 18,248
77	45	109	1,224	1,681
620	-	-	-	12,335
-	-	-	233	559
14	53,645	57	51	54,429
-	-	-	-	5
<u>939</u>	<u>55,472</u>	<u>306</u>	<u>2,536</u>	<u>87,257</u>
-	-	-	-	20,629
-	-	-	5,565	6,695
106	55,321	420	372	61,067
106	55,321	420	5,937	88,391
<u>\$ 1,045</u>	<u>\$ 110,793</u>	<u>\$ 726</u>	<u>\$ 8,473</u>	<u>\$ 175,648</u>
\$ 8,076	\$ -	\$ 130	\$ 602	\$ (6,046)
4,962	11,853	2,913	7,382	87,045
<u>\$ 13,038</u>	<u>\$ 11,853</u>	<u>\$ 3,043</u>	<u>\$ 7,984</u>	<u>\$ 80,999</u>

State of Nebraska

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	BUILDINGS AND GROUNDS	GENERAL SERVICES	OFFICE OF THE CIO
OPERATING REVENUES			
Charges for Services	\$ 42,198	\$ 17,322	\$ 136,798
Other	845	-	-
Total Operating Revenues	<u>43,043</u>	<u>17,322</u>	<u>136,798</u>
OPERATING EXPENSES			
Personal Services	9,408	3,447	29,503
Services and Supplies	34,547	12,171	86,392
Insurance Claims	-	-	-
Depreciation	257	1,000	3,765
Total Operating Expenses	<u>44,212</u>	<u>16,618</u>	<u>119,660</u>
Operating Income (Loss)	<u>(1,169)</u>	<u>704</u>	<u>17,138</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	232	85	248
Gain (Loss) on Sale of Capital Assets	22	16	1
Other	-	(8)	(779)
Total Nonoperating Revenues (Expenses)	<u>254</u>	<u>93</u>	<u>(530)</u>
Change in Net Position	(915)	797	16,608
NET POSITION, JULY 1 (as restated)	<u>15,582</u>	<u>7,484</u>	<u>5,525</u>
NET POSITION, JUNE 30	<u>\$ 14,667</u>	<u>\$ 8,281</u>	<u>\$ 22,133</u>

TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 6,374	\$ 223,165	\$ 6,257	\$ 16,006	\$ 448,120
-	-	2	115	962
<u>6,374</u>	<u>223,165</u>	<u>6,259</u>	<u>16,121</u>	<u>449,082</u>
667	301	2,836	9,182	55,344
4,356	7,628	3,209	5,186	153,489
-	215,699	-	-	215,699
2,257	-	518	277	8,074
<u>7,280</u>	<u>223,628</u>	<u>6,563</u>	<u>14,645</u>	<u>432,606</u>
(906)	(463)	(304)	1,476	16,476
52	1,555	161	99	2,432
80	-	2	23	144
(14)	-	-	-	(801)
<u>118</u>	<u>1,555</u>	<u>163</u>	<u>122</u>	<u>1,775</u>
(788)	1,092	(141)	1,598	18,251
13,826	10,761	3,184	6,386	62,748
<u>\$ 13,038</u>	<u>\$ 11,853</u>	<u>\$ 3,043</u>	<u>\$ 7,984</u>	<u>\$ 80,999</u>

State of Nebraska

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)	BUILDINGS AND GROUNDS	GENERAL SERVICES	OFFICE OF THE CIO
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 214	\$ 1,183	\$ 5,330
Cash Received from Interfund Charges	42,848	15,875	129,593
Cash Paid to Employees	(9,247)	(3,568)	(29,760)
Cash Paid to Suppliers	(32,267)	(12,379)	(77,423)
Cash Paid for Insurance Claims	-	-	-
Cash Paid for Interfund Services	(2,332)	(293)	(5,139)
Net Cash Flows from Operating Activities	<u>(784)</u>	<u>818</u>	<u>22,601</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(84)	(433)	(1,628)
Proceeds from Sale of Capital Assets	21	47	81
Principal Paid on Certificates of Participation	(97)	(367)	(11,027)
Interest Paid on Certificates of Participation	-	(8)	(779)
Net Cash Flows from Capital and Related Financing Activities	<u>(160)</u>	<u>(761)</u>	<u>(13,353)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Income	229	79	184
Net Cash Flows from Investing Activities	<u>229</u>	<u>79</u>	<u>184</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(715)	136	9,432
CASH AND CASH EQUIVALENTS, JULY 1	<u>13,646</u>	<u>5,036</u>	<u>16,828</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 12,931</u>	<u>\$ 5,172</u>	<u>\$ 26,260</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (1,169)	\$ 704	\$ 17,138
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	257	1,000	3,765
Change in Assets and Liabilities:			
(Increase) Decrease in Receivables	-	(104)	(653)
(Increase) Decrease in Due from Other Funds	19	(160)	(1,205)
(Increase) Decrease in Inventories	(3)	(152)	10
(Increase) Decrease in Prepaid Items	1	44	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	204	(520)	3,594
Increase (Decrease) in Due to Other Funds	(93)	6	(31)
Increase (Decrease) in Claims Payable	-	-	-
Increase (Decrease) in Unearned Revenue	-	-	(17)
Total Adjustments	<u>385</u>	<u>114</u>	<u>5,463</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (784)</u>	<u>\$ 818</u>	<u>\$ 22,601</u>
NONCASH TRANSACTIONS:			
Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments.			
The following noncash transactions occurred during the year:			
New Lease Assets	\$ -	\$ 423	\$ -
Capital Assets acquired through Certificates of Participation	-	-	6,810
Total Noncash Transactions	<u>\$ -</u>	<u>\$ 423</u>	<u>\$ 6,810</u>

TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 52	\$ 22,677	\$ 2	\$ 20,446	\$ 49,904
6,140	210,123	6,372	(5,956)	404,995
(659)	(297)	(2,763)	(9,085)	(55,379)
(2,259)	(7,683)	(1,743)	(4,559)	(138,313)
-	(219,167)	-	-	(219,167)
(2,046)	(546)	(1,634)	(249)	(12,239)
<u>1,228</u>	<u>5,107</u>	<u>234</u>	<u>597</u>	<u>29,801</u>
-	-	-	(601)	(2,746)
343	-	2	79	573
(615)	-	-	(224)	(12,330)
(14)	-	-	-	(801)
<u>(286)</u>	<u>-</u>	<u>2</u>	<u>(746)</u>	<u>(15,304)</u>
45	1,502	154	96	2,289
<u>45</u>	<u>1,502</u>	<u>154</u>	<u>96</u>	<u>2,289</u>
987	6,609	390	(53)	16,786
3,019	101,890	3,187	6,283	149,889
<u>\$ 4,006</u>	<u>\$ 108,499</u>	<u>\$ 3,577</u>	<u>\$ 6,230</u>	<u>\$ 166,675</u>
<u>\$ (906)</u>	<u>\$ (463)</u>	<u>\$ (304)</u>	<u>\$ 1,476</u>	<u>\$ 16,476</u>
2,257	-	518	277	8,074
(35)	(2,505)	-	(514)	(3,811)
(147)	12,128	115	(1,117)	9,633
-	-	-	-	(145)
-	-	-	(2)	43
93	(597)	60	123	2,957
(34)	12	(155)	354	59
-	(3,468)	-	-	(3,468)
-	-	-	-	(17)
<u>2,134</u>	<u>5,570</u>	<u>538</u>	<u>(879)</u>	<u>13,325</u>
<u>\$ 1,228</u>	<u>\$ 5,107</u>	<u>\$ 234</u>	<u>\$ 597</u>	<u>\$ 29,801</u>
\$ -	\$ -	\$ -	\$ 5,967	\$ 6,390
-	-	-	-	6,810
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,967</u>	<u>\$ 13,200</u>



FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the State of Nebraska in a fiduciary capacity. The State has the following fiduciary funds:

PENSION TRUST FUNDS

Deferred Compensation, State Employees' Retirement, County Employees' Retirement, Judges' Retirement, State Patrol Retirement, and School Retirement Systems.

PRIVATE PURPOSE TRUST FUNDS

Escheat Trust Fund. This fund makes payments to rightful owners for financial assets turned over to the State Treasurer because the assets were left unclaimed at corporations, business associations, banking and financial organizations, insurance companies, utilities and public authorities. If the rightful owners cannot be located, excess funds are transferred to the Permanent School Fund. However, the only funds shown in this trust are those funds determined to be paid at a future date to rightful owners of those funds.

College Savings Plan. This fund accounts for the Nebraska savings plan qualified under section 529 of the Internal Revenue Code.

Other Private Purpose Trust Funds. Amos Trust, Agriculture and University Land Lease, Public Service Commission Trust Account, Miscellaneous Private Purpose Trust and Nebraska Enable Savings Plan.

CUSTODIAL FUNDS

Care Facilities. This fund accounts for money held by the State on behalf of residents of Veterans Homes and Department of Health and Human Services care facilities.

Child Support. This fund accounts for the collection and disbursement of child support payments.

County Courts. This fund accounts County Court receipts and disbursements to third parties and local governments.

Flex Spending. This fund accounts for medical and dependent care flexible spending contributions and benefit payments. State teammates have the option of contributing to these programs.

Inmate Trust Fund. This fund accounts for money held by the State on behalf of inmates.

Local Fiscal Recovery. This fund accounts for funds provided by U.S. Treasury through the American Rescue Plan Act (ARPA) for Nonentitlement Units of Local Government.

Other. This fund accounts for oil and gas trust funds, and grain elevator trust funds.

State of Nebraska

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

June 30, 2022

(Dollars in Thousands)

	DEFERRED COMPENSATION	STATE EMPLOYEES RETIREMENT	
		DEFINED CONTRIBUTION	CASH BALANCE
ASSETS			
Cash and Cash Equivalents	\$ 193	\$ 140	\$ 157
Investments:			
U.S. Treasury Notes and Bonds	-	-	49,770
U.S. Treasury Bills	-	-	13,154
Government Agency Securities	-	-	1,565
Corporate Bonds	-	-	149,092
International Bonds	-	-	53,714
Equity Securities	-	-	451,958
Private Equity	-	-	141,668
Options	-	-	(36)
Mortgages	-	-	89,716
Private Real Estate	-	-	126,336
Asset Backed Securities	-	-	23,857
Bank Loans	-	-	44,211
Municipal Bonds	-	-	644
Opportunistic Credit	-	-	2,825
Commingled Funds	235,338	846,587	1,133,058
Short Term Investments	3,692	1,309	38,139
Total Investments	<u>239,030</u>	<u>847,896</u>	<u>2,319,671</u>
Securities Lending Collateral	-	-	44,290
Receivables:			
Contributions	-	447	2,893
Interest and Dividends	1	146	2,566
Other	-	17	54,593
Total Receivables	<u>1</u>	<u>610</u>	<u>60,052</u>
Due from Other Funds	-	-	-
Capital Assets:			
Buildings and Equipment	131	528	463
Less Accumulated Depreciation	(131)	(528)	(462)
Total Capital Assets	<u>-</u>	<u>-</u>	<u>1</u>
Total Assets	<u>\$ 239,224</u>	<u>\$ 848,646</u>	<u>\$ 2,424,171</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 2	\$ 28	\$ 100,968
Due to Other Funds	3	5	25
Obligations under Securities Lending	-	-	44,290
Accrued Compensated Absences	8	10	53
Total Liabilities	<u>\$ 13</u>	<u>\$ 43</u>	<u>\$ 145,336</u>
NET POSITION			
Net Position Restricted for Pensions	<u>\$ 239,211</u>	<u>\$ 848,603</u>	<u>\$ 2,278,835</u>

COUNTY EMPLOYEES RETIREMENT		SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
DEFINED CONTRIBUTION	CASH BALANCE				
\$ 79	\$ 105	\$ 287	\$ 151	\$ 148	\$ 1,260
-	16,533	595,661	9,274	20,574	691,812
-	4,370	55,128	858	1,904	75,414
-	520	3,764	59	130	6,038
-	49,527	1,350,572	21,028	46,648	1,616,867
-	17,843	90,450	1,408	3,124	166,539
-	150,136	2,553,683	39,759	88,203	3,283,739
-	47,060	1,062,101	16,536	36,684	1,304,049
-	(12)	(1,027)	(16)	(35)	(1,126)
-	29,803	689,624	10,737	23,819	843,699
-	41,967	1,001,353	15,591	34,586	1,219,833
-	7,925	206,760	3,219	7,141	248,902
-	14,686	203,640	3,171	7,034	272,742
-	214	5,347	83	185	6,473
-	938	13,059	203	451	17,476
264,857	376,390	6,123,520	95,340	216,222	9,291,312
377	18,592	357,911	5,578	12,469	438,067
<u>265,234</u>	<u>776,492</u>	<u>14,311,546</u>	<u>222,828</u>	<u>499,139</u>	<u>19,481,836</u>
-	14,713	390,745	6,084	13,496	469,328
175	1,384	30,717	324	-	35,940
41	852	30,393	474	1,047	35,520
5	18,135	753,160	11,726	26,014	863,650
<u>221</u>	<u>20,371</u>	<u>814,270</u>	<u>12,524</u>	<u>27,061</u>	<u>935,110</u>
-	-	46,307	232	3,753	50,292
264	265	4,792	66	66	6,575
(264)	(264)	(4,787)	(66)	(66)	(6,568)
-	1	5	-	-	7
<u>\$ 265,534</u>	<u>\$ 811,682</u>	<u>\$ 15,563,160</u>	<u>\$ 241,819</u>	<u>\$ 543,597</u>	<u>\$ 20,937,833</u>
\$ 8	\$ 34,439	\$ 1,029,186	\$ 16,008	\$ 35,425	\$ 1,216,064
3	15	421	6	12	490
-	14,713	390,745	6,084	13,496	469,328
8	38	248	4	7	376
<u>\$ 19</u>	<u>\$ 49,205</u>	<u>\$ 1,420,600</u>	<u>\$ 22,102</u>	<u>\$ 48,940</u>	<u>\$ 1,686,258</u>
<u>\$ 265,515</u>	<u>\$ 762,477</u>	<u>\$ 14,142,560</u>	<u>\$ 219,717</u>	<u>\$ 494,657</u>	<u>\$ 19,251,575</u>

State of Nebraska

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	DEFERRED COMPENSATION	STATE EMPLOYEES RETIREMENT DEFINED CONTRIBUTION	CASH BALANCE
ADDITIONS			
Contributions:			
Participant Contributions	\$ 14,611	\$ 5,417	\$ 33,833
State Contributions	-	8,453	52,714
Political Subdivision Contributions	-	-	-
Court Fees	-	-	-
Total Contributions	<u>14,611</u>	<u>13,870</u>	<u>86,547</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(34,648)	100,171	313,317
Interest and Dividend Income	2,534	2,894	22,397
Securities Lending Income	-	-	267
Total Investment Income	<u>(32,114)</u>	<u>103,065</u>	<u>335,981</u>
Investment Expenses	-	443	7,545
Securities Lending Expenses	-	-	49
Total Investment Expense	<u>-</u>	<u>443</u>	<u>7,594</u>
Net Investment Income	<u>(32,114)</u>	<u>102,622</u>	<u>328,387</u>
Other Additions	146	1	4
Total Additions	<u>(17,357)</u>	<u>116,493</u>	<u>414,938</u>
DEDUCTIONS			
Benefits	27,802	59,752	132,839
Refunds	-	-	-
Administrative Expenses	410	231	1,497
Other Deductions	-	-	-
Total Deductions	<u>28,212</u>	<u>59,983</u>	<u>134,336</u>
TRANSFERS			
Transfers In (Out)	-	(6,513)	6,513
Change in Net Position Restricted for Pensions	(45,569)	49,997	287,115
NET POSITION-BEGINNING OF YEAR (as restated)	<u>284,780</u>	<u>798,606</u>	<u>1,991,720</u>
NET POSITION-END OF YEAR	<u>\$ 239,211</u>	<u>\$ 848,603</u>	<u>\$ 2,278,835</u>

COUNTY EMPLOYEES RETIREMENT		SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
DEFINED CONTRIBUTION	CASH BALANCE				
\$ 1,981	\$ 14,235	\$ 216,126	\$ 2,127	\$ 5,122	\$ 293,452
2,920	21,051	46,307	231	8,874	140,550
-	-	216,059	-	-	216,059
-	-	-	3,711	-	3,711
<u>4,901</u>	<u>35,286</u>	<u>478,492</u>	<u>6,069</u>	<u>13,996</u>	<u>653,772</u>
31,203	102,494	(1,432,420)	(22,318)	(50,271)	(992,472)
655	7,372	196,766	3,079	6,983	242,680
-	89	2,670	42	92	3,160
<u>31,858</u>	<u>109,955</u>	<u>(1,232,984)</u>	<u>(19,197)</u>	<u>(43,196)</u>	<u>(746,632)</u>
125	2,488	54,289	848	1,904	67,642
-	16	1,023	16	35	1,139
<u>125</u>	<u>2,504</u>	<u>55,312</u>	<u>864</u>	<u>1,939</u>	<u>68,781</u>
<u>31,733</u>	<u>107,451</u>	<u>(1,288,296)</u>	<u>(20,061)</u>	<u>(45,135)</u>	<u>(815,413)</u>
1	3	113	-	(2)	266
<u>36,635</u>	<u>142,740</u>	<u>(809,691)</u>	<u>(13,992)</u>	<u>(31,141)</u>	<u>(161,375)</u>
16,968	39,084	717,576	12,696	24,347	1,031,064
-	-	17,732	-	2,372	20,104
141	890	4,002	80	125	7,376
-	-	1,802	-	-	1,802
<u>17,109</u>	<u>39,974</u>	<u>741,112</u>	<u>12,776</u>	<u>26,844</u>	<u>1,060,346</u>
(4,302)	4,302	-	-	-	-
<u>15,224</u>	<u>107,068</u>	<u>(1,550,803)</u>	<u>(26,768)</u>	<u>(57,985)</u>	<u>(1,221,721)</u>
250,291	655,409	15,693,363	246,485	552,642	20,473,296
<u>\$ 265,515</u>	<u>\$ 762,477</u>	<u>\$ 14,142,560</u>	<u>\$ 219,717</u>	<u>\$ 494,657</u>	<u>\$ 19,251,575</u>

State of Nebraska

COMBINING STATEMENT OF FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS

June 30, 2022

(Dollars in Thousands)

	ESCHEAT TRUST	COLLEGE SAVINGS PLAN	OTHER	TOTALS
ASSETS				
Cash and Cash Equivalents	\$ 9,020	\$ 15,878	\$ 4,858	\$ 29,756
Investments:				
Commingled Funds	-	6,523,578	11,899	6,535,477
Short Term Investments	-	584,589	11,007	595,596
Receivables:				
Interest and Dividends	47	7,133	27	7,207
Other Assets	21,973	-	-	21,973
Total Assets	<u>\$ 31,040</u>	<u>\$ 7,131,178</u>	<u>\$ 27,791</u>	<u>\$ 7,190,009</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 252	\$ 15,454	\$ 44	\$ 15,750
Total Liabilities	<u>\$ 252</u>	<u>\$ 15,454</u>	<u>\$ 44</u>	<u>\$ 15,750</u>
NET POSITION				
Restricted for:				
College Savings Plan	\$ -	\$ 7,115,724	\$ -	\$ 7,115,724
Individuals, Organizations, and Other Governments	30,788	-	27,747	58,535
Total Net Position	<u>\$ 30,788</u>	<u>\$ 7,115,724</u>	<u>\$ 27,747</u>	<u>\$ 7,174,259</u>

State of Nebraska

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	ESCHEAT TRUST	COLLEGE SAVINGS PLAN	OTHER	TOTALS
ADDITIONS				
Contributions:				
Participant Contributions	\$ -	\$ 547,099	\$ 14,264	\$ 561,363
Investment Income:				
Net Increase in Fair Value of Investments	-	631,245	1,261	632,506
Interest and Dividend Income	192	149,154	23	149,369
Total Investment Income	192	780,399	1,284	781,875
Investment Expenses	-	16,362	70	16,432
Net Investment Income	192	764,037	1,214	765,443
Escheat Revenue	21,318	-	-	21,318
Total Additions	21,510	1,311,136	15,478	1,348,124
DEDUCTIONS				
Benefits	-	610,216	6,724	616,940
Amounts Distributed to Outside Parties	17,639	-	14	17,653
Administrative Expenses	460	-	44	504
Total Deductions	18,099	610,216	6,782	635,097
Change in Net Position Restricted for:				
College Savings Plan	-	700,920	-	700,920
Individuals, Organizations, and Other Governments	3,411	-	8,696	12,107
NET POSITION-BEGINNING OF YEAR (as restated)	<u>27,377</u>	<u>6,414,804</u>	<u>19,051</u>	<u>6,461,232</u>
NET POSITION-END OF YEAR	<u>\$ 30,788</u>	<u>\$ 7,115,724</u>	<u>\$ 27,747</u>	<u>\$ 7,174,259</u>

State of Nebraska

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

June 30, 2022

(Dollars in Thousands)

	CARE FACILITIES	CHILD SUPPORT	COUNTY COURTS	FLEX SPENDING	INMATE TRUST FUND	LOCAL FISCAL RECOVERY	OTHER	TOTALS
ASSETS								
Cash and Cash Equivalents	\$ 3,941	\$ 5,619	\$ 11,073	\$ 1,271	\$ 7,577	\$ 275	\$ 266	\$ 30,022
Receivables:								
Interest and Dividends	11	-	-	7	39	-	1	58
Other	-	81	-	-	-	-	-	81
Other Assets	-	-	-	25	-	-	3,850	3,875
TOTAL ASSETS	<u>\$ 3,952</u>	<u>\$ 5,700</u>	<u>\$ 11,073</u>	<u>\$ 1,303</u>	<u>\$ 7,616</u>	<u>\$ 275</u>	<u>\$ 4,117</u>	<u>\$ 34,036</u>
LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ -	\$ 5,700	\$ 10,055	\$ 453	\$ 286	\$ -	\$ 250	\$ 16,744
Due to Other Governments	-	-	1,018	-	-	275	-	1,293
Due to Other Funds	-	-	-	-	6	-	-	6
Deposits	1,589	-	-	-	-	-	3,850	5,439
TOTAL LIABILITIES	<u>\$ 1,589</u>	<u>\$ 5,700</u>	<u>\$ 11,073</u>	<u>\$ 453</u>	<u>\$ 292</u>	<u>\$ 275</u>	<u>\$ 4,100</u>	<u>\$ 23,482</u>
NET POSITION								
Restricted for:								
Individuals, Organizations, and Other Governments	<u>\$ 2,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 7,324</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 10,554</u>

State of Nebraska

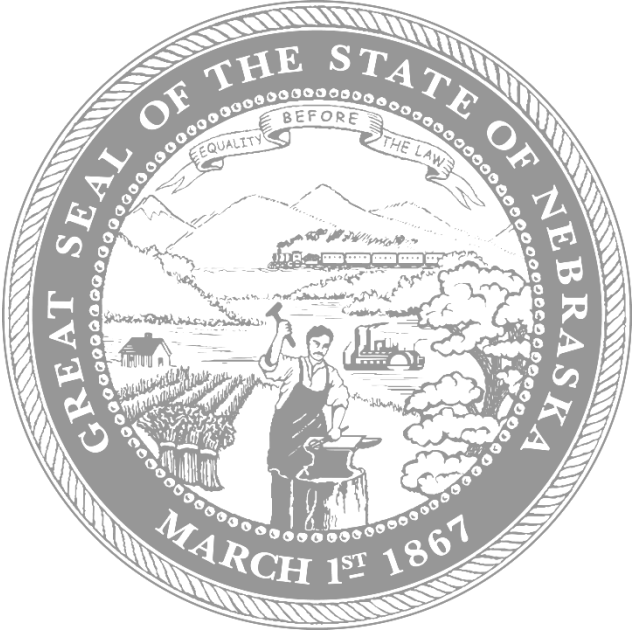
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	CARE FACILITIES	CHILD SUPPORT	COUNTY COURTS	FLEX SPENDING	INMATE TRUST FUND	LOCAL FISCAL RECOVERY	OTHER	TOTALS
ADDITIONS:								
Contributions:								
Client Contributions	\$ 18,111	\$ 304,636	\$ 55,914	\$ -	\$ 25,987	\$ -	\$ -	404,648
Participant Contributions	-	-	-	5,631	-	-	-	5,631
Investment Income:								
Interest and Dividend Income	42	-	-	15	57	-	2	116
Total Investment Income	42	-	-	15	57	-	2	116
Settlements	-	-	-	-	-	-	3,684	3,684
TOTAL ADDITIONS	<u>18,153</u>	<u>304,636</u>	<u>55,914</u>	<u>5,646</u>	<u>26,044</u>	<u>-</u>	<u>3,686</u>	<u>414,079</u>
DEDUCTIONS:								
Benefits	-	-	-	5,454	-	-	-	5,454
Amounts Distributed to Outside Parties	18,198	304,636	55,914	-	25,310	13,861	3,684	421,603
Other Deductions	-	-	-	-	578	275	-	853
Transfers to Other Funds	-	-	-	140	-	-	-	140
TOTAL DEDUCTIONS	<u>18,198</u>	<u>304,636</u>	<u>55,914</u>	<u>5,594</u>	<u>25,888</u>	<u>14,136</u>	<u>3,684</u>	<u>428,050</u>
Change in Net Position Restricted for:								
Individuals, Organizations, and Other Governments	(45)	-	-	52	156	(14,136)	2	(13,971)
NET POSITION-BEGINNING OF YEAR (as restated)	<u>2,408</u>	<u>-</u>	<u>-</u>	<u>798</u>	<u>7,168</u>	<u>14,136</u>	<u>15</u>	<u>24,525</u>
NET POSITION-END OF YEAR	<u>\$ 2,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 7,324</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 10,554</u>

BUDGETARY COMPARISON SCHEDULES



State of Nebraska

BUDGETARY COMPARISON SCHEDULE

CASH FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	CASH FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 219,511	\$ 219,511	\$ 219,511	\$ -
Federal Grants and Contracts	600,251	600,251	600,251	-
Sales and Charges	705,713	705,713	705,713	-
Other	216,083	216,083	216,083	-
Total Revenues	<u>1,741,558</u>	<u>1,741,558</u>	<u>1,741,558</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	102,811	108,758	83,237	25,521
Conservation of Natural Resources	193,901	231,685	73,186	158,499
Culture – Recreation	72,151	78,513	44,591	33,922
Economic Development and Assistance	106,959	139,876	50,814	89,062
Education	817,255	806,364	530,488	275,876
Health and Social Services	181,545	234,627	130,671	103,956
Public Safety	125,166	131,554	57,551	74,003
Regulation of Business and Professions	175,123	178,370	116,416	61,954
Transportation	1,107,152	1,197,349	1,050,976	146,373
Capital Projects	42,053	42,071	15,871	26,200
Total Expenditures	<u>2,924,116</u>	<u>3,149,167</u>	<u>2,153,801</u>	<u>995,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,182,558)</u>	<u>(1,407,609)</u>	<u>(412,243)</u>	<u>995,366</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,396,157	1,396,157	1,396,157	-
Transfers Out	(722,978)	(722,978)	(722,978)	-
Other	3,905	3,905	3,905	-
Total Other Financing Sources (Uses)	<u>677,084</u>	<u>677,084</u>	<u>677,084</u>	<u>-</u>
Net Change in Fund Balance	(505,474)	(730,525)	264,841	995,366
FUND BALANCES, JULY 1	<u>1,675,079</u>	<u>1,675,079</u>	<u>1,675,079</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 1,169,605</u>	<u>\$ 944,554</u>	<u>\$ 1,939,920</u>	<u>\$ 995,366</u>

A reconciliation of the budgetary basis versus GAAP fund balance for the Major Funds as of June 30, 2022, follows :

Actual Fund Balances, budgetary basis, June 30, 2022

Cash	\$ 1,939,920
Construction	142,482
Federal	1,172,550
Revolving	454,196
Budgetary fund balances	<u>3,709,148</u>
Unbudgeted fund balances	2,562,988
Non-major fund balances	(1,859,639)
Differences due to basis of accounting	<u>(791,882)</u>
GAAP fund balance, June 30, 2022	<u>\$ 3,620,615</u>
Actual Fund Balances of Major Funds, June 30, 2022	
Highway	\$ 216,249
Federal	1,789
Health and Social Services	755,476
Permanent School	<u>2,647,101</u>
GAAP fund balance, June 30, 2022	<u>\$ 3,620,615</u>

State of Nebraska

BUDGETARY COMPARISON SCHEDULE

CONSTRUCTION FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	CONSTRUCTION FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	-	-	-	-
Sales and Charges	-	-	-	-
Other	2,769	2,769	2,769	-
Total Revenues	<u>2,769</u>	<u>2,769</u>	<u>2,769</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Culture – Recreation	-	-	-	-
Economic Development and Assistance	-	-	-	-
Education	-	-	-	-
Health and Social Services	-	-	-	-
Public Safety	-	-	-	-
Regulation of Business and Professions	-	-	-	-
Transportation	-	-	-	-
Capital Projects	108,723	109,473	36,465	73,008
Total Expenditures	<u>108,723</u>	<u>109,473</u>	<u>36,465</u>	<u>73,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(105,954)</u>	<u>(106,704)</u>	<u>(33,696)</u>	<u>73,008</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	154,700	154,700	154,700	-
Transfers Out	-	-	-	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	<u>154,700</u>	<u>154,700</u>	<u>154,700</u>	<u>-</u>
Net Change in Fund Balance	48,746	47,996	121,004	73,008
FUND BALANCES, JULY 1	<u>21,478</u>	<u>21,478</u>	<u>21,478</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 70,224</u>	<u>\$ 69,474</u>	<u>\$ 142,482</u>	<u>\$ 73,008</u>

State of Nebraska

BUDGETARY COMPARISON SCHEDULE

FEDERAL FUNDS

For the Year Ended June 30, 2022

(Dollars in Thousands)

	FEDERAL FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ -	\$ -	-
Federal Grants and Contracts	5,278,499	5,278,499	5,278,499	-
Sales and Charges	21,919	21,919	21,919	-
Other	26,538	26,538	26,538	-
Total Revenues	<u>5,326,956</u>	<u>5,326,956</u>	<u>5,326,956</u>	-
EXPENDITURES				
Current:				
General Government	7,104	7,323	5,626	1,697
Conservation of Natural Resources	58,799	113,946	59,196	54,750
Culture – Recreation	6,958	12,261	4,879	7,382
Economic Development and Assistance	92,561	190,112	64,479	125,633
Education	1,261,583	1,653,139	1,360,253	292,886
Health and Social Services	2,542,529	3,763,040	3,122,856	640,184
Public Safety	235,755	597,562	349,393	248,169
Regulation of Business and Professions	3,130	4,490	1,841	2,649
Transportation	-	-	-	-
Capital Projects	50,809	57,559	-	57,559
Total Expenditures	<u>4,259,228</u>	<u>6,399,432</u>	<u>4,968,523</u>	<u>1,430,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,067,728</u>	<u>(1,072,476)</u>	<u>358,433</u>	<u>1,430,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	18,287	18,287	18,287	-
Transfers Out	(18,033)	(18,033)	(18,033)	-
Other	(651)	(651)	(651)	-
Total Other Financing Sources (Uses)	<u>(397)</u>	<u>(397)</u>	<u>(397)</u>	-
Net Change in Fund Balance	1,067,331	(1,072,873)	358,036	1,430,909
FUND BALANCES, JULY 1	<u>814,514</u>	<u>814,514</u>	<u>814,514</u>	-
FUND BALANCES, JUNE 30	<u>\$ 1,881,845</u>	<u>\$ (258,359)</u>	<u>\$ 1,172,550</u>	<u>\$ 1,430,909</u>

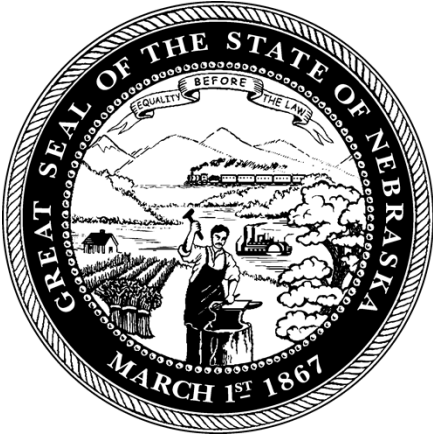
State of Nebraska

BUDGETARY COMPARISON SCHEDULE**REVOLVING FUNDS**

For the Year Ended June 30, 2022

(Dollars in Thousands)

	REVOLVING FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	33,180	33,180	33,180	-
Sales and Charges	711,972	711,972	711,972	-
Other	210,987	210,987	210,987	-
Total Revenues	<u>956,139</u>	<u>956,139</u>	<u>956,139</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	259,216	275,266	229,339	45,927
Conservation of Natural Resources	-	-	-	-
Culture – Recreation	-	-	-	-
Economic Development and Assistance	277	305	286	19
Education	744,085	752,175	619,748	132,427
Health and Social Services	120	100	-	100
Public Safety	22,309	26,949	20,235	6,714
Regulation of Business and Professions	-	-	-	-
Transportation	-	-	-	-
Capital Projects	900	900	-	900
Total Expenditures	<u>1,026,907</u>	<u>1,055,695</u>	<u>869,608</u>	<u>186,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(70,768)</u>	<u>(99,556)</u>	<u>86,531</u>	<u>186,087</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	194,403	194,403	194,403	-
Transfers Out	(191,415)	(191,415)	(191,415)	-
Other	1,531	1,531	1,531	-
Total Other Financing Sources (Uses)	<u>4,519</u>	<u>4,519</u>	<u>4,519</u>	<u>-</u>
Net Change in Fund Balance	(66,249)	(95,037)	91,050	186,087
FUND BALANCES, JULY 1	<u>363,146</u>	<u>363,146</u>	<u>363,146</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 296,897</u>	<u>\$ 268,109</u>	<u>\$ 454,196</u>	<u>\$ 186,087</u>



STATISTICAL SECTION

STATISTICAL SECTION TABLE OF CONTENTS

For the Year Ended June 30, 2022

This part of the State of Nebraska’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 State’s overall financial health.

FINANCIAL TRENDS INFORMATION

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

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DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State’s financial activities take place and to help make comparisons over time and with other governments.

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

State of Nebraska

NET POSITION BY COMPONENT

2013 - 2022

(Dollars in Thousands)

	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 8,468,618	\$ 8,571,554	\$ 8,673,916	\$ 8,757,532	\$ 8,888,705
Restricted	2,217,372	2,431,057	2,495,373	2,554,449	2,708,755
Unrestricted	1,193,571	1,401,782	1,156,733	968,515	550,525
Total governmental activities net position	<u>\$ 11,879,561</u>	<u>\$ 12,404,393</u>	<u>\$ 12,326,022</u>	<u>\$ 12,280,496</u>	<u>\$ 12,147,985</u>
Business-type activities					
Net investment in capital assets	\$ 7,362	\$ 7,255	\$ 7,030	\$ 6,870	\$ 7,682
Restricted	440,849	462,064	466,735	490,408	502,646
Unrestricted	80,149	87,763	87,538	87,761	78,185
Total business-type activities net position	<u>\$ 528,360</u>	<u>\$ 557,082</u>	<u>\$ 561,303</u>	<u>\$ 585,039</u>	<u>\$ 588,513</u>
Primary government					
Net investment in capital assets	\$ 8,475,980	\$ 8,578,809	\$ 8,680,946	\$ 8,764,402	\$ 8,896,387
Restricted	2,658,221	2,893,121	2,962,108	3,044,857	3,211,401
Unrestricted	1,273,720	1,489,545	1,244,271	1,056,276	628,710
Total primary government net position	<u>\$ 12,407,921</u>	<u>\$ 12,961,475</u>	<u>\$ 12,887,325</u>	<u>\$ 12,865,535</u>	<u>\$ 12,736,498</u>

(Dollars in Thousands)

	2018	2019	2020	2021	2022
Governmental activities					
Net investment in capital assets	\$ 9,046,411	\$ 9,148,273	\$ 9,168,580	\$ 9,556,057	\$ 9,950,483
Restricted	4,063,574	4,180,690	4,362,140	4,924,031	5,028,750
Unrestricted	503,722	737,992	949,044	2,114,476	3,297,599
Total governmental activities net position	<u>\$ 13,613,707</u>	<u>\$ 14,066,955</u>	<u>\$ 14,479,764</u>	<u>\$ 16,594,564</u>	<u>\$ 18,276,832</u>
Business-type activities					
Net investment in capital assets	\$ 7,769	\$ 7,394	\$ 7,224	\$ 10,600	\$ 10,123
Restricted	516,332	537,553	539,923	581,724	546,042
Unrestricted	79,943	72,769	68,657	71,475	62,013
Total business-type activities net position	<u>\$ 604,044</u>	<u>\$ 617,716</u>	<u>\$ 615,804</u>	<u>\$ 663,799</u>	<u>\$ 618,178</u>
Primary government					
Net investment in capital assets	\$ 9,054,180	\$ 9,155,667	\$ 9,175,804	\$ 9,566,657	\$ 9,960,606
Restricted	4,579,906	4,718,243	4,902,063	5,505,755	5,574,792
Unrestricted	583,665	810,761	1,017,701	2,185,951	3,359,612
Total primary government net position	<u>\$ 14,217,751</u>	<u>\$ 14,684,671</u>	<u>\$ 15,095,568</u>	<u>\$ 17,258,363</u>	<u>\$ 18,895,010</u>

NOTE: Prior year amounts have not been adjusted for the restatements

State of Nebraska

CHANGES IN NET POSITION (Continued)

2013 - 2022

(Dollars in Thousands)

	2013	2014	2015	2016
Governmental Activities:				
EXPENSES				
General Government	\$ 458,483	\$ 507,065	\$ 548,000	\$ 631,739
Conservation of Natural Resources	143,437	143,324	149,492	144,326
Culture - Recreation	31,114	30,532	31,410	37,118
Economic Development and Assistance	96,433	89,109	109,318	99,611
Education	1,645,097	1,712,015	1,723,893	1,799,893
Higher Education - Colleges and University	572,341	618,033	651,138	676,456
Health and Social Services	3,195,733	3,241,947	3,350,345	3,477,627
Public Safety	384,081	376,449	408,096	409,403
Regulation of Business and Professions	134,172	123,879	125,207	118,005
Transportation	859,289	919,679	981,999	1,096,243
Interest on Long-term Debt	784	627	1,289	192
Net OPEB Expense	-	-	-	-
Net Pension Expense	-	-	29,409	79,670
Total expenses	<u>7,520,964</u>	<u>7,762,659</u>	<u>8,109,596</u>	<u>8,570,283</u>
PROGRAM REVENUES				
Charges for Services:				
General Government	82,247	90,336	90,319	95,871
Conservation of Natural Resources	37,019	34,550	33,624	39,476
Culture - Recreation	20,513	20,225	22,752	25,725
Economic Development and Assistance	1,245	2,529	1,758	1,065
Education	47,751	46,522	49,350	51,790
Health and Social Services	128,012	125,285	130,645	124,134
Public Safety	33,012	33,265	34,918	37,731
Regulation of Business and Professions	140,910	131,969	139,275	129,750
Transportation	107,008	112,175	109,427	110,984
Operating grants and contributions	2,704,464	2,622,119	2,648,173	2,719,366
Capital grants and contributions	20,040	18,657	3,320	946
Total program revenues	<u>3,322,221</u>	<u>3,237,632</u>	<u>3,263,561</u>	<u>3,336,838</u>
Total Governmental Activities				
Net Program Expense	<u>(4,198,743)</u>	<u>(4,525,027)</u>	<u>(4,846,035)</u>	<u>(5,233,445)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Taxes				
Income taxes	2,362,511	2,387,039	2,578,226	2,520,240
Sales and use taxes	1,661,208	1,792,176	1,829,956	1,827,206
Petroleum taxes	323,519	344,335	345,357	363,824
Excise taxes	130,725	128,281	129,390	133,620
Business and franchise taxes	78,204	104,366	85,959	109,649
Other taxes	7,849	7,579	7,117	6,404
Total taxes	<u>4,564,016</u>	<u>4,763,776</u>	<u>4,976,005</u>	<u>4,960,943</u>
Unrestricted investment earnings	96,522	223,246	88,736	144,734
Miscellaneous	1,518	3,322	1,548	2,159
Contributions to permanent fund principal	26,453	21,241	19,331	24,712
Federal CARES	-	-	-	-
Transfers	40,014	38,274	56,299	49,414
Total general revenues and other changes in net position	<u>4,728,523</u>	<u>5,049,859</u>	<u>5,141,919</u>	<u>5,181,962</u>
Total Governmental Activities				
Change in Net Position	<u>\$ 529,780</u>	<u>\$ 524,832</u>	<u>\$ 295,884</u>	<u>\$ (51,483)</u>

NOTE: Prior year amounts have not been adjusted for the restatements.

	2017	2018	2019	2020	2021	2022
\$	650,253	\$ 656,287	\$ 700,965	\$ 931,855	\$ 851,637	\$ 830,145
	145,919	143,915	133,662	143,941	142,840	138,574
	37,513	43,410	37,182	53,679	50,791	50,156
	102,348	103,259	103,015	114,913	136,860	130,174
	1,811,058	1,845,719	1,843,170	1,908,483	2,083,674	2,336,369
	663,979	651,636	651,933	669,227	697,006	717,690
	3,616,020	3,634,539	3,719,897	3,962,425	4,833,151	5,172,386
	395,782	389,694	401,747	590,081	1,280,094	662,755
	116,590	107,763	99,339	115,602	128,374	134,492
	1,040,906	1,012,181	1,099,649	1,278,059	1,259,783	1,303,312
	559	645	(3,476)	1,005	856	817
	-	1,381	898	-	-	-
	81,603	97,889	148,150	-	-	-
	<u>8,662,530</u>	<u>8,688,318</u>	<u>8,936,131</u>	<u>9,769,270</u>	<u>11,465,066</u>	<u>11,476,870</u>
	99,001	107,412	117,859	119,665	125,341	126,496
	39,880	38,672	43,147	39,947	42,430	40,427
	28,569	36,163	26,171	35,022	32,533	32,120
	1,234	1,479	1,403	1,901	1,364	2,406
	50,208	50,671	49,826	48,888	56,128	42,230
	127,310	123,593	93,202	131,482	144,205	142,282
	38,369	42,021	38,486	38,363	54,166	43,687
	128,818	122,817	126,820	135,722	153,199	153,211
	125,831	130,688	124,377	125,584	162,386	172,912
	2,765,857	2,755,954	2,844,493	3,271,794	4,620,913	5,207,556
	1,067	1,133	5,203	3,220	5,663	38,955
	<u>3,406,144</u>	<u>3,410,603</u>	<u>3,470,987</u>	<u>3,951,588</u>	<u>5,398,328</u>	<u>6,002,282</u>
	<u>(5,256,386)</u>	<u>(5,277,715)</u>	<u>(5,465,144)</u>	<u>(5,817,682)</u>	<u>(6,066,738)</u>	<u>(5,474,588)</u>
	2,507,059	2,686,510	2,992,575	2,907,528	3,660,558	3,936,754
	1,834,043	1,925,312	1,980,173	2,189,486	2,528,753	2,616,640
	371,744	388,349	407,169	410,940	431,765	389,799
	132,308	131,355	129,161	131,786	142,573	145,412
	100,595	117,590	112,248	135,558	142,394	171,640
	8,271	2,002	7,238	6,696	6,287	6,769
	<u>4,954,020</u>	<u>5,251,118</u>	<u>5,628,564</u>	<u>5,781,994</u>	<u>6,912,330</u>	<u>7,267,014</u>
	108,912	(2,670)	257,096	263,430	380,959	(342,021)
	3,733	5,444	2,533	2,168	1,381	3,923
	(868)	10,273	17,158	20,385	30,421	21,698
	-	-	(22,008)	48,343	683,522	27,818
	43,590	48,432	50,181	49,974	53,183	50,053
	<u>5,109,387</u>	<u>5,312,597</u>	<u>5,933,524</u>	<u>6,166,294</u>	<u>8,061,796</u>	<u>7,028,485</u>
\$	<u>(146,999)</u>	<u>\$ 34,882</u>	<u>\$ 468,380</u>	<u>\$ 348,612</u>	<u>\$ 1,995,058</u>	<u>\$ 1,553,897</u>

State of Nebraska

CHANGES IN NET POSITION (Concluded)

2013 - 2022

(Dollars in Thousands)

	2013	2014	2015	2016
Business-type Activities:				
EXPENSES				
Unemployment Insurance	\$ 167,957	\$ 122,351	\$ 93,612	\$ 78,747
Lottery	120,515	121,046	123,278	135,819
Excess Liability	3,850	1,174	5,755	9,010
Cornhusker State Industries	9,271	11,582	13,066	13,830
Total expenses	<u>301,593</u>	<u>256,153</u>	<u>235,711</u>	<u>237,406</u>
REVENUES				
Charges for services:				
Unemployment Insurance	194,996	133,665	107,613	97,748
Lottery	160,753	157,896	159,968	179,473
Excess Liability	4,946	5,478	4,519	3,928
Cornhusker State Industries	10,299	11,336	12,099	13,505
Operating grants and contributions	-	-	-	-
Total revenues	<u>370,994</u>	<u>308,375</u>	<u>284,199</u>	<u>294,654</u>
Total Business-type Activities				
Net Program Expense	<u>69,401</u>	<u>52,222</u>	<u>48,488</u>	<u>57,248</u>
OTHER CHANGES IN NET POSITION				
Unrestricted investment earnings	10,197	14,772	12,018	15,882
Miscellaneous	-	2	14	20
Federal CARES	-	-	-	-
Transfers	(40,014)	(38,274)	(56,299)	(49,414)
Total other changes in net position	<u>(29,817)</u>	<u>(23,500)</u>	<u>(44,267)</u>	<u>(33,512)</u>
Total Business-type Activities				
Change in Net Position	<u>\$ 39,584</u>	<u>28,722</u>	<u>4,221</u>	<u>23,736</u>
Total Primary Government				
Change in Net Position	<u>\$ 569,364</u>	<u>553,554</u>	<u>300,105</u>	<u>(27,747)</u>

NOTE: The decreases in taxes and fund balances in 2016 & 2017 were primarily due to the slow recovery of the agricultural sector related to the recession .

2017	2018	2019	2020	2021	2022
\$ 75,593	\$ 73,003	\$ 65,984	\$ 820,754	\$ 608,945	\$ 79,442
132,417	138,483	146,030	140,677	157,147	152,757
21,131	5,564	20,041	16,518	7,021	8,236
17,018	12,666	13,326	14,886	13,602	17,405
<u>246,159</u>	<u>229,716</u>	<u>245,381</u>	<u>992,835</u>	<u>786,715</u>	<u>257,840</u>
81,154	80,507	76,289	647,520	66,456	85,594
173,819	183,368	192,182	183,076	205,283	202,265
5,319	6,238	7,561	8,797	11,576	10,922
21,633	12,578	12,594	11,340	11,654	11,890
-	-	-	-	444,091	18,528
<u>281,925</u>	<u>282,691</u>	<u>288,626</u>	<u>850,733</u>	<u>739,060</u>	<u>329,199</u>
35,766	52,975	43,245	(142,102)	(47,655)	71,359
11,254	10,974	21,029	21,376	11,524	(4,536)
44	14	9	12	21	26
-	-	-	168,798	121,190	5,616
<u>(43,590)</u>	<u>(48,432)</u>	<u>(50,181)</u>	<u>(49,996)</u>	<u>(51,792)</u>	<u>(49,913)</u>
<u>(32,292)</u>	<u>(37,444)</u>	<u>(29,143)</u>	<u>140,190</u>	<u>80,943</u>	<u>(48,807)</u>
\$ 3,474	15,531	14,102	(1,912)	33,288	\$ 22,552
\$ <u>(143,525)</u>	<u>50,413</u>	<u>482,482</u>	<u>346,700</u>	<u>2,028,346</u>	<u>\$ 1,576,449</u>



State of Nebraska

FUND BALANCES

GOVERNMENTAL FUNDS

2013 - 2022

(Dollars in Thousands)

	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 1,114	\$ 1,802	\$ 1,580	\$ 1,087	\$ 2,239
Committed	384,121	719,065	727,835	730,655	680,655
Unassigned	648,092	540,891	614,763	396,669	67,443
Total general fund	<u>\$ 1,033,327</u>	<u>\$ 1,261,758</u>	<u>\$ 1,344,178</u>	<u>\$ 1,128,411</u>	<u>\$ 750,337</u>
All Other Governmental Funds					
Unreserved					
Nonspendable	\$ 514,985	\$ 536,087	\$ 550,082	\$ 555,720	\$ 575,587
Restricted	1,697,151	1,889,186	1,931,112	1,983,398	2,120,008
Committed	135,605	124,154	99,358	113,034	71,320
Assigned	45,708	46,813	50,094	46,237	43,057
Total all other governmental funds	<u>\$ 2,393,449</u>	<u>\$ 2,596,240</u>	<u>\$ 2,630,646</u>	<u>\$ 2,698,389</u>	<u>\$ 2,809,972</u>

(Dollars in Thousands)

	2018	2019	2020	2021	2022
General Fund					
Nonspendable	\$ 1,898	\$ 2,456	\$ 3,621	\$ 3,696	\$ 3,452
Committed	339,990	333,549	426,308	466,964	927,524
Unassigned	314,760	617,381	750,768	1,892,956	2,262,938
Total general fund	<u>\$ 656,648</u>	<u>\$ 953,386</u>	<u>\$ 1,180,697</u>	<u>\$ 2,363,616</u>	<u>\$ 3,193,914</u>
All Other Governmental Funds					
Nonspendable	\$ 586,636	\$ 603,586	\$ 624,592	\$ 654,946	\$ 662,665
Restricted	3,464,633	3,565,196	3,727,013	4,255,444	4,353,413
Committed	134,940	119,577	86,014	21,138	136,705
Assigned	37,635	29,827	25,620	32,507	56,453
Unassigned	-	-	-	-	(118)
Total all other governmental funds	<u>\$ 4,223,844</u>	<u>\$ 4,318,186</u>	<u>\$ 4,463,239</u>	<u>\$ 4,964,035</u>	<u>\$ 5,209,118</u>

State of Nebraska
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 2013 - 2022

(Dollars in Thousands)

	2013	2014	2015	2016
REVENUES				
Taxes:				
Income	\$ 2,362,392	\$ 2,387,255	\$ 2,576,621	\$ 2,517,537
Sales and Use	1,659,029	1,784,367	1,833,701	1,828,465
Petroleum	328,253	350,648	349,721	365,695
Excise	130,725	128,281	129,390	133,620
Business and Franchise	78,204	104,366	85,959	109,649
Other	7,849	7,579	7,117	6,404
Total Taxes	4,566,452	4,762,496	4,982,509	4,961,370
Federal Grants and Contracts	2,724,454	2,639,975	2,651,355	2,720,258
Licenses, Fees and Permits	333,431	312,889	318,198	322,736
Charges for Services	85,517	94,454	109,207	112,984
Investment Income	93,086	220,595	86,211	141,897
Rental Income	67,487	65,471	70,910	74,941
Other	122,788	110,879	116,072	111,279
Total Revenues	7,993,215	8,206,759	8,334,462	8,445,465
EXPENDITURES				
Current:				
General Government	422,689	465,818	551,297	623,393
Conservation of Natural Resources	144,284	144,628	151,308	145,218
Culture – Recreation	30,550	31,014	38,653	44,313
Economic Development and Assistance	96,759	89,382	109,976	100,007
Education	1,641,158	1,708,712	1,774,095	1,842,774
Higher Education - Colleges and University	572,341	618,033	651,138	676,456
Health and Social Services	3,194,565	3,217,372	3,355,065	3,477,074
Public Safety	395,095	377,086	414,235	417,785
Regulation of Business and Professions	134,223	123,349	125,099	117,894
Transportation	974,324	1,025,623	1,076,805	1,175,832
Capital Projects	21,070	12,164	19,824	28,174
Debt Service				
Principal - Bonds	4,755	2,110	6,995	1,425
Interest - Bonds	344	260	1,090	7
Principal - Lease Financing	-	-	-	-
Interest - Lease Financing	-	-	-	-
Total Expenditures	7,632,157	7,815,551	8,275,580	8,650,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,058	391,208	58,882	(204,887)
OTHER FINANCING SOURCES (USES)				
Transfers In	204,413	127,212	249,057	249,761
Transfers Out	(164,399)	(88,938)	(192,758)	(200,347)
Other	1,440	1,740	1,645	1,492
Net Change in Fund Balances	402,512	431,222	116,826	(153,981)
Restatements	6,873	1,675	-	5,957
BEGINNING FUND BALANCE	3,015,716	3,425,101	3,857,998	3,974,824
ENDING FUND BALANCE	\$ 3,425,101	\$ 3,857,998	\$ 3,974,824	\$ 3,826,800
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<1%	<1%	<1%	<1%

NOTE: The decreases in taxes and fund balances in 2016 & 2017 were primarily due to the slow recovery of the agricultural sector related to the recession .

	2017	2018	2019	2020	2021	2022
\$	2,506,432	\$ 2,683,270	\$ 2,967,877	\$ 2,880,793	\$ 3,658,993	\$ 3,903,649
	1,834,868	1,926,292	1,982,210	2,188,414	2,527,914	2,609,643
	373,685	390,600	409,595	412,627	433,223	392,668
	132,308	131,355	129,161	131,786	142,573	145,412
	100,595	117,590	112,248	135,558	142,394	171,640
	8,271	2,002	7,238	6,696	6,287	6,769
	4,956,159	5,251,109	5,608,329	5,755,874	6,911,384	7,229,781
	2,766,923	2,756,999	2,849,697	3,323,355	5,310,099	5,274,330
	341,758	340,482	300,902	296,736	346,802	346,406
	117,265	123,906	116,542	134,957	150,101	143,820
	106,374	(5,389)	253,684	260,563	378,729	(344,453)
	72,672	74,223	70,965	68,860	79,473	80,178
	88,774	102,114	122,316	165,711	179,517	158,414
	8,449,925	8,643,444	9,322,435	10,006,056	13,356,105	12,888,476
	628,342	668,578	686,699	781,697	798,428	824,730
	146,814	144,509	134,630	140,475	139,069	140,894
	42,613	49,941	46,270	43,299	52,183	56,385
	102,623	103,713	103,214	112,094	134,263	131,855
	1,853,583	1,877,539	1,896,643	1,954,727	2,133,706	2,395,471
	663,979	651,636	651,933	669,227	697,006	717,690
	3,655,813	3,630,632	3,713,711	3,934,180	4,817,200	5,216,768
	398,090	407,059	418,722	576,050	1,312,037	690,548
	116,982	107,957	101,125	111,441	123,464	135,519
	1,114,119	1,114,902	1,161,938	1,330,631	1,507,409	1,528,501
	37,527	46,340	56,512	51,944	72,544	45,633
	2,025	2,560	3,300	3,860	2,000	3,820
	6	6	56	55	9	15
	-	-	-	-	-	2,797
	-	-	-	-	-	450
	8,762,516	8,805,372	8,974,753	9,709,680	11,789,318	11,891,076
	(312,591)	(161,928)	347,682	296,376	1,566,787	997,400
	205,177	320,590	219,855	250,160	240,508	410,224
	(161,587)	(272,158)	(169,674)	(195,629)	(187,325)	(360,171)
	2,195	5,119	3,300	3,919	2,000	3,963
	(266,806)	(108,377)	401,163	354,826	1,621,970	1,051,416
	315	1,428,560	(10,083)	17,538	61,745	23,965
	3,826,800	3,560,309	4,880,492	5,271,572	5,643,936	7,327,651
\$	3,560,309	\$ 4,880,492	\$ 5,271,572	\$ 5,643,936	\$ 7,327,651	\$ 8,403,032
	<1%	<1%	<1%	<1%	<1%	<1%

State of Nebraska

INDIVIDUAL INCOME TAX RATES

Tax Years 2013 - 2022

	Tax Brackets			
	Bracket 1	Bracket 2	Bracket 3	Bracket 4
Single				
2013 Income Range	\$0-2,400	\$2,400-17,500	\$17,500-27,000	Over \$27,000
2014 Income Range	\$0-3,000	\$3,000-18,000	\$18,000-29,000	Over \$29,000
2015 Income Range	\$0-3,050	\$3,050-18,280	\$18,280-29,460	Over \$29,460
2016 Income Range	\$0-3,060	\$3,060-18,370	\$18,370-29,590	Over \$29,590
2017 Income Range	\$0-3,090	\$3,090-18,510	\$18,510-29,830	Over \$29,830
2018 Income Range	\$0-3,150	\$3,150-18,880	\$18,880-30,420	Over \$30,420
2019 Income Range	\$0-3,230	\$3,230-19,330	\$19,330-31,160	Over \$31,160
2020 Income Range	\$0-3,290	\$3,290-19,700	\$19,700-31,750	Over \$31,750
2021 Income Range	\$0-3,340	\$3,340-19,990	\$19,990-32,210	Over \$32,210
2022 Income Range	\$0-3,440	\$3,440-20,590	\$20,590-33,180	Over \$33,180
2013 - 2022 Rates	2.46%	3.51%	5.01%	6.84%
Heads of Household				
2013 Income Range	\$0-4,500	\$4,500-28,000	\$28,000-40,000	Over \$40,000
2014 Income Range	\$0-5,600	\$5,600-28,800	\$28,800-43,000	Over \$43,000
2015 Income Range	\$0-5,690	\$5,690-29,260	\$29,260-43,680	Over \$43,680
2016 Income Range	\$0-5,710	\$5,710-29,390	\$29,390-43,880	Over \$43,880
2017 Income Range	\$0-5,760	\$5,760-29,620	\$29,620-44,230	Over \$44,230
2018 Income Range	\$0-5,870	\$5,870-30,210	\$30,210-45,110	Over \$45,110
2019 Income Range	\$0-6,020	\$6,020-30,940	\$30,940-46,200	Over \$46,200
2020 Income Range	\$0-6,130	\$6,130-31,530	\$31,530-47,080	Over \$47,080
2021 Income Range	\$0-6,220	\$6,220-31,990	\$31,990-47,760	Over \$47,760
2022 Income Range	\$0-6,410	\$6,410-32,950	\$32,950-49,200	Over \$49,200
2013 - 2022 Rates	2.46%	3.51%	5.01%	6.84%
Married Filing Joint				
2013 Income Range	\$0-4,800	\$4,800-35,000	\$35,000-54,000	Over \$54,000
2014 Income Range	\$0-6,000	\$6,000-36,000	\$36,000-58,000	Over \$58,000
2015 Income Range	\$0-6,090	\$6,090-36,570	\$36,570-58,920	Over \$58,920
2016 Income Range	\$0-6,120	\$6,120-36,730	\$36,730-59,180	Over \$59,180
2017 Income Range	\$0-6,170	\$6,170-37,030	\$37,030-59,660	Over \$59,660
2018 Income Range	\$0-6,290	\$6,290-37,760	\$37,760-60,840	Over \$60,840
2019 Income Range	\$0-6,440	\$6,440-38,680	\$38,680-62,320	Over \$62,320
2020 Income Range	\$0-6,570	\$6,570-39,410	\$39,410-63,500	Over \$63,500
2021 Income Range	\$0-6,660	\$6,660-39,990	\$39,990-64,430	Over \$64,430
2022 Income Range	\$0-6,860	\$6,860-41,190	\$41,190-66,360	Over \$66,360
2013 - 2022 Rates	2.46%	3.51%	5.01%	6.84%
Married Filing Separate				
2013 Income Range	\$0-2,400	\$2,400-17,500	\$17,500-27,000	Over \$27,000
2014 Income Range	\$0-3,000	\$3,000-18,000	\$18,000-29,000	Over \$29,000
2015 Income Range	\$0-3,050	\$3,050-18,280	\$18,280-29,460	Over \$29,460
2016 Income Range	\$0-3,060	\$3,060-18,370	\$18,370-29,590	Over \$29,590
2017 Income Range	\$0-3,090	\$3,090-18,510	\$18,510-29,830	Over \$29,830
2018 Income Range	\$0-3,150	\$3,150-18,880	\$18,880-30,420	Over \$30,420
2019 Income Range	\$0-3,230	\$3,230-19,330	\$19,330-31,160	Over \$31,160
2020 Income Range	\$0-3,290	\$3,290-19,700	\$19,700-31,750	Over \$31,750
2021 Income Range	\$0-3,340	\$3,340-19,990	\$19,990-32,210	Over \$32,210
2022 Income Range	\$0-3,440	\$3,440-20,590	\$20,590-33,180	Over \$33,180
2013 - 2022 Rates	2.46%	3.51%	5.01%	6.84%

SOURCE: Nebraska Department of Revenue

State of Nebraska

INDIVIDUAL INCOME TAX LIABILITY BY INCOME LEVEL

Tax Years 2011 and 2020

2011				
Federal Adjusted Gross Income Level	Number of Returns	Net Liability After Nonrefundable Credits	Number of Returns With Liability	Net Liability Percent
Less Than \$10,000	147,063	\$ 3,639,772	49,459	0.21%
\$10,000 - 24,999	196,869	\$ 30,349,033	182,163	1.73%
\$25,000 - 49,999	227,136	\$ 167,828,602	222,127	9.61%
\$50,000 - 99,999	225,848	\$ 480,917,620	222,811	27.52%
\$100,000 and Over	133,166	\$ 1,064,534,133	128,864	60.93%
State Total	930,082	- 1,747,269,160	805,424	100.00%

2020				
Federal Adjusted Gross Income Level	Number of Returns (1)	Net Liability After Nonrefundable Credits	Number of Returns With Liability (1)	Net Liability Percent
Less Than \$10,000	131,519	\$ 5,858,209	29,493	0.22%
\$10,000 - 24,999	169,750	\$ 19,844,647	153,742	0.74%
\$25,000 - 49,999	247,512	\$ 170,112,438	241,132	6.36%
\$50,000 - 99,999	257,440	\$ 539,638,379	252,712	20.18%
\$100,000 and Over	227,305	\$ 1,939,077,568	219,682	72.50%
State Total	1,033,526	\$ 2,674,531,241	896,761	100.00%

NOTE: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the state's revenue. Tax year 2020 is the most recent year for which data is available.

SOURCE: Department of Revenue 2011 and 2020 Annual Reports; www.revenue.nebraska.gov

State of Nebraska

TAXABLE SALES BY INDUSTRY

Calendar Years 2012 and 2021

	2012	2021
Agriculture, Forestry, Fishing & Hunting	\$ 82,940,930	\$ 91,277,811
Mining	61,875,783	64,663,524
Utilities	2,162,130,022	2,760,357,817
Construction	571,351,168	869,643,606
Manufacturing	537,826,861	686,248,735
Wholesale Trade	1,574,857,561	1,968,338,465
Retail Trade	9,941,620,578	13,147,342,509
Transportation	83,696,150	722,593,545
Warehousing Services	39,453,160	38,813,335
Information	795,608,498	677,531,268
Finance & Insurance	26,391,772	27,966,770
Real Estate, Rental & Leasing Services	229,585,857	348,898,960
Professional, Scientific & Technical Services	322,098,417	424,116,659
Management of Companies & Enterprises Services	3,837,297	13,684,348
Administration, Support, Waste Management, Remedial Services	484,801,067	612,707,741
Educational Services	27,260,053	22,949,284
Health Care & Social Assistance Services	41,134,644	46,981,468
Arts, Entertainment & Recreation Services	329,109,003	418,196,586
Accommodation & Food Services	3,006,022,945	4,116,395,597
Other Services	909,167,613	1,266,333,985
Public Administration	236,717,851	268,497,699
Unclassified	198,982	3,498,439
Nebraska Total	<u>21,467,686,212</u>	<u>28,597,038,151</u>
Non-Nebraska (1)	<u>4,502,808,156</u>	<u>11,305,037,744</u>
Nebraska - Total Sales	<u>\$ 25,970,494,368</u>	<u>\$ 39,902,075,895</u>
Direct sales tax rate	Jan. 1 - Dec. 31 5.5%	Jan. 1 - Dec. 31 5.5%

SOURCE: Nebraska Department of Revenue - Annual Report
Sales Tax Statistics by Nebraska Business Classification

NOTES: (1) Sales made by non-Nebraska vendors, goods delivered to Nebraska, sales tax remitted to Nebraska.

State of Nebraska

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

2013 - 2022

(Dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Certificates of participation	\$ 22,716	\$ 18,175	\$ 15,475	\$ 34,780	\$ 29,450	\$ 33,455	\$ 38,445	\$ 31,430	\$ 37,825	\$ 32,965
Obligations under other financing arrangements	6,315	5,565	-	-	-	-	-	-	-	-
Total Primary Government	\$ 29,031	\$ 23,740	\$ 15,475	\$ 34,780	\$ 29,450	\$ 33,455	\$ 38,445	\$ 31,430	\$ 37,825	\$ 32,965
Debt as a Percentage of Personal Income	0.03%	0.03%	0.02%	0.04%	0.03%	0.03%	0.04%	0.03%	0.03%	0.03%
Amount of Debt per Capita	\$ 16	\$ 13	\$ 8	\$ 18	\$ 15	\$ 17	\$ 20	\$ 16	\$ 19	\$ 17

NOTE: Details regarding Certificates of Participation, Obligations Under Other Financing Arrangements, and Bonds Payable can be found in ACFR Notes 7, 9 & 15 of the financial statements.
Population figures from the Population, Personal and Per Capita Income schedule.

State of Nebraska

**COMPARATIVE UNEMPLOYMENT
NEBRASKA AND UNITED STATES**

2012 - 2021

YEAR	NEBRASKA			NEBRASKA UNEMPLOYMENT AS PERCENT OF LABOR FORCE	UNITED STATES UNEMPLOYMENT AS PERCENT OF LABOR FORCE
	TOTAL LABOR FORCE	TOTAL EMPLOYMENT	UNEMPLOYMENT		
2012	1,015,087	974,138	40,949	4.0%	8.1%
2013	1,018,436	979,379	39,057	3.8	7.4
2014	1,011,918	978,208	33,710	3.3	6.2
2015	1,008,616	977,465	31,151	3.1	5.3
2016	1,011,180	978,261	32,919	3.3	4.9
2017	1,007,011	977,444	29,567	2.9	4.4
2018	1,020,197	991,688	28,509	2.8	3.9
2019	1,035,240	1,003,680	31,560	3.0	3.7
2020	1,035,175	991,388	43,787	4.2	8.1
2021	1,049,033	1,022,662	26,371	2.5	5.4

SOURCE: Nebraska Statistics - Nebraska Department of Labor, Labor Market Information
United States Unemployment – U.S. Department of Labor, Bureau of Labor Statistics

State of Nebraska

**POPULATION, PERSONAL AND PER CAPITA INCOME
NEBRASKA AND UNITED STATES**

Calendar Years 2012 – 2021

YEAR	NEBRASKA			UNITED STATES		
	POPULATION	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME	POPULATION	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME
2012	1,855,525	83,521	45,012	313,914,040	13,729,063	43,735
2013	1,868,516	86,013	46,033	316,128,839	14,081,242	44,543
2014	1,881,503	88,569	47,073	318,857,056	14,708,582	46,129
2015	1,896,190	92,048	48,544	321,418,820	15,463,981	48,112
2016	1,907,116	95,411	50,029	323,127,513	15,912,777	49,246
2017	1,920,076	97,557	50,809	325,719,178	16,820,250	51,640
2018	1,929,268	102,759	53,263	327,167,434	17,813,035	54,446
2019	1,934,408	105,454	54,515	328,239,523	18,542,262	56,490
2020	1,937,552	111,545	57,570	329,484,123	19,607,447	59,510
2021	1,963,692	120,189	61,205	331,893,745	21,288,709	64,143

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

State of Nebraska

TEN LARGEST EMPLOYERS

2021 and 2012

NAME OF COMPANY	December 2021			December 2012		
	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYMENT	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYMENT
State of Nebraska (excluding University)	1	17,111	1.772	1	15,902	1.622
US Government (excluding Department of Defense*)	2	16,925	1.753	2	15,868	1.618
Nebraska Medicine	3	16,684	1.728			
University of Nebraska **	4	14,801	1.533			
Commonspirit Health	5	9,347	0.968			
Peter Kiewit Sons', Inc	6	8,405	0.870			
Hy-Vee Food Stores	7	8,332	0.863			
Walmart	8	8,203	0.849	4	8,724	0.890
Omaha Public Schools	9	7,467	0.773	6	7,202	0.734
Lincoln Public Schools Inc	10	6,852	0.710	8	5,933	0.605
Offutt Air Force Base				3	12,000	1.224
Alegent Health				5	8,600	0.877
Union Pacific Corporation				7	6,130	0.625
Tyson Foods, Inc				9	5,130	0.523
First Data Corp.				10	4,424	0.451

SOURCE: The Nebraska Department of Economic Development, Hoovers, a Dun and Bradstreet data base, and Employers

NOTES:

* Sources did not track US Government employment in Nebraska

** University of Nebraska - Medical Center, University of Nebraska - Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney

State of Nebraska

**PUBLIC AND STATE OPERATED SCHOOL ENROLLMENT
PREKINDERGARTEN – GRADE 12**

2012/13 – 2021/22

ACADEMIC YEAR	PRE KDG. AND KDG.	GRADES 1 – 3	GRADES 4 – 6	GRADES 7 – 9	GRADES 10 – 12	TOTAL ALL GRADES
2012 – 2013	35,926	69,224	66,951	65,127	66,277	303,505
2013 – 2014	38,482	68,140	68,182	66,369	66,504	307,677
2014 - 2015	39,204	69,398	68,988	67,843	67,202	312,635
2015 - 2016	39,039	69,979	69,688	68,560	68,749	316,015
2016 - 2017	38,750	71,445	69,071	70,133	69,795	319,194
2017 - 2018	40,745	70,624	70,383	70,911	71,103	323,766
2018 - 2019	41,582	69,814	71,122	71,747	71,899	326,164
2019 - 2020	42,984	69,552	72,540	71,272	72,942	329,290
2020 - 2021	40,447	68,679	70,488	71,232	73,330	324,176
2021 - 2022	42,232	69,123	69,756	72,283	73,661	327,055

SOURCE: Statistics and Facts About Nebraska Schools, Nebraska Department of Education.

State of Nebraska

**PUBLIC HIGHER EDUCATION INSTITUTIONS
TOTAL FALL HEADCOUNT ENROLLMENT**

2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
COLLEGES AND UNIVERSITIES:										
Chadron State College	2,994	3,056	3,033	2,993	2,977	2,737	2,448	2,407	2,330	2,250
Peru State College	2,390	2,422	2,499	2,506	2,571	2,349	2,114	2,109	1,902	2,067
Wayne State College	3,555	3,506	3,470	3,431	3,357	3,292	3,633	3,890	4,202	4,580
University of Nebraska										
Lincoln (1)	24,538	24,745	25,390	25,772	26,239	26,396	26,155	25,721	25,390	24,713
Omaha	14,786	15,227	15,227	15,526	15,627	15,731	15,431	15,153	15,892	15,328
Kearney	7,199	7,052	6,902	6,747	6,788	6,644	6,327	6,279	6,225	6,275
Medical Center	3,655	3,681	3,696	3,790	3,862	3,908	3,972	4,055	3,699	3,750
TOTAL COLLEGES AND UNIVERSITIES	59,117	59,689	60,217	60,765	61,421	61,057	60,080	59,614	59,640	58,963
COMMUNITY COLLEGES										
Central CC	7,283	6,906	6,377	6,227	6,316	6,082	6,354	6,368	5,974	6,309
Metropolitan CC	17,376	15,752	14,675	14,812	14,788	14,954	14,913	14,300	13,244	13,709
Mid-Plains CC	2,591	2,491	2,143	2,235	2,276	2,221	2,216	2,125	2,075	2,101
Northeast CC	5,251	5,145	5,061	5,051	5,075	5,086	5,016	5,258	5,105	5,345
Southeast CC	10,168	9,751	9,392	9,248	9,262	9,412	9,240	9,756	9,328	9,416
Western CC	2,230	1,960	1,836	1,534	1,719	1,905	1,825	1,722	1,625	1,306
TOTAL COMMUNITY COLLEGES	44,899	42,005	39,484	39,107	39,436	39,660	39,564	39,529	37,351	38,186
TOTAL ALL INSTITUTIONS	104,016	101,694	99,701	99,872	100,857	100,717	99,644	99,143	96,991	97,149

NOTE: (1) University of Nebraska-Lincoln count includes Nebraska College of Technical Agriculture - Curtis for all years.

SOURCE: Nebraska Coordinating Commission for Postsecondary Education

State of Nebraska

**FULL TIME EQUIVALENT PERMANENT
EMPLOYEES BY FUNCTION
2012 - 2021**

FUNCTION	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Conservation	328	321	316	313	318	309	314	300	302	345
Regulation	355	358	353	360	355	348	351	353	351	338
Economic Development	430	426	439	440	444	1,029	1,082	1,093	1,051	965
Culture and Recreation	503	512	510	504	502	490	503	533	539	541
Education	578	579	603	608	605	588	565	549	573	571
Transportation	2,102	2,118	2,103	2,113	2,083	2,003	1,970	1,980	1,980	1,941
General Government	2,687	2,840	2,919	2,975	3,057	3,055	3,070	3,319	3,312	3,247
Public Safety	3,333	3,381	3,436	3,406	3,320	3,307	3,333	3,365	3,375	3,131
Health & Social Services	5,586	5,748	5,700	5,726	5,476	4,781	4,670	4,651	4,694	4,448
	<u>15,902</u>	<u>16,283</u>	<u>16,379</u>	<u>16,445</u>	<u>16,160</u>	<u>15,910</u>	<u>15,858</u>	<u>16,143</u>	<u>16,177</u>	<u>15,527</u>

SOURCE: Nebraska State Government - State Personnel Division - 2021 Almanac

State of Nebraska

OPERATING INDICATORS BY FUNCTION

2013 - 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Department of Revenue										
Percentage of returns filed electronically	88.5%	89.9%	90.8%	90.8%	90.7%	91.6%	92.4%	93.1%	94.0%	94.8%
Percentage of direct deposit refunds	77.3%	78.9%	77.8%	78.2%	77.5%	80.0%	81.2%	81.1%	79.2%	83.9%
Department of Transportation										
Percentage of Roads in very good or good condition (1)	74%	75%	82%	84%	84%	84%	82%	82%	90%	90%
Conservation of Natural Resources										
Department of Environmental and Energy										
Inspections by field office staff										
Air Quality	90	82	216	184	139	141	164	132	145	188
Water Quality	1,801	1,113	1,396	1,552	1,682	1,219	1,234	1,075	1,788	2,656
Waste Management	172	145	135	130	126	156	138	107	228	284
Culture - Recreation										
Game and Parks Commission										
Park visitors (1,2)	11,684,965	12,426,891	11,654,110	13,469,281	12,746,003	10,086,731	9,497,926	6,706,057	9,058,025	N/A
Hatchery fish raised (in millions) (1)	39.4	48.6	49.7	48.0	47.0	50.2	41.3	10.5	49.0	N/A
Education										
Department of Education										
Fall Enrollment										
Pre-K to 12th grade	307,677	312,635	316,015	319,194	323,766	326,164	329,290	324,176	327,055	N/A
State Colleges and Universities	59,689	60,217	60,765	61,421	61,057	60,080	59,614	59,640	58,963	N/A
Public Community Colleges	42,005	39,484	39,107	39,436	39,660	39,564	39,529	37,351	38,186	N/A
Health and Social Services										
Health and Human Services										
Child Support Payments										
Number of Payments Received	1,505,288	1,381,831	1,513,974	1,537,522	1,501,372	1,472,013	1,490,642	1,502,975	1,488,749	1,375,197
Number of Payments Disbursed	1,379,810	1,400,860	1,414,213	1,415,392	1,400,110	1,380,588	1,378,498	1,401,680	1,383,168	1,304,172
Medicaid (average monthly)										
Medicaid recipients	240,639	235,496	235,355	232,795	237,309	241,966	242,316	244,010	304,655	351,694
Percentage of Nebraska population	12.9%	12.5%	12.4%	12.2%	12.4%	12.5%	12.5%	12.6%	15.5%	N/A
Supplemental Nutrition Assistance Program										
Number of households	78,743	78,051	76,989	78,370	78,788	77,122	74,031	72,425	72,476	74,592
Percentage of Nebraska households	9.8%	9.6%	9.4%	9.5%	9.4%	9.1%	8.7%	8.5%	8.5%	N/A
Public Safety										
Department of Correctional Services										
Inmate population (average daily) (3)	6,224	6,544	6,659	6,641	6,588	6,611	5,434	5,629	5,364	5,534
Percentage of Nebraska population	0.33%	0.35%	0.35%	0.35%	0.34%	0.34%	0.28%	0.29%	0.27%	N/A
Total Admissions (3)	3,351	3,242	2,608	2,504	2,315	2,239	2,715	2,463	2,427	2,441
Total Releases (3)	3,113	2,985	2,555	2,094	2,372	2,402	2,507	2,519	2,416	2,259
State Patrol										
Traffic Stops	N/A	N/A	N/A	N/A	182,935	149,232	115,210	96,325	110,616	N/A
Transportation										
Department of Motor Vehicles										
Motor Vehicle Registrations (1)										
Automobiles	1,174,669	1,188,368	1,205,595	1,220,465	1,239,329	1,242,548	1,203,304	1,190,940	1,206,477	N/A
Trucks										
Farm	176,910	177,796	180,150	180,697	182,312	182,481	164,281	164,363	162,966	N/A
Commercial / Other	411,037	417,049	428,617	439,291	448,501	454,098	406,225	414,177	423,963	N/A
Motorcycles	55,833	55,475	55,585	55,340	54,863	53,566	50,647	50,373	51,153	N/A

NOTES: (1) Data is provided on a calendar basis.
 (2) Park visitation is counted in daily visits.
 (3) Prior to 2019. Data provided was on a calendar basis.
 N/A - Not Available

SOURCE: State Agencies: Department of Revenue, Department of Transportation, Department of Environment and Energy, Game and Parks Commission, Department of Education, Health and Human Services, Department of Correctional Services, Nebraska State Patrol, Department of Motor Vehicles

State of Nebraska

CAPITAL ASSET STATISTICS BY FUNCTION

2013 - 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Department of Administrative Services										
Buildings	271	266	267	263	270	269	267	255	235	234
Vehicles	1,007	1,050	1,058	1,046	1,062	1,120	1,096	1,176	1,130	1,074
Conservation of Natural Resources										
Game and Parks Commission										
Acres of state park and wildlife land (in thousands)	152	152	152	154	151	158	148	148	153	142
Culture - Recreation										
Game and Parks Commission										
State Parks	8	8	8	8	8	8	8	8	8	8
Historical Parks	9	9	9	9	9	10	10	10	10	10
Recreation and wildlife areas	322	322	347	350	350	357	350	347	347	345
Fish hatcheries	5	5	5	5	5	5	5	5	5	5
Education										
NETV Commission										
Towers, antennas and transmitters	42	42	42	45	51	46	45	45	46	51
Public Safety										
State Patrol										
Pursuit Vehicles	486	486	526	339	310	554	384	249	340	373
Department of Corrections										
Buildings	134	130	150	149	134	148	146	133	136	134
Transportation										
Department of Transportation										
Highway miles (calendar year)	9,946	9,945	9,942	9,944	9,945	9,945	9,944	9,942	9,940	N/A
Heavy trucks, plows and graders	1,054	1,052	1,022	1,025	1,064	1,049	1,052	1,031	1,048	1,053

NOTE: Other agencies, including those in the Economic Development, Health and Social Services and Regulation functional areas are not capital asset intensive.
N/A - Not Available

SOURCE: State Agencies: Department of Administrative Services, Game and Parks Commission, NETV Commission, Nebraska State Patrol, Department of Correctional Services, and Department of Transportation

State of Nebraska

MISCELLANEOUS DATA

June 30, 2022

Date Entered Union	March 1, 1867 (37th State)
Form of Government	Legislative – Executive – Judicial
Land Area	77,358 square miles (16th largest in U.S.)
Elevation	840 to 5,424 feet above sea level
Capital	Lincoln
Largest City	Omaha
Origin of Name	From Oto Indian word "Nebrathka" meaning "flat water"
Nickname	Cornhusker State (from method of harvesting or "husking" corn by hand)

SOURCE: Nebraska Blue Book, 2020-21

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