

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 16, 2026

NEW ISSUE—BOOK-ENTRY ONLY

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

In the opinion of Kutak Rock LLP, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2026A Bonds (the “Series 2026A Bonds”) is excludable from gross income for federal income tax purposes and is not a specific tax preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2026A Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel also is of the opinion that, under existing laws of the State of Nebraska, interest on the Bonds is exempt from Nebraska state income taxation as long as it is exempt for purposes of the federal income tax. For a discussion of tax matters see “TAX MATTERS” herein.

\$66,965,000*
State of Nebraska
State Highway Commission
Highway Improvement Revenue Bonds
Series 2026A

Dated: Date of Delivery

Due: As shown on inside cover

The above-described Highway Improvement Revenue Bonds, Series 2026A, to be dated the date of delivery thereof (the “Series 2026A Bonds”), of the State Highway Commission (the “Commission”) of the State of Nebraska (the “State”) are being issued by the Commission for the purpose of (a) making a deposit to the State Highway Capital Improvement Fund to finance a portion of the costs of constructing, improving and completing certain Highway 275 expressway segment projects, from the Nebraska Highway 57 Junction East of Norfolk to the Nebraska Highway 9 Junction North of West Point, including all intersections and associated work (the “Highway 275 Project”), and such other projects approved by the Commission in accordance with Reissue Revised Statutes of Nebraska (“RRS”) Section 39-2704(2) (collectively, the “Project”) and (b) paying certain costs associated with the issuance of the Series 2026A Bonds.

Maturity Schedule on Inside Cover

Interest on the Series 2026A Bonds is payable semiannually on June 15 and December 15 of each year (each an “Interest Payment Date”) commencing December 15, 2026. The Series 2026A Bonds are being issued as registered bonds in book-entry form in authorized denominations of \$5,000 and any integral multiple thereof and, when issued, will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), which will act as a securities depository for the Series 2026A Bonds (the “Securities Depository”). Purchases of the Series 2026A Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Purchasers will not receive certificates representing their interest in the Series 2026A Bonds purchased. Principal of and interest on the Series 2026A Bonds are payable by Union Bank and Trust Company, as trustee (the “Trustee”), to the Securities Depository, which will remit such payments in accordance with its normal procedures, as described herein.

The Series 2026A Bonds are subject to redemption prior to maturity as described herein.

THE SERIES 2026A BONDS ARE NOT A GENERAL OBLIGATION OF THE STATE OF NEBRASKA, THE NEBRASKA STATE HIGHWAY COMMISSION OR THE NEBRASKA DEPARTMENT OF TRANSPORTATION, OR A PLEDGE OF THEIR FAITH AND CREDIT BUT, TOGETHER WITH INTEREST THEREON, ARE SPECIAL OBLIGATIONS OF THE COMMISSION PAYABLE SOLELY AND ONLY FROM THE FUNDS ON DEPOSIT AND TO BE DEPOSITED IN THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND AND ANY OTHER FUNDS SPECIFICALLY PLEDGED BY THE COMMISSION FOR SUCH PURPOSE, AND NEITHER THE MEMBERS OF THE COMMISSION NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE THEREON.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2026A Bonds or this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2026A Bonds are offered by the Commission subject to the legal opinions of Kutak Rock LLP, Bond Counsel as to validity of the Series 2026A Bonds and the tax exemption of the interest on the Series 2026A Bonds, and of the Chief Legal Counsel to the Nebraska Department of Transportation, as counsel for the Commission and the Nebraska Department of Transportation, as to certain matters including the proceedings relating to the issuance of the Bonds. Delivery will be made on or about February 12, 2026.

The date of this Official Statement is January __, 2026

* Preliminary; subject to change.

\$66,965,000*
State of Nebraska
State Highway Commission
Highway Improvement Revenue Bonds
Series 2026A

Maturities, Principal Amounts, Interest Rates and Yields

<u>Maturity</u> <u>June 15*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP®</u> <u>Base: 63969Y¹</u>
2027	\$1,790,000			
2028	3,020,000			
2029	3,170,000			
2030	3,330,000			
2031	3,495,000			
2032	3,670,000			
2033	3,855,000			
2034	4,050,000			
2035	4,250,000			
2036	4,465,000			
2037	4,685,000			
2038	4,920,000			
2039	5,165,000			
2040	5,425,000			
2041	5,695,000			
2042	5,980,000			

* Preliminary; subject to change.

® CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP numbers have been assigned by an independent company not affiliated with the Commission or the State and are included solely for the convenience of the registered and beneficial owners of the Series 2026A Bonds. Neither the Commission nor the State nor any underwriter is responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Series 2026A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026A Bonds.

¹ The Commission takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Series 2026A Bonds.

STATE OF NEBRASKA

Jim Pillen, Governor

NEBRASKA STATE HIGHWAY COMMISSION

Richard Meginnis
District 1

David E. Copple
District 3

Doug Leafgreen
District 5

Greg Wolford
District 7

Heath Mello
District 2

James H. Kindig
District 4

Jim Hawks
District 6

Vacant
District 8

NEBRASKA DEPARTMENT OF TRANSPORTATION

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Director

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Chief of Staff/Director of Innovative Finance

Amy Starr
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Mick Syslo
Deputy Director - Operations

Bond Counsel
Kutak Rock LLP

Auditors
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Financial Advisor
Piper Sandler & Co.

No dealer, broker, salesperson or other person has been authorized by the State of Nebraska (the "State"), the Nebraska State Highway Commission (the "Commission") or the Nebraska Department of Transportation ("NDOT") to give any information or to make any representation in connection with the offering of the Series 2026A Bonds, other than the information and representations contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by the State, the Commission or the NDOT. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2026A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State, the Commission, the NDOT or the State Highway Capital Improvement Fund (the "Capital Improvement Fund") since the date hereof. The information set forth herein concerning the State, the Commission, the NDOT and the Capital Improvement Fund has been obtained from the NDOT and is believed to be reliable. This Official Statement does not constitute a contract between the State, the Commission or the NDOT and any one or more of the purchasers or registered owners of the Series 2026A Bonds.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

THE SERIES 2026A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2026A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2026A BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

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SUMMARY STATEMENT

(The Summary Statement information is qualified in its entirety by the detailed information contained in this Official Statement)

Issuer:	Nebraska State Highway Commission (the “Commission”).
Offering:	\$66,965,000* Highway Improvement Revenue Bonds, Series 2026A (the “Series 2026A Bonds”).
Principal Amounts:	The principal amounts of each serial maturity of the Bonds are set forth on the inside cover page.
Interest:	Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months, from the Dated Date of the Bonds, payable semiannually on each June 15 and December 15, commencing December 15, 2026.
Dated Date:	Date of Delivery, expected to be February 12, 2026.
Security:	Funds on deposit and to be deposited in the State Highway Capital Improvement Fund (the “Capital Improvement Fund”).
Book-Entry Bonds:	The Bonds will be issued in fully registered form without interest coupons in denominations of \$5,000 and integral multiples thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Bonds.
Redemption:	<p>The Series 2026A Bonds are subject to optional redemption by the State on and after December 15, 2034*.</p> <p>See “Optional Redemption” herein for additional information.</p>
Continuing Disclosure:	See “CONTINUING DISCLOSURE” herein. See also “APPENDIX G – CONTINUING DISCLOSURE AGREEMENT.”
Bond Rating:	The Series 2026A Bonds described herein have been rated “AAA” by S&P Global Ratings.
Trustee/Registrar/ Paying Agent	Union Bank and Trust Company, Lincoln, Nebraska
Legal Opinions:	Kutak Rock LLP, as Bond Counsel, will provide an opinion as to the validity of the Series 2026A Bonds and regarding the tax exemption of interest on the Series 2026A Bonds. Chief Legal Counsel to the Nebraska Department of Transportation, as counsel for the Commission and the Nebraska Department of Transportation, will provide an opinion as to certain matters including the validity of the proceedings relating to the issuance of the Bonds.

* Preliminary; subject to change.

Additional Information:

Questions regarding this Official Statement should be directed to Lyn Heaton, Chief of Staff/Director of Innovative Finance, Nebraska Department of Transportation, lyn.heaton@nebraska.gov, (402) 479-4671, or Scott Keene, Piper Sandler & Co., scott.keene@psc.com, (402) 325-1199. Questions regarding legal matters should be directed to Dawn Roth, Kutak Rock LLP, dawn.roth@kutakrock.com, (402) 346-6000.

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\$66,965,000*
State of Nebraska
State Highway Commission
Highway Improvement Revenue Bonds
Series 2026A

INTRODUCTION

This Official Statement, including the cover page and the Appendices, sets forth certain information concerning the \$66,965,000* Highway Improvement Revenue Bonds, Series 2026A, to be dated the date of delivery thereof (the “Series 2026A Bonds”), of the State Highway Commission (the “Commission”) of the State of Nebraska (the “State”). The Series 2026A Bonds are being issued by the Commission pursuant to the provisions of the Nebraska Highway Bond Act (the “Bond Act”), Sections 39-2201 to 39-2226 of the Reissue Revised Statutes of Nebraska (“RRS”), as amended, RRS Section 39-1110(4), the Resolution adopted by the Commission on December 6, 2024 (the “Resolution”), and an Indenture of Trust, dated as of February 1, 2025, as supplemented by a First Supplemental Indenture of Trust dated as of February 1, 2026 (collectively, the “Indenture”), each between the Commission and Union Bank and Trust Company, as trustee (the “Trustee”). The Series 2026A Bonds are being issued for the purposes of: (a) making a deposit to the State Highway Capital Improvement Fund (the “Capital Improvement Fund”) for the purpose of financing a portion of the cost of constructing, improving and completing certain Highway 275 expressway segment projects, from the Nebraska Highway 57 Junction East of Norfolk to the Nebraska Highway 9 Junction North of West Point, including all intersections and associated work (the “Highway 275 Project”), and such other projects approved by the Commission in accordance with RRS Section 39-2704(2) (collectively, the “Project”) and (b) paying certain costs associated with the issuance of the Series 2026A Bonds. See “APPLICATION OF PROCEEDS OF THE SERIES 2026A BONDS” herein.

The Indenture provides for the issuance of additional bonds on a parity with the Series 2026A Bonds (“Additional Bonds”). The Commission has previously issued its \$91,295,000 aggregate principal amount Highway Improvement Revenue Bonds, Series 2025A (the “Prior Bonds”). The Prior Bonds, the Series 2026A Bonds and any Additional Bonds issued under the terms of the Indenture are herein collectively referred to as the “Bonds.”

Nebraska Highway Bond Act

In 2023, pursuant to Legislative Bill 727 of the Legislature of Nebraska, 2023 First Session, which was signed into law by Governor Jim Pillen on June 6, 2023, the Nebraska Legislature adopted amendments to the Bond Act. The amendments authorized the issuance of up to \$450,000,000 of revenue bonds (“Highway Revenue Bonds”) to be applied to the acceleration of the completion of certain projects authorized by the Build Nebraska Act, RRS Sections 39-2701 to 39-2705 (the “Build Nebraska Act”). Authorized projects under the Bond Act are limited to the construction of (i) the expressway system and federally designated high priority corridors and (ii) surface transportation projects of the highest priority, as specifically identified by the Commission and the NDOT.

Build Nebraska Act

The Build Nebraska Act is a significant piece of legislation aimed at enhancing the state’s transportation infrastructure by providing a dedicated revenue source for road and bridge projects. Recognizing surface transportation needs in Nebraska and the insufficient funding available to meet those needs at the time, the 2011 Legislature passed into law the Build Nebraska Act which directed one-quarter

* Preliminary; subject to change.

of one percent of the existing general state sales tax rate to the NDOT to fund State and local road and bridge projects. Because the Commission is not able to pledge general State sales tax funds to the repayment of bonds under the State Constitution, pursuant to the 2023 amendments to the Bond Act, the Nebraska Legislature reassigned highway user revenues such that (i) an amount that is equivalent to 85% of the funds generated from one-quarter of one percent of the existing general State sales tax rate is applied to secure bonds issued pursuant to the 2023 amendments to the Bond Act (to be deposited to the Capital Improvement Fund and applied by the NDOT for expansion and reconstruction of the expressway system and federally designated high priority corridors, construction of new highways and other high priority projects for the State Highway System), and (ii) the remaining 15% of such amount is distributed to counties and municipalities for road and street purposes, distributed by formula. These funds first became available in the fall of 2013 and are estimated to generate approximately \$3.3 billion, before expiring in 2042.

Statutory Authorization; Additional Bonds

The Bond Act authorizes the Commission to issue up to \$450,000,000 of Highway Revenue Bonds on or before June 30, 2029, provided that the outstanding principal amount of Highway Revenue Bonds may exceed that limit if and to the extent the Commission determines that the issuance of refunding bonds under the Bond Act, in a principal amount greater than the Highway Revenue Bonds to be refunded, would reduce the aggregate bond principal and interest requirements payable from the Capital Improvement Fund. Proceeds of the Highway Revenue Bonds are to be applied, as determined by the NDOT, exclusively for (a) construction of the expressway system and federally designated high priority corridors, and (b) other surface transportation projects of the highest priority. Any Highway Revenue Bonds issued pursuant to the Bond Act must mature on or before June 30, 2042.

Following the issuance of the Series 2026A Bonds, the Bond Act and the Indenture allow for the issuance, on or before June 30, 2029, of Additional Bonds, provided that (a) at the time of issuance of such Additional Bonds, the Commission is not in default under the Indenture, (b) the aggregate principal amount of such Additional Bonds, the Series 2026A Bonds, and any other Additional Bonds previously issued under Section 39-2223(3) of the Bond Act, does not exceed \$450,000,000, (c) the aggregate debt service requirements in the calendar year in which such Additional Bonds are to be issued, and in each calendar year thereafter until the scheduled maturity of such Additional Bonds, on such Additional Bonds and on all other Highway Improvement Bonds to be outstanding, does not exceed fifty percent (50%) of the money deposited in the Capital Improvement Fund during the calendar year preceding the issuance of such Additional Bonds, (d) the aggregate debt service requirements on the Series 2026A Bonds and all Additional Bonds outstanding does not in any year exceed \$35,000,000 (See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS”), and (e) the maturity date of such Additional Bonds is not later than June 30, 2042.

Source of Payment for the Series 2026A Bonds

The Series 2026A Bonds and the interest thereon are not a general obligation of the State, the Commission or the NDOT, or a pledge of their faith and credit but are special obligations of the Commission payable solely and only from the funds on deposit and to be deposited in the Capital Improvement Fund in accordance with Section 39-2215.02(1) of the Bond Act and any other funds specifically pledged by the Commission for such purpose. The Owners of the Series 2026A Bonds may not look to the general or any other fund of the State, the Commission or the NDOT for payment and the Series 2026A Bonds will not constitute indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation, nor can they be considered or held to be general obligations of the State, the Commission or the NDOT. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS.”

The Capital Improvement Fund is held by the State Treasurer. Under the Bond Act, seventy million dollars (\$70,000,000) of the funds annually retained by the State and allocated to the Capital Improvement Fund are irrevocably pledged to the payment of the principal, interest and redemption premium, if any, on the Bonds, including the Series 2026A Bonds, upon maturity or prior redemption. The funds allocated to the Capital Improvement Fund will be derived from revenue closely related to the use of highways, including, but not limited to, motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use retained by the state, all motor vehicle registration fees retained by the state, other than those fees credited to the State Recreation Road Fund, and other highway-user taxes, fees, and penalties imposed by state law (the portion of such amounts credited to the Capital Improvement Fund are herein referred to as the “Revenues”). See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS.”

Under the Indenture, the Commission has covenanted to deposit or cause to be deposited with the Trustee, at least two Business Days prior to the date on which payment on the Series 2026A Bonds is due, immediately available funds sufficient to allow the Trustee to make payment of all principal, interest and premium, if any, then due on the Series 2026A Bonds. See “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND—Sources of Funds in Capital Improvement Fund.”

Other Matters

Purchase of the Series 2026A Bonds involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2026A Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. The discussion of certain risks is not intended to be exhaustive and should be read in conjunction with this entire Official Statement including the Appendices hereto. See “INVESTMENT CONSIDERATIONS” herein.

This Official Statement contains descriptions of, among other matters, the Series 2026A Bonds, the Indenture, the State, the Commission, the NDOT, the Revenues and the Capital Improvement Fund. Such descriptions and information do not purport to be comprehensive or definitive. Summaries of certain provisions of the Indenture are set forth in APPENDIX E hereto. Definitions of certain terms used in this Official Statement are set forth in APPENDIX D hereto. All references herein to the Indenture are qualified in their entirety by reference to the text of the Indenture and references herein to the Series 2026A Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture. Executed copies of such documents are available for inspection at the Office of the Director, Nebraska Department of Transportation, 1500 Nebraska Parkway, Lincoln, Nebraska 68502 or phone (402) 479-4671.

THE SERIES 2026A BONDS

General

The Series 2026A Bonds are being issued by the Commission pursuant to the Bond Act and the Indenture. The Series 2026A Bonds are dated and bear interest from their date of delivery. Interest on the Series 2026A Bonds is payable on June 15 and December 15 of each year (each, a “Payment Date”) commencing December 15, 2026. Interest on the Series 2026A Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Series 2026A Bonds mature in the amounts and on the dates shown on the inside cover of this Official Statement.

Interest on the Series 2026A Bonds is payable in lawful money of the United States of America on the Payment Dates to the Owners thereof whose names appear on the books maintained by the Bond Registrar at the close of business on the Record Dates (the June 1 or December 1 immediately preceding

the succeeding Payment Date for the Series 2026A Bonds). Principal of the Series 2026A Bonds is payable in such lawful money upon presentation and surrender by the Owners thereof at the office of the Paying Agent.

Union Bank and Trust Company, the Trustee for the Series 2026A Bonds, will serve as Paying Agent and Bond Registrar with respect to the Series 2026A Bonds. References herein to the “Paying Agent” or “Bond Registrar” are to the Trustee unless a different paying agent or bond registrar has been appointed, in which case, references to the Paying Agent or Bond Registrar shall be to the successor. See “THE TRUSTEE” herein for information concerning Union Bank and Trust Company, whose principal offices are located in Lincoln, Nebraska.

The Series 2026A Bonds are being issued only in fully registered form in denominations of \$5,000 and integral multiples thereof. The Series 2026A Bonds will be initially offered only in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as Securities Depository of the Series 2026A Bonds. See “APPENDIX H—DTC BOOK-ENTRY-ONLY SYSTEM.” For so long as Cede & Co. remains the registered owner of the Series 2026A Bonds, payments of principal of and interest on the Series 2026A Bonds will be made by the Paying Agent by check or electronic transfer directly to DTC or Cede & Co. as the nominee of DTC and will be redistributed by DTC and the Participants as described in “APPENDIX H—DTC BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions

Optional Redemption. The Series 2026A Bonds maturing on June 15, 2035* and thereafter are subject to redemption prior to maturity, at the option of the Commission upon the recommendation of NDOT, on or after December 15, 2034*, in whole or in part on any date, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, without premium.

In the event less than all of the Series 2026A Bonds are to be redeemed pursuant to the optional redemption provisions set forth above, NDOT may select the particular maturities to be redeemed. If less than all of the Series 2026A Bonds of the same maturity are to be redeemed, such Bonds within such maturity to be redeemed shall be selected at random by the Bond Registrar in such manner as the Bond Registrar may deem fair and appropriate.

Notice of Redemption. Under the Indenture, in the event Series 2026A Bonds are called for redemption as described above, notice of such redemption identifying such Series 2026A Bonds is to be given for Series 2026A Bonds held in book entry only form by mailing to the Depository not less than 30 days nor more than 60 days prior to the redemption date, and for Series 2026A Bonds held in certificated form by mailing by first class mail to the registered owner thereof at the address shown on the registration books of the Commission kept by the Bond Registrar not less than 30 days prior to the date fixed for redemption. Any such notice may provide that the call for redemption on the date specified by such notice is made conditional on the deposit with Trustee of moneys in an amount equal to the stated redemption price on or before such date. All maturities of the Series 2026A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time. Any funds paid for redemption of Series 2026A Bonds shall be applied first against any interest due and owing on the Series 2026A Bonds and then against the unpaid principal balance thereof.

* Preliminary; subject to change.

For so long as the Securities Depository is effecting book-entry transfers of the Series 2026A Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2026A Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2026A Bond so affected, shall not affect the validity of the redemption of such Series 2026A Bond.

Registration, Transfer and Exchange of Bonds

The Commission has covenanted in the Indenture to cause books for the registration and for the transfer of the Series 2026A Bonds to be kept by the Bond Registrar. So long as the Series 2026A Bonds are available through the book-entry only system of DTC, transfers of the Series 2026A Bonds may be made as described in “APPENDIX H—DTC BOOK-ENTRY-ONLY SYSTEM.”

DTC Book-Entry System

The Series 2026A Bonds will be issued in fully registered form (i.e., registered as to payment of both principal and interest) and will be registered initially in the name of Cede & Co., as nominee of DTC, which will serve as securities depository for the Series 2026A Bonds. Beneficial Ownership interests in the Series 2026A Bonds, in non-certificated book-entry only form, may be purchased in Authorized Denominations of \$5,000 or any integral multiple thereof by or through DTC Participants. Beneficial Ownership interests will be recorded in the name of the Beneficial Owners on the books of the DTC Participants from whom they are acquired, and transfers of such Beneficial Ownership Interests will be accomplished by entries made on the books of the DTC Participants acting on behalf of the Beneficial Owners. References herein to the Owners of the Series 2026A Bonds mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners. For a more detailed description of the DTC book-entry system, see “APPENDIX H—DTC BOOK-ENTRY-ONLY SYSTEM.”

Principal and interest payments with respect to the Series 2026A Bonds are payable by the Trustee, as paying agent for the Series 2026A Bonds, to Cede & Co., as the Owner of the Series 2026A Bonds, for subsequent credit to the accounts of the Beneficial Owners as discussed in “APPENDIX H—DTC BOOK-ENTRY-ONLY SYSTEM.”

None of the State, the Commission, the NDOT or the Underwriter has any responsibility or obligation to any Beneficial Owner with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant, (b) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Beneficial Owners of the Series 2026A Bonds under the Indenture, (c) the payment by DTC or any DTC Participant of any amount received with respect to the Series 2026A Bonds, (d) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2026A Bonds or (e) any other related matter.

APPLICATION OF PROCEEDS OF THE SERIES 2026A BONDS

The following table sets forth the estimated applications of the proceeds of the Series 2026A Bonds.

Sources of Funds:

Principal Amount of the Series 2026A Bonds	\$ _____
Plus: Net Original Issue Premium	_____
Total Sources of Funds	\$ _____

Uses of Funds:

Deposit to Capital Improvement Fund	\$ _____
Costs of Issuance and Underwriters' Discount ¹	_____
Total Uses of Funds	\$ _____

¹ Includes all costs of issuance of the Series 2026A Bonds, including underwriters' discount (\$ _____), fees for legal counsel and other expenses, the payment of which is contingent upon the issuance of the Series 2026A Bonds.

Highway Projects

The proceeds of the Series 2026A Bonds, net of the related costs of issuance, will be deposited in the Series 2026A Proceeds Account established by the NDOT and held by the State Treasurer in the Capital Improvement Fund (such account herein referred to as the "Construction Account") and applied to a portion of the costs of constructing, improving and completing the Highway 275 Project, and such other projects approved by the Commission in accordance with RRS Section 39-2704(2). The Capital Improvement Fund is created by the Build Nebraska Act, and the NDOT has created the Construction Account therein in accordance with the Build Nebraska Act. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS—Funds and Accounts—*Construction Account*."

**SOURCES OF PAYMENT AND SECURITY
FOR THE SERIES 2026A BONDS**

Legal Authority and Current Statutory Bond Authorization

The Series 2026A Bonds will be special obligations of the State and are being issued by the Commission pursuant to the Bond Act and the Indenture. Under the terms and provisions of the Bond Act, the Commission is authorized to issue bonds to be used, as determined by NDOT, to pay for construction of the expressway system and federally designated high priority corridors and to pay for surface transportation projects of the highest priority as determined by NDOT.

Under the Bond Act, the Commission is authorized to issue Additional Bonds secured on a parity with the Series 2026A Bonds, and any other Additional Bonds outstanding, provided that (a) at the time of issuance of such Additional Bonds, the Commission is not in default under the Indenture, (b) the aggregate principal amount of such Additional Bonds, the Series 2026A Bonds, and any other Additional Bonds previously issued under Section 39-2223(3) of the Bond Act does not exceed \$450,000,000, (c) the aggregate debt service requirements on such Additional Bonds and on all other Highway Improvement Bonds to be outstanding, in the calendar year in which such Additional Bonds are to be issued and in each calendar year thereafter until the scheduled maturity of such Additional Bonds, does not exceed fifty percent (50%) of the money deposited in the Capital Improvement Fund during the calendar year preceding the issuance of such Additional Bonds, (d)) the aggregate debt service requirements on the Series 2026A Bonds

and all Additional Bonds to be outstanding does not in any year exceed \$35,000,000, and (e) the maturity date of such Additional Bonds is not later than June 30, 2042.

In addition to the requirements of the Bond Act, the Indenture also contains conditions with respect to the issuance of Additional Bonds thereunder. See the sub-caption “Additional Bonds,” below.

Outstanding Bonds

The Prior Bonds were issued on February 13, 2025 in the principal amount of \$91,295,000 for the purpose of financing a portion of the Highway 275 Project and paying certain costs associated with the issuance of the Prior Bonds. The Prior Bonds are currently outstanding in the principal amount of \$91,295,000, payable on a parity with the Series 2026A Bonds and any Additional Bonds.

Expectations for Issuance of Additional Bonds

The Commission may issue additional Bonds under the Bond Act, in the aggregate amount, including the Prior Bonds and the Series 2026A Bonds, of up to \$450 million in total principal amount to finance the construction, improvement and completion of the Highway 275 Project and other projects approved by the Commission in accordance with the Build Nebraska Act. See “—Legal Authority and Current Statutory Bond Authorization,” above. The Commission has no current plans for additional bond issues beyond the Series 2026A Bonds.

Special Obligations

The Series 2026A Bonds and the interest thereon are not a general obligation of the State, the Commission or the NDOT, or a pledge of their faith and credit but are special obligations of the Commission payable solely and only from the funds on deposit and to be deposited in the Capital Improvement Fund in accordance with Section 39-2215.02(1) of the Bond Act and any other funds specifically pledged by the Commission for such purpose, and neither the members of the Commission nor any person executing the bonds shall be liable thereon. The Owners of the Series 2026A Bonds may not look to the general or any other fund of the State, the Commission or the NDOT for payment and the Series 2026A Bonds will not constitute indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation, nor can they be considered or held to be general obligations of the State, the Commission or the NDOT. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS.”

Deposits to the Capital Improvement Fund

Under Section 39-2215 of the Bond Act, the State Treasurer has been directed to credit monthly from highway user revenues in the State Highway Trust Fund, to the Capital Improvement Fund, an amount that is equal to a statutorily specified portion of the sales taxes (such portion being 85% of the amount generated from a sales tax rate of one-quarter of one percent), but in any event not less than seventy million dollars (\$70,000,000) annually (the “Specified Amount”). The Specified Amount of funds credited to the Capital Improvement Fund are to be derived only from revenue closely related to the use of highways, including, but not limited to, motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use retained by the state, all motor vehicle registration fees retained by the state other than those fees credited to the State Recreation Road Fund, and other highway-user taxes, fees, and penalties imposed by state law (the Specified Amount of funds credited to the Capital Improvement Fund are herein referred to as the “Revenues”).

Payments of principal of, premium, if any, and interest on all Series 2026A Bonds are payable solely and only from amounts on deposit or to be deposited to the Capital Improvement Fund. The Bond

Act authorizes and empowers the State Treasurer to disburse money in the Capital Improvement Fund as directed by resolution of the Commission. In accordance with the Resolution and the Bond Act, the Commission has directed the creation of a Debt Service Account, to be held in the Capital Improvement Fund, and that there be credited from the revenues directed to the Capital Improvement Fund to such Debt Service Account, not later than the second Business Day preceding the 15th calendar day of each month (or, if such day is not a Business Day, the preceding Business Day), (A) an amount equal to one-sixth (1/6th) of the amount of interest due on the next June 15 or December 15 interest Payment Date, as applicable, plus (B) an amount equal to one-twelfth (1/12th) of the amount of principal due on the next June 15 principal Payment Date (the Resolution further provides that the amounts of interest and principal that are to be credited monthly to the Debt Service Account are to be adjusted with respect to the first payment of interest on December 15, 2026 and the first payment of principal on June 15, 2027 to reflect the extended accrual periods). Further, pursuant to the Resolution the Commission has directed the payment of funds from the Debt Service Account of the Capital Improvement Fund to the Trustee, not less than two Business Days before each Payment Date, to be deposited by the Trustee in the Bond Fund, such amounts as shall be required to pay principal of, premium, if any, and interest on all Series 2026A Bonds. Information concerning the Capital Improvement Fund and the current sources of funding for the Capital Improvement Fund is set forth under “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND.”

Legislative Changes Affecting Revenues

There is no requirement that motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use retained by the state, motor vehicle registration fees retained by the state other than those fees credited to the State Recreation Road Fund, and other highway-user taxes, fees, and penalties imposed by state law will continue at their current levels or continue to be deposited or credited as they currently are. The Nebraska Legislature could reduce the amounts of these taxes and fees or direct their application elsewhere. The Nebraska Legislature has in the past and may in the future amend the laws relating to such taxes and fees and their application and may amend other laws which otherwise affect these taxes and fees. However, pursuant to Section 39-2216 of the Bond Act the Nebraska Legislature has irrevocably pledged and agreed that so long as Bonds remain outstanding and unpaid under the Bond Act, it will not repeal, diminish, or apply to any other purposes the motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use, motor vehicle registration fees, and such other highway-user taxes which may be imposed by state law and allocated to the Capital Improvement Fund if to do so would result in fifty percent (50%) of the amount deposited in the Capital Improvement Fund in each year to be less than the maximum annual principal and interest requirements of such Bonds. In addition, the State has covenanted in the Bond Act that the State Treasurer will credit certain amounts to the Capital Improvement Fund, in an amount of not less than seventy million dollars (\$70,000,000) annually, and that such funds are irrevocably pledged to the repayment of any Bonds outstanding.

Funds and Accounts

The Bond Act and the Indenture establish several funds and accounts which are held in the custody of either the State Treasurer or the Trustee. The funds and accounts are described in the following paragraphs.

Capital Improvement Fund. The State Highway Capital Improvement Fund is a fund within the State Treasury created by the Build Nebraska Act and referred to in the Bond Act. Under the Bond Act, the proceeds from the sale of any Highway Revenue Bonds issued, net of costs of issuance, capitalized interest, and necessary or appropriate reserve funds, are to be deposited in the Capital Improvement Fund for use pursuant to the Build Nebraska Act. As discussed in more detail under “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND,” a purpose of the Capital Improvement Fund is to act as a repository

for proceeds of bonds issued under the Build Nebraska Act and for amounts to be deposited into the fund pursuant to the Bond Act for repayment of such bonds.

The Bond Act authorizes and empowers the State Treasurer to disburse moneys from the Capital Improvement Fund, as directed by resolution of the Commission. Pursuant to the Resolution, the Commission has directed the State Treasurer to disburse funds from the Capital Improvement Fund to the Trustee, at least two Business Days before each Payment Date, for deposit in the Bond Fund, in the amounts necessary to pay debt service on the Series 2026A Bonds on each Payment Date. Disbursements from the Capital Improvement Fund are made upon warrants drawn by the Nebraska Director of Administrative Services. The Bond Act and the Indenture provide a pledge of the amounts deposited in and to be deposited in the Capital Improvement Fund to the payment of the principal, interest, and redemption premium, if any, of the Bonds as they mature and become due at maturity or prior redemption and are, as received by the State Treasurer, to be deposited directly in the Capital Improvement Fund for such purpose.

Construction Account. Pursuant to the Act, the Department has created the “Series 2026A Proceeds Account” (the “Construction Account” herein) in the Capital Improvement Fund, into which proceeds of the Series 2026A Bonds are to be deposited and applied to the payment of costs of the Project. Disbursements from the Construction Account for the costs of the Project are to be made by the State Treasurer upon warrants drawn by the Director of Administrative Services, acting for and at the direction of the NDOT on the Commission’s behalf.

Bond Fund. The Indenture establishes the Bond Fund, to be held by the Trustee and pledged to the repayment of the Series 2026A Bonds. In the Indenture, the Commission has covenanted that, for so long as any Series 2026A Bonds remain outstanding, it will deposit or cause to be deposited with the Trustee, two Business Days prior to each Payment Date, in immediately available funds, all amounts required for the payment of the principal of, premium, if any, and interest on the Bonds due on such Payment Date. Immediately upon receipt, the Trustee is required to deposit such amounts into the Bond Fund.

The Bond Fund is to be maintained by the Trustee as a separate trust fund and separate account statements with respect thereto are at all times to be kept and maintained. On each Payment Date, the Trustee is authorized and directed to withdraw and make available out of the Bond Fund a sufficient amount to pay the principal of, premium, if any, and interest on the Series 2026A Bonds, becoming due on such Payment Date, including Series 2026A Bonds redeemed pursuant to the redemption provisions of this Indenture.

Cost of Issuance Fund. The Indenture establishes a Cost of Issuance Fund, to be held by the Trustee as a separate fund under the Indenture. Upon the issuance of the Series 2026A Bonds, specified proceeds of such Bonds are to be deposited into the Cost of Issuance Fund and applied to the payment of expenses related to the issuance of the Series 2026A Bonds, including legal and accounting fees and expenses, financial advisors’ fees and expenses, printing costs, fees of bond rating agencies and initial fees, costs and expenses of the Trustee. Disbursements for payment of costs of issuance are to be made by the Trustee upon written request filed by the NDOT. Upon the payment or reimbursement of all costs of issuance of the Series 2026A Bonds, as certified by NDOT, any remaining proceeds or any investment earnings thereof remaining in the Cost of Issuance Fund are to be transferred by the Trustee to the Bond Fund.

Rebate Fund. The Indenture establishes a Series 2026A Rebate Fund, to be held by the Trustee as a separate fund under the Indenture. The Commission is to deposit in the Rebate Fund any amounts that are required to be deposited therein pursuant to the Tax Exemption Certificate and Agreement (the “Tax Agreement”) between the Commission and the Trustee. All money at any time deposited in the Rebate Fund is to be held by the Trustee in trust to satisfy any rebate liability (as specified in the Tax Agreement),

for payment to the United States of America, and neither the Commission nor the owner of any Bonds shall have any rights in or claim to such money on deposit in the Rebate Fund. All amounts deposited into or on deposit in the Rebate Fund is to be governed by the terms of the Indenture and the Tax Agreement. The Trustee will be in compliance with such provisions if it follows the directions of the Commission, or the NDOT on the Commission's behalf, including supplying all necessary information in the manner provided in the Tax Agreement, and is to have no liability or responsibility to enforce compliance by the Commission with the terms of the Tax Agreement.

Investment of Funds and Accounts. The Indenture provides that any moneys credited to any Fund or Account created by the Indenture and held by the Trustee are to be invested in any of the investments permitted by the Constitution and statutes of the State of Nebraska for funds of the Commission (and, in the case of the Rebate Fund, in compliance with the requirements of the Tax Agreement), upon the written direction of NDOT on behalf of the Commission. Under the Bond Act, the Construction Account, which is held by State Treasurer, is to be invested by or at the direction of the Nebraska State Investment Officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. All such investments are required to mature at such time and in such amounts so that funds will be available when required. Obligations purchased as an investment and held by the Trustee are to be held by or under the control of the Trustee and are deemed at all times part of the fund or account from which such funds are invested, and the interest accruing thereon and any profit realized from such investments is to be credited to such fund or account, and any loss resulting from such investments shall be charged to such fund or account.

The Trustee shall only be responsible for investing amounts held by it. In the absence of a written order of investment of amounts held by the Trustee, such amounts are to be held uninvested in cash, without liability for interest.

The Trustee is entitled to rely on all written investment instructions provided by the Commission, or the NDOT on the Commission's behalf, and has no duty to monitor the compliance thereof with the restrictions set forth in the Indenture. The Trustee is assigned no responsibility or liability for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any investment made in accordance with the written instructions of the Commission or the NDOT on the Commission's behalf.

Additional Bonds

The Indenture provides for the issuance of Highway Revenue Bonds in addition to the Series 2026A Bonds thereunder ("Additional Bonds"). Such Additional Bonds would be issued on a parity with the Prior Bonds and the Series 2026A Bonds, having a status and rank equal to the Prior Bonds and the Series 2026A Bonds. The Commission may issue such Additional Bonds pursuant to a Supplemental Indenture, providing for interest rates and other characteristics that are to be fixed and determined by the Commission, subject to satisfaction of the following conditions:

- (a) the Commission is not then in default under the Indenture;
- (b) the Commission has determined and confirmed to the Trustee that the aggregate principal amount of Highway Revenue Bonds issued under Section 39-2223(3) of the Bond Act, including the principal amount of such series of Additional Bonds, does not exceed \$450,000,000;
- (c) the Commission has determined and confirmed to the Trustee that the annual aggregate principal and interest requirements on such Additional Bonds and on all other Highway Revenue Bonds previously issued and to be outstanding, in the calendar year in which such series

of Additional Bonds are to be issued and in each calendar year thereafter until the scheduled maturity of such Additional Bonds, does not exceed fifty percent (50%) of the money that has been deposited in the Capital Improvement Fund during the calendar year preceding the issuance of such series of Additional Bonds;

(d) the Commission has determined and confirmed to the Trustee that the maximum annual debt service on all Highway Revenue Bonds Outstanding, including the annual debt service on such series of Additional Bonds, in the calendar year in which such series of Additional Bonds are to be issued and in each calendar year thereafter until the scheduled maturity of such Additional Bonds, does not exceed \$35,000,000;

(e) the latest maturity date of such series of Additional Bonds is not later than June 30, 2042; and

(f) such series of Additional Bonds is issued not later than June 30, 2029, or such other date as may be authorized by State law.

Each series of Additional Bonds is to be equally and ratably secured under the Indenture with the Series 2026A Bonds, the Prior Bonds and all other Additional Bonds issued pursuant to the Indenture, without preference, priority or distinction of any Highway Revenue Bond over any other Highway Revenue Bond.

See “INTRODUCTION—Statutory Authorization; Additional Bonds” for further discussion of the requirements of the Act for the issuance of Additional Bonds.

Refunding Bonds

Refunding Bonds may be issued under the Indenture, bearing interest and such other terms and conditions as the Commission may determine, subject to compliance with each of the following requirements:

(a) the Commission is not then in default under the Indenture, or the default will be cured immediately after issuance of the Refunding Bonds;

(b) in the event the aggregate principal amount of Highway Revenue Bonds issued under Section 39-2223(3) of the Bond Act, including the principal amount of such Refunding Bonds, exceeds \$450,000,000, the Commission has determined and confirmed to the Trustee that the issuance of such Refunding Bonds in a principal amount greater than the Highway Revenue Bonds to be refunded will reduce the aggregate bond principal and interest requirements payable from the Capital Improvement Fund;

(c) the issuance of the Refunding Bonds will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes; and

(d) the proceeds of the Refunding Bonds will be applied in such manner that each series of Highway Revenue Bonds being refunded are no longer Outstanding under the Indenture after issuance of the Refunding Bonds.

Any Refunding Bonds issued under the Indenture will bear interest and be on such other terms and conditions as shall be determined by the Commission and shall have rank and status equal to the Series 2026A Bonds and any Additional Bonds.

Covenant to Fund Capital Improvement Fund

Pursuant to the Bond Act, the Nebraska Legislature has irrevocably pledged and agreed with the holders of Highway Revenue Bonds issued under the Bond Act that, so long as such bonds remain outstanding and unpaid, it will not repeal, diminish, or apply to any other purposes the motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use, motor vehicle registration fees, and such other highway-user taxes which may be imposed by State law and allocated to the Capital Improvement Fund if to do so would result in fifty percent (50%) of the amount deposited in the Capital Improvement Fund in each year to be less than an amount equal to the maximum annual principal and interest requirements of such bonds. In addition, the State has covenanted in the Bond Act that the State Treasurer will credit certain amounts to the Capital Improvement Fund, in an amount of not less than seventy million dollars (\$70,000,000) annually, and that such funds are irrevocably pledged to the repayment of any Bonds outstanding.

THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND

General

The State Highway Capital Improvement Fund was established with enactment of the Build Nebraska Act in 2011 and codified at RRS Section 39-2703. Under current law, there is credited to the Capital Improvement Fund, from revenues closely related to the use of highways, an amount that is equal to a statutorily specified portion of the sales taxes (such portion being 85% of the amount generated from a sales tax rate of one-quarter percent), but in any event not less than seventy million dollars (\$70,000,000) annually through June 30, 2042.

The Build Nebraska Act is a significant piece of legislation aimed at enhancing the State's transportation infrastructure by providing a dedicated revenue source for road and bridge projects. While the dollar amount to be directed to the Capital Improvement Fund is based on a percentage of the general state sales tax receipts, the actual moneys currently credited to the Capital Improvement Fund are derived primarily from the following highway user revenue sources: (a) motor vehicle fuel taxes, (b) diesel fuel taxes, (c) compressed fuel taxes, (d) alternative fuel fees related to highway use retained by the State, (e) all motor vehicle registration fees retained by the State other than those fees credited to the State Recreation Road Fund, and (f) other highway-user taxes, fees, and penalties imposed by State law. The Build Nebraska Act established a framework for directing these highway user revenues to the expansion and construction of the Nebraska Expressway system, for federally designated high priority corridors and other surface transportation projects of the highest priority as designated by NDOT.

The Build Nebraska Act has significantly increased the available funding for transportation projects allowing NDOT to undertake various critical initiatives that might not be possible with the traditional funding sources that existed prior to the Build Nebraska Act.

NDOT has implemented processes to segregate proceeds of Highway Revenue Bonds for application to the planning, engineering, construction and development of highway projects in accordance with the Build Nebraska Act. The Capital Improvement Fund is also used as the account into which the revenue sources described above are to be deposited for the repayment of Highway Revenue Bonds, including the Series 2026A Bonds.

Basis of Projections

The NDOT regularly prepares and updates projections and estimates concerning the Revenues expected to be available to the Capital Improvement Fund and the expenditures of the NDOT from the

Capital Improvement Fund. As part of this process, the NDOT reviews and conducts a thorough analysis of prior and ongoing revenues and expenditures, taking into account economic trends, inflation rates, and other factors and providing a detailed estimate of projected expenditures, from the inception of a project through completion.

The NDOT employs a number of estimation techniques when projecting its various revenue sources. These techniques involve tracking data and using trend analysis on the consumption of taxable gallons of motor fuels, motor vehicle registration data from the Nebraska Department of Motor Vehicles and collaborating with the Nebraska Department of Revenue on sales of new and used motor vehicles, trailers and semi-trailers. With respect to the amount of revenue to be directed to the Capital Improvement Fund pursuant to the Build Nebraska Act, which is based on a percentage of general state sales tax receipts, NDOT relies on information made available by economists and researchers from the Nebraska Department of Revenue in making such projections.

Neither the NDOT, the Nebraska Auditor of Public Accounts Office nor other independent auditors or accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

See “INVESTMENT CONSIDERATIONS—Forward Looking Statements” herein.

Sources of Funds in Capital Improvement Fund

While the amount of funds to be directed to the Capital Improvement Fund is based on a percentage of the general state sales tax receipts, the actual moneys credited to the Capital Improvement Fund are derived primarily from the following highway user revenue sources: (a) motor vehicle fuel taxes, (b) diesel fuel taxes, (c) compressed fuel taxes, (d) alternative fuel fees related to highway use retained by the State, (e) all motor vehicle registration fees retained by the State other than those fees credited to the State Recreation Road Fund, and (f) other highway-user taxes, fees, and penalties imposed by State law.

A description of the basis of the NDOT’s estimates is set forth under “Basis of Projections” hereinabove.

The table set forth immediately below presents the total of the various sources of highway user revenues available for credit to the Capital Improvement Fund in each of the Fiscal Years from July 1, 2021 through June 30, 2025. Each of the highway user revenues is described in the paragraphs following the table.

**STATE HIGHWAY USER REVENUES AVAILABLE FOR CREDIT TO CAPITAL
IMPROVEMENT FUND
Statement of Receipts
(Dollars in Thousands)**

	<u>FY</u> <u>2021</u>	<u>FY</u> <u>2022</u>	<u>FY</u> <u>2023</u>	<u>FY</u> <u>2024</u>	<u>FY</u> <u>2025</u>
Receipts					
Motor Fuel Tax	\$180,452	\$155,240	\$145,729	\$165,745	\$170,049
Diesel Fuel Tax	104,321	87,993	80,675	92,673	93,722
Registrations	46,481	41,731	49,143	51,571	48,900
Other State Receipts	<u>11,319</u>	<u>12,290</u>	<u>12,784</u>	<u>12,253</u>	<u>13,751</u>
Total Receipts	\$342,573	\$297,254	\$288,331	\$322,242	\$326,422

Source: NDOT Annual Financial Reports

Motor Fuel Tax and Special Fuel Tax: The receipts in each month represent taxes on sales of motor fuel in the preceding month.

Fixed Tax: Beginning July 1, 2009, a 10.3¢ fixed tax is distributed 7.5¢ to the Nebraska Department of Transportation (NDOT) and 1.4¢ to each of the city and county in which the related sale occurred.

Incremental Fixed Tax: Effective January 1, 2016, the fixed tax increased 1 ½¢ each year thru 2019. One-third of this cumulative 6¢ increase is distributed to the NDOT and to each of the city and county in which the related sale occurred.

Variable Tax: The NDOT receives the revenue generated from the variable excise tax, which is adjusted semi-annually, and is computed by applying a variable rate determined by the NDOT, multiplied by the average price of motor fuel purchased by State government. The variable rate is determined so that the estimated Highway Cash Fund revenues for the fiscal year are within a statutory range of the Highway Cash Fund appropriation. The variable rate established by NDOT for FY26 is 3.3 cents for the period of July through December 2025, and 3.6 cents for January through June 2026. The average variable rate for FY26 is 3.45 cents.

Wholesale Tax: A 5% tax is applied to the average wholesale price of gasoline for the most current six-month data as reported by the Nebraska Department of Environment and Energy on April 1 and October 1 of each year. The tax is distributed 66% to the NDOT and 17% to each of the city and county in which the related sale occurred.

Motor Vehicle Registration and Other Registration Fees: The NDOT receives 53⅓% of the fees collected from the registration of all non-exempt vehicles licensed for operation on public roads within the State of Nebraska. These fees include Motor Vehicle Registration and related fees (including Fleet Proration Fees, Transporter Plate Fees, Repossession Plate Fees, Antique Car Licenses, Service Fee for Semi-Annual Truck Registrations, Demonstration Permits, and License Plate Fees).

Other State Receipts: These receipts include excess limit permits, highway overload fines, interest from invested funds, sale of surplus property and motor fuels to other State agencies, rentals, special motor vehicle fees and permits, and miscellaneous fees and permits.

Under current law, there is credited to the Capital Improvement Fund, from the amounts described in the preceding table, an amount that is equal to a statutorily specified portion of the sales taxes (such portion being 85% of the amount generated from a sales tax rate of one-quarter of one percent), but in any event not less than seventy million dollars (\$70,000,000) annually through June 30, 2042. The table set forth immediately below presents the amounts of revenues that have been and are projected to be directed to the Capital Improvement Fund under such formulation in each of the Fiscal Years from July 1, 2013 through and including June 30, 2030.

**DEPOSITS TO
CAPITAL IMPROVEMENT FUND¹**

<u>Fiscal Year</u>	<u>Actual/Projected Revenues²</u>
2014	\$ 51,004,451
2015	63,244,854
2016	63,160,841
2017	63,740,576
2018	65,560,855
2019	67,170,978
2020	74,784,168
2021	80,972,984
2022	88,752,387
2023	97,074,202
2024	102,942,924
2025	106,022,452
2026	109,799,000
2027	106,823,000
2028	109,417,000
2029	112,240,000
2030	116,126,400

Source: NDOT Annual Financial Reports and Nebraska Department of Revenue.

¹ Amounts shown represent highway user revenues equivalent to eighty-five percent of one-quarter of one percent of the State general sales tax rate and deposited to the Capital Improvement Fund, together with interest earnings thereon.

² Fiscal years 2014 through 2025 are actual revenues and fiscal years 2026 through 2030 are projected revenues.

REVENUES AND DEBT SERVICE COVERAGE

Capital Improvement Fund Revenues

The Series 2026A Bonds are payable from revenues deposited and to be deposited in the Capital Improvement Fund. The current sources of revenues deposited into the Capital Improvement Fund as well as historical information and future estimates concerning receipt of Revenues are described under “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND.”

Estimated Revenues

The Nebraska Department of Revenue has provided NDOT with estimates of amounts to be credited or transferred to the Capital Improvement Fund in each of the Fiscal Years ending June 30, 2026 through 2030. Such estimates are set forth in the table appearing earlier in this Official Statement entitled “DEPOSITS TO CAPITAL IMPROVEMENT FUND.” A description of the basis for such estimates is set forth above under “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND—Basis of Projections.” THE ACTUAL REVENUES THAT WILL BE DEPOSITED IN THE CAPITAL IMPROVEMENT FUND MAY VARY FROM THE ESTIMATES BECAUSE OF FLUCTUATING ECONOMIC CONDITIONS, CHANGES IN LAW AND OTHER VARIABLES AFFECTING REVENUE SOURCES AND GROWTH. SUCH VARIATIONS COULD BE MATERIAL.

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Annual Debt Service

The annual debt service payments (calculated as described in footnote 1 below) for the Series 2026A Bonds (described under “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS—Outstanding Bonds” herein) are set forth in the following table.

ANNUAL DEBT SERVICE
(Columns may not add due to rounding)

Fiscal Year Ending June 30*	Prior Bonds	Series 2026A Principal*	Series 2026A Interest*	Total Debt Service*
2026	\$ 8,072,780	\$ -	\$ -	\$ 8,072,780
2027	8,074,200	1,790,000	4,492,235	14,356,435
2028	8,075,700	3,020,000	3,258,750	14,354,450
2029	8,072,700	3,170,000	3,107,750	14,350,450
2030	8,074,950	3,330,000	2,949,250	14,354,200
2031	8,076,700	3,495,000	2,782,750	14,354,450
2032	8,077,450	3,670,000	2,608,000	14,355,450
2033	8,076,700	3,855,000	2,424,500	14,356,200
2034	8,073,950	4,050,000	2,231,750	14,355,700
2035	8,073,700	4,250,000	2,029,250	14,352,950
2036	8,075,200	4,465,000	1,816,750	14,356,950
2037	8,072,700	4,685,000	1,593,500	14,351,200
2038	8,075,700	4,920,000	1,359,250	14,354,950
2039	8,073,200	5,165,000	1,113,250	14,351,450
2040	8,074,700	5,425,000	855,000	14,354,700
2041	8,074,200	5,695,000	583,750	14,352,950
2042	<u>8,075,600</u>	<u>5,980,000</u>	<u>299,000</u>	<u>14,354,600</u>
Total	<u>\$137,270,130</u>	<u>\$66,965,000</u>	<u>\$33,504,735</u>	<u>\$237,739,865</u>

* Preliminary; subject to change.

¹ Debt service on the Series 2026A Bonds is calculated assuming a true interest cost of approximately 3.50% per annum.

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Projected Debt Service Coverage

On the basis of the aggregate annual debt service payments for the Prior Bonds and the Series 2026A Bonds, as set forth under “Combined Annual Debt Service” below, payable from the Capital Improvement Fund during Fiscal Years 2026 through 2030 and the estimates of Revenues deposited in or transferred to the Capital Improvement Fund (see “THE CAPITAL IMPROVEMENT FUND” herein), the following table shows the Commission’s projected debt service coverage:

PROJECTED DEBT SERVICE COVERAGE *

<u>Fiscal Year</u>	<u>Estimated Revenues</u> ¹	<u>Combined Annual Debt Service</u> ²	<u>Projected Debt Service Coverage Multiple</u>
2026	\$109,799,000	\$8,100,000	13.6
2027	106,823,000	14,400,000	7.4
2028	109,417,000	14,400,000	7.6
2029	112,240,000	14,400,000	7.8
2030	116,126,400	14,400,000	8.1

* Preliminary; subject to change.

¹ Projected amount of highway user revenues equivalent to 85% of ¼ of one percent of the general state sales tax rate as forecasted by the Nebraska Department of Revenue, together with projected interest earnings thereon.

² Annual debt service payments include the combined projected annual debt service payments for the Prior Bonds and the Series 2026A Bonds at an assumed true interest cost of 3.50%. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS” herein. Under the Bond Act, debt service for the Series 2026A Bonds and all Additional Bonds cannot exceed \$35,000,000 in any year.

See “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND—Basis of Projections” herein.

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Projected Debt Service Coverage Using “State Highway User Revenues Available for Credit to the Capital Improvement Fund”

On the basis of the aggregate annual debt service payments for the Prior Bonds and the Series 2026A Bonds, as set forth under “Combined Annual Debt Service,” below, using the “State Highway User Revenues Available for Credit to the Capital Improvement Fund” as described on Pages 13 and 14 hereof during Fiscal Years 2026 through 2030 and the NDOT’s estimates of Revenues Available to be credited to the Capital Improvement Fund (see “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND” herein), the following table shows the Commission’s projected debt service coverage:

PROJECTED DEBT SERVICE COVERAGE *

Fiscal Year	Estimated Revenues ¹	Combined Annual Debt Service²	Projected Debt Service Coverage Multiple
2026	\$359,101,000	\$8,100,000	44.3
2027	368,114,000	14,400,000	25.6
2028	364,823,000	14,400,000	25.3
2029	358,560,000	14,400,000	24.9
2030	362,571,000	14,400,000	25.2

* Preliminary; subject to change.

¹ Projected amount of highway user revenues as forecasted by the Nebraska Department of Transportation that are available for deposit to the Capital Improvement Fund in an amount equivalent to eighty-five percent of one-quarter of one percent of the State sales tax rate.

² Annual debt service payments include the combined projected annual debt service payments for the Prior Bonds and the Series 2026A Bonds at an assumed true interest cost of 3.50%. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS—Expectations for Issuance of Additional Bonds” herein. Under the Bond Act, debt service for the Series 2026A Bonds and all Additional Bonds cannot exceed \$35,000,000 in any year.

See “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND—Basis of Projections” herein.

NEBRASKA DEPARTMENT OF TRANSPORTATION

History of Department

The 1895 Legislature established the State Board of Irrigation, which was changed to the State Board of Irrigation, Highways and Drainage in 1911. In 1919, this board then became the Department of Public Works and included the Bureau of Roads and Bridges, the Bureau of Irrigation, Water Power and Drainage and the Motor Vehicle Records Division. The department became the Department of Roads and Irrigation in 1933 and in 1957, the Legislature changed its name to Department of Roads and transferred the other functions to the Department of Motor Vehicles and the Department of Water Resources. The Nebraska State Patrol became part of the Department of Roads in 1937, but was established a separate agency in 1982. In 2017, the Department of Aeronautics merged with the Department of Roads to become the current Nebraska Department of Transportation.

Responsibilities of Department

The Nebraska Department of Transportation is the state agency responsible for highway, bridge, public transit and other surface transportation programs, as well as for aeronautics within the State. The NDOT’s duties include planning, design, construction, maintenance, operations and federal program administration relating to transportation within the State. The NDOT’s mission is to, “provide the best possible statewide transportation system for the movement of people and goods.”

The goals of the NDOT are to preserve the billions of dollars Nebraskans have invested in their State highway system, making the highways safe and efficient, and accomplishing this in a timely and cost-effective manner.

NDOT oversees and maintains an infrastructure network which includes nearly 10,000 miles of public roads and more than 3,500 bridges. The state highway system carries 63.5 percent of all vehicle miles traveled in the State. Municipal streets carry 25.6 percent, and the county road network carries 10.9 percent. Also, about 83.7 percent of heavy truck travel in Nebraska is on the State highway system.

NDOT Sources of Revenues

The NDOT uses a pavement management system to evaluate all State highway pavements. Each section of highway is inspected and rated annually based on smoothness and the amount of cracking, rutting or faulting. These ratings are used to determine the timing of projects and type of work necessary to keep the highway system in good repair. With pavement having a life span ranging from 15 to 30 years, the NDOT will have to resurface 500 miles per year to keep the highway system in good condition.

The NDOT's surface transportation program is funded by highway user taxes and fees and other resources provided to it pursuant to statute. The three major traditional sources of revenue are (1) motor fuel tax, (2) motor vehicle registrations and related fees, and (3) sales tax on new and used motor vehicles, trailers and semi-trailers. Nebraska's major highway user revenue is shared among the NDOT and counties and cities.

In addition to revenues from the above-mentioned highway user taxes and fees, under the Build Nebraska Act, the NDOT's funding includes revenue from $\frac{1}{4}$ of 1% of the general state sales tax rate, of which 85% is available to the NDOT and the other 15% is allocated to counties and cities.

The Transportation Innovation Act (TIA), enacted in April 2016, provided the NDOT with additional programs and tools to increase mobility, freight, economic growth and safety in Nebraska and directed the application of the additional motor fuel tax revenues generated by Laws 2015, LB 610 to these new programs. The purpose of TIA is to accelerate highway capital improvement, promote innovative solutions for deficient county bridges, and help fund transportation improvements that connect new and growing businesses.

The NDOT also receives federal funding to support its surface transportation program. These represent a portion of the federal funds distributed to each State and are derived from user revenues paid into the Federal Highway Trust Fund. Funding is provided to the states through an annual appropriation process which is distributed by means of formula allocations as defined by law. The levels of Federal Surface Transportation funds are typically set for the duration of the 5-year highway authorization bills. In addition, the NDOT occasionally is awarded federal discretionary funds, which are either project-specific awards from competitive programs or congressionally directed spending in the annual appropriations. See "FEDERAL TRANSPORTATION LEGISLATION" herein.

The NDOT's surface transportation receipts for State fiscal years 2021 through 2025 were as follows:

	Year Ended June 30, 2021	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2024	Year Ended June 30, 2025
	(\$ Thousands)				
Motor Fuel Taxes	\$284,773	\$243,233	\$226,404	\$255,844	\$263,771
Motor Vehicle/Prorate Registrations	46,481	41,731	49,143	51,571	48,900
Sales Tax Motor Vehicles	157,940	158,819	171,141	178,672	177,823
All Other Revenue	11,319	12,290	12,784	12,254	13,751
Subtotal Highway Cash Fund	\$500,512	\$456,072	\$459,472	\$498,340	\$504,245
Incremental Tax Transfer to TIB	(26,557)	(28,595)	(27,582)	(28,143)	(28,402)
Subtotal Roads Operations Cash Fund	\$473,956	\$427,478	\$431,890	\$470,198	\$475,844
BNA/State Highway Capital Improvement Fund	80,973	88,752	97,074	102,943	106,022
Transportation Infrastructure Bank (TIB)	27,421	29,333	28,628	29,121	29,851
Other State Receipts	7,213	6,985	7,139	7,084	7,058
Total State Receipts	\$589,563	\$552,548	\$564,731	\$609,345	\$618,775
Federal Receipts	480,060	488,369	485,582	568,353	610,366
Local Receipts	32,926	39,177	35,879	39,889	25,486
Other sources	8,164	5,767	4,546	4,686	6,129
Total Department Receipts	\$1,110,713	\$1,085,861	\$1,090,737	\$1,222,273	\$1,260,756

The NDOT's surface transportation program is undertaken utilizing the following governmental funds:

Highway Cash Fund. Established by RRS Section 66-4,100, this fund receives State revenue transferred to the NDOT from the Highway Trust Fund, including funds generated by the motor and diesel fuel taxes, motor vehicle registration and related fees, along with sales tax revenue from motor vehicles. These funds are then transferred to the NDOT's Roads Operations Cash Fund up to the limit as established by the Legislature.

Roads Operations Cash Fund. This fund is established by RRS Section 66-4,100 in order to effectively implement the provisions of the variable excise tax. The fund is the collection point for all monies which are not directed by the Legislature to other fund accounts, including all federal and local reimbursements. This fund also acts as the recipient of the State funds transferred from the Highway Cash Fund and as a focal point for most highway expenditures.

State Highway Capital Improvement Fund. Established by RRS Section 39-2703, this fund receives revenues closely related to the use of highways (i.e. highway user revenues). Revenues, in an amount that is equal to the revenue generated by 85% of one quarter of one percent of the State General Fund annual sales tax rate, are deposited in this fund annually through June 30, 2042. At least seventy five percent of this fund is to be used for the construction of the expressway system and federally designated high priority corridors. The remaining amounts deposited to this fund are to be used for surface transportation projects of the highest priority as determined by the NDOT.

Transportation Infrastructure Bank (TIB) Fund. Established by RRS Section 39-2803, the additional fuel tax revenues generated by Laws 2015, LB 610 for the period July 1, 2016 through June 30, 2033 are to be deposited in this fund. The State Treasurer was also directed to transfer \$50 million from the State's Cash Reserve Fund to this fund in July 2016. Amounts held in this fund are to be used for three specific programs: Accelerated State Highway Capital Improvement Program, County Bridge Match Program, and Economic Opportunity Program.

Grade Separation Fund. Effective April 1, 1984, RRS Section 74-1320 established a 7.5¢ tax per train mile, levied on all train miles traveled in the State, plus a tax of \$100 annually on all public grade crossings within the State. A train mile is defined as each mile traveled by a train within the State, regardless of the number of cars in such train. Quarterly payments are due on the first day of each calendar quarter. These funds are used for the construction of rail and highway grade separations.

Grade Crossing Protection Fund. The Grade Crossing Protection Fund is established by RRS Section 74-1317 and RRS Section 39-2215 provides for the monthly transfer of \$30,000 from the Highway Trust Fund to the Grade Crossing Protection Fund. These funds provide the State's 95% share of the non-Federal cost of construction and installation of automatic crossing protection devices on all classes of roadways. The participating political subdivision is required to finance the balance of the cost, except in a county where a railroad transportation safety district has been formed, in which case the balance is borne entirely by the railroad transportation safety district involved. Projects are generally funded from Federal Funds, State Funds, and political subdivisions. Any political subdivision, which eliminates a crossing by closing the street or highway, will be paid \$5,000 plus the actual costs of the closing not to exceed \$12,000 from the Grade Crossing Protection Fund. In addition, the political subdivision is paid \$5,000 from the responsible railroad. Any political subdivision, which eliminates a crossing by removal of the rail, will be paid \$2,000 or the actual cost, not to exceed \$12,000, from the Grade Crossing Protection Fund.

Recreation Road Fund. The Recreation Road program, established by RRS Section 39-1390, reflects the use of \$1.50 of each motor vehicle registration fee, in accordance with RRS Section 60-302, for construction and maintenance (when not provided for by others) of dustless surface roads designated as State Recreation Roads.

State Aid Bridge Fund. The State Aid Bridge Fund, established by RRS Section 39-846, provides a program of State aid for the replacement of county bridges. The State Aid Bridge Fund receives \$64,000 per month from the Highway Trust Fund, 50% from the NDOT's share and 50% from the related counties' share, which is proportional from each county based on the lineal feet of bridges twenty feet or more in length and all overpasses in each county. When Federal-aid Bridge Replacement funds are available, bridge replacement projects are funded from federal funds, county funds and the State Aid Bridge Fund. After all Federal-aid Bridge Replacement funds have been utilized, funding distribution may vary based on availability of funds.

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The NDOT's surface transportation for State fiscal years 2021 through 2025 were as follows:

STATE HIGHWAY FUNDS 2270 & 2271					
STATEMENT OF RECEIPTS, EXPENDITURES, AND					
CHANGES IN FUND BALANCES					
(DOLLARS IN THOUSANDS)					
	FY	FY	FY	FY	FY
	2021	2022	2023	2024	2025
Receipts					
Motor Fuel Tax	180,452	155,240	145,729	165,745	170,049
Diesel Fuel Tax	104,321	87,993	80,675	92,673	93,722
Registrations	46,481	41,731	49,143	51,571	48,900
Sales Tax on Motor Vehicles	157,940	158,819	171,141	178,672	177,823
Other State Receipts	11,319	12,290	12,784	12,253	13,751
Sub-Total State Receipts	\$ 500,513	\$ 456,073	\$ 459,472	\$ 500,914	\$ 504,245
Federal = State system	379,179	366,307	480,470	456,693	429,436
Federal = Local system	64,690	63,517	45,280	68,854	66,890
Federal Transit	20,321	16,455	15,543	16,419	28,469
Counties, Cities, & Others	41,090	44,944	40,425	44,575	31,615
Rec Road / Grade Xing / St Aid Bridge (Inter-fund Transfer)	8,415	4,725	5,757	7,084	12,030
State Highway Capital Improvement Fund (Inter-fund Transfer)	(3,245)	56,775	102,626	102,943	109,796
State Transportation Infrastructure Bank (Inter-Fund Transfer)	48,760	20,992	39,925	29,121	16,433
State Patrol Carrier Enforcement Transfer Out	(9,216)	(9,073)	(10,006)	(9,365)	(11,806)
General Fund Transfer *	-	-	32,000	33,000	35,000
Total Receipts	\$ 1,050,507	\$ 1,020,715	\$ 1,211,492	\$ 1,250,238	\$ 1,222,108
Expenditures:					
Administration	22,259	22,899	22,082	25,470	28,036
Supportive Services	36,263	39,162	33,806	41,210	38,935
Capital Facilities	5,064	6,347	6,979	13,698	9,972
Highway Maintenance	159,480	144,446	167,275	204,933	189,050
Construction = Support & Research	21,452	19,455	25,694	26,147	30,665
Sub Total Non-Construction	\$ 244,538	\$ 232,309	\$ 255,836	\$ 311,458	\$ 296,658
State Highway System Construction:					
State System	527,359	594,839	762,326	729,621	794,804
Planning & Non-Program projects	84,532	79,316	91,855	96,484	101,711
Sub Total Construction	\$ 611,891	\$ 674,155	\$ 854,181	\$ 826,105	\$ 896,515
TOTAL STATE HIGHWAY EXPENDITURES	\$ 856,429	\$ 906,464	\$ 1,110,017	\$ 1,137,563	\$ 1,193,173
Local System					
Local System	88,792	82,314	52,624	81,262	80,918
MPO	2,227	2,216	2,733	2,788	2,844
Public Transit	29,139	21,117	23,791	21,229	36,159
TOTAL LOCAL ROADWAY EXPENDITURES	\$ 120,158	\$ 105,647	\$ 79,148	\$ 105,279	\$ 119,921
Total Expenditures	\$ 976,586	\$ 1,012,110	\$ 1,189,164	\$ 1,242,841	\$ 1,313,094
Receipts Over (Under) Expenditures	73,921	8,605	22,328	7,397	(90,986)
Fund Balance June 30	\$ 223,113	\$ 231,718	\$ 254,046	\$ 261,443	\$ 170,457

¹ This table reflects information contained in the NDOT Annual Financial Reports for the respective years and displays the multi-year cashflow of the NDOT Road Operations Cash Fund and does not include the moneys directed to the State Highway Capital Improvement Fund.

The NDOT also administers the Nebraska Public Transit program under the Nebraska Public Transportation Act, RRS Section 13-1201 *et seq.* The NDOT's Local Assistance Division is responsible for coordinating public transportation activities in Nebraska's 93 counties and provides technical assistance as requested. The NDOT receives money from the Federal Transit Administration and State transportation funds to fulfill requirements set forth in the Nebraska Public Transportation Act.

In addition to these surface transportation responsibilities, the NDOT has responsibility over or partnership with the following:

Aeronautics Division. The Aeronautics Division (the “Division”) reports directly to the NDOT Director and is responsible for general supervision over aeronautics within Nebraska. The goals of the Division are to encourage, foster, and assist in the development of aeronautics and encourage the establishment of airports and other air navigation facilities. In such role, the Division supervises the acquisition, engineering, construction, improvement, and maintenance of airports, which are funded with State funds.

Broadband Office. While not under the direct leadership of the Director of the NDOT, the NDOT provides financial and administrative support to the Nebraska Broadband Office. The Nebraska Broadband Office collaborates with all stakeholders impacted by broadband development and administers the federal Broadband Equity, Access, and Deployment Program along with the Digital Equity Program. Under the direction of the Director of the Broadband Department, the staff includes the Deputy Broadband Director, External Affairs Manager supported by the Outreach Coordination and Administration Program Analyst, and the Grant and Budget Administrator supported by the Broadband Grant Analyst, Broadband Grant Manager, and Broadband Budget Manager.

The NDOT’s budgeted expenditures for fiscal year 2025 are approximately \$191 million for its maintenance program (e.g. fleet, patching, snow removal, striping, etc.), over \$1 billion for its construction program (e.g. preservation/construction/reconstruction/resurfacing), approximately \$44.6 million for support services, approximately \$23.8 million for administration, approximately \$3.9 million for public transportation, approximately \$10.0 million for capital facilities and approximately 31.0 million for other program initiatives (such as aeronautics).

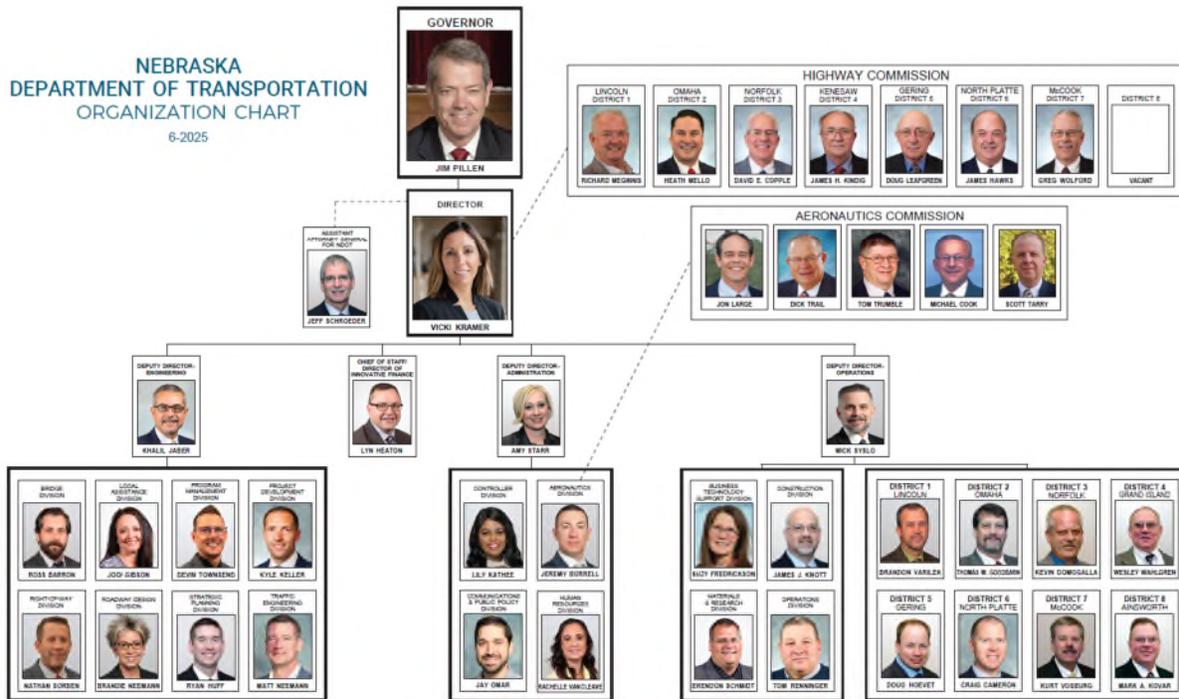
Organization of the NDOT

The Director of the NDOT serves as its Chief Executive Officer. The Director is appointed by the Governor and approved by the Nebraska Legislature. Directly responsible to the Director are the Deputy Director – Engineering, the Deputy Director – Operations, the Deputy Director – Administration, the Chief of Staff/Director of Innovative Finance, and the Assistant Attorney General and Chief Counsel.

The Chief Counsel leads the Legal Division. The Legal Division, which is the Transportation Section of the Nebraska Attorney General’s Office, provides for all legal representation for the department in all actions and legal proceedings and serves as agency legal counsel for all department legal business.

The NDOT includes the following 16 divisions: Aeronautics, Bridge, Business Technology Support, Communications, Construction, Controller, Human Resources, Local Assistance, Materials and Research, Operations, Project Development, Program Management, Right of Way, Roadway Design, Strategic Planning and Traffic Engineering, each led by a Division Head. The NDOT also has eight field districts, each led by a District Engineer, responsible for administering the construction and maintenance activities taking place within the respective district boundaries. The following is the NDOT’s current organizational chart:

NEBRASKA
DEPARTMENT OF TRANSPORTATION
ORGANIZATION CHART
6-2025



A brief description of each of NDOT’s 16 divisions is as follows:

Aeronautics Division. The Aeronautics Division is responsible for general supervision over aeronautics within the State of Nebraska. This includes fostering and assisting in the development of aeronautics and encouraging the establishment of airports and other air navigation facilities. The Division also supervises acquisition, engineering, construction, improvement, or maintenance of airports that are funded with State Funds.

Bridge Division. The Bridge Division is composed of seven sections—bridge design, hydrology and hydraulics, in-service bridges, bridge inventory and data, bridge management, and research—is responsible for managing all bridges on Nebraska’s state highway system. This includes overseeing the statewide National Bridge Inspection Program, conducting inspections, and providing load ratings to ensure safety and compliance. The division prepares comprehensive bridge plans, performs hydrologic and hydraulic studies for bridge sites, and maintains an updated bridge inventory across the state. Additionally, it determines the scope for bridge preservation or improvements, coordinates bridge-related research, and reviews the work of bridge consultants. The division also operates the Department’s Bridge Management System, provides bridge engineering policies, offers guidance to other divisions and districts on structural issues, and supports emergency responses concerning bridge impacts.

Business Technology Support Division. The Business Technology Support Division consists of technical services and project management. The Division provides IT support across the department. Key responsibilities include data processing, LAN services, IT inventory management, and technical assistance for essential systems like AASHTOWare project, MicroStation, OnBase, and GIS. The division oversees help desk support, hardware and software procurement, and liaises with the Office of the CIO on operational matters. It establishes project management standards, develops policies to ensure efficient IT service delivery, and collaborates with other agencies to promote IT integration and optimize resources, all aligned with the NDOT’s Strategic Plan.

Communications Division. The Communications Division keeps the public informed about the NDOT's policies, projects, and procedures through interactions with the media, citizens, and transportation groups. The Division develops communication policies, manages media relations and provides customer service. Key responsibilities include distributing information on highway projects via news releases, newsletters and advisories; coordinating public meetings for highway improvements; maintaining the department's website and multimedia; and administering the department's civil rights program. The division also coordinates State Highway Commission meetings, manages legislative interests, assists NDOT leadership in engaging with government officials, oversees rules and regulations and acts as the department's tribal liaison. Finally, the division includes the Office of Highway Safety, which assists state and local highway safety projects and administers the state highway safety program, primarily funded by federal sources.

Construction Division. The Construction Division consists of several sections: plan review, specifications and estimating, construction scheduling and contracts, contract administration, bituminous and concrete pavements, and final project records review. It is responsible for managing construction contracts, maintaining policies and standards, and coordinating with highway construction industry partners. The division creates engineer's estimates, checks final plans and proposals and assesses job constructability while determining construction working days. It prequalifies contractors, conducts bid lettings and executes highway construction contracts. Additionally, the division monitors contract activities, including notices to proceed, subcontracts, insurance, progress payments and change orders, while also resolving construction and labor rate issues raised by districts or the industry.

Controller Division. The Controller Division includes sections for budget and finance, accounting, financial systems and audit. It advises on financial matters and ensures compliance with state statutes and federal laws. Responsibilities encompass financial planning and programming, revenue and expenditure projections, budgeting and cash flow management. The division also analyzes proposed state and federal transportation legislation, interprets relevant statutes and conducts financial management analyses to assess the size of the highway construction program and support informed business decisions.

Human Resources Division. The Human Resources Division consists of sections for employee services and safety, workforce development, classification, compensation, recruitment, EEO, employee performance and civil rights coordination. It administers the Workforce Development Program, including leadership development, and oversees human resources policies in accordance with the Human Resources Policies and Procedures Manual, labor contracts, and state and federal regulations. The division manages labor relations, disciplinary actions, grievance resolution, performance management, recruitment, classification, and compensation. Additionally, it oversees employee safety, workers' compensation, family medical leave, and wellness programs, while developing policies for payroll, time reporting, and leave accounting systems.

Local Assistance Division. The Local Assistance Division is comprised of four sections: local projects, liaison services, rail, and transit. It provides NDOT oversight for project initiation, planning, construction, and closeout, as well as administrative support to the Board of Public Roads Classifications and Standards and the Board of Examiners for County Highway and City Street Superintendents. The division acts as an information resource for counties and municipalities in managing their highway programs. It implements rail-related policies, coordinates railroad engineering reviews, monitors potential rail line abandonments, oversees rail/highway safety, and serves as the liaison to all Nebraska railroads. Additionally, it offers transit services in urban areas and rural communities, administers the Nebraska Grade Crossing Protection Program, manages federal rail safety funds, and oversees federal and State transit assistance programs.

Materials and Research Division. The Materials and Research Division is responsible for designing, managing, researching, and testing highway materials essential for a quality transportation system in Nebraska. It includes sections for portland cement concrete, flexible pavement and quality assurance, pavement design, geotechnical studies, roadway asset management, research, and administration support. The division develops material specifications, determines pavement types and thicknesses, inspects and tests materials, and coordinates certification programs for field technicians. It conducts field investigations, prepares a materials sampling guide, and assesses the 20-year needs of the State's highway system. Additionally, it provides pavement management reports and soil and aggregate requirements, manages the research program, coordinates federal and State aid programs for local agencies, and assists with training needs.

Operations Division. The Operations Division includes Maintenance Management and Transportation Systems Management and Operations. It coordinates Homeland Security activities, formulates emergency operation policies, and manages responses to snowstorms, floods, and other emergencies. The division plans intelligent transportation systems, develops the NDOT's communications network, and oversees the construction and maintenance of capital facilities. It administers programs like Adopt-A-Highway, manages local government agreements for road maintenance, and oversees the NDOT's fleet. Additionally, it handles equipment requisition, the State gas system, and commodity procurement while managing the Statewide Operations Center to respond to highway incidents and issue permits for oversize and overweight loads.

Project Development Division. The Project Development Division comprises sections for environmental, planning and location studies, agreements and consultant services, and utilities, noise, and air. It is responsible for creating project scoping documents and corridor studies for selected highway projects while coordinating with local, State, and federal agencies to evaluate engineering alternatives and environmental impacts. The division secures environmental approvals, 404 permits, and floodplain permits, and it manages agreements with utilities, consultants, and political subdivisions. It also conducts long-range planning, traffic counts, and travel demand modeling, develops performance measures, and collaborates with local officials on community planning and noise and air studies.

Program Management Division. The Program Management Division, which includes scheduling and programming sections, is responsible for developing and managing the one-year and six-year highway construction program with input from district engineers and the State Highway Commission. It balances time, personnel, funds, and needs while scheduling the preconstruction process for all projects and coordinating with management at all levels. The division maintains computer databases for projects under the NDOT's jurisdiction, directs the programming and funding of federal-aid projects with the Federal Highway Administration, and prepares the annual Statewide Transportation Improvement Program.

Right of Way Division. The Right of Way Division, comprising sections for appraisal, negotiation and relocation, highway beautification, property management, and right of way design, is responsible for providing all real estate services to the Department of Transportation. This includes creating right of way plans and legal descriptions for real estate acquired for construction and maintenance programs, appraising land values, negotiating and purchasing necessary real estate, and managing newly purchased property until construction begins. The division also disposes of surplus real estate, provides relocation assistance for those displaced, oversees the highway beautification program, issues occupancy permits for NDOT right of way, and monitors local agencies' right of way activities to ensure compliance with federal and State laws.

Roadway Design Division. The Roadway Design Division determines the location and scope of highway improvements based on input from the Project Development Division and District Engineers. It prepares complete roadway plans for the State highway system, reviews the one-year and five-year

Highway Improvement Program, and conducts value engineering reviews. The division liaises with the Federal Highway Administration on design standards and provides data for public hearings. Additionally, it performs land, geodetic, and aerial surveys, conducts hydraulic and hydrologic studies, maintains the design manual and plans, and recommends actions on right of way permit applications. Sections include design support, interstate, expressways and major arterials, urban design, resurfacing and lighting, and hydraulics and environmental liaison.

Strategic Planning Division. The Strategic Planning Division consists of the planning and performance management sections and focuses on long-range, collaborative statewide planning and freight planning, while conducting traffic counts and travel demand modeling. It develops and manages outcome-based performance measures and provides strategic direction for the department. Additionally, the division supports business intelligence initiatives for data-driven decision-making.

Traffic Engineering Division. The Traffic Engineering Division focuses on the functional design of intersections, interchanges, and highway facilities, including the design of signs, signals, and pavement markings, while establishing installation and maintenance standards. It determines speed limits, retains Speed Zone Authorizations, and monitors the highway system for high-crash and congested areas, recommending improvements as needed. The division maintains a statewide traffic accident database, conducts statistical analyses, and prepares safety reports. It includes sections for traffic control, traffic analysis, and highway safety/accident records.

In addition to the above-described divisions of the NDOT, the Nebraska State Highway Commission and the Nebraska Aeronautics Commission provide support and guidance to NDOT. The following is a brief description of each Commission.

Nebraska State Highway Commission. The Nebraska State Highway Commission was created by the 1953 Nebraska Legislature to insure citizen input in the planning, design and operation of the State highway system. It acts as a liaison between the public and personnel of the NDOT regarding highway matters.

The Commission consists of eight private citizens. One member must at all times be appointed from each of the eight highway districts. Each commissioner is appointed by the Governor and approved by the Legislature to serve a six-year term. The NDOT Director is an ex-officio member of the Commission.

The Commission meets not less than six times per year. All meetings are open to the public and conducted in accordance with the Open Meetings Act. At these meetings, and various other hearings on proposed projects, the Commission serves as an additional channel for citizens to voice their opinions concerning the state highway system.

The responsibilities of the Commission include:

1. Advising the Director of the NDOT in establishing policies and programs for the NDOT;
2. Conducting public hearings, investigations and studies related to providing an adequate and safe highway system for the State;
3. Providing assistance in advising the public regarding policies, programs and activities of the NDOT; and

4. Acting for and on behalf of the State, to issue bonds under the Bond Act, upon the recommendation of the NDOT, to leverage interest rates to offset the challenges that construction inflation and uncertain federal highway funding pose and in order to accelerate completion of the highway construction projects identified and to be identified for funding under the Build Nebraska Act.

Nebraska Aeronautics Commission. The Aeronautics Commission was created by the 1935 Nebraska Legislature to oversee the development of aviation in the State. The Aeronautics Commission operated on its own in this capacity until the creation of the Department of Aeronautics in 1945. The Aeronautics Commission consists of five members who are appointed by the Governor. Each member serves until the appointment and qualification of his or her successor. Members of the Aeronautics Commission must be citizens and bona fide residents of the State and, in making each appointment, the Governor is to take into consideration the interest or training of the appointee in some one or all branches of aviation. The Aeronautics Commission selects a chairperson for the ensuing year in December of each year.

Regular meetings of the Aeronautics Commission are generally held at the office of the Aeronautics Division. All meetings of the Aeronautics Commission are open to the public and conducted in accordance with the Open Meetings Act.

The Aeronautics Commission's primary functions are to:

1. Allocate State funds and approve the use of Federal funds to be spent for the construction or maintenance of airport projects;
2. Designate the location, and approve the sites of airports;
3. Arrange and authorize the purchase of aircraft on behalf of the State;
4. Select and approve pilots to be employed by State agencies, and;
5. Assist the Director in formulating the regulations and policies to be carried out by the NDOT under the terms of the State Aeronautics Act.

Lincoln South Beltway Financing

In January of 2020, the NDOT entered into a construction contract (the "LSB Contract") with Hawkins Construction Company (the "LSB Contractor"), pursuant to which the NDOT hired the LSB Contractor with respect to the construction and funding structure of the project commonly known as the Lincoln South Beltway Project (the "LSB"), for a total contract price of approximately \$350,200,000. Of the total contract price, during construction the Contractor was entitled to progress payments, based on work performed, in cash out of the NDOT's operating budget, totaling no more than \$7.5 million each quarter. To the extent progress payments owed to the Contractor exceeded the \$7.5 million maximum quarterly amount specified under the Construction Contract, such excess amount was to be evidenced by Deferred Contract Payment Certificates ("DCPC") issued by the NDOT. All DCPCs necessary under the Construction Contract have been issued, and DCPCs in the aggregate principal amount of \$168,427,735 are outstanding as of the date of this Official Statement. The NDOT will continue to make payments on such DCPCs, still subject to the \$7.5 million quarterly maximum, on the dates specified in such DCPCs through July 2031.

The NDOT is required to make scheduled periodic payments on the DCPCs on the dates specified in such DCPCs, from any funds available for such purpose, but only from monies appropriated for such purpose by the Nebraska Legislature. The NDOT is not required to make payments under the DCPCs if there is no appropriation from which payment can lawfully be made and the obligations of the NDOT under the DCPCs do not constitute an obligation of the State of Nebraska or the NDOT, moral or otherwise, for which the State of Nebraska is obligated to levy or pledge any form of taxation. The obligations of the NDOT under the DCPCs do not constitute an indebtedness, or a pledge of the full faith and credit, of the State of Nebraska or the NDOT within the meaning of the Constitution of the State of Nebraska. Further, the obligations of the NDOT under the DCPCs do not constitute a liability or a lien or charge upon the monies or property of the State of Nebraska, including the Capital Improvement Fund, or any department or agency thereof, except those monies that the Nebraska Legislature has appropriated for such payment during any relevant fiscal period.

In the DCPCs, the NDOT has agreed to prioritize payments on the DCPCs over the payment of all other NDOT contractual obligations in relation to capital improvement project contracts entered into after the date of such DCPCs; provided, that, under the DCPCs the NDOT is allowed to issue additional DCPCs in connection with future capital improvement projects (the “Additional DCPCs”), and make payments on such Additional DCPCs at the same level of priority as payments under the DCPCs. Pursuant to the DCPCs, the NDOT has also agreed, during each budgetary cycle of the State of Nebraska, to seek an annual appropriation from the Legislature in an amount sufficient to cover required payments under the DCPCs and to cover payments in respect of all other NDOT projects expected to be made during the applicable State fiscal year.

In order to limit the affect that the issuance of Additional DCPCs might have on the NDOT’s overall operating budget, in December of 2024 the Commission and the NDOT entered into an agreement by which the NDOT agreed that, during any period in which Bonds issued pursuant to the Bond Act remain outstanding, it will not issue Additional DCPCs unless:

- (a) the sum of:
 - (i) the Deferred Contract Payment Amount (as defined in the DCPCs, and including all principal, interest and fees related thereto), payable under such Additional DCPCs and all previously issued and outstanding DCPCs, in the calendar year in which such Additional DCPCs are to be issued and in each calendar year thereafter until the scheduled maturity of such Additional DCPCs, plus
 - (ii) the annual aggregate principal and interest requirements on all Bonds issued and then outstanding under the Bond Act, in the calendar year in which such Additional DCPCs are to be issued and in each calendar year thereafter until the scheduled maturity of such Additional DCPCs,

is less than fifty percent (50%) of the money deposited in the Capital Improvement Fund during the calendar year preceding the issuance of the proposed Additional DCPCs; and

- (b) the proposed Additional DCPCs are, and will at all times continue to be, subject and subordinate in right of payment to the prior payment in full of any Bonds issued pursuant to the Bond Act.

FEDERAL TRANSPORTATION LEGISLATION

The NDOT receives federal aid in reimbursement of NDOT expenditures for federal aid projects. See the table appearing on page 20 hereof. The programs under which such funds are provided are subject to federal authorization and appropriation legislation.

Authorizing/Reauthorizing Legislation

Since the enactment of the Federal Highway Act of 1921, Congress historically has authorized the expenditure of federal highway funds and the budget and contract authority of the Federal Highway Administration (“FHWA”) on a multiple-year basis, with original authorizations in recent decades typically lasting five years (often followed by one or more short-term extensions enacted prior to the following multi-year act). The purpose of such multi-year authorizations was to provide a predictable flow of funding to the states, which are responsible for the construction of the projects funded.

Congress created the modern Federal-Aid Highway Program (the “FAHP”), and established the Highway Trust Fund (the “HTF”) as its source of funding, in the Federal-Aid Highway Act of 1956. Since 1978, Congress has included highway legislation as part of comprehensive surface transportation authorization acts. These authorization acts are the primary instruments Congress uses to shape and direct the FAHP, modify existing programs, add or eliminate programs, or change program requirements. When an authorization act establishes a program, it sets certain ground rules under which the program operates, such as the amount of funds available to the program for each federal fiscal year (“FFY”) (or how an amount of funds available for the program is to be calculated), a description of how those funds are to be distributed, the length of time during which the funds may be used and a listing of eligible activities. Each of these can be changed by subsequent acts (authorization or otherwise).

The IIJA and its Recent Antecedents

The current surface transportation authorizing act is the Infrastructure Investment and Jobs Act (the “IIJA”), Public Law 117-58 (also known as the Bipartisan Infrastructure Law), signed into law by former President Biden on November 15, 2021. The IIJA provides a five-year reauthorization (FFY 2022 through 2026) of surface transportation programs. Total FHWA funding authorization under the IIJA over this 5-year period is approximately \$365 billion. Of the IIJA funds administered by the FHWA, about 87% are to be distributed to the states by formula funding as described below.

In addition to funding from the HTF described below, the IIJA also provides additional funds through multiyear advance appropriations from the United States Treasury general fund. Unlike past federal highway reauthorization acts, the IIJA also covers several other areas of infrastructure funding, such as water and wastewater infrastructure.

Prior to the enactment of the IIJA, the most recent multiyear highway funding authorization was the Fixing America’s Surface Transportation (“FAST”) Act, which authorized \$305 billion over FFY 2016 through 2020 for highway and other surface transportation programs. The enactment of the FAST Act marked the first time in a decade that a five-year authorizing act was enacted by Congress, the most recent preceding five-year authorization being the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). SAFETEA-LU was enacted in 2005 and authorized federal surface transportation funds for states and local governments for FFY 2005-2009, expiring September 30, 2009.

Following the expiration of SAFETEA-LU, Congress passed ten short-term extensions of SAFETEA-LU before enacting the Moving Ahead for Progress in the 21st Century Act (MAP-21).

MAP-21 was approved by Congress on June 29, 2012 and signed by the President on July 6, 2012. Unlike SAFETEA-LU and its predecessor acts, MAP-21 was enacted for a duration of only two years, authorizing federal surface transportation funds for states and local governments for FFY 2013 and 2014.

With regard to apportionment of federal highway funds to the individual states, the IJJA generally follows the model established by MAP-21 and the FAST Act, in which the primary determinant of a state's apportionment was the guaranty that the state would receive at least 95 cents of every dollar the state's highway users paid in highway taxes. The IJJA expands on this formula, providing three guarantees for the amount apportioned to each state in each FFY:

- (1) at least 95% of the state's estimated highway tax payments to the highway account of the HTF based on the most recent FFY for which data is available;
- (2) at least 2% greater than the state's apportionment for FFY 2021; and
- (3) at least 1% greater than the state's apportionment for the previous FFY.

It should be noted, however, that there is no assurance that the IJJA will not be changed during its duration, or that funding levels or procedures in any future authorization act will be similar to that currently provided for by the IJJA.

Distribution of Funds to States

The FAHP operates as a reimbursement program. For projects approved by FHWA and for which funds are obligated by the applicable state as described below, FHWA pays the state for costs of such projects as they are incurred. See the column entitled "Intergovernmental Reimbursements—Federal" in the table on page 23 for a history and projections of such reimbursements.

The federal government typically does not pay for the entire cost of construction of such projects. Therefore, the state or local project sponsor usually must match federal funds with its own funds from other sources. The maximum share of an eligible project's costs that the federal government will cover is known as the federal share. In most cases a state may, at its option, reduce the federal share for a particular project by contributing more non-federal resources than required by law. For most projects, the federal share is 80%, with projects on the Interstate Highway system receiving a 90% federal share and certain other smaller programs entitled to a 95% or even 100% federal share.

FHWA distributes funding provided for in the current authorization act to states based on apportionment and allocation rules prescribed by federal law. As noted above under the sub-caption "The IJJA and its Recent Antecedents," the great majority of such funding is divided among states by apportionment, a process governed by specific statutory formulas, with a new apportionment made by FHWA to each of the states based on such formulas at the beginning of each FFY. Under the IJJA, each state is apportioned a single amount for all federal highway programs. If the initial amount generated by formula is less than the amount guaranteed under any of the three guaranteed minimum amounts described under such sub-caption, the initial amount is adjusted upward to meet the applicable guaranty. The resulting apportionment amount for each state is then divided among nine core programs within the FAHP.

The remainder of authorized funds are distributed by allocation, a process by which such remaining funds that are not governed by a mandatory statutory formula are divided. Once funds have been apportioned or allocated, they generally cannot be withdrawn by FHWA except by a rescission of funds that have not yet been obligated, as described below, or by the lapse of such funding by failure to obligate it prior to the end of the availability of such funding (generally, three years after the end of the FFY of apportionment or allocation).

Obligation of Funds

Obligation is the process by which the federal government commits to pay the federal share of a federal-aid highway project's costs. An obligation is a legal commitment, which occurs when FHWA approves the project and executes the project agreement. Obligated funds are considered "used" even though no cash is transferred. Obligation allows states to award contracts for the project by providing assurance that the federal funds will be available when required.

Through annual appropriation legislation, Congress may place a ceiling on the amount of federal-aid highway funding that may be obligated during a specified time period. The obligation limitation is the amount of authorized funding that Congress allows states to obligate in an individual year ("Obligation Authority"). This is a statutory budgetary control that does not affect the apportionment or allocation of funds described above, but rather controls the rate at which these funds can be used.

Once Congress establishes an overall obligation limitation, FHWA distributes Obligation Authority to states proportionately based on each state's share of apportioned and allocated revenues. During a FFY, states submit requests to FHWA to obligate funds, representing the federal share of specific projects. As a state obligates funds, its balance of Obligation Authority is reduced. A state's Obligation Authority (unlike its apportionments and allocations of authorized funding) must be obligated before the end of the FFY for which it is made available; if not, it will be redistributed to other states to ensure that the total limitation nationwide will be used. A state may receive additional Obligation Authority through a redistribution process each year in August which reallocates Obligation Authority from states or programs unable to fully obligate their share to other states that are able to obligate more than their initial share.

Payments to States from HTF

Obligated funds are reimbursed to states for costs of each project when those costs are incurred by the states. The FHWA administers such reimbursement payments under the FAHP through the HTF. Funded by the collection of federally-imposed motor vehicle user fees, primarily fuel taxes, the HTF is a dedicated fund with dedicated revenues held in trust for reimbursement of the states' cost of transportation projects, including highway projects. The HTF presently contains the Highway Account and a Mass Transit Account. The Highway Account receives approximately 84% of gasoline tax revenues and 88% of diesel fuel tax revenues, with the remaining share of such revenues deposited in the Mass Transit Account.

Using revenues in the Highway Account of the HTF, the FHWA reimburses states for expenditures related to approved transportation projects as described above. With the passage of the IIJA, surface transportation programs have been authorized through FFY 2026. Spending from the HTF under the IIJA during that authorization period is projected to exceed revenues credited to the HTF from taxes on motor fuels, heavy trucks, and tires. According to Congressional Budget Office projections, if fuel taxes are continued at their current rates and current funding for highway and transit programs increases annually at the rate of inflation, the revenues and accumulated balances of each of the Highway Trust Fund's two accounts will be insufficient to cover spending from the respective accounts starting in 2028.

To cover such shortfall, Congress has enacted legislation that since 2008 has transferred \$275 billion from the United States Treasury general fund and other federal funds to the Highway Trust Fund. This includes \$118 billion transferred under the IIJA, including \$90 billion to the Highway Account

These transfers do not, however, create any new revenue sources from transportation users. According to the Congressional Budget Office's ("CBO") May 2023 baseline budget projections, the CBO projects that, absent further action by Congress, the total combined shortfall for the Highway Account and Mass Transit Account will total \$241 billion over the ten-year period from 2024 through 2033.

Rescissions of Unobligated Funds

Congress may, by means of annual transportation appropriations bills and other federal legislation, rescind federal-aid highway funding that has not yet been obligated. In prior surface transportation programs, there have been numerous such rescissions. These rescissions require states to deduct a set amount of unobligated funds which accumulate because states are not permitted to spend the entire amount of appropriations they receive due to a required obligation limitation.

Challenges Relating to Federal Funding

The challenges at the federal level with the timeliness of authorization and appropriations processes can result in risk and uncertainty for the NDOT. Federal funding is clearly important to Nebraska as is reimbursement of the NDOT's expenditures, and reliability in receiving funds is important for future planning purposes. The passage of the IIJA Act in November 2021 provided additional stability/certainty in federal funding for future FFYs through 2026.

Dependence on fuel taxes for the majority of HTF funding presents challenges to the entire FAHP. Because such taxes are imposed per gallon of fuel consumed, the number of vehicle-miles travelled nationally and the efficiency of vehicles' use of such fuels (and the increase in sales of electric vehicles) are important factors in the amount of revenues generated from such taxes. Current federal tax rates on gasoline (18.4 cents/gallon) and on diesel (24.4 cents/gallon) have not changed since 1997. During that same period, the national average fuel economy achieved by vehicles using the nation's roads has steadily increased while vehicle miles travelled have fluctuated at certain times, particularly during economic downturns and periods of particularly high fuel prices. With the likelihood that such trends will continue, combined with a decreased national reliance on sales of gasoline as sales of electric vehicles increase, deficits in the HTF described above may increase absent congressional action to increase such taxes or add additional revenue sources for the HTF.

INVESTMENT CONSIDERATIONS

The purchase of the Series 2026A Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Series 2026A Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. This discussion of certain risks is not intended to be exhaustive and should be read in conjunction with this entire Official Statement including the Appendices hereto.

Special Obligations

The Series 2026A Bonds and the interest thereon are special obligations of the State payable and collectible solely from the Revenues deposited and to be deposited in the Capital Improvement Fund. The Owners of the Series 2026A Bonds may not look to any other fund of the State, the Commission or the NDOT for payment and the Series 2026A Bonds and will not constitute general obligations of the State, the Commission or the NDOT. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS" herein.

General Factors Affecting Revenues

See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS—Revenues" and "THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND" herein for descriptions of the components of Revenues required to be credited or transferred to the Capital Improvement Fund.

The sources of Revenues are comprised of motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use retained by the State, all motor vehicle registration fees retained by the State other than those fees credited to the State Recreation Road Fund, and other highway-user taxes, fees, and penalties imposed by State law.

There are various factors beyond the control of the State, the Commission and the NDOT that could have a negative impact upon the amount of collections of motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes and alternative fuel fees, and upon the amount of collection of motor vehicle registration fees and other highway-user taxes, fees, and penalties credited to the Capital Improvement Fund. These factors include various events affecting vehicle travel, the availability and price of motor fuel, events affecting consumer purchases of goods and services subject to taxation and local and national economic conditions and policies, including trade policies, generally.

Any increases in fuel efficiency for passenger vehicles sold in the United States in the coming years, as well as the related ongoing increase in the number of battery electric and plug-in hybrid electric vehicles in the State and elsewhere, have the potential to negatively impact collections of motor vehicle fuel taxes. Because motor vehicle fuel taxes are imposed per gallon of fuel consumed, the amount of Revenues attributable to the collection of motor vehicle fuel taxes is expected to decrease as total volume of motor fuels sold decreases.

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially cause significant disruptions to economic activity in the State and elsewhere. Among these potential external events are regional, national or global public health emergencies, which could have materially adverse economic and social impacts, causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession.

In addition, the Nebraska Legislature has the ability to amend the current statutory provisions affecting one or more of such components of Revenues. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2026A BONDS—Legislative Changes Affecting Revenues” herein.

Limitations on Enforcement

Enforcement of remedies under the Indenture may be limited or restricted by federal and State laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyances, and rights of creditors and by application of general principles of equity applicable to the availability of specific performance or other remedies, and may be substantially delayed in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Series 2026A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Financial Information

There can be no assurance that the financial results achieved by the State in the future will be similar to historical results. Such future results will vary from historical results and actual variations may be material. Therefore, the historical operating results of the State cannot be taken as a representation that the

State will be able to generate sufficient Revenues in the future to make credits to the Capital Improvement Fund and payments under the Indenture sufficient for the full and timely payment of the principal of, premium, if any, and interest on the Series 2026A Bonds.

Cybersecurity

The several sources of Revenues described under “THE STATE HIGHWAY CAPITAL IMPROVEMENT FUND” are collected by the Nebraska Department of Revenue, the Nebraska Department of Motor Vehicles, and Nebraska counties, and are credited by the State Treasurer to the Capital Improvement Fund. Like other public entities, the NDOT, the Department of Revenue, the Nebraska Department of Motor Vehicles, Nebraska counties and the State Treasurer rely on advanced technology systems to conduct their business operations. Despite security measures, these systems may be subject to cybersecurity incidents such as hacking, phishing, ransomware, viruses, malware and other attacks. Any such cybersecurity incidents, resulting from unintentional events or from deliberate attacks, could cause disruption to the finances or operations of these entities, including the receipt and deposit of Revenues and payment of debt service on the Series 2026A Bonds.

Federal Tax Status of the Series 2026A Bonds

The Internal Revenue Code of 1986, as amended (the “Code”), imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Series 2026A Bonds to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds, limitations on the investment earnings of bond proceeds prior to expenditure, a requirement that the Commission file an information report with the Internal Revenue Service and a requirement that all rebate payments, if any, are timely paid. The Commission has covenanted in certain of the documents referred to herein that it will comply with such requirements. Future failure by the Commission to comply with any of these covenants may result in the interest on the Series 2026A Bonds being taxable, retroactively to the date of issuance. See “APPLICATION OF PROCEEDS OF THE SERIES 2026A BONDS” and “TAX MATTERS” herein.

Rating

There is no assurance that the rating assigned to the Series 2026A Bonds will not be lowered or withdrawn at any time, the effect of which could adversely affect market prices for and marketability of the Series 2026A Bonds. See the information contained under “RATING” herein. Bond rating organizations have come under scrutiny by legislators, regulators and investors. Future changes in bond rating criteria or procedures that result in different ratings of the Series 2026A Bonds could have a material adverse effect on the value and marketability of the Series 2026A Bonds.

Secondary Market

There is no guarantee that a secondary trading market will develop for the Series 2026A Bonds. Consequently, prospective bond purchasers should be prepared to hold their Series 2026A Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Underwriters are expected but are not obligated to make a market in the Series 2026A Bonds.

DTC Book-Entry

Persons who purchase Bonds through broker dealers become creditors of the broker dealer with respect to the Series 2026A Bonds. Records of the investors’ holdings are maintained only by the broker dealer and the investor. In the event of the insolvency of the broker dealer, the investor would be required

to look to the broker dealer's estate, and to any insurance maintained by the broker dealer, to make good the investor's loss. None of the State, the Commission, the NDOT, the Paying Agent or the Underwriter is responsible for failures to act by, or insolvencies of, the Securities Depository or any broker dealer.

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements that are forward-looking and involve a number of risks and uncertainties. The words or phrases "believes," "plans," "anticipates," "expects," "intends," "estimates," "forecasts," "should," "projection," "could," "may," "continues," "might," "potential," "scheduled" or similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Any other statement that expresses the possibility of future activity, intent or result also is a forward-looking statement.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Among these risks and uncertainties are: general economic, demographic, competitive, or business conditions; investment performance; changes in laws or regulations, and other factors including factors that are not anticipated by the Commission or the NDOT. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements. Prospective investors should not place undue reliance on the forward-looking statements, which speak only as of the date hereof. The Commission does not intend to update or revise any forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied by such statements will not be realized.

THE TRUSTEE

Union Bank and Trust Company is serving as Trustee, Paying Agent and Registrar under the Indenture. Union Bank and Trust Company has total assets as of September 30, 2025 of \$8,881,740,000. The Trust Division has administrative responsibility for assets with a market value as of September 30, 2025 of \$44,240,902,000.

LITIGATION

Relating to the Series 2026A Bonds. There is no litigation or administrative action pending in any court or, to the best knowledge of the Commission or the NDOT, threatened, which would restrain or enjoin the issuance of the Series 2026A Bonds or in any way contest or affect the validity of the Series 2026A Bonds, or which concerns the proceedings of the Commission taken in connection with the issuance of the Series 2026A Bonds, the adoption of the Resolution and the execution of the Indenture, or the collection, pledge or application of the Revenues, or which contests the powers of the State, including the Commission and the NDOT, with respect to the foregoing.

Otherwise Relating to the Commission or the NDOT. The Chief Legal Counsel to the Nebraska Department of Transportation, as counsel for the Commission and the Nebraska Department of Transportation, has reviewed the status of pending lawsuits affecting the Commission and the NDOT in connection with their operations and has reported that there are several proceedings in which the Commission or the NDOT is either a plaintiff or defendant and which are generally incidental to the operations of the NDOT. The ultimate disposition of such pending legal proceedings cannot be predicted or determined at present. With regard to such pending litigation, it is the opinion of the Assistant Attorney General, Transportation Bureau Chief, that such pending litigation will not be finally determined so as to result, individually or in the aggregate, in a final judgment against the State, the Commission or the NDOT which would materially and adversely affect the continued operations or financial position of the NDOT or the Capital Improvement Fund.

FINANCIAL INFORMATION

General financial information relating to the State is set forth in the Official Statement, APPENDIX A, and is a part of this Official Statement. The basic financial statements of the State as of and for the year ended June 30, 2025 included in APPENDIX C have been audited by the State Auditor, as stated in their report appearing therein, which includes reference to reports of other auditors who audited certain funds within the basic financial statements and their report also refers to the implementation of new accounting standards. The basic financial statements of the State as of June 30, 2025 have been posted on the State's website and EMMA.

The basic financial statements of the State for prior years, and the management letters of the State Auditor, have been posted on the State's website and can be found at the following web page: <https://www.nebraska.gov/auditor/FileSearch/entityresults.cgi?id=ACFR%20-%20Annual%20Comprehensive%20Financial%20Report%2C%20Formerly%20CAFR>.

The Auditor of Public Accounts, the State's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in APPENDIX C, any procedures on the financial statements addressed in that report. The Auditor of Public Accounts also has not performed any procedures relating to this offering document.

The NDOT Annual Financial Report for the Fiscal Year Ended June 30, 2025, which was prepared by NDOT and has not been audited, is included in APPENDIX B.

LEGAL INVESTMENT

In accordance with the Bond Act, the Series 2026A Bonds are securities in which all public officers, boards, agencies, and bodies of the State, its counties, political subdivisions, public corporations, and municipalities and the officers, boards, agencies or bodies of any of them, all insurance companies and associations and other persons carrying on an insurance business, all banks, trust companies, savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons who are now or who may hereafter be authorized to invest in notes, bonds, or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provision of law, the Series 2026A Bonds are also securities which may be deposited with and received by all public officers, boards, agencies, and bodies of the State, its counties, political subdivisions, public corporations and municipalities, and the officers, boards, agencies or bodies of any of them for any purpose for which the deposit of notes, bonds, or other obligations of the State is now or may be hereafter authorized.

REMEDIES OF BONDOWNERS

The Indenture defines Events of Default, which include failure to pay principal of or the interest on any Series 2026A Bond as it becomes due (either at maturity, by proceedings for redemption or otherwise) or any installment of interest when due on Bonds issued under the Indenture, including Additional Bonds, and the continuance of such failure for a period of five days, failure of the Commission to cause funds in the amount necessary to make the preceding payments to be transferred from the Capital Improvement Fund to the Bond Fund on or prior to the related due date, or failure (for 30 days after written notice by Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding) to perform any covenant, agreement or condition contained in the Bonds or the Indenture.

In the event of any Event of Default, the Indenture provides that the Trustee may, and, upon the written request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding the Trustee shall, by notice in writing delivered to the Commission, declare the principal of all Bonds secured by the Indenture and then Outstanding, and the interest accrued thereon, to be immediately due and payable.

The remedies described in the preceding paragraph are subject, however, to the condition that, if at any time after any declaration of principal and interest to be immediately due, and before any further action has been taken other than such declaration, the principal amount of all Bonds which have matured and all unpaid interest, together with the reasonable charges and expenses of Trustee, have been paid, then the owners of a majority of principal amount of the Bonds then Outstanding, by notice in writing delivered to Trustee, may require Trustee to waive such default and its consequences and rescind such declaration. Until it is required to make the declaration described above, Trustee also has the power to waive any default arising under the Indenture if, in the opinion of Trustee, the default has been cured or adequate satisfaction made therefor or if Trustee deems the declaration not to be in the best interest of the Bondholders.

The remedies available to the Bondholders in the Event of Default are limited and, upon an Event of Default, are in many respects dependent upon judicial actions which are often subject to discretion and delay.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered at the time of original issuance of the Series 2026A Bonds, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Commission with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2026A Bonds. Failure to comply with such requirements could cause interest on the Series 2026A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026A Bonds. The Commission has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2026A Bonds. Interest on the Series 2026A Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Series 2026A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2026A Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Series 2026A Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2026A Bonds.

In Bond Counsel's further opinion, under the existing laws of the State of Nebraska, the interest on the Bonds is exempt from Nebraska state income taxation as long as it is exempt for purposes of the federal income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2026A Bonds under the laws of the State of Nebraska or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix F.

Original Issue Discount

The Series 2026A Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Series 2026A Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect

to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Series 2026A Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2026A Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time-to-time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2026A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time-to-time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2026A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2026A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2026A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026A Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

RATING

The Series 2026A Bonds described herein have been rated "AAA" by S&P Global Ratings. The rating reflects only the views of this service. This bond rating is subject to change or withdrawal by the rating agency at any time. Therefore, after the date hereof investors should not assume that such rating is still in effect. A revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2026A Bonds.

UNDERWRITING

The Commission, acting on behalf of the State, has sold the Series 2026A Bonds at public sale to _____ as Series 2026A Underwriter, for a price of \$_____, with the Series 2026A Bonds to bear interest at the rates set forth on the inside front cover page of this Official Statement.

FINANCIAL ADVISOR

The Commission has retained Piper Sandler & Co., Lincoln, Nebraska, as municipal advisor (the “Municipal Advisor”) to the Commission and the NDOT in connection with the authorization and issuance of the Series 2026A Bonds. In preparing portions of the Official Statement, the Municipal Advisor has relied upon the Commission, the NDOT and State officials and other sources which have access to relevant data, to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

AGREEMENT TO PROVIDE ONGOING DISCLOSURE

The State, acting through the Commission, in the Commission Resolution authorizing the issuance of the Series 2026A Bonds, will enter into an agreement (the “Undertaking”), for the benefit of the holders of the Series 2026A Bonds from time to time, to comply with the provisions of Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12 (“Rule 15c2-12”), paragraph (b)(5) as currently in effect; and, for this purpose, to provide to the Municipal Securities Rulemaking Board annual financial information of the type included in this Official Statement, including audited financial statements, and notice of the occurrence of certain events which materially affect the terms, payment, security, rating or tax status of the Series 2026A Bonds. The State, acting through the Commission, is the only “obligated person” in respect of the Bonds within the meaning of paragraph (b)(5). A description of the Commission’s agreement is set forth in APPENDIX G.

A failure by the State to comply with the Undertaking will not constitute an event of default under the Indenture or the Series 2026A Bonds and Beneficial Owners of the Bonds shall only be entitled to the remedies for any such failure described in the Undertaking. A failure by the State to comply with the Undertaking must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability of the Series 2026A Bonds and their market price.

The State did not timely file its Annual Financial Information for the year ended June 30, 2021, including its Audited Financial Statements, associated with respect to the certificates previously issued and outstanding under the Master Indenture by January 30, 2022, as required by the letter agreements relating to such certificates between the State and the Union Bank and Trust Company, as trustee for the holders of the certificates, and Rule 15c2 12(d)(2) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. However, the State timely filed a related Notice of Failure to File Annual Financing Information and Audit, and subsequently filed its Annual Financial Information, including its Audited Financial Statements.

The State did not timely file (i) its Annual Financial Information for the year ended June 30, 2022, including its Audited Financial Statements, or (ii) a notice of failure to so timely file, in each case as associated with the Series 2022B Certificates as required by the letter agreement relating to such certificates between the State and the Union Bank and Trust Company, as trustee for the holders of the Series 2022B Certificates, and Rule 15c2 12(d)(2) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. The State has subsequently filed with respect to the Series 2022B Certificates (x) a Notice of Failure to File Annual Financing Information and Audit and (y) its Annual Financial Information for the year ended June 30, 2022, including its Audited Financial Statements.

MISCELLANEOUS

The NDOT has furnished the information in this Official Statement relating to the State, the Commission, the NDOT and the Capital Improvement Fund.

Copies of the Indenture summarized herein and information with respect to the State, the Commission and the NDOT may be obtained from the Office of the Director of the Department of Transportation, in Lincoln, Nebraska, (402) 479-4671. This information can be made available in alternative accessible formats upon request. To obtain an alternative format, contact the Nebraska Department of Transportation, Office of the Director, 1500 Nebraska Parkway, Lincoln, Nebraska 68502 or phone (402) 479-4671. Prior to the delivery of the Series 2026A Bonds, information with respect to the State, the Commission and the NDOT may be obtained from the above and also upon request, from the Financial Advisor by contacting Scott Keene, Piper Sandler & Co., Scott.Keene@psc.com, (402) 325-1199.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

This Official Statement is submitted in connection with the issuance of the Series 2026A Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement has been duly authorized and approved by the State and duly executed and delivered on its behalf by the Secretary.

Legal matters incident to the authorization, issuance and sale of the Series 2026A Bonds will be passed upon by Kutak Rock LLP, Bond Counsel, and the Chief Legal Counsel to the Nebraska Department of Transportation, as counsel for the Commission and the Nebraska Department of Transportation. Kutak Rock LLP will offer an opinion as to tax status of interest on the Series 2026A Bonds. The form of legal opinion to be issued by Kutak Rock LLP with respect to the Bonds are set forth in APPENDIX F.

AUTHORIZATION

All statements in this Official Statement involving matters of opinion, estimates, forecasts, projections, or the like, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the Commission are fully set forth in the Indenture and the Resolution in accordance with the Bond Act. This Official Statement is not to be construed as a contract or agreement between the State, the Commission or the NDOT and the purchasers or owners of any of the Series 2026A Bonds.

The State, acting through the Commission, has prepared and delivered this Official Statement to the Underwriters of the Series 2026A Bonds and has authorized the Underwriters to use it in connection with the offering and sale of the Series 2026A Bonds to investors.

NEBRASKA HIGHWAY COMMISSION

By _____
Chair

APPENDIX A

SELECTED INFORMATION ON THE STATE OF NEBRASKA

The following information concerning the State of Nebraska is furnished for background information only. All Highway Revenue Bonds are obligations payable only from the Revenues deposited in and to be deposited in the Capital Improvement Fund.

State of Nebraska

COMPARATIVE UNEMPLOYMENT NEBRASKA AND UNITED STATES

2015 - 2024

YEAR	NEBRASKA			NEBRASKA UNEMPLOYMENT AS PERCENT OF LABOR FORCE	UNITED STATES UNEMPLOYMENT AS PERCENT OF LABOR FORCE
	TOTAL LABOR FORCE	TOTAL EMPLOYMENT	UNEMPLOYMENT		
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
2022	1,058,927	1,034,091	24,836	2.3	3.6
2023	1,054,681	1,030,880	23,801	2.3	3.6
2024	1,069,325	1,039,867	29,458	2.8	4.0

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 2015 – 2024

YEAR	NEBRASKA			UNITED STATES		
	POPULATION	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME	POPULATION	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME
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
2022	1,967,923	126,474	64,268	333,287,557	21,820,248	65,470
2023	1,978,379	141,151	71,347	334,914,895	23,380,269	69,810
2024	2,005,465	145,799	72,701	340,110,988	24,897,613	73,204

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

State of Nebraska

TEN LARGEST EMPLOYERS

2024 and 2015

NAME OF COMPANY	December 2024			December 2015		
	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYMENT	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYMENT
	Total Employment 1,018,378			Total Employment 983,856		
Nebraska Medicine	1	19,680	1.932 %			
State of Nebraska (excluding University)	2	18,823	1.848 %	2	16,445	1.671 %
US Government (excluding Department of Defense*)	3	17,319	1.701 %			
University of Nebraska**	4	14,892	1.462 %	1	16,563	1.683 %
CommonSpirit Health	5	12,548	1.232 %			
Walmart, Inc.	6	9,169	0.900 %	5	9,605	0.976 %
Omaha Public Schools	7	7,936	0.779 %	6	7,351	0.747 %
Hy-Vee, Inc.	8	7,502	0.737 %	7	6,210	0.631 %
Lincoln Public Schools	9	6,737	0.662 %	9	5,839	0.593 %
Peter Kiewit Sons', Inc.	10	5,984	0.588 %			
Alegent Health				3	11,512	1.170 %
Tyson Foods, Inc.				4	10,760	1.094 %
Crete Carrier				8	6,000	0.610 %
First National Bank				10	4,440	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 for 2015

** University of Nebraska - Medical Center, University of Nebraska - Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney for 2015

PUBLIC AND STATE OPERATED SCHOOL ENROLLMENT PREKINDERGARTEN – GRADE 12

2015/16 - 2024/25

ACADEMIC YEAR	PRE KDG. AND KDG.	GRADES 1 – 3	GRADES 4 – 6	GRADES 7 – 9	GRADES 10 – 12	TOTAL ALL GRADES
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
2022 - 2023	48,261	78,447	77,790	80,933	80,256	365,687
2023 - 2024	47,539	78,350	78,661	80,093	80,824	365,467
2024 - 2025	47,266	78,331	79,929	79,904	82,119	367,549

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

PUBLIC HIGHER EDUCATION INSTITUTIONS TOTAL FALL HEADCOUNT ENROLLMENT

2015 - 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
COLLEGES AND UNIVERSITIES										
Chadron State College	2,993	2,977	2,737	2,448	2,407	2,330	2,250	2,260	2,205	2,098
Peru State College	2,506	2,571	2,349	2,114	2,109	1,902	2,067	1,799	1,638	1,492
Wayne State College	3,431	3,357	3,292	3,633	3,890	4,202	4,580	4,773	4,807	4,666
University of Nebraska										
Lincoln ⁽¹⁾	25,772	26,239	26,396	26,155	25,721	25,390	24,713	24,108	24,245	24,615
Omaha	15,526	15,627	15,731	15,431	15,153	15,892	15,328	15,058	15,015	14,972
Kearney	6,747	6,788	6,644	6,327	6,279	6,225	6,275	6,041	6,017	5,881
Medical Center	3,790	3,862	3,908	3,972	4,055	3,699	3,750	3,660	3,786	3,988
TOTAL COLLEGES AND UNIVERSITIES	<u>60,765</u>	<u>61,421</u>	<u>61,057</u>	<u>60,080</u>	<u>59,614</u>	<u>59,640</u>	<u>58,963</u>	<u>57,699</u>	<u>57,713</u>	<u>57,712</u>
COMMUNITY COLLEGES										
Central CC	6,227	6,316	6,082	6,354	6,368	5,974	6,309	6,519	6,862	6,927
Metropolitan CC	14,812	14,788	14,954	14,913	14,300	13,244	13,709	14,541	15,964	16,642
Mid-Plains CC	2,235	2,276	2,221	2,216	2,125	2,075	2,101	2,084	2,066	2,140
Northeast CC	5,051	5,075	5,086	5,016	5,258	5,105	5,345	5,583	5,595	5,720
Southeast CC	9,248	9,262	9,412	9,240	9,756	9,328	9,416	9,465	9,799	10,816
Western CC	1,534	1,719	1,905	1,825	1,722	1,625	1,306	1,575	1,508	1,569
TOTAL COMMUNITY COLLEGES	<u>39,107</u>	<u>39,436</u>	<u>39,660</u>	<u>39,564</u>	<u>39,529</u>	<u>37,351</u>	<u>38,186</u>	<u>39,767</u>	<u>41,794</u>	<u>43,814</u>
TOTAL ALL INSTITUTIONS	<u>99,872</u>	<u>100,857</u>	<u>100,717</u>	<u>99,644</u>	<u>99,143</u>	<u>96,991</u>	<u>97,149</u>	<u>97,466</u>	<u>99,507</u>	<u>101,526</u>

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

SOURCE: Nebraska Coordinating Commission for Postsecondary Education

FULL TIME EQUIVALENT PERMANENT EMPLOYEES BY FUNCTION

2015 - 2024

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Conservation	313	318	309	314	300	302	345	338	364	363
Regulation	360	355	348	351	353	351	338	356	363	388
Economic Development	440	444	1,029	1,082	1,093	1,051	965	1,064	1,102	1,118
Culture and Recreation	504	502	490	503	533	539	541	528	535	590
Education	608	605	588	565	549	573	571	576	609	634
Transportation	2,113	2,083	2,003	1,970	1,980	1,980	1,941	1,869	1,929	1,968
General Government	2,975	3,057	3,055	3,070	3,319	3,312	3,247	3,240	3,294	3,370
Public Safety	3,406	3,320	3,307	3,333	3,365	3,375	3,131	3,506	3,478	3,534
Health & Social Services	5,726	5,476	4,781	4,670	4,651	4,694	4,448	4,744	4,955	5,138
	<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>	<u>16,221</u>	<u>16,629</u>	<u>17,103</u>

SOURCE: Nebraska State Government - State Personnel Division - 2025 Almanac

OPERATING INDICATORS BY FUNCTION

2016 - 2025

	2016	2017	2018	2019
General Government				
Department of Revenue				
Percentage of returns filed electronically	90.8%	90.7%	91.6%	92.4%
Percentage of direct deposit refunds	78.2%	77.5%	80.0%	81.2%
Department of Transportation				
Percentage of Roads in very good or good condition(1)	84%	84%	84%	82%
Conservation of Natural Resources				
Department of Environmental and Energy				
Inspections by field office staff				
Air Quality	184	139	141	164
Water Quality	1,552	1,682	1,219	1,234
Waste Management	130	126	156	138
Culture - Recreation				
Game and Parks Commission				
Park visitors(1,2)	13,469,281	12,746,003	10,086,731	9,497,926
Hatchery fish raised (in millions)(1)	48.0	47.0	50.2	41.3
Education				
Department of Education				
Fall Enrollment				
Pre-K to 12th grade	319,194	323,766	326,164	329,290
State Colleges and Universities	61,421	61,057	60,080	59,614
Public Community Colleges	39,436	39,660	39,564	39,529
Health and Social Services				
Health and Human Services				
Child Support Payments				
Number of Payments Received	1,537,522	1,501,372	1,472,013	1,490,642
Number of Payments Disbursed	1,415,392	1,400,110	1,380,588	1,378,498
Medicaid (average monthly)				
Medicaid recipients	232,795	237,309	241,966	242,316
Percentage of Nebraska population	12.2%	12.4%	12.5%	12.5%
Supplemental Nutrition Assistance Program				
Number of households	78,370	78,788	77,122	74,031
Percentage of Nebraska households	9.5%	9.4%	9.1%	8.7%
Public Safety				
Department of Correctional Services				
Inmate population (average daily)(3)	6,641	6,588	6,611	5,434
Percentage of Nebraska population	0.35%	0.34%	0.34%	0.28%
Total Admissions(3)	2,504	2,315	2,239	2,715
Total Releases(3)	2,094	2,372	2,402	2,507
State Patrol				
Traffic Stops	N/A	182,935	149,232	115,210
Transportation				
Department of Motor Vehicles				
Motor Vehicle Registrations(1)				
Automobiles	1,220,465	1,239,329	1,242,548	1,203,304
Trucks				
Farm	180,697	182,312	182,481	164,281
Commercial / Other	439,291	448,501	454,098	406,225
Motorcycles	55,340	54,863	53,566	50,647

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

2020	2021	2022	2023	2024	2025
93.1%	94.0%	94.8%	94.2%	95.9%	94.8%
81.1%	79.2%	83.9%	83.4%	84.3%	85.9%
82%	90%	92%	95%	96%	97%
132	145	188	341	195	289
1,075	1,788	2,656	2,991	3,399	3,827
107	228	284	333	316	318
6,706,057	9,058,025	8,434,888	7,900,634	7,090,970	N/A
10.5	49.0	74.6	71.9	55.6	N/A
324,176	327,055	365,687	365,467	367,549	N/A
59,640	58,963	57,699	57,713	57,712	N/A
37,351	38,186	39,767	41,794	43,814	N/A
1,502,975	1,488,749	1,375,197	1,395,849	1,340,647	1,302,939
1,401,680	1,383,168	1,304,172	1,299,743	1,268,302	1,227,436
244,010	304,655	351,694	387,311	364,255	338,384
12.6%	15.5%	17.9%	19.6%	18.2%	N/A
72,425	72,476	74,592	77,119	76,703	74,959
8.5%	8.5%	8.6%	8.8%	8.7%	N/A
5,629	5,364	5,534	5,628	5,880	5,812
0.29%	0.27%	0.28%	0.28%	0.29%	N/A
2,463	2,427	2,441	2,353	2,621	2,737
2,519	2,416	2,259	2,119	2,543	2,832
96,325	110,616	116,434	126,046	131,071	N/A
1,190,940	1,206,477	1,203,049	1,216,306	1,231,863	N/A
164,363	162,966	163,223	162,510	163,275	N/A
414,177	423,963	427,828	434,108	441,663	N/A
50,373	51,153	51,173	50,725	50,753	N/A

CAPITAL ASSET STATISTICS BY FUNCTION

2016 - 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Department of Administrative Services										
Buildings	263	270	269	267	255	235	234	214	190	190
Vehicles	1,046	1,062	1,120	1,096	1,176	1,130	1,074	1,203	1,139	1,183
Conservation of Natural Resources										
Game and Parks Commission										
Acres of state park and wildlife land (in thousands)	154	151	158	148	148	153	142	152	152	152
Culture - Recreation										
Game and Parks Commission										
State Parks	8	8	8	8	8	8	8	8	8	8
Historical Parks	9	9	10	10	10	10	10	10	10	10
Recreation and wildlife areas	350	350	357	350	347	347	345	346	346	346
Fish hatcheries	5	5	5	5	5	5	5	5	5	5
Education										
NETV Commission										
Towers, antennas and transmitters	45	51	46	45	45	46	51	53	53	53
Public Safety										
State Patrol										
Pursuit Vehicles	339	310	554	384	249	340	373	355	358	325
Department of Corrections										
Buildings	149	134	148	146	133	136	134	140	143	142
Transportation										
Department of Transportation										
Highway miles (calendar year)	9,944	9,945	9,945	9,944	9,942	9,940	9,940	9,931	9,931	N/A
Heavy trucks, plows and graders	1,025	1,064	1,049	1,052	1,031	1,048	1,053	1,005	1,099	1,124

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, 2025

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, 2024-25

APPENDIX B

**NDOT ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)**



NEBRASKA

Good Life. Great Journey.

DEPARTMENT OF TRANSPORTATION

Hwy. 275 Project

NEBRASKA
DEPARTMENT OF TRANSPORTATION

FISCAL YEAR ENDING
JUNE 30, 2025

ANNUAL FINANCIAL REPORT

Annual Financial Report

For Fiscal Year 2025

July 1, 2024 thru June 30, 2025



FY-2025 HIGHLIGHTS

Fiscal Year Ending June 30, 2025

- ❖ The state revenue projections in this report were developed in December 2024. NDOT's revenue sources exhibit diverse collection timelines and lag periods associated with the timing of remittances to the state and their subsequent transfer to NDOT, following the revenue-generating economic activities.
- ❖ Annual invested cash balances earned a total of \$10.7 million in interest, with an average interest rate of 3.00% (see page 7).
- ❖ State receipts were less than the Highway Cash Fund appropriation by \$3.3 million, or 0.6% (see page 18).
- ❖ Total receipts amounted to \$1.3 billion (see page 18).
 - \$618.8 million in state receipts:
 - Includes \$106.0 million from the Build Nebraska Act, allocated to the State Highway Capital Improvement Fund.
 - Includes \$29.9 million allocated to the Transportation Infrastructure Bank.
 - \$610.4 million in federal receipts
 - \$ 31.6 million in other receipts
- ❖ Expended \$1.3 billion, representing 92.8% of the total budget (see page 24).
 - \$1.1 billion, or 80.5%, was allocated to highway construction, related expenses, and capital facilities.
 - \$189.0 million, or 14.4%, was designated for highway maintenance and operations.
 - \$67.0 million, or 5.1%, was spent on administration and supportive services.
- ❖ Awarded highway construction contracts totaling \$562.1 million (see page 31).
- ❖ The June report features a page detailing the payments and Deferred Contract Payment Certificates issued under the Lincoln South Beltway contract (see page 34).
- ❖ Expended \$1.0 billion on highway construction and related expenses (see pages 39 and 40).
 - \$ 794.8 million on the state highway system
 - \$ 92.6 million on local streets and roads
 - \$ 140.7 million on non-specific highway purposes
- ❖ The Build Nebraska Act, effective July 1, 2013, will expire in 2042. To date, \$923.6 million in revenue has been received, with allocated expenditures totaling \$792.6 million (see page 43).
- ❖ The Transportation Innovation Act, effective July 1, 2016, resulted in a \$50.0 million transfer from the Cash Reserve Fund. To date, additional gas tax revenue and interest earnings totaling \$231.7 million have been received, with expenditures amounting to \$225.6 million (see page 44).

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STATEMENT OF NET ASSETS – Financial statement that shows assets, liabilities, and net assets at month end as compared to the previous month end and the same point in time in the previous year.

REPORT SCOPE

The Statement of Net Assets, page 2, presents the financial position of the Nebraska Department of Transportation and includes all funds. Separate reports portray the detail operations and status of the Recreation Road, Grade Crossing, State Aid Bridge, State Highway Capital Improvement, and Transportation Infrastructure Bank Cash funds. The Department’s fiscal year is for a twelve-month period from July 1 to June 30.

FINANCIAL STATEMENT TERMS

CURRENT ASSETS

CASH - On deposit with the State Treasurer and available for meeting the demands of Department expenses and liabilities. This demand may vary from \$100,000 to \$15 million for a single day. During the low construction season, December through May, the monthly demand may be as low as \$15 million as compared to \$70 million during the high construction season.

FEDERAL RECEIVABLES – Includes: Claims Submitted - Federal participation in highway construction costs incurred to date, claimed but not received, Earned Unbilled - Federal participation in highway construction costs incurred to date - not claimed, Deferred Expense - Project expenses held in retentions that are not eligible for federal reimbursement until final payments are made.

OTHER RECEIVABLES - Includes receivables due the Department from entities other than the federal government, both project and non-project related.

INVENTORIES - Cost of supplies and material goods held in stock for future use by the Department in part of daily operations.

CAPITAL ASSETS

EQUIPMENT - Cost of automotive/heavy road equipment reported at acquisition price less depreciation.

LAND – Historical costs of all land acquired since 1958 by the Department for highway operations.

INFRASTRUCTURES - Historical costs of all highways and bridges, 1958 through FY-2001. Beginning FY-2002, infrastructures are reported using the modified approach (reported as an asset value when it increases the capacity and/or efficiency and open to the public.) Includes work in progress.

BUILDINGS – Historical costs of all capital construction building costs. Includes work in progress.

LIABILITIES

ACCOUNTS PAYABLE - Recognized costs for which payment has not been made.

RETENTIONS - Parts of contract earnings for which payment is deferred pending final acceptance of the project by the Department.

OTHER PAYABLES - Includes performance guarantees and advance deposits.

NET ASSETS - Net current resources invested in highway facilities or available for future expenditures.

CAPITAL EQUITY – Net capital investment in highway facilities (equipment, land, infrastructures, and buildings).

RESERVE FUND BALANCE – The portion of the fund balance that is legally segregated for a specific future use and is not available for expenditure.

UNRESERVED FUND BALANCE – The portion of the fund balance available to finance future expenditures.

BASIS OF ACCOUNTING - Nebraska Department of Transportation utilizes the accrual basis of accounting modified by the recording of revenues on a cash basis. Accrual basis of accounting reflects costs in the period the costs are incurred, not necessarily when payment is made and similarly reflects revenue in the period it is earned and not necessarily when it is collected.

STATEMENT OF NET ASSETS
June 2025

	Current Month Balance	Previous Month Balance	Difference	%	Previous Year Balance	Difference	%
ASSETS							
Current Assets							
Cash & Cash Equivalents	457,591,838.43	442,245,155.80	15,346,682.63	3.47	428,097,239.25	29,494,599.18	6.89
Federal Receivables	15,703,341.49	35,867,735.99	(20,164,394.50)	(56.22)	4,780,398.77	10,922,942.72	228.49
Other Receivables	18,383,645.66	19,399,744.92	(1,016,099.26)	(5.24)	12,633,052.89	5,750,592.77	45.52
Inventories	1,918,449.06	2,574,851.99	(656,402.93)	(25.49)	2,450,603.87	(532,154.81)	(21.72)
Total Current Assets	\$493,597,274.64	\$500,087,488.70	(\$6,490,214.06)	(1.30)%	\$447,961,294.78	\$45,635,979.86	10.19 %
Capital Assets							
Equipment	103,638,750.68	103,138,754.72	499,995.96	0.48	87,565,218.60	16,073,532.08	18.36
Land	609,134,615.85	598,934,305.12	10,200,310.73	1.70	588,943,789.61	20,190,826.24	3.43
Infrastructures	8,563,942,901.86	8,409,785,469.13	154,157,432.73	1.83	8,283,018,193.61	280,924,708.25	3.39
Buildings	158,657,822.62	149,153,661.38	9,504,161.24	6.37	118,319,597.72	40,338,224.90	34.09
Total Capital Assets	\$9,435,374,091.01	\$9,261,012,190.35	\$174,361,900.66	1.88 %	\$9,077,846,799.54	\$357,527,291.47	3.94 %
Total Assets	\$9,928,971,365.65	\$9,761,099,679.05	\$167,871,686.60	1.72 %	\$9,525,808,094.32	\$403,163,271.33	4.23 %
LIABILITIES							
Current Liabilities							
Accounts Payable	1,453.50	15,653,757.46	(15,652,303.96)	(99.99)	125,597.46	(124,143.96)	(98.84)
Retention Payable	184,412,862.04	184,321,101.87	91,760.17	0.05	215,351,487.85	(30,938,625.81)	(14.37)
Other Payables	108,010,667.09	108,509,723.86	(499,056.77)	(0.46)	30,342,271.50	77,668,395.59	255.97
Total Current Liabilities	\$292,424,982.63	\$308,484,583.19	(\$16,059,600.56)	(5.21)%	\$245,819,356.81	\$46,605,625.82	18.96 %
Total Liabilities	\$292,424,982.63	\$308,484,583.19	(\$16,059,600.56)	(5.21)%	\$245,819,356.81	\$46,605,625.82	18.96 %
NET ASSETS							
Capital Equity							
Capital	9,435,374,091.01	9,261,012,190.35	174,361,900.66	1.88	9,077,846,799.54	357,527,291.47	3.94
Total Capital Equity	\$9,435,374,091.01	\$9,261,012,190.35	\$174,361,900.66	1.88 %	\$9,077,846,799.54	\$357,527,291.47	3.94 %
Fund Balance							
Reserved Fund Balance	(182,494,412.98)	(181,746,249.88)	(748,163.10)	0.41	(212,900,883.98)	30,406,471.00	(14.28)
Unreserved Fund Balance	383,666,704.99	373,349,155.39	10,317,549.60	2.76	415,042,821.95	(31,376,116.96)	(7.56)
Total Fund Balance	\$201,172,292.01	\$191,602,905.51	\$9,569,386.50	4.99 %	\$202,141,937.97	(\$969,645.96)	(0.48)%
Total Net Assets	\$9,636,546,383.02	\$9,452,615,095.86	\$183,931,287.16	1.95 %	\$9,279,988,737.51	\$356,557,645.51	3.84 %
Total Liabilities and Net Assets	\$9,928,971,365.65	\$9,761,099,679.05	\$167,871,686.60	1.72 %	\$9,525,808,094.32	\$403,163,271.33	4.23 %

COMPARATIVE STATEMENT OF OPERATIONS - Summary of Revenues and Costs for the Accounting Period by month and by FY to date as compared to the previous month and the same point in time the previous year.

REPORT SCOPE

The Comparative Statement of Operations, page 4 presents the financial position of the Nebraska Department of Transportation and includes all funds. Separate reports portray the detail operations and status of the Recreation Road, Grade Crossing, State Aid Bridge, State Highway Capital Improvement, and Transportation Infrastructure Bank Cash Funds. The Department's fiscal year is for a twelve-month period from July 1 to June 30.

FINANCIAL STATEMENT TERMS

REVENUE - Income accruing during an accounting period. The figures for revenue on page 4 of this report and those receipt figures seen throughout the rest of the report are not the same. The figures on page 4 are based on accrual accounting from NDOT's financial systems. The receipt figures throughout the rest of the report are based on the State's Accounting System.

STATE - This amount reflects the Department's share of the state tax on motor fuel and diesel fuel, motor vehicle registration fees, sales tax on motor vehicles and other highway-user payments. It also reflects monies deposited in the State Aid Bridge Fund, Recreation Road Fund, Grade Crossing Protection Fund, the State Highway Capital Improvement Fund and the Transportation Infrastructure Bank Fund.

FEDERAL - The federal reimbursable share of Department expenditures in the Roads Division as of the date of publication.

LOCAL - Reimbursable share of Department expenditures from local Nebraska government subdivisions (cities and counties) for their participating share for Roads Division construction projects.

OTHER ENTITIES - Reimbursable share of Department expenditures from other entities (states, railroads, etc.) for their participating share for Roads Division construction projects.

EXPENDITURES - The value of goods received, services performed, and work accomplished during an accounting period. Costs incurred, for which supporting transaction documents or notification has not reached the Controller Division within the accounting period, will be reflected in subsequent accounting periods.

ADMINISTRATION - Cost of administrative support for all Department activities that includes supervisory and related expenses and the cost of board and commission activities.

HIGHWAY MAINTENANCE - Costs to perform physical maintenance, traffic control, winter operations, indirect charges, and unusual and disaster operations on the highway system.

CAPITAL FACILITIES - Costs of land purchase, design and construction of new facilities necessary to accomplish the Department's construction and maintenance programs.

SERVICES and SUPPORT - Serves as a support center of activity costs for the other four programs. Includes supply base/inventories, charges to others for services rendered, building operations, business technology services, and support centers such as the print shop.

CONSTRUCTION - Costs of engineering, R.O.W. appraisals and purchase, construction work performed, highway planning and research, and highway safety.

NEBRASKA OFFICE OF HIGHWAY SAFETY - Costs incurred in the administration of grants for the National Highway Safety Program.

PUBLIC TRANSIT - Costs for bus acquisitions and transit systems operating loss subsidy.

EXCESS REVENUE (EXPENDITURES) - The increase or decrease in net current assets for the period.

BASIS OF ACCOUNTING - Nebraska Department of Transportation utilizes the accrual basis of accounting modified by the recording of revenues on a cash basis. Accrual basis of accounting reflects costs in the period the costs are incurred, not necessarily when payment is made and similarly reflects revenue in the period it is earned and not necessarily when it is collected.

**STATEMENT OF OPERATIONS
ALL OPERATING FUNDS
JUNE 2025**

	Current Month	Previous Month	Difference	%	Current Fiscal Year To Date	Prev Fiscal Year to Date	Difference	%
Revenue								
State Revenues	52,611,819.27	50,267,819.00	2,344,000.27	4.66	604,301,401.69	649,769,815.28	(45,468,413.59)	7.00
Federal Reimbursements	48,080,273.29	61,714,153.12	(13,633,879.83)	(22.09)	630,589,259.24	546,387,026.11	84,202,233.13	15.41
Local Revenues	1,626,777.03	3,454,914.01	(1,828,136.98)	(52.91)	27,569,465.07	24,920,326.07	2,649,139.00	10.63
Other Entities Revenues	1,198,981.32	2,143,760.61	(944,779.29)	(44.07)	19,904,708.27	6,169,531.75	13,735,176.52	222.63
Total Revenue	\$103,517,850.91	\$117,580,646.74	(\$14,062,795.83)	(11.96) %	\$1,282,364,834.27	\$1,227,246,699.21	\$55,118,135.06	4.49%
Expenditures								
Administration	2,226,462.88	2,240,824.07	(14,361.19)	(0.64)	28,035,639.79	23,698,032.84	4,337,606.95	18.30
Highway Maintenance	14,947,502.82	13,170,473.55	1,777,029.27	13.49	189,049,705.06	204,933,184.23	(15,883,479.17)	(7.75)
Capital Facilities	948,558.85	843,326.72	105,232.13	12.48	9,971,880.07	13,698,001.61	(3,726,121.54)	(27.20)
Services and Support	3,787,142.02	2,210,439.18	1,576,702.84	71.33	38,935,434.00	41,209,879.41	(2,274,445.41)	(5.52)
Construction	65,892,896.16	102,294,058.96	(36,401,162.80)	(35.58)	1,002,195,017.98	929,018,120.20	73,176,897.78	7.88
Highway Safety Office	409,485.25	709,874.84	(300,389.59)	(42.32)	8,747,774.31	7,283,653.98	1,464,120.33	20.10
Public Transit	5,041,651.08	3,229,810.33	1,811,840.75	56.10	36,158,745.59	21,229,008.51	14,929,737.08	70.33
Total Expenditures	\$93,253,699.06	\$124,698,807.65	(\$31,445,108.59)	(25.22) %	\$1,313,094,196.80	\$1,241,069,880.78	\$72,024,316.02	5.80%
Excess Revenue (Expenditures)	\$10,264,151.85	(\$7,118,160.91)	\$17,382,312.76	(244.20) %	(\$30,729,362.53)	(\$13,823,181.57)	(\$16,906,180.96)	122.30%

BALANCE SHEET BY FUND – Statement of the financial position for all funds administered by the Nebraska Department of Transportation.

FUND DEFINITION

Roads Operations Cash Fund (2270) = State statute 66-4,100 established this fund in order to effectively implement the provisions of the variable excise tax. This fund is the collection point for all monies which are not directed by the Legislature to other fund accounts, including all federal and local reimbursements. This fund also acts as the recipient of the state funds transferred from the Highway Cash Fund and as a focal point for most highway expenditures.

Highway Cash Fund (2271) = State statute 66-4,100 established this fund to receive all state revenue transferred to the Department of Transportation from the Highway Trust Fund, including funds generated by the motor and diesel fuel taxes, motor vehicle registration and related fees, along with sales tax revenue from motor vehicles. These funds are then transferred to the Department's Roads Operations Cash Fund up to the limit as established by the Legislature.

State Highway Capital Improvement Fund (2274) = State statute 39-2703 established this fund to receive revenue closely related to the use of highways in an amount equal to 85% of one quarter of one percent of state General Fund sales tax through June 30, 2042. At least twenty five percent of this fund is to be used for the construction of the expressway system and federally designated high priority corridors. The remaining money is to be used for surface transportation projects of the highest priority as determined by the Department of Transportation.

Transportation Infrastructure Bank Fund (2275) = State statute 39-2803 established this fund to receive the additional fuel tax revenue generated by Laws 2015, LB 610 for the period July 1, 2016 through June 30, 2033 and directed the State Treasurer to transfer \$50 million from the state's Cash Reserve Fund in July 2016. This fund is to be used for three specific programs: Accelerated State Highway Capital Improvement Program, County Bridge Match Program, and Economic Opportunity Program.

Grade Separation Fund (2670) = State statute 74-1320 established a 7.5¢ tax per train mile, effective April 1, 1984, levied on all train miles traveled in this state, plus a tax of \$100 annually on all public grade crossings in this state. A train mile is defined as each mile traveled by a train in this state regardless of the number of cars in such train. Quarterly payments are due on the first day of the calendar quarter. These funds are used for the construction of rail and highway grade separations.

Grade Crossing Protection Fund (2671) = The Grade Crossing Protection Fund is established by Statute 74-1317. State Statute 39-2215 provides for the monthly transfer of \$30,000 from the Highway Trust Fund to the Grade Crossing Protection Fund. The funds provide the state's share, or 95% of the cost of construction and installation of automatic crossing protection devices on all classes of roadways. The participating political subdivision is required to finance the balance of the cost, except in a county where a railroad transportation safety district has been formed, in which case the balance shall be borne entirely by the railroad transportation safety district involved. Projects are generally funded from Federal Funds, State Funds, and political subdivisions. Any political subdivision, which eliminates a crossing by closing the street or highway, will be paid \$5,000 plus the actual costs of the closing not to exceed \$12,000 from the Grade Crossing Protection Fund. In addition, the political subdivision will be paid \$5,000 from the responsible railroad. Any political subdivision, which eliminates a crossing by removal of the rail, will be paid \$2,000 or the actual cost, not to exceed \$12,000 from the Grade Crossing Protection Fund.

Recreation Road Fund (2672) = The Recreation Road program, established by Statute 39-1390, reflects the use of \$1.50 of each motor vehicle registration fee per Statute 60-302 for construction and maintenance (when not provided for by others) of dustless surface roads designated as State Recreation Roads.

State Aid Bridge Fund (7757) = The State Aid Bridge Fund, established by Statute 39-846, provides a program of state aid for the replacement of county bridges. The State Aid Bridge Fund receives \$64,000 per month from the Highway Trust Fund, 50% from the Department's share and 50% from the counties' share, which is proportional from each county based on the lineal feet of bridges twenty feet or more in length and all overpasses in each county. When Federal-aid Bridge Replacement funds are available, bridge replacement projects are funded from federal funds, county funds and the State Aid Bridge Fund. After all Federal-aid Bridge Replacement funds have been utilized, funding distribution may vary based on availability of funds.

Broadband, Equity, Access, and Deployment Fund (4278) = The Nebraska Broadband Office, established by Statute 86-331, utilizes federal Broadband Equity, Access, and Deployment Program funding authorized under the federal Infrastructure Investment and Jobs Act, Public Law 117-583. Federal reimbursement for expenses incurred are deposited to the fund. Expenses incurred in the Roads Operations Cash Fund on behalf of the Nebraska Broadband Office are transferred to this fund to reimburse Nebraska Department of Transportation's Roads Operations Cash Fund for incurred expenditures.

BALANCE SHEET BY FUND
June 2025

	Roads Operations Cash 2270	Highway Cash 2271	State Highway Capital Improvement 2274	Transportation Infrastructure Bank 2275	Grade Separation 2670	Grade Crossing Protection 2671	State Recreation Road 2672	Broadband Administration 4278	State Aid Bridge 7757	Total
ASSETS										
Cash	126,416,643.64	44,040,453.11	219,483,580.07	56,663,351.23	7,508,264.42	2,134,841.61	1,279,366.69	0.00	64,087.66	457,590,588.43
Other Current Assets	36,006,686.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,006,686.21
Capital Assets	9,435,374,091.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,435,374,091.01
TOTAL ASSETS	\$9,597,797,420.86	\$44,040,453.11	\$219,483,580.07	\$56,663,351.23	\$7,508,264.42	\$2,134,841.61	\$1,279,366.69	\$0.00	\$64,087.66	\$9,928,971,365.65
LIABILITIES										
Current Liabilities	199,108,110.51	0.00	93,316,872.12	0.00	0.00	0.00	0.00	0.00	0.00	292,424,982.63
TOTAL LIABILITIES	\$199,108,110.51	\$0.00	\$93,316,872.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$292,424,982.63
NET ASSETS										
Fund Balance	504,173,542.22	(447,951,398.37)	117,930,117.70	38,630,095.54	6,265,341.85	1,915,802.51	11,419,560.25	0.00	(481,407.16)	231,901,654.54
Capital Equity	9,435,374,091.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,435,374,091.01
Accrued Interfund Transfer	(5,528,762.15)	0.00	5,327,323.99	614,943.88	26,838.11	310.45	(1,039,219.94)	0.00	598,565.66	0.00
Revenues	634,858,677.87	491,991,851.48	115,231,064.28	33,850,924.20	1,861,458.19	379,864.64	1,547,290.21	1,874,653.70	769,049.70	1,282,364,834.27
Costs	(1,170,188,238.60)	0.00	(112,321,798.02)	(16,432,612.39)	(645,373.73)	(161,135.99)	(10,648,263.83)	(1,874,653.70)	(822,120.54)	(1,313,094,196.80)
TOTAL NET ASSETS	\$9,398,689,310.35	\$44,040,453.11	\$126,166,707.95	\$56,663,351.23	\$7,508,264.42	\$2,134,841.61	\$1,279,366.69	\$0.00	\$64,087.66	\$9,636,546,383.02
TOTAL LIABILITIES AND NET ASSETS	\$9,597,797,420.86	\$44,040,453.11	\$219,483,580.07	\$56,663,351.23	\$7,508,264.42	\$2,134,841.61	\$1,279,366.69	\$0.00	\$64,087.66	\$9,928,971,365.65

FUND BALANCES AND INVESTMENT EARNINGS
Roads Divisions
June 2025

The nature of revenue and expenditure trends create a cash flow situation in that typically the first six months of a fiscal year expenditures are more than incoming revenue. It is therefore necessary to begin the fiscal year with a relatively strong cash balance. This balance will alleviate the cash flow requirement existing from July thru December. It will also allow the Department to meet January's expenditures which will be incurred before most of January's revenue is received.

The table below reflects the variance between revenue and expenditures for the current year, in millions. *Indicates months that include costs for three payrolls.

FY25	JUL	AUG	SEPT	OCT *	NOV	DEC	JAN	FEB	MAR	APR *	MAY	JUN
Revenue	102.0	117.4	149.5	171.7	104.8	76.1	68.0	116.3	81.1	74.5	117.6	103.5
Expenditures	146.0	128.7	165.3	168.3	104.6	78.2	66.3	55.3	90.1	92.3	124.7	93.3
Balance	(44.0)	(11.4)	(15.8)	3.4	0.2	(2.1)	1.7	61.0	(9.0)	(17.8)	(7.1)	10.2
Cumulative Balance	(44.0)	(55.4)	(71.2)	(67.8)	(67.6)	(69.7)	(68.0)	(7.0)	(16.0)	(33.8)	(40.9)	(30.7)

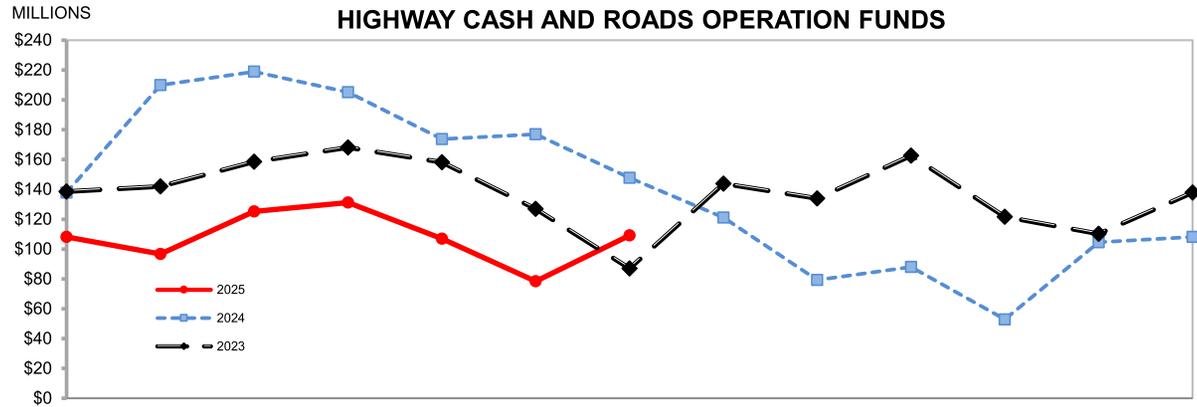
Department funds are programmed and obligated to meet the construction program and operating requirements. A season imbalance of receipts and expenditures causes funds to become temporarily available for investment activity, especially during the winter months.

Investments on fund balances received \$1,037,086.55 in June, with an interest rate of 2.93%. The chart below reflects the interest earned and interest rate by month. The interest information as reflected here represents total interest received from all funds. The figures on page 6 represent total receipts by fund, including interest.

FY 25	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total	AVG
Interest Rate	2.87%	2.91%	2.87%	3.09%	2.92%	3.04%	3.10%	2.98%	3.09%	3.59%	2.62%	2.93%		3.00%
Earnings (Thousands)	\$883	\$926	\$805	\$802	\$692	\$788	\$798	\$761	\$902	\$1,368	\$939	\$1,037	\$10,701	\$892

FUND BALANCES - MONTHLY LOW POINT
Roads Divisions
June 2025
(IN MILLIONS)

Total of all funds available as of June 30th is \$447.6 million. The chart below compares the Highway Cash and Roads Operations Funds monthly lowest level for three calendars years. For these two funds, the month ranged from a high of \$160.4 million on the 30th to a low of \$109.2 million on the 18th.



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
HIGHWAY CASH & ROADS OPERATIONS												
2025	96.7	125.3	131.2	106.9	78.4	109.2						
2024	209.9	218.9	205.1	173.8	177.0	147.8	121.1	79.3	88.0	52.9	104.5	108.1
2023	142.0	158.5	168.1	158.2	126.9	87.0	143.8	133.9	162.6	121.6	110.2	137.8
STATE HIGHWAY CAPITAL IMPROVEMENT FUND												
2025	115.1	121.9	121.4	133.6	127.4	125.3						
2024	99.9	109.4	108.5	116.2	111.2	114.8	123.1	110.0	110.9	110.3	103.5	108.7
2023	93.0	101.5	105.6	109.8	108.9	114.1	122.4	119.4	108.3	108.3	94.1	102.5
TRANSPORTATION INFRASTRUCTURE BANK FUND												
2025	45.5	46.7	48.8	49.0	50.6	51.0						
2024	34.3	34.4	36.2	35.3	35.0	35.0	39.7	41.3	42.1	42.2	43.2	44.2
2023	45.3	45.7	45.7	47.1	47.9	43.5	42.2	38.1	37.2	35.1	34.1	33.8
GRADE CROSSING PROTECTION FUND												
2025	8.6	8.5	8.6	9.3	9.5	9.4						
2024	8.0	8.0	8.0	8.0	8.2	8.2	8.3	8.5	8.4	8.6	8.5	8.4
2023	6.5	6.5	7.5	7.5	7.8	7.7	7.9	7.9	8.0	7.7	7.7	7.7
RECREATION ROAD FUND												
2025	5.9	5.5	5.8	6.1	4.5	1.3						
2024	10.1	10.4	10.8	10.8	11.1	11.4	11.4	11.8	12.1	11.3	10.5	7.1
2023	10.0	10.0	10.4	10.5	10.6	10.3	10.4	10.4	10.3	10.0	10.0	10.0
STATE AID BRIDGE FUND												
2025	0.0	0.0	0.0	0.0	0.0	0.0						
2024	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**STATE HIGHWAY FUNDS 2270 & 2271
STATEMENT OF RECEIPTS, EXPENDITURES, AND
CHANGES IN FUND BALANCES
(DOLLARS IN THOUSANDS)**

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Receipts					
Motor Fuel Tax	180,452	155,240	145,729	165,745	170,049
Diesel Fuel Tax	104,321	87,993	80,675	92,673	93,722
Registrations	46,481	41,731	49,143	51,571	48,900
Sales Tax on Motor Vehicles	157,940	158,819	171,141	178,672	177,823
Other State Receipts	11,319	12,290	12,784	12,253	13,751
Sub-Total State Receipts	\$ 500,513	\$ 456,073	\$ 459,472	\$ 500,914	\$ 504,245
Federal = State system	379,179	366,307	480,470	456,693	429,436
Federal = Local system	64,690	63,517	45,280	68,854	66,890
Federal Transit	20,321	16,455	15,543	16,419	28,469
Counties, Cities, & Others	41,090	44,944	40,425	44,575	31,615
Rec Road / Grade Xing / St Aid Bridge (Inter-fund Transfer)	8,415	4,725	5,757	7,084	12,030
State Highway Capital Improvement Fund (Inter-fund Transfer)	(3,245)	56,775	102,626	102,943	109,796
State Transportation Infrastructure Bank (Inter-Fund Transfer)	48,760	20,992	39,925	29,121	16,433
State Patrol Carrier Enforcement Transfer Out	(9,216)	(9,073)	(10,006)	(9,365)	(11,806)
General Fund Transfer *	-	-	32,000	33,000	35,000
Total Receipts	\$ 1,050,507	\$ 1,020,715	\$ 1,211,492	\$ 1,250,238	\$ 1,222,108
Expenditures:					
Administration	22,259	22,899	22,082	25,470	28,036
Supportive Services	36,283	39,162	33,806	41,210	38,935
Capital Facilities	5,064	6,347	6,979	13,698	9,972
Highway Maintenance	159,480	144,446	167,275	204,933	189,050
Construction = Support & Research	21,452	19,455	25,694	26,147	30,665
Sub Total Non-Construction	\$ 244,538	\$ 232,309	\$ 255,836	\$ 311,458	\$ 296,658
State Highway System Construction:					
State System	527,359	594,839	762,326	729,621	794,804
Planning & Non-Program projects	84,532	79,316	91,855	96,484	101,711
Sub Total Construction	\$ 611,891	\$ 674,155	\$ 854,181	\$ 826,105	\$ 896,515
TOTAL STATE HIGHWAY EXPENDITURES	\$ 856,429	\$ 906,464	\$ 1,110,017	\$ 1,137,563	\$ 1,193,173
Local System					
Local System	88,792	82,314	52,624	81,262	80,918
MPO	2,227	2,216	2,733	2,788	2,844
Public Transit	29,139	21,117	23,791	21,229	36,159
TOTAL LOCAL ROADWAY EXPENDITURES	\$ 120,158	\$ 105,647	\$ 79,148	\$ 105,279	\$ 119,921
Total Expenditures	\$ 976,586	\$ 1,012,110	\$ 1,189,164	\$ 1,242,841	\$ 1,313,094
Receipts Over (Under) Expenditures	73,921	8,605	22,328	7,397	(90,986)
Fund Balance June 30	\$ 223,113	\$ 231,718	\$ 254,046	\$ 261,443	\$ 170,457
Outstanding Contractual Obligations	\$ 694,968	\$ 978,321	\$ 1,124,901	\$ 1,257,940	\$ 1,119,362

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COMBINED SUMMARY OF REVENUES & EXPENDITURES
June 2025

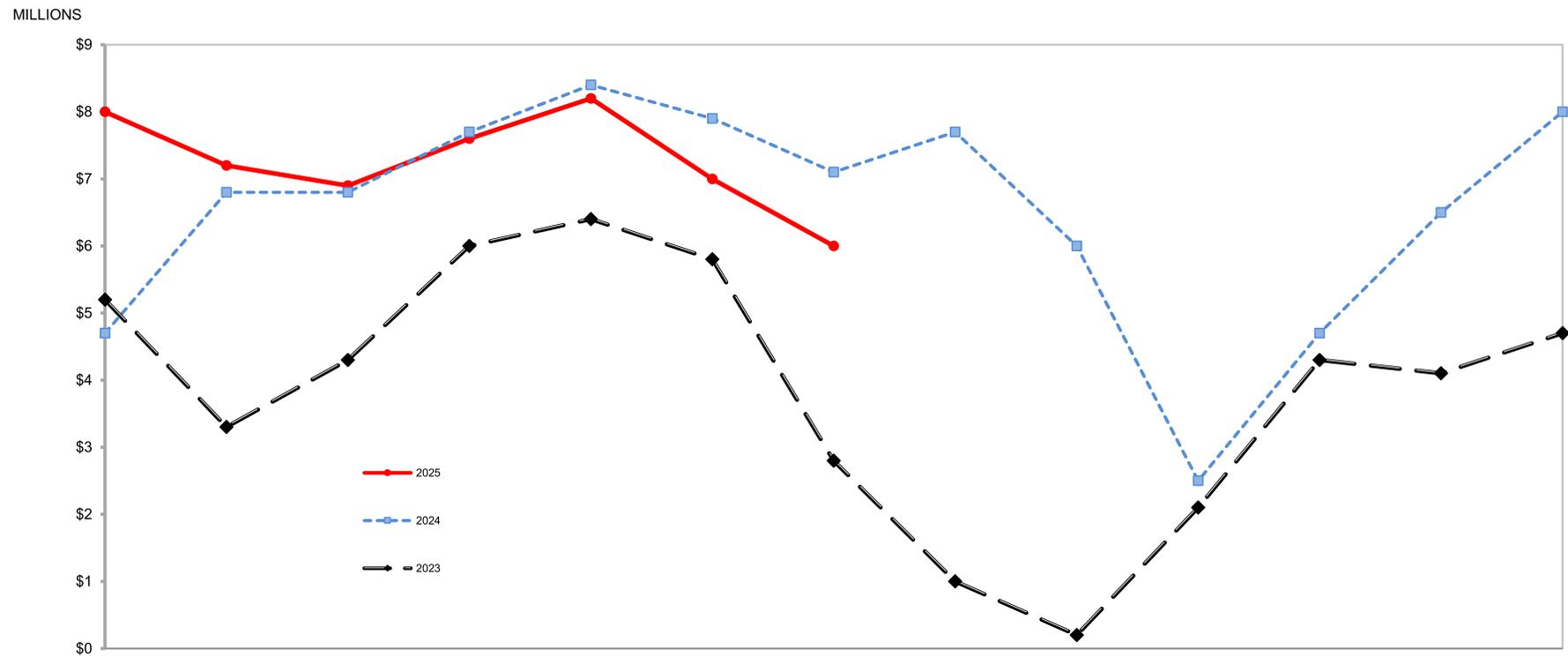
	ADMINISTRATION 026					301	AIRCRAFT 596		TOTALS
	Admin.	Proj Plan/Mgt	Nav. Aids	Airfields	Pave. Maint.	Capital Projs.	Operations	Aircraft Res.	
REVENUES:									
450000 Taxes	164,712.20								164,712.20
460000 Intergovernmental		190,933.00				5,021,350.00			5,212,283.00
470000 Sales & Charges			12,137.16	4,607.34					16,744.50
480000 Miscellaneous	22,646.50			46,330.14		12,021.13			80,997.77
490000 Other				13,985.50					13,985.50
TOTAL REVENUES	187,358.70	190,933.00	12,137.16	64,922.98	-	5,033,371.13	-	-	5,488,722.97
EXPENDITURES:									
510000 Personal Services									-
520000 Operating Expenses	497.08	440.45	3,993.79	18,914.93			7,057.58	6,281.08	37,184.91
570000 Travel Expenses	443.10	714.89	2,299.75				45.69		3,503.43
580000 Capital Outlay			27,347.00						27,347.00
590000 Government Aid						2,231,209.00			2,231,209.00
865100 Miscellaneous Adjust		50.84							50.84
TOTAL EXPENDITURES	940.18	1,206.18	33,640.54	18,914.93	-	2,231,209.00	7,103.27	6,281.08	2,299,295.18
Excess (Deficiency) of Revenues Over Expenditures	186,418.52	189,726.82	(21,503.38)	46,008.05	-	2,802,162.13	(7,103.27)	(6,281.08)	3,189,427.79
OTHER FINANCING SOURCES (USES):									
Transfers In		(189,726.82)	21,503.38		-		7,103.27	-	
Transfers Out	161,120.17						-		
Grant \$ transfer									
Excess (Deficiency) of Revenues Over Expenditures	347,538.69	-	-	46,008.05	-	2,802,162.13	-	(6,281.08)	3,189,427.79
Fund Balance	2,001,806.49	-	-	2,405,694.27	-	6,006,167.05	(36,951.80)	1,190,430.85	11,567,146.86
Fund 21710 - May 31, 2025						1,342,539.25			
Fund 21720 - May 31, 2025						4,663,627.80			
Fund Balance	2,349,345.18	-	-	2,451,702.32	-	8,808,329.18	(36,951.80)	1,184,149.77	14,756,574.65
Fund 21710 - June 30, 2025						4,132,680.25			
Fund 21720 - June 30, 2025						4,675,648.93			

**COMBINED SUMMARY OF REVENUES & EXPENDITURES
FISCAL YEAR TO DATE (July 1, 2024 through June 30, 2025)**

		ADMINISTRATION 026					301	AIRCRAFT 596		TOTALS
		Admin.	Proj Plan/Mgt	Nav. Aids	Airfields	Pave. Maint.	Capital Projs.	Operations	Aircraft Res.	
REVENUES:										
450000	Taxes	1,639,861.98	-	-	-	-	1,985,298.21	-	-	3,625,160.19
460000	Intergovernmental	-	1,105,012.89	-	152,000.00	-	30,236,475.50	-	-	31,493,488.39
470000	Sales & Charges	58.10	-	148,969.98	64,853.42	-	-	-	-	213,881.50
480000	Miscellaneous	262,588.27	46,000.00	4,400.00	496,918.08	-	80,590.56	45,164.33	9,408.00	945,069.24
490000	Other	-	-	-	106,287.20	-	-	(2,163.00)	2,163.00	106,287.20
TOTAL REVENUES		1,902,508.35	1,151,012.89	153,369.98	820,058.70	-	32,302,364.27	43,001.33	11,571.00	36,383,886.52
EXPENDITURES:										
510000	Personal Services	-	-	-	-	-	-	-	-	-
520000	Operating Expenses	59,629.93	287,632.52	94,958.27	284,441.16	212.26	-	130,976.76	62,251.13	920,102.03
570000	Travel Expenses	16,398.56	13,310.63	28,244.27	204.03	-	-	1,950.37	-	60,107.86
580000	Capital Outlay	-	-	27,347.00	-	-	-	-	-	27,347.00
590000	Government Aid	65,202.45	-	-	-	-	30,181,684.27	-	-	30,246,886.72
865100	Miscellaneous Adjust	(1,015,941.01)	(311,373.88)	(93,407.89)	(53,110.80)	(1,451.62)	(150.93)	(10,800.89)	-	(1,486,237.02)
TOTAL EXPENDITURES		(874,710.07)	(10,430.73)	57,141.65	231,534.39	(1,239.36)	30,181,533.34	122,126.24	62,251.13	29,768,206.59
Excess (Deficiency) of Revenues Over Expenditures		2,777,218.42	1,161,443.62	96,228.33	588,524.31	1,239.36	2,120,830.93	(79,124.91)	(50,680.13)	6,615,679.93
OTHER FINANCING SOURCES (USES):										
	Transfers In		(1,161,443.62)	(96,228.33)		(1,239.36)		79,124.91		
	Transfers Out	1,179,786.40								
	Grant \$ transfer	(2,603,009.00)					2,603,009.00			
Excess (Deficiency) of Revenues Over Expenditures		1,353,995.82	-	-	588,524.31	-	4,723,839.93	-	(50,680.13)	6,615,679.93
Fund Balance June 30, 2024		958,397.56	-	-	1,863,178.01		4,084,489.25		1,234,829.90	8,140,894.72
Fund Balance Fund 21710 - June 30, 2025		2,312,393.38	-	-	2,451,702.32	-	8,808,329.18	-	1,184,149.77	14,756,574.65
Fund Balance Fund 21720 - June 30, 2025							4,132,680.25			
							4,675,648.93			

FUND BALANCES - MONTHLY LOW POINT
Aeronautics Division
June 2025
(IN MILLIONS)

Total funds available as of June 30th is \$10.0 million. The chart below compares the Aeronautics Cash Fund monthly lowest level for three calendars years. For this fund, the month ranged from a high of \$10.0 million on the 30th to a low of \$6.0 million on the 18th.

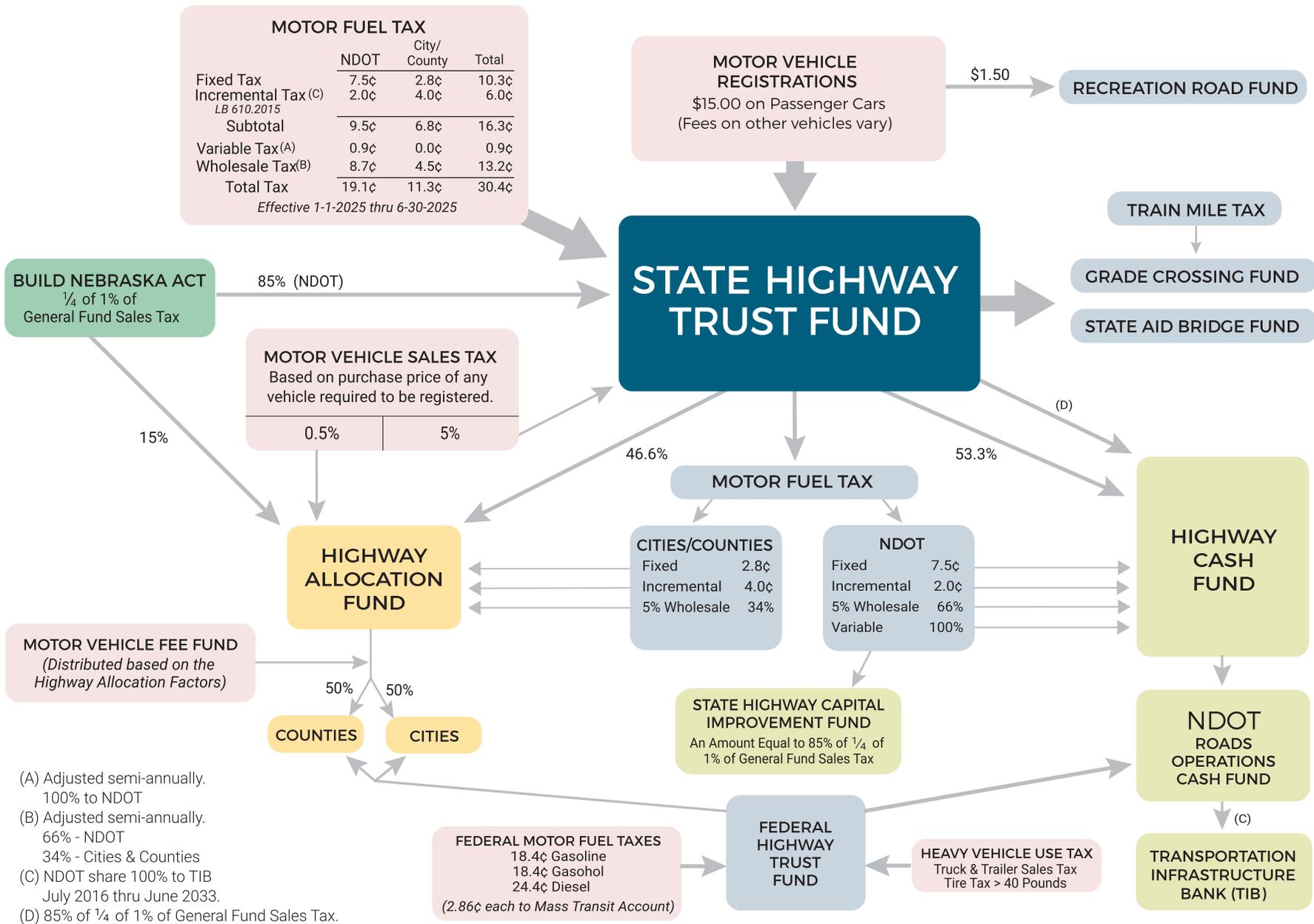


	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
AERONAUTICS CASH FUND												
2025	7.2	6.9	7.6	8.2	7.0	6.0						
2024	6.8	6.8	7.7	8.4	7.9	7.1	7.7	6.0	2.5	4.7	6.5	8.0
2023	3.3	4.3	6.0	6.4	5.8	2.8	1.0	0.2	2.1	4.3	4.1	4.7

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Nebraska Transportation Financing



NEBRASKA TRANSPORTATION FINANCING
FY-2025
(\$ IN THOUSANDS)

	Tax Rate		Gross Receipts	Deductions	Department of Transportation	Cities	Counties	Total Funds Distributed
	Jul-Dec	Jan-Jun						
Motor Fuel Taxes			\$ 425,598					
Less: Motor Fuel Tax Enforcement				(1,052)				
Less: State Aid Bridge Fund				(768)				
Fixed Motor Fuel Tax	9.5¢	9.5¢			134,638			134,638
City / County Tax	6.8¢	6.8¢				48,324	47,940	96,264
Variable Excise Tax	0.0¢	0.9¢			5,393			5,393
Wholesale Tax	13.3¢	13.2¢			123,740	31,872	31,872	187,484
Subtotal	29.6¢	30.4¢			\$ 263,771	\$ 80,196	\$ 79,812	\$ 423,779
Motor Vehicle Registration Fees			\$ 96,270					
Less: License Plate Cash Fund				(3,183)				
Less: DMV IRP Funding				(1,400)				
Registration Fees					35,157	15,381	15,381	65,919
Prorate Registration Fees					13,743	6,012	6,012	25,767
Subtotal					\$ 48,900	\$ 21,393	\$ 21,393	\$ 91,686
Sales Tax @ 5% on Motor Vehicles			333,778					
Less: Grade Crossing				(360)				
Sales Tax To 5%					177,823	77,798	77,798	333,418
Sales Tax Over 5%			33,378			16,689	16,689	33,378
Subtotal			\$ 367,156		\$ 177,823	\$ 94,487	\$ 94,487	\$ 366,796
Interest on Deposits			\$ 1,946		\$ 760	\$ 593	\$ 593	\$ 1,946
TOTAL HIGHWAY TRUST FUND			\$ 890,970	\$ (6,763)	\$ 491,254	\$ 196,669	\$ 196,285	\$ 884,207
Other Miscellaneous State Revenue					12,991			12,991
Transfer to TIB Fund					(28,402)			(28,402)
SUB-TOTAL					\$ 475,844	\$ 196,669	\$ 196,285	\$ 868,796
Grade Crossing Protection Fund					2,241			2,241
Recreation Road Fund					4,047			4,047
State Aid Bridge Fund					769			769
Build Nebraska Act / State Highway Capital Improvement Fund					106,022	8,936	8,936	123,894
Transportation Infrastructure Bank (TIB)					29,851			29,851
Quarterly MV Fee						13,805	13,805	27,610
TOTAL STATE REVENUES					\$ 618,775	\$ 219,410	\$ 219,026	\$ 1,057,208

RECEIPTS

Motor Fuel Tax Rates

Effective Date	7/20	1/21	7/21	1/22	7/22	1/23	7/23	1/24	7/24	1/25	6 Month Change
Fixed Tax ¢	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	0.0
Incremental Tax ¢	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0
Variable Tax ¢	7.4	3.9	3.9	0.0	-1.0	2.2	1.2	0.3	0.0	0.9	0.9
Wholesale Tax ¢	9.5	8.5	7.5	8.5	9.5	10.5	11.5	12.5	13.3	13.2	-0.1
Total Tax ¢	33.2¢	28.7¢	27.7¢	24.8¢	24.8¢	29.0¢	29.0¢	29.1¢	29.6¢	30.4¢	0.8¢

MOTOR FUEL TAX AND SPECIAL FUEL TAX : The receipts in the current month were generated by motor fuel sales in the previous month.

Fixed Tax: Beginning July 1, 2009, the 10.3¢ fixed tax is distributed 7.5¢ to the Nebraska Department of Transportation (NDOT) and 2.8¢ to the cities and counties, 50% each.

Incremental Fixed Tax: Effective January 1, 2016, the fixed tax increased 1 ½¢ each year thru 2019. This cumulative 6¢ increase included 2¢ each to NDOT, cities and counties.

Variable Tax: The NDOT receives the revenue generated from the variable excise tax, which is adjusted semi-annually, and is computed by applying a variable rate determined by the Department multiplied by the average price of motor fuel purchased by state government. The variable rate is determined so that the estimated Highway Cash Fund revenues for the fiscal year are within a statutory range of the Highway Cash Fund appropriation. The variable rate as determined by the Department for FY25 is 0.37% January through June.

Wholesale Tax: The 5% tax is applied to the average wholesale price of gasoline for the most current six month data as reported by the Nebraska Department of Environment and Energy on April 1 and October 1. It is distributed 66% to the NDOT and 17% each to the cities and counties.

MOTOR VEHICLE REGISTRATION AND OTHER REGISTRATION FEES: Fees collected from the registration of all non-exempt vehicles that are required to be licensed for operation on public roads within the State of Nebraska of which the NDOT receives 53 ½ percent. Includes Motor Vehicle Registration and related fees (Fleet Proration Fees, Transporter Plate Fees, Repossession Plate Fees, Antique Car Licenses, Service Fee for Semi-Annual Truck Registrations, Demonstration Permits, and License Plate Fees). Does not include Recreation Road registration and interest.

SALES TAX ON MOTOR VEHICLES: State sales tax is 5 ½% applied to the purchase price of any vehicle required to pay motor vehicle registration fees. Effective October 1, 2006, all sales tax revenue over the 5% is distributed equally between the cities and counties. Effective October 1, 2007, the sales taxes derived from the lease for periods greater than thirty-one days of motor vehicles, trailers, and semitrailers is credited to the Highway Trust Fund.

OTHER STATE RECEIPTS: Includes excess limit permits, highway overload fines, interest from invested highway cash and roads operation funds, sale of surplus property and motor fuels to other state agencies, rentals, special motor vehicle fees and permits, and miscellaneous fees and permits.

STATE HIGHWAY CAPITAL IMPROVEMENT FUND: The Build Nebraska Act designates an amount of highway user revenue equal to 85% of one quarter of one percent of state General Fund sales tax revenue on all taxable purchases for state highways for the period July 2013 through June 2042.

TRANSPORTATION INFRASTRUCTURE BANK: The NDOT's share of the additional fixed fuel tax revenue to be transferred from the Roads Operation Cash Fund for the period July 2016 through June 2033.

GRADE CROSSING PROTECTION FUND: Monthly transfer of \$30,000 from the motor vehicle sales tax receipts and train mile tax receipts.

RECREATION ROAD FUND: Fee of \$1.50 per motor vehicle registration.

STATE AID BRIDGE FUND: Highway Trust Fund monthly transfer of \$64,000, one half each from NDOT and the counties share plus interest on invested funds.

FEDERAL RECEIPTS: Receipts collected from the federal reimbursable share of project costs.

LOCAL RECEIPTS: Receipts collected from local Nebraska government subdivisions (cities and counties) for their participating share.

OTHER RECEIPTS: Receipts collected from other entities (states, railroads, etc.) for their participating share.

**FY-2025 RECEIPTS
AS OF JUNE 30, 2025
Roads Division
(\$ THOUSANDS)**

Highway Cash Fund:	TOTAL PROJECTED December 2024	M O N T H L Y				F I S C A L Y E A R T O D A T E			
		PROJECTED	ACTUAL	\$ DIFF	% DIFF	PROJECTED	ACTUAL	\$ DIFF	% DIFF
Motor Fuel Taxes									
Fixed	\$107,013	\$ 9,565	\$ 9,472	(94)	(1.0%)	\$ 107,013	\$ 106,212	\$(801)	(0.7%)
Incremental Fixed	28,580	2,551	2,534	(16)	(0.6%)	28,580	28,426	(154)	(0.5%)
Variable	5,395	1,148	1,140	(7)	(0.6%)	5,395	5,393	(2)	(0.0%)
Wholesale	124,415	11,111	11,040	(72)	(0.6%)	124,415	123,740	(675)	(0.5%)
Credit to State Hwy Capital Impr Fund	(102,240)	(8,942)	(9,218)	(276)	3.1%	(102,240)	(101,277)	963	(0.9%)
Subtotal	163,163	15,433	14,968	(465)	(3.0%)	163,163	162,494	(669)	(0.4%)
Motor Vehicle Registrations	35,092	2,605	2,594	(11)	(0.4%)	35,092	35,157	65	0.2%
Prorate Registrations	14,004	631	332	(299)	(47.4%)	14,004	13,743	(261)	(1.9%)
Subtotal	49,096	3,236	2,926	(310)	(9.6%)	49,096	48,900	(196)	(0.4%)
Sales Tax on Motor Vehicles	178,888	15,548	16,834	1,286	8.3%	178,888	177,823	(1,065)	(0.6%)
BNA Sales Tax	102,240	8,942	9,218	276	3.1%	102,240	101,277	(963)	(0.9%)
Interest	5,506	403	392	(11)	(2.8%)	5,506	6,010	504	9.2%
Sale of Supplies and Materials	324	38	5	(33)	(88.0%)	324	102	(222)	(68.6%)
Sale of Fixed Assets	1,945	235	1	(234)	(99.7%)	1,945	1,807	(138)	(7.1%)
Excess Limit	2,988	265	271	6	2.3%	2,988	2,996	8	0.3%
Overload Fines	551	53	46	(7)	(13.2%)	551	537	(14)	(2.6%)
Other Fees	2,825	237	49	(188)	(79.4%)	2,825	2,299	(526)	(18.6%)
SUBTOTAL HIGHWAY CASH FUND	\$ 507,526	\$ 44,390	\$ 44,710	\$ 319	0.7%	\$ 507,526	\$ 504,245	\$ (3,280)	(0.6%)
Incremental Tax Transfer to TIB Fund	(28,540)	(2,310)	(2,369)	(60)	2.6%	(\$28,540)	(28,402)	138	(0.5%)
SUBTOTAL ROADS OPERATIONS CASH FUND	\$ 478,986	\$ 42,081	\$ 42,340	\$ 260	0.6%	\$ 478,986	\$ 475,844	\$ (3,142)	(0.7%)
State Hwy Capital Impr Fund	104,680	9,042	9,787	745	8.2%	104,680	106,022	1,342	1.3%
Transportation Infrastructure Bank Fund (TIB)	29,445	2,357	2,498	141	6.0%	29,445	29,851	406	1.4%
Grade Crossing Protection Fund	2,512	580	230	(350)	(60.4%)	2,512	2,241	(271)	(10.8%)
Recreation Road Fund	4,079	352	342	(10)	(2.8%)	4,079	4,047	(32)	(0.8%)
State Aid Bridge Fund	769	64	64	0	0.1%	769	769	0	0.0%
TOTAL STATE RECEIPTS	\$ 620,471	\$ 54,475	\$ 55,261	\$ 785	1.4%	620,471	\$ 618,775	\$ (1,696)	(0.3%)
Federal Receipts									
FHWA	528,805	33,065	62,961	29,896	90.4%	528,805	578,536	49,731	9.4%
Transit	28,840	6,825	1,904	(4,921)	(72.1%)	28,840	23,174	(5,666)	(19.6%)
Highway Safety	7,289	598	646	48	8.1%	7,289	8,656	1,367	18.7%
Subtotal-Federal Receipts	564,934	40,488	65,512	25,024	61.8%	564,934	610,366	45,432	8.0%
Local Receipts	15,783	4,518	15,904	11,386	252.0%	15,783	25,486	9,703	61.5%
Other Entities	6,570	440	451	11	2.6%	6,570	6,129	(441)	(6.7%)
TOTAL DEPARTMENT RECEIPTS	\$ 1,207,758	\$ 99,921	\$ 137,128	\$ 37,206	37.2%	\$ 1,207,758	\$ 1,260,756	\$ 52,998	4.4%

HIGHWAY CASH FUND APPROPRIATION ANALYSIS

Total FY-25 Receipts	\$ 504,245
Previous year's receipts over appropriation	4,396
Total Receipts	\$ 508,641
Highway Cash Fund Appropriation	\$ 502,000
Projected Receipts Over / (Under) Appropriation	6,641
% Variance From Appropriation	1.3%

** Numbers may not add due to rounding.

** Projections are updated semiannually in December and June.

Note: The various NDOT state revenue sources have varying collection times and varying lag times related to timing of remittance to the state and NDOT.

Note: Revenues reflected above for State Highway Capital Improvement Fund do not include bond proceeds.

RECEIPT ANALYSIS

STATE RECEIPTS

State source revenue represents income from highway user taxes (motor fuel taxes [base, wholesale, and variable], motor vehicle registration fees, miscellaneous motor vehicle permits and sales tax on motor vehicles, trailers, and semi-trailers), sale and rental of Department properties, interest on investments and other nominal revenues. Changes in the level of State revenue from one year to the next normally represent the results of increased/decreased usage relating to highway user tax sources such as gallons of motor fuel purchased, changes in the gasoline and diesel fuels tax rates, volume of new and used motor vehicle sales, and the number of motor vehicles registered.

MOTOR FUEL TAXES: In FY-2025, the average motor fuel tax increased from 29.1¢ in FY-2024 to 30.0¢. NDOT's share increased from 18.2¢ to 18.7¢. NDOT's increased share plus a 1.1% increase in fuel consumption resulted in an increase of approximately 3.1% or \$7.9 million.

REGISTRATIONS: Registration revenue for FY-2025 decreased approximately 5.2% or \$2.7 million. The decrease is attributable to no longer being in the first year of a new plate cycle.

MOTOR VEHICLE SALES TAX: Sales tax revenue decreased 0.5% or \$849 thousand in FY-2025.

INTEREST ON INVESTMENTS: Interest receipts increased 1.4% or \$85 thousand in FY-2025. Interest rates increased from a yearly average of 2.57% in FY-2024 to 3.00% for FY-2025. There was two months' interest paid to the funds in July due to a change in process by the Investment Council. Lower fund balances offset the increase in the yearly average for interest rates.

HIGHWAY CAPITAL IMPROVEMENT FUND: The FY-2025 Highway Capital Improvement Fund revenue shows an increase of 3.0% or \$3.1 million from FY-2024.

TRANSPORTATION INFRASTRUCTURE BANK FUND: The FY-2025 Transportation Infrastructure Bank Fund revenue shows an increase of 2.5% or \$730 thousand from FY-2024. This is attributable to an increase in the incremental fuel tax transferred.

FEDERAL RECEIPTS

Revenue from the federal government represents earnings resulting from the progress in accomplishing construction projects involving participation by the federal government. Earnings are governed by the progress made in the completion of all construction phases of a highway project, including engineering, right-of-way, and construction. There is a direct relationship between the amount of federal funds earned and the total amount expended for construction. Seasonal fluctuations and weather can affect progress of construction that is reflected in federal earnings. The size of previous years' construction contract lettings affects federal earnings during the following year or two. Construction projects are accomplished anywhere from four months to three years following the time at which they are let to the contractor.

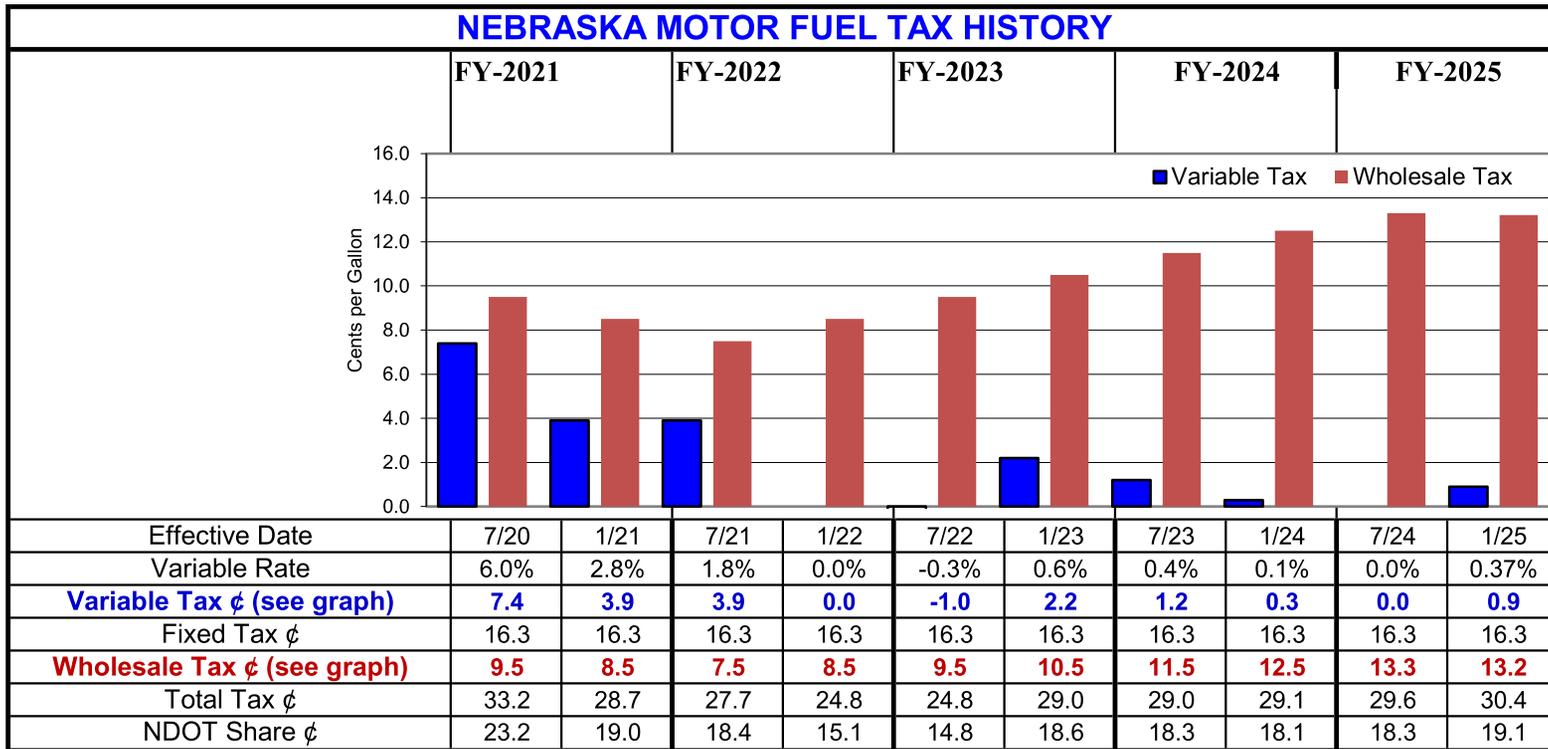
In FY-2025, federal receipts increased by 7.4%, or \$42.0 million.

OTHER RECEIPTS

Other revenues reflect earnings of funds contributed by local political subdivisions, other states, railroads and utility companies for progress in accomplishing construction projects involving participation by other entities. Earnings represent participation in costs involved in engineering, right-of-way, and construction. In FY-2025, other receipts decreased by 29.1%, or \$13.0 million.

**RECEIPT ANALYSIS
(\$ THOUSANDS)**

	<u>FY-2021</u>	<u>FY-2022</u>	<u>FY-2023</u>	<u>FY-2024</u>	<u>FY-2025</u>	<u>FY-24 to FY-25</u>	
						<u>\$ Chg</u>	<u>% Chg</u>
STATE RECEIPTS							
Average Motor Fuel Tax, NDOT share	21.1¢	16.7¢	16.7¢	18.2¢	18.7¢		
MOTOR FUEL TAXES							
FIXED	100,941	106,184	103,823	105,045	106,212	1,167	1.1%
INCREMENTAL FIXED	27,020	28,418	27,788	28,114	28,426	312	1.1%
VARIABLE	75,202	33,787	4,889	13,221	5,393	(7,828)	(59.2%)
WHOLESALE	81,610	74,843	89,904	109,464	123,740	14,276	13.0%
TOTAL MOTOR FUEL TAXES	284,773	243,233	226,404	255,844	263,771	7,927	3.1%
CREDIT TO STATE HWY CAPITAL IMPR FUND				(83,182)	(101,277)		
SUBTOTAL	284,773	243,233	226,404	172,662	162,494	(10,168)	(4.5%)
REGISTRATIONS							
MOTOR VEHICLE REGISTRATIONS	33,571	27,888	35,181	37,736	35,157	(2,579)	(6.8%)
PRORATE REGISTRATIONS	12,909	13,843	13,962	13,834	13,743	(91)	(0.7%)
SUBTOTAL	46,481	41,731	49,143	51,571	48,900	(2,671)	(5.2%)
SALES TAX ON MOTOR VEHICLES	157,940	158,819	171,141	178,672	177,823	(849)	(0.5%)
BNA SALES TAX				83,182	101,277		
INTEREST ON INVESTMENTS	2,806	3,758	4,346	5,925	6,010	85	1.4%
SALE OF SUPPLIES & FIXED ASSETS	3,152	3,104	2,292	1,443	1,909	466	32.3%
EXCESS LIMIT PERMITS	2,706	2,918	2,926	3,001	2,996	(5)	(0.2%)
HIGHWAY OVERLOAD FINES	308	465	515	496	537	41	8.3%
OTHER STATE RECEIPTS	2,347	2,045	2,705	1,388	2,299	911	65.6%
TOTAL HIGHWAY CASH	500,512	456,072	459,472	498,340	504,245	5,905	1.2%
INCREMENTAL TAX TRANSFER TO TIB FUND	(26,557)	(28,595)	(27,582)	(28,143)	(28,402)	(259)	0.9%
ROADS OPERATIONS CASH FUND	473,956	427,478	431,890	470,198	475,844	5,646	1.2%
GRADE CROSSING PROTECTION FUND	2,320	2,219	2,276	2,133	2,241	108	5.1%
RECREATION ROAD FUND	4,125	3,998	4,095	4,182	4,047	(135)	(3.2%)
STATE AID BRIDGE FUND	768	768	769	769	769	0	0.0%
STATE HWY CAPITAL IMPROVEMENT FUND	80,973	88,752	97,074	102,943	106,022	3,079	3.0%
TRANSPORTATION INFRASTRUCTURE BANK (TIB)	27,421	29,333	28,628	29,121	29,851	730	2.5%
TOTAL STATE RECEIPTS	589,563	552,548	564,731	609,345	618,775	9,430	1.5%
FEDERAL RECEIPTS	480,060	488,369	485,582	568,353	610,366	42,013	7.4%
OTHER RECEIPTS	41,090	44,944	40,425	44,575	31,615	(12,960)	(29.1%)
TOTAL RECEIPTS	1,110,713	1,085,861	1,090,737	1,222,272	1,260,756	38,484	3.1%



HIGHWAY CASH FUND APPROPRIATION ANALYSIS (\$ THOUSANDS)

	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025
State Receipts	\$ 500,512	\$ 456,072	\$ 459,472	\$ 498,340	\$ 504,245
Carry Over Receipts (*)	-	41,512	20,584	56	4,396
Total State Receipts	\$ 500,512	\$ 497,584	\$ 480,056	\$ 498,396	\$ 508,641
Highway Cash Fund Appropriation	459,000	477,000	480,000	494,000	502,000
Over / (Under) Appropriation (*)	\$ 41,512	\$ 20,584	\$ 56	\$ 4,396	\$ 6,641
Percent Over / (Under)	9.0%	4.3%	0.0%	0.9%	1.3%

* Per Statute, any funds in excess of the annual appropriation will be applied toward the following fiscal year's appropriation.
When the Highway Cash Fund appropriation is not met, the revenue shortfall is not recovered.

BUDGET STATUS REPORT
AGENCY SUMMARY BY ORGANIZATIONAL ELEMENT
June 2025

COST BY ORGANIZATIONAL STRUCTURE	Cash Flow Allotment	Month's Expenditure	Expended to Date	Allotment Balance	% Expended to Date	Encumbrances
OFFICE OF THE DIRECTOR						
110 - DIRECTOR AND DEPUTIES	1,305,535.98	101,558.12	1,302,747.05	2,788.93	99.79%	0.00
140 - LEGAL	1,186,157.40	77,574.42	1,111,805.15	74,352.25	93.73%	314,093.64
SUBTOTAL: OFFICE OF THE DIRECTOR	\$2,491,693.38	\$179,132.54	\$2,414,552.20	\$77,141.18	96.90%	\$314,093.64
OFFICE OF ENGINEERING						
250 - STRATEGIC PLANNING DIVISION	3,520,189.24	191,888.35	3,051,495.67	468,693.57	86.69%	1,858,063.99
320 - BRIDGE DIVISION	9,995,380.13	953,155.51	9,780,368.97	215,011.16	97.85%	4,614,486.11
340 - TRAFFIC ENGINEERING DIVISION	5,654,300.80	364,533.61	5,104,310.71	549,990.09	90.27%	169,635.79
350 - RIGHT OF WAY DIVISION	5,689,421.22	431,055.61	5,618,750.29	70,670.93	98.76%	795,684.27
360 - PROJECT DEVELOPMENT DIVISION	18,062,984.26	1,040,390.29	14,746,563.86	3,316,420.40	81.64%	8,895,838.23
370 - ROADWAY DESIGN DIVISION	33,984,473.80	2,020,436.46	33,899,653.90	84,819.90	99.75%	37,342,840.84
420 - PROGRAM MANAGEMENT DIVISION	2,270,200.00	118,618.21	1,763,159.34	507,040.66	77.67%	455,448.89
580 - LOCAL ASSISTANCE DIVISION	5,648,879.09	326,977.55	5,576,871.49	72,007.60	98.73%	3,836,060.31
SUBTOTAL: OFFICE OF ENGINEERING	\$84,825,828.54	\$5,447,055.59	\$79,541,174.23	\$5,284,654.31	93.77%	\$57,968,058.43
OFFICE OF ADMINISTRATION						
130 - CONTROLLER DIVISION	2,938,888.06	211,288.49	2,685,077.59	253,810.47	91.36%	0.00
170 - HUMAN RESOURCES DIVISION	3,674,831.60	254,336.23	2,870,044.04	804,787.56	78.10%	379,500.00
290 - COMMUNICATION AND PUBLIC POLICY DIVISION	2,473,847.26	208,833.40	2,327,798.58	146,048.68	94.10%	292,809.19
SUBTOTAL: OFFICE OF ADMINISTRATION	\$9,087,566.92	\$674,458.12	\$7,882,920.21	\$1,204,646.71	86.74%	\$672,309.19
OFFICE OF AERONAUTICS						
160 - AERONAUTICS DIVISION	1,943,734.52	199,457.14	1,711,981.24	231,753.28	88.08%	0.00
SUBTOTAL: OFFICE OF AERONAUTICS	\$1,943,734.52	\$199,457.14	\$1,711,981.24	\$231,753.28	88.08%	\$0.00
OFFICE OF OPERATIONS						
260 - OPERATIONS DIVISION	22,437,064.26	1,455,169.46	21,608,785.20	828,279.06	96.31%	10,582,402.48
280 - BUSINESS TECH SUPPORT DIVISION	29,747,211.14	3,140,901.56	27,605,863.04	2,141,348.10	92.80%	7,499,573.89
380 - CONSTRUCTION DIVISION	3,765,128.63	269,240.45	3,441,246.40	323,882.23	91.40%	130,101.22
390 - MATERIALS & RESEARCH DIVISION	14,671,484.04	922,949.48	13,701,445.17	970,038.87	93.39%	11,482,145.03
610 - DISTRICT 1	41,820,168.74	3,675,642.07	38,420,408.82	3,399,759.92	91.87%	8,531,059.30
620 - DISTRICT 2	28,123,311.67	2,099,786.61	27,580,089.37	543,222.30	98.07%	9,598,656.14
630 - DISTRICT 3	38,436,218.10	2,485,535.37	32,286,516.42	6,149,701.68	84.00%	5,353,922.45
640 - DISTRICT 4	38,484,514.64	2,245,399.44	34,811,773.84	3,672,740.80	90.46%	7,029,200.43
650 - DISTRICT 5	26,790,085.14	1,790,906.08	23,653,340.76	3,136,744.38	88.29%	6,418,216.13
660 - DISTRICT 6	30,872,547.26	2,085,555.97	28,220,331.00	2,652,216.26	91.41%	11,449,105.75
670 - DISTRICT 7	24,342,388.12	2,399,854.07	19,807,213.94	4,535,174.18	81.37%	6,166,042.88
680 - DISTRICT 8	23,136,139.71	1,684,802.91	17,804,918.23	5,331,221.48	76.96%	3,787,564.35
SUBTOTAL: OFFICE OF OPERATIONS	\$322,626,261.45	\$24,255,743.47	\$288,941,932.19	\$33,684,329.26	89.56%	\$88,027,990.05
OFFICE OF BROADBAND						
590 - BROADBAND EQUITY ACCESS DEPLOYMENT	1,692,973.00	245,573.54	1,619,704.23	73,268.77	95.67%	6,945,166.81
SUBTOTAL: OFFICE OF BROADBAND	\$1,692,973.00	\$245,573.54	\$1,619,704.23	\$73,268.77	95.67%	\$6,945,166.81
BUDGETARY CONTROL						
902 - SUPPLY BASE	0.00	245,203.42	4,728,248.35	(4,728,248.35)	0.00%	0.00
903 - EQUIPMENT OPERATIONS	37,024,607.42	20,872.37	4,857,979.94	32,166,627.48	13.12%	122,500.00
904 - TRANSPORTATION CAPITAL	955,921,528.94	61,986,202.87	921,395,704.21	34,525,824.73	96.39%	1,050,785,686.58
SUBTOTAL: BUDGETARY CONTROL	\$992,946,136.36	\$62,252,278.66	\$930,981,932.50	\$61,964,203.86	93.76%	\$1,050,908,186.58
AGENCY TOTAL	\$1,415,614,194.17	\$93,253,699.06	\$1,313,094,196.80	\$102,519,997.37	92.76%	\$1,204,835,804.70

BUDGET STATUS REPORT
AGENCY SUMMARY BY RESOURCE
June 2025

FISCAL YEAR 2025
 Period Expired 100.00%
 Pay Period Ending 6/15/2025

COST BY RESOURCE	Cash Flow Allotment	Month's Expenditure	Expended to Date	Allotment Balance	% Expended to Date	Encumbrances
Personal Services						
Permanent Salaries	133,962,615.16	9,772,787.48	124,326,430.39	9,636,184.77	92.81%	0.00
Temporary Salaries	2,483,078.84	428,189.68	3,212,413.40	(729,334.56)	129.37%	0.00
Overtime	7,646,899.00	563,789.31	7,756,428.73	(109,529.73)	101.43%	0.00
Employee Benefits	50,244,311.65	3,476,306.67	42,900,711.02	7,343,600.63	85.38%	0.00
SUBTOTAL: Personal Services	\$194,336,904.65	\$14,241,073.14	\$178,195,983.54	\$16,140,921.11	91.69%	\$0.00
Operating Expenses						
Utilities	3,876,083.00	198,405.22	3,723,384.84	152,698.16	96.06%	0.00
Rentals	1,083,719.66	67,288.21	1,212,595.44	(128,875.78)	111.89%	1,400.00
Repairs & Maintenance	10,841,571.00	482,633.58	8,700,468.74	2,141,102.26	80.25%	2,453,875.02
Maintenance Contracts	16,509,712.46	3,230,093.16	20,335,119.89	(3,825,407.43)	123.17%	39,329,166.66
Engineering Contracts	42,280,701.50	2,896,361.99	44,978,501.30	(2,697,799.80)	106.38%	67,474,858.69
Contractual Services	49,126,626.75	833,622.03	45,567,441.13	3,559,185.62	92.76%	19,623,743.19
Technology Expenses	28,245,269.96	2,745,249.69	22,007,875.66	6,237,394.30	77.92%	6,721,182.10
Other Operating Expenses	6,341,036.30	764,770.92	9,886,415.02	(3,545,378.72)	155.91%	142,456.91
SUBTOTAL: Operating Expenses	\$158,304,720.63	\$11,218,424.80	\$156,411,802.02	\$1,892,918.61	98.80%	\$135,746,682.57
Supplies and Materials						
General Supplies & Materials	1,805,835.43	123,367.33	1,543,125.15	262,710.28	85.45%	778,391.79
Maint & Const Materials	45,310,872.67	3,280,840.54	47,397,345.80	(2,086,473.13)	104.60%	0.00
Automotive Supplies & Materials	17,665,597.00	1,151,827.09	16,775,851.33	889,745.67	94.96%	0.00
SUBTOTAL: Supplies and Materials	\$64,782,305.10	\$4,556,034.96	\$65,716,322.28	(\$934,017.18)	101.44%	\$778,391.79
Travel						
In State Travel	977,526.80	63,718.31	785,742.87	191,783.93	80.38%	0.00
Out of State Travel	375,170.00	25,921.08	224,689.60	150,480.40	59.89%	0.00
SUBTOTAL: Travel	\$1,352,696.80	\$89,639.39	\$1,010,432.47	\$342,264.33	74.70%	\$0.00
Capital Outlay						
Land	16,500,000.00	1,049,528.55	15,848,819.25	651,180.75	96.05%	2,482,640.00
Hwy. Constr. - Contract Pymt.	739,291,105.95	48,752,458.86	714,458,842.51	24,832,263.44	96.64%	895,418,507.24
Buildings	39,141,713.77	863,525.24	8,992,380.43	30,149,333.34	22.97%	11,207,306.79
Heavy Equipment and Vehicles	53,285,593.42	1,768,573.87	30,562,012.98	22,723,580.44	57.36%	24,605,642.97
IT Hardware / Software	100,000.00	0.00	268,970.02	(168,970.02)	268.97%	0.00
Specialty Equipment	1,165,600.00	13,243.98	1,065,930.57	99,669.43	91.45%	0.00
SUBTOTAL: Capital Outlay	\$849,484,013.14	\$52,447,330.50	\$771,196,955.76	\$78,287,057.38	90.78%	\$933,714,097.00
Government Aid & Distr						
Public Transit Aid	46,902,553.85	4,993,618.68	35,563,527.11	11,339,026.74	75.82%	31,393,092.12
Highway Safety Office	5,200,000.00	373,468.94	8,115,436.31	(2,915,436.31)	156.07%	10,409,724.87
Other Government Aid	95,251,000.00	5,334,108.65	96,883,737.31	(1,632,737.31)	101.71%	92,793,816.35
SUBTOTAL: Government Aid & Distr	\$147,353,553.85	\$10,701,196.27	\$140,562,700.73	\$6,790,853.12	95.39%	\$134,596,633.34
Internal Redistributions						
Redistribution	0.00	0.00	0.00	0.00	0.00%	0.00
SUBTOTAL: Internal Redistributions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
AGENCY TOTAL	\$1,415,614,194.17	\$93,253,699.06	\$1,313,094,196.80	\$102,519,997.37	92.76%	\$1,204,835,804.70

BUDGET STATUS REPORT
AGENCY SUMMARY EXCLUDING AERONAUTICS BY PROGRAM/FUNCTION
 June 2025

COST BY PROGRAM	Cash Flow Allotment	Month's Expenditure	Expended to Date	Allotment Balance	% Expended to Date	Encumbrances
Administration						
Administration	29,787,014.49	2,226,212.88	28,014,458.04	1,772,556.45	94.05%	7,697,762.78
Boards & Commissions	56,000.00	250.00	21,181.75	34,818.25	37.82%	0.00
SUBTOTAL: Administration	\$29,843,014.49	\$2,226,462.88	\$28,035,639.79	\$1,807,374.70	93.94%	\$7,697,762.78
Service and Support						
Charges to Others	2,000,000.00	34,033.73	230,929.33	1,769,070.67	11.55%	137,822.19
Deficiency Claims	25,000.00	2,441.55	28,008.90	(3,008.90)	112.04%	0.00
Supply Base/Inventories	2,500,000.00	342,759.14	5,878,328.36	(3,378,328.36)	235.13%	17,227.36
Building Operations	11,375,840.00	866,465.59	13,505,474.80	(2,129,634.80)	118.72%	2,670,923.53
Business Technology Services	18,063,023.00	2,713,557.95	18,448,114.73	(385,091.73)	102.13%	6,175,599.80
Support Centers	2,940,262.33	(49,743.44)	206,833.83	2,733,428.50	7.03%	0.00
Payroll Clearing	626,525.00	(122,372.50)	637,744.05	(1,219.05)	101.79%	0.00
SUBTOTAL: Service and Support	\$37,530,650.33	\$3,787,142.02	\$38,935,434.00	(\$1,404,783.67)	103.74%	\$9,001,572.88
Capital Facilities						
Capital Facilities	39,148,713.77	948,558.85	9,971,880.07	29,176,833.70	25.47%	11,490,019.85
SUBTOTAL: Capital Facilities	\$39,148,713.77	\$948,558.85	\$9,971,880.07	\$29,176,833.70	25.47%	\$11,490,019.85
Highway Maintenance						
System Preservation	46,000,000.00	4,249,824.14	45,871,086.63	128,913.37	99.72%	1,548,117.30
Operations	46,000,000.00	7,197,950.35	62,175,659.63	(16,175,659.63)	135.16%	39,390,236.28
Snow and Ice Control	40,000,000.00	445,394.08	26,660,739.05	13,339,260.95	66.65%	1,272,465.94
Unusual & Disaster Oper	2,000,000.00	208,544.33	5,016,077.78	(3,016,077.78)	250.80%	3,229,382.64
Equipment Operations	27,000,000.00	1,510,123.90	25,891,252.83	1,108,747.17	95.89%	24,923,507.16
Indirect Charges	70,289,005.44	1,335,666.02	23,434,889.14	46,854,116.30	33.34%	1,400.00
SUBTOTAL: Highway Maintenance	\$231,289,005.44	\$14,947,502.82	\$189,049,705.06	\$42,239,300.38	81.74%	\$70,365,109.32
Highway Construction						
Preliminary Engineering	65,000,000.00	4,294,925.30	64,744,916.11	255,083.89	99.61%	50,522,855.18
Right-Of-Way	15,000,000.00	1,273,430.03	14,335,165.37	664,834.63	95.57%	3,171,551.53
Construction	718,000,000.00	48,439,218.56	718,044,707.05	(44,707.05)	100.01%	895,164,962.08
Construction Engineering	34,000,000.00	3,531,903.14	34,200,896.00	(200,896.00)	100.59%	2,725,337.80
SUBTOTAL: Highway Construction	\$832,000,000.00	\$57,539,477.03	\$831,325,684.53	\$674,315.47	99.92%	\$951,584,706.59
Construction Related Expense						
Overhead	33,666,556.14	2,109,487.26	25,099,151.05	8,567,405.09	74.55%	8,648,372.79
Planning & Research	15,000,000.00	1,851,586.20	16,023,714.97	(1,023,714.97)	106.82%	18,769,646.28
Local Systems	145,000,000.00	4,392,345.67	129,746,467.43	15,253,532.57	89.48%	85,473,037.22
Highway Safety Office	5,222,300.15	409,485.25	8,747,774.31	(3,525,474.16)	167.51%	10,412,484.87
Public Transportation Asst	46,913,953.85	5,041,651.08	36,158,745.59	10,755,208.26	77.07%	31,393,092.12
SUBTOTAL: Construction Related Expense	\$245,802,810.14	\$13,804,555.46	\$215,775,853.35	\$30,026,956.79	87.78%	\$154,696,633.28
AGENCY TOTAL	\$1,415,614,194.17	\$93,253,699.06	\$1,313,094,196.80	\$102,519,997.37	92.76%	\$1,204,835,804.70

PROGRAM STATUS REPORT
BUSINESS MONTH - JUNE 2025

<u>Budget Category</u>	<u>Administration</u>	<u>Service and Support</u>	<u>Capital Facilities</u>	<u>Highway Maintenance</u>	<u>Highway Construction</u>	<u>Construction Related Expense</u>	<u>Total</u>
Personal Services							
Permanent Salaries	1,152,539.38	2,286,867.14	0.00	2,816,813.19	2,650,550.92	866,016.85	9,772,787.48
Temporary Salaries	14,658.63	44,828.19	0.00	247,357.11	76,764.72	44,581.03	428,189.68
Overtime	12,233.60	59,262.52	0.00	136,125.97	339,639.31	16,527.91	563,789.31
Employee Benefits	0.00	3,465,308.88	0.00	0.00	0.00	10,997.79	3,476,306.67
SUBTOTAL: Personal Services	\$1,179,431.61	\$5,856,266.73	\$0.00	\$3,200,296.27	\$3,066,954.95	\$938,123.58	\$14,241,073.14
Operating Expenses							
Utilities	0.00	105,535.54	0.00	91,465.47	1,349.69	54.52	198,405.22
Rentals	3,903.50	1,745.01	0.00	81,977.15	0.00	(20,337.45)	67,288.21
Repairs & Maintenance	3,926.08	188,778.13	0.00	289,725.37	0.00	204.00	482,633.58
Maintenance Contracts	0.00	0.00	0.00	3,230,093.16	0.00	0.00	3,230,093.16
Engineering Contracts	158,332.68	3,120.00	85,033.61	3,300.00	2,206,297.19	440,278.51	2,896,361.99
Contractual Services	16,620.62	227,583.21	0.00	232,622.40	35,710.25	321,085.55	833,622.03
Technology Expenses	7,355.84	2,441,449.78	0.00	166,538.53	17,068.39	112,837.15	2,745,249.69
Other Operating Expenses	105,272.58	32,061.26	0.00	680.50	908.89	625,847.69	764,770.92
SUBTOTAL: Operating Expenses	\$295,411.30	\$3,000,272.93	\$85,033.61	\$4,096,402.58	\$2,261,334.41	\$1,479,969.97	\$11,218,424.80
Supplies and Materials							
General Supplies & Materials	41,933.95	8,584.30	0.00	61,704.70	0.00	11,144.38	123,367.33
Maint & Const Materials	31.99	(16,641.65)	0.00	3,293,466.30	2,442.51	1,541.39	3,280,840.54
Automotive Supplies & Materials	0.00	262,856.81	0.00	888,970.28	0.00	0.00	1,151,827.09
SUBTOTAL: Supplies and Materials	\$41,965.94	\$254,799.46	\$0.00	\$4,244,141.28	\$2,442.51	\$12,685.77	\$4,556,034.96
Travel							
In State Travel	7,428.62	26,224.73	0.00	2,145.16	15,889.21	12,030.59	63,718.31
Out of State Travel	258.28	23,508.03	0.00	0.00	1,674.34	480.43	25,921.08
SUBTOTAL: Travel	\$7,686.90	\$49,732.76	\$0.00	\$2,145.16	\$17,563.55	\$12,511.02	\$89,639.39
Capital Outlay							
Land	0.00	0.00	0.00	0.00	1,049,528.55	0.00	1,049,528.55
Hwy. Constr. - Contract Pymt.	0.00	0.00	0.00	0.00	48,752,458.86	0.00	48,752,458.86
Buildings	0.00	0.00	863,525.24	0.00	0.00	0.00	863,525.24
Heavy Equipment and Vehicles	0.00	0.00	0.00	1,768,573.87	0.00	0.00	1,768,573.87
Specialty Equipment	0.00	0.00	0.00	5,318.50	0.00	7,925.48	13,243.98
SUBTOTAL: Capital Outlay	\$0.00	\$0.00	\$863,525.24	\$1,773,892.37	\$49,801,987.41	\$7,925.48	\$52,447,330.50
Government Aid & Distr							
Public Transit Aid	0.00	0.00	0.00	0.00	0.00	4,993,618.68	4,993,618.68
Highway Safety Office	0.00	0.00	0.00	0.00	0.00	373,468.94	373,468.94
Other Government Aid	0.00	0.00	0.00	0.00	(20,900.00)	5,355,008.65	5,334,108.65
SUBTOTAL: Government Aid & Distr	\$0.00	\$0.00	\$0.00	\$0.00	(\$20,900.00)	\$10,722,096.27	\$10,701,196.27
Internal Redistributions							
Redistribution	701,967.13	(5,373,929.86)	0.00	1,630,625.16	2,410,094.20	631,243.37	0.00
SUBTOTAL: Internal Redistributions	\$701,967.13	(\$5,373,929.86)	\$0.00	\$1,630,625.16	\$2,410,094.20	\$631,243.37	\$0.00
GRAND TOTAL:	\$2,226,462.88	\$3,787,142.02	\$948,558.85	\$14,947,502.82	\$57,539,477.03	\$13,804,555.46	\$93,253,699.06

PROGRAM STATUS REPORT
FISCAL YEAR TO DATE - JUNE 2025

<u>Budget Category</u>	<u>Administration</u>	<u>Service and Support</u>	<u>Capital Facilities</u>	<u>Highway Maintenance</u>	<u>Highway Construction</u>	<u>Construction Related Expense</u>	<u>Total</u>
Personal Services							
Permanent Salaries	14,194,469.81	30,937,156.61	0.00	36,484,640.83	32,071,769.71	10,638,393.43	124,326,430.39
Temporary Salaries	152,053.58	273,502.49	0.00	1,925,037.77	547,783.50	314,036.06	3,212,413.40
Overtime	139,970.83	196,945.24	0.00	4,189,238.41	3,058,547.72	171,726.53	7,756,428.73
Employee Benefits	0.00	42,875,038.21	0.00	0.00	0.00	25,672.81	42,900,711.02
SUBTOTAL: Personal Services	\$14,486,494.22	\$74,282,642.55	\$0.00	\$42,598,917.01	\$35,678,100.93	\$11,149,828.83	\$178,195,983.54
Operating Expenses							
Utilities	0.00	2,418,804.55	0.00	1,292,853.90	11,130.61	595.78	3,723,384.84
Rentals	53,158.60	29,478.87	0.00	1,125,170.54	0.00	4,787.43	1,212,595.44
Repairs & Maintenance	25,062.56	2,869,495.35	0.00	5,745,122.25	3,140.76	57,647.82	8,700,468.74
Maintenance Contracts	0.00	29,541.16	0.00	20,305,578.73	0.00	0.00	20,335,119.89
Engineering Contracts	820,324.66	201,746.70	976,283.41	113,352.91	37,022,044.89	5,844,748.73	44,978,501.30
Contractual Services	788,907.37	2,626,027.68	0.00	4,488,513.63	(3,598,113.29)	41,262,105.74	45,567,441.13
Technology Expenses	27,623.46	14,976,393.44	0.00	2,187,204.60	704,961.05	4,111,693.11	22,007,875.66
Other Operating Expenses	1,634,459.27	3,625,242.58	3,216.23	1,041,584.21	11,474.71	3,570,438.02	9,886,415.02
SUBTOTAL: Operating Expenses	\$3,349,535.92	\$26,776,730.33	\$979,499.64	\$36,299,380.77	\$34,154,638.73	\$54,852,016.63	\$156,411,802.02
Supplies and Materials							
General Supplies & Materials	974,544.33	129,976.38	0.00	560,481.75	117.54	(121,994.85)	1,543,125.15
Maint & Const Materials	3,627.38	1,012,711.19	0.00	42,958,783.69	2,795,902.46	626,321.08	47,397,345.80
Automotive Supplies & Materials	0.00	4,763,095.29	0.00	12,012,716.43	0.00	39.61	16,775,851.33
SUBTOTAL: Supplies and Materials	\$978,171.71	\$5,905,782.86	\$0.00	\$55,531,981.87	\$2,796,020.00	\$504,365.84	\$65,716,322.28
Travel							
In State Travel	130,886.03	310,353.22	0.00	43,667.55	147,169.45	153,666.62	785,742.87
Out of State Travel	19,420.81	194,287.74	0.00	1,248.00	3,430.11	6,302.94	224,689.60
SUBTOTAL: Travel	\$150,306.84	\$504,640.96	\$0.00	\$44,915.55	\$150,599.56	\$159,969.56	\$1,010,432.47
Capital Outlay							
Land	0.00	0.00	0.00	0.00	15,847,854.25	965.00	15,848,819.25
Hwy. Constr. - Contract Pymt.	0.00	0.00	0.00	0.00	714,458,842.51	0.00	714,458,842.51
Buildings	0.00	0.00	8,992,380.43	0.00	0.00	0.00	8,992,380.43
Heavy Equipment and Vehicles	0.00	0.00	0.00	30,562,012.98	0.00	0.00	30,562,012.98
IT Hardware / Software	0.00	0.00	0.00	268,970.02	0.00	0.00	268,970.02
Specialty Equipment	0.00	47,530.83	0.00	88,237.61	605,319.54	324,842.59	1,065,930.57
SUBTOTAL: Capital Outlay	\$0.00	\$47,530.83	\$8,992,380.43	\$30,919,220.61	\$730,912,016.30	\$325,807.59	\$771,196,955.76
Government Aid & Distr							
Public Transit Aid	0.00	0.00	0.00	0.00	0.00	35,563,527.11	35,563,527.11
Highway Safety Office	0.00	(1,528.07)	0.00	0.00	0.00	8,116,964.38	8,115,436.31
Other Government Aid	0.00	0.00	0.00	0.00	(178,794.00)	97,062,531.31	96,883,737.31
SUBTOTAL: Government Aid & Distr	\$0.00	(\$1,528.07)	\$0.00	\$0.00	(\$178,794.00)	\$140,743,022.80	\$140,562,700.73
Internal Redistributions							
Redistribution	9,071,131.10	(68,580,365.46)	0.00	23,655,289.25	27,813,103.01	8,040,842.10	0.00
SUBTOTAL: Internal Redistributions	\$9,071,131.10	(\$68,580,365.46)	\$0.00	\$23,655,289.25	\$27,813,103.01	\$8,040,842.10	\$0.00
GRAND TOTAL:	\$28,035,639.79	\$38,935,434.00	\$9,971,880.07	\$189,049,705.06	\$831,325,684.53	\$215,775,853.35	\$1,313,094,196.80

RESOURCE EXPENDITURE ANALYSIS

PERSONAL SERVICES Personal Services expenditures increased by 5.3%, or \$9.0 million, in FY-2025. NAPE contract employees and Rule-covered employees received a minimum salary increase of 2%, with an additional 3% for satisfactory performance evaluations from the prior calendar year.

OPERATING EXPENSES Operating expenses increased by 2.7%, or \$4.1 million, in FY-2025. Factors which contributed to the increase include highway maintenance contracts which increased \$3.4 million or 20.1% and engineering contracts which increased \$3.6 million or 8.6%. Additionally, other operating expenses increased by \$3.6 million or 56.8% for expenses related to bonding and reimbursement of prior Aeronautics administrative expenses. Conversely, these expenses were slightly offset by repair and maintenance costs for highways and bridges, which were reduced by \$2.7 million or 23.8% along with a prior period adjustment in other contractual services of \$4 million.

SUPPLIES AND MATERIALS Supplies and material costs for FY-2025 decreased by 12.3%, or \$9.2, compared to FY-2024. The reason for the decrease is due to fewer purchases of off-the-shelf license and associated fees, winter operations materials, motor oil and lubricant cost.

TRAVEL Expenditures for travel decreased by 8.3%, or \$91,000, in FY-2025. In-state travel expenses decreased by \$126,000 or 13.8%, while out-of-state travel expenses increased by \$35,000, or 18.4%. Due to a warmer winter there wasn't as much of a need for staff to assist with snow removal, leading to an approximate \$50,000 decrease in overnight lodging costs. Additionally, the reduction in personal vehicle usage for in-state travel contributed to the decrease. The out-of-state cost increase was primarily due to an increase in commercial fares which went up by 37% when compared to the previous fiscal year.

CAPITAL OUTLAY This category constitutes the majority of the Department of Transportation's expenditures. In FY-2025, capital outlay increased by 7.3%, or \$52.2 million. The major drivers of the increase in cost are highway and bridge contract payments of \$57.5 million, land purchases and the corresponding right-of-way acquisitions expense of \$10.0 million along with the purchase of Automated Flagger Assistance Devices (AFADs) for approximately \$1.0 million. These expenses were slightly offset by a reduction in the receipt of licensed vehicles of \$10.2 million and a reduction of \$6.2 million in capital facilities expenditures.

AID AND DISTRIBUTION Expenditures for aid and distribution increased by 11.2%, or \$14.2 million. The increase in FY 2025 expenditures was mainly driven by the timing of reimbursement requests for transit programs.

RESOURCE EXPENDITURE ANALYSIS
(\$'s in Thousands)

	FTE AVERAGE	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025	FY-24 to FY-25	
							Chg	% Chg
		1,948	1,910	1,912	1,928	1,969	41	2.1%
PERSONAL SERVICES								
PERMANENT SALARIES		102,846	100,945	103,550	117,048	124,327	7,279	6.2%
TEMPORARY SALARIES		2,016	1,774	2,178	2,929	3,212	283	9.7%
OVERTIME		6,586	5,902	7,109	8,512	7,756	(756)	(8.9%)
BENEFITS		38,678	38,106	37,125	40,671	42,901	2,230	5.5%
SUBTOTAL		\$ 150,126	\$ 146,727	\$ 149,962	\$ 169,160	\$ 178,196	9,036	5.3%
OPERATING EXPENSES								
UTILITIES		3,451	3,554	4,014	3,483	3,723	240	6.9%
RENTALS		796	783	990	1,080	1,213	133	12.3%
REPAIR & MAINTENANCE		9,515	10,240	10,083	11,417	8,701	(2,716)	(23.8%)
HIGHWAY MAINTENANCE CONTRACTS		12,653	11,859	14,141	16,932	20,335	3,403	20.1%
ENGINEERING CONTRACTS		24,013	21,304	31,803	41,412	44,979	3,567	8.6%
OTHER CONTRACTUAL SERVICES		39,920	43,406	48,760	49,687	45,567	(4,120)	(8.3%)
TECHNOLOGY		20,905	20,433	23,915	21,946	22,008	62	0.3%
OTHER OPERATING EXPENSES		4,654	5,571	5,781	6,306	9,886	3,580	56.8%
SUBTOTAL		\$ 115,907	\$ 117,150	\$ 139,487	\$ 152,263	\$ 156,412	4,149	2.7%
SUPPLIES & MATERIALS								
		\$ 68,177	\$ 62,265	\$ 74,232	\$ 74,956	\$ 65,716	(9,240)	(12.3%)
TRAVEL								
IN STATE TRAVEL		392	739	813	911	785	(126)	(13.8%)
OUT OF STATE TRAVEL		8	132	202	190	225	35	18.4%
SUBTOTAL		\$ 400	\$ 871	\$ 1,015	\$ 1,101	\$ 1,010	(91)	(8.3%)
CAPITAL OUTLAY								
LAND		9,994	3,232	9,297	6,206	15,849	9,643	155.4%
HIGHWAYS		469,404	547,801	699,113	657,347	714,459	57,112	8.7%
BUILDINGS		5,845	6,471	7,584	15,222	8,992	(6,230)	(40.9%)
AUTOMOTIVE ROAD EQUIPMENT		12,348	10,098	9,433	38,879	30,562	(8,317)	(21.4%)
OTHER EQUIPMENT		721	739	2,562	1,320	1,335	15	1.1%
SUBTOTAL		\$ 498,312	\$ 568,341	\$ 727,989	\$ 718,974	\$ 771,197	52,223	7.3%
AID AND DISTRIBUTION								
		\$ 143,664	\$ 116,756	\$ 96,479	\$ 126,385	\$ 140,563	14,178	11.2%
TOTAL EXPENDITURES		\$ 976,586	\$ 1,012,110	\$ 1,189,164	\$ 1,242,839	\$ 1,313,094	70,255	5.7%

PROGRAM / FUNCTION EXPENDITURE ANALYSIS

ADMINISTRATION Administrative expenses, which cover the costs of administrative support for all Department activities, account for approximately 2.0% of total Agency expenditures. In FY-2025, these costs rose by 10.2%, or \$2.6 million, compared to FY-2024. One of the primary factors driving this increase was a salary increase of approximately 5% for NAPE contract employees and Rule-covered employees. The other primary factor was a miscellaneous reimbursement of approximately \$1.2 million to the Aeronautics Division for prior year administrative expenses.

SUPPORTIVE SERVICES Supportive services expenditures cover the costs associated with service centers that support the Department's operations, including building operations and business technology support. In FY-2025, these expenditures decreased by \$2.4 million, or 5.7%. The primary drivers of the decrease came from a reduction of \$3.5 million in building and yard maintenance repairs along expenditures for fabric structures and miscellaneous buildings. This reduction was slightly offset by a \$1.2 million increase in computer operations.

CAPITAL FACILITIES Capital facilities costs encompass expenditures for the design, construction, land acquisition, and improvement of Department office, shop, and storage facilities. The program considers both current and future needs, physical deficiencies of existing facilities, and project priorities. Expenditures can vary annually based on the scope of the program and the funding appropriated by the Legislature. In FY-2025, expenditures decreased by 27.2%, or by \$3.7 million. During this period, the Valentine maintenance facility was completed whereas, four projects in Columbus, Atkinson, Arthur, and Crofton were completed in FY 2024.

HIGHWAY MAINTENANCE Maintenance expenditures encompass costs related to system preservation, operations, snow and ice control, equipment operations, and other maintenance activities. These costs can fluctuate annually based on weather conditions and their impact on highways, as well as changes in policies. In FY-2025, snow and ice expenses decreased by 28.4%, or \$10.5 million, due to milder winter season. Additionally, equipment operations decreased by \$8.8 million or 25.3% along with system preservation activities decreasing by \$4.4 million or 8.8% with armor coating and machine and spot patching being the primary drivers in the decrease. These reductions were slightly offset by rise of operations expenses on the State Highway System with an increase of \$6.6 million, or 11.8%, in FY-2025.

HIGHWAY CONSTRUCTION Construction expenditures encompass payments to contractors for construction work, costs associated with construction engineering, preliminary engineering, right-of-way appraisals, and land acquisitions. Variations in construction expenditures from year to year can be attributed to several factors. Adverse weather conditions during the construction season may impede progress, leading to reduced expenditures, while favorable weather extending beyond the typical season can allow construction to continue longer, resulting in increased costs. Additionally, the size of construction contract lettings can impact expenditures, as projects are often completed six months to two years after being awarded. A year with lower contract lettings may lead to reduced expenditures the following year, whereas higher lettings can result in increased expenditures. In FY-2025, highway construction expenditures increased by 9.2%, or \$69.7 million.

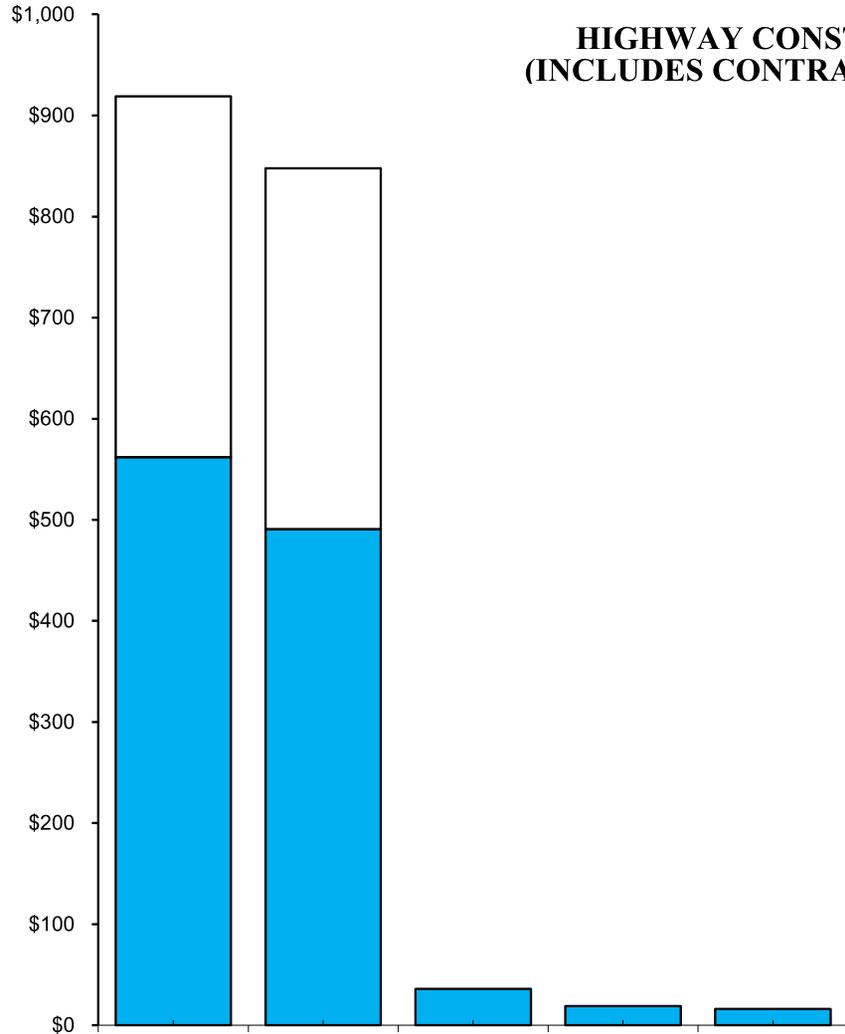
CONSTRUCTION RELATED EXPENSES Includes expenditures for construction overhead (such as concrete, pavement research and development, construction administration costs, and transportation technology systems overhead), as well as planning and research, and local roadway projects. Costs increased by 2.8%, or \$4.9 million, in FY-2025, primarily due to higher costs associated with planning and research as well as the addition of bonding related expenses. This increase was slightly offset by a reduction in local system project expenditures.

PUBLIC TRANSIT Includes expenditures for pass-through funding from the federal government to local entities operating public transportation systems in Nebraska. Costs in FY-2025 increased by 70.3%, or \$14.9 million, primarily due to the timing of reimbursement requests to transit entities.

PROGRAM / FUNCTION EXPENDITURE ANALYSIS
(\$'s in Thousands)

	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025	FY-24 to FY-25	
						\$ Chg	% Chg
ADMINISTRATION	\$ 22,259	\$ 22,899	\$ 22,082	\$ 25,437	\$ 28,035	\$ 2,598	10.2%
SUPPORTIVE SERVICES	\$ 36,283	\$ 39,162	\$ 33,806	\$ 41,300	\$ 38,935	\$ (2,365)	-5.7%
CAPITAL FACILITIES	\$ 5,064	\$ 6,347	\$ 6,979	\$ 13,698	\$ 9,972	\$ (3,726)	-27.2%
HIGHWAY MAINTENANCE							
SYSTEM PRESERVATION	47,041	44,592	44,564	50,301	45,871	\$ (4,430)	-8.8%
OPERATIONS	41,464	42,483	44,665	55,608	62,176	\$ 6,568	11.8%
SNOW AND ICE CONTROL	38,178	18,615	38,282	37,241	26,661	\$ (10,580)	-28.4%
UNUSUAL & DISASTER OPR	3,689	2,301	3,747	4,584	5,016	\$ 432	9.4%
EQUIPMENT OPERATIONS	9,345	17,511	15,476	34,643	25,891	\$ (8,752)	-25.3%
INDIRECT CHARGES	19,763	18,944	20,541	22,557	23,435	\$ 878	3.9%
SUBTOTAL	\$ 159,480	\$ 144,446	\$ 167,275	\$ 204,934	\$ 189,050	\$ (15,884)	-7.8%
TOTAL NON-CONSTRUCTION	\$ 223,086	\$ 212,854	\$ 230,142	\$ 285,369	\$ 265,992	\$ (19,377)	-6.8%
HIGHWAY CONSTRUCTION							
PRELIMINARY ENGINEERING	40,102	37,750	47,577	55,264	64,745	\$ 9,481	17.2%
RIGHT OF WAY	11,650	4,597	11,352	14,091	14,335	\$ 244	1.7%
CONSTRUCTION	470,799	551,445	703,329	662,380	718,045	\$ 55,665	8.4%
CONSTRUCTION ENGINEERING	29,674	28,680	28,511	29,881	34,201	\$ 4,320	14.5%
SUBTOTAL	\$ 552,225	\$ 622,472	\$ 790,769	\$ 761,616	\$ 831,326	\$ 69,710	9.2%
CONSTRUCTION RELATED EXPENSES							
OVERHEAD	15,782	16,384	21,011	22,390	25,099	\$ 2,709	12.1%
PLANNING & RESEARCH	14,798	10,591	14,223	11,725	16,024	\$ 4,299	36.7%
LOCAL	136,882	123,359	102,578	133,286	129,746	\$ (3,540)	-2.7%
OFFICE OF HIGHWAY SAFETY	4,674	5,333	6,649	7,284	8,748	\$ 1,464	20.1%
SUBTOTAL	\$ 172,136	\$ 155,667	\$ 144,461	\$ 174,685	\$ 179,617	\$ 4,932	2.8%
PUBLIC TRANSIT	\$ 29,139	\$ 21,117	\$ 23,791	\$ 21,229	\$ 36,159	\$ 14,930	70.3%
TOTAL EXPENDITURES	\$ 976,586	\$ 1,012,110	\$ 1,189,163	\$ 1,242,899	\$ 1,313,094	\$ 70,195	5.6%

**FY-2025
HIGHWAY CONSTRUCTION CONTRACT LETTINGS
(INCLUDES CONTRACTED CONSTRUCTION COSTS ONLY)
\$ IN MILLIONS**



SUMMARY BY PROGRAM YEAR					
LETTING DATE	STATE SYSTEM			LOCAL SYSTEM	TOTAL
	FY-2025 PROGRAM PROJECTS	PRIOR YEAR PROJECTS	ADVANCED PROJECTS	FY-2025 PROJECTS	
7/25/2024	38.97	23.74	6.28	1.61	70.60
8/29/2024	78.76	3.31			82.07
9/5/2024	2.53				2.53
10/3 & 24/2024	152.59	4.35		11.64	168.58
12/12/2024	57.83			2.03	59.86
1/16/2025	40.58	4.54	12.72		57.84
2/27/2025	25.99				25.99
3/20/2025	36.64				36.64
4/10/2025	0.58				0.58
5/15/2025	3.38				3.38
6/12/2025	53.04			0.96	54.00
	490.89	35.94	19.00	16.24	562.07

SUMMARY BY DISTRICT									
LETTING DATE	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	TOTAL
7/25/2024	9.75	21.94		7.05	3.99	3.77	13.43	10.67	70.60
8/29/2024	11.73	11.93	3.33	23.90	2.05	3.88	25.25		82.07
9/5/2024							2.53		2.53
10/3 & 24/2024	28.10		93.31	31.88		5.34		9.95	168.58
12/12/2024	2.38	0.28	8.93			22.69		25.58	59.86
1/16/2025		22.68	7.67		10.23	17.26			57.84
2/27/2025	0.05	3.15	22.10	0.50	0.19				25.99
3/20/2025	4.51		4.16		20.30	7.67			36.64
4/10/2025	0.58								0.58
5/15/2025		0.37	2.60	0.28	0.13				3.38
6/12/2025	1.03			0.97		51.74		0.26	54.00
	58.13	60.35	142.10	64.58	36.89	112.35	41.21	46.46	562.07

	State System			Local System	
	Total Letting(1)	FY-2025 Program (2)	Prior Year Projects (3)	Advanced Projects	FY-2025 Program (4)
% Let to Date	61.2%	57.9%	100.0%	100.0%	100.0%
Actual \$ Let	562.07	490.89	35.94	19.00	16.24
Projected \$ Remaining	356.97	356.97	0.00	0.00	0.00
Total	\$919.04	\$847.86	\$35.94	\$19.00	\$16.24

- (1) Total Lettings - Includes the contract letting estimate of all projects programmed for letting during the fiscal year (state and local).
 - (2) FY-2025 State System Program - Includes the contract lettings portion of the state system projects and any additions to the program.
 - (3) Prior Year Projects - Includes projects from previous years' programs.
 - (4) Local System Program - Includes all local system projects.
- Projected dollars are updated estimates as of June 30 2025.

HIGHWAY CONSTRUCTION CONTRACT LETTINGS
FY 2016 – FY 2025
(Including Local System)
(Excludes Preliminary & Construction Engineering, ROW & Maintenance)
\$'s In Millions

The following table presents a summary of highway construction contract lettings for the 10-year period 2016 through 2025.

Fiscal Year	STATE SYSTEM				Local System	Total Lettings	Unawarded Projects To Next Fiscal Year
	Current Year Program	Previous FY Projects	Future FY Advanced	Total State System			
2016	384.25	37.67	4.33	\$ 426.25	33.82	\$ 460.07	\$70.4 Million
2017	313.10	84.13	20.84	\$ 418.07	36.78	\$ 454.85	\$3.0 Million
2018	325.15	6.93	14.79	\$ 346.87	59.66	\$ 406.53	\$1.0 Million
2019	427.13	6.06	63.17	\$ 496.36	47.03	\$ 543.39	\$51.1 Million
2020	679.89	38.03	3.52	\$ 721.44	98.67	\$ 820.11	\$109.8 Million
2021	607.19	6.77	0.00	\$ 613.96	61.51	\$ 675.47	\$207.9 Million
2022	529.18	77.80	0.00	\$ 606.98	32.82	\$ 639.80	\$143.4 Million
2023	495.95	77.02	1.73	\$ 574.70	70.56	\$ 645.26	\$138.6 Million
2024 ^A	586.92	140.28	18.04	\$ 745.24	87.07	\$ 832.31	\$55.8 Million
2025	490.89	35.94	19.00	\$ 545.83	16.24	\$ 562.07	\$356.9 Million

A. New record high letting on total state system.

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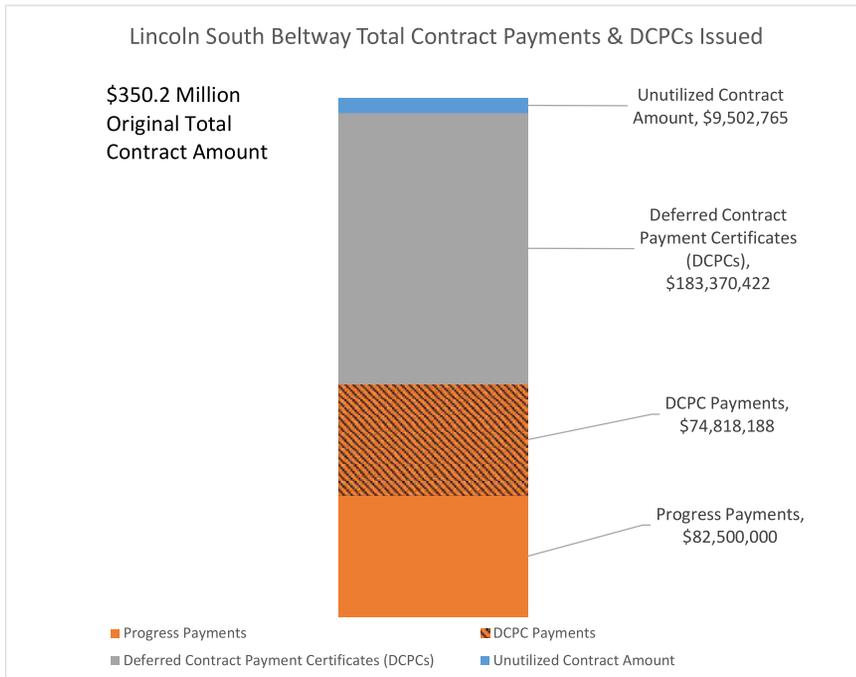


Lincoln South Beltway Construction Contract Payments and Deferred Payment Certificates Issued

Through June 2025

The construction contract for the Lincoln South Beltway project established a maximum quarterly payment schedule of no more than \$7.5 million per calendar quarter (not including certain change orders). As the contractor earns amounts for quantities of work accepted but not paid during construction due to the maximum quarterly payment schedule, NDOT will issue Deferred Contract Payment Certificates (DCPCs).

The DCPCs evidence NDOT's obligation to make continued quarterly payments beyond the period of construction over a time period necessary to pay the total contract price, subject to appropriation of legally available funds. The DCPCs are used by the contractor to draw from their external financing source to pay their costs during construction. For each DCPC issued by NDOT, the contractor will identify the DCPC's future payment due date, which will be scheduled to coincide with the maximum quarterly payment schedule. NDOT will pay on the DCPCs pursuant to the maximum payment schedule and as specified by the DCPCs, which is anticipated to occur until fiscal year 2032.



Total Contract Payments & DCPCs Issued (Through June 2025)

Unutilized Contract Amount	\$9,502,765
Progress Payments	\$82,500,000
Deferred Contract Payment Certificates (DCPCs)	\$183,370,422
DCPC Payments	\$74,818,188

DCPC Payments Due by State Fiscal Year (for DCPCs Issued Through June 2025)

FY 2026	\$29,884,313
FY 2027	\$29,877,875
FY 2028	\$29,875,000
FY 2029	\$29,882,563
FY 2030	\$29,882,438
FY 2031	\$29,886,375
FY 2032	\$4,081,860
Total DCPCs to date	\$183,370,422

Note: The contract also provides that certain types of change orders are not subject to the quarterly limit and will not be part of the DCPC calculation. The payments for these change orders are not included above. Total Progress Payments of \$82,500,000 were made prior to the first quarterly DCPC payment in January 2023.

FEDERAL APPORTIONMENT DEFINITIONS

ALLOCATED/DISCRETIONARY FUNDS = Funds allocated to states based on grants for specific purposes.

CONGESTION MITIGATION & AIR QUALITY (CMAQ) = Funding to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards.

EQUITY BONUS = Provides each state with a specific share of the aggregate funding for major highway programs. Every state is guaranteed at least a specified percentage of that State's share of contributions to the Highway Account of the Highway Trust Fund.

HIGHWAY PLANNING = Federal-aid highway program to assist State transportation agencies in the planning and the development of the National Highway System.

HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) = Federal-aid program with the purpose of achieving a significant reduction in fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. Funds are provided to assist in correcting or improving a hazardous road location or feature and to address a highway safety problem that is identified in the state's Strategic Highway Safety Plan (SHSP).

METROPOLITAN PLANNING = Assists in development of transportation improvement, long-range transportation plans and other technical studies in the metropolitan areas.

NATIONAL HIGHWAY FREIGHT PROGRAM (NHFP) = To improve efficient movement of freight on the National Highway Freight Network (NHFN).

NATIONAL HIGHWAY PERFORMANCE PROGRAM (NHPP) = To provide support for the condition and performance of the National Highway System (NHS), to provide support for the construction of new facilities on the NHS and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.

RAIL-HIGHWAY – HAZARD ELIMINATION and PROTECTION DEVICES = To achieve a significant reduction in traffic fatalities and serious injuries at all at-grade public rail highway crossings. Eligibility projects include, but not limited to, the installation of protective devices, the elimination of hazards, and grade crossing separation.

REDISTRIBUTION = Additional funds apportioned to states that may be used for any purpose described in section 133(b) of title 23, U.S.C.

RESEARCH = To provide a systematic investigation that provides facts, principals and collects information on a particular subject. Effective research projects are conducted to provide a safer, more efficient, and longer lasting transportation network in collaboration with public and private industry, FHWA and academia.

SPECIAL LIMITATION & EXEMPT = Funds that are awarded with their own obligation limitation and are not subject to the annual limitation.

SURFACE TRANSPORTATION BLOCK GRANT PROGRAM (STBG) = Federal-aid highway funding program that funds a broad range of surface transportation capital needs, including many roads, transit, sea and airport access, vanpool, bike and pedestrian facilities. This program is divided into many sub-categories by population.

TRANSPORTATION ALTERNATIVES PROGRAM (TAP) = Funding provided for programs and projects defined as transportation alternatives, including on and off road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities and many more. The program is divided into sub-categories – flex based on population and recreational trails.

CARBON REDUCTION PROGRAM = Provides funding for projects to reduce transportation emissions or the development of carbon reduction strategies.

PROMOTING, RESILIENT, OPERATIONS FOR TRANSFORMATIVE, EFFICIENT, AND COST-SAVING TRANSPORTATION (PROTECT) = Planning resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure.

BRIDGE FORMULA PROGRAM (BFP) = Funds used to replace, rehabilitate, preserve, protect, and construct bridges on public roads.

NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE (NEVI) = To strategically deploy electric vehicle (EV) charging infrastructure and establish an interconnected network to facilitate data collection, access, and reliability.

**APPORTIONED FEDERAL HIGHWAY FUNDS
(\$ IN MILLIONS)**

Federal Trust Fund Apportionment Type	Fixing America's Surface Transportation = FAST		FAST and Infrastructure Investment and Jobs Act = IJJA		Infrastructure Investment and Jobs Act = IJJA							
	Fiscal 2021 Apportionment		Fiscal 2022 Apportionment		Fiscal 2023 Apportionment		Fiscal 2024 Apportionment		Fiscal 2025 Apportionment		Fiscal 2026 Apportionment	
	National	Nebraska	National	Nebraska	National	Nebraska	National	Nebraska	National	Nebraska	National	Nebraska
National Hwy Perf Prog (NHPP)	22,811	173.531	25,136	203.378	27,170	207.541	27,313	211.788	27,768	216.119	30,784	229.907
Surface Transportation Block Grant (STBG)	11,717	88.296	13,136	97.777	13,202	98.923	1,036	100.901	13,709	102.922	14,976	111.847
<i>STBG - Bridge Off System</i>		3.777		5.036		5.036		5.036		5.036		5.036
<i>STBG - Flexible - Any Area</i>		33.159		35.391		36.200		37.025		37.866		37.866
<i>STBG - MAPA - Omaha</i>		16.227		17.760		18.116		19.684		20.078		20.078
<i>STBG - LCLC - Lincoln</i>		6.395		7.000		7.140		7.632		7.785		7.785
<i>STBG - 5,001 to 200,000 Population</i>		8.919										
<i>STBG 5K-49,999 Population</i>				7.948		8.107		7.729		7.884		7.884
<i>STBG 50K-200K Population</i>				1.813		1.849		1.893		1.931		1.931
<i>STBG - 5,000 and Less Population</i>		13.604		14.890		15.188		14.469		14.758		14.758
<i>Highway Planning</i>		4.661		5.179		5.465		5.575		5.688		5.688
<i>Research</i>		1.554		2.760		1.822		1.858		1.896		1.896
Transportation Alternatives (TAP)	768	5.801	1,312	10.206	1,329	10.434	1,357	10.667	1,386	10.905		
Recreational Trails	82	1.217	81	1.205	82	1.217	82	1.217	82	1.217		
Highway Safety Improvement Prog (HSIP)	2,359	15.713	2,879	19.794	2,580	20.202	2,590	20.692	2,667	21.189	3,246	22.185
Rail-Highway Crossings	245	3.883	245	3.886	245	3.952	245	3.944	245	3.939	245	3.886
Congestion Mitigation & Air Qual (CMAQ)	2,444	10.744	1,983	10.985	2,293	11.205	2,335	11.429	2,384	11.658	2,746	12.134
Metropolitan Planning	358	1.777	438	2.186	447	2.230	456	2.275	465	2.320	474	2.367
National Freight Program	1,489	10.663	1,346	9.824	1,373	10.020	1,399	10.220	1,429	10.425	1,487	10.850
Carbon Reduction Program			1,234	9.214	1,258	9.398	1,283	9.586	1,304	9.777	1,335	9.973
PROTECT Formula			1,403	10.476	1,431	10.686	1,459	10.900	1,489	11.118	1,518	11.340
National Highway Perf Exempt	603	4.524	602	4.500	603	4.500	603	4.500	603	4.500		
Redistribution - TIFIA									1,800	13.133		
Sub-Total Core Funds	\$42,876	\$ 316.547	\$ 49,795	\$ 383.431	\$ 52,013	\$ 391.242	\$ 40,158	\$ 402.913	\$ 55,331	\$ 419.222	\$ 56,811	\$ 414.489
Redistribution - Certain Authorizations	55	0.398	393	2.869	128	0.934	657	4.794	610	4.450		
Bridge Formula Program			5,308	45.000	5,308	45.000	5,308	45.000	5,308	45.000	5,308	45.000
NEVI Charging Infrastructure			615	4.472	885	6.436	879	6.436	885	6.436	500	6.000
Highway Infrastructure Bridge			1,145	19.395	1,145	19.395						
Emergency Relief Supplement 2022			1,254	40.019								
Hwy Infra Prog for Comm Proj Congr-Directed			847	5.000	1,852	6.000	1,862	45.209				
Others & Ext of Alloc Programs												
Total	\$42,931	\$ 316.547	\$ 59,357	\$ 500.186	\$ 61,331	\$ 468.073	\$ 48,864	\$ 499.558	\$ 62,134	\$ 475.108	\$ 62,619	\$ 465.489
Obligation Authority												
Core Formula Obligation Limitation	46,365	277.251	57,473	345.402	58,765	339.011	60,096	341.848	61,314	353.344		
August Redistribution	4,178	20.000	6,177	26.000	7,915	55.000	8,698	90.000				
Total Annual Obligation Authority	\$50,543	297.251	\$ 57,473	371.402	\$ 66,680	394.011	\$ 68,794	431.848	\$ 61,314	353.344		

Footnotes:
Fiscal 2026 amounts are AASHTO estimates.

FY25 Apportionment per Public Law 117-58 through September 30, 2025.

On January 20, 2025, President Trump signed EO 7, "Unleashing American Energy", rolling back regulations and halting EV charging funds, putting NDOT's NEVI program on hold until further notice.

**STATUS OF FEDERAL HIGHWAY APPORTIONMENTS
FEDERAL FY-2025
JUNE 30, 2025**

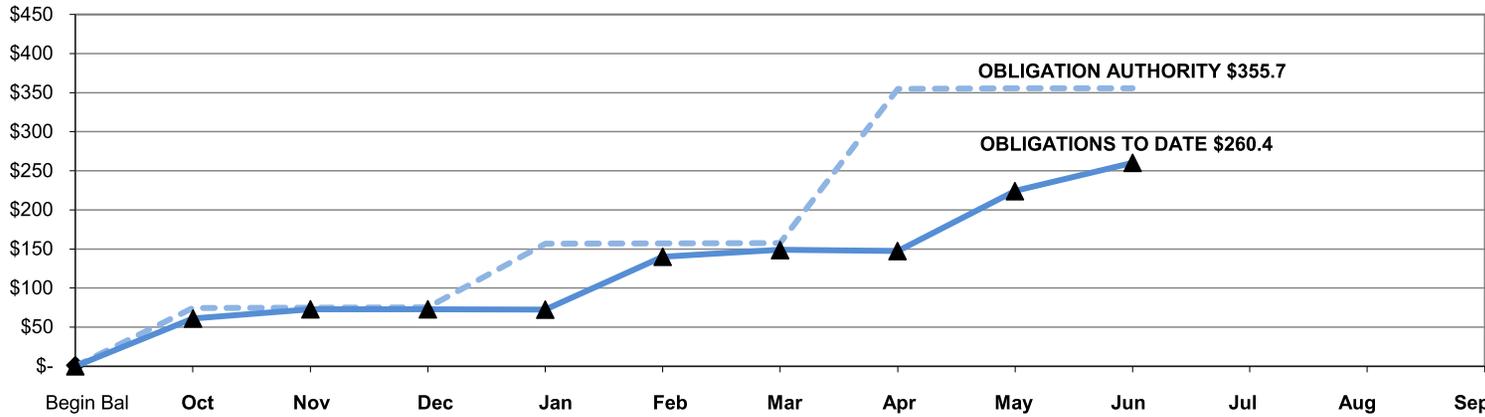
APPORTIONMENT TYPE	APPURT	FAST Act & IIJA	TRANSFERS	TOTAL	OBLIGATIONS ^(A)	CURRENT	ADVANCED	UNPAID
	BALANCE 9/30/2024	FY-2025 APPURT ^(B)	ADJ & SPECIAL APPURT			APPURT	CONSTRUCTION COMMITTED	
National Hwy Perf Prog (NHPP)	1,124,954	216,118,949	(60,000,000)	157,243,903	113,112,163	44,131,740	203,777,031	87,228,437
Highway Bridge Program	-	-	-	-	-	-	-	7,952
STBG/STP - Bridge Off System	221,246	5,036,343	-	5,257,589	300,400	4,957,189	-	2,635,358
STBG/STP - Flexible - Any Area	787,579	37,865,943	60,000,000	98,653,522	96,373,942	2,279,580	117,126,719	41,617,509
STBG/STP - MAPA - Omaha	1,479,747	20,077,823	-	21,557,570	(4,400,637)	25,958,206	9,561,104	11,618,490
STBG/STP - LCLC - Lincoln	23,912,119	7,784,992	-	31,697,111	4,914,409	26,782,702	-	11,857,425
STBG/STP 5,001 - 200,000 Pop	-	-	-	-	(2,480,491)	2,480,491	-	3,382,022
STBG/STP - 5,000 & Less Pop	-	14,758,487	-	14,758,487	14,698,873	59,614	-	3,098,807
STBG 5K-49,999 Population	1,009,050	7,883,822	-	8,892,872	149,266	8,743,606	-	189,348
STBG 50K-200,000 Population	1,313,314	1,931,004	-	3,244,318	-	3,244,318	-	2,192,868
Congestion Mitigation & Air Qual	2,807,233	11,657,833	-	14,465,066	8,591,083	5,873,983	-	11,348,135
Carbon Reduction under 5,000 & Less	-	1,788,753	-	1,788,753	-	1,788,753	-	3,104,327
Carbon Reduction 5K-49,999 Pop	-	955,532	-	955,532	(802,321)	1,757,853	-	1,428,846
Carbon Reduction 50K-200,000 Pop	673,353	234,041	-	907,394	-	907,394	-	-
Carbon Reduction >200,000 Pop	1,019,210	3,377,020	-	4,396,230	(2,725,921)	7,122,151	-	2,650,245
Carbon Reduction Prog Flex	1,444,106	3,422,109	-	4,866,215	(33,237)	4,899,452	-	1,051,894
Protect Program IIJA	3,206,832	10,895,314	-	14,102,146	(3,639,649)	17,741,795	15,715,761	4,682,101
Protect Planning IIJA	641,241	222,353	-	863,594	-	863,594	-	-
Highway Safety Improvemt Prog	19,030,436	21,188,581	-	40,219,017	3,380,965	36,838,053	751,888	20,577,406
Rail-Hwy - Hazard Elimination	-	3,938,723	-	3,938,723	(1,631,353)	5,570,076	7,650,128	1,414,829
Rail-Hwy - Protection Devices	6,681,110	-	-	6,681,110	3,288,246	3,392,864	-	6,646,433
Highway Planning	2,619,882	5,688,111	-	8,307,993	4,456,939	3,851,053	-	10,631,320
Research	625,550	1,896,037	936,620	3,458,207	528,040	2,930,166	141,795	7,541,709
Metropolitan Planning	384,555	2,320,287	-	2,704,842	2,493,357	211,485	-	4,841,767
National Hwy Freight Program	-	10,424,888	-	10,424,888	10,424,888	-	19,925,430	1,855,237
TAP - Flex	12,314,124	4,470,980	-	16,785,104	102,657	16,682,447	-	589,240
TAP - >200,000 Population	5,141,040	3,418,733	-	8,559,773	373,581	8,186,192	-	1,206,039
TAP - 50K - 200,000 Population	446,715	236,932	-	683,647	-	683,647	-	109,234
TAP - 5,001 to 200,000 Population	530,391	-	-	530,391	243,331	287,060	-	669,118
TAP - 5K-49,999 Population	2,905,114	967,335	-	3,872,449	24,841	3,847,608	-	24,841
TAP - 5,000 and Less Population	1,536,666	1,810,849	-	3,347,515	119,673	3,227,842	-	724,497
Recreational Trails	3,542,868	1,217,387	(12,174)	4,748,081	1,149,400	3,598,681	-	2,464,876
Enhancement	-	-	-	-	-	-	-	309,338
Safe Routes to School Prog	-	-	-	-	-	-	-	162,652
Redistribution - Certain Auth.	-	1,341,233	3,108,568	4,449,801	4,449,771	30	-	1,238,330
Redistribution - TIFIA	-	13,132,617	-	13,132,617	7,043,796	6,088,821	-	5,554,607
Repurposed/Special Earmark	-	-	-	-	(416,385)	416,385	-	-
Total Formula Funds	\$ 95,398,433	\$ 416,063,011	\$ 4,033,014	\$ 515,494,458	260,089,627	255,404,831	\$ 374,649,857	\$ 254,655,237
Allocated/Discretionary Funds	1,762,699	-	\$ 1,500,000	3,262,699	338,479	2,924,220	-	566,353
Total Subject to Annual Obligation Limits	\$ 97,161,131	\$ 416,063,011	\$ 5,533,014	\$ 518,757,156	\$ 260,428,106	\$ 258,329,051	\$ 374,649,857	\$ 255,221,590
Special Limit/Allocated Exempt	-	4,500,321	-	4,500,321	4,243,722	256,599	-	-
Appropriated Exempt	112,882,119	51,638,158	2,053,758	166,574,034	36,596,512	104,340,419	-	72,731,262
GRAND TOTAL	\$ 210,043,250	\$ 472,201,490	\$ 7,586,772	\$ 689,831,512	\$ 301,268,340	\$ 362,926,069	\$ 374,649,857	\$ 327,952,852

(A) Obligations are commitments by the Federal Highway Administration to participate in the financing of highway construction projects.

(B) FY25 Apportionment per Public Law 117-58 through September 30, 2025.

On January 20, 2025, President Trump signed EO 7, "Unleashing American Energy", rolling back regulations and halting EV charging funds, putting NDOT's NEVI program on hold until further notice.

**STATUS OF FEDERAL HIGHWAY OBLIGATION AUTHORITY
FEDERAL FY-2025
(\$ IN MILLIONS)**



	Begin Bal	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligation Authority	0.0	74.6	74.9	75.1	156.7	157.1	157.4	354.7	355.7	355.7			
OA Used	0.0	61.0	72.8	72.9	72.6	140.1	148.8	147.5	224.2	260.4			

	<u>FEDERAL FY-2024</u> <u>OBLIGATION AUTHORITY</u>		<u>FEDERAL FY-2025</u> <u>OBLIGATION AUTHORITY</u>		
<u>FORMULA AND ALLOCATED FUNDS SUBJECT TO ANNUAL OBLIGATION LIMITATION</u>	As of September 30, 2024		As of June 30, 2025		
Formula Obligation Limitation	\$	341.8	\$	353.3	Period Expired 75.0%
August Redistribution		90.0			
Transfers	\$	(5.8)	\$	0.9	
Subtotal	\$	426.0	\$	354.2	
Other Allocation Obligation Limitation		0.4		1.5	
Annual Obligation Limitation	\$	426.4	\$	355.7	
Formula Obligations to Date		(416.1)		(260.1)	Obligated 73.2%
Allocated Obligations to Date		0.0		(0.3)	
Subtotal	\$	(416.1)	\$	(260.4)	
Obligation Authority Balance		10.3		\$ 95.3	
<u>SPECIAL LIMITATION</u>					
National Highway Perf Exempt		4.5		4.5	
HIP Bridge Formula Program		38.3		38.3	
HIP Bridge Formula PRM Off-Sys		6.7		6.7	
HIP Natl Electric Vhcle Infra		6.4		6.4	
HIP COMM Proj CONG-DIR 24 HIF		45.2		0.0	
National Inf Invest RAISE 23 IJA		1.5		0.0	
TECH Innovat Deploy Stic IJA		0.1		0.0	
LTAP Training & Education IJA		0.2		0.0	
Operation & Maintenance Air Force FY25		0.0		0.2	
Previous Years Funding		136.7		116.2	
Total Special Obligation Limitation	\$	239.5	\$	172.3	
Obligations to Date		0.1		(40.8)	
Obligation Authority Balance	\$	239.6	\$	131.5	

Nebraska's FY25 formula apportionment per Public Law 117-58 is \$406.4 million. The Obligation Authority through September 30, 2025 per Public Law 119-4 is \$353.3 million. On January 20, 2025, President Trump signed EO 7, "Unleashing American Energy", rolling back regulations and halting EV charging funds, putting NDOT's NEVI program on hold until further notice.

**TRANSPORTATION FINANCING
EXPENSE SUMMARY BY SYSTEM**

CURRENT MONTH - JUNE 2025

		STATE	FEDERAL	COUNTY	CITY	OTHER	TOTAL
STATE	PRELIMINARY ENGINEERING	2,579,767.76	650.90	0.00	4,146.72	92,658.41	2,677,223.79
	RIGHT OF WAY	1,142,393.39	0.00	0.00	37,838.04	0.00	1,180,231.43
	CONSTRUCTION	11,579,392.39	35,482,777.28	0.00	709,684.22	633,756.03	48,405,609.92
	CONSTRUCTION ENGINEERING	1,111,315.24	1,663,244.54	0.00	49,822.26	38,327.55	2,862,709.59
	PLANNING & RESEARCH	3,593.97	14,178.49	0.00	0.00	(82.59)	17,689.87
	TOTAL	\$ 16,416,462.75	\$ 37,160,851.21	\$ 0.00	\$ 801,491.24	\$ 764,659.40	\$ 55,143,464.60
LOCAL	PRELIMINARY ENGINEERING	(2,959.80)	995,819.02	92,071.09	173,843.27	3,743.45	1,262,517.03
	RIGHT OF WAY	0.00	1,000.46	0.00	1,152.99	0.00	2,153.45
	CONSTRUCTION	(874,312.40)	2,971,191.50	142,413.35	252,729.18	22,089.94	2,514,111.57
	CONSTRUCTION ENGINEERING	95,278.99	257,315.93	13,504.40	129,596.54	2,486.43	498,182.29
	PLANNING & RESEARCH	0.00	431.38	0.00	107.84	0.00	539.22
	PUBLIC TRANSPORTATION ASSIST	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	\$ (781,993.21)	\$ 4,225,758.29	\$ 247,988.84	\$ 557,429.82	\$ 28,319.82	\$ 4,277,503.56	
NON-HWY	PRELIMINARY ENGINEERING	1,741,171.75	25,673.33	4,304.46	10,924.77	0.00	1,782,074.31
	RIGHT OF WAY	109,727.35	0.00	0.00	0.00	0.00	109,727.35
	CONSTRUCTION	0.00	0.00	0.00	0.00	0.00	0.00
	CONSTRUCTION ENGINEERING	601,567.08	123.53	0.00	0.00	30.88	601,721.49
	TRAFFIC SAFETY & TRANS	15,244.13	405,547.75	0.00	0.00	0.00	420,791.88
	PLANNING & RESEARCH	244,819.25	1,731,865.04	0.00	47,636.74	65,769.48	2,090,090.51
	PUBLIC TRANSPORTATION ASSIST	630,673.50	4,233,548.03	17,258.40	36,360.92	138,906.62	5,056,747.47
	INFORMATION TECHNOLOGY	(5,534.03)	41,115.73	0.00	0.00	0.00	35,581.70
	BROADBAND	0.00	255,790.38	0.00	0.00	0.00	255,790.38
TOTAL	\$ 3,337,669.03	\$ 6,693,663.79	\$ 21,562.86	\$ 94,922.43	\$ 204,706.98	\$ 10,352,525.09	
TOTAL - CURRENT MONTH		\$ 18,972,138.57	\$ 48,080,273.29	\$ 269,551.70	\$ 1,453,843.49	\$ 997,686.20	\$ 69,773,493.25

FISCAL YEAR TO DATE - JUNE 2025

		STATE	FEDERAL	COUNTY	CITY	OTHER	TOTAL
STATE	PRELIMINARY ENGINEERING	42,867,319.10	35,459.51	(1,653.52)	707,431.97	728,925.55	44,337,482.61
	RIGHT OF WAY	11,291,055.87	0.00	0.00	287,578.16	0.00	11,578,634.03
	CONSTRUCTION	203,162,608.79	490,022,019.85	3,386.32	16,293,442.74	3,211,776.41	712,693,234.11
	CONSTRUCTION ENGINEERING	7,397,066.14	17,111,674.59	19,480.44	615,638.33	106,253.14	25,250,112.64
	PLANNING & RESEARCH	400,933.77	110,872.54	0.00	0.00	432,554.39	944,360.70
	TOTAL	\$ 265,118,983.67	\$ 507,280,026.49	\$ 21,213.24	\$ 17,904,091.20	\$ 4,479,509.49	\$ 794,803,824.09
LOCAL	PRELIMINARY ENGINEERING	45,061.27	7,459,533.22	523,371.90	1,438,378.96	31,747.58	9,498,092.93
	RIGHT OF WAY	(11,285.16)	2,182,389.86	11,174.53	679,784.75	2.92	2,862,066.90
	CONSTRUCTION	14,601,215.41	53,652,216.16	3,075,224.40	1,935,052.74	401,938.04	73,665,646.75
	CONSTRUCTION ENGINEERING	203,576.75	3,477,715.91	202,226.31	2,495,544.21	32,450.91	6,411,514.09
	PLANNING & RESEARCH	9,327.76	108,202.23	0.00	63,505.05	0.00	181,035.04
	PUBLIC TRANSPORTATION ASSIST	0.00	10,000.00	0.00	0.00	0.00	10,000.00
TOTAL	\$ 14,847,896.03	\$ 66,890,057.38	\$ 3,811,997.14	\$ 6,612,265.71	\$ 466,139.45	\$ 92,628,355.71	
NON-HWY	PRELIMINARY ENGINEERING	22,733,010.95	481,641.27	6,619.63	108,671.69	1,454.42	23,331,397.96
	RIGHT OF WAY	2,712,054.56	(0.14)	0.00	0.14	0.00	2,712,054.56
	CONSTRUCTION	37,557,155.86	3,019,225.66	0.00	0.22	118,353.54	40,694,735.28
	CONSTRUCTION ENGINEERING	7,965,688.39	43,495.94	0.00	2,915.02	7,779.02	8,019,878.37
	TRAFFIC SAFETY & TRANS	1,102,855.02	9,029,424.71	0.00	0.00	6,460.00	10,138,739.73
	PLANNING & RESEARCH	3,452,026.28	12,437,118.13	0.00	195,905.27	799,837.50	16,884,887.18
	PUBLIC TRANSPORTATION ASSIST	6,440,439.85	28,468,969.35	63,181.80	149,409.92	1,192,198.18	36,314,199.10
	INFORMATION TECHNOLOGY	341,027.88	528,851.29	0.00	0.00	0.00	869,879.17
BROADBAND	0.00	1,748,410.37	0.00	0.00	0.00	1,748,410.37	
TOTAL	\$ 82,304,258.79	\$ 55,757,136.58	\$ 69,801.43	\$ 456,902.26	\$ 2,126,082.66	\$ 140,714,181.72	
TOTAL - FISCAL YEAR TO DATE		\$ 362,271,138.49	\$ 629,927,220.45	\$ 3,903,011.81	\$ 24,973,259.17	\$ 7,071,731.60	\$ 1,028,146,361.52

**TRANSPORTATION FINANCING
EXPENSE SUMMARY BY SYSTEM BY FINANCING PARTICIPANT
JUNE 2025**

ROAD SYSTEM	FUNDING DESCRIPTION	ACTIVE PROJECTS ESTIMATES	LIFE TO DATE EXPENSES	ESTIMATE BALANCE	CURRENT MONTH EXPENSE	FISCAL YEAR EXPENSE	CALENDAR YEAR EXPENSE
STATE HIGHWAY SYSTEM							
	STATE	2,738,166,321.52	1,499,049,222.43	1,239,117,099.09	16,416,462.75	265,118,983.67	74,998,202.39
	FEDERAL	2,336,775,772.41	2,096,415,988.66	240,359,783.75	37,160,851.21	507,280,026.49	182,951,990.55
	COUNTY	2,244,056.34	1,950,868.69	293,187.65	0.00	21,213.24	24,210.22
	CITY	129,287,928.69	113,706,414.31	15,581,514.38	801,491.24	17,904,091.20	4,320,414.14
	OTHER	25,573,330.91	18,733,983.19	6,839,347.72	764,659.40	4,479,509.49	3,621,203.59
STATE HIGHWAY SYSTEM TOTALS		\$ 5,232,047,409.87	\$ 3,729,856,477.28	\$ 1,502,190,932.59	\$ 55,143,464.60	\$ 794,803,824.09	\$ 265,916,020.89
LOCAL HIGHWAY SYSTEM							
	STATE	92,558,598.63	68,559,711.53	23,998,887.10	(781,993.21)	14,847,896.03	3,887,057.98
	FEDERAL	424,007,779.56	337,869,367.86	86,138,411.70	4,225,758.29	66,890,057.38	22,520,244.40
	COUNTY	27,632,967.34	20,272,998.39	7,359,968.95	247,988.84	3,811,997.14	1,611,818.47
	CITY	107,222,008.68	71,663,615.86	35,558,392.82	557,429.82	6,612,265.71	5,911,835.93
	OTHER	8,003,219.44	6,819,640.02	1,183,579.42	28,319.82	466,139.45	303,054.37
LOCAL HIGHWAY SYSTEM TOTALS		\$ 659,424,573.65	\$ 505,185,333.66	\$ 154,239,239.99	\$ 4,277,503.56	\$ 92,628,355.71	\$ 34,234,011.15
NON-HIGHWAY							
	STATE	673,059,888.64	586,205,912.69	86,853,975.95	3,337,669.03	82,304,258.79	58,696,753.03
	FEDERAL	373,745,051.39	212,493,520.82	161,251,530.57	6,693,663.79	55,757,136.58	28,669,608.56
	COUNTY	527,960.93	389,894.28	138,066.65	21,562.86	69,801.43	23,878.03
	CITY	10,981,038.01	5,556,181.73	5,424,856.28	94,922.43	456,902.26	335,077.48
	OTHER	20,413,384.11	16,097,362.90	4,316,021.21	204,706.98	2,126,082.66	735,070.55
NON-HIGHWAY TOTALS		\$ 1,078,727,323.08	\$ 820,742,872.42	\$ 257,984,450.66	\$ 10,352,525.09	\$ 140,714,181.72	\$ 88,460,387.65
GRAND TOTALS		\$ 6,970,199,306.60	\$ 5,055,784,683.36	\$ 1,914,414,623.24	\$ 69,773,493.25	\$ 1,028,146,361.52	\$ 388,610,419.69

**TRANSPORTATION FINANCING
EXPENSE SUMMARY BY WORK PHASE
JUNE 2025**

WORK PHASE	ACTIVE PROJECTS ALLOTMENT	LIFE TO DATE EXPENSES	ALLOTMENT BALANCE	CURRENT MONTH EXPENSE	FISCAL YEAR EXPENSE	CALENDAR YEAR EXPENSE
PRELIMINARY ENGINEERING	788,081,604.37	505,081,633.44	282,999,970.93	5,977,605.51	78,915,383.87	42,787,869.88
RIGHT OF WAY	188,280,077.90	130,035,829.55	58,244,248.35	1,292,112.23	17,152,755.49	7,082,319.70
UTILITIES	49,911,217.47	34,652,201.52	15,259,015.95	401,365.08	4,659,471.84	2,207,538.57
CONSTRUCTION	5,235,206,178.15	3,920,172,349.38	1,315,033,828.77	50,518,356.41	822,394,144.30	283,879,903.82
CONSTRUCTION ENGINEERING	323,587,775.12	208,176,046.91	115,411,728.21	3,962,613.37	39,681,505.10	18,203,230.70
TRAFFIC SAFETY	61,303,928.95	32,134,269.19	29,169,659.76	420,791.88	10,138,739.73	4,650,174.07
PLANNING & RESEARCH	147,513,902.01	92,071,031.26	55,442,870.75	2,108,319.60	18,010,282.92	8,155,234.42
PUBLIC TRANSPORTATION	171,813,089.03	128,507,342.28	43,305,746.75	5,056,747.47	36,324,199.10	20,980,881.61
INFORMATION TECHNOLOGY	4,501,533.60	4,953,979.83	(452,446.23)	35,581.70	869,879.17	663,266.92
GRAND TOTALS	\$ 6,970,199,306.60	\$ 5,055,784,683.36	\$ 1,914,414,623.24	\$ 69,773,493.25	\$ 1,028,146,361.52	\$ 388,610,419.69

**TRANSPORTATION FINANCING
EXPENSE SUMMARY BY FINANCING PARTICIPANT
JUNE 2025**

FUND	ACTIVE PROJECTS ALLOTMENT	LIFE TO DATE EXPENSES	ALLOTMENT BALANCE	CURRENT MONTH EXPENSE	FISCAL YEAR EXPENSE	CALENDAR YEAR EXPENSE
STATE FUNDS						
ROADS OPERATION FUND	2,003,058,003.85	1,365,783,416.35	637,274,587.50	14,324,845.37	250,389,662.61	112,383,644.02
ROADS OPERATION FUND AC*	287,391,065.76	17,160,285.47	270,230,780.29	(322,904.05)	(26,377,723.19)	(37,911,474.81)
GRADE CROSSING FUND	1,914,287.86	1,238,269.66	676,018.20	304.21	157,899.03	13,979.63
GRADE SEPARATION-TMT	10,993,848.71	10,844,100.89	149,747.82	26,298.98	632,409.33	278,652.68
RECREATION ROAD FUND	27,877,729.21	24,482,262.76	3,395,466.45	(1,018,343.89)	10,434,359.45	2,740,624.92
ST HWY CAPITAL IMPR	857,258,328.53	509,435,704.19	347,822,624.34	3,475,207.49	100,712,203.51	44,619,945.92
ST HWY CAPITAL IMPR AC*	73,541,814.13	9,084,109.74	64,457,704.39	1,852,116.50	9,084,109.74	9,084,109.74
STATE AID BRIDGE	2,681,759.96	2,348,853.92	332,906.04	19,670.08	805,605.62	157,482.69
TRANS INFRA BANK	239,067,970.78	213,437,843.67	25,630,127.11	614,943.88	16,432,612.39	6,215,048.61
TOTAL STATE FUNDS	\$ 3,503,784,808.79	\$ 2,153,814,846.65	\$ 1,349,969,962.14	\$ 18,972,138.57	\$ 362,271,138.49	\$ 137,582,013.40
FEDERAL FUNDS	3,134,528,603.36	2,646,778,877.34	487,749,726.02	48,080,273.29	629,927,220.45	234,141,843.51
COUNTY FUNDS	30,404,984.61	22,613,761.36	7,791,223.25	269,551.70	3,903,011.81	1,659,906.72
CITY FUNDS	247,490,975.38	190,926,211.90	56,564,763.48	1,453,843.49	24,973,259.17	10,567,327.55
OTHER FUNDS	53,989,934.46	41,650,986.11	12,338,948.35	997,686.20	7,071,731.60	4,659,328.51
GRAND TOTALS	\$ 6,970,199,306.60	\$ 5,055,784,683.36	\$ 1,914,414,623.24	\$ 69,773,493.25	\$ 1,028,146,361.52	\$ 388,610,419.69

*Advance Construction - projects which are constructed with state funds in anticipation of converting to federal funds at a later date when apportionments and obligation authority become available.

**Build Nebraska Act
Financial Status
June 30, 2025**

The Build Nebraska Act (BNA) was passed into law in May 2011 (LB 84, codified as law 39-2703) and the State Highway Capital Improvement fund was created. The Department was given the authority to adopt and promulgate rules and regulations to carry out this act. The Build Nebraska Act's effective period is from July 1, 2013 through June 30, 2042.

REVENUE: This act designates revenue closely related to the use of highways in an amount equal to 85% of one quarter of one percent of state General Fund sales tax revenue to be used for state and local surfact transportation projects.

EXPENDITURES: The State Highway Capital Improvement Fund is administered by the Department of Transportation. At least 25% is to be used for the construction of the state expressway system and federally designated high priority corridors, with the remaining funds for surface transportation projects of highest priority as determined by the Department of Transportation.

State Highway Capital Improvement Fund							
	Current Month	Fiscal Year To Date	Active Projects Prior Fiscal Years	Completed Projects	Life To Date	Active Projects Unexpended Balance	Planned Future Expenditures
Revenue	\$ 9,559,972.13	\$ 105,156,963.89			\$ 923,566,189.87		
Expenditures							
Expressway and High Priority Corridors	861,962.52	50,024,900.30	397,405,551.63	107,867,150.87	555,297,602.80	240,058,741.68	741,601,688.77
Other Highways	3,054,125.01	42,078,756.43	11,317,949.05	183,888,457.06	237,285,162.54	95,425,258.27	114,399,673.46
Total	\$ 3,916,087.53	\$ 92,103,656.73	\$ 408,723,500.68	\$ 291,755,607.93	\$ 792,582,765.34	\$ 335,483,999.95	\$ 856,001,362.23
Funds Available to be Expended on Active Project and Planned Future Projects					\$ 130,983,424.53		

**Transportation Innovation Act
Financial Status
June 30, 2025**

The **Transportation Innovation Act** was passed into law in April 2016 (LB 960, codified as law 39-2801 through 39-2824) with an effective period from July 1, 2016 through June 30, 2033. The Department was given the authority to adopt and promulgate rules and regulations to carry out this act. This act also created the **Transportation Infrastructure Bank Fund(TIB)** to be used for purposes of this act. Any unobligated funds in the TIB on June 30, 2033 are to be transferred to the state Cash Reserve Fund.

REVENUE: This act designated the additional fuel tax revenue generated by Laws 2015, LB 610 to be transferred from the Roads Operations Cash Fund to the Transportation Infrastructure Bank Fund for the period July 2016 through June 2033. In addition, this act also directed the State Treasurer to transfer \$50 million from the state Cash Reserve Fund to the Transportation Infrastructure Bank Fund before July 15, 2016.

EXPENDITURES: The TIB is to be used for three specific purposes:

1 Accelerated State Highway Capital Improvement Program

The purpose of this program is to accelerate capital improvement projects, including the expressway system and federally designated high priority corridors and needs-driven capacity improvements. The expressway, as designated on January 1, 2016, is to be completed by June 30, 2033.

2 County Bridge Match Program

The purpose of this program is to promote innovative solutions and provide additional funding to accelerate the repair and replacement of deficient bridges on the county road system. The funding is limited to \$40 million and this program terminates on June 30, 2029.

3 Economic Opportunity Program

The purpose of this program is to finance transportation improvements to attract and support new businesses and business expansions by successfully connecting such businesses to the transportation network. The funding is limited to \$20 million.

	Transportation Infrastructure Bank (TIB)					Active Projects Unexpended Balance	Planned Projects
	Current Month	Fiscal Year To Date	Active Projects Prior Fiscal Years	Completed Projects	Life To Date		
Revenue plus \$50 million from Cash Reserve Fund *	\$ 6,497,983.07	\$ 33,850,924.20			\$ 281,668,797.92		
Expenditures							
Accelerated State Highway Capital Improvement Program	439,068.88	11,099,535.85	179,669,540.70	4,392,979.08	195,162,055.63	12,904,304.35	214,162,586.49
County Bridge Match Program	135,000.00	3,705,750.47	15,835,642.22	3,607,407.44	23,148,800.13	11,575,697.19	5,664,826.00
Economic Opportunity Program	40,875.00	1,627,326.07	1,500,048.36	4,182,160.38	7,309,534.81	1,150,125.57	13,736,000.00
Total Expenditures	\$ 614,943.88	\$ 16,432,612.39	\$ 197,005,231.28	\$ 12,182,546.90	\$ 225,620,390.57	\$ 25,630,127.11	\$ 233,563,412.49
					\$ 56,048,407.35		

Funds Available to be Expended on Active Project and Planned Future Projects

* Per LB1030, includes \$4M transfer from Roads Operation Fund

FEDERAL FUND PURCHASE PROGRAM FINANCIAL STATUS

Beginning in FY13 the Department of Transportation purchased the cities and counties' share of Federal Surface Transportation Block Grant and bridge funds. The Department purchases each dollar of federal funds with state highway funds at 80% for FY13 and FY14; FY15 forward is purchased at 90%. Funds purchased will be used for projects on the state highway system.

	Federal FY-21	Federal FY-22	Federal FY-23	Federal FY-24	ESTIMATED Federal FY-25
	Payment was made March 2022	Payment was made March 2023	Payment was made March 2024	Payment was made March 2025	Payment will be made March 2026
Bridge					
Annual Obligation Authority	277,251,202.00	335,456,873.97	329,049,483.24	331,808,256.49	343,123,836.70
10% for Bridges	27,725,120.20	33,545,687.40	32,904,948.32	33,180,825.65	34,312,383.67
60% Local Share	16,635,072.12	20,127,412.44	19,742,968.99	19,908,495.39	20,587,430.20
Less STBG Bridge Off System	(3,777,257.00)	(5,036,343.00)	(5,036,343.00)	(5,036,343.00)	(5,036,343.00)
Less Fracture Critical Bridge Inspection	-	(100,000.00)	-	-	-
Less Under Water Inspection	-	-	(660,000.00)	-	-
Less Quality Assurance	(300,000.00)	(300,000.00)	(315,000.00)	(315,000.00)	-
Less City of Omaha Major Bridge	-	-	-	-	-
Load Rating of Fracture Critical Bridges	-	-	-	-	-
Funds Available To Be Purchased	12,557,815.12	14,691,069.44	13,731,625.99	14,557,152.39	15,551,087.20
Bridge Buy Out Subtotal	90.0% \$ 11,302,034.00	90.0% \$ 13,221,962.00	90.0% \$ 12,358,463.00	90.0% \$ 13,101,437.00	90.0% \$ 13,995,978.00
Less Major On System Bridges Reserve	(2,000,000.00)	-	-	-	-
Bridge Buy Out Payment	\$ 9,302,034.00	\$ 13,221,962.00	\$ 12,358,463.00	\$ 13,101,437.00	\$ 13,995,978.00
Counties					
Annual Apportionment	13,604,127.00	16,694,678.00	17,028,571.00	16,222,785.00	16,547,240.00
Funds Available To Be Purchased	88.9% 12,094,068.90	91.3% 15,242,241.01	87.8% 14,951,085.34	86.8% 14,081,377.38	88.0% 14,561,571.20
County Buy Out Payment	90% \$ 10,884,662.00	90% \$ 13,718,017.00	90% \$ 13,455,977.00	90% \$ 12,673,240.00	90% \$ 13,105,414.00
First Class Cities					
Annual Apportionment	8,918,511.00	10,944,595.00	11,163,486.00	10,788,626.00	11,004,399.00
Funds Available To Be Purchased	88.9% 7,928,556.28	91.3% 9,992,415.24	87.8% 9,801,540.71	86.8% 9,364,527.37	88.0% 9,683,871.12
First Class City Buy Out Payment	90% \$ 7,135,701.00	90% \$ 8,993,174.00	90% \$ 8,821,387.00	90% \$ 8,428,075.00	90% \$ 8,715,484.00
Total Funds Distributed To Locals	\$ 27,322,397.00	\$ 35,933,153.00	\$ 34,635,827.00	\$ 34,202,752.00	\$ 35,816,876.00

Soft Match Balance By County

As of June 30, 2025

The Soft Match bridge program permits a county to build a bridge on any county road not on the Federal-aid Secondary system and receive credit for 80% of eligible costs. The credit is used as a county's share of matching funds for a Federal-aid bridge replacement or rehabilitation project at another location.

County Apportionment	County Name	Balance
3001	ADAMS COUNTY	974,068.00
3002	ANTELOPE COUNTY	286,699.21
3005	BLAINE COUNTY	246,249.16
3006	BOONE COUNTY	237,751.74
3010	BUFFALO COUNTY	353,729.79
3012	BUTLER COUNTY	30,164.57
3013	CASS COUNTY	940,983.62
3014	CEDAR COUNTY	380,189.71
3018	CLAY COUNTY	262,914.19
3019	COLFAX COUNTY	1,177,489.16
3020	CUMING COUNTY	527,909.82
3021	CUSTER COUNTY	510.87
3022	DAKOTA COUNTY	120,157.20
3024	DAWSON COUNTY	52,367.67
3026	DIXON COUNTY	240,458.87
3028	DOUGLAS COUNTY	424,940.67
3030	FILLMORE COUNTY	804,144.50
3032	FRONTIER COUNTY	156,224.64
3033	FURNAS COUNTY	47,710.32
3034	GAGE COUNTY	244,741.82
3036	GARFIELD COUNTY	39,048.13
3037	GOSPER COUNTY	53,684.71
3039	GREELEY COUNTY	8,307.98
3040	HALL COUNTY	673,207.99
3047	HOWARD COUNTY	7,565.06

County Apportionment	County Name	Balance
3048	JEFFERSON COUNTY	360,423.92
3050	KEARNEY COUNTY	43,405.72
3052	KEYA PAHA COUNTY	232,446.58
3056	LINCOLN COUNTY	445,851.44
3059	MADISON COUNTY	73,794.22
3061	MERRICK COUNTY	62,593.12
3063	NANCE COUNTY	66,457.03
3064	NEMAHA COUNTY	228,389.73
3065	NUCKOLLS COUNTY	409,062.75
3066	OTOE COUNTY	734,569.59
3067	PAWNEE COUNTY	218,953.29
3069	PHELPS COUNTY	148,419.38
3070	PIERCE COUNTY	536,115.46
3071	PLATTE COUNTY	28,746.69
3074	RICHARDSON COUNTY	16,853.05
3076	SALINE COUNTY	1,488,081.53
3079	SCOTTS BLUFF COUNTY	7,401.71
3080	SEWARD COUNTY	8,307.67
3084	STANTON COUNTY	1,170,419.68
3085	THAYER COUNTY	214,967.61
3089	WASHINGTON COUNTY	1,482,778.24
3090	WAYNE COUNTY	373,455.61
3091	WEBSTER COUNTY	295,358.84
3092	WHEELER COUNTY	56,182.66
3093	YORK COUNTY	488,545.44

APPENDIX C

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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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nebraska, as of and for the year ended June 30, 2025, 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.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nebraska, as of June 30, 2025, 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 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 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 46%, 36%, and 24%, 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, 2025. Lastly, we also did not audit the financial statements of the College Savings Plan and Enable Savings Plan which represent 18%, 20%, and 17%, respectively, 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, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, 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 are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit 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 (*Government Auditing Standards*). 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 audit opinions.

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 State Colleges Foundations, the activity of the 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*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2025, the State of Nebraska adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. Additionally, as discussed in Note 17 to the financial statements, the beginning balances have been restated. 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

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 32, the Budgetary Comparison Schedule – General Fund on pages 122 through 124, the Information about Infrastructure Assets Reported Using the Modified Approach on pages 125 through 126, the Required Supplementary Information about Pension Plans on pages 128 through 160, and the Information About Other Postemployment Benefit Plans on pages 162 through 166 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 December 17, 2025, 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 of Nebraska'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.



Lincoln, Nebraska
December 17, 2025

Kris Kucera, CPA, CFE
Assistant Deputy Auditor

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, 2025. 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 2025 required by the Governmental Accounting Standards Board (GASB) that had an impact on the June 30, 2025 financial statements. Statement No. 101, *Compensated Absences*, establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The implementation of this standard increased the State's calculated liability from the prior year. For more detail, see Note 1.O to the financial statements.

The State also implemented Statement No. 102, *Certain Risk Disclosures*, which had no impact on the June 30, 2025 financial statements.

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, 2025 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, 2025 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, 2024, presented for MD&A purposes including explanations of changes in the State's funds. As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, certain prior-period information presented in the MD&A is not consistent with current-period amounts due to the change in accounting principle and prior-period information affected by the correction of an error has been restated

FINANCIAL HIGHLIGHTS

Government-wide

The assets and deferred outflows of the State exceeded its liabilities and deferred inflows at June 30, 2025 by \$20.3 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 \$3.6 billion, most of which is available to be used to fund future needs of the State. The primary government's revenues, contributions and transfers was less than net expenses for 2025 resulting in a decrease in net position of \$1,147 million. This decrease in net position follows an increase in 2024 of \$1,306 million.

Fund Level

General Fund revenues for 2025 were \$270 million above the original budgeted amount and less than the final budget by \$86 million. Expenditures were \$299 million less than the original budgeted amount and below the final budget by \$362 million. On a Generally Accepted Accounting Principles (GAAP) basis, the General Fund had \$1,468 million deficit in revenues prior to net other financing uses of \$131 million causing a decrease in fund balances of \$1,337 million, and thereby decreasing the fund balance on June 30, 2025 to \$2,880 million. Other governmental funds expenditures exceeded revenues by \$268 million, chiefly due to market changes. In addition to these operating changes, other governmental funds received \$39 million in other financing sources. This \$230 million net decrease resulted in decreasing such fund balances at June 30, 2025 to \$6,281 million.

The \$531 million of net position of the Unemployment Insurance Fund represents 88% of the enterprise funds. Such fund had a \$4 million increase in net position for 2025 compared to a \$54 million decrease in 2024, an increase in growth of \$58 million. Unemployment claims paid out exceeded business assessment fees and Federal revenues in 2025. Business assessment fees from employers were up 4.7% from 2024.

Long-term Liabilities

Long-term liabilities shown on the government-wide financial statements totaled \$1,357 million at June 30, 2025, which is a \$114 million increase from the prior year, primarily due to the State's compensated absences payable and 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 35) 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 36 and 37) 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 38) 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 39 and 41).

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). 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 48.

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 \$27,112 million at June 30, 2025 as compared to \$28,432 million at June 30, 2024. Total liabilities and deferred inflows of resources totaled \$6,772 million, and net position amounted to \$20,340 million as of June 30, 2025. As of June 30, 2024, these amounts were \$6,945 million and \$21,487 million, respectively. By far the largest portion of the State of Nebraska's net position (51 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.

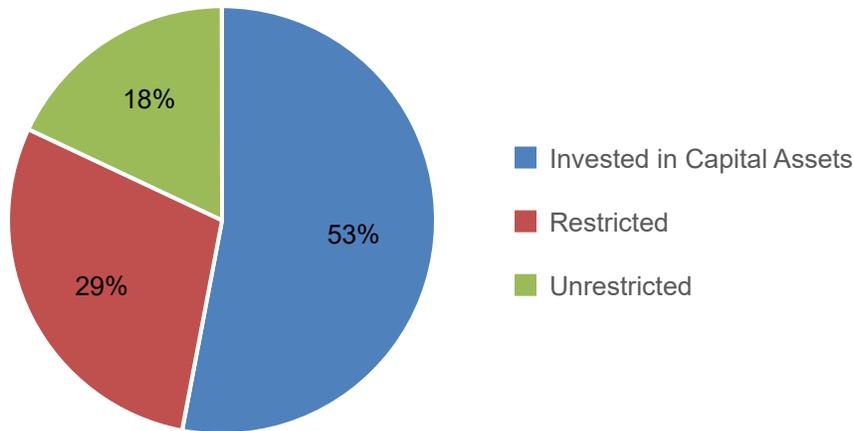
For Governmental Activities other than capital assets, the majority of the restricted net position consists of the Permanent School Trust, the Tobacco Settlement Trust, the Intergovernmental Trust, the Department of Transportation cash funds and the loans to political subdivisions for drinking water 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	
	2025	2024 As Restated	2025	2024 As Restated	2025	2024 As Restated
Current and Other						
Non-current Assets	\$ 15,515	\$ 16,457	\$ 728	\$ 713	\$ 16,243	\$ 17,170
Capital Assets	10,671	10,433	10	11	10,681	10,444
Total Assets	26,186	26,890	738	724	26,924	27,614
Deferred Outflows of Resources	188	818	–	–	188	818
Long-Term Liabilities	1,302	1,201	55	42	1,357	1,243
Other Liabilities	5,145	5,024	79	78	5,224	5,102
Total Liabilities	6,447	6,225	134	120	6,581	6,345
Deferred Inflows of Resources	191	600	–	–	191	600
Net position:						
Net Investment in						
Capital Assets	10,426	10,163	9	10	10,435	10,173
Restricted	5,772	6,079	533	521	6,305	6,600
Unrestricted	3,538	4,641	62	73	3,600	4,714
Total Net Position (as restated)	\$ 19,736	\$ 20,883	\$ 604	\$ 604	\$ 20,340	\$ 21,487

Governmental Activities Net Position - Total \$19,736



Approximately 72% of the State's non-capital assets consist of cash and investments. It should be noted that \$1,075 million in 2025 and \$1,908 million in 2024 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 26% of the non-capital assets.

Liabilities largely reflect three groupings which represent 99% 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 \$3,351 million in 2025 (\$2,417 million in 2024), tax refunds payable of \$739 million (\$697 million in 2024) 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 long-term liabilities, which total \$1,357 million in 2025 (\$1,243 million in 2024). Such liabilities include claims payable for workers' compensation, employee health insurance, medical excess liability, and unemployment insurance totaling \$161 million in 2025 (\$160 million in 2024), Medicaid claims for \$255 million in 2025 (\$256 million in 2024), pollution remediation liability for \$39 million in 2025 (\$40 million in 2024), construction payable of \$192 million in 2025 (\$220 million in 2024), the State's liability for pension funds of \$215 million in 2025 (\$306 million in 2024), the State's lease & subscription liabilities totaling \$75 million (\$62 million in 2024), and the calculated amount for vested sick leave, comp time, and accrued vacation due to employees when they leave employment with the State of \$270 million in 2025 (2024 information is not consistent due to a change in accounting principle - GASB Statement 101 - Compensated Absences). Other minor amounts of long-term liabilities consist of the State's liability for OPEB of \$31 million in 2025 (\$26 million in 2024) and certificates of participation, which totaled \$17 million at June 30, 2025, compared to \$24 million at June 30, 2024. See Note 7 to the Financial Statements for more detail.

The \$1,147 million decrease in net position of Governmental Activities for 2025, was due to a \$263 million increase in the net investment in capital assets, a \$307 million decrease in restricted net position, and a \$1,103 million decrease in unrestricted net position. Additionally, there was a \$708 million decrease in taxes collected.

At the end of June 30, 2025, the State reported a positive balance in all of the three categories of net position.

Changes in Net Position

The condensed financial information 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 2025, 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	
	2025	2024 As Restated	2025	2024 As Restated	2025	2024 As Restated
REVENUES						
Program Revenues						
Charges for Services	\$ 1,264	\$ 845	\$ 311	\$ 335	\$ 1,575	\$ 1,180
Operating Grants and Contributions	6,613	5,700	1	-	6,614	5,700
Capital Grants and Contributions	22	32	-	-	22	32
General Revenues						
Taxes	7,053	7,761	-	-	7,053	7,761
Unrestricted Investment Earnings	752	635	25	22	777	657
Miscellaneous	-	5	-	-	-	5
Total Revenues	15,704	14,978	337	357	16,041	15,335
EXPENSES						
General Government	1,817	1,000	-	-	1,817	1,000
Conservation of Natural Resources	265	232	-	-	265	232
Culture - Recreation	77	59	-	-	77	59
Economic Development and Assistance	551	392	-	-	551	392
Education	2,925	2,688	-	-	2,925	2,688
Higher Education - Colleges and Universities	801	765	-	-	801	765
Health and Social Services	7,855	6,212	-	-	7,855	6,212
Public Safety	726	735	-	-	726	735
Regulation of Business and Professions	230	181	-	-	230	181
Transportation	1,589	1,518	-	-	1,589	1,518
Interest on Long-term Debt	2	2	-	-	2	2
Unemployment Insurance	-	-	106	82	106	82
Lottery	-	-	139	165	139	165
Excess Liability	-	-	30	11	30	11
Cornhusker State Industries	-	-	16	16	16	16
Total Expenses	16,838	13,784	291	274	17,129	14,058
Excess/(Deficiency) Before Transfers and Contributions: Permanent Fund Principal						
	(1,134)	1,194	46	83	(1,088)	1,277
Net Transfers In (Out)						
	46	126	(46)	(126)	-	-
Contributions: Permanent Fund Principal						
	34	29	-	-	34	29
Increase/(Decrease) in Net Position	(1,054)	1,349	-	(43)	(1,054)	1,306
Net Position - Beginning (as restated)	20,790	19,534	604	647	21,394	20,181
Net Position - Ending	\$ 19,736	\$ 20,883	\$ 604	\$ 604	\$ 20,340	\$ 21,487

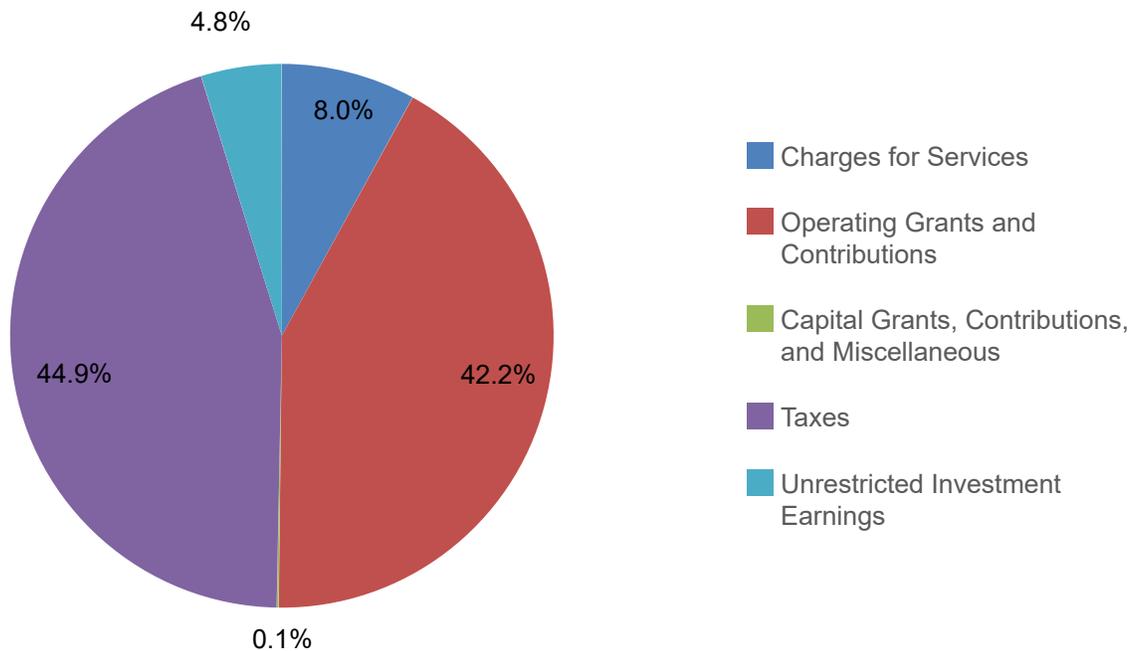
Governmental Activities

Governmental activities decreased the State's net position by \$1,147 million in 2025 (\$1,256 million increase in 2024) and represent 98% of all primary government revenues. Program revenues from governmental activities were \$7,899 million and were used to partially offset program expenses of \$16,838 million, leaving net expenses of \$8,939 million. Only 11% 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 \$7,885 million, were \$1,054 million less the remaining costs of the governmental activities' programs as shown below.

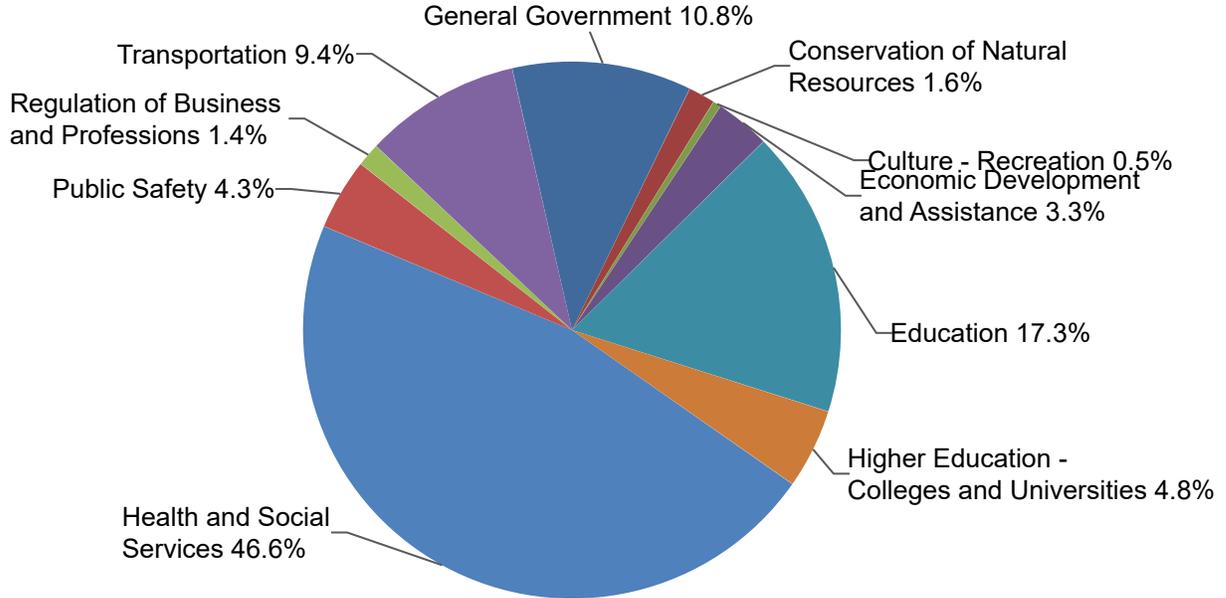
Tax revenues were down \$708 million from 2024, compared to an increase of \$591 million in 2024 over 2023. Program revenues increased 20.1% from 2024. Increases in education, economic development and assistance, and public safety contributed to the \$3,054 million increase in program expenses. The change in Net Position decreased \$2,403 million from 2024 to 2025 compared to the \$76 million increase from 2023 to 2024. Unrestricted investment earnings for governmental activities increased by \$117 million from 2025 from 2024 due to the changes in the fair value of the underlying investments.

STATE OF NEBRASKA
Governmental Activities
As of June 30, 2025

Revenues - Total \$15,704 million



Expenses - Total \$16,838 million



Four functional areas of the State comprise 84% of the expenses of all Governmental Activities: General Government, Education, Health and Social Services, and Transportation. General Government expenses were up \$817 million, Education expenses were up \$237 million, Health and Social Services was up \$1,643 million, and Transportation expenses were up \$71 million. Other increases in expenses include Economic Development and Assistance. All the other functional areas had small variances in net expenses.

Program expenses, net of revenue, increased by \$1,732 million in 2025, over 2024, as shown below:

GOVERNMENTAL ACTIVITIES

(in millions of dollars)

	2025	2024 As Restated
Program Expenses, Net of Revenue		
General Government	\$ (1,700)	\$ (885)
Conservation of Natural Resources	(80)	(56)
Culture - Recreation	(37)	(18)
Economic Development and Assistance	(390)	(250)
Education	(2,313)	(1,937)
Higher Education - Colleges and University	(801)	(765)
Health and Social Services	(2,308)	(2,025)
Public Safety	(506)	(476)
Regulation of Business and Professions	(56)	(19)
Transportation	(746)	(774)
Interest on Long-Term Debt	(2)	(2)
Subtotal	<u>(8,939)</u>	<u>(7,207)</u>
General Revenues		
Taxes	7,053	7,761
Unrestricted Investment Earnings	752	635
Miscellaneous	-	5
Transfers	46	126
Contributions: Permanent Fund Principal	34	29
Increase/(Decrease) in Net Position (as restated)	<u>\$ (1,054)</u>	<u>\$ 1,349</u>

Business-type Activities

The business-type activities did not have an effect the State's net position for 2025. Most of the \$312 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 loss of \$13 million in 2025. This loss, when combined with transfers and \$17 million in investment income, produced an increase in net position of \$4 million for the Unemployment Insurance Fund. Lottery revenues of \$185 million generated operating income of \$46 million, which was offset by a \$46 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, 2025, the State's Governmental Funds reported combined ending fund balances of \$9,162 million. Of this amount, \$773 million is non-spendable, either due to its form or legal constraints, and \$4,987 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 \$3,093 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 \$32 million of total fund balance has been assigned to specific purposes, as expressed by legislative intent. The remaining \$277 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 \$739 million. However, such refunds payable are \$85 million more than the expected taxes owed the State. Other assets of the General Fund available to pay non tax-refund liabilities exceed such liabilities by \$3,062 million.

On June 30, 2024, the General Fund had a positive fund balance of \$4,141 million. For 2025, expenditures increased \$1,449 million from 2024 and revenues decrease by \$517 million. The revenues were \$1,468 million less than expenditures for 2025 while revenues were \$498 million more than expenditures in 2024. The General Fund balance in 2025 decreased by \$1,337 million, after adjusting for transfers in and out of the General Fund, ending with a fund balance of \$2,880 million on June 30, 2025.

Revenues decreased during 2025 finishing \$517 million down from 2024. This decrease was primarily due to a decrease in income tax revenue of \$1,003 million (a 24.48% decrease) from 2024, an increase in sales and use tax revenue of \$311 million (a 13.49% increase) over 2024 and an increase in investment income of \$166 million (a 93.91% increase) from 2024. Expenditures increased during 2025 by \$1,449 million over 2024 due to increases in General Government spending of \$851 million, an increase for Education and Higher Education – Colleges and University of \$275 million and \$37 million, respectively, an increase in Economic Development of \$110 million, and an increase in Health and Social Services of \$154 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 2025.

The Cash Reserve Fund balance was \$1,638 million at the beginning of 2024. In 2024, there were net transfers out of \$725 million leaving a Cash Reserve Fund balance at June 30, 2024 of \$913 million. In 2025, there were statutory transfers to the Fund of \$39 million and other statutory transfers out equaling \$75 million leaving a Fund balance of \$877 million at June 30, 2025. 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 \$6,281 million at June 30, 2025. Of this amount, \$770 million is nonspendable, either due to its form or legal constraints, and \$4,932 million is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$548 million of total fund balance has been committed to specific purposes. The remaining \$31 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 \$1,005 million. The non-major special revenue fund balances totaled \$1,410 million.

All other Governmental funds also saw a decrease in fund balances of \$230 million. The fund balance of the following funds increased: the Highway Fund (\$87 million), the Federal Fund (\$14 million), and the Permanent School Fund (\$83 million). The fund balance of the following funds decreased: the Health and Social Service Fund (\$354 million), and the Other Nonmajor Funds (\$60 million).

The Highway Fund had a \$7 million increase in Charges for Services, a \$88 million increase in federal grants revenue, a \$8 million increase in investment income, and a \$60 million increase in operating expenses. Changes to federal grant revenue and operating expenses are mainly due to the increased spending in the Highway Planning & Construction program. The issuance of revenue bonds primarily contributed to the \$87 million increase in its fund balance in 2025 as opposed to a \$21 million decrease in 2024.

The activity in the Federal Fund represents federal funds received, and each year's spending should generally approximate grant funds received. In 2025, there was an increase in federal grants and contracts revenue of \$813 million due to increased spending in Federal programs. Expenditures in 2025 decreased by \$130 million for Education, increased \$39 million for Conservation of Natural Resources, increased \$19 million for Economic Development and Assistance, increased \$960 million for Health and Social Services, decreased \$42 million for Public Safety, and decreased \$3 million for General Government. Revenues exceeded expenditures by \$67 million before transfers. Transfers out increased \$2 million in 2025 compared to an increase of \$2 million in 2024. At the end of 2025 there was a \$14 million increase in the fund. The overall increase of Federal grant spending was primarily due to Elementary and Secondary School Emergency Relief (ESSER) by the Department of Education and COVID-19 Disaster Grants by the Military Department.

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 no change in investment income in 2025, compared to a \$40 million increase in 2024. There was a \$7 million decrease in Charges for Services primarily due to revenue from the Hospital Quality Assurance and Access Assessment Fund, and a \$18 million decrease in Other revenue. There was a \$354 million decrease in fund balance in 2025, as opposed to a \$41 million increase in 2024.

The Permanent School Fund had a \$66 million decrease in revenue, mainly due to a \$78 million decrease in investment income caused by changes in the fair value of investments in 2025, compared to a \$71 million decrease in investment income in 2024 (when compared to 2023). Also due to market changes, land value appreciated 1% in 2025 compared to 6% in 2024. There was an \$83 million increase in fund balance in 2025, compared to a \$210 million increase in 2024, a change of \$127 million.

The Nonmajor Funds revenues increased \$51 million compared to 2024. Business and Franchise tax revenue increased by \$4 million, Investment Income increased by \$25 million, and Other revenues decreased by \$7 million. Expenditures increased by \$130 million compared to 2024. General government increased by \$17 million, Economic Development and Assistance increased by \$37 million, Regulation of Business and Professions increased by \$49 million, and Capital Projects increased by \$9 million. There were \$4 million in net transfers out for the Nonmajor Funds in 2025 versus \$142 million in net transfers in for 2024. In 2024, the Capital Projects fund

benefited from \$159 million net transfers in from the General Fund contrasted by \$26 million net transfers in for 2025. As a result, the fund balances decreased \$60 million in 2025 as opposed to a \$159 million increase in 2024.

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 \$531 million at the end of 2025. This fund's net position increased \$4 million in 2025. Net position increased because unemployment claims paid out exceeded business assessment fees and Federal revenues by \$13 million, offset by investment earnings of \$17 million. 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 \$42 million prior to a \$46 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 loss of \$11 million and gained \$7 million in investment earnings for a net position decrease of \$4 million.

Fiduciary Funds

The Pension Trust Funds represent the majority of the fiduciary funds. Such Pension Trust Fund's net position increased \$3,727 million to \$25,701 million in 2025 mainly due to an increase in the fair value of investments in 2025. Interest and dividend income in 2025 was \$506 million versus \$411 million in 2024. Benefits, refunds and related administrative expenses exceeded the contributions to the plans by \$540 million. Private Purpose Trust Funds primarily report contributions from State participants received by the College Savings Plan which totaled \$462 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 \$284 million in child support contributions and distributions, \$58 million in county court contributions and distributions, and distributions of \$735 million in local taxes.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

During 2025, 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 2025 by \$1,167 million over 2024 net tax revenue of \$6,794 million. As revenues continued to moderate during 2025, the State's Forecasting Board made two new forecasts during the year. At the end, the forecasted net tax revenues were \$356 million above the original forecast. However, actual tax revenues, net of refunds for 2025 of \$5,897 million were short of the revised forecast by \$86 million, leaving the State with actual tax revenues, net of refunds, of \$270 million above the original budget on a budgetary basis. Agencies continued to watch their General Fund expenditures and spent \$362 million less than the final appropriated amount. This reduction, when coupled with the decrease in tax revenues, caused the State to finish 2025 with General Fund revenues of \$552 million more than expenditures on a budgetary basis, prior to net transfers out. There was a net \$1,642 million transferred out for specific purposes. The fund balance on a budgetary basis decreased from \$2,755 million at the beginning of the fiscal year to \$1,664 million at June 30, 2025.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the State had invested \$10.7 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 2025 totaled \$126 million, compared to \$145 million for 2024.

CAPITAL ASSETS AS OF JUNE 30
(net of depreciation in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024		2025	2024	2025	2024
	2025	As Restated				
Land	\$ 703	\$ 692	\$ –	\$ –	\$ 703	\$ 692
Water Rights	5	5	–	–	5	5
Buildings and Equipment	854	835	9	10	863	845
Infrastructure	8,582	8,317	–	–	8,582	8,317
Lease Asset	38	41	1	1	39	42
Subscription Asset	34	20	–	–	34	20
Construction in Progress	455	523	–	–	455	523
Total	\$ 10,671	\$ 10,433	\$ 10	\$ 11	\$ 10,681	\$ 10,444

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 2024, indicated an overall system rating of 85, a rating that has been very consistent over the past six years.

For 2025, it was estimated that the State needed to spend \$404 million to preserve and maintain the roads at the above-mentioned level. The State actually spent \$627 million on roads in 2025, compared to \$588 million in 2024. For 2026, it is estimated that the State needs to spend \$418 million, a decrease from actual 2025 and a decrease from the average of the previous five years.

The State also spent \$288 million on capitalized infrastructure and land purchases relating to roads in 2025 (\$84 million in 2024). Notable land additions to expand a portion of US-275 between Norfolk and Wisner from two-lane to four-lane and expand US-6 in Hastings and construct a roundabout. Notable infrastructure projects include US-30 between North Bend and Fremont, US-275 between Scribner and West Point, and US-385 South of Bridgeport. At June 30, 2025, the State had contractual commitments of \$1,630 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 2025, the State added \$179 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, 8, and 15 to the financial statements.

CERTAIN LONG-TERM DEBT AS OF JUNE 30

(in millions of dollars)

	GOVERNMENTAL ACTIVITIES	
	2025	2024
Certificates of Participation	\$ 17	\$ 24
Lease Liability	40	43
Subscription Liability	34	18
Bonds Payable	101	—
Total	<u>\$ 192</u>	<u>\$ 85</u>

There was one new bond issued in 2025 and one new certificates of participation (COP) was added in 2025 (one COP was added in 2024). Standard and Poor's has issued an AAA rating for the State as a whole.

FACTORS THAT WILL AFFECT THE FUTURE

Fiscal year 2025 General Fund tax revenues decreased 13.2% from 2024 but did not exceed the final projections. An increase in tax revenue is forecasted for fiscal year 2026, with tax revenues projected to come in over actual 2025 revenues by \$791 million, or 12.8%, on a nominal basis. 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 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, 2025, this Fund had a \$877 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. No transfers have been made from the General Fund to the Cash Reserve Fund since June 30, 2025. Thus, the Cash Reserve Fund balance of \$877 million remains at November 14, 2025. 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 1233 Lincoln Mall, Suite 100, Lincoln, Nebraska 68508-3751, (402) 471-2505 or online at <http://www.nscs.edu/for-nebraska/audit-reports>.



BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2025

(Dollars in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
ASSETS				
Cash and Cash Equivalents	\$ 783,881	\$ 574,536	\$ 1,358,417	\$ 1,148,481
Receivables, net of allowance:				
Taxes	728,264	—	728,264	—
Due from Federal Government	1,630,679	—	1,630,679	—
Loans	588,728	—	588,728	11,098
Other	1,230,168	52,493	1,282,661	631,696
Internal Balances	39,011	(39,011)	—	—
Investments	9,208,192	120,594	9,328,786	3,978,644
Investment in Joint Venture	—	—	—	868,459
Net Pension Asset	155,718	—	155,718	—
Other Assets	86,380	4,714	91,094	34,284
Restricted Assets:				
Cash and Cash Equivalents	110	—	110	466,744
Other	—	2,261	2,261	—
Securities Lending Collateral	1,062,938	11,861	1,074,799	—
Capital assets:				
Land	703,459	315	703,774	129,079
Water Rights	4,500	—	4,500	—
Infrastructure	8,585,358	—	8,585,358	51,422
Construction in Progress	455,479	—	455,479	414,978
Land Improvements	—	—	—	407,015
Buildings and Equipment	2,113,169	20,513	2,133,682	4,949,867
Lease Asset	51,486	1,318	52,804	120,908
Subscription	50,571	568	51,139	68,081
Less Accumulated Depreciation	(1,292,623)	(12,277)	(1,304,900)	(2,116,742)
Total Capital Assets	10,671,399	10,437	10,681,836	4,024,608
Total Assets	<u>\$ 26,185,468</u>	<u>\$ 737,885</u>	<u>\$ 26,923,353</u>	<u>\$ 11,164,014</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow related to OPEB and pensions	\$ 188,114	\$ —	\$ 188,114	\$ —
Deferred loss on bond refunding	—	—	—	25,323
Total Deferred Outflows of Resources	<u>\$ 188,114</u>	<u>\$ —</u>	<u>\$ 188,114</u>	<u>\$ 25,323</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 3,293,382	\$ 57,366	\$ 3,350,748	\$ 284,403
Tax Refunds Payable	739,494	—	739,494	—
Deposits	3,271	—	3,271	963
Unearned Revenue	44,604	9,695	54,299	112,125
Obligations Under Securities Lending	1,062,938	11,861	1,074,799	—
Obligations Under Reverse Repurchase Agreements	1,322	133	1,455	—
Long-Term Liabilities:				
Due within one year	476,783	21,372	498,155	196,196
Due in more than one year	579,074	33,248	612,322	1,324,143
Net Pension Liability	214,963	—	214,963	—
Total OPEB Liability	30,919	—	30,919	—
Total Liabilities	<u>\$ 6,446,750</u>	<u>\$ 133,675</u>	<u>\$ 6,580,425</u>	<u>\$ 1,917,830</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow related to OPEB and pensions	\$ 188,944	\$ —	\$ 188,944	\$ —
Revenues not yet available	1,652	—	1,652	50,497
Deferred service concession arrangement receipts	—	—	—	13,870
Total Deferred Inflows of Resources	<u>\$ 190,596</u>	<u>\$ —</u>	<u>\$ 190,596</u>	<u>\$ 64,367</u>
NET POSITION				
Net Investment in Capital Assets	\$ 10,425,812	\$ 9,070	\$ 10,434,882	\$ 2,611,348
Restricted for:				
Education	27,946	—	27,946	3,677,527
Health and Social Services	584,782	—	584,782	—
Conservation of Natural Resources	906,309	—	906,309	—
Transportation	398,955	—	398,955	—
Licensing and Regulation	181,050	—	181,050	—
Economic Development	91,085	—	91,085	—
Public Safety	46,780	—	46,780	—
Culture - Recreation	32,544	—	32,544	—
Other Purposes	184,794	2,261	187,055	423,674
Unemployment Insurance Benefits	—	530,933	530,933	—
Debt Service and Construction	—	—	—	302,703
Nonexpendable	764,454	—	764,454	—
Expendable	2,553,788	—	2,553,788	—
Unrestricted	3,537,937	61,946	3,599,883	2,191,888
Total Net Position	<u>\$ 19,736,236</u>	<u>\$ 604,210</u>	<u>\$ 20,340,446</u>	<u>\$ 9,207,140</u>

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

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

(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	\$ 1,817,410	\$ 85,797	\$ 31,277	\$ –
Conservation of Natural Resources	265,023	38,839	146,208	–
Culture – Recreation	77,367	36,246	2,775	913
Economic Development and Assistance	551,012	2,810	157,908	–
Education	2,924,806	72,071	541,005	–
Higher Education - Colleges and University	801,163	–	–	–
Health and Social Services	7,854,212	635,608	4,905,524	5,725
Public Safety	726,068	50,585	156,618	12,550
Regulation of Business and Professions	229,655	171,741	2,046	–
Transportation	1,589,006	170,621	669,260	3,180
Interest on Long-term Debt	2,398	–	–	–
Total governmental activities	16,838,120	1,264,318	6,612,621	22,368
Business-type activities:				
Unemployment Insurance	105,679	91,774	589	–
Lottery	139,263	185,370	–	–
Excess Liability	29,789	18,882	–	–
Cornhusker State Industries	15,778	14,713	–	–
Total business-type activities	290,509	310,739	589	–
Total Primary Government	\$ 17,128,629	\$ 1,575,057	\$ 6,613,210	\$ 22,368
COMPONENT UNITS:				
University of Nebraska	\$ 2,852,306	\$ 905,026	\$ 646,090	\$ –
State Colleges	165,153	47,596	7,672	2,402
Total Component Units	\$ 3,017,459	\$ 952,622	\$ 653,762	\$ 2,402

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

Transfers

Total General Revenues, Contributions and

Transfers

Change in Net Position

Net Position - Beginning

Restatements

Net Position - Ending

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS	
\$ (1,700,336)	\$ -	\$ (1,700,336)	\$ -	-
(79,976)	-	(79,976)	-	-
(37,433)	-	(37,433)	-	-
(390,294)	-	(390,294)	-	-
(2,311,730)	-	(2,311,730)	-	-
(801,163)	-	(801,163)	-	-
(2,307,355)	-	(2,307,355)	-	-
(506,315)	-	(506,315)	-	-
(55,868)	-	(55,868)	-	-
(745,945)	-	(745,945)	-	-
(2,398)	-	(2,398)	-	-
(8,938,813)	-	(8,938,813)	-	-
-	(13,316)	(13,316)	-	-
-	46,107	46,107	-	-
-	(10,907)	(10,907)	-	-
-	(1,065)	(1,065)	-	-
-	20,819	20,819	-	-
<u>\$ (8,938,813)</u>	<u>\$ 20,819</u>	<u>\$ (8,917,994)</u>	<u>\$ -</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (1,301,190)	-
-	-	-	(107,483)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,408,673)</u>	<u>-</u>
\$ 3,100,890	\$ -	\$ 3,100,890	\$ -	-
3,134,033	-	3,134,033	-	-
442,700	-	442,700	-	-
180,849	-	180,849	-	-
175,898	-	175,898	-	-
18,238	-	18,238	-	-
752,339	25,333	777,672	394,736	-
1	51	52	744,456	-
-	-	-	801,163	-
34,001	-	34,001	-	-
45,992	(45,992)	-	-	-
<u>7,884,941</u>	<u>(20,608)</u>	<u>7,864,333</u>	<u>1,940,355</u>	<u>-</u>
(1,053,872)	211	(1,053,661)	531,682	-
20,793,559	596,419	21,389,978	8,658,951	-
(3,451)	7,580	4,129	16,507	-
<u>\$ 19,736,236</u>	<u>\$ 604,210</u>	<u>\$ 20,340,446</u>	<u>\$ 9,207,140</u>	<u>-</u>

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

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

(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	\$ 422,386	\$ 68,767	\$ 51,704	\$ 18,005	\$ 11,953	\$ 195,017	\$ 767,832
Cash on Deposit with Fiscal Agents	—	—	—	—	—	110	110
Investments	2,898,401	470,546	354,053	788,168	3,197,760	1,393,908	9,102,836
Securities Lending Collateral	508,400	82,537	62,548	102,711	53,591	234,672	1,044,459
Receivables, net of allowance:							
Taxes	653,542	66,487	—	—	—	8,235	728,264
Due from Federal Government	51	63,864	1,565,066	—	—	1,698	1,630,679
Loans	10,300	—	10,734	156	—	567,538	588,728
Leases	—	864	—	—	—	867	1,731
Other	133,662	32,176	151,535	683,411	145,477	53,651	1,199,912
Due from Other Funds	165,717	4,366	43,274	3,624	855	15,981	233,817
Inventories	1,812	1,919	291	295	—	3,229	7,546
Prepaid Items	833	—	189	—	—	47	1,069
Other	265	—	—	—	72,328	20	72,613
Total Assets	<u>\$ 4,795,369</u>	<u>\$ 791,526</u>	<u>\$ 2,239,394</u>	<u>\$ 1,596,370</u>	<u>\$ 3,481,964</u>	<u>\$ 2,474,973</u>	<u>\$ 15,379,596</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 236,833	\$ 179,816	\$ 1,876,850	\$ 521,372	\$ 186,549	\$ 83,443	\$ 3,084,863
Tax Refunds Payable	738,570	919	—	—	5	—	739,494
Deposits	268	815	738	32	159	1,259	3,271
Due to Other Funds	238,728	22,858	71,222	38,510	22	88,677	460,017
Obligations under Reverse Repurchase Agreements	—	—	—	—	1,240	82	1,322
Obligations under Securities Lending	508,400	82,537	62,548	102,711	53,591	234,672	1,044,459
Claims Payable	92,901	—	102,620	—	—	—	195,521
Construction Payable	74	30,997	1,267	—	—	5,587	37,925
Pollution Remediation Payable	—	—	—	—	—	629	629
Unearned Revenue	3,108	2	30,673	61	10,729	27	44,600
Total Liabilities	<u>1,818,882</u>	<u>317,944</u>	<u>2,145,918</u>	<u>662,686</u>	<u>252,295</u>	<u>414,376</u>	<u>5,612,101</u>
Deferred Inflows of Resources:							
Revenues not yet available	96,321	16,154	7,496	471,735	—	14,162	605,868
Fund Balances:							
Nonspendable:							
Inventories and Prepaid Items	2,645	1,919	480	295	—	3,276	8,615
Endowment Principal	—	—	—	—	727,652	36,802	764,454
Restricted	54,744	455,243	85,500	460,517	2,502,017	1,429,053	4,987,074
Committed	2,545,164	—	—	—	—	547,575	3,092,739
Assigned	442	266	—	1,137	—	29,940	31,785
Unassigned	277,171	—	—	—	—	(211)	276,960
Total Fund Balances	<u>2,880,166</u>	<u>457,428</u>	<u>85,980</u>	<u>461,949</u>	<u>3,229,669</u>	<u>2,046,435</u>	<u>9,161,627</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,795,369</u>	<u>\$ 791,526</u>	<u>\$ 2,239,394</u>	<u>\$ 1,596,370</u>	<u>\$ 3,481,964</u>	<u>\$ 2,474,973</u>	<u>\$ 15,379,596</u>

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

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

June 30, 2025

(Dollars in Thousands)

Total fund balances for governmental funds \$ 9,161,627

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	\$	703,459	
Water Rights		4,500	
Infrastructure		8,585,358	
Construction in progress		455,479	
Other capital assets		1,968,974	
Lease and Subscription assets		68,853	
Accumulated depreciation		(1,178,803)	10,607,820

Certain tax revenues and charges are earned but not available and therefore are unearned in the funds. 604,216

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. 113,762

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	(749)	
Deferred Outflows related to OPEB	8,755	
Deferred Inflows related to Pension	(188,196)	
Deferred Outflows related to Pension	179,359	(831)

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 & Subscription Liability	(48,897)	
Compensated Absences	(256,450)	
Net Pension Liability/Asset	(59,245)	
OPEB Liability	(30,919)	
Claims and Judgments	(61,382)	
Pollution Remediation Liability	(38,636)	
Construction Payable	(154,208)	
Certificates of Participation	(120)	
Bonds Payable	(100,501)	(750,358)

Net position of governmental activities \$ 19,736,236

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	GENERAL FUND	HIGHWAY FUND	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	PERMANENT SCHOOL FUND	NONMAJOR FUNDS	TOTALS
REVENUES							
Income Taxes	\$ 3,094,901	\$ —	\$ —	\$ 4,205	\$ —	\$ —	\$ 3,099,106
Sales and Use Taxes	2,619,973	485,379	—	—	—	35,037	3,140,389
Petroleum Taxes	—	427,456	—	—	2,088	15,244	444,788
Excise Taxes	80,555	—	—	15,450	—	84,844	180,849
Business and Franchise Taxes	126,057	—	—	—	—	49,841	175,898
Other Taxes	136	1,800	—	—	—	16,302	18,238
Federal Grants and Contracts	157	633,658	5,912,382	10	—	3,360	6,549,567
Licenses, Fees and Permits	15,498	121,860	868	172,027	353	196,851	507,457
Charges for Services	1,845	31,574	7,470	15,855	—	62,892	119,636
Investment Income	343,335	30,416	50,075	84,298	129,029	107,061	744,214
Rental Income	2	220	—	37	60,826	28,487	89,572
Surcharge	—	—	—	—	—	67,588	67,588
Other	26,451	911	14,427	139,689	33,731	16,790	231,999
Total Revenues	<u>6,308,910</u>	<u>1,733,274</u>	<u>5,985,222</u>	<u>431,571</u>	<u>226,027</u>	<u>684,297</u>	<u>15,369,301</u>
EXPENDITURES							
Current:							
General Government	1,703,716	—	35,654	—	—	113,067	1,852,437
Conservation of Natural Resources	57,827	—	126,398	—	—	76,193	260,418
Culture – Recreation	7,753	—	4,140	—	—	52,873	64,766
Economic Development and Assistance	300,782	—	160,974	—	—	85,516	547,272
Education	2,204,026	—	572,040	—	142,563	33,356	2,951,985
Higher Education - Colleges & University	796,791	—	—	—	—	4,372	801,163
Health and Social Services	2,201,949	—	4,806,791	779,832	—	4,115	7,792,687
Public Safety	494,893	—	169,231	—	—	63,276	727,400
Regulation of Business and Professions	4,792	—	2,186	—	—	219,184	226,162
Transportation	—	1,734,690	38,783	—	—	5,490	1,778,963
Capital Projects	—	—	—	—	—	85,894	85,894
Debt Service:							
Principal - Bonds	—	—	—	—	—	6,400	6,400
Interest - Bonds	—	—	—	—	—	257	257
Principal - Lease Financing	1,356	1	131	—	—	1,092	2,580
Interest - Lease Financing	346	—	15	—	—	160	521
Principal - Subscription Financing	2,545	632	1,818	421	—	1,020	6,436
Interest - Subscription Financing	166	46	149	16	—	52	429
Total Expenditures	<u>7,776,942</u>	<u>1,735,369</u>	<u>5,918,310</u>	<u>780,269</u>	<u>142,563</u>	<u>752,317</u>	<u>17,105,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,468,032)</u>	<u>(2,095)</u>	<u>66,912</u>	<u>(348,698)</u>	<u>83,464</u>	<u>(68,020)</u>	<u>(1,736,469)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	175,455	—	—	6,543	—	159,109	341,107
Transfers Out	(49,578)	(15,866)	(54,023)	(12,375)	—	(162,548)	(294,390)
Bond Issuance	—	91,295	—	—	—	6,400	97,695
Bond Premium/(Discount)	—	9,209	—	—	—	—	9,209
Financed Purchases	4,892	1,361	1,256	471	—	2,174	10,154
Insurance Proceeds/Recoveries	—	—	—	—	—	895	895
Sale of Capital Assets	162	2,951	18	—	31	1,777	4,939
Total Other Financing Sources (Uses)	<u>130,931</u>	<u>88,950</u>	<u>(52,749)</u>	<u>(5,361)</u>	<u>31</u>	<u>7,807</u>	<u>169,609</u>
Net Change in Fund Balances	<u>(1,337,101)</u>	<u>86,855</u>	<u>14,163</u>	<u>(354,059)</u>	<u>83,495</u>	<u>(60,213)</u>	<u>(1,566,860)</u>
FUND BALANCES, JULY 1	<u>4,140,904</u>	<u>384,191</u>	<u>71,560</u>	<u>824,192</u>	<u>3,146,187</u>	<u>2,099,006</u>	<u>10,666,040</u>
RESTATEMENTS	<u>76,363</u>	<u>(13,618)</u>	<u>257</u>	<u>(8,184)</u>	<u>(13)</u>	<u>7,642</u>	<u>62,447</u>
FUND BALANCES, JUNE 30	<u>\$ 2,880,166</u>	<u>\$ 457,428</u>	<u>\$ 85,980</u>	<u>\$ 461,949</u>	<u>\$ 3,229,669</u>	<u>\$ 2,046,435</u>	<u>\$ 9,161,627</u>

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

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, 2025

(Dollars in Thousands)

Net change in fund balances--total governmental funds \$ (1,566,860)

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	\$	369,107	
Capital assets sold		(17,607)	
Lease and Subscription		8,682	
Depreciation expense		<u>(107,458)</u>	252,724

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:

Bond issuance		(106,904)	(106,904)
---------------	--	-----------	-----------

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:

Bond principal		6,400	
Bond premium amortization		<u>(3)</u>	6,397

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.

20,352

Because some revenues will not be collected in the next year, they are not considered available revenues and are deferred in the governmental funds.

346,691

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures and revenues in governmental funds. These activities consist of:

Increase in compensated absences		(15,571)	
Decrease in net pension liability/asset		246,586	
Increase in net OPEB liability		(4,569)	
Decrease in deferred inflows related to OPEB		395	
Increase in deferred outflows related to OPEB		2,040	
Decrease in deferred inflows related to pension		409,118	
Decrease in deferred outflows related to pension		(631,952)	
Increase in claims and judgments		(13,084)	
Decrease in Pollution Remediation liability		739	
Decrease in Certificates of Participation		<u>26</u>	(6,272)

Change in net position of governmental activities \$ (1,053,872)

State of Nebraska

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2025

(Dollars in Thousands)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 560,022	\$ 14,514	\$ 574,536	\$ 16,049
Receivables, net of allowance	27,897	24,596	52,493	23,997
Due from Other Funds	219	1,166	1,385	83,621
Inventories	—	3,269	3,269	2,752
Prepaid Items	—	363	363	2,400
Other	—	1,082	1,082	—
Total Current Assets	588,138	44,990	633,128	128,819
Noncurrent Assets:				
Restricted Long-Term Deposits	—	2,261	2,261	—
Long-Term Investments	12,090	108,504	120,594	105,356
Securities Lending Collateral	2,121	9,740	11,861	18,479
Capital Assets:				
Land	—	315	315	—
Buildings and Equipment	—	20,513	20,513	144,195
Lease Assets	—	1,318	1,318	8,634
Subscription Assets	—	568	568	24,570
Less Accumulated Depreciation	—	(12,277)	(12,277)	(113,820)
Total Capital Assets	—	10,437	10,437	63,579
Total Noncurrent Assets	14,211	130,942	145,153	187,414
Total Assets	\$ 602,349	\$ 175,932	\$ 778,281	\$ 316,233
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 26,691	\$ 30,576	\$ 57,267	\$ 18,867
Due to Other Funds	40,291	204	40,495	3,534
Certificates of Participation	—	—	—	7,870
Lease Liability	—	94	94	560
Subscription Liability	—	193	193	5,037
Claims, Judgments and Compensated Absences	2,313	18,772	21,085	72,222
Obligations under reverse repurchase agreements	—	133	133	—
Unearned Revenue	—	9,695	9,695	4
Total Current Liabilities	69,295	59,667	128,962	108,094
Long-Term Liabilities:				
Certificates of Participation	—	—	—	9,495
Lease Liability	—	907	907	6,079
Subscription Liability	—	173	173	13,320
Claims, Judgments and Compensated Absences	—	32,168	32,168	47,004
Obligations under Securities Lending	2,121	9,740	11,861	18,479
Total Long-Term Liabilities	2,121	42,988	45,109	94,377
Total Liabilities	\$ 71,416	\$ 102,655	\$ 174,071	\$ 202,471
NET POSITION				
Net Investment in Capital Assets	—	9,070	9,070	21,218
Restricted for:				
Lottery Prizes	—	2,261	2,261	—
Unemployment Insurance Benefits	530,933	—	530,933	—
Unrestricted	—	61,946	61,946	92,544
Total Net Position	\$ 530,933	\$ 73,277	\$ 604,210	\$ 113,762

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, 2025

(Dollars in Thousands)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	
OPERATING REVENUES				
Charges for Services	\$ 91,760	\$ 218,965	\$ 310,725	\$ 537,282
Federal	589	–	589	–
Other	14	–	14	208
Total Operating Revenues	<u>92,363</u>	<u>218,965</u>	<u>311,328</u>	<u>537,490</u>
OPERATING EXPENSES				
Personal Services	–	9,572	9,572	62,280
Services and Supplies	162	36,562	36,724	154,683
Lottery Prizes	–	108,940	108,940	–
Unemployment Claims	105,517	–	105,517	–
Insurance Claims	–	28,737	28,737	291,237
Depreciation	–	990	990	17,302
Total Operating Expenses	<u>105,679</u>	<u>184,801</u>	<u>290,480</u>	<u>525,502</u>
Operating Income (Loss)	<u>(13,316)</u>	<u>34,164</u>	<u>20,848</u>	<u>11,988</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	17,468	7,865	25,333	8,125
Insurance Proceeds/Recoveries	–	–	–	2,423
Gain (Loss) on Sale of Capital Assets	–	51	51	(157)
Other	–	(29)	(29)	(1,302)
Total Nonoperating Revenues (Expenses)	<u>17,468</u>	<u>7,887</u>	<u>25,355</u>	<u>9,089</u>
Income (Loss) Before Transfers	4,152	42,051	46,203	21,077
Transfers In	–	–	–	7,525
Transfers Out	–	(45,992)	(45,992)	(8,250)
Change in Net Position	<u>4,152</u>	<u>(3,941)</u>	<u>211</u>	<u>20,352</u>
NET POSITION, JULY 1	518,778	77,641	596,419	95,738
RESTATEMENTS	8,003	(423)	7,580	(2,328)
NET POSITION, JUNE 30	<u>\$ 530,933</u>	<u>\$ 73,277</u>	<u>\$ 604,210</u>	<u>\$ 113,762</u>

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

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 91,342	\$ 204,409	\$ 295,751	\$ 29,651
Cash Received from Interfund Charges	–	13,155	13,155	484,538
Cash Received from Federal Government	589	–	589	–
Cash Paid to Employees	–	(9,169)	(9,169)	(62,756)
Cash Paid to Suppliers	(181)	(35,256)	(35,437)	(147,507)
Cash Paid for Lottery Prizes	–	(108,405)	(108,405)	–
Cash Paid for Insurance Claims	(105,540)	(16,909)	(122,449)	(291,327)
Cash Paid for Interfund Services	–	(1,310)	(1,310)	(18,592)
Net Cash Flows from Operating Activities	(13,790)	46,515	32,725	(5,993)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Due from Fund	(33)	–	(33)	–
Proceeds from Insurance Recoveries	–	–	–	2,423
Transfers In	–	–	–	7,525
Transfers Out	–	(45,992)	(45,992)	(8,250)
Net Cash Flows from Noncapital Financing Activities	(33)	(45,992)	(46,025)	1,698
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the issue of long-term debt	–	–	–	2,710
Acquisition and Construction of Capital Assets	–	(103)	(103)	(16,904)
Proceeds (Loss) from Sale of Capital Assets	–	65	65	1,389
Lease / Subscription Payments	–	(284)	(284)	(15,359)
Interest Paid on Leases / Subscriptions	–	(29)	(29)	(1,303)
Net Cash Flows from Capital and Related Financing Activities	–	(351)	(351)	(29,467)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Sale (Purchase) of Investment Securities	–	(200,655)	(200,655)	27,159
Proceeds (Loss) from Sale of Investment Securities	(4,634)	197,440	192,806	–
Interest and Dividend Income (Loss)	17,468	5,346	22,814	10,607
Net Cash Flows from Investing Activities	12,834	2,131	14,965	37,766
Net Increase (Decrease) in Cash and Cash Equivalents	(989)	2,303	1,314	4,004
CASH AND CASH EQUIVALENTS, JULY 1	560,947	11,898	572,845	10,905
RESTATEMENTS	64	313	377	1,140
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 560,022</u>	<u>\$ 14,514</u>	<u>\$ 574,536</u>	<u>\$ 16,049</u>

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2025

(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 FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (13,316)	\$ 34,164	\$ 20,848	\$ 11,988
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	–	990	990	17,303
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(2,632)	(671)	(3,303)	3,976
(Increase) Decrease in Due from Other Funds	–	363	363	(32,094)
(Increase) Decrease in Inventories	–	1,255	1,255	(4)
(Increase) Decrease in Prepaid Items	–	(22)	(22)	(29)
(Increase) Decrease in Long-Term Deposits	–	(331)	(331)	–
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(206)	(84)	(290)	(5,304)
Increase (Decrease) in Due to Other Funds	187	113	300	(1,697)
Increase (Decrease) in Claims Payable	2,177	11,830	14,007	(90)
Increase (Decrease) in Unearned Revenue	–	(1,092)	(1,092)	(42)
Total Adjustments	(474)	12,351	11,877	(17,981)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (13,790)	\$ 46,515	\$ 32,725	\$ (5,993)
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	\$ –	\$ –	\$ –	\$ 2,710
New Lease Asset	–	–	–	485
New Subscription Asset	–	544	544	18,404
Change in Fair Value of Investments	–	2,726	2,726	–
Total Noncash Transactions	\$ –	\$ 3,270	\$ 3,270	\$ 21,599

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

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2025

(Dollars in Thousands)

	PENSION TRUST FUNDS	PRIVATE PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 24,961	\$ 26,311	\$ 17,179
Investments:			
U.S. Treasury Notes and Bonds	771,391	5,698	3,446
U.S. Treasury Bills	6,210	-	-
U.S. Treasury Strips	42,467	-	-
Government Agency Securities	15,328	5,281	3,193
Government Agency Strips	373	-	-
Corporate Bonds	2,132,182	10,531	6,368
International Notes and Bonds	268,181	-	-
International Government Agency Securities	66,325	203	122
Equity Securities	5,681,601	-	-
Private Equity	1,508,475	-	-
Mortgages	1,269,506	-	-
Private Real Estate	1,238,631	-	-
Asset Backed Securities	279,466	-	-
Bank Loans	398,346	-	-
Municipal Bonds	22,226	-	-
Opportunistic Credit	5,598	-	-
Commingled Funds	12,161,941	6,699,930	-
Derivative Instruments	9,636	-	-
Short Term Investments	155,397	506,670	-
Total Investments	<u>26,033,280</u>	<u>7,228,313</u>	<u>13,129</u>
Securities Lending Collateral	1,437,990	3,809	2,304
Receivables:			
Contributions	58,734	-	-
Interest and Dividends	62,891	9,285	77
Taxes	-	-	83,298
Other	1,591,231	-	106
Total Receivables	<u>1,712,856</u>	<u>9,285</u>	<u>83,481</u>
Due from Other Funds	36,444	-	153,307
Capital Assets:			
Buildings and Equipment	6,575	-	-
Less Accumulated Depreciation	(6,572)	-	-
Total Capital Assets	<u>3</u>	<u>-</u>	<u>-</u>
Other Assets	-	12,966	2,842
Total Assets	<u><u>\$ 29,245,534</u></u>	<u><u>\$ 7,280,684</u></u>	<u><u>\$ 272,242</u></u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 2,066,140	\$ 18,921	\$ 18,301
Due to Other Governments	-	-	233,163
Deposits	-	-	5,354
Due to Other Funds	140	-	4,388
Obligations under Reverse Repurchase Agreements	39,633	-	-
Obligations under Securities Lending	1,437,990	3,809	2,304
Accrued Compensated Absences	640	-	-
Total Liabilities	<u><u>\$ 3,544,543</u></u>	<u><u>\$ 22,730</u></u>	<u><u>\$ 263,510</u></u>
NET POSITION			
Restricted for:			
Pensions	\$ 25,700,991	\$ -	\$ -
College Savings Plan	-	7,172,299	-
Individuals, Organizations, and Other Governments	-	85,655	8,918
Unrestricted	-	-	(186)
Total Net Position	<u><u>\$ 25,700,991</u></u>	<u><u>\$ 7,257,954</u></u>	<u><u>\$ 8,732</u></u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUND	PRIVATE PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ADDITIONS				
Contributions:				
Participant Contributions	\$ 389,284	\$ -	\$ 474,811	\$ -
Client Contributions	-	-	-	388,173
State Contributions	129,173	-	-	-
Political Subdivision Contributions	366,235	-	-	-
Court Fees	5,686	-	-	-
Total Contributions	890,378	-	474,811	388,173
Investment Income:				
Net Increase/(Decrease) in Fair Value of Investments	2,270,856	-	564,041	381
Interest and Dividend Income	505,997	-	224,778	125
Securities Lending Income	65,206	-	291	176
Total Investment Income	2,842,059	-	789,110	682
Investment Expenses	94,250	-	15,278	-
Securities Lending Expenses	62,022	-	291	176
Total Investment Expense	156,272	-	15,569	176
Net Investment Income	2,685,787	-	773,541	506
Escheat Revenue	-	-	19,300	-
Local Taxes	-	-	-	734,793
Other Additions	3,306	-	-	723
Total Additions	3,579,471	-	1,267,652	1,124,195
DEDUCTIONS				
Benefits	1,384,604	-	709,261	-
Refunds	35,303	-	-	-
Amounts Distributed to Outside Parties	-	-	17,464	387,850
Administrative Expenses	10,698	-	330	-
Local Taxes	-	-	-	734,793
Other Deductions	966	-	-	736
Total Deductions	1,431,571	-	727,055	1,123,379
Change in Net Position Restricted for:				
Pensions	2,147,900	-	-	-
College Savings Plan	-	-	528,430	-
Individuals, Organizations, and Other Governments	-	-	12,167	816
NET POSITION-BEGINNING OF YEAR	21,973,902	1,654,021	6,718,388	10,972
RESTATEMENTS	1,579,189	(1,654,021)	(1,031)	(3,056)
NET POSITION-END OF YEAR	\$ 25,700,991	\$ -	\$ 7,257,954	\$ 8,732

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

STATEMENT OF NET POSITION

COMPONENT UNITS

June 30, 2025

(Dollars in Thousands)	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
ASSETS			
Cash and Cash Equivalents	\$ 1,115,053	\$ 33,428	\$ 1,148,481
Receivables, net of allowance:			
Loans	11,098	–	11,098
Other	624,464	7,232	631,696
Investments	3,878,761	99,883	3,978,644
Investment in Joint Venture	868,459	–	868,459
Other Assets	32,535	1,749	34,284
Restricted Assets:			
Cash and Cash Equivalents	412,541	54,203	466,744
Capital assets:			
Land	127,289	1,790	129,079
Infrastructure	–	51,422	51,422
Land Improvements	407,015	–	407,015
Construction in Progress	409,974	5,004	414,978
Buildings and Equipment	4,503,575	446,292	4,949,867
Lease Asset	116,240	4,668	120,908
Subscription Asset	62,154	5,927	68,081
Less Accumulated Depreciation	(1,925,025)	(191,717)	(2,116,742)
Total Capital Assets	3,701,222	323,386	4,024,608
Total Assets	<u>\$ 10,644,133</u>	<u>\$ 519,881</u>	<u>\$ 11,164,014</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 25,313	\$ 10	\$ 25,323
Total Deferred Outflows of Resources	<u>\$ 25,313</u>	<u>\$ 10</u>	<u>\$ 25,323</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 271,172	\$ 13,231	\$ 284,403
Deposits	863	100	963
Unearned Revenue	105,138	6,987	112,125
Long-Term Liabilities:			
Due within one year	188,179	8,017	196,196
Due in more than one year	1,211,883	112,260	1,324,143
Total Liabilities	<u>\$ 1,777,235</u>	<u>\$ 140,595</u>	<u>\$ 1,917,830</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues not yet available	\$ 50,497	\$ –	\$ 50,497
Deferred service concession arrangement receipts	13,265	605	13,870
Total Deferred Inflows of Resources	<u>\$ 63,762</u>	<u>\$ 605</u>	<u>\$ 64,367</u>
NET POSITION			
Net Investment in Capital Assets	\$ 2,399,382	\$ 211,966	\$ 2,611,348
Restricted for:			
Education	3,677,527	–	3,677,527
Other Purposes	298,807	124,867	423,674
Debt Service and Construction	291,992	10,711	302,703
Unrestricted	2,160,741	31,147	2,191,888
Total Net Position	<u>\$ 8,828,449</u>	<u>\$ 378,691</u>	<u>\$ 9,207,140</u>

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

STATEMENT OF ACTIVITIES

COMPONENT UNITS

For the Year Ended June 30, 2025

(Dollars in Thousands)	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
EXPENSES			
Compensation and benefits	\$ 1,723,300	\$ 87,891	\$ 1,811,191
Supplies and materials	807,946	47,197	855,143
Utilities	2,148	-	2,148
Depreciation	189,478	14,241	203,719
Scholarships and fellowships	41,711	4,152	45,863
Other	87,723	11,672	99,395
Total Expenses	2,852,306	165,153	3,017,459
PROGRAM REVENUES			
Charges for Services	905,026	47,596	952,622
Operating Grants and Contributions	646,090	7,672	653,762
Capital Grants and Contributions	-	2,402	2,402
Total Program Revenues	1,551,116	57,670	1,608,786
NET (EXPENSE) REVENUE	(1,301,190)	(107,483)	(1,408,673)
GENERAL REVENUES			
Interest and investment earnings	380,870	13,866	394,736
Miscellaneous	718,670	25,786	744,456
Payments from the State of Nebraska	719,408	81,755	801,163
Total General Revenues	1,818,948	121,407	1,940,355
Change in Net Position	517,758	13,924	531,682
NET POSITION - BEGINNING	8,294,257	364,694	8,658,951
RESTATEMENTS	16,434	73	16,507
NET POSITION - ENDING	\$ 8,828,449	\$ 378,691	\$ 9,207,140

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(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 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 \$6,305,681 of restricted net position, of which \$2,353,276 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. Custodial funds are reported using only the economic resources measurement focus. 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 intergovernmental receivables, such as federal and State 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 intergovernmental receivables) 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, Omaha School Retirement System, School Retirement System, Judges Retirement System, State Patrol Retirement System and Deferred Compensation pension benefits.

Investment Trust Funds. These funds accounted for investments held in trust for the Omaha School Employee Retirement System. Effective September 2024, the Omaha School Employee Retirement System became part of the Pension Trust Funds.

Private Purpose Trust Funds. These funds account for Unclaimed Property, the Nebraska College Savings and Enable Savings Plans, along with several trust funds for activity held for private individuals.

Custodial Funds. These funds account for money held by the State on behalf of residents of Veteran Homes, care facilities, and inmates of the State; child support collection and distributions; County Court funds for third parties and local governments; and several trust funds with assets held by the State pending distribution to other governments or 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, government agency securities and U.S. treasury notes and bonds having original maturities (remaining time to maturity at acquisition) of three months or less. These investments are stated at cost, which at June 30, 2025, 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, lease, subscription, 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 estimated useful lives of lease and subscription assets are amortized over the shorter of the lease or subscription term or the useful life of the asset.

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.

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

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 2025, the State adopted GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 prescribes the accounting and financial reporting for the recognition of liabilities for: (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. GASB 102 establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations (lack of diversity related to an aspect of significant inflow/outflow of resources) or constraints (limitations imposed by external parties or formal action of the government's highest level of decision-making authority).

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, 2025 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, 2025, the carrying amounts of the State's deposits were \$1,000,121 and the bank balances were \$189,696. 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 \$16,037 at June 30, 2025.

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, 2025. The first table 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 and/or uncorroborated.

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, 2024. The underlying investments for these funds as of June 30, 2025 are included in the fair value measurement calculations and investment risk disclosures presented below for fiduciary funds.

PRIMARY GOVERNMENT INVESTMENTS AT JUNE 30, 2025 AT FAIR VALUE MEASUREMENTS USING:

	Fair Value	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Treasury Notes and Bonds	\$ 2,564,266	\$ –	\$ 2,564,266	\$ –
U.S. Treasury Bills	7,593	–	7,593	–
U.S. Treasury Strips	51,489	–	51,489	–
Government Agency Securities	1,572,336	–	1,572,336	–
Government Agency Strips	400	–	400	–
Corporate Bonds	5,423,460	–	5,421,115	2,345
International Notes and Bonds	308,852	–	308,852	–
International Government Agency Securities	134,796	–	134,796	–
Mortgages	1,381,498	–	1,381,498	–
Asset Backed Securities	305,537	–	305,537	–
Bank Loans	397,047	–	397,047	–
Commingled Debt	2,231,694	1,589,820	641,874	–
Municipal Bonds	25,705	–	25,705	–
Short Term Investments	154,098	42,146	111,952	–
Derivative Instruments	3,132	3,132	–	–
	<u>14,561,903</u>	<u>1,635,098</u>	<u>12,924,460</u>	<u>2,345</u>
Other Investments:				
Equity Securities	5,784,180	5,737,464	43,457	3,259
Commingled Funds	11,412,596	11,412,508	–	88
Derivative Instruments	6,747	383	6,364	–
U.S. Treasury Investment Pool	550,315	–	550,315	–
State Owned Land	1,933,420	–	1,933,420	–
Total Investments	<u>\$ 34,249,161</u>	<u>\$ 18,785,453</u>	<u>\$ 15,458,016</u>	<u>\$ 5,692</u>
Investments measured at the net asset value (NAV):		Unfunded	Redemption	Redemption
		Commitments	Frequency	Notice period
Real Estate Funds:				
Core	\$ 808,716	\$ –	Quarterly	90 Days
Non-Core	492,301	281,883		
Private Equity Funds	1,661,707	529,536		
Opportunistic Credit Funds	5,668	–		
Total investments measured at net asset value	<u>\$ 2,968,392</u>	<u>\$ 811,419</u>		
Total	37,217,553			
Other Investments not classified	2,520,040			
Component unit investment in State investment pool	(1,080,084)			
Other fair value measurements	6,891,758			
Total Investments at fair value	<u>\$ 45,549,267</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, International Notes and 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 previous 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, 2025 were not classified for fair value measurement purposes: Securities Lending Short-term Collateral Investment Pool Investments in the amount of \$2,518,902 loaned to broker-dealers and banks under the securities lending program; Other Investments in the amount of \$1,028 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 \$110 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, 2024. These investments were not re-valued on June 30, 2025. Following is a summary of the fair value measurement and related input level: Fair Value \$7,206,600; Input Levels: 1 - \$6,601,212 and 2 - \$605,388. 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 website at treasurer.nebraska.gov.

The fair value of investments for the State, County, and Omaha School Employees' Retirement Plans are reported for financial statement purposes as of December 31, 2024. The investment balances on June 30, 2025 were re-valued for fair value measurement purposes, resulting in a decrease in fair value of \$314,842.

The primary government's investments at June 30, 2025 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, 2025 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	\$ 1,799,778	5.06	\$ 780,535	9.78
U.S. Treasury Bills	–	–	6,210	0.48
U.S. Treasury Strips	148	14.35	42,467	10.08
Government Agency Securities	1,545,574	3.33	23,802	5.64
Government Agency Strips	–	–	373	4.70
Corporate Bonds	3,243,161	3.24	2,149,081	4.38
International Notes & Bonds	26,485	7.04	268,181	6.81
International Government Agency Securities	66,022	3.49	66,650	5.92
Mortgages	103,530	5.80	1,269,506	5.55
Asset Backed Securities	12,709	1.78	279,466	1.59
Bank Loans	2,200	0.10	398,346	0.07
Commingled Debt	431,379	4.34	1,806,910	4.37
Municipal Bonds	2,077	7.42	22,226	7.62
Short Term Investments	13,964	–	662,067	–
Derivative Instruments	136	–	1,936	–
	<u>7,247,163</u>		<u>7,777,756</u>	
Other Investments:				
Opportunistic Credit	–		5,598	
Equity Securities	7		5,681,601	
Private Equity	161,106		1,508,475	
Commingled Funds	884,012		17,054,961	
Derivative Instruments	1,360		7,700	
Private Real Estate	58,344		1,238,631	
U.S. Treasury Investment Pool	550,315		–	
State Owned Land	1,933,420		–	
Less: Component Unit Investment in State Investment Pool	<u>(1,080,084)</u>		<u>–</u>	
Total Investments	<u>9,755,643</u>		<u>33,274,722</u>	
Securities Lending Short-term Collateral				
Investment Pool	<u>1,074,799</u>		<u>1,444,103</u>	
Total	<u>\$ 10,830,442</u>		<u>\$ 34,718,825</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. The State does not have a policy that addresses interest rate risk.

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 include specific investment guidelines. For the core fixed income accounts, these guidelines set the minimum average credit quality rating of the account at an A. Exposure to any single investment grade issuer, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, is limited to 5 percent. For issuers below investment grade, the maximum exposure is 3 percent. In other fixed income accounts, the guidelines restrict exposure to any single corporate issuer to no more than 5 percent. The primary government's rated debt investments, presented below, as of June 30, 2025 were rated by Standard and Poor's or Moody's based on the greatest degree of risk.

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES INVESTMENTS AT JUNE 30, 2025

	FAIR VALUE	QUALITY RATINGS					
		AAA	AA	A	BBB	BB	B
Government Agency Securities	\$ 1,545,574	\$ -	\$ 1,545,574	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	3,243,161	293,596	776,413	1,829,554	308,587	22,711	10,520
Derivative Instruments	136	-	-	-	-	-	-
International Notes & Bonds	26,485	-	2,034	1,649	6,596	6,735	4,096
International Government Agency Securities	66,022	36,940	23,347	969	1,625	1,250	1,662
Mortgages	103,530	12,473	-	105	-	-	-
Asset Backed Securities	12,709	7,692	-	231	80	-	-
Bank Loans	2,200	-	-	112	-	99	586
Commingled Debt	431,379	-	-	-	-	-	-
Short Term Investments	13,964	-	-	-	-	-	-
Municipal Bonds	2,077	406	166	1,115	390	-	-

FIDUCIARY FUND INVESTMENTS AT JUNE 30, 2025

	FAIR VALUE	QUALITY RATINGS					
		AAA	AA	A	BBB	BB	B
Government Agency Securities	\$ 26,762	\$ -	\$ 26,599	\$ -	\$ -	\$ -	\$ -
Government Agency Strips	400	-	-	-	-	-	-
Corporate Bonds	2,180,300	9,008	22,616	295,670	1,042,058	462,511	245,209
Derivative Instruments	2,996	-	-	-	-	-	-
International Notes & Bonds	282,366	-	15,848	20,283	77,590	77,138	26,972
International Government Agency Securities	68,776	1,472	11,348	8,387	18,316	11,173	15,795
Mortgages	1,277,968	179,886	6,736	5,680	2,200	218	697
Asset Backed Securities	292,828	130,197	3,000	3,520	14,950	17,984	3,219
Bank Loans	394,849	-	-	675	4,297	49,250	196,652
Commingled Debt	1,800,315	-	-	-	-	-	-
Short Term Investments	646,914	-	-	-	-	-	-
Municipal Bonds	23,628	4,276	8,180	7,709	3,096	367	-

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, 2025, the primary government, except fiduciary funds, had debt securities investments with more than 5 percent of total investments in Federal Farm Credit Bank (6 percent) and Federal Home Loan Bank (8 percent). At June 30, 2025, fiduciary funds had no investments that exceeded 5 percent or more of total investments.

	CCC	CC	C	D	UNRATED
\$	–	\$	–	\$	–
	1,041	–	–	435	304
	–	–	–	–	136
	2,108	–	37	114	3,116
	–	–	–	–	229
	97	249	–	–	90,606
	1,052	195	–	932	2,527
	105	–	–	–	1,298
	–	–	–	–	431,379
	–	–	–	–	13,964
	–	–	–	–	–

	CCC	CC	C	D	UNRATED
\$	–	\$	–	\$	163
	–	–	–	–	400
	64,197	5,683	–	3,040	30,308
	–	–	–	–	2,996
	15,908	–	174	782	47,671
	–	–	–	–	2,285
	2,251	1,206	–	1,882	1,077,212
	525	2,379	1,498	6,046	109,510
	28,403	158	–	–	115,414
	–	–	–	–	1,800,315
	–	–	–	–	646,914
	–	–	–	–	–

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 securities lending agent 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 fair value of the loaned securities. Securities on loan at year end consisted of United States government obligations, equity securities, corporate bonds, commingled funds, 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 an average duration of twenty-five days. Because loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The securities lending agent 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, 2025
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

Currency	SHORT TERM INVESTMENTS	DEBT SECURITIES
Australian Dollar	\$ 29	\$ -
Brazilian Real	57	477
British Pound Sterling	120	3,166
Canadian Dollar	157	847
Czech Krouna	13	-
Danish Krone	11	-
Euro Currency	156	13,537
Hungarian Forint	1	-
Japanese Yen	(184)	872
Mexican Peso	-	439
New Israeli Shekel	1	330
New Zealand Dollar	1	-
Norwegian Krone	11	-
Peruvian Nuevo Sol	-	995
Singapore Dollar	22	-
South African Rand	-	1,632
Swedish Krona	12	-
Swiss Franc	296	-
Turkish Lira	(40)	97
Total	<u>\$ 663</u>	<u>\$ 22,392</u>

FIDUCIARY FUND FOREIGN CURRENCY AT JUNE 30, 2025			
Currency	SHORT TERM INVESTMENTS	EQUITY SECURITIES	DEBT SECURITIES
Australian Dollar	\$ 202	\$ 12,358	\$ -
Brazilian Real	54	43,771	6,025
British Pound Sterling	8,728	272,403	64,970
Canadian Dollar	818	104,963	8,858
Chilean Peso	-	73	-
Chinese Yuan Renminbi	(5)	59,293	-
Chinese Yuan Renminbi Offshore	1,143	130,288	-
Colombian Peso	-	144	-
Czech Koruna	177	831	-
Danish Krone	1	31,286	-
Egyptian Pound	-	-	1,868
Euro Currency	17,290	745,375	341,101
Hong Kong Dollar	(1,326)	140,770	-
Hungarian Forint	44	768	-
Indonesian Rupiah	-	223	-
Japanese Yen	(499)	157,943	6,732
Kuwaiti Dinar	17	3,741	-
Malaysian Ringgit	-	1,784	-
Mexican Peso	424	13,388	8,477
New Israeli Shekel	140	23,750	2,310
New Zealand Dollar	391	-	-
Norwegian Krone	231	8,957	-
Peruvian Nuevo Sol	159	-	10,490
Philippine Peso	-	1,472	-
Polish Zloty	16	16,916	-
Singapore Dollar	315	9,673	-
South African Rand	397	7,898	22,367
South Korean Won	7	60,461	-
Swedish Krona	377	8,911	-
Swiss Franc	(235)	70,429	-
Thailand Baht	8	5,048	-
Turkish Lira	525	993	7,888
United Arab Emirates Dirham	-	12,675	-
Total	<u>\$ 29,399</u>	<u>\$ 1,946,585</u>	<u>\$ 481,086</u>

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. 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, 2025 is reflected in Investments. The fair value balances and notional amounts of investment derivative instruments outstanding at June 30, 2025, 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, 2025
GOVERNMENTAL ACTIVITIES**

Derivative Instrument	Fair Value	Change in Fair Value	Notional
Credit Default Swap	\$ 608	\$ 131	\$ 12,283
Credit Default Swaption	–	1	(19)
Fixed Income Futures	127	207	27,431
Fixed Income Options	(4)	23	(241)
Foreign Currency Options	–	(140)	–
FX Forwards	(683)	(1,330)	–
Interest Rate Swap	1,334	340	4,369
Interest Rate Swaption	(25)	146	6,345
Warrants	3	1	–

**DERIVATIVE INSTRUMENTS AT JUNE 30, 2025
BUSINESS-TYPE ACTIVITIES**

Derivative Instrument	Fair Value	Change in Fair Value	Notional
Credit Default Swap	\$ 60	\$ 13	\$ 1,198
Credit Default Swaption	–	–	(2)
Fixed Income Futures	13	21	2,708
Fixed Income Options	–	2	(23)
Foreign Currency Options	–	(14)	–
FX Forwards	(67)	(130)	–
Interest Rate Swap	133	34	313
Interest Rate Swaption	(3)	14	642

**DERIVATIVE INSTRUMENTS AT JUNE 30, 2025
FIDUCIARY FUND**

Derivative Instrument	Fair Value	Change in Fair Value	Notional
Credit Default Swap	\$ 4,237	\$ 1,319	\$ 109,822
Credit Default Swaption	–	13	(165)
Fixed Income Futures	3,288	1,144	437,996
Fixed Income Options	(22)	176	(1,076)
Foreign Currency Options	72	(1,073)	(1,704)
FX Forwards	(7,907)	(31,007)	–
Interest Rate Swap	8,811	2,000	7,666
Interest Rate Swaption	(206)	1,019	46,427
Rights	21	34	–
Warrants	88	(2,365)	–

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, 2025, 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, 2025, was \$575 for Governmental and Business-Type Activities and \$4,561 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 \$5,136. Although the State executes derivative instruments with various

counterparties, there is net exposure to credit risk of approximately 85 percent for the Governmental and Business-Type Activities and 88 percent for the Fiduciary Fund, held with six counterparties. The counterparties are rated AA, A or Unrated.

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 SOFR (Secured Overnight Financing Rate). Foreign currency risk for derivative instruments at June 30, 2025 are as follows:

DERIVATIVE INSTRUMENTS FOREIGN CURRENCY AT JUNE 30, 2025
GOVERNMENTAL ACTIVITIES

Currency	Swaps	Forward Contracts	Futures
Australian Dollar	\$ 69	\$ (8)	\$ -
Brazilian Real	-	7	-
British Pound Sterling	(19)	(35)	-
Canadian Dollar	(55)	(7)	9
Czech Koruna	2	-	-
Egyptian Pound	-	9	-
Euro Currency	211	(395)	(34)
Indian Rupee	-	2	-
Israeli New Shekel	-	(34)	-
Japanese Yen	244	6	-
New Taiwan Dollar	-	(188)	-
New Zealand Dollar	-	(1)	-
Peruvian Nuevo Sol	-	(27)	-
Polish Zloty	-	10	-
South African Rand	-	(15)	-
South Korean Won	-	(6)	-
Swiss Franc	-	(8)	-
Turkish Lira	-	12	-
Chinese Yuan Renminbi Offshore	-	(5)	-
Total	<u>\$ 452</u>	<u>\$ (683)</u>	<u>\$ (25)</u>

DERIVATIVE INSTRUMENTS FOREIGN CURRENCY AT JUNE 30, 2025
BUSINESS-TYPE ACTIVITIES

Currency	Swaps	Forward Contracts	Futures
Australian Dollar	\$ 7	\$ (1)	\$ –
Brazilian Real	–	1	–
British Pound Sterling	(2)	(3)	–
Canadian Dollar	(5)	(1)	1
Egyptian Pound	–	1	–
Euro Currency	21	(39)	(3)
Israeli New Shekel	–	(3)	–
Japanese Yen	25	1	–
New Taiwan Dollar	–	(18)	–
Peruvian Nuevo Sol	–	(3)	–
Polish Zloty	–	1	–
South African Rand	–	(2)	–
South Korean Won	–	(1)	–
Swiss Franc	–	(1)	–
Turkish Lira	–	1	–
Total	<u>\$ 46</u>	<u>\$ (67)</u>	<u>\$ (2)</u>

DERIVATIVE INSTRUMENTS FOREIGN CURRENCY AT JUNE 30, 2025
FIDUCIARY FUND

Currency	Swaps	Forward Contracts	Futures	Options	Rights	Swaption
Australian Dollar	\$ 588	\$ (37)	\$ –	\$ –	\$ –	\$ –
Brazilian Real	4	309	–	–	–	–
British Pound Sterling	(191)	(505)	–	–	–	–
Canadian Dollar	(490)	8	67	–	–	–
Czech Koruna	14	(3)	–	–	–	–
Danish Krone	–	(7)	–	–	–	–
Egyptian Pound	–	36	–	–	–	–
Euro Currency	1,514	(5,680)	(121)	60	–	(2)
Indian Rupee	–	28	–	–	–	–
Indonesian Rupiah	–	1	–	–	–	–
Israeli New Shekel	–	(234)	–	–	–	–
Japanese Yen	1,600	50	–	–	–	–
Mexican Peso	–	33	–	–	–	–
New Taiwan Dollar	–	(1,493)	–	–	–	–
New Zealand Dollar	–	(5)	–	–	–	–
Peruvian Nuevo Sol	–	(324)	–	–	–	–
Polish Zloty	–	60	–	–	–	–
Singapore Dollar	–	(8)	–	–	–	–
South African Rand	–	(105)	–	–	–	–
South Korean Won	–	(30)	–	–	21	–
Swiss Franc	–	(52)	–	–	–	–
Thai Baht	–	(20)	–	–	–	–
Turkish Lira	–	101	–	–	–	–
Chinese Yuan Renminbi Offshore	–	(30)	–	–	–	–
Total	<u>\$ 3,039</u>	<u>\$ (7,907)</u>	<u>\$ (54)</u>	<u>\$ 60</u>	<u>\$ 21</u>	<u>\$ (2)</u>

A reconciliation of deposits and investments for the State to the basic financial statements at June 30, 2025 is as follows:

Disclosure Regarding Deposits and Investments:

Total Investments	\$	45,549,267
Carrying amount of Deposits		1,000,121
Total	\$	<u>46,549,388</u>

Statement of Net Position:

Cash and Cash Equivalents	\$	1,358,417
Investments		9,328,786
Restricted Cash and Cash Equivalents		110
Securities Lending Collateral		1,074,799

Statement of Fiduciary Net Position:

Cash and Cash Equivalents		68,451
Investments		33,274,722
Securities Lending Collateral		1,444,103
Total	\$	<u>46,549,388</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, 2025:

Governmental Activities:	
General Fund	\$ 277,290
Highway Fund	100
Federal Fund	42,746
Health and Social Services Fund	11,570
Other Special Revenue Fund	1,318
Licensing and Regulation Fund	12
Total Governmental Activities	<u>\$ 333,036</u>
Business-type Activities:	
Unemployment Insurance	<u>\$ 46,545</u>
Total Business-type Activities	<u>\$ 46,545</u>

Of the taxes - unrestricted, other receivables-restricted, and other receivables-unrestricted, \$96,352, \$121,460, and \$388,056 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, Highway Fund, Federal Fund, Health and Social Services Fund, and Nonmajor Funds. 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, 2025 was as follows:

	BALANCE July 1, 2024	ADDITIONS	REDUCTIONS	BALANCE June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land (as restated)	\$ 692,455	\$ 28,807	\$ 17,803	\$ 703,459
Water Rights	4,500	-	-	4,500
Infrastructure (as restated)	8,299,417	246,929	-	8,546,346
Construction in progress (as restated)	523,250	258,214	325,985	455,479
Total capital assets, not being depreciated	<u>9,519,622</u>	<u>533,950</u>	<u>343,788</u>	<u>9,709,784</u>
Capital assets, being depreciated / amortized:				
Buildings and improvements (as restated)	1,019,333	47,686	1,697	1,065,322
Equipment (as restated)	1,002,078	81,504	35,735	1,047,847
Infrastructure	19,476	19,536	-	39,012
Lease Asset - Land	1,792	235	-	2,027
Lease Asset - Buildings	46,207	103	278	46,032
Lease Asset - Equipment	3,486	287	346	3,427
Subscription	34,365	28,441	12,235	50,571
Total capital assets, being depreciated / amortized	<u>2,126,737</u>	<u>177,792</u>	<u>50,291</u>	<u>2,254,238</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements	434,917	22,373	931	456,359
Equipment (as restated)	751,801	84,946	34,342	802,405
Infrastructure	2,223	1,580	-	3,803
Lease Asset - Land	98	98	-	196
Lease Asset - Buildings	8,363	2,935	132	11,166
Lease Asset - Equipment	1,534	598	319	1,813
Subscription	14,588	12,233	9,940	16,881
Total accumulated depreciation / amortization	<u>1,213,524</u>	<u>124,763</u>	<u>45,664</u>	<u>1,292,623</u>
Total capital assets, being depreciated, net	<u>913,213</u>	<u>53,029</u>	<u>4,627</u>	<u>961,615</u>
Governmental activities capital assets, net	<u>\$ 10,432,835</u>	<u>\$ 586,979</u>	<u>\$ 348,415</u>	<u>\$ 10,671,399</u>
Business-type activities:				
Nonmajor Enterprise Funds				
Capital assets, not being depreciated:				
Land	315	-	-	315
Total capital assets, not being depreciated	<u>315</u>	<u>-</u>	<u>-</u>	<u>315</u>
Capital assets, being depreciated / amortized:				
Buildings and improvements	12,626	-	-	12,626
Equipment	7,752	284	149	7,887
Lease Asset - Buildings	1,212	-	-	1,212
Lease Asset - Equipment	106	-	-	106
Subscription	24	544	-	568
Total capital assets, being depreciated / amortized	<u>21,720</u>	<u>828</u>	<u>149</u>	<u>22,399</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements	4,939	316	-	5,255
Equipment	6,228	390	149	6,469
Lease Asset - Buildings	224	76	-	300
Lease Asset - Equipment	22	22	-	44
Subscription	23	186	-	209
Total accumulated depreciation / amortization	<u>11,436</u>	<u>990</u>	<u>149</u>	<u>12,277</u>
Total capital assets, being depreciated, net	<u>10,284</u>	<u>(162)</u>	<u>-</u>	<u>10,122</u>
Total Nonmajor Enterprise, net	<u>10,599</u>	<u>(162)</u>	<u>-</u>	<u>10,437</u>
Business-type activities capital assets, net	<u>\$ 10,599</u>	<u>\$ (162)</u>	<u>\$ -</u>	<u>\$ 10,437</u>

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

Governmental activities:	
General Government	\$ 34,297
Conservation of Natural Resources	3,997
Culture – Recreation	5,614
Economic Development and Assistance	1,459
Education	2,522
Health and Social Services	33,161
Public Safety	16,829
Regulation of Business and Professions	1,227
Transportation	<u>25,657</u>
Total depreciation expense - Governmental activities	<u>\$ 124,763</u>

Construction Commitments. At June 30, 2025, the State had contractual commitments of approximately \$1,630,293 for various highway and building projects. Funding of these future expenditures is expected to be provided as follows:

Federal funds	\$ 266,496
State funds	1,341,083
Local funds	<u>22,714</u>
	<u>\$ 1,630,293</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, 2025 consists of the following:

DUE FROM:	DUE TO:					
	General Fund	Highway Fund	Federal Fund	Health and Social Services	Permanent School Fund	Nonmajor Governmental Funds
General Fund	\$ -	\$ 3	\$ 3,613	\$ 518	\$ 852	\$ 2,160
Highway Fund	48	-	435	-	-	792
Federal Fund	51,357	4,319	-	2,624	-	6,359
Health and Social Services	37,731	-	344	-	-	51
Permanent School Fund	13	-	-	-	-	-
Nonmajor Governmental Funds	71,877	44	86	437	3	2,683
Unemployment Insurance Fund	239	-	38,796	-	-	1,256
Nonmajor Enterprise Funds	-	-	-	-	-	1
Internal Service Funds	72	-	-	45	-	2,671
Custodial Funds	4,380	-	-	-	-	8
Pension Trust	-	-	-	-	-	-
Totals	<u>\$ 165,717</u>	<u>\$ 4,366</u>	<u>\$ 43,274</u>	<u>\$ 3,624</u>	<u>\$ 855</u>	<u>\$ 15,981</u>

(Continued)

DUE FROM:	DUE TO:					
	Unemployment Insurance	Nonmajor Enterprise Funds	Internal Service Funds	Custodial Funds	Pension Trust	TOTALS
General Fund	\$ 152	\$ 257	\$ 53,076	\$ 141,653	\$ 36,444	\$ 238,728
Highway Fund	23	700	12,452	8,408	-	22,858
Federal Fund	1	65	6,497	-	-	71,222
Health and Social Services	-	36	348	-	-	38,510
Permanent School Fund	-	-	9	-	-	22
Nonmajor Governmental Funds	22	58	10,320	3,147	-	88,677
Unemployment Insurance Fund	-	-	-	-	-	40,291
Nonmajor Enterprise Funds	-	-	104	99	-	204
Internal Service Funds	21	50	675	-	-	3,534
Custodial Funds	-	-	-	-	-	4,388
Pension Trust	-	-	140	-	-	140
Totals	<u>\$ 219</u>	<u>\$ 1,166</u>	<u>\$ 83,621</u>	<u>\$ 153,307</u>	<u>\$ 36,444</u>	<u>\$ 508,574</u>

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, 2025 consist of the following:

TRANSFERRED FROM:	TRANSFERRED TO:				TOTALS
	General Fund	Health and Social Services	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 3,500	\$ 38,553	\$ 7,525	\$ 49,578
Highway Fund	17	-	15,849	-	15,866
Federal Fund	13,108	-	40,915	-	54,023
Health & Social Services Fund	11,250	-	1,125	-	12,375
Nonmajor Governmental Funds	142,830	1,797	17,921	-	162,548
Nonmajor Enterprise Funds	-	1,246	44,746	-	45,992
Internal Service Funds	8,250	-	-	-	8,250
Totals	\$ 175,455	\$ 6,543	\$ 159,109	\$ 7,525	\$ 348,632

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, 2025 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	\$ 24,121	\$ 6,062	\$ 8,500	\$ 292	\$ -	\$ 4,604	\$ 2,182	\$ -	\$ 351	\$ 46,112
Payables to Vendors/ Individuals	138,818	99,962	1,179,929	514,762	178,205	55,928	16,261	8,211	29,849	2,221,925
Payables to Governments	73,894	73,489	688,397	6,318	8,344	22,907	424	18,454	9	892,236
Due to Fiduciary Funds *	-	-	-	-	-	-	189,652	-	99	189,751
Miscellaneous	-	303	24	-	-	4	-	26	367	724
Totals	\$236,833	\$ 179,816	\$1,876,850	\$ 521,372	\$ 186,549	\$ 83,443	\$208,519	\$ 26,691	\$ 30,675	\$ 3,350,748

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

7. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025 are summarized as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
Governmental Activities:					
Claims Payable (as restated)	\$ 359,581	\$ 3,653,568	\$ 3,648,395	\$ 364,754	\$ 261,712
Pollution Remediation Payable	40,077	–	812	39,265	629
Construction Payable	219,561	7,223	34,651	192,133	37,925
Lease Liability	42,864	678	3,507	40,035	3,170
Subscription Liability	18,332	28,663	13,136	33,859	11,169
Certificates of Participation	24,370	2,710	9,595	17,485	7,900
Obligations Under Other Financing Arrangements	–	6,400	6,400	–	–
Bonds Payable:					
Revenue Bonds	–	91,295	–	91,295	2,165
Premium on Bonds	–	9,209	3	9,206	–
Total Bonds Payable	–	100,504	3	100,501	2,165
Compensated Absences (as restated) *	252,814	15,011	–	267,825	152,113
Net Pension Liability	305,831	–	90,868	214,963	–
OPEB Liability	26,350	4,569	–	30,919	–
Totals	<u>\$ 1,289,780</u>	<u>\$ 3,819,326</u>	<u>\$ 3,807,367</u>	<u>\$ 1,301,739</u>	<u>\$ 476,783</u>
Business-type Activities:					
Unemployment Insurance:					
Claims Payable (as restated)	\$ 19,258	\$ 105,517	\$ 122,462	\$ 2,313	\$ 2,313
Totals for Unemployment Insurance	<u>19,258</u>	<u>105,517</u>	<u>122,462</u>	<u>2,313</u>	<u>2,313</u>
Nonmajor Enterprise Funds:					
Claims Payable	37,134	28,737	16,909	48,962	17,634
Lease Liability	1,092	–	91	1,001	94
Subscription Liability	–	554	188	366	193
Compensated Absences (as restated) *	1,589	389	–	1,978	1,138
Totals for Nonmajor Enterprise Funds	<u>39,815</u>	<u>29,680</u>	<u>17,188</u>	<u>52,307</u>	<u>19,059</u>
Totals for Business-type Activities	<u>\$ 59,073</u>	<u>\$ 135,197</u>	<u>\$ 139,650</u>	<u>\$ 54,620</u>	<u>\$ 21,372</u>

* The change in the compensated absences liability is presented as a net change.

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 machinery, mobile radios, computer equipment, and vehicles. The COPs have been issued for governmental and internal service funds. Interest is payable monthly and ranges from 0.48% to 3.68% over the life of the COPs. The COP payments are due through 2029.

The State has pollution remediation obligations as defined by Governmental Accounting Standards Board (GASB) Statement No. 49 – Pollution Remediation Obligations. The State's total estimated amount of pollution remediation obligation for Superfund sites as of June 30, 2025 is \$39,265. Superfund is the federal government program to clean up hazardous waste sites.

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the National Oil and Hazardous Substances Pollution Contingency Plan require states to share the costs of fund-financed (federal Superfund Trust Fund) remedial actions incurred at sites listed on the National Priorities List (NPL). The State must provide its assurance in a Superfund State Contract to share 10% of the cost of the remedial action and long-term response action. State cost obligations may be waived for a portion of the cleanup if the U.S. Environmental Protection Agency (EPA) uses funds derived from a settlement (or other instrument) with Potentially Responsible Parties or if funds are provided by the Infrastructure Investment and Jobs Act of 2021. The State must also provide its assurance to assume responsibility for operation and maintenance of the remedial actions for the expected life of such actions.

The earliest estimate of the cost of the remedial action is made during the evaluation of remedial alternatives in a feasibility study to help inform a remedy selection decision. During the feasibility study, the design for the remedial action is still conceptual, and the cost is based on an "order of magnitude" estimate. After a remedy is selected, a site will go through a Remedial Design. The cost estimates during these phases of the Superfund process use present value analysis to evaluate expenditures over future years and includes a contingency to cover unknowns or unanticipated conditions.

The State projects the costs for future years based on annual state cost share estimates for the next three years from the EPA. EPA reports contain Government Performance and Results Act (GPRA) and Program Targets for each Superfund site. The targets include the quarter and federal fiscal year for milestone activities associated for each site, including when the State will start providing aid at a site and when the site will transfer to state operations.

Annually, the State receives Site Strategy Plans and Project Schedules for each site. These documents project GPRA and Program Targets beyond three years. Targets beyond three years are subject to change based on federal appropriations and site prioritization. The amount of aid (i.e., 10% cost share) is estimated based on the Superfund State Contract (SSC) balances for each site. The amount due within one year is based on the EPA's annual state cost share estimates for the current calendar year. The long-term liability is based on the amount remaining under each SSC after the current calendar year's estimates. The amount of liability for operations (i.e., 100% cost share) is estimated based on whether the site is currently in State operation and maintenance or whether the site will transfer to the State in the future. For current sites, costs for State personnel and contractors are estimated based on previous years actual costs. Projections based on actual costs assume a 3% annual increase in base pay for State personnel and an annual increase in State contracting based on the rate negotiated in each contract. For future sites, costs for State personnel are estimated based on average personnel costs for current sites, and costs for contractors are estimated based on the estimates provided in the Feasibility Study, Record of Decision, Remedial Design, SSC, annual state cost share estimates from EPA, or other technical documents (e.g., work plans) for each site. Projections for future sites assume a 3% annual increase in base pay for State personnel and 2.5% annual increase in State contracting.

There are no estimated recoveries reducing the liability.

8. Leases and Subscription-Based Information Technology Arrangements

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. As of June 30, 2025, the aggregate value of the lease liability was \$40,035. The value of the right-of-use asset was \$51,486 and had accumulated amortization of \$13,175.

Business-type Activities

As a lessee, the State entered into lease agreements related to business-type activities for buildings and equipment. As of June 30, 2025, the value of the lease liability was \$1,001. The value of the right-of-use asset was \$1,318 and had accumulated amortization of \$344.

Future Principal and Interest Payments

The future principal and interest payments aggregated for both governmental and business-type activities as of June 30, 2025, were as follows:

Year	Principal	Interest	Total
2026	\$ 3,205	\$ 588	\$ 3,793
2027	3,116	531	3,647
2028	3,004	476	3,480
2029	2,669	431	3,100
2030	2,572	394	2,966
2031-2035	10,574	1,489	12,063
2036-2040	8,261	880	9,141
2041-2045	6,111	393	6,504
2046-2050	481	183	664
2051-2055	148	158	306
2056-2060	176	130	306
2061-2065	209	97	306
2066-2070	249	58	307
2071-2075	202	13	215
	<u>\$ 40,977</u>	<u>\$ 5,821</u>	<u>\$ 46,798</u>

C. Lessor Positions

As a lessor, the State recognized \$15 in lease and interest revenue during fiscal year 2025 related to governmental activity leases. Lease receivables totaled \$1,739 and deferred inflow of resources totaled \$1,656 at June 30, 2025.

The future lease payments included in the measurement of the lease receivable related to governmental activities as of June 30, 2025, were as follows:

Year	Principal	Interest	Total
2026	\$ 101	\$ 32	\$ 133
2027	95	30	125
2028	97	29	126
2029	102	27	129
2030	89	25	114
2031-2035	199	110	309
2036-2040	177	90	267
2041-2045	218	72	290
2046-2050	238	47	285
2051-2055	125	22	147
2056-2060	33	16	49
2061-2065	38	14	52
2066-2070	23	12	35
2071-2075	17	11	28
2076-2101*	163	30	193
	<u>\$ 1,715</u>	<u>\$ 567</u>	<u>\$ 2,282</u>

* The Years 2076-2101 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, 2025, the State owned approximately 1.26 million acres of land valued at \$1,933,420 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.

D. Subscription-Based Information Technology Arrangements (SBITA)

The State has entered into numerous SBITAs for software used throughout its operations, including to support the administration or execution of the State's activities. Several of these SBITAs allow for the cancellation of the agreement if the Nebraska legislature does not make an appropriation for their continuation during any future fiscal period. Because legislative appropriation is reasonably assured, all SBITAs contracted by the State that are reportable under GASB 96 are included in the schedules below. The terms of the State's SBITAs can include payments which vary throughout the SBITA term depending on the use of the software. These are considered variable payments and are not included in the subscription liability. Additionally, the State has signed contracts where the SBITA term has not commenced as of June 30, 2025.

E. SBITA Positions

Governmental Activities

As of June 30, 2025, the aggregate value of the subscription liability was \$33,859. The value of the right-to-use subscription asset was \$50,571 and its related accumulated amortization was \$16,881. Expenditures for variable payments not included in the measurement of the subscription liability were recorded under the General Fund totaling \$28, the Federal Fund totaling \$3, the Game and Parks Special Revenue Fund totaling \$1,326, and the Escheat Trust Fund totaling \$58 for the year ended June 30, 2025.

Business-type Activities

As of June 30, 2025, the aggregate value of the subscription liability was \$366. The value of the right-to-use subscription asset was \$568 and its related accumulated amortization was \$209.

Future Principal and Interest Payments

The future principal and interest payments aggregated for both governmental and business-type activities as of June 30, 2025, were as follows:

Year	Principal	Interest	Total
2026	\$ 10,861	\$ 1,003	\$ 11,864
2027	8,831	629	9,460
2028	6,510	365	6,875
2029	4,429	179	4,608
2030	3,002	62	3,064
2031-2035	195	34	229
2036-2040	144	5	149
	<u>\$ 33,972</u>	<u>\$ 2,277</u>	<u>\$ 36,249</u>

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, 2025 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, 2025, follows:

	Governmental Fund Balances					
	General Fund	Highway Fund	Federal Fund	Health and Social Services	Permanent School Fund	Nonmajor Funds
Restricted for:						
Education	\$ -	\$ -	\$ -	\$ -	\$ 2,502,017	\$ 33,077
Health and Social Services	-	-	-	460,517	-	48,924
Conservation of Natural Resources	-	-	-	-	-	906,479
Transportation	-	455,243	-	-	-	44,213
Licensing and Regulation	-	-	-	-	-	181,050
Economic Development	10,300	-	-	-	-	80,690
Public Safety	-	-	-	-	-	46,780
Culture – Recreation	-	-	-	-	-	32,977
Other Purposes	44,444	-	85,500	-	-	54,863
Total Restricted	<u>\$ 54,744</u>	<u>\$ 455,243</u>	<u>\$ 85,500</u>	<u>\$ 460,517</u>	<u>\$ 2,502,017</u>	<u>\$ 1,429,053</u>
Committed to:						
Economic Stabilization	\$ 877,079	\$ -	\$ -	\$ -	\$ -	\$ -
Education	567,818	-	-	-	-	-
Health and Social Services	486	-	-	-	-	-
Conservation of Natural Resources	730,562	-	-	-	-	-
Licensing and Regulation	325	-	-	-	-	-
Economic Development	320,299	-	-	-	-	-
Public Safety	35,329	-	-	-	-	-
Culture – Recreation	761	-	-	-	-	-
Other Purposes	12,505	-	-	-	-	547,575
Total Committed	<u>\$ 2,545,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,575</u>
Assigned to:						
Education	\$ -	\$ -	\$ -	\$ -	\$ -	765
Health and Social Services	442	-	-	1,137	-	740
Transportation	-	266	-	-	-	-
Licensing and Regulation	-	-	-	-	-	22,860
Economic Development	-	-	-	-	-	6
Public Safety	-	-	-	-	-	5,124
Culture – Recreation	-	-	-	-	-	12
Other Purposes	-	-	-	-	-	433
Total Assigned	<u>\$ 442</u>	<u>\$ 266</u>	<u>\$ -</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 29,940</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, 2025, 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 \$55,106 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 two personal injury claims with possible loss of up to \$6,500. It is not possible at the present time to determine the outcome of this proceeding. The State is also named for one personal injury claim with probable loss estimated up to \$1,500. The case is in active settlement negotiations and a \$1,500 liability is recorded in the government-wide financial statements.

Settlements. The State is a party in two opioid litigation settlements that have not yet been finalized but are expected to yield up to \$22,827 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 settlement is 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. The State of Nebraska self insures all vehicles.

Risk Management has procured excess commercial crime coverage in the amount of \$11,000 with a self-insured retention of \$1,000. Risk Management has procured excess property coverage in the amount of \$200,000 with a self-insured retention of \$1,000. Newly acquired properties are covered up to \$10,000 for 90 days. If not reported after 90 days, the property is covered for \$5,000 under the miscellaneous unnamed location coverage. Wind and hail coverage is limited to \$96,250 (this coverage does not apply ground up). The perils of flood, earthquake, and acts of terrorism have various coverage, sub-limits, and self-insurance. 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. In fiscal year 2024, one settlement of \$7,450 exceeded commercial insurance coverage by \$2,050. No other claims have exceeded coverage in 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 \$63,505 at a discounted rate of 3.31 percent (\$13,076).

Changes in the balances of claims liabilities of the Risk Management Internal Service Fund during the years ended June 30, 2025, and 2024, were as follows:

	Fiscal year	
	2025	2024
Beginning Balance	\$ 103,850	\$ 113,848
Current Year Claims and Changes in Estimates	295,238	250,127
Claim Payments	(291,237)	(260,125)
Ending Balance	<u>\$ 107,851</u>	<u>\$ 103,850</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 nine 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. In September of 2024, the Board assumed the administration of the Omaha School 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, unless alternative sources of funds to pay expenses are specified by law.

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 fully 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 for 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, 2024.

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 2024)) 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, 2024, there were 33,248 members in the plan. Of these members, 18,031 were active, 12,337 were inactive, and 2,880 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$51,806 and State contributions of \$80,847 for the plan year ended December 31, 2024.

School Employees' Retirement. The State is the plan sponsor for the School Retirement System, a cost-sharing multiple-employer defined benefit pension plan, with 265 participating school districts.

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 2024)) 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). For an employee who was a member prior to 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 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 \$244,127, political subdivision contributions of \$244,655, and State contributions of \$19,076 for the plan year ended June 30, 2025.

The Service Annuity Plan is a single employer defined benefit pension plan. 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 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 five years of service. Early retirement is at age 55 with ten 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, 2025, there were 9,025 members in the plan. Of these members, 7,438 were active and 1,587 were inactive.

Omaha School Employees' Retirement. The State is the plan sponsor for the Omaha School Employees' Retirement System, a single-employer defined benefit pension plan. Participation in the plan includes all permanent, full-time employees of the Omaha Public School District and Educational Service Unit #19, working at least 30 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.

During 2021, the Nebraska 107th Legislature enacted Legislative Bill (LB) 147, mandating the transition of the administration of the Omaha School Employees' Retirement System to the Nebraska Public Employees Retirement Board, effective September 1, 2024. Prior to this date, the plan was reported as an Investment Trust Fund in the State's financial statements. Effective with fiscal year ended June 30, 2025, the plan is reported as a Pension Trust Fund and amounts are presented in the accompanying financial statements for the plan's fiscal year ended December 31, 2024.

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, the employer contributes the greater of 101 percent of the employees contributions or the actuarially determined contribution rate in accordance with Neb. Rev. Stat. § 79-9,113(1)(d) (Reissue

2024). Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 79-978 through 79-9,124 (Reissue 2024)) and may be amended only by the Nebraska Legislature.

Each employee who has completed five or more years of creditable service is eligible to elect a deferred vested service annuity in lieu of a refund of accumulated contributions. The plan provides for various benefits, including normal retirement benefits, early retirement benefits, disability benefits, and pre-retirement and post-retirement survivor benefits. For members hired prior to July 1, 2013, benefits are based on an average of the highest three years of salary earned by employees during their employment, up to their normal retirement dates. For members hired on or after July 1, 2013, benefits are based on an average of the highest five years of salary earned by employees during their employment, up to their normal retirement dates. Employees who terminate employment with fewer than five years of creditable service can elect to receive a refund or a rollover of the employee's contributions, plus accrued interest. Retirement eligibility rules for members are based on the member's date of hire in accordance with Neb. Rev. Stat. §§ 79-978 to 79-9,124 (Reissue 2024), known as the Class V School Employees Retirement Act.

For members hired prior to July 1, 2013, retirement benefits are increased by an annual, automatic cost of living adjustment (COLA) of 1.5% or the increase in the consumer price index (CPI), whichever is lower. For members hired on or after July 1, 2013, retirement benefits are increased by an annual, automatic COLA of 1.0% or the increase in the CPI, whichever is lower. Following ten years of retirement, a medical cost of living supplement is paid. This supplement equals ten dollars per month for each year retired and increases by ten dollars each year to a maximum of two hundred and fifty dollars per month. For retirees with less than twenty years of service, the benefit is reduced proportionately. For members hired on or after July 1, 2016, no state service annuity or medical COLA is provided.

As of January 1, 2025, there were 16,675 members in the plan. Of these members, 7,438 were active, 3,820 were inactive, and 5,417 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$45,531, political subdivision contributions of \$91,467, and State contributions of \$10,539 for the plan year ended December 31, 2024.

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.

For members participating prior to July 1, 2015, 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. For members participating after July 1, 2015, the periods of service increased from three to five.

The benefit paid to a retired member or beneficiary includes 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 for members hired after July 1, 2015, and two and a half percent for members participating in the plan prior to July 1, 2015. 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. 2024, Supp. 2025)) 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 participating in the plan prior to July 1, 2015, 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 eleven-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, 2025, there were 355 members in the plan. Of these members, 143 were active, 3 were inactive, 2 were disabled and 207 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$2,639, court fees of \$5,686 and State contributions of \$1,460 for the plan year ended June 30, 2025.

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. Commencing July 1, 2024, members contribute ten percent of their monthly salary and the State Patrol contributes twenty-four percent. Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 81-2014 through 81-2041 (Reissue 2024) 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) Thirty or more years of service. The retirement benefit is calculated using the compensation for the three 12-month periods of service, for members who joined the plan prior to July 1, 2016, and for five 12-month periods of service, for members who joined the plan after July 1, 2016, 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 25 years of service.

The benefit paid to a retired member or beneficiary includes 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 for members who joined the plan prior to July 1, 2016, or two and one-half percent for members who joined the plan after July 1, 2016. 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, only for members who joined the plan prior to July 1, 2016.

Deferred Retirement Option Plan (DROP) Neb. Rev. Stat. § 81-2041 (Reissue 2024) 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, 2025, there were 999 members in the plan. Of these members, 386 were active, 49 were inactive, 16 were disabled, 33 were participating in the DROP program, and 515 were retirees or beneficiaries receiving benefits. The accompanying financial statements include member contributions of \$4,254, and State contributions of \$17,251 for the plan year ended June 30, 2025.

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 fully 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, which increased to two, and six and one-half percent, respectively as of September 2, 2023, 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, which increased to three, and seven and one-half percent, respectively, as of September 2, 2023, 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 of the supplemental contribution. The State does not contribute to this plan.

As of December 31, 2024, there were 14,480 members in the plan. Of these members, 8,142 were active, 5,310 were inactive, and 1,028 were retirees or beneficiaries receiving benefits. Members contributed \$20,568 and counties contributed \$30,113 during the year ended December 31, 2024, 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/(asset) for the School plan were performed with a measurement date of June 30, 2024. The total pension liability/(asset) for the Judges, Patrol, Service Annuity and School plans as of June 30, 2024 were determined based on the annual actuarial funding valuation report prepared as of July 1, 2024.

The net pension liability/(asset) calculation for the State Employees' and the Omaha School Employees' Retirement plans were performed with a measurement date of December 31, 2024. The total pension liability/

(asset) as of December 31, 2024 was determined based on the annual actuarial funding valuation report prepared as of January 1, 2025.

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 \$135,217 total pension liability for its proportionate share of the collective net pension liability for the school service annuity plan for \$2,504 and Omaha school employees' retirement plan for \$132,713. The State reported a \$94,591 total pension asset for its proportionate share of the collective net pension asset for the School retirement plan. The State's proportionate share of the collective net pension liability for the school retirement plans represents a decrease of \$61,701 from the pension liability for \$196,918 reported at June 30, 2024. There was no pension asset in the previous year for an increase this year of \$94,591. The State's percentage of its proportionate share of the net pension liability for the Nebraska Public Employees Retirement System's School plan is 17.18 percent, the Service Annuity plan is 100 percent, and the Omaha School Employees' Retirement System is 10.86 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	December 31, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	December 31, 2024
Actuarial Valuation Date	January 1, 2025	July 1, 2024	July 1, 2024	July 1, 2024	July 1, 2024	January 1, 2025
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				
Remaining/Single Amortization Period	25 years	18 years	25 years	12-26 years / 1 year	12-26 years / 1 year	25-30 years
Asset Valuation Method	5 year smoothed fair value	5 year smoothed fair value	5 year smoothed fair value	5 year smoothed fair value	5 year smoothed fair value	market related smoothed fair value
Actuarial Assumptions:						
Investment Rate of Return **	7.0%	7.0%	7.0%	7.0%	7.0%	7.2%
Projected Salary Increases **	2.85% to 9.2%	2.85% to 8.35%	3.1%	2.85% to 12.85%	2.85% to 12.85%	3.05% to 6.45%

** Includes assumed inflation of 2.35% per year for State, Judges, Patrol, School, Service Annuity plans, and 2.55% 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 Pub-2010 General Members Employee/Retiree Mortality Tables projected generationally using the NPERS projection scale. The mortality rates for beneficiaries were based on the Pub-2010 General Members Contingent Survivor Mortality Table projected generationally using the NPERS projection scale.

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 Employees' Retirement System disability rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table, without generational improvement.

The actuarial assumptions used in the valuations are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2023, for the School, Judges, Patrol, and Service Annuity plans' and four-year period ending December 31, 2023, for the State plan. The experience study report is dated February 19, 2025.

The actuarial assumptions used in the January 1, 2025 valuation for the Omaha School Employees' Retirement System were based on the results of the most recent actuarial experience study, which covered the four-year period ending December 31, 2020. The experience study report is dated December 6, 2021.

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 arithmetic real rates of return for each major asset class included in the 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 State plan, 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 *
U.S. Equity	24.00 %	4.50 %
Non-U.S. Equity	11.50 %	4.60 %
Global Equity	22.00 %	4.80 %
RS Fixed Income	10.00 %	3.90 %
RR Fixed Income	20.00 %	2.50 %
Private Equity	5.00 %	7.10 %
Real Estate	7.50 %	4.00 %
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 *
U.S. Equity	27.00 %	4.30 %
Non-U.S. Equity	11.50 %	5.30 %
Global Equity	19.00 %	4.90 %
Fixed Income	30.00 %	1.10 %
Private Equity	5.00 %	6.60 %
Real Estate	7.50 %	3.90 %
Total	100.00 %	

*Arithmetic mean, net of investment expenses

Discount Rate. The discount rate used to measure the total pension liability was 6.95 percent for the State, a decrease from 7.00 percent used for the previous measurement date. The Judges, Patrol, School and Service Annuity rate was 7.00 percent, a decrease from 7.10 percent used for the previous measurement date. The Omaha School rate was 7.00 percent, a decrease from 7.20 percent used for the previous measurement date. 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 June 30, 2023	\$ 235,546	\$ 235,107	\$ 439
Changes for the year:			
Service Cost	6,604	-	6,604
Interest on Total Pension Liability	16,264	-	16,264
Differences between expected and actual experience	1,465	-	1,465
Assumption changes	1,202	-	1,202
Court fees	-	4,887	(4,887)
State Appropriations	-	1,371	(1,371)
Benefit payments, including member refunds	(14,402)	(14,402)	-
Employee contributions	-	2,461	(2,461)
Net investment income	-	31,173	(31,173)
Administrative expenses	-	(98)	98
Net changes	11,133	25,392	(14,259)
Balance at June 30, 2024	\$ 246,679	\$ 260,499	\$ (13,820)

State Retirement Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance at December 31, 2023	\$ 2,214,921	\$ 2,213,052	\$ 1,869
Changes for the year:			
Service Cost	104,324	-	104,324
Interest on Total Pension Liability	149,104	-	149,104
Benefit term Changes	39,035	-	39,035
Differences between expected and actual experience	(1,352)	-	(1,352)
Assumption changes	20,733	-	20,733
Benefit payments, including member refunds	(178,365)	(178,365)	-
Employer contributions	-	72,580	(72,580)
Employee contributions	-	46,506	(46,506)
Net investment income	-	243,928	(243,928)
Administrative expenses	-	(1,994)	1,994
Transfers	5,724	5,724	-
Net changes	139,203	188,379	(49,176)
Balance at December 31, 2024	\$ 2,354,124	\$ 2,401,431	\$ (47,307)

	State Patrol Retirement Plan		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance at June 30, 2023	\$ 635,291	\$ 528,686	\$ 106,605
Changes for the year:			
Service Cost	11,905	-	11,905
Interest on Total Pension Liability	44,137	-	44,137
Benefit term changes	(76)	-	(76)
Differences between expected and actual experience	2,715	-	2,715
Assumption changes	4,456	-	4,456
Benefit payments, including member refunds	(30,342)	(30,342)	-
Employer contributions	-	13,603	(13,603)
Employee contributions	-	6,349	(6,349)
Net investment income	-	70,159	(70,159)
Administrative expenses	-	(134)	134
Other changes	-	19	(19)
Net changes	32,795	59,654	(26,859)
Balance at June 30, 2024	\$ 668,086	\$ 588,340	\$ 79,746

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 6.95 percent for State and a discount rate of 7.00 percent for Judges, Patrol, School, Omaha School, and Service Annuity. 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School	\$ 298,912	\$ (94,591)	\$ (417,228)
Service Annuity	5,436	2,504	92
Judges	12,264	(13,820)	(36,090)
Patrol	173,567	79,746	3,840
Omaha School	174,825	132,713	97,843
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
State	\$ 183,803	\$ (47,307)	\$ (238,437)

Changes to Actuarial Assumptions Subsequent Event. The key changes in economic assumptions are as follows: Price Inflation, Investment Return, General Wage Inflation, Salary Increases, Administrative Expenses, Termination Rates, Retirement Rates, and Proportion of Retirement Benefits Assumed to be Paid Out as a Lump Sum. 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.

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 \$103,906 for the year ended June 30, 2025. Of this amount, (\$17,847) pension expense was recognized for the Nebraska Public Employees Retirement System's School plan, \$82,544 pension expense was recognized for the State plan, \$21,369 pension expense was recognized for the State Patrol Plan, \$2,101 pension expense was recognized for the Judges Plan, \$1,081 in pension expense was recognized for the Service Annuity, and pension expense of \$14,658 was also recognized for the Omaha School Plan. In the accompanying financial statements, presented as of June 30, 2025, 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	\$ 1,340	\$ 556
Changes of assumptions	2,136	-
Net difference between projected and actual earnings on pension plan investments	-	8,671
Patrol Retirement		
Differences between expected and actual experience	24,334	-
Changes of assumptions	7,199	-
Net difference between projected and actual earnings on pension plan investments	-	19,536
School Retirement		
Differences between expected and actual experience	11,366	3,845
Changes of assumptions	27,961	6,787
Net difference between projected and actual earnings on pension plan investments	-	96,254
Changes in proportion	418	827
School Service Annuity		
Differences between expected and actual experience	948	1,257
Changes of assumptions	1,107	183
Net difference between projected and actual earnings on pension plan investments	-	393
Omaha School Retirement		
Differences between expected and actual experience	8,556	-
Changes of assumptions	8,081	-
Net difference between projected and actual earnings on pension plan investments	478	-
Changes in proportion	8,762	5,421
State Retirement		
Differences between expected and actual experience	-	15,784
Changes of assumptions	33,200	-
Net difference between projected and actual earnings on pension plan investments	-	28,681
Total Actuarial Calculations	<u>135,886</u>	<u>188,195</u>
Employer Contributions Paid Subsequent to Actuarial Measurement Date:		
Judges Retirement	7,146	-
Patrol Retirement	17,251	-
School Retirement	19,076	-
Total	<u>\$ 179,359</u>	<u>\$ 188,195</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	
	Outflow	Inflow	Outflow	Inflow	Outflow	Inflow
2026	\$ 8,886	\$ 13,092	\$ 31,270	\$ 28,465	\$ 94,416	\$ 147,377
2027	8,564	4,242	30,157	9,208	94,416	47,802
2028	747	4,093	3,806	9,208	9,512	45,589
2029	416	2,937	276	6,631	6,273	32,782
2030	–	–	–	–	1,375	–
Thereafter	–	–	–	–	–	–
Total	\$ 18,613	\$ 24,364	\$ 65,509	\$ 53,512	\$ 205,992	\$ 273,550

Year Ended June 30:	School Service Annuity		Omaha School		State	
	Outflow	Inflow	Outflow	Inflow	Outflow	Inflow
2026	\$ 901	\$ 960	\$ 15,323	\$ 7,387	\$ 98,216	\$ 93,200
2027	804	442	11,757	4,413	94,846	52,862
2028	246	437	5,360	3,974	6,489	49,967
2029	246	373	3,625	658	3,634	18,422
2030	246	190	811	(13)	–	–
Thereafter	447	266	–	–	–	–
Total	\$ 2,890	\$ 2,668	\$ 36,876	\$ 16,419	\$ 203,185	\$ 214,451

Payable to the Pension Plans

The State reported a payable of \$36,444 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2025.

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 2024), and Nebraska Administrative Code, Title 273, Chapter 16-010.

Plan Description

The State administers a single-employer benefit plan, known as the State of Nebraska Retiree Health Insurance Program (Plan), which provides post employment 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, 2024, there were 12,452 members in the Plan, of which 12,237 were active employees and 215 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 prefunded 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, 2024, resulting in a Net OPEB Liability of \$30,919 reported as of June 30, 2025. Below is the schedule of changes in net OPEB liability:

Total OPEB Liability	
Service Cost	\$ 1,628
Interest	980
Differences between expected and actual experience	2,020
Changes of assumptions	2,224
Benefit payments, including refunds of member contributions	<u>(2,283)</u>
Net change in Total OPEB Liability	4,569
Total OPEB Liability – beginning	<u>26,350</u>
Total OPEB Liability – ending (a)	<u>\$ 30,919</u>
Plan Fiduciary Net Position (Assets)	
Estimated contributions	\$ 2,283
Estimated benefit payments, including refunds of member contributions	<u>(2,283)</u>
Net change in Plan Fiduciary Net Position	–
Plan Fiduciary Net Position (Assets) – beginning	–
Plan Fiduciary Net Position (Assets) – ending (b)	<u>–</u>
Net OPEB Liability – ending (a) – (b)	<u>\$ 30,919</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	3.93% as of June 30, 2024 and 3.65% as of June 30, 2023
Payroll Growth Rate	2.85%
Salary increases	Service-based table, decreasing from 9.20% to ultimate of 2.85% over 30 years
Mortality rates	Pub-2010 General (Above Median), adjusted based on age and sex, generationally projected
Healthcare cost trend rates:	
Medical	6.00% decreasing by 0.25% for 6 years to an ultimate of 4.50%
Prescription drug	10.00% decreasing by 0.50% for 11 years to an ultimate of 4.50%
Administrative costs	3.00% each year

Changes to benefit and funding terms:

Effective with the June 30, 2024 measurement:

- DPC plans Standard and Select were eliminated.
- The individual in-network deductible for the Consumer-Focused plan increased from \$3,000 to \$3,200.

Changes to assumptions:

Effective with the June 30, 2024 measurement:

- Medical, prescription drug and administrative costs were updated to reflect recent experience.
- Medical, prescription drug, and administrative cost trend rates were updated to reflect recent experience and future expectations.
- The salary scale assumption was updated to reflect the most recent valuation of the State Cash Balance Plan.
- The discount rate was updated from 3.65% to 3.93%.

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 (2.93%)	Current Discount Rate (3.93%)	1% Increase in Discount Rate (4.93%)
Net OPEB Liability	\$ 33,209	\$ 30,919	\$ 28,817

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Net OPEB Liability	\$ 28,177	\$ 30,919	\$ 34,139

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

The State recognized OPEB expense of \$4,416 for the year ended June 30, 2025. 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	\$ 5,522	\$ 749
Difference between expected and actual experience in the Total OPEB Liability	3,233	-
Net difference between projected and actual earnings on investments	-	-
Total Actuarial Calculations	\$ 8,755	\$ 749
Contributions Subsequent to the Actuarial Measurement Date	2,586	-
Total	<u>\$ 11,341</u>	<u>\$ 749</u>

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

<u>Year Ended June 30:</u>	
2026	\$ 1,809
2027	1,864
2028	1,783
2029	880
2030	681
Thereafter	990

15. Bonds Payable

Article XIII of the State's Constitution prohibits the State from incurring debt in excess of \$100. 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. Neb. Rev. Stat. §§ 39-2202 and 39-2223(3) established the debt limit at \$450,000 to be used for the construction of highways in the State for the purpose of the Build Nebraska Act. The State's legal debt margin, or amount of debt the State could still issue without violating the limitation, is \$349,499.

At June 30, 2025, there was outstanding debt related to governmental activities for the construction of highways. Revenue bonds for \$100,504 were issued in February 2025, at a fixed interest rate of 3.63 percent. Pursuant to Neb. Rev. Stat. § 39-2215.02, annually, \$70,000 is pledged for the payment of principal, interest, and redemption premium, if any. For fiscal year 2025, this represents approximately 69 percent of transfers into the State Highway Capital Improvement Fund to be used for the repayment of bonds, construction of the expressway system and federally designated high priority corridors, and priority surface transportation projects. In accordance with Neb. Rev. Stat. § 39-2215(4), the pledged revenues are "closely related to the use of highways, including, but not limited to, motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use retained by the state, all motor vehicle registration fees retained by the state other than those fees credited to the State Recreation Road Fund, and other highway-user taxes, fees, and penalties imposed by state law." According to Neb. Rev. Stat. § 39-2216, as long as the bonds remain outstanding the revenues will be available.

A summary of the future minimum obligations is as follows:

GOVERNMENTAL ACTIVITIES DEBT SERVICE REQUIREMENTS TO MATURITY			
YEAR	PRINCIPAL	INTEREST	TOTAL
2026	\$ 2,165	\$ 5,908	\$ 8,073
2027	3,770	4,304	8,074
2028	3,960	4,116	8,076
2029	4,155	3,918	8,073
2030	4,365	3,710	8,075
2031-2035	25,330	15,048	40,378
2036-2040	32,320	8,051	40,371
2041-2042	15,230	920	16,150
Total	<u>\$ 91,295</u>	<u>\$ 45,975</u>	<u>\$ 137,270</u>

A comparison of pledged revenues, recognized during the period, to the debt service is as follows:

GOVERNMENTAL ACTIVITIES PLEGGED REVENUE TO DEBT SERVICE	
Pledged Revenue	<u>\$ 87,522</u>
Debt Service:	
Principal	\$ -
Interest	-
Total Debt Service	<u>\$ -</u>

Events of default and acceleration provisions are contained in the legal documentation for the revenue bonds. Events of default under the bond resolution include default of payment of principal or interest that continues for a period of five days or default in the performance or observance of a covenant, agreement or condition in the indenture or the bonds that continues for a period of 30 days after written notice.

The bond trustee has the right to accelerate the State's obligations under the financing agreement upon an event of default. Upon the occurrence of an event of default, the bond trustee may, upon the written request of the owners of 25 percent in aggregate principal amount of the bonds outstanding shall, declare the principal of all bonds secured then outstanding, and the interest accrued thereon, immediately due and payable. Bondholders are also entitled to equitable and legal remedies to enforce their rights under the bond resolution.

The bond indenture specifies the funds to be established, the purpose of the funds, the specified amounts to be deposited with the trustee for certain funds, and the investment of the funds. At June 30, 2025, the State was in compliance with the requirements.

Component Unit Bond Obligations. The component units also 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, 2025
COMPONENT UNITS		
University of Nebraska	1.83%-5.50%	\$ 1,069,575
Nebraska State Colleges	0.30%-5.00%	103,460
Component Units Total		<u>\$ 1,173,035</u>

COMPONENT UNITS DEBT SERVICE REQUIREMENTS TO MATURITY			
YEAR	PRINCIPAL	INTEREST	TOTAL
2026	\$ 63,780	\$ 40,167	\$ 103,947
2027	46,305	37,844	84,149
2028	48,075	36,124	84,199
2029	39,185	34,332	73,517
2030	45,000	32,760	77,760
2031-2035	143,615	144,343	287,958
2036-2040	123,000	124,363	247,363
2041-2045	130,680	103,051	233,731
2046-2050	185,130	81,503	266,633
2051-2055	88,390	54,212	142,602
2056-2060	160,185	33,487	193,672
2061-2065	99,690	6,086	105,776
Total	<u>\$ 1,173,035</u>	<u>\$ 728,272</u>	<u>\$ 1,901,307</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, 2025, the State of Nebraska administers fifteen separate tax abatement programs. They are - the Nebraska Advantage Act, the Nebraska Advantage Rural Development Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Employment and Investment Growth Act, the ImagiNE Nebraska Act, the Nebraska Job Creation and Mainstreet Revitalization Act, the Key Employer and Jobs Retention Act, the New Markets Job Growth Investment Act, the Beginning Farmer Tax Credit Act, the Community Development Assistance Act, the Affordable Housing Tax Credit Act, the Renewable Chemical Production Tax Credit Act, the Urban Redevelopment Act, the Invest Nebraska Act, and the Good Life Transformational Projects Act.

Description of Tax Abatement Programs

A. Nebraska Advantage Act. Neb. Rev. Stat. §§ 77-5701 through 77-5735 (Reissue 2018, Cum. Supp. 2024), 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 2 ³	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 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 credit that varies from 3% to 15%, depending on the applicable tier, of the investment credit 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, and 5) a sales and use tax exemption on purchases of qualified property in the entitlement period. 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) for certain tiers, obtain a reimbursement equal to the amount of real property tax. 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 or exemptions 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. 2024), 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 2025 applicants must meet to qualify for benefits are as follows:

	Investment and Employment Levels		
	Level 1	Level 2	Livestock Modernization
Investment	\$125	\$250	\$10
FTE⁷ Growth	2	5	N/A
Wage Rate⁸	\$19.29	\$19.29	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. For applications filed before January 1, 2024, 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, or at least \$10 for livestock modernization or expansion applications filed on or after January 1, 2024. Livestock modernization projects 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 \$2,000 for Level 1 and Level 2 projects combined and \$7,500 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. 2024), 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. The lifetime limit in credits that may be granted to each applicant and related persons is \$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. 2024), 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. The Nebraska Job Creation and Mainstreet Revitalization Act.** Neb. Rev. Stat. §§ 77-2901 to 77-2912 (Reissue 2018, Cum. Supp. 2024), 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 25% to 30% depending on the county, limited to \$2,000 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, 2035. 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.
- F. New Market Job Growth Investment Tax Credit Act.** Neb. Rev. Stat. §§ 77-1101 through 77-1120 (Reissue 2018, Cum. Supp. 2024), 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.

G. Beginning Farmer Tax Credit Act. Neb. Rev. Stat. §§ 77-5201 through 77-5215 (Reissue 2018, Cum. Supp. 2024), 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 \$750; 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; 8) is of legal age to enter into and be legally responsible for a binding contract or lease; and 9) 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. Qualified beginning farmers and owners are limited 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.

- H. Community Development Assistance Act.** Neb. Rev. Stat. §§ 13-201 through 13-208 (Reissue 2022), (transferred to § 77-2913 through 77-2920, effective January 1, 2026) 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. Under LB 1344 (2024), this Act was terminated, and no tax credits may be allocated after 2024. Credits authorized under the Act may be used against the taxpayer's tax liability for the next five years immediately succeeding the tax year in which the credit was first allowed.
- I. The Affordable Housing Tax Credit Act,** Neb. Rev. Stat. §§ 77-2501 through 77-2508 (Reissue 2018, Cum. Supp. 2024), 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.

- J. The ImagiNE Nebraska Act,** Neb. Rev. Stat. §§ 77-6801 through 77-6846 (Cum. Supp. 2022, Supp. 2024), provides tax incentives for taxpayers at locations where they perform qualified business activities. The application can include a single location, all qualifying locations of the taxpayer in a single county, all qualifying locations of the taxpayer in multiple counties, or all qualifying locations of the taxpayer statewide. The taxpayer must submit an application to the State, requesting an agreement for an ImagiNE Nebraska project. Upon agreement, the State will issue a direct payment permit to the applicant, which

allows qualified property to be purchased, sales tax exempt, once the agreed upon investment and employment levels are reached.

The levels of employment and investment that qualify for incentives are:

- Economic Redevelopment Area [5 FTE⁹ / \$250]
- Growth and Expansion [10 FTE / \$1,000]
- Manufacturing Growth and Expansion-Rural [5 FTE / \$1,000]
- Manufacturing Growth and Expansion-Urban [10 FTE / \$1,000]
- Quality Jobs Investment [30 FTE / \$5,000]
- Quality Jobs [20 FTE]
- Mega-Project [250 FTE / \$250,000]; and
- Modernization [\$50,000].

⁹ Stated as Full-time Equivalent Employee

To be counted in the number of new employees, the employees must be employed in Nebraska, full-time employees, offered an Affordable Care Act-qualified health care plan and additional benefits, be E-Verified within 90 days, and be paid 70% to 200% of the average weekly wage in the county of the qualified location, depending on application level. For 2025, the required annual wage levels are as follows:

Application Year	Minimum Average Compensation for Credit Calculation					
	70%	75%	90%	100%	150%	200%
2025	\$41	\$44	\$53	\$59	\$89	\$118

Depending on application level, wage credits are earned at a rate between 4% to 9%, and investment credits are earned at 4% or 7%.

At each application level, the taxpayer is eligible for some or all of the following benefits: refund or offset of income taxes, sales tax refunds, refund or offset of withholding taxes attributable to new employees, personal property tax exemptions, refunds equal to the amount of real property taxes paid, and reimbursement of childcare, job training, or job recruitment expenses. Infrastructure or job training loans made through the ImagiNE Revolving Loan Program are also available and repayment may be made using ImagiNE credits.

For certain levels, wage credits and investment credits are increased by 1% if the qualified location is in an extremely blighted area. For all levels, the wage credits and investment credits are increased by 1% if the taxpayer is a public benefit organization.

Once required levels of investment and employment are reached, the applicant must file an annual return with the State to report qualifying levels and may start claiming the credits without a qualification audit. Errors in calculating benefits can be recovered by the State later through audit and assessment. There are no new applications filed after December 31, 2030.

K. The Renewable Chemical Production Tax Credit Act, Neb. Rev. Stat. §§ 77-6601 through 77-6611 (Cum. Supp. 2024). A business must apply to the State to be certified as an eligible business and to be eligible to receive tax credits for the production of renewable chemicals. An eligible business must: (i) produce at least one million pounds of renewable chemicals in Nebraska during the calendar year for which tax credits are sought, (ii) be physically located in Nebraska, (iii) have organized, expanded, or located in Nebraska on or after January 1, 2021, and (iv) be compliant with all agreements entered into under the Act and any other tax credit or programs. Once an applicant is certified as an eligible business, it will then enter into an agreement with the State to successfully fulfill all requirements under the Act. The

agreement will allow the applicant to receive tax credits under the Act. The agreement will also specify the maximum amount of tax credits which the applicant may receive. The applicant is also required to submit an annual report with supporting documentation to the State.

In the calendar year following the calendar year in which the applicant produced the renewable chemicals for which it seeks tax credits, the applicant files an application for certification of tax credits with the State. The tax credit application must include the number of pounds of renewable chemicals produced in Nebraska by the eligible business during the calendar year for which tax credits are sought and other documents as required by the State. After completing a review, the State certifies the amount of tax credits approved. The refundable credit approved may be claimed on an income tax, premium tax, or financial institutions tax return.

The State may approve applications for eligible business for up to \$3,000 in tax credits per calendar year for 2022 and 2023, and up to \$6,000 in tax credits per calendar year for 2024 and beyond.

L. The Key Employer and Jobs Retention Act, Neb. Rev. Stat. §§ 77-6501 through 77-6523 (Cum. Supp. 2024). The Act provides a wage retention credit for key employers who:

- 1) Employs at least 1,000 equivalent employees in Nebraska during the base year;
- 2) Offers full time employees healthcare and benefits;
- 3) Enforces a policy against discrimination prohibited by federal or state law;
- 4) Electronically verifies the work eligibility of all new employees in Nebraska;
- 5) Has gone through a change in ownership and control within the 24 months immediately prior to the application;
- 6) Is at risk of moving more than 1,000 existing equivalent employees from the state;
- 7) Retains at least 90% of their base-year employees, and
- 8) Is a qualified business.

The wage retention credit earned is 5% of the total compensation paid to the taxpayer's Nebraska employees who are paid wages of at least 100% of the Nebraska statewide average hourly wage. The amount of credits cannot exceed \$4,000 per year, or \$40,000 total over ten years. Credits can be used to offset withholding or income tax liabilities.

The deadline for applications was May 31, 2021. There will be no additional agreements under the Act without further authorization from the Legislature.

M. Nebraska Urban Redevelopment Act, Neb. Rev. Stat. §§ 77-6901 through 77-6928 (Cum. Supp. 2024). The Act allows the applicant to choose either an Employment and Investment option or an Investment Only option. This selection will define the terms of the agreement with the State.

- 1) Employment and Investment: Applicants qualify for tax credits by attaining a cumulative investment in qualified property of at least \$150 and hiring at least five new full-time equivalent employees (FTEs) at the qualified location or locations before the end of the ramp-up period. Applicants are eligible to earn:
 - A tax credit of \$3 for each new FTE, with an additional \$1 credit for each new employee that lives in an Economic Redevelopment Area (ERA), and
 - A tax credit of \$2.75 for each \$50 of investment.

Compensation paid to the new FTEs must be a minimum qualifying wage of 70% of the Nebraska statewide average hourly wage. A teleworker working from his or her residence will not be considered an employee unless the teleworker resides in an ERA provided in the application.

- 2) **Investment Only:** Applicants qualify for tax credits by attaining a cumulative investment in qualified property of at least \$50 at the qualified location or locations before the end of the ramp-up period. Applicants are eligible to earn a tax credit in the amount of 5% of the investment.

The applicant earns a refundable credit that can be claimed on the income tax return. The applicant may also use the credits for refund or offset of income taxes, sales tax refunds, refund or offset of withholding taxes attributable to new employees and refunds equal to the amount of real property taxes paid. Applicants with signed agreements must file an annual return with the State to report the employment and investment reached and to claim the credits.

- N. 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.
- O. The Good Life Transformational Projects Act,** Neb. Rev. Stat. § 77-4401 through 77-4407, creates a district that applies a sales tax rate of 2.75% for transactions occurring within an approved good life district (GLD). Applications must be filed on or before December 31, 2024, and be approved by the Department of Economic Development based on the ability of the GLD to generate new economic activity, create new jobs for residents, and promote new-to-market retail, entertainment, and dining attractions. Effective July 1, 2024, the state sales tax rate is 5.5% on transactions made (1) outside a GLD, or (2) inside a GLD that is not within a city's boundaries. The reduced state sales tax rate of 2.75% applies only to those transactions made within a GLD that are also within a city's boundaries. The local sales tax rate and any city-imposed occupation tax must still be collected in areas located inside a GLD.

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, 2025 as a result of tax abatement agreements for each of the programs.

No.	Program	Taxes Abated
A	Nebraska Advantage Act	\$ 227,847
B	Nebraska Advantage Rural Development Act	2,683
C	Nebraska Advantage Microenterprise Tax Credit Act	1,190
D	Employment and Investment Growth Act	(892)
E	Job Creation and Mainstreet Revitalization Act	3,740
F	New Market Job Growth Investment Tax Credit Act	6,578
G	Beginning Farmer Tax Credit Act	1,434
H	Community Development Assistance Act	552
I	Affordable Housing Tax Credit Act	28,474
J	ImagiNE Nebraska Act	11,578
K	Renewable Chemical Production Tax Credit Act	567
L	Key Employer and Jobs Retention Act	*
M	Urban Redevelopment Act	129
N	Invest Nebraska Act	*
O	Good Life Transformational Projects Act	11,338
Total		\$ 295,218 **

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

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

- 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/imagine-nebraska-act-and-key-employer-and-jobs-retention-act-annual-reports> and <https://revenue.nebraska.gov/incentives/annual-reports>
- The State also administers [applications](#) for Community-Based Energy Development ([C-BED](#)) Projects (Neb. Rev. Stat. §§ 70-1901 through 70-1909 (Reissue 2018)). Upon approval of a C-BED application, the State will issue a sales and use tax certificate of exemption to the project developer. The certificate of

exemption can be used by the project developer and all contractors to purchase qualified materials for use in the project exempt from sales and use tax. Developers do not report the exempted sales and use taxes to the State, so there is no abatement to report. The most recent estimate of the exempted sales and use taxes for C-BED projects can be found in the [2025 Interim Tax Expenditure Report](#)

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 (Cum. Supp. 2024), when a refund of local sales and use taxes is made under the Nebraska Advantage Act, Neb. Rev. Stat. §§ 77-5725 and 77-5726 (Cum. Supp. 2024), 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.

For calendar year 2024 and each calendar year thereafter, pursuant to Neb. Rev. Stat. §77-27,144 (Cum. Supp. 2024), deductions for refunds made under the Nebraska Advantage Act, Neb. Rev. Stat. §§ 77-5725 and 77-5726 (Cum. Supp. 2024), or the Employment and Investment Growth Act, Neb. Rev. Stat. §§ 77-4105 and 77-4106 (Reissue 2018), and owed by a city of the metropolitan class or city of the primary class, will be made based on estimated amounts to be paid during the following calendar year. On or before March 1 each year, The State will notify each affected city of the total amount of refunds that are estimated. The deduction will be established, and the total amount deducted in the following calendar year in twelve equal monthly amounts. The notification will include any adjustment needed to account for any difference between the estimated amount deducted in the prior calendar year and the actual amount of refunds paid in a year. Pursuant to Neb. Rev. Stat. §77-27,144 (Cum. Supp. 2024), deductions for refunds made under the ImagiNE Nebraska Act and the Urban Redevelopment Act will follow the same method.

As of June 30, 2025, the amounts of refunds that are receivable are \$15,167 from municipalities pursuant to Neb. Rev. Stat. § 77-27,144 (Cum. Supp. 2024) are as follows: Adams, Ainsworth, Albion, Alliance, Arnold, Ashland, Atkinson, Auburn, Bayard, Beatrice, Bellevue, Benkelman, Bennet, Blair, Bloomfield, Bridgeport, Burwell, Central City, Chadron, Clarks, Clay Center, Columbus, Crete, David City, Dorchester, Edgar, Elwood, Fairbury, Fairfield, Falls City, Franklin, Fremont, Friend, Geneva, Gering, Gordon, Gothenburg, Grand Island, Grant, Gresham, Gretna, Guide Rock, Harvard, Hastings, Henderson, Hickman, Hildreth, Humphrey, Imperial, Jackson, Kearney, Kimball, La Vista, Lexington, Lincoln, Louisville, Madison, Marquette, Mccook, Mccool Junction, Minden, Mitchell, Monroe, Murray, Nebraska City, Neligh, Norfolk, North Platte, Ogallala, Omaha, O'Neill, Osceola, Oshkosh, Palmer, Papillion, Pawnee City, Paxton, Peru, Plattsmouth, Ralston, Ravenna, Saint Edward, Sargent, Schuyler, Scottsbluff, Seward, Shelby, Sidney, South Sioux City, Stanton, Springfield, Stromsburg, Sutton, Valentine, Valley, Verdigre, Wahoo, Waterloo, Waverly, Wayne, Weeping Water, West Point, Wisner, And York.

17. Restatements

During fiscal year ended June 30, 2025, the following corrections resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	As Previously Reported June 30, 2024	Change to or within the Financial Reporting Entity	Change in Accounting Principle	Error Correction	As Restated June 30, 2024
Government-Wide					
Governmental Activities	\$ 20,793,559	\$ —	\$ (92,902)	\$ 89,451	\$ 20,790,108
Business Type Activities	596,419	—	(439)	8,019	603,999
Total Primary Government	<u>\$ 21,389,978</u>	<u>\$ —</u>	<u>\$ (93,341)</u>	<u>\$ 97,470</u>	<u>\$ 21,394,107</u>
Governmental Funds					
Major Funds					
General Fund	4,140,904	—	—	76,363	4,217,267
Highway Fund	384,191	—	—	(13,618)	370,573
Federal Fund	71,560	—	—	257	71,817
Health and Social Services Fund	824,192	—	—	(8,184)	816,008
Permanent School Fund	3,146,187	—	—	(13)	3,146,174
Nonmajor Funds	2,099,006	—	—	7,642	2,106,648
Total Governmental Funds	<u>\$ 10,666,040</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 62,447</u>	<u>\$ 10,728,487</u>
Proprietary Funds					
Unemployment Insurance Fund	518,778	—	—	8,003	526,781
Nonmajor Funds	77,641	—	(439)	16	77,218
Internal Service Funds	95,738	—	(4,596)	2,268	93,410
Total Proprietary Funds	<u>\$ 692,157</u>	<u>\$ —</u>	<u>\$ (5,035)</u>	<u>\$ 10,287</u>	<u>\$ 697,409</u>
Fiduciary Funds					
Pension Trust Funds	21,973,902	1,580,278	(262)	(827)	23,553,091
Investment Trust Fund	1,654,021	(1,654,021)	—	—	—
Private Purpose Trust Funds	6,718,388	—	—	(1,031)	6,717,357
Custodial Funds	10,972	—	—	(3,056)	7,916
Total Fiduciary Funds	<u>\$ 30,357,283</u>	<u>\$ (73,743)</u>	<u>\$ (262)</u>	<u>\$ (4,914)</u>	<u>\$ 30,278,364</u>
Discretely Presented Component Units					
University of Nebraska	8,294,257	—	—	16,434	8,310,691
State Colleges	364,694	—	(54)	127	364,767
Total Discretely Presented Component Units	<u>\$ 8,658,951</u>	<u>\$ —</u>	<u>\$ (54)</u>	<u>\$ 16,561</u>	<u>\$ 8,675,458</u>

The following chart represents the financial statement line items affected by the adjustments noted above for prior periods:

GOVERNMENT WIDE

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
ASSETS		
Cash and Cash Equivalents	\$ 94,833	\$ 378
Receivables, net of allowance:		
Taxes	18,384	-
Due from Federal Government	27,791	-
Loans	(127)	-
Other	16,735	(462)
Investments	(51,707)	(355)
Other Assets	25	-
Capital assets:		
Land	(613)	-
Infrastructure	591	-
Construction in Progress	6,809	-
Buildings and Equipment	4,160	-
Less Accumulated Depreciation	907	-
Total Capital Assets	<u>11,854</u>	<u>-</u>
Total Assets	<u><u>\$ 117,788</u></u>	<u><u>\$ (439)</u></u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 27,856	\$ 2
Long-Term Liabilities:		
Due within one year	109,982	(7,953)
Due in more than one year	(16,896)	(68)
Total Liabilities	<u><u>\$ 120,942</u></u>	<u><u>\$ (8,019)</u></u>
DEFERRED INFLOWS OF RESOURCES		
Revenues not yet available	\$ 1,725	\$ -
Total Deferred Inflows of Resources	<u><u>\$ 1,725</u></u>	<u><u>\$ -</u></u>
REVENUES		
Charges for Services		
Conservation of Natural Resources	\$ 55	\$ -
Economic Development and Assistance	833	-
Education	(475)	-
Health and Social Services	2,073	-
Public Safety	351	-
Regulation of Business and Professions	5,887	-
Transportation	(4,008)	-
Unemployment Insurance	-	(462)
Total Charges for Services	<u>\$ 4,716</u>	<u>\$ (462)</u>
Operating Grants & Contributions		
Public Safety	(127)	-
Total Operating Grants & Contributions	<u>\$ (127)</u>	<u>\$ -</u>
General revenues:		
Income Taxes	1,943	-
Sales and Use Taxes	43,900	-
Unrestricted Investment earnings	3,266	22
Total General Revenues, Contributions and Transfers	<u>\$ 49,109</u>	<u>\$ 22</u>
TOTAL REVENUES	<u><u>\$ 53,698</u></u>	<u><u>\$ (440)</u></u>

GOVERNMENT WIDE (continued)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
EXPENSES		
General Government	\$ 13,538	\$ –
Conservation of Natural Resources	2,756	–
Culture – Recreation	1,266	–
Economic Development and Assistance	6,003	–
Education	5,027	–
Health and Social Services	(15,601)	–
Public Safety	21,788	–
Regulation of Business and Professions	4,037	–
Transportation	17,343	–
Unemployment Insurance	–	(8,461)
Cornhusker State Industries	–	441
TOTAL EXPENSES	\$ 56,157	\$ (8,020)

In addition to Governmental Fund adjustments noted below, the net position for Governmental Activities had adjustments for the implementation of a new accounting principle GASB Statement No. 101 related to compensated absences, totaling \$(88,306) for 2024. The adjustments for error corrections primarily related to capital assets for \$11,472, which is mainly due to \$6,809 and \$4,685 for understatements of construction in progress and buildings and equipment assets, respectively. Of this amount \$2,994 related to fiscal year 2023 and \$8,478 related to fiscal year 2024.

Fiduciary Funds had a change within the financial reporting entity totaling \$1,580,278 in the Pension Trust funds and \$(1,654,021) in the Investment Trust fund for a legislative change mandating the transition of the administration of the Omaha School Employees' Retirement System to the Nebraska Public Employees Retirement Board, effective September 1, 2024. Prior to this date, the plan was reported as an Investment Trust Fund in the State's financial statements. Effective with fiscal year ended June 30, 2025, the plan is reported as a Pension Trust Fund. With the implementation of a new accounting principle, GASB Statement No. 101, there was an adjustment for \$(262) for 2024. Corrections for errors primarily consisted of the Flexible Spending fund no longer presented as custodial funds and is now within the General fund, for \$(2,054) and operating investment pool investments were not allocated to fiduciary funds during 2024 causing an overstatement in investment income for \$(2,724), an overstatement in cash and cash equivalents for \$(45,906), and an understatement of investments for \$43,182.

Discretely Presented Component Unit adjustments for the University of Nebraska totaled \$16,434 consisting primarily of capital assets, compensated absences, compensation and benefit expenditure, and liability errors in fiscal year 2024. The State College adjustments totaling \$73 was due to implementation of GASB 101 and incorrect classification of fiduciary funds and liabilities for fiscal year 2024. For further details regarding the Discretely Presented Component Unit adjustments refer to each entity's website as referenced in footnote 1.B.

GOVERNMENTAL FUNDS

	GENERAL FUND	HIGHWAY FUND	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	PERMANENT SCHOOL FUND	NONMAJOR FUNDS
Assets:						
Cash and Cash Equivalents	\$ 73,045	\$ 1,429	\$ 5,485	\$ 1,686	\$ 665	\$ 11,382
Investments	(31,091)	(3,663)	(5,159)	(1,586)	(625)	(8,511)
Receivables, net of allowance:						
Taxes	3,209	—	—	—	—	—
Loans	—	—	(127)	—	—	—
Other	4,894	—	—	(414)	—	5,887
Due from Other Funds	328	—	—	1,434	—	2,307
Other	25	—	—	—	—	—
Total Assets	<u>\$ 50,410</u>	<u>\$ (2,234)</u>	<u>\$ 199</u>	<u>\$ 1,120</u>	<u>\$ 40</u>	<u>\$ 11,065</u>
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 9,474	\$ 9,867	\$ (58)	\$ 2,213	\$ 52	\$ 1,839
Due to Other Funds	(27,330)	1,517	—	2,091	—	—
Total Liabilities	<u>\$ (17,856)</u>	<u>\$ 11,384</u>	<u>\$ (58)</u>	<u>\$ 4,304</u>	<u>\$ 52</u>	<u>\$ 1,839</u>
REVENUES						
Income Taxes	\$ 1,943	\$ —	\$ —	\$ —	\$ —	\$ —
Sales and Use Taxes	28,725	—	—	—	—	—
Federal Grants and Contracts	—	(2,465)	(127)	—	—	—
Charges for Services	—	—	—	—	—	55
Investment Income	1,963	231	326	100	39	537
Surcharge	—	—	—	—	—	5,887
Other	1,659	(293)	—	(4,586)	—	1,184
Total Revenues	<u>\$ 34,290</u>	<u>\$ (2,527)</u>	<u>\$ 199</u>	<u>\$ (4,486)</u>	<u>\$ 39</u>	<u>\$ 7,663</u>
EXPENDITURES						
Current:						
General Government	\$ 1,991	\$ —	\$ —	\$ —	\$ —	\$ 22
Conservation of Natural Resources	574	—	—	—	—	(1,221)
Culture – Recreation	3	—	—	—	—	82
Economic Development and Assistance	2,288	—	—	—	—	1,711
Education	1,398	—	—	—	52	37
Health and Social Services	(44,547)	—	—	780	—	1
Public Safety	362	—	(58)	—	—	18
Regulation of Business and Professions	2	—	—	—	—	840
Transportation	—	11,091	—	—	—	(1,459)
Capital Projects	—	—	—	—	—	(118)
Total Expenditures	<u>\$ (37,929)</u>	<u>\$ 11,091</u>	<u>\$ (58)</u>	<u>\$ 780</u>	<u>\$ 52</u>	<u>\$ (87)</u>

Significant adjustments were as follows:

The General fund had adjustments totaling \$20,358 and \$2,898 related to transactions recorded by State agencies during the current fiscal year that related to fiscal year 2024 and 2023, respectively. These errors primarily caused overstatements of expenditures in the previous years. During 2024 the flexible spending fund was reflected as a custodial fund, this was moved to the General fund in accordance with accounting standards for \$2,054. Lastly, operating investment pool investments were not allocated to fiduciary funds

during 2024 causing an understatement in investment income for \$1,963, an understatement in cash and cash equivalents for \$33,054, and an overstatement of investments for \$31,091.

The Highway fund had adjustments totaling \$(13,557) related to transactions recorded by State agencies during the current fiscal year that related to fiscal year 2024.

The Health and Social Services fund had an adjustment for \$(7,091) due to an overstated due from fund for fiscal year 2024.

For Nonmajor funds, the operating investment pool investments were not allocated to fiduciary funds during 2024 causing an understatement in investment income for \$537, and understatement in cash and cash equivalents for \$9,048, and an overstatement of investments for \$8,511.

PROPRIETARY FUNDS

	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 64	\$ 314	\$ 1,141
Receivables, net of allowance	(462)	-	6,368
Total Current Assets	<u>\$ (398)</u>	<u>\$ 314</u>	<u>\$ 7,509</u>
Noncurrent Assets:			
Long-Term Investments	(60)	(295)	(1,072)
Capital Assets:			
Buildings and Equipment	\$ -	\$ -	\$ (61)
Less Accumulated Depreciation	-	-	(300)
Total Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (361)</u>
Total Noncurrent Assets	<u>\$ (60)</u>	<u>\$ (295)</u>	<u>\$ (1,433)</u>
Total Assets	<u><u>\$ (458)</u></u>	<u><u>\$ 19</u></u>	<u><u>\$ 6,076</u></u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ 2	\$ 4,469
Claims, Judgments and Compensated Absences	(8,461)	508	5,194
Total Current Liabilities	<u>\$ (8,461)</u>	<u>\$ 510</u>	<u>\$ 9,663</u>
Long-Term Liabilities:			
Claims, Judgments and Compensated Absences	\$ -	\$ (68)	\$ (599)
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ (68)</u>	<u>\$ (599)</u>
Total Liabilities	<u><u>\$ (8,461)</u></u>	<u><u>\$ 442</u></u>	<u><u>\$ 9,064</u></u>
OPERATING REVENUES			
Charges for Services	\$ (462)	\$ -	\$ -
Total Operating Revenues	<u><u>\$ (462)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
OPERATING EXPENSES			
Personal Services	\$ -	\$ 439	\$ 4,596
Services and Supplies	-	2	376
Unemployment Claims	(8,461)	-	-
Insurance Claims	-	-	(2,275)
Total Operating Expenses	<u>\$ (8,461)</u>	<u>\$ 441</u>	<u>\$ 2,697</u>
Operating Income (Loss)	<u>\$ 7,999</u>	<u>\$ (441)</u>	<u>\$ (2,697)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	\$ 4	\$ 18	\$ 70
Total Nonoperating Revenues (Expenses)	<u>\$ 4</u>	<u>\$ 18</u>	<u>\$ 70</u>
Change in Net Position	<u><u>\$ 8,003</u></u>	<u><u>\$ (423)</u></u>	<u><u>\$ (2,627)</u></u>

The Unemployment Insurance fund had adjustments totaling \$8,556 for an overstated benefits payable reported in 2024. The Governmental Activities - Internal Service Funds had adjustments for the implementation of a new accounting principle GASB Statement No. 101 totaling \$(4,597) for 2024. The Risk Management fund had adjustments related to transactions recorded by State agencies during the current fiscal year that related to fiscal year 2024. This caused insurance claims to be understated \$1,903, receivables to be understated by \$5,996, and accounts payable to be understated by \$4,093.

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, \$50,000 through the Homeowners Assistance Fund (HAF), and \$48,206 through the Emergency Rental Assistance Program (ERAP). The funds were credited to the Governor's Emergency Program-COVID19. The ARPA law also allocated \$128,740 through the Coronavirus Capital Projects Fund (CPF) on a reimbursement basis.

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, for investing in water, sewer, and broadband infrastructure, emergency relief from natural disasters, surface transportation projects, and for Title I projects. Legislative Bills 1014, 1024, 1412, and 261 approved by the Governor on April 13, 2022, April 18, 2022, April 1, 2024, and May 21, 2025 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. The ERAP funds can be used to support housing stability through payments for rent or utilities.

During the year ended June 30, 2025, \$260,369 Coronavirus State Fiscal Recovery funds were expended, \$259 of the HAF funds were expended, \$22,189 of the CPF funds had been spent, and \$22,215 of the ERAP funds had been expended. The CPF program is funded on a reimbursement basis. The remaining programs were prefunded, and the State held a remaining cash balance of \$344,648 at fiscal year end.

19. Subsequent Events

On August 28, 2025, the State issued certificates of participation (COP) to provide funds for the acquisition of computers, network switches, and a radio tower in the amount of \$8,885. The COP was issued for internal service funds. Interest is payable monthly at 2.98% over the life of the COP. The COP payments started March 2026 and are due through 2030.

On August 7, 2025, the State entered into an agreement with NIFA, similarly described in Note 9, to issue bonds totaling \$11,305. The bonds are expected to be paid by June 2026.



REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended June 30, 2025

(Dollars in Thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 5,627,039	\$ 5,983,159	\$ 5,897,202	\$ (85,957)
Federal Grants and Contracts	115	115	115	-
Sales and Charges	17,091	17,091	17,091	-
Other	111,991	111,991	111,991	-
Total Revenues	<u>5,756,236</u>	<u>6,112,356</u>	<u>6,026,399</u>	<u>(85,957)</u>
EXPENDITURES				
Current:				
General Government	509,359	502,088	567,420	(65,332)
Conservation of Natural Resources	41,549	36,549	27,901	8,648
Culture – Recreation	9,615	9,615	7,557	2,058
Economic Development and Assistance	90,278	88,989	41,516	47,473
Education	2,328,868	2,328,450	2,284,773	43,677
Health and Social Services	2,136,410	2,203,294	2,065,860	137,434
Public Safety	604,365	614,315	474,887	139,428
Regulation of Business and Professions	50,218	50,218	4,730	45,488
Capital Projects	3,292	3,292	-	3,292
Total Expenditures	<u>5,773,954</u>	<u>5,836,810</u>	<u>5,474,644</u>	<u>362,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,718)</u>	<u>275,546</u>	<u>551,755</u>	<u>276,209</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	129,897	129,897	129,897	-
Transfers Out	(1,772,319)	(1,772,319)	(1,772,319)	-
Other	225	225	225	-
Total Other Financing Sources (Uses)	<u>(1,642,197)</u>	<u>(1,642,197)</u>	<u>(1,642,197)</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,659,915)</u>	<u>(1,366,651)</u>	<u>(1,090,442)</u>	<u>276,209</u>
FUND BALANCES, JULY 1	<u>2,754,604</u>	<u>2,754,604</u>	<u>2,754,604</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 1,094,689</u>	<u>\$ 1,387,953</u>	<u>\$ 1,664,162</u>	<u>\$ 276,209</u>

A reconciliation of the budgetary basis versus GAAP fund balance for the General Fund as of June 30, 2025, follows:

Actual Fund Balances, budgetary basis, June 30, 2025	
General	\$ 787,082
Cash Reserve	877,080
Budgetary fund balances	<u>1,664,162</u>
DIFFERENCES DUE TO BASIS OF ACCOUNTING:	
Record taxes receivable	653,542
Record tax refund liability	(738,570)
Record State contributions due to pension fiduciary funds	36,444
Record claims payable	(92,901)
Record other net accrued receivables and liabilities	(365,783)
Record cash funds substantially funded with General Fund transfers	1,723,272
GAAP fund balance, June 30, 2025	<u>\$ 2,880,166</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR BUDGETARY COMPARISONS

For the Year Ended June 30, 2025

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 201.

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 2025, the Legislature passed deficit appropriation bills that increased the allowable expenditure level in several of the programs.

For the year ended 2025, 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, 2025

(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 as very good (90-100), good (70-89), fair (50-69), and poor (0-49).

Calendar Year	2024	2023	2022	2021	2020	2019
Very Good	31 %	28 %	30 %	27 %	41 %	42 %
Good	65 %	68 %	62 %	63 %	41 %	40 %
Fair	3 %	4 %	7 %	9 %	14 %	13 %
Poor	1 %	— %	1 %	1 %	4 %	5 %
Overall System Rating	85	84	84	83	83	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).

Fiscal Year	2026	2025	2024	2023	2022	2021
Estimated	\$ 418	\$ 404	\$ 405	\$ 365	\$ 382	\$ 340
Actual		627	588	580	450	414
Difference		223	183	215	68	74

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

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

Last 10 Fiscal Years

	2024*	2023*	2022*	2021*
State's proportion of the School plan collective net pension liability	17.18 %	17.19 %	17.37 %	17.32 %
State's net pension liability for the Service Annuity plan	100.00 %	100.00 %	100.00 %	100.00 %
State's proportion of the Omaha School Employees Retirement System collective net pension liability	10.86 %	10.34 %	9.84 %	11.31 %
State's total proportionate share of the School plan collective net pension liability/(asset)	\$ (94,591)	\$ 71,317	\$ 140,818	\$ (245,364)
Employer's proportionate share of the School plan collective net pension liability/(asset)	(455,853)	343,516	669,648	(1,170,939)
Total collective net pension liability/(asset) for the School plan	<u>\$ (550,444)</u>	<u>\$ 414,833</u>	<u>\$ 810,466</u>	<u>\$ (1,416,303)</u>
State's net pension liability for the Service Annuity plan	<u>\$ 2,504</u>	<u>\$ 3,570</u>	<u>\$ 5,137</u>	<u>\$ 3,240</u>
State's proportionate share of the Omaha School Employees Retirement System collective net pension liability	\$ 132,713	\$ 122,032	\$ 118,590	\$ 90,454
Employer's proportionate share of the Omaha School Employees Retirement System collective net pension liability	1,089,201	1,057,692	1,086,069	709,651
Total collective net pension liability for the Omaha School Employees Retirement System	<u>\$ 1,221,914</u>	<u>\$ 1,179,724</u>	<u>\$ 1,204,659</u>	<u>\$ 800,105</u>
State's proportionate share, as an employer, of the School plan collective net pension liability/(asset) (a)	\$ (1,424)	\$ 892	\$ 1,834	\$ (3,506)
School plan employer's covered-employee payroll (b)	\$ 7,388	\$ 5,874	\$ 5,970	\$ 6,316
Employer's proportionate share of the School plan collective net pension liability as a percentage of the employer's covered-employee payroll (a) / (b)	(19.27)%	15.19 %	30.72 %	(55.51)%
School plan Fiduciary net position as a percentage of the total pension liability	103.36 %	97.35 %	94.58 %	109.93 %
Service Annuity plan Fiduciary net position as a percentage of the total pension liability	86.01 %	79.63 %	71.68 %	80.94 %
Omaha School Employees Retirement System Fiduciary net position as a percentage of the total pension liability	58.42 %	57.26 %	54.14 %	67.13 %

*Scheduled year is shown as of June 30 except for the Omaha School Employees' Retirement System which has a measurement date of August 31 through year 2021 and changed to December 31 as of 2022.

2020*	2019*	2018*	2017*	2016*	2015*
17.34 %	17.37 %	17.37 %	17.34 %	17.42 %	17.32 %
100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
10.98 %	10.27 %	11.14 %	11.13 %	16.84 %	16.84 %
\$ 270,347	\$ 211,006	\$ 236,269	\$ 274,623	\$ 262,124	\$ 188,604
1,288,322	1,005,006	1,123,670	1,309,143	1,242,717	900,492
<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>\$ 4,789</u>	<u>\$ 4,752</u>	<u>\$ 5,051</u>	<u>\$ 5,512</u>	<u>\$ 3,872</u>	<u>\$ 3,392</u>
\$ 102,780	\$ 97,084	\$ 99,495	\$ 96,462	\$ 114,156	\$ 97,833
833,386	848,152	793,575	770,477	563,804	483,189
<u>\$ 936,166</u>	<u>\$ 945,236</u>	<u>\$ 893,070</u>	<u>\$ 866,939</u>	<u>\$ 677,960</u>	<u>\$ 581,022</u>
\$ 3,906	\$ 3,273	\$ 3,661	\$ 4,391	\$ 4,352	\$ 3,149
\$ 6,212	\$ 6,468	\$ 6,268	\$ 6,258	\$ 6,307	\$ 6,102
62.88 %	50.60 %	58.41 %	70.17 %	69.00 %	51.61 %
88.73 %	90.94 %	89.53 %	87.28 %	86.56 %	89.88 %
71.36 %	71.93 %	69.97 %	66.88 %	73.03 %	76.90 %
59.55 %	57.82 %	59.16 %	58.72 %	63.68 %	67.58 %

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

SCHEDULE OF STATE CONTRIBUTIONS

School Employees Retirement Plan

Last 10 Fiscal Years

	2025	2024	2023	2022
School plan statutorily required contribution	\$ 17,542	\$ 47,735	\$ 45,821	\$ 44,704
Service Annuity plan statutorily required contribution	1,534	1,702	1,965	1,603
Omaha School Employees Retirement System statutorily required contribution	9,073	8,640	7,798	7,534
School plan contributions in relation to the statutorily required contribution	\$ 17,542	\$ 47,735	\$ 45,821	\$ 44,704
Service Annuity plan contributions in relation to the statutorily required contribution	1,534	1,702	1,965	1,603
Omaha School Employees Retirement System contributions in relation to the statutorily required contribution	9,073	8,640	7,798	7,534
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)	\$ 786	\$ 730	\$ 580	\$ 590
School plan employer's covered payroll (b)	7,961	7,388	5,874	5,970
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 %	9.87 %	9.88 %

	2021	2020	2019	2018	2017	2016
\$	43,034	\$ 41,860	\$ 40,544	\$ 39,339	\$ 38,039	\$ 36,920
	1,220	1,216	1,248	1,243	992	997
	7,290	7,302	7,420	7,111	6,897	6,661
\$	43,034	\$ 41,860	\$ 40,544	\$ 39,339	\$ 38,039	\$ 36,920
	1,220	1,216	1,248	1,243	992	997
	7,290	7,302	7,420	7,111	6,897	6,661
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
	—	—	—	—	—	—
	—	—	—	—	—	—
\$	624	\$ 614	\$ 639	\$ 619	\$ 618	\$ 623
	6,316	6,212	6,468	6,268	6,258	6,307
	9.88 %	9.88 %	9.88 %	9.88 %	9.88 %	9.88 %

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

STATE PATROL RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	\$ 11,905	\$ 10,115	\$ 9,631	\$ 9,175
Interest	44,137	39,946	38,601	37,422
Benefit term changes	(76)	—	—	—
Differences between expected and actual experience	2,715	41,702	1,056	2,542
Assumption changes	4,456	4,215	3,851	6,936
Benefit payments, including member refunds	(30,342)	(28,171)	(26,232)	(26,256)
Net change in Total Pension Liability	\$ 32,795	\$ 67,807	\$ 26,907	\$ 29,819
Total Pension Liability - beginning	\$ 635,291	\$ 567,484	\$ 540,576	\$ 510,757
Total Pension Liability - ending (a)	\$ 668,086	\$ 635,291	\$ 567,484	\$ 540,576
Plan Fiduciary Net Position				
Employer contributions	\$ 13,603	\$ 9,254	\$ 8,874	\$ 9,164
Employee contributions	6,349	5,162	5,121	5,082
Net investment income	70,159	47,949	(45,135)	128,452
Benefit payments, including member refunds	(30,342)	(28,171)	(26,231)	(26,256)
Administrative expenses	(134)	(142)	(111)	(158)
Other	19	17	17	15
Net change in Plan Fiduciary Net Position	\$ 59,654	\$ 34,069	\$ (57,465)	\$ 116,299
Plan Fiduciary Net Position - beginning	\$ 528,686	\$ 494,617	\$ 552,082	\$ 435,783
Plan Fiduciary Net Position - ending (b)	\$ 588,340	\$ 528,686	\$ 494,617	\$ 552,082
Net Pension Liability/(Asset) - ending (a) - (b)	\$ 79,746	\$ 106,605	\$ 72,867	\$ (11,506)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	88.06 %	83.22 %	87.16 %	102.13 %
Covered payroll	\$ 38,979	\$ 31,647	\$ 31,560	\$ 31,342
Employers' Net Pension Liability as a percentage of covered payroll	204.59 %	336.86 %	230.88 %	(36.71)%

	2020	2019	2018	2017	2016	2015
\$	8,961	\$ 9,079	\$ 8,795	\$ 7,956	\$ 8,152	\$ 7,563
	36,398	35,166	34,077	32,887	32,114	31,350
	—	—	—	—	—	—
	(6,168)	(2,864)	(4,017)	(1,509)	(8,977)	(10,659)
	—	—	—	27,948	—	—
	(24,953)	(24,954)	(23,829)	(24,139)	(19,577)	(19,459)
\$	14,238	\$ 16,427	\$ 15,026	\$ 43,143	\$ 11,712	\$ 8,795
\$	496,519	\$ 480,092	\$ 465,066	\$ 421,923	\$ 410,211	\$ 401,416
\$	510,757	\$ 496,519	\$ 480,092	\$ 465,066	\$ 421,923	\$ 410,211
\$	9,083	\$ 8,694	\$ 8,953	\$ 7,053	\$ 7,053	\$ 8,647
	4,970	4,710	4,615	4,501	4,366	4,180
	10,177	27,537	33,873	48,680	5,491	13,333
	(24,953)	(24,954)	(23,829)	(24,140)	(19,577)	(19,459)
	(120)	(76)	(89)	(141)	(128)	(117)
	14	18	23	29	27	22
\$	(829)	\$ 15,929	\$ 23,546	\$ 35,982	\$ (2,768)	\$ 6,606
\$	436,612	\$ 420,683	\$ 397,137	\$ 361,155	\$ 363,923	\$ 357,317
\$	435,783	\$ 436,612	\$ 420,683	\$ 397,137	\$ 361,155	\$ 363,923
\$	74,974	\$ 59,907	\$ 59,409	\$ 67,929	\$ 60,768	\$ 46,288
	85.32 %	87.93 %	87.63 %	85.39 %	85.60 %	88.72 %
\$	30,810	\$ 29,302	\$ 28,698	\$ 28,092	\$ 27,048	\$ 26,294
	243.34 %	204.45 %	207.02 %	241.81 %	224.67 %	176.04 %

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

STATE PATROL RETIREMENT PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal years

	2025	2024	2023	2022
Actuarially determined employer contribution	\$ 17,168	\$ 13,603	\$ 9,254	\$ 8,874
Actual employer contributions*	\$ 17,168	\$ 13,603	\$ 9,254	\$ 8,874
Annual contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 42,436	\$ 38,979	\$ 31,647	\$ 31,560
Actual contributions as a percentage of covered-employee payroll	40.46 %	34.90 %	29.24 %	28.12 %

*Includes any additional appropriations by the State beyond the regular, payroll-related contributions.

	2021	2020	2019	2018	2017	2016
\$	9,164	\$ 9,083	\$ 8,694	\$ 8,953	\$ 7,053	\$ 7,053
\$	9,164	\$ 9,083	\$ 8,694	\$ 8,953	\$ 7,053	\$ 7,053
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
\$	31,342	\$ 30,810	\$ 29,302	\$ 28,698	\$ 28,092	\$ 27,048
	29.24 %	29.48 %	29.67 %	31.20 %	25.11 %	26.08 %

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

JUDGES' RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	\$ 6,604	\$ 6,323	\$ 6,260	\$ 5,725
Interest	16,264	15,804	15,421	15,077
Differences between expected and actual experience	1,465	326	(1,366)	(1,806)
Assumption changes	1,202	1,125	1,062	3,554
Benefit payments, including member refunds	(14,402)	(13,679)	(12,669)	(12,066)
Net change in Total Pension Liability	\$ 11,133	\$ 9,899	\$ 8,708	\$ 10,484
Total Pension Liability - beginning	\$ 235,546	\$ 225,647	\$ 216,939	\$ 206,455
Total Pension Liability - ending (a)	\$ 246,679	\$ 235,546	\$ 225,647	\$ 216,939
Plan Fiduciary Net Position				
Employer contributions*	\$ 6,258	\$ 5,478	\$ 3,948	\$ 4,747
Employee contributions	2,461	2,292	2,127	2,029
Net investment income	31,173	21,380	(20,061)	57,339
Benefit payments, including member refunds	(14,402)	(13,679)	(12,669)	(12,066)
Administrative expenses	(98)	(90)	(72)	(117)
Net change in Plan Fiduciary Net Position	\$ 25,392	\$ 15,381	\$ (26,727)	\$ 51,932
Plan Fiduciary Net Position - beginning	\$ 235,107	\$ 219,726	\$ 246,453	\$ 194,521
Plan Fiduciary Net Position - ending (b)	\$ 260,499	\$ 235,107	\$ 219,726	\$ 246,453
Net Pension Liability/(Asset) - ending (a) - (b)	\$ (13,820)	\$ 439	\$ 5,921	\$ (29,514)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	105.60 %	99.81 %	97.38 %	113.60 %
Covered payroll	\$ 28,304	\$ 26,661	\$ 25,258	\$ 24,668
Employers' Net Pension Liability as a percentage of covered payroll	(48.83)%	1.65 %	23.44 %	(119.65)%

*Employer contributions for 2024 consist of \$4,887 in Court Fees and \$1,371 in State Appropriations.

	2020	2019	2018	2017	2016	2015
\$	5,551	\$ 5,641	\$ 5,589	\$ 4,998	\$ 4,721	\$ 4,759
	14,472	14,200	13,721	13,100	12,643	12,171
	(206)	(5,003)	(2,399)	(1,715)	(2,303)	(2,614)
	—	—	—	12,705	—	—
	(11,478)	(10,991)	(10,144)	(9,690)	(9,052)	(8,548)
\$	8,339	\$ 3,847	\$ 6,767	\$ 19,398	\$ 6,009	\$ 5,768
\$	198,116	\$ 194,269	\$ 187,502	\$ 168,104	\$ 162,095	\$ 156,327
\$	206,455	\$ 198,116	\$ 194,269	\$ 187,502	\$ 168,104	\$ 162,095
\$	3,897	\$ 4,389	\$ 4,780	\$ 3,698	\$ 3,459	\$ 3,071
	1,963	1,855	1,815	1,743	1,651	1,611
	4,549	12,436	15,070	21,699	2,454	5,959
	(11,478)	(10,991)	(10,144)	(9,690)	(9,052)	(8,548)
	(82)	(72)	(71)	(85)	(71)	(83)
\$	(1,151)	\$ 7,617	\$ 11,450	\$ 17,365	\$ (1,559)	\$ 2,010
\$	195,672	\$ 188,055	\$ 176,606	\$ 159,241	\$ 160,800	\$ 158,790
\$	194,521	\$ 195,672	\$ 188,056	\$ 176,606	\$ 159,241	\$ 160,800
\$	11,934	\$ 2,444	\$ 6,213	\$ 10,896	\$ 8,863	\$ 1,295
	94.22 %	98.77 %	96.80 %	94.19 %	94.73 %	99.20 %
\$	24,367	\$ 23,216	\$ 23,125	\$ 22,802	\$ 22,178	\$ 21,587
	48.98 %	10.53 %	26.87 %	47.79 %	39.96 %	6.00 %

See independent auditor's report

REQUIRED SUPPLEMENTARY INFORMATION INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

JUDGES' RETIREMENT PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years

	2025	2024	2023	2022
Actuarially determined employer contribution	\$ 4,240	\$ 4,082	\$ 3,911	\$ 3,948
Actual employer contributions	\$ 7,146	\$ 6,258	\$ 5,478	\$ 3,948
Annual contribution deficiency (excess)	\$ (2,906)	\$ (2,176)	\$ (1,567)	\$ —
Covered payroll	\$ 30,022	\$ 28,304	\$ 26,661	\$ 25,258
Actual contributions as a percentage of covered-employee payroll	23.80 %	22.11 %	20.54 %	15.63 %

	2021	2020	2019	2018	2017	2016
\$	4,747	\$ 3,897	\$ 4,389	\$ 4,780	\$ 3,698	\$ 3,459
\$	4,747	\$ 3,897	\$ 4,389	\$ 4,780	\$ 3,698	\$ 3,459
\$	–	\$ –	\$ –	\$ –	\$ –	\$ –
\$	24,668	\$ 24,367	\$ 23,216	\$ 23,125	\$ 22,802	\$ 22,178
	19.24 %	15.99 %	18.90 %	20.67 %	16.22 %	15.59 %

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REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

STATE EMPLOYEES' RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	\$ 104,324	\$ 97,639	\$ 84,172	\$ 77,801
Interest	149,104	145,257	134,353	126,535
Benefit term changes	39,035	-	107,253	68,135
Differences between expected and actual experience	(1,352)	(11,189)	(10,313)	(15,112)
Assumption changes	20,733	13,568	12,812	11,781
Transfers	5,724	8,387	5,849	6,513
Benefit payments, including member refunds	(178,365)	(158,273)	(152,820)	(132,839)
Net change in Total Pension Liability	\$ 139,203	\$ 95,389	\$ 181,306	\$ 142,814
Total Pension Liability - beginning	\$ 2,214,921	\$ 2,119,532	\$ 1,938,226	\$ 1,795,412
Total Pension Liability - ending (a)	\$ 2,354,124	\$ 2,214,921	\$ 2,119,532	\$ 1,938,226
Plan Fiduciary Net Position				
Employer contributions	\$ 72,580	\$ 66,350	\$ 61,843	\$ 52,714
Employee contributions	46,506	42,518	39,604	33,833
Net investment income	243,928	286,699	(262,555)	328,390
Benefit payments, including member refunds	(178,365)	(158,273)	(152,820)	(132,839)
Administrative expenses	(1,994)	(1,749)	(1,636)	(1,496)
Transfers	5,724	8,387	5,849	6,513
Net change in Plan Fiduciary Net Position	\$ 188,379	\$ 243,932	\$ (309,715)	\$ 287,115
Plan Fiduciary Net Position - beginning	\$ 2,213,052	\$ 1,969,120	\$ 2,278,835	\$ 1,991,720
Plan Fiduciary Net Position - ending (b)	\$ 2,401,431	\$ 2,213,052	\$ 1,969,120	\$ 2,278,835
Net Pension Liability/(Asset) - ending (a) - (b)	\$ (47,307)	\$ 1,869	\$ 150,412	\$ (340,609)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.01 %	99.92 %	92.90 %	117.57 %
Covered payroll	\$ 969,287	\$ 886,083	\$ 825,890	\$ 703,979
Employers' Net Pension Liability as a percentage of covered payroll	(4.88)%	0.21 %	18.21 %	(48.38)%

	2020	2019	2018	2017	2016	2015
\$	66,766	\$ 61,854	\$ 61,061	\$ 64,051	\$ 61,768	\$ 57,305
	121,384	116,719	108,435	102,759	98,054	89,967
	33,746	–	56,312	31,485	–	35,893
	(14,022)	(10,590)	(3,987)	(18,939)	(14,007)	721
	21,516	–	–	42,820	–	–
	9,318	5,372	7,735	3,591	5,115	5,849
	(112,331)	(113,827)	(121,911)	(94,359)	(84,773)	(85,278)
\$	126,377	\$ 59,528	\$ 107,645	\$ 131,408	\$ 66,157	\$ 104,457
\$	1,669,035	\$ 1,609,507	\$ 1,501,862	\$ 1,370,455	\$ 1,304,298	\$ 1,199,841
\$	1,795,412	\$ 1,669,035	\$ 1,609,507	\$ 1,501,863	\$ 1,370,455	\$ 1,304,298
\$	51,506	\$ 48,890	\$ 46,581	\$ 45,438	\$ 44,894	\$ 43,340
	33,007	31,334	29,854	29,128	28,776	27,799
	221,997	286,205	(63,591)	237,283	112,758	14,784
	(112,331)	(113,827)	(121,911)	(94,359)	(84,773)	(85,278)
	(1,520)	(1,374)	(1,399)	(1,293)	(1,134)	(1,079)
	9,318	5,372	7,735	3,591	5,115	5,849
\$	201,977	\$ 256,600	\$ (102,731)	\$ 219,788	\$ 105,636	\$ 5,415
\$	1,789,743	\$ 1,533,143	\$ 1,635,874	\$ 1,416,087	\$ 1,310,451	\$ 1,305,036
\$	1,991,720	\$ 1,789,743	\$ 1,533,143	\$ 1,635,875	\$ 1,416,087	\$ 1,310,451
\$	(196,308)	\$ (120,708)	\$ 76,364	\$ (134,012)	\$ (45,632)	\$ (6,153)
	110.93 %	107.23 %	95.26 %	108.92 %	103.33 %	100.47 %
\$	687,847	\$ 652,909	\$ 622,068	\$ 606,807	\$ 599,550	\$ 578,789
	(28.54)%	(18.49)%	12.28 %	(22.08)%	(7.61)%	(1.06)%

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REQUIRED SUPPLEMENTARY INFORMATION INFORMATION ABOUT PENSION PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

STATE EMPLOYEES' RETIREMENT PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years

	2025	2024	2023	2022
Actuarially determined employer contribution	\$ 58,542	\$ 57,102	\$ 40,400	\$ 39,028
Actual employer contributions*	\$ 75,191	\$ 70,210	\$ 63,024	\$ 56,417
Annual contribution deficiency (excess)	\$ (16,649)	\$ (13,108)	\$ (22,624)	\$ (17,389)
Covered-employee payroll	\$ 1,004,157	\$ 937,633	\$ 841,671	\$ 753,441
Actual contributions as a percentage of covered-employee payroll	7.49 %	7.49 %	7.49 %	7.49 %

*Provided by Nebraska Public Employees Retirement System

	2021	2020	2019	2018	2017	2016
\$	35,374	\$ 37,255	\$ 30,307	\$ 30,314	\$ 33,205	\$ 29,117
\$	52,142	\$ 50,355	\$ 47,279	\$ 46,043	\$ 45,208	\$ 44,314
\$	(16,768)	\$ (13,100)	\$ (16,972)	\$ (15,729)	\$ (12,002)	\$ (15,197)
\$	696,341	\$ 672,470	\$ 631,395	\$ 614,895	\$ 603,735	\$ 591,799
	7.49 %	7.49 %	7.49 %	7.49 %	7.49 %	7.49 %

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR PENSION PLANS

For the Year Ended June 30, 2025

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:

- 2025: Legislative Bill 645 (LB 645), which was passed by the 2025 Nebraska Legislature, provides for varying contribution rates for members, School Districts and the State based on the actuarial funded status of the System, effective July 1, 2025.
- 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.

Changes in actuarial assumptions:

7/1/2025 valuation:

- Investment return assumption was lowered from 7.00% to 6.95%
- The productivity assumption for salary increases was increased by 0.10%.
- Retirement rates for active members were adjusted to partially reflect observed experience.
- Termination rates for active members were adjusted to partially reflect observed experience.

7/1/2024 valuation:

- Price inflation decrease from 2.45% to 2.35%
- Long-term investment return decreased from 7.10% to 7.00%
- General Wage Growth decreased from 2.95% to 2.85%
- Payroll growth decreased from 2.95% to 2.85%
- Cost of living adjustment assumption decreased to 2.00% for Tier 1 members.

7/1/2023 valuation:

- Price inflation decreased from 2.55% to 2.45%.
- Long-term investment return decreased from 7.20% to 7.10%.
- General wage growth decreased from 3.05% to 2.95%.
- Payroll growth decreased from 3.05% to 2.95%.
- Cost of living adjustment assumption decreased to 2.05% for Tier 1 members.

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%.

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- 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 assumed 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, 2025 (based on the July 1, 2024 actuarial valuation):

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 12 to 26 years (Single Equivalent Amortization Period is 1 year)
Asset valuation method	5-year smoothed fair value
Price Inflation	2.35 percent
Wage Inflation	2.85 percent
Salary increase, including inflation	2.85 to 12.85 percent
Long-term investment rate of return, net of investment expense, and including inflation	7.00 percent
Cost-of-living adjustments	Service annuity – none Formula annuity – For members hired before January 1, 2013, it is 2.05% 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:

2021: Legislative Bill 17 (LB 17), which was passed by the 2021 Nebraska Legislature, changed the amortization period or 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.

Changes in actuarial assumptions:

1/1/2024 valuation:

- Price inflation decreased from 2.45% to 2.35%.
- Long-term investment return decreased from 7.10% to 7.00%.
- General wage growth decreased from 2.95% to 2.85%.
- Payroll Growth decreased from 2.95% to 2.85%.

1/1/2023 valuation:

- Price inflation decreased from 2.55% to 2.45%.
- Long-term investment return decreased from 7.20% to 7.10%.
- General wage growth decreased from 3.05% to 2.95%.
- Payroll Growth decreased from 3.05% to 2.95%.

1/1/2022 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%.

1/1/2021 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 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, 2025 (based on the July 1, 2024 actuarial valuation).

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 12 to 26 years (Single Equivalent Amortization Period is 1 year)
Asset valuation method	5-year smoothed fair value
Price inflation	2.35 percent
Wage Inflation	2.85 percent
Salary increase, including wage inflation	2.85 to 12.85 percent
Long-term rate of return, net of investment expense, and including inflation	7.00 percent
Cost-of-living Adjustments	None

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:

2022: The 2021 session of the Nebraska Legislature enacted Legislative Bill 147 (LB 147), which modified the eligibility requirements to participate in the System. Employees who are contracted for less than 30 hours per week are eligible to participate in the System if they average more than 30 hours per week during any three calendar months of a fiscal year. No census data was received to allow quantification of the impact of LB 147 on the January 1, 2022 valuation.

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.

Changes in actuarial assumptions:

1/1/2024 valuation:

- The investment return assumption was lowered from 7.30% to 7.20%.
- The inflation assumption was lowered from 2.60% to 2.55%.
- The assumed interest rate credited on employee contributions was lowered from 2.60% to 2.55%.
- The general wage increase assumption was lowered from 3.10% to 3.05%.

1/1/2023 valuation:

- The investment return assumption was lowered from 7.40% to 7.30%.
- The inflation assumption was lowered from 2.70% to 2.60%.
- The assumed interest rate credited on employee contributions was lowered from 2.70% to 2.60%.
- The general wage increase assumption was lowered from 3.20% to 3.10%.

1/1/2022 valuation:

- The investment return assumption was lowered from 7.50% to 7.40%.
- The inflation assumption was lowered from 2.75% to 2.70%.
- The assumed interest rate credited on employee contributions was lowered from 2.75% to 2.70%.
- The general wage increase assumption was lowered from 3.25% to 3.20%.
- The mortality assumption was changed to the Pub-2010 General Members (Median) Mortality Tables with generational mortality improvements modeled using the NPERs projection scale. No generational mortality improvement is reflected for disabled members.

- Retirement rates were modified for both Certificated and Classified employees.
- Termination rates were modified for both Certificated and Classified employees.
- The probability of a vested member electing a refund upon termination was adjusted for both Certificated and Classified members and is now based on years of service.
- The active member marriage assumption was reduced from 100% to 85%.
- The salary increase assumption was changed to reflect the lower general wage inflation, and the merit salary scale was 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 0.24% of pay.
- The amortization period for future amortization bases was reduced from 30 to 25 years.

1/1/2021 valuation:

- Valuation salaries are imputed using each member's contribution amount during the prior year. For members who did not work a full year, their salaries are annualized using current salary rates.

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.

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 contributes 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, December 31, 2024 (based on the January 1, 2024 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. Subsequent bases established prior to January 1, 2022 are amortized over a closed 30-year period beginning on the valuation date. All bases established on or after January 1, 2022 are amortized over a closed 25-year period beginning on the valuation date.
Asset valuation method	Market related smoothed fair value
Price inflation	2.55 percent
Salary increases, including wage inflation	3.05 to 6.45 percent
Long-term rate of return, net of investment expense, and including inflation	7.20 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:

- 2025: The 2025 Legislature passed Legislative Bill 645 (LB 645) which changed the pre-retirement and post-retirement death benefits that currently provide for a survivor benefit from 75% of the member's benefit to a 100% survivor benefit.
- 2024: The 2024 Legislature passed Legislative Bill 196 (LB 196) which decreased the member contribution rate to 10.00% of covered pay and increased the employer contribution rate to 24.00% of pay.
- 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 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.

Changes in actuarial assumptions:

7/1/2025 valuation:

- Long-term investment return decreased from 7.00% to 6.95%.
- Salary increase assumption was adjusted to better reflect observed experience.
- Administrative expenses assumption was increased from 0.26% to 0.35% of payroll.

7/1/2024 valuation:

- Price inflation decreased from 2.45% to 2.35%.
- Long-term investment return decreased from 7.10% to 7.00%.
- Covered payroll growth assumption decreased from 2.95% to 2.85%.
- General wage inflation decreased from 2.95% to 2.85%.
- Cost of living adjustment assumption decreased to 2.00% for Tier 1 members.

7/1/2023 valuation:

- Price inflation decreased from 2.55% to 2.45%.
- Long-term investment return decreased from 7.20% to 7.10%.
- Covered payroll growth assumption decreased from 3.05% to 2.95%.

- General wage inflation decreased from 3.05% to 2.95%.
- Cost of living adjustment assumption decreased to 2.05% for Tier 1 members.

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, 2025 (based on the July 1, 2024 actuarial valuation).

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 12 to 25 years (Single Equivalent Amortization Period is 18 years)
Asset valuation method	5-year smoothed fair value
Price inflation	2.35 percent
Wage Inflation	2.85 percent
Salary increases, including wage inflation	2.85 to 8.35 percent
Long-term rate of return, net of investment expense, and including price inflation	7.00 percent
Cost-of-living adjustments	2.00% 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.

Changes in actuarial assumptions:

7/1/2025 valuation:

- Long-term investment return decreased from 7.00% to 6.95%.
- Salary increase assumption was increased from a flat 3.10% to 3.20%.
- Administrative expenses assumption was increased from 0.31% to 0.32% of payroll.
- Retirement rates were adjusted to better reflect observed experience.

7/1/2024 valuation:

- Price inflation decreased from 2.45% to 2.35%.
- Long-term investment return decreased from 7.10% to 7.00%.
- General wage growth decreased from 2.95% to 2.85%.
- Payroll growth decreased from 2.95% to 2.85%.
- Salary increases were lowered from a flat 3.20% to 3.10%.
- Cost of living adjustment assumption decreased to 2.00% for Tier 1 members.

7/1/2023 valuation:

- Price inflation decreased from 2.55% to 2.45%.
- Long-term investment return decreased from 7.20% to 7.10%.
- General wage growth decreased from 3.05% to 2.95%.
- Payroll growth decreased from 3.05% to 2.95%.
- Salary increases were lowered from a flat 3.30% to 3.20%.
- Cost of living adjustment assumption decreased to 2.05% for Tier 1 members.

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 Measurement Date, June 30, 2025 (based on the July 1, 2024 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 fair value
Price Inflation	2.35 percent
Wage Inflation	2.85 percent
Salary increases, including wage inflation	3.10 percent
Long-term rate of return, net of investment expense, and including price inflation	7.00 percent
Cost-of-living adjustments	2.00% 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:

- 2025: The Board granted a dividend of 2.48% in 2024 that was first reflected in the January 1, 2025 valuation.
- 2023: The Board granted a dividend of 7.50% in 2022 that was first reflected in the January 1, 2023 valuation.
- 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.

Changes in actuarial assumptions:

1/1/2025 valuation:

- Investment return assumption was lowered from 7.00% to 6.95%.
- General wage inflation was increased from 2.85% to 2.95%.
- Retirement rates were adjusted to better reflect observed experience.
- The proportion of retirement benefits assumed to be paid out as a lump sum was lowered from 50% to 45%.

1/1/2024 valuation:

- Price inflation assumption was lowered from 2.45% to 2.35%.
- Investment return assumption was lowered from 7.10% to 7.00%.
- Interest crediting rate on Cash Balance accounts decreased from 6.05% to 6.00%.
- General wage inflation was lowered from 2.95% to 2.85%.

1/1/2023 valuation:

- Price inflation assumption was lowered from 2.55% to 2.45%.
- Investment return assumption was lowered from 7.20% to 7.10%.
- Interest crediting rate on Cash Balance accounts decreased from 6.10% to 6.05%.
- General wage inflation was lowered from 3.05% to 2.95%.

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%.

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- 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.

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, 2024 to December 31, 2024 (based on the January 1, 2024 actuarial valuation).

Actuarial cost method	Entry age
Amortization method	Level dollar amount, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed fair value
Price inflation	2.35 percent
Wage inflation	2.85 percent
Salary increases, including wage inflation	2.85 to 9.20 percent
Long-term rate of return, net of investment expense, and including price inflation	7.00 percent
Interest crediting rate, including dividends	6.00 percent

REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT OTHER POSTEMPLOYMENT BENEFIT PLANS

For the Year Ended June 30, 2025

(Dollars in Thousands)

STATE OF NEBRASKA RETIREE HEALTH INSURANCE PROGRAM

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB LIABILITY

	2025	2024	2023	2022
Reporting Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB Liability				
Service cost	\$ 1,628	\$ 1,602	\$ 1,606	\$ 1,484
Interest	980	960	546	508
Change of benefit terms	—	—	—	321
Differences between expected and actual experience	2,020	—	1,156	—
Changes of assumptions	2,224	(566)	609	1,595
Estimated benefit payments, including refunds of member contributions	(2,283)	(2,302)	(1,867)	(1,606)
Net change in Total OPEB Liability	<u>\$ 4,569</u>	<u>\$ (306)</u>	<u>\$ 2,050</u>	<u>\$ 2,302</u>
Total OPEB Liability - beginning	\$ 26,350	\$ 26,656	\$ 24,606	\$ 22,304
Total OPEB Liability - ending (a)	\$ 30,919	\$ 26,350	\$ 26,656	\$ 24,606
Plan Fiduciary Net Position				
Estimated contributions	\$ 2,283	\$ 2,302	\$ 1,867	\$ 1,606
Estimated benefit payments, including refunds of member contributions	(2,283)	(2,302)	(1,867)	(1,606)
Net change in Plan Fiduciary Net Position	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Plan Fiduciary Net Position - beginning	—	—	—	—
Plan Fiduciary Net Position - ending (b)	—	—	—	—
Net OPEB Liability - ending (a) - (b)	\$ 30,919	\$ 26,350	\$ 26,656	\$ 24,606
Covered employee payroll	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

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

2021		2020		2019		2018	
June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 912	\$ 805	\$ 975	\$ 1,042				
530	549	533	438				
—	—	(456)	—				
1,265	—	2,150	—				
5,958	652	(2,594)	(695)				
(1,177)	(1,127)	(1,157)	(1,218)				
<u>\$ 7,488</u>	<u>\$ 879</u>	<u>\$ (549)</u>	<u>\$ (433)</u>				
\$ 14,816	\$ 13,937	\$ 14,486	\$ 14,919				
\$ 22,304	\$ 14,816	\$ 13,937	\$ 14,486				
\$ 1,117	\$ 1,127	\$ 1,157	\$ 1,218				
(1,117)	(1,127)	(1,157)	(1,218)				
—	—	—	—				
—	—	—	—				
\$ 22,304	\$ 14,816	\$ 13,937	\$ 14,486				
N/A	N/A	N/A	N/A				
N/A	N/A	N/A	N/A				

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR OTHER POSTEMPLOYMENT BENEFIT PLANS

For the Year Ended June 30, 2025

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, 2024.

Changes of benefit and funding terms:

6/30/2024 valuation:

- DPC plans Standard and Select were eliminated.
- The individual in-network deductible for the Consumer-Focused plan increased from \$3,000 to \$3,200.

6/30/2023 valuation:

- Copays for the Regular and Wellness plans were reduced by \$10.
- The maternity copay of \$500 on the wellness plan was eliminated.
- Limits on PT/OP/ST were extended by 10 sessions for the Wellness and Regular plans.
- The individual in-network deductible for the Consumer-Focused plan increased from \$2,800 to \$3,000.
- The preventive drug list was expanded.

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 HSA/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:

6/30/2024 valuation:

- Medical, prescription drug and administrative costs were updated to reflect recent experience.
- Medical, prescription drug, and administrative cost trend rates were updated to reflect recent experience and future expectations.
- The salary scale assumption was updated to reflect the most recent valuation of the State Cash Balance Plan.
- The discount rate was updated from 3.65% to 3.93%.

6/30/2023 valuation:

- The discount rate was updated from 3.54% to 3.65%.
- The salary scale assumption was updated to reflect the most recent valuation of the State Cash Balance Plan.

6/30/2022 valuation:

- Medical, prescription drug, and administrative costs were updated to reflect recent experience.
- The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse.
- Medical, prescription drug, and administrative cost trend rates were updated to reflect recent experience and future expectations.
- The discount rate was updated from 2.16% to 3.54%.

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, 2024:

Data	Detailed census data, premium data and/or claim experience, and summary plan descriptions for OPEB were provided by the State.
Actuarial cost method	Entry Age Normal, Level Percentage of Pay
Asset valuation method	N/A
Measurement date	June 30, 2024
Actuarial valuation date	June 30, 2024
Discount rate	3.93%
Payroll Growth Rate	2.85%
Salary increases	Service-based table, decreasing from 9.20% to ultimate of 2.85% 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	6.00% decreasing by 0.25% for 6 years to an ultimate of 4.50%
Prescription drug	10.00% decreasing by 0.50% for 11 years to an ultimate of 4.50%
Administrative costs	3.00% each year



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.

Cultural Preservation Endowment Fund. This fund receives monies appropriated or transferred by the Legislature. This fund is under the control of the Nebraska Arts Council, which is a part of the primary government. Income on these funds is used for administration of the Council.

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, Permanent Endowment, Nebraska Environmental Endowment, and Miscellaneous Permanent Trust.

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2025

(Dollars in Thousands)

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUNDS	TOTALS
Assets				
Cash and Cash Equivalents	\$ 122,908	\$ 71,597	\$ 512	\$ 195,017
Cash on Deposit with Fiscal Agents	110	—	—	110
Investments	815,784	488,021	90,103	1,393,908
Securities Lending Collateral	142,940	85,602	6,130	234,672
Receivables, net of allowance:				
Taxes	8,235	—	—	8,235
Due from Federal Government	1,698	—	—	1,698
Loans	567,538	—	—	567,538
Leases	867	—	—	867
Other	40,019	3,909	9,723	53,651
Due from Other Funds	15,981	—	—	15,981
Inventories	3,229	—	—	3,229
Prepaid Items	47	—	—	47
Other	20	—	—	20
Total Assets	\$ 1,719,376	\$ 649,129	\$ 106,468	\$ 2,474,973
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 60,976	\$ 10,587	\$ 11,880	\$ 83,443
Deposits	1,259	—	—	1,259
Due to Other Funds	88,648	15	14	88,677
Obligations under Reverse Repurchase Agreements	—	—	82	82
Obligations under Securities Lending	142,940	85,602	6,130	234,672
Construction Payable	237	5,350	—	5,587
Pollution Remediation Payable	629	—	—	629
Unearned Revenue	27	—	—	27
Total Liabilities	294,716	101,554	18,106	414,376
Deferred Inflows of Resources				
Revenues not yet available	14,162	—	—	14,162
Fund Balances:				
Nonspendable:				
Inventories and Prepaid Items	3,276	—	—	3,276
Endowment Principal	—	—	36,802	36,802
Restricted for:				
Education	27,946	—	5,131	33,077
Health and Social Services	2,900	—	46,024	48,924
Conservation of Natural Resources	906,309	—	170	906,479
Transportation	44,213	—	—	44,213
Licensing and Regulation	181,050	—	—	181,050
Economic Development	80,690	—	—	80,690
Public Safety	46,780	—	—	46,780
Culture – Recreation	32,544	—	433	32,977
Other Purposes	54,850	—	13	54,863
Committed to:				
Other Purposes	—	547,575	—	547,575
Assigned to:				
Education	765	—	—	765
Health and Social Services	740	—	—	740
Licensing and Regulation	22,860	—	—	22,860
Economic Development	6	—	—	6
Public Safety	5,124	—	—	5,124
Culture – Recreation	12	—	—	12
Other Purposes	433	—	—	433
Unassigned	—	—	(211)	(211)
Total Fund Balances	1,410,498	547,575	88,362	2,046,435
Total Liabilities and Fund Balances	\$ 1,719,376	\$ 649,129	\$ 106,468	\$ 2,474,973

State of Nebraska

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUNDS	TOTALS
REVENUES				
Sales and Use Taxes	\$ 35,037	\$ -	\$ -	\$ 35,037
Petroleum Taxes	15,244	-	-	15,244
Excise Taxes	75,681	9,163	-	84,844
Business and Franchise Taxes	49,841	-	-	49,841
Other Taxes	16,302	-	-	16,302
Federal Grants and Contracts	3,360	-	-	3,360
Licenses, Fees and Permits	196,851	-	-	196,851
Charges for Services	62,892	-	-	62,892
Investment Income	62,815	36,320	7,926	107,061
Rental Income	21,871	6,616	-	28,487
Surcharge	67,588	-	-	67,588
Other	16,681	104	5	16,790
Total Revenues	624,163	52,203	7,931	684,297
EXPENDITURES				
Current:				
General Government	113,059	-	8	113,067
Conservation of Natural Resources	76,181	-	12	76,193
Culture – Recreation	52,795	-	78	52,873
Economic Development and Assistance	85,516	-	-	85,516
Education	33,101	-	255	33,356
Higher Education - Colleges and University	-	4,372	-	4,372
Health and Social Services	1,915	-	2,200	4,115
Public Safety	63,276	-	-	63,276
Regulation of Business and Professions	219,184	-	-	219,184
Transportation	5,400	-	90	5,490
Capital Projects	-	85,894	-	85,894
Debt Service:				
Principal - Bonds	6,400	-	-	6,400
Interest - Bonds	257	-	-	257
Principal - Lease Financing	713	379	-	1,092
Interest - Lease Financing	78	82	-	160
Principal - Subscription Financing	1,020	-	-	1,020
Interest - Subscription Financing	52	-	-	52
Total Expenditures	658,947	90,727	2,643	752,317
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,784)	(38,524)	5,288	(68,020)
OTHER FINANCING SOURCES (USES)				
Transfers In	124,650	33,459	1,000	159,109
Transfers Out	(150,216)	(7,260)	(5,072)	(162,548)
Bond Issuance	6,400	-	-	6,400
Financed Purchases	2,174	-	-	2,174
Insurance Proceeds/Recoveries	895	-	-	895
Sale of Capital Assets	1,777	-	-	1,777
Total Other Financing Sources (Uses)	(14,320)	26,199	(4,072)	7,807
Net Change in Fund Balances	(49,104)	(12,325)	1,216	(60,213)
FUND BALANCES, JULY 1	1,452,140	559,516	87,350	2,099,006
RESTATEMENTS	7,462	384	(204)	7,642
FUND BALANCES, JUNE 30	\$ 1,410,498	\$ 547,575	\$ 88,362	\$ 2,046,435

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2025

(Dollars in Thousands)

	LICENSING AND REGULATION	ECONOMIC DEVELOPMENT	AIRPORT DEVELOPMENT
Assets			
Cash and Cash Equivalents	\$ 25,947	\$ 4,883	\$ 1,807
Cash on Deposit with Fiscal Agents	-	-	-
Investments	166,982	34,811	12,303
Securities Lending Collateral	29,290	6,106	2,158
Receivables, net of allowance:			
Taxes	3,019	1,190	160
Due from Federal Government	-	-	-
Loans	-	-	1,417
Leases	-	-	301
Other	26,781	2,542	348
Due from Other Funds	1,578	930	2,210
Inventories	99	-	-
Prepaid Items	-	-	-
Other	13	-	-
Total Assets	<u>\$ 253,709</u>	<u>\$ 50,462</u>	<u>\$ 20,704</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 19,382	\$ 5,494	\$ 51
Deposits	1,230	-	-
Due to Other Funds	7,626	35	3
Obligations under Securities Lending	29,290	6,106	2,158
Construction Payable	-	-	-
Pollution Remediation Payable	629	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>58,157</u>	<u>11,635</u>	<u>2,212</u>
Deferred Inflows of Resources			
Revenues not yet available	11,150	31	295
Fund Balances:			
Nonspendable:			
Inventories and Prepaid Items	99	-	-
Restricted for:			
Education	-	-	-
Health and Social Services	-	-	-
Conservation of Natural Resources	325	-	-
Transportation	-	-	18,197
Licensing and Regulation	161,118	-	-
Economic Development	-	38,790	-
Public Safety	-	-	-
Culture – Recreation	-	-	-
Other Purposes	-	-	-
Assigned to:			
Education	-	-	-
Health and Social Services	-	-	-
Licensing and Regulation	22,860	-	-
Economic Development	-	6	-
Public Safety	-	-	-
Culture – Recreation	-	-	-
Other Purposes	-	-	-
Total Fund Balances	<u>184,402</u>	<u>38,796</u>	<u>18,197</u>
Total Liabilities and Fund Balances	<u>\$ 253,709</u>	<u>\$ 50,462</u>	<u>\$ 20,704</u>

GAME AND PARKS	ENVIRONMENTAL QUALITY	ENERGY CONSERVATION	OTHER SPECIAL REVENUE	TOTALS
\$ 20,258	\$ 23,052	\$ 1,367	\$ 45,594	\$ 122,908
-	-	-	110	110
129,709	151,919	9,242	310,818	815,784
22,752	26,648	1,621	54,365	142,940
1,069	13	-	2,784	8,235
1,698	-	-	-	1,698
-	537,275	28,698	148	567,538
121	-	-	445	867
1,667	1,477	93	7,111	40,019
5,653	21	-	5,589	15,981
488	-	-	2,642	3,229
47	-	-	-	47
-	-	-	7	20
<u>\$ 183,462</u>	<u>\$ 740,405</u>	<u>\$ 41,021</u>	<u>\$ 429,613</u>	<u>\$ 1,719,376</u>
\$ 9,790	\$ 4,429	\$ 1,234	\$ 20,596	\$ 60,976
-	-	-	29	1,259
1,512	75	1	79,396	88,648
22,752	26,648	1,621	54,365	142,940
237	-	-	-	237
-	-	-	-	629
-	-	-	27	27
<u>34,291</u>	<u>31,152</u>	<u>2,856</u>	<u>154,413</u>	<u>294,716</u>
119	-	-	2,567	14,162
535	-	-	2,642	3,276
-	-	-	27,946	27,946
-	-	-	2,900	2,900
118,434	708,357	38,165	41,028	906,309
-	-	-	26,016	44,213
-	602	-	19,330	181,050
-	-	-	41,900	80,690
16	-	-	46,764	46,780
30,067	-	-	2,477	32,544
-	294	-	54,556	54,850
-	-	-	765	765
-	-	-	740	740
-	-	-	-	22,860
-	-	-	-	6
-	-	-	5,124	5,124
-	-	-	12	12
-	-	-	433	433
<u>149,052</u>	<u>709,253</u>	<u>38,165</u>	<u>272,633</u>	<u>1,410,498</u>
<u>\$ 183,462</u>	<u>\$ 740,405</u>	<u>\$ 41,021</u>	<u>\$ 429,613</u>	<u>\$ 1,719,376</u>

State of Nebraska

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	LICENSING AND REGULATION	ECONOMIC DEVELOPMENT	AIRPORT DEVELOPMENT
REVENUES			
Sales and Use Taxes	\$ -	\$ 8,176	\$ 1,985
Petroleum Taxes	12,702	568	1,651
Excise Taxes	28,302	36,900	-
Business and Franchise Taxes	6,302	84	-
Other Taxes	-	-	-
Federal Grants and Contracts	40	99	-
Licenses, Fees and Permits	101,677	565	29
Charges for Services	2,803	700	190
Investment Income	13,034	8,065	478
Rental Income	-	3	536
Surcharge	66,291	-	-
Other	1,127	280	150
Total Revenues	232,278	55,440	5,019
EXPENDITURES			
Current:			
General Government	-	-	-
Conservation of Natural Resources	625	-	-
Culture – Recreation	-	-	-
Economic Development and Assistance	-	85,309	-
Education	-	-	-
Health and Social Services	-	-	-
Public Safety	-	-	-
Regulation of Business and Professions	204,062	-	-
Transportation	-	-	3,034
Debt Service:			
Principal - Bonds	-	-	-
Interest - Bonds	-	-	-
Principal - Lease Financing	115	-	8
Interest - Lease Financing	17	-	6
Principal - Subscription Financing	282	-	-
Interest - Subscription Financing	17	-	-
Total Expenditures	205,118	85,309	3,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,160	(29,869)	1,971
OTHER FINANCING SOURCES (USES)			
Transfers In	1,195	5,395	169
Transfers Out	(66,952)	(41,445)	-
Bond Issuance	-	-	-
Financed Purchases	1,461	-	-
Insurance Proceeds/Recoveries	-	-	-
Sale of Capital Assets	102	-	-
Total Other Financing Sources (Uses)	(64,194)	(36,050)	169
Net Change in Fund Balances	(37,034)	(65,919)	2,140
FUND BALANCES, JULY 1	216,286	106,372	14,594
RESTATEMENTS	5,150	(1,657)	1,463
FUND BALANCES, JUNE 30	\$ 184,402	\$ 38,796	\$ 18,197

	GAME AND PARKS	ENVIRONMENTAL QUALITY	ENERGY CONSERVATION	OTHER SPECIAL REVENUE	TOTALS
\$	6,446	\$ -	\$ -	\$ 18,430	\$ 35,037
	-	-	300	23	15,244
	1,309	3,196	-	5,974	75,681
	-	3,176	-	40,279	49,841
	-	-	-	16,302	16,302
	2,423	-	-	798	3,360
	35,938	5,433	-	53,209	196,851
	3,690	-	32	55,477	62,892
	8,077	11,820	937	20,404	62,815
	19,328	-	-	2,004	21,871
	-	-	-	1,297	67,588
	3,190	3,792	531	7,611	16,681
	80,401	27,417	1,800	221,808	624,163
	-	176	-	112,883	113,059
	48,575	21,423	569	4,989	76,181
	49,743	-	-	3,052	52,795
	-	-	-	207	85,516
	-	-	-	33,101	33,101
	-	-	-	1,915	1,915
	-	-	-	63,276	63,276
	-	646	-	14,476	219,184
	-	-	-	2,366	5,400
	-	6,400	-	-	6,400
	-	257	-	-	257
	1	-	-	589	713
	-	-	-	55	78
	-	-	-	738	1,020
	-	-	-	35	52
	98,319	28,902	569	237,682	658,947
	(17,918)	(1,485)	1,231	(15,874)	(34,784)
	22,810	40,915	-	54,166	124,650
	(8,270)	(140)	(125)	(33,284)	(150,216)
	-	6,400	-	-	6,400
	-	-	-	713	2,174
	-	-	-	895	895
	403	-	-	1,272	1,777
	14,943	47,175	(125)	23,762	(14,320)
	(2,975)	45,690	1,106	7,888	(49,104)
	152,179	662,118	37,052	263,539	1,452,140
	(152)	1,445	7	1,206	7,462
\$	149,052	\$ 709,253	\$ 38,165	\$ 272,633	\$ 1,410,498

State of Nebraska

COMBINING BALANCE SHEET NONMAJOR PERMANENT FUNDS

June 30, 2025

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS' AID	CULTURAL PRESERVATION ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
Assets						
Cash and Cash Equivalents	\$ -	\$ 421	\$ -	\$ 17	\$ 74	\$ 512
Investments	5,951	59,169	15,880	3,975	5,128	90,103
Securities Lending Collateral	2,565	2,565	581	162	257	6,130
Other Receivables, net of allowance	47	6,760	1,896	462	558	9,723
Total Assets	\$ 8,563	\$ 68,915	\$ 18,357	\$ 4,616	\$ 6,017	\$ 106,468
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ 8,268	\$ 2,327	\$ 592	\$ 693	\$ 11,880
Due to Other Funds	14	-	-	-	-	14
Obligations under Reverse Repurchase Agreements	-	58	16	3	5	82
Obligations under Securities Lending	2,565	2,565	581	162	257	6,130
Total Liabilities	2,579	10,891	2,924	757	955	18,106
Fund Balances:						
Nonspendable:						
Endowment Principal	6,195	12,000	15,000	722	2,885	36,802
Restricted for:						
Education	-	-	-	3,137	1,994	5,131
Health and Social Services	-	46,024	-	-	-	46,024
Conservation of Natural Resources	-	-	-	-	170	170
Culture - Recreation	-	-	433	-	-	433
Other Purposes	-	-	-	-	13	13
Unassigned	(211)	-	-	-	-	(211)
Total Fund Balances	5,984	58,024	15,433	3,859	5,062	88,362
Total Liabilities and Fund Balances	\$ 8,563	\$ 68,915	\$ 18,357	\$ 4,616	\$ 6,017	\$ 106,468

State of Nebraska

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS' AID	CULTURAL PRESERVATION ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
REVENUES						
Investment Income	\$ 429	\$ 5,288	\$ 1,402	\$ 357	\$ 450	\$ 7,926
Other	–	2	–	–	3	5
Total Revenues	<u>429</u>	<u>5,290</u>	<u>1,402</u>	<u>357</u>	<u>453</u>	<u>7,931</u>
EXPENDITURES						
General Government	–	–	–	–	8	8
Conservation of Natural Resources	–	–	–	–	12	12
Culture - Recreation	–	–	78	–	–	78
Education	–	–	–	164	91	255
Health and Social Services	–	2,200	–	–	–	2,200
Transportation	90	–	–	–	–	90
Total Expenditures	<u>90</u>	<u>2,200</u>	<u>78</u>	<u>164</u>	<u>111</u>	<u>2,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	339	3,090	1,324	193	342	5,288
OTHER FINANCING SOURCES (USES)						
Transfers In	–	–	1,000	–	–	1,000
Transfers Out	(169)	(4,000)	(903)	–	–	(5,072)
Net Change in Fund Balances	170	(910)	1,421	193	342	1,216
FUND BALANCES, JULY 1	5,814	59,098	14,012	3,674	4,752	87,350
RESTATEMENTS	–	(164)	–	(8)	(32)	(204)
FUND BALANCES, JUNE 30	<u>\$ 5,984</u>	<u>\$ 58,024</u>	<u>\$ 15,433</u>	<u>\$ 3,859</u>	<u>\$ 5,062</u>	<u>\$ 88,362</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, 2025

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	CORNHUSKER STATE INDUSTRIES	TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 8,377	\$ 5,263	\$ 874	\$ 14,514
Receivables, net of allowance	8,413	15,663	520	24,596
Due from Other Funds	–	–	1,166	1,166
Inventories	–	–	3,269	3,269
Prepaid Items	363	–	–	363
Other	1,082	–	–	1,082
Total Current Assets	<u>18,235</u>	<u>20,926</u>	<u>5,829</u>	<u>44,990</u>
Noncurrent Assets:				
Restricted Long-Term Deposits	2,261	–	–	2,261
Long-Term Investments	–	102,496	6,008	108,504
Securities Lending Collateral	–	8,686	1,054	9,740
Capital Assets:				
Land	–	–	315	315
Buildings and Equipment	755	220	19,538	20,513
Lease Asset	1,212	–	106	1,318
Subscription Asset	–	–	568	568
Less Accumulated Depreciation	(1,008)	(30)	(11,239)	(12,277)
Total Capital Assets	<u>959</u>	<u>190</u>	<u>9,288</u>	<u>10,437</u>
Total Noncurrent Assets	<u>3,220</u>	<u>111,372</u>	<u>16,350</u>	<u>130,942</u>
Total Assets	<u>\$ 21,455</u>	<u>\$ 132,298</u>	<u>\$ 22,179</u>	<u>\$ 175,932</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 10,719	\$ 18,870	\$ 987	\$ 30,576
Due to Other Funds	20	–	184	204
Lease Liability	72	–	22	94
Subscription Liability	–	–	193	193
Claims, Judgments and Compensated Absences	318	17,634	820	18,772
Obligations under Reverse Repurchase Agreements	–	133	–	133
Unearned Revenue	–	9,695	–	9,695
Total Current Liabilities	<u>11,129</u>	<u>46,332</u>	<u>2,206</u>	<u>59,667</u>
Long-Term Liabilities:				
Lease Liability	865	–	42	907
Subscription Liability	–	–	173	173
Claims, Judgments and Compensated Absences	231	31,328	609	32,168
Obligations under Securities Lending	–	8,686	1,054	9,740
Total Long-Term Liabilities	<u>1,096</u>	<u>40,014</u>	<u>1,878</u>	<u>42,988</u>
Total Liabilities	<u>\$ 12,225</u>	<u>\$ 86,346</u>	<u>\$ 4,084</u>	<u>\$ 102,655</u>
NET POSITION				
Net Investment in Capital Assets	\$ 22	\$ 190	\$ 8,858	\$ 9,070
Restricted for:				
Lottery Prizes	2,261	–	–	2,261
Unrestricted	6,947	45,762	9,237	61,946
Total Net Position	<u>\$ 9,230</u>	<u>\$ 45,952</u>	<u>\$ 18,095</u>	<u>\$ 73,277</u>

State of Nebraska

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	CORNHUSKER STATE INDUSTRIES	TOTALS
OPERATING REVENUES				
Charges for Services	\$ 185,370	\$ 18,882	\$ 14,713	\$ 218,965
Total Operating Revenues	185,370	18,882	14,713	218,965
OPERATING EXPENSES				
Personal Services	2,161	–	7,411	9,572
Services and Supplies	28,037	1,022	7,503	36,562
Lottery Prizes	108,940	–	–	108,940
Insurance Claims	–	28,737	–	28,737
Depreciation	113	30	847	990
Total Operating Expenses	139,251	29,789	15,761	184,801
Operating Income (Loss)	46,119	(10,907)	(1,048)	34,164
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	516	7,034	315	7,865
Gain (Loss) on Sale of Capital Assets	41	–	10	51
Other	(12)	–	(17)	(29)
Total Nonoperating Revenues (Expenses)	545	7,034	308	7,887
Income (Loss) Before Transfers	46,664	(3,873)	(740)	42,051
Transfers Out	(45,992)	–	–	(45,992)
Change in Net Position	672	(3,873)	(740)	(3,941)
NET POSITION, JULY 1	8,558	49,809	19,274	77,641
RESTATEMENTS	–	16	(439)	(423)
NET POSITION, JUNE 30	\$ 9,230	\$ 45,952	\$ 18,095	\$ 73,277

State of Nebraska

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended June 30, 2025

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	CORNHUSKER STATE INDUSTRIES	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 184,692	\$ 17,789	\$ 1,928	\$ 204,409
Cash Received from Interfund Charges	–	–	13,155	13,155
Cash Paid to Employees	(1,927)	–	(7,242)	(9,169)
Cash Paid to Suppliers	(29,084)	(778)	(5,394)	(35,256)
Cash Paid for Lottery Prizes	(108,405)	–	–	(108,405)
Cash Paid for Insurance Claims	–	(16,909)	–	(16,909)
Cash Paid for Interfund Services	(374)	(243)	(693)	(1,310)
Net Cash Flows from Operating Activities	44,902	(141)	1,754	46,515
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers Out	(45,992)	–	–	(45,992)
Net Cash Flows from Noncapital Financing Activities	(45,992)	–	–	(45,992)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:				
Acquisition and Construction of Capital Assets	(26)	(220)	143	(103)
Proceeds from Sale of Capital Assets	46	–	19	65
Lease / Subscription Payments	(76)	–	(208)	(284)
Interest Paid on Leases / Subscriptions	(12)	–	(17)	(29)
Net Cash Flows from Capital and Related Financing Activities	(68)	(220)	(63)	(351)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Sale (Purchase) of Investment Securities	–	(199,112)	(1,543)	(200,655)
Proceeds (Loss) from Sale of Investment Securities	–	197,440	–	197,440
Interest and Dividend Income (Loss)	516	4,490	340	5,346
Net Cash Flows from Investing Activities	516	2,818	(1,203)	2,131
Net Increase (Decrease) in Cash and Cash Equivalents	(642)	2,457	488	2,303
CASH AND CASH EQUIVALENTS, JULY 1	9,019	2,531	348	11,898
RESTATEMENTS	–	275	38	313
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 8,377</u>	<u>\$ 5,263</u>	<u>\$ 874</u>	<u>\$ 14,514</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 46,119	\$ (10,907)	\$ (1,048)	\$ 34,164
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	113	30	847	990
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(678)	–	7	(671)
(Increase) Decrease in Due from Other Funds	–	–	363	363
(Increase) Decrease in Inventories	–	–	1,255	1,255
(Increase) Decrease in Prepaid Items	(22)	–	–	(22)
(Increase) Decrease in Long-Term Deposits	(331)	–	–	(331)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(301)	2	215	(84)
Increase (Decrease) in Due to Other Funds	2	(4)	115	113
Increase (Decrease) in Claims Payable	–	11,830	–	11,830
Increase (Decrease) in Unearned Revenue	–	(1,092)	–	(1,092)
Total adjustments	(1,217)	10,766	2,802	12,351
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 44,902</u>	<u>\$ (141)</u>	<u>\$ 1,754</u>	<u>\$ 46,515</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 Subscription Assets	\$ –	\$ –	\$ 544	\$ 544
Change in Fair Value of Investments	–	2,726	–	2,726
Total Noncash Transactions	–	2,726	544	3,270

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, 2025

(Dollars in Thousands)

	BUILDINGS AND GROUNDS	GENERAL SERVICES	OFFICE OF THE CIO
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,483	\$ 1,282	\$ 6,900
Receivables, net of allowance:			
Accounts	37	32	812
Accrued Interest	16	75	26
Due from Other Funds	60	2,046	17,311
Inventories	1,907	845	-
Prepaid Items	1,899	501	-
Total Current Assets	<u>5,402</u>	<u>4,781</u>	<u>25,049</u>
Noncurrent Assets:			
Long-Term Investments	9,791	7,596	45,399
Securities Lending Collateral	1,717	1,332	7,963
Capital Assets:			
Buildings and Equipment	4,429	6,535	105,334
Lease Asset	234	1,263	1,138
Subscription Asset	171	18	10,451
Less Accumulated Depreciation	<u>(3,716)</u>	<u>(5,770)</u>	<u>(87,318)</u>
Total Capital Assets	<u>1,118</u>	<u>2,046</u>	<u>29,605</u>
Total Assets	<u>\$ 18,028</u>	<u>\$ 15,755</u>	<u>\$ 108,016</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 1,274	\$ 2,420	\$ 9,493
Due to Other Funds	75	34	319
Certificates of Participation	-	70	7,285
Lease Liability	43	177	73
Subscription Liability	36	5	2,580
Claims, Judgments and Compensated Absences	1,233	330	3,184
Unearned Revenue	4	-	-
Total Current Liabilities	<u>2,665</u>	<u>3,036</u>	<u>22,934</u>
Long-Term Liabilities:			
Certificates of Participation	-	-	7,795
Lease Liability	161	342	805
Subscription Liability	36	-	2,108
Claims, Judgments and Compensated Absences	1,071	307	2,933
Obligations under Securities Lending	1,717	1,332	7,963
Total Long-Term Liabilities	<u>2,985</u>	<u>1,981</u>	<u>21,604</u>
Total Liabilities	<u>\$ 5,650</u>	<u>\$ 5,017</u>	<u>\$ 44,538</u>
NET POSITION			
Net Investment in Capital Assets	\$ 842	\$ 1,452	\$ 8,959
Unrestricted	11,536	9,286	54,519
Total Net Position	<u>\$ 12,378</u>	<u>\$ 10,738</u>	<u>\$ 63,478</u>

TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 637	\$ 3,851	\$ 486	\$ 1,410	\$ 16,049
24	19,639	1	3,112	23,657
13	121	45	44	340
902	62,285	–	1,017	83,621
–	–	–	–	2,752
–	–	–	–	2,400
<u>1,576</u>	<u>85,896</u>	<u>532</u>	<u>5,583</u>	<u>128,819</u>
4,238	25,477	3,395	9,460	105,356
743	4,469	596	1,659	18,479
25,153	–	1,748	996	144,195
–	–	–	5,999	8,634
–	172	13,452	306	24,570
<u>(13,055)</u>	<u>(149)</u>	<u>(1,975)</u>	<u>(1,837)</u>	<u>(113,820)</u>
<u>12,098</u>	<u>23</u>	<u>13,225</u>	<u>5,464</u>	<u>63,579</u>
<u>\$ 18,655</u>	<u>\$ 115,865</u>	<u>\$ 17,748</u>	<u>\$ 22,166</u>	<u>\$ 316,233</u>
\$ 87	\$ 3,454	\$ 615	\$ 1,524	\$ 18,867
19	51	292	2,744	3,534
515	–	–	–	7,870
–	–	–	267	560
–	28	2,318	70	5,037
111	66,199	527	638	72,222
–	–	–	–	4
<u>732</u>	<u>69,732</u>	<u>3,752</u>	<u>5,243</u>	<u>108,094</u>
1,700	–	–	–	9,495
–	–	–	4,771	6,079
–	–	11,164	12	13,320
97	41,664	415	517	47,004
<u>743</u>	<u>4,469</u>	<u>596</u>	<u>1,659</u>	<u>18,479</u>
<u>2,540</u>	<u>46,133</u>	<u>12,175</u>	<u>6,959</u>	<u>94,377</u>
<u>\$ 3,272</u>	<u>\$ 115,865</u>	<u>\$ 15,927</u>	<u>\$ 12,202</u>	<u>\$ 202,471</u>
\$ 9,883	\$ (5)	\$ (257)	\$ 344	\$ 21,218
<u>5,500</u>	<u>5</u>	<u>2,078</u>	<u>9,620</u>	<u>92,544</u>
<u>\$ 15,383</u>	<u>\$ –</u>	<u>\$ 1,821</u>	<u>\$ 9,964</u>	<u>\$ 113,762</u>

State of Nebraska

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	BUILDINGS AND GROUNDS	GENERAL SERVICES	OFFICE OF THE CIO
OPERATING REVENUES			
Charges for Services	\$ 49,616	\$ 18,952	\$ 143,186
Other	85	1	2
Total Operating Revenues	49,701	18,953	143,188
OPERATING EXPENSES			
Personal Services	10,839	3,482	34,142
Services and Supplies	37,731	14,475	82,855
Insurance Claims	-	-	-
Depreciation	272	930	11,682
Total Operating Expenses	48,842	18,887	128,679
Operating Income (Loss)	859	66	14,509
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	461	523	1,660
Insurance Proceeds/Recoveries	-	-	-
Gain (Loss) on Sale of Capital Assets	13	(1)	75
Other	(9)	(20)	(1,034)
Total Nonoperating Revenues (Expenses)	465	502	701
Income (Loss) Before Transfers	1,324	568	15,210
Transfers In	-	-	2,425
Transfers Out	-	-	-
Change in Net Position	1,324	568	17,635
NET POSITION, JULY 1	11,991	10,389	48,763
RESTATEMENTS	(937)	(219)	(2,920)
NET POSITION, JUNE 30	\$ 12,378	\$ 10,738	\$ 63,478

TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 7,543	\$ 293,345	\$ 7,565	\$ 17,075	\$ 537,282
–	–	–	120	208
7,543	293,345	7,565	17,195	537,490
725	188	3,749	9,155	62,280
2,802	8,149	3,080	5,591	154,683
–	291,237	–	–	291,237
1,745	54	2,134	485	17,302
5,272	299,628	8,963	15,231	525,502
2,271	(6,283)	(1,398)	1,964	11,988
180	4,644	289	368	8,125
–	2,423	–	–	2,423
(244)	–	–	–	(157)
(126)	(2)	(42)	(69)	(1,302)
(190)	7,065	247	299	9,089
2,081	782	(1,151)	2,263	21,077
–	5,100	–	–	7,525
–	(8,250)	–	–	(8,250)
2,081	(2,368)	(1,151)	2,263	20,352
13,302	–	3,219	8,074	95,738
–	2,368	(247)	(373)	(2,328)
\$ 15,383	\$ –	\$ 1,821	\$ 9,964	\$ 113,762

State of Nebraska

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2025

(Dollars in Thousands)

	BUILDINGS AND GROUNDS	GENERAL SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 226	\$ 1,078
Cash Received from Interfund Charges	49,498	18,101
Cash Paid to Employees	(10,782)	(3,472)
Cash Paid to Suppliers	(35,316)	(13,997)
Cash Paid for Insurance Claims	-	-
Cash Paid for Interfund Services	(2,669)	(425)
Net Cash Flows from Operating Activities	<u>957</u>	<u>1,285</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from Insurance Recoveries	-	-
Transfers In	-	-
Transfers Out	-	-
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issue of long-term debt	-	-
Acquisition and Construction of Capital Assets	(210)	(563)
Proceeds (Loss) from Sale of Capital Assets	16	55
Lease / Subscription Payments	(73)	(378)
Interest Paid on Leases / Subscriptions	(10)	(19)
Net Cash Flows from Capital and Related Financing Activities	<u>(277)</u>	<u>(905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale (Purchase) of Investment Securities	(615)	(474)
Investment Income (Loss)	649	595
Net Cash Flows from Investing Activities	<u>34</u>	<u>121</u>
Net Increase (Decrease) in Cash and Cash Equivalents	714	501
CASH AND CASH EQUIVALENTS, JULY 1	690	720
RESTATEMENTS	79	61
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,483</u>	<u>\$ 1,282</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 859	\$ 66
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	272	930
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	17	339
(Increase) Decrease in Due from Other Funds	48	(113)
(Increase) Decrease in Inventories	-	(4)
(Increase) Decrease in Prepaid Items	(29)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(94)	651
Increase (Decrease) in Due to Other Funds	(74)	(584)
Increase (Decrease) in Claims Payable	-	-
Increase (Decrease) in Unearned Revenue	(42)	-
Total Adjustments	<u>98</u>	<u>1,219</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 957</u>	<u>\$ 1,285</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	\$ 241	\$ 244
New Subscription Assets	-	9
Capital Assets acquired through Certificates of Participation	-	-
Total Noncash Transactions	<u>\$ 241</u>	<u>\$ 253</u>

OFFICE OF THE CIO	TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 4,642	\$ 21	\$ 1,919	\$ -	\$ 21,765	\$ 29,651
142,681	8,438	257,778	8,042	-	484,538
(34,803)	(708)	(173)	(3,622)	(9,196)	(62,756)
(78,406)	(2,557)	(12,256)	(258)	(4,717)	(147,507)
-	-	(291,327)	-	-	(291,327)
(5,944)	(1,606)	(610)	(2,175)	(5,163)	(18,592)
<u>28,170</u>	<u>3,588</u>	<u>(44,669)</u>	<u>1,987</u>	<u>2,689</u>	<u>(5,993)</u>
-	-	2,423	-	-	2,423
2,425	-	5,100	-	-	7,525
-	-	(8,250)	-	-	(8,250)
<u>2,425</u>	<u>-</u>	<u>(727)</u>	<u>-</u>	<u>-</u>	<u>1,698</u>
-	2,710	-	-	-	2,710
(10,416)	(5,715)	-	-	-	(16,904)
348	725	1	308	(64)	1,389
(11,836)	(495)	(54)	(2,133)	(390)	(15,359)
(1,034)	(126)	(2)	(42)	(70)	(1,303)
<u>(22,938)</u>	<u>(2,901)</u>	<u>(55)</u>	<u>(1,867)</u>	<u>(524)</u>	<u>(29,467)</u>
(6,475)	(598)	38,073	(234)	(2,518)	27,159
2,383	234	5,862	388	496	10,607
<u>(4,092)</u>	<u>(364)</u>	<u>43,935</u>	<u>154</u>	<u>(2,022)</u>	<u>37,766</u>
3,565	323	(1,516)	274	143	4,004
3,000	283	4,820	185	1,207	10,905
335	31	547	27	60	1,140
<u>\$ 6,900</u>	<u>\$ 637</u>	<u>\$ 3,851</u>	<u>\$ 486</u>	<u>\$ 1,410</u>	<u>\$ 16,049</u>
\$ 14,509	\$ 2,271	\$ (6,283)	\$ (1,398)	\$ 1,964	\$ 11,988
11,682	1,745	54	2,135	485	17,303
235	4	4,067	-	(686)	3,976
3,900	912	(37,714)	476	397	(32,094)
-	-	-	-	-	(4)
-	-	-	-	-	(29)
(2,341)	(1,285)	(2,992)	563	194	(5,304)
185	(59)	(1,711)	211	335	(1,697)
-	-	(90)	-	-	(90)
-	-	-	-	-	(42)
<u>13,661</u>	<u>1,317</u>	<u>(38,386)</u>	<u>3,385</u>	<u>725</u>	<u>(17,981)</u>
<u>\$ 28,170</u>	<u>\$ 3,588</u>	<u>\$ (44,669)</u>	<u>\$ 1,987</u>	<u>\$ 2,689</u>	<u>\$ (5,993)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485
4,777	-	-	13,444	174	18,404
-	2,710	-	-	-	2,710
<u>\$ 4,777</u>	<u>\$ 2,710</u>	<u>\$ -</u>	<u>\$ 13,444</u>	<u>\$ 174</u>	<u>\$ 21,599</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, Omaha School 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. In accordance with Governmental Accounting Standards Board, Statement Number 84, this liability is reflected in the General Fund of the State.

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

Local Government Taxes. This fund accounts non-State assessed taxes collected on behalf of and due to other local governments.

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, 2025

(Dollars in Thousands)

	<u>STATE EMPLOYEES RETIREMENT</u>		
	DEFERRED COMPENSATION	DEFINED CONTRIBUTION	CASH BALANCE
ASSETS			
Cash and Cash Equivalents	\$ 14	\$ 80	\$ 237
Investments:			
U.S. Treasury Notes and Bonds	25	-	86,512
U.S. Treasury Bills	-	-	-
U.S. Treasury Strips	-	-	274
Government Agency Securities	24	-	1,480
Government Agency Strips	-	-	29
Corporate Bonds	47	-	210,671
International Notes and Bonds	-	-	22,631
International Government Agency Securities	1	-	6,177
Equity Securities	-	-	551,583
Private Equity	-	-	154,197
Mortgages	-	-	125,029
Private Real Estate	-	-	125,745
Asset Backed Securities	-	-	23,659
Bank Loans	-	-	43,777
Municipal Bonds	-	-	1,791
Opportunistic Credit	-	-	580
Commingled Funds	290,172	759,231	1,076,446
Derivative Instruments	-	-	1,585
Short Term Investments	413	(512)	21,257
Total Investments	<u>290,682</u>	<u>758,719</u>	<u>2,453,423</u>
Securities Lending Collateral	17	-	174,155
Receivables:			
Contributions	-	656	6,135
Interest and Dividends	1	223	6,241
Other	-	-	108,747
Total Receivables	<u>1</u>	<u>879</u>	<u>121,123</u>
Due from Other Funds	-	-	-
Capital Assets:			
Buildings and Equipment	131	528	463
Less Accumulated Depreciation	(131)	(528)	(463)
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 290,714</u>	<u>\$ 759,678</u>	<u>\$ 2,748,938</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 4	\$ 933	\$ 166,083
Due to Other Funds	5	1	22
Obligations under Reverse Repurchase Agreements	-	-	7,184
Obligations under Securities Lending	17	-	174,155
Accrued Compensated Absences	24	8	63
Total Liabilities	<u>\$ 50</u>	<u>\$ 942</u>	<u>\$ 347,507</u>
NET POSITION			
Net Position Restricted for Pensions	<u>\$ 290,664</u>	<u>\$ 758,736</u>	<u>\$ 2,401,431</u>

COUNTY EMPLOYEES RETIREMENT							
DEFINED CONTRIBUTION	CASH BALANCE	OMAHA SCHOOL RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS	
\$ 78	\$ 190	\$ 22,812	\$ 1,477	\$ 20	\$ 53	\$	24,961
-	29,498	73,721	554,076	8,509	19,050		771,391
-	-	-	5,916	91	203		6,210
-	94	286	39,835	611	1,367		42,467
-	505	1,387	11,318	188	426		15,328
-	10	27	293	4	10		373
-	71,833	144,542	1,624,357	24,929	55,803		2,132,182
-	7,716	9,506	217,530	3,335	7,463		268,181
-	2,106	3,360	52,093	799	1,789		66,325
-	188,073	373,939	4,352,377	66,614	149,015		5,681,601
-	52,570	105,942	1,139,219	17,463	39,084		1,508,475
-	42,631	120,157	935,265	14,337	32,087		1,269,506
-	42,908	98,790	925,260	14,184	31,744		1,238,631
-	8,067	17,997	218,879	3,355	7,509		279,466
-	14,927	19,980	304,545	4,669	10,448		398,346
-	611	1,639	17,325	266	594		22,226
-	198	-	4,592	70	158		5,598
242,394	373,323	749,190	8,254,770	126,551	289,864		12,161,941
-	540	1,111	6,097	93	210		9,636
(146)	7,156	18,695	103,399	1,585	3,550		155,397
242,248	842,766	1,740,269	18,767,146	287,653	650,374		26,033,280
-	59,421	108,556	1,044,006	16,008	35,827		1,437,990
239	2,405	14,974	33,807	518	-		58,734
65	2,156	4,297	47,554	729	1,625		62,891
-	37,306	69,778	1,310,360	20,086	44,954		1,591,231
304	41,867	89,049	1,391,721	21,333	46,579		1,712,856
-	-	9,073	19,076	1,460	6,835		36,444
264	265	-	4,792	66	66		6,575
(264)	(265)	-	(4,789)	(66)	(66)		(6,572)
-	-	-	3	-	-		3
<u>\$ 242,630</u>	<u>\$ 944,244</u>	<u>\$ 1,969,759</u>	<u>\$ 21,223,429</u>	<u>\$ 326,474</u>	<u>\$ 739,668</u>		<u>\$ 29,245,534</u>
\$ 543	\$ 57,871	\$ 140,545	\$ 1,619,993	\$ 24,767	\$ 55,401	\$	2,066,140
1	9	13	87	1	1		140
-	2,450	4,089	24,684	379	847		39,633
-	59,421	108,556	1,044,006	16,008	35,827		1,437,990
5	30	18	476	8	8		640
<u>\$ 549</u>	<u>\$ 119,781</u>	<u>\$ 253,221</u>	<u>\$ 2,689,246</u>	<u>\$ 41,163</u>	<u>\$ 92,084</u>		<u>\$ 3,544,543</u>
<u>\$ 242,081</u>	<u>\$ 824,463</u>	<u>\$ 1,716,538</u>	<u>\$ 18,534,183</u>	<u>\$ 285,311</u>	<u>\$ 647,584</u>		<u>\$ 25,700,991</u>

State of Nebraska

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	<u>STATE EMPLOYEES RETIREMENT</u>		
	<u>DEFERRED COMPENSATION</u>	<u>DEFINED CONTRIBUTION</u>	<u>CASH BALANCE</u>
ADDITIONS			
Contributions:			
Participant Contributions	\$ 20,359	\$ 5,300	\$ 46,506
State Contributions	–	8,267	72,580
Political Subdivision Contributions	–	–	–
Court Fees	–	–	–
Total Contributions	<u>20,359</u>	<u>13,567</u>	<u>119,086</u>
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	29,680	87,271	202,950
Interest and Dividend Income	1,390	2,867	50,086
Securities Lending Income	–	–	4,786
Total Investment Income	<u>31,070</u>	<u>90,138</u>	<u>257,822</u>
Investment Expenses	568	616	9,324
Securities Lending Expenses	–	–	4,578
Total Investment Expense	<u>568</u>	<u>616</u>	<u>13,902</u>
Net Investment Income	<u>30,502</u>	<u>89,522</u>	<u>243,920</u>
Other Additions	<u>303</u>	<u>3</u>	<u>8</u>
Total Additions	<u>51,164</u>	<u>103,092</u>	<u>363,014</u>
DEDUCTIONS			
Benefits	33,241	62,254	178,365
Refunds	–	–	–
Administrative Expenses	191	228	1,994
Other Deductions	–	–	–
Total Deductions	<u>33,432</u>	<u>62,482</u>	<u>180,359</u>
TRANSFERS			
Transfers In (Out)	–	(5,724)	5,724
Change in Net Position Restricted for Pensions	<u>17,732</u>	<u>34,886</u>	<u>188,379</u>
NET POSITION-BEGINNING OF YEAR	272,944	723,850	2,213,052
RESTATEMENTS	(12)	–	–
NET POSITION-END OF YEAR	<u>\$ 290,664</u>	<u>\$ 758,736</u>	<u>\$ 2,401,431</u>

COUNTY EMPLOYEES RETIREMENT

DEFINED CONTRIBUTION	CASH BALANCE	OMAHA SCHOOL RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
\$ 1,933	\$ 18,635	\$ 45,531	\$ 244,127	\$ 2,639	\$ 4,254	\$ 389,284
–	–	10,539	19,076	1,460	17,251	129,173
2,804	27,309	91,467	244,655	–	–	366,235
–	–	–	–	5,686	–	5,686
<u>4,737</u>	<u>45,944</u>	<u>147,537</u>	<u>507,858</u>	<u>9,785</u>	<u>21,505</u>	<u>890,378</u>
26,770	69,440	118,619	1,653,537	25,355	57,234	2,270,856
821	17,206	33,935	380,562	5,847	13,283	505,997
–	1,633	2,983	53,164	815	1,825	65,206
<u>27,591</u>	<u>88,279</u>	<u>155,537</u>	<u>2,087,263</u>	<u>32,017</u>	<u>72,342</u>	<u>2,842,059</u>
184	3,174	6,324	70,537	1,081	2,442	94,250
–	1,562	2,853	50,520	775	1,734	62,022
<u>184</u>	<u>4,736</u>	<u>9,177</u>	<u>121,057</u>	<u>1,856</u>	<u>4,176</u>	<u>156,272</u>
<u>27,407</u>	<u>83,543</u>	<u>146,360</u>	<u>1,966,206</u>	<u>30,161</u>	<u>68,166</u>	<u>2,685,787</u>
1	3	2,940	27	–	21	3,306
<u>32,145</u>	<u>129,490</u>	<u>296,837</u>	<u>2,474,091</u>	<u>39,946</u>	<u>89,692</u>	<u>3,579,471</u>
12,677	56,413	149,834	848,415	15,000	28,405	1,384,604
–	–	7,856	25,584	–	1,863	35,303
114	932	2,887	4,087	120	145	10,698
–	–	–	966	–	–	966
<u>12,791</u>	<u>57,345</u>	<u>160,577</u>	<u>879,052</u>	<u>15,120</u>	<u>30,413</u>	<u>1,431,571</u>
(2,698)	2,698	–	–	–	–	–
<u>16,656</u>	<u>74,843</u>	<u>136,260</u>	<u>1,595,039</u>	<u>24,826</u>	<u>59,279</u>	<u>2,147,900</u>
225,425	749,620	–	16,940,175	260,504	588,332	21,973,902
–	–	1,580,278	(1,031)	(19)	(27)	1,579,189
<u>\$ 242,081</u>	<u>\$ 824,463</u>	<u>\$ 1,716,538</u>	<u>\$ 18,534,183</u>	<u>\$ 285,311</u>	<u>\$ 647,584</u>	<u>\$ 25,700,991</u>

State of Nebraska

COMBINING STATEMENT OF FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS

June 30, 2025

(Dollars in Thousands)	ESCHEAT TRUST	COLLEGE SAVINGS PLAN	OTHER	TOTALS
ASSETS				
Cash and Cash Equivalents	\$ 2,955	\$ 17,008	\$ 6,348	\$ 26,311
Investments:				
U.S. Treasury Notes and Bonds	5,339	-	359	5,698
Government Agency Securities	4,949	-	332	5,281
Corporate Bonds	9,868	-	663	10,531
International Government Agency Securities	190	-	13	203
Commingled Funds	-	6,679,564	20,366	6,699,930
Short Term Investments	-	485,510	21,160	506,670
Total Investments	<u>20,346</u>	<u>7,165,074</u>	<u>42,893</u>	<u>7,228,313</u>
Securities Lending Collateral	3,569	-	240	3,809
Receivables:				
Interest and Dividends	209	9,063	13	9,285
Other Assets	12,966	-	-	12,966
Total Assets	<u>\$ 40,045</u>	<u>\$ 7,191,145</u>	<u>\$ 49,494</u>	<u>\$ 7,280,684</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 43	\$ 18,846	\$ 32	\$ 18,921
Obligations under Securities Lending	3,569	-	240	3,809
Total Liabilities	<u>\$ 3,612</u>	<u>\$ 18,846</u>	<u>\$ 272</u>	<u>\$ 22,730</u>
NET POSITION				
Restricted for:				
College Savings Plan	\$ -	\$ 7,172,299	\$ -	\$ 7,172,299
Individuals, Organizations, and Other Governments	36,433	-	49,222	85,655
Total Net Position	<u>\$ 36,433</u>	<u>\$ 7,172,299</u>	<u>\$ 49,222</u>	<u>\$ 7,257,954</u>

State of Nebraska

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

For the Year Ended June 30, 2025

(Dollars in Thousands)

	ESCHEAT TRUST	COLLEGE SAVINGS PLAN	OTHER	TOTALS
ADDITIONS				
Contributions:				
Participant Contributions	\$ -	\$ 462,189	\$ 12,622	\$ 474,811
Investment Income:				
Net Increase (Decrease) in Fair Value of Investments	185	560,762	3,094	564,041
Interest and Dividend Income	552	224,177	49	224,778
Securities Lending Income	273	-	18	291
Total Investment Income	1,010	784,939	3,161	789,110
Investment Expenses	-	15,128	150	15,278
Securities Lending Expenses	273	-	18	291
Total Investment Expenses	273	15,128	168	15,569
Net Investment Income	737	769,811	2,993	773,541
Escheat Revenue	19,300	-	-	19,300
Total Additions	20,037	1,232,000	15,615	1,267,652
DEDUCTIONS				
Benefits	-	703,570	5,691	709,261
Amounts Distributed to Outside Parties	17,464	-	-	17,464
Administrative Expenses	271	-	59	330
Total Deductions	17,735	703,570	5,750	727,055
Change in Net Position Restricted for:				
College Savings Plan	-	528,430	-	528,430
Individuals, Organizations, and Other Governments	2,302	-	9,865	12,167
NET POSITION-BEGINNING OF YEAR	35,072	6,643,869	39,447	6,718,388
RESTATEMENTS	(941)	-	(90)	(1,031)
NET POSITION-END OF YEAR	<u>\$ 36,433</u>	<u>\$ 7,172,299</u>	<u>\$ 49,222</u>	<u>\$ 7,257,954</u>

State of Nebraska

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS

June 30, 2025

(Dollars in Thousands)

	CARE FACILITIES	CHILD SUPPORT	COUNTY COURTS	INMATE TRUST FUND	LOCAL GOVERNMENT TAXES	OTHER	TOTALS
ASSETS							
Cash and Cash Equivalents	\$ 2,376	\$ 764	\$ 13,316	\$ 700	\$ -	\$ 23	\$ 17,179
Investments:							
U.S. Treasury Notes and Bonds	654	1,315	-	1,437	-	40	3,446
Government Agency Securities	606	1,218	-	1,332	-	37	3,193
Corporate Bonds	1,208	2,430	-	2,657	-	73	6,368
International Government Agency Securities	23	47	-	51	-	1	122
Total Investments	2,491	5,010	-	5,477	-	151	13,129
Securities Lending Collateral	437	879	-	961	-	27	2,304
Receivables:							
Interest and Dividends	25	-	-	52	-	-	77
Taxes	-	-	-	-	83,298	-	83,298
Other	-	106	-	-	-	-	106
Due from Other Funds	-	-	37	258	153,012	-	153,307
Other Assets	-	-	-	-	-	2,842	2,842
Total Assets	<u>\$ 5,329</u>	<u>\$ 6,759</u>	<u>\$ 13,353</u>	<u>\$ 7,448</u>	<u>\$ 236,310</u>	<u>\$ 3,043</u>	<u>\$ 272,242</u>
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,066	\$ 12,083	\$ 152	\$ -	\$ -	\$ 18,301
Due to Other Governments	-	-	1,233	-	231,930	-	233,163
Deposits	2,399	-	-	-	-	2,955	5,354
Due to Other Funds	-	-	-	8	4,380	-	4,388
Obligations under Securities	437	879	-	961	-	27	2,304
Total Liabilities	<u>\$ 2,836</u>	<u>\$ 6,945</u>	<u>\$ 13,316</u>	<u>\$ 1,121</u>	<u>\$ 236,310</u>	<u>\$ 2,982</u>	<u>\$ 263,510</u>
NET POSITION							
Restricted for:							
Individuals, Organizations, and Other Governments	\$ 2,493	\$ -	\$ 37	\$ 6,327	\$ -	\$ 61	\$ 8,918
Unrestricted	-	(186)	-	-	-	-	(186)
Total Net Position	<u>\$ 2,493</u>	<u>\$ (186)</u>	<u>\$ 37</u>	<u>\$ 6,327</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 8,732</u>

State of Nebraska

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	CARE FACILITIES	CHILD SUPPORT	COUNTY COURTS	FLEX SPENDING	INMATE TRUST FUND	LOCAL GOVERNMENT TAXES	OTHER	TOTALS
ADDITIONS:								
Contributions:								
Client Contributions	\$ 22,258	\$ 283,980	\$ 58,077	\$ -	\$ 23,858	\$ -	\$ -	\$ 388,173
Investment Income:								
Net Income/(Decrease) in Fair Value of Investments	68	141	-	-	168	-	4	381
Interest and Dividend Income	87	-	-	-	38	-	-	125
Securities Lending Income	33	67	-	-	74	-	2	176
Total Investment Income	188	208	-	-	280	-	6	682
Investment Expenses	-	-	-	-	-	-	-	-
Securities Lending Expenses	33	67	-	-	74	-	2	176
Total Investment Expense	33	67	-	-	74	-	2	176
Net Investment Income	155	141	-	-	206	-	4	506
Local Taxes	-	-	-	-	-	734,793	-	734,793
Other Additions	-	-	-	-	-	-	723	723
Total Additions	22,413	284,121	58,077	-	24,064	734,793	727	1,124,195
DEDUCTIONS:								
Amounts Distributed to Outside Parties	22,258	283,980	58,077	-	23,002	-	533	387,850
Local Taxes	-	-	-	-	-	734,793	-	734,793
Other Deductions	-	-	-	-	520	-	216	736
Total Deductions	22,258	283,980	58,077	-	23,522	734,793	749	1,123,379
Change in Net Position Restricted for:								
Individuals, Organizations, and Other Governments	155	141	-	-	542	-	(22)	816
NET POSITION-BEGINNING OF YEAR	2,498	-	37	2,054	6,216	-	167	10,972
RESTATEMENTS	(160)	(327)	-	(2,054)	(431)	-	(84)	(3,056)
NET POSITION-END OF YEAR	<u>\$ 2,493</u>	<u>\$ (186)</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 6,327</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 8,732</u>



BUDGETARY COMPARISON SCHEDULES

BUDGETARY COMPARISON SCHEDULE

CASH FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	CASH FUNDS			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Taxes	\$ 175,930	\$ 175,930	\$ 175,930	\$ -
Federal Grants and Contracts	748,419	748,419	748,419	-
Sales and Charges	737,431	737,431	737,431	-
Other	378,080	378,080	378,080	-
Total Revenues	<u>2,039,860</u>	<u>2,039,860</u>	<u>2,039,860</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	1,346,058	1,352,745	1,263,850	88,895
Conservation of Natural Resources	469,320	472,576	106,397	366,179
Culture – Recreation	195,283	200,338	55,193	145,145
Economic Development and Assistance	704,854	705,127	349,402	355,725
Education	1,456,628	1,524,286	1,244,532	279,754
Health and Social Services	1,023,233	1,026,233	308,842	717,391
Public Safety	163,139	193,139	57,218	135,921
Regulation of Business and Professions	286,225	286,293	184,894	101,399
Transportation	1,468,741	1,468,741	1,344,590	124,151
Capital Projects	46,379	46,379	14,588	31,791
Total Expenditures	<u>7,159,860</u>	<u>7,275,857</u>	<u>4,929,506</u>	<u>2,346,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,120,000)</u>	<u>(5,235,997)</u>	<u>(2,889,646)</u>	<u>2,346,351</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,322,480	3,322,480	3,322,480	-
Transfers Out	(939,160)	(939,160)	(939,160)	-
Other	14,767	14,767	14,767	-
Total Other Financing Sources (Uses)	<u>2,398,087</u>	<u>2,398,087</u>	<u>2,398,087</u>	<u>-</u>
Net Change in Fund Balance	(2,721,913)	(2,837,910)	(491,559)	2,346,351
FUND BALANCES, JULY 1 (as restated)	<u>4,156,254</u>	<u>4,156,254</u>	<u>4,156,254</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 1,434,341</u>	<u>\$ 1,318,344</u>	<u>\$ 3,664,695</u>	<u>\$ 2,346,351</u>
A reconciliation of the budgetary basis versus GAAP fund balance for the Major Funds as of June 30, 2025, follows:				
Actual Fund Balances, budgetary basis, June 30, 2025				
Cash			\$ 3,664,695	
Construction			470,190	
Federal			468,746	
Revolving			521,586	
Budgetary fund balances			5,125,217	
Unbudgeted fund balances			2,684,875	
Non-major fund balances			(2,158,291)	
Record cash funds substantially funded with General Fund transfers			(1,723,272)	
Differences due to basis of accounting			306,497	
GAAP fund balance, June 30, 2025			<u>\$ 4,235,026</u>	
Actual Fund Balances of Major Funds, June 30, 2025				
Highway			\$ 457,428	
Federal			85,980	
Health and Social Services			461,949	
Permanent School			3,229,669	
GAAP fund balance, June 30, 2025			<u>\$ 4,235,026</u>	

State of Nebraska

BUDGETARY COMPARISON SCHEDULE CONSTRUCTION FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	CONSTRUCTION FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	-	-	-	-
Sales and Charges	-	-	-	-
Other	13,793	13,793	13,793	-
Total Revenues	<u>13,793</u>	<u>13,793</u>	<u>13,793</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Culture – Recreation	-	-	-	-
Economic Development and Assistance	-	-	-	-
Education	25,000	25,000	250	24,750
Health and Social Services	-	-	-	-
Public Safety	-	-	-	-
Regulation of Business and Professions	-	-	-	-
Transportation	-	-	-	-
Capital Projects	352,099	352,099	63,356	288,743
Total Expenditures	<u>377,099</u>	<u>377,099</u>	<u>63,606</u>	<u>313,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(363,306)</u>	<u>(363,306)</u>	<u>(49,813)</u>	<u>313,493</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	33,458	33,458	33,458	-
Transfers Out	(6,351)	(6,351)	(6,351)	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	<u>27,107</u>	<u>27,107</u>	<u>27,107</u>	<u>-</u>
Net Change in Fund Balance	(336,199)	(336,199)	(22,706)	313,493
FUND BALANCES, JULY 1	492,896	492,896	492,896	-
FUND BALANCES, JUNE 30	<u>\$ 156,697</u>	<u>\$ 156,697</u>	<u>\$ 470,190</u>	<u>\$ 313,493</u>

State of Nebraska

BUDGETARY COMPARISON SCHEDULE FEDERAL FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	FEDERAL FUNDS			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	5,131,292	5,131,292	5,131,292	-
Sales and Charges	31,923	31,923	31,923	-
Other	197,485	197,485	197,485	-
Total Revenues	<u>5,360,700</u>	<u>5,360,700</u>	<u>5,360,700</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	10,376	12,253	30,706	(18,453)
Conservation of Natural Resources	394,763	404,645	158,888	245,757
Culture – Recreation	14,954	14,979	3,078	11,901
Economic Development and Assistance	476,556	412,473	169,775	242,698
Education	1,544,188	1,795,447	1,479,904	315,543
Health and Social Services	4,956,604	5,079,670	3,517,162	1,562,508
Public Safety	204,785	307,459	227,094	80,365
Regulation of Business and Professions	9,450	9,508	2,124	7,384
Transportation	23,972	23,972	6,638	17,334
Capital Projects	38,884	39,112	-	39,112
Total Expenditures	<u>7,674,532</u>	<u>8,099,518</u>	<u>5,595,369</u>	<u>2,504,149</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,313,832)</u>	<u>(2,738,818)</u>	<u>(234,669)</u>	<u>2,504,149</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,913	2,913	2,913	-
Transfers Out	(19,554)	(19,554)	(19,554)	-
Other	(455)	(455)	(455)	-
Total Other Financing Sources (Uses)	<u>(17,096)</u>	<u>(17,096)</u>	<u>(17,096)</u>	<u>-</u>
Net Change in Fund Balance	(2,330,928)	(2,755,914)	(251,765)	2,504,149
FUND BALANCES, JULY 1	720,511	720,511	720,511	-
FUND BALANCES, JUNE 30	<u>\$ (1,610,417)</u>	<u>\$ (2,035,403)</u>	<u>\$ 468,746</u>	<u>\$ 2,504,149</u>

State of Nebraska

BUDGETARY COMPARISON SCHEDULE REVOLVING FUNDS

For the Year Ended June 30, 2025

(Dollars in Thousands)

	REVOLVING FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	49,866	49,866	49,866	-
Sales and Charges	745,416	745,416	745,416	-
Other	340,535	340,535	340,535	-
Total Revenues	<u>1,135,817</u>	<u>1,135,817</u>	<u>1,135,817</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	346,691	349,698	266,429	83,269
Conservation of Natural Resources	-	-	-	-
Culture – Recreation	-	-	-	-
Economic Development and Assistance	671	671	274	397
Education	951,187	951,187	755,223	195,964
Health and Social Services	-	-	-	-
Public Safety	27,655	27,654	18,484	9,170
Regulation of Business and Professions	-	-	-	-
Transportation	-	-	-	-
Capital Projects	900	900	-	900
Total Expenditures	<u>1,327,104</u>	<u>1,330,110</u>	<u>1,040,410</u>	<u>289,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(191,287)</u>	<u>(194,293)</u>	<u>95,407</u>	<u>289,700</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	168,345	168,345	168,345	-
Transfers Out	(176,681)	(176,681)	(176,681)	-
Other	3,999	3,999	3,999	-
Total Other Financing Sources (Uses)	<u>(4,337)</u>	<u>(4,337)</u>	<u>(4,337)</u>	<u>-</u>
Net Change in Fund Balance	(195,624)	(198,630)	91,070	289,700
FUND BALANCES, JULY 1	430,516	430,516	430,516	-
FUND BALANCES, JUNE 30	<u>\$ 234,892</u>	<u>\$ 231,886</u>	<u>\$ 521,586</u>	<u>\$ 289,700</u>



STATISTICAL SECTION

NET POSITION BY COMPONENT

2016 - 2025

(Dollars in Thousands)

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 8,757,532	\$ 8,888,705	\$ 9,046,411	\$ 9,148,273	\$ 9,168,580
Restricted	2,554,449	2,708,755	4,063,574	4,180,690	4,362,140
Unrestricted	968,515	550,525	503,722	737,992	949,044
Total governmental activities net position	<u>\$ 12,280,496</u>	<u>\$ 12,147,985</u>	<u>\$ 13,613,707</u>	<u>\$ 14,066,955</u>	<u>\$ 14,479,764</u>
Business-type activities					
Net investment in capital assets	\$ 6,870	\$ 7,682	\$ 7,769	\$ 7,394	\$ 7,224
Restricted	490,408	502,646	516,332	537,553	539,923
Unrestricted	87,761	78,185	79,943	72,769	68,657
Total business-type activities net position	<u>\$ 585,039</u>	<u>\$ 588,513</u>	<u>\$ 604,044</u>	<u>\$ 617,716</u>	<u>\$ 615,804</u>
Primary government					
Net investment in capital assets	\$ 8,764,402	\$ 8,896,387	\$ 9,054,180	\$ 9,155,667	\$ 9,175,804
Restricted	3,044,857	3,211,401	4,579,906	4,718,243	4,902,063
Unrestricted	1,056,276	628,710	583,665	810,761	1,017,701
Total primary government net position	<u>\$ 12,865,535</u>	<u>\$ 12,736,498</u>	<u>\$ 14,217,751</u>	<u>\$ 14,684,671</u>	<u>\$ 15,095,568</u>

(Dollars in Thousands)

	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	\$ 9,556,057	\$ 9,950,483	\$ 10,153,219	\$ 10,150,836	\$ 10,425,812
Restricted	4,924,031	5,028,750	5,350,946	6,078,586	5,772,487
Unrestricted	2,114,476	3,297,599	3,857,133	4,564,137	3,537,937
Total governmental activities net position	<u>\$ 16,594,564</u>	<u>\$ 18,276,832</u>	<u>\$ 19,361,298</u>	<u>\$ 20,793,559</u>	<u>\$ 19,736,236</u>
Business-type activities					
Net investment in capital assets	\$ 10,600	\$ 10,123	\$ 10,090	\$ 9,507	\$ 9,070
Restricted	581,724	546,042	575,142	520,960	533,194
Unrestricted	71,475	62,013	61,243	65,952	61,946
Total business-type activities net position	<u>\$ 663,799</u>	<u>\$ 618,178</u>	<u>\$ 646,475</u>	<u>\$ 596,419</u>	<u>\$ 604,210</u>
Primary government					
Net investment in capital assets	\$ 9,566,657	\$ 9,960,606	\$ 10,163,309	\$ 10,160,343	\$ 10,434,882
Restricted	5,505,755	5,574,792	5,926,088	6,599,546	6,305,681
Unrestricted	2,185,951	3,359,612	3,918,376	4,630,089	3,599,883
Total primary government net position	<u>\$ 17,258,363</u>	<u>\$ 18,895,010</u>	<u>\$ 20,007,773</u>	<u>\$ 21,389,978</u>	<u>\$ 20,340,446</u>

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

CHANGES IN NET POSITION

2016 - 2025

(Dollars in Thousands)

	2016	2017	2018	2019
Governmental Activities:				
EXPENSES				
General Government	\$ 631,739	\$ 650,253	\$ 656,287	\$ 700,965
Conservation of Natural Resources	144,326	145,919	143,915	133,662
Culture - Recreation	37,118	37,513	43,410	37,182
Economic Development and Assistance	99,611	102,348	103,259	103,015
Education	1,799,893	1,811,058	1,845,719	1,843,170
Higher Education - Colleges and University	676,456	663,979	651,636	651,933
Health and Social Services	3,477,627	3,616,020	3,634,539	3,719,897
Public Safety	409,403	395,782	389,694	401,747
Regulation of Business and Professions	118,005	116,590	107,763	99,339
Transportation	1,096,243	1,040,906	1,012,181	1,099,649
Interest on Long-term Debt	192	559	645	(3,476)
Net OPEB Expense	—	—	1,381	898
Net Pension Expense	79,670	81,603	97,889	148,150
Total expenses	<u>8,570,283</u>	<u>8,662,530</u>	<u>8,688,318</u>	<u>8,936,131</u>
PROGRAM REVENUES				
Charges for Services:				
General Government	95,871	99,001	107,412	117,859
Conservation of Natural Resources	39,476	39,880	38,672	43,147
Culture - Recreation	25,725	28,569	36,163	26,171
Economic Development and Assistance	1,065	1,234	1,479	1,403
Education	51,790	50,208	50,671	49,826
Health and Social Services	124,134	127,310	123,593	93,202
Public Safety	37,731	38,369	42,021	38,486
Regulation of Business and Professions	129,750	128,818	122,817	126,820
Transportation	110,984	125,831	130,688	124,377
Operating grants and contributions	2,719,366	2,765,857	2,755,954	2,844,493
Capital grants and contributions	946	1,067	1,133	5,203
Total program revenues	<u>3,336,838</u>	<u>3,406,144</u>	<u>3,410,603</u>	<u>3,470,987</u>
Total Governmental Activities				
Net Program Expense	<u>(5,233,445)</u>	<u>(5,256,386)</u>	<u>(5,277,715)</u>	<u>(5,465,144)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Taxes				
Income taxes	2,520,240	2,507,059	2,686,510	2,992,575
Sales and use taxes	1,827,206	1,834,043	1,925,312	1,980,173
Petroleum taxes	363,824	371,744	388,349	407,169
Excise taxes	133,620	132,308	131,355	129,161
Business and franchise taxes	109,649	100,595	117,590	112,248
Other taxes	6,404	8,271	2,002	7,238
Total taxes	<u>4,960,943</u>	<u>4,954,020</u>	<u>5,251,118</u>	<u>5,628,564</u>
Unrestricted investment earnings	144,734	108,912	(2,670)	257,096
Miscellaneous	2,159	3,733	5,444	2,533
Contributions to permanent fund principal	24,712	(868)	10,273	17,158
Federal CARES	—	—	—	(22,008)
Transfers	49,414	43,590	48,432	50,181
Total general revenues and other changes in net position	<u>5,181,962</u>	<u>5,109,387</u>	<u>5,312,597</u>	<u>5,933,524</u>
Total Governmental Activities				
Change in Net Position	<u>\$ (51,483)</u>	<u>\$ (146,999)</u>	<u>\$ 34,882</u>	<u>\$ 468,380</u>

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

	2020	2021	2022	2023	2024	2025
\$	931,855	\$ 851,637	\$ 830,145	\$ 894,486	\$ 1,003,723	\$ 1,817,410
	143,941	142,840	138,574	174,798	233,232	265,023
	53,679	50,791	50,156	62,109	59,476	77,367
	114,913	136,860	130,174	262,115	386,603	551,012
	1,908,483	2,083,674	2,336,369	2,146,895	2,686,314	2,924,806
	669,227	697,006	717,690	741,410	764,759	801,163
	3,962,425	4,833,151	5,172,386	6,211,606	6,252,918	7,854,212
	590,081	1,280,094	662,755	664,146	733,949	726,068
	115,602	128,374	134,492	130,758	179,639	229,655
	1,278,059	1,259,783	1,303,312	1,469,317	1,511,494	1,589,006
	1,005	856	817	1,013	1,870	2,398
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,769,270	11,465,066	11,476,870	12,758,653	13,813,977	16,838,120
	119,665	125,341	126,496	116,402	102,106	85,797
	39,947	42,430	40,427	37,317	38,546	38,839
	35,022	32,533	32,120	35,973	36,851	36,246
	1,901	1,364	2,406	5,159	4,892	2,810
	48,888	56,128	42,230	63,170	63,129	72,071
	131,482	144,205	142,282	237,938	226,543	635,608
	38,363	54,166	43,687	48,267	51,810	50,585
	135,722	153,199	153,211	166,474	154,032	171,741
	125,584	162,386	172,912	186,260	164,892	170,621
	3,271,794	4,620,913	5,207,556	5,416,048	5,699,817	6,612,621
	3,220	5,663	38,955	46,736	31,939	22,368
	3,951,588	5,398,328	6,002,282	6,359,744	6,574,557	7,899,307
	(5,817,682)	(6,066,738)	(5,474,588)	(6,398,909)	(7,239,420)	(8,938,813)
	2,907,528	3,660,558	3,936,754	3,624,403	4,108,815	3,100,890
	2,189,486	2,528,753	2,616,640	2,806,187	2,841,231	3,134,033
	410,940	431,765	389,799	389,012	422,584	442,700
	131,786	142,573	145,412	143,549	150,312	180,849
	135,558	142,394	171,640	151,977	173,178	175,898
	6,696	6,287	6,769	6,100	19,588	18,238
	5,781,994	6,912,330	7,267,014	7,121,228	7,715,708	7,052,608
	263,430	380,959	(342,021)	376,131	631,751	752,339
	2,168	1,381	3,923	2,219	4,900	1
	20,385	30,421	21,698	29,381	28,568	34,001
	48,343	683,522	27,818	-	-	-
	49,974	53,183	50,053	56,291	125,700	45,992
	6,166,294	8,061,796	7,028,485	7,585,250	8,506,627	7,884,941
\$	348,612	\$ 1,995,058	\$ 1,553,897	\$ 1,186,341	\$ 1,267,207	\$ (1,053,872)

CHANGES IN NET POSITION (Concluded)

2016 - 2025

(Dollars in Thousands)

	2016	2017	2018	2019
Business-type Activities:				
EXPENSES				
Unemployment Insurance	\$ 78,747	\$ 75,593	\$ 73,003	\$ 65,984
Lottery	135,819	132,417	138,483	146,030
Excess Liability	9,010	21,131	5,564	20,041
Cornhusker State Industries	13,830	17,018	12,666	13,326
Total expenses	<u>237,406</u>	<u>246,159</u>	<u>229,716</u>	<u>245,381</u>
REVENUES				
Charges for services:				
Unemployment Insurance	97,748	81,154	80,507	76,289
Lottery	179,473	173,819	183,368	192,182
Excess Liability	3,928	5,319	6,238	7,561
Cornhusker State Industries	13,505	21,633	12,578	12,594
Operating grants and contributions	—	—	—	—
Total revenues	<u>294,654</u>	<u>281,925</u>	<u>282,691</u>	<u>288,626</u>
Total Business-type Activities				
Net Program Expense	<u>57,248</u>	<u>35,766</u>	<u>52,975</u>	<u>43,245</u>
OTHER CHANGES IN NET POSITION				
Unrestricted investment earnings	15,882	11,254	10,974	21,029
Miscellaneous	20	44	14	9
Federal CARES	—	—	—	—
Transfers	(49,414)	(43,590)	(48,432)	(50,181)
Total other changes in net position	<u>(33,512)</u>	<u>(32,292)</u>	<u>(37,444)</u>	<u>(29,143)</u>
Total Business-type Activities				
Change in Net Position	<u>\$ 23,736</u>	<u>\$ 3,474</u>	<u>\$ 15,531</u>	<u>\$ 14,102</u>
Total Primary Government Change in Net Position	<u>\$ (27,747)</u>	<u>\$ (143,525)</u>	<u>\$ 50,413</u>	<u>\$ 482,482</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.

	2020	2021	2022	2023	2024	2025
\$	820,754	\$ 608,945	\$ 79,442	\$ 80,069	\$ 90,414	\$ 105,679
	140,677	157,147	152,757	164,948	165,069	139,263
	16,518	7,021	8,236	19,469	11,268	29,789
	14,886	13,602	17,405	17,409	15,502	15,778
	<u>992,835</u>	<u>786,715</u>	<u>257,840</u>	<u>281,895</u>	<u>282,253</u>	<u>290,509</u>
	647,520	66,456	85,594	78,172	87,723	91,774
	183,076	205,283	202,265	220,130	221,501	185,370
	8,797	11,576	10,922	11,216	15,212	18,882
	11,340	11,654	11,890	26,247	11,205	14,713
	–	444,091	18,528	11,688	186	589
	<u>850,733</u>	<u>739,060</u>	<u>329,199</u>	<u>347,453</u>	<u>335,827</u>	<u>311,328</u>
	<u>(142,102)</u>	<u>(47,655)</u>	<u>71,359</u>	<u>65,558</u>	<u>53,574</u>	<u>20,819</u>
	21,376	11,524	(4,536)	10,099	21,797	25,333
	12	21	26	31	131	51
	168,798	121,190	5,616	–	–	–
	<u>(49,996)</u>	<u>(51,792)</u>	<u>(49,913)</u>	<u>(56,151)</u>	<u>(125,700)</u>	<u>(45,992)</u>
	<u>140,190</u>	<u>80,943</u>	<u>(48,807)</u>	<u>(46,021)</u>	<u>(103,772)</u>	<u>(20,608)</u>
\$	<u>(1,912)</u>	<u>33,288</u>	<u>22,552</u>	<u>19,537</u>	<u>(50,198)</u>	<u>211</u>
\$	<u>346,700</u>	<u>2,028,346</u>	<u>1,576,449</u>	<u>1,205,878</u>	<u>1,217,009</u>	<u>(1,053,661)</u>

State of Nebraska

FUND BALANCES

GOVERNMENTAL FUNDS

2016 - 2025

(Dollars in Thousands)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 1,087	\$ 2,239	\$ 1,898	\$ 2,456	\$ 3,621
Committed	730,655	680,655	339,990	333,549	426,308
Unassigned	396,669	67,443	314,760	617,381	750,768
Total general fund	\$ 1,128,411	\$ 750,337	\$ 656,648	\$ 953,386	\$ 1,180,697
All Other Governmental Funds					
Nonspendable	\$ 555,720	\$ 575,587	\$ 586,636	\$ 603,586	\$ 624,592
Restricted	1,983,398	2,120,008	3,464,633	3,565,196	3,727,013
Committed	113,034	71,320	134,940	119,577	86,014
Assigned	46,237	43,057	37,635	29,827	25,620
Total all other governmental funds	\$ 2,698,389	\$ 2,809,972	\$ 4,223,844	\$ 4,318,186	\$ 4,463,239

(Dollars in Thousands)

	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 3,696	\$ 3,452	\$ 6,652	\$ 2,902	\$ 2,645
Restricted	-	-	-	26,892	54,744
Committed	466,964	927,524	1,530,400	2,848,009	2,545,164
Assigned	-	-	-	4,886	442
Unassigned	1,892,956	2,262,938	1,967,759	1,258,215	277,171
Total general fund	\$ 2,363,616	\$ 3,193,914	\$ 3,504,811	\$ 4,140,904	\$ 2,880,166
All Other Governmental Funds					
Nonspendable	\$ 654,946	\$ 662,665	\$ 706,311	\$ 735,577	\$ 770,424
Restricted	4,255,444	4,353,413	4,632,162	5,190,155	4,932,330
Committed	21,138	136,705	455,044	559,516	547,575
Assigned	32,507	56,453	74,334	40,269	31,343
Unassigned	-	(118)	(1,159)	(381)	(211)
Total all other governmental funds	\$ 4,964,035	\$ 5,209,118	\$ 5,866,692	\$ 6,525,136	\$ 6,281,461

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

2016 - 2025

(Dollars in Thousands)

	2016	2017	2018
REVENUES			
Taxes:			
Income	\$ 2,517,537	\$ 2,506,432	\$ 2,683,270
Sales and Use	1,828,465	1,834,868	1,926,292
Petroleum	365,695	373,685	390,600
Excise	133,620	132,308	131,355
Business and Franchise	109,649	100,595	117,590
Other	6,404	8,271	2,002
Total Taxes	4,961,370	4,956,159	5,251,109
Federal Grants and Contracts	2,720,258	2,766,923	2,756,999
Licenses, Fees and Permits	322,736	341,758	340,482
Charges for Services	112,984	117,265	123,906
Investment Income	141,897	106,374	(5,389)
Rental Income	74,941	72,672	74,223
Surcharge	43,099	38,115	34,645
Other	68,180	50,659	67,469
Total Revenues	8,445,465	8,449,925	8,643,444
EXPENDITURES			
Current:			
General Government	623,393	628,342	668,578
Conservation of Natural Resources	145,218	146,814	144,509
Culture – Recreation	44,313	42,613	49,941
Economic Development and Assistance	100,007	102,623	103,713
Education	1,842,774	1,853,583	1,877,539
Higher Education - Colleges and University	676,456	663,979	651,636
Health and Social Services	3,477,074	3,655,813	3,630,632
Public Safety	417,785	398,090	407,059
Regulation of Business and Professions	117,894	116,982	107,957
Transportation	1,175,832	1,114,119	1,114,902
Capital Projects	28,174	37,527	46,340
Debt Service			
Principal - Bonds	1,425	2,025	2,560
Interest - Bonds	7	6	6
Principal - Lease Financing	-	-	-
Interest - Lease Financing	-	-	-
Principal - Subscription Financing	-	-	-
Interest - Subscription Financing	-	-	-
Total Expenditures	8,650,352	8,762,516	8,805,372
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,887)	(312,591)	(161,928)
OTHER FINANCING SOURCES (USES)			
Transfers In	249,761	205,177	320,590
Transfers Out	(200,347)	(161,587)	(272,158)
Other	1,492	2,195	5,119
Bond Issuance	-	-	-
Bond Premium/(Discount)	-	-	-
Financed Purchases	-	-	-
Certificates of Participation	-	-	-
Insurance Proceeds/Recoveries	-	-	-
Sale of Capital Assets	-	-	-
Net Change in Fund Balances	(153,981)	(266,806)	(108,377)
Restatements	5,957	315	1,428,560
BEGINNING FUND BALANCE	3,974,824	3,826,800	3,560,309
ENDING FUND BALANCE	\$ 3,826,800	\$ 3,560,309	\$ 4,880,492
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<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.

Bond Issuance, financed purchases and certificates of participation began to be broken down in the financial statements starting in 2023. The amounts were reflected as Other prior to this.

INDIVIDUAL INCOME TAX RATES

Tax Year 2016 - 2025

	Tax Brackets			
	Bracket 1	Bracket 2	Bracket 3	Bracket 4
Single				
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
2023 Income Range	\$0-3,700	\$3,700-22,170	\$22,170-35,730	Over \$35,730
2024 Income Range	\$0-3,900	\$3,900-23,370	\$23,370-37,670	Over \$37,670
2025 Income Range	\$0-4,030	\$4,030-24,120	\$24,120-38,870	Over \$38,870
Heads of Household				
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
2023 Income Range	\$0-6,900	\$6,900-35,480	\$35,480-52,980	Over \$52,980
2024 Income Range	\$0-7,270	\$7,270-37,400	\$37,400-55,850	Over \$55,850
2025 Income Range	\$0-7,510	\$7,510-38,590	\$38,590-57,630	Over \$57,630
Married Filing Joint				
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
2023 Income Range	\$0-7,390	\$7,390-44,350	\$44,350-71,460	Over \$71,460
2024 Income Range	\$0-7,790	\$7,790-46,760	\$46,760-75,340	Over \$75,340
2025 Income Range	\$0-8,040	\$8,040-48,250	\$48,250-77,730	Over \$77,730
Married Filing Separate				
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
2023 Income Range	\$0-3,700	\$3,700-22,170	\$22,170-35,730	Over \$35,730
2024 Income Range	\$0-3,900	\$3,900-23,370	\$23,370-37,670	Over \$37,670
2025 Income Range	\$0-4,030	\$4,030-24,120	\$24,120-38,870	Over \$38,870
Income Tax Rate by Bracket for All Filing Types				
2016 - 2022 Rates	2.46 %	3.51 %	5.01 %	6.84 %
2023 Rates	2.46 %	3.51 %	5.01 %	6.64 %
2024 Rates	2.46 %	3.51 %	5.01 %	5.84 %
2025 Rates	2.46 %	3.51 %	5.01 %	5.20 %

SOURCE: Nebraska Department of Revenue

INDIVIDUAL INCOME TAX LIABILITY BY INCOME LEVEL

Tax Years 2014 - 2023

2014				
Federal Adjusted Gross Income Level	Number of Returns	Net Liability After Nonrefundable Credits (dollars in thousands)	Number of Returns With Liability	Net Liability Percent
Less Than \$10,000	137,012	\$ 4,029	43,390	0.19 %
\$10,000 - 24,999	189,544	\$ 26,531	174,497	1.25 %
\$25,000 - 49,999	235,273	\$ 165,936	230,007	7.83 %
\$50,000 - 99,999	237,666	\$ 495,181	234,049	23.36 %
\$100,000 and Over	172,000	\$ 1,428,109	166,633	67.37 %
State Total	971,495	\$ 2,119,786	848,576	100.00 %

2023				
Federal Adjusted Gross Income Level	Number of Returns	Net Liability After Nonrefundable Credits (dollars in thousands)	Number of Returns With Liability	Net Liability Percent
Less Than \$10,000	99,440	\$ 5,111	17,278	0.16 %
\$10,000 - 24,999	143,288	\$ 13,855	124,578	0.42 %
\$25,000 - 49,999	234,722	\$ 150,887	227,279	4.60 %
\$50,000 - 99,999	276,905	\$ 528,250	270,476	16.08 %
\$100,000 and Over	300,597	\$ 2,586,027	290,595	78.74 %
State Total	1,054,952	\$ 3,284,130	930,206	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 2023 is the most recent year for which data is available.

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

TAXABLE SALES BY INDUSTRY

Calendar Years 2015 and 2024

	2015	2024
Agriculture, Forestry, Fishing & Hunting	\$ 74,441,744	\$ 94,002,915
Mining	48,311,677	73,061,154
Utilities	2,327,582,496	2,915,719,766
Construction	610,556,735	1,072,228,621
Manufacturing	517,057,354	794,806,906
Wholesale Trade	1,511,404,995	2,268,061,157
Retail Trade	10,736,510,168	13,969,527,739
Transportation	95,564,503	899,013,993
Warehousing Services	34,104,081	33,769,899
Information	874,154,609	675,025,552
Finance & Insurance	22,501,707	33,440,507
Real Estate, Rental & Leasing Services	270,038,435	415,899,618
Professional, Scientific & Technical Services	349,954,111	635,513,402
Management of Companies & Enterprises Services	4,310,996	20,391,969
Administration, Support, Waste Management, Remedial Services	517,250,273	687,090,606
Educational Services	25,361,875	25,064,943
Health Care & Social Assistance Services	40,580,975	56,198,232
Arts, Entertainment & Recreation Services	370,918,922	610,825,192
Accommodation & Food Services	3,483,277,520	4,890,622,023
Other Services	953,267,622	1,487,376,379
Public Administration	263,225,310	307,677,758
Unclassified	1,693,689	8,963,627
Nebraska Total	<u>23,132,069,797</u>	<u>31,974,281,958</u>
Non-Nebraska ⁽¹⁾	<u>5,318,127,040</u>	<u>12,395,602,136</u>
Nebraska - Total Sales	<u>\$ 28,450,196,837</u>	<u>\$ 44,369,884,094</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.

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

2016 - 2025

(Dollars in thousands)

	2016	2017	2018	2019	2020
Governmental Activities					
Certificates of participation	\$ 34,780	\$ 29,450	\$ 33,455	\$ 38,445	\$ 31,430
Lease Liability *	—	—	—	—	—
Subscription Liability *	—	—	—	—	—
Bonds Payable *	—	—	—	—	—
Total Primary Government	\$ 34,780	\$ 29,450	\$ 33,455	\$ 38,445	\$ 31,430
Debt as a Percentage of Personal Income	0.04 %	0.03 %	0.03 %	0.04 %	0.03 %
Amount of Debt per Capita	\$ 18	\$ 15	\$ 17	\$ 20	\$ 16
Debt as a Percentage of Pledged Revenues	— %	— %	— %	— %	— %
	2021	2022	2023	2024	2025
Governmental Activities					
Certificates of participation	\$ 37,825	\$ 32,965	\$ 33,220	\$ 24,370	\$ 17,485
Lease Liability *	—	45,024	42,154	42,864	40,035
Subscription Liability *	—	—	11,228	18,332	33,859
Bonds Payable *	—	—	—	—	100,501
Total Primary Government	\$ 37,825	\$ 77,989	\$ 86,602	\$ 85,566	\$ 191,880
Debt as a Percentage of Personal Income	0.03 %	0.06 %	0.07 %	0.06 %	0.13 %
Amount of Debt per Capita	\$ 19	\$ 40	\$ 44	\$ 43	\$ 96
Debt as a Percentage of Pledged Revenues	— %	— %	— %	— %	114.83 %

NOTE: Details on the State's debt can be found in ACFR Notes 7, 8, 9 & 15 of the financial statements. Population figures are from the Population, Personal and Per Capita Income schedule. Pledged revenue is from the Schedule of Debt Limitations and Pledged Revenue

* Lease and Subscription liabilities were implemented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 87 and 96, in Fiscal Years 2022 and 2023, respectively. Bonds were incurred starting 2025. Data prior to this is not available.

OPERATING INDICATORS BY FUNCTION

2016 - 2025

	2016	2017	2018	2019
General Government				
Department of Revenue				
Percentage of returns filed electronically	90.8%	90.7%	91.6%	92.4%
Percentage of direct deposit refunds	78.2%	77.5%	80.0%	81.2%
Department of Transportation				
Percentage of Roads in very good or good condition(1)	84%	84%	84%	82%
Conservation of Natural Resources				
Department of Environmental and Energy				
Inspections by field office staff				
Air Quality	184	139	141	164
Water Quality	1,552	1,682	1,219	1,234
Waste Management	130	126	156	138
Culture - Recreation				
Game and Parks Commission				
Park visitors(1,2)	13,469,281	12,746,003	10,086,731	9,497,926
Hatchery fish raised (in millions)(1)	48.0	47.0	50.2	41.3
Education				
Department of Education				
Fall Enrollment				
Pre-K to 12th grade	319,194	323,766	326,164	329,290
State Colleges and Universities	61,421	61,057	60,080	59,614
Public Community Colleges	39,436	39,660	39,564	39,529
Health and Social Services				
Health and Human Services				
Child Support Payments				
Number of Payments Received	1,537,522	1,501,372	1,472,013	1,490,642
Number of Payments Disbursed	1,415,392	1,400,110	1,380,588	1,378,498
Medicaid (average monthly)				
Medicaid recipients	232,795	237,309	241,966	242,316
Percentage of Nebraska population	12.2%	12.4%	12.5%	12.5%
Supplemental Nutrition Assistance Program				
Number of households	78,370	78,788	77,122	74,031
Percentage of Nebraska households	9.5%	9.4%	9.1%	8.7%
Public Safety				
Department of Correctional Services				
Inmate population (average daily)(3)	6,641	6,588	6,611	5,434
Percentage of Nebraska population	0.35%	0.34%	0.34%	0.28%
Total Admissions(3)	2,504	2,315	2,239	2,715
Total Releases(3)	2,094	2,372	2,402	2,507
State Patrol				
Traffic Stops	N/A	182,935	149,232	115,210
Transportation				
Department of Motor Vehicles				
Motor Vehicle Registrations(1)				
Automobiles	1,220,465	1,239,329	1,242,548	1,203,304
Trucks				
Farm	180,697	182,312	182,481	164,281
Commercial / Other	439,291	448,501	454,098	406,225
Motorcycles	55,340	54,863	53,566	50,647

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

2020	2021	2022	2023	2024	2025
93.1%	94.0%	94.8%	94.2%	95.9%	94.8%
81.1%	79.2%	83.9%	83.4%	84.3%	85.9%
82%	90%	92%	95%	96%	97%
132	145	188	341	195	289
1,075	1,788	2,656	2,991	3,399	3,827
107	228	284	333	316	318
6,706,057	9,058,025	8,434,888	7,900,634	7,090,970	N/A
10.5	49.0	74.6	71.9	55.6	N/A
324,176	327,055	365,687	365,467	367,549	N/A
59,640	58,963	57,699	57,713	57,712	N/A
37,351	38,186	39,767	41,794	43,814	N/A
1,502,975	1,488,749	1,375,197	1,395,849	1,340,647	1,302,939
1,401,680	1,383,168	1,304,172	1,299,743	1,268,302	1,227,436
244,010	304,655	351,694	387,311	364,255	338,384
12.6%	15.5%	17.9%	19.6%	18.2%	N/A
72,425	72,476	74,592	77,119	76,703	74,959
8.5%	8.5%	8.6%	8.8%	8.7%	N/A
5,629	5,364	5,534	5,628	5,880	5,812
0.29%	0.27%	0.28%	0.28%	0.29%	N/A
2,463	2,427	2,441	2,353	2,621	2,737
2,519	2,416	2,259	2,119	2,543	2,832
96,325	110,616	116,434	126,046	131,071	N/A
1,190,940	1,206,477	1,203,049	1,216,306	1,231,863	N/A
164,363	162,966	163,223	162,510	163,275	N/A
414,177	423,963	427,828	434,108	441,663	N/A
50,373	51,153	51,173	50,725	50,753	N/A

CAPITAL ASSET STATISTICS BY FUNCTION

2016 - 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Department of Administrative Services										
Buildings	263	270	269	267	255	235	234	214	190	190
Vehicles	1,046	1,062	1,120	1,096	1,176	1,130	1,074	1,203	1,139	1,183
Conservation of Natural Resources										
Game and Parks Commission										
Acres of state park and wildlife land (in thousands)	154	151	158	148	148	153	142	152	152	152
Culture - Recreation										
Game and Parks Commission										
State Parks	8	8	8	8	8	8	8	8	8	8
Historical Parks	9	9	10	10	10	10	10	10	10	10
Recreation and wildlife areas	350	350	357	350	347	347	345	346	346	346
Fish hatcheries	5	5	5	5	5	5	5	5	5	5
Education										
NETV Commission										
Towers, antennas and transmitters	45	51	46	45	45	46	51	53	53	53
Public Safety										
State Patrol										
Pursuit Vehicles	339	310	554	384	249	340	373	355	358	325
Department of Corrections										
Buildings	149	134	148	146	133	136	134	140	143	142
Transportation										
Department of Transportation										
Highway miles (calendar year)	9,944	9,945	9,945	9,944	9,942	9,940	9,940	9,931	9,931	N/A
Heavy trucks, plows and graders	1,025	1,064	1,049	1,052	1,031	1,048	1,053	1,005	1,099	1,124

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, 2025

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, 2024-25

APPENDIX D

DEFINITIONS OF CERTAIN TERMS

“*Act*” means Reissue Revised Statutes of Nebraska Sections 39-1101 to 39-1111.

“*Additional Bonds*” means a Series of Bonds, in addition to and on a parity with, the Series 2026A Bonds, issued under the Indenture pursuant to a Supplemental Indenture in accordance with the Indenture.

“*Bond Act*” means Reissue Revised Statutes of Nebraska Sections 39-2201 to 39-2226.

“*Bond Counsel*” means Kutak Rock LLP or such other firm of attorneys of nationally recognized standing on the subject of municipal bonds.

“*Bond Fund*” means the Series 2026A Bond Fund created by the Indenture into which the funds specified in the Indenture are to be deposited.

“*Bondholder(s)*” means the owner of any Bonds.

“*Bonds*” means, collectively, the Series 2026A Bonds and other Series of Additional Bonds issued under the Indenture or any Supplemental Indenture.

“*Bond Registrar*” means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Commission to perform the duties of Bond Registrar under the Indenture.

“*Bond Year*” means the period of time, beginning on February 2 of each calendar year and ending on February 1 of the immediately succeeding calendar year, except that the first Bond Year shall commence on the delivery date of the Bonds and end on February 1, 2027.

“*Build Nebraska Act*” means the Build Nebraska Act, Reissue Revised Statutes of Nebraska Sections 39-2701 to 39-2705.

“*Business Day*” means any day, other than a day (a) on which banks located in the city in which the principal office of Trustee is located are required or authorized by law or executive order to close or (b) on which The New York Stock Exchange is closed.

“*Code*” means the Internal Revenue Code of 1986, as amended to the date of the Indenture, or as hereafter amended, including valid regulations of the Department of the Treasury and rulings of the Commissioner of Internal Revenue thereunder.

“*Cost of Issuance Fund*” means the fund created by Section 6.02 of the Indenture.

“*Construction Account*” means the “Series 2026A Proceeds Account” created in the State Highway Capital Improvement Fund, into which certain of the net proceeds of the sale of the Series 2026A Bonds shall be deposited and out of which disbursements are to be made in the manner and for the purposes specified in the Indenture.

“*Funds and Accounts*” means, collectively, the Bond Fund, the Cost of Issuance Fund, the Construction Account, the Rebate Fund and any other account or accounts created within each such Fund.

“*NDOT*” means the Nebraska Department of Transportation.

“*Outstanding*” or “*Bonds outstanding hereunder*” means all Bonds which have been authenticated, issued and delivered under the Indenture except:

- (a) Bonds cancelled because of payment;
- (b) Bonds for the payment or redemption of which cash funds or United States Government Obligations as provided in the Indenture shall have been theretofore deposited with Trustee, whether upon or prior to the maturity or redemption date of any of said Bonds; and
- (c) Bonds in lieu of which others have been authenticated as provided under the Indenture.

“*Paying Agent*” means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

“*Payment Date*” means (i) with respect to the Series 2026A Bonds, each June 15 and December 15, commencing on December 15, 2026, and (i) with respect to any Series of Additional Bonds, the date(s) so designated in the Supplemental Indenture under which such Series is issued, and any date set for the redemption of Bonds prior to maturity, as herein provided.

“*Person*” includes natural persons, firms, associations, the Commissions and public bodies.

“*Project*” the construction, improvement and completion the Highway 275 expressway segment projects, from the Nebraska Highway 57 Junction East of Norfolk to the Nebraska Highway 9 Junction North of West Point, including all intersections and associated work, and such other projects approved by the Commission in accordance with Reissue Revised Statutes of Nebraska Section 39-2704(2), and the payment certain costs associated with the issuance of the Series 2026A Bonds.

“*Rebate Fund*” means the fund created by the Indenture.

“*Record Date*” means June 1 and December 1 of each year.

“*Refunding Bonds*” means a Series of Bonds authorized to be issued pursuant to the Indenture for the sole purposes of refunding or defeasing (in accordance with the Indenture) in whole a Series of Bonds then Outstanding, and paying the costs of issuance with respect to such Refunding Bonds.

“*Series*” mean the Series 2026A Bonds and any other Bonds designated as a Series authorized to be issued under the Indenture.

“*Series 2026A Bonds*” means the Commission’s \$_____ State Highway Improvement Revenue Bonds, Series 2026A, dated _____, 2026, issued pursuant to the Indenture.

“*State*” means the State of Nebraska.

“*State Highway Capital Improvement Fund*” means the fund of that name created by Reissue Revised Statutes of Nebraska Section 39-2703, held by the State Treasurer, into which a portion of the

proceeds of the Series 2026A Bonds are to be deposited and certain other amounts are to be credited from time to time in accordance with Section 39-2215(4) of the Reissue Revised Statutes of Nebraska.

“*State Treasurer*” means the State Treasurer of the State of Nebraska.

“*Supplemental Indenture*” means any indenture supplemental to or amendatory of the Indenture executed and delivered by the Commission and the Trustee in accordance with the provisions of the Indenture.

“*Tax Agreement*” means the Tax Exemption Certificate and Agreement, dated as of the date of delivery of the Series 2026A Bonds, by and between the Commission and the Trustee, as the same may be amended or supplemented in accordance with its terms, and any additional Tax Exemption Certificate and Agreement, as amended or supplemented, corresponding to a Series of Additional Bonds, as applicable.

“*Tax-Exempt Bonds*” means the Series 2026A Bonds and all other Bonds the interest on which is to be treated as exempt from federal income taxation under Section 103 of the Code.

“*Trustee*” means Union Bank and Trust Company, and its corporate successor or successors in trust under the Indenture.

“*United States Government Obligations*” means direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America, which are not subject to prior redemption except at prices which will produce the amount of cash required for the purpose for which the obligations are held.

APPENDIX E

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture not otherwise described in the front portion of this Official Statement. The summary is subject to the terms of the complete document.

Definitions and Statutory Authority

Definitions. See APPENDIX D.

Authority for the Indenture. The Indenture is adopted pursuant to the provisions of the Act.

General Terms and Provisions of the Bonds

Medium of Payment. The principal of the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee.

Execution and Authentication. The Bonds shall be executed on behalf of the Commission by its Chair, whose signature may be a facsimile of the signature, and the seal, if any, or a facsimile thereof, of the Commission shall be placed on each Bond. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall, nevertheless, be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. The Bonds shall be in substantially the form set forth as an exhibit to the Indenture with such variations, omissions and insertions as are permitted or required by the Indenture and are deemed advisable by Bond Counsel to effectuate the purposes of the Indenture.

Only such Bonds as shall have endorsed thereon a Certificate of Authentication, duly manually executed by the Trustee, shall be entitled to any right or benefit under the Indenture. No Bonds shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by Trustee, and such executed Certificate shall be conclusive evidence that such Bonds have been authenticated under the Indenture.

Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond issued hereunder shall become mutilated, destroyed, stolen or lost, the Commission shall, if not then prohibited by law, cause to be executed, and Trustee may authenticate and deliver, new Bonds of like date, number, maturity, series and tenor in exchange and substitution therefor, and upon cancellation of such mutilated Bonds, or in lieu of and in substitution for such lost Bonds, upon the owner paying the reasonable expenses and charges of the Commission and Trustee in connection therewith, and, in case of Bonds destroyed or lost, the owner filing with Trustee evidence satisfactory to it that such Bonds were destroyed or lost, and furnishing the Commission and Trustee with indemnity satisfactory to them.

Registration and Transfer of Bonds. The Commission shall cause books for the registration and for the transfer of the Bonds as provided in the Indenture to be kept by the Bond Registrar. At reasonable times and under reasonable regulations established by the Commission, such list may be inspected and copied by the owners (or a designated representative thereof) of 25% or more in aggregate principal amount of Bonds then Outstanding.

Upon surrender for transfer of any Bond at the designated office of the Bond Registrar, the Bond Registrar shall deliver in the name of the transferee or transferees a new fully authenticated and registered

Bond of \$5,000 principal amount (or integral multiple thereof) of the same maturity and series for the aggregate principal amount which the Bondholder is entitled to receive.

All Bonds presented for transfer, redemption or payment shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature as set forth in the form of Bond attached to the Indenture or as may be satisfactory to the Bond Registrar, duly executed by the Bondholder or by their duly authorized attorney.

The Bond Registrar also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered.

The Commission, and the Bond Registrar, on behalf of the Commission, shall not be required (a) to issue or register the transfer of any Bond during a period beginning on the Record Date and ending at the close of business on the business day next preceding any Payment Date or (b) to transfer any Bond selected, called or being called for redemption in whole or in part.

Bonds delivered upon any transfer as provided herein, or as provided in the Indenture, shall evidence the same debt as the Bond surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

The Commission and the Bond Registrar shall treat the Bondholder, as shown on the registration books kept by the Bond Registrar, as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the Bondholder as of the Record Date.

Book-Entry-Only Bonds. The Bonds shall initially be issued in book-entry form. The Depository Trust Company (the “Depository”) is appointed the Depository for the Bonds. The ownership of one fully registered Bond for each maturity as set forth in the Indenture, each in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as nominee for the Depository. Payment of semiannual interest on any Bond registered as of each Record Date in the name of Cede & Co. shall be made in same-day funds or its equivalent, by wire transfer to the account of Cede & Co. on the Payment Dates and the respective maturity dates for the Bonds, at the address indicated on the Record Date for Cede & Co. in the registration books of the Commission kept by the Bond Registrar.

Trustee and the Commission may treat the Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of and interest on the Bonds, giving any notice permitted or required to be given to Bondholders under the Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither Trustee nor the Commission shall be affected by any notice to the contrary.

The Indenture contains provisions relating to withdrawal of Bonds from DTC, replacement of DTC or Cede & Co., and circumstances under which DTC is not the sole registered Owner of Bonds. See “THE SERIES 2026A BONDS—DTC Book-Entry System” in the Official Statement.

Redemption of Bonds

Optional Redemption. The Series 2026A Bonds maturing June 15, 2035* and thereafter are subject to redemption in whole or in part at any time, at the option of the Commission upon the recommendation of NDOT, in such order of maturities as determined by NDOT (and by lot or other random selection method within a maturity) on or after December 15, 2034* at the redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

*Sinking Fund Redemption.** The Series 2026A Bonds maturing on June 15, 20__ are subject to mandatory sinking fund redemption by lot (or other random selection method) selected by Trustee, at a price of par without premium in the years and principal amounts set forth in the Official Statement. See “THE SERIES 2026A BONDS – Redemption Provisions” in the Official Statement.

To the extent that the Bonds have been previously called for redemption in part and otherwise than from the sinking fund, each related annual sinking fund payment for the Bonds of such maturity is to be reduced by the amount obtained by multiplying the principal amount of such Bonds of such maturity so called for redemption, by the ratio which each annual sinking fund payment for the Bonds of such maturity and series bears to the total sinking fund payments of such Bonds subject to sinking fund redemption, and by rounding each sinking fund payment to the nearest \$5,000 multiple.

In case a Bond subject to sinking fund redemption is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 each or any integral multiple thereof. On or before the thirtieth day prior to each such sinking fund payment date, Trustee shall proceed to select for redemption (by lot, in such manner as Trustee may determine), from all Outstanding Bonds subject to sinking fund redemption, a principal amount of such Bonds equal to the aggregate principal amount of such Bonds redeemable with the required sinking fund payment, and shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from such sinking fund on the next sinking fund redemption date, and give notice of such call.

Notice of Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying such Bonds is to be given for Bonds held in book-entry-only form by mailing to the Depository not less than 30 days nor more than 60 days prior to the redemption date and for Bonds held in certificated form by mailing by first class mail to the registered owner thereof at the address shown on the registration books of the Commission kept by the Bond Registrar not less than 30 days prior to the date fixed for redemption. Any such notice may provide that the call for redemption on the date specified by such notice is made conditional on the deposit with Trustee of moneys in an amount equal to the stated redemption price on or before such date. All maturities of the Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time. Any funds paid for redemption of Bonds shall be applied first against any interest due and owing on the Bonds and then against the unpaid principal balance thereof. All Bonds which have been redeemed shall be cancelled by Trustee and destroyed by Trustee in accordance with its regular procedures.

* Preliminary; subject to change.

General Covenants of the Commission

Payment of Bonds. The Commission covenants in the Indenture that it will promptly pay or cause the Trustee to pay the principal of and interest on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Books and Records; Annual Accounting. In the Indenture, the Trustee has agreed that, so long as any Bonds issued thereunder and secured by the Indenture shall be Outstanding and unpaid, it will keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of and in relation to the Project and the revenues, income and all other property derived therefrom. All books and records of the Trustee relating to the Project and the revenues therefrom shall at all times be open to inspection by representatives of the Commission, NDOT and the owners of the Bonds.

Tax Covenants. The Commission has covenanted to at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that the interest paid by the Commission on the Bonds shall, for the purposes of federal income taxation, be excludible from gross income of the owners of such Tax-Exempt Bonds.

Rebate Fund. The Indenture creates a Fund separate from any other Fund or Account established and maintained thereunder or under any laws governing the creation and use of funds by the Commission designated as the Series 2026A Rebate Fund (the “Rebate Fund”), which Rebate Fund is to be held by the Trustee as a trust fund. All money at any time deposited in the Rebate Fund is to be held by the Trustee in trust, to the extent required to satisfy any rebate liability, for payment to the United States of America, and neither the Commission nor the owner of any Bonds shall have any rights in or claim to such money on deposit in the Rebate Fund.

The Trustee is to invest all amounts held in the Rebate Fund, subject to the restrictions set forth in the Indenture for investments in the Funds and Accounts and in the Tax Agreement. The Trustee is to retain all earnings on such investments (calculated by taking into account net gains or losses on sales or exchanges and taking into account amortized discount or premium as a gain or loss, respectively) in the Rebate Fund.

Upon receipt of the written directions of the Commission, the Trustee is to remit part or all of the balance in the Rebate Fund to the United States of America, as so directed. In addition, if the Commission so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund into such Funds and Accounts as directed by the written directions of the Commission. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebate liability, or provision made therefor satisfactory to the Trustee shall be withdrawn and remitted to the Commission. The obligation to pay any rebate liability to the United States of America and to comply with all other requirements of the Indenture and the Tax Agreement shall survive the payment in full or defeasance of the Bonds.

The Rebate Fund is not part of the Funds and Accounts pledged as security for the Bonds under the Indenture.

Funds and Accounts

Bond Fund. The Indenture creates with Trustee a trust fund designated the “Series 2026A Bond Fund,” which shall be used to pay the interest on and principal of the Bonds. In the Indenture, the Commission covenants and agrees that, so long as any Bonds remain Outstanding and unpaid, it shall deposit or cause to be deposited with the Trustee, not later than the second Business Day preceding each Payment Date, in immediately available funds, all amounts required for the payment of the principal of,

premium, if any, and interest on the Bonds due on such Payment Date. Immediately upon receipt, the Trustee is to deposit such amounts into the Bond Fund.

No further payment need be made to the Bond Fund when, and so long as, the aggregate amount therein is sufficient to retire all of the Bonds then Outstanding, plus the amount of interest due and thereafter to become due on such Bonds on and prior to such retirement, together with redemption premium, if any.

Use of Moneys in Bond Fund. Moneys in the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds, and for the retirement of such Bonds at or prior to maturity.

On each Payment Date, the Trustee is authorized and directed to withdraw and make available out of the Bond Fund a sufficient amount to pay the principal of, premium, if any, and interest on the Bonds, becoming due on such Payment Date, including Bonds redeemed pursuant to the optional or mandatory redemption provisions of the Indenture, if any.

Pledge of Proceeds of the Bonds. Pursuant to the Indenture, the proceeds from the sale of the Bonds on deposit in the Bond Fund, the Construction Account and the Cost of Issuance Fund, until expended for the purposes authorized by the Indenture, and any income from the investment thereof, are irrevocably pledged to the payment of the principal of, premium, if any, and interest on, the Bonds.

Unclaimed Moneys. In the event any Bonds are not presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall have been made available to Trustee for the benefit of the owners thereof, all liability of the Commission to the Bondholders for the payment of such Bonds and the interest thereon shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of Trustee to hold such fund or funds, without liability for interest thereon, for a period of six years after all Bonds shall have matured, for the benefit of the owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on their part under the Indenture or with respect to such Bonds. At the expiration of such period, any unclaimed principal or interest shall be paid to the Commission and thereafter all claimants shall be restricted exclusively to making claim against the Commission for such principal or interest. The Commission shall have no liability for interest on any such funds paid to it and shall not be required to hold such funds in trust nor to, in any manner, segregate such funds on its books.

Construction Account. In accordance with the Indenture, the Commission has caused to be created and established a "Series 2026A Proceeds Account" (the "Construction Account") as a separate account within the State Highway Capital Improvement Fund, which shall be held by the State Treasurer if the State of Nebraska, which Construction Account is to be kept separate and apart from other funds and accounts of the Commission and the State and shall be used solely for the funding of the portion of the Project financed with proceeds of the Bonds. The Construction Account shall constitute a trust fund for the benefit of the owners of the Bonds until disbursed for the purposes thereof. If there are any moneys remaining in the Construction Account after the related portion of the Project is completed, the State Treasurer shall transfer such moneys to the Trustee to be held, in trust, in the Bond Fund.

Moneys on deposit in the Construction Account are to be used for the purposes of funding that portion of the Project financed with proceeds of the Bonds and consisting of expenses authorized to be incurred under the terms of the Build Nebraska Act, and without intending thereby to limit or restrict any proper definition of such costs, shall include as appropriate:

- (a) Fees and expenses of engineers and architects for studies, surveys and estimates, engineering, architectural and other preliminary investigations, preparations of plans and

supervising bidding and construction, as well as for the performance of all other pertinent duties of engineers and architects in relation to the acquisition, construction, equipping and financing of such portion of the Project or the issuance of the Bonds;

(b) All other items of expense incident to the acquisition, construction and undertaking of all or any pertinent part of such portion of the Project, including the acquisition of real estate, franchises and rights-of-way therefor and necessary abstracts of title and title insurance;

(c) Costs of landscaping, roadways, utility services and appurtenances in connection with such portion of the Project, any franchises, easements, rights or damages incident to or consequent upon the construction and operation of such portion of the Project, and the acquisition of such rights-of-way;

(d) Payments made for labor and materials and to contractors, builders and materialmen in connection with development, construction and acquisition work on such portion of the Project, and payments made for the restoration of property damaged or destroyed in connection therewith, if any;

(e) Payments to the Commission or NDOT as reimbursement for moneys theretofore advanced in contemplation of the financing herein described for any of the foregoing items of costs and payments of all other interim financing obtained by the Commission or NDOT in respect of such portion of the Project, both as to principal and interest; and

(f) Interest due on the Bonds during construction for a period not exceeding three (3) years from the date of delivery of such Bonds.

Disbursements from the Construction Account for the costs of the Project are to be made by the State Treasurer upon warrants drawn by the Director of Administrative services, acting for and at the direction of the Commission or NDOT on the Commission's behalf.

Cost of Issuance Fund. The Indenture creates a Cost of Issuance Fund to be held and maintained by the Trustee as a separate fund. Upon the issuance and sale of the Series 2026A Bonds, certain proceeds of the Series 2026A Bonds are to be deposited into this Fund to pay duly authorized expenses of the issuance of the Series 2026A Bonds, including legal and accounting fees and expenses, financial advisors' fees and expenses, printing costs, fees of bond rating agencies and initial fees, costs and expenses of the Trustee.

Investments

Moneys for the credit of any Fund or Account created under the Indenture and held by the Trustee may be invested in any of the investments permitted by the constitution and statutes of the State of Nebraska for funds of the Commission, upon the written direction of NDOT on behalf of the Commission. The Construction Account, which is held by State Treasurer, is to be invested by or at the direction of the Nebraska state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Any such investments shall mature at such time and in such amounts so that funds will be available when required. Obligations so purchased as an investment of moneys and held by the Trustee shall be held by or under the control of Trustee and shall be deemed at all times part of the fund or account from which invested, and the interest accruing thereon and any profit realized from such investments shall be credited to such fund or account and any loss resulting from such investments shall be charged to such fund or account.

The Trustee shall only be responsible for investing amounts held by it. In the absence of a written order of investment of amounts held by the Trustee hereunder, such amounts shall be held uninvested in cash, without liability for interest. The Trustee shall be fully protected in relying on the investment directions it receives as to the suitability and legality of such directed investments.

Discharge of Lien of Indenture and Defeasance

If the Commission shall pay or cause to be paid to the owners of the Bonds the principal and interest to become due thereon at the time and in the manner stipulated therein, and if the Commission shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed as to be kept, performed and observed by it or on its part, then the estate and rights granted by the Indenture shall cease, determine and be void, and thereupon Trustee shall cancel and discharge the lien of the Indenture and execute and deliver to the Commission such instruments in writing as shall be requisite to satisfy the lien hereof and assign and deliver to the Commission any property at the time subject to the lien of the Indenture which may then be in its possession, except cash held by Trustee for the payment of interest on and retirement of the Bonds, or as otherwise provided for therein.

For the purposes of the Indenture, any Bond issued hereunder shall be deemed to be fully discharged and satisfied and no longer Outstanding when a Bond for which the payment of the principal of and all interest accrued and to accrue through the due date of payment (regardless of whether such due date arises by reason of maturity, upon redemption or by declaration as provided herein) has been made; such payment will be deemed to have been made when there has been deposited with Trustee sufficient moneys to make such payment or United States Government Obligations maturing, as to principal and interest, in such amount and at such times as will insure the availability of sufficient moneys to make any such payment and all necessary and proper fees, compensation and expenses of Trustee pertaining to such Bond with respect to which such deposit is made have either been paid or payment provided for to the satisfaction of Trustee; provided, however, no deposit of cash or United States Government Obligations shall constitute discharge and satisfaction as to any Bond to be redeemed prior to their maturity unless:

- (i) such Bond has been irrevocably called or designated for redemption on the first date thereafter on which such Bonds may be redeemed in accordance with the provisions of the Indenture; and
- (ii) proper notice of the redemption of such Bond has been mailed as required by the Indenture, or irrevocable provision, satisfactory to Trustee, shall have been made for the mailing of such notice.

At such time as a Bond shall no longer be deemed to be Outstanding hereunder, as provided in this Section, such Bond shall no longer be secured by or entitled to the benefits of the Indenture except for the purpose of payment from the cash or United States Government Obligations deposited with and held by Trustee for such purpose.

If cash or United States Government Obligations shall have been deposited with Trustee in accordance with the Indenture, in trust for the purpose and sufficient and available to pay the principal of any Bond, together with all interest due thereon to the due date thereof or to the date fixed for the redemption thereof, all liability of the Commission for such payments shall terminate and be discharged, whether or not such Bond shall be presented for payment on the due date, whether at maturity or upon redemption or by declaration, and Trustee shall hold such moneys or United States Government Obligations without liability to the owner of such Bond for interest thereon, in trust for the benefit of the owner of such Bond, who thereafter shall be restricted exclusively to such moneys or United States Government Obligations for any claim for such payment of whatsoever nature on his part, except as otherwise provided in the Indenture.

Default Provisions and Remedies of Trustee and Bondholders

Events of Default. The following events are defined as and declared to be and to constitute an “Event of Default” under the Indenture:

- (a) default in the due and punctual payment of the principal of or the interest on any Bond secured and Outstanding under the Indenture and the continuance thereof for a period of five days;
- (b) default in the due and punctual payment of moneys required to be paid to Trustee under the Indenture and the continuance thereof for a period of five days; or
- (c) default in the performance or observance of any other of the covenants, agreements or conditions on the Commission’s part contained in the Indenture, or in the Bonds, and the continuance thereof for a period of 30 days after written notice thereof to the Commission by Trustee, or by the owners of not less than 25% in aggregate principal amount of Bonds outstanding thereunder.

Acceleration. Upon the occurrence of an Event of Default, the Trustee may, and, upon the written request of the owners of 25% in aggregate principal amount of Bonds outstanding under the Indenture, shall, by notice in writing delivered to the Commission, declare the principal of all Bonds secured by the Indenture then Outstanding, and the interest accrued thereon, immediately due and payable. This provision is subject, however, to the condition that, if at any time after such declaration of principal and interest to be immediately due, and before any further action has been taken other than such declaration, the principal amount of all Bonds which have matured and all arrears of interest, together with the reasonable charges and expenses of Trustee, shall be paid or caused to be paid, then the owners of a majority of principal amount of the Bonds then Outstanding, by notice in writing delivered to Trustee, may require Trustee to waive such default and its consequences and rescind such declaration. Until it is required to make the declaration described above, the Trustee shall have power to waive any default arising under the Indenture if, in the opinion of Trustee, the same shall have been cured or adequate satisfaction made therefor or if Trustee deems the declaration not to be in the best interest of the Bondholders.

Other Remedies. Upon the happening and continuance of any Event of Default under the Indenture, then and in every case the Trustee may proceed, and upon the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, subject to its right to be indemnified to its satisfaction, shall proceed, to protect and enforce its rights and the rights of the owners of the Bonds under Nebraska law and under the Indenture forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in aid of the execution of any power granted herein or under Nebraska law or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by its counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture.

Regardless of the happening of an Event of Default under the Indenture, if requested in writing to take any action under the Indenture or the Bonds by the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, the Trustee shall not have any duty to act until it is furnished with indemnification as described in the Indenture. The Trustee may institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or the Bonds by any acts which may be unlawful or in violation of the Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the owners of the Bonds; provided, that such request shall not be

otherwise than in accordance with the provisions of law and of the Indenture, and shall not be unduly prejudicial to the interests of the owners of the Bonds not making such request.

Limitation on Bondholders' Right To Institute Proceedings. No owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law under the Indenture or for any other remedy under the Indenture unless such owner previously shall have given to Trustee written notice of an Event of Default as provided in the Indenture and unless the owners of not less than 25% in principal amount of the Bonds outstanding under the Indenture shall have made written request of Trustee, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in the name of Trustee and Trustee shall have refused or neglected to comply with such request within a reasonable time and after being afforded a reasonable opportunity to do so and after having been offered security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby as aforesaid. All actions to enforce any provision of the Indenture shall be instituted and maintained for the equal benefit of all owners of the Bonds, except that nothing contained in the Indenture shall impair the right of any owner of any Bonds at or after the maturity thereof to reduce the same to judgment.

Application of Moneys. Anything in the Indenture to the contrary notwithstanding, if at any time the moneys in the Bond Fund are not sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the Indenture), such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, are to be applied as follows:

(a) unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied as follows:

(i) *FIRST:* to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(ii) *SECOND:* to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their stated Payment Dates, with interest on the principal amount of such Bonds from the respective dates upon which such Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds by their stated terms due and payable on any particular date, together with such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

(iii) *THIRD:* to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of the Indenture;

(b) if the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(c) if the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions of paragraph (b) above, in the event that the principal of all of such Bonds shall later become or be declared due and payable, the moneys remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of paragraph (a) above.

Bondholders' Right To Direct Proceedings. The owners of a majority in principal amount of the Bonds outstanding under the Indenture shall have the right, by an instrument or concurrent instruments in writing executed and delivered to Trustee, to direct the method and place of conducting all remedial proceedings to be taken by Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture.

The Trustee

Acceptance of Trusts; Resignation or Discharge of Trustee; Successor Trustees. The Trustee has accepted the duties and obligations imposed upon it by the Indenture and the trusts thereby created upon the terms and conditions set forth in the Indenture. The Trustee may resign and thereby become discharged from the trusts thereby created by notice in writing given to the Commission, NDOT and to all owners of the Bonds, by first class mail, postage prepaid, at least thirty (30) days prior to the effective date of such resignation, provided that such resignation shall take effect only upon the appointment of a successor Trustee, and, provided further, such resignation shall take effect immediately upon the appointment of a successor Trustee if such successor Trustee be appointed and qualified before the time limit established by such notice. The Trustee may be removed at any time at the written request of the Commission or by an instrument in writing signed by the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, but such removal shall not be effective until a successor Trustee shall be appointed pursuant to the Indenture. In case at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting or the offices of the Trustee shall be taken over by any governmental office or board, or if the position of the Trustee shall become vacant for any reason, a successor shall be appointed by the Commission; and unless such appointment be made within thirty (30) days after such resignation, removal, dissolution or incapacity shall have occurred, the owners of a majority in aggregate principal amount of the Bonds then Outstanding may make such appointment by an instrument or concurrent instruments in writing signed by any such owners of the Bonds and filed with the Commission, or the Trustee may petition a court of competent jurisdiction for the appointment of a successor trustee. Any such successor shall have all the powers and obligations of Trustee theretofore vested in its predecessor. Any successor trustee shall be a bank or trust company having a capital and surplus of not less than \$75,000,000. The Commission shall provide notice as soon as practicable of any change in the Trustee to all owners of the Bonds in the manner as required by the Indenture and Bonds re-registered or re-issued thereafter shall be altered or shall contain a legend identifying such successor Trustee.

Any corporation, association or other entity into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and businesses or any corporation, association or other entity resulting from any such conversion, sale, merger consolidation or other transfer to which it is a party, *ipso facto*, shall be and

become successor Trustee under the Indenture, as applicable, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

Limitations on Liability. The duties and obligations of Trustee shall be determined solely by the express provisions of the Indenture, and Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Indenture. Trustee shall be protected when acting in good faith upon the advice of its counsel, who may be bond counsel to the Commission.

Dealings in Bonds. Trustee in its individual capacity may become the owner or pledgee of the Bonds with the same rights it would have if it were not Trustee hereunder.

Amendment of Indenture

Supplemental Indentures Not Requiring Consent of Bondholders. The Commission may without the consent of the Bondholders, but with the consent of Trustee, amend or supplement the Indenture in such manner as not to be inconsistent with the terms and provisions thereof, so as to thereby (a) cure any ambiguity or formal defect or omission, including any subsequent amendments thereto; (b) grant to and confer upon Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondholders or Trustee, or surrender any right, power or privilege reserved to or conferred upon the Commission by the Indenture or any amendment thereto; (c) issue a Series of Additional Bonds in accordance with the provisions of the Indenture; (d) comply with such requirements of the Code as are necessary in the opinion of Bond Counsel to make the interest on the Bonds excludable from gross income of the Bondholders for federal income tax purposes; or (e) to modify, alter, amend or supplement the Indenture in any other respect which in the judgment of the Commission, as concurred in by Trustee, is not materially adverse to the Bondholders.

Supplemental Indentures Requiring Consent of Bondholders. With the consent of the owners of not less than two-thirds of the Bonds outstanding thereunder, the Commission may amend the Indenture in any manner; provided, however, that, without the specific consent of the owner of each Bond which would be affected thereby, no such amendment shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bonds issued thereunder, or (b) a reduction in the principal amount of any Bond or a reduction in the rate of interest thereon, or (c) creation of any different privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such amendment to the Indenture, or (e) any release or lessening of the pledge and assignment of any security that has been pledge to the repayment of the Bonds.

If the owners of not less than two-thirds in aggregate principal amount of the Bonds outstanding under the Indenture shall have consented to the amendment proposed, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain Trustee or the Commission from taking any action pursuant to the provisions thereof.

After the owners of the required percentage of Bonds shall have filed their consents to the amending of the Indenture, the Commission shall mail to each Bondholder a copy of the amendment together with a notice of such amending.

Upon delivery to Trustee of a copy of the amendment to the Indenture certified by the Chair of the Commission, together with an opinion of counsel to the Commission that such amendment is in proper form and was duly adopted in accordance with the provisions thereof and applicable law, the Indenture as it then exists and the Bonds shall be modified and amended in accordance with such amendment, and thereafter

the respective rights and duties under the Indenture of the Commission and the Bondholders shall be determined under the Indenture as so amended.

Consent of Trustee Required. No amendment amending, changing or modifying any of the rights or obligations of Trustee under the Indenture may be adopted without the written consent of Trustee.

Miscellaneous

Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required by the Indenture, or any supplement hereto, to be signed or executed by owners of Bonds may be in any number of concurrent instruments of similar tenor and may be signed or executed by such owners in person or by an agent duly appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of such Bonds shall be sufficient for any purpose of the Indenture, and shall be conclusive in favor of Trustee and the Commission with regard to any action taken by them under such instrument, if made in the manner required by the Indenture.

No Personal Liability of the Commission Officials; Limited Liability of the Commission to Bondholders. No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any present or future official, officer, agent or employee of the Commission, and neither the members of the Commission nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Except for the payment when due of the payments and the observance and performance of the other agreements, conditions, covenants and terms required to be performed by it contained in the Indenture, the Commission shall not have any obligation or liability to the Bondholders with respect to the Indenture or the preparation, execution, delivery, transfer, exchange or cancellation of the Bonds or the receipt, deposit or disbursement of the payments by Trustee or with respect to the performance by Trustee of any obligation required to be performed by it contained in the Indenture.

Governing Law. The Indenture shall be construed in accordance with and governed by the Constitution and laws of the State of Nebraska.

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

_____, 2026

Nebraska Highway Commission
Lincoln, Nebraska

Union Bank and Trust Company
Lincoln, Nebraska

\$ _____
State of Nebraska
State Highway Commission
Highway Improvement Revenue Bonds
Series 2026A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the State Highway Commission of the State of Nebraska (the “Commission”) of \$ _____ aggregate principal amount of its Highway Improvement Revenue Bonds (the “Bonds”). The Bonds are issuable as fully registered Bonds without coupons dated as of their date of delivery in denominations of \$5,000 or any integral multiple thereof, bearing interest payable semiannually on June 15 and December 15 of each year commencing on December 15, 2026.

The Bonds are being issued by the Commission, pursuant to Sections 39-2201 to 39-2226, inclusive, of the Reissue Revised Statutes of Nebraska (“RRS”), as supplemented and amended (the “Act”), a resolution adopted by the Commission on December 6, 2024 (the “Bond Resolution”) and an Indenture of Trust, dated as of February 1, 2025, as supplemented by a First Supplemental Indenture of Trust dated as of February 1, 2026 (collectively, the “Indenture”), each between the Commission and Union Bank and Trust Company, as trustee (the “Trustee”), for the purpose of providing funds to (a) construct, improve and complete certain highway construction projects (the “Project”) under the Build Nebraska Act, RRS Section 39-2701 to Section 39-2705 (the “Build Nebraska Act”), and (b) pay the costs of issuing the Bonds.

The Commission has covenanted in the Indenture to at all times do and perform all acts and things permitted by law and necessary or desirable to assure that the interest on the Bonds shall, for purposes of federal income taxation, be excludable from the gross income of the recipient.

We have examined the laws of the State of Nebraska, the Act, the Build Nebraska Act, a certified copy of the Bond Resolution, an executed counterpart of the Tax Exemption Certificate and Agreement dated the date hereof by the Commission, certified copies of proceedings of the

Commission authorizing the issuance of the Bonds, a copy of an executed Bond and such other documents, records, certificates and opinions as we have deemed relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that:

1. The Bonds have been authorized and issued in accordance with the laws of the State of Nebraska and constitute valid and legally binding obligations of the Commission, payable as to principal and interest solely from amounts deposited or to be deposited in the State Highway Capital Improvement Fund under the Act.

2. The Indenture has been duly authorized, executed and delivered by the Commission, and constitutes a valid and binding obligation of the Commission, enforceable against the Commission in accordance with its terms.

3. The Bonds are special and limited obligations of the Commission, payable solely and only from the revenues provided for by the Indenture. The Bonds do not pledge the general credit or taxing power, if any, of the State of Nebraska (the "State"), the Commission, the Nebraska Department of Transportation or any other agency or political subdivision of the State.

4. The Bonds are not secured by a pledge of, or lien on, any properties constituting the Project or by a pledge of or lien on the income derived from the Project, if any, but are payable as to principal and interest solely and only from and are secured by a pledge of the amounts deposited or to be deposited in the State Highway Capital Improvement Fund under the Act.

5. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owners thereof) is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Commission comply with all requirements of Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excluded from gross income for federal income tax purposes under Section 103 of the Code. The Commission has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts, or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred (or continued)

indebtedness to purchase or carry tax exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Bonds.

7. Under the existing laws of the State of Nebraska, interest on the Bonds is exempt from Nebraska state income taxation as long as it is exempt for purposes of the federal income tax.

The obligations of the Commission, and the enforceability thereof, with respect to the Bonds and the other documents described above are subject, in part, to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting creditors' rights generally, now or hereafter in effect. Certain of such obligations, and enforcement thereof, are also subject to general equity principles, which may limit the specific enforcement of certain remedies but which do not affect the validity of such documents.

This opinion is based upon existing law as of the date of issuance and delivery of the Bonds and we express no opinion as of any date subsequent thereto. We express no opinion as to the title to, or the sufficiency in the Indenture or otherwise of the description of, the Project, or the priority of any liens, charges or encumbrances on the Project.

Very truly yours,

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$ _____
State of Nebraska
State Highway Commission
Highway Improvement Revenue Bonds
Series 2026A

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of February 1, 2026 (this “Disclosure Agreement”), is executed and delivered by the **STATE HIGHWAY COMMISSION** (the “Commission”) of the State of Nebraska (the “State”) and **UNION BANK AND TRUST COMPANY** (the “Dissemination Agent”) in connection with the issuance of the above-referenced bonds (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust dated as of February 1, 2025, as supplemented by a First Supplemental Indenture of Trust dated as of February 1, 2026 (collectively, the “Indenture”), between the Commission and Union Bank and Trust Company, as trustee (the “Trustee”). The Commission and the Dissemination Agent covenant and agree as follows:

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

“*Annual Financial Information*” means the financial information or operating data with respect to the NDOT, provided at least annually, of the type included in Appendix B of the final official statement with respect to the Bonds; which Annual Financial Information may, but is not required to, include Audited Financial Statements.

“*Audited Financial Statements*” means the State’s annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by an independent auditor selected by the State of Nebraska Auditor of Public Accounts, or otherwise as shall be then required or permitted by the laws of the State of Nebraska.

“*Dissemination Agent*” shall mean initially Union Bank and Trust Company, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Commission to serve as dissemination agent pursuant to this Disclosure Agreement.

“*EMMA*” means the Electronic Municipal Market-Access facility for municipal securities disclosure of the MSRB.

“*Financial Obligation*” means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii) in this definition; provided however, the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

“*Material Event*” means any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;

- (ii) Nonpayment-related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the State;*
- (xiii) The consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

“*Material Event Notice*” means notice in Prescribed Form in accordance with EMMA of a Material Event.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State.

“*MSRB*” means the Municipal Securities Rulemaking Board (www.emma.msrb.org).

“*Rule*” means Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SEC*” means the Securities and Exchange Commission of the United States.

Section 2. Provision of Information; Filing. The Commission shall provide the following information as provided in this Disclosure Agreement:

- (a) (i) Annual Financial Information;
- (ii) Audited Financial Statements, if any; and
- (iii) Material Event Notices.

(b) The information listed in Section 2(a) hereof shall be provided by the Commission (or the Dissemination Agent on behalf of the Commission) to the MSRB, at www.emma.msrb.org, in such electronic format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information (the “Prescribed Form”).

(c) The Commission (or the Dissemination Agent on behalf of the Commission) shall, while any Bonds are Outstanding, provide the Annual Financial Information on or before January 30 of each year (the “Report Date”), to the MSRB in Prescribed Form. The Commission shall include with each submission of Annual Financial Information an electronic written representation addressed to the Dissemination Agent to the effect that the Annual Financial Information is the Annual Financial Information required hereby, that it complies with the applicable requirements hereof and that the Commission has provided the Annual Financial Information in Prescribed Form. The Commission may adjust the Report Date if the State changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date in Prescribed Form to the MSRB, provided that the new Report Date shall be not more than 210 days after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Commission provides to the MSRB the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the SEC and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(d) If not provided as part of the Annual Financial Information, the Commission shall provide, or cause the Dissemination Agent to provide, the Audited Financial Statements in Prescribed Form when and if available while any Bonds are Outstanding to the MSRB.

(e) (i) If a Material Event occurs while any Bonds are Outstanding, the Commission shall provide, or shall cause the Dissemination Agent to provide, a Material Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, in Prescribed Form to the MSRB. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(ii) The Dissemination Agent shall promptly advise the Commission whenever, in the course of performing its duties as Dissemination Agent hereunder, the

Dissemination Agent identifies an occurrence which, if material, would require the Commission to provide a Material Event Notice pursuant to Section 2(e)(i) hereof, provided that the failure of the Dissemination Agent so to advise the Commission shall not constitute a breach by the Dissemination Agent of any of its duties and responsibilities hereunder.

(iii) If the Commission provides to the Dissemination Agent information relating to the State or the Bonds, which information is not designated as a Material Event Notice, and directs the Dissemination Agent to provide such information to information repositories, the Dissemination Agent shall provide such information in Prescribed Form in a timely manner to the MSRB.

(f) The Dissemination Agent shall, without further direction or instruction from the Commission, provide in a timely manner to the MSRB, notice in Prescribed Form of any failure by the Commission while any Bonds are Outstanding to provide to the MSRB, Annual Financial Information on or before the Report Date. For the purposes of determining whether information received from the Commission is Annual Financial Information and has been so provided, the Dissemination Agent shall be entitled conclusively to rely on the Commission's written representation made pursuant to Section 2(c) herein.

(g) The Dissemination Agent shall determine each year prior to the Report Date whether there has occurred a change in the MSRB's email address or filing procedures and requirements under EMMA.

Section 3. Dissemination Agent. The Commission may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The appointment of a successor Dissemination Agent shall be effective upon the delivery to the Commission of written acceptance of such designation. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Commission. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Commission.

Section 4. Termination of Reporting Obligation. The continuing obligation hereunder of the Commission to provide Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once the Bonds no longer are Outstanding. This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Commission delivers to the Dissemination Agent an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Agreement, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds, provided that the Commission shall have provided notice of such delivery and the cancellation of this Disclosure Agreement or any provision hereof in Prescribed Form to the MSRB.

Section 5. Amendment. Notwithstanding any other provision of the Disclosure Agreement, the Commission and the Dissemination Agent, if any, may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably refuse to execute any amendment so requested by the Commission), without the consent of the Bondholders, but only upon the delivery by the Commission to the Dissemination Agent of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Agreement and by the Commission with the Rule, provided that the Commission shall have provided notice in Prescribed Form of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy the following conditions:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the State, or type of business conducted;

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interest of holders of the Bonds, as determined either by parties unaffiliated with the State (such as nationally recognized bond counsel), or by approving vote of holders of the Bonds pursuant to the terms of the Indenture at the time of the amendment.

The initial Annual Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 6. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information, Audited Financial Statements or Material Event Notices, in addition to that which is required by this Disclosure Agreement. If the Commission chooses to include any information in any Annual Financial Information, Audited Financial Statements or Material Event Notices, in addition to that which is specifically required by this Disclosure Agreement, the Commission shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or Material Event Notices.

Section 7. Noncompliance. Any failure by the Commission to perform in accordance with this Disclosure Agreement shall not constitute an “Event of Default” under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an “Event of Default” shall not apply to any such failure. The Trustee shall not have any power or duty to enforce this Disclosure Agreement. If the Commission fails to comply herewith, any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Commission or the Dissemination Agent, if any, to comply with its obligations hereunder. The obligation of the Commission to provide Annual Financial Information, Audited Financial Statements and Material Event Notices does not constitute a liability, lien or charge upon the moneys or property of the State or any of its departments or agencies.

Section 8. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Commission shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Disclosure Agreement.

Section 9. Notices. Any notices or communications to or among any of the parties referenced in this Disclosure Agreement may be given as follows:

(a) With respect to the Commission:

Nebraska State Highway Commission
1500 Nebraska Parkway
c/o Nebraska Department of Transportation
Lincoln, Nebraska 68502
Attn: Director of Innovative Finance

(b) With respect to the Dissemination Agent:

Union Bank and Trust Company
1801 Pine Lake Road
Lincoln, Nebraska 68512
Attn: Corporate Trust Department

Section 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the parties hereto and the holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Electronic Transactions. The transactions described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 14. Counterparts. This Disclosure Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page Follows]

NEBRASKA STATE HIGHWAY COMMISSION

By _____
Authorized Officer

UNION BANK AND TRUST COMPANY,
as Dissemination Agent

By _____
Authorized Officer

APPENDIX H

DTC BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s book entry only system has been obtained from DTC, and none of the Commission, the NDOT, the Trustee, as Paying Agent and Bond Registrar, or the Underwriters take any responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2026A Bonds. The Series 2026A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2026A Bond certificate will be issued for each maturity of the Series 2026A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of: AA+. The DTC Rules applicable to its Direct Participants and Indirect Participants (“Participants”) are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026A Bonds, except in the event that use of the book entry system for the Series 2026A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial

ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all the Series 2026A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2026A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Department as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, and principal and interest payments on the Series 2026A Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Department or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent or the Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the Series 2026A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026A Bonds at any time by giving reasonable notice to the Commission or the Trustee, as Paying Agent and Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026A Bond certificates are required to be printed and delivered.

The Commission may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, Series 2026A Bond certificates will be printed and delivered to DTC.

The above information in this APPENDIX H concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but the Commission takes no responsibility for the completeness or the accuracy thereof, or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Commission, the NDOT, Bond Counsel, the Trustee, as Paying Agent and Bond Registrar and the Underwriters cannot and do not give any assurances that the DTC Participants will distribute to the

Beneficial Owners of the Series 2026A Bonds: (i) payments of principal of or interest on the Series 2026A Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the Series 2026A Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the Series 2026A Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

None of the Commission, the NDOT, Bond Counsel, the Trustee, as Paying Agent and Bond Registrar, or the Underwriters will have any responsibility or obligation to such DTC Participants (a “Direct” or “Indirect” “Participant”) or the persons for whom they act as nominees with respect to: (i) the Series 2026A Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner with respect to the principal of, premium, if any, or interest on the Series 2026A Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2026A Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.

In reading this Official Statement, it should be understood that while the Series 2026A Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the Series 2026A Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the Commission or the Trustee, as Paying Agent and Bond Registrar, will be given only to DTC.