

**The City of Bellevue, in the State of Nebraska**  
**Notice Filing – Tender Offer**  
**Dated January 16, 2024**

This Tender Offer Notice Filing is for an event described in Securities and Exchange Act Rule 15c2-12, as amended. The City provides this information as it may be material to the financial evaluation of one or more obligations of the City.

**Issuer:** The City of Bellevue, in the State of Nebraska (the “City”) for itself and as obligor of the obligations of the Bellevue City Municipal Building Corporation (the “Corporation”)

**Bond Issues:** Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation;  
Refunding Certificates of Participation (Taxable Interest), Series 2021; and  
General Obligation Refunding Bonds (Taxable Interest), Series 2020B

<b>CUSIP Numbers:</b>	079235 DC8	079235 DE4	079235 DG9
	079235 DD6	079235 DF1	079235 DH7
	079222 AS4	079222 AV7	079222 AY1
	079222 AT2	079222 AW5	079222 AZ8
	079222 AU9	079222 AX3	
	079212 6L5	079212 6P6	079212 6S0
	079212 6M3	079212 6Q4	079212 6T8
	079212 6N1	079212 6R2	079212 6U5

**Type of Information:** Invitation to Tender Bonds

The City is inviting holders of the above CUSIP numbers to tender bonds for purchase by the City pursuant to the terms and conditions set forth in the attached invitation.

This filing is not an event filing for a defeasance or bond call.

The City is providing this Notice Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system.

The City of Bellevue, Nebraska  
Bellevue, Nebraska

**INVITATION TO TENDER OBLIGATIONS**  
made by  
**THE CITY OF BELLEVUE, IN THE STATE OF NEBRASKA (THE “CITY”)**  
**FOR ITSELF AND AS OBLIGOR OF THE OBLIGATIONS OF**  
**THE BELLEVUE CITY MUNICIPAL BUILDING CORPORATION (THE “CORPORATION”)**  
to the Holders described herein of all or any portion of the maturities listed on page (i) herein of:

**Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation**  
**Refunding Certificates of Participation (Taxable Interest), Series 2021**  
**General Obligation Refunding Bonds (Taxable Interest), Series 2020B**

THIS INVITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JANUARY 30, 2024,  
UNLESS THE INVITATION IS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.  
See “TERMS OF THE TENDER OFFER” herein.

This Invitation to Tender Obligations, dated January 16, 2024 (as it may be amended or supplemented, this “*Tender Offer*”), describes an invitation by The City of Bellevue, in the State of Nebraska (the “*City*” or the “*Issuer*”) for itself and as obligor of the obligations of the Bellevue City Municipal Building Corporation (the “*Corporation*”), with the assistance of D.A. Davidson & Co., as dealer manager (the “*Dealer Manager*”), to the beneficial owners (the “*Holders*” or “*Bondholders*”) of the Corporation’s Refunding Bonds (Convention Center Project), Taxable Series 2020 (the “*Series 2020 Bonds*”), the City’s Refunding Certificates of Participation (Taxable Interest), Series 2021 (the “*Series 2021 Certificates*”), and the City’s General Obligation Refunding Bonds (Taxable Interest), Series 2020B (the “*Series 2020B Bonds*” and, together with the Series 2020 Bonds and Series 2021 Certificates, collectively, the “*Obligations*”) to tender their Obligations for purchase at the offer prices to be set forth in the Pricing Notice, which is expected to be dated on or about January 24, 2024 (as it may be amended and supplemented, the “*Pricing Notice*” a form of which is attached hereto as APPENDIX B), plus accrued interest on the Obligations tendered and accepted for purchase (“*Accrued Interest*”) to but not including the Settlement Date (as hereinafter defined) for the offer price. The offer price will be based on a fixed spread set forth in the Pricing Notice to be added to the yields on certain benchmark United States Treasury Securities, plus Accrued Interest to but not including the Settlement Date.

Subject to the terms and conditions of this Tender Offer, the City may agree to purchase Obligations on February 7, 2024, unless extended by the City (such date being the “*Settlement Date*”), assuming all conditions to this Tender Offer have then been satisfied or waived by the City; provided that such Obligations have been validly tendered for purchase by the Expiration Date, and accepted, as described herein. See “**TERMS OF THE TENDER OFFER—Acceptance of Tenders for Purchase.**” Bondholders whose Obligations are accepted for purchase will receive the Purchase Price and Accrued Interest on such Obligations on the Settlement Date. The source of funds to purchase the Series 2020B Bonds pursuant to this Tender Offer will be proceeds of the City’s General Obligation Refunding Bonds, Series 2024 (the “*Series 2024 Bonds*”) and the source of funds to purchase the Series 2020 Bonds and the Series 2021 Certificates pursuant to this Tender Offer will be cash funds of the City. If issued, the Series 2024 Bonds will be dated the Settlement Date and be issued in the manner, on the terms and with the security therefor described in the Preliminary Official Statement dated as of the date hereof attached hereto as APPENDIX A (the “*Preliminary Official Statement*”). The purchase of the Series 2020B Bonds tendered and accepted for purchase pursuant to this Tender Offer is contingent on the issuance of the Series 2024 Bonds as described herein, including the Financing Conditions (as defined herein), and the purchase any Obligation pursuant to this Tender Offer is subject to certain other conditions. See “**INTRODUCTION—General**” and “**TERMS OF THE TENDER OFFER—Conditions to Purchase**” herein.

**HOLDERS OF OBLIGATIONS WHO DO NOT TENDER THEIR OBLIGATIONS, AS WELL AS HOLDERS OF OBLIGATIONS WHO TENDER OBLIGATIONS FOR PURCHASE THAT THE CITY DOES NOT ACCEPT FOR PURCHASE, WILL CONTINUE TO HOLD SUCH OBLIGATIONS (THE “UNTENDERED OBLIGATIONS”) AND SUCH UNTENDERED OBLIGATIONS WILL REMAIN OUTSTANDING. THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED OBLIGATIONS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS OF THE CITY.** See “**INTRODUCTION—Obligations Not Tendered for Purchase**” and “**ADDITIONAL CONSIDERATIONS**” herein.

To make an informed decision as to whether, and how, to tender Obligations for purchase pursuant to this Tender Offer, Bondholders must read this Tender Offer, including the Preliminary Official Statement attached hereto, carefully, and consult with their broker, account executive, financial advisor, attorney and/or other professionals. For more information about risks concerning this Tender Offer, please see “**ADDITIONAL CONSIDERATIONS**” herein.

Any Bondholder wishing to tender Obligations should follow the procedures more specifically described herein. Bondholders and their brokers and account executives with questions about this Tender Offer should contact the Dealer Manager or the Information Agent.

**Key Dates and Times**

*All of these dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Tender Offer.*

Launch Date and Post Preliminary Official Statement	January 16, 2024
Pricing Notice	On or about January 24, 2024
Expiration Date	5:00 p.m. on January 30, 2024
Determination of Purchase Price	10:00 a.m. on January 31, 2024
Notice of Purchase Price	January 31, 2024
Acceptance Date	February 2, 2024
Settlement Date	February 7, 2024

The Dealer Manager for this Tender Offer is:

**D.A. Davidson & Co.**

The Information Agent and Tender Agent for this Tender Offer is:

**Globic Advisors Inc.**

## OBLIGATIONS SUBJECT TO THE TENDER OFFER

### Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Indicative Fixed Spreads <sup>†</sup>
079235 DC8	09/15/2024	1.574%	\$2,065,000	4.250% UST maturing 12/31/2025 CUSIP 91282C JS1	0
079235 DD6	09/15/2025	1.654	595,000	4.250% UST maturing 12/31/2025 CUSIP 91282C JS1	0
079235 DE4	09/15/2026	1.780	495,000	4.000% UST maturing 01/15/2027 CUSIP 91282C JT9	0
079235 DF1	09/15/2027	1.800	490,000	4.000% UST maturing 01/15/2027 CUSIP 91282C JT9	0
079235 DG9	09/15/2028	1.930	555,000	3.750% UST maturing 12/31/2028 CUSIP 91282C JR3	0
079235 DH7	09/15/2035*	2.250	2,165,000	4.500% UST maturing 11/15/2033 CUSIP 91282C JJ1	0

### Refunding Certificates of Participation (Taxable Interest), Series 2021

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Indicative Fixed Spreads <sup>†</sup>
079222 AS4	09/15/2024*	0.455%	\$ 460,000	4.250% UST maturing 12/31/2025 CUSIP 91282C JS1	0
079222 AT2	09/15/2026*	0.726	455,000	4.000% UST maturing 01/15/2027 CUSIP 91282C JT9	0
079222 AU9	09/15/2027	0.969	400,000	4.000% UST maturing 01/15/2027 CUSIP 91282C JT9	0
079222 AV7	09/15/2028	1.149	430,000	3.750% UST maturing 12/31/2028 CUSIP 91282C JR3	0
079222 AW5	09/15/2029	1.403	355,000	3.750% UST maturing 12/31/2028 CUSIP 91282C JR3	0
079222 AX3	09/15/2030	1.503	505,000	3.750% UST maturing 12/31/2030 CUSIP 91282C JQ5	0
079222 AY1	09/15/2031	1.603	420,000	3.750% UST maturing 12/31/2030 CUSIP 91282C JQ5	12
079222 AZ8	09/15/2032	1.703	860,000	4.500% UST maturing 11/15/2033 CUSIP 91282C JJ1	20

### General Obligation Refunding Bonds (Taxable Interest), Series 2020B

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Indicative Fixed Spreads <sup>†</sup>
079212 6L5	09/15/2024	1.697%	\$2,160,000	4.250% UST maturing 12/31/2025 CUSIP 91282C JS1	0
079212 6M3	09/15/2025	1.797	1,615,000	4.250% UST maturing 12/31/2025 CUSIP 91282C JS1	0
079212 6N1	09/15/2026	2.002	1,830,000	4.000% UST maturing 01/15/2027 CUSIP 91282C JT9	0
079212 6P6	09/15/2027	2.052	1,830,000	4.000% UST maturing 01/15/2027 CUSIP 91282C JT9	0
079212 6Q4	09/15/2028	2.199	2,175,000	3.750% UST maturing 12/31/2028 CUSIP 91282C JR3	0
079212 6R2	09/15/2029	2.249	2,910,000	3.750% UST maturing 12/31/2028 CUSIP 91282C JR3	0
079212 6S0	09/15/2030	2.299	2,670,000	3.750% UST maturing 12/31/2030 CUSIP 91282C JQ5	0
079212 6T8	09/15/2031	2.399	3,520,000	3.750% UST maturing 12/31/2030 CUSIP 91282C JQ5	11
079212 6U5	09/15/2032	2.449	1,345,000	4.500% UST maturing 11/15/2033 CUSIP 91282C JJ1	19

\*Term Obligations

<sup>†</sup>Indicative Fixed Spreads and Benchmark Treasury Securities are preliminary and subject to change. Actual Fixed Spreads and Benchmark Treasury Securities will appear in the Pricing Notice.

## PROVISIONS APPLICABLE TO THE TENDER OFFER

On or about January 24, 2024, the Pricing Notice will be made available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org> (the “EMMA Website”), using the CUSIP numbers for the Obligations listed in the “Obligations Subject to the Tender Offer” table above; (ii) to The Depository Trust Company (“DTC”) and to the DTC participants holding the Obligations (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at [www.globic.com/bellevue](http://www.globic.com/bellevue).

On or about January 31, 2024, the Notice of Purchase Price will be made available: (i) on the EMMA Website, using the CUSIP numbers for the Obligations listed in the “Obligations Subject to the Tender Offer” table above; (ii) to DTC and to the DTC participants holding the Obligations (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at [www.globic.com/bellevue](http://www.globic.com/bellevue).

The Preliminary Official Statement (attached hereto as APPENDIX A) is or will be made available, as an attachment to this Tender Offer: (i) on the EMMA Website, using the CUSIP numbers for the Obligations listed in the “Obligations Subject to the Tender Offer” table in this Tender Offer; (ii) to DTC and to the DTC participants holding the Obligations (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at [www.globic.com/bellevue](http://www.globic.com/bellevue).

The consummation of this Tender Offer is also subject to certain conditions, including, without limitation, the applicable Conditions to Purchase, as defined herein. See “INTRODUCTION—General” and “TERMS OF THE TENDER OFFER—Conditions to Purchase” herein.

## IMPORTANT INFORMATION

*This Tender Offer and other information with respect to this Tender Offer is and will be available from D.A. Davidson & Co. (the “Dealer Manager”) and Globic Advisors Inc. (the “Information Agent”) at <http://emma.msrb.org> and [www.globic.com/bellevue](http://www.globic.com/bellevue). Bondholders wishing to tender their Obligations for purchase pursuant to this Tender Offer should follow the procedures described in this Tender Offer. Pursuant to this Tender Offer, the City may accept offers to tender Obligations in accordance with the procedures and the restrictions set forth in this Tender Offer. The City reserves the right to cancel or modify this Tender Offer at any time on or prior to the Expiration Date, and reserves the right to make a future tender offer at prices different than the prices described herein and in the Pricing Notice, in its sole discretion. The City will have no obligation to accept tendered Obligations for purchase. In addition, the City will have no obligation to purchase Obligations accepted for purchase if cancellation or modification occurs or any other conditions set forth herein are not satisfied, or, with respect to the Series 2020B Bonds, if certain conditions related to the issuance of the Series 2024 Bonds are not satisfied. The City further reserves the right to accept nonconforming tenders or waive irregularities in any tender. The City also reserves the right in the future to refund (on an advance or current basis) any remaining portion of outstanding Obligations through the issuance of publicly-offered or privately-placed bonds. The consummation of this Tender Offer is subject to certain other conditions that are anticipated to occur after the Expiration Date but prior to the Settlement Date, as described herein.*

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TENDER OFFER OR PASSED UPON THE FAIRNESS OR MERITS OF THIS TENDER OFFER OR UPON THE**

**ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS TENDER OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

In any jurisdictions where the securities, “blue sky” or other laws require this Tender Offer to be distributed through a licensed or registered broker or dealer, this Tender Offer shall be deemed to be distributed on behalf of the City through the Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

References to website addresses 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 websites and the information or links contained therein are not incorporated into, and are not a part of, this Tender Offer.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Tender Offer, including APPENDIX A, and, if given or made, such information or representation may not be relied upon as having been authorized by the City.

The delivery of this Tender Offer shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the City since the date hereof. The information contained in this Tender Offer is as of the date of this Tender Offer only and is subject to change, completion, or amendment without notice.

Certain statements included or incorporated by reference into this Tender Offer constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “forecast,” “plan,” “expect,” “estimate,” “budget” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Tender Offer, including APPENDIX A, contains important information which should be read in its entirety before any decision is made with respect to this Tender Offer.

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**INVITATION TO TENDER OBLIGATIONS**  
made by

**THE CITY OF BELLEVUE, IN THE STATE OF NEBRASKA (THE “CITY”)  
FOR ITSELF AND AS OBLIGOR OF THE OBLIGATIONS OF  
THE BELLEVUE CITY MUNICIPAL BUILDING CORPORATION (THE “CORPORATION”)  
to the Holders described herein of all or any portion of the maturities listed on page (i) herein of  
THE CITY FOR ITSELF AND AS OBLIGOR OF  
THE OBLIGATIONS OF THE CORPORATION**

**Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation  
Refunding Certificates of Participation (Taxable Interest), Series 2021  
General Obligation Refunding Bonds (Taxable Interest), Series 2020B**

**SUMMARY**

**Purpose of Tender Offer**

The City of Bellevue, in the State of Nebraska (the “*City*” or the “*Issuer*”) for itself and as obligor of the obligations of the Bellevue City Municipal Building Corporation (the “*Corporation*”) is inviting the beneficial owners (the “*Holders*” or “*Bondholders*”) of the outstanding obligations of the following series:

Refunding Bonds (Convention Center Project), Taxable Series 2020  
(the “*Series 2020 Bonds*”) of the Corporation;  
Refunding Certificates of Participation (Taxable Interest), Series 2021 (the “*Series 2021 Certificates*”);  
General Obligation Refunding Bonds (Taxable Interest), Series 2020B (the “*Series 2020B Bonds*”)

(collectively, the “*Obligations*”), together with the assistance of D.A. Davidson & Co., as dealer manager (the “*Dealer Manager*”), to tender their Obligations for purchase by the City for cash in connection with a potential refunding. This Invitation to Tender Obligations dated January 16, 2024 (including all appendices, amendments, and supplements thereto, the “*Tender Offer*”) is subject solely to the terms and conditions herein.

The Tender Offer is part of a plan by the City to restructure certain of its debt service requirements. As part of the plan, the City intends to refund a portion of its indebtedness, and purchase those Obligations tendered and accepted pursuant to the Tender Offer, using proceeds from the City’s General Obligation Refunding Bonds, Series 2024 (the “*Series 2024 Bonds*”) and cash on hand of the City.

**Purchase Price**

The fixed spreads and purchase prices listed in the Tender Offer are subject to change. On or about January 24, 2024, the City expects to publish the Pricing Notice (as described below), which will confirm or amend the fixed spreads and benchmark securities to be used in determining the prices to be paid by the City for each CUSIP for the Obligations, if any, purchased pursuant to the Tender Offer.

**Untendered Obligations**

Bondholders who do not tender their Obligations pursuant to the Tender Offer, as well as Bondholders who tender Obligations for purchase that the City chooses not to accept, in whole or in part,

for purchase (“*Untendered Obligations*”), will continue to hold such Untendered Obligations in their account unchanged by virtue of the Tender Offer. In addition, the City reserves the right to, and may decide to, refund (on an advance or current basis) some or all of the Untendered Obligations.

### **Important Information**

**The deadline to offer Obligations for purchase is January 30, 2024, at 5:00 p.m. New York City time unless extended or earlier terminated.** Bondholders wishing to participate should contact their bank, broker or other financial advisor in advance of this date so that they may have sufficient time to relay Bondholder instructions to the City prior to expiration of the Tender Offer.

Bondholders are urged to carefully read this Tender Offer because it contains information, including the various terms of and conditions to the offer that Bondholders should consider before making any decision regarding tendering their Obligations.

### **Dealer Manager and Information Agent Contact Information**

Investors with questions about the Tender Offer should contact the Dealer Manager or Globic Advisors Inc., which serves as Information Agent and Tender Agent (the “*Information Agent*” or the “*Tender Agent*”) for this Tender Offer. The contact information for the Dealer Manager and the Information Agent is as follows:

The Dealer Manager:

**D.A. Davidson & Co.**  
450 Regency Parkway, Suite #400  
Omaha, Nebraska 68114  
Tel: (402) 392-7989  
Attn: Cody Wickham, Senior Vice President  
Email: CWickham@dadco.com

The Information Agent and Tender Agent:

**Globic Advisors Inc.**  
485 Madison Avenue, 7th Floor  
New York, New York 10022  
Tel: (212) 227-9622  
Attn: Robert Stevens  
Email: rstevens@globic.com

Please note that the City retains the right to modify or withdraw the Tender Offer at any time through and including the Expiration Date (i.e., **January 30, 2024, at 5:00 p.m. New York City Time**) (unless earlier terminated or extended) provided, that the City shall provide notice of any such extension or amendment no less than five (5) business days prior to the Expiration Date, as it may be extended, all as more fully described in the Tender Offer.



## INTRODUCTION

### General

This Tender Offer describes an invitation by the City, with the assistance of the Dealer Manager, to Bondholders to tender their Obligations for purchase at the purchase price that will be based on a fixed spread to be set forth in the Pricing Notice to be added to the yields on certain benchmark United States Treasury securities, all as set forth in the Pricing Notice, which is expected to be dated on or about January 24, 2024 (as it may be amended and supplemented, the “*Pricing Notice*” a form of which is attached hereto as APPENDIX B), *plus* accrued interest on the Obligations tendered and accepted for purchase to but not including the Settlement Date (“*Accrued Interest*”).

The Series 2020 Bonds were issued by the Corporation pursuant to the provisions of Section 19-2421, Reissue Revised Statutes of Nebraska, as amended, and an ordinance of the City passed and approved November 5, 2019 (the “*2019 Corporation Ordinance*”). The Series 2021 Certificates were issued by the City pursuant to the provisions of Section 19-2421, Reissue Revised Statutes of Nebraska, as amended, and an ordinance of the City passed and approved January 19, 2021 (the “*2021 City Ordinance*”). The Series 2020B Bonds were issued by the City pursuant to the provisions of 10-142, Reissue Revised Statutes of Nebraska, as amended, and an ordinance of the City passed and approved August 20, 2019, and November 5, 2019 (collectively, the “*2019 City Ordinance*”). For certain information concerning the City and the Series 2024 Bonds, see the Preliminary Official Statement dated as of the date hereof and attached hereto as APPENDIX A (as supplemented and amended the “*Preliminary Official Statement*”). The Tender Offer has been authorized by a resolution and an ordinance of the City approved on December 19, 2023.

The source of funds to purchase the Series 2020B Bonds validly tendered and accepted for purchase pursuant to this Tender Offer will be proceeds of the Series 2024 Bonds. The source of funds to purchase the Series 2020 Bonds and the Series 2021 Certificates validly tendered and accepted for purchase pursuant to this Tender Offer will be cash funds of the City. The Series 2024 Bonds are being issued to provide funds to purchase the Series 2020B Bonds pursuant to this Tender Offer, and thereby to provide savings to the City. If issued, the Series 2024 Bonds will be dated the Settlement Date and be issued in the manner, on the terms and with the security therefor all as set forth in the Preliminary Official Statement. See “**Sources of Funds to Pay Purchase Price and Accrued Interest on Obligations Purchased**” herein.

**Notwithstanding any other provision of this Tender Offer, the City has no obligation to accept for purchase any tendered Obligations. See “TERMS OF THE TENDER OFFER—Acceptance of Tenders for Purchase” herein. The City’s obligation to pay for Obligations accepted pursuant to this Tender Offer is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date, as applicable: (a) with respect to the Series 2020B Bonds, the successful completion by the City of the issuance of the Series 2024 Bonds (the “*Proposed Financing*”), the proceeds of which will be sufficient, together with other legally available funds, to (x) fund the purchase of the Series 2020B Bonds validly tendered and accepted for purchase pursuant to this Tender Offer and (y) pay all fees and expenses associated with the issuance of the Series 2024 Bonds and this Tender Offer; (b) with respect to the Series 2020B Bonds, the City obtaining net present value savings ((calculated by comparing the prior debt service to the refunding debt service on an annual basis (gross savings), present valuing each annual savings to the issue date of the refunding obligations using a discount rate of the all-inclusive true interest cost (which takes into account all of the City’s costs related to such financing), and then factoring in prior funds on hand and refunding funds on hand)) as a result of the consummation of this Tender Offer for the Series 2020B Bonds when taken together with the Proposed Financing (collectively, the “*Financing Conditions*”); and (c) with respect to all Obligations, the other conditions set forth in “TERMS OF THE TENDER**

**OFFER—Conditions to Purchase” herein. The City reserves the right, subject to applicable law, to amend or waive any of the conditions to this Tender Offer, in whole or in part, at any time prior to the Expiration Date (as defined herein). This Tender Offer may be withdrawn by the City at any time prior to the Expiration Date.**

**TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR OBLIGATIONS FOR PURCHASE, BONDHOLDERS MUST READ THIS TENDER OFFER AND ALL APPENDICES TO THIS TENDER OFFER.**

**None of the City, the Dealer Manager or the Information Agent and Tender Agent (as defined herein) makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder’s Obligations for purchase. Bondholders must make their own decisions and should read this Tender Offer carefully and consult with their broker account executive, financial advisor, attorney and/or other appropriate professional in making these decisions.**

Subject to the terms and conditions of this Tender Offer, the City may purchase Obligations tendered for purchase, provided that such Obligations have been validly tendered by 5:00 p.m., New York City time, on January 30, 2024 (as extended from time to time in accordance with this Tender Offer, the **“Expiration Date”**) and accepted by the City on or before 5:00 p.m., New York City time, on February 2, 2024 (as extended from time to time in accordance with this Tender Offer, the **“Acceptance Date”**), assuming all conditions to this Tender Offer have then been satisfied or waived by the City on or prior to February 7, 2024, (such date being the **“Settlement Date”**). Subject to the conditions set forth herein, Bondholders whose Obligations are tendered and accepted for purchase in accordance with the provisions of this Tender Offer will receive payment of the Purchase Price (hereinafter defined) of, plus Accrued Interest on, such Obligations on the Settlement Date.

In the event tendered Obligations are not accepted for purchase by the City, or all conditions to this Tender Offer are not satisfied or waived by the City on or prior to the Settlement Date, any Obligations tendered pursuant to this Tender Offer shall be returned to the Holder and remain Outstanding.

**HOLDERS OF OBLIGATIONS WHO DO NOT TENDER THEIR OBLIGATIONS, AS WELL AS HOLDERS OF OBLIGATIONS WHO TENDER OBLIGATIONS FOR PURCHASE THAT THE CITY IN ITS DISCRETION DOES NOT ACCEPT, IN WHOLE OR PART, FOR PURCHASE, WILL CONTINUE TO HOLD SUCH UNTENDERED OBLIGATIONS AND SUCH UNTENDERED OBLIGATIONS WILL REMAIN OUTSTANDING. THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED OBLIGATIONS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS. See “INTRODUCTION—Obligations Not Tendered for Purchase” and “ADDITIONAL CONSIDERATIONS” herein.**

#### **Consideration for the Tender Offer**

On or about January 24, 2024, the City will publish the Pricing Notice in the form attached hereto as APPENDIX B, which Pricing Notice will set forth either a confirmation of the indicative fixed spreads shown on page (i) of this Tender Offer or amendment to the fixed spreads (the **“Fixed Spreads”**) for each CUSIP for the Obligations tendered and accepted for purchase pursuant to this Tender Offer.

The Fixed Spreads will represent the yield, expressed as an interest rate percentage above the yield on the indicated benchmark U.S. Treasury Securities (set forth on page (i) of this Tender Offer) (“**Benchmark Treasury Securities**”) to be used in establishing the Purchase Price for the Obligations. The Fixed Spreads will be added to the yield on a Benchmark Treasury Security for each CUSIP. The yields on the Benchmark Treasury Securities (the “**Treasury Security Yields**”) will be based on the bid-side price of the U.S. Benchmark Treasury as quoted on the Bloomberg Bond Trader FIT1 series of pages at 10:00 a.m. on January 31, 2024. The Fixed Spreads will be added to the Treasury Security Yields to arrive at a yield (the “**Purchase Yield**”).

The Purchase Yield will be used to calculate the Purchase Price (hereinafter defined). The Purchase Price will be calculated using the market standard bond pricing formula as of the Settlement Date using the Purchase Yield and the maturity date of the Obligation.

The City will publish a Notice of Purchase Price on January 31, 2024.

The Notice of Purchase Price and the Pricing Notice will be made available: (i) by posting on the EMMA Website, using the CUSIP numbers for the Obligations listed in the table under “**OBLIGATIONS SUBJECT TO THE TENDER OFFER**”; (ii) to DTC and to the DTC participants holding the Obligations; and (iii) by posting electronically on the website of the Information Agent at [www.globic.com/bellevue](http://www.globic.com/bellevue).

#### **Sources of Funds to Pay Purchase Price and Accrued Interest on Obligations Purchased**

The source of funds to purchase the Obligations validly tendered and accepted for purchase pursuant to this Tender Offer will be proceeds of the Series 2024 Bonds (with respect to the Series 2020B Bonds) and cash funds of the City (with respect to the Series 2020 Bonds and the Series 2021 Certificates). **THE PURCHASE OF ANY SERIES 2020B BONDS TENDERED AND ACCEPTED FOR PURCHASE PURSUANT TO THIS TENDER OFFER IS CONTINGENT ON THE ISSUANCE BY THE CITY OF THE SERIES 2024 BONDS.** The Series 2024 Bonds are described in the Preliminary Official Statement, attached hereto as APPENDIX A. The purchase of accepted Series 2020 Bonds and Series 2021 Certificates is **NOT** contingent on the issuance by the City of the Series 2024 Bonds, but is subject to certain other conditions as described herein.

#### **Brokerage Commissions and Solicitation Fees**

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the City, the Dealer Manager, or the Information Agent and the Tender Agent in connection with this Tender Offer. However, Bondholders should check with their broker, bank, account executive or other financial institution which maintains the account in which their Obligations are held (their “**Financial Representative**”) to determine whether it will charge any commissions or fees.

#### **Obligations Not Tendered for Purchase**

Any Series 2020 Bonds, Series 2021 Certificates and Series 2020B Bonds that are not tendered for purchase, or that are tendered and are not accepted by the City, in response to this Tender Offer will continue to be outstanding, and payable and secured, pursuant to the terms of the 2019 Corporation Ordinance, 2021 City Ordinance, and 2019 City Ordinance, respectively. **THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF SUCH UNTENDERED OBLIGATIONS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS.**

## TERMS OF THE TENDER OFFER

### Expiration Date

This Tender Offer will expire on the Expiration Date, unless earlier terminated or extended, as described in this Tender Offer. In the sole discretion of the City, Obligations tendered after 5:00 p.m., New York City time, on the Expiration Date and prior to the acceptance of tenders by the City as described below under the heading “—**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results**” may be accepted by the City (in its sole discretion) for purchase. See “**TERMS OF THE TENDER OFFER—Extension, Termination and Amendment of the Tender Offer; Changes to Terms**” below for a discussion of the City’s ability to extend the Expiration Date and to terminate or amend this Tender Offer.

### Offers Only Through the City’s ATOP Account

The Obligations are held in book-entry-only form through the facilities of The Depository Trust Company (“**DTC**”). The City, through the Information Agent and Tender Agent, will establish an Automated Tender Offer Program (“**ATOP**”) account at DTC for the Obligations to which this Tender Offer relates promptly after the date of this Tender Offer. Bondholders who wish to tender Obligations pursuant to this Tender Offer may do so through the City’s ATOP account.

**ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE CITY’S ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER.**

Any financial institution that is a participant in DTC may make a book-entry tender of the Obligations by causing DTC to transfer such Obligations into the City’s ATOP account relating to this Tender Offer and the applicable series, maturity and CUSIP number in accordance with DTC’s procedures for such transfer. Bondholders who are not DTC participants can only tender Obligations pursuant to this Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder’s Obligations through the City’s ATOP account. To ensure a Bondholder’s Obligations are tendered to the City’s ATOP account by 5:00 p.m., New York City time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder’s Financial Representative in sufficient time for the Financial Representative to tender the Obligations to the City’s ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder’s instructions in order to tender the Bondholder’s Obligations to the City’s ATOP account by 5:00 p.m., New York City time, on the Expiration Date. See “—**Tender of Obligations by Financial Institutions; City’s ATOP Account.**”

**THE CITY, THE DEALER MANAGER, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED OBLIGATIONS TO THE CITY’S ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED OBLIGATIONS.**

### Information to Bondholders

The City may give information about this Tender Offer to the market and Bondholders by posting on the EMMA Website. Additionally, the City may give information about this Tender Offer to the Information Agent (collectively referred to herein, together with the EMMA Website,

as the “*Information Services*.”). The Information Agent will deliver information provided to it by the City through its website, [www.globic.com/bellevue](http://www.globic.com/bellevue). Posting by the City of information on the EMMA Website will be deemed to constitute delivery of this information to each Bondholder.

The City, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the City to the Information Services may receive such information from the Dealer Manager or the Information Agent and Tender Agent by contacting them using the contact information on the page preceding the Appendices appended to this Tender Offer.

Any updates to this Tender Offer, including, without limitation any supplements to the Preliminary Official Statement, will be distributed through the EMMA Website and will additionally be made available to the Information Agent. The final Official Statement with respect to the Series 2024 Bonds (which will set forth the maturities, principal amounts and interest rates on the Series 2024 Bonds) will be posted to the EMMA Website subsequent to the Acceptance Date and prior to the Settlement Date.

#### **Minimum Denominations and Consideration**

A Bondholder may tender Obligations for purchase of a particular CUSIP number that it owns in an amount of its choosing, but only, with respect to any particular issue, in a principal amount equal to the minimum denomination of \$5,000 (the “*Minimum Authorized Denomination*”) or any multiple of \$5,000 in excess thereof.

The Pricing Notice will be made available by the City on or about January 24, 2024: (i) at the EMMA Website, using the CUSIP numbers for the Obligations listed on page (i) in this Tender Offer; (ii) to DTC and to the DTC participants holding the Obligations (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at [www.globic.com/bellevue](http://www.globic.com/bellevue).

***Tender Consideration.*** The indicative purchase price for the Obligations with each particular CUSIP tendered pursuant to this Tender Offer will be calculated using the market standard bond pricing formula as of the Settlement Date based on the Purchase Yield and the maturity date of the Obligation (the “*Purchase Price*”).

The proceeds of the Series 2024 Bonds, together with other legally available funds, will be used to pay the Purchase Price of, and Accrued Interest on, Series 2020B Bonds tendered by any Bondholder and purchased by the City. The Series 2024 Bonds are described in the Preliminary Official Statement, attached hereto as APPENDIX A.

The City will use cash funds on hand to pay the Purchase Price of, and Accrued Interest on, Series 2020 Bonds and Series 2021 Certificates tendered by any Bondholder and purchased by the City.

#### **Accrued Interest**

The Purchase Price of the Obligations tendered and accepted for purchase will not include Accrued Interest. In addition to the Purchase Prices of the Obligations accepted for purchase by the City, Accrued Interest on such Obligations will be paid by, or on behalf of, the City to the tendering Bondholders on, but not including, the Settlement Date.

## **Provisions Applicable to All Tenders**

*Need for Advice.* A Bondholder should ask its Financial Representative or financial advisor for help in determining: (a) whether to tender Obligations of a particular CUSIP number for purchase, and (b) the principal amount of Obligations of such CUSIP number to be tendered. A Bondholder also should inquire as to whether its Financial Representative or financial advisor will charge a fee for submitting tenders if the City purchases the Bondholder's tendered Obligations. The City, the Dealer Manager, and the Information Agent and Tender Agent will not charge any Bondholder for tendering Obligations.

*Need for Specificity of Tender.* A tender for an issue cannot exceed the par amount of Obligations of such issue owned by the Bondholder and must include the following information: (1) the CUSIP number(s) of the Obligation(s) being tendered, and (2) the principal amount of each CUSIP number being tendered (such principal amount must be stated in integral multiples of \$5,000 and if not so stated, for tenders of less than all of the holder's position in the applicable Obligations, such principal amount will be reduced to the greatest integral multiple of \$5,000). Any Bondholder located outside of the United States should check with their broker to determine if there are any additional minimal increments, alternative settlement timing or other limitations.

"All or none" offers are not permitted. A Bondholder also cannot condition its offer for any single CUSIP on the acceptance of its offer for a separate CUSIP.

Obligations may be tendered for payment only in principal amounts equal to the Minimum Authorized Denomination and multiples of \$5,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted.

**ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE CITY'S ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER.** See "**—Tender of Obligations by Financial Institutions; City's ATOP Account**" herein.

*General.* A Bondholder may only tender Obligations it owns or controls. By tendering Obligations pursuant to this Tender Offer, a Bondholder will be deemed to have represented and agreed with the City as set forth below under "**—Representations by Tendering Bondholders to the City.**" All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by the City to the Information Services can review the EMMA Website or otherwise must make appropriate arrangements with their Financial Representatives, or the Information Agent and Tender Agent.

## **Representations by Tendering Bondholders to the City**

By tendering Obligations for purchase, each tendering Bondholder will be deemed to have represented to and agreed with the City that:

(a) the Bondholder has received this Tender Offer, including the Preliminary Official Statement, and has had the opportunity to review this Tender Offer, including the Preliminary Official Statement, in its entirety, prior to making its decision to tender Obligations, and agrees if the purchase of any tendered Obligations is consummated, the purchase of such Obligations shall be on the terms and conditions set forth in this Tender Offer;

(b) the Bondholder has full power and authority to tender, sell, assign and transfer the tendered Obligations; and on the Settlement Date, the City will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, upon payment to the Bondholder of the Purchase Price plus, Accrued Interest;

(c) the Bondholder has made its own independent decision to tender its Obligations for purchase pursuant to this Tender Offer, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(d) the Bondholder is not relying on any communication from the City, the Dealer Manager or the Information Agent and Tender Agent as investment advice or as a recommendation to tender the Bondholder's Obligations at the Purchase Price, it being understood that the information from the City, the Dealer Manager and the Information Agent and Tender Agent related to the terms and conditions of this Tender Offer shall not be considered investment advice or a recommendation to tender Obligations; and

(e) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of this Tender Offer.

#### **Tender of Obligations by Financial Institutions; City's ATOP Account**

The City, through the Information Agent and Tender Agent, will establish the City's ATOP account at DTC for the CUSIP numbers to which this Tender Offer relates promptly after the date of this Tender Offer. Tenders of Obligations pursuant to this Tender Offer may only be made by transfer to the City's ATOP account as an offer to sell Obligations for cash. Any financial institution that is a participant in DTC may make a book-entry tender of the Obligations by causing DTC to transfer such Obligations into the City's ATOP account corresponding to the CUSIP number in accordance with DTC's procedures.

Concurrently with the delivery of Obligations through book-entry transfer into the City's ATOP account, an Agent's Message (as described below) in connection with such book-entry transfer must be transmitted to and received at the City's ATOP account by not later than 5:00 p.m., New York City time, on the Expiration Date; provided, however, a tender of Obligations related to an Agent's Message transmitted to the City's ATOP account after such time may be accepted by the City for purchase if the City, in its sole discretion, waives the defect in the timing of the delivery of such message. The confirmation of a book-entry transfer to the City's ATOP account as described above is referred to herein as a "**Book-Entry Confirmation.**" The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent and forming a part of a Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering Obligations that are the subject of such Book-Entry Confirmation, stating the CUSIP number(s) and the principal amount(s) of the Obligations that have been tendered by such DTC participant pursuant to this Tender Offer, and to the effect that such participant agrees to be bound by the terms of this Tender Offer. By causing DTC to transfer Obligations into the City's ATOP account, a financial institution warrants to the City that it has full authority and has received from the Bondholder(s) of such Obligations all direction necessary, to tender and sell such Obligations as set forth in this Tender Offer.

**ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE CITY'S ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE**

**NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER.**

Bondholders who are not DTC participants can only tender Obligations pursuant to this Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Obligations through the City's ATOP account. To ensure a Bondholder's Obligations are tendered to the City's ATOP account by 5:00 p.m., New York City time, on the Expiration Date, a Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Bondholder's Obligations to the City's ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Obligations to the City's ATOP account by 5:00 p.m., New York City time, on the Expiration Date.

**THE CITY, THE DEALER MANAGER, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED OBLIGATIONS TO THE CITY'S ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED OBLIGATIONS.**

**Determinations as to Form and Validity of Tender Offer; Right of Waiver and Rejection**

All questions as to the validity (including the time of receipt at the City's ATOP account), form, eligibility and acceptance of any Obligations tendered for purchase pursuant to this Tender Offer will be determined by the City in its sole discretion and such determinations will be final, conclusive and binding.

The City reserves the right to waive any irregularities or defects in any tender. The City, the Dealer Manager, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in tenders and they will have no liability for failing to give such notice.

The City reserves the absolute right to reject any and all offers, whether or not they comply with the terms of this Tender Offer.

**Amendment or Withdrawals of Tenders Prior to an Expiration Date**

A Bondholder may amend its offer to tender for purchase in respect of the amount being tendered by causing an amended offer to be received at the City's ATOP account at or before 5:00 p.m. on the Expiration Date.

An offer to tender for purchase may be withdrawn by a Bondholder by causing a withdrawal notice to be received at the City's ATOP Account at or before 5:00 p.m. on the Expiration Date.

An amended offer or a notice of withdrawal must be submitted in substantially the same manner as an offer.

**Bondholders who have tendered for purchase their Obligations will not receive any information from the City, the Dealer Manager or the Information Agent and Tender Agent concerning offers by other Bondholders. Offering Bondholders will not be afforded an opportunity to amend their offers after 5:00 p.m. on the Expiration Date. An amended or withdrawn offer must specify the applicable CUSIP number, and with respect to amended offers, the principal amount previously offered and the new amount being offered. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the City in its sole discretion and will be final, conclusive and binding.**



**ALL TENDERS OF OBLIGATIONS SHALL BE IRREVOCABLE AT 5:00 P.M. ON THE EXPIRATION DATE.**

**Acceptance of Tenders for Purchase**

The City shall be under no obligation to accept any Obligations tendered for purchase pursuant to this Tender Offer. Among Obligations tendered for purchase, the City in its sole discretion will select the aggregate amount of tendered Obligations to purchase for each CUSIP, based on its determination of the economic benefit from such purchase.

Should the City determine to purchase some but not all of the Obligations of a particular CUSIP, the City will accept those tendered Obligations on a pro rata basis reflecting the ratio of (a) the principal amount, if any, the City determines to purchase, where applicable (b) the aggregate principal amount of valid offers to sell received. In such event, should the principal amount of any individual tender offer, when adjusted by the pro rata acceptance, result in an amount that is not a multiple of \$5,000, the principal amount of such offer will be rounded down to the nearest multiple of \$5,000. If as a result of such adjustment, the amount of a holder's accepted Obligations of such CUSIP would be less than the minimum authorized denomination of \$5,000, the City will reject such holder's tender instruction in whole.

As of the Acceptance Date, upon the terms and subject to the conditions of this Tender Offer, the City may elect to accept for purchase outstanding Obligations validly tendered pursuant to this Tender Offer (or defectively tendered, if such defect has been waived by the City), with the purchase subject to the satisfaction or waiver by the City of the conditions to the purchase of tendered Obligations. See “—**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results**” and “—**Conditions to Purchase.**”

**The City will have no obligation to accept tendered Obligations for purchase. The City will determine in its sole discretion which tendered Obligations, if any, it will accept, and therefore has the right to accept none, some or all of the Obligations offered. Obligations that are accepted and will be purchased will be indicated by CUSIP. The City reserves the right to, and may decide to, refund, (on an advance or current basis), some or all of the untendered Obligations or the Obligations not purchased pursuant to this Tender Offer through the issuance of publicly-offered or privately-placed taxable or tax-exempt obligations. See also “—Obligations not Tendered for Purchase” and “ADDITIONAL CONSIDERATIONS” for certain potential impacts on any untendered Obligations.**

**Notwithstanding any other provision of this Tender Offer, the consummation of this Tender Offer and the City's obligation to pay for Series 2020B Bonds accepted for purchase pursuant to this Tender Offer is subject to the satisfaction of or waiver of the Financing Conditions (see “INTRODUCTION—General” herein). The consummation of this Tender Offer and the City's obligation to pay for Obligations accepted for purchase pursuant to this Tender Offer is subject to the satisfaction of or waiver of the other conditions set forth in “—Conditions to Purchase—All Obligations” herein. The City reserves the right, subject to applicable law, to amend or waive any of the conditions to this Tender Offer, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Tender Offer may be withdrawn by the City at any time prior to the Expiration Date.**

## **Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results**

Acceptance by the City of Obligations tendered for purchase will constitute an irrevocable agreement between the tendering Bondholder and the City to sell and purchase such Obligations, subject to the satisfaction of certain conditions to the City's obligation to purchase tendered Obligations and the other terms of this Tender Offer. See "**Minimum Denominations and Consideration**" herein and "**—Conditions to Purchase**" herein.

The acceptance of Obligations tendered for purchase is expected to be made by notification to the Information Services no later than 5:00 p.m., New York City time, on the Acceptance Date. This notification will state the principal amount of the Obligations of each CUSIP number that the City has agreed to accept for tender for purchase in accordance with this Tender Offer, which may be zero for a particular CUSIP number.

## **Settlement Date**

Subject to satisfaction of all conditions to the City's obligation to purchase Obligations tendered and accepted for purchase, as described herein, the Settlement Date is the day on which such Obligations will be purchased at the applicable Purchase Price, together with Accrued Interest thereon. The Settlement Date will occur following the Acceptance Date, subject to all conditions to this Tender Offer having been satisfied or waived by the City. The expected Settlement Date is February 7, 2024, unless extended by the City, assuming all conditions to this Tender Offer have been satisfied or waived by the City. Bondholders whose Obligations are purchased on the Settlement Date will receive Accrued Interest up to but not including the Settlement Date.

The City may, in its sole discretion, change the Settlement Date by giving notice to the Information Services prior to the change. See "**—Conditions to Purchase.**"

Subject to satisfaction of all conditions to the City's obligation to purchase Obligations tendered and accepted for purchase pursuant to this Tender Offer, as described herein, payment by the City, or on the City's behalf, will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate Purchase Price and Accrued Interest. The City expects that, in accordance with DTC's standard procedures, DTC will transmit the aggregate Purchase Price (plus Accrued Interest) in immediately available funds to each of its participant financial institutions holding the Obligations accepted for purchase on behalf of Bondholders for delivery to the Bondholders. **The City, the Dealer Manager, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Price plus Accrued Interest by DTC to the Bondholders.**

## **Purchase and Accrued Interest Funds**

The source of funds to purchase Series 2020B Bonds validly tendered and accepted for purchase pursuant to this Tender Offer will be proceeds of the Series 2024 Bonds. The purchase of the Series 2020B Bonds tendered pursuant to this Tender Offer is contingent on the issuance by the City of the Series 2024 Bonds. The source of funds to purchase Series 2020 Bonds and the Series 2021 Certificates validly tendered and accepted for purchase pursuant to this Tender Offer will be cash on hand of the City.

The purchase of the Obligations is also subject to certain other conditions which must be satisfied or waived on or prior to the Settlement Date. See "**INTRODUCTION—General**" and "**—Conditions to Purchase**" herein for more information on the conditions precedent to this Tender Offer.

## Conditions to Purchase

### *Series 2020B Bonds*

In addition to the Financing Conditions (see “**INTRODUCTION—General**” herein), if after the Acceptance Date, but prior to payment for the Series 2020B Bonds by the City on the Settlement Date, any of the following events should occur, the City will have the absolute right to cancel its obligations to purchase Series 2020B Bonds without any liability to any Bondholder:

- Legislation shall have been introduced in or enacted by the Congress of the United States, or shall have been favorably reported out of committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or proposed by the Treasury Department of the United States or the Internal Revenue Service, with respect to Federal Taxation upon revenues or other income of the general character to be derived by the City as described in the Preliminary Official Statement or upon interest received on obligations of the general character of the Series 2024 Bonds which in the City’s reasonable judgment would change the tax status of the revenues of the City or the interest on the Series 2024 Bonds;
- A stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Series 2024 Bonds is in violation of any provisions of the Securities Act of 1933 or of the Trust Indenture Act of 1939;
- In the Congress of the United States legislation shall be enacted or a bill shall be favorably reported out of committee of either the House of Representatives or the Senate, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other agency of the Federal government having jurisdiction of the subject matter shall be made, to the effect that securities of the City, or of any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; or
- The Series 2024 Bonds are not issued upon the terms described herein.

In addition, the Bond Purchase Agreement related to the Series 2024 Bonds includes a number of similar conditions of the Underwriter’s obligation to purchase the Series 2024 Bonds, including if (i) there shall exist an event which, in the Underwriter’s (as defined herein) reasonable judgment, materially adversely affects the market for the Series 2024 Bonds, which, in the Underwriter’s reasonable judgment, either (A) makes untrue or incorrect in any material respect, as of such time, any statement or information contained in the Official Statement or adversely affects the exemption of the interest on the Series 2024 Bonds from Nebraska income taxes or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and the City either refuses to amend the Official Statement or the effect of such amendment materially affects the interest rate on the Series 2024 Bonds or the ability of the Underwriter to enforce contracts for the sale of the Series 2024 Bonds.

These conditions (together with the Financing Conditions, the “**Conditions to Purchase the Series 2020B Bonds**”) are for the sole benefit of the City and may be asserted by the City, prior to the time of payment of the Series 2020B Bonds it has agreed to purchase, regardless of the circumstances giving rise to

any of these conditions or may be waived by the City in whole or in part at any time and from time to time in its discretion, and may be exercised independently for each CUSIP. The failure by the City at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the City which may be asserted at any time and from time to time prior to the time of payment of the Series 2020B Bonds it has agreed to purchase. Any determination by the City concerning the events described in this section will be final and binding upon all parties.

### *All Obligations*

If after the Acceptance Date, but prior to payment for the Obligations by the City on the Settlement Date, any of the following events should occur, the City will have the absolute right to cancel its obligations to purchase any Obligation without any liability to any Bondholder:

- Litigation or another proceeding is pending or threatened which the City reasonably believes may, directly or indirectly, have an adverse impact on this Tender Offer or the expected benefits of this Tender Offer to the City or the Bondholders;
- A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the City reasonably believes this fact makes it inadvisable to proceed with the purchase of Obligations;
- A downgrade in the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations shall have occurred; or
- There has been and there is continuing a material disruption to securities settlement or clearance services in the United States;

These conditions (“*Conditions to Purchase Obligations*” and together with the Conditions to Purchase the Series 2020B Bonds, the “*Conditions to Purchase*”) are for the sole benefit of the City and may be asserted by the City, prior to the time of payment of the Obligations it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions or may be waived by the City in whole or in part at any time and from time to time in its discretion, and may be exercised independently for each CUSIP. The failure by the City at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the City which may be asserted at any time and from time to time prior to the time of payment of the Obligations it has agreed to purchase. Any determination by the City concerning the events described in this section will be final and binding upon all parties.

**HOLDERS OF OBLIGATIONS WHO DO NOT TENDER THEIR OBLIGATIONS, AS WELL AS HOLDERS OF OBLIGATIONS WHO TENDER OBLIGATIONS FOR PURCHASE THAT THE CITY IN ITS DISCRETION DOES NOT ACCEPT, IN WHOLE OR PART, FOR PURCHASE, WILL CONTINUE TO HOLD SUCH UNTENDERED OBLIGATIONS, WHICH WILL REMAIN OUTSTANDING. THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED OBLIGATIONS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS. See**

**“INTRODUCTION—Obligations Not Tendered for Purchase”** and **“ADDITIONAL CONSIDERATIONS”** herein.

### **Extension, Termination and Amendment of the Tender Offer; Changes to Terms**

Through and including the Expiration Date, the City has the right to extend this Tender Offer, as to any or all of the Obligations, to any date in its sole discretion, provided that a notice of any extension of the Expiration Date is given to the Information Services, including by posting such notice to the EMMA Website on or about 11:00 a.m., New York City time, on the first business day after the Expiration Date.

The City also has the right, prior to acceptance of Obligations tendered for purchase as described above under the heading **“—Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results,”** to terminate this Tender Offer at any time by giving notice to the Information Services. The termination will be effective at the time specified in such notice.

The City also has the right, prior to acceptance of Obligations tendered for purchase as described above under the heading **“—Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results,”** to amend or waive the terms of this Tender Offer in any respect and at any time by giving notice to the Information Services. This amendment or waiver will be effective at the time specified in such notice.

If the City extends this Tender Offer, or amends the terms of this Tender Offer (including a waiver of any term) in any material respect, including, without limitation, a change in any Purchase Price of the Obligations pursuant to this Tender Offer, the City shall provide notice thereof at such time (notice of which shall not be less than five (5) business days prior to the Expiration Date, as it may be extended) and in such manner to allow reasonable time for dissemination to Bondholders and for Bondholders to respond. **In such event, any offers submitted with respect to the affected Obligations prior to such change in the Purchase Price for such Obligations pursuant to this Tender Offer will remain in full force and effect and any Bondholder of such affected Obligations wishing to revoke their offer to tender such Obligations must affirmatively withdraw such offer prior to the Expiration Date.**

No extension, termination or amendment of this Tender Offer (or waiver of any terms of this Tender Offer) will change the City’s right to decline to purchase any Obligations without liability. See **“—Conditions to Purchase.”**

The City, the Dealer Manager and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

### **AVAILABLE INFORMATION**

Certain information relating to the Obligations and the City may be obtained by contacting the Dealer Manager or Information Agent and Tender Agent at the contact information set forth on the page preceding the Appendices appended to this Tender Offer. Such information is limited to (i) this Tender Offer, including the information set forth in the Preliminary Official Statement which is attached hereto as APPENDIX A, and (ii) information about the City available through the EMMA Website.

References to website addresses 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 websites and the information or links contained therein are not incorporated into, and are not a part of, this Tender Offer.

## ADDITIONAL CONSIDERATIONS

*None of the City, the Dealer Manager or the Information Agent and Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of the Obligations. Each Bondholder must make its decision and should read this Tender Offer and the Preliminary Official Statement and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.*

In deciding whether to participate in this Tender Offer, each Bondholder should consider carefully, in addition to the other information contained in this Tender Offer, the following:

- In the event that the Series 2024 Bonds are not issued and sold at such prices that would yield the necessary present value savings described herein, tendered Series 2020B Bonds accepted for purchase are not required to be purchased by the City and in such event, Bondholders will continue to hold their respective tendered Series 2020B Bonds.
- The City may, but is not obligated, to defease certain of the Obligations, which are identified in the table on page (i) in the future to the extent the City does not purchase such Obligations pursuant to this Tender Offer.
- Even if the City does not purchase any tendered Obligations, the City shall have the right now or in the future to defease or refund all or any portion of the tendered Obligations (other than any Obligations defeased as described above) or may in the future invite Bondholders to tender such tendered Obligations for purchase by the City.
- The purchase or redemption by the City of Obligations of any CUSIP number may have certain potential adverse effects on holders of Obligations with such CUSIP not purchased pursuant to this Tender Offer, including, but not limited to, the principal amount of the Obligations of such CUSIP number available to trade publicly may be reduced, which could adversely affect the liquidity and market value of any untendered Obligations of that CUSIP number that remain outstanding.

### **The City May Later Acquire Obligations at More Favorable Prices with More Favorable Terms Than Those Offered Pursuant to this Tender Offer**

The City reserves the right to, and may in the future decide to, acquire some or all of the Obligations not purchased pursuant to this Tender Offer through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration set forth in this Tender Offer and the Pricing Notice, and which could be cash or other consideration. Any future acquisition of Obligations may be on the same terms or on terms that are more or less favorable to Bondholders than the terms described in this Tender Offer and the Pricing Notice. The decision to make future purchases or exchanges by the City and the terms of such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the City will ultimately choose to pursue in the future.

### **Timeliness of Offers**

This Tender Offer will expire at 5:00 p.m., New York City time, on the Expiration Date (currently scheduled for January 30, 2024), unless extended or terminated. Obligations tendered for purchase as

described in this Tender Offer after 5:00 p.m., New York City time, on the Expiration Date will not be accepted for tender, except in the City’s sole discretion.

### **Acceptance Date**

The City will accept tenders of Obligations, if at all, on or before 5:00 p.m., New York City time, on February 2, 2024, unless extended as set forth in this Tender Offer (the “*Acceptance Date*”). Notification of acceptance of Obligations tendered pursuant to this Tender Offer will be given on or before 5:00 p.m., New York City time on the Acceptance Date, unless an Expiration Date is extended or a Tender Offer is terminated. See “**TERMS OF THE TENDER OFFER—Acceptance of Tenders for Purchase**” herein.

### **Priority of Allocations of Series 2024 Bonds**

The City has instructed D.A. Davidson & Co. (as defined herein), as the underwriter (the “*Underwriter*”) for the Series 2024 Bonds, that any holder of the Obligations (including the Underwriter or any related account of the Underwriter) who tenders Obligations pursuant to this Tender Offer and who submits an order to purchase any Series 2024 Bonds to give priority, subject to certain limitations, to such order of the Series 2024 Bonds, up to the principal amount of the Obligations that such bondholder tenders and the City accepts, over other orders for the Series 2024 Bonds. The City retains the discretion to alter its instructions.

## **SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

The following is a general summary of the U.S. federal income tax consequences for Bondholders that respond to this Tender Offer and have their offer to tender their Obligations accepted by the City. The discussion is based on the Internal Revenue Code of 1986, as amended (the “*Code*”), the Treasury Regulations promulgated thereunder, and relevant rulings and decisions now in effect, all of which are subject to change or differing interpretations. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. The discussion below does not purport to deal with U.S. federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular investor in the Obligations in light of the investor’s particular circumstances or to certain types of investors subject to special treatment under U.S. federal income tax laws (including individuals who are neither citizens nor residents of the United States; foreign corporations, trusts and estates, in each case, as defined for U.S. federal income tax purposes; insurance companies; tax-exempt organizations; financial institutions; broker-dealers; partnerships and other entities classified as partnerships for U.S. federal income tax purposes; and persons who have hedged the risk of owning the Obligations). Tendering Bondholders should note that no rulings have been or will be sought from the Internal Revenue Service (the “*IRS*”), and no assurance can be given that the IRS will not take contrary positions with respect to any of the U.S. federal income tax consequences discussed below. This U.S. federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by the City or any of its advisors or agents to the Bondholders, and Bondholders therefore should not rely upon such discussion.

The discussion does not deal with special classes of beneficial owners of the Obligations, such as dealers or traders in securities, investors that elect mark-to-market accounting, banks, financial institutions, insurance companies, retirement plans or other tax-deferred or tax advantaged accounts, tax-exempt organizations, partnerships or other pass-through entities (or entities treated as such for U.S. federal income tax purposes), U.S. expatriates, persons holding their Obligations as a part of a hedging,

integration, conversion or constructive sale transaction or a straddle, Bondholders that are “United States persons,” as defined in section 7701(a)(30) of the Code (“**U.S. Holders**”) and are subject to the alternative minimum tax, U.S. Holders that have a functional currency other than the U.S. Dollar, and persons who are not U.S. Holders (all of such holders of the Obligations should consult their tax advisors).

If a partnership or other flow-through entity holds the Obligations, the tax treatment of a partner in the partnership or beneficial owner of the flow-through entity generally will depend upon the status of the partner or beneficial owner and the activities of the partnership or flow-through entity. A partner of a partnership or a beneficial owner of a flow-through entity holding Obligations should consult its own tax advisor regarding the U.S. federal income tax consequences of this Tender Offer.

Non-tendering Bondholders will not be subject to any U.S. federal income tax consequences in connection with this Tender Offer.

**BONDHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE OF THEIR OBLIGATIONS PURSUANT TO THIS TENDER OFFER.**

The tender of an Obligation for cash will be a taxable event for U.S. federal income tax purposes. A Bondholder who sells Obligations tendered pursuant to this Tender Offer generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (i) the amount of cash received (except to the extent attributable to accrued but unpaid interest on the Obligations, which will be taxed as ordinary interest income) and (ii) the Bondholder’s adjusted U.S. federal income tax basis in the Obligations (generally, the purchase price paid by the Bondholder for the Obligations, decreased by any amortized premium, and increased by the amount of any original issue discount previously included in income by such Bondholder with respect to such Obligation). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate Bondholder, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such Bondholder’s holding period for the Obligations exceeds one year. The deductibility of capital losses is subject to limitations.

Bondholders that are U.S. Holders will be subject to “backup withholding” of federal income tax in the event they fail to furnish a taxpayer identification number or there are other, related compliance failures.

## **DEALER MANAGER**

Pursuant to the terms of that certain Dealer Manager Agreement between the City and the Dealer Manager, the City has retained D.A. Davidson & Co. (“**D.A. Davidson**”) to act on its behalf as Dealer Manager for this Tender Offer. The City has agreed to pay the Dealer Manager a nominal fee for its services and to reimburse the Dealer Manager for a portion of its reasonable out-of-pocket costs and expenses relating to this Tender Offer. References in this Tender Offer to the Dealer Manager are to D.A. Davidson only in its capacity as the Dealer Manager. The compensation of the Dealer Manager is based, and is contingent upon the closing of and expected to be paid with proceeds of the Series 2024 Bonds in its capacity as underwriter for the Series 2024 Bonds.

The Dealer Manager may contact Bondholders regarding this Tender Offer and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Tender Offer to beneficial owners of the Obligations.



The Dealer Manager and its affiliates together comprise full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Manager and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the City, including the Obligations.

In addition to its role as Dealer Manager for the Obligations, D.A. Davidson is also serving as the underwriter for the Series 2024 Bonds, as described in the Preliminary Official Statement.

The Dealer Manager is not acting as a municipal advisor, financial advisor or fiduciary to the City in connection with this Tender Offer.

#### **INFORMATION AGENT AND TENDER AGENT**

The Dealer Manager, on behalf of the City, has retained Globic Advisors Inc. to serve as Information Agent and Tender Agent for this Tender Offer. The City has agreed to pay the Information Agent and Tender Agent customary fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to this Tender Offer.

#### **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters and the issuance of the Series 2024 Bonds will be passed upon by Gilmore & Bell, P.C. as Bond Counsel to the City. A copy of the form of opinion of Bond Counsel which will be delivered with the Series 2024 Bonds is set forth in APPENDIX E of the Preliminary Official Statement attached hereto as APPENDIX A.

#### **MISCELLANEOUS**

No one has been authorized by the City, the Dealer Manager or the Information Agent and Tender Agent to recommend to any Bondholder whether to tender Obligations pursuant to this Tender Offer or the amount of Obligations to tender. No one has been authorized to give any information or to make any representation in connection with this Tender Offer other than those contained in this Tender Offer. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by the City, the Dealer Manager or the Information Agent and Tender Agent.

None of the City, the Dealer Manager, or the Information Agent and the Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering or exchanging all or any portion of the principal amount of such Bondholder's Obligations. Bondholders must make their own decisions and should read this Tender Offer carefully and consult with their broker, account executive, financial advisor, attorney and/or other professional in making these decisions.

Investors with questions about this Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent. The contact information for the Dealer Manager and the Information Agent and Tender Agent is as follows:

The Dealer Manager for this Tender Offer is:

**D.A. Davidson & Co.**  
450 Regency Parkway, Suite #400  
Omaha, Nebraska 68114  
Tel: (402) 392-7989  
Attn: Cody Wickham, Senior Vice President  
Email: CWickham@dadco.com

The Information Agent and Tender Agent for this Tender Offer is:

**Globic Advisors Inc.**  
485 Madison Avenue, 7th Floor  
New York, New York 10022  
Tel: (212) 227-9622  
Attn: Robert Stevens  
Email: rstevens@globic.com  
Document Website: [www.globic.com/bellevue](http://www.globic.com/bellevue)

**APPENDIX A**

**Preliminary Official Statement**

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

**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 16, 2024**

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

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds [(including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Nebraska. The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.*

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

**New Issue  
Book-Entry-Only**

**Rating: S&P "\_\_\_"  
Not Bank Qualified**

**CITY OF BELLEVUE, NEBRASKA**  
**\$ \_\_\_\_\_\***  
**General Obligation Refunding Bonds**  
**Series 2024**

**Dated: Date of Delivery**

**Due: September 15, as shown below**

UMB Bank, N.A., West Des Moines, Iowa is the Paying Agent and Registrar. Interest on the Bonds is payable semiannually on March 15 and September 15 of each year, commencing September 15, 2024\*. The General Obligation Refunding Bonds, Series 2024 (the "Bonds") are issuable as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchases of Bonds will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial owners of the Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal or redemption price of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants. See "**THE BONDS - Book-Entry-Only System.**"

**MATURITY SCHEDULES—SEE INSIDE COVER**

The Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary\* of the date of original issue, at the option of the City, at par plus accrued interest to the date set for redemption.

The Bonds are offered in book-entry form, when, as and if issued and received by the Underwriters and subject to the approval of legality by Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel to the City, and certain other conditions. It is expected that the Bonds will be available for delivery through The Depository Trust Company, in New York, New York, on or about February \_\_\_\_, 2024.\*



\* Preliminary, subject to change

**MATURITY SCHEDULE\***

\$ \_\_\_\_\_\*  
**General Obligation Refunding Bonds**  
**Series 2024**

<u>Maturity Date</u> <u>(September 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>(% of Par)</u>	<u>CUSIP</u>
2024 <sup>†</sup>	\$	%		
2025				
2026				
2027				
2028				
2029				
2030				
2031				

[<sup>†</sup>Term Bond – see “**THE BONDS – Mandatory Redemption**” herein.]

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\* Preliminary, subject to change

**CITY OF BELLEVUE, NEBRASKA**

**Mayor**

Rusty Hike

**City Council**

Jerry McCaw  
Rich Casey  
Kathy Welch

Thomas Burns  
Paul Cook  
Don Preister

**City Department Heads/City Staff**

Jim Ristow, City Administrator  
Susan Kluthe, City Clerk  
Rich Severson, Treasurer/Finance Director

**City Attorney**

Aimee Bataillon

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Omaha, Nebraska

**UNDERWRITER**

D.A. Davidson & Co.  
Omaha, Nebraska

The information contained in the Official Statement has been obtained from the City of Bellevue, from Sarpy County, Nebraska, and other sources which are believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information, and nothing contained in the Official Statement is, or shall be, relied on as a promise or representation by the Underwriter. The Official Statement is submitted in connection with the sale of securities as referred to therein, and may not be reproduced or be used, in whole or in part, for any other purpose. Neither delivery of the Official Statement nor any sale made thereunder shall create an implication that information therein is correct as of any time subsequent to its date.

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

#### **FORWARD-LOOKING STATEMENTS**

This Official Statement contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The city does not expect or intend to issue any updates or revisions to those forward-looking statements if or when its expectations change or events, conditions or circumstances on which such statements are based occur or fail to occur.

These securities have not been registered with the securities and exchange commission by reason of the provisions of sections 3(a)(2) and 3(a)(4) of the securities act of 1933, as amended. The registration or qualification of these securities in accordance with applicable provisions of securities laws of the states in which these securities have been registered or qualified and the exemption from registration or qualification in other states shall not be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the securities or the accuracy or completeness of this official statement. Any representation to the contrary may be a criminal offense.

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**OFFICIAL STATEMENT**

**CITY OF BELLEVUE, NEBRASKA**

**\$ \_\_\_\_\_\***  
**General Obligation Refunding Bonds**  
**Series 2024**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and any Appendices hereto, is to furnish information concerning the City of Bellevue, Nebraska (the “City”) and certain other information in connection with the issuance and sale of the City’s \$ \_\_\_\_\_\* General Obligation Refunding Bonds, Series 2024 (the “Bonds”). Information in this Official Statement concerning the City has been furnished by the City or obtained from other sources believed to be reliable.

The Bonds offered herein in the stated principal amount of \$ \_\_\_\_\_\* are being issued for purpose of refunding all or a portion of the City’s General Obligation Refunding Bonds (Taxable Interest), Series 2020B, in the outstanding principal amount of \$20,055,000,\* dated June 5, 2020 (the “Outstanding Bonds”). The offering of the Bonds is made only by means of this entire Official Statement, including the appendices. See “**THE BONDS – Purpose and Authority**” herein.

**Sources of Certain Information**

There follow in this Official Statement brief descriptions of the Bonds and the City. All descriptions of documents herein are only summaries and are qualified in their entirety by reference to each such document. During the offering period, copies of such documents may be obtained from the City or from D.A. Davidson & Co. (the “Underwriter”). Information in this Official Statement concerning the City has been furnished by the City or obtained from other sources believed to be reliable.

**THE BONDS**

**General Description**

The Bonds are being issued as current interest-bearing bonds dated as of the Date of Delivery. Interest on the Bonds is payable semiannually on March 15 and September 15 of each year, commencing \_\_\_\_\_ 15, 2024\* (each an “Interest Payment Date”). Interest will be paid from the date of original issue or most recent Interest Payment Date, whichever is later, until maturity or earlier redemption. The Bonds will bear interest at the rates and become due at the times set forth on the front cover and inside front cover pages of this Official Statement. The Bonds will be issued in fully registered book-entry-only form (see the caption “**THE BONDS - BOOK-ENTRY-ONLY SYSTEM**” herein) in denominations of \$5,000 or any integral multiple thereof, not exceeding the amount maturing in a given year.

Interest on the Bonds will be paid by UMB Bank, N.A., West Des Moines, Iowa, as registrar and paying agent with respect to the Bonds (the “Registrar”), by check or draft mailed to the registered owners at their registered addresses, both as shown on the registration books of the Registrar as of the fifteenth day

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\* Preliminary; subject to change.

immediately preceding the Interest Payment Date (the "Record Date"). So long as DTC (hereinafter defined) or its nominee is the registered owner of the Bonds, payment of the principal or redemption price thereof and interest thereon will be made directly to DTC. Principal of and premium, if any, due on the Bonds at maturity or earlier date of redemption shall be paid on presentation and surrender of the Bonds at the office of the Registrar.

Upon surrender to the Registrar for cancellation, any Bond or Bonds may be transferred or exchanged for another Bond or Bonds of like aggregate principal amount in any authorized denomination, having the same maturity and bearing the same rate of interest as the Bond or Bonds surrendered. The Registrar is not required to transfer or exchange any Bond during the period from any Record Date until the immediately succeeding Interest Payment Date or to transfer any Bond which has been called for redemption, whether in whole or in part, for a period of 30 days immediately preceding the date fixed for redemption.

In the event that payments of interest due on the Bonds on any Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners as of a special date of record for payment of such defaulted interest as shall be designated by the Registrar whenever moneys for the purpose of paying such defaulted interest become available.

**Optional Redemption \***

Bonds are subject to redemption in whole or in part, prior to maturity at the option of the City, anytime on or after the fifth anniversary\* of the date of original issue, at par plus accrued interest to the date fixed for redemption, with no redemption premium.

**[Mandatory Redemption \***

The Term Bond maturing September 15, 20\_\_ is subject to mandatory redemption prior to maturity in part, at the principal amount thereof, plus accrued interest thereon to the date of redemption, as follows:

\$ _____	Principal Maturing September 15, 20__
\$ _____	To Be Called September 15, 20__
\$ _____	To Be Called September 15, 20__
\$ _____	Maturing September 15, 20__]

**Notice of Redemption; Effect of Redemption**

Notice of redemption of any Bond or any portion thereof shall be given by first class mail to the registered owner (initially only Cede & Co. as nominee for DTC) of such Bond, addressed to his or her registered address and placed in the mail not less than thirty nor more than sixty days prior to the date fixed for redemption. Such notice shall specify the numbers of the Bonds called for redemption, the redemption date and the place where the redemption amount will be payable, and in the case of Bonds to be redeemed in part only, such notice shall specify the respective portion of the principal amount thereof to be redeemed. If funds sufficient for such redemption shall be held by the Paying Agent and Registrar on the date fixed for redemption and such notice shall have been given, the Bonds or the portion thereof thus called for redemption, shall not bear interest after the date fixed for redemption.

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\* Preliminary, subject to change.

If less than all of the Bonds of any maturity are to be redeemed, the Paying Agent and Registrar shall determine, in its sole discretion, in any manner deemed by it to be fair and equitable, the particular Bonds or portions of Bonds of such maturity to be so redeemed. Any Bond shall be subject to redemption in part in a principal amount equal to \$5,000 or any integral multiple thereof.

### **Purpose and Authority**

The proceeds of the Bonds shall be used for the purpose of refunding the Refunded Bonds on the date of issuance of the Bonds. The Bonds have been authorized by an ordinance passed and approved by the Mayor and Council of the City on December 19, 2023, (the “Ordinance”) pursuant to Section 10-142 Reissue Revised Statutes of Nebraska.

### **Invitation to Tender Bonds**

On January 16, 2024, the City released an Invitation to Tender Bonds (the “**Tender Offer**”), inviting holders of the Outstanding Bonds (the “**Invited Bonds**”) to tender Invited Bonds for purchase by the City on the terms and conditions set forth in the Tender Offer. The purpose of the Tender Offer is to give the City the opportunity to retire the Invited Bonds on the date of issuance of the Bonds (the “**Settlement Date**”).

Pursuant to the Tender Offer, the owners of the Invited Bonds may tender their Invited Bonds (the “**Tendered Bonds**”) for cash and, subject to the conditions set forth in the Tender Offer, the City expects to purchase some or all of the Tendered Bonds at the purchase prices and on the other terms set forth in the Tender Offer, as supplemented or amended via pricing notice or otherwise. The proceeds of the Bonds will be applied to purchase, refund, redeem, and defease such Tendered Bonds (the “**Refunded Bonds**”), which Refunded Bonds will no longer be deemed outstanding on the Settlement Date. Funds to pay the purchase price of the Refunded Bonds, and to pay the costs of the Tender Offer, are expected to be provided from the proceeds of the Bonds, and from other funds of the City.

This discussion is not intended to summarize the terms of the Tender Offer, or to solicit offers to tender Invited Bonds, and reference is made to the Tender Offer for a discussion of the terms of the Tender Offer and the conditions for settlement of the Invited Bonds validly tendered and accepted for purchase. The City has filed the Tender Offer with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system.

### **Security**

The Bonds are general obligations of the City, secured as to the payment of both principal and interest by an irrevocable pledge by the City of the full faith, credit, resources, and taxing powers of the City. As such, the City will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, in addition to all other taxes, sufficient in rate and amount to fully pay the principal and interest of the Bonds as the same become due.

### **Book-Entry Only System**

The Bonds are available in book-entry only form and beneficial ownership interests therein may be purchased in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

**The following information concerning The Depository Trust Company (“DTC”), New York, New York and DTC’s book-entry system has been obtained from sources the City believes to be**

**reliable. However, the City takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The 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 Bond certificate will be issued for each separate maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest 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 Participant’s 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 Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and at [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 Securities 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 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City (or the Registrar) 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the 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 Registrar, on 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 Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar (from funds provided by the City), 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 depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

The information under this subcaption concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The City and the Registrar will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payment by DTC or any Direct Participant or Indirect Participant of any amount with respect to the principal or redemption price of or interest on the Bonds; (iii) any notice which is permitted or required to be given to bondholders under the Resolution; (iv) the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information included under this subcaption, other than in this paragraph, the preceding paragraph hereof and the first two full paragraphs under this subcaption, has been provided by DTC. No representation is made by the City or the Registrar as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof. The Beneficial Owners of the Bonds will rely on DTC Participants or Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owners the rights of a bondholder. No assurances can be given, in the event of the bankruptcy or insolvency of DTC or the Direct Participant or Indirect Participant through which a Beneficial Owner holds beneficial interest in the Bonds, that payment will be made by DTC, the Direct Participant or the Indirect Participant on a timely basis.

**Book-Entry System Risk Factors**

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal of, and interest on, the Bonds since such distributions will be forwarded by the Registrar to DTC and DTC will credit such distributions to the accounts of its Participants, which will thereafter credit them to the accounts of the Beneficial Owners either directly or indirectly through Indirect Participants.

Since transactions in the Bonds can be effected only through DTC, its Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge any Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of physical certificate. Beneficial Owners will not be recognized by the Registrar as registered owners for purposes of the Resolution, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and its Participants.

**SOURCES AND USES OF FUNDS**

**Sources of Funds**

Bond Proceeds:	\$ _____
[Premium/Discount]:	_____
Available City Funds:	_____
TOTAL	\$ <u>_____</u>

**Uses of Funds**

Refunding Deposit:	\$ _____
Costs of Issuance (including underwriter's fee):	_____
TOTAL	\$ <u>_____</u>

*[Remainder of Page Intentionally Left Blank]*

## BOND DEBT SERVICE

The following table shows the debt service (including sinking fund maturities, if applicable) on the Bonds and the Outstanding Bonds of the City. Debt service for the Bonds is based upon the maturity schedule and interest rates shown on the cover page of this Official Statement.

Fiscal Year Ending September 30	Total Outstanding Bonds Principal and Interest <sup>†</sup>	General Obligation Refunding Bonds			<u>Combined Total</u>
		<u>Principal</u>	<u>Series 2024*</u> <u>Interest</u>	<u>Total</u>	
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
<b>Total</b>			\$		

## NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION

The Nebraska Legislature has recently enacted legislation intended to reduce the level of property taxation and political subdivision expenditures in the State. The legislature has enacted legislation to provide for budget limitations and legislation requiring reductions in the rate of taxation for general property taxes. Budget limitations relating to counties, cities and villages (Sections 13-518 to 13-522, R.R.S. Neb. 2012, as amended, and related sections, the “Budget Limitations”) limit the growth in amounts which may be budgeted with respect to certain restricted funds. Restricted funds include property taxes (excluding any amounts required to pay interest and principal on bonded indebtedness), payments in lieu of taxes, local option sales taxes, permit and regulatory fees, state aid and fees from enterprise funds to the extent budgeted for general purposes rather than the enterprise function. The limitation imposed does not apply to certain capital improvements or revenues pledged to retire bonded indebtedness or certain lease-purchase obligations. The Budget Limitations currently provide for a base limitation on increases of 2.5%. Such base limitation is subject to review by the Nebraska Legislature from year to year. The base limitation may be exceeded by an additional 1% upon an affirmative vote of at least 75% of the governing body. These limitations are to be enforced through the office of the Auditor of Public Accounts of the State of Nebraska and state aid may be withheld from governmental units which fail to comply.

<sup>†</sup> Includes Lease Purchase Bonds, Redevelopment Revenue Bonds and Wastewater Revenue Bonds. Does not include bonds being refunded.

\* Preliminary, subject to change.

Tax levy limitations (Section 77-3442, R.R.S. Neb., as amended, and related sections, the “Levy Limitations”) provide for an overall limitation on the tax levies of counties, cities and villages. The Levy Limitations provide for an express exclusion from the limitations for property tax levies for bonded indebtedness.

Taxes to pay principal and interest on the City’s general obligation bonds are thus not subject either to the Budget Limitations or the Levy Limitations. The Budget Limitations and the Levy Limitations do not apply to the City’s proprietary funds such as the electric fund, gas fund, water fund and the sewer fund, to the extent that such funds are supported by user charges.

Under the Levy Limitations the rates for levying property taxes have been reduced for each type of governmental unit in the State of Nebraska. The rate for cities and villages, such as the City, from and after July 1, 1998, are to be no more than \$0.45 per one hundred dollars (\$100) of taxable value, plus an additional \$0.05 for payments relating to interlocal cooperation agreements.

The future methods for providing for financing cities, schools and other local units may be altered depending upon future initiatives by the voters of the State, future actions to be taken by the Nebraska Legislature and further decisions of the Nebraska Supreme Court.

## **BONDHOLDERS’ RISKS**

Among the factors affecting an investment in the Bonds, the following items, among others, should be considered by potential investors:

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

With respect to the COVID-19 pandemic, economic conditions have stabilized in the State. The unemployment rate in the State was 3.0% in February 2020 before the pandemic, rose to a high of 8.6% in April 2020, and recovered to pre-pandemic levels by October 2020.

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

Dependence on Agriculture Industry. The area and population in the general vicinity of the City is dependent on agriculture and agriculturally-related industries. Adverse weather and adverse market conditions – particularly for agriculture products and land – could have a substantial impact on the region and the level of taxable sales in the City and negatively affect the City’s financial condition.

Cybersecurity. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions of the City and the services it provides, or the unauthorized access to or



disclosure of personally identifiable information and other confidential or sensitive information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons beyond its current insurance policy, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. While the City maintains and updates a robust information security program, no assurance can be given that such efforts will prevent a security breach. Any failure to maintain proper functionality and security of the City's information systems could interrupt the City's operations, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations and financial condition. Further, at least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality.

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

Limitation of Rights Upon Insolvency. The State of Nebraska has authorized its political subdivisions to seek relief under the United States Bankruptcy Code, subject to certain restrictions. Nebraska law prohibits a city in the State, such as the City, from filing for bankruptcy if it has any defined benefit retirement plan below the following funding levels at the time of the filing of the bankruptcy petition:

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

The City's funded ratio for its only defined benefit retirement plan, the Police Pension Plan, based on the actuarial value of assets as of September 30, 2022, and as more fully discussed in the City's audited financial statements attached hereto, was 0.0%. The City's net pension liability as of September 30, 2022, was \$2,942,269, and the City believes such unfunded amount is generally immaterial, expected to decline over time and could be covered by reserves. The City does not intend to fund any of the net pension liability. Accordingly, under current State law, the City is not permitted to file for bankruptcy protection under Nebraska law for so long as it has an unfunded pension liability.

The United States Bankruptcy Code enables debtors, including cities, which are insolvent to obtain relief through petition and plan which may result in the modification or delay of payments to creditors, including bondholders. In the event of any insolvency upon the part of the City during which period the City is permitted to and does file for bankruptcy protection, the holders of the Bonds may be treated as general creditors of the City along with unsecured claimants. The extent to which holders of Bonds would be treated as a separate class or otherwise given priority over other claimants is a matter that would be subject to future determinations of Nebraska state and federal courts interpreting and applying both state law and the United States Bankruptcy Code. Procedures under the Bankruptcy Code or other insolvency laws could result in delays in payment and modifications of payment rights.

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

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

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

Pending Federal Tax Legislation. From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal (or state) tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

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

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

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

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

## TAX MATTERS

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

### Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds:

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

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

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

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

### Other Tax Consequences

***[Original Issue Discount.*** For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at

the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

**[Original Issue Premium.** For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

**Sale, Exchange or Retirement of Bonds.** Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

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

**Collateral Federal Income Tax Consequences.** Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

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

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the City has agreed in the Ordinance that it will provide continuing disclosure information as described in **APPENDIX C** to this Official Statement.

### Compliance with Existing Continuing Disclosure Undertakings

The City believes it has complied in all material respects during the past five years with its prior undertakings under the Rule.

## RATING

Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”) has rated the Bonds “\_\_\_”. Any desired explanation of the significance of such ratings should be obtained from Standard & Poor’s Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that the rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

## LEGAL OPINION

All of the legal proceedings in connection with the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel for the City. A copy of the proposed form of Bond Counsel opinion for the Bonds is set forth in **APPENDIX D: “PROPOSED FORM OF OPINION OF BOND COUNSEL”**, attached hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

## FINANCIAL STATEMENTS

The financial statements of the City as and for the year ended September 30, 2022 included in **APPENDIX B** to this Official Statement have been audited by Forvis, LLP, independent auditors, as stated in its report appearing therein. Forvis, LLP has not been asked to provide its consent to the inclusion of the financial statements, or Forvis, LLP’s audit report thereon, in this Official Statement.

## PRIORITY OF ALLOCATIONS OF THE BONDS

The City has advised the Underwriter for the Bonds, that any holder of the Refunded Bonds who tenders Refunded Bonds pursuant to the Tender Offer and who submits an order to purchase any Bonds may, subject to certain limitations, have a preference of allocation of the Bonds up to the principal amount of the Refunded Bonds that such bondholder is tendering. The City also has the discretion to alter its instructions.

**LITIGATION**

The City will, upon delivery of the Bonds, certify that there is no litigation pending affecting the validity of the Bonds as of the date of delivery.

**UNDERWRITING**

D.A. Davidson & Co. has agreed to purchase the Bonds from the City at the price of \$\_\_\_\_\_ of their principal amount plus accrued interest in the amount of \$-0-. The purchase price reflects original issue [premium/discount] in the amount of \$\_\_\_\_\_. At closing, the City will pay the Underwriter a fee for underwriting the issuance of the Bonds of \$\_\_\_\_\_, from City funds on hand.

**MISCELLANEOUS**

The information contained in this Official Statement has been compiled or prepared from information obtained from the City and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

**CITY OF BELLEVUE, NEBRASKA**

**APPENDIX A**  
**INFORMATION CONCERNING THE CITY OF BELLEVUE**

**APPENDIX A**  
**GENERAL DESCRIPTION OF THE CITY**

**FINANCIAL STATEMENT**

(as of December 31, 2023, except as otherwise noted and taking into consideration bonds being offered herein)

**City of Bellevue**

Taxable Valuation (2023/24)	\$5,641,783,683
General Obligation Debt <sup>(1)</sup>	\$54,950,000
Ratio of Direct G.O. Debt to Taxable Valuation	0.97%
Redevelopment Revenue Bonds (Sports Complex)	\$0
Lease-Purchase Bonds (Not G.O. Debt) <sup>(3)</sup>	\$12,215,000
Revenue Bonds <sup>(4)</sup>	\$1,280,000
Sarpy County Population (estimate as of 2022)	191,272
Bellevue Population (estimate as of 2022)	63,336

**Overlapping and Underlying Debt:**<sup>(2)</sup>

**Sarpy County**

Taxable Valuation (2023-2024)	\$24,831,380,000
General Obligation Debt/Lease-Purchase Obligations	\$176,362,684
(22.72% applicable to City)	\$40,069,601

**Omaha School District**

Taxable Valuation (2023-24)	\$32,008,203,524
City of Bellevue Portion of Valuation <sup>(5)</sup>	\$1,159,773,806
General Obligation Debt <sup>(6)</sup>	\$832,412,812
(3.62% applicable to City)	\$30,161,348

**Bellevue School District**

Taxable Valuation (2023-2024)	\$4,535,847,241
City of Bellevue Portion of Valuation <sup>(5)</sup>	\$3,415,526,346
General Obligation Debt <sup>(6)</sup>	\$73,760,000
(75.30% applicable to City)	\$55,541,822.71

Total Overlapping and Underlying General Obligation Debt	\$125,772,772
Total Direct, Overlapping and Underlying General Obligation Debt	\$180,722,772
Ratio of Direct and Overlapping G.O. Debt to Taxable Valuation	3.20%

<sup>(1)</sup> Includes Public Safety Tax Anticipation Bonds, which are limited tax bonds; includes Highway Allocation Pledge Bonds, which are payable from highway allocation funds and a levy of taxes, including this issue; includes bonds originally issued by Annexed SIDs.

<sup>(2)</sup> A minor portion of the Papillion-La Vista, Platteview and Springfield school districts each overlap with the City's limits, but any outstanding debt of such districts applicable to the City does not materially affect the City's financial position.

<sup>(3)</sup> Includes \$8,230,000 of Certificates of Participation, Series 2021 and 2022, and \$6,065,000 of Taxable Municipal Building Corp Bonds, Series 2020 (Convention Center Bonds).

<sup>(4)</sup> Includes Wastewater Revenue Bonds, Series 2018.

<sup>(5)</sup> Source: Sarpy County Assessor

<sup>(6)</sup> Source: Nebraska Auditor of Public Accounts, Budget Data.



**Tax Increment Financing**

The City has issued tax increment revenue bonds to provide funds to pay for the costs of the design and construction of public improvements described within the following development areas of the City: Marathon Ventures, Southgate Apartments, Cornhusker Point and WH Bellevue, LLC.

Tax increment financing does not constitute indebtedness of the City. The city has no responsibility for repayment of this debt, except from specific tax increment revenues attributable to increased valuations in specific project areas, which can only be used by the City to pay such tax increment obligations.

**Future Borrowing Plans**

The City may issue additional debt in fiscal year ending September 30, 2024, up to \$50 million for capital improvement projects related to street improvements (\$42.4 million), sewer construction (\$2.6 million) and facility improvements (\$5.0 million). Actual future borrowings will depend on future needs as they are identified as necessary and viable.

**Debt Limitations**

Under Nebraska law, there is no general limitation on general obligation or revenue indebtedness.

**THE CITY**

The City of Bellevue has the third greatest population in the State of Nebraska and is the largest city in Sarpy County, Nebraska. The City borders on Omaha’s southern limits. Bellevue is the oldest community in Nebraska and was, in 1854, the Territorial Capital of Nebraska.

The City’s close proximity to Omaha has helped to increase the population, but Bellevue also has a growing business community. Major commercial/retail areas include Olde Towne, strip malls anchored by a Shopko store, a Walmart Supercenter, and a Target and Bakers stores, respectively. Several developers are studying additional retail developments. A major employer in the vicinity is the United States Strategic Command (USSTRATCOM) located at Offutt Air Force Base, which lies on the southern edge of the City.

**City officials are as follows:**

Rusty Hike .....	Mayor
Thomas Burns .....	Council Member
Paul Cook.....	Council Member
Don Preister .....	Council Member
Jerry McCaw.....	Council Member
Rich Casey .....	Council Member
Kathy Welch .....	Council Member
Susan Kluthe .....	City Clerk
David Goedeken .....	Dir. of Public Works
Aimee Bataillon .....	City Attorney
Jim Ristow .....	Administrator
Rich Severson .....	City Treas./Finance Director

## **Government**

Bellevue is a municipal corporation and a city of the first class, organized under the Mayor-Council plan of government and is currently governed by a Mayor and a six-member City Council. The City provides general municipal governmental services, including sewer and sanitation service (further described in “ENVIRONMENTAL MATTERS” below), street construction and maintenance, library facilities, parks and recreational facilities and police and fire protection. The City’s budget is governed by the Nebraska Budget Act. The City has, in the course of recent years, made capital improvements needed in each year to serve the sustained growth of the community. Water service is provided by Metropolitan Utility District (MUD). Electric service is provided by Omaha Public Power District (OPPD). Natural Gas service is provided by Metropolitan Utility District (MUD) and Black Hills Energy (BH).

## **City Employees**

The City of Bellevue currently has 112 sworn police officers and 81 full-time sworn firefighters. The City employs another 166 full-time and 32 part-time workers in departments such as finance, administration, planning and permits, public works, parks and recreation, streets and human services, along with a Mayor and six City Council Members.

## **Pension Fund**

The City provides retirement benefits for its civilian employees and firefighters through defined contribution plans. The City provides retirement benefits to police officers through a hybrid pension plan. For full information on retirement benefits, see Note 9 and Note 10 to the City’s Financial Statements, as included in **APPENDIX B**.

## **Education**

Educational needs of the community are provided by the Bellevue Public Schools (the “BPS District”), Papillion-La Vista Community Schools (the “PLV District”), Omaha Public Schools the “Omaha District”; the BPS District, PLV District and Omaha District are referred to as the “Districts”) and private schools providing public and private education for kindergarten through grade twelve. The Districts were created by the State of Nebraska and is accredited by the State Department of Education.

The BPS District serves approximately 10,000 students; there are two high schools, three middle schools, fifteen elementary schools, one alternative school, and a career and technical education center in the PBS District serving pre-kindergarten through 12<sup>th</sup> grade. The PLV District has two elementary schools within the territorial boundaries of the City. The Omaha District has one high school, one middle school and two elementary schools within the territorial boundaries of the City. Additionally, there is one private high school and two private elementary schools in the City.

Bellevue is also the home of Bellevue University, a fully accredited university, with current enrollment of approximately 10,000 students.

**Health Care**

Health care needs of the community are provided by a variety of physicians and hospitals in the Omaha/Sarpy County metro area, including those affiliated with the CHI Health Care Systems, the University of Nebraska (UMA Associates) and the Creighton/Boys Town System.

Health care is also available for active duty and retired military through the Ehrling Bergquist Hospital located at Offutt Air Force Base.

**Communications**

U.S. West Communications provides telecommunications services to the Bellevue area with a digital central office and digital access tandem. Telephone services are also provided by Cox Communications. A multitude of radio stations and four television stations provide viewing services to the community and Cox Communications provides cable service.

The Omaha World Herald is the leading daily newspaper and the Bellevue Leader provides weekly news coverage to the community.

**Recreational**

The City has 50 parks and recreational areas covering 750 acres along with several miles of biking and walking trails. Facilities include picnic grounds, restrooms, softball, baseball and soccer fields, basketball courts, tennis courts, sand volleyball courts, swimming pools, and camping located on the Missouri River.

**Financial Institutions**

Banking services in the City are provided by Wells Fargo Bank, N.A. (Branch of Sioux Falls, South Dakota), Great Western Bank (Branch of Watertown, South Dakota), First National Bank of Omaha (Branch of Omaha), BMO Bank (Branch of Chicago, Illinois), U.S. Bank N.A. (Branch of Cincinnati, Ohio), American National Bank (Branch of Omaha), West Gate Bank, Westside State Bank, Centris Federal Credit Union (Branch of Omaha) and Cobalt Credit Union.

**Population**

<u>Year</u>	<u>City of Bellevue</u>	<u>Sarpy County</u>
2022*	63,015	196,553
2020	64,176	190,604
-	-	-
2010	50,137	158,840

Source: U.S. Census Bureau  
\*Estimates as of July 1, 2022

**Employment (Sarpy County)**

<u>Year</u>	<u>Total Labor Force</u>	<u>Number Employed</u>	<u>Unemployment Rate (%)</u>	Nebraska
				<u>Unemployment Rate (%)</u>
2022	100,026	97,756	2.3	2.3
2021	96,812	95,614	1.2	1.3
2020	95,188	92,716	2.6	3.0
2019	97,712	94,941	2.8	3.0
2018	94,553	92,429	2.2	2.8

Source: Nebraska Department of Labor, Labor Market Information, Local Area Unemployment Statistics

**Retail Sales**

<u>Year</u>	<b>Bellevue</b>
	<u>Net Taxable Sales</u>
2022	\$550,143,423
2021	509,925,908
2020	461,309,981
2019	457,178,325
2018	433,103,208

Source: Nebraska Department of Revenue

**Principal Area Employers**

<u>Employer</u>	<u>Type of Business</u>	<u>No. of Employees</u>
Offutt Air Force Base	Military Base	9,707
Bellevue Public Schools	Schools	2,700
Bellevue University	Higher Education	1,447
Nebraska Medicine	Healthcare	400
City of Bellevue	Government	393
Bimbo Bakery	Food Service	325
Northrop Grumman	Defense	300
Coreslab	Manufacturing	300
Hillcrest Health	Healthcare	200

Source: City of Bellevue, Nebraska

**TAX BASE DATA**

**Values for Tax Levy Purposes**

<u>Year</u>	<u>City of Bellevue</u>
2023	\$5,641,783,683
2022	4,965,635,087
2021	4,569,937,377
2020	4,379,801,232
2019	4,165,693,955*

Source: Nebraska Auditor of Public Accounts; Sarpy County Assessor; City of Bellevue, Nebraska

\*2019 includes Annexed SIDs.

**Tax Levy History** (per \$100, due in year ending as indicated but not delinquent until following year)

<u>Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>City Total</u>	<u>Bellevue School District</u>	<u>Sarpy County</u>
2023	\$0.470000	\$0.140000	\$0.610000	\$1.183827	\$0.284960
2022	0.460000	0.150000	0.610000	1.216128	0.284960
2021	0.444158	0.165842	0.610000	1.227419	0.296900
2020	0.419945	0.190665	0.610610	1.066250	0.296900
2019	0.444000	0.166000	0.610000	1.215661	0.296900

Source: Sarpy County Assessor's Office; Nebraska Auditor of Public Accounts

**Tax Collection History**

The fiscal year for the City begins October 1 and ends the following September 30. Taxes are levied in October of each year by the County based upon budget requests from the City. Taxes are levied upon valuations determined as of the preceding January 1 as finally determined in the following August. All property taxes become due on December 31 and become delinquent (that is, begin to bear interest) in the following year. The first installment of real estate taxes becomes delinquent on April 1 and the second installment becomes delinquent on August 1. The same delinquency dates apply for personal property taxes.

Property taxes collected on the City levy for the most recent years (for fiscal years ending as shown) are as follows:

<u>Fiscal Year</u>	<u>Total Tax Levy-General Fund</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
2022	\$20,297,761	\$19,999,936	98.5%
2021	18,374,374	18,152,365	98.8
2020	15,064,268	14,697,015	97.6
2019	12,992,904	12,693,688	97.7
2018	12,837,291	12,400,304	96.6

Source: City of Bellevue, Nebraska

## **Largest Taxpayers**

Listed below are the largest taxpayers in the City of Bellevue.

<b><u>Taxpayer</u></b>	<b><u>2022 Valuation (Real Estate Only)</u></b>
Vue Acquisitions, LLC	\$28,867,000
MFR Partners XVI, LLC	26,700,570
Edward Rose Development	23,917,850
Trailside Property, LP	22,534,000
NS Landing, LLC	22,271,000
Twin Creek Apartments, LLC	21,550,000
Wolf Creek Apartments, LLC	19,500,000
Stag Industrial Holdings, LLC	19,317,760
MFR Partners IX, LLC	19,196,000
APR Tregaron, LLC	15,670,000

*Source: Sarpy County Assessor's Office*

## **Sales Tax**

Collections from the City's Local Sales and Use Tax of 1.5% are as follows:

<b><u>Fiscal Year</u></b>	<b><u>Amount Collected</u></b>
2021/22	\$16,467,531.21
2020/21	15,190,074.50
2019/20	12,541,714.29
2018/19	11,688,767.76
2017/18	10,772,932.55

*Source: Nebraska State Treasurer*

## **Highway Allocation Fund**

Revenues received by the City of Bellevue from the State of Nebraska Highway Allocation Fund are as follows:

<b><u>Fiscal Year</u></b>	<b><u>Revenues</u></b>
2021/22	\$6,569,316.41
2020/21	6,565,864.30
2019/20	5,530,035.48
2018/19	5,212,367.17
2017/18	4,840,351.51

*Source: Nebraska State Treasurer*

## ENVIRONMENTAL MATTERS

The City operates storm sewers and discharges storm water into several watercourses. The Nebraska Department of Environmental Quality (“NDEQ”) has classified the City as a small Municipal Separate Storm Sewer System (“MS4”) under Clean Water Act (“CWA”) regulations. The City has a storm water management plan.

The City owns and operates the Waste Water System, however, the City does not own a Waste Water treatment facility but contracts with the City of Omaha for treatment of wastewater. Payments made to the City of Omaha for such services are treated as operating expenses of the Waste Water System. Also, the City contracts with Metropolitan Utilities District (the Omaha metropolitan area’s water utility) for billing and collection of the City’s sewer fees from its customers.

The Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“Superfund Law”), as amended, impacts the City in several ways. Liability for investigation and cleanup of contaminated sites under CERCLA does not depend on fault and may be founded on the ownership of a previously contaminated site or on the disposal or arranging for disposal of even very small amounts of hazardous substances. Costs of any required clean up can be substantial. Solid waste is currently being collected by independent haulers and is disposed of at privately owned landfills.

**APPENDIX B**

**ACCOUNTANTS' REPORTS AND FINANCIAL STATEMENTS  
FISCAL YEAR END SEPTEMBER 30, 2022**



# **City of Bellevue, Nebraska**

## **Independent Auditor's Reports and Financial Statements**

**September 30, 2022**



# City of Bellevue, Nebraska

## September 30, 2022

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bellevue, Nebraska (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund and the Community Betterment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 City, 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.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, in 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of revenues and expenditures – LB840 funds and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 GAAS. In our opinion, the schedule of revenues and expenditures – LB840 funds and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**FORVIS,LLP**

Omaha, Nebraska  
March 31, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Bellevue, Nebraska (the City) offers the readers of the City's financial statements this narrative overview and a brief analysis of the financial activities of the City for the fiscal year ended September 30, 2022. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes to the financial statements.

*Bellevue continued its effective management of the City and development of the community.*

### **FINANCIAL HIGHLIGHTS**

- Bellevue continues to build its unique brand. During the year, the City continued to grow, increasing its valuation 8.7% to \$4,965,635,087. Nebraska's third largest City's population was 64,989 at December 30, 2022 (Nebraska Certified Municipal Population).
- In addition to growth, the City upgraded and enhanced its parks and improved its streets. Specifically, the City:
  - Resurfaced 17 lane-miles of streets
  - Engineered another 13.74 lane-miles of street improvements
  - Continued 36<sup>th</sup> Street construction (opened all lanes to traffic on 1/9/2023)
  - Converted tennis courts to new pickleball courts at Thompson Park
  - Installed new playground equipment at Faulkland, McCann, Sorenson and Washington Parks
  - Constructed new gazebo in Washington Park
  - Drew 97,183 participants to Bellevue's recreation programs
  - Enlarged parking lot to improve access to the popular Stonecroft Park all-inclusive playground
  - Completed over \$2 million in lift station mitigation project work in flood prone areas
  - Increased City-wide wastewater cleaning maintenance activities by 27%
- The City's total net position, as reported on the full accrual basis of accounting and presented on page 12, \$103,645,293 at September 30, 2022, increased by \$17,997,153 (21%) from the prior year. The net position is the net assets plus deferred outflows of the City less its liabilities plus deferred inflows. Both governmental activities and business-type activities (Waste water utility) increased.
- The City's total long-term debt decreased \$3,822,596 to \$74,308,315 during the current fiscal year primarily due to continued conservative and aggressive management of the debt.
- The City's total governmental fund balance, as reported on the modified accrual basis of accounting and presented on page 14, decreased \$2,737,140 to \$32,304,138 as of September 30, 2022 due primarily to economic development spending on the development park at highway 34 and highway 75. The unassigned amount that is available to fund City operations in the General Fund is \$18,976,271 (59% of the total governmental fund balance).

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include: (1) government-wide financial statements presented on a full accrual basis, (2) fund financial statements presented on a modified accrual basis, and (3) notes to the financial statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

#### **City of Bellevue Government-Wide Net Position Trend September 30, 2018-2022**

	2018	2019	2020	2021	2022
Total net position	\$59,318,120	\$64,883,557	\$67,111,559	\$85,648,140	\$103,645,293

The *Statement of Activities* presents information showing how the City's net position changed during the year ended September 30, 2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, streets and highways, planning and zoning, economic and community development, parks and recreation, the library, the cemetery, permits and inspections, transportation services, engineering, and fleet management. Business-type activities include the City's waste water utility.

The government-wide financial statements can be found on pages 12-13 of this report.

### **FUND FINANCIAL STATEMENTS**

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. For September 30, 2022, governmental fund

assets were \$32 million more than liabilities and deferred inflows of resources (fund balance), including \$19 million of unassigned fund balance, indicating the ability to adequately fund the current operating cycle.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To that end, reconciliations between governmental funds and governmental activities for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances are provided on pages 15 and 17, respectively, of this report.

The City maintained seven individual governmental funds during the fiscal year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, the Community Betterment fund, and the Debt Service fund, which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation under Other Governmental Funds. These non-major funds are Community Development, Economic Development, Law Enforcement Trust and Federal Forfeitures.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

The City adopted an appropriated budget for 2021-2022. A budgetary comparison statement has been provided for the General and Community Betterment major funds on pages 18 and 19 to demonstrate compliance with the portion of the budget related to FY 2022.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide statements. The city uses an enterprise fund to account for its waste water utility.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Information about Tax Increment Financing funds held by the city at September 30, 2022 are included in the fiduciary statements on pages 23 and 24.

## NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-58 of this report.

## OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its police employees, and to provide other postemployment benefits to all full-time employees (found on pages 59-61 of this report)



## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$103,645,293 at September 30, 2022. The condensed financial information presented in the tables below has not been adjusted for the City's adoption of GASB Statement No. 87, *Leases*.

The City's investment in capital assets (e.g., land, buildings, improvements, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding, was \$78,706,708 at September 30, 2022 (76% of City's net position). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### **City of Bellevue Condensed Statement of Net Position Condensed Statement of Net Position September 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021
Current and other assets	\$ 50,192,849	\$ 45,472,727	\$ 7,325,039	\$ 6,114,111	\$ 57,517,888	\$ 51,586,838
Capital assets	134,367,248	118,956,012	18,953,272	16,943,029	153,320,520	135,899,041
Total assets	184,560,097	164,428,739	26,278,311	23,057,140	210,838,408	187,485,879
Deferred outflows of resources	3,966,030	4,445,715	20,884	23,140	3,986,914	4,468,855
Current liabilities	20,917,480	23,607,040	2,539,660	1,439,207	23,457,140	25,046,247
Long-term liabilities outstanding	80,442,516	78,130,911	1,520,761	2,080,706	81,963,277	80,211,617
Total liabilities	101,359,996	101,737,951	4,060,421	3,519,913	105,420,417	105,257,864
Deferred inflows of resources	5,751,960	1,027,755	27,652	20,975	5,779,612	1,048,730
Net position:						
Net investment in capital assets	61,805,497	42,418,623	16,901,211	14,850,672	78,706,708	57,269,295
Restricted	13,205,531	17,332,802	-	-	13,205,531	17,332,802
Unrestricted	6,403,143	6,357,323	5,329,911	4,688,720	11,733,054	11,046,043
Total net position	\$ 81,414,171	\$ 66,108,748	\$ 22,231,122	\$ 19,539,392	\$ 103,645,293	\$ 85,648,140

\*2021 was not restated for the impacts of GASB 87, *Leases*

At September 30, 2022, \$13,205,531 (13% of City net position) represents resources that are subject to external **restrictions** on their use. The City's governmental activities' **unrestricted** net position of \$6,403,143 indicates that the City will have sufficient cash-on-hand to fund the liabilities as they come due. The City also has an inter-fund borrowing resolution that allows short-term funding solutions to seasonal cash flow issues.

## **GOVERNMENTAL ACTIVITIES**

As previously stated, the Statement of Activities presents information showing how the City's net position changed during the year. Activities as described in this section are reported on the full accrual basis, such that all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Governmental activities' net position increased by \$15,305,423 (23%) for fiscal year 2022.

Revenues increased by \$5,793,737 (7%) due to increased collection of public safety fees and property and sales tax growth. Associated expenses increased by \$7,385,297 (12%) due to increased spending on public safety and public works.

### **BUSINESS-TYPE ACTIVITIES**

Business-type activities, related to the City-owned waste water utility, increased the City's net position by \$2,691,730. Contractual service fees, primarily paid to the City of Omaha for waste water utility services and Metropolitan Utilities District for billing and collection services, totaled \$7,095,424 (74%) of the total program expenses.

**City of Bellevue Condensed Statement of Activities**  
**Condensed Statement of Activities**  
**September 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 12,588,097	\$ 10,073,069	\$ 11,933,040	\$ 11,065,626	\$ 24,521,137	\$ 21,138,695
Operating grants and contributions	16,253,072	16,513,235	-	-	16,253,072	16,513,235
Capital grants and contributions	1,172,787	534,047	624,600	-	1,797,387	534,047
General revenues						
Property taxes	29,529,929	28,924,383	-	-	29,529,929	28,924,383
In-lieu of taxes	1,974,837	1,622,074	-	-	1,974,837	1,622,074
Sales and use taxes	17,233,544	15,484,472	-	-	17,233,544	15,484,472
Occupation taxes	1,205,133	1,146,321	-	-	1,205,133	1,146,321
State aid	1,534,255	2,972,570	-	-	1,534,255	2,972,570
Unrestricted investment earnings	185,615	23,593	-	-	185,615	23,593
Miscellaneous and general revenues	425,609	466,719	-	78,919	425,609	545,638
Net position received from annexations	1,451,342	-	10,248	-	1,461,590	-
Total revenues	<u>83,554,220</u>	<u>77,760,483</u>	<u>12,567,888</u>	<u>11,144,545</u>	<u>96,122,108</u>	<u>88,905,028</u>
Program expenses						
General government	6,519,342	6,388,477	-	-	6,519,342	6,388,477
Public safety	28,985,745	26,699,932	-	-	28,985,745	26,699,932
Community development	3,406,245	3,347,864	-	-	3,406,245	3,347,864
Public works	27,675,467	22,683,348	-	-	27,675,467	22,683,348
Interest of long-term debt	1,939,998	2,021,879	-	-	1,939,998	2,021,879
Waste water	-	-	9,598,158	9,226,947	9,598,158	9,226,947
Total expenses	<u>68,526,797</u>	<u>61,141,500</u>	<u>9,598,158</u>	<u>9,226,947</u>	<u>78,124,955</u>	<u>70,368,447</u>
Transfers	278,000	263,000	(278,000)	(263,000)	-	-
Changes in net position	15,305,423	16,881,983	2,691,730	1,654,598	17,997,153	18,536,581
Net position - beginning of year	66,108,748	49,226,765	19,539,392	17,884,794	85,648,140	67,111,559
Net position - end of year	<u>\$ 81,414,171</u>	<u>\$ 66,108,748</u>	<u>\$ 22,231,122</u>	<u>\$ 19,539,392</u>	<u>\$ 103,645,293</u>	<u>\$ 85,648,140</u>

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

### **GOVERNMENTAL FUNDS**

Governmental fund financial statements are reported on the modified accrual basis, with the focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year.

**City of Bellevue**  
**Unassigned Governmental Fund Balance Trend**  
**Trend - September 30, 2018-2022**

	2018	2019	2020	2021	2022
Unassigned fund balance	\$6,667,311	\$11,118,426	\$8,616,868	\$18,795,573	\$18,976,271

At the end of the current fiscal year, the City's governmental funds reported combined ending total fund balances of \$32,304,138, a decrease of \$2,737,140 in comparison with the prior year. Of this total amount, \$18,976,271 (59%) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is (1) restricted for debt service \$7,165,899, (2) restricted for community betterment \$4,283,320, (3) restricted for community development \$192,394, (4) restricted for economic development \$586,176, (5) restricted for public safety \$81,969, (6) non-spendable inventory \$607,588 or (7) non-spendable prepaid expenses \$410,521.

The General Fund is the primary operating fund of the City. At September 30, 2022, the unassigned fund balance of the General Fund was \$18,976,271 or 92% of the General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance was 24% of total general fund expenditures.

The Community Betterment Fund had a total fund balance of \$4,283,320, an increase of \$40,561 in comparison to the prior year. Total revenue from the City's lottery operations and associated investment income was \$1,113,977, an increase of 5%. Qualified community betterment spending was \$1,073,416 in the current year.

The Debt Service Fund had a total fund balance of \$7,165,899, a decrease of \$857,512 in comparison to the prior year. Bond and loan proceeds of \$10,416,649 plus fund revenues of \$7,815,895, primarily due to property taxes, and totaling \$18,232,544 were offset by \$19,090,056 of expenditures and other financing uses primarily due to debt service payments and bond refunding activity.

**PROPRIETARY FUND**

The City's proprietary fund information can be found in the government-wide financial statements under Business-type Activities and is related to Waste water operations. Unrestricted net position of the Waste water enterprise fund increased \$641,191 to \$5,329,911 at September 30, 2022.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**REVENUES**

Total General Fund revenues were \$3,644,359 (6%) favorable to budgeted revenues of \$65,505,212.

**EXPENDITURES**

Total General Fund expenditures were \$8,465,721 (11%) favorable to budgeted expenditures of \$79,559,812 primarily due to:

- Public Works project delays and underspending
- Delays in hiring, resulting in lower operating costs

### OTHER FINANCING SOURCES

Other financing sources of the General Fund were \$6,719,410 (62%) unfavorable to the amended, budgeted amount of \$10,804,600 due to the use existing cash and lower project activity.

### CAPITAL EXPENDITURES AND DEBT ADMINISTRATION

#### CAPITAL AND LEASE ASSETS

The City's capital and lease assets for its governmental and business-type activities as of September 30, 2022, totaled \$153,320,520 (net of accumulated depreciation and amortization), an increase of \$17,421,479 (13%), primarily due to street projects, purchases of a new library building and economic development property. This investment in capital assets included streets and highways, bridges, buildings, machinery and equipment, parks, waste water facilities and lines, automobiles, and recreation facilities.

Major capital and lease asset events during the fiscal year included the acquisition of annexation assets, along with their accumulated depreciation, public safety vehicles and equipment, park and playground improvements, sewer system improvements and costs associated with 36th street widening and 25th street improvements along with the new library building and economic development property.

Additional information on the City's capital and lease assets can be found in Note 7 of the notes to the financial statements on pages 36-37 of this report.

#### LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt outstanding of \$74,605,000 at par, unamortized bond premium of \$1,059,063, financed purchase obligations of \$381,866 and lease liabilities of \$19,727.

**City of Bellevue Condensed Statement of Net Position**  
Outstanding Long-Term Debt  
September 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 64,965,000	\$ 65,390,000	\$ -	\$ -	\$ 64,965,000	\$ 65,390,000
Public safety tax anticipation bonds	7,970,000	8,980,000	-	-	7,970,000	8,980,000
Revelopement revenue bonds	-	2,350,000	-	-	-	2,350,000
Unamortized bond premium	1,059,063	880,576	-	-	1,059,063	880,576
Revenue refunding bonds	-	-	1,670,000	1,925,000	1,670,000	1,925,000
Financed purchase obligations	314,252	530,335	67,614	155,706	381,866	686,041
Lease liabilities	19,727	19,727	-	-	19,727	19,727
Total	\$ 74,328,042	\$ 78,150,638	\$ 1,737,614	\$ 2,080,706	\$ 76,065,656	\$ 80,231,344

### ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

The budget for 2022-2023 was approved in September 2022 by the City of Bellevue. The key economic factors expected to impact future budgets and rates are:

- The tax levy rate was set at .610000 per \$100 of valuation for taxes due December 31, 2022. The property valuation increased \$395,697,710 (8.7%) from \$4,569,937,377 to \$4,965,635,087. This will generate \$22,850,065 of tax for the General Fund to help pay normal operating costs of the City and \$7,440,309 of tax for the Debt Service Fund to pay interest and principal on bonded indebtedness.
- The City received Coronavirus State and Local Fiscal Recovery Funds assistance as part of the American Rescue Plan Act of 2021, receiving \$8,395,637. The City has passed a Resolution that authorizes eligible uses including extension of a water main in southeast Bellevue and has spent \$257,808 toward that project as of September 30, 2022.

These factors, except where noted, were considered in preparing the City's budget for the 2022-2023 fiscal year.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Bellevue's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bellevue, Finance Director, 1500 Wall Street, Bellevue, Nebraska 68005.

**City of Bellevue, Nebraska**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 36,045,348	\$ 5,364,878	\$ 41,410,226
Receivables, net	7,602,679	1,355,561	8,958,240
Due from other governments	5,526,713	624,600	6,151,313
Inventories	607,588	-	607,588
Prepaid expenses	410,521	-	410,521
Capital and lease assets			
Non-depreciable	38,761,526	3,125,101	41,886,627
Depreciable, net	95,605,722	15,828,171	111,433,893
	<u>184,560,097</u>	<u>26,298,311</u>	<u>210,858,408</u>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunded debt	1,456,933	-	1,456,933
Deferred outflows on pension	1,485,758	-	1,485,758
Deferred outflows on OPEB	1,023,339	20,884	1,044,223
	<u>3,966,030</u>	<u>20,884</u>	<u>3,986,914</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	2,481,746	2,138,722	4,620,468
Interest payable	166,514	13,908	180,422
Compensated absences			
Payable within one year	3,400,000	50,000	3,450,000
Payable in more than one year	3,640,949	57,402	3,698,351
Claims and judgments	621,975	-	621,975
Unearned revenue	8,205,755	-	8,205,755
Other long-term liabilities			
Payable within one year	23,289	-	23,289
Payable in more than one year	2,473,491	-	2,473,491
Pension and other postemployment benefits			
Payable within one year	682,672	9,416	692,088
Payable in more than one year	5,335,563	53,359	5,388,922
Long-term debt, net			
Payable within one year	5,315,802	327,614	5,643,416
Payable in more than one year	68,992,513	1,410,000	70,402,513
Leases payable			
Payable within one year	19,727	-	19,727
Payable in more than one year	-	-	-
	<u>101,359,996</u>	<u>4,060,421</u>	<u>105,420,417</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows on OPEB	1,354,969	27,652	1,382,621
Deferred inflows on leases	4,396,991	-	4,396,991
	<u>5,751,960</u>	<u>27,652</u>	<u>5,779,612</u>
<b>Net Position</b>			
Net investment in capital and lease assets	61,805,497	16,901,211	78,706,708
Restricted			
Debt service	7,804,131	-	7,804,131
Community betterment	4,283,320	-	4,283,320
Community development	192,394	-	192,394
Economic development	586,176	-	586,176
Public safety	339,510	-	339,510
Unrestricted	6,403,143	5,329,911	11,733,054
	<u>\$ 81,414,171</u>	<u>\$ 22,231,122</u>	<u>\$ 103,645,293</u>

**City of Bellevue, Nebraska**  
**Statement of Activities**  
**Year Ended September 30, 2022**

	Program Revenues				Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Governmental Activities</b>							
General government	\$ 6,519,342	\$ 2,532,085	\$ 8,768,232	\$ 723,884	\$ 5,504,859	\$ -	\$ 5,504,859
Public safety	28,985,745	2,801,775	812,740	-	(25,371,230)	-	(25,371,230)
Community development	3,406,245	1,110,117	-	-	(2,296,128)	-	(2,296,128)
Public works	27,675,467	6,144,120	6,672,100	448,903	(14,410,344)	-	(14,410,344)
Interest on long-term debt	1,939,998	-	-	-	(1,939,998)	-	(1,939,998)
Total governmental activities	68,526,797	12,588,097	16,253,072	1,172,787	(38,512,841)	-	(38,512,841)
<b>Business-Type Activities</b>							
Waste water	9,598,158	11,933,040	-	624,600	-	2,959,482	2,959,482
Total business-type activities	9,598,158	11,933,040	-	624,600	-	2,959,482	2,959,482
Total primary government	\$ 78,124,955	\$ 24,521,137	\$ 16,253,072	\$ 1,797,387	(38,512,841)	2,959,482	(35,553,359)
<b>General Revenues</b>							
Property taxes					29,529,929	-	29,529,929
Payments in-lieu of taxes and franchise taxes					1,974,837	-	1,974,837
Sales and use taxes					17,233,544	-	17,233,544
Occupation taxes					1,205,133	-	1,205,133
State aid					1,534,255	-	1,534,255
Unrestricted investment earnings					185,615	-	185,615
Miscellaneous general revenues					425,609	-	425,609
Net position received from annexation					1,451,342	10,248	1,461,590
Transfers					278,000	(278,000)	-
Total general revenues					53,818,264	(267,752)	53,550,512
<b>Change in Net Position</b>					15,305,423	2,691,730	17,997,153
<b>Net Position - Beginning of Year</b>					66,108,748	19,539,392	85,648,140
<b>Net Position - End of Year</b>					\$ 81,414,171	\$ 22,231,122	\$ 103,645,293

# City of Bellevue, Nebraska

## Balance Sheet

### Governmental Funds

**September 30, 2022**

	General Fund	Community Betterment Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 24,416,635	\$ 4,252,535	\$ 7,083,520	\$ 292,658	\$ 36,045,348
Receivables, net	6,220,261	82,708	1,024,695	275,015	7,602,679
Due from other governments	5,470,871	-	55,842	-	5,526,713
Inventories	607,588	-	-	-	607,588
Prepaid expenses	410,521	-	-	-	410,521
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 37,125,876	\$ 4,335,243	\$ 8,164,057	\$ 567,673	\$ 50,192,849
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 2,405,024	\$ 51,923	\$ 568	\$ 13,332	\$ 2,470,847
Claims payable	13,926	-	-	-	13,926
Unearned revenue	8,183,318	-	-	22,437	8,205,755
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	10,602,268	51,923	568	35,769	10,690,528
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	1,546,061	-	997,590	257,541	2,801,192
Lease receivable revenues	4,396,991	-	-	-	4,396,991
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	5,943,052	-	997,590	257,541	7,198,183
<b>Fund Balances</b>					
Nonspendable					
Inventory	607,588	-	-	-	607,588
Prepaid expenses	410,521	-	-	-	410,521
Restricted for					
Debt service	-	-	7,165,899	-	7,165,899
Community betterment	-	4,283,320	-	-	4,283,320
Community development	-	-	-	192,394	192,394
Economic development	586,176	-	-	-	586,176
Public safety	-	-	-	81,969	81,969
Unassigned	18,976,271	-	-	-	18,976,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	20,580,556	4,283,320	7,165,899	274,363	32,304,138
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 37,125,876	\$ 4,335,243	\$ 8,164,057	\$ 567,673	\$ 50,192,849



**City of Bellevue, Nebraska**  
**Reconciliation of the Balance Sheet**  
**of Governmental Funds to the**  
**Statement of Net Position**  
**September 30, 2022**

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

Total fund balances of governmental funds.	\$ 32,304,138
Capital and lease assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	134,367,248
Deferred inflows of resources related to OPEB do not represent an obligation of current financial resources, and, therefore, are not reported in the funds.	(1,354,969)
Deferred inflows of resources for unavailable revenues are not available to pay current period expenditures and, therefore, not recognized in the funds.	2,801,192
A portion of the accrued expenses, claims and judgments liability requires the use of unavailable financial resources and, therefore, is not reported in the funds.	(618,948)
Deferred outflows of resources related to OPEB and pension are not current financial resources, and, therefore, are not reported in the funds.	2,509,097
Deferred outflows of resources related to the loss on refunded debt are not current financial resources, and, therefore, are not reported in the funds.	1,456,933
Long-term liabilities, including bonds and leases payable, and related interest, are not due and payable in the current period and, therefore, not reported in the funds.	(74,494,556)
Other long-term liabilities are not due and payable in the current period and, therefore, not reported in the funds. Amount includes pension and OPEB liabilities, compensated absences, other liabilities and accrued expenses.	<u>(15,555,964)</u>
Net position of governmental activities	<u>\$ 81,414,171</u>

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Governmental Funds**  
**Year Ended September 30, 2022**

	General Fund	Community Betterment Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Revenues</b>					
Property tax	\$ 22,113,644	\$ -	\$ 7,525,252	\$ -	\$ 29,638,896
Payments in-lieu of taxes and franchise taxes	1,627,937	-	74,630	-	1,702,567
Sales and use tax	17,233,544	-	-	-	17,233,544
Occupation tax	1,169,299	-	-	-	1,169,299
Permits and licenses	1,751,777	-	-	-	1,751,777
Fees	2,258,191	-	388	-	2,258,579
Charges for services	5,630,758	-	-	-	5,630,758
Intergovernmental	19,506,643	-	18,014	433,968	19,958,625
Investment income	161,967	3,860	19,373	415	185,615
Lottery	-	1,110,117	-	-	1,110,117
Reimbursements	132,676	-	-	-	132,676
Annexation revenues	186,535	-	178,072	-	364,607
Miscellaneous	425,406	-	166	228	425,800
<b>Total revenues</b>	<b>72,198,377</b>	<b>1,113,977</b>	<b>7,815,895</b>	<b>434,611</b>	<b>81,562,860</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	5,383,935	-	10,967	-	5,394,902
Public safety	27,026,820	-	-	55,299	27,082,119
Community development	2,735,577	318,416	-	327,360	3,381,353
Public works	15,612,801	-	-	-	15,612,801
Capital outlay	27,337,510	-	-	-	27,337,510
<b>Debt service</b>					
Bond principal	651,082	-	6,565,000	-	7,216,082
Bond issue costs	-	-	195,229	-	195,229
Bond interest and fiscal charges	256,435	-	1,607,660	-	1,864,095
<b>Total expenditures</b>	<b>79,004,160</b>	<b>318,416</b>	<b>8,378,856</b>	<b>382,659</b>	<b>88,084,091</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>(6,805,783)</b>	<b>795,561</b>	<b>(562,961)</b>	<b>51,952</b>	<b>(6,521,231)</b>
<b>Other Financing Sources (Uses)</b>					
Refunding bonds issued	-	-	6,180,000	-	6,180,000
Premium on debt issued	-	-	326,649	-	326,649
Bond and loan issuance	-	-	3,910,000	-	3,910,000
Payment to refunded bond escrow agent	-	-	(6,910,558)	-	(6,910,558)
Transfers in (out), net	4,833,642	(755,000)	(3,800,642)	-	278,000
<b>Total other financing sources (uses)</b>	<b>4,833,642</b>	<b>(755,000)</b>	<b>(294,551)</b>	<b>-</b>	<b>3,784,091</b>
<b>Change in Fund Balances</b>	<b>(1,972,141)</b>	<b>40,561</b>	<b>(857,512)</b>	<b>51,952</b>	<b>(2,737,140)</b>
<b>Fund Balances - Beginning of Year</b>	<b>22,552,697</b>	<b>4,242,759</b>	<b>8,023,411</b>	<b>222,411</b>	<b>35,041,278</b>
<b>Fund Balances - End of Year</b>	<b>\$ 20,580,556</b>	<b>\$ 4,283,320</b>	<b>\$ 7,165,899</b>	<b>\$ 274,363</b>	<b>\$ 32,304,138</b>

**City of Bellevue, Nebraska**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended September 30, 2022**

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

Net change in fund balances - total governmental funds	\$ (2,737,140)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period, and the effect of other capital asset-related transactions, including the effects of assets from annexation.	15,313,884
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items, including the effects of long-term debt from annexation.	3,906,718
Certain expenses (e.g. compensated absences, accrued expenses, claims and judgments) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(553,918)
Changes in net pension and total OPEB liability, deferred outflows and deferred inflows related to total pension and total OPEB liability do not represent financial activity in the governmental funds.	(355,234)
Amortization of deferred amounts on refunding does not represent financial activity in the governmental funds.	(147,900)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and change in revenues in fund statements previously recognized in the statement of activities.	<u>(120,987)</u>
Change in net position of governmental activities	<u>\$ 15,305,423</u>

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual (Budget Basis)**  
**General Fund**  
**Year Ended September 30, 2022**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property tax	\$ 22,442,337	\$ 22,442,337	\$ 21,949,126	\$ (493,211)
In-lieu of tax	47,000	47,000	985,563	938,563
Sales tax	15,494,124	15,494,124	16,977,009	1,482,885
Franchise tax	771,200	771,200	656,443	(114,757)
Occupation taxes	1,314,003	1,314,003	1,132,823	(181,180)
Permits, fees and licenses	7,674,187	7,674,187	9,309,728	1,635,541
Intergovernmental	17,287,661	17,287,661	15,807,162	(1,480,499)
Miscellaneous and reimbursements	474,700	474,700	2,331,717	1,857,017
Total revenues	<u>65,505,212</u>	<u>65,505,212</u>	<u>69,149,571</u>	<u>3,644,359</u>
<b>Expenditures</b>				
Current				
General services	5,598,220	5,598,220	5,295,544	302,676
Public safety	27,478,657	27,478,657	28,833,947	(1,355,290)
Community development	12,987,182	12,987,182	11,490,503	1,496,679
Public works	33,495,753	33,495,753	25,474,097	8,021,656
Total expenditures	<u>79,559,812</u>	<u>79,559,812</u>	<u>71,094,091</u>	<u>8,465,721</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(14,054,600)</u>	<u>(14,054,600)</u>	<u>(1,944,520)</u>	<u>12,110,080</u>
<b>Other Financing Sources</b>				
Proceeds from issuance of bonds and notes	6,261,600	6,261,600	-	(6,259,200)
Transfers in, net	4,543,000	4,543,000	4,833,642	(460,210)
Total other financing sources	<u>10,804,600</u>	<u>10,804,600</u>	<u>4,833,642</u>	<u>(6,719,410)</u>
<b>Change in Fund Balance</b>	<u>\$ (3,250,000)</u>	<u>\$ (3,250,000)</u>	<u>\$ 2,889,122</u>	<u>\$ 5,390,670</u>

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual (Budget Basis)**  
**Community Betterment Fund**  
**Year Ended September 30, 2022**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ 2,890	\$ 2,890	\$ 3,860	\$ 970
Lottery	1,054,000	1,054,000	1,114,125	60,125
Total revenues	<u>1,056,890</u>	<u>1,056,890</u>	<u>1,117,985</u>	<u>61,095</u>
<b>Expenditures</b>				
Community development	951,890	951,890	347,967	603,923
Total expenditures	<u>951,890</u>	<u>951,890</u>	<u>347,967</u>	<u>603,923</u>
<b>Excess of Revenues Over Expenditures</b>	<u>105,000</u>	<u>105,000</u>	<u>770,018</u>	<u>665,018</u>
<b>Other Financing Uses</b>				
Transfers out, net	(855,000)	(855,000)	(755,000)	100,000
Total other financing uses	<u>(855,000)</u>	<u>(855,000)</u>	<u>(755,000)</u>	<u>100,000</u>
<b>Change in Fund Balance</b>	<u>\$ (750,000)</u>	<u>\$ (750,000)</u>	<u>\$ 15,018</u>	<u>\$ 765,018</u>

**City of Bellevue, Nebraska**  
**Statement of Net Position**  
**Proprietary Fund**  
**September 30, 2022**

	<b>Waste Water Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 5,364,878
Receivables	1,355,561
Due from other governments	624,600
Total current assets	7,345,039
<b>Capital Assets</b>	
Plant and distribution lines	38,453,679
Building and equipment	2,045,574
Construction in progress	3,125,101
Accumulated depreciation	(24,671,082)
Total capital assets, net	18,953,272
Total assets	26,298,311
<b>Deferred Outflows of Resources - OPEB</b>	20,884
Total assets and deferred outflows of resources	\$ 26,319,195
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued expenses	\$ 2,138,722
Interest payable	13,908
Compensated absences	50,000
Current portion of total OPEB liability	9,416
Current portion of long-term debt	327,614
Total current liabilities	2,539,660
<b>Noncurrent Liabilities</b>	
Compensated absences	57,402
Total OPEB liability	53,359
Long-term debt	1,410,000
Total noncurrent liabilities	1,520,761
Total liabilities	4,060,421
<b>Deferred Inflows of Resources - OPEB</b>	27,652
<b>Net Position</b>	
Net investment in capital assets	16,901,211
Unrestricted	5,329,911
Total net position	22,231,122
Total liabilities, deferred inflows of resources and net position	\$ 26,319,195

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**Proprietary Fund**  
**Year Ended September 30, 2022**

	<b>Waste Water Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 11,933,040
Total operating revenues	11,933,040
<b>Operating Expenses</b>	
Personal services	986,132
Operation and maintenance	241,610
Contractual services	7,095,424
Supplies and materials	43,045
Depreciation	1,147,746
Total operating expenses	9,513,957
<b>Operating Income</b>	2,419,083
<b>Nonoperating Income (Expenses)</b>	
Annexation revenue	10,248
Government grants	624,600
Loss on disposal of capital assets	(31,095)
Interest expense	(53,106)
Total nonoperating income	550,647
Change in net position before transfers	2,969,730
<b>Transfers Out</b>	(278,000)
<b>Change In Net Position</b>	2,691,730
<b>Net Position - Beginning of Year</b>	19,539,392
<b>Net Position - End of Year</b>	\$ 22,231,122

**City of Bellevue, Nebraska**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended September 30, 2022**

	<b>Waste Water Fund</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 11,133,314
Payments to suppliers	(6,787,344)
Payments to employees	(966,949)
	3,379,021
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers to other funds	(278,000)
	(278,000)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of capital assets	(2,876,040)
Capital grants	624,600
Principal paid on bond and note obligations	(343,092)
Interest paid on bond and note obligations	(54,627)
	(2,649,159)
<b>Increase in Cash and Cash Equivalents</b>	451,862
<b>Cash and Cash Equivalents - Beginning of Year</b>	4,913,016
<b>Cash and Cash Equivalents - End of Year</b>	\$ 5,364,878
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 2,419,083
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,147,746
Changes in operating assets and liabilities	
Receivables	(799,726)
Prepaid expenses	20,660
Accounts payable and accrued expenses	572,075
Deferred outflows/inflows of resources	10,250
Compensated absences	8,933
	3,379,021
Net cash provided by operating activities	\$ 3,379,021
<b>Supplemental Cash Flows Information</b>	
Payables incurred for acquisition of capital assets	\$ 314,447
Assumption of assets through annexation	11,248



**City of Bellevue, Nebraska**  
**Statement of Fiduciary Net Position**  
**September 30, 2022**

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 166,566
Total assets	166,566
<b>Liabilities - Due to Others</b>	166,566
<b>Fiduciary Net Position</b>	-
Total liabilities and fiduciary net position	\$ 166,566

**City of Bellevue, Nebraska**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended September 30, 2022**

	<b>Custodial Fund</b>
<b>Additions</b>	
Tax increment financing revenues	\$ 336,793
Total additions	336,793
<b>Deductions</b>	
Tax increment financing expenditures	336,793
Total deductions	336,793
<b>Net Change in Fiduciary Net Position</b>	-
<b>Fiduciary Net Position, Beginning of Year</b>	-
<b>Fiduciary Net Position, End of Year</b>	\$ -

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies**

***Reporting Entity***

The City of Bellevue, Nebraska (City) was incorporated as a first-class city on December 16, 1955, under the provisions of Nebraska Statute Section 16-102. The City operates under a Mayor-Council-City Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, urban development, mass transportation, planning and zoning, sanitary sewer system, library, solid waste, and general administrative services.

The accompanying financial statements present the City as the primary government. In determining its financial reporting entity, the City has considered all potential component units for which it is financially accountable, including other organizations which are fiscally dependent on the City, or the significance of their relationship with the City are such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability, which was used in making this evaluation.

The City has determined the Bellevue Municipal Building Corporation and the Bellevue City Marina Corporation to be blended component units. The City Council appoints the majority of the governing board of these organizations and these organizations almost exclusively exist to benefit the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations and thus are presented as such and included in the general fund.

***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. The material effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Government-wide and Fund Financial Statements - Continued***

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The government-wide financial statements are reported using the total economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Property taxes, sales taxes, state highway allocation, interdepartmental charges, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Special assessments are recorded as revenues in the year the assessments become current. Other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued***

The City reports the following major governmental funds:

General Fund finances the day-to-day operation of the basic governmental activities, such as legislative, administration, police and fire protection, legal services, planning, and parks and recreation. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income.

Community Betterment Fund is used to account for the City's lottery revenues and expenditures. The monies are restricted for community betterment purposes.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The City reports the following major enterprise fund:

Waste Water Fund is used to account for the revenues and expenses of the City-owned waste water utility.

The Custodial Fund accounts for resources held by the City in a custodial capacity, for the benefit of other governments or outside organizations.

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

***Cash Equivalents***

The City considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2022, cash equivalents consisted primarily of money market mutual funds held at trustee and cash held at the Sarpy County Treasurer's office. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balance.

***Inventories***

Inventories consist of fuel and materials. Inventories are stated at cost. Cost is determined using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Lease Receivables***

The City is lessor for several noncancellable leases for land and building use and tower space and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***Capital and Lease Assets***

Capital and lease assets, which include property, plant, equipment, and infrastructure assets, (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital and lease assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before commencement of the lease term, less any incentives received from the lessor at or before commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 – 40
Machinery and equipment	4 – 39
Infrastructure	7 – 50
Automobiles	4 – 10

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Deferred Outflows/Inflows of Resources - Continued***

The City has three items that qualify for reporting in this category, the deferred loss on refunding, deferred outflows on pensions and deferred outflows on OPEB, reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows on pensions and OPEB result from changes in actuarial assumptions and differences between expected and actual experience. These amounts are amortized over the weighted average of the expected remaining service lives for all active and inactive pension or OPEB plan members.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The unavailable revenues reported in the governmental funds balance sheet are from property taxes, special assessments and grants that are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow for lease receivable revenues are future lease revenues to be collected for lease agreements entered into with third parties. It is recognized as an inflow of resources in a systematic and rational manner over the lease term. The deferred inflows on OPEB reported in the government-wide statement of net position are from changes in actuarial assumptions and differences between expected and actual experience. These amounts are amortized over the weighted average of the expected remaining service lives for all active and inactive OPEB plan members.

***Compensated Absences***

City employees earn sick leave at the rate of 8-16.8 hours per month, depending on hire date and shift type. Employees earn various hours of vacation per pay period based on years of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Limitations on accumulated sick leave vary based on labor agreements, but in no case will accumulated sick leave payout exceed 50% of the accumulated balance, up to 960 hours. Accumulated vacation limitations vary from 120 to 360 hours depending on labor agreement. All accumulated vacation and sick leave, subject to the limitations noted, is paid at separation.

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, only compensated absences that have matured as of year-end, for example, as a result of employee resignations and retirements, are recorded as a fund liability. Accruals are based on current salary rates plus an additional amount for compensation-related payments such as Social Security and Medicare taxes and pension amounts using rates in effect at that date.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Long-term Obligations***

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

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

In the fund financial statements, governmental funds recognize lease principal and interest costs, as well as new leases entered during the current period. The amount of the lease liability is reported as an other financing source.

***Net Position***

Net position is required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

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

*Restricted* – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”



**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Fund Balance Classification***

The fund balances for the City's governmental funds are displayed in five components:

*Nonspendable* – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

*Restricted* – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Committed fund balances may be used only for the specific purposes determined by ordinance or resolution of the City Council. Commitments may be changed or lifted only by passage of an ordinance or issuance of a resolution by the City Council.

*Assigned* – Assigned fund balances are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, taking into account any application requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and, lastly, unassigned.

***Annexation***

During the year ended September 30, 2022, the City annexed Sarpy County Sanitary Improvement Districts (SID) No. 67 and No. 242. At the time of annexation, the City assumed all assets and liabilities of the annexed areas. Annexation resulted in revenue of \$364,607 included in annexation revenues in the governmental fund statement of revenues, expenditures and changes in fund balances and \$10,248 in the proprietary fund statement of revenues, expenses and changes in net position. Net position received from annexation of \$1,461,590 is included in the statement of activities.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Budgetary Information***

An appropriate budget is adopted each fiscal year for the General, Special Revenue, Debt Service and Enterprise Funds on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 20, the budget is legally enacted through passage of an ordinance and filed with the appropriate governmental entities and agencies.

Budget adjustments within a fund can be made with City Administrator approval. However, the City Council must approve any supplemental appropriations.

An encumbrance system is not used by the City and all appropriations lapse at year-end.

***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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses/expenditures and other changes in net position during the reporting period. Actual results could differ materially from those estimates.

***Pensions and Other Postemployment Benefits***

For purposes of measuring the net pension liability and total other postemployment benefit (OPEB) liability, deferred inflows and outflows of resources related to pensions/OPEB and pension and OPEB expense, information about the fiduciary net position of the City Police Defined Benefit Pension Plan or OPEB plan and additions to/deductions from the Plan's net/total position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1: Summary of Significant Accounting Policies - Continued**

***Implementation of New Accounting Standards***

During 2022, the City implemented GASB Statement No. 87, *Leases* (GASB 87). In governmental funds, the City now recognizes an expenditure for the current year lease and interest due for leases with payments made during the lease term of over \$10,000. Payments on contracts under that threshold are recorded as expenditures. In the government-wide statements, the City recognizes a lease liability and right to use lease asset for the present value of all future lease payments at the commencement of the lease for leases with total future minimum payments over \$10,000. As a lessor, the City recognizes a lease receivable and deferred inflow of resources that will be recognized over the term of the lease in both the governmental funds and the government-wide statements. Adoption of GASB 87 had no effect on beginning net position or fund balances as of October 1, 2021, or on the previously reported change in net position or fund balances.

**Note 2: Reconciliation of Budget Basis to GAAP**

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended September 30, 2022, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	<b>General Fund</b>	<b>Community Betterment Fund</b>
Net Change in Fund Balances		
Balance on a GAAP basis	\$ (1,972,141)	\$ 40,561
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds.	4,861,263	(25,543)
Balance on a budget basis	\$ 2,889,122	\$ 15,018

**Note 3: Deposits**

***Deposits***

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

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 3: Deposits - Continued**

***Deposits - Continued***

Section 16-714 and 16-715 of the Revised Statutes of Nebraska 1943 require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the City Treasurer in the amount of the City’s deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC).

Cash at the County Treasurer of \$268,318 was covered by collateral held by the County.

***Summary of Carrying Values***

The carrying values of deposits are included in the government-wide statement of net position as follows:

Carrying values	
Deposits	\$ 40,781,215
Cash at county treasurer	268,318
Cash held at trustee	<u>360,693</u>
	<u>\$ 41,410,226</u>

**Note 4: Property Taxes**

The tax levy for the City is certified by the Sarpy County Board of Commissioners on or before October 15. Real estate and personal property taxes are due and become an enforceable lien on property on December 31. The first half of these taxes become delinquent on April 1 and the second half become delinquent August 1 following the levy date. Delinquent taxes bear interest at a rate of 14% per annum.

Property taxes levied for 2021-2022 are recorded as revenue in the governmental funds when expected to be collected within 60 days after September 30, 2022. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred inflow of resources in the governmental funds.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Historically, substantially all property taxes have been collected.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 5: Receivables**

Receivables at September 30, 2022, consist of the following:

Fund	Property Taxes	Accounts and Notes Receivable	Leases Receivable	Special Assessments	Gross Receivables	Allowance for Uncollectibles	Net Receivables
General	\$ 325,879	\$ 1,413,395	\$ 4,480,987	\$ -	\$ 6,220,261	\$ -	\$ 6,220,261
Community Betterment	-	82,708	-	-	82,708	-	82,708
Debt Service	142,737	161,420	-	1,441,075	1,745,232	(720,537)	1,024,695
Wastewater	-	1,355,561	-	-	1,355,561	-	1,355,561
Other governmental	-	293,015	-	-	293,015	(18,000)	275,015
Total	<u>\$ 468,616</u>	<u>\$ 3,306,099</u>	<u>\$ 4,480,987</u>	<u>\$ 1,441,075</u>	<u>\$ 9,696,777</u>	<u>\$ (738,537)</u>	<u>\$ 8,958,240</u>

**Note 6: Due From Other Governments**

Due from other governments includes the following items:

Nature	Amount
<b>Governmental Activities</b>	
State of Nebraska, sales and use tax	\$ 2,871,260
State of Nebraska, motor vehicle taxes	128,564
State of Nebraska, highway user fees	1,199,828
Nebraska Department of Roads	397,517
Eastern Sarpy Suburban Fire District, fire protection services	579,631
Federal Emergency Management Agency	118,099
Black Hills, in-lieu of taxes	11,326
Omaha Public Power District, in-lieu of taxes	205,398
Other	15,090
	<u>\$ 5,526,713</u>
<b>Business Type Activities</b>	
Federal Emergency Management Agency	<u>\$ 624,600</u>

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 7: Capital and Lease Assets**

The following is a summary of capital and lease asset transactions for the year ended September 30, 2022.

	<b>Beginning Balance (Restated)</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital and lease assets, not being depreciated or amortized				
Land	\$ 14,801,602	\$ 3,163,029	\$ -	\$ 17,964,631
Construction in progress	13,023,117	9,947,466	(2,173,688)	20,796,895
Total capital and lease assets, not being depreciated or amortized	27,824,719	13,110,495	(2,173,688)	38,761,526
Capital and lease assets, being depreciated or amortized				
Buildings	46,438,794	3,731,471	-	50,170,265
Machinery and equipment	18,117,703	1,798,697	(8,399)	19,908,001
Infrastructure	213,991,078	5,623,758	-	219,614,836
Vehicles	15,731,747	1,159,069	-	16,890,816
Leased vehicles	39,887	-	-	39,887
Total capital and lease assets, being depreciated or amortized	294,319,209	12,312,995	(8,399)	306,623,805
Less accumulated depreciation and amortization for				
Buildings	(20,731,000)	(1,179,326)	-	(21,910,326)
Machinery and equipment	(15,406,210)	(622,002)	8,399	(16,019,813)
Infrastructure	(157,643,840)	(4,694,441)	-	(162,338,281)
Vehicles	(9,366,979)	(1,327,423)	-	(10,694,402)
Leased vehicles	-	(20,811)	-	(20,811)
Total accumulated depreciation and amortization	(203,148,029)	(7,878,463)	8,399	(211,018,083)
Total capital and lease assets, being depreciated or amortized, net	91,171,180	4,434,532	-	95,605,722
Governmental activities capital and lease assets, net	\$118,995,899	\$ 17,545,027	\$ (2,173,688)	\$134,467,248

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 7: Capital and Lease Assets - Continued**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 3,125,101	\$ -	\$ 3,125,101
Total capital assets, not being depreciated	-	3,125,101	-	\$ 3,125,101
Capital assets, being depreciated				
Plant and distribution lines	\$ 38,389,697	\$ 63,982	\$ -	\$ 38,453,679
Building and equipment	2,045,574	-	-	2,045,574
Total capital assets, being depreciated	40,435,271	63,982	-	40,499,253
Less accumulated depreciation for				
Plant and distribution lines	(22,272,293)	(1,073,171)	-	(23,345,464)
Building and equipment	(1,219,949)	(105,669)	-	(1,325,618)
Total accumulated depreciation	(23,492,242)	(1,178,840)	-	(24,671,082)
Total capital assets, being depreciated, net	16,943,029	(1,114,858)	-	15,828,171
Business-type activities capital assets, net	\$ 16,943,029	\$ 2,010,243	\$ -	\$ 18,953,272

Depreciation and amortization expense was charged to functions/programs as follows:

**Governmental Activities**

General government	\$ 256,772
Public safety	1,224,155
Community development	463,515
Public works	5,312,200

        Total depreciation and amortization  
        expense – governmental activities

\$ 7,256,642

**Business-Type Activities**

Waste water	<u>\$ 1,147,746</u>
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In addition to the balances listed above, accumulated depreciation increased during 2022 as a result of the City's annexation of certain sanitary improvement districts. These annexations increased accumulated depreciation for the governmental and business-type activities in the amounts of \$621,821 and \$31,094, respectively.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 8: Leases**

***Lease Receivables***

The City, as lessor, leases City-owned land, buildings and tower space at various locations, the terms of which expire in various years through 2055. Revenues earned under these lease contracts were approximately \$680,000 for the year ended September 30, 2022, which includes both lease revenue and interest. A portion of lease tower space revenues are assigned to a third party through 2053 and are described further in Note 17.

The following is a schedule by year of payments to be received for leases as of September 30, 2022:

	<b>Total Payments to be Received</b>	<b>Receivable</b>	<b>Interest</b>
2023	\$ 697,876	\$ 638,594	\$ 59,282
2024	530,279	475,805	54,474
2025	342,072	291,945	50,127
2026	347,660	301,855	45,805
2027	353,911	312,630	41,281
2028 - 2032	1,762,269	1,629,033	133,236
2033 - 2037	484,122	432,781	51,341
2038 - 2042	126,516	91,502	35,014
2043 - 2047	122,456	96,085	26,371
2048 - 2052	140,825	125,681	15,144
2053 - 2055	83,439	81,075	2,364
Total	\$ 4,991,425	\$ 4,476,986	\$ 514,439
Accrued Interest		4,001	
		\$ 4,480,987	

***Lease Liabilities***

The City, as lessee, leases vehicles for its operations, the terms of which expire in 2023. As of September 30, 2022, the City owed \$20,160 with \$19,727 of principal and \$433 of interest.

**Note 9: Long-term Liabilities**

The City issues general obligation and revenue bonds to finance the acquisition and construction of major capital assets. General obligation bonds are direct obligations and are secured by a pledge of the full faith and credit of the government. For revenue bonds, the government pledges income derived from the acquired or constructed assets to pay for the debt service.



**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 9: Long-term Liabilities - Continued**

The City has entered into agreements for financing the acquisition of machinery and automobiles. These agreements qualify as finance purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The leases are collateralized by the related financed equipment. Assets acquired through financed purchases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery, equipment and automobiles	\$ 2,190,012	\$ 426,422
Less accumulated depreciation	<u>(1,074,664)</u>	<u>(184,783)</u>
Total	<u>\$ 1,115,348</u>	<u>\$ 241,639</u>

The following is a summary of long-term liability activities of the City for the year ended September 30, 2022:

	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Long-term debt					
General obligation bonds	\$ 65,390,000	\$ 7,145,000	\$ (7,570,000)	\$ 64,965,000	\$ 4,160,000
Public safety tax anticipation bonds	8,980,000	3,005,000	(4,015,000)	7,970,000	1,000,000
Redevelopment revenue bonds	2,350,000	-	(2,350,000)	-	-
Unamortized bond premiums	880,576	326,649	(148,162)	1,059,063	-
Financed purchase obligations - direct borrowings	<u>530,335</u>	<u>-</u>	<u>(216,083)</u>	<u>314,252</u>	<u>155,802</u>
Total long-term debt	78,130,911	10,476,649	(14,299,245)	74,308,315	5,315,802
Other liabilities					
Compensated absences	6,454,405	4,238,825	3,652,281	7,040,949	3,400,000
Net pension liability	2,961,139	86,941	(105,811)	2,942,269	221,277
Lease liabilities	19,727	-	-	19,727	19,727
Assignment of rents	2,518,506	-	(21,726)	2,496,780	23,289
Other postemployment benefits	<u>3,360,861</u>	<u>-</u>	<u>(284,895)</u>	<u>3,075,966</u>	<u>461,395</u>
Governmental activities long-term liabilities	<u>\$ 93,445,549</u>	<u>\$ 14,802,415</u>	<u>\$ (11,059,396)</u>	<u>\$ 89,884,006</u>	<u>\$ 9,441,490</u>

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 9: Long-term Liabilities - Continued**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
Long-term debt					
Revenue refunding bonds	\$ 1,925,000	\$ -	\$ (255,000)	\$ 1,670,000	\$ 260,000
Financed lease obligations - direct borrowings	155,706	-	(88,092)	67,614	67,614
Total long-term debt	2,080,706	-	(343,092)	1,737,614	327,614
Other liabilities					
Compensated absences	91,338	93,363	(77,299)	107,402	50,000
Other postemployment benefits	68,589	-	(5,814)	62,775	9,416
Business-type activities long-term liabilities	<u>\$ 2,240,633</u>	<u>\$ 93,363</u>	<u>\$ (426,205)</u>	<u>\$ 1,907,791</u>	<u>\$ 387,030</u>

The compensated absences reported as governmental activities will be paid from the General Fund. The compensated absences of the business-type activities will be paid from the Waste Water fund.

Long-term debt is comprised of the following issues:

	Date Issued	Date of Maturity	Date Callable	Interest Rates	Balance
Refunding Bonds (Convention Center)	03/31/20	09/15/35	03/31/25	1.80 - 2.25	\$ 5,520,000
General Obligation Refunding Bonds	06/05/20	09/15/34	09/15/25	3.00	11,000,000
General Obligation Refunding Bonds	06/05/20	09/15/32	09/15/23	1.70 - 2.45	20,055,000
General Obligation Refunding Bonds	08/14/20	09/15/27	09/15/25	3.00	1,270,000
General Obligation Refunding Bonds	12/03/20	09/15/27	09/15/25	2.00	1,575,000
General Obligation Refunding Bonds	10/20/21	09/15/26	10/20/26	2.00	1,210,000
General Obligation Refunding Bonds	03/22/22	09/15/31	03/22/27	2.00	1,950,000
Highway Allocation Fund Pledge and Refunding Bonds	12/28/17	12/15/31	12/15/23	1.50 - 3.20	3,425,000
Highway Allocation Fund Pledge	03/01/19	06/15/29	12/15/23	1.80 - 3.00	2,800,000
Highway Allocation Fund Pledge	08/20/21	09/15/36	09/15/26	2.00	5,850,000
Certificates of Participation	03/15/21	09/15/32	09/15/26	0.227 - 1.703	3,885,000
Certificates of Participation	03/15/22	09/15/37	03/15/27	3.00	1,910,000
Certificates of Participation	03/15/22	09/15/37	03/15/27	2.093 - 3.500	2,000,000
Sanitary and Improvement District No. 147 General Obligation Refunding Bonds	05/15/18	08/15/30	05/15/23	2.45 - 3.60	670,000
Sanitary and Improvement District No. 171 General Obligation Refunding Bonds	12/15/16	12/15/35	12/15/21	1.65 - 3.40	55,000
Sanitary and Improvement District No. 180 General Obligation Refunding Bonds	10/15/17	10/15/34	10/15/22	1.70 - 3.60	260,000
Sanitary and Improvement District No. 180 General Obligation Refunding Bonds	12/28/18	12/15/37	12/28/23	3.20 - 4.25	5,000
Sanitary and Improvement District No. 265 General Obligation Refunding Bonds	06/15/19	08/15/39	06/15/24	2.50 - 3.60	1,205,000

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 9: Long-term Liabilities - Continued**

	<b>Date Issued</b>	<b>Date of Maturity</b>	<b>Date Callable</b>	<b>Interest Rates</b>	<b>Balance</b>
Sanitary and Improvement District No. 269 General Obligation Refunding Bonds	06/15/19	12/15/39	06/15/24	2.55 - 3.60	\$ 260,000
Sanitary and Improvement District No. 289 General Obligation Refunding Bonds	10/22/18	10/15/38	10/15/23	2.65 - 4.10	<u>60,000</u>
Total general obligation bonds					<u>64,965,000</u>
Public Safety Department Tax Anticipation Refunding Bonds, Series 2019	04/30/19	12/15/32	12/15/24	1.60 - 4.00	5,110,000
Public Safety Department Tax Anticipation Refunding Bonds, Series 2021	10/20/21	09/15/26	09/15/26	2.00	<u>2,860,000</u>
Total public safety tax anticipation bonds					<u>7,970,000</u>
Financed purchase obligations	Various	Various	N/A	2.35 - 2.89	<u>314,252</u>
Total governmental activities					<u>\$ 73,249,252</u>
Revenue Refunding Bonds	06/28/18	06/15/28	06/28/23	1.85 - 3.20	\$ 1,670,000
Financed purchase obligations	05/24/18	05/24/23	N/A	2.65	<u>67,614</u>
Total business-type activities					<u>\$ 1,737,614</u>

The Public Safety Department Tax Anticipation Bonds are limited general obligations to be paid from special tax assessments and are also considered general obligations of the City. The Redevelopment Revenue Bonds are payable solely from the limited tax revenues and reserve sub-accounts provided for under the terms of the bond resolutions and are not general obligations of the City.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 9: Long-term Liabilities - Continued**

The annual debt service requirements to maturity for long-term debt as of September 30, 2022, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>		<b>Anticipation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 4,160,000	\$ 1,523,700	\$ 1,000,000	\$ 211,650
2024	3,980,000	1,444,947	1,030,000	187,250
2025	4,160,000	1,370,747	1,040,000	163,200
2026	4,590,000	285,051	725,000	139,875
2027	4,630,000	1,189,262	1,060,000	110,700
2028-2032	28,325,000	4,275,212	2,955,000	220,400
2033-2037	14,765,000	903,778	160,000	2,600
2038-2040	355,000	19,260	-	-
Totals	<u>\$ 64,965,000</u>	<u>\$ 11,011,957</u>	<u>\$ 7,970,000</u>	<u>\$ 1,035,675</u>

<b>Year Ending September 30,</b>	<b>Governmental Activities Financed Purchases - Direct Borrowings</b>	
	<b>Principal</b>	<b>Interest</b>
2023	\$ 155,802	\$ 5,764
2024	105,013	2,803
2025	53,437	471
Totals	<u>\$ 314,252</u>	<u>\$ 9,038</u>

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>			
	<b>Revenue Refunding Bonds</b>		<b>Finance Purchases - Direct Borrowings</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 260,000	\$ 45,448	\$ 67,614	\$ 898
2024	265,000	39,110	-	-
2025	275,000	32,085	-	-
2026	280,000	24,348	-	-
2027	290,000	16,018	-	-
2028	300,000	7,125	-	-
Totals	<u>\$ 1,670,000</u>	<u>\$ 164,134</u>	<u>\$ 67,614</u>	<u>\$ 898</u>

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 9: Long-term Liabilities - Continued**

***Pledged Revenue***

The Highway Allocation Fund Pledge Bonds are secured by a pledge of the revenues received from the City's annual allocation of State of Nebraska highway funds, through final maturity of the bonds in 2036. The total principal and interest remaining to be paid on the bonds is \$7,340,845 with annual payments expected to require approximately 10% of net revenues.

As a condition to issuing the Redevelopment Revenue Bonds, the City obtained an agreement from an operator to provide a substantial source of funds for repayment. In October 2017, the operator and the City terminated the agreement. In October 2020, the City entered into a lease purchase agreement that provided for payments to lease the premises through April 2022, at which time the lessee agrees to purchase the related property. This agreement was amended in March 2022, which extended the lease through June 2023. The City remains liable for the bond payments from limited tax levying authority under the Community Development Act and other sources of revenues.

***Refundings***

In October 2021, the City issued General Obligation Refunding Bonds totaling \$1,210,000. The bonds were used to refund \$350,000 of General Obligation Various Purpose Bonds, Series 2013 and \$885,000 of General Obligation Refunding Bonds, Series 2016 and pay the costs of issuance. The bonds bear interest at 2% and have a final maturity in September 2026. There was a cash flow savings of approximately \$38,500 from refunding the bonds, and an economic gain of approximately \$41,300.

In October 2021, the City issued Public Safety Department Tax Anticipation Refunding Bonds totaling \$3,005,000. The bonds were used to refund \$125,000 of Public Safety Department Tax Anticipation Bonds, Series 2012, \$1,950,000 of Public Safety Department Tax Anticipation Bonds, Series 2013 and \$1,000,000 of Public Safety Department Tax Anticipation Refunding Bonds, Series 2016 and pay the costs of issuance. The bonds bear interest at 2% and have a final maturity in September 2026. There was a cash flow savings of approximately \$115,400 from refunding the bonds, and an economic gain of approximately \$117,800.

In March 2022, the City issued General Obligation Various Purpose Refunding Bonds, Series 2022 totaling \$1,965,000. The bonds were used to refund \$1,975,000 of General Obligation Various Purpose Bonds, Series 2017. The bonds bear interest of 0.95% - 2.00% and have a final maturity in September 2031. There was a cash flow savings of approximately \$113,000 from refunding the bonds, and an economic gain of approximately \$103,900.

***Issuances***

In March 2022, the City issued Certificates of Participation, Series 2022A totaling \$1,910,000 (tax-exempt) and Certificates of Participation, Series 2022B totaling \$2,000,000 (taxable). The proceeds of the Certificates will be used to pay the costs of the acquiring library facilities and equipment. The 2022A Series Certificates bear interest at 3.00% and have a final maturity in September 2037. The 2022B Series Certificates bear interest at 2.093% - 3.500% and have a final maturity in September 2037.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 10: Defined Contribution Retirement Plans**

The City of Bellevue has multiple defined contribution plans. The authority to make changes to the plans is established by the Bellevue City Council or Nebraska State Statutes, as appropriate.

***Civilian Retirement Plan***

All regular full-time civilian employees of the City are covered by a voluntary defined contribution plan. Contributions made by the City equal 6% of the participants' compensation. Participants also contribute 6% of their earnings, but may elect to contribute up to 10%. Vesting of employer contributions occurs over three to seven years of employment. The amount of employer and employee contributions to this plan during the fiscal year was \$612,711 and \$614,250, respectively. There were no forfeitures used to offset employer contributions for the year ended September 30, 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

***Fire Retirement Plan***

All regular full-time fire fighters of the City are covered by a defined contribution plan. Participants are required to contribute 6.50% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 13% of the participants' compensation. Vesting of employer contributions occurs between four and seven years of employment. Forfeitures shall be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet Plan liabilities, then forfeitures shall first be used to pay expenses of administration and then to reduce City contributions. The plan members and the City contributed \$446,567 and \$893,134, respectively, to the plan in fiscal 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

***Police Retirement Plan***

All regular full-time sworn officers of the City are covered by a defined contribution plan. Certain sworn officers are also covered by a single-employer defined benefit pension plan (see Note 11). Participants are required to contribute 7.0% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 7.0% of the participants' compensation. Vesting of employer contributions occurs between four and ten years of service. Forfeitures shall first be applied to administrative expense of the Plan and then may be used by the City to reduce City contributions. The plan members and the City contributed \$727,765 and \$727,765, respectively, to the plan in fiscal 2022. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 10: Defined Contribution Retirement Plans - Continued**

***Deferred Compensation Plan***

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees at their option, permits participants to defer a portion of their salary until future years. Annual contributions cannot exceed the lesser of the applicable dollar amount provided under the applicable Code Section, adjusted for cost of living, or 100% of the participant's includible compensation. Catch-up contributions are allowed for participants that qualify. The deferred compensation is not available to employees until termination, retirement, death, or until the employee reaches age 70 ½. Distributions from the plan are made in a lump sum payment as soon as administratively practicable. Participants are permitted to elect to postpone distributions and an alternative method of distribution, with approval from the Plan Administrator.

The City evaluated whether the plan is a fiduciary activity based on GASB Statement No. 84, *Fiduciary Activities*, and concluded that it is not a fiduciary activity. The City does not contribute to the Plan and the has no control over the plan assets. The assets of the plan are held in trust, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted for any other purpose.

**Note 11: Police Defined Benefit Pension Plan**

***Plan Description***

The City has a single-employer defined benefit pension plan negotiated with certain members of the Bellevue Police Department. The City and the Retirement Committee administer a hybrid defined benefit pension plan covering sworn police officers hired after December 31, 1983 and prior to May 1, 2011 or specifically identified in a settlement agreement or State Statute for those officers hired prior to January 1, 1984. The plan is closed to new employees. The terms of the plan, including contribution rates and minimum pension benefits are established through a settlement agreement between the City and the police officers' association. The City does not issue a separate report that includes financial statements and required supplementary information for the police pension plan.

***Summary of Benefit Provisions***

Both the employee and the City contribute 7.0% of the employee's earnings for periods on or after October 1, 2015. Employees covered by the plan may also make voluntary contributions. The accumulated value of the employee and employer account including contributions and investment earnings is the Retirement Account Value. In the event that a participant's retirement account value will not provide for the minimum pension benefits of the plan, the City will be required to contribute an additional amount to fund the minimum pension benefits specified in the collective bargaining agreement.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 11: Police Defined Benefit Pension Plan - Continued**

***Summary of Benefit Provisions - Continued***

*Regular Pay* – Defined as the greatest average salary in any period of five consecutive years preceding retirement, death, disability or termination date.

*Retirement Benefit* –

*State Statute for Pre-1984 Hires* – Participants must be employed on January 1, 1984 and continuously employed by the City through retirement date after attaining age 55 and completing 25 years of service. Minimum pension benefit equals 40% of Regular Pay for commencement between ages 55 and 60; 50% of Regular Pay for commencement at age 60 or later offset by the State Statute Actuarial Equivalence of the Retirement Account Value.

*Post 1983 Hires subject to settlement agreement* – Employees hired after December 31, 1983 and after attaining age 55 and completing 25 years of service. Employee entitled to the total of their Retirement Account Value or the actuarial equivalent of 55% of Regular Pay, whichever is greater based upon the actuarial assumptions of 7% interest and the 1994 GAM Mortality Table (Static) weighted 90% male/10% female. Paid as a single lump sum.

*Termination Benefit Prior to 25 Years of Service* – No minimum pension benefits. Employee is entitled to the value of the Retirement Account Value.

*Termination Benefit After 25 Years of Service* – Deferred Retirement Option Plan (DROP) provision allows minimum pension benefit at retirement age if the employee keeps their Retirement Account Value in the plan until retirement age.

*Death Benefit (Line of Duty)* – Death prior to retirement from causes sustained in the line of duty and survived by a spouse or minor children. Benefit equals 50% of Regular Pay to spouse until remarriage or death; to minor children split equally after remarriage or death. Benefit is subject to deduction for any workers' compensation benefits and offset by the State Statute Actuarial Equivalence of the Retirement Account Value. Payment is on a straight life annuity basis and provided under a purchase annuity contract.

*Death Benefit (Other)* – Employee must be continuously employed from January 1, 1984 until death, survived by spouse and death after reaching age 55 and completing at least 21 years of service. Benefit of 25% of Regular Pay to spouse until remarriage or death; to minor children split equally after remarriage or death. Benefit is offset by the State Statute Actuarial Equivalence of the Retirement Account Value. Payment is on a straight life annuity basis and provided under a purchased annuity contract.

*Disability Benefit (Line of Duty)* – Employee is eligible if unable to perform duties of a police officer from causes sustained in the line of duty. Benefit equals 50% of Regular Pay for the period of disability. Amount is subject to deduction for workers' compensation benefits. Total payments, in excess of workers' compensation benefits, shall not be less than the Retirement Account Value on the date of disability. If the State Statute Actuarial Equivalent exceeds the Retirement Account Value, the City shall contribute such additional amounts as may be necessary from time to time. In the event of cessation disability, payments made shall reduce the Retirement Account Value.



**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 11: Police Defined Benefit Pension Plan - Continued**

***Deferred Retirement Option Plan***

The City has established DROP for covered employees. The DROP program allows a member who has reached the minimum number of service years for retirement, but has not achieved the minimum age requirement, to terminate their employment with the Police Department and defer their retirement until they have reached at least the minimum age. Once the employee terminates service with the Police Department, neither the City or employee has further responsibility for adding funds to the employee’s account. The account will remain within the retirement plan and when the employee reaches the minimum age, they will be subject to normal benefit provisions.

***Plan Membership***

As of September 30, 2022, plan membership consisted of the following:

Inactive members currently receiving benefits	5
Inactive members entitled to but not yet receiving benefits	4
Active members	50
Total	59

***Contributions and Funding Policy***

The City’s contributions for the additional amount to fund minimum pension benefits are limited to amounts paid to retirees during the fiscal year. Contributions made by the City for the year ended September 30, 2022, were \$105,811.

***Actuarial Methods and Assumptions***

Actuarially determined contribution rates are calculated as the City’s contributions paid to retirees during the fiscal year to fund the minimum pension benefits of the plan. Valuations were determined using the following actuarial assumptions:

Valuation Date	September 30, 2021, rolled forward to September 30, 2022
Measurement Date	September 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	Level Dollar, Closed
Amortization Period	Immediate
Salary Increases	3.0%
Investment Rate of Return	Actual annuity purchase rates and 7.0%
Mortality Table	Actual annuity purchase rates and the 1994 GAM Table
State Statute Actuarial Equivalence for Minimum Benefits	3.0% interest and the IRS 2021 Mortality Table

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 11: Police Defined Benefit Pension Plan - Continued**

***Changes in Assumptions***

The September 30, 2021 actuarial valuation included changes in assumptions for the discount rate decreasing it from 2.66% to 2.26%. In relation to State Statute Actuarial Equivalence amounts, the mortality table was changed from 2019 to 2021.

***Investment Policy***

The City's obligation is unfunded at September 30, 2022.

***Net Pension Liability***

The components of the net pension liability of the City at September 30, 2022 were as follows:

Total Pension Liability	\$ 2,942,269
Plan Fiduciary Net Position	-
Net Pension Liability	\$ 2,942,269
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	0.00%

***Discount Rate***

The discount rate used to measure the total pension liability as of September 30, 2022 was 2.26% (as determined by the Federal Reserve Bank of St. Louis' website). As an unfunded plan, the discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City's net pension liability, calculated using the current discount rate of 2.26%, as well as the net pension liability calculated using a discount rate that is 1% lower (1.26%) or 1% higher (3.26%) than the current rate:

	<b>1% Decrease 1.26%</b>	<b>Current Discount Rate 2.26%</b>	<b>1% Increase 3.26%</b>
Total Pension Liability	\$ 3,264,573	\$ 2,942,269	\$ 2,673,073
Plan Fiduciary Net Position	-	-	-
Net Pension Liability	\$ 3,264,573	\$ 2,942,269	\$ 2,673,073

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 11: Police Defined Benefit Pension Plan - Continued**

***Changes in the Total Pension Liability, Plan Fiduciary Net Position and the Net Pension Liability are:***

Total Pension Liability - September 30, 2021	<u>\$ 2,961,139</u>
Service Cost	20,746
Interest	66,195
Changes of Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, including refunds	<u>(105,811)</u>
Net Change in Total Pension Liability	<u>(18,870)</u>
Total Pension Liability - End of Year	<u>2,942,269</u>
Plan Fiduciary Net Position - Beginning of Year	\$ -
Contributions - Employer	105,811
Benefit payments, including refunds	<u>(105,811)</u>
Net Change in Plan Fiduciary Net Position	<u>-</u>
Plan Fiduciary Net Position - End of Year	<u>-</u>
Net Pension Liability - September 30, 2022	<u>\$ 2,942,269</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%
Covered Payroll	\$ 5,162,685
Net Pension Liability as a Percentage of the Covered Payroll	56.99%

The calculation of pension expense for the year ended September 30, 2022 is shown below:

Service Cost	\$ 20,746
Interest on Total Pension Liability	<u>66,195</u>
Pension Expense	<u>\$ 86,941</u>

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 11: Police Defined Benefit Pension Plan - Continued**

***Deferred Outflows of Resources***

Under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB 68), gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Investment gains and losses are recognized over a closed five-year period. Economic and demographic gains and losses and changes in the total pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of September 30, 2022, the deferred outflows of resources related to pensions are as follows:

	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 958,610
Changes of assumptions	<u>527,148</u>
Total	<u>\$ 1,485,758</u>

Amounts currently reported as deferred outflows of resources related to pensions will be recognized in future years' pension expense as follows:

<b>Year Ending September 30,</b>	<b>Annual Recognition</b>
2023	\$ 221,277
2024	221,277
2025	221,277
2026	221,277
2027	221,277
Thereafter	<u>379,373</u>
Total	<u>\$ 1,485,758</u>

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 12: Other Postemployment Benefits**

***Plan Description***

The City administers a single employer other postemployment benefits (OPEB) plan providing medical and prescription drug benefits (healthcare benefits) to retired employees and their dependents under certain conditions. The City does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan.

***Summary of Benefit Provisions***

Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are at least 55 years old and have been enrolled in the City’s healthcare coverage for a minimum of one year prior to retirement.

Coverage during retirement ceases upon attaining age 65 or becoming eligible for Medicare. The City will pay 82% of the annual healthcare premium for the retiree for the first 24 months following retirement and 50% of the annual premium thereafter until the retiree is eligible for coverage under Medicare or Medicaid. The authority to amend the plan rests with the City Council.

***Plan Membership***

As of September 30, 2022, plan membership consisted of the following:

Inactive members currently receiving benefits	8
Inactive members entitled to but not yet receiving benefits	0
Active members	<u>352</u>
Total	<u>360</u>

***Contributions and Funding Policy***

The City’s contributions are made on a pay-as-you-go basis. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Contributions made by the City for the year ended September 30, 2022, were \$222,193.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 12: Other Postemployment Benefits - Continued**

***Actuarial Methods and Assumptions***

Actuarially determined contribution rates are calculated as the City’s contributions paid for retiree premiums. Valuations were determined using the following actuarial assumptions:

Valuation Date	September 30, 2022
Measurement Date	September 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Amortization Period	Immediate
Salary Increases	3.0%
General Inflation	3.0%
Mortality Table	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement
Healthcare cost trend rates	5.50% decreasing to 5% over 3 years

***Changes in Assumptions***

The September 30, 2022 actuarial valuation included changes in assumptions for the discount rate, increasing it to 4.02% from the discount rate of 2.21% used in the September 20, 2020 actuarial valuation. The medical trend rate changed to 5.50% grading to 5% over three years. The mortality assumption changed to the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

***Investment Policy***

The City’s obligation is unfunded at September 30, 2022.

***Discount Rate***

The discount rate used to measure the total OPEB liability as of September 30, 2022 was 4.02% (as determined by the Federal Reserve Bank of St. Louis’ website). As an unfunded plan, the discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 12: Other Postemployment Benefits - Continued**

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the City’s total OPEB liability, calculated using the current discount rate of 4.02%, as well as the total OPEB liability calculated using a discount rate that is 1% lower (3.02%) or 1% higher (5.02%) than the current rate:

	<b>1% Decrease 3.02%</b>	<b>Current Discount Rate 4.02%</b>	<b>1% Increase 5.02%</b>
Total OPEB Liability	\$ 3,346,771	\$ 3,138,741	\$ 2,939,069

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate***

The following presents the City’s total OPEB liability, calculated using the current healthcare cost trend rate of 5.50% decreasing to 5%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1% lower (4.50% decreasing to 4%) or 1% higher (6.50% decreasing to 6%) than the current rate:

	<b>1% Decrease 4.50% Decreasing to 4.0%</b>	<b>Current Healthcare Cost Trend Rate 5.25% Decreasing to 5.0%</b>	<b>1% Increase 6.50% Decreasing to 6.0%</b>
Total OPEB Liability	\$ 2,786,648	\$ 3,138,741	\$ 3,562,280

***Changes in the Total OPEB Liability***

Total OPEB Liability - Beginning of year	\$ 3,429,450
Service Cost	295,031
Interest	79,856
Difference between expected and actual experience	824
Effect of assumption changes or inputs	(444,227)
Benefit Payments	(222,193)
Net Change in Total OPEB Liability	(290,709)
Total OPEB Liability - End of Year	\$ 3,138,741

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 12: Other Postemployment Benefits - Continued**

***Changes in the Total OPEB Liability - Continued***

The calculation of OPEB expense for the year ended September 30, 2022 is shown below:

Service Cost	\$ 295,031
Interest on Total OPEB Liability	79,856
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	(22,998)
Assumption Changes	<u>26,250</u>
OPEB Expense	<u>\$ 378,139</u>

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members. As of September 30, 2022, the deferred inflows and outflows of resources related to OPEB are as follows:

***Deferred Outflows of Resources and Deferred Inflows of Resources***

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 352,719	\$ (793,459)
Changes of assumptions	<u>691,504</u>	<u>(589,162)</u>
Total	<u>\$ 1,044,223</u>	<u>\$ (1,382,621)</u>



**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 12: Other Postemployment Benefits - Continued**

***Deferred Outflows of Resources and Deferred Inflows of Resources - Continued***

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

Year Ending September 30,	<u>Annual Recognition</u>
2023	\$ 3,252
2024	3,252
2025	3,252
2026	3,252
2027	3,252
Thereafter	<u>(354,658)</u>
Total	<u>\$ (338,398)</u>

**Note 13: Interfund Balances and Activity**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those that are related to goods and services type transactions are classified as “due to and from other funds.”

There were no balances due to/from other funds at September 30, 2022.

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move revenues from restricted funds to funds where the expenditures were incurred related to the restriction and to (c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers to/from other funds for the year ended September 30, 2022, consisted of the following:

Transfer To	Transfer from			Total
	Community Betterment	Debt Service	Waste Water	
General	\$ 755,000	\$ 3,800,642	\$ 278,000	\$ 4,833,642

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 14: Risk Management**

The City is exposed to various risks of loss related to torts; theft, damages to, or destruction of assets; errors or omissions; injuries to employees; or acts of God for which the City carries commercial insurance. For the year ended September 30, 2022, the City has a self-insured retention for workers' compensation exposures up to \$500,000 per individual. The City has purchased commercial insurance for amounts in excess of the self-insurance. The City currently reports all of its risk management activities in the fund financial statements in its General Fund. Settled claims have not exceeded coverage in any of the past three fiscal years.

Claim liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated in the government-wide financial statements. In the governmental funds, only claims that are expected to be liquidated with expendable available financial resources are recorded as a fund liability. At September 30, 2022, the estimated amount of the City's claims liabilities was \$621,975, which is reported in the government-wide financial statements. This liability is the City's best estimate based on available information.

The following is a summary of the changes in the estimated workers' compensation claims liability for the years ended September 30, 2022 **and 2021**, which is included in total claims liabilities:

Balance, October 1, 2020	\$ 909,188
Current year claims and changes in estimates	(88,960)
Claims payments	<u>(273,663)</u>
Balance, September 30, 2021	546,565
Current year claims and changes in estimates	298,032
Claims payments	<u>(222,622)</u>
Balance, September 30, 2022	<u>\$ 621,975</u>

**Note 15: Commitments and Contingencies**

***Claims and Litigation***

The City is involved in various litigation in the normal course of its operations and services. In the opinion of City management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the City in connection with its legal proceedings will not have a material effect on the City's financial position but could be material to the results of operations in future accounting periods.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 15: Commitments and Contingencies - Continued**

***Construction Commitments***

The City is a party to various contracts relating to construction and other capital projects. As of September 30, 2022, governmental funds and Waste Water fund had outstanding commitments of approximately \$1,250,000 and \$1,760,000, respectively.

***Government Grants***

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

***COVID-19***

As a result of the COVID-19 outbreak in the United States, economic uncertainties have arisen that have had, and will continue to have, varying impacts on municipalities. Voluntary, and then subsequently mandatory, shelter-in-place orders necessitated temporary business closings. The extent of the financial impact and other possible impacting matters are not fully known at this time. Although some facilities were closed for certain periods, all City services remained operational during the past year. Some loss of sales tax and other revenues was recognized during the year as a result of measures enacted to prevent the spread of COVID-19. The City did not obtain any loans or defer the payment of federal employment taxes. As of September 2022, the City received Coronavirus State and Local Fiscal Recovery Funds of approximately \$8,138,000, of which approximately \$7,880,000 was not yet recognized and is reported as unearned revenues.

**Note 16: Interlocal Agreements**

In 1970, the City entered into an interlocal agreement with Eastern Sarpy County Suburban Fire Protection District to provide fire protection and emergency rescue services throughout the District. As compensation for providing such services, the District agreed to pay a proportional share of the fire department operating expenses based on the valuation of the District compared to the combined valuation of the District and the City but limited to the annual levy limit allowed by state statute. The City billed approximately \$1,079,780 to the District for the year ended September 30, 2022, of which \$579,631 was due to the City at year-end.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 17: Assignment of Future Cellphone Tower Lease Revenues**

On December 10, 2013, the City entered into an agreement with a third party, under which the City relinquishes to the third party its future cellphone tower lease revenues for the next 40 years. The City received from the third party a lump-sum payment of \$2,650,000 in exchange for the rights to receive and retain 100 percent of the City's cellphone tower lease revenues through 2053 for those cell tower sites in existence at December 10, 2013. The proceeds were used to fund general operations of the City and are shown as other long-term liabilities on the statement of net position which are being amortized over the life of the agreement.

**Note 18: Tax Abatements**

The City of Bellevue provides tax abatements under the Tax Increment Financing Program (TIF) to encourage improvements to blighted property. The program is established under the auspices of a state statute (Article 21, Section 18-2101 – 2144) empowering cities and counties to establish such programs. The abatements equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, are administered as a rebate of the incremental taxes generated from the improvements to property, and last for up to 15 years. Eligibility for approval requires the property to have no loss of pre-existing tax revenues and the developer demonstrates the project is not feasible without TIF. Abatements are obtained through application by the property owner and are reviewed and approved by a TIF council prior to commencing the improvements. These abatements reduce the net property tax to the City of Bellevue and meet the definition of a tax abatement in GASB Statement No. 77, *Tax Abatement Disclosures*. Taxes abated under TIF for the year ended September 30, 2022 were approximately \$92,000.

***Required Supplementary Information***

**City of Bellevue, Nebraska**  
**Required Supplementary Information**  
**September 30, 2022**

**Schedule of Changes in the City's Police Pension Plan Net Pension Liability  
and Related Ratios**

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service cost	\$ 20,746	\$ 20,797	\$ 20,191	\$ 20,569	\$ 19,970	\$ 51,455	\$ 49,956	\$ 21,294
Interest	66,195	71,335	73,986	77,735	75,995	75,969	100,818	95,327
Changes of benefit terms	-	63,544	-	-	-	-	-	-
Differences between expected and actual experience	-	82,356	-	457,186	-	57,115	-	1,316,179
Effect of assumption changes or inputs	-	115,382	-	276,307	-	10,597	-	575,754
Benefit payments	(105,811)	(105,811)	(283,712)	(86,663)	(11,658)	(266,392)	(1,378,670)	(1,029,443)
Net change in total pension liability	(18,870)	247,603	(189,535)	745,134	84,307	(71,256)	(1,227,896)	979,111
Total pension liability - beginning	2,961,139	2,713,536	2,903,071	2,157,937	2,073,630	2,144,886	3,372,782	2,393,671
Total pension liability - ending (a)	\$ 2,942,269	\$ 2,961,139	\$ 2,713,536	\$ 2,903,071	\$ 2,157,937	\$ 2,073,630	\$ 2,144,886	\$ 3,372,782
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 105,811	\$ 105,811	\$ 283,712	\$ 86,663	\$ 11,658	\$ 266,392	\$ 1,378,670	\$ 1,029,443
Benefit payments	(105,811)	(105,811)	(283,712)	(86,663)	(11,658)	(266,392)	(1,378,670)	(1,029,443)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>City's Net Pension Liability - Ending (a) - (b)</b>	\$ 2,942,269	\$ 2,961,139	\$ 2,713,536	\$ 2,903,071	\$ 2,157,937	\$ 2,073,630	\$ 2,144,886	\$ 3,372,782
Plan fiduciary net position as a percentage of the total pension liability	-	-	-	-	-	-	-	-
Covered payroll	\$ 5,162,685	\$ 5,012,316	\$ 6,072,528	\$ 5,895,658	\$ 6,282,727	\$ 6,099,735	\$ 6,537,271	\$ 6,858,238
City's net pension liability as a percentage of covered payroll	56.99%	59.08%	44.69%	49.24%	34.35%	34.00%	32.81%	49.18%

Note to Schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2015.

Changes in assumptions since the last actuarial valuation:

2021

- decrease in discount rate from 2.66% to 2.26%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2019 Mortality Table to IRS 2021 Mortality Table)

2019

- decrease in discount rate from 3.64% to 2.66%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2017 Mortality Table to IRS 2019 Mortality Table)

2017

- decrease in discount rate from 3.68% to 3.64%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2015 Mortality Table to IRS 2017 Mortality Table)

2015

- decrease in discount rate from 5.00% to 3.68%
- expected rate of return decreased from 7.5% to 7.00%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2012 Mortality Table to IRS 2015 Mortality Table)

**City of Bellevue, Nebraska**  
**Required Supplementary Information**  
**September 30, 2022**

**Schedule of City Contributions for the Police Pension Plan**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined employer contribution	\$ 105,811	\$ 105,811	\$ 283,712	\$ 86,663	\$ 11,658	\$ 266,392	\$ 1,378,670	\$ 1,029,443
Actual employer contributions	<u>105,811</u>	<u>105,811</u>	<u>283,712</u>	<u>86,663</u>	<u>11,658</u>	<u>266,392</u>	<u>1,378,670</u>	<u>1,029,443</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - current	\$ 5,162,685	\$ 5,012,316	\$ 6,072,528	\$ 5,895,658	\$ 6,282,727	\$ 6,099,735	\$ 6,537,271	\$ 6,858,238
Actual contributions as a percentage of covered payroll	2.05%	2.11%	4.67%	1.47%	0.19%	4.37%	21.09%	15.01%

Note to Schedule: Results for the other years within the last ten years are not available and will be developed prospectively from 2015.

Valuation date: 9/30/2021, 9/30/2019, 9/30/2017

Actuarially determined contribution rates are calculated as the City's contributions paid to retirees during the fiscal year to fund the minimum pension benefits of the Plan.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Immediate

Amortization method: Level dollar, closed

Asset valuation method: Market Value

Salary increases: 3%

Investment rate of return: Actual annuity purchase rates and 7%

Mortality table: Actual annuity purchase rates and the 1994 GAM table

**City of Bellevue, Nebraska**  
**Required Supplementary Information**  
**September 30, 2022**

**Schedule of Changes in the City's Other Postemployment Benefits**  
**Plan Liability and Related Ratios**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 295,031	\$ 286,438	\$ 229,023	\$ 222,352	\$ 260,498	\$ 252,911	\$ 158,600
Interest	79,856	76,576	137,754	130,633	118,853	116,828	122,218
Differences between expected and actual experience	824	-	(466,661)	-	(609,224)	-	663,793
Effect of assumption changes or inputs	(444,227)	-	417,115	-	(254,111)	-	658,007
Benefit payments	<u>(222,193)</u>	<u>(224,232)</u>	<u>(186,187)</u>	<u>(192,410)</u>	<u>(281,144)</u>	<u>(338,527)</u>	<u>(307,096)</u>
Net change in total other postemployment benefits liability	(290,709)	138,782	131,044	160,575	(765,128)	31,212	1,295,522
Total other postemployment benefits liability - beginning	<u>3,429,450</u>	<u>3,290,668</u>	<u>3,159,624</u>	<u>2,999,049</u>	<u>3,764,177</u>	<u>3,732,965</u>	<u>2,437,443</u>
Total other postemployment benefits liability - ending	<u>\$ 3,138,741</u>	<u>\$ 3,429,450</u>	<u>\$ 3,290,668</u>	<u>\$ 3,159,624</u>	<u>\$ 2,999,049</u>	<u>\$ 3,764,177</u>	<u>\$ 3,732,965</u>

Notes to Schedule:

No assets are accumulated to pay the above benefits.

Changes in assumptions since last actuarial valuation:

2022

- increase in discount rate from 2.21% to 4.02%
- medical trend rate changed to 5.50% grading to 5.0% over three years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement

2020

- decrease in discount rate from 4.18% to 2.21%
- medical trend rate changed to 6.0% grading to 5.0% over five years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement

2018

- increase in discount rate from 3.06% to 4.18%
- medical trend rate changed to 6.5% grading to 5.0% over seven years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2017 generational projection of future mortality improvement

2016

- decrease in discount rate from 5.00% to 3.06%
- medical trend rate changed to 7.0% grading to 5.0% over eight years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2015 generational projection of future mortality improvement

Results for the other years within the last ten years are not available and will be developed prospectively from 2016.



***Supplementary Information***

**City of Bellevue, Nebraska**  
**Schedule of Revenues and Expenditures – LB840 Funds**  
**Year Ended September 30, 2022**

<b>Revenues</b>	
Investment income	\$ 129
Miscellaneous revenue	<u>-</u>
Total revenues	<u>129</u>
<b>Expenditures</b>	
Economic development	<u>43,817</u>
Total expenditures	<u>43,817</u>
<b>Transfers</b>	<u>(2,412,177)</u>
<b>Net Change in Fund Balances</b>	(2,455,865)
<b>Fund Balance, Beginning of Year</b>	<u>3,042,041</u>
<b>Fund Balance, End of Year</b>	<u>\$ 586,176</u>

**City of Bellevue, Nebraska**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation/				
Nebraska Department of Roads/				
State and Community Highway Safety/				
Highway Safety Cluster	20.600		\$ -	\$ 11,495
National Priority Safety Programs/				
Highway Safety Cluster	20.616		-	9,524
Total Highway Safety Cluster			-	21,019
U.S. Department of Transportation/				
Highway Planning and Construction Cluster/				
Highway Planning and Construction	20.205		-	369,155
Total U.S. Department of Transportation			-	390,174
U.S. Department of Housing and Urban Development/				
CDBG Entitlement Grants Cluster/				
COVID-19 - Community Development Block				
Grants/Entitlement Grants	14.218	B-20-MW-31-0003	-	126,469
Entitlement Grants	14.218		-	233,225
Total CDBG Entitlement Grants Cluster			-	359,694
Total U.S. Department of Housing and Urban Development			-	359,694
U.S. Department of Treasury/				
COVID-19 - Coronavirus State and Local				
Fiscal Recovery Fund	21.027		-	257,808
U.S. Department of Homeland Security/				
Nebraska Emergency Management Agency/				
Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)				
Staffing for Adequate Fire and Emergency	97.036		-	624,600
Response (SAFER)	97.083	EMW-2018-FH-00076	-	256,279
Total Department of Homeland Security			-	880,879
U.S. Department of Justice				
Bulletproof Vest Partnership Program				
Equitable Sharing Program	16.607		-	9,861
	16.922	SLT 0186	-	55,185
Total Department of Justice			-	65,046
National Endowment for the Humanities				
State of Nebraska Library Commission				
COVID-19 - Grants to States	45.310		-	18,475
			\$ -	\$ 1,972,076

**City of Bellevue, Nebraska**  
**Schedule of Expenditures of Federal Awards – Continued**  
**Year Ended September 30, 2022**

**Notes to Schedule**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Bellevue, Nebraska (City) under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bellevue, Nebraska (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2023, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle.

#### ***Report on Internal Control Over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

Omaha, Nebraska  
March 31, 2023



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## Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

### Independent Auditor's Report

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

#### Report on Compliance for the Major Federal Program

##### ***Opinion on the Major Federal Program***

We have audited the City of Bellevue, Nebraska's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of its major federal program for the year ended September 30, 2022.

##### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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



Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**FORVIS,LLP**

Omaha, Nebraska  
March 31, 2023

**City of Bellevue, Nebraska**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2022**

**Section I - Summary of Auditor's Results**

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified       Qualified       Adverse       Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?

- Yes       None Reported

Material weakness(es) identified?

- Yes       No

3. Noncompliance material to the financial statements noted?

- Yes       No

*Federal Awards*

4. Internal control over the major federal award program:

Significant deficiency(ies) identified?

- Yes       None Reported

Material weakness(es) identified?

- Yes       No

5. Type of auditor's report issued on compliance for the major federal award program:

- Unmodified       Qualified       Adverse       Disclaimer

6. Any audit disclosed findings that are required to be reported by 2 CFR 200.516(a)?

- Yes       No

7. Identification of the major federal program:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

**City of Bellevue, Nebraska**  
**Schedule of Findings and Questioned Costs – Continued**  
**Year Ended September 30, 2022**

***Summary of Auditor's Results - Continued***

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee?

Yes       No

**City of Bellevue, Nebraska**  
**Schedule of Findings and Questioned Costs - Continued**  
**Year Ended September 30, 2022**

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable

**City of Bellevue, Nebraska**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended September 30, 2022**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.

**APPENDIX C**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated \_\_\_\_\_, 2024 (the “**Disclosure Undertaking**”), is executed and delivered by **THE CITY OF BELLEVUE, IN THE STATE OF NEBRASKA** (the “**Issuer**”).

#### RECITALS

1. This Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$\_\_\_\_\_ General Obligation Various Purpose Refunding Bonds, Series 2024 (the “**Bonds**”), pursuant to an ordinance adopted December 19, 2023, by the governing body of the Issuer (the “**Ordinance**”).

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

The Issuer covenants and agrees as follows:

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

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

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

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

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

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

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

or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the **12-month** period beginning on **October 1** and ending on **September 30** or any other **12-month** period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

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

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

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

## **Section 2. Provision of Annual Reports.**

(a) The Issuer shall, not later than not later than **nine months** after the end of each fiscal year, commencing with fiscal year ended September 30, 2023, file with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with the accounting principles described in the notes to the financial statements included as part of the Official Statement (the “**Official Statement**”). If audited financial statements of the Issuer are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of certain financial information and operating data relating to the Issuer in substantially the same format contained in Appendix A to the Official Statement under the following headings:

- FINANCIAL STATEMENT: City of Bellevue
- FINANCIAL STATEMENT: Overlapping and Underlying Debt
- THE CITY: Retail Sales
- THE CITY: Principal Area Employers
- TAX BASE DATA

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

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that



the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

**Section 3. Reporting of Material Events.** No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

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

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

**Section 4. Termination of Reporting Obligation.** The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of

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

**Section 5. Dissemination Agents.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including, without limitation, the Annual Report) prepared by the Issuer pursuant to this Disclosure Undertaking.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Disclosure Undertaking.

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

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

**Section 8. Default.** If the Issuer fails to comply with any provision of this Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

**Section 9. Beneficiaries.** This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 10. Severability.** If any provision in this Disclosure Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Disclosure Undertaking shall not in any way be affected or impaired thereby.

**Section 11. Electronic Transactions.** The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12. Governing Law.** This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Nebraska.

*[the remainder of this page left intentionally blank]*

**APPENDIX D**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**APPENDIX D**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2024

City of Bellevue, Nebraska  
Bellevue, Nebraska

D.A. Davidson & Co.  
Omaha, Nebraska

Re: \$\_\_\_\_\_ City of Bellevue, in the State of Nebraska  
General Obligation Various Purpose Refunding Bonds, Series 2024

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Ladies and Gentlemen:

We have acted as bond counsel to the City of Bellevue (the “Issuer”) in the State of Nebraska, (the “State”) in connection with the issuance of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.
2. The Bonds are payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable property within the territorial limits of the Issuer.
3. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Nebraska, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Nebraska income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

**APPENDIX B**

**Form of Pricing Notice**

**The City of Bellevue, in the State of Nebraska**  
**Voluntary Filing**  
Dated January 24, 2024

This Voluntary Filing does not concern an event described in Securities and Exchange Act Rule 15c2-12, as amended. The Issuer provides this information as it may be material to the financial evaluation of one or more obligations of the Issuer.

**Issuer:** The City of Bellevue, in the State of Nebraska (the “**City**” or “**Issuer**”) for itself and as obligor of the obligations of the Bellevue City Municipal Building Corporation (the “**Corporation**”)

<b>CUSIP Numbers:</b>	079235 DC8	079235 DE4	079235 DG9
	079235 DD6	079235 DF1	079235 DH7
	079222 AS4	079222 AV7	079222 AY1
	079222 AT2	079222 AW5	079222 AZ8
	079222 AU9	079222 AX3	
	079212 6L5	079212 6P6	079212 6S0
	079212 6M3	079212 6Q4	079212 6T8
	079212 6N1	079212 6R2	079212 6U5

**Type of Information:** Voluntary Disclosure  
Other Event-Based Disclosures; Pricing Notice

The Issuer is releasing the pricing notice related to the Invitation to Tender Obligations, dated January 16, 2024 (the “**Tender Offer**”), for the above CUSIP numbers. The yield spreads are outlined in the attached pricing notice.

This filing is voluntary and NOT an event filing for a defeasance or bond call.

The Issuer is providing this Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system and pursuant to the provisions of the Tender Offer.

The City of Bellevue, Nebraska  
Bellevue, Nebraska



**PRICING NOTICE**

**RELATING TO THE  
INVITATION TO TENDER OBLIGATIONS DATED JANUARY 16, 2024  
made by  
THE CITY OF BELLEVUE, IN THE STATE OF NEBRASKA (THE “CITY”)  
FOR ITSELF AND AS OBLIGOR OF THE OBLIGATIONS OF  
THE BELLEVUE CITY MUNICIPAL BUILDING CORPORATION (THE “CORPORATION”)  
to the Holders described herein of all or any portion of the maturities of  
THE CITY FOR ITSELF AND AS OBLIGOR OF THE OBLIGATIONS OF  
THE CORPORATION**

**Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation  
Refunding Certificates of Participation (Taxable Interest), Series 2021  
General Obligation Refunding Bonds (Taxable Interest), Series 2020B**

*The purpose of this Pricing Notice, dated January 24, 2024 (the “Pricing Notice”) is to either confirm or amend the Purchase Prices for the Fixed Spreads for the Obligations. All other terms relating to the Tender Offer (hereinafter defined) remain unchanged.*

Pursuant to the Invitation to Tender Obligations dated January 16, 2024 (as it may be amended or supplemented, the “**Tender Offer**”), The City of Bellevue, in the State of Nebraska (the “**City**” or the “**Issuer**”) for itself and as obligor of the obligations of the Bellevue City Municipal Building Corporation (the “**Corporation**”), invited offers to tender Obligations for cash at the applicable purchase prices based on a fixed spread to be added to the yields on certain benchmark United States Treasury Securities set forth in this Pricing Notice, plus, Accrued Interest on the Obligations tendered for purchase to but not including the Settlement Date. All terms used herein and not otherwise defined are used as defined in the Tender Offer.

As set forth in the Tender Offer, the Issuer retains the right to extend the Tender Offer, or amend the terms of the Tender Offer (including a waiver of any term) in any material respect, provided, that the Issuer shall provide notice of any such extension or amendment no less than five (5) business days prior to the Expiration Date, as it may be extended. In such event, any offers submitted with respect to the affected Obligations prior to such change in the Purchase Price or Fixed Spreads for such Obligations pursuant to the Tender Offer will remain in full force and effect and any Bondholder of such affected Obligations as applicable, wishing to revoke their offer to tender such Obligations for purchase must affirmatively withdraw such offer prior to the Expiration Date, as extended.

The Tender Offer, including the Preliminary Official Statement relating to the General Obligation Refunding Bonds, Series 2024 of the Issuer is available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Obligations, and (ii) on the website of the Information Agent at [www.globic.com/bellevue](http://www.globic.com/bellevue).

Any questions are to be directed to the Information Agent at (212) 227-9622.

## TENDER OFFER – YIELD SPREADS

Pursuant to the Tender Offer, the Fixed Spreads for the Obligations are listed below. The Purchase Price to be paid on the Settlement Date excludes Accrued Interest on the Obligations tendered for purchase, which interest will be paid to but not including the Settlement Date in addition to the Purchase Price.

### Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Indicative Fixed Spreads <sup>†</sup>
079235 DC8	09/15/2024	1.574%	\$2,065,000		
079235 DD6	09/15/2025	1.654	595,000		
079235 DE4	09/15/2026	1.780	495,000		
079235 DF1	09/15/2027	1.800	490,000		
079235 DG9	09/15/2028	1.930	555,000		
079235 DH7	09/15/2035*	2.250	2,165,000		

### Refunding Certificates of Participation (Taxable Interest), Series 2021

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Indicative Fixed Spreads <sup>†</sup>
079222 AS4	09/15/2024*	0.455%	\$ 460,000		
079222 AT2	09/15/2026*	0.726	455,000		
079222 AU9	09/15/2027	0.969	400,000		
079222 AV7	09/15/2028	1.149	430,000		
079222 AW5	09/15/2029	1.403	355,000		
079222 AX3	09/15/2030	1.503	505,000		
079222 AY1	09/15/2031	1.603	420,000		
079222 AZ8	09/15/2032	1.703	860,000		

### General Obligation Refunding Bonds (Taxable Interest), Series 2020B

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Indicative Fixed Spreads <sup>†</sup>
079212 6L5	09/15/2024	1.697%	\$2,160,000		
079212 6M3	09/15/2025	1.797	1,615,000		
079212 6N1	09/15/2026	2.002	1,830,000		
079212 6P6	09/15/2027	2.052	1,830,000		
079212 6Q4	09/15/2028	2.199	2,175,000		
079212 6R2	09/15/2029	2.249	2,910,000		
079212 6S0	09/15/2030	2.299	2,670,000		
079212 6T8	09/15/2031	2.399	3,520,000		
079212 6U5	09/15/2032	2.449	1,345,000		

\*Term Obligations

[<sup>†</sup> The Benchmark Treasury Securities are unchanged from the Tender Offer]

The yields on the Benchmark Treasury Securities will be determined at 10:00 AM, New York City time, on Wednesday, January 31, 2024.

Example based on the following closing yields for the Benchmark Treasury Securities as of January 23, 2024 and the Fixed Spreads: The tables below provide an example of the Purchase Price realized by a Bondholder that submits an offer based on the following yields for the Benchmark Treasury Securities as of January 23, 2024 and the Fixed Spreads. **This example is being provided for convenience only and is not to be relied upon by a Bondholder as an indication of the Purchase Yield or Purchase Price that may be paid by the Issuer.**

Based on these Benchmark Treasury Security yields, the following Purchase Prices would be derived:

**Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation**

CUSIP	Maturity Date	Benchmark Treasury Security	Indicative Benchmark Yield <sup>(1)</sup>	Fixed Spread	Indicative Purchase Yield <sup>(1)</sup>	Indicative Purchase Price per \$100 Principal Amount <sup>(1)</sup>
079235 DC8	09/15/2024					
079235 DD6	09/15/2025					
079235 DE4	09/15/2026					
079235 DF1	09/15/2027					
079235 DG9	09/15/2028					
079235 DH7	09/15/2035*					

**Refunding Certificates of Participation (Taxable Interest), Series 2021**

CUSIP	Maturity Date	Benchmark Treasury Security	Indicative Benchmark Yield <sup>(1)</sup>	Fixed Spread	Indicative Purchase Yield <sup>(1)</sup>	Indicative Purchase Price per \$100 Principal Amount <sup>(1)</sup>
079222 AS4	09/15/2024*					
079222 AT2	09/15/2026*					
079222 AU9	09/15/2027					
079222 AV7	09/15/2028					
079222 AW5	09/15/2029					
079222 AX3	09/15/2030					
079222 AY1	09/15/2031					
079222 AZ8	09/15/2032					

\*Term Obligations

**General Obligation Refunding Bonds (Taxable Interest), Series 2020B**

CUSIP	Maturity Date	Benchmark Treasury Security	Indicative Benchmark Yield <sup>(1)</sup>	Fixed Spread	Indicative Purchase Yield <sup>(1)</sup>	Indicative Purchase Price per \$100 Principal Amount <sup>(1)</sup>
079212 6L5	09/15/2024					
079212 6M3	09/15/2025					
079212 6N1	09/15/2026					
079212 6P6	09/15/2027					
079212 6Q4	09/15/2028					
079212 6R2	09/15/2029					
079212 6S0	09/15/2030					
079212 6T8	09/15/2031					
079212 6U5	09/15/2032					

[<sup>(1)</sup> The Benchmark Treasury Securities are unchanged from the Tender Offer.]

As a measure of the sensitivity of the Purchase Yield to changes in the yield on the Benchmark Treasury Security, the following table shows the impact on the Purchase Yield of a 0.10% (10 basis point) movement in the yield on the Benchmark Treasury Security:

**Refunding Bonds (Convention Center Project), Taxable Series 2020 of the Corporation**

CUSIP	Maturity Date	Indicative Purchase Yield <sup>(1)</sup>	Indicative Purchase Price (Assuming a 0.10% Increase in Treasury Security Yield <sup>(1)</sup> )	Indicative Purchase Price per \$100 Principal Amount <sup>(1)</sup>	Indicative Purchase Price (Assuming a 0.10% Decrease in Treasury Security Yield <sup>(1)</sup> )
079235 DC8	09/15/2024				
079235 DD6	09/15/2025				
079235 DE4	09/15/2026				
079235 DF1	09/15/2027				
079235 DG9	09/15/2028				
079235 DH7	09/15/2035*				

**Refunding Certificates of Participation (Taxable Interest), Series 2021**

CUSIP	Maturity Date	Indicative Purchase Yield <sup>(1)</sup>	Indicative Purchase Price (Assuming a 0.10% Increase in Treasury Security Yield <sup>(1)</sup> )	Indicative Purchase Price per \$100 Principal Amount <sup>(1)</sup>	Indicative Purchase Price (Assuming a 0.10% Decrease in Treasury Security Yield <sup>(1)</sup> )
079222 AS4	09/15/2024*				
079222 AT2	09/15/2026*				
079222 AU9	09/15/2027				
079222 AV7	09/15/2028				
079222 AW5	09/15/2029				
079222 AX3	09/15/2030				
079222 AY1	09/15/2031				
079222 AZ8	09/15/2032				

**General Obligation Refunding Bonds (Taxable Interest), Series 2020B**

CUSIP	Maturity Date	Indicative Purchase Yield <sup>(1)</sup>	Indicative Purchase Price (Assuming a 0.10% Increase in Treasury Security Yield <sup>(1)</sup> )	Indicative Purchase Price per \$100 Principal Amount <sup>(1)</sup>	Indicative Purchase Price (Assuming a 0.10% Decrease in Treasury Security Yield <sup>(1)</sup> )
079212 6L5	09/15/2024				
079212 6M3	09/15/2025				
079212 6N1	09/15/2026				
079212 6P6	09/15/2027				
079212 6Q4	09/15/2028				
079212 6R2	09/15/2029				
079212 6S0	09/15/2030				
079212 6T8	09/15/2031				
079212 6U5	09/15/2032				

\*Term Obligations

<sup>(1)</sup> The Benchmark Treasury Securities are unchanged from the Tender Offer.