

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Lincoln, Nebraska (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2012. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on page vii) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at August 31, 2012, by \$1,673,248,992 (net assets). Of this amount, \$381,489,582 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$73,357,160. Of this amount, \$41,781,745, or 57 percent, was an increase in governmental activities and \$31,575,415, or 43 percent, related to business-type activities.
- As of August 31, 2012, the City's governmental funds reported combined ending fund balances of \$353,770,357, a decrease of \$72,725,985 in comparison with the prior year, as the West Haymarket JPA Fund continues to spend bond proceeds on redevelopment projects. Of this total fund balance, 7 percent, or \$25,439,612, is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2012, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the general fund was \$38,990,723, or 34 percent of total general fund expenditures. Due to the implementation of GASB Statement No. 54, reference must be made to page 76 of this report for an accurate comparison of the City's General funds based on the structure used for budgeting.
- The City's total bonded debt decreased by \$37,505,000 (3 percent) during the current fiscal year. The city issued \$85,370,000 in refunding bonds in the current year for a net present value savings of \$10,789,855.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the year ended August 31, 2012. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

programs, urban development, mass transportation, engineering, self-insurance, and fleet management. The business-type activities of the City include water, wastewater and electric utilities; ambulance transport; solid waste management; golf courses; auditorium; and parking.

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

FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

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

The fiduciary fund financial statements can be found on pages 27-28 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-71 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its police and fire employees, and to provide other postemployment benefits. Required supplementary information can be found on page 72 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$1,673,248,992 at August 31, 2012.

By far the largest portion of the City’s net assets (60 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, utility plant, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City Of Lincoln
Condensed Statements of Net Assets
August 31, 2012 and 2011**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 596,213,973	651,101,529	288,936,045	247,265,929	885,150,018	898,367,458
Capital Assets	821,891,490	713,530,269	1,449,783,695	1,437,335,316	2,271,675,185	2,150,865,585
Total Assets	<u>1,418,105,463</u>	<u>1,364,631,798</u>	<u>1,738,719,740</u>	<u>1,684,601,245</u>	<u>3,156,825,203</u>	<u>3,049,233,043</u>
Long-Term Liabilities Outstanding	500,195,032	504,062,995	750,069,512	766,638,529	1,250,264,544	1,270,701,524
Other Liabilities	37,731,545	22,171,662	195,580,122	156,468,025	233,311,667	178,639,687
Total Liabilities	<u>537,926,577</u>	<u>526,234,657</u>	<u>945,649,634</u>	<u>923,106,554</u>	<u>1,483,576,211</u>	<u>1,449,341,211</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	405,635,743	386,451,715	608,119,231	622,950,944	1,013,754,974	1,009,402,659
Restricted	246,533,919	235,695,091	31,470,517	31,480,358	278,004,436	267,175,449
Unrestricted	228,009,224	216,250,335	153,480,358	107,063,389	381,489,582	323,313,724
Total Net Assets	<u>\$ 880,178,886</u>	<u>838,397,141</u>	<u>793,070,106</u>	<u>761,494,691</u>	<u>1,673,248,992</u>	<u>1,599,891,832</u>

An additional portion of the City’s net assets (17 percent) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net assets (23 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

At August 31, 2012, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

City Of Lincoln
Condensed Statements of Activities
For the Years Ended August 31, 2012 and 2011

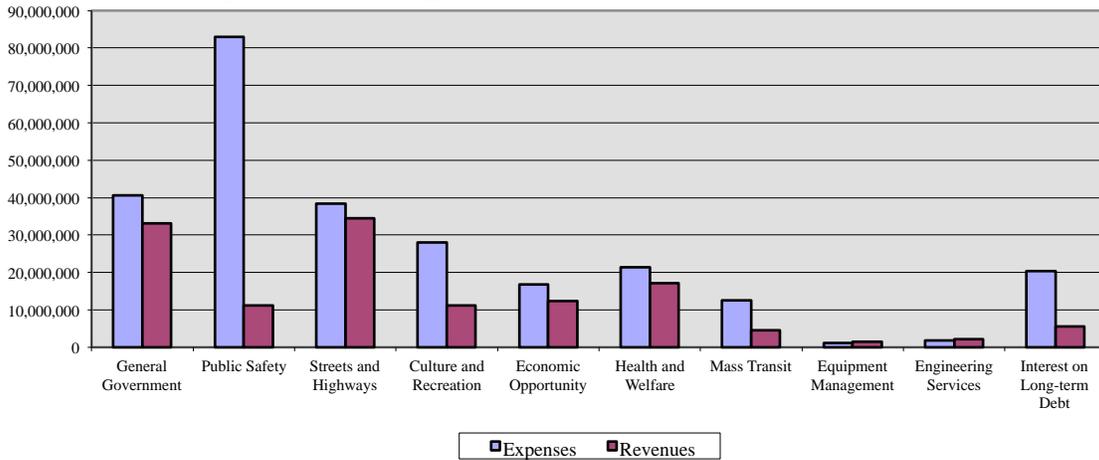
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 49,728,220	46,426,307	350,507,113	335,205,232	400,235,333	381,631,539
Operating Grants and Contributions	51,263,862	73,594,748	-	-	51,263,862	73,594,748
Capital Grants and Contributions	32,043,686	7,982,667	6,731,837	4,645,062	38,775,523	12,627,729
General Revenues:						
Property Tax	53,302,884	48,621,668	-	-	53,302,884	48,621,668
Sales and Use Tax	62,388,551	57,996,100	-	-	62,388,551	57,996,100
Occupation Tax	25,732,963	20,403,399	2,048,615	2,059,361	27,781,578	22,462,760
Other Taxes	18,455,537	16,378,863	-	-	18,455,537	16,378,863
Unrestricted Grants and Contributions	93,633	1,927,588	-	-	93,633	1,927,588
Unrestricted Investment Earnings	1,014,773	1,370,358	983,824	1,564,708	1,998,597	2,935,066
Other	2,623,024	2,309,497	380,531	343,835	3,003,555	2,653,332
Total Revenues	296,647,133	277,011,195	360,651,920	343,818,198	657,299,053	620,829,393
Expenses:						
General Government	40,635,824	40,059,839	-	-	40,635,824	40,059,839
Public Safety	82,915,183	81,218,142	-	-	82,915,183	81,218,142
Streets and Highways	38,319,958	39,840,551	-	-	38,319,958	39,840,551
Culture and Recreation	28,049,044	26,578,448	-	-	28,049,044	26,578,448
Economic Opportunity	16,840,478	16,336,855	-	-	16,840,478	16,336,855
Health and Welfare	21,414,951	21,153,869	-	-	21,414,951	21,153,869
Mass Transit	12,463,592	12,007,410	-	-	12,463,592	12,007,410
Equipment Management	1,162,325	1,882,136	-	-	1,162,325	1,882,136
Engineering Services	1,900,278	1,219,084	-	-	1,900,278	1,219,084
Interest on Long-Term Debt	20,417,899	11,568,353	-	-	20,417,899	11,568,353
Parking	-	-	5,933,848	5,632,973	5,933,848	5,632,973
Golf Courses	-	-	3,762,650	3,414,074	3,762,650	3,414,074
Entertainment Facilities	-	-	2,487,417	2,202,234	2,487,417	2,202,234
Solid Waste Management	-	-	8,080,971	8,490,392	8,080,971	8,490,392
Ambulance Transport	-	-	4,148,850	3,940,669	4,148,850	3,940,669
Wastewater	-	-	23,017,798	23,135,157	23,017,798	23,135,157
Water	-	-	25,908,587	26,084,158	25,908,587	26,084,158
Electric	-	-	250,676,000	242,743,000	250,676,000	242,743,000
Total Expenses	264,119,532	251,864,687	324,016,121	315,642,657	588,135,653	567,507,344
Increase in Net Assets Before Transfers	32,527,601	25,146,508	36,635,799	28,175,541	69,163,400	53,322,049
Transfers	9,254,144	2,678,029	(5,060,384)	(2,678,029)	4,193,760	-
Increase in Net Assets	41,781,745	27,824,537	31,575,415	25,497,512	73,357,160	53,322,049
Net Assets - Beginning	838,397,141	810,572,604	761,494,691	735,997,179	1,599,891,832	1,546,569,783
Net Assets - Ending	\$ 880,178,886	838,397,141	793,070,106	761,494,691	1,673,248,992	1,599,891,832

GOVERNMENTAL ACTIVITIES

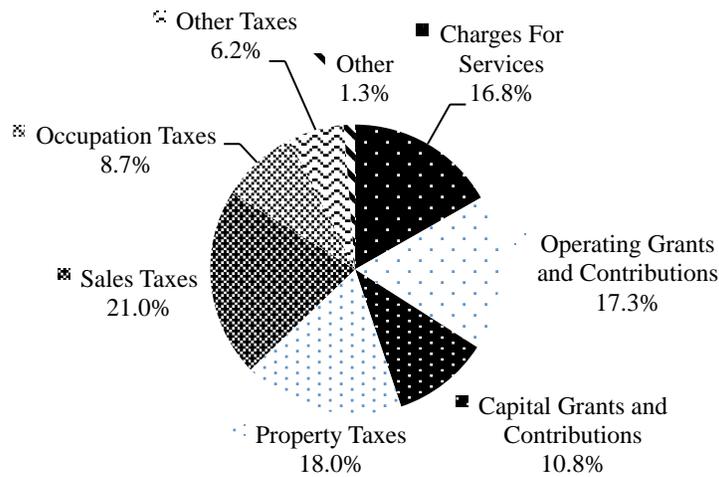
Governmental activities increased the City's net assets by \$41,781,745, accounting for 57 percent of the total growth in the net assets of the City of Lincoln. Key elements of this increase are as follows:

- The City's current year contribution to the Joint Antelope Valley Authority amounted to \$9,729,227, of which a significant portion is federally funded.
- Sales taxes increased by approximately \$4.4 million (7.6 percent) during 2012 after showing an increase of 4.8 percent in the prior year.
- Occupation taxes increased by approximately \$5.3 million (26 percent) in the current year. In January, 2011, the City imposed a 2 percent tax on bar and restaurant revenues and a 4 percent tax on car rental and hotel revenues, to be used to finance the JPA activities and repayment of the Agency's outstanding debt.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities



BUSINESS-TYPE ACTIVITIES

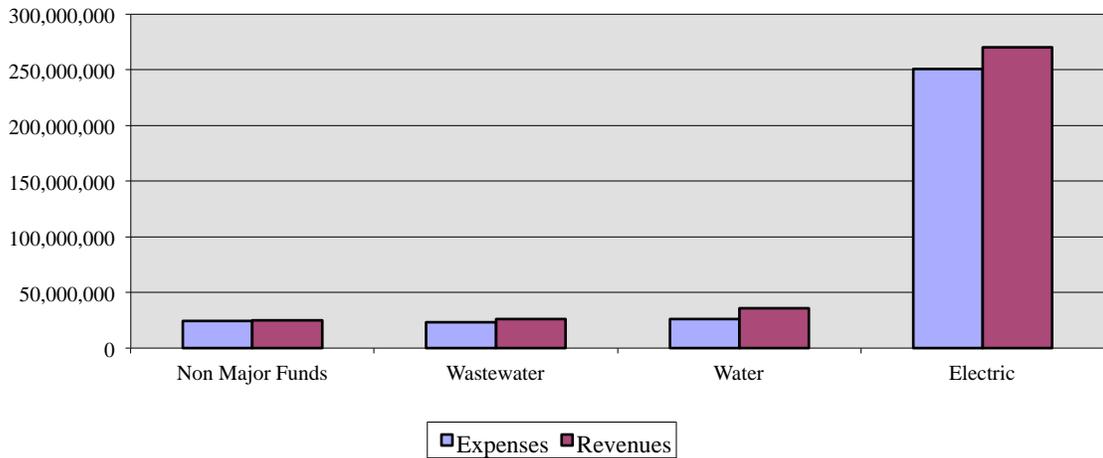
Business-type activities increased the City’s net assets by \$31,575,415, accounting for 43 percent of the total growth in the government’s net assets. Key elements of this increase are as follows:

- Water System operating revenues increased by \$5,590,808 (19.6 percent) from 2011. Water pumpage was up 20 percent due to the severe drought conditions experienced this past year. Operating expense increased marginally by \$65,393 (.28 percent) due to cost cutting efforts made by the system.
- Wastewater System operating revenues increased \$1,124,345 (4.9 percent) primarily due to a 5% user fee increase implemented with the billings starting in February, 2012. Sanitary sewer bills for residential customers are based on water usage during a two-month period during the winter and remain

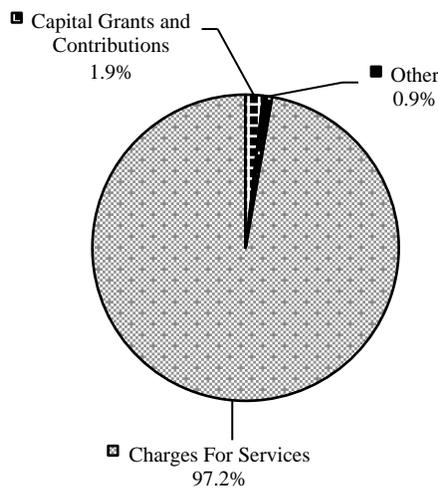
the same over the balance of the following ten-month period. Non-residential customers are billed for sanitary sewer based on their monthly water usage.

- Lincoln Electric System operating revenue in 2011 was 3 percent higher than 2010. Retail revenue was 2 percent higher due to the impact of a 2.5 percent increase on January 1, 2011. Wholesale revenue increased 5 percent with an energy sales increase of 11 percent. The new city dividend for utility ownership, which started September 2011, added \$2.0 million to operating revenue.
- LES recorded capital contributions of approximately \$1.1 million.
- Lincoln Water and Wastewater Systems reported capital contributions of approximately \$1.8 million and \$2.1 million, respectively.

Expenses And Program Revenues - Business-type Activities



Revenues By Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of August 31, 2012, the City's governmental funds reported combined ending fund balances of \$353,770,357, a decrease of \$72,725,985 in comparison with the prior year. Of this total amount, 7 percent constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$5,785,566), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$249,625,706), committed for particular purposes (\$805,612), or assigned for particular purposes (\$34,953,861).

The General Fund is the chief operating fund of the City. At August 31, 2012, the unrestricted fund balance of the General Fund was \$38,990,723, while total fund balance reached \$49,101,273. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 34 percent of total general fund expenditures, while total fund balance represents 43 percent of that same amount.

The fund balance of the City's General Fund increased by \$7,347,437 during 2012. For the 2013 fiscal year, appropriated General Fund balance, used as a funding source for the budget, decreased by 40.6 percent over 2012. It is expected to increase for the 2014 fiscal year. The City has converted to a biennial budget and allocation of balances is spread over a two-year budget cycle.

The Street Construction Fund had a total fund balance of \$31,824,184, which is to be used in the construction and maintenance of streets and highways. The net decrease in fund balance during 2012 in the Street Construction Fund was \$(4,654,384), the result of ongoing projects expenditure of available bond proceeds.

The West Haymarket JPA Fund had a fund balance of \$147,191,453, which is to be used for funding improvements of the West Haymarket Redevelopment Project. The current year change in fund balance of \$(78,241,451) was expected as bond proceeds are spent on the redevelopment projects.

PROPRIETARY FUNDS

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

Unrestricted net assets of the Wastewater System, Water System, Electric System, and other enterprise funds amounted to \$22,234,152, \$25,728,471, \$109,762,000 and \$(4,244,265), respectively, at August 31, 2012 (December 31, 2011 for LES). Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were relatively minor (increase of \$207,042) and can be briefly summarized as follows:

- \$35,000 reduction in intergovernmental revenue.
- Expenditure appropriations:
- \$(558,255) in miscellaneous changes in general government activities.
 - \$497,418 in increases allocated to public safety.
 - \$(33,018) in decreases to streets & highways.
 - \$(46,632) in decreases allocated to parks and recreation.
 - \$312,529 in increases allocated for General Fund transfers to other City funds.

Variances between actual General Fund revenues and expenditures and the final amended budget include the following:

- \$2,300,100 positive variance in real estate and personal property tax. Actual property collections were 97.16 percent of the 2011 levy, while estimated tax revenue is based on 90 percent collections as provided by the City Charter.
- \$2,817,168 positive variance in sales tax receipts. Collections exceeded projections that were based on prior years activity.
- \$1,550,260 positive variance in occupation taxes as receipts exceeded conservative projections.
- \$1,900,708 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover ongoing future expenditures.
- \$1,943,785 positive variance in police expenditures. Remaining balances are reappropriated to the next year to assist with one-time expenditures that are not ongoing operating expenditures.
- \$(2,048,947) negative variance in street lighting function expenditures. This variance was the result of capital additions related to both normal construction as well as Antelope Valley Project construction.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of August 31, 2012, amounts to \$2,271,675,185 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, bridges, storm sewers, electric plant, and water and sewer plant. The total increase in the City's investment in capital assets for 2012 was 5.62 percent (a 15.19 percent increase for governmental activities and a .87 percent increase for business-type activities).

Major capital asset events during 2012 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$34 million.
- The West Haymarket Joint Public Agency (JPA) increased its investment in capital assets by approximately \$87 million, which includes roads and utility work, arena design and construction, site preparation, land purchases, and environmental remediation.
- The City parking system's investment in the Larson Building and Parking Garage increased by approximately \$8.7 million.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 138,768,877	69,850,907	24,232,300	24,144,286	163,001,177	93,995,193
Buildings	53,817,461	49,744,391	140,391,808	122,650,291	194,209,269	172,394,682
Improvements Other Than Buildings	40,360,129	37,876,916	450,950,888	445,301,114	491,311,017	483,178,030
Machinery and Equipment	35,302,361	35,685,017	12,765,467	11,894,995	48,067,828	47,580,012
Utility Plant	-	-	761,574,000	753,770,000	761,574,000	753,770,000
Infrastructure	394,256,079	352,448,061	-	-	394,256,079	352,448,061
Construction-in-progress	159,386,583	167,924,977	59,869,232	79,574,630	219,255,815	247,499,607
Total	\$ 821,891,490	713,530,269	1,449,783,695	1,437,335,316	2,271,675,185	2,150,865,585

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 46-48 of this report.

LONG-TERM DEBT

At August 31, 2012, the City of Lincoln had total bonded debt outstanding of \$1,120,728,000. Of this amount, \$413,958,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City Of Lincoln
Outstanding Bonded Debt
August 31, 2012 and 2011
(dollar amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 413,958	419,663	-	-	413,958	419,663
Tax Supported Bonds	5,210	5,920	-	-	5,210	5,920
Revenue Bonds	-	-	701,560	732,650	701,560	732,650
Total	\$ 419,168	425,583	701,560	732,650	1,120,728	1,158,233

The City's total bonded debt decreased by \$37,505,000 (3 percent) in the current fiscal year. Refunding bonds were issued in the amount of \$85,370,000 to refund \$91,300,000 of outstanding bonds.

The City maintains the following credit ratings:

	Moody's Investors Service	Standard And Poor's	Fitch Investors Service
General Obligation Bonds	Aaa	AAA	-
West Haymarket JPA Bonds	Aa1	AAA	-
Antelope Valley Project Bonds	Aa2	AA	-
Water Revenue Bonds	Aa2	AA	-
Wastewater Revenue Bonds			
MBIA insured	Aaa	AAA	-
Underlying	Aa2	AA+	-
Parking Revenue Bonds	A1	A	-
Lincoln Electric System			
Revenue Bonds	Aa2	AA	AA
Commercial Paper – tax exempt	-	A1+	F1+

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

Additional information on the City's long-term debt can be found in Note 9 of the notes to the financial statements on pages 50-56 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The budget for 2012-2014 is the first biennial budget proposed for the City of Lincoln, and it is expected that the biennial budget process will save several thousand hours of staff time over the two-year period.

- Property tax revenue required to fund the 2012-2014 budget increased \$1,581,766 or 3.5 percent in the first year from the prior year, and \$467,751 or 1 percent for the second year of the biennium. Total change in the tax base is estimated at 4.88 percent, with the tax rate of .31580 expected to remain the same for both years.
- The adequacy of fees charged for City service cost recovery is examined each year and some fee increases are included in each budget. Without periodic increases in fees, amounts collected, or other revenue adjustments, inflationary and other cost increases would need to be covered by additional property tax revenue or the levels of service provided would need to be reduced. Anticipated revenue adjustments in 2013 include an increase in parking meter rates, \$750,000; increased Parks and Recreation program fees, \$328,150; and additional alarm registration fees, "lift assist" charges, and hazardous material abatement fees, \$387,500.
- Utility rates are increased by an average of 5 percent in both budget years; resulting in additional revenue of \$1,400,000 in 2013 and \$2,900,00 in 2014 for Water, and \$1,100,000 in 2013 and \$2,300,000 in 2014 for Wastewater.
- Sales tax collections for 2012 finished 4.80 percent ahead of projections. 2013 projections reflect a 3.82 percent increase over 2012 actual collections, with an additional 4 percent increase projected for 2014.
- Staffing changes included in the 2012-2014 budget result in a decrease for all funds of 6.81 full-time equivalents.

All of these factors were considered in preparing the City's budget for the 2012-2014 fiscal years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Lincoln's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lincoln, Finance Department, 555 South 10th Street, Lincoln, NE 68508.