

Comprehensive
ANNUAL



CITY OF
LINCOLNTM
NEBRASKA

**FINANCIAL
REPORT**

Fiscal Year Ended August 31, 2013

On the cover:

Scenes from the West Haymarket area. Photos provided by WRK Real Estate.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2013

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

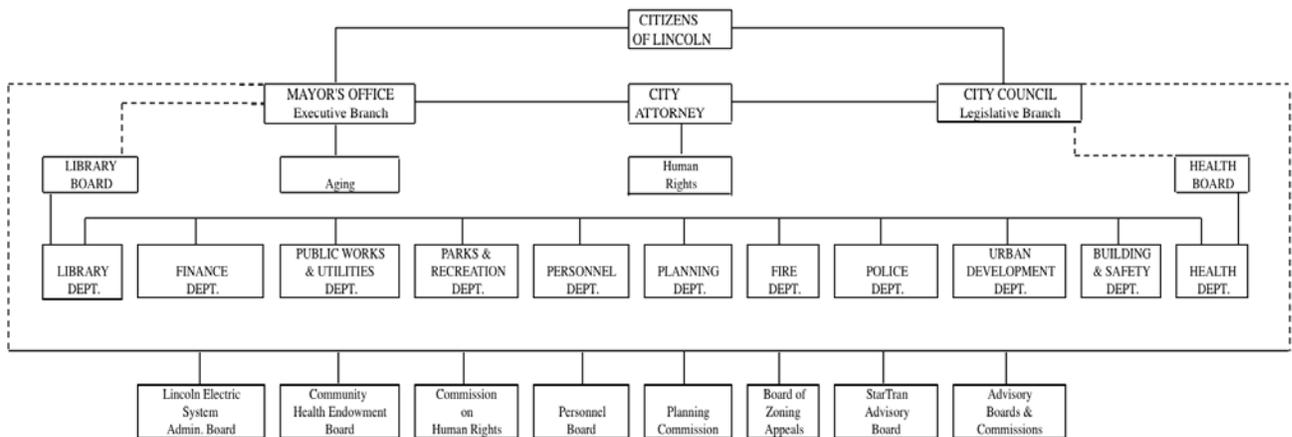
Chris Beutler Mayor
 Carl Eskridge.....Chair, City Council
 Doug Emery Vice Chair, City Council
 Jon Camp..... Council Member
 Roy Christensen Council Member
 Jonathan Cook..... Council Member
 Trent Fellers Council Member
 Leirion Gaylor Baird..... Council Member

* * * * *

Steve Hubka Interim Finance Director
 Marvin Krout.....Planning Director
 Lynn Johnson Parks and Recreation Director
 Kevin Wailes Lincoln Electric System Administrator
 David Landis Urban Development Director
 Pat Leach..... Library Director
 Miki Esposito Public Works/Utilities Director
 Chad Blahak Building and Safety Director
 Judith Halstead Health Director
 Douglas McDaniel..... Personnel Director
 Rodney Confer City Attorney
 Tom Casady..... Public Safety Director
 Jim Peschong..... Police Chief
 John Huff..... Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED AUGUST 31, 2013
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February 25, 2014

Dear Citizens and Public Officials:

It is my pleasure to submit the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year ended August 31, 2013.

Ensuring both fiscal and operational accountability in our use of public resources is a priority for my Administration, and this report is essential to that effort. This report provides a complete and accurate picture of the City's financial status and fulfills our continuing disclosure responsibilities in accordance with governmental reporting standards.

Our ability to manage the City's fiscal affairs and provide a full disclosure of the City's fiscal condition is exhibited by the unqualified audit opinion that follows. I am proud to report that the 2012 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 30th consecutive year. This recognition is a credit to the City and a compliment to our dedicated Finance Department.

I would like to thank the Finance Department employees for their commitment in dealing with these complex accounting issues and to all City departments for their cooperation in the preparation of this document.

Sincerely,



Chris Beutler
Mayor of Lincoln

February 25, 2014

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Lincoln:

Both the City Charter and State law require an annual audit of the City's funds and accounts be made by a recognized independent and qualified accountant covering all financial transactions, affairs, and financial condition of the City, with the audit report published within six months after the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2013, is hereby submitted.

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

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The federal government, under the revised OMB Circular A-133, requires local governments that expend \$500,000 or more in federal funds in any fiscal year to have a financial and compliance audit performed. As part of the City's Single Audit, tests were made of the City's internal control structure over compliance and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 2013, disclosed no material internal control weaknesses. The independent auditor's reports are included in the Single Audit section found at the end of the CAFR.

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

A firm of licensed certified public accountants has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended August 31, 2013, are fairly presented in conformity with GAAP.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found in the Financial Section immediately following the report of the independent auditors.

Profile of the City

The City of Lincoln, capital city of Nebraska, was originally incorporated on April 7, 1869. Lincoln is located in the southeastern corner of the state, is midway between Chicago and Denver, and is currently one of the fastest growing metro areas in the Midwest. It occupies a land area of approximately 90 square miles, serves a population of over 265,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

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

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

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

Beginning with the fiscal year 2012/2013, the City of Lincoln converted to adopting a biennial budget. The biennial budget serves as the basis for the City of Lincoln's financial planning and control. Following public hearings and not later than five days prior to the beginning of the biennium, the budget is legally adopted by resolution of the City Council. Appropriation controls are required at the department level, however, as a matter of policy and practice, appropriations generally are controlled at the next level of organization (division) or by fund within a department. The Mayor has the authority to transfer balances within a department as well as lower appropriations in any fund where actual revenues are less than appropriated in order to avoid incurring a budget deficit for the year. Appropriation transfers between departments may only be authorized by resolution of the City Council. The Council may not make any appropriations in tax supported funds in addition to those authorized in the biennial budget, except in the event of an emergency threatening serious loss of life, health, or property in the community.

Economic Condition and Outlook

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

The Lincoln metropolitan area population base (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, Lancaster County's rate of growth between 2000 and 2012 has been 16.7 percent or approximately 1.29 percent per year. The 2012 population of Lancaster County has been estimated to be in excess of 293,000 persons.

While such a growth rate may be modest by some standards, this healthy pace of expansion places Lincoln as one of the fastest growing communities in this region. Recent projections envision Lincoln to continue to grow at a rate of over 1% per year. As importantly, the City of Lincoln continues to absorb about 90% of all growth in Lancaster County.

Lincoln's unemployment rate at August 31, 2013, was 3.3%, well below the national average of 7.85%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current number of construction permits is up 10% when compared to levels 5 years ago, with an increase in the value of construction permits of over \$311 million.

To more aggressively pursue economic opportunities, the City, Lancaster County, and LES have partnered to hire an economic development coordinator to facilitate job creation in the private sector. In addition, the Mayor's Technology Council completed its technology audit, which led to a new strategic plan for economic development.

Net sales and use tax revenue increased \$1,155,586 or 1.9% from the previous fiscal year. In relation to this primary revenue source, the City is seeing signs of recovery from the negative economic factors that have affected the local and national economies.

Long-Term Planning and Major Initiatives

Urban Development

The City anticipates approximately \$21 million of public expenditures funded through various urban development projects and programs over the next three years. These projects are varied in type and size and are located in the Downtown and Haymarket areas, North 27th Street and Havelock business areas, Focus Area neighborhoods, the South Capitol blight area, the Antelope Valley project area, West O, and in low-moderate income neighborhoods throughout the City.

Financing will be provided by a variety of sources, including Tax Increment Financing (TIF), Parking Revenues, CDBG, HOME, Neighborhood Stabilization Program (NSP) grants, Advanced Land Acquisition funds, Special Assessments, and General Fund. Funding is often combined with developer, grant or other private sector funds.

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

Ongoing and anticipated future projects include:

- Downtown Redevelopment Projects:
 - 1) Civic Plaza 13th & P Street project.
 - 2) West Haymarket Residential/Retail/Hotel project.
 - 3) West Haymarket Office/Retail project.
 - 4) Construction of Lumberworks parking garage.
 - 5) Telesis/Meadow Gold project.
 - 6) Haymarket Hotel and Tool House.
 - 7) N Street bikeway project.
 - 8) P Street Retail Corridor & Streetscape.
 - 9) Centennial Mall project.
 - 10) 17th & Q/Credit Union project.
 - 11) Replace downtown meters with advanced technology.
 - 12) Landmark III project.
 - 13) Lumberworks liner development project.
 - 14) 18th & Q mixed use development project.
 - 15) Pershing redevelopment project.
- North 27th Street redevelopment efforts are focusing on the acquisition of blighted properties and assembly for redevelopment and new housing construction.
- Antelope Valley Redevelopment Projects:
 - 1) Antelope Creek Village.
 - 2) 21st & N redevelopment project.
- Havelock Redevelopment on-going projects include streetscape improvements, commercial building facade improvements, and park improvements.
- University Place redevelopment of the former Green's Plumbing site.
- West O Street redevelopment projects and historic DLD marker project.
- NW Corridor redevelopment (West Cornhusker Highway).
- Innovation Campus redevelopment.
- 84th and Havelock redevelopment.
- South Capitol redevelopment.
- 56th and Arbor Road redevelopment.
- Focus area projects in South Capitol.
- 11th Street streetscape.
- Prescott Street streetscape, 47th to 48th.
- 1st and Cornhusker Hwy redevelopment.
- Surplus property issues/resolution.
- Housing rehabilitation programs for quality, affordable housing and home ownership:
 - 1) Continuation of First-time Homebuyer and Owner-Occupied Housing Rehabilitation Loan programs.
 - 2) Partner with NeighborWorks-Lincoln for their Home Ownership Zone in Antelope Valley.
 - 3) Partner with other non-profit and for-profit housing organizations for affordable housing projects in low-to-moderate income neighborhoods under the Mayor's Stronger Safer Neighborhoods Program.
 - 4) Manage the local affordable housing effort made possible by Federal Economic Stimulus Programs.
- Real estate major acquisition, negotiation and relocation projects:
 - 1) For effective transportation:
 - ✓ West Haymarket projects.
 - ✓ Yankee Hill Roadway, 70th to 84th Street.
 - ✓ SW 40th Street overpass.
 - ✓ 14th Street, Superior to Alvo Road.
 - ✓ 56th Street, Old Cheney to Shadow Pines.
 - ✓ Coddington and West Van Dorn intersection improvements.
 - ✓ Old Cheney Road, 70th to 84th Street.
 - ✓ Pine Lake Road, 59th to Hwy 2.
 - ✓ 14th and Cornhusker Hwy safety project.
 - ✓ 33rd and Cornhusker Hwy RTSD project.
 - ✓ 14th/Old Cheney/Warlick intersection.
 - ✓ Arterial/residential rehabs, executive order, traffic signal, and Federal Infrastructure Stimulus funded projects.

- ✓ N 33rd, P to Holdrege.
- ✓ East Beltway preliminary acquisitions.
- ✓ South Beltway preliminary acquisitions.

2) For environmental quality:

- ✓ Park sites citywide.
- ✓ Stevens Creek sanitary sewer Phase III, IV & V.
- ✓ Yankee Hill water main, 56th to 84th Street.
- ✓ 98th Street water main, Holdrege to Alvo.
- ✓ West O sanitary sewer lift station.
- ✓ 6th and Old Cheney Road drainage project.
- ✓ Storm water bond projects.
- ✓ Miscellaneous sanitary sewer upgrade projects.
- ✓ Conservation easements and wetlands acquisitions.
- ✓ Additional projects made possible by Federal Infrastructure Stimulus funds.

3) Relocation activities:

- ✓ North 27th Street projects.
- ✓ West Haymarket projects.
- ✓ 1st and Cornhusker Hwy project.
- ✓ 14th/Old Cheney/Warlick intersection project.

- Workforce Investment Act funds received by the City provide employment skills to low-income adults and youth and also to individuals laid-off from area employers. Federal funding is provided for GED, Adult Education and Literacy Activities, secondary and post-secondary education, and work experience with an emphasis on high wage and high demand occupations.

Examples of specialized projects this year include:

- 1) A specialized work readiness class for youth, which combines literacy and numeracy training, GED preparation and work readiness curriculum done in collaboration with Southeast Community College.
- 2) Project Everlast, led by the Nebraska Children and Families Foundation, to build a support system for youth transitioning from foster care by addressing employment, housing, education and health care needs.
- 3) 1st Job Lincoln, a pilot program to provide paid summer internships in the information technology field to Lincoln high school students.
- 4) Planning for a high school career academy as a joint project between Southeast Community College and Lincoln Public Schools.

West Haymarket Project

The West Haymarket Redevelopment Project is a multi-faceted endeavor to revitalize underutilized property that lies on the western edge of Lincoln's downtown and Haymarket district. On May 11, 2010, the citizens of Lincoln voted to approve the issuance of arena bonds, which signaled approval for the project to proceed. The project involves the relocation and elimination of existing railroad tracks and completion of other site preparation activities, the construction of a 15,223 seat civic arena, a community ice center, private retail and office space, a new Amtrak Station, residential units, surface and decked parking, public gathering areas, street and utility improvements, landscaping, trails and walkways, pedestrian bridges, and environmental enhancements. The public portion of the project cost is estimated to be approximately \$374 million. The arena opened and became fully operational in September 2013.

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

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

Antelope Valley Project

The City of Lincoln, Lower Platte South Natural Resource District and the University of Nebraska-Lincoln have joined together through an interlocal agreement to form the Joint Antelope Valley Authority (JAVA). JAVA is in the process of implementing the Antelope Valley project, which consists of storm water, transportation and community revitalization strategies.

The project has been successful in removing about 1,000 structures from the floodplain by creating an open waterway from Salt Creek Roadway to J Street. Traffic improvements include 12 new or replacement bridges, the elimination of railroad crossings, and 6.2 miles of new roadway including the Big X elevated intersection near the Devaney Sports Center. In addition to the new Union Plaza Park and new trails, revitalization efforts include the Assurity headquarters, Turbine Flats, several housing developments, the Jayne Snyder Trails Center, Fleming Fields, and infrastructure improvements. Other redevelopment projects will progress as a result of the re-mapping of the floodplain.

The final JAVA project, which is landscaping of Antelope Valley Parkway between K and P streets as well as landscaping of O Street between 17th and 21st streets, was completed in 2013. Final project documentation is expected to be completed in 2014 to close out project records.

The entire project is projected to cost \$246 million, which includes all components of the Antelope Valley project: community revitalization, flood control, and transportation.

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$48,234,000 over the 5-year period of fiscal year 2013-14 through fiscal year 2017-18. Of that total, approximately \$25,324,000 will be financed by revenue bonds, approximately \$2,500,000 will be financed by impact fees, with the remaining \$20,410,000 to come from utility revenue fees. The majority of these dollars are needed for replacement and maintenance of existing infrastructure, new infrastructure to serve development in various basins throughout the City, and improvements to both the Theresa Street and Northeast treatment plants.

Water System

The Lincoln Water System is projecting a capital improvements program in the amount of approximately \$63,800,000 over the 5-year period of fiscal year 2013-14 through 2017-18. Of these dollars, approximately \$4,000,000 will be financed through revenue bonds, approximately \$1,950,000 will be financed from TIF funding, approximately \$4,750,000 will be financed through impact fees, with the balance of \$53,100,000 coming from utility revenue fees. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement and new wells, and additional storage reservoirs.

Streets and Highways

The 2014-2018 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$28 million for the next five years. Funding for these projects includes \$109 million in City revenues, \$27 million in federal aid, and \$4 million in other funds.

Infrastructure Impact Fees

The City's growth in both population and employment have created demands for new residential and nonresidential development, which in turn creates the need for additional public facilities, including water and wastewater systems, arterial streets, and neighborhood parks and trails. The City's laws, taxes, fees, utility charges, and other forms of revenue generated from new development do not provide sufficient funds to finance these new facilities.

In response to these funding needs the City of Lincoln passed an ordinance to provide for the imposition of impact fees to ensure that facilities are available to serve new growth and that new development bears its proportionate share of the cost of improvements to the City's facilities. Impact fees for all types of new construction have been set and adopted by the City Council and began June, 2003.

Pension Costs

The City currently contributes \$2 for every \$1 contributed by employees in the civilian retirement plans. In an effort to control this significant budget item, the City and the civilian unions, as well as non-union employees, have agreed to change these plans to a \$1.29 to \$1 match for new employees hired after a union specific effective date. Newly hired Department Directors and Mayoral Aides will receive a \$1 to \$1 match. The City is unable to legally change the match for current employees. The City anticipates saving 20 to 25 percent in retirement costs for each employee hired under this new arrangement.

Property Tax Collections

As of August 31, 2013, current tax collections by the County Treasurer were 97.31% of the tax levy, an increase of .12% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy by Purpose</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>
General Fund	.1854	.1876	.1739
Library	.0423	.0400	.0398
Social Security	.0157	.0163	.0141
Police and Fire Pension	.0382	.0348	.0261
General Obligation Debt	<u>.0342</u>	<u>.0371</u>	<u>.0340</u>
Total	<u>.3158</u>	<u>.3158</u>	<u>.2879</u>

Parking Facilities

The City of Lincoln operates the following parking garages:

<u>Facility</u>	<u>Number of Stalls</u>	<u>Date Opened</u>
Center Park	1,049	November, 1978
Cornhusker Square	409	December, 1983
University Square	430	April, 1990
Que Place	810	October, 1994
Carriage Park	701	February, 1995
Market Place	385	August, 2000
Haymarket	409	August, 2002
Larson Building	647	July, 2012

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

Revenue generated by the parking facilities and on-street parking meters, as well as undesignated street construction funds, are pledged for debt service of the 2010B Parking Revenue Bonds, the 2011 Parking Revenue and Refunding Bonds, and 2012 Parking Revenue and Refunding Bonds. Comparative data for the past two fiscal years are presented in the following table:

	<u>2012-2013</u>	<u>2011-2012</u>
Operating Revenues	\$ 8,444,055	7,353,847
Operating Income Before Depreciation	4,524,377	3,503,716
Debt Service	2,483,115	1,944,138
Debt Service Coverage Ratio	1.82	1.80

Solid Waste Management

The City of Lincoln owns and operates a municipal solid waste landfill and a construction and demolition debris landfill that are subject to the U.S. Environmental Protection Agency rule *Solid Waste Disposal Facility Criteria*, which establishes closure and postclosure care requirements. As of August 31, 2013, the City estimates that it will incur costs approximating \$22 million to adhere to such requirements (see Note 18 of Notes to the Financial Statements).

Water and Wastewater System

The City's Wastewater Utility System showed an increase in operating revenues and a decrease in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Wastewater System</u>	<u>2012-2013</u>	<u>2011-2012</u>
Operating Revenues	\$24,577,769	24,097,998
Operating Income	4,276,920	4,404,875
Revenue Available For Debt Service	12,466,116	12,385,302
Debt Service	6,577,064	6,793,014
Debt Service Coverage Ratio	1.90	1.82

The City's Water Utility System showed a decrease in operating revenues and a decrease in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Water System</u>	<u>2012-2013</u>	<u>2011-2012</u>
Operating Revenues	\$31,981,733	34,150,292
Operating Income	8,418,613	10,984,826
Revenue Available For Debt Service	18,128,425	20,348,397
Debt Service	4,195,562	8,335,202
Debt Service Coverage Ratio	4.32	2.44

Revenues for both utilities were inflated in 2011-2012 due to severe draught conditions and increased water system usage.

Lincoln Electric System (LES)

The City owns and operates its own electric utility system that is managed by an administrative board. Actions of the board with regard to rates, budgets, and long-term financing are subject to final review and approval by the City Council. In accordance with Section 4.24.090 of the Lincoln Municipal Code, LES operates on a January 1 - December 31, fiscal year. Audited financial information as of and for LES' fiscal year ended December 31, 2012, is included in the City's August 31, 2013, financial statements.

Certificate of Achievement

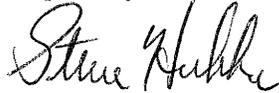
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2012. This was the thirtieth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,



Steve Hubka
Interim Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lincoln
Nebraska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska (the City) as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska, as of August 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2013 the City implemented the provisions of GASB Statement No. 65, which changed its method of accounting for debt issuance costs through retroactive application to prior year's financial statements. Our opinion is not modified with respect to these matters.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, consisting of combining and individual fund statements and schedules, and including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other 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 accompanying information in the introductory and statistical sections listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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.

BKD, LLP

Lincoln, Nebraska
February 25, 2014, except for the Schedule of Expenditures
of Federal Awards, as to which the
date is March 26, 2014



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, 2013. 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). The financial information for 2012 shown in the Condensed Statements of Net Position and Condensed Statements of Activities on pages 7-8, has not been updated for changes resulting from the implementation of GASB Statement No. 65 (see page 37 for information regarding the implementation of GASB Statement No. 65).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2013, by \$1,729,516,046 (net position). Of this amount, \$433,680,033 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$63,026,928. Of this amount, \$47,119,933, or 75 percent, was an increase in governmental activities and \$15,906,995, or 25 percent, related to business-type activities.
- As of August 31, 2013, the City's governmental funds reported combined ending fund balances of \$280,629,212, a decrease of \$73,141,145 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, 11 percent, or \$31,064,517, is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2013, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the general fund was \$45,624,223, or 39 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 increased by \$73,516,000 (7 percent) during the current fiscal year. The city issued \$235,055,000 in refunding bonds in the current year for a net present value savings of \$32,264,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how the City's net position changed during the year ended August 31, 2013. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

activities). The governmental activities of the City include general administrative services, public safety, streets and highways, health, planning and zoning, parks and recreation, libraries, aging services, job programs, urban development, mass transportation, engineering, self-insurance, and fleet management. The business-type activities of the City include water, wastewater and electric utilities; ambulance transport; solid waste management; golf courses; entertainment centers; 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 a biennial 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; entertainment centers; 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 position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,729,516,046 at August 31, 2013.

By far the largest portion of the City’s net position (66 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 Position
August 31, 2013 and 2012**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 528,495,518	596,213,973	334,413,750	288,936,045	862,909,268	885,150,018
Capital Assets	980,298,540	821,891,490	1,477,846,626	1,449,783,695	2,458,145,166	2,271,675,185
Total Assets	<u>1,508,794,058</u>	<u>1,418,105,463</u>	<u>1,812,260,376</u>	<u>1,738,719,740</u>	<u>3,321,054,434</u>	<u>3,156,825,203</u>
Deferred Outflows of Resources	1,223,669	1,303,610	21,108,867	9,530,262	22,332,536	10,833,872
Long-Term Liabilities Outstanding	539,301,185	501,498,642	857,148,510	759,577,426	1,396,449,695	1,261,076,068
Other Liabilities	49,769,820	37,731,545	167,651,409	195,580,122	217,421,229	233,311,667
Total Liabilities	<u>589,071,005</u>	<u>539,230,187</u>	<u>1,024,799,919</u>	<u>955,157,548</u>	<u>1,613,870,924</u>	<u>1,494,387,735</u>
Deferred Inflows of Resources	-	-	-	22,348	-	22,348
Net Position:						
Net Investment in Capital Assets	522,108,202	405,635,743	615,635,246	608,119,231	1,137,743,448	1,013,754,974
Restricted	144,925,083	246,533,919	13,167,482	31,470,517	158,092,565	278,004,436
Unrestricted	253,913,437	228,009,224	179,766,596	153,480,358	433,680,033	381,489,582
Total Net Position	<u>\$ 920,946,722</u>	<u>880,178,886</u>	<u>808,569,324</u>	<u>793,070,106</u>	<u>1,729,516,046</u>	<u>1,673,248,992</u>

An additional portion of the City’s net position (9 percent) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (25 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

At August 31, 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City Of Lincoln
Condensed Statements of Activities
For the Years Ended August 31, 2013 and 2012

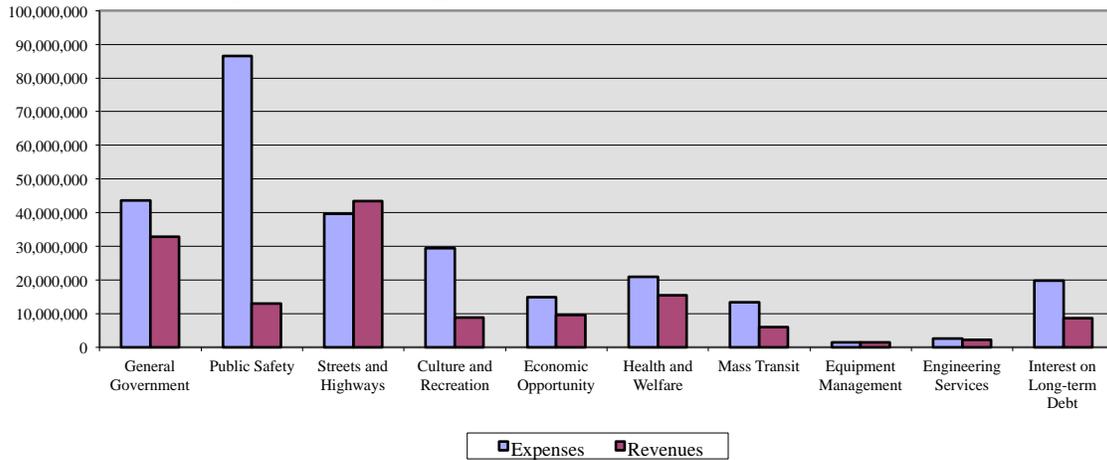
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 55,593,762	49,728,220	358,167,400	350,507,113	413,761,162	400,235,333
Operating Grants and Contributions	57,394,538	51,263,862	-	-	57,394,538	51,263,862
Capital Grants and Contributions	28,517,996	32,043,686	7,195,503	6,731,837	35,713,499	38,775,523
General Revenues:						
Property Tax	56,130,131	53,302,884	-	-	56,130,131	53,302,884
Sales and Use Tax	63,544,137	62,388,551	-	-	63,544,137	62,388,551
Occupation Tax	25,437,045	25,732,963	2,011,468	2,048,615	27,448,513	27,781,578
Other Taxes	20,220,063	18,455,537	-	-	20,220,063	18,455,537
Unrestricted Grants and Contributions	79,177	93,633	-	-	79,177	93,633
Unrestricted Investment Earnings (Loss)	(833,074)	1,014,773	(713,969)	983,824	(1,547,043)	1,998,597
Other	1,925,791	2,623,024	874,807	380,531	2,800,598	3,003,555
Total Revenues	<u>308,009,566</u>	<u>296,647,133</u>	<u>367,535,209</u>	<u>360,651,920</u>	<u>675,544,775</u>	<u>657,299,053</u>
Expenses:						
General Government	43,666,952	40,635,824	-	-	43,666,952	40,635,824
Public Safety	86,493,288	82,915,183	-	-	86,493,288	82,915,183
Streets and Highways	39,551,411	38,319,958	-	-	39,551,411	38,319,958
Culture and Recreation	29,419,132	28,049,044	-	-	29,419,132	28,049,044
Economic Opportunity	14,819,767	16,840,478	-	-	14,819,767	16,840,478
Health and Welfare	20,939,140	21,414,951	-	-	20,939,140	21,414,951
Mass Transit	13,453,926	12,463,592	-	-	13,453,926	12,463,592
Equipment Management	1,479,534	1,162,325	-	-	1,479,534	1,162,325
Engineering Services	2,570,054	1,900,278	-	-	2,570,054	1,900,278
Interest on Long-Term Debt	19,787,131	20,417,899	-	-	19,787,131	20,417,899
Golf Courses	-	-	3,404,885	3,762,650	3,404,885	3,762,650
Parking	-	-	7,144,511	5,933,848	7,144,511	5,933,848
Entertainment Facilities	-	-	4,345,398	2,487,417	4,345,398	2,487,417
Solid Waste Management	-	-	8,472,030	8,080,971	8,472,030	8,080,971
Ambulance Transport	-	-	4,931,379	4,148,850	4,931,379	4,148,850
Wastewater	-	-	23,116,057	23,017,798	23,116,057	23,017,798
Water	-	-	25,499,420	25,908,587	25,499,420	25,908,587
Electric	-	-	263,674,000	250,676,000	263,674,000	250,676,000
Total Expenses	<u>272,180,335</u>	<u>264,119,532</u>	<u>340,587,680</u>	<u>324,016,121</u>	<u>612,768,015</u>	<u>588,135,653</u>
Increase in Net Position Before Transfers	35,829,231	32,527,601	26,947,529	36,635,799	62,776,760	69,163,400
Transfers	11,290,702	9,254,144	(11,040,534)	(5,060,384)	250,168	4,193,760
Increase in Net Position	47,119,933	41,781,745	15,906,995	31,575,415	63,026,928	73,357,160
Net Position - Beginning, Before Restatement	880,178,886	838,397,141	793,070,106	761,494,691	1,673,248,992	1,599,891,832
Adjustment for Implementation of GASB 65	(6,352,097)	-	(407,777)	-	(6,759,874)	-
Net Position - Beginning, After Restatement	873,826,789	838,397,141	792,662,329	761,494,691	1,666,489,118	1,599,891,832
Net Position - Ending	<u>\$ 920,946,722</u>	<u>880,178,886</u>	<u>808,569,324</u>	<u>793,070,106</u>	<u>1,729,516,046</u>	<u>1,673,248,992</u>

GOVERNMENTAL ACTIVITIES

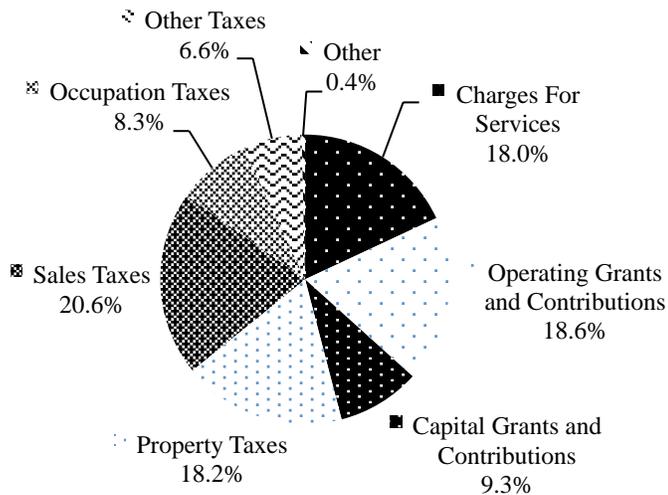
Governmental activities increased the City's net position by \$47,119,933, accounting for 75 percent of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

- Property tax receipts increased \$2.8 million (5.3 percent) with an overall increase in the tax base of 4.88 percent.
- Sales taxes increased by approximately \$1.2 million (1.9 percent) during 2013 after showing an increase of 4.4 percent in the prior year.
- Other taxes increased by approximately \$1.8 million (10 percent) in 2013, which includes a wheel tax increase of approximately \$1.6 million. Commencing September 1, 2012 the wheel tax fee schedule increased by 7.8 percent.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities



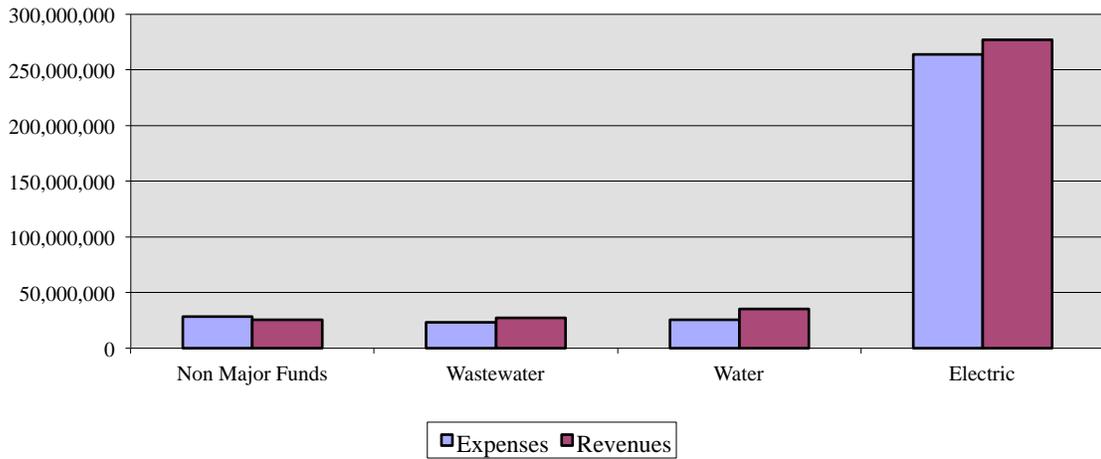
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City’s net position by \$15,906,995, accounting for 25 percent of the total growth in the government’s net position. Key elements of this increase are as follows:

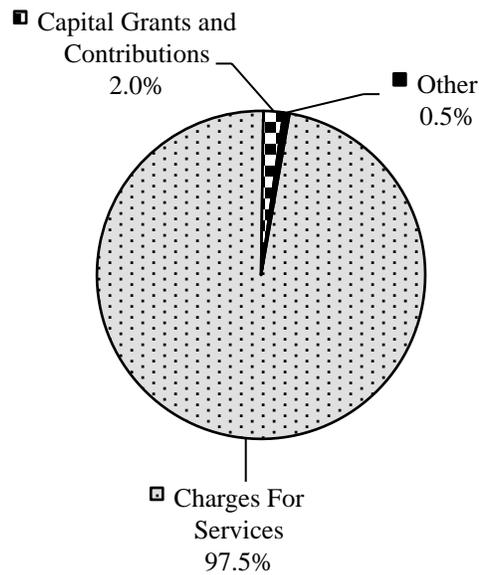
- Lincoln Electric System operating revenue in 2012 was 3 percent higher than 2011. Retail revenue was 3 percent higher due to the impact of a 3.5 percent rate increase on January 1, 2012. Wholesale revenue decreased 20 percent with an energy sales decrease of 21 percent. The city dividend for utility ownership added \$6.5 million to operating revenue, up \$4.4 million due to its implementation in September 2011.

- Lincoln Water and Wastewater Systems reported capital contributions of approximately \$3.5 million (98% increase) and \$2.8 million (31% increase), respectively, due to increased development activity during the year.

Expenses And Program Revenues - Business-type Activities



Revenues By Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of August 31, 2013, the City's governmental funds reported combined ending fund balances of \$280,629,212, a decrease of \$73,141,145 in comparison with the prior year. Of this total amount, 11 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 (\$4,053,830), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$144,860,012), committed for particular purposes (\$821,517), or assigned for particular purposes (\$62,669,336).

The General Fund is the chief operating fund of the City. At August 31, 2013, the unrestricted fund balance of the General Fund was \$45,624,223, while total fund balance reached \$55,219,236. 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 39 percent of total general fund expenditures, while total fund balance represents 48 percent of that same amount.

The fund balance of the City's General Fund increased by \$6,117,963 during 2013. 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 increased 72 percent 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 has a total fund balance of \$58,016,038, which is to be used in the construction and maintenance of streets and highways. The net increase in fund balance during 2013 in the Street Construction Fund was \$26,191,854, the result of several significant projects that have received funding but for various reasons the actual construction has been delayed.

The West Haymarket JPA Fund had a fund balance of \$32,808,438, which is to be used for funding improvements of the West Haymarket Redevelopment Project and debt service on the related debt. The current year change in fund balance of (\$114,383,015) 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 position of the Wastewater System, Water System, Electric System, and other enterprise funds amounted to \$23,759,692, \$35,259,829, \$130,921,000 and (\$10,173,925), respectively, at August 31, 2013 (December 31, 2012 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 \$290,342) and can be briefly summarized as follows:

Expenditure appropriations:

- \$(1,961,130) in miscellaneous changes in general government activities.
- \$693,646 in increases allocated to public safety.
- \$(79,048) in decreases to streets & highways.
- \$160,584 in increases allocated to parks and recreation.
- \$1,476,290 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:

- \$2,361,438 positive variance in real estate and personal property tax. Actual property collections were 97.31 percent of the 2012 levy, while estimated tax revenue is based on 90 percent collections as provided by the City Charter.
- \$3,238,107 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future expenditures.
- \$2,357,227 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.

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, 2013, amounts to \$2,458,145,166 (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 2013 was 8.2 percent (a 19.3 percent increase for governmental activities and a 19.4 percent increase for business-type activities).

Major capital asset events during 2013 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of \$28 million.
- The West Haymarket Redevelopment Project increased capital assets by approximately \$147 million, which includes roads and utility work, arena design and construction, site preparation, land purchases, environmental remediation, and parking.
- The City parking system's investment in the Lumberworks Parking Garage increased by approximately \$7.4 million.
- The LES Central Lincoln Reliability Project includes installation of 5.2 miles of transmission lines to replace aging cables, meet the growing demand for electricity in central Lincoln and improve system reliability. Total project cost is estimated at \$27.3 million and the project is expected to be completed in 2013.
- Construction of a 4MW landfill gas-based power generating facility sourced from the Bluff Road Landfill is estimated to cost \$12.9 million and is expected to be completed in 2013.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 139,434,473	138,768,877	24,238,655	24,232,300	163,673,128	163,001,177
Buildings	244,772,550	53,817,461	137,885,757	140,391,808	382,658,307	194,209,269
Improvements Other Than Buildings	42,302,711	40,360,129	456,108,511	450,950,888	498,411,222	491,311,017
Machinery and Equipment	35,076,357	35,302,361	13,711,274	12,765,467	48,787,631	48,067,828
Utility Plant	-	-	757,423,000	761,574,000	757,423,000	761,574,000
Infrastructure	455,365,190	394,256,079	-	-	455,365,190	394,256,079
Construction-in-progress	63,347,259	159,386,583	88,479,429	59,869,232	151,826,688	219,255,815
Total	<u>\$ 980,298,540</u>	<u>821,891,490</u>	<u>1,477,846,626</u>	<u>1,449,783,695</u>	<u>2,458,145,166</u>	<u>2,271,675,185</u>

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, 2013, the City of Lincoln had total bonded debt outstanding of \$1,194,244,000. Of this amount, \$439,274,000 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, 2013 and 2012
(dollar amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 439,274	413,958	-	-	439,274	413,958
Tax Supported Bonds	4,470	5,210	-	-	4,470	5,210
Revenue Bonds	-	-	750,500	701,560	750,500	701,560
Total	<u>\$ 443,744</u>	<u>419,168</u>	<u>750,500</u>	<u>701,560</u>	<u>1,194,244</u>	<u>1,120,728</u>

The City's total bonded debt increased by \$73,516,000 (7 percent) in the current fiscal year. Refunding bonds were issued in the amount of \$235,055,000 to refund \$251,065,000 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	Aa1	AA	-
Wastewater Revenue Bonds			
MBIA insured	Aaa	AAA	-
Underlying	Aa2	AA+	-
Parking Revenue Bonds	A1	A	-
Lincoln Electric System Revenue Bonds	Aa2	AA	AA

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. The new biennial budget process has saved several thousand hours of staff time over this two-year period.

- Property tax revenue required to fund the 2012-2014 budget increased \$2,203,752 or 4.88 percent in the first year from the prior year, and \$1,235,401 or 2.61 percent for the second year of the biennium. Total change in the tax base is estimated at 7.61 percent, with the tax rate of .31580 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. Revenue adjustments in both 2013 and 2014 include an increase in parking meter rates, \$750,000; increased Parks and Recreation program fees, \$328,150 and \$467,459, respectively; 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, attained thru increases in various service charges; resulting in additional 2014 revenues of \$2,900,000 for Water and \$2,300,000 for Wastewater.
- Sales tax collections for 2013 finished 1.25 percent ahead of projections. 2014 projections reflect a 2.72 percent increase over 2013 actual collections.
- 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. This report and other financial information are also available online at www.lincoln.ne.gov/city/finance/.

BASIC FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
AUGUST 31, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 29,001,874	26,411,365	55,413,239
Investments	233,307,540	146,061,641	379,369,181
Receivables, (Net of Allowance for Uncollectibles)	36,555,486	46,637,900	83,193,386
Internal Balances	(786,016)	786,016	-
Due from Other Governments	23,753,926	4,813,398	28,567,324
Inventories	1,953,509	17,984,497	19,938,006
Plant Operation Assets	-	12,191,000	12,191,000
Prepaid Items	613,535	2,084,601	2,698,136
Other Assets	332,058	8,500,888	8,832,946
Restricted Assets:			
Cash and Cash Equivalents	1,183,744	10,424,424	11,608,168
Investments	37,160,000	58,490,445	95,650,445
Receivables	-	27,575	27,575
Investment in Joint Venture	165,419,862	-	165,419,862
Capital Assets:			
Non-depreciable	202,781,732	112,718,084	315,499,816
Depreciable (Net)	777,516,808	1,365,128,542	2,142,645,350
Total Assets	<u>1,508,794,058</u>	<u>1,812,260,376</u>	<u>3,321,054,434</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	<u>1,223,669</u>	<u>21,108,867</u>	<u>22,332,536</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	27,923,368	47,697,530	75,620,898
Accrued Liabilities	6,443,323	13,965,193	20,408,516
Due to Other Governments	564,872	181,310	746,182
Unearned Revenue	10,067,949	6,825,326	16,893,275
Notes Payable	-	88,500,000	88,500,000
Accrued Interest Payable	4,770,308	10,482,050	15,252,358
Noncurrent Liabilities:			
Payable within One Year	26,478,797	37,033,821	63,512,618
Payable in More Than One Year	512,822,388	820,114,689	1,332,937,077
Total Liabilities	<u>589,071,005</u>	<u>1,024,799,919</u>	<u>1,613,870,924</u>
NET POSITION			
Net Investment in Capital Assets	522,108,202	615,635,246	1,137,743,448
Restricted for:			
Debt Service	11,127,039	7,685,239	18,812,278
Capital Projects	39,562,927	5,461,091	45,024,018
Grantor Loan Programs	19,719,000	-	19,719,000
Other	14,049,785	21,152	14,070,937
Trust Donations:			
Expendable	1,750,288	-	1,750,288
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	21,556,044	-	21,556,044
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>253,913,437</u>	<u>179,766,596</u>	<u>433,680,033</u>
Total Net Position	<u>\$ 920,946,722</u>	<u>808,569,324</u>	<u>1,729,516,046</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2013

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities:							
General Government	\$ (43,666,952)	26,631,508	3,403,932	2,897,752	(10,733,760)	-	(10,733,760)
Public Safety	(86,493,288)	6,903,567	4,331,563	1,702,555	(73,555,603)	-	(73,555,603)
Streets and Highways	(39,551,411)	5,711,018	19,957,910	17,807,724	3,925,241	-	3,925,241
Culture and Recreation	(29,419,132)	4,367,112	1,927,678	2,530,099	(20,594,243)	-	(20,594,243)
Economic Opportunity	(14,819,767)	863,053	8,660,424	150,000	(5,146,290)	-	(5,146,290)
Health and Welfare	(20,939,140)	4,715,133	10,757,100	-	(5,466,907)	-	(5,466,907)
Mass Transit	(13,453,926)	2,290,536	3,683,820	-	(7,479,570)	-	(7,479,570)
Equipment Management	(1,479,534)	1,428,734	-	-	(50,800)	-	(50,800)
Engineering Services	(2,570,054)	2,153,423	-	9,496	(407,135)	-	(407,135)
Interest on Long-Term Debt	(19,787,131)	529,678	4,672,111	3,420,370	(11,164,972)	-	(11,164,972)
Total Governmental Activities	(272,180,335)	55,593,762	57,394,538	28,517,996	(130,674,039)	-	(130,674,039)
Business-Type Activities:							
Golf	(3,404,885)	3,185,111	-	18,000	-	(201,774)	(201,774)
Parking System	(7,144,511)	8,913,903	-	-	-	1,769,392	1,769,392
Municipal Auditorium	(2,632,482)	1,967,600	-	-	-	(664,882)	(664,882)
Municipal Arena	(1,712,916)	56,766	-	-	-	(1,656,150)	(1,656,150)
Solid Waste Management	(8,472,030)	6,015,675	-	-	-	(2,456,355)	(2,456,355)
Emergency Medical Services	(4,931,379)	5,436,467	-	-	-	505,088	505,088
Wastewater System	(23,116,057)	24,550,035	-	2,801,073	-	4,235,051	4,235,051
Water System	(25,499,420)	31,931,843	-	3,539,430	-	9,971,853	9,971,853
Electric System	(263,674,000)	276,110,000	-	837,000	-	13,273,000	13,273,000
Total Business-Type Activities	(340,587,680)	358,167,400	-	7,195,503	-	24,775,223	24,775,223
Total	\$ (612,768,015)	413,761,162	57,394,538	35,713,499	(130,674,039)	24,775,223	(105,898,816)
General Revenues:							
Property Tax					56,130,131	-	56,130,131
Motor Vehicle Tax					4,504,623	-	4,504,623
Wheel Tax					15,649,558	-	15,649,558
Sales and Use Tax					63,544,137	-	63,544,137
Sundry and In Lieu Tax					65,882	-	65,882
Occupation Tax					25,437,045	2,011,468	27,448,513
Unrestricted Grants and Contributions					79,177	-	79,177
Unrestricted Investment Earnings (Loss)					(833,074)	(713,969)	(1,547,043)
Miscellaneous General Revenues					1,925,791	874,807	2,800,598
Transfers					11,290,702	(11,040,534)	250,168
Total General Revenues and Transfers					177,793,972	(8,868,228)	168,925,744
Change in Net Position					47,119,933	15,906,995	63,026,928
Net Position - Beginning of Year, Before Restatement					880,178,886	793,070,106	1,673,248,992
Adjustment for Implementation of GASB 65					(6,352,097)	(407,777)	(6,759,874)
Net Position - Beginning of Year, After Restatement					873,826,789	792,662,329	1,666,489,118
Net Position - Ending					\$ 920,946,722	808,569,324	1,729,516,046

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2013

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 5,110,243	5,099,781	6,347,086	9,378,822	25,935,932
Investments	35,382,113	42,211,189	53,636,561	112,941,039	244,170,902
Receivables, (Net of Allowance for Uncollectibles)	7,154,022	363,956	1,500,986	26,469,314	35,488,278
Due from Other Funds	1,485,309	9,038,037	499,322	1,761,161	12,783,829
Due from Other Governments	11,664,069	6,409,942	754,054	4,619,998	23,448,063
Inventories	466,956	221,510	-	518,537	1,207,003
Assets Held for Resale	-	-	-	332,058	332,058
Prepaid Items	2,846,827	-	-	13,062	2,859,889
Total Assets	<u>64,109,539</u>	<u>63,344,415</u>	<u>62,738,009</u>	<u>156,033,991</u>	<u>346,225,954</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,012,991	2,555,951	11,956,279	1,925,042	17,450,263
Contracts Payable	-	223,915	6,998,817	924,917	8,147,649
Accrued Liabilities	3,155,695	208,954	183,000	2,264,832	5,812,481
Due to Other Funds	2,876,588	288,468	15,508	11,135,527	14,316,091
Due to Other Governments	108,705	1,335	295,000	264,641	669,681
Unearned Revenue	12,985	-	9,726,913	238,310	9,978,208
Total Liabilities	<u>7,166,964</u>	<u>3,278,623</u>	<u>29,175,517</u>	<u>16,753,269</u>	<u>56,374,373</u>
Deferred Inflows of Resources:					
Unavailable Revenues	1,723,339	2,049,754	754,054	4,695,222	9,222,369
Fund Balances:					
Nonspendable	3,313,783	221,510	-	37,678,537	41,213,830
Restricted	6,281,230	30,360,494	22,671,249	85,547,039	144,860,012
Committed	-	-	-	821,517	821,517
Assigned	14,425,933	27,434,034	10,137,189	10,672,180	62,669,336
Unassigned	31,198,290	-	-	(133,773)	31,064,517
Total Fund Balances	<u>55,219,236</u>	<u>58,016,038</u>	<u>32,808,438</u>	<u>134,585,500</u>	<u>280,629,212</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 64,109,539</u>	<u>63,344,415</u>	<u>62,738,009</u>	<u>156,033,991</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	953,805,142
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.	165,419,862
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	9,222,369
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	26,876,772
Accrued pension contribution, long-term construction contracts and other liabilities require the use of unavailable financial resources and, therefore, are not reported in the funds.	(6,822,987)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(508,183,648)
Net position of governmental activities	<u>\$ 920,946,722</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 31,876,583	-	-	24,094,989	55,971,572
Motor Vehicle	4,504,623	-	-	-	4,504,623
Wheel	-	-	-	15,649,558	15,649,558
Sales and Use	63,544,137	-	-	-	63,544,137
Sundry and In Lieu	48,360	-	-	13,795	62,155
Occupation	12,086,734	-	13,350,311	-	25,437,045
Special Assessment	204	641	-	1,146,795	1,147,640
Intergovernmental	3,427,320	43,490,699	4,762,874	29,659,989	81,340,882
Permits and Fees	5,441,564	4,131,236	1,650	13,361,565	22,936,015
Reimbursement for Services	6,767,242	115,450	109,558	1,349,272	8,341,522
Court Settlements	856,188	-	-	-	856,188
Program Income	332,000	-	-	110,313	442,313
Investment Earnings (Loss)	(79,227)	(326,873)	(256,643)	2,395,097	1,732,354
Donations	555,504	-	2,055,309	943,801	3,554,614
Keno Proceeds	-	-	-	3,930,602	3,930,602
Miscellaneous	566,730	1,486,030	174,563	1,026,457	3,253,780
Total Revenues	<u>129,927,962</u>	<u>48,897,183</u>	<u>20,197,622</u>	<u>93,682,233</u>	<u>292,705,000</u>
EXPENDITURES					
Current:					
General Government	29,555,445	-	570,347	12,635,632	42,761,424
Public Safety	62,324,983	-	-	10,164,553	72,489,536
Streets and Highways	6,653,688	11,701,180	-	458	18,355,326
Culture and Recreation	12,424,382	-	-	9,899,560	22,323,942
Economic Opportunity	4,681,076	-	-	8,150,117	12,831,193
Health and Welfare	332,016	-	-	21,007,159	21,339,175
Mass Transit	-	-	-	11,980,828	11,980,828
Debt Service	40,491	-	15,119,300	16,561,534	31,721,325
Capital Outlay	-	26,194,724	147,097,654	35,011,159	208,303,537
Total Expenditures	<u>116,012,081</u>	<u>37,895,904</u>	<u>162,787,301</u>	<u>125,411,000</u>	<u>442,106,286</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>13,915,881</u>	<u>11,001,279</u>	<u>(142,589,679)</u>	<u>(31,728,767)</u>	<u>(149,401,286)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	10,845,857	19,462,791	-	26,551,321	56,859,969
Transfers Out	(21,283,300)	(4,272,216)	-	(19,825,321)	(45,380,837)
Issuance of Debt	2,430,000	-	-	33,003,437	35,433,437
Premium on Debt Issued	209,470	-	-	770,857	980,327
Sale of Capital Assets	55	-	28,206,664	160,526	28,367,245
Total Other Financing Sources (Uses)	<u>(7,797,918)</u>	<u>15,190,575</u>	<u>28,206,664</u>	<u>40,660,820</u>	<u>76,260,141</u>
Net Change in Fund Balances	<u>6,117,963</u>	<u>26,191,854</u>	<u>(114,383,015)</u>	<u>8,932,053</u>	<u>(73,141,145)</u>
Fund Balances - Beginning	<u>49,101,273</u>	<u>31,824,184</u>	<u>147,191,453</u>	<u>125,653,447</u>	<u>353,770,357</u>
Fund Balances - Ending	<u>\$ 55,219,236</u>	<u>58,016,038</u>	<u>32,808,438</u>	<u>134,585,500</u>	<u>280,629,212</u>

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

CITY OF LINCOLN, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2013

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

Net change in fund balances - total governmental funds	\$ (73,141,145)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	155,163,658
The net effect of various miscellaneous transactions involving capital contributions is to increase net position.	3,139,641
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: Change in revenues in fund statements previously recognized in the statement of activities.	(1,580,364)
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.	(24,390,654)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(8,408,489)
Changes in the net pension obligation and the net OPEB obligation do not represent financial activity in governmental funds.	(2,024,530)
Changes in the interest in the underlying net position of the joint venture do not represent financial activity in governmental funds.	(3,363,609)
Internal service funds are used by management to charge the costs of certain services to individual funds. The net expense of the internal service funds is reported within governmental activities.	1,725,425
Change in net position of governmental activities	<u>\$ 47,119,933</u>

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

CITY OF LINCOLN, NEBRASKA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Estate and Personal Property Tax	\$ 33,601,581	33,601,581	35,963,019	2,361,438
Taxes Collected by Others	63,817,314	63,817,314	63,134,808	(682,506)
Sundry Taxes and In Lieu	57,472	57,472	48,043	(9,429)
Occupation Taxes	12,130,690	12,130,690	12,035,497	(95,193)
Intergovernmental	1,547,324	1,547,324	1,614,351	67,027
Permits and Fees	3,464,419	3,464,419	3,401,051	(63,368)
Reimbursement for Services	3,115,185	3,115,185	3,195,710	80,525
Court Fees	798,000	798,000	766,771	(31,229)
Court Settlements	1,387,942	1,387,942	1,387,942	-
Recreation Receipts	2,440,235	2,440,235	2,341,694	(98,541)
Investment Earnings (Loss)	78,083	78,083	(17,003)	(95,086)
Donations	543,518	543,518	543,518	-
Rental Income	513,103	513,103	535,196	22,093
Miscellaneous	324,564	324,564	504,938	180,374
Total Revenues	<u>123,819,430</u>	<u>123,819,430</u>	<u>125,455,535</u>	<u>1,636,105</u>
Expenditures:				
General Government:				
Legislative	288,639	288,639	241,968	46,671
Executive	1,365,164	1,464,503	1,332,948	131,555
Financial Administration	2,837,425	2,856,947	2,703,934	153,013
Law	2,732,643	2,736,994	2,630,237	106,757
Personnel Administration	933,152	983,736	969,221	14,515
Planning and Zoning	1,757,074	1,773,471	1,662,451	111,020
Urban Development	951,952	965,063	795,227	169,836
Miscellaneous	24,550,818	22,386,384	19,148,277	3,238,107
Total General Government	<u>35,416,867</u>	<u>33,455,737</u>	<u>29,484,263</u>	<u>3,971,474</u>
Public Safety:				
Police	35,070,457	35,214,433	32,857,206	2,357,227
Fire	23,455,146	23,989,492	23,721,179	268,313
Building and Safety	3,162	3,162	3,162	-
Traffic Engineering	1,503,015	1,518,339	1,400,524	117,815
Total Public Safety	<u>60,031,780</u>	<u>60,725,426</u>	<u>57,982,071</u>	<u>2,743,355</u>
Streets and Highways:				
Street Maintenance	2,923,758	2,844,710	2,116,763	727,947
Street Lighting	3,781,239	3,781,239	4,755,204	(973,965)
Total Streets and Highways	<u>6,704,997</u>	<u>6,625,949</u>	<u>6,871,967</u>	<u>(246,018)</u>
Culture and Recreation:				
Parks and Recreation	12,337,407	12,497,991	12,168,743	329,248
Libraries	263,840	263,840	263,840	-
Total Culture and Recreation	<u>12,601,247</u>	<u>12,761,831</u>	<u>12,432,583</u>	<u>329,248</u>
Economic Opportunity:				
Lincoln Area Agency on Aging	228,878	228,878	228,878	-
Health and Welfare:				
Lincoln/Lancaster County Health	335,925	335,925	325,466	10,459
Debt Service:				
Issuance and Management Costs	-	-	48,524	(48,524)
Total Expenditures	<u>115,319,694</u>	<u>114,133,746</u>	<u>107,373,752</u>	<u>6,759,994</u>
Excess of Revenues Over Expenditures	<u>8,499,736</u>	<u>9,685,684</u>	<u>18,081,783</u>	<u>8,396,099</u>
Other Financing Sources (Uses):				
Transfers In	10,437,367	10,437,367	10,762,913	325,546
Transfers Out	(25,035,756)	(26,512,046)	(26,074,203)	437,843
Proceeds from Issuance of Debt	2,430,000	2,430,000	2,430,000	-
Premium on Debt Issued	-	-	209,470	209,470
Sale of Capital Assets	21,000	21,000	31	(20,969)
Total Other Financing Sources (Uses)	<u>(12,147,389)</u>	<u>(13,623,679)</u>	<u>(12,671,789)</u>	<u>951,890</u>
Net Change in Fund Balances	<u>(3,647,653)</u>	<u>(3,937,995)</u>	<u>5,409,994</u>	<u>9,347,989</u>
Fund Balances - Beginning	<u>29,129,979</u>	<u>29,129,979</u>	<u>29,129,979</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 25,482,326</u>	<u>25,191,984</u>	<u>34,539,973</u>	<u>9,347,989</u>

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



CITY OF LINCOLN, NEBRASKA
STREET CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessment	\$ -	-	1,231	1,231
Intergovernmental	8,869,156	8,869,156	20,322,956	11,453,800
Permits and Fees	-	-	381,382	381,382
Reimbursement for Services	400,000	400,000	115,291	(284,709)
Investment Earnings (Loss)	62,200	62,200	(45,920)	(108,120)
Miscellaneous	-	-	3,657	3,657
Total Revenues	<u>9,331,356</u>	<u>9,331,356</u>	<u>20,778,597</u>	<u>11,447,241</u>
Expenditures -- Streets and Highways:				
Personal Services	6,472,889	6,472,889	6,371,745	101,144
Materials and Supplies	1,031,808	1,031,808	886,951	144,857
Other Services and Charges	5,067,207	5,067,207	4,454,670	612,537
Capital Outlay	120,921	120,921	96,293	24,628
Total Expenditures	<u>12,692,825</u>	<u>12,692,825</u>	<u>11,809,659</u>	<u>883,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,361,469)</u>	<u>(3,361,469)</u>	<u>8,968,938</u>	<u>12,330,407</u>
Other Financing Sources (Uses):				
Transfers In	19,462,791	19,462,791	19,462,791	-
Transfers Out	<u>(4,272,216)</u>	<u>(4,272,216)</u>	<u>(4,272,216)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,190,575</u>	<u>15,190,575</u>	<u>15,190,575</u>	<u>-</u>
Net Change in Fund Balances	11,829,106	11,829,106	24,159,513	12,330,407
Amount Budgeted on Project Basis	1,629,821	1,629,821	1,629,821	-
Fund Balances - Beginning	<u>28,418,086</u>	<u>28,418,086</u>	<u>28,418,086</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 41,877,013</u>	<u>41,877,013</u>	<u>54,207,420</u>	<u>12,330,407</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2013

	Business-Type Activities -- Enterprise Funds				Total	Governmental
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		Internal Service Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 2,224,768	2,523,701	15,113,000	6,549,896	26,411,365	3,065,942
Investments	8,840,408	9,955,012	100,636,000	3,947,222	123,378,642	13,253,398
Receivables, (Net of Allowance for Uncollectibles)	1,983,095	3,327,419	20,045,000	2,957,672	28,313,186	1,067,208
Unbilled Revenues	2,509,069	4,610,645	11,205,000	-	18,324,714	-
Due from Other Funds	448,449	1,063,107	-	246,866	1,758,422	1,349,210
Due from Other Governments	1,136,734	3,618,166	-	58,498	4,813,398	305,863
Inventories	60,362	1,064,495	16,461,000	398,640	17,984,497	746,506
Plant Operation Assets	-	-	12,191,000	-	12,191,000	-
Prepaid Expenses	-	-	2,035,000	49,601	2,084,601	327,871
Total Current Assets	<u>17,202,885</u>	<u>26,162,545</u>	<u>177,686,000</u>	<u>14,208,395</u>	<u>235,259,825</u>	<u>20,115,998</u>
Noncurrent Assets:						
Investments	8,096,955	10,386,865	-	4,199,179	22,682,999	13,043,240
Costs Recoverable From Future Billings	665,279	599,609	7,236,000	-	8,500,888	-
Restricted Assets:						
Cash and Cash Equivalents	-	-	5,652,000	4,772,424	10,424,424	1,183,744
Investments	7,062,653	6,632,564	31,817,000	12,978,228	58,490,445	-
Receivables	-	-	-	27,575	27,575	-
Due from Other Funds	-	-	-	123,743	123,743	-
Total Restricted Assets	<u>7,062,653</u>	<u>6,632,564</u>	<u>37,469,000</u>	<u>17,901,970</u>	<u>69,066,187</u>	<u>1,183,744</u>
Capital Assets:						
Land	6,001,129	5,451,747	-	12,785,779	24,238,655	1,306,950
Buildings	79,914,073	68,002,744	-	69,845,351	217,762,168	7,392,015
Improvements Other Than Buildings	270,659,890	338,726,535	-	41,663,442	651,049,867	465,692
Machinery and Equipment	8,972,169	9,079,769	-	15,251,631	33,303,569	31,451,899
Utility Plant	-	-	1,300,208,000	-	1,300,208,000	-
Construction in Progress	4,936,246	5,699,028	70,020,000	7,824,155	88,479,429	5,367,422
Less Accumulated Depreciation	(112,344,441)	(124,034,584)	(542,785,000)	(58,031,037)	(837,195,062)	(22,064,805)
Total Capital Assets, Net	<u>258,139,066</u>	<u>302,925,239</u>	<u>827,443,000</u>	<u>89,339,321</u>	<u>1,477,846,626</u>	<u>23,919,173</u>
Total Noncurrent Assets	<u>273,963,953</u>	<u>320,544,277</u>	<u>872,148,000</u>	<u>111,440,470</u>	<u>1,578,096,700</u>	<u>38,146,157</u>
Total Assets	<u>291,166,838</u>	<u>346,706,822</u>	<u>1,049,834,000</u>	<u>125,648,865</u>	<u>1,813,356,525</u>	<u>58,262,155</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	922,514	852,436	19,238,000	95,917	21,108,867	-
LIABILITIES						
Current Liabilities:						
Accounts Payable	295,253	761,691	16,376,000	4,234,586	21,667,530	2,325,456
Construction Contracts	1,529,232	3,899,892	-	-	5,429,124	-
Accrued Liabilities	533,277	949,907	11,979,000	503,009	13,965,193	508,358
Accrued Compensated Absences	368,437	465,257	-	434,497	1,268,191	802,066
Due to Other Funds	-	-	-	1,096,149	1,096,149	602,964
Due to Other Governments	-	-	-	181,310	181,310	16,422
Unearned Revenue	-	-	-	6,825,326	6,825,326	89,741
Claims	-	-	700,000	-	700,000	3,733,880
Accrued Interest	612,943	112,133	9,672,000	84,974	10,482,050	134,092
Notes Payable	-	-	88,500,000	157,500	88,657,500	-
Current Portion of Capital Lease	-	-	-	450,090	450,090	1,335,593
Current Portion of Long-Term Debt	3,618,916	3,685,000	19,865,000	1,860,000	29,028,916	-
Other	-	-	26,030,000	-	26,030,000	-
Total Current Liabilities	<u>6,958,058</u>	<u>9,873,880</u>	<u>173,122,000</u>	<u>15,827,441</u>	<u>205,781,379</u>	<u>9,548,572</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	283,985	485,117	-	132,287	901,389	913,103
Construction Contracts	117,454	168,713	-	-	286,167	-
Claims	-	-	383,000	-	383,000	6,046,204
Notes Payable	-	-	-	1,417,500	1,417,500	-
Capital Lease Payable	-	-	-	1,952,263	1,952,263	14,467,943
Long-Term Debt, Net	85,691,090	62,407,568	612,716,000	37,311,794	798,126,452	-
Accrued Liabilities	221,468	321,582	-	600,868	1,143,918	409,561
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	15,904,000	15,904,000	-
Total Noncurrent Liabilities	<u>86,313,997</u>	<u>63,382,980</u>	<u>613,099,000</u>	<u>57,318,712</u>	<u>820,114,689</u>	<u>21,836,811</u>
Total Liabilities	<u>93,272,055</u>	<u>73,256,860</u>	<u>786,221,000</u>	<u>73,146,153</u>	<u>1,025,896,068</u>	<u>31,385,383</u>
NET POSITION						
Net Investment in Capital Assets	174,029,586	238,693,102	145,310,000	57,602,558	615,635,246	8,763,946
Restricted for:						
Debt Service	753,613	153,543	6,620,000	158,083	7,685,239	-
Capital Projects	274,406	195,924	-	4,990,761	5,461,091	-
Other	-	-	-	21,152	21,152	-
Unrestricted	23,759,692	35,259,829	130,921,000	(10,173,925)	179,766,596	18,112,826
Total Net Position	<u>\$ 198,817,297</u>	<u>274,302,398</u>	<u>282,851,000</u>	<u>52,598,629</u>	<u>808,569,324</u>	<u>26,876,772</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Operating Revenues						
Charges for Services	\$ 24,577,769	31,981,733	264,200,000	5,436,467	326,195,969	60,890,916
Fees	-	-	-	8,438,579	8,438,579	-
Parking Revenue	-	-	-	8,913,448	8,913,448	-
Performance Revenue	-	-	-	1,966,755	1,966,755	-
Other Operating Revenue	-	-	11,910,000	838,546	12,748,546	-
Total Operating Revenues	<u>24,577,769</u>	<u>31,981,733</u>	<u>276,110,000</u>	<u>25,593,795</u>	<u>358,263,297</u>	<u>60,890,916</u>
Operating Expenses						
Personal Services	-	-	-	9,944,407	9,944,407	14,069,972
Contractual Services	-	-	-	5,308,026	5,308,026	-
Operation and Maintenance	10,914,350	14,273,132	23,583,000	7,378,570	56,149,052	41,932,846
Purchased Power	-	-	126,063,000	-	126,063,000	-
Depreciation	7,778,690	7,449,730	41,947,000	4,178,168	61,353,588	2,709,155
Administrative Costs	1,607,809	1,840,258	33,916,000	-	37,364,067	-
Total Operating Expenses	<u>20,300,849</u>	<u>23,563,120</u>	<u>225,509,000</u>	<u>26,809,171</u>	<u>296,182,140</u>	<u>58,711,973</u>
Operating Income (Loss)	<u>4,276,920</u>	<u>8,418,613</u>	<u>50,601,000</u>	<u>(1,215,376)</u>	<u>62,081,157</u>	<u>2,178,943</u>
Nonoperating Revenues (Expenses)						
Investment Earnings (Loss)	(289,792)	(468,499)	180,000	(167,899)	(746,190)	(96,174)
Gain on Disposal of Capital Assets	-	-	-	6,623	6,623	185,220
Insurance Recovery	-	-	-	1,942	1,942	-
Settlement Proceeds	-	809,184	-	-	809,184	-
Occupation Tax	-	-	-	2,011,468	2,011,468	-
Payments in Lieu of Taxes	-	-	(9,780,000)	-	(9,780,000)	-
Net Costs Recoverable	(41,721)	(42,444)	(1,130,000)	-	(1,214,165)	-
Debt Issuance Expense	-	-	-	(315,310)	(315,310)	(126,315)
Interest Expense and Fiscal Charges	(2,773,486)	(1,893,857)	(26,418,000)	(1,180,340)	(32,265,683)	(397,457)
Total Nonoperating Revenues (Expenses)	<u>(3,104,999)</u>	<u>(1,595,616)</u>	<u>(37,148,000)</u>	<u>356,484</u>	<u>(41,492,131)</u>	<u>(434,726)</u>
Income (Loss) Before Contributions and Transfers	1,171,921	6,822,997	13,453,000	(858,892)	20,589,026	1,744,217
Capital Contributions	2,801,073	3,539,430	837,000	117,813	7,295,316	69,825
Plant Costs Recovered through Capital Contributions	-	-	(837,000)	-	(837,000)	-
Transfers In	-	-	-	657,902	657,902	79,992
Transfers Out	(11,722)	(805,073)	(8,359,000)	(2,622,454)	(11,798,249)	(168,609)
Change in Net Position	<u>3,961,272</u>	<u>9,557,354</u>	<u>5,094,000</u>	<u>(2,705,631)</u>	<u>15,906,995</u>	<u>1,725,425</u>
Net Position - Beginning of Year, Before Restatement	194,856,025	264,745,044	277,757,000	55,712,037	793,070,106	25,286,923
Adjustment for Implementation of GASB 65	-	-	-	(407,777)	(407,777)	(135,576)
Net Position - Beginning of Year, After Restatement	<u>194,856,025</u>	<u>264,745,044</u>	<u>277,757,000</u>	<u>55,304,260</u>	<u>792,662,329</u>	<u>25,151,347</u>
Net Position - Ending	<u>\$ 198,817,297</u>	<u>274,302,398</u>	<u>282,851,000</u>	<u>52,598,629</u>	<u>808,569,324</u>	<u>26,876,772</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 25,434,593	31,514,767	288,517,000	29,817,422	375,283,782	15,288,863
Receipts from Interfund Services Provided	169,276	935,898	5,655,000	138,929	6,899,103	45,536,523
Payments to Suppliers for Goods and Services	(3,064,874)	(4,931,049)	(171,326,000)	(9,335,250)	(188,657,173)	(38,749,440)
Payments to Employees	(7,218,597)	(8,378,508)	(25,905,000)	(9,477,126)	(50,979,231)	(13,736,410)
Payments for Interfund Services Provided	(1,997,665)	(2,851,329)	(1,529,000)	(2,732,279)	(9,110,273)	(3,138,351)
Other Receipts	-	-	-	732,470	732,470	-
Net Cash Provided by Operating Activities	<u>13,322,733</u>	<u>16,289,779</u>	<u>95,412,000</u>	<u>9,144,166</u>	<u>134,168,678</u>	<u>5,201,185</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	1,982,576	1,982,576	-
Settlement Proceeds	-	809,184	-	-	809,184	-
Payments in Lieu of Taxes	-	-	(9,479,000)	-	(9,479,000)	-
Transfers from Other Funds	-	-	-	657,902	657,902	79,992
Transfers to Other Funds	-	(750,000)	(8,206,000)	(2,622,454)	(11,578,454)	(168,609)
Advances from General Fund	-	-	-	1,464,312	1,464,312	1,657,405
Repayment of Advances from General Fund	-	-	-	(1,392,356)	(1,392,356)	(1,855,905)
Advances to Other Funds	-	-	-	(7,055)	(7,055)	-
Repayments from Other Funds	173,295	103,658	-	76,426	353,379	247,184
Net Cash Provided (Used) by Noncapital Financing Activities	<u>173,295</u>	<u>162,842</u>	<u>(17,685,000)</u>	<u>159,351</u>	<u>(17,189,512)</u>	<u>(39,933)</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(9,102,110)	(9,647,653)	(56,148,000)	(9,067,905)	(83,965,668)	(8,171,604)
Capital Contributions	700,299	1,919,396	837,000	-	3,456,695	-
Federal Grant Proceeds	526,828	-	-	-	526,828	-
Proceeds from Sale of Capital Assets	-	-	-	29,527	29,527	273,786
Insurance Recovery	-	-	-	1,942	1,942	-
Proceeds from Long-Term Debt	3,316,985	4,693,992	85,719,000	17,236,183	110,966,160	8,120,539
Cost of Debt Issuance	-	-	(1,907,000)	(131,530)	(2,038,530)	(126,315)
Funds Used for Bond Refunding	-	(1,866,014)	-	(194,170)	(2,060,184)	-
Net Cost of Retiring Plant	-	-	(892,000)	-	(892,000)	-
Commercial Paper Redeemed	-	-	(40,000,000)	-	(40,000,000)	-
Principal Payments of Capital Lease	-	-	-	(394,548)	(394,548)	(988,626)
Principal Payments of Long-Term Debt	(3,487,907)	(1,850,000)	(19,610,000)	(1,745,000)	(26,692,907)	-
Interest and Fiscal Charges Paid	(3,089,697)	(2,345,563)	(25,888,000)	(1,343,480)	(32,666,740)	(377,863)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(11,135,602)</u>	<u>(9,095,842)</u>	<u>(57,889,000)</u>	<u>4,391,019</u>	<u>(73,729,425)</u>	<u>(1,270,083)</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	19,993,774	21,329,159	145,346,000	16,691,310	203,360,243	28,167,285
Purchases of Investments	(21,402,142)	(27,415,533)	(162,294,000)	(24,779,916)	(235,891,591)	(29,682,314)
Interest and Other Receipts	175,282	284,650	420,000	54,648	934,580	128,604
Net Cash Used by Investing Activities	<u>(1,233,086)</u>	<u>(5,801,724)</u>	<u>(16,528,000)</u>	<u>(8,033,958)</u>	<u>(31,596,768)</u>	<u>(1,386,425)</u>
Net Increase in Cash and Cash Equivalents	1,127,340	1,555,055	3,310,000	5,660,578	11,652,973	2,504,744
Cash and Cash Equivalents - Beginning	1,097,428	968,646	17,455,000	5,661,742	25,182,816	1,744,942
Cash and Cash Equivalents - Ending	<u>\$ 2,224,768</u>	<u>2,523,701</u>	<u>20,765,000</u>	<u>11,322,320</u>	<u>36,835,789</u>	<u>4,249,686</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 4,276,920	8,418,613	50,601,000	(1,215,376)	62,081,157	2,178,943
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	7,778,690	7,449,730	41,947,000	4,178,168	61,353,588	2,709,155
Other	-	-	120,000	-	120,000	-
Changes in Assets and Liabilities:						
Accounts Receivable and Unbilled Revenues	1,021,348	466,631	655,000	(363,862)	1,779,117	51,199
Lease Receivable	-	-	-	-	-	(785,000)
Due from Other Funds	-	-	-	(63,848)	(63,848)	(11,328)
Due from Other Governments	-	-	-	64,555	64,555	(26,701)
Inventories	13,944	(121,844)	(1,993,000)	(186,660)	(2,287,560)	56,675
Plant Operation Assets	-	-	(385,000)	-	(385,000)	-
Prepaid Expenses	-	-	(259,000)	(45,996)	(304,996)	(105,006)
Other Assets	-	-	716,000	-	716,000	-
Accounts Payable	83,411	(54,662)	3,356,000	274,389	3,659,138	1,392,117
Accrued Liabilities	61,904	(19,526)	-	316,134	358,512	125,434
Accrued Compensated Absences	86,516	150,837	-	193,509	430,862	208,129
Due to Other Funds	-	-	-	95,429	95,429	5,171
Due to Other Governments	-	-	-	(28,457)	(28,457)	4,054
Unearned Revenue	-	-	-	5,458,181	5,458,181	(78,703)
Claims	-	-	142,000	-	142,000	(522,954)
Other Liabilities	-	-	512,000	-	512,000	-
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	468,000	468,000	-
Total Adjustments	<u>9,045,813</u>	<u>7,871,166</u>	<u>44,811,000</u>	<u>10,359,542</u>	<u>72,087,521</u>	<u>3,022,242</u>
Net Cash Provided by Operating Activities	<u>\$ 13,322,733</u>	<u>16,289,779</u>	<u>95,412,000</u>	<u>9,144,166</u>	<u>134,168,678</u>	<u>5,201,185</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 1,692,563	1,620,034	-	117,813	3,430,410	69,825
Purchase of Capital Assets on Account	1,646,687	4,068,605	317,000	2,977,275	9,009,567	535,435
Change in Fair Value of Investments	469,377	762,480	34,000	(195,033)	1,070,824	(205,830)
Allowance for Funds in Construction	-	-	366,000	-	366,000	-

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2013

	<u>Police & Fire Pension Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,583,893	4,242,174
Investments:		
Pooled Investment Funds	4,184,683	-
Collateralized Investment Agreement	-	1,910,000
Equities	4,186,736	-
Corporate Bonds	1,363,400	-
Mutual Funds	160,692,242	-
Limited Partnership	495,988	-
Real Estate Limited Partnerships	11,245,353	-
Total Investments	<u>182,168,402</u>	<u>1,910,000</u>
Receivables:		
Contributions	734,463	-
Accrued Interest	970,924	37,428
Other	-	41,385
Due from Other Governments	545	5,802
Contractor Retainage	-	304,536
	<u>186,458,227</u>	<u>6,541,325</u>
LIABILITIES		
Warrants Payable	-	1,563,269
Accounts Payable	1,926	256,477
Accrued Liabilities	8,529	-
Accrued Compensated Absences	14,790	-
Due to Other Governments	234	3,740,893
Due to Homeowners	-	14,055
Due to Contractors	-	761,182
Due to Plan Members	-	87,523
Due to Bondholders	-	117,926
	<u>25,479</u>	<u>6,541,325</u>
NET POSITION		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 186,432,748</u>	

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2013

	Police & Fire Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 6,655,499
Employee	2,495,716
Total Contributions	9,151,215
Investment Earnings:	
Interest	267,770
Dividends	4,309,060
Net Increase in Fair Value of Investments	15,956,777
Net Investment Earnings	20,533,607
Total Additions	29,684,822
Deductions:	
Benefit Payments	11,589,289
Refunds of Contributions	207,701
Administrative Costs	366,054
Total Deductions	12,163,044
Change in Net Position	17,521,778
Net Position Held in Trust for Pension Benefits and Other Purposes - Beginning	168,910,970
Net Position Held in Trust for Pension Benefits and Other Purposes - Ending	\$ 186,432,748

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

**NOTES TO THE
FINANCIAL STATEMENTS**

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

REPORTING ENTITY

The accompanying financial statements present the government of the City of Lincoln, Nebraska (City) and its blended component unit, the West Haymarket Joint Public Agency (WHJPA), established April 2, 2010, for which the City is considered to be financially accountable. Regarding related organizations, the City's Mayor appoints and the City Council approves all of the board appointments of the Housing Authority of the City of Lincoln. However, the City has no further accountability for this organization.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. The participants in the WHJPA are the City and University of Nebraska (UNL), and the agency is governed by a board consisting of the Mayor, a member of the UNL Board of Regents, and a member of the City Council. The purpose of the agency is to make the most efficient use of the taxing authority and other powers of the participants to facilitate the redevelopment of the West Haymarket Redevelopment Area. The WHJPA is reported as a major governmental fund in the City's financial statements. Complete separate financial statements for the WHJPA may be obtained at the City of Lincoln Finance Department, 555 South 10th Street, Suite 103, Lincoln, NE 68508, or online at www.lincoln.ne.gov/city/finance/account/jpa-audits.htm.

FISCAL YEAR-END

All funds of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 2013. December 31st is the fiscal year-end of LES as established by the City Charter, and the last separate financial statements were as of and for the year ended December 31, 2012. The amounts included in the City's 2013 financial statements for LES are amounts as of and for the year ended December 31, 2012.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Fiduciary activities, whose resources are not available to finance the City's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust 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. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

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

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

The City reports the following major governmental funds:

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

The Street Construction Fund, a special revenue fund, accounts for the resources accumulated, primarily highway allocation fees received from the State of Nebraska, and the payments made for the maintenance, construction, and improvement of the streets and highways in the City.

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

Internal Service Funds account for data processing, engineering, risk management, fleet management, municipal services center operations, telecommunications, and copy services

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

The Agency Funds account for the collection of various taxes, fines, and fees due to other government entities; funds held in escrow for homeowners; good faith money due to contractors upon project completion; funds held for payroll taxes and other payroll related payables; funds held to pay outstanding warrants; funds to pay phone system charges; funds to pay matured bonds and coupons for which the City Treasurer is trustee; funds for the joint administrative entity known as JAVA, created to coordinate planning and implementation of the Antelope Valley Project; funds deposited by Gateway Shopping Center in fulfillment of a condition of the use permit for expansion; funds for shared library services; and reserve funds held for the Public Building Commission Bonds.

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

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

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

In 2011, the City Council approved an ordinance requiring LES to pay an annual dividend to the City for the City's ownership of LES, in an amount based on the total net position of LES as of the most recent audited year-end financial statements. The annual dividend shall be remitted to the City on a semiannual basis on the 20th day of February and August of each year, with each payment representing fifty percent of the annual dividend payment.

ASSETS, LIABILITIES, AND NET POSITION OR FUND EQUITY

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The City may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act and as provided in the authorized investment guidelines of the Nebraska Investment Council in effect on the date the investment is made.

Investments in the Pension Trust Fund are carried at fair value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

Receivables and Payables

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

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

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

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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

Certain payments that have been made which benefit future accounting periods and are funded by interfund borrowings, are also recorded as prepayments, with a like amount of interfund liability reflected. These prepayments are charged to expenditures on the governmental fund financial statements over the period of their related borrowings. On the government-wide financial statements these prepayments have been capitalized and are charged to expenditures as the assets are depreciated over their useful lives.

Costs Recoverable From Future Billings

Certain income and expense items of the Wastewater System, Water System, and LES, which would be recognized during the current period are deferred and not included in the determination of the change in net position until such costs are expected to be recovered through rates, in accordance with the regulated operations provisions of GASB Statement No. 62.

Investment in Joint Venture

Investment in joint venture consists of the City's interest in the Joint Antelope Valley Authority (see Note 22), a joint administrative entity reported in the City's financial statements using the equity method of accounting.

Capital Assets

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed.

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

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

The exceptions to this rule are library media, which is depreciated using a composite depreciation method, and LES, which depreciates its utility plant on a straight-line basis using composite rates ranging between 2% and 20%, depending on the respective asset type.

Compensated Absences

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

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

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

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

Long-Term Obligations

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as 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 current expenditures.

Fund Equity

Fund balances reflect assets plus deferred outflows of resources minus liabilities and deferred inflows of resources in the governmental fund statements. Fund balance is divided into five classifications; nonspendable, restricted, committed, assigned and unassigned. Fund balance is reported as nonspendable when not in spendable form or legally or contractually required to be maintained intact. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Fund balance is reported as committed when constraints are imposed by formal action (ordinance) of the City Council, the City's highest level of decision-making authority. Fund balance is reported as assigned when the intent of the City (resolution, executive order) is to use the funds for a specific purpose. Unassigned fund balance is the residual amount and only the General Fund can report a positive unassigned balance.

The City has established a policy providing for an unreserved fund balance in the City's General Fund. To meet excess cash flow needs, no less than twenty percent of the ensuing year's General Fund budget is to be set aside as an unrestricted reserve. Currently \$27,424,940 of the General Fund's spendable and unrestricted fund balance meets the requirements of this policy.

Net Position Classification

Net position is assets plus deferred outflows of resources minus liabilities and deferred inflows of resources and is shown in the entity-wide, proprietary, and fiduciary fund financial statements. Net position is required to be classified into three components – net investment in capital assets, restricted; and unrestricted. These classifications are defined as follows:

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

Restricted – This component of net position consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use through external parties such as creditors (debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$158,092,565 of restricted net position, of which enabling legislation restricts \$16,973,440.

Unrestricted – This component consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the "restricted" or "net investment in capital assets" components of net position.

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

BUDGETARY DATA

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

- 1) At least 40 days prior to the beginning of the biennial budget period, the Mayor submits to the City Council a proposed biennial budget for the ensuing years. The biennial budget is a complete financial plan for the biennial period and consists of an operating budget and a capital budget.
- 2) Public hearing on the proposed budget is scheduled for not later than 10 days prior to the budget adoption date.
- 3) Not later than 5 days prior to the end of the biennial period, the budget is legally adopted by resolution of the City Council.
- 4) The Mayor is authorized to transfer unencumbered balances between appropriations of the same department or agency during the biennium. The Mayor also has authority to lower appropriations in any fund where actual revenues are less than appropriated in order to avoid incurring a budget deficit for that fiscal or biennial period.

Appropriation transfers between departments or agencies may only be authorized by resolution of the City Council. The Council may not make any appropriations in addition to those authorized in the biennial budget, except that it may authorize emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community.

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

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

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

ENDOWMENTS

The Community Health Permanent Endowment Fund was established in 1997 with the \$37,000,000 cash proceeds realized by the City from the sale of Lincoln General Hospital, and may be increased by donations, bequests, or appropriations to the fund. Investment earnings of the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln. Earnings deposited with the City Treasurer shall be paid out only by order of those persons designated by

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the Community Health Endowment (CHE) Board of Trustees as outlined in the Fiscal and Budget Directives policy between the CHE and the City. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The current amount of net appreciation available for expenditure is \$20,691,044, which is reported as expendable health care restricted net position in the statement of net position. The initial endowment principal is reported as nonexpendable health care restricted net position in the statement of net position.

ESTIMATES

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

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

In 2013, the City implemented the provisions of the following accounting principles:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard addresses service concession arrangements, which are a type of public-private or public-public partnership, and improving consistency in financial reporting of such arrangements among state and local governments.

GASB Statement No. 61, *The Financial Reporting Entity-Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. The requirements of GASB Statements No. 14 and No. 34 were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This standard was created to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in pre-November 30, 1989 FASB and AICPA pronouncements, which do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement amends the net asset reporting requirements in GASB Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The implementation of these standards did not have a significant impact on the City's financial statements.

The City also early implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In addition, the statement changes the method of reporting debt issuance costs. Prior to implementation of GASB Statement No 65, the City reported debt issuance costs as deferred charges which were capitalized and amortized over the life of the debt. Deferred charges were reported as an asset on the statement of net position. Under GASB Statement No. 65, debt issuance costs are to be recognized in the period of the debt issue. Implementation of GASB Statement No. 65 resulted in a restatement of previously reported net position for the retrospective removal of these debt issuance costs. However, as the Wastewater, Water and Electric Systems meet the criteria as rate-making entities under the regulated operations provisions of GASB Statement No. 62, their bond issuance costs were deferred and are shown as costs recoverable from future billings on the statement of net position.

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(2) **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of the \$508,183,648 difference are as follows:

Bonds Payable	\$ 443,743,559
Less issuance discounts	(1,002,012)
Plus issuance premiums	12,067,421
Less deferred charge on refunding	(1,223,669)
Capital Leases Payable	23,784,756
Accrued Interest Payable	4,636,216
Net Pension Obligation	3,251,955
Net OPEB Obligation	7,032,488
Compensated Absences	15,892,934
Net difference	<u>\$ 508,183,648</u>

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$155,163,658 difference are as follows:

Capital outlay	\$ 183,770,567
Depreciation expense	<u>(28,606,909)</u>
Net difference	<u>\$ 155,163,658</u>

Another element of that reconciliation states, “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.” The details of this \$(24,390,654) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation stormwater bonds	\$ (7,900,000)
Issuance of limited tax general obligation arena bonds	(25,000,000)
Issuance of tax allocation bonds	(103,437)
Issuance of certificates of participation	(2,430,000)
Issuance premiums	(980,328)
Amortization of deferred premiums, discounts, and amounts from refundings	256,547
Principal repayments	<u>11,766,564</u>
Net difference	<u>\$ (24,390,654)</u>

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Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$(8,408,489) difference are as follows:

Loss on disposal of capital assets	\$ (3,902,559)
Construction contracts	136,563
Commissions	(2,465,648)
Other	219,521
Accrued interest	(157,314)
Compensated absences	<u>(2,239,052)</u>
Net difference	<u>\$ (8,408,489)</u>

(3) RESTRICTED ASSETS

Certain proceeds of the enterprise funds revenue bonds and resources set aside for their repayment are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Assets included in the Bond Principal and Interest Account and the Bond Reserve Account are restricted for the payment of bond principal and interest. Assets included in the Surplus Account and the Depreciation and Replacement Account are restricted for purposes including improvements, repairs and replacements, acquisition of equipment, and the payment of bond principal and interest. Assets included in the Construction Account are restricted for paying the cost of capital improvements. Lincoln Electric System has also restricted certain assets for employee health claims. Certain assets of the Pershing Municipal Auditorium Enterprise Fund are classified as restricted assets to be used for marketing and improvements. Certain assets of the Municipal Services Center Internal Service Fund are also restricted for capital improvements.

A recap of restrictions and related balances at August 31, 2013, are as follows:

Fund Account	Golf	Parking System	Pershing Municipal Auditorium	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Municipal Services Center	Total
Principal and Interest	\$ -	206,916	-	-	1,366,555	265,675	16,278,000	-	18,117,146
Reserve	-	2,847,374	-	695,140	5,660,664	5,697,896	20,041,000	-	34,942,074
Depreciation and Replacement	-	1,143,275	-	-	-	-	-	-	1,143,275
Capital Construction and Equipment	100,760	7,184,690	9,540	5,675,176	35,434	668,993	125,000	1,183,744	14,983,337
Claims	-	-	-	-	-	-	1,025,000	-	1,025,000
Marketing	-	-	39,099	-	-	-	-	-	39,099
Total	<u>\$ 100,760</u>	<u>11,382,255</u>	<u>48,639</u>	<u>6,370,316</u>	<u>7,062,653</u>	<u>6,632,564</u>	<u>37,469,000</u>	<u>1,183,744</u>	<u>70,249,931</u>

Restricted assets for internal balances are shown on the fund statements and included above, but are segregated and not included in restricted asset balances on the statement of net position.

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

(4) DEPOSITS AND INVESTMENTS

DEPOSITS

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

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to provide a bond or to pledge government securities (types of which are specifically identified in the Statutes) to the City Treasurer in

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the amount of the City's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC).

The City's cash deposits, including certificates of deposit, are insured up to \$250,000 by the FDIC. Any cash deposits or certificates of deposit in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the City and thus no custodial risk exists. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

INVESTMENTS

At August 31, 2013, the City had the following investments, maturities and credit ratings:

Type	August 31, 2013					Credit Rating Moody's S&P	
	Carrying Value	Maturities in Years					
		Less than 1	1-5	6-10	More than 10		
General City:							
U.S. Treasury Obligations	\$ 43,731,220	41,739,960	1,991,260	-	-	Aaa	AA+
U.S. Sponsored Agency Obligations	369,804,271	215,135,190	75,370,565	75,081,789	4,216,727	Aaa	AA+
Collateralized Repurchase Agreements	4,474,756	4,474,756	-	-	-	N/A	N/A
Collateralized Investment Agreements	1,120,000	-	1,120,000	-	-	Baa1	A+ (Fitch)
Collateralized Investment Agreements	3,139,981	-	-	-	3,139,981	Aa3	AA-
Money Market Funds - U.S. Treasury	4,003,193	4,003,193	-	-	-	Aaa	AAAm
Money Market Funds - U.S. Agencies	53,380,469	53,380,469	-	-	-	Aaa	AAAm
External Investment Trust	4,000,000	4,000,000	-	-	-	Not rated	Not rated
Tax Increment Financing Investments	3,600,132	-	591,875	1,634,418	1,373,839	Not rated	Not rated
Fixed Income Mutual Funds	122,392	122,392	-	-	-	Not rated	Not rated
Equities	829,107	829,107	-	-	-	Not rated	Not rated
Complementary Strategies	97,948	97,948	-	-	-	Not rated	Not rated
Real Assets	83,401	83,401	-	-	-	Not rated	Not rated
Total General City	488,386,870	323,866,416	79,073,700	76,716,207	8,730,547		
Community Health Endowment:							
Money Market Mutual Funds	178,907	178,907	-	-	-	Not rated	Not rated
Institutional Funds							
Fixed Income	15,849,926	15,849,926	-	-	-	Not rated	Not rated
Intermediate Term Credit	280,381	280,381	-	-	-	Not rated	Not rated
Large Cap Equity	2,593,219	2,593,219	-	-	-	Not rated	Not rated
International Equity	9,881,600	9,881,600	-	-	-	Not rated	Not rated
High-yield Bonds	3,959,008	3,959,008	-	-	-	Not rated	Not rated
Emerging Markets Equity	2,261,945	2,261,945	-	-	-	Not rated	Not rated
Hedge Funds	5,528,919	5,528,919	-	-	-	Not rated	Not rated
Mid Cap Equity	2,633,343	2,633,343	-	-	-	Not rated	Not rated
U.S. Treasuries	4,655,607	4,655,607	-	-	-	Not rated	Not rated
Small Cap Equity	2,654,468	2,654,468	-	-	-	Not rated	Not rated
Commodities	2,998,553	2,998,553	-	-	-	Not rated	Not rated
Real Estate	2,629,500	2,629,500	-	-	-	Not rated	Not rated
Limited Partnership	881,014	881,014	-	-	-	Not rated	Not rated
Total Community Health Endowment	56,986,390	56,986,390	-	-	-		
Police & Fire Pension Trust:							
Equities	4,186,736	4,186,736	-	-	-	Not rated	Not rated
Fixed Income Mutual Funds	23,062,129	23,062,129	-	-	-	Not rated	Not rated
Non-Fixed Income Mutual Funds	92,065,365	92,065,365	-	-	-	Not rated	Not rated
ETF Mutual Funds	45,564,748	45,564,748	-	-	-	Not rated	Not rated
Corporate Bonds	1,363,400	-	-	-	1,363,400	B (Fitch)	BB+
	166,242,378	164,878,978	-	-	1,363,400		
Limited Partnership	495,988	-	-	-	-		
Real Estate Limited Partnerships	11,245,353	-	-	-	-		
Total Police & Fire Pension Trust	177,983,719						
Total Primary Government	\$ 723,356,979						

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INVESTMENT POLICIES

General City Policy

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

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits current operating funds to be invested with maturities of not longer than twenty-four months. Fixed income investments held in construction funds, operating funds, and other nonoperating funds are limited to ten-year maturities. Investment agreements are not subject to interest rate risk, as the issuer guarantees the interest rate. Money market mutual funds and external investment funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately. Tax Increment Financing investments are allowed to exceed 10 years as the interest rates are guaranteed by the fund and the investment is made within the City's funds.

Credit Risk. Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy establishes requirements for certain investment securities to be rated at certain rates or higher without having collateral pledged to the City. The following investment types must be rated at the minimum rates noted below:

	<u>S&P</u>	<u>Moody's</u>
Money Markets	AA	Aa
Corporate Notes	AA-	Aa3
Investment Agreements	AA-	Aa3

Investment agreements are made with provisions that if the provider is downgraded below Aa3 by Moody's Investors Service (Moody's) or AA- by Standard & Poor's (S&P), the provider must deliver collateral of U.S. Government agencies obligations at a margin of 102-104%, and if the provider is further downgraded below A3 by Moody's or A- by S&P, the City will have the right to terminate the agreement and receive all invested amounts plus accrued but unpaid interest without penalty. As of August 31, 2013, the investment agreements were adequately collateralized with U.S. Government agencies obligations that had a rating of Aaa by Moody's and AA+ by S&P, or by small business administration obligations which are 100% guaranteed by the U.S. Government.

The external investment funds are held in the City's idle fund pool and are comprised of Nebraska Public Agency Investment Trust (NPAIT) and Short-Term Federal Investment Trust (STFIT) funds. NPAIT and STFIT invest in only the highest quality securities, including U.S. government, rated U.S. sponsored agencies, and guaranteed student loans.

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

<u>Type</u>	<u>Portfolio Composition</u>	<u>Policy Limits on Issuer</u>
U.S. agency obligations:		
Federal Home Loan Bank	35.29% %	40.00 %
Federal Home Loan Mortgage Corporation	23.92%	40.00
Federal National Mortgage Association	30.25%	40.00
Federal Farm Credit Bank	10.55%	40.00

Community Health Endowment (CHE) Policy

As a public endowment fund, under State law, CHE is permitted to invest in the manner required of a prudent investor acting with care, skill and diligence under the prevailing circumstance, without restrictions as to the type and limits of investments.

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, CHE's investment policy requires the average duration of the fixed income portfolio to be no more than 120% of the appropriate fixed income benchmark. Mutual and institutional funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is CHE's policy to limit its investments in fixed income securities to issues with at least BBB-/Baa3 ratings. Short-term fixed income issues should have a minimum A-2/P-2 rating.

Concentration of Credit Risk. CHE limits the percentage of cost that may be invested in any one industry, company and issuer. CHE's portfolio shall not own more than 5% of the outstanding securities of any single issuer. Exceptions are allowed where a fund's benchmark includes securities greater than 3%, in which case the investment manager may have no more than the securities index weight plus 2%. The entire portfolio shall have no more than 5% of its assets invested in the securities of any one issuer, with the exception of U.S. Treasury and U.S. agencies obligations.

Foreign Currency Risk. This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. CHE had no investment denominated in foreign currency at August 31, 2013.

Police & Fire Pension Trust Policy

The Police & Fire Pension Trust Investment Board, established by the City Council in accordance with the Lincoln Municipal Code chapter 4.62, directs and oversees the trust's investments for the sole benefit of plan participants and beneficiaries. The board also provides oversight and directions to the plan administrator with regard to the investments of the trust's funds. The daily management responsibility of the trust and routine investment transactions are delegated to the plan administrator.

The Police & Fire Pension Trust is allowed to invest in domestic and international equity funds, domestic and foreign bonds, real estate, mortgage-backed securities, and other alternative investments.

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

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

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

Concentration of Credit Risk. It is the desire of the board that no more than 5% of assets may be from a single corporate or sovereign issuer exclusive of the U.S. government. The board reviews assets to monitor the concentration of overlapping securities held by multiple mutual funds.

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2013:

	Totals		
Investments	\$ 723,356,979		
Deposits and Cash on Hand	9,588,523		
	\$ 732,945,502		
	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals
Cash and Cash Equivalents	\$ 55,413,239	6,826,067	62,239,306
Investments	379,369,181	184,078,402	563,447,583
Restricted Assets:			
Cash and Cash Equivalents	11,608,168	-	11,608,168
Investments	95,650,445	-	95,650,445
	\$ 542,041,033	190,904,469	732,945,502

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(5) **FUND BALANCES**

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

	Major Funds				Total
	General Fund	Street Construction	West Haymarket JPA	Other Funds	
Fund Balances:					
Nonspendable:					
Inventory	\$ 466,956	221,510	-	518,537	1,207,003
Prepaid Items	2,846,827	-	-	-	2,846,827
Permanent Fund Principal	-	-	-	37,160,000	37,160,000
Total Nonspendable	3,313,783	221,510	-	37,678,537	41,213,830
Restricted For:					
Capital Improvements	721,327	30,360,494	17,997,320	16,818,180	65,897,321
Human Services	938,410	-	-	-	938,410
Donor Purposes	2,141,899	-	-	1,724,432	3,866,331
Public Improvements	2,479,594	-	-	-	2,479,594
Agency Activities	-	-	4,673,929	-	4,673,929
Land Purchases	-	-	-	216,590	216,590
Social Security Obligations	-	-	-	1,169,123	1,169,123
Community Betterment	-	-	-	2,734,244	2,734,244
Federal Loan Programs	-	-	-	19,719,000	19,719,000
Grant Programs	-	-	-	1,903,966	1,903,966
Special Assessment Improvements	-	-	-	656,847	656,847
Debt Service	-	-	-	18,524,649	18,524,649
Health Care	-	-	-	20,691,044	20,691,044
Claims Contingencies	-	-	-	865,000	865,000
Library Media	-	-	-	523,964	523,964
Total Restricted	6,281,230	30,360,494	22,671,249	85,547,039	144,860,012
Committed To:					
Public Access Television	-	-	-	821,517	821,517
Assigned To:					
Capital Improvements	-	26,572,414	-	54,154	26,626,568
Donor Purposes	770,984	-	-	-	770,984
Public Improvements	513,093	-	-	-	513,093
Athletic Facility Improvements	859,725	-	-	-	859,725
Senior Care	222,796	-	-	-	222,796
Emergency Communications	2,016,091	-	-	-	2,016,091
Economic Development Projects	5,647,184	-	-	-	5,647,184
Snow Removal	-	861,620	-	-	861,620
Debt Service	-	-	10,137,189	-	10,137,189
Land Purchases	-	-	-	22,397	22,397
Public Access Television	-	-	-	8,255	8,255
Library Services	-	-	-	2,872,364	2,872,364
Health Care	-	-	-	1,380,730	1,380,730
Social Security Obligations	-	-	-	358,353	358,353
Public Transportation	-	-	-	1,903,973	1,903,973
Community Betterment	-	-	-	15,005	15,005
Building Code Enforcement	-	-	-	3,937,661	3,937,661
Park Projects	-	-	-	119,288	119,288
Other Purposes	4,396,060	-	-	-	4,396,060
Total Assigned	14,425,933	27,434,034	10,137,189	10,672,180	62,669,336
Unassigned	31,198,290	-	-	(133,773)	31,064,517
Total Fund Balances	\$ 55,219,236	58,016,038	32,808,438	134,585,500	280,629,212

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(6) **RECEIVABLES AND DUE FROM OTHER GOVERNMENTS**

Receivables at August 31, 2013, consist of the following (in thousands):

Fund	Taxes	Accounts	Loans	Lease	Contributions	Special Assessment		Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
						Current	Deferred				
General	\$ 4,173	2,908	-	-	-	-	-	73	7,154	-	7,154
Street Construction	-	294	-	-	-	-	-	70	364	-	364
West Haymarket JPA	1,311	101	-	-	-	-	-	89	1,501	-	1,501
Wastewater System	-	4,492	-	-	-	-	-	-	4,492	-	4,492
Water System	-	7,938	-	-	-	-	-	-	7,938	-	7,938
Electric System	-	32,802	-	-	-	-	-	81	32,883	1,633	31,250
Nonmajor -											
Special Revenue	1,867	330	24,217	-	-	-	-	62	26,476	4,498	21,978
Debt Service	934	-	-	-	-	518	3,220	50	4,722	280	4,442
Capital Projects	-	-	-	-	-	-	-	46	46	-	46
Permanent	-	-	-	-	-	-	-	3	3	-	3
Enterprise	-	5,646	-	-	-	-	-	48	5,694	2,709	2,985
Internal Service	-	220	-	785	-	-	-	62	1,067	-	1,067
Fiduciary	-	41	-	-	735	-	-	1,008	1,784	-	1,784
Total	\$ 8,285	54,772	24,217	785	735	518	3,220	1,592	94,124	9,120	85,004

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2013, were \$161,642.

The total of Due From Other Governments of \$28,567,324 includes the following significant items:

Fund/Fund Type	Amount	Service
General/Major Governmental	\$ 10,995,254	State of Nebraska, July/August Sales and Use Tax
	431,083	August Motor Vehicle Taxes Collected by Lancaster County
	113,337	Federal Government, Cost Reimbursements
	31,932	State of Nebraska, Cost Reimbursements
	83,057	Lancaster County, Cost Reimbursements
Street Construction/Major Governmental	3,793,251	State of Nebraska, July/August Highway User Fees
	400,000	State of Nebraska, Cost Reimbursements
	197,568	Lancaster County, Cost Reimbursements
	2,019,123	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	754,054	Federal Government, Cost Reimbursements
Wastewater/Major Enterprise	1,136,734	State of Nebraska, Cost Reimbursements
Water/Major Enterprise	3,618,166	State of Nebraska, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	363,903	Lancaster County, Cost Reimbursements
StarTran/Special Revenue	146,381	Federal Government, Cost Reimbursements
Federal Grants/Special Revenue	1,661,900	Federal Government, Cost Reimbursements
	581,390	State of Nebraska, Cost Reimbursements
Antelope Valley/Tax Supported Bonds/Debt Service	166,667	State of Nebraska, July/August Development Fund Disbursements
Vehicle Tax/Capital Projects	1,487,897	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Bonds/Capital Projects	186,622	Federal Government, Cost Reimbursements
Other Capital Projects/Capital Projects	23,925	Federal Government, Cost Reimbursements
Parking System/Enterprise	30,380	State of Nebraska, Cost Reimbursements
Pinnacle Bank Arena/Enterprise	18,076	University of Nebraska-Lincoln Billings
Information Services/Internal Service	270,779	Lancaster County Billings
Insurance Revolving/Internal Service	12,507	Lancaster County Billings
Copy Services/Internal Service	<u>13,632</u>	Lancaster County Billings
Subtotal	28,537,618	
All other	<u>29,706</u>	
Total Due From Other Governments	<u>\$ 28,567,324</u>	

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(7) **CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 138,768,877	4,374,402	3,708,806	139,434,473
Construction in Progress	159,386,583	168,953,556	264,992,880	63,347,259
Total Capital Assets, not being Depreciated	<u>298,155,460</u>	<u>173,327,958</u>	<u>268,701,686</u>	<u>202,781,732</u>
Capital Assets, being Depreciated:				
Buildings	88,406,277	193,574,249	515,217	281,465,309
Improvements Other Than Buildings	69,467,103	4,142,883	131,246	73,478,740
Machinery and Equipment	89,069,443	7,438,277	5,186,320	91,321,400
Infrastructure	607,935,448	80,223,554	72,324	688,086,678
Total Capital Assets, being Depreciated	<u>854,878,271</u>	<u>285,378,963</u>	<u>5,905,107</u>	<u>1,134,352,127</u>
Less Accumulated Depreciation for:				
Buildings	34,588,816	2,556,910	452,967	36,692,759
Improvements Other Than Buildings	29,106,974	2,197,110	128,055	31,176,029
Machinery and Equipment	53,767,082	7,482,569	5,004,608	56,245,043
Infrastructure	213,679,369	19,079,475	37,356	232,721,488
Total Accumulated Depreciation	<u>331,142,241</u>	<u>31,316,064</u>	<u>5,622,986</u>	<u>356,835,319</u>
Total Capital Assets, being Depreciated, Net	<u>523,736,030</u>	<u>254,062,899</u>	<u>282,121</u>	<u>777,516,808</u>
Governmental Activities Capital Assets, Net	<u>\$ 821,891,490</u>	<u>427,390,857</u>	<u>268,983,807</u>	<u>980,298,540</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 24,232,300	6,355	-	24,238,655
Construction in Progress	59,869,232	82,943,902	54,333,705	88,479,429
Total Capital Assets, not being Depreciated	<u>84,101,532</u>	<u>82,950,257</u>	<u>54,333,705</u>	<u>112,718,084</u>
Capital Assets, being Depreciated:				
Buildings	215,720,069	2,119,405	77,306	217,762,168
Improvements Other Than Buildings	633,568,065	17,988,221	506,419	651,049,867
Machinery and Equipment	31,003,757	3,378,446	1,078,634	33,303,569
Utility Plant	1,267,997,000	36,904,000	4,693,000	1,300,208,000
Total Capital Assets, being Depreciated	<u>2,148,288,891</u>	<u>60,390,072</u>	<u>6,355,359</u>	<u>2,202,323,604</u>
Less Accumulated Depreciation for:				
Buildings	75,328,261	4,625,456	77,306	79,876,411
Improvements Other Than Buildings	182,617,177	12,807,678	483,499	194,941,356
Machinery and Equipment	18,238,290	1,973,454	619,449	19,592,295
Utility Plant	506,423,000	41,947,000	5,585,000	542,785,000
Total Accumulated Depreciation	<u>782,606,728</u>	<u>61,353,588</u>	<u>6,765,254</u>	<u>837,195,062</u>
Total Capital Assets, being Depreciated, Net	<u>1,365,682,163</u>	<u>(963,516)</u>	<u>(409,895)</u>	<u>1,365,128,542</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,449,783,695</u>	<u>81,986,741</u>	<u>53,923,810</u>	<u>1,477,846,626</u>

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

Governmental Activities:	
General Government	\$ 1,416,382
Public Safety	2,080,111
Streets and Highways, including Infrastructure	18,363,694
Culture and Recreation	4,300,423
Economic Opportunity	51,459
Health and Welfare	293,212
Mass Transit	2,101,628
Subtotal	<u>28,606,909</u>
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	2,709,155
Total Depreciation Expense - Governmental	<u>\$ 31,316,064</u>
Business-type Activities:	
Golf	492,968
Parking System	1,621,709
Pershing Municipal Auditorium	19,418
Solid Waste Management	1,833,106
Emergency Medical Services	210,967
Wastewater System	7,778,690
Water System	7,449,730
Lincoln Electric System	41,947,000
Total Depreciation Expense - Business-type	<u>\$ 61,353,588</u>

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

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Wastewater System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,996,823	4,306	-	6,001,129
Construction in Progress	1,767,162	6,977,258	3,808,174	4,936,246
Total Capital Assets, not being Depreciated	<u>7,763,985</u>	<u>6,981,564</u>	<u>3,808,174</u>	<u>10,937,375</u>
Capital Assets, being Depreciated:				
Buildings	79,839,389	74,684	-	79,914,073
Improvements Other Than Buildings	265,147,852	5,512,038	-	270,659,890
Machinery and Equipment	8,793,982	307,181	128,994	8,972,169
Total Capital Assets, being Depreciated	<u>353,781,223</u>	<u>5,893,903</u>	<u>128,994</u>	<u>359,546,132</u>
Less Accumulated Depreciation for:				
Buildings	25,086,939	1,894,624	-	26,981,563
Improvements Other Than Buildings	74,251,088	5,341,568	-	79,592,656
Machinery and Equipment	5,341,708	542,498	113,984	5,770,222
Total Accumulated Depreciation	<u>104,679,735</u>	<u>7,778,690</u>	<u>113,984</u>	<u>112,344,441</u>
Total Capital Assets, being Depreciated, Net	<u>249,101,488</u>	<u>(1,884,787)</u>	<u>15,010</u>	<u>247,201,691</u>
Wastewater System Capital Assets, Net	<u>\$ 256,865,473</u>	<u>5,096,777</u>	<u>3,823,184</u>	<u>258,139,066</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,449,698	2,049	-	5,451,747
Construction in Progress	4,400,696	11,585,123	10,286,791	5,699,028
Total Capital Assets, not being Depreciated	<u>9,850,394</u>	<u>11,587,172</u>	<u>10,286,791</u>	<u>11,150,775</u>
Capital Assets, being Depreciated:				
Buildings	67,727,299	275,445	-	68,002,744
Improvements Other Than Buildings	327,271,789	11,454,746	-	338,726,535
Machinery and Equipment	8,616,076	562,818	99,125	9,079,769
Total Capital Assets, being Depreciated	<u>403,615,164</u>	<u>12,293,009</u>	<u>99,125</u>	<u>415,809,048</u>
Less Accumulated Depreciation for:				
Buildings	25,778,198	1,230,986	-	27,009,184
Improvements Other Than Buildings	86,316,745	5,766,887	-	92,083,632
Machinery and Equipment	4,576,144	451,857	86,233	4,941,768
Total Accumulated Depreciation	<u>116,671,087</u>	<u>7,449,730</u>	<u>86,233</u>	<u>124,034,584</u>
Total Capital Assets, being Depreciated, Net	<u>286,944,077</u>	<u>4,843,279</u>	<u>12,892</u>	<u>291,774,464</u>
Water System Capital Assets, Net	<u>\$ 296,794,471</u>	<u>16,430,451</u>	<u>10,299,683</u>	<u>302,925,239</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 52,684,000	55,132,000	37,796,000	70,020,000
Capital Assets, being Depreciated:				
Utility Plant	1,267,997,000	36,904,000	4,693,000	1,300,208,000
Less Accumulated Depreciation	506,423,000	41,947,000	5,585,000	542,785,000
Total Capital Assets, being Depreciated, Net	<u>761,574,000</u>	<u>(5,043,000)</u>	<u>(892,000)</u>	<u>757,423,000</u>
Electric System Capital Assets, Net	<u>\$ 814,258,000</u>	<u>50,089,000</u>	<u>36,904,000</u>	<u>827,443,000</u>

Interest incurred during the construction phase of capital assets of business-type activities is added to the cost of the underlying assets constructed and is amortized over the useful lives of the assets. During 2013, capitalized interest activity was as follows:

	Incurred Interest Cost	Capitalized Interest
Lincoln Wastewater System	\$ 3,036,393	73,366
Lincoln Water System	2,347,697	248,479
Lincoln Parking System	1,188,954	148,919
Golf Fund	39,191	23,495

Lincoln Electric System utility plant includes an allowance for funds used during construction for projects costing in excess of \$500,000. The allowance for funds used during construction is based on LES' approximate weighted-average interest rate on debt during the current period. The weighted-average rate for 2012 was 4.6%, until August 2012. On September 1, 2012 the rate was decreased to 3.5%.

CITY OF LINCOLN, NEBRASKA
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(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2013, consist of the following:

	Due To	Due From						Total
		General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	645	15,499	33,538	898,149	537,478	1,485,309	
Street Construction	402,532	-	-	8,635,505	-	-	9,038,037	
West Haymarket JPA	499,322	-	-	-	-	-	499,322	
Nonmajor Governmental	529,030	-	-	1,225,880	6,251	-	1,761,161	
Lincoln Wastewater System	174,043	-	-	274,406	-	-	448,449	
Lincoln Water System	195,924	-	-	867,183	-	-	1,063,107	
Nonmajor Enterprise	202,345	5,846	-	33	162,385	-	370,609	
Internal Service	873,392	281,977	9	98,982	29,364	65,486	1,349,210	
Total	\$ 2,876,588	288,468	15,508	11,135,527	1,096,149	602,964	16,015,204	

“Due to” and “Due from” balances are recorded when funds overdraw their share of pooled cash. Other balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During 2005 the City’s General Fund purchased the street light system from LES at an amount equal to the net book value of the street light system at the transaction date. The purchase was financed through an interfund borrowing. On the government-wide statements, the purchase was accounted for as a purchase of capital assets of governmental activities and a sale of capital assets of business-type activities. On the governmental fund statements, the General Fund recognized a liability in due to other funds and a prepayment for the funds borrowed from the City’s other funds. Each fund has recorded a receivable for the pro-rata share of the borrowed funds. The General Fund will pay back the amount borrowed plus interest in scheduled monthly installments over a period of 134 months. As payments are made, the General Fund will reduce the liability, the related prepayment, and recognize streets and highways expenditures.

Transfers To/From Other Funds for the year ended August 31, 2013, consist of the following:

	Transfer To	Transfer From							Total
		General Fund	Street Construction	Nonmajor Governmental	Lincoln Electric System	Lincoln Wastewater	Lincoln Water	Nonmajor Enterprise	
General Fund	\$ -	-	531,048	8,609,168	510	250,510	1,450,205	4,416	10,845,857
Street Construction	2,968,449	-	16,330,509	-	-	-	9,023	154,810	19,462,791
Nonmajor Governmental	17,606,672	4,272,216	2,934,049	-	11,212	554,563	1,163,226	9,383	26,551,321
Nonmajor Enterprise	628,187	-	29,715	-	-	-	-	-	657,902
Internal Service	79,992	-	-	-	-	-	-	-	79,992
Total	\$ 21,283,300	4,272,216	19,825,321	8,609,168	11,722	805,073	2,622,454	168,609	57,597,863

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) transfer payment in lieu of taxes and return on equity from LES to the General Fund.

The \$250,168 variance for transfers on the Statement of Activities is caused by the different fiscal year end dates used by the City (August 31) and Lincoln Electric System (December 31). Lincoln Electric System records an estimate for payments of return on equity as an accrued liability at December 31. The City however, receives the payments before the August 31 fiscal year end, and records the total amount as a transfer in.

CITY OF LINCOLN, NEBRASKA
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(9) **DEBT OBLIGATIONS**

SHORT-TERM

Established by City Ordinance, LES may borrow up to \$150 million under a commercial paper note program. At December 31, 2012, LES had \$88.5 million of tax-exempt commercial paper notes outstanding. The notes mature at various dates but not more than 270 days after the date of issuance. The weighted-average interest rate for the year ended December 31, 2012, was 0.16%. The outstanding commercial paper notes are secured by a revolving credit agreement, which provides for borrowings up to \$150 million. LES pays a commitment fee for the credit agreement. Under the terms of the agreement, LES can either settle or refinance the commercial paper upon maturity. LES uses commercial paper notes as part of their long-term financing strategy. As such, commercial paper is typically renewed as it matures. The weighted average length of maturity of commercial paper for 2012 was 51 days.

Commercial paper activity for the year ended December 31, 2012, is as follows:

Lincoln Electric System:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Commercial Paper Notes	\$ 128,500,000	779,500,000	(819,500,000)	88,500,000	88,500,000

LONG-TERM

The City issues general obligation, special assessment, and revenue bonds to finance the acquisition and construction of major capital assets. Bonded indebtedness has also been entered into to advance refund several general obligation and revenue bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Special assessment bonds are repaid from amounts levied against affected property owners, but in the unlikely event collections are not sufficient to make debt payments, the responsibility rests with the City to meet that obligation. For revenue bonds the government pledges income derived from the acquired or constructed assets to pay the debt service.

Net position of \$4,413,826, \$3,293,427, \$10,244,591, and \$572,805 is currently available in the debt service funds to service the General Obligation Bonds, Tax Supported Bonds, Tax Allocation Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

The City has entered into lease agreements for financing the acquisition of land, buildings, street lights, emergency ambulances and defibrillators, fire engines, golf equipment, and computer equipment and software. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Land	\$ 1,774,450	\$ 210,000
Buildings	19,902,404	1,576,024
Improvements	219,925	-
Infrastructure	17,442,628	-
Machinery and Equipment	6,383,372	3,438,897
Construction in Progress	5,367,422	-
Less Accumulated Depreciation, (where applicable)	(8,610,204)	(2,249,521)
Total	\$ 42,479,997	\$ 2,975,400

Under the City's Home Rule Charter, there is no legal debt limit. The various bond indentures contain significant limitations and restrictions on annual debt service requirements, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages.

CITY OF LINCOLN, NEBRASKA
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In 2013 the City issued the following refunding bonds:

- \$277,315,000 of LES revenue and refunding bonds to advance refund \$58,040,000 of series 2002 bonds, \$94,435,000 of series 2003 bonds, and \$61,290,000 of series 2005 bonds. The issuance was also used to fund electric system projects and the redemption of \$40,000,000 of outstanding commercial paper notes. The refunding resulted in debt service savings of approximately \$40,860,000 and net present value savings of approximately \$28,140,000.
- \$2,900,000 in parking revenue refunding bonds with an average interest rate of 2.52% to advance refund \$3,290,000 of 2001 parking revenue bonds. The refunding resulted in a cash flow differential of \$673,821, and a net present value savings of \$519,494.
- \$2,490,000 in solid waste management revenue refunding bonds with an average interest rate of 2.39% to refund \$2,800,000 in outstanding solid waste management revenue bonds, series 2006. The refunding resulted in a cash flow differential of \$425,451 and a net present value savings of \$267,683.
- \$28,595,000 in water revenue refunding bonds with an average interest rate of 3.42% to advance refund \$31,210,000 in outstanding water revenue bonds, series 2004. The refunding resulted in a cash flow differential of \$5,748,864 and a net present value savings of \$3,315,926.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environmental Quality (NDEQ) consisting of two separate contracts. Under contract 317247 the Lincoln Wastewater System has borrowed \$4,808,792 to fund certain sewer system extension and sewer repairs. The System also borrowed \$5,000,000 under contract 317078 to fund certain treatment facilities projects. The interest rate throughout the term of the loan is 2.0%.

The Wastewater System has also entered into a \$17,000,000 loan agreement with NDEQ to fund certain System improvements. The interest rate during the period of construction is 2%. After the date of initiation of operation, the interest rate will increase to 2.25%. In addition, an administrative fee of 1% will be incurred on the loan. During the fiscal year ended August 31, 2013, Lincoln Wastewater System incurred project costs totaling \$4,929,999, resulting in a project loan payable of \$10,136,822. The remaining available funds totaling \$6,863,178 are not reflected in the financial statements.

Lincoln Water System has entered into a \$15,000,000 loan agreement with NDEQ. This funding is available to fund certain water system extension and water repairs. The interest rate during the period of construction is 2%. After the date of initiation of operation, the interest rate will increase to 2.25%. In addition, an administrative fee of 1% will be incurred on the loan. During the year ended August 31, 2013, project costs were incurred totaling \$7,383,648, resulting in the recognition of a project loan payable of \$9,439,593. The remaining available funds totaling \$5,560,407 are not reflected in the financial statements.

CITY OF LINCOLN, NEBRASKA
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Long-term bonded debt of the City is comprised of the following individual issues (in thousands of dollars):

Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Governmental Activities:							
General Obligation Bonds:							
General Bonds:							
\$ 9,950	06/15/05	Storm Sewer Construction	3.250 - 4.250	Serial 2006 to 2025	2015	Semiannually	\$ 6,795
8,295	06/27/07	Stormwater Drainage and Flood Mgmt	4.625 - 5.000	Serial 2008 to 2027	2017	"	6,590
8,200	02/10/11	Stormwater Bonds	2.000 - 4.500	Serial 2013 to 2030	2020	"	7,835
19,290	06/21/11	Refunding	0.200 - 5.000	Serial 2011 to 2022	2019	"	16,710
8,090	06/26/12	Refunding	1.000 - 3.000	Serial 2013 to 2023	---	"	7,185
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	6,385
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
Total General Bonds							<u>\$ 53,015</u>
Tax Allocation Bonds:							
\$ 5,500	04/21/04	Tax Allocation Bonds	3.000 - 4.800	Serial 2004 to 2015	2010	Semiannually	\$ 1,930
365	08/15/05	Tax Allocation Bonds	4.750	Serial 2006 to 2018	Anytime	"	157
288	10/01/06	Tax Allocation Bonds	5.100	Serial 2008 to 2016	Anytime	"	124
2,205	04/05/07	Tax Allocation Bonds	5.000 - 5.550	Serial 2009 to 2018	2012	"	1,455
601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	"	535
388	06/01/07	Tax Allocation Bonds	5.240	Serial 2007 to 2020	Anytime	"	248
369	06/15/07	Tax Allocation Bonds	5.400	Serial 2007 to 2014	Anytime	"	86
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	31
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	53
474	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2022	Anytime	"	225
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	400
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	144
611	06/30/09	Tax Allocation Bonds	7.00	Serial 2011 to 2023	Anytime	"	573
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	2,970
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	224
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	99
Total Tax Allocation Bonds							<u>\$ 9,254</u>
Tax Supported Bonds:							
\$ 27,000	12/05/06	Highway Allocation Fund	4.000 - 5.000	Serial 2008 to 2027	2016	Semiannually	\$ 21,030
28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	"	27,135
16,515	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Serial 2016 to 2031	2023	"	16,515
2,635	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Term 2035	2023	"	2,635
5,850	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Term 2037	2023	"	5,850
Total Tax Supported Bonds							<u>\$ 73,165</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 725
375	08/18/11	Special Assessment	4.200	Term 2031	2016	"	375
3,000	11/23/11	Special Assessment	2.000 - 3.500	Serial 2012 to 2031	2021	"	2,740
Total Special Assessment Bonds							<u>\$ 3,840</u>
West Haymarket Joint Public Agency							
\$ 31,515	09/08/10	Facility Bonds Taxable Build America Bonds	3.500 - 4.45	Serial 2020 to 2030	Anytime	Semiannually	\$ 31,515
68,485	09/08/10	Facility Bonds Taxable Build America Bonds	4.750 / 5.000	Term 2035 & 2045	Anytime	"	68,485
15,785	12/01/10	Facility Bonds Taxable Build America Bonds	4.000 - 5.000	Serial 2020 - 2025	Anytime	"	15,785
52,180	12/01/10	Facility Bonds Taxable Build America Bonds	5.400 / 5.800 / 6.000	Term 2030 2035 2039	Anytime	"	52,180
32,035	12/01/10	Recovery Zone Economic Development	6.750	Term 2045	Anytime	"	32,035
44,290	08/24/11	Facility Bonds	3.500 - 5.000	Serial 2021 to 2032	2021	"	44,290
55,710	08/24/11	Facility Bonds	4.250 / 5.000	Term 2036 & 2042	2021	"	55,710
Total West Haymarket Joint Public Agency							<u>\$ 300,000</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 439,274</u>
Tax Supported Bonds:							
\$ 11,080	3/13/02	Antelope Valley Project	1.500 - 5.000	Serial 2002 to 2016	2012	Semiannually	<u>\$ 4,470</u>

CITY OF LINCOLN, NEBRASKA
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Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Business-Type Activities:							
Revenue Bonds:							
\$ 18,000	08/03/05	Wastewater Revenue	4.000 - 5.000	Serial 2006 to 2030	2015	Semiannually	\$ 13,900
16,710	04/18/07	Wastewater Revenue	4.000 - 4.500	Serial 2008 to 2029	2017	"	13,595
3,750	04/18/07	Wastewater Revenue	4.375	Term 2032	2017	"	3,750
38,290	05/24/12	Wastewater Revenue and Refunding	1.000 - 5.000	Serial 2013 to 2028	2023	"	36,325
Total Wastewater Bonds							<u>\$ 67,570</u>
\$ 10,515	08/04/09	Water Revenue	2.000 - 4.125	Serial 2013 to 2029	2019	Semiannually	\$ 10,050
4,905	08/04/09	Water Revenue	4.5000	Term 2034	2019	"	4,905
10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	---	"	9,885
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	"	28,220
Total Water Bonds							<u>\$ 53,060</u>
\$ 2,065	12/29/10	Parking Revenue	1.250 - 2.850	Serial 2011 to 2014	---	Semiannually	\$ 600
7,745	01/27/11	Parking Revenue and Refunding	2.000 - 5.000	Serial 2015 to 2024	2021	"	7,745
10,775	01/27/11	Parking Revenue and Refunding	5.000 / 5.125 / 5.500	Term 2026 & 2031	2021	"	10,775
9,315	11/29/12	Parking Revenue and Refunding	0.400 - 4.000	Serial 2013 to 2027	2022	"	8,630
2,765	11/29/12	Parking Revenue and Refunding	3.00	Term 2032	2022	"	2,765
Total Parking Bonds							<u>\$ 30,515</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 7,865
\$ 93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2014	Semiannually	\$ 10,330
53,710	10/01/05	Electric Revenue Bonds	4.750	Term 2035	2015	"	53,710
183,230	05/15/07	Electric Revenue and Refunding Bonds	4.000 - 5.000	Serial 2009 to 2035	2016	"	168,285
81,850	05/15/07	Electric Revenue and Refunding Bonds	4.500 / 4.750	Term 2034 & 2037	2016	"	81,850
247,150	08/15/12	Electric Revenue and Refunding Bonds	1.000 - 5.000	Serial 2013 to 2032	2016	"	247,150
30,165	08/15/12	Electric Revenue and Refunding Bonds	3.625 - 5.000	Term 2037	2016	"	30,165
Total Electric Bonds							<u>\$ 591,490</u>
TOTAL REVENUE BONDS							<u><u>\$ 750,500</u></u>

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

Fiscal Year Ended August 31	Governmental Activities					
	General Obligation Bonds		Tax Supported Bonds		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 8,883	20,158	780	200	4,812	1,163
2015	9,593	19,915	815	162	5,347	1,047
2016	10,863	19,574	855	122	5,195	902
2017	9,987	19,225	2,020	51	3,580	765
2018	10,204	18,881	-	-	2,920	658
2019 - 2023	69,100	87,819	-	-	10,694	2,119
2024 - 2028	71,239	71,698	-	-	6,220	575
2029 - 2033	65,095	56,927	-	-	275	20
2034 - 2038	71,235	40,760	-	-	-	-
2039 - 2043	79,245	21,177	-	-	-	-
2044 - 2046	33,830	3,032	-	-	-	-
Total	<u>\$ 439,274</u>	<u>379,166</u>	<u>4,470</u>	<u>535</u>	<u>39,043</u>	<u>7,249</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 28,655	32,544	532	375	450	46
2015	29,895	31,679	888	715	399	36
2016	31,075	30,446	1,280	695	346	29
2017	33,060	29,201	1,309	666	352	23
2018	34,445	27,763	1,339	637	202	17
2019 - 2023	163,835	115,149	7,172	2,707	640	32
2024 - 2028	136,525	82,691	7,263	1,828	-	-
2029 - 2033	135,440	52,405	7,295	832	-	-
2034 - 2038	157,570	22,392	1,926	64	-	-
Total	<u>\$ 750,500</u>	<u>424,270</u>	<u>29,004</u>	<u>8,519</u>	<u>2,389</u>	<u>183</u>

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

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,619	3,014	3,685	1,755	19,865	26,780
2015	3,695	2,977	4,060	1,990	21,060	26,083
2016	4,202	2,808	4,100	1,919	22,050	25,093
2017	4,361	2,631	4,161	1,847	23,800	24,109
2018	4,444	2,525	4,268	1,711	24,990	22,919
2019 - 2023	24,099	10,538	21,910	6,131	114,230	95,835
2024 - 2028	28,259	5,661	11,119	2,758	93,100	72,801
2029 - 2033	11,573	1,198	7,498	1,224	115,905	50,093
2034 - 2037	1,308	50	1,698	63	156,490	22,343
Total	\$ 85,560	31,402	62,499	19,398	591,490	366,056

Long-term liability activity for the year ended August 31, 2013, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Leases Payable:					
General Bonds	\$ 49,340	7,900	(4,225)	53,015	4,240
Tax Allocation Bonds	10,358	103	(1,207)	9,254	1,278
Tax Supported Bonds	50,250	25,000	(2,085)	73,165	3,190
Special Assessment Debt with Government Commitment	4,010	-	(170)	3,840	175
West Haymarket Joint Public Agency Bonds	300,000	-	-	300,000	-
Tax Supported Antelope Valley Project Bonds	5,210	-	(740)	4,470	780
Capital Leases	33,371	10,000	(4,328)	39,043	4,812
Gross Bonds and Leases Payable	452,539	43,003	(12,755)	482,787	14,475
Deferred Amounts:					
For Issuance Premiums	11,448	1,531	(367)	12,612	-
For Issuance Discounts	(1,004)	-	2	(1,002)	-
Net Bonds and Leases Payable	462,983	44,534	(13,120)	494,397	14,475
Other Liabilities:					
Compensated Absences	15,161	10,128	(7,681)	17,608	8,163
Construction Contracts	4,492	-	(136)	4,356	-
Commissions Payable	-	2,466	-	2,466	106
Claims and Judgements	10,303	26,010	(26,533)	9,780	3,734
Net Pension Obligation	3,116	136	-	3,252	-
Net OPEB Obligation	5,444	1,998	-	7,442	-
Governmental Activities Long-Term Liabilities	\$ 501,499	85,272	(47,470)	539,301	26,478
Business-Type Activities:					
Bonds, Loans, Note, and Leases Payable:					
Wastewater Revenue Bonds	\$ 70,690	-	(3,120)	67,570	3,245
Wastewater Loan Payable	13,904	4,454	(368)	17,990	374
Water Revenue Bonds	57,525	28,595	(33,060)	53,060	3,685
Water Loan Payable	2,628	6,811	-	9,439	-
Electric System Revenue Bonds	547,550	277,315	(233,375)	591,490	19,865
Parking Revenue Bonds	22,995	12,080	(4,560)	30,515	1,310
Solid Waste Management Revenue Bonds	2,800	8,340	(3,275)	7,865	550
Pinnacle Bank Arena Note	-	1,575	-	1,575	158
Capital Leases	2,271	512	(394)	2,389	450
Gross Bonds, Loans, Note, and Leases Payable	720,363	339,682	(278,152)	781,893	29,637
Deferred Amounts:					
For Issuance Premiums	14,928	39,112	(4,737)	49,303	-
For Issuance Discounts	(65)	-	2	(63)	-
Net Bonds, Loans, Note, and Leases Payable	735,226	378,794	(282,887)	831,133	29,637
Other Liabilities:					
Compensated Absences	1,739	1,511	(1,080)	2,170	1,268
Construction Contracts	5,400	5,407	(5,092)	5,715	5,429
Claims and Judgements	941	5,385	(5,243)	1,083	700
Net OPEB Obligation	837	307	-	1,144	-
Accrued Landfill Closure/Postclosure Care Costs	15,436	636	(168)	15,904	-
Business-Type Activities Long-Term Liabilities	\$ 759,579	392,040	(294,470)	857,149	37,034

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Internal Service funds predominantly serve the governmental funds. Therefore, their long-term liabilities are included with the governmental activities above. Compensated absences for governmental activities are generally liquidated in the General Fund as well as various other Special Revenue and Internal Service funds where personal costs are incurred. The construction contracts are liquidated in the Street Construction fund, financed primarily with impact fee collections, and the West Haymarket JPA fund, financed with occupation tax collections. The claims and judgments liability will generally be liquidated through the City's Insurance Revolving Internal Service Fund, which will finance the payment of those claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension obligation will be liquidated through the Police & Fire Pension Contributions Special Revenue Fund with financing provided by an annual property tax levy. The net OPEB obligation for an implicit rate subsidy will be liquidated with those governmental funds where personal insurance costs are incurred.

Long-term liability activity for the major enterprise funds for the year ended August 31, 2013, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lincoln Wastewater System:					
Bonds and Loans Payable:					
Wastewater Revenue Bonds	\$ 70,690	-	(3,120)	67,570	3,245
Wastewater Loans Payable	13,904	4,454	(368)	17,990	374
Deferred for Issuance Premiums	4,012	-	(253)	3,759	-
Deferred for Issuance Discounts	(10)	-	1	(9)	-
Net Bonds and Loans Payable	<u>88,596</u>	<u>4,454</u>	<u>(3,740)</u>	<u>89,310</u>	<u>3,619</u>
Other Liabilities:					
Compensated Absences	566	441	(354)	653	368
Construction Contracts	3,451	1,529	(3,333)	1,647	1,529
Net OPEB Obligation	162	59	-	221	-
Total Long-Term Liabilities	<u>\$ 92,775</u>	<u>6,483</u>	<u>(7,427)</u>	<u>91,831</u>	<u>5,516</u>
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 57,525	28,595	(33,060)	53,060	3,685
Water Loan Payable	2,628	6,811	-	9,439	-
Deferred for Issuance Premiums	2,105	2,719	(1,201)	3,623	-
Deferred for Issuance Discounts	(33)	-	3	(30)	-
Net Bonds and Loan Payable	<u>62,225</u>	<u>38,125</u>	<u>(34,258)</u>	<u>66,092</u>	<u>3,685</u>
Other Liabilities:					
Compensated Absences	800	579	(429)	950	465
Construction Contracts	1,949	3,878	(1,758)	4,069	3,900
Net OPEB Obligation	235	87	-	322	-
Total Long-Term Liabilities	<u>\$ 65,209</u>	<u>42,669</u>	<u>(36,445)</u>	<u>71,433</u>	<u>8,050</u>
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 547,550	277,315	(233,375)	591,490	19,865
Deferred for Issuance Premiums	8,788	35,528	(3,225)	41,091	-
Net Bonds Payable	<u>556,338</u>	<u>312,843</u>	<u>(236,600)</u>	<u>632,581</u>	<u>19,865</u>
Other Liabilities:					
Claims and Judgements	941	5,385	(5,243)	1,083	700
Total Long-Term Liabilities	<u>\$ 557,279</u>	<u>318,228</u>	<u>(241,843)</u>	<u>633,664</u>	<u>20,565</u>

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2013, \$12,564,883 of developer purchased tax increment financing notes and bonds were outstanding. Developer purchased tax increment financing allows the City to create special districts to enable public/private improvements within those districts that will generate public/private-sector development. For a period of 15 years, the tax base is frozen at the predevelopment level, and taxes generated from the incremental increases in assessed value are remitted to the developer. The agreements between the City and developer expressly limit the City's commitment for debt repayment to the incremental tax collected during the 15-year period. At the end of the 15-year period, the tax jurisdiction collects on the increased property values. The related tax increment districts are not component units of

CITY OF LINCOLN, NEBRASKA
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the City, therefore, the City is not liable for the outstanding debt. The City's responsibility for this liability is limited only to remittance of paid taxes, thus these notes and bonds are not reflected in the City's financial statements.

CONDUIT DEBT

On January 26, 2012, the City issued \$19,815,000 of Educational Facilities Revenue and Refunding Bonds for the purpose of paying the cost of acquiring, constructing, equipping and furnishing improvements to Nebraska Wesleyan University's (NWU) higher education facilities and refinancing certain outstanding indebtedness of NWU.

The Bonds are limited obligations of the City and are payable solely from payments to be made by NWU pursuant to a loan agreement dated January 1, 2012, by and between the City and NWU. The Bonds shall not be a charge against the City's general credit or taxing powers. The Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, thus these bonds are not reflected in the City's financial statements. At August 31, 2013, \$19,155,000 of these bonds remain outstanding.

(10) RECONCILIATION OF BUDGET BASIS TO GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, funds for which budget and reporting structures differ, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 2013, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	<u>General Fund</u>	<u>Street Construction Fund</u>
Net Change in Fund Balances:		
Balance on a GAAP basis	\$ 6,117,963	26,191,854
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.	(1,012,864)	(402,520)
Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting.	304,895	-
Amount budgeted on a project basis.	-	(1,629,821)
Balance on a budget basis	<u>\$ 5,409,994</u>	<u>24,159,513</u>

(11) DEFICIT NET POSITION

The following funds had a net position or fund balance deficit as of August 31, 2013:

Special Revenue - Impact Fees Fund	\$ (133,773)
Enterprise – Pinnacle Bank Arena Fund	(1,675,001)
Internal Service - Engineering Revolving Fund	(859,104)
Internal Service - Communication Services Fund	(15,703)

The Impact Fees Fund deficit is expected to be reduced through future fee collections.

The Pinnacle Bank Arena Fund was recently created to manage the operation of a new Arena, which opened in August of 2013. The Fund has just begun receiving revenue.

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The Engineering Revolving Fund is evaluating various means to reduce expenses and improve revenue collections affected by staffing levels, overhead costs, billing practices, and intra-City services reimbursements.

The Communication Service Fund is currently adjusting their billing process and when completed is expected to reduce the deficit.

(12) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

General Fund		
Street Lighting	\$	973,965
Debt Service		48,524

(13) EMPLOYEES' RETIREMENT PLANS

The employees of the City are covered by several retirement plans. Article II Section 3 of the Lincoln Charter assigns the authority to establish and amend benefit provisions of the various plans to the City Council. The Police and Fire Department Plan (PFDP) is administered by the City and is included in the Fiduciary Fund type. All other plans are administered by outside trustees and are not included in the City's basic financial statements.

POLICE AND FIRE PENSION

Plan Description – PFDP is a single-employer defined benefit pension plan administered by the City of Lincoln. PFDP provides retirement, disability, and death benefits to plan members and beneficiaries. PFDP recognizes plan member contributions in the period in which they are due. Employer contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Cost-of-living adjustments are provided to members and beneficiaries in accordance with the plan document. The City does not issue a separate report that includes financial statements and required supplementary information for PFDP.

The City has established the Deferred Retirement Option Plan (DROP) for police and fire pension members. The DROP program allows a member to retire for pension purposes, but to continue working. The member receives a paycheck and the member's monthly pension benefit is deposited into the member's DROP account. At the end of five years, or anytime before five years, the member must "retire-in-fact". Contributions to the pension are eliminated at the beginning of the DROP period. Pension benefits are set, and will not be increased because of raises, promotions, increased years of service or pension enhancements. When a member retires-in-fact, their monthly pension benefit will be paid directly to them and the member will have access to the funds in their DROP account.

Membership of the pension plan consisted of the following at August 31, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	448
Terminated plan members entitled to but not yet receiving benefits	24
Active plan members (non-DROP)	573
DROP members	48
Total	<u>1,093</u>
Number of participating employers	<u>1</u>

CITY OF LINCOLN, NEBRASKA
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Funding Policy – The contribution requirements of plan members and the City are established by City Ordinance #15728 dated September 24, 1990, and may be amended by the City Council. Plan members are required to contribute between 7% and 8% of their annual covered salary based on an election made by the employee. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2013 was 18.02% of annual covered payroll. Actual contributions by the City were 16.92% of annual covered payroll. Administrative costs of PFDP are financed through investment earnings.

Annual Pension Cost and Net Pension Obligation – The City’s annual pension cost and net pension obligation to PFDP for the current year were as follows:

(Dollar amounts in thousands)

Annual required contribution	\$ 6,718
Interest on net pension obligation	234
Adjustment to annual required contribution	<u>(369)</u>
Annual pension cost	6,583
Contributions made	<u>(6,447)</u>
Increase in net pension obligation	136
Net pension obligation beginning	<u>3,116</u>
Net pension obligation ending	<u><u>\$ 3,252</u></u>

Three-Year Trend Information
(Dollar amounts in thousands)

Year Ended August 31	Annual Pension Cost (APC)	Annual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 6,583	\$ 6,447	98 %	\$ 3,252
2012	5,411	6,052	112	3,116
2011	4,495	4,334	96	3,757

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2011, actuarial valuation using the entry age actuarial funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 4.25 to 8.25% per year, including wage inflation at 4.25%, and (c) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using a five year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on an open basis over a period of thirty years.

Funded Status and Funding Progress – As of August 31, 2013, the most recent actuarial valuation date, the plan was 75% funded. The actuarial accrued liability for benefits was \$229,193,000, and the actuarial value of assets was \$172,289,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$56,904,000. The covered payroll (annual payroll of active employees covered by the plan) was \$38,108,000, and the ratio of the UAAL to the covered payroll was 149.3%.

The Schedule of Funding Progress, presented as RSI following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF LINCOLN, NEBRASKA
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ELECTRIC SYSTEM

The City owns and operates its own electric system which is included in the enterprise funds in the accompanying basic financial statements. The electric system is controlled and managed by an administrative board and is not supported by the City's general tax revenues. The electric system provides retirement benefits to its employees under its own separate plan, such benefits being funded solely from revenues derived from the operation of the electric system. A summary of the electric system plan is as follows:

LES has a defined contribution retirement plan created in accordance with Internal Revenue Code Section 401(K) covering all employees upon employment. The plan assets are held, managed and administered by a trustee. The plan was established under the authority of the administrative board and contributions are also established by the administrative board. LES' contribution is equal to 200% of the employees' contributions, up to 5% of gross wages for employees hired prior to 1/1/11. For employees hired after 1/1/11, LES' contribution is equal to 100% of employee's contributions up to 10% of gross wages. Vesting of LES contributions occurs over a three-year period. Employee forfeitures are used to reduce employer contributions. For the year ended December 31, 2012, LES incurred contribution expense of approximately \$3,533,000 or 9.45% of covered payroll and its employees contributed approximately \$2,490,000 or 6.66% of covered payroll.

DEPARTMENT DIRECTORS

Directors of City departments are eligible the first of the month following the date employed to be covered by the Director's Money Purchase Plan, established by City Ordinance, and administered by an insurance company. The Plan is a defined contribution plan requiring contributions determined by the employees' date of hire. The City contributes 6% to 12% and the employee contributes 0% to 6% of earned income in one calendar year. Employees covered by the Plan may also make voluntary contributions. Participant accounts are immediately 100% vested. Total and covered payroll for the year ended December 31, 2012, was \$1,702,521. City contributions totaled \$190,517 or 11.19% of covered payroll and employee contributions totaled \$8,306 or 5.75% of covered payroll. There were no voluntary employee contributions made for the year ended December 31, 2012.

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after 6 months' service and age 19 to be covered under the City's Money Purchase Pension Plan, established by City Ordinance, and administered by an insurance company. Enrollment in the program is mandatory at age 40 with 5 years service. Vesting occurs in increments between 3 and 7 years of enrollment in the plan. The Plan is a defined contribution plan requiring employees to contribute at a rate determined by the employees' bargaining unit and date of hire. The City contributes between \$1.29 and \$2.00 for every \$1.00 contributed by employees. Employee forfeitures are used to reduce employer contributions. Employees covered by the Plan may also make voluntary contributions. During the year ended December 31, 2012, total payroll was approximately \$79,118,000 and covered payroll was approximately \$70,184,000. City contributions totaled \$7,942,254 or 11.32% of covered payroll and employee contributions totaled \$4,123,488 or 5.88% of covered payroll. Employees made \$75,153 in voluntary contributions for the year ended December 31, 2012.

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(14) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City offers employees and their families the opportunity to continue their health care coverage when there is a qualifying event, such as retirement, that would result in a loss of coverage under the City’s plan. Each qualified beneficiary pays the entire cost of premiums for the continuous coverage. The City recognizes as OPEB the implicit rate subsidy provided to retirees when their premium is the “full cost” of the insurer’s charge for the active population. Since the retirees have higher costs, the premium they pay is not expected to cover their costs, and the difference is essentially covered by the City’s payment for active employees. The City plan is a single-employer defined benefit plan. The City does not issue a separate report that includes financial statements and required supplementary information for OPEB.

Funding Policy – The plan is a pay-as-you-go and therefore, is not funded.

Annual OPEB cost and Net OPEB Obligation – The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following Net OPEB obligation balance includes amounts reported in governmental activities, business-type activities and the fiduciary trust fund.

The net OPEB obligation as of August 31, 2013, was calculated as follows:
(Dollar amounts in thousands)

Annual required contribution	\$ 3,098
Interest on net OPEB obligation	282
Adjustment to annual required contribution	<u>(369)</u>
Annual OPEB cost	3,011
Contributions made	<u>(705)</u>
Increase in net OPEB obligation	2,306
Net OPEB obligation beginning	<u>6,283</u>
Net OPEB obligation ending	<u><u>\$ 8,589</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB costs contributed and the net OPEB obligation are as follows:

Year Ended <u>August 31</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 3,011,000	23.4 %	\$ 8,589,000
2012	3,033,000	23.2	6,283,000
2011	2,078,000	25.2	3,955,000

Funded Status and Funding Progress – As of September 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial liability for benefits was \$24,902,000 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$24,902,000. Annual covered payroll was approximately \$118,498,000, and the ratio of the UAAL to the covered payroll was 21.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined

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regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 1, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% discount rate and an annual healthcare cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 5.8% for 2020 and beyond. The general inflation rate used for derivation of these calculations is 2.5%. Participation assumptions include 60% of eligible civilian members and 40% of eligible Fire/Police members electing coverage, with 30% and 20% participation assumed for civilian and Fire/Police spouses, respectively. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a period of thirty years.

PEHP – Defined Contribution Plan

The City has a defined contribution Post Employment Health Plan (PEHP) administered by Nationwide Retirement Solutions. The purpose of the PEHP plan is to provide reimbursement of qualifying health care and medical insurance premium expenses for employees upon separation from employment.

Terms for eligibility and contribution rates are specified in the City's various collective bargaining agreements. Individual employee accounts consist of employer contributions, investment returns and any forfeiture allocations. Current employer contributions range from \$18-\$50 per pay period based on union contracts. Current year contributions totaled approximately \$1,251,000.

Long-Term Disability Plan

The City also provides employees with long-term disability benefits when they become disabled due to a non-work related accident or illness and are unable to perform their essential job functions. Results of an annual actuarial valuation have not been included here as they did not have a significant impact on the City's financial statements.

(15) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966, City dollar tax limit as an initial tax limit, and increasing that tax limit each year following 1966 by 7% so that in each fiscal year thereafter the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 2012 tax levy, for the 2012-2013 fiscal year, was \$107,939,016 below the legal limit, with a tax rate per \$100 valuation of \$0.3158. The assessed value upon which the 2012 levy was based was \$16,676,196,896.

The tax levies for all political subdivisions in Lancaster County are certified by the County Board on or before October 15th. Real estate taxes are due on December 31st and attach as an enforceable lien on property on January 1st following the levy date and become delinquent in two equal installments on April

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1st and August 1st. Personal property taxes are due December 31st and become delinquent on April 1st and August 1st following the levy date. Delinquent taxes bear 14% interest.

Within the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. Property taxes levied for 2012-2013 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2013. 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 revenue on the fund balance sheets.

The City-owned electric utility is required by City Charter to make payments in lieu of taxes, aggregating 5% of its gross retail operating revenues derived from within the city limits of incorporated cities and towns served.

(16) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or acts of God. All risk management activities are accounted for in the Insurance Revolving Fund, an internal service fund, and administered through the Risk Management Division.

For the year ended August 31, 2013, the City had a self-insured retention for workers' compensation exposures up to \$850,000 per individual; law enforcement liability, general liability, public officials liability, public transportation liability, medical professional liability, and auto liability exposures up to \$250,000 per occurrence; building and contents property exposures up to \$50,000 per occurrence; health care benefits with \$150,000 claim specific stop loss; self-insured dental benefits; and employee long-term disability benefits.

The City also obtained excess liability insurance coverage in the current year. Workers' compensation was covered by a policy that provided statutory limits above the City's retention of \$850,000 per individual. Law enforcement, general, public officials, public transportation, medical professional, and auto liabilities were covered by policies that provided limits of \$6 million per occurrence with a \$12 million annual aggregate. Health had excess stop loss coverage above \$150,000 per claim with unlimited coverage. The Nebraska Political Tort Claims Act limits the City's liability for tort claims to \$1 million per individual and \$5 million per occurrence.

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

The City annually retains the services of independent actuaries to analyze the self-insured workers' compensation, general liability, public transportation liability, law enforcement liability, auto liability, and long-term disability exposures. Such analysis has been used to assist the City with its financial planning and management of the self-insurance program. Included in the specific objectives of the studies were to:

- Estimate the outstanding liabilities for the current fiscal year ended August 31,
- Forecast ultimate incurred losses and incurred but not reported losses for future years, and
- Estimate the required funding level for the City's self-insured liabilities.

The City funds its self-insurance program on an "incurred loss" basis. The governmental and proprietary funds pay annual premium amounts, based on past experience of incurred losses, to the Insurance Revolving Fund. Claim liabilities of \$9,780,084 were recorded at August 31, 2013, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance program. Excluding medical care claims approximating \$1,485,000, the remaining liability is the actuarially estimated amount of claims based on an estimate of ultimate incurred and incurred but not reported losses as of that date and is calculated considering the effects of inflation, recent claim settlement trends including frequency and

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amount of pay-outs, and other economic and social factors. The claims liability estimate also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of their allocation to specific claims. These liabilities have been discounted using a .35% discount rate. The City purchased an annuity contract in the amount of \$36,972 in the current fiscal year to fund a Medicare set-aside on a Worker's Compensation claim.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2013 and 2012:

<u>2013</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 7,729,000	886,204	1,687,834	10,303,038
Current year claims and changes in estimates	3,298,000	163,558	22,548,762	26,010,320
Claims payments	(3,673,000)	(108,558)	(22,751,716)	(26,533,274)
Balance at August 31	<u>\$ 7,354,000</u>	<u>941,204</u>	<u>1,484,880</u>	<u>9,780,084</u>

<u>2012</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 6,850,000	1,029,797	2,909,159	10,788,956
Current year claims and changes in estimates	4,162,000	(12,220)	22,310,855	26,460,635
Claims payments	(3,283,000)	(131,373)	(23,532,180)	(26,946,553)
Balance at August 31	<u>\$ 7,729,000</u>	<u>886,204</u>	<u>1,687,834</u>	<u>10,303,038</u>

LINCOLN ELECTRIC SYSTEM

LES has a self-funded health and dental insurance program with claims processed by a third party administrator on behalf of the utility. As part of the plan, a reinsurance policy has been purchased which covers claims in excess of \$150,000 per individual. Total accrual and payment history is shown below:

	<u>2012</u>	<u>2011</u>
Balance beginning of year	\$ 941,000	604,000
Claims accrued	5,385,000	6,253,000
Claims paid/other	(5,243,000)	(5,916,000)
Balance end of year	<u>\$ 1,083,000</u>	<u>941,000</u>

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$383,000 and \$382,000 at December 31, 2012 and 2011, respectively. LES established two separate bank accounts for the self-funded employee health and dental insurance plan reserve to ensure compliance with statutory requirements. Although not required by the statute, LES maintains excess insurance which limits the total claims liability for each plan year to not more than 125% of the expected claims liability, up to an annual aggregate maximum of \$1,000,000.

(17) COMMITMENTS AND CONTINGENCIES

GENERAL

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

At August 31, 2013, approximately 96% of the full-time, regular City's employees are represented by a Union. Most existing union contracts expire in August 2014. All future labor contracts involving City employees will be negotiated to cover, at a minimum, a two-year period coinciding with the new biennial budget process.

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The City is a defendant in a number of lawsuits and claims in its normal course of operations. Management is currently of the opinion that ultimate settlement of such lawsuits and claims will not have a materially adverse effect on the financial statements.

The City has been identified as a potentially responsible party (PRP) or equivalent status in relation to several sites with environmental remediation activities. Management currently believes that the liability of the City in connection with these activities will be immaterial. However, the ultimate cost will depend on the extent of remediation required. Management does not believe that changes in these cost estimates will have a materially adverse effect on the financial statements.

The City of Lincoln owns a solid waste disposal area which discontinued operations in 1990, but still requires certain closure and postclosure care, including the construction of final cover, monitoring of groundwater conditions and landfill gas migration, and general site maintenance. While accrual of closure and postclosure care costs has been reflected in the financial statements in the current year, unanticipated corrective action costs related to landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded once these costs can be reasonably estimated.

The City has entered into various agreements with developers to build infrastructure for new developments. As of August 31, 2013, the City's commitment to developers is estimated to be approximately \$31,500,000.

STREET CONSTRUCTION PROJECTS

The City's Street Construction Fund has commitments under major construction contracts in progress of approximately \$4,400,000 as of August 31, 2013, which will be financed primarily through highway user fees, bond proceeds, federal and state grants, and developer contributions.

WEST HAYMARKET JOINT PUBLIC AGENCY

The West Haymarket JPA Fund has commitments under major construction contracts in progress of approximately \$32,500,000 as of August 31, 2013.

PARKING FACILITIES

The Lincoln Parking System has commitments under major contracts in progress of approximately \$2,700,000 as of August 31, 2013.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$3,400,000 as of August 31, 2013.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$6,600,000 as of August 31, 2013.

LINCOLN ELECTRIC SYSTEM

LES has participating interests in the output of two existing NPPD power plants, a thirty percent (68 MW) and eight percent (109 MW) entitlement to the output of the Sheldon Station Power Plant (nominally rated 225 MW coal plant) and Gerald Gentleman Station Power Plant (nominally rated 1,268 MW coal plant), respectively.

LES is responsible for its respective participating interests in the two facilities' capital additions and improvements. LES recognizes its share of capital acquisition costs and debt service payments as power costs in the period the costs are billed with the exception of costs approved for deferral under GASB Statement No. 62. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable.

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The participation contracts continue until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. The estimated fixed cost payments to NPPD under these contracts, including capital additions and improvements, debt service payments and fixed costs, and credits aggregate approximately \$18,100,000, \$18,500,000, \$18,900,000, \$19,300,000, and \$19,800,000, respectively, in each of the five years subsequent to December 31, 2012.

(18) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City of Lincoln currently owns and operates both a municipal solid waste landfill and a construction and demolition debris landfill. State and federal laws require the City to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years on the municipal solid waste landfill and five subsequent years on the construction and demolition debris landfill. Although certain closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date.

At August 31, 2013, the City had incurred a liability of approximately \$11,120,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 52% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$10.1 million, which will be recognized as the remaining capacity is used (estimated to be approximately 24 years).

As of August 31, 2013, the City had incurred a liability of approximately \$550,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 55% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$460,000, which will be recognized as the remaining capacity is used (estimated to be approximately 16 years).

The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes including the effects of inflation, revision of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

The City of Lincoln, in a review by the Nebraska Department of Environmental Quality (NDEQ), has demonstrated compliance with the financial assurance requirements as specified in Title 132 - *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

The City of Lincoln also owns a solid waste disposal area that discontinued operations in 1990. Although exempt from the U.S. Environmental Protection Agency *Solid Waste Disposal Facility Criteria* issued October 9, 1991, the City must still adhere to certain closure and postclosure care requirements under prior legislation, including the construction of final cover, monitoring of ground water conditions and landfill gas migration, and general site maintenance. At August 31, 2013, a liability for closure and postclosure care costs is recorded in the amount of approximately \$4,234,000, which is based on appropriations identified in the City's capital improvement projects budgeting process. If any unanticipated corrective action costs related to landfill gas migration or groundwater contamination are identified through current monitoring procedures, then an additional accrued liability will be recorded once these costs can be reasonably estimated.

(19) SEGMENT INFORMATION

The City has issued revenue bonds and other debt instruments to finance capital construction and acquisitions for both the Urban Development and Public Works/Utilities Departments. The Parking Facilities Division of the Urban Development Department operates the City's downtown parking garages and is accounted for in the Parking System Fund. The Solid Waste Operations Section of the Public Works/Utilities Department operates the City's solid waste disposal sites, yard waste composting facility,

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and re-cycling drop-off program. Summary financial information for these divisions as of and for the year ended August 31, 2013, is presented as follows:

	<u>Parking Facilities</u>	<u>Solid Waste Management</u>
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 1,514,831	3,288,827
Due from Other Funds	92,003	93,208
Other Assets	12,493,678	8,091,114
Capital Assets	<u>60,491,857</u>	<u>20,883,167</u>
Total Assets	<u>74,592,369</u>	<u>32,356,316</u>
Deferred Outflows of Resources	<u>53,602</u>	<u>42,315</u>
Liabilities:		
Current Liabilities, excluding Due to Other Funds	5,624,492	1,066,105
Due to Other Funds	12,195	6,464
Noncurrent Liabilities	<u>29,514,475</u>	<u>23,824,791</u>
Total Liabilities	<u>35,151,162</u>	<u>24,897,360</u>
Net Position:		
Net Investment in Capital Assets	32,982,736	18,974,328
Restricted	5,135,653	-
Unrestricted	<u>1,376,420</u>	<u>(11,473,057)</u>
Total Net Position	<u>\$ 39,494,809</u>	<u>7,501,271</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 8,444,056	5,989,760
Depreciation Expense	(1,590,680)	(1,833,106)
Other Operating Expenses	<u>(3,919,678)</u>	<u>(6,404,530)</u>
Operating Income (Loss)	2,933,698	(2,247,876)
Nonoperating Revenues (Expenses):		
Investment Earnings (Loss)	(90,356)	(68,191)
Gain (Loss) on Disposal of Capital Assets	(627)	21,017
Insurance Recovery	-	449
Occupation Tax	-	2,011,468
Debt Issuance Expense	(176,770)	(138,540)
Interest Expense and Fiscal Charges	<u>(1,040,036)</u>	<u>(116,871)</u>
Capital Contributions	-	-
Transfers	<u>(472,236)</u>	<u>(1,151,405)</u>
Change in Net Position	1,153,673	(1,689,949)
Beginning Net Position	38,659,477	9,244,073
Adjustment for Implementation of GASB 65	<u>(318,341)</u>	<u>(52,853)</u>
Ending Net Position	<u>\$ 39,494,809</u>	<u>7,501,271</u>
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 4,758,385	188,120
Noncapital Financing Activities	(425,574)	828,967
Capital and Related Financing Activities	(119,924)	4,888,641
Investing Activities	<u>(2,930,625)</u>	<u>(5,023,562)</u>
Net Increase in Cash	1,282,262	882,166
Beginning Balance	3,034,791	305,702
Ending Balance	<u>\$ 4,317,053</u>	<u>1,187,868</u>

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(20) PLEDGED REVENUES

The City has pledged future revenues derived from the operation of the Lincoln Wastewater System, net of operating and maintenance expenses, to repay all outstanding wastewater revenue bonds and loans. Proceeds provided financing for improvements to the sanitary sewer system, as well as refunding prior year debt. The debt is payable solely from the net earnings of the Wastewater System and is payable through 2035. The total principal and interest remaining to be paid on the debt is \$116,961,526, with annual payments expected to require 53% of net revenues. Principal and interest paid for the current year and net system revenues were \$6,577,604 and \$12,466,116, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Water System, net of operating and maintenance expenses, to repay all outstanding water revenue bonds and loans. Proceeds from the debt provided financing for improvements to the water supply system, as well as refunding prior water revenue bonds. The bonds are payable solely from the net earnings of the Water System and are payable through 2034. The total principal and interest remaining to be paid on the debt is \$81,897,361, with annual payments expected to require 23% of net revenues. Principal and interest paid for the current year and net system revenues were \$4,195,562 and \$18,128,425, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Electric System, net of operating, maintenance and certain power expenses, to repay all outstanding electric revenue bonds. Proceeds from the bonds provided financing for construction of additional utility plant, as well as refunding certain issues of electric revenue bonds. The bonds are payable solely from the net earnings of the Electric System and are payable through 2037. The total principal and interest remaining to be paid on the bonds is \$957,546,000, with annual payments expected to require 51% of net revenues. Principal and interest paid for the current year and net system revenues were \$46,264,000 and \$90,212,000, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Parking System, net of operating and maintenance expenses, and amounts, if any, distributed by the State for street purposes to repay all outstanding parking revenue bonds. Proceeds from the bonds provided financing for construction and improvements to the parking system, as well as refunding prior revenue bonds. The bonds are payable solely from the net earnings of the Parking System and are payable through 2032. The total principal and interest remaining to be paid on the bonds is \$44,519,784, with annual payments expected to require 46% of net revenues. Principal and interest paid for the current year and net system revenues were \$2,423,949 and \$4,524,377, respectively.

The City has pledged future revenues derived from the operation of the municipally owned solid waste management facilities, net of operating and maintenance expenses, to repay outstanding solid waste management revenue bonds. Proceeds from the bonds provided financing for improvements to the solid waste facilities and to refund prior revenue bonds. The bonds are payable solely from the net earnings of the Solid Waste System and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$9,793,670, with annual payments expected to require 36% of net revenues. Principal and interest paid for the current year and net system revenues were \$608,463 and \$845,102 respectively.

(21) PUBLIC BUILDING COMMISSION

In 1990, the City and the County of Lancaster, pursuant to state statute, activated a separate governmental entity denominated as the Lincoln-Lancaster County Public Building Commission. The purpose of this joint venture is to design, acquire, construct, maintain, operate, improve, remodel, remove and reconstruct, so long as its corporate existence continues, public buildings, structures, or facilities for use jointly by the City and the County. The City and the County each appoint two members to the five-member Commission, with the fifth member being appointed by the other four members. All property held or acquired by the Commission is held or acquired in the name of the City and the County for use by the Commission in its corporate capacity. The Commission's costs of operation and debt service are funded through rental payments made by the City and the County based upon their proportionate occupancy of such buildings to the extent not covered by a maximum property tax levy of 1.7 cents for each \$100 of actual valuation of taxable property in the County. For the year ended August 31, 2013, the City made rental payments of approximately \$2.9 million to the Commission.

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As of August 31, 2013, the Commission has bonds outstanding of \$35,970,000 attributable to several bond issues. Certain proceeds from the bonds totaling \$28,945,000 have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City and County. The City's proportionate share of such buildings are recorded as capital assets and the corresponding debt are reflected as capital leases in the City's financial statements. Lease payments are not recorded as capital lease payments in the Debt Service funds but rather are recorded as current expenditures in the various individual funds.

Additional bond proceeds, totaling \$29,000,000, have been utilized by the Commission to construct a new County-City building and to renovate the prior County-City building to be used as a Hall of Justice. It is anticipated that property tax levies by the Commission will be sufficient to meet bond principal and interest payments. Should revenues from such property tax levies not be sufficient to meet debt service requirements in any given year, the City and County would contribute the necessary payments based on their proportionate occupancy in such buildings. Such contributions are expected to be minimal and will be expensed in the appropriate funds when incurred. The City's proportionate share of the buildings has been recorded in capital assets in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

In 2012, the Commission recorded a note payable of \$1,670,000. The note is secured through assignment of the lease on the building purchased with the proceeds. The City's proportionate share of the building has been recorded in capital assets in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

Complete separate financial statements for the Commission may be obtained at the Lincoln-Lancaster County Public Building Commission, 920 "O" Street, Room 203, Lincoln, Nebraska 68508.

(22) JOINT ANTELOPE VALLEY AUTHORITY

Joint Antelope Valley Authority is a joint administrative entity created April 15, 2000, in accordance with Article XV, Section 18 of the Constitution of the State of Nebraska and Nebraska Revenue Statutes Sections 13.801 through 13.827 (1997) authorizing the creation of a joint entity by public agencies. Per an interlocal cooperative agreement by and between the Board of Regents of the University of Nebraska, a public body corporate, the City of Lincoln, Nebraska, a municipal corporation, and the Lower Platte South Natural Resources District, a political subdivision of the State of Nebraska, this joint administrative entity was created to be known as Joint Antelope Valley Authority (JAVA). JAVA constitutes a separate administrative entity, exercising the public power granted by the interlocal cooperation agreement on behalf of the three aforementioned "Partners" to coordinate planning and implementation of a public project described in the Antelope Valley Study and the U.S. Army Corps of Engineers Antelope Creek Feasibility Study (the Project). The Project generally includes community revitalization, transportation, and drainage/flood control improvements.

After completion of the Project, JAVA will transfer all real estate and improvements thereon to the appropriate individual Partner, subject to the necessary and agreed upon easements which will be conveyed to such Partner or other appropriate public or private entity, or reserved by such a Partner, for the operation, maintenance, repair, and inspection of each specific component.

During the implementation period of the agreement, JAVA shall have the power and authority to acquire and condemn property rights, borrow, mortgage, pledge, or secure loans and bond its appropriated revenues and assets; provided, however, that JAVA shall have no power and authority to bond the credit or revenues of the three Partners or each Partner, or levy taxes.

For the year ended August 31, 2013, total assets of JAVA reached approximately \$200 million, an increase of \$1 million from the prior year. The City's equity interest in the Project is approximately \$165 million.

Complete separate financial statements for JAVA may be obtained at the City of Lincoln Public Works Business Office, 555 South 10th Street, Lincoln, Nebraska 68508.

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(23) JOINTLY OWNED FACILITIES

Laramie River Station (LRS)

LES is a 12.76% co-owner of the Missouri Basin Power Project, that includes LRS, a three-unit, 1,650 MW coal-fired generating station in eastern Wyoming and a related transmission system. LES has sold approximately 13% of its ownership in LRS to Municipal Energy Agency of Nebraska (MEAN). Costs, net of accumulated depreciation, and excluding costs allocated to MEAN for its ownership share, associated with LRS of approximately \$16 million are reflected in utility plant at December 31, 2012.

LES has a participation power sales agreement with the County of Los Alamos, New Mexico (the County) whereby the County purchases from LES 10 MW of LES's capacity interest in LRS. The agreement provides for the County to pay LES monthly fixed payments for the repayment of debt service. The amount is subject to change each July 1 based on debt costs of LES relative to the current market rates, until termination of the agreement. The agreement remains in effect until either the final maturity occurs on any LRS related debt, LRS is removed from commercial operation, or the County gives LES eighteen-months notice to terminate the agreement. During 2012, LES billed the County approximately \$3.4 million for demand and energy charges.

The LRS project participants, including LES, filed a rate case in 2004 with the federal Surface Transportation Board (STB) challenging the reasonableness of the freight rates from the Burlington Northern Santa Fe (BNSF) railroad for coal deliveries to LRS. In early 2009 the STB issued its decision and awarded the LRS project participants a favorable decision estimated by the STB at approximately \$345 million in rate relief. The STB awarded \$119 million to the LRS participants for past freight overcharges plus an expectation of present value rate benefits of approximately \$245 million due to a new tariff the STB ordered to be charged through 2024. BNSF remitted \$15 million to LES, which has been escrowed pending an appeal filed by BNSF. A portion of these funds are due to MEAN and the County of Los Alamos.

Walter Scott Energy Center (WS4)

MidAmerican Energy's Walter Scott Energy Center includes the following units: Unit #1 – a 1954 coal-fired unit built with 43 MW capacity, Unit #2 – a 1958 coal-fired unit built with 88 MW capacity, Unit #3 – a 1979 coal-fired unit built with 675 MW capacity, and Unit #4 - a supercritical technology, coal-fired 790 MW unit that became commercial in June, 2007, as well as the associated common equipment and inventories. LES maintains ownership interest in 12.6% or 105 MW of Unit #4. In order to minimize unit outage risk, LES has executed a power purchase and sales agreement with MidAmerican Energy. Under this agreement, beginning in 2009, LES will schedule 50 MW of capacity and energy from Unit #3 and 55 MW of capacity and energy from Unit #4. This twenty year unit agreement can be extended through mutual agreement of the parties. LES is responsible for the operation and maintenance expense and maintains a fuel inventory at the plant site. LES issued debt in conjunction with the construction of Unit #4 and has capitalized these costs plus interest.

(24) JOINTLY GOVERNED ORGANIZATIONS

District Energy Corporation

LES, in conjunction with two other governmental entities, created the District Energy Corporation (DEC) in 1989 to own, operate, maintain, and finance the heating and cooling facilities utilized by certain city, county, and state buildings. The Board of Directors of DEC is comprised of five members: two appointed by the Lancaster County Board of Commissioners, two by the Mayor of Lincoln who must be confirmed by the City Council, and one by LES. No participant has any obligation, entitlement, or residual interest.

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2013

was approximately \$833,000 in 2012. The total amount of payments to LES for energy was approximately \$225,000 in 2012.

Nebraska Utility Corporation

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

Operations commenced in January 2002. The NUCorp board of directors, under a twenty-year management agreement, appointed LES to supervise and manage the system and business affairs of NUCorp. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to NUCorp on an established rate schedule. The total payment to LES for management services was approximately \$89,000 in 2012. The total amount of payments to LES for energy was approximately \$9.8 million in 2012.

(25) SUBSEQUENT EVENTS

In November 2013, the WHJPA entered into a Direct Purchase Agreement with U.S. Bank National Association for General Obligation Promissory Notes, Series 2013, to provide funds for the West Haymarket Development Project, in the event funding was needed prior to the issuance of the WHJPA's Series 2013 bonds. Under the agreement, funding can be obtained as needed, up to \$10,000,000. The initial series of the Notes shall be in the principal amount of not less than \$1,000,000, with additional amounts being in required increments of at least \$100,000. The Notes bear interest at 0.50% plus the one-month LIBOR rate, and mature on November 14, 2014. The agreement provides for an unused commitment fee of 0.20% per annum on the average daily unused portion of the maximum commitment and shall be paid quarterly. As of the date of the Independent Auditor's Report, the WHJPA has not obtained any funding under this agreement.

In December 2013, the WHJPA issued \$28,175,000 of General Obligation Facility Bonds, Series 2013, to provide funds for certain projects under Phase 2 of the West Haymarket Development Project, primarily consisting of two additional parking decks in the downtown Haymarket area. Interest rates range from 2.0% to 5.0%. Debt service principal payments are scheduled annually at amounts that range from \$540,000 to \$1,285,000, with \$7,325,000 of term bonds due in 2044.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2013

Schedule of Funding Progress for PFD P Pension
(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
August 31, 2013	\$ 172,289	\$ 229,193	\$ 56,904	75.2 %	\$ 38,108	149.3 %
August 31, 2012	164,500	214,879	50,379	76.6	36,311	138.7
August 31, 2011	165,436	204,990	39,554	80.7	35,763	110.6
August 31, 2010	172,317	195,206	22,889	88.3	34,233	66.9
August 31, 2009	177,526	187,292	9,766	94.8	33,450	29.2
August 31, 2008	179,390	179,376	(14)	100.0	32,266	(0.0)

Schedule of Employer Contributions for PFD P Pension
(dollar amounts in thousands)

Year Ended August 31	Annual Required Contribution	Annual Pension Contribution	Percentage Contributed
2013	\$ 6,718	\$ 6,447	96 %
2012	5,574	6,052	109
2011	4,652	4,334	93
2010	3,752	3,963	106
2009	3,316	3,572	108
2008	4,076	3,456	85

Schedule of Funding Progress for City OPEB
(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
September 1, 2011	\$ 0	\$ 24,902	\$ 24,902	0.0 %	\$ 118,498	21.0 %
September 1, 2009	0	19,796	19,796	0.0	112,002	17.7
September 1, 2007	0	5,662	5,662	0.0	106,787	5.3



**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES**



GENERAL FUND COMBINING FUNDS

GASB 54 clarifies the definitions of the governmental fund types, resulting in a change in the activities that are reported in them. The following are reported as part of the General Fund for financial reporting purposes but are maintained individually for accounting purposes and budgetary comparisons of legally adopted budgets.

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

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

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

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

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

Development Services Center Fund - To provide start-up costs and certain one time costs associated with the Development Services Center functions. Funding provided by a surplus of Special Assessment Revolving funds.

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
GENERAL FUND
AUGUST 31, 2013

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Development Services Center	Total
ASSETS								
Cash and Cash Equivalents	\$ 4,048,257	99,433	46,916	251,377	6,561	649,415	8,284	5,110,243
Investments	27,306,408	758,627	288,224	1,933,275	46,225	4,986,815	62,539	35,382,113
Receivables, (Net of Allowance for Uncollectibles)								
Taxes	4,173,606	-	-	-	-	-	-	4,173,606
Accounts	2,767,123	-	4,135	136,276	-	-	-	2,907,534
Accrued Interest	56,024	1,665	1,005	2,978	101	10,954	155	72,882
Due from Other Funds	1,481,690	-	3,619	-	-	-	-	1,485,309
Due from Other Funds (Inter-fund)	534	-	95	-	-	-	-	629
Due from Other Governments	11,647,667	-	16,402	-	-	-	-	11,664,069
Inventories	466,956	-	-	-	-	-	-	466,956
Prepaid Items	2,846,827	-	-	-	-	-	-	2,846,827
Total Assets	54,795,092	859,725	360,396	2,323,906	52,887	5,647,184	70,978	64,110,168
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	862,519	-	38,721	46,167	-	-	65,584	1,012,991
Accrued Liabilities	2,945,825	-	88,675	121,195	-	-	-	3,155,695
Due to Other Funds	2,863,235	-	9,716	3,625	-	-	12	2,876,588
Due to Other Funds (Inter-fund)	95	-	-	534	-	-	-	629
Due to Other Governments	108,199	-	488	18	-	-	-	108,705
Unearned Revenue	12,985	-	-	-	-	-	-	12,985
Total Liabilities	6,792,858	-	137,600	171,539	-	-	65,596	7,167,593
Deferred Inflows of Resources:								
Unavailable Revenues	1,587,063	-	-	136,276	-	-	-	1,723,339
Fund Balances:								
Nonspendable	3,313,783	-	-	-	-	-	-	3,313,783
Restricted	6,281,230	-	-	-	-	-	-	6,281,230
Assigned	5,621,868	859,725	222,796	2,016,091	52,887	5,647,184	5,382	14,425,933
Unassigned	31,198,290	-	-	-	-	-	-	31,198,290
Total Fund Balances	46,415,171	859,725	222,796	2,016,091	52,887	5,647,184	5,382	55,219,236
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 54,795,092	859,725	360,396	2,323,906	52,887	5,647,184	70,978	64,110,168

CITY OF LINCOLN, NEBRASKA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2013

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Development Services Center	Total
Revenues:								
Taxes:								
Property	\$ 31,876,583	-	-	-	-	-	-	31,876,583
Motor Vehicle	4,504,623	-	-	-	-	-	-	4,504,623
Sales and Use	63,544,137	-	-	-	-	-	-	63,544,137
Sundry and In Lieu	48,360	-	-	-	-	-	-	48,360
Occupation	12,086,734	-	-	-	-	-	-	12,086,734
Special Assessment	204	-	-	-	-	-	-	204
Intergovernmental	1,627,868	-	1,124,070	675,382	-	-	-	3,427,320
Permits and Fees	4,191,174	-	59,242	1,191,148	-	-	-	5,441,564
Reimbursement for Services	6,090,119	439,606	237,517	-	-	-	-	6,767,242
Court Settlements	856,188	-	-	-	-	-	-	856,188
Program Income	332,000	-	-	-	-	-	-	332,000
Investment Earnings (Loss)	(33,844)	(3,323)	(1,576)	(14,077)	(153)	(25,791)	(463)	(79,227)
Donations	543,497	-	12,007	-	-	-	-	555,504
Miscellaneous	546,507	17,507	2,690	26	-	-	-	566,730
Total Revenues	126,214,150	453,790	1,433,950	1,852,479	(153)	(25,791)	(463)	129,927,962
Expenditures -- Current:								
General Government	29,524,168	-	-	-	31,277	-	-	29,555,445
Public Safety	57,899,178	-	-	4,425,805	-	-	-	62,324,983
Streets and Highways	6,653,688	-	-	-	-	-	-	6,653,688
Culture and Recreation	12,424,382	-	-	-	-	-	-	12,424,382
Economic Opportunity	235,751	-	3,588,457	-	-	616,840	240,028	4,681,076
Health and Welfare	332,016	-	-	-	-	-	-	332,016
Debt Service	40,491	-	-	-	-	-	-	40,491
Total Expenditures	107,109,674	-	3,588,457	4,425,805	31,277	616,840	240,028	116,012,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,104,476	453,790	(2,154,507)	(2,573,326)	(31,430)	(642,631)	(240,491)	13,915,881
Other Financing Sources (Uses):								
Transfers In	10,753,297	-	-	-	-	-	92,560	10,845,857
Transfers In (Inter-Fund)	7,795	-	2,243,602	2,948,132	-	-	351,055	5,550,584
Transfers Out	(20,535,446)	(484,973)	-	-	-	-	(262,881)	(21,283,300)
Transfers Out (Inter-Fund)	(5,546,789)	-	(3,795)	-	-	-	-	(5,550,584)
Issuance of Debt	2,430,000	-	-	-	-	-	-	2,430,000
Premium on Debt Issued	209,470	-	-	-	-	-	-	209,470
Sale of Capital Assets	55	-	-	-	-	-	-	55
Total Other Financing Sources (Uses)	(12,681,618)	(484,973)	2,239,807	2,948,132	-	-	180,734	(7,797,918)
Net Change In Fund Balances	6,422,858	(31,183)	85,300	374,806	(31,430)	(642,631)	(59,757)	6,117,963
Fund Balances - Beginning	39,992,313	890,908	137,496	1,641,285	84,317	6,289,815	65,139	49,101,273
Fund Balances - Ending	\$ 46,415,171	859,725	222,796	2,016,091	52,887	5,647,184	5,382	55,219,236



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2013

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 5,422,724	2,022,879	1,560,867	372,352	9,378,822
Investments	25,159,787	15,098,854	13,818,427	58,863,971	112,941,039
Receivables, (Net of Allowance for Uncollectibles)	21,977,504	4,442,067	46,275	3,468	26,469,314
Due from Other Funds	253,841	136,126	1,357,730	13,464	1,761,161
Due from Other Governments	2,754,400	167,154	1,698,444	-	4,619,998
Inventories	518,537	-	-	-	518,537
Assets Held for Resale	332,058	-	-	-	332,058
Prepaid Items	13,062	-	-	-	13,062
Total Assets	56,431,913	21,867,080	18,481,743	59,253,255	156,033,991
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,406,771	-	513,611	4,660	1,925,042
Contracts Payable	-	-	833,305	-	833,305
Retainages Payable	-	-	91,612	-	91,612
Accrued Liabilities	2,256,352	-	-	8,480	2,264,832
Due to Other Funds	11,123,661	-	11,759	107	11,135,527
Due to Other Governments	264,641	-	-	-	264,641
Unearned Revenue	238,310	-	-	-	238,310
Total Liabilities	15,289,735	-	1,450,287	13,247	16,753,269
Deferred Inflows of Resources:					
Unavailable Revenues	1,193,669	3,342,431	159,122	-	4,695,222
Fund Balances:					
Nonspendable	518,537	-	-	37,160,000	37,678,537
Restricted	28,124,202	18,524,649	16,818,180	22,080,008	85,547,039
Committed	821,517	-	-	-	821,517
Assigned	10,618,026	-	54,154	-	10,672,180
Unassigned	(133,773)	-	-	-	(133,773)
Total Fund Balances	39,948,509	18,524,649	16,872,334	59,240,008	134,585,500
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 56,431,913	21,867,080	18,481,743	59,253,255	156,033,991

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 15,678,805	8,416,184	-	-	24,094,989
Wheel	-	-	15,649,558	-	15,649,558
Sundry and In Lieu	10,112	3,683	-	-	13,795
Special Assessment	1,360	1,145,435	-	-	1,146,795
Intergovernmental	26,368,690	1,100,506	2,190,793	-	29,659,989
Permits and Fees	13,103,295	-	258,270	-	13,361,565
Reimbursement for Services	1,349,272	-	-	-	1,349,272
Program Income	110,313	-	-	-	110,313
Investment Earnings (Loss)	172,409	(29,166)	(81,513)	2,333,367	2,395,097
Donations	279,633	-	664,168	-	943,801
Keno Proceeds	3,930,602	-	-	-	3,930,602
Miscellaneous	322,996	267,309	303,511	132,641	1,026,457
Total Revenues	<u>61,327,487</u>	<u>10,903,951</u>	<u>18,984,787</u>	<u>2,466,008</u>	<u>93,682,233</u>
EXPENDITURES					
Current:					
General Government	12,635,632	-	-	-	12,635,632
Public Safety	10,164,553	-	-	-	10,164,553
Streets and Highways	458	-	-	-	458
Culture and Recreation	9,883,677	-	-	15,883	9,899,560
Economic Opportunity	8,150,117	-	-	-	8,150,117
Health and Welfare	19,344,769	-	-	1,662,390	21,007,159
Mass Transit	11,980,828	-	-	-	11,980,828
Debt Service:					
Principal Retirement	-	11,105,182	-	-	11,105,182
Interest and Fiscal Charges	-	4,721,138	-	-	4,721,138
Developer Purchased TIF Payments	-	717,279	-	-	717,279
Miscellaneous	-	17,935	-	-	17,935
Capital Outlay	-	-	35,011,159	-	35,011,159
Total Expenditures	<u>72,160,034</u>	<u>16,561,534</u>	<u>35,011,159</u>	<u>1,678,273</u>	<u>125,411,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,832,547)</u>	<u>(5,657,583)</u>	<u>(16,026,372)</u>	<u>787,735</u>	<u>(31,728,767)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	15,315,811	7,175,332	4,060,178	-	26,551,321
Transfers Out	(1,941,234)	(1,355,155)	(16,528,932)	-	(19,825,321)
Issuance of Debt	-	397,866	32,605,571	-	33,003,437
Premium on Debt Issued	-	-	770,857	-	770,857
Sale of Capital Assets	160,526	-	-	-	160,526
Total Other Financing Sources (Uses)	<u>13,535,103</u>	<u>6,218,043</u>	<u>20,907,674</u>	<u>-</u>	<u>40,660,820</u>
Net Change in Fund Balances	<u>2,702,556</u>	<u>560,460</u>	<u>4,881,302</u>	<u>787,735</u>	<u>8,932,053</u>
Fund Balances - Beginning	<u>37,245,953</u>	<u>17,964,189</u>	<u>11,991,032</u>	<u>58,452,273</u>	<u>125,653,447</u>
Fund Balances - Ending	<u>\$ 39,948,509</u>	<u>18,524,649</u>	<u>16,872,334</u>	<u>59,240,008</u>	<u>134,585,500</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Federal Grants Fund - Includes federal sub-funds as follows:

Community Development Block Grant Fund - To account for the costs of providing services under the City's Community Development Block Grant Program with funding provided by grants from the Department of Housing and Urban Development.

Grants-In-Aid Fund - To account for monies received from various federal and state agencies under several small categorical grants and the City's matching funds where applicable. Monies are utilized to provide services as stipulated in the individual grant agreements.

Workforce Investment Act (WIA) Fund - To account for the costs of providing services under the Workforce Investment Act with funding provided by grants from the Department of Labor.

Disaster Recovery (FEMA) Fund - To account for reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood damage. Funds are used to reimburse other funds for related costs and to pay disaster related expenses.



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

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

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

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

Seniors Foundation of Lincoln & Lancaster County Fund - To account for the proceeds of fund-raising activities by and donations to the Lincoln/Lancaster Senior Center Foundation. These funds are turned over to the City to be used for special projects at the discretion of the Foundation.

Library Special Trust Fund - To account for the receipt of investment earnings from the following trusts:

Charles Gere Library Fund - To be used as directed by the Library Board for the benefit of the Lincoln City Libraries.

Lillian Polley Trust Fund - To be used for the Polley Music Library.

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

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2013

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
ASSETS							
Cash and Cash Equivalents	\$ 26,521	102,452	281,463	188,138	160,782	-	1,045,327
Investments	209,370	859,233	2,224,218	1,351,389	1,329,636	-	1,204,558
Receivables, (Net of Allowance for Uncollectibles):							
Taxes	-	-	827,257	-	304,876	734,463	-
Accounts	-	35,958	-	14,883	-	-	17,631
Accrued Interest	1,088	1,805	3,105	2,919	2,584	-	2,496
Loans	-	-	-	-	-	-	-
Due from Other Funds	2,008	8,187	21,212	12,897	12,691	-	18,843
Due from Other Governments	-	-	603	363,903	223	-	146,381
Inventories	-	-	-	-	-	-	518,537
Assets Held for Resale	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	238,987	1,007,635	3,357,858	1,934,129	1,810,792	734,463	2,953,773
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	177,072	125,040	131,381	2,894	-	103,567
Accrued Liabilities	-	791	218,529	305,673	229,608	611,979	331,963
Due to Other Funds	-	-	978	46,551	-	-	3,546
Due to Other Governments	-	-	132	59,414	-	-	50,658
Unearned Revenue	-	-	-	-	-	-	41,529
Total Liabilities	-	177,863	344,679	543,019	232,502	611,979	531,263
Deferred Inflows of Resources:							
Unavailable Revenues	-	-	140,815	10,380	50,814	122,484	-
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	518,537
Restricted	216,590	-	-	-	1,169,123	-	-
Committed	-	821,517	-	-	-	-	-
Assigned	22,397	8,255	2,872,364	1,380,730	358,353	-	1,903,973
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	238,987	829,772	2,872,364	1,380,730	1,527,476	-	2,422,510
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 238,987	1,007,635	3,357,858	1,934,129	1,810,792	734,463	2,953,773

Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Seniors Foundation Of Lincoln & Lancaster County	Library Special Trust	RP Crawford Park	Total
293,814	1,306,061	164,973	543,799	1,146,534	134,989	-	15,058	12,813	5,422,724
2,422,711	-	621,401	3,771,381	9,484,194	1,060,446	-	135,955	485,295	25,159,787
-	-	-	-	-	-	-	-	-	1,866,596
152,287	108,719	-	-	-	120	-	-	-	329,598
5,032	2,020	11,452	7,926	19,315	2,262	-	306	-	62,310
-	19,719,000	-	-	-	-	-	-	-	19,719,000
23,117	10,812	-	35,962	90,458	16,367	-	1,287	-	253,841
-	2,243,290	-	-	-	-	-	-	-	2,754,400
-	-	-	-	-	-	-	-	-	518,537
-	332,058	-	-	-	-	-	-	-	332,058
-	13,062	-	-	-	-	-	-	-	13,062
<u>2,896,961</u>	<u>23,735,022</u>	<u>797,826</u>	<u>4,359,068</u>	<u>10,740,501</u>	<u>1,214,184</u>	<u>-</u>	<u>152,606</u>	<u>498,108</u>	<u>56,431,913</u>
112,841	709,485	5,279	24,611	3,092	11,346	-	163	-	1,406,771
-	378,126	-	172,324	3,985	-	-	3,374	-	2,256,352
29,011	13,656	135,700	27,013	10,867,197	-	-	9	-	11,123,661
5,860	147,863	-	678	-	36	-	-	-	264,641
-	-	-	196,781	-	-	-	-	-	238,310
<u>147,712</u>	<u>1,249,130</u>	<u>140,979</u>	<u>421,407</u>	<u>10,874,274</u>	<u>11,382</u>	<u>-</u>	<u>3,546</u>	<u>-</u>	<u>15,289,735</u>
-	862,926	-	-	-	6,250	-	-	-	1,193,669
-	-	-	-	-	-	-	-	-	518,537
2,734,244	21,622,966	656,847	-	-	1,077,264	-	149,060	498,108	28,124,202
-	-	-	-	-	-	-	-	-	821,517
15,005	-	-	3,937,661	-	119,288	-	-	-	10,618,026
-	-	-	-	(133,773)	-	-	-	-	(133,773)
<u>2,749,249</u>	<u>21,622,966</u>	<u>656,847</u>	<u>3,937,661</u>	<u>(133,773)</u>	<u>1,196,552</u>	<u>-</u>	<u>149,060</u>	<u>498,108</u>	<u>39,948,509</u>
<u>2,896,961</u>	<u>23,735,022</u>	<u>797,826</u>	<u>4,359,068</u>	<u>10,740,501</u>	<u>1,214,184</u>	<u>-</u>	<u>152,606</u>	<u>498,108</u>	<u>56,431,913</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
Revenues:							
Real Property and							
Personal Property Tax	\$ -	-	6,956,080	-	2,573,950	6,148,775	-
Sundry and In Lieu Tax	-	-	4,554	-	1,683	3,875	-
Special Assessment	-	-	-	1,360	-	-	-
Intergovernmental	-	-	684,148	2,987,440	-	-	3,472,093
Permits and Fees	-	224,495	438,992	3,884,585	-	-	2,161,771
Reimbursement for Services	450	-	3,200	683,572	-	-	128,765
Program Income	-	-	-	-	-	-	-
Investment Earnings (Loss)	3,554	(4,847)	(15,237)	1,385	(7,622)	-	(6,958)
Donations	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-
Private Sector Share of Projects	-	-	-	-	-	-	-
Miscellaneous	-	-	27,082	6,108	-	-	103,687
Total Revenues	<u>4,004</u>	<u>219,648</u>	<u>8,098,819</u>	<u>7,564,450</u>	<u>2,568,011</u>	<u>6,152,650</u>	<u>5,859,358</u>
Expenditures -- Current:							
General Government	27,124	208,590	-	-	2,428,604	6,152,650	-
Public Safety	-	-	-	-	-	-	-
Streets and Highways	-	-	-	-	-	-	-
Culture and Recreation	-	-	8,071,974	-	-	-	-
Economic Opportunity	-	-	-	-	-	-	-
Health and Welfare	-	-	-	12,819,385	-	-	-
Mass Transit	-	-	-	-	-	-	11,702,561
Total Expenditures	<u>27,124</u>	<u>208,590</u>	<u>8,071,974</u>	<u>12,819,385</u>	<u>2,428,604</u>	<u>6,152,650</u>	<u>11,702,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,120)</u>	<u>11,058</u>	<u>26,845</u>	<u>(5,254,935)</u>	<u>139,407</u>	<u>-</u>	<u>(5,843,203)</u>
Other Financing Sources (Uses):							
Transfers In	-	-	90,985	5,872,160	14,820	-	6,586,149
Transfers Out	(1,156,157)	-	-	(55,059)	-	-	(20,166)
Sale of Capital Assets	147,997	-	5,000	-	-	-	2,279
Total Other Financing Sources (Uses)	<u>(1,008,160)</u>	<u>-</u>	<u>95,985</u>	<u>5,817,101</u>	<u>14,820</u>	<u>-</u>	<u>6,568,262</u>
Net Change In Fund Balances	<u>(1,031,280)</u>	<u>11,058</u>	<u>122,830</u>	<u>562,166</u>	<u>154,227</u>	<u>-</u>	<u>725,059</u>
Fund Balances (Deficits) - Beginning	<u>1,270,267</u>	<u>818,714</u>	<u>2,749,534</u>	<u>818,564</u>	<u>1,373,249</u>	<u>-</u>	<u>1,697,451</u>
Fund Balances (Deficits) - Ending	<u>\$ 238,987</u>	<u>829,772</u>	<u>2,872,364</u>	<u>1,380,730</u>	<u>1,527,476</u>	<u>-</u>	<u>2,422,510</u>

Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Seniors Foundation Of Lincoln & Lancaster County	Library Special Trust	RP Crawford Park	Total
-	-	-	-	-	-	-	-	-	15,678,805
-	-	-	-	-	-	-	-	-	10,112
-	-	-	-	-	-	-	-	-	1,360
-	19,224,900	-	-	-	109	-	-	-	26,368,690
-	947,191	-	5,320,256	126,005	-	-	-	-	13,103,295
-	301,049	-	111,051	-	121,185	-	-	-	1,349,272
-	110,313	-	-	-	-	-	-	-	110,313
(15,496)	4,174	27,284	(22,405)	44,745	(5,383)	(56)	(581)	169,852	172,409
-	124,543	-	-	-	53,612	-	101,478	-	279,633
3,930,602	-	-	-	-	-	-	-	-	3,930,602
-	22,003	-	-	-	65,550	-	-	-	87,553
-	7,308	-	1,700	-	89,558	-	-	-	235,443
<u>3,915,106</u>	<u>20,741,481</u>	<u>27,284</u>	<u>5,410,602</u>	<u>170,750</u>	<u>324,631</u>	<u>(56)</u>	<u>100,897</u>	<u>169,852</u>	<u>61,327,487</u>
1,481,863	1,460,348	764,597	-	111,856	-	-	-	-	12,635,632
-	4,747,196	-	5,417,357	-	-	-	-	-	10,164,553
-	458	-	-	-	-	-	-	-	458
504,061	910,073	-	-	-	300,820	-	96,749	-	9,883,677
-	8,150,112	-	-	-	-	5	-	-	8,150,117
-	6,525,384	-	-	-	-	-	-	-	19,344,769
-	278,267	-	-	-	-	-	-	-	11,980,828
<u>1,985,924</u>	<u>22,071,838</u>	<u>764,597</u>	<u>5,417,357</u>	<u>111,856</u>	<u>300,820</u>	<u>5</u>	<u>96,749</u>	<u>-</u>	<u>72,160,034</u>
1,929,182	(1,330,357)	(737,313)	(6,755)	58,894	23,811	(61)	4,148	169,852	(10,832,547)
-	654,084	927,449	1,170,164	-	-	-	-	-	15,315,811
(600,621)	(39,258)	-	(69,120)	(853)	-	-	-	-	(1,941,234)
-	5,250	-	-	-	-	-	-	-	160,526
<u>(600,621)</u>	<u>620,076</u>	<u>927,449</u>	<u>1,101,044</u>	<u>(853)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,535,103</u>
1,328,561	(710,281)	190,136	1,094,289	58,041	23,811	(61)	4,148	169,852	2,702,556
<u>1,420,688</u>	<u>22,333,247</u>	<u>466,711</u>	<u>2,843,372</u>	<u>(191,814)</u>	<u>1,172,741</u>	<u>61</u>	<u>144,912</u>	<u>328,256</u>	<u>37,245,953</u>
<u>2,749,249</u>	<u>21,622,966</u>	<u>656,847</u>	<u>3,937,661</u>	<u>(133,773)</u>	<u>1,196,552</u>	<u>-</u>	<u>149,060</u>	<u>498,108</u>	<u>39,948,509</u>



NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are established to account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

Tax Allocation Projects Debt Service Fund - To accumulate resources for payment of principal and interest on the various outstanding tax allocation bonds. Resources are derived from additional taxes generated by the specific properties upon completion of the Redevelopment Projects.

Bond Interest & Redemption Fund - To accumulate resources derived from an annual tax levy for payment of principal and interest on several general obligation bond issues and capital leases outstanding as follows:

- 2005 Storm Sewer Construction Bonds
- 2007 Certificates of Participation – Street Lights
- 2007 Stormwater Drainage and Flood Management System Bonds
- 2008 Certificates of Participation – Street Lights & AV Parks
- 2009 Certificates of Participation – Street Lights
- 2010 Certificates of Participation – Street Lights & Emergency Equipment
- 2010B Certificates of Participation – Municipal Services Center
- 2011 Refunding Certificates of Participation
- 2011 Stormwater Bonds
- 2011 General Obligation Refunding Bonds
- 2011B Certificates of Participation – Street Lights & Software
- 2012 General Obligation Refunding Bonds
- 2012 Certificates of Participation – Street Lights, Municipal Services Center, VOIP Project
- 2013 Stormwater Bonds

Tax Supported Bonds Fund – includes bonded debt funds as follows:

Antelope Valley Debt Fund – To accumulate resources for payment of principal and interest on the Tax Supported Antelope Valley Project Bonds, Series 2002. The bonds are payable from amounts received from the State of Nebraska City of the Primary Class Development Fund, established pursuant to Chapter 19, article 1, Reissue Revised Statutes of Nebraska, which provides annual appropriations from an imposed cigarette tax, and from the sales tax receipts of the City pledged to the payment of the bonds as needed.

Highway Allocation Debt Fund - To accumulate resources for payment of principal and interest on the Highway Allocation Bonds, Series 2006, and the Highway Allocation Refunding Bonds, Series 2012. For the prompt payment of principal of and interest on the bonds, the City has pledged funds received and to be received by the City from the State Highway Allocation Fund as authorized under Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

Turn Back Tax Debt Fund - To accumulate resources for payment of principal and interest on the Limited Tax General Obligation Arena Bonds, Series 2013. The bonds are payable from sales tax passed through from the State of Nebraska, pursuant to the Convention Center Facility Financing Assistance Act, Section 13-2603, of the Reissue Revised Statutes of Nebraska.

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

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AUGUST 31, 2013

	<u>Tax Allocation Projects</u>	<u>Bond Interest & Redemption</u>	<u>Tax Supported Bonds</u>	<u>Special Assessment</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,067,587	410,432	212,574	332,286	2,022,879
Investments	8,826,174	3,401,585	2,871,095	-	15,098,854
Receivables (Net of Allowance for Uncollectibles):					
Taxes	248,319	685,876	-	-	934,195
Accrued Interest	18,333	5,058	26,384	-	49,775
Special Assessment	-	-	-	3,458,097	3,458,097
Due from Other Funds	84,178	32,435	16,707	2,806	136,126
Due from Other Governments	-	487	166,667	-	167,154
Total Assets	<u>10,244,591</u>	<u>4,535,873</u>	<u>3,293,427</u>	<u>3,793,189</u>	<u>21,867,080</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Deferred Inflows of Resources:					
Unavailable Revenues	-	122,047	-	3,220,384	3,342,431
Fund Balances:					
Restricted	<u>10,244,591</u>	<u>4,413,826</u>	<u>3,293,427</u>	<u>572,805</u>	<u>18,524,649</u>
Total Deferred Inflow of Resources and Fund Balances	<u>\$ 10,244,591</u>	<u>4,535,873</u>	<u>3,293,427</u>	<u>3,793,189</u>	<u>21,867,080</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 2,780,198	5,635,986	-	-	8,416,184
Sundry and In Lieu Tax	-	3,683	-	-	3,683
Special Assessment	-	-	-	1,066,793	1,066,793
Special Assessment Interest	-	-	-	78,642	78,642
Intergovernmental	-	100,506	1,000,000	-	1,100,506
Investment Earnings (Loss)	(52,924)	(20,399)	44,157	-	(29,166)
Miscellaneous	267,309	-	-	-	267,309
Total Revenues	2,994,583	5,719,776	1,044,157	1,145,435	10,903,951
Expenditures -- Debt Service:					
Principal Retirement	1,207,726	4,225,000	2,825,000	170,000	8,427,726
Interest	512,822	1,521,904	2,116,980	114,723	4,266,429
Fiscal Charges	1,074	10,038	2,074	600	13,786
Capital Lease Principal	-	2,677,456	-	-	2,677,456
Capital Lease Interest	-	440,596	-	-	440,596
Bond Issuance Expense	-	327	-	-	327
Developer Purchased TIF Payments	717,279	-	-	-	717,279
Miscellaneous	12,500	4,500	-	935	17,935
Total Expenditures	2,451,401	8,879,821	4,944,054	286,258	16,561,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	543,182	(3,160,045)	(3,899,897)	859,177	(5,657,583)
Other Financing Sources (Uses):					
Transfers In	101,132	3,126,416	3,947,784	-	7,175,332
Transfers Out	(705,700)	-	-	(649,455)	(1,355,155)
Issuance of Debt	-	-	397,866	-	397,866
Total Other Financing Sources (Uses)	(604,568)	3,126,416	4,345,650	(649,455)	6,218,043
Net Change in Fund Balances	(61,386)	(33,629)	445,753	209,722	560,460
Fund Balances - Beginning	10,305,977	4,447,455	2,847,674	363,083	17,964,189
Fund Balances - Ending	\$ 10,244,591	4,413,826	3,293,427	572,805	18,524,649



NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for all resources received and used for the acquisition or development of major capital improvements (other than those financed by proprietary funds and trust funds).

Storm Sewer Construction Fund - To account for the cost of improving and extending storm sewers. Financing is provided through property tax revenue and through Natural Resource Districts for their share of projects.

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

Storm Sewer Bonds Fund - To account for the cost of providing improvements and extensions to the City's storm water sewer and drainage system. Financing is provided by general obligation bond issue proceeds.

1999 G.O. Various Purpose Bonds Fund - To account for the cost of financing, acquiring, and improving interactive recreational facilities for children and families, referred to as the Children's Museum; financing the construction and equipping of two new park and recreational facilities; and financing construction and equipping of two public libraries and necessary site improvements.

Other Capital Projects Fund - To account for the cost of acquiring or improving various general capital assets. Financing is provided from a variety of sources, such as General fund appropriations, revenue sharing, federal/state grants, bond proceeds, etc.

Special Assessment Fund - To account for the cost of capital improvements to be assessed against benefited properties. Resources are derived from fund transfers from the Special Revenue fund type and interest on investments.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AUGUST 31, 2013

	Storm Sewer Construction	Vehicle Tax	Storm Sewer Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Total
ASSETS							
Cash and Cash Equivalents	\$ 18,929	154,854	1,158,548	3,697	224,839	-	1,560,867
Investments	-	1,294,288	9,587,520	38,067	1,539,006	1,359,546	13,818,427
Accrued Interest Receivable	-	19,874	20,641	83	5,677	-	46,275
Due from Other Funds	155	12,356	91,437	360	1,104,748	148,674	1,357,730
Due from Other Governments	-	1,487,897	186,622	-	23,925	-	1,698,444
Total Assets	19,084	2,969,269	11,044,768	42,207	2,898,195	1,508,220	18,481,743
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	7,137	-	214,728	-	237,444	54,302	513,611
Contracts Payable	-	-	43,374	-	789,931	-	833,305
Retainages Payable	-	-	58,312	-	27,277	6,023	91,612
Due to Other Funds	-	-	5,293	-	1,214	5,252	11,759
Total Liabilities	7,137	-	321,707	-	1,055,866	65,577	1,450,287
Deferred Inflows of Resources:							
Unavailable Revenues	-	-	135,197	-	23,925	-	159,122
Fund Balances:							
Restricted	-	2,969,269	10,587,864	-	1,818,404	1,442,643	16,818,180
Assigned	11,947	-	-	42,207	-	-	54,154
Total Fund Balances	11,947	2,969,269	10,587,864	42,207	1,818,404	1,442,643	16,872,334
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 19,084	2,969,269	11,044,768	42,207	2,898,195	1,508,220	18,481,743

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Storm Sewer Construction	Vehicle Tax	Storm Sewer Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Total
Revenues:							
Wheel Tax	\$ -	15,649,558	-	-	-	-	15,649,558
Intergovernmental	-	-	321,425	-	1,869,368	-	2,190,793
Permits and Fees	-	-	-	-	258,270	-	258,270
Investment Loss	-	(1,097)	(73,993)	(123)	(6,300)	-	(81,513)
Donations	-	-	-	-	664,168	-	664,168
Rental Income	-	-	-	-	4,067	-	4,067
Developer's Share	-	-	163,747	-	1,300	-	165,047
Miscellaneous	-	-	-	-	134,397	-	134,397
Total Revenues	<u>-</u>	<u>15,648,461</u>	<u>411,179</u>	<u>(123)</u>	<u>2,925,270</u>	<u>-</u>	<u>18,984,787</u>
Expenditures -- Capital Outlay:							
General Government	-	-	-	-	40,515	-	40,515
Streets and Highways	73,145	-	3,161,602	-	25,093,593	186,379	28,514,719
Culture and Recreation	-	-	-	19,393	3,714,726	-	3,734,119
Economic Opportunity	-	-	-	-	2,721,806	-	2,721,806
Total Expenditures	<u>73,145</u>	<u>-</u>	<u>3,161,602</u>	<u>19,393</u>	<u>31,570,640</u>	<u>186,379</u>	<u>35,011,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,145)</u>	<u>15,648,461</u>	<u>(2,750,423)</u>	<u>(19,516)</u>	<u>(28,645,370)</u>	<u>(186,379)</u>	<u>(16,026,372)</u>
Other Financing Sources (Uses):							
Transfers In	-	-	24,745	-	4,035,433	-	4,060,178
Transfers Out	(61,153)	(15,878,800)	(484,712)	-	(104,267)	-	(16,528,932)
Issuance of Debt	-	-	7,900,000	-	24,705,571	-	32,605,571
Premium on Debt Issued	-	-	397,386	-	373,471	-	770,857
Total Other Financing Sources (Uses)	<u>(61,153)</u>	<u>(15,878,800)</u>	<u>7,837,419</u>	<u>-</u>	<u>29,010,208</u>	<u>-</u>	<u>20,907,674</u>
Net Change in Fund Balances	<u>(134,298)</u>	<u>(230,339)</u>	<u>5,086,996</u>	<u>(19,516)</u>	<u>364,838</u>	<u>(186,379)</u>	<u>4,881,302</u>
Fund Balances - Beginning	<u>146,245</u>	<u>3,199,608</u>	<u>5,500,868</u>	<u>61,723</u>	<u>1,453,566</u>	<u>1,629,022</u>	<u>11,991,032</u>
Fund Balances - Ending	<u>\$ 11,947</u>	<u>2,969,269</u>	<u>10,587,864</u>	<u>42,207</u>	<u>1,818,404</u>	<u>1,442,643</u>	<u>16,872,334</u>



NONMAJOR PERMANENT FUNDS

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

Community Health Permanent Endowment Fund – To account for the cash proceeds realized by the City from the sale of Lincoln General Hospital, together with any interest or other investment earnings. Monies in the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln.

J.J. Hompes Fund - To account for the receipt of investment earnings to be used to buy books as stipulated by the trust agreement.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
AUGUST 31, 2013

	Community Health Permanent Endowment	J.J. Hompes	Total
ASSETS			
Cash and Cash Equivalents	\$ 347,408	24,944	372,352
Investments	58,205,097	658,874	58,863,971
Accrued Interest Receivable	3,434	34	3,468
Due from Other Funds	13,335	129	13,464
Total Assets	<u>58,569,274</u>	<u>683,981</u>	<u>59,253,255</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	4,643	17	4,660
Accrued Liabilities	8,480	-	8,480
Due to Other Funds	107	-	107
Total Liabilities	<u>13,230</u>	<u>17</u>	<u>13,247</u>
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	21,556,044	523,964	22,080,008
Total Fund Balances	<u>58,556,044</u>	<u>683,964</u>	<u>59,240,008</u>
Total Liabilities and Fund Balances	<u>\$ 58,569,274</u>	<u>683,981</u>	<u>59,253,255</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Community Health Permanent Endowment	J.J. Hompes	Total
Revenues:			
Investment Earnings	\$ 2,283,163	50,204	2,333,367
Miscellaneous	132,641	-	132,641
Total Revenues	<u>2,415,804</u>	<u>50,204</u>	<u>2,466,008</u>
Expenditures -- Current:			
Culture and Recreation	-	15,883	15,883
Health and Welfare	1,662,390	-	1,662,390
Total Expenditures	<u>1,662,390</u>	<u>15,883</u>	<u>1,678,273</u>
Net Change in Fund Balances	753,414	34,321	787,735
Fund Balances - Beginning	<u>57,802,630</u>	<u>649,643</u>	<u>58,452,273</u>
Fund Balances - Ending	<u>\$ 58,556,044</u>	<u>683,964</u>	<u>59,240,008</u>



CITY OF LINCOLN, NEBRASKA
CABLE ACCESS TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 22,859	22,859	227,130	204,271
Investment Loss	-	-	(4,398)	(4,398)
Total Revenues	<u>22,859</u>	<u>22,859</u>	<u>222,732</u>	<u>199,873</u>
Expenditures -- General Government:				
Personal Services	22,859	22,859	22,987	(128)
Materials and Supplies	-	-	9,639	(9,639)
Other Services and Charges	-	-	2,608	(2,608)
Total Expenditures	<u>22,859</u>	<u>22,859</u>	<u>35,234</u>	<u>(12,375)</u>
Excess of Revenues Over Expenditures	-	-	187,498	187,498
Fund Balances - Beginning	<u>780,810</u>	<u>780,810</u>	<u>780,810</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 780,810</u>	<u>780,810</u>	<u>968,308</u>	<u>187,498</u>

CITY OF LINCOLN, NEBRASKA
LINCOLN CITY LIBRARIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 6,347,442	6,347,442	6,823,626	476,184
Sundry Taxes and In Lieu	6,050	6,050	4,448	(1,602)
Intergovernmental	684,148	684,148	684,148	-
Permits and Fees	396,200	396,200	437,543	41,343
Reimbursement for Services	1,200	1,200	3,200	2,000
Investment Earnings (Loss)	12,800	12,800	(13,594)	(26,394)
Miscellaneous	33,240	33,240	27,684	(5,556)
Total Revenues	<u>7,481,080</u>	<u>7,481,080</u>	<u>7,967,055</u>	<u>485,975</u>
Expenditures -- Culture and Recreation:				
Personal Services	5,861,984	5,952,969	5,795,757	157,212
Materials and Supplies	174,180	174,180	126,659	47,521
Other Services and Charges	1,299,599	1,227,970	1,186,133	41,837
Capital Outlay	845,054	916,683	915,962	721
Total Expenditures	<u>8,180,817</u>	<u>8,271,802</u>	<u>8,024,511</u>	<u>247,291</u>
Deficiency of Revenues Under Expenditures	<u>(699,737)</u>	<u>(790,722)</u>	<u>(57,456)</u>	<u>733,266</u>
Other Financing Sources:				
Transfers In	-	-	90,985	90,985
Sale of Capital Assets	500	500	5,000	4,500
Total Other Financing Sources	<u>500</u>	<u>500</u>	<u>95,985</u>	<u>95,485</u>
Net Change in Fund Balances	(699,237)	(790,222)	38,529	828,751
Fund Balances - Beginning	<u>2,805,993</u>	<u>2,805,993</u>	<u>2,805,993</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,106,756</u>	<u>2,015,771</u>	<u>2,844,522</u>	<u>828,751</u>

CITY OF LINCOLN, NEBRASKA
LINCOLN/LANCASTER COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessment	\$ -	-	1,361	1,361
Intergovernmental	2,622,829	2,622,829	2,623,538	709
Permits and Fees	4,380,393	4,380,393	3,877,348	(503,045)
Reimbursement for Services	214,220	214,220	683,226	469,006
Investment Earnings	-	-	1,641	1,641
Miscellaneous	-	-	6,108	6,108
Total Revenues	<u>7,217,442</u>	<u>7,217,442</u>	<u>7,193,222</u>	<u>(24,220)</u>
Expenditures -- Health and Welfare:				
Personal Services	8,788,013	8,891,471	8,549,712	341,759
Materials and Supplies	298,345	298,345	307,766	(9,421)
Other Services and Charges	4,543,644	4,368,439	3,854,228	514,211
Capital Outlay	64,271	254,476	153,100	101,376
Total Expenditures	<u>13,694,273</u>	<u>13,812,731</u>	<u>12,864,806</u>	<u>947,925</u>
Deficiency of Revenues Under Expenditures	<u>(6,476,831)</u>	<u>(6,595,289)</u>	<u>(5,671,584)</u>	<u>923,705</u>
Other Financing Sources (Uses):				
Transfers In	5,777,077	5,752,077	5,872,160	120,083
Transfers Out	-	-	(55,059)	(55,059)
Total Other Financing Sources (Uses)	<u>5,777,077</u>	<u>5,752,077</u>	<u>5,817,101</u>	<u>65,024</u>
Net Change in Fund Balances	(699,754)	(843,212)	145,517	988,729
Fund Balances - Beginning	<u>1,362,942</u>	<u>1,362,942</u>	<u>1,362,942</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 663,188</u>	<u>519,730</u>	<u>1,508,459</u>	<u>988,729</u>

CITY OF LINCOLN, NEBRASKA
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 2,348,170	2,348,170	2,544,962	196,792
Sundry Taxes and In Lieu	1,641	1,641	1,662	21
Investment Earnings (Loss)	8,000	8,000	(6,771)	(14,771)
Total Revenues	<u>2,357,811</u>	<u>2,357,811</u>	<u>2,539,853</u>	<u>182,042</u>
Expenditures -- General Government:				
Personal Services	2,312,695	2,340,127	2,295,731	44,396
Other Services and Charges	133,116	133,116	120,959	12,157
Total Expenditures	<u>2,445,811</u>	<u>2,473,243</u>	<u>2,416,690</u>	<u>56,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,000)	(115,432)	123,163	238,595
Other Financing Sources:				
Transfers In	-	-	14,820	14,820
Net Change in Fund Balances	(88,000)	(115,432)	137,983	253,415
Fund Balances - Beginning	<u>1,620,844</u>	<u>1,620,844</u>	<u>1,620,844</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 1,532,844</u></u>	<u><u>1,505,412</u></u>	<u><u>1,758,827</u></u>	<u><u>253,415</u></u>

CITY OF LINCOLN, NEBRASKA
STARTRAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,476,670	2,476,670	2,608,077	131,407
Permits and Fees	2,129,387	2,129,387	1,825,747	(303,640)
Reimbursement for Services	-	-	128,766	128,766
Miscellaneous	-	-	20,081	20,081
Total Revenues	<u>4,606,057</u>	<u>4,606,057</u>	<u>4,582,671</u>	<u>(23,386)</u>
Expenditures -- Mass Transit:				
Personal Services	7,779,820	7,809,552	7,617,748	191,804
Materials and Supplies	1,931,772	1,931,772	1,778,497	153,275
Other Services and Charges	1,362,430	1,362,430	1,324,824	37,606
Total Expenditures	<u>11,074,022</u>	<u>11,103,754</u>	<u>10,721,069</u>	<u>382,685</u>
Deficiency of Revenues Under Expenditures	<u>(6,467,965)</u>	<u>(6,497,697)</u>	<u>(6,138,398)</u>	<u>359,299</u>
Other Financing Sources (Uses):				
Transfers In	6,448,294	6,462,294	6,478,026	15,732
Transfers Out	-	-	(20,166)	(20,166)
Total Other Financing Sources (Uses)	<u>6,448,294</u>	<u>6,462,294</u>	<u>6,457,860</u>	<u>(4,434)</u>
Net Change in Fund Balances	(19,671)	(35,403)	319,462	354,865
Amount Budgeted on Project Basis	307,817	307,817	307,817	-
Fund Balances - Beginning	<u>1,668,951</u>	<u>1,668,951</u>	<u>1,668,951</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,957,097</u>	<u>1,941,365</u>	<u>2,296,230</u>	<u>354,865</u>



CITY OF LINCOLN, NEBRASKA
KENO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Loss	\$ -	-	(16,694)	(16,694)
Keno Proceeds	<u>4,103,244</u>	<u>4,103,244</u>	<u>3,939,913</u>	<u>(163,331)</u>
Total Revenues	<u>4,103,244</u>	<u>4,103,244</u>	<u>3,923,219</u>	<u>(180,025)</u>
Expenditures:				
General Government:				
Other Services and Charges	1,195,500	1,195,500	1,487,968	(292,468)
Culture and Recreation:				
Other Services and Charges	51,334	-	14,497	(14,497)
Capital Outlay	<u>-</u>	<u>504,061</u>	<u>483,704</u>	<u>20,357</u>
Total Expenditures	<u>1,246,834</u>	<u>1,699,561</u>	<u>1,986,169</u>	<u>(286,608)</u>
Excess of Revenues Over Expenditures	2,856,410	2,403,683	1,937,050	(466,633)
Other Financing Uses:				
Transfers Out	<u>(3,213,637)</u>	<u>(2,074,576)</u>	<u>(602,442)</u>	<u>1,472,134</u>
Net Change in Fund Balances	(357,227)	329,107	1,334,608	1,005,501
Fund Balances - Beginning	<u>1,688,209</u>	<u>1,688,209</u>	<u>1,688,209</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 1,330,982</u></u>	<u><u>2,017,316</u></u>	<u><u>3,022,817</u></u>	<u><u>1,005,501</u></u>

CITY OF LINCOLN, NEBRASKA
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,687,232	19,687,232	18,989,653	(697,579)
Permits and Fees	1,097,144	1,097,144	1,097,144	-
Reimbursement for Services	385,264	385,264	301,785	(83,479)
Program Income	1,299,142	1,299,142	1,326,313	27,171
Investment Earnings	3,992	3,992	4,033	41
Donations	130,793	130,793	130,793	-
Private Sector Share of Project	22,003	22,003	22,003	-
Miscellaneous	6,865	6,865	6,922	57
Total Revenues	<u>22,632,435</u>	<u>22,632,435</u>	<u>21,878,646</u>	<u>(753,789)</u>
Expenditures:				
General Government:				
Personal Services	180,215	180,215	180,215	-
Materials and Supplies	2,316	2,316	2,316	-
Other Services and Charges	1,247,833	1,247,833	1,247,833	-
Total General Government	<u>1,430,364</u>	<u>1,430,364</u>	<u>1,430,364</u>	<u>-</u>
Public Safety:				
Personal Services	1,328,719	1,328,719	1,328,719	-
Materials and Supplies	219,225	219,225	219,225	-
Other Services and Charges	1,562,835	1,562,835	1,562,835	-
Capital Outlay	1,730,098	1,730,098	1,730,098	-
Total Public Safety	<u>4,840,877</u>	<u>4,840,877</u>	<u>4,840,877</u>	<u>-</u>
Culture and Recreation:				
Personal Services	740,099	740,099	740,099	-
Materials and Supplies	26,249	26,249	26,249	-
Other Services and Charges	40,087	40,087	40,087	-
Capital Outlay	72,135	72,135	72,135	-
Total Culture and Recreation	<u>878,570</u>	<u>878,570</u>	<u>878,570</u>	<u>-</u>
Economic Opportunity:				
Personal Services	4,583,682	4,583,682	4,631,129	(47,447)
Materials and Supplies	51,808	51,807	46,876	4,931
Other Services and Charges	2,348,235	2,410,355	2,048,497	361,858
Capital Outlay	227,789	1,411,842	315,490	1,096,352
Loans and Grants	2,755,174	3,475,044	2,556,477	918,567
Total Economic Opportunity	<u>9,966,688</u>	<u>11,932,730</u>	<u>9,598,469</u>	<u>2,334,261</u>

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Personal Services	3,516,293	3,516,293	3,516,293	-
Materials and Supplies	491,286	491,286	491,286	-
Other Services and Charges	2,509,359	2,509,359	2,509,359	-
Capital Outlay	24,836	24,836	24,836	-
Loans and Grants	35,334	35,334	35,334	-
Total Health and Welfare	<u>6,577,108</u>	<u>6,577,108</u>	<u>6,577,108</u>	<u>-</u>
Mass Transit:				
Personal Services	274,645	274,645	274,645	-
Other Services and Charges	2,522	2,522	2,522	-
Total Mass Transit	<u>277,167</u>	<u>277,167</u>	<u>277,167</u>	<u>-</u>
Total Expenditures	<u>23,970,774</u>	<u>25,936,816</u>	<u>23,602,555</u>	<u>2,334,261</u>
Deficiency of Revenues Under Expenditures	<u>(1,338,339)</u>	<u>(3,304,381)</u>	<u>(1,723,909)</u>	<u>1,580,472</u>
Other Financing Sources (Uses):				
Transfers In	560,238	560,238	654,084	93,846
Transfers Out	(39,258)	(39,258)	(131,513)	(92,255)
Sale of Assets	5,250	5,250	5,250	-
Total Other Financing Sources (Uses)	<u>526,230</u>	<u>526,230</u>	<u>527,821</u>	<u>1,591</u>
Net Change in Fund Balances	(812,109)	(2,778,151)	(1,196,088)	1,582,063
Fund Balances - Beginning	<u>1,612,341</u>	<u>1,612,341</u>	<u>1,612,341</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 800,232</u>	<u>(1,165,810)</u>	<u>416,253</u>	<u>1,582,063</u>

CITY OF LINCOLN, NEBRASKA
BUILDING & SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 4,772,656	4,772,656	5,361,359	588,703
Reimbursement for Services	-	-	111,365	111,365
Investment Loss	-	-	(19,057)	(19,057)
Miscellaneous	-	-	1,700	1,700
Total Revenues	<u>4,772,656</u>	<u>4,772,656</u>	<u>5,455,367</u>	<u>682,711</u>
Expenditures -- Public Safety:				
Personal Services	4,676,509	4,742,532	4,515,018	227,514
Materials and Supplies	71,115	72,240	38,278	33,962
Other Services and Charges	1,078,039	1,150,963	852,687	298,276
Capital Outlay	187,487	205,487	58,015	147,472
Total Expenditures	<u>6,013,150</u>	<u>6,171,222</u>	<u>5,463,998</u>	<u>707,224</u>
Deficiency of Revenues Under Expenditures	<u>(1,240,494)</u>	<u>(1,398,566)</u>	<u>(8,631)</u>	<u>1,389,935</u>
Other Financing Sources (Uses):				
Transfers In	1,020,086	1,020,086	1,170,164	150,078
Transfers Out	(20,000)	(20,000)	(69,120)	(49,120)
Total Other Financing Sources (Uses)	<u>1,000,086</u>	<u>1,000,086</u>	<u>1,101,044</u>	<u>100,958</u>
Net Change in Fund Balances	(240,408)	(398,480)	1,092,413	1,490,893
Fund Balances - Beginning	<u>3,083,470</u>	<u>3,083,470</u>	<u>3,083,470</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,843,062</u>	<u>2,684,990</u>	<u>4,175,883</u>	<u>1,490,893</u>

CITY OF LINCOLN, NEBRASKA
LIBRARY SPECIAL TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Loss	\$ -	-	(330)	(330)
Donations	96,743	96,743	101,478	4,735
Total Revenues	<u>96,743</u>	<u>96,743</u>	<u>101,148</u>	<u>4,405</u>
Expenditures -- Culture and Recreation:				
Personal Services	86,493	86,493	86,582	(89)
Other Services and Charges	250	250	10	240
Capital Outlay	10,000	10,000	9,862	138
Total Expenditures	<u>96,743</u>	<u>96,743</u>	<u>96,454</u>	<u>289</u>
Excess of Revenues Over Expenditures	-	-	4,694	4,694
Amount Not Required to be Budgeted	(80)	(80)	(80)	-
Fund Balances - Beginning	<u>148,740</u>	<u>148,740</u>	<u>148,740</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 148,660</u></u>	<u><u>148,660</u></u>	<u><u>153,354</u></u>	<u><u>4,694</u></u>

CITY OF LINCOLN, NEBRASKA
TAX ALLOCATION PROJECTS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 1,715,855	1,715,855	2,670,842	954,987
Investment Loss	-	-	(36,286)	(36,286)
Miscellaneous	-	-	267,309	267,309
Total Revenues	<u>1,715,855</u>	<u>1,715,855</u>	<u>2,901,865</u>	<u>1,186,010</u>
Expenditures -- Debt Service:				
Principal Retirement	1,207,726	1,207,726	1,207,726	-
Interest	512,822	512,822	512,822	-
Fiscal Charges	-	-	1,074	(1,074)
Developer Purchased TIF Payments	-	-	717,279	(717,279)
Miscellaneous	-	-	12,500	(12,500)
Total Expenditures	<u>1,720,548</u>	<u>1,720,548</u>	<u>2,451,401</u>	<u>(730,853)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(4,693)</u>	<u>(4,693)</u>	<u>450,464</u>	<u>455,157</u>
Other Financing Sources (Uses):				
Transfers In	-	-	101,132	101,132
Transfers Out	-	-	(705,700)	(705,700)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(604,568)</u>	<u>(604,568)</u>
Net Change in Fund Balances	(4,693)	(4,693)	(154,104)	(149,411)
Fund Balances - Beginning	<u>9,840,817</u>	<u>9,840,817</u>	<u>9,840,817</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 9,836,124</u>	<u>9,836,124</u>	<u>9,686,713</u>	<u>(149,411)</u>

CITY OF LINCOLN, NEBRASKA
BOND INTEREST & REDEMPTION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 5,131,654	5,131,654	5,594,005	462,351
Sundry and In Lieu Tax	3,939	3,939	3,656	(283)
Intergovernmental	101,312	101,312	100,506	(806)
Investment Earnings (Loss)	10,000	10,000	(17,755)	(27,755)
Total Revenues	<u>5,246,905</u>	<u>5,246,905</u>	<u>5,680,412</u>	<u>433,507</u>
Expenditures -- Debt Service:				
Principal Retirement	4,285,000	4,285,000	4,225,000	60,000
Interest	1,461,905	1,461,905	1,521,904	(59,999)
Fiscal Charges	-	-	10,038	(10,038)
Capital Lease Principal	-	-	2,677,456	(2,677,456)
Capital Lease Interest	-	-	440,596	(440,596)
Bond Issuance Expense	-	-	327	(327)
Miscellaneous	-	-	4,500	(4,500)
Total Expenditures	<u>5,746,905</u>	<u>5,746,905</u>	<u>8,879,821</u>	<u>(3,132,916)</u>
Deficiency of Revenues Under Expenditures	(500,000)	(500,000)	(3,199,409)	(2,699,409)
Other Financing Sources:				
Transfers In	-	-	3,126,416	3,126,416
Net Change in Fund Balances	(500,000)	(500,000)	(72,993)	427,007
Fund Balances - Beginning	<u>4,724,063</u>	<u>4,724,063</u>	<u>4,724,063</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,224,063</u>	<u>4,224,063</u>	<u>4,651,070</u>	<u>427,007</u>

CITY OF LINCOLN, NEBRASKA
TAX SUPPORTED BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 977,925	977,925	1,000,000	22,075
Investment Earnings	-	-	46,359	46,359
Total Revenues	<u>977,925</u>	<u>977,925</u>	<u>1,046,359</u>	<u>68,434</u>
Expenditures -- Debt Service:				
Principal Retirement	2,825,000	2,825,000	2,825,000	-
Interest	2,121,979	2,121,979	2,116,981	4,998
Fiscal Charges	-	-	2,074	(2,074)
Miscellaneous	-	-	38,985	(38,985)
Total Expenditures	<u>4,946,979</u>	<u>4,946,979</u>	<u>4,983,040</u>	<u>(36,061)</u>
Deficiency of Revenues Under Expenditures	<u>(3,969,054)</u>	<u>(3,969,054)</u>	<u>(3,936,681)</u>	<u>32,373</u>
Other Financing Sources:				
Transfer In	3,969,054	3,969,054	3,947,784	(21,270)
Issuance of Debt	-	-	397,866	397,866
Total Other Financing Sources	<u>3,969,054</u>	<u>3,969,054</u>	<u>4,345,650</u>	<u>376,596</u>
Net Change in Fund Balances	-	-	408,969	408,969
Fund Balances - Beginning	<u>2,691,407</u>	<u>2,691,407</u>	<u>2,691,407</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 2,691,407</u></u>	<u><u>2,691,407</u></u>	<u><u>3,100,376</u></u>	<u><u>408,969</u></u>

CITY OF LINCOLN, NEBRASKA
COMMUNITY HEALTH PERMANENT ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ 2,430,391	2,430,391	2,281,616	(148,775)
Miscellaneous	-	-	132,641	132,641
Total Revenues	<u>2,430,391</u>	<u>2,430,391</u>	<u>2,414,257</u>	<u>(16,134)</u>
Expenditures -- Health and Welfare:				
Personal Services	326,920	326,920	292,705	34,215
Materials and Supplies	13,918	13,918	5,122	8,796
Other Services and Charges	448,689	90,054	53,592	36,462
Capital Outlay	358,634	358,634	367,041	(8,407)
Grants	3,450,666	3,450,666	1,425,024	2,025,642
Total Expenditures	<u>4,598,827</u>	<u>4,240,192</u>	<u>2,143,484</u>	<u>2,096,708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,168,436)	(1,809,801)	270,773	2,080,574
Fund Balances - Beginning	<u>58,321,267</u>	<u>58,321,267</u>	<u>58,321,267</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 56,152,831</u>	<u>56,511,466</u>	<u>58,592,040</u>	<u>2,080,574</u>

CITY OF LINCOLN, NEBRASKA
ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Reimbursement for Services	\$ 404,400	404,400	439,606	35,206
Investment Loss	-	-	(2,652)	(2,652)
Miscellaneous	-	-	17,507	17,507
Total Revenues	<u>404,400</u>	<u>404,400</u>	<u>454,461</u>	<u>50,061</u>
Other Financing Uses:				
Transfers Out	<u>(1,803,749)</u>	<u>(1,083,749)</u>	<u>(484,973)</u>	<u>598,776</u>
Net Change in Fund Balances	(1,399,349)	(679,349)	(30,512)	648,837
Fund Balances - Beginning	<u>892,864</u>	<u>892,864</u>	<u>892,864</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ (506,485)</u></u>	<u><u>213,515</u></u>	<u><u>862,352</u></u>	<u><u>648,837</u></u>

CITY OF LINCOLN, NEBRASKA
LINCOLN AREA AGENCY ON AGING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 993,593	993,593	1,128,900	135,307
Permits and Fees	112,850	112,850	60,489	(52,361)
Reimbursement for Services	88,475	88,475	72,519	(15,956)
Client Contributions	169,769	169,769	160,558	(9,211)
Investment Loss	-	-	(1,217)	(1,217)
Donations	72,760	72,760	12,007	(60,753)
Miscellaneous	-	-	2,690	2,690
Total Revenues	<u>1,437,447</u>	<u>1,437,447</u>	<u>1,435,946</u>	<u>(1,501)</u>
Expenditures -- Economic Opportunity:				
Personal Services	2,479,107	2,509,028	2,500,753	8,275
Materials and Supplies	259,080	259,080	253,864	5,216
Other Services and Charges	1,003,453	1,016,749	832,155	184,594
Capital Outlay	-	50,553	5,002	45,551
Total Expenditures	<u>3,741,640</u>	<u>3,835,410</u>	<u>3,591,774</u>	<u>243,636</u>
Deficiency of Revenues Under Expenditures	(2,304,193)	(2,397,963)	(2,155,828)	242,135
Other Financing Sources (Uses):				
Transfers In	2,213,682	2,213,682	2,243,602	29,920
Transfers Out	-	-	(3,795)	(3,795)
Total Other Financing Sources (Uses)	<u>2,213,682</u>	<u>2,213,682</u>	<u>2,239,807</u>	<u>26,125</u>
Net Change in Fund Balances	(90,511)	(184,281)	83,979	268,260
Fund Balances - Beginning	<u>246,332</u>	<u>246,332</u>	<u>246,332</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 155,821</u>	<u>62,051</u>	<u>330,311</u>	<u>268,260</u>

CITY OF LINCOLN, NEBRASKA
911 COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 301,712	301,712	703,286	401,574
Permits and Fees	1,270,433	1,270,433	1,191,148	(79,285)
Investment Loss	-	-	(13,449)	(13,449)
Miscellaneous	-	-	26	26
Total Revenues	<u>1,572,145</u>	<u>1,572,145</u>	<u>1,881,011</u>	<u>308,866</u>
Expenditures -- Public Safety:				
Personal Services	3,298,880	4,047,760	3,391,036	656,724
Materials and Supplies	24,750	24,750	30,894	(6,144)
Other Services and Charges	672,664	622,664	437,033	185,631
Capital Outlay	524,797	624,797	517,439	107,358
Total Expenditures	<u>4,521,091</u>	<u>5,319,971</u>	<u>4,376,402</u>	<u>943,569</u>
Deficiency of Revenues Under Expenditures	<u>(2,948,946)</u>	<u>(3,747,826)</u>	<u>(2,495,391)</u>	<u>1,252,435</u>
Other Financing Sources (Uses):				
Transfers In	2,199,252	2,199,252	2,948,132	748,880
Transfers Out	<u>(853)</u>	<u>(853)</u>	-	853
Total Other Financing Sources (Uses)	<u>2,198,399</u>	<u>2,198,399</u>	<u>2,948,132</u>	<u>749,733</u>
Net Change in Fund Balances	(750,547)	(1,549,427)	452,741	2,002,168
Fund Balances - Beginning	<u>1,764,690</u>	<u>1,764,690</u>	<u>1,764,690</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,014,143</u>	<u>215,263</u>	<u>2,217,431</u>	<u>2,002,168</u>

CITY OF LINCOLN, NEBRASKA
UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ -	-	7	7
Expenditures -- General Government:				
Unemployment Insurance Payments	<u>95,000</u>	<u>95,000</u>	<u>31,277</u>	<u>63,723</u>
Deficiency of Revenues Under Expenditures	(95,000)	(95,000)	(31,270)	63,730
Fund Balances - Beginning	<u>86,362</u>	<u>86,362</u>	<u>86,362</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ (8,638)</u></u>	<u><u>(8,638)</u></u>	<u><u>55,092</u></u>	<u><u>63,730</u></u>

CITY OF LINCOLN, NEBRASKA
DEVELOPMENT SERVICES CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Loss	\$ -	-	(185)	(185)
Expenditures -- Economic Opportunity:				
Other Services and Charges	<u>3,594</u>	<u>247,495</u>	<u>175,658</u>	<u>71,837</u>
Deficiency of Revenues Under Expenditures	(3,594)	(247,495)	(175,843)	71,652
Other Financing Sources (Uses):				
Transfers In	262,550	262,550	443,615	181,065
Transfers Out	<u>-</u>	<u>-</u>	<u>(262,881)</u>	<u>(262,881)</u>
Total Other Financing Sources (Uses)	<u>262,550</u>	<u>262,550</u>	<u>180,734</u>	<u>(81,816)</u>
Net Change in Fund Balances	258,956	15,055	4,891	(10,164)
Fund Balances - Beginning	<u>65,932</u>	<u>65,932</u>	<u>65,932</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 324,888</u></u>	<u><u>80,987</u></u>	<u><u>70,823</u></u>	<u><u>(10,164)</u></u>

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing goods or services are recovered primarily through user charges and where periodic determination of net income is appropriate.

Golf Fund - To account for the revenues and expenses of the four public adult golf courses and one youth golf course.

Parking System Fund - To account for the revenues and expenses of eight downtown parking garages: Carriage Park, Que Place, Center Park, Cornhusker Square, University Square, Market Place, Haymarket, and Larson Building; and the revenues and expenses of City owned parking lots, leased parking lots, third party owned parking facilities operated for special events, and parking facilities operated on behalf of the Joint Public Agency.

Pershing Municipal Auditorium Fund - To account for the revenues and expenses of the City-owned municipal auditorium.

Pinnacle Bank Arena Fund – To account for the operating revenues and expenses of the City-owned arena which opened August 2013.

Solid Waste Management Fund - To account for the revenues and expenses of the City-owned landfills.

Emergency Medical Services Fund - To account for the revenues and expenses of the City-operated emergency and non-emergency ambulance service.

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2013

	Golf	Parking System	Pershing Municipal Auditorium	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ -	542,685	162,828	5,185,825	506,282	152,276	6,549,896
Investments	-	1,671,904	1,317	-	1,667,952	606,049	3,947,222
Receivables (Net of Allowance for Uncollectibles)	-	47,741	33,153	806,942	1,110,169	959,667	2,957,672
Due from Other Funds	-	32,924	161,248	1,163	39,587	11,944	246,866
Due from Other Governments	-	30,380	-	18,076	4,424	5,618	58,498
Inventories	74,759	-	31,636	103,090	-	189,155	398,640
Prepaid Expenses	-	-	2,843	46,758	-	-	49,601
Total Current Assets	74,759	2,325,634	393,025	6,161,854	3,328,414	1,924,709	14,208,395
Noncurrent Assets:							
Investments	-	1,778,624	1,402	-	1,774,419	644,734	4,199,179
Restricted Assets:							
Cash and Cash Equivalents	100,760	3,941,439	48,639	-	681,586	-	4,772,424
Investments	-	7,355,145	-	-	5,623,083	-	12,978,228
Receivables	-	15,549	-	-	12,026	-	27,575
Due from Other Funds	-	70,122	-	-	53,621	-	123,743
Total Restricted Assets	100,760	11,382,255	48,639	-	6,370,316	-	17,901,970
Capital Assets:							
Land	1,082,623	10,116,204	46,500	-	1,540,452	-	12,785,779
Buildings	4,067,980	59,192,960	4,339,544	-	2,076,504	168,363	69,845,351
Improvements Other Than Buildings	7,085,694	563,200	202,005	-	33,812,543	-	41,663,442
Machinery and Equipment	2,601,932	3,439,071	864,150	-	6,191,094	2,155,384	15,251,631
Construction in Progress	-	7,768,483	-	-	55,672	-	7,824,155
Less Accumulated Depreciation	(8,683,383)	(20,200,760)	(5,276,274)	-	(22,793,098)	(1,077,522)	(58,031,037)
Total Capital Assets, Net	6,154,846	60,879,158	175,925	-	20,883,167	1,246,225	89,339,321
Total Noncurrent Assets	6,255,606	74,040,037	225,966	-	29,027,902	1,890,959	111,440,470
Total Assets	6,330,365	76,365,671	618,991	6,161,854	32,356,316	3,815,668	125,648,865
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	53,602	-	-	42,315	-	95,917
LIABILITIES							
Current Liabilities:							
Accounts Payable	194,529	3,263,995	63,711	331,011	233,636	147,704	4,234,586
Accrued Liabilities	59,014	11,355	122,194	101,532	91,429	117,485	503,009
Accrued Compensated Absences	75,279	16,712	49,024	38,007	99,953	155,522	434,497
Due to Other Funds	827,562	12,195	7,413	161,222	6,464	81,293	1,096,149
Due to Other Governments	50,342	24,943	23,295	8,058	74,573	99	181,310
Unearned Revenue	55,103	1,030,263	117,935	5,622,025	-	-	6,825,326
Accrued Interest	16,308	48,833	-	-	16,514	3,319	84,974
Current Portion of Notes Payable	-	-	-	157,500	-	-	157,500
Current Portion of Capital Lease	354,654	-	-	-	-	95,436	450,090
Current Portion of Long-Term Debt	-	1,310,000	-	-	550,000	-	1,860,000
Total Current Liabilities	1,632,791	5,718,296	383,572	6,419,355	1,072,569	600,858	15,827,441
Noncurrent Liabilities:							
Accrued Compensated Absences	81,331	757	-	-	28,668	21,531	132,287
Notes Payable	-	-	-	1,417,500	-	-	1,417,500
Capital Lease Payable	1,660,171	-	-	-	-	292,092	1,952,263
Long-Term Debt, Net	-	29,507,651	-	-	7,804,143	-	37,311,794
Accrued Liabilities	36,405	6,068	-	-	87,980	470,415	600,868
Accrued Landfill Closure/ Postclosure Care Costs	-	-	-	-	15,904,000	-	15,904,000
Total Noncurrent Liabilities	1,777,907	29,514,476	-	1,417,500	23,824,791	784,038	57,318,712
Total Liabilities	3,410,698	35,232,772	383,572	7,836,855	24,897,360	1,384,896	73,146,153
NET POSITION							
Net Investment in Capital Assets	4,240,781	33,370,037	175,925	-	18,974,328	841,487	57,602,558
Restricted for:							
Debt Service	-	158,083	-	-	-	-	158,083
Capital Projects	-	4,977,570	13,191	-	-	-	4,990,761
Other	-	-	21,152	-	-	-	21,152
Unrestricted	(1,321,114)	2,680,811	25,151	(1,675,001)	(11,473,057)	1,589,285	(10,173,925)
Total Net Position	\$ 2,919,667	41,186,501	235,419	(1,675,001)	7,501,271	2,430,772	52,598,629

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Golf	Parking System	Pershing Municipal Auditorium	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Total
Operating Revenues							
Charges for Services	\$ -	-	-	-	-	5,436,467	5,436,467
Fees	3,068,772	-	-	-	5,369,807	-	8,438,579
Parking Revenue	-	8,913,448	-	-	-	-	8,913,448
Performance Revenue	-	-	1,909,989	56,766	-	-	1,966,755
Other Operating Revenue	127,740	33,242	57,611	-	619,953	-	838,546
Total Operating Revenues	<u>3,196,512</u>	<u>8,946,690</u>	<u>1,967,600</u>	<u>56,766</u>	<u>5,989,760</u>	<u>5,436,467</u>	<u>25,593,795</u>
Operating Expenses							
Personal Services	1,471,887	254,802	1,094,468	1,053,091	2,441,558	3,628,601	9,944,407
Contractual Services	207,419	2,804,645	-	-	1,726,495	569,467	5,308,026
Operation and Maintenance	1,219,214	1,221,707	1,518,596	659,825	2,236,477	522,751	7,378,570
Depreciation	492,968	1,621,709	19,418	-	1,833,106	210,967	4,178,168
Total Operating Expenses	<u>3,391,488</u>	<u>5,902,863</u>	<u>2,632,482</u>	<u>1,712,916</u>	<u>8,237,636</u>	<u>4,931,786</u>	<u>26,809,171</u>
Operating Income (Loss)	<u>(194,976)</u>	<u>3,043,827</u>	<u>(664,882)</u>	<u>(1,656,150)</u>	<u>(2,247,876)</u>	<u>504,681</u>	<u>(1,215,376)</u>
Nonoperating Revenues (Expenses)							
Investment Earnings (Loss)	-	(91,425)	52	-	(68,191)	(8,335)	(167,899)
Gain (Loss) on Disposal of Capital Assets	2,300	(24,842)	-	-	21,017	8,148	6,623
Insurance Recovery	-	-	-	-	449	1,493	1,942
Occupation Tax	-	-	-	-	2,011,468	-	2,011,468
Debt Issuance Expense	-	(176,770)	-	-	(138,540)	-	(315,310)
Interest Expense and Fiscal Charges	(15,692)	(1,040,036)	-	-	(116,871)	(7,741)	(1,180,340)
Total Nonoperating Revenues (Expenses)	<u>(13,392)</u>	<u>(1,333,073)</u>	<u>52</u>	<u>-</u>	<u>1,709,332</u>	<u>(6,435)</u>	<u>356,484</u>
Income (Loss) Before Contributions and Transfers	<u>(208,368)</u>	<u>1,710,754</u>	<u>(664,830)</u>	<u>(1,656,150)</u>	<u>(538,544)</u>	<u>498,246</u>	<u>(858,892)</u>
Capital Contributions	106,835	-	10,978	-	-	-	117,813
Transfers In	47,884	1,616	600,000	-	-	8,402	657,902
Transfers Out	(17,000)	(1,454,049)	-	-	(1,151,405)	-	(2,622,454)
Change in Net Position	<u>(70,649)</u>	<u>258,321</u>	<u>(53,852)</u>	<u>(1,656,150)</u>	<u>(1,689,949)</u>	<u>506,648</u>	<u>(2,705,631)</u>
Net Position - Beginning of Year, Before Restatement	3,020,731	41,246,521	289,271	(18,851)	9,244,073	1,930,292	55,712,037
Adjustment for Implementation of GASB 65	<u>(30,415)</u>	<u>(318,341)</u>	<u>-</u>	<u>-</u>	<u>(52,853)</u>	<u>(6,168)</u>	<u>(407,777)</u>
Net Position - Beginning of Year, After Restatement	<u>2,990,316</u>	<u>40,928,180</u>	<u>289,271</u>	<u>(18,851)</u>	<u>9,191,220</u>	<u>1,924,124</u>	<u>55,304,260</u>
Net Position - Ending	<u>\$ 2,919,667</u>	<u>41,186,501</u>	<u>235,419</u>	<u>(1,675,001)</u>	<u>7,501,271</u>	<u>2,430,772</u>	<u>52,598,629</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Golf	Parking System	Pershing Municipal Auditorium	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 3,186,611	9,249,917	1,480,705	4,852,610	5,198,899	5,848,680	29,817,422
Receipts from Interfund Services Provided	-	4,485	-	-	134,444	-	138,929
Payments to Suppliers for Goods and Services	(743,342)	(3,323,410)	(1,423,719)	(327,460)	(2,754,889)	(762,430)	(9,335,250)
Payments to Employees	(1,475,751)	(249,280)	(995,348)	(914,325)	(2,396,669)	(3,445,753)	(9,477,126)
Payments for Interfund Services Provided	(660,096)	(771,630)	(292,581)	-	(613,618)	(394,354)	(2,732,279)
Other Receipts	21,639	33,267	57,611	-	619,953	-	732,470
Net Cash Provided (Used) by Operating Activities	<u>329,061</u>	<u>4,943,349</u>	<u>(1,173,332)</u>	<u>3,610,825</u>	<u>188,120</u>	<u>1,246,143</u>	<u>9,144,166</u>
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	-	1,982,576	-	1,982,576
Transfers from Other Funds	47,884	1,616	600,000	-	-	8,402	657,902
Transfers to Other Funds	(17,000)	(1,454,049)	-	-	(1,151,405)	-	(2,622,454)
Advances from General Fund	1,464,312	-	-	-	-	-	1,464,312
Repayment of Advances from General Fund	(1,392,356)	-	-	-	-	-	(1,392,356)
Advances to Other Funds	-	-	-	-	(2,204)	(4,851)	(7,055)
Repayments from Other Funds	-	76,366	60	-	-	-	76,426
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>102,840</u>	<u>(1,376,067)</u>	<u>600,060</u>	<u>-</u>	<u>828,967</u>	<u>3,551</u>	<u>159,351</u>
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(1,886,598)	(6,683,678)	-	-	(384,111)	(113,518)	(9,067,905)
Proceeds from Sale of Capital Assets	3,600	-	-	-	17,779	8,148	29,527
Insurance Recovery	-	-	-	-	449	1,493	1,942
Proceeds from Long-Term Debt	512,317	9,080,797	-	1,575,000	6,068,069	-	17,236,183
Cost of Debt Issuance	-	(68,050)	-	-	(63,480)	-	(131,530)
Funds Used for Bond Refunding	-	(53,318)	-	-	(140,852)	-	(194,170)
Principal Payments of Capital Lease	(302,004)	-	-	-	-	(92,544)	(394,548)
Principal Payments of Bonded Debt	-	(1,270,000)	-	-	(475,000)	-	(1,745,000)
Interest and Fiscal Charges Paid	(42,063)	(1,157,948)	-	-	(134,213)	(9,256)	(1,343,480)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,714,748)</u>	<u>(152,197)</u>	<u>-</u>	<u>1,575,000</u>	<u>4,888,641</u>	<u>(205,677)</u>	<u>4,391,019</u>
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	-	10,540,220	4,602	-	5,596,737	549,751	16,691,310
Purchases of Investments	-	(12,675,426)	(3,190)	-	(10,634,089)	(1,467,211)	(24,779,916)
Interest and Other Receipts	-	38,149	71	-	13,790	2,638	54,648
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(2,097,057)</u>	<u>1,483</u>	<u>-</u>	<u>(5,023,562)</u>	<u>(914,822)</u>	<u>(8,033,958)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,282,847)	1,318,028	(571,789)	5,185,825	882,166	129,195	5,660,578
Cash and Cash Equivalents - Beginning	1,383,607	3,166,096	783,256	-	305,702	23,081	5,661,742
Cash and Cash Equivalents - Ending	<u>\$ 100,760</u>	<u>4,484,124</u>	<u>211,467</u>	<u>5,185,825</u>	<u>1,187,868</u>	<u>152,276</u>	<u>11,322,320</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ (194,976)	3,043,827	(664,882)	(1,656,150)	(2,247,876)	504,681	(1,215,376)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	492,968	1,621,709	19,418	-	1,833,106	210,967	4,178,168
Changes in Assets and Liabilities:							
Accounts Receivable and Unbilled Revenues	154	(15,779)	77,821	(806,942)	(36,947)	417,831	(363,862)
Due from Other Funds	-	100,149	(161,222)	(1,163)	(1,612)	-	(63,848)
Due from Other Governments	-	86,154	-	(18,076)	2,095	(5,618)	64,555
Inventories	(12,417)	-	5,283	(103,090)	-	(76,436)	(186,660)
Prepaid Expenses	-	-	762	(46,758)	-	-	(45,996)
Accounts Payable	9,864	(84,519)	(113,819)	330,238	107,369	25,256	274,389
Accrued Liabilities	10,670	1,671	50,096	83,454	34,224	136,019	316,134
Accrued Compensated Absences	45,133	3,851	49,024	38,007	10,665	46,829	193,509
Due to Other Funds	(24,594)	(653)	(30,481)	161,222	2,972	(13,037)	95,429
Due to Other Governments	(9,325)	16,484	(59,449)	8,058	16,124	(349)	(28,457)
Unearned Revenue	11,584	170,455	(345,883)	5,622,025	-	-	5,458,181
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	-	468,000	-	468,000
Total Adjustments	524,037	1,899,522	(508,450)	5,266,975	2,435,996	741,462	10,359,542
Net Cash Provided (Used) by Operating Activities	<u>\$ 329,061</u>	<u>4,943,349</u>	<u>(1,173,332)</u>	<u>3,610,825</u>	<u>188,120</u>	<u>1,246,143</u>	<u>9,144,166</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 106,835	-	10,978	-	-	-	117,813
Purchase of Capital Assets on Account	-	2,942,841	-	-	17,224	17,210	2,977,275
Change in Fair Value of Investments	-	(92,852)	(17)	-	(89,103)	(13,061)	(195,033)

INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods or services rendered by one department or agency to other departments or agencies or to other governmental units on a cost-reimbursement basis.

Information Services Fund - To account for the cost of operating a central data processing facility for the City of Lincoln and Lancaster County. User City and County departments are charged for the resources used on a full costs recovery basis.

Engineering Revolving Fund - To account for the cost of operating a central engineering pool. Revenues are derived from billings to various capital improvement projects.

Insurance Revolving Fund - To account for the cost of providing a self-insurance program for workers' compensation, health, dental, liability, property insurance, and long-term disability. Revenues are derived from billings to operating departments.

Fleet Services Fund - To account for the operation of a centralized maintenance facility for equipment used by other City departments, such as trucks, heavy equipment, miscellaneous other equipment and radio maintenance. Revenues are derived from billings to user departments.

Police Garage Fund - To account for the operation of a maintenance facility for the Police fleet and vehicles from various other City departments. Revenues are derived from billings to the Police and other user departments.

Municipal Services Center Fund – To account for the purchase of, improvements to, and operation of a facility to provide a consolidated location for various functions of city government. Revenues are derived from the issue of certificates of participation and rental payments from user departments and other occupying agencies.

Communication Services Fund - To account for the costs of providing graphic arts and telecommunication services. Revenues are derived from billings to user departments.

Copy Services Fund - To account for the cost of providing copy services to the City of Lincoln and Lancaster County. User City and County departments are charged on a per copy basis.

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2013

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 196,702	8,922	2,581,782	-
Investments	786,546	35,573	11,310,089	-
Accounts Receivable	61,380	74,685	2,571	579
Accrued Interest Receivable	2,989	239	53,892	725
Lease Receivable	785,000	-	-	-
Due from Other Funds	392,553	355,399	203,158	22,131
Due from Other Governments	270,779	1,430	12,507	444
Inventories	-	-	-	612,496
Prepaid Expenses	298,172	29,699	-	-
Total Current Assets	2,794,121	505,947	14,163,999	636,375
Noncurrent Assets:				
Investments	836,752	37,843	10,975,888	-
Restricted Cash and Cash Equivalents	-	-	-	-
Capital Assets:				
Land	-	-	-	-
Buildings	26,486	-	-	-
Improvements Other Than Buildings	-	-	-	420,192
Machinery and Equipment	3,923,856	421,073	28,936	19,512,868
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(2,286,615)	(389,797)	(28,936)	(14,639,088)
Total Capital Assets, Net	1,663,727	31,276	-	5,293,972
Total Noncurrent Assets	2,500,479	69,119	10,975,888	5,293,972
Total Assets	5,294,600	575,066	25,139,887	5,930,347
LIABILITIES				
Current Liabilities:				
Accounts Payable	217,515	111,431	977,200	157,995
Accrued Liabilities	154,790	226,539	28,885	54,913
Accrued Compensated Absences	252,712	353,171	29,302	99,790
Due to Other Funds	8,375	45,051	1,869	533,056
Due to Other Governments	52	543	15,531	296
Unearned Revenue	-	62,663	-	-
Claims	-	-	3,733,880	-
Accrued Interest	12,262	-	-	12,478
Current Portion of Capital Lease	615,000	-	-	220,593
Total Current Liabilities	1,260,706	799,398	4,786,667	1,079,121
Noncurrent Liabilities:				
Accrued Compensated Absences	184,848	464,880	35,863	112,529
Claims	-	-	6,046,204	-
Capital Lease Payable	1,100,394	-	-	463,012
Accrued Liabilities	106,183	169,892	24,270	54,608
Total Noncurrent Liabilities	1,391,425	634,772	6,106,337	630,149
Total Liabilities	2,652,131	1,434,170	10,893,004	1,709,270
NET POSITION				
Net Investment in Capital Assets	(51,667)	31,276	-	4,610,367
Unrestricted	2,694,136	(890,380)	14,246,883	(389,290)
Total Net Position	\$ 2,642,469	(859,104)	14,246,883	4,221,077

<u>Police Garage</u>	<u>Municipal Services Center</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
252,712	25,344	-	480	3,065,942
1,013,156	101,447	-	6,587	13,253,398
54,267	11,395	13,802	1,448	220,127
4,189	-	-	47	62,081
-	-	-	-	785,000
350,591	2,008	5,101	18,269	1,349,210
5,358	-	1,713	13,632	305,863
134,010	-	-	-	746,506
-	-	-	-	327,871
<u>1,814,283</u>	<u>140,194</u>	<u>20,616</u>	<u>40,463</u>	<u>20,115,998</u>
1,077,826	107,923	-	7,008	13,043,240
-	1,183,744	-	-	1,183,744
48,250	1,258,700	-	-	1,306,950
356,072	7,009,457	-	-	7,392,015
45,500	-	-	-	465,692
7,450,487	86,330	28,349	-	31,451,899
-	5,367,422	-	-	5,367,422
<u>(4,063,378)</u>	<u>(628,642)</u>	<u>(28,349)</u>	<u>-</u>	<u>(22,064,805)</u>
<u>3,836,931</u>	<u>13,093,267</u>	<u>-</u>	<u>-</u>	<u>23,919,173</u>
<u>4,914,757</u>	<u>14,384,934</u>	<u>-</u>	<u>7,008</u>	<u>38,146,157</u>
<u>6,729,040</u>	<u>14,525,128</u>	<u>20,616</u>	<u>47,471</u>	<u>58,262,155</u>
124,413	733,226	3,676	-	2,325,456
36,821	-	3,225	3,185	508,358
56,829	-	6,080	4,182	802,066
376	-	14,237	-	602,964
-	-	-	-	16,422
-	27,078	-	-	89,741
-	-	-	-	3,733,880
-	109,352	-	-	134,092
-	500,000	-	-	1,335,593
<u>218,439</u>	<u>1,369,656</u>	<u>27,218</u>	<u>7,367</u>	<u>9,548,572</u>
114,349	-	-	634	913,103
-	-	-	-	6,046,204
-	12,904,537	-	-	14,467,943
42,473	-	9,101	3,034	409,561
<u>156,822</u>	<u>12,904,537</u>	<u>9,101</u>	<u>3,668</u>	<u>21,836,811</u>
<u>375,261</u>	<u>14,274,193</u>	<u>36,319</u>	<u>11,035</u>	<u>31,385,383</u>
3,766,926	407,044	-	-	8,763,946
<u>2,586,853</u>	<u>(156,109)</u>	<u>(15,703)</u>	<u>36,436</u>	<u>18,112,826</u>
<u>6,353,779</u>	<u>250,935</u>	<u>(15,703)</u>	<u>36,436</u>	<u>26,876,772</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Operating Revenues				
Charges for Services	\$ 7,754,927	7,302,872	33,816,149	5,719,425
Operating Expenses				
Personal Services	4,118,041	6,193,817	779,228	1,688,358
Materials and Supplies	190,109	34,228	6,862	2,285,988
Other Services and Charges	2,914,458	1,459,407	31,101,999	812,647
Depreciation	303,580	11,984	1,006	1,477,573
Total Operating Expenses	7,526,188	7,699,436	31,889,095	6,264,566
Operating Income (Loss)	228,739	(396,564)	1,927,054	(545,141)
Nonoperating Revenues (Expenses)				
Investment Earnings (Loss)	(12,080)	998	(74,544)	888
Gain on Disposal of Capital Assets	-	-	-	165,290
Debt Issuance Expense	(31,943)	-	-	-
Interest Expense and Fiscal Charges	(21,527)	-	-	(25,393)
Total Nonoperating Revenues (Expenses)	(65,550)	998	(74,544)	140,785
Income (Loss) Before Contributions and Transfers	163,189	(395,566)	1,852,510	(404,356)
Capital Contributions	-	-	-	59,553
Transfers In	-	-	-	-
Transfers Out	-	(13,799)	-	-
Change in Net Position	163,189	(409,365)	1,852,510	(344,803)
Net Position - Beginning of Year, Before Restatement	2,479,280	(449,739)	12,394,373	4,565,880
Adjustment for Implementation of GASB 65	-	-	-	-
Net Position - Beginning of Year, After Restatement	2,479,280	(449,739)	12,394,373	4,565,880
Net Position - Ending	\$ 2,642,469	(859,104)	14,246,883	4,221,077

<u>Police Garage</u>	<u>Municipal Services Center</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>4,365,757</u>	<u>1,486,652</u>	<u>135,777</u>	<u>309,357</u>	<u>60,890,916</u>
1,109,263	-	92,111	89,154	14,069,972
1,516,549	-	1,908	248,075	4,283,719
638,195	665,561	44,235	12,625	37,649,127
661,734	252,965	313	-	2,709,155
<u>3,925,741</u>	<u>918,526</u>	<u>138,567</u>	<u>349,854</u>	<u>58,711,973</u>
<u>440,016</u>	<u>568,126</u>	<u>(2,790)</u>	<u>(40,497)</u>	<u>2,178,943</u>
(9,608)	(1,952)	-	124	(96,174)
19,652	278	-	-	185,220
-	(94,372)	-	-	(126,315)
-	(350,537)	-	-	(397,457)
<u>10,044</u>	<u>(446,583)</u>	<u>-</u>	<u>124</u>	<u>(434,726)</u>
450,060	121,543	(2,790)	(40,373)	1,744,217
-	10,272	-	-	69,825
-	79,992	-	-	79,992
-	(154,810)	-	-	(168,609)
<u>450,060</u>	<u>56,997</u>	<u>(2,790)</u>	<u>(40,373)</u>	<u>1,725,425</u>
5,903,719	329,514	(12,913)	76,809	25,286,923
-	(135,576)	-	-	(135,576)
<u>5,903,719</u>	<u>193,938</u>	<u>(12,913)</u>	<u>76,809</u>	<u>25,151,347</u>
<u>6,353,779</u>	<u>250,935</u>	<u>(15,703)</u>	<u>36,436</u>	<u>26,876,772</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,570,833	1,962,971	9,435,909	429,278
Receipts from Interfund Services Provided	5,141,807	5,262,797	24,376,992	5,296,795
Payments to Suppliers for Goods and Services	(3,620,484)	(312,473)	(30,435,645)	(2,629,925)
Payments to Employees	(4,006,024)	(6,076,054)	(765,919)	(1,622,663)
Payments for Interfund Services Provided	(189,689)	(1,076,505)	(245,995)	(345,801)
Net Cash Provided (Used) by Operating Activities	<u>(103,557)</u>	<u>(239,264)</u>	<u>2,365,342</u>	<u>1,127,684</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	(13,799)	-	-
Advance from General Fund	-	-	-	1,657,405
Repayment of Advances from General Fund	-	-	-	(1,855,905)
Payments from Other Funds	9,796	5,597	205,658	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>9,796</u>	<u>(8,202)</u>	<u>205,658</u>	<u>(198,500)</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(1,063,873)	-	-	(1,100,105)
Proceeds from Sale of Capital Assets	-	-	-	183,817
Proceeds from Long-Term Debt	2,021,876	-	-	-
Cost of Debt Issuance	(31,943)	-	-	-
Principal Payments of Capital Lease	(280,000)	-	-	(213,626)
Interest and Fiscal Charges Paid	(35,746)	-	-	(29,274)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>610,314</u>	<u>-</u>	<u>-</u>	<u>(1,159,188)</u>
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	1,502,858	319,905	23,606,108	-
Purchases of Investments	(1,904,185)	(86,119)	(24,977,671)	-
Interest and Other Receipts	2,956	3,394	112,660	1,190
Net Cash Provided (Used) by Investing Activities	<u>(398,371)</u>	<u>237,180</u>	<u>(1,258,903)</u>	<u>1,190</u>
Net Increase (Decrease) in Cash and Cash Equivalents	118,182	(10,286)	1,312,097	(228,814)
Cash and Cash Equivalents - Beginning	78,520	19,208	1,269,685	228,814
Cash and Cash Equivalents - Ending	<u>\$ 196,702</u>	<u>8,922</u>	<u>2,581,782</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 228,739	(396,564)	1,927,054	(545,141)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	303,580	11,984	1,006	1,477,573
Changes in Assets and Liabilities:				
Accounts Receivable	(3,745)	67,252	(2,571)	234
Lease Receivable	(785,000)	-	-	-
Due from Other Funds	5,898	(41,464)	-	1,553
Due from Other Governments	(44,441)	2,888	(677)	4,862
Inventories	-	-	-	60,357
Prepaid Expenses	(113,691)	8,685	-	-
Accounts Payable	189,682	103,211	946,469	64,318
Accrued Liabilities	41,757	46,805	7,353	13,348
Accrued Compensated Absences	70,260	70,958	5,956	52,347
Due to Other Funds	3,398	(7,389)	40	(2,063)
Due to Other Governments	6	151	3,666	296
Unearned Revenue	-	(105,781)	-	-
Claims	-	-	(522,954)	-
Total Adjustments	<u>(332,296)</u>	<u>157,300</u>	<u>438,288</u>	<u>1,672,825</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (103,557)</u>	<u>(239,264)</u>	<u>2,365,342</u>	<u>1,127,684</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	-	-	59,553
Purchase of Capital Assets on Account	-	-	-	-
Change in Fair Value of Investments	(14,227)	226	(173,606)	-

Police Garage	Municipal Services Center	Communication Services	Copy Services	Total
(60,990)	774,938	49,386	126,538	15,288,863
4,474,490	727,713	74,380	181,549	45,536,523
(1,328,550)	(122,763)	(27,048)	(272,552)	(38,749,440)
(1,086,333)	-	(91,829)	(87,588)	(13,736,410)
(828,452)	(434,395)	(4,889)	(12,625)	(3,138,351)
<u>1,170,165</u>	<u>945,493</u>	<u>-</u>	<u>(64,678)</u>	<u>5,201,185</u>
-	79,992	-	-	79,992
-	(154,810)	-	-	(168,609)
-	-	-	-	1,657,405
-	-	-	-	(1,855,905)
23,161	1,623	-	1,349	247,184
<u>23,161</u>	<u>(73,195)</u>	<u>-</u>	<u>1,349</u>	<u>(39,933)</u>
(1,170,950)	(4,836,676)	-	-	(8,171,604)
89,691	278	-	-	273,786
-	6,098,663	-	-	8,120,539
-	(94,372)	-	-	(126,315)
-	(495,000)	-	-	(988,626)
-	(312,843)	-	-	(377,863)
<u>(1,081,259)</u>	<u>360,050</u>	<u>-</u>	<u>-</u>	<u>(1,270,083)</u>
2,452,615	210,755	-	75,044	28,167,285
(2,452,794)	(245,598)	-	(15,947)	(29,682,314)
8,093	136	-	175	128,604
<u>7,914</u>	<u>(34,707)</u>	<u>-</u>	<u>59,272</u>	<u>(1,386,425)</u>
119,981	1,197,641	-	(4,057)	2,504,744
132,731	11,447	-	4,537	1,744,942
<u>252,712</u>	<u>1,209,088</u>	<u>-</u>	<u>480</u>	<u>4,249,686</u>
<u>440,016</u>	<u>568,126</u>	<u>(2,790)</u>	<u>(40,497)</u>	<u>2,178,943</u>
661,734	252,965	313	-	2,709,155
7,899	(11,080)	(7,467)	677	51,199
-	-	-	-	(785,000)
29,455	-	(3,601)	(3,169)	(11,328)
10,389	-	(943)	1,221	(26,701)
(3,682)	-	-	-	56,675
-	-	-	-	(105,006)
1,236	108,404	3,274	(24,477)	1,392,117
12,652	-	2,602	917	125,434
10,278	-	(2,320)	650	208,129
188	-	10,997	-	5,171
-	-	(65)	-	4,054
-	27,078	-	-	(78,703)
-	-	-	-	(522,954)
<u>730,149</u>	<u>377,367</u>	<u>2,790</u>	<u>(24,181)</u>	<u>3,022,242</u>
<u>1,170,165</u>	<u>945,493</u>	<u>-</u>	<u>(64,678)</u>	<u>5,201,185</u>
-	10,272	-	-	69,825
70,005	465,430	-	-	535,435
(16,542)	(1,777)	-	96	(205,830)



AGENCY FUNDS

Agency funds are used to report fiduciary resources held by the City for individuals, private organizations, or other governments.

Collections Due Other Governments - To account for the collection and payment to:

State of Nebraska - Sales tax collections on sales made by the City of Lincoln and Lottery Tax Collections on Keno Proceeds to be remitted to the State.

Lincoln Public Schools - Fines, fees, licenses and permits collected on its behalf.

HILP Escrow Accounts - Various bank accounts used for the Home Improvement Loan Program for owner-occupied housing rehabilitation loans. The City is the fiduciary agent for these accounts.

Contractor Deposits - To account for good faith money deposited with the City to assure the completion of special projects. The money will be returned to the contractors upon completion.

Payroll Revolving - To account for payroll liabilities such as taxes and fringes.

Outstanding Warrants - To account for money held by the City to pay outstanding warrants.

Telephone Bill Suspense - To account for the accumulation and disbursement of funds to pay the University of Nebraska, State of Nebraska and Windstream for miscellaneous phone and data line charges.

Unredeemed Bonds and Coupons - To account for funds held for the redemption of matured bonds and coupons. The City Treasurer is the Trustee for these bonds.

Joint Antelope Valley Authority - To account for the accumulation and disbursement of funds for the joint administrative entity known as JAVA, created to coordinate planning and implementation of the Antelope Valley Project. This fund had no fund balance at August 31, 2013.

Gateway Center Joint Venture Escrow - To account for funds deposited with the City by the Gateway Shopping Center in fulfillment of a condition of the use permit for expansion of the shopping center. Funds may be drawn upon for construction of roadway improvements for the purpose of controlling the flow of off-site traffic in the "O" street corridor between Cotner Boulevard and 73rd Street. This fund was closed out in the current year and had no fund balance at August 31, 2013.

Pioneer Consortium - To account for funds deposited with the City by library members of the joint entity for the purpose of planning and using an open source intergrated library system. The Lincoln City Library is serving as the initial contracting and business agent for the joint entity.

Public Building Commission Bond Reserve - To account for Bond Reserve funds deposited with the City by the Lancaster County Public Building Commission in association with their Tax Supported Lease Rental Revenue Bonds, Series 2004, 2005, and 2010. The City has agreed to be the Trustee for these Reserve Funds until such time as the Bonds are fully retired.

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
AGENCY FUNDS
AUGUST 31, 2013

	<u>Collections Due Other Governments</u>	<u>HILP Escrow Accounts</u>	<u>Contractor Deposits</u>	<u>Payroll Revolving</u>	<u>Outstanding Warrants</u>
ASSETS					
Cash and Cash Equivalents	\$ 70,666	14,055	456,646	598,996	1,563,269
Investments	-	-	-	-	-
Receivables:					
Accrued Interest	-	-	-	-	-
Other	41,385	-	-	-	-
Due from Other Governments	-	-	-	-	-
Contractor Retainage	-	-	304,536	-	-
	<u>112,051</u>	<u>14,055</u>	<u>761,182</u>	<u>598,996</u>	<u>1,563,269</u>
Total Assets	<u>112,051</u>	<u>14,055</u>	<u>761,182</u>	<u>598,996</u>	<u>1,563,269</u>
LIABILITIES					
Warrants Payable	-	-	-	-	1,563,269
Accounts Payable	-	-	-	204,568	-
Due to Other Governments	112,051	-	-	394,428	-
Due to Homeowners	-	14,055	-	-	-
Due to Contractors	-	-	761,182	-	-
Due to Plan Members	-	-	-	-	-
Due to Bondholders	-	-	-	-	-
	<u>112,051</u>	<u>14,055</u>	<u>761,182</u>	<u>598,996</u>	<u>1,563,269</u>
Total Liabilities	<u>\$ 112,051</u>	<u>14,055</u>	<u>761,182</u>	<u>598,996</u>	<u>1,563,269</u>

Telephone Bill Suspense	Unredeemed Bonds And Coupons	Pioneer Consortium	Public Building Commission Bond Reserve	Total
51,909	117,926	81,558	1,287,149	4,242,174
-	-	-	1,910,000	1,910,000
-	-	163	37,265	37,428
-	-	-	-	41,385
-	-	5,802	-	5,802
-	-	-	-	304,536
<u>51,909</u>	<u>117,926</u>	<u>87,523</u>	<u>3,234,414</u>	<u>6,541,325</u>
-	-	-	-	1,563,269
51,909	-	-	-	256,477
-	-	-	3,234,414	3,740,893
-	-	-	-	14,055
-	-	-	-	761,182
-	-	87,523	-	87,523
-	117,926	-	-	117,926
<u>51,909</u>	<u>117,926</u>	<u>87,523</u>	<u>3,234,414</u>	<u>6,541,325</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Balance Sep. 1, 2012	Additions	Deductions	Balance Aug. 31, 2013
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash and Cash Equivalents	\$ 77,285	940,605	947,224	70,666
Receivables	44,274	41,385	44,274	41,385
	<u>121,559</u>	<u>981,990</u>	<u>991,498</u>	<u>112,051</u>
Liabilities:				
Due to Other Governments	\$ 121,559	945,544	955,052	112,051
	<u>121,559</u>	<u>945,544</u>	<u>955,052</u>	<u>112,051</u>
HILP ESCROW ACCOUNTS:				
Assets:				
Cash and Cash Equivalents	\$ 17,641	44,828	48,414	14,055
	<u>17,641</u>	<u>44,828</u>	<u>48,414</u>	<u>14,055</u>
Liabilities:				
Due to Homeowners	\$ 17,641	-	3,586	14,055
	<u>17,641</u>	<u>-</u>	<u>3,586</u>	<u>14,055</u>
CONTRACTOR DEPOSITS:				
Assets:				
Cash and Cash Equivalents	\$ 479,175	55,758	78,287	456,646
Contractor Retainage	770,662	11,631	477,757	304,536
	<u>1,249,837</u>	<u>67,389</u>	<u>556,044</u>	<u>761,182</u>
Liabilities:				
Due to Contractors	\$ 1,249,837	67,389	556,044	761,182
	<u>1,249,837</u>	<u>67,389</u>	<u>556,044</u>	<u>761,182</u>
PAYROLL REVOLVING:				
Assets:				
Cash and Cash Equivalents	\$ 654,963	233,561,392	233,617,359	598,996
	<u>654,963</u>	<u>233,561,392</u>	<u>233,617,359</u>	<u>598,996</u>
Liabilities:				
Accounts Payable	246,291	148,319,041	148,360,764	204,568
Due to Other Governments	408,672	33,778,967	33,793,211	394,428
	<u>\$ 654,963</u>	<u>182,098,008</u>	<u>182,153,975</u>	<u>598,996</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash and Cash Equivalents	\$ 1,110,868	540,913,167	540,460,766	1,563,269
	<u>1,110,868</u>	<u>540,913,167</u>	<u>540,460,766</u>	<u>1,563,269</u>
Liabilities:				
Warrants Payable	\$ 1,110,868	540,913,167	540,460,766	1,563,269
	<u>1,110,868</u>	<u>540,913,167</u>	<u>540,460,766</u>	<u>1,563,269</u>
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash and Cash Equivalents	\$ 2,001	442,469	392,561	51,909
	<u>2,001</u>	<u>442,469</u>	<u>392,561</u>	<u>51,909</u>
Liabilities:				
Accounts Payable	\$ 2,001	442,611	392,703	51,909
	<u>2,001</u>	<u>442,611</u>	<u>392,703</u>	<u>51,909</u>

(Continued)

(Agency Funds, Continued)

	Balance Sep. 1, 2012	Additions	Deductions	Balance Aug. 31, 2013
UNREDEEMED BONDS AND COUPONS:				
Assets:				
Cash and Cash Equivalents	\$ 117,926	-	-	117,926
Liabilities:				
Due to Bondholders	\$ 117,926	-	-	117,926
JOINT ANTELOPE VALLEY AUTHORITY				
Assets:				
Cash and Cash Equivalents	\$ -	8,211,071	8,211,071	-
Liabilities:				
Accounts Payable	\$ -	485,465	485,465	-
GATEWAY CENTER JOINT VENTURE ESCROW:				
Assets:				
Cash and Cash Equivalents	\$ 206,014	342	206,356	-
Receivables	534	-	534	-
	206,548	342	206,890	-
Liabilities:				
Due to Joint Venture	\$ 206,548	-	206,548	-
PIONEER CONSORTIUM				
Assets:				
Cash and Cash Equivalents	\$ 57,915	129,256	105,613	81,558
Receivables	122	163	122	163
Due from Other Governments	2,664	5,802	2,664	5,802
	60,701	135,221	108,399	87,523
Liabilities:				
Due to Plan Members	\$ 60,701	26,822	-	87,523
PUBLIC BUILDING COMMISSION BOND RESERVE:				
Assets:				
Cash and Cash Equivalents	\$ 1,287,741	4,384	4,976	1,287,149
Investments	1,910,000	-	-	1,910,000
Receivables	37,472	37,264	37,471	37,265
	\$ 3,235,213	41,648	42,447	3,234,414
Liabilities:				
Due to Other Governments	\$ 3,235,213	41,990	42,789	3,234,414
AGENCY FUND TOTALS:				
Total Assets	\$ 6,777,257	784,399,517	784,635,449	6,541,325
Total Liabilities	\$ 6,777,257	725,020,996	725,256,928	6,541,325



STATISTICAL SECTION

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

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Financial Trends	141
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These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity	146
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These schedules contain information to help the reader assess the City’s three most significant local revenue sources; electrical sales, sales tax, and property tax.

Debt Capacity	155
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These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information	159
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information	161
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These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 522,108,202	405,635,743	386,451,715	482,099,420	471,161,398	460,113,747	433,488,477	417,745,982	399,561,548	361,516,579
Restricted	144,925,083	246,533,919	235,695,091	121,155,820	111,672,739	111,555,338	119,719,194	107,739,981	111,872,162	99,491,762
Unrestricted	253,913,437	228,009,224	216,250,335	207,317,364	211,304,395	189,259,245	153,402,735	146,399,831	132,861,353	111,868,857
Total Governmental Activities										
Net Position	\$ <u>920,946,722</u>	<u>880,178,886</u>	<u>838,397,141</u>	<u>810,572,604</u>	<u>794,138,532</u>	<u>760,928,330</u>	<u>706,610,406</u>	<u>671,885,794</u>	<u>644,295,063</u>	<u>572,877,198</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 615,635,246	608,119,231	622,950,944	598,053,416	583,202,962	570,458,163	568,947,439	626,166,169	509,989,903	496,144,600
Restricted	13,167,482	31,470,517	31,480,358	37,040,667	37,782,662	35,665,851	26,769,558	23,399,483	15,101,637	16,262,952
Unrestricted	179,766,596	153,480,358	107,063,389	100,903,096	93,873,028	82,155,334	70,546,311	(1,377,874)	112,544,793	114,643,047
Total Business-Type Activities										
Net Position	\$ <u>808,569,324</u>	<u>793,070,106</u>	<u>761,494,691</u>	<u>735,997,179</u>	<u>714,858,652</u>	<u>688,279,348</u>	<u>666,263,308</u>	<u>648,187,778</u>	<u>637,636,333</u>	<u>627,050,599</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 1,137,743,448	1,013,754,974	1,009,402,659	1,080,152,836	1,054,364,360	1,030,571,910	1,002,435,916	1,043,912,151	909,551,451	857,661,179
Restricted	158,092,565	278,004,436	267,175,449	158,196,487	149,455,401	147,221,189	146,488,752	131,139,464	126,973,799	115,754,714
Unrestricted	433,680,033	381,489,582	323,313,724	308,220,460	305,177,423	271,414,579	223,949,046	145,021,957	245,406,146	226,511,904
Total Primary Government										
Net Position	\$ <u>1,729,516,046</u>	<u>1,673,248,992</u>	<u>1,599,891,832</u>	<u>1,546,569,783</u>	<u>1,508,997,184</u>	<u>1,449,207,678</u>	<u>1,372,873,714</u>	<u>1,320,073,572</u>	<u>1,281,931,396</u>	<u>1,199,927,797</u>

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities:										
General Government	\$ 43,666,952	40,635,824	40,059,839	36,991,820	31,985,923	32,808,482	30,681,069	30,781,582	27,955,407	28,475,396
Public Safety	86,493,288	82,915,183	81,218,142	75,364,591	75,077,334	72,715,593	71,999,597	70,390,835	70,432,578	66,461,665
Streets and Highways	39,551,411	38,319,958	39,840,551	38,150,193	31,465,735	29,132,813	31,953,438	29,293,980	20,620,140	24,066,450
Culture and Recreation	29,419,132	28,049,044	26,578,448	25,713,710	28,998,338	27,971,636	26,528,155	25,379,286	23,827,670	23,699,396
Economic Opportunity	14,819,767	16,840,478	16,336,855	17,198,314	14,851,021	16,355,833	15,486,850	16,165,310	15,522,471	16,778,622
Health and Welfare	20,939,140	21,414,951	21,153,869	20,840,847	19,592,758	20,674,538	20,335,733	20,215,258	18,873,394	18,122,416
Mass Transit	13,453,926	12,463,592	12,007,410	11,198,681	11,059,139	11,296,888	10,891,704	9,706,032	9,511,096	8,928,193
Equipment Management	1,479,534	1,162,325	1,882,136	1,767,774	2,562,842	2,563,466	2,363,486	1,789,593	2,012,107	1,017,244
Engineering Services	2,570,054	1,900,278	1,219,084	829,470	1,859,008	2,029,134	3,148,005	2,499,482	2,073,123	2,139,853
Interest on Long-Term Debt	19,787,131	20,417,899	11,568,353	6,373,674	6,503,466	6,473,960	5,826,378	4,853,854	4,859,767	3,701,385
Total Governmental Activities Expenses	272,180,335	264,119,532	251,864,687	234,429,074	223,955,564	222,022,343	219,214,415	211,075,212	195,687,753	193,390,620
Business-Type Activities:										
Golf	3,404,885	3,762,650	3,414,074	3,165,446	3,170,423	3,152,455	3,167,880	3,169,578	3,295,680	3,230,108
Parking System	7,144,511	5,933,848	5,632,973	5,475,157	5,007,885	4,908,537	4,833,961	4,857,024	5,186,283	4,962,873
Municipal Auditorium	2,632,482	2,468,566	2,202,234	2,243,518	1,937,132	2,041,953	2,274,043	2,403,906	2,211,685	2,374,730
Municipal Arena	1,712,916	18,851	-	-	-	-	-	-	-	-
Solid Waste Management	8,472,030	8,080,971	8,490,392	10,607,775	6,543,805	7,506,257	6,835,512	6,146,612	6,767,689	6,446,310
Emergency Medical Services	4,931,379	4,148,850	3,940,669	3,819,895	3,687,450	3,711,546	3,679,318	3,793,035	3,828,891	3,684,221
Wastewater System	23,116,057	23,017,798	23,135,157	22,265,579	22,979,974	18,965,453	18,230,853	17,563,692	16,461,078	15,461,420
Water System	25,499,420	25,908,587	26,084,158	23,469,948	23,794,190	23,378,936	23,544,989	23,137,996	22,249,027	20,169,981
Electric System	263,674,000	250,676,000	242,743,000	229,241,000	237,476,000	224,594,000	209,962,000	197,751,000	171,812,000	163,078,000
Total Business-Type Activities Expenses	340,587,680	324,016,121	315,642,657	300,288,318	304,596,859	288,259,137	272,528,556	258,822,843	231,812,333	219,407,643
Total	\$ 612,768,015	588,135,653	567,507,344	534,717,392	528,552,423	510,281,480	491,742,971	469,898,055	427,500,086	412,798,263
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 26,631,508	22,686,194	21,544,375	20,614,039	20,413,769	20,572,788	19,617,633	15,643,439	14,366,997	14,507,882
Public Safety	6,903,567	6,150,370	5,730,687	5,034,014	4,921,077	5,671,183	5,490,790	5,862,622	6,336,457	6,136,393
Streets and Highways	5,711,018	3,489,348	4,087,358	3,291,012	3,202,082	5,485,027	6,105,933	5,774,740	6,773,393	4,191,241
Culture and Recreation	4,367,112	4,473,514	4,114,179	3,880,012	3,537,088	3,583,144	3,485,195	4,207,617	3,088,848	2,792,436
Economic Opportunity	863,053	2,346,582	2,269,303	1,014,906	750,883	731,663	809,767	754,096	576,632	2,573,607
Health and Welfare	4,715,133	4,773,397	4,435,710	4,257,066	4,345,410	3,248,351	3,554,840	3,133,880	3,100,114	2,979,036
Other Activities	6,402,371	5,808,815	4,244,695	3,610,376	4,674,371	5,465,776	5,381,517	5,339,097	4,473,512	3,745,956
Operating Grants and Contributions	57,394,538	51,263,862	73,594,748	55,013,696	50,412,504	52,058,209	56,089,320	45,068,631	36,666,428	59,074,592
Capital Grants and Contributions	28,517,996	32,043,686	7,982,667	16,171,192	25,746,780	39,507,199	17,990,651	24,519,249	48,270,586	18,375,380
Total Governmental Activities	141,506,296	133,035,768	128,003,722	112,886,313	118,003,964	136,323,340	118,525,646	110,303,371	123,652,967	114,376,523
Business-Type Activities:										
Charges for Services:										
Wastewater System	24,550,035	24,040,603	22,931,019	21,661,455	21,111,385	20,575,445	19,379,833	17,955,248	16,920,940	15,980,045
Water System	31,931,843	34,021,393	28,474,175	25,012,703	25,586,213	23,943,135	25,159,477	25,487,483	24,266,844	22,064,193
Electric System	276,110,000	269,043,000	261,377,000	245,705,000	248,131,000	225,406,000	204,527,000	188,369,000	168,487,000	168,868,000
Other Activities	25,575,522	23,402,117	22,423,038	21,311,191	20,786,248	21,159,042	19,972,650	19,032,389	17,350,098	17,896,445
Operating Grants and Contributions	-	-	-	-	-	26,000	141,346	-	650,300	1,316,900
Capital Grants and Contributions	7,195,503	6,731,837	4,645,062	5,767,531	11,025,070	10,809,320	11,359,957	11,092,348	9,703,652	8,707,137
Total Business-Type Activities	365,362,903	357,238,950	339,850,294	319,457,880	326,639,916	301,918,942	280,540,263	261,936,468	237,378,834	234,832,720
Total	\$ 506,869,199	490,274,718	467,854,016	432,344,193	444,643,880	438,242,282	399,065,909	372,239,839	361,031,801	349,209,243
Net (Expense)/Revenue										
Governmental Activities	\$ (130,674,039)	(131,083,764)	(123,860,965)	(121,542,761)	(105,951,600)	(85,699,003)	(100,688,769)	(100,771,841)	(72,034,786)	(79,014,097)
Business-Type Activities	24,775,223	33,222,829	24,207,637	19,169,562	22,043,057	13,659,805	8,011,707	3,113,625	5,566,501	15,425,077
Total	\$ (105,898,816)	(97,860,935)	(99,653,328)	(102,373,199)	(83,908,543)	(72,039,198)	(92,677,062)	(97,658,216)	(66,468,285)	(63,589,020)

(Continued)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 56,130,131	53,302,884	48,621,668	48,637,701	49,370,031	48,016,158	45,981,349	43,081,366	40,877,070	39,138,647
Motor Vehicle Tax	4,504,623	4,331,331	4,284,369	4,247,118	4,323,350	4,303,363	4,298,290	4,249,847	4,256,521	4,055,313
Wheel Tax	15,649,558	14,055,801	12,031,376	11,519,622	10,697,955	10,458,568	10,059,772	9,250,300	9,153,599	8,634,929
Sales and Use Tax	63,544,137	62,388,551	57,996,100	55,362,688	54,337,312	55,351,848	54,363,413	54,348,587	53,741,266	51,978,978
Sundry and In Lieu Tax	65,882	68,405	63,118	54,431	46,078	45,761	37,235	35,020	31,765	36,735
Occupation Tax	25,437,045	25,732,963	20,403,399	10,847,214	10,541,781	10,038,110	9,534,401	9,225,546	9,451,789	9,291,595
Unrestricted Grants and Contributions	79,177	93,633	1,927,588	2,006,071	1,542,816	1,569,021	1,573,535	1,589,033	1,577,852	1,597,551
Unrestricted Investment Earnings (Loss)	(833,074)	1,014,773	1,370,358	1,926,976	5,181,996	6,738,206	6,355,562	3,650,661	2,800,970	3,163,454
Miscellaneous General Revenues	1,925,791	2,623,024	2,309,497	793,365	844,591	820,587	1,456,139	1,671,705	3,899,801	895,935
Transfers	11,290,702	9,254,144	2,678,029	2,581,647	2,275,892	2,675,305	1,753,685	1,260,507	1,290,018	1,155,884
Total Governmental Activities	<u>177,793,972</u>	<u>172,865,509</u>	<u>151,685,502</u>	<u>137,976,833</u>	<u>139,161,802</u>	<u>140,016,927</u>	<u>135,413,381</u>	<u>128,362,572</u>	<u>127,080,651</u>	<u>119,949,021</u>
Business-Type Activities:										
Occupation Tax	2,011,468	2,048,615	2,059,361	1,984,400	1,978,659	2,134,549	2,195,132	2,232,680	2,111,731	2,234,490
Unrestricted Investment Earnings (Loss)	(713,969)	983,824	1,564,708	1,673,103	4,680,958	8,761,713	9,333,779	6,187,797	3,986,941	4,387,629
Miscellaneous General Revenues	874,807	380,531	343,835	893,109	152,522	135,278	288,597	277,850	210,321	373,759
Transfers	(11,040,534)	(5,060,384)	(2,678,029)	(2,581,647)	(2,275,892)	(2,675,305)	(1,753,685)	(1,260,507)	(1,289,760)	(1,156,219)
Total Business-Type Activities	<u>(8,868,228)</u>	<u>(1,647,414)</u>	<u>1,289,875</u>	<u>1,968,965</u>	<u>4,536,247</u>	<u>8,356,235</u>	<u>10,063,823</u>	<u>7,437,820</u>	<u>5,019,233</u>	<u>5,839,659</u>
Total	<u>\$ 168,925,744</u>	<u>171,218,095</u>	<u>152,975,377</u>	<u>139,945,798</u>	<u>143,698,049</u>	<u>148,373,162</u>	<u>145,477,204</u>	<u>135,800,392</u>	<u>132,099,884</u>	<u>125,788,680</u>
Change in Net Position										
Governmental Activities	\$ 47,119,933	41,781,745	27,824,537	16,434,072	33,210,202	54,317,924	34,724,612	27,590,731	55,045,865	40,934,924
Business-Type Activities	15,906,995	31,575,415	25,497,512	21,138,527	26,579,304	22,016,040	18,075,530	10,551,445	10,585,734	21,264,736
Total	<u>\$ 63,026,928</u>	<u>73,357,160</u>	<u>53,322,049</u>	<u>37,572,599</u>	<u>59,789,506</u>	<u>76,333,964</u>	<u>52,800,142</u>	<u>38,142,176</u>	<u>65,631,599</u>	<u>62,199,660</u>

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

	Fiscal Year									
	2013	2012	2011 ²	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	-	-	4,723,651	4,668,702	4,025,169	3,196,770	1,828,587	1,935,693	3,420,876
Unreserved	-	-	-	25,701,931	27,586,521	28,453,611	27,215,934	27,463,451	29,467,581	32,552,543
Nonspendable	3,313,783	4,833,496	6,891,170	-	-	-	-	-	-	-
Restricted	6,281,230	5,277,054	5,525,739	-	-	-	-	-	-	-
Assigned	14,425,933	13,359,297	13,750,394	-	-	-	-	-	-	-
Unassigned	31,198,290	25,631,426	15,586,533	-	-	-	-	-	-	-
Total General Fund	\$ 55,219,236	49,101,273	41,753,836	30,425,582	32,255,223	32,478,780	30,412,704	29,292,038	31,403,274	35,973,419
Other Governmental Funds										
Reserved	\$ -	-	-	73,769,526	74,955,098	73,635,833	71,029,872	67,422,892	55,344,060	85,470,219
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	57,417,341	59,557,240	61,839,340	65,368,433	67,422,892	46,519,881	31,763,330
Nonspendable	740,047	952,070	971,115	-	-	-	-	-	-	-
Restricted	81,155,945	193,309,126	275,451,124	-	-	-	-	-	-	-
Committed	821,517	805,612	633,206	-	-	-	-	-	-	-
Assigned	48,189,249	21,386,596	21,097,190	-	-	-	-	-	-	-
Unassigned	(133,773)	(191,814)	(140,056)	-	-	-	-	-	-	-
Debt Service ¹	-	-	-	-	-	-	9,933,914	8,491,735	7,070,715	7,344,884
Restricted	18,524,649	17,964,189	16,060,411	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	8,764,922	9,853,337	13,339,093	24,574,016	19,534,147	27,698,544	18,619,537
Restricted	16,818,180	11,783,064	13,748,458	-	-	-	-	-	-	-
Assigned	54,154	207,968	207,940	-	-	-	-	-	-	-
Permanent Funds	-	-	-	16,511,201	14,146,177	13,529,735	13,609,259	9,441,571	8,834,071	8,025,744
Nonspendable	37,160,000	37,160,000	37,160,000	-	-	-	-	-	-	-
Restricted	22,080,008	21,292,273	19,553,118	-	-	-	-	-	-	-
Total Other Governmental Funds	\$ 225,409,976	304,669,084	384,742,506	156,462,990	158,511,852	162,344,001	184,515,494	172,313,237	145,467,271	151,223,714

Note: ¹ In 2008, Special Assessment Debt Service Fund balance transferred to Special Revenue Special Assessment Fund.

² In 2011, Reporting of fund balances was changed to meet the requirements of GASB 54.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes:										
Property	\$ 55,971,572	53,542,530	48,204,472	48,916,327	49,359,612	48,061,759	46,003,719	43,051,465	40,877,024	38,825,280
Motor Vehicle	4,504,623	4,331,331	4,284,369	4,247,118	4,323,350	4,303,363	4,298,290	4,249,847	4,256,521	4,055,313
Wheel	15,649,558	14,055,801	12,031,376	11,519,622	10,697,955	10,458,568	10,059,772	9,250,300	9,153,599	8,634,929
Sales and Use	63,544,137	62,388,551	57,996,100	55,362,688	54,337,312	55,351,848	54,363,413	54,348,587	53,741,266	51,978,978
Sundry and In Lieu	62,155	68,845	61,251	57,195	44,479	50,068	35,115	34,090	34,888	31,194
Occupation	25,437,045	25,732,963	20,936,558	10,314,055	10,541,781	10,517,680	9,054,831	9,232,431	9,853,990	9,265,448
Special Assessment	1,147,640	1,213,968	1,118,514	1,145,298	1,055,927	1,351,532	1,513,248	1,691,266	1,400,791	1,965,820
Intergovernmental	81,340,882	68,267,660	71,532,824	61,640,301	75,099,973	73,830,720	63,928,043	60,757,501	63,180,171	58,619,699
Permits and Fees	22,936,015	20,239,031	18,524,372	16,432,219	17,119,002	18,013,104	19,126,239	18,423,079	16,535,049	15,593,326
Reimbursement for Services	8,341,522	7,850,732	7,521,366	7,004,334	6,600,299	6,511,457	6,491,112	7,063,192	6,936,334	6,322,870
Court Settlements	856,188	1,931,804	1,700,000	-	-	-	-	-	-	-
Program Income	442,313	122,767	1,217,936	207,978	57,535	48,549	34,155	26,614	1,758,999	1,808,012
Investment Earnings	1,732,354	4,744,887	5,454,877	5,197,259	5,791,391	6,806,258	10,371,565	4,082,196	4,327,311	5,207,711
Donations	3,554,614	9,510,272	1,985,681	1,251,904	2,755,165	1,747,959	947,439	1,062,197	2,150,197	1,769,777
Keno Proceeds	3,930,602	3,639,819	3,321,506	3,132,180	3,140,726	3,373,939	2,798,262	2,745,869	3,016,301	3,331,968
Miscellaneous	3,253,780	5,004,523	3,054,429	1,875,076	1,864,589	2,497,331	3,272,251	4,051,697	5,102,920	3,278,763
Total Revenues	<u>292,705,000</u>	<u>282,645,484</u>	<u>258,945,631</u>	<u>228,303,554</u>	<u>242,789,096</u>	<u>242,924,135</u>	<u>232,297,454</u>	<u>220,070,331</u>	<u>222,325,361</u>	<u>210,689,088</u>
Expenditures										
General Government	42,761,424	39,048,320	36,622,362	35,865,006	34,428,477	35,278,575	33,946,258	34,666,641	32,532,685	30,884,544
Public Safety	72,489,536	70,444,362	69,537,057	64,679,523	63,984,484	61,147,903	60,953,651	60,064,604	58,669,932	55,272,920
Streets and Highways	18,355,326	18,471,067	18,335,078	19,832,223	16,445,304	16,482,240	17,430,452	16,928,575	17,064,845	13,633,902
Culture and Recreation	22,323,942	22,518,532	21,794,585	21,483,873	22,449,569	21,686,564	21,719,544	20,938,212	21,669,847	22,308,940
Economic Opportunity	12,831,193	14,673,671	15,811,914	15,359,628	11,321,242	14,685,668	11,670,315	12,623,307	14,870,592	14,728,510
Health and Welfare	21,339,175	22,070,619	21,993,415	21,652,729	20,349,757	21,053,132	20,378,863	25,566,267	19,126,931	18,544,667
Mass Transit	11,980,828	10,288,935	15,088,883	12,034,413	9,575,670	10,707,601	14,877,357	8,901,327	8,306,921	10,525,090
Debt Service										
Principal Retirement	11,105,182	10,403,101	9,657,542	10,087,532	10,446,544	7,989,828	6,282,536	6,200,794	5,536,580	5,003,161
Interest and Fiscal Charges	19,880,928	20,265,733	12,625,404	6,285,998	6,414,144	6,384,069	5,223,234	4,803,380	4,934,088	2,904,318
Miscellaneous	735,215	1,020,997	4,156,516	658,871	129,417	53,898	83,950	12,095	92,325	7,042
Capital Outlay ¹	208,303,537	142,260,715	109,581,050	32,547,239	61,094,201	79,369,789	44,955,954	65,229,370	65,859,750	58,177,933
Total Expenditures	<u>442,106,286</u>	<u>371,466,052</u>	<u>335,203,806</u>	<u>240,487,035</u>	<u>256,638,809</u>	<u>274,839,267</u>	<u>237,522,114</u>	<u>255,934,572</u>	<u>248,664,496</u>	<u>231,991,027</u>
Deficiency of Revenues Under Expenditures	<u>(149,401,286)</u>	<u>(88,820,568)</u>	<u>(76,258,175)</u>	<u>(12,183,481)</u>	<u>(13,849,713)</u>	<u>(31,915,132)</u>	<u>(5,224,660)</u>	<u>(35,864,241)</u>	<u>(26,339,135)</u>	<u>(21,301,939)</u>
Other Financing Sources (Uses)										
Transfers In	56,859,969	53,359,760	43,860,255	46,026,786	53,544,932	60,693,467	42,672,672	39,460,154	38,002,168	32,371,598
Transfers Out	(45,380,837)	(44,157,324)	(41,111,608)	(43,259,113)	(51,005,462)	(58,325,388)	(40,643,303)	(38,051,423)	(36,757,125)	(31,663,701)
Issuance of Debt ¹	35,433,437	6,080,000	313,480,500	4,131,948	6,501,393	8,877,537	44,588,425	9,600,000	12,100,035	43,799,999
Issuance of Refunding Debt	-	36,185,000	22,415,000	-	-	-	-	-	6,555,000	-
Premium on Debt Issued	980,327	4,182,049	5,761,647	-	25,473	98,768	484,811	7,397	42,635	1,918,788
Discounts on Debt Issued	-	-	(6,427)	-	-	-	(5,255)	-	(16,057)	(5,854)
Transfer to Bond Refunding Agent	-	(39,840,997)	(28,822,296)	-	-	-	-	-	(6,504,876)	-
Sale of Capital Assets	28,367,245	286,095	288,874	1,405,357	727,671	465,331	283,136	4,080,940	2,590,767	136,969
Total Other Financing Sources (Uses)	<u>76,260,141</u>	<u>16,094,583</u>	<u>315,865,945</u>	<u>8,304,978</u>	<u>9,794,007</u>	<u>11,809,715</u>	<u>47,380,486</u>	<u>15,097,068</u>	<u>16,012,547</u>	<u>46,557,799</u>
Net Change in Fund Balances	<u>\$ (73,141,145)</u>	<u>(72,725,985)</u>	<u>239,607,770</u>	<u>(3,878,503)</u>	<u>(4,055,706)</u>	<u>(20,105,417)</u>	<u>42,155,826</u>	<u>(20,767,173)</u>	<u>(10,326,588)</u>	<u>25,255,860</u>
Debt Service as a Percentage of Noncapital Expenditures	12.0%	12.7%	9.8%	7.7%	7.7%	6.5%	5.8%	5.4%	5.2%	4.1%

Note: ¹ In 2011 West Haymarket JPA settled \$300,000,000 in bonds to fund portion of construction costs.

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

Lincoln Electric System Megawatt-Hour Sales									
Calendar Year	Residential	Commercial	Industrial	Street and Highway Lighting	Government and Other Billed	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	Average Cent per Kilowatt Hour Rate
2012	1,183,412	1,186,722	497,908	21,172	290,381	15,817	881,355	4,076,767	\$ 0.0758
2011	1,214,170	1,176,199	496,957	21,166	291,331	(25,504)	1,116,821	4,291,140	0.0738
2010	1,216,899	1,188,925	495,279	21,082	285,260	(17,765)	1,006,085	4,195,765	0.0721
2009	1,121,769	1,149,462	483,982	20,651	277,940	269	1,092,093	4,146,166	0.0700
2008	1,133,238	1,177,049	558,088	20,349	274,304	73,241	1,232,903	4,469,172	0.0648
2007	1,152,048	1,198,401	539,438	20,234	273,056	(3,435)	569,319	3,749,061	0.0634
2006	1,106,943	1,167,869	547,028	19,667	260,225	(45,195)	467,471	3,524,008	0.0612
2005	1,130,943	1,146,236	565,404	19,080	263,157	(25,389)	401,203	3,500,634	0.0557
2004	1,036,911	1,091,094	555,127	18,860	250,887	17,209	384,639	3,354,727	0.0520
2003	1,030,296	1,068,587	529,119	18,437	258,030	22,777	552,090	3,479,336	0.0520

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

Source: Lincoln Electric System

Table 6

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

Customer Type	2012			2003		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 105,115	1	39.79 %	\$ 64,788	1	39.31 %
Commercial	83,881	2	31.75	51,396	2	31.18
Industrial	29,830	3	11.29	21,883	3	13.28
Other	45,374	-	17.17	26,757	-	16.23
Total	\$ <u>264,200</u>		<u>100.00 %</u>	\$ <u>164,824</u>		<u>100.00 %</u>

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

Source: Lincoln Electric System

Table 7

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

Fiscal Year Ended August 31,	Total City Taxable Sales	Total Direct Tax Rate
2013	\$ 4,469,320,749	0.015
2012	4,290,698,668	0.015
2011	4,098,124,125	0.015
2010	3,918,162,825	0.015
2009	3,860,013,289	0.015
2008	3,961,835,269	0.015
2007	3,890,346,633	0.015
2006	3,825,820,559	0.015
2005	3,834,847,147	0.015
2004	3,735,080,884	0.015

Source: City of Lincoln Treasurer's Office

Table 8

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

Fiscal Year	Direct	Overlapping ¹	Total Tax Rate
	City of Lincoln	State of Nebraska	
2013	0.015	0.055	0.070
2012	0.015	0.055	0.070
2011	0.015	0.055	0.070
2010	0.015	0.055	0.070
2009	0.015	0.055	0.070
2008	0.015	0.055	0.070
2007	0.015	0.055	0.070
2006	0.015	0.055	0.070
2005	0.015	0.055	0.070
2004	0.015	0.055	0.070

Note: ¹ Overlapping rates are those of other governments that apply to consumers within the City of Lincoln.

Table 9

CITY OF LINCOLN, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
CURRENT YEAR AND NINE YEARS AGO

Business Classification	2012			2003		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 1,640,000,062	1	49.90 %	\$ 1,531,961,187	1	51.89 %
Accommodation & Food Services	518,937,115	2	15.79	357,328,949	2	12.10
Utilities	244,602,887	3	7.44	219,906,806	3	7.45
Other	882,889,280	-	26.87	842,989,358	-	28.56
Total	\$ <u>3,286,429,344</u>		<u>100.00 %</u>	\$ <u>2,952,186,300</u>		<u>100.00 %</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales.
The numbers are only available on a calendar year basis. 2013 amounts are not yet available.

Source: Nebraska Department of Revenue

CITY OF LINCOLN, NEBRASKA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Real Property		Other Property		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Personal Property	Centrally Assessed Property		
2013	\$ 11,181,988,692	\$ 4,787,396,700	\$ 524,415,751	\$ 182,395,753	\$ 16,676,196,896	0.3158
2012	10,745,000,908	4,476,953,562	517,899,056	160,975,287	15,900,828,813	0.3158
2011	10,648,151,681	4,477,256,519	565,104,377	190,747,843	15,881,260,420	0.2879
2010	10,546,474,527	4,438,463,100	566,308,151	195,207,804	15,746,453,582	0.2879
2009	10,839,440,027	4,382,749,195	547,971,496	165,412,019	15,935,572,737	0.2879
2008	10,723,170,809	4,246,365,596	521,771,782	162,618,303	15,653,926,490	0.2879
2007	10,402,515,684	4,236,340,817	538,646,420	164,660,867	15,342,163,788	0.2833
2006	9,083,290,211	3,814,534,869	525,730,603	159,694,612	13,583,250,295	0.3009
2005	8,727,702,573	3,694,097,147	560,657,306	156,059,200	13,138,516,226	0.2950
2004	8,402,403,364	3,598,787,015	566,854,120	176,060,893	12,744,105,392	0.2903

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

Source: Lancaster County Assessor's Office

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
City of Lincoln										
General Fund	0.1854	0.1876	0.1739	0.1772	0.1806	0.1778	0.1687	0.1955	0.1706	0.1692
Library Fund	0.0423	0.0400	0.0398	0.0398	0.0396	0.0404	0.0427	0.0488	0.0490	0.0485
Social Security Fund	0.0157	0.0163	0.0141	0.0097	0.0129	0.0134	0.0135	0.0139	0.0149	0.0143
Police and Fire Pension Fund	0.0382	0.0348	0.0261	0.0251	0.0201	0.0203	0.0208	0.0219	0.0182	0.0149
Bond Interest and Redemption	0.0342	0.0371	0.0340	0.0361	0.0347	0.0360	0.0376	0.0208	0.0423	0.0434
Total City of Lincoln	<u>0.3158</u>	<u>0.3158</u>	<u>0.2879</u>	<u>0.2879</u>	<u>0.2879</u>	<u>0.2879</u>	<u>0.2833</u>	<u>0.3009</u>	<u>0.2950</u>	<u>0.2903</u>
Overlapping Rates ¹										
School District No. 1	1.2447	1.2461	1.2462	1.2537	1.2668	1.2719	1.2764	1.3142	1.3141	1.3011
Lancaster County	0.2843	0.2683	0.2683	0.2683	0.2683	0.2755	0.2655	0.2841	0.2797	0.2683
Educational Service Unit #18	0.0150	0.0150	0.0145	0.0150	0.0150	0.0141	0.0141	0.0150	0.0150	0.0150
Community Technical College	0.0627	0.0627	0.0600	0.0676	0.0722	0.0689	0.0689	0.0696	0.0655	0.0655
Lower Platte South N.R.D.	0.0378	0.0398	0.0406	0.0410	0.0410	0.0418	0.0416	0.0422	0.0323	0.0323
Lancaster County Correctional JPA City	0.0177	0.0185	0.0189	0.0194	0.0195	-	-	-	-	-
Lancaster County Correctional JPA County	0.0099	0.0105	0.0106	0.0107	0.0106	-	-	-	-	-
Railroad Transportation Safety Dist.	0.0100	0.0260	0.0260	0.0260	0.0260	0.0260	0.0246	0.0260	0.0260	0.0248
Agricultural Society of Lancaster County	0.0015	0.0016	0.0017	0.0016	0.0015	0.0016	0.0016	0.0018	0.0020	0.0030
Lancaster County Fairgrounds	0.0037	0.0037	0.0038	0.0038	0.0038	0.0043	0.0037	0.0042	0.0042	0.0043
Public Building Commission	0.0167	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170
Total Overlapping Rates	<u>1.7040</u>	<u>1.7092</u>	<u>1.7076</u>	<u>1.7241</u>	<u>1.7417</u>	<u>1.7211</u>	<u>1.7134</u>	<u>1.7741</u>	<u>1.7558</u>	<u>1.7313</u>

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

State of Nebraska State Statute 77-3442 limits the maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy.

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

Table 12

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

Taxpayer	Type of Business	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Burlington Northern	Railroad	\$ 86,771,479	1	0.52 %	\$ 43,769,733	8	0.34 %
B & J Partnership Ltd.	Building Management	82,747,800	2	0.50	56,885,655	3	0.45
Kawasaki	Manufacturing	69,833,590	3	0.42	68,519,940	2	0.54
Chateau Van Dorn LLC	Real Estate Development	61,562,261	4	0.37	43,769,608	9	0.34
Ameritas Life Insurance Corp.	Insurance	59,752,377	5	0.36	48,507,866	5	0.38
WEA Gateway LLC	Retail Management	58,201,700	6	0.35	44,293,300	7	0.35
Nebco	Construction / Development	54,963,428	7	0.33	40,406,157	10	0.32
Bryan LGH	Hospital	46,119,400	8	0.28	-	-	-
Pfizer	Animal Health	45,058,200	9	0.27	52,285,124	4	0.41
Windstream	Telecommunications	44,654,631	10	0.27	88,891,335	1	0.70
Molex Inc.	Manufacturing	-	-	-	44,862,957	6	0.35
Total		\$ 609,664,866		4.09 %	\$ 532,191,675		4.18 %

Source: Lancaster County Assessor's Office

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

Fiscal Year Ended August 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 52,644,511	\$ 51,226,109	97.31 %	\$ -	\$ 51,226,109	97.31 %
2012	50,201,909	48,788,943	97.19	1,347,584	50,136,527	99.87
2011	45,620,336	44,206,917	96.90	1,354,968	45,561,885	99.87
2010	45,210,589	43,791,366	96.86	1,399,035	45,190,401	99.96
2009	45,885,354	44,385,970	96.73	1,492,676	45,878,646	99.99
2008	45,231,843	43,526,689	96.23	1,523,130	45,049,819	99.60
2007	43,339,708	41,815,295	96.48	1,498,809	43,314,104	99.94
2006	40,930,818	39,549,553	96.63	1,378,273	40,927,826	99.99
2005	38,793,370	37,488,504	96.64	1,260,779	38,749,283	99.89
2004	36,994,112	35,696,288	96.49	1,206,531	36,902,819	99.75

Note: The fiscal year of the City begins September 1 and ends August 31. Taxes are levied in October. First installments of real estate taxes are delinquent the following April 1, second installments delinquent August 1; personal property taxes are delinquent April 1 and August 1. The figures above do not include motor vehicle in lieu of ad valorem taxes.

CITY OF LINCOLN, NEBRASKA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts in thousands, except per capita)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
General Bonds	\$ 53,015	49,340	51,600	48,330	52,440	56,760	61,020	56,665	60,915	54,650
Tax Supported Bonds	73,165	50,250	55,205	57,655	59,385	61,750	63,080	36,435	36,770	37,090
Tax Allocation Bonds	9,254	10,358	11,658	12,398	13,356	10,071	9,313	6,247	6,853	7,075
Special Assessment Bonds	3,840	4,010	1,200	-	-	-	-	-	-	100
Antelope Valley Project Bonds	4,470	5,210	5,920	6,605	7,265	7,900	8,515	9,110	9,690	10,255
West Haymarket JPA Bonds	300,000	300,000	300,000	-	-	-	-	-	-	-
Capital Leases	39,043	33,371	33,525	28,989	28,094	28,574	22,792	18,321	9,475	7,785
Unamortized Premiums/Discounts	11,610	10,444	8,197	2,577	2,675	2,747	2,702	2,248	2,271	2,274
Business-Type Activities										
Revenue Bonds	750,500	701,560	732,650	745,660	773,390	781,125	709,645	709,320	609,550	572,360
Project Loans	27,429	16,532	6,991	3,049	-	-	-	-	-	-
Notes Payable	1,575	-	-	-	-	-	-	-	-	-
Capital Leases	2,389	2,271	1,009	1,328	338	478	922	704	1,136	1,554
Unamortized Premiums/Discounts	49,240	7,768	4,754	5,410	6,230	7,252	2,437	3,115	1,348	(2,067)
Total Primary Government	\$ 1,325,530	1,191,114	1,212,709	912,001	943,173	956,657	880,426	842,165	738,008	691,076
Net Debt Per Capita ¹	4,994	4,540	4,694	3,591	3,748	3,846	3,651	3,521	3,093	2,926
Percentage of Personal Income ¹ %	-	9.23	9.89	7.95	8.34	8.37	7.99	8.04	7.44	7.21

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

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

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

Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Special Assessment Bonds	West Haymarket Joint Public Agency Bonds	Unamortized Premiums and Discounts	General Bonded Debt	Sinking Funds	Net General Bonded Debt	Net Bonded Debt Per Capita ¹	Ratio of Net Debt To Estimated Valuation of Taxable Real Property ²
2013	\$ 53,015	\$ 73,165	\$ 9,254	\$ 3,840	\$ 300,000	\$ 11,552	\$450,826	\$ 15,640	\$435,186	\$ 1,639.71	2.73 %
2012	49,340	50,250	10,358	4,010	300,000	10,376	424,334	15,142	409,192	1,559.77	2.69
2011	51,600	55,205	11,658	1,200	300,000	8,120	427,783	13,305	414,478	1,604.15	2.74
2010	48,330	57,655	12,398	-	-	2,491	120,874	13,480	107,394	422.81	0.72
2009	52,440	59,385	13,356	-	-	2,581	127,762	13,604	114,158	453.68	0.75
2008	56,760	61,750	10,071	-	-	2,645	131,226	12,962	118,264	475.44	0.79
2007	61,020	63,080	9,313	-	-	2,592	136,005	11,574	124,431	515.95	0.85
2006	56,665	36,435	6,247	-	-	2,130	101,477	9,733	91,744	383.52	0.71
2005	60,915	36,770	6,853	-	-	2,145	106,683	13,364	93,319	391.07	0.75
2004	54,650	37,090	7,075	100	-	2,141	101,056	13,164	87,892	372.19	0.73

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

¹ Population data can be found in Table 18, Demographic and Economic Statistics.

² Property value information can be found in Table 10, Assessed Value and Actual Value of Taxable Property.

CITY OF LINCOLN, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2013

<u>Governmental Units</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ <u>494,397,000</u>	100.0 %	\$ <u>494,397,000</u>
Overlapping:			
School District #1	335,223,000	99.5	333,547,000
Lancaster County	725,000	85.4	619,000
Public Building Commission	36,610,000	85.4	31,265,000
Lancaster County Correctional Facility	54,620,000	85.4	46,645,000
Lancaster County Fairgrounds	<u>7,740,000</u>	85.4	<u>6,610,000</u>
	<u>434,918,000</u>		<u>418,686,000</u>
Total	\$ <u><u>929,315,000</u></u>		\$ <u><u>913,083,000</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lincoln. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable revenue base that is within the City of Lincoln's boundaries and dividing it by the unit's total taxable revenue base.

Sources: Assessed value data used to estimate applicable percentages provided by the County Assessor's Office. Debt outstanding data provided by each governmental entity.

CITY OF LINCOLN, NEBRASKA
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 17

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Wastewater System										
Gross Revenues	\$ 24,988,275	24,763,975	23,546,370	22,472,095	22,643,270	22,347,867	21,158,743	19,827,194	18,248,683	18,092,619
Direct Operating Expenses	12,522,159	12,378,673	12,543,964	11,664,593	11,771,291	11,393,624	11,462,964	11,125,819	10,482,955	10,042,919
Net Available Revenue	12,466,116	12,385,302	11,002,406	10,807,502	10,871,979	10,954,243	9,695,779	8,701,375	7,765,728	8,049,700
Debt Service Requirements										
Principal	3,487,906	3,137,858	2,865,000	2,695,000	2,620,000	2,415,000	2,005,000	2,065,000	1,500,000	1,750,000
Interest	3,089,698	3,655,156	3,647,609	3,731,444	3,820,044	4,030,454	3,081,481	3,043,500	2,403,519	2,133,704
Total	6,577,604	6,793,014	6,512,609	6,426,444	6,440,044	6,445,454	5,086,481	5,108,500	3,903,519	3,883,704
Coverage	1.90	1.82	1.69	1.68	1.69	1.70	1.91	1.70	1.99	2.07
Water System										
Gross Revenues	\$ 34,241,815	35,984,891	30,629,506	26,515,467	27,838,187	27,257,184	29,386,495	29,014,999	27,153,937	24,557,918
Direct Operating Expenses	16,113,390	15,636,494	15,455,027	14,091,292	14,995,077	14,425,521	14,351,136	13,808,214	13,145,665	12,477,486
Net Available Revenue	18,128,425	20,348,397	15,174,479	12,424,175	12,843,110	12,831,663	15,035,359	15,206,785	14,008,272	12,080,432
Debt Service Requirements										
Principal	1,850,000	5,380,000	6,310,000	6,050,000	5,795,000	5,555,000	5,340,000	5,130,000	4,895,000	3,115,000
Interest	2,345,562	2,955,202	3,191,857	3,458,097	3,128,414	3,376,201	3,612,001	3,834,301	3,517,932	2,411,632
Total	4,195,562	8,335,202	9,501,857	9,508,097	8,923,414	8,931,201	8,952,001	8,964,301	8,412,932	5,526,632
Coverage	4.32	2.44	1.60	1.31	1.44	1.44	1.68	1.70	1.67	2.19
Lincoln Electric System										
Gross Revenues	\$ 274,770,000	269,236,000	261,748,000	246,182,000	249,914,000	229,766,000	208,995,000	191,075,000	169,986,000	170,410,000
Direct Operating Expenses	184,558,000	176,956,000	169,389,000	158,143,000	164,758,000	152,645,000	143,062,000	135,178,000	114,486,000	116,151,000
Net Available Revenue	90,212,000	92,280,000	92,359,000	88,039,000	85,156,000	77,121,000	65,933,000	55,897,000	55,500,000	54,259,000
Debt Service Requirements										
Principal	19,695,000	18,990,000	18,107,000	17,273,000	14,333,000	13,953,000	12,177,000	10,713,000	12,341,000	12,646,000
Interest	26,569,000	27,126,000	27,763,000	29,052,000	29,879,000	28,676,000	24,530,000	22,124,000	20,790,000	15,235,000
Total	46,264,000	46,116,000	45,870,000	46,325,000	44,212,000	42,629,000	36,707,000	32,837,000	33,131,000	27,881,000
Coverage	1.95	2.00	2.01	1.90	1.93	1.81	1.80	1.70	1.68	1.95
Parking Facilities ¹										
Gross Revenues	\$ 8,444,055	7,382,101	7,698,018	6,869,392	7,014,250	7,134,709	6,645,013	6,785,593	6,219,935	6,299,598
Direct Operating Expenses	3,919,678	3,823,131	3,606,008	3,340,601	2,874,768	2,912,511	2,781,952	2,775,122	2,972,709	2,733,492
Net Available Revenue	4,524,377	3,558,970	4,092,010	3,528,791	4,139,482	4,222,198	3,863,061	4,010,471	3,247,226	3,566,106
Debt Service Requirements										
Principal	1,270,000	860,000	580,000	1,435,000	1,360,000	1,305,000	1,240,000	1,185,000	1,140,000	1,145,000
Interest	1,091,614	1,078,688	689,717	558,519	624,394	687,194	746,374	799,931	850,501	908,456
Total	2,361,614	1,938,688	1,269,717	1,993,519	1,984,394	1,992,194	1,986,374	1,984,931	1,990,501	2,053,456
Coverage	1.92	1.84	3.22	1.77	2.09	2.12	1.94	2.02	1.63	1.74
Solid Waste Management										
Gross Revenues	\$ 7,933,037	7,745,565	7,615,130	7,377,385	7,664,336	8,537,520	8,020,390	-	-	-
Direct Operating Expenses	7,087,935	6,376,120	6,253,133	5,768,077	5,491,789	5,540,292	5,290,802	-	-	-
Net Available Revenue	845,102	1,369,445	1,361,997	1,609,308	2,172,547	2,997,228	2,729,588	-	-	-
Debt Service Requirements										
Principal	475,000	220,000	210,000	200,000	195,000	190,000	185,000	-	-	-
Interest	133,463	124,025	132,425	140,425	148,225	155,825	160,825	-	-	-
Total	608,463	344,025	342,425	340,425	343,225	345,825	345,825	-	-	-
Coverage	1.39	3.98	3.98	4.73	6.33	8.67	7.89	-	-	-
Antelope Valley Project Bonds										
Gross Revenues	\$ 1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Direct Operating Expenses	-	-	-	-	-	-	-	-	-	-
Net Available Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service Requirements										
Principal	740,000	710,000	685,000	660,000	635,000	615,000	595,000	580,000	565,000	555,000
Interest	237,925	270,980	299,235	325,640	349,934	371,978	391,655	408,998	423,615	435,663
Total	977,925	980,980	984,235	985,640	984,934	986,978	986,655	988,998	988,615	990,663
Coverage	1.02	1.02	1.02	1.01	1.02	1.01	1.01	1.01	1.01	1.01

Note: The Wastewater System, Water System, and Lincoln Electric System bonds are secured by revenues are from utility service charges. Parking Facilities bonds are secured by revenues from parking fees, and Solid Waste Management's gross revenues include various waste disposal fees. City of the Primary Class Redevelopment Fund provides pledged revenues for the Antelope Valley Project Bonds from a cigarette tax imposed by the State of Nebraska. Should these funds be insufficient to pay principal and interest the City has covenanted to use City sales tax receipts. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Direct Operating Expenses do not include interest, depreciation and amortization expenses, or in lieu of taxes.

¹ Information in this schedule does not agree with information in the transmittal letter which is calculated in accordance with specific requirements of the bond covenants.

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

Fiscal Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2013	265,404	\$ -	\$ -	37,845	3.3 %
2012	262,341	12,905,285	41,584	36,902	3.4
2011	258,379	12,267,734	40,015	36,530	3.7
2010	254,001	11,471,038	37,864	35,896	3.9
2009	251,624	11,307,197	37,737	34,973	4.3
2008	248,744	11,423,025	38,558	34,061	3.0
2007	241,167	11,022,561	37,684	33,466	2.7
2006	239,213	10,474,172	36,250	32,934	2.8
2005	238,625	9,914,688	34,731	32,505	3.4
2004	236,146	9,584,368	34,015	32,270	3.7

Sources: ¹ Lincoln/Lancaster Planning Department.

² U.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Lincoln Metropolitan Statistical Area, which includes all of Lancaster and Seward Counties. 2013 numbers are unavailable.

³ Lincoln Public Schools.

⁴ State of Nebraska, Department of Labor.

Median age from 2010 census was 31.8 years old. Education statistics per the 2010 census indicate that 92.4% of the population 25 years and older has a high school degree or greater with 35.2% of the same population holding a Bachelor's degree or greater.

CITY OF LINCOLN, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2013		
	Employees	Rank	Percentage of Total City Employment
State of Nebraska	8,899	1	4.90 %
Lincoln Public Schools	7,824	2	4.31
University of Nebraska-Lincoln	6,119	3	3.37
Bryan Health	3,796	4	2.09
US Government	3,066	5	1.69
City of Lincoln	2,573	6	1.42
Saint Elizabeth Regional Medical Center	2,177	7	1.20
Burlington Northern Railroad	2,000	8	1.10
Madonna Rehabilitation Hospital	1,400	9	0.77
B&R Stores, Inc.	1,391	10	0.77
Total	<u>39,245</u>		<u>21.62 %</u>

Note: Data not available for Employers nine years prior.

Sources: Nebraska Department of Labor, Lincoln Partnership for Economic Development, Hoover - Dun & Bradstreet, and Employers.

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

Function	Full-Time Equivalent Employees as of August 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00
Executive	19.08	19.70	20.75	21.15	21.25	20.50	25.20	26.60	28.10	28.10
Financial Administration	69.20	71.30	70.58	66.20	66.20	68.00	72.00	71.67	73.00	73.00
Law	31.75	30.00	29.00	27.00	27.00	26.00	28.50	28.50	28.50	28.50
Personnel Administration	22.80	22.42	23.47	22.80	22.80	22.00	23.19	23.19	22.38	22.38
Planning and Zoning	21.00	21.00	22.00	21.50	22.19	22.00	22.00	21.06	21.08	21.00
Urban Development	9.28	9.06	9.28	9.44	9.91	10.29	11.58	11.78	11.83	10.93
Public Safety										
Police	400.79	402.38	402.51	406.43	406.15	402.38	407.13	407.40	407.33	405.75
Fire	273.69	272.71	272.76	267.76	266.41	264.92	264.57	264.57	263.48	259.06
Building and Safety	50.38	51.00	54.58	54.62	58.00	63.00	63.00	63.00	65.00	62.00
Transportation	15.00	16.25	17.25	17.25	18.50	18.50	20.50	21.50	21.33	20.50
911 Communication	41.50	41.50	41.50	41.50	41.02	38.50	39.50	39.50	39.50	39.50
Streets and Highways	105.49	106.84	108.84	106.85	105.92	106.70	109.40	110.35	110.01	108.02
Culture and Recreation										
Parks and Recreation	228.95	230.28	232.43	226.26	231.17	264.65	280.79	286.23	276.94	271.95
Library	106.59	107.09	107.47	107.47	111.47	117.01	121.67	124.17	124.17	124.17
Economic Opportunity										
Lincoln Area Agency on Aging	48.24	50.84	51.03	51.33	52.50	57.10	64.30	64.86	68.42	69.42
Urban Development	9.80	10.22	10.43	10.31	11.23	12.83	12.68	14.34	14.39	15.80
Workforce Investment Act	13.19	13.11	12.02	8.98	9.01	8.20	6.20	5.64	5.54	3.82
Health and Welfare	101.77	112.97	112.25	112.03	112.78	113.97	119.52	123.45	124.85	120.55
Mass Transit	118.01	109.52	111.52	112.38	109.38	112.38	111.00	111.00	113.00	112.00
Equipment Management										
Police Garage	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Fleet Services	15.00	15.00	15.00	15.00	15.00	15.42	17.00	17.37	17.38	17.38
Radio Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	65.45	66.02	68.45	68.65	69.53	70.80	74.95	76.00	76.00	75.45
Golf	28.23	29.50	27.86	28.00	29.95	30.16	30.67	30.49	32.55	32.32
Parking Facilities	2.95	2.80	2.80	1.72	2.40	1.60	1.60	1.60	1.60	1.60
Municipal Auditorium	4.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	11.00	12.00
Sanitary Landfill	33.17	31.70	31.70	30.80	30.75	30.85	30.85	30.84	30.85	30.85
Emergency Medical Services	28.56	28.54	28.49	28.49	28.09	28.34	29.43	29.43	30.52	37.43
Wastewater System	89.87	90.23	92.43	93.65	96.72	97.36	98.70	98.69	95.44	95.19
Water System	104.30	106.81	108.56	107.43	112.60	113.68	115.28	115.27	112.26	111.76
Electric System	486.00	478.00	456.00	456.00	445.00	445.00	444.00	452.50	447.50	446.50
Total	<u>2,573.04</u>	<u>2,586.79</u>	<u>2,580.96</u>	<u>2,561.00</u>	<u>2,572.93</u>	<u>2,622.14</u>	<u>2,685.21</u>	<u>2,713.00</u>	<u>2,703.95</u>	<u>2,686.93</u>

Source: City of Lincoln Budget Office

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

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety										
Police:										
Arrests	24,035	24,868	25,637	26,796	28,183	31,026	29,404	28,523	24,609	23,298
Parking Violations	70,338	72,670	78,405	61,493	75,234	64,116	64,710	54,852	80,071	91,529
Traffic Violations	49,515	50,059	50,872	48,580	48,290	53,862	47,997	54,572	57,732	54,260
Fire:										
Number of Calls Answered	21,357	21,179	20,770	19,602	19,536	19,572	19,075	18,362	18,457	17,931
Building and Safety:										
Number of Commercial Building Permits	1,341	1,372	1,320	1,234	1,196	1,064	994	1,088	1,092	1,061
Number of Residential Building Permits	2,323	2,319	2,336	2,225	1,794	2,261	2,820	3,150	3,387	3,846
Culture and Recreation										
Library:										
Total Circulation (thousands)	3,293	3,294	3,417	3,343	3,348	3,182	3,138	3,108	3,076	3,077
Golf:										
Rounds of Golf	169,170	191,997	171,518	175,940	199,567	196,988	198,337	203,802	202,255	200,986
Mass Transit										
StarTran Ridership (thousands)	1,810	2,067	1,935	1,810	1,790	1,975	1,871	1,826	1,649	1,553
Wastewater										
Number of Consumers	80,066	79,346	78,811	78,376	77,613	77,174	76,458	75,573	74,326	72,753
Water										
Number of Consumers	80,418	79,698	79,184	78,740	77,973	77,532	76,816	75,919	74,649	73,059
Average Daily Consumption (thousand gallons)	35,873	38,445	32,017	31,064	32,716	32,832	35,057	38,425	37,867	35,141
Electric System										
Number of Consumers	130,537	129,163	128,373	129,322	128,115	126,978	124,878	123,376	121,508	119,456

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

Sources: Various City Departments

Table 22

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

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety										
Police Stations	3	3	3	3	3	3	3	2	2	2
Fire Stations	14	14	14	14	14	14	14	14	14	14
Ambulances	11	11	11	10	11	11	11	11	11	11
Streets and Highways										
Lane Miles of Streets ¹	2,766	2,760	2,757	2,732	2,713	2,677	2,641	2,450	2,420	2,818
Streetlights	29,759	29,393	29,040	28,928	28,412	28,223	27,923	27,519	26,654	25,973
Culture and Recreation										
Parks Acreage	6,503	6,503	6,503	6,503	6,503	7,124	6,114	6,114	6,748	5,891
Parks	141	141	141	141	141	125	123	122	116	114
Playgrounds	85	85	84	84	85	85	85	85	83	86
Swimming Pools (Public)	9	9	9	9	9	10	11	11	11	11
Golf Courses (Public)	5	5	5	5	5	5	5	5	5	5
Trail Miles	131	128	128	128	128	128	128	122	99	84
Recreation Centers	8	8	8	8	7	7	8	8	8	8
Libraries	8	8	8	8	8	8	8	8	8	8
Mass Transit										
Buses and Handivans	70	71	71	70	70	69	69	69	69	66
Wastewater										
Miles of Wastewater Mains	1,024	1,022	1,017	1,015	1,010	1,006	995	978	960	935
Water										
Miles of Water Mains	1,259	1,250	1,243	1,237	1,230	1,213	1,201	1,183	1,164	1,132

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

¹ In 2005, the qualifications for Lane Miles of Streets were reassessed.

Sources: Various City Departments



SINGLE AUDIT SECTION

CITY OF LINCOLN, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - AS RESTATED
FOR THE YEAR ENDED AUGUST 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through State Department Of Education:				
Summer Food Service Program for Children	10.559	DO 05955	\$ 274,969	
Summer Food Service Program for Children	10.559	55-3002	<u>3,175</u>	278,144
Pass-Through State Department Of Health And Human Services:				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	EO 082647	85,212	
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	EO 083554	<u>738,836</u>	824,048
Nutrition Program for the Elderly (Commodities)	10.570			<u>116,379</u>
Total U.S. Department Of Agriculture				<u>\$ 1,218,571</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$ 72,464	
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002	<u>49,978</u>	122,442
Community Development Block Grant - Entitlement Grants Cluster:				
Community Development Block Grant	14.218	B-10 MC-31-0001		12,272,569
Shelter Plus Care	14.238	NE26C602001		15,306
HOME Investment Partnerships Program	14.239	* M-10 MC-31-0202		13,835,547
Homelessness Prevention and Rapid Re-Housing Program ARRA	14.257	S-09-MY-31-0002		2,668
Fair Housing Assistance Program - State and Local	14.401	FF207K127017		83,772
Pass-Through State Department Of Economic Development:				
CDBG - State-Administered Small Cities Program Cluster:				
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	092LS41/092N40		<u>265,700</u>
Total U.S. Department Of Housing And Urban Development				<u>\$ 26,598,004</u>
U.S. DEPARTMENT OF INTERIOR				
Pass-Through State Historical Society:				
Historic Preservation Fund Grants-in-Aid	15.904	12/13	\$ 32,075	
Historic Preservation Fund Grants-in-Aid	15.904	13/14	<u>7,500</u>	<u>\$ 39,575</u>
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Arrest Grant SART)	16.590	2007-WE-AX-0057	\$	221,828
Public Safety Partnership and Community Policing Grant (Cops Interoperable Communications Technology Grant Award)	16.710	2004INWX0014	72,739	
Public Safety Partnership and Community Policing Grant ARRA (Cops Hiring Recovery Program)	16.710	2009RJWX0059	<u>154,199</u>	226,938
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	* 2012DJBX0865	2,710	
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	* 2010DJBX1262	214,465	
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	* 2011DJBX3090	41,678	
Edward Byrne Memorial Justice Assistance Grant Program ARRA (JAG Formula)	16.804	* 2009SBB92551	604,770	
Pass-Through State Commission On Law Enforcement And Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program ARRA (Lin/Lan Investigative Narcotics Coop)	16.738	* 09-DX-9035	67,773	
Edward Byrne Memorial Justice Assistance Grant Program ARRA (Lin/Lan Investigative Narcotics Coop)	16.738	* 12-DA-0311	109,747	
Edward Byrne Memorial Justice Assistance Grant Program ARRA (CC Recovery Narcotics)	16.803	* 09-DX-9016	311,864	
Edward Byrne Memorial Justice Assistance Grant Program ARRA (CC Recovery Narcotics)	16.803	* 09-DX-9001	<u>47,255</u>	1,400,262
Pass-Through Lancaster County:				
Title V Delinquency Prevention (POWER)	16.548	11JP0031		14,100
Violence Against Women Formula Grants (DV Specialist)	16.588	12-VW-703	18,181	
Violence Against Women Formula Grants (DV Specialist)	16.588	11-WX-713	<u>36,649</u>	54,830
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (VAWA Interpreters)	16.590	2010-WE-AX-0040		14,079
Pass-Through University of Nebraska-Lincoln:				
National Institute of Justice Research, Evaluation, and Development Project Grants (JAG Technology)	16.560	2010-DE-BX-K001		14,272
Pass-Through Nebraska State Patrol:				
Missing Children's Assistance (ICAC)	16.543	12-IC-03		2,104

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

(Expenditures of Federal Awards, Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Pass-Through City of Omaha:				
Project Safe Neighborhoods	16.609	2012GPBX0013	4,770	
Project Safe Neighborhoods	16.609	2011GPBX0046	<u>18,000</u>	22,770
Pass-Through State Commission On Law Enforcement And Criminal Justice:				
Crime Victim Assistance	16.575	12-VS-0900/12VA0237		<u>110,175</u>
Total U.S. Department Of Justice				<u>\$ 2,081,358</u>
U.S. DEPARTMENT OF LABOR				
Pass-Through State Department Of Labor:				
WIA Cluster:				
WIA Adult Program	17.258	* 2012	\$ 314,772	
WIA Dislocated Workers Formula Grants	17.278	* 2012	45,360	
WIA Dislocated Workers Formula Grants	17.278	* 2012	266,248	
WIA Youth Activities	17.259	* 2012	445,843	
WIA Youth Activities	17.259	* 2012	147,255	
WIA Adult Program (Incentive/Capacity)	17.258	* 2012	<u>388</u>	1,219,866
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors ARRA	17.275	2012		<u>1,716</u>
Total U.S. Department Of Labor				<u>\$ 1,221,582</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Transit Services Programs Cluster:				
Job Access Reverse Commute	20.516	* NE-37-0011	\$ 4,666	
Job Access Reverse Commute	20.516	* NE-37-0013	67,362	
Job Access Reverse Commute	20.516	* NE-37-0014	363,540	
New Freedom Program	20.521	* NE-57-0009	37,763	
New Freedom Program	20.521	* NE-57-0011	<u>44,868</u>	518,199
Federal Transit - Formula Grants:				
Federal Transit: Formula Grants (AVL System)	20.507	NE-26-0001	61,216	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X091	17,568	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X093	591,245	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0095	4,479	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0097	1,461,526	
Federal Transit: Formula Grants ARRA	20.507	NE-96-0001	55,988	
Federal Transit: Formula Grants (Transit Planning)	20.507	RTP-C990 (033)	16,118	
Federal Transit: Formula Grants (Transit Planning)	20.507	FTA-NE90-0097	<u>114,066</u>	2,322,206
Pass-Through Nebraska Department Of Roads:				
Federal Transit: Formula Grants (Transit Planning)	20.507	RPT-C990(032)		89,541
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Planning)	20.205	SPR-PL1(49)	8,160	
Highway Planning and Construction (Planning)	20.205	SPR-PL1(50)	302,308	
Highway Planning and Construction (Planning)	20.205	SPR-PL1(51)	67,386	
Highway Planning and Construction ARRA (Aylesworth to Vine)	20.205	LCLC-5247(12)	18,744	
Highway Planning and Construction ARRA (Holdrege 70th to 79th)	20.205	LCLC-5244(8)	17,292	
Highway Planning and Construction ARRA (Holdrege 33rd to 47th)	20.205	LCLC-5244(7)	9,062	
Highway Planning and Construction ARRA (Adams 57th to 62nd)	20.205	LCLC-5250(3)	892	
Highway Planning and Construction ARRA (A St & Van Dorn)	20.205	LCLC-5220(3)	2,398	
Highway Planning and Construction ARRA (P St, Y St, NW 1st St)	20.205	LCLC-5236(2)	8,215	
Highway Planning and Construction ARRA (Citywide)	20.205	LCLC-5247(11)	20,614	
Highway Planning and Construction ARRA (O Street)	20.205	LCLC-34-6(140)	1,369	
Highway Planning and Construction (Downtown Rehab)	20.205	LCLC-5230(2)	144,905	
Highway Planning and Construction (Citywide Micro Surfacing)	20.205	LCLC-5249(7)	14,321	
Highway Planning and Construction (14th and Cornhusker)	20.205	HSIP-5227(7)	8,455	
Highway Planning and Construction (56th, Shadow Pines, and Old Cheney)	20.205	LCLC-5241(5)	23,719	
Highway Planning and Construction (Superior Street at I-80)	20.205	HSIP-5254(8)	63,707	
Highway Planning and Construction (JAVA)	20.205		272,439	
Highway Planning and Construction (Citywide Durable Pavement)	20.205	LCLC-5239(8)	381	
Highway Planning and Construction (Citywide Continental)	20.205	LCLC-5221(3)	514	
Highway Planning and Construction (66th and Fremont)	20.205	HSIP-5253(1)	5,000	
Highway Planning and Construction (Citywide Street Resurfacing)	20.205	LCLC-5228(4)	227,265	
Highway Planning and Construction (27th and Leighton)	20.205	LCLC-5231(13)	110,526	
Highway Planning and Construction (SW 40th Viaduct)	20.205	STPN-BR-TMT 5267(1)	97,085	
Highway Planning and Construction (Click It or Ticket)	20.205	MAY	8,013	
Highway Planning and Construction (Click It or Ticket)	20.205	NOV	3,695	
Highway Planning and Construction (You Drink, You Drive, You Lose)	20.205	AUG	4,273	
Highway Planning and Construction (You Drink, You Drive, You Lose)	20.205	DEC	6,939	
Pass-Through Game and Parks Commission:				
Recreational Trails Program (Bison Trail Bridge)	20.219	RTP2011(003)	259,724	
Recreational Trails Program (Pioneers Park Trail Renovation)	20.219	RTP2012(001)	<u>14,320</u>	1,721,721

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(213)	32,825	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(214)	<u>5,338</u>	38,163
Highway Safety Cluster:				
State and Community Highway Safety (School Zones Enforcement)	20.600	2011	5,454	
State and Community Highway Safety (Speed Trailer)	20.600		3,821	
State and Community Highway Safety (Digital Photography)	20.600	DO 08539	2,842	
Alcohol Impaired Driving Countermeasures Incentive Grants (DRE Training)	20.601	August	2,487	
Alcohol Impaired Driving Countermeasures Incentive Grants (Alcohol Selective)	20.601	September	<u>2,567</u>	17,171
Total U.S. Department Of Transportation				\$ 4,707,001
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Programs:				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	EEOCN120112		\$ 43,845
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
Grants to States (Net Lender Contract)	45.310		\$ 1,448	
Grants to States (Pioneer 2013)	45.310	12.02	10,512	
Grants to States (Pioneer 2012)	45.310	12.01	<u>10,512</u>	\$ 22,472
NATIONAL ENDOWMENT FOR THE ARTS				
Direct Program:				
Promotion of the Arts - Grants to Organizations and Individuals	45.024	12-4292-7091		\$ 4,500
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Congressionally Mandated Projects	66.202	XP98773401	\$	470,113
Pass-Through State Department Of Environmental Quality:				
Performance Partnership Grants	66.605	RES 86361	13,843	
Performance Partnership Grants	66.605	2013	<u>90,169</u>	104,012
Capitalization Grants for Drinking Water State Revolving Funds	66.468	* D311548		2,676,365
Nonpoint Source Implementation Grants (Tyrrell Park Water Quality Improvements)	66.460	C900740319	300,000	
Nonpoint Source Implementation Grants (Antelope Park)	66.460	C900740320	124,353	
Nonpoint Source Implementation Grants (Zoo Area)	66.460	C900740320	<u>32,269</u>	456,622
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	XA-97726301	11,551	
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	2010	<u>11,137</u>	22,688
Total U.S. Environmental Protection Agency				\$ 3,729,800
U.S. DEPARTMENT OF ENERGY				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program ARRA	81.128	* DE-EE0000664	\$	149,329
Pass-Through City Of Omaha:				
Energy Efficiency and Conservation Block Grant Program ARRA	81.128	* DE-003578		1,179,747
Total U.S. Department Of Energy				\$ 1,329,076
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
Food and Drug Administration General Grant Funding Program (Retail Food Safety)	93.103	1U18FD004661-01	\$ 29,011	
Food and Drug Administration General Grant Funding Program (Retail Food Safety)	93.103	5U18FD004661-02	<u>5,013</u>	34,024
Pass-Through National Association of County and City Health Officials:				
Medical Reserve Corps Small Grant Program	93.008	MRC 11 360		2,518
Pass-Through State Department Of Health And Human Services:				
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2013-044	4,072	
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2012-031	19,113	
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2013-031	<u>2,064</u>	25,249
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 17930-III-D	3,344	
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 14185-III-D	<u>22,774</u>	26,118
Aging Cluster:				
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 14185-III-B	302,399	
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 17930-III-B	14,470	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 17930-III-C1	26,102	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 14185-III-C1	439,919	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 14185-III-C2	154,272	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 17930-III-C2	<u>10,296</u>	947,458
National Family Caregiver Support, Title III, Part E	93.052	NGA 14185-III-E	145,258	
National Family Caregiver Support, Title III, Part E	93.052	NGA 17930-III-E	<u>11,622</u>	156,880

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA		Federal Expenditures	
	Number	Grant Number		
Public Health Emergency Preparedness	93.069	1H75TP000381-01	131,630	
Public Health Emergency Preparedness	93.069	BT-965-63013	95,662	
Public Health Emergency Preparedness	93.069	BT-885-80912	60,794	
Public Health Emergency Preparedness (Pandemic)	93.069	BT-863-73011	1,777	289,863
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 03586	3,051	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 05387	2,097	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2014	212	5,360
Grants to States to Support Oral Health Workforce Activities	93.236	T12HP14997		4,026
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	IP08-80308CONT10	37,665	
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	5H23IP722562-09	26,463	64,128
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control)	93.283	5U58DP001978-04	34,561	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control)	93.283	1U58DP001978-01	20,708	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program)	93.283	1U50CK000273-01	19,045	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program)	93.283	3U50C1723775-05S2	360	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Colon Cancer)	93.283	5U58DP002043-02	19,311	93,985
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	93.505	EO 085614		96,365
PPHF 2012 National Public Health Improvement Initiative (CHIP)	93.507	5U58CD001310-02		10,618
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 086152	101,722	
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 083947	47,018	148,740
Social Services Block Grant (SSBG)	93.667			40,693
National Bioterrorism Hospital Preparedness Program (HRSA)	93.889	BT 929 63012	258,092	
National Bioterrorism Hospital Preparedness Program (HRSA)	93.889	BT 982 63013	5,589	263,681
HIV Prevention Activities Health Dept Based (Sista Sista / HIV Prevention)	93.940	EO 084809	27,136	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	EO 083802	30,433	57,569
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	5H25PS001356	9,914	
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	CDC-RFA-PS09-902	4,951	14,865
Preventive Health and Health Services Block Grant (Worksite Wellness Initiative)	93.991	DP009036	19,098	
Preventive Health and Health Services Block Grant (GIS-Walkability)	93.991	2B01DP009036-10	67	
Preventive Health and Health Services Block Grant (Growing the Worksite)	93.991	B01-DP009036-11	12,445	
Preventive Health and Health Services Block Grant (Growing the Worksite)	93.991	B01-DP009036-11	13,131	44,741
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	MCH-11-06	77,073	
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	MCH-10-06	192	77,265
Pass-Through Lincoln Action Program:				
Head Start	93.600	RES A 85792	1,962	
Head Start	93.600	DO 09583	2,185	4,147
Total U.S. Department Of Health And Human Services				\$ 2,408,293
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Programs:				
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	11SFNNE 003 (12/13)	\$ 99,375	
Foster Grandparent Program	94.011	11SFNNE 003 (13/14)	39,890	
Senior Companion Program	94.016	10SCNNE 002 (12/13)	91,394	230,659
Pass-Through Nebraska Volunteer Commission:				
AmeriCorps (ECHO)	94.006	06AFHNE0010033	1,124	
AmeriCorps (ECHO)	94.006	06AFHNE0010040	272,198	273,322
Total Corporation For National And Community Service				\$ 503,981
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass-Through Nebraska State Patrol:				
High Intensity Drug Trafficking Areas Program	95.001	12HD02	\$ 38,807	
High Intensity Drug Trafficking Areas Program	95.001	11HD02	53,553	\$ 92,360
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2012-CA-K00011	\$ 1,080,697	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2011-CA-APP-00058	175,207	1,255,904
Assistance to Firefighters Grant	97.044	EMW-2011-FO-01774		437,736
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FH-00370		16,179

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

(Expenditures of Federal Awards, Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Pass-Through Nebraska State Patrol: Homeland Security Grant Program (N.E.M.A.)	97.067	2011-SS-00017	2,561	
Homeland Security Grant Program (N.E.M.A.)	97.067	2010-SS-TO-13	<u>284,123</u>	<u>286,684</u>
Total Department Of Homeland Security				<u>\$ 1,996,503</u>
Total Federal Expenditures				<u>\$ 45,996,921</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF LINCOLN, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – AS RESTATED
FOR THE YEAR ENDED AUGUST 31, 2013

(1) BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards (the Schedule) is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

(2) REPORTING ENTITY

The City of Lincoln, Nebraska, for purposes of the Schedule, includes all funds of the City as defined in Note 1 of the Notes to the Financial Statements, including Lincoln Electric System, Lincoln Water System, and Lincoln Wastewater System.

Lincoln Electric System (LES) operates on a calendar year basis for reporting purposes as opposed to the August 31 fiscal year basis of the City. As a result, the amounts included in the City's August 31, 2013, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2012.

(3) PASS-THROUGH AWARDS

The City of Lincoln receives certain federal awards in the form of pass-through awards from the State of Nebraska. Such amounts received as pass-through awards are specifically identified on the Schedule.

(4) MAJOR PROGRAMS

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are determined by the independent auditor to be major programs.

(5) SUBRECIPIENTS

Of the federal expenditures presented in this schedule, the City provided federal awards to subrecipients as follows:

<u>CFDA#</u>	<u>Program</u>	<u>Amount</u>
Pass-Through to City Impact:		
14.239	HOME Investment Partnerships Program	\$ 69,846
Pass-Through to Community Crops:		
14.218	Community Development Block Grant – Entitlement Grants Cluster	\$ 28,012
Pass-Through to County Aging Programs:		
10.570	Nutrition Program for the Elderly	\$ 51,758
93.044	Title III, Part B: Grants for Supportive Services and Senior Centers	29,630
93.045	Title III, Part C: Nutrition Services	113,482
93.052	Title III, Part E: National Family Caregiver Support	18,587
Pass-Through to Habitat for Humanity:		
14.239	HOME Investment Partnerships Program	\$ 119,508
Pass-Through to Joint Antelope Valley Authority:		
20.205	Highway Planning and Construction (JAVA)	\$ 272,439
Pass-Through to League of Human Dignity:		
14.218	Community Development Block Grant – Entitlement Grants Cluster	\$ 15,667
Pass-Through to Lincoln Housing Authority:		
14.239	HOME Investment Partnerships Program	\$ 23,857
Pass-Through to NeighborWorks:		
14.218	Community Development Block Grant – Entitlement Grants Cluster	\$ 203,664
14.239	HOME Investment Partnerships Program	256,092
81.128	Energy Efficiency and Conservation Block Grant Program ARRA	47,345
Pass-Through to UNL Center on Children Families & the Law:		
14.218	Community Development Block Grant – Entitlement Grants Cluster	\$ 4,891

(6) FEDERAL LOANS OUTSTANDING

The City administers the following loan programs for which the federal government imposes continuing compliance requirements on the following outstanding balances, net of allowances:

<u>CFDA#</u>	<u>Program</u>	<u>Outstanding Balance as of August 31, 2013</u>
14.218	Community Development Block Grant	\$ 7,863,000
14.228	Community Development Block Grant – Neighborhood Stabilization Program	178,000
14.239	HOME Investment Partnership Program	11,163,000

New loans included in the Schedule totaled \$661,000, \$0 and \$867,000, respectively.

(7) The schedule has been restated and now includes \$2,676,365 expended for CFDA program 66.468, which were initially omitted. The expenditures for CFDA program 66.468 include \$563,717 of fiscal year 2012 expenditures, that were not included on the fiscal year 2012 Schedule of Expenditures of Federal Awards.

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

The Honorable Mayor
and Members of the City Council
City of Lincoln, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska (the City), as of and for the year ended August 31, 2013, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 25, 2014, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the City's internal control to determine the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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*.

Other Matters

We noted certain matters that we reported to the City's management in a separate letter dated February 25, 2014.

The purpose of this communication 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 entity's internal control or compliance. This communication 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.

BKD, LLP

Lincoln, Nebraska
February 25, 2014

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Lincoln, Nebraska (the City), with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the City of Lincoln, Nebraska, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

Other Matter

This report is being reissued and replaces our previously issued report, dated February 25, 2014, to include testing of CFDA 66.468 as a major federal program. Our opinion is not modified with respect to this matter.

Report on Internal Control Over Compliance

The management of the City of Lincoln, Nebraska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
March 26, 2014

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs – As Restated
Year Ended August 31, 2013

Summary of Auditor's Results

1. The opinion(s) expressed in the independent auditor's report was (were):
 Unmodified Qualified Adverse Disclaimed

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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4. The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:

Significant deficiency(ies)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

5. The opinion(s) expressed in the independent auditor's report on compliance with requirements that could have a direct and material effect on major federal awards was (were):
 Unmodified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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7. The City's major programs were:

Cluster/Program	CFDA Number
HOME Investment Partnerships Program	14.239
JAG Program Cluster	16.738/16.803/16.804
Workforce Investment Act (WIA) Program Cluster	17.258/17.259/17.278
Transit Services Programs Cluster	20.516/20.521
Capitalization Grants for Drinking Water State Revolving Funds	66.468
Energy Efficiency and Conservation Block Grant Program	81.128

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs – As Restated - Continued
Year Ended August 31, 2013

Summary of Auditor's Results - Continued

- 8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$596,664.
- 9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? Yes No

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding	Questioned Costs
No matters are reportable.		

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
No matters are reportable.		

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2013

Reference Number	Summary of Finding	Status
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No matters are reportable.