

## **INTRODUCTORY SECTION**

## OFFICIALS OF THE CITY OF LINCOLN

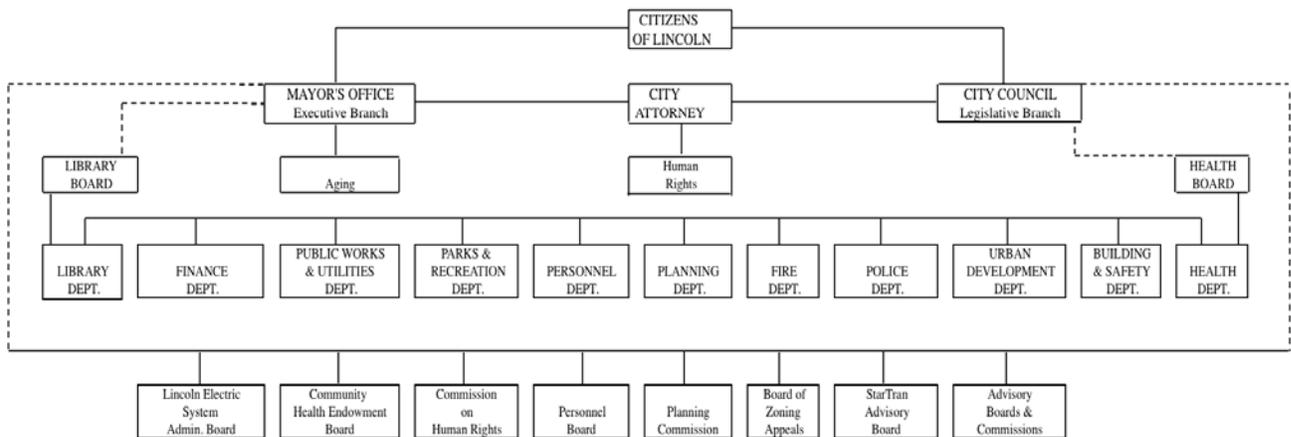
Chris Beutler ..... Mayor  
 Carl Eskridge.....Chair, City Council  
 Doug Emery ..... Vice Chair, City Council  
 Jon Camp..... Council Member  
 Roy Christensen ..... Council Member  
 Jonathan Cook..... Council Member  
 Trent Fellers ..... Council Member  
 Leirion Gaylor Baird..... Council Member

\* \* \* \* \*

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 27<sup>th</sup> 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 13<sup>th</sup> & 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) 17<sup>th</sup> & Q/Credit Union project.
  - 11) Replace downtown meters with advanced technology.
  - 12) Landmark III project.
  - 13) Lumberworks liner development project.
  - 14) 18<sup>th</sup> & Q mixed use development project.
  - 15) Pershing redevelopment project.
- North 27<sup>th</sup> 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) 21<sup>st</sup> & 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.
- 84<sup>th</sup> and Havelock redevelopment.
- South Capitol redevelopment.
- 56<sup>th</sup> and Arbor Road redevelopment.
- Focus area projects in South Capitol.
- 11<sup>th</sup> Street streetscape.
- Prescott Street streetscape, 47<sup>th</sup> to 48<sup>th</sup>.
- 1<sup>st</sup> 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, 70<sup>th</sup> to 84<sup>th</sup> Street.
    - ✓ SW 40<sup>th</sup> Street overpass.
    - ✓ 14<sup>th</sup> Street, Superior to Alvo Road.
    - ✓ 56<sup>th</sup> Street, Old Cheney to Shadow Pines.
    - ✓ Coddington and West Van Dorn intersection improvements.
    - ✓ Old Cheney Road, 70<sup>th</sup> to 84<sup>th</sup> Street.
    - ✓ Pine Lake Road, 59<sup>th</sup> to Hwy 2.
    - ✓ 14<sup>th</sup> and Cornhusker Hwy safety project.
    - ✓ 33<sup>rd</sup> and Cornhusker Hwy RTSD project.
    - ✓ 14<sup>th</sup>/Old Cheney/Warlick intersection.
    - ✓ Arterial/residential rehabs, executive order, traffic signal, and Federal Infrastructure Stimulus funded projects.

- ✓ N 33<sup>rd</sup>, 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, 56<sup>th</sup> to 84<sup>th</sup> Street.
- ✓ 98<sup>th</sup> Street water main, Holdrege to Alvo.
- ✓ West O sanitary sewer lift station.
- ✓ 6<sup>th</sup> 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 27<sup>th</sup> Street projects.
- ✓ West Haymarket projects.
- ✓ 1<sup>st</sup> and Cornhusker Hwy project.
- ✓ 14<sup>th</sup>/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) 1<sup>st</sup> 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 17<sup>th</sup> and 21<sup>st</sup> 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**

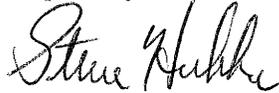
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2012. This was the thirtieth 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,

A handwritten signature in black ink, appearing to read "Steve Hubka". The signature is written in a cursive, flowing style.

Steve Hubka  
Interim Finance Director



Government Finance Officers Association

**Certificate of  
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**City of Lincoln  
Nebraska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2012**

Executive Director/CEO