



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED AUGUST 31, 2016



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE
CITY OF LINCOLN, NEBRASKA

FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

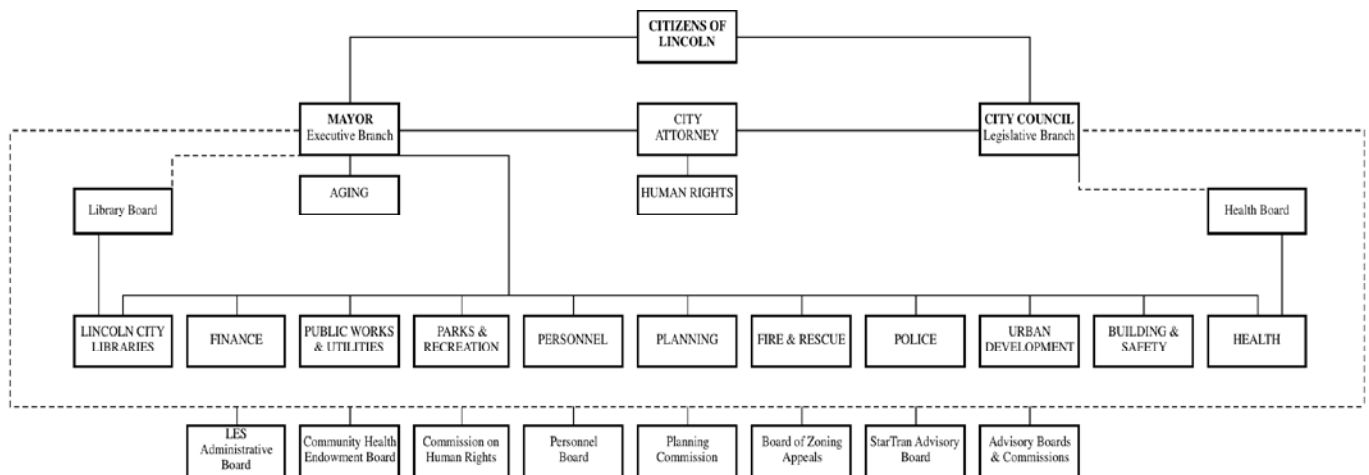
Chris Beutler	Mayor
Leirion Gaylor Baird	Chair, City Council
Roy Christensen	Vice Chair, City Council
Jon Camp	Council Member
Carl Eskridge	Council Member
Trent Fellers	Council Member
Cyndi Lamm	Council Member
Jane Raybould	Council Member

* * * * *

Brandon Kauffman	Finance Director
David Cary	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
Jeffery Kirkpatrick	City Attorney
Tom Casady	Public Safety Director
Jeff Bliemeister	Chief of Police
Michael Despain	Fire Chief

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CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2016
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MAYOR CHRIS BEUTLER

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402.441.7511 fax: 402.441.7120 lincoln.ne.gov

February 23, 2017

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, 2016.

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 2015 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 33rd 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,

A handwritten signature in blue ink, appearing to read "Chris Beutler", with a long, sweeping underline.

Chris Beutler
Mayor of Lincoln

February 23, 2017

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, 2016, 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 Title 2 U.S. Code of Federal Regulations Part 200, requires local governments that expend \$750,000 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, 2016, 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, 2016, 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 95 square miles, serves a population of approximately 277,000, 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, Pinnacle Bank Arena, Broadband Enterprise, 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.

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 2015 has been 22% or approximately 1.33% per year. The 2015 population of Lancaster County has been estimated to be in excess of 306,000 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, 2016, was 3.0%, well below the national average of 4.9%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current number of construction permits is up 7.5% when compared to levels 5 years ago, with an increase in the value of construction permits of over \$155 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 \$14,123,256 or 20% from the previous fiscal year, of which \$11,254,204 comes from a voter approved .25% tax increase, effective October 1, 2015, to fund replacement of the City's emergency 911 radio system and the construction and/or relocation of four fire stations.

Long-Term Planning and Major Initiatives

Urban Development

The City anticipates approximately \$28 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, the Antelope Valley project area, older commercial areas, and in low-moderate income neighborhoods throughout the City.

Public financing will be provided by a variety of sources, including Tax Increment Financing (TIF), Parking Revenues, CDBG, HOME 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:

<ol style="list-style-type: none"> 1) West Haymarket, Block 2 project. 2) West Haymarket, Block 4 project. 3) West Haymarket, Block 5 project. 4) Lumberworks Liner Building project. 5) Schwarz Paper project. 6) P Street East project. 7) Pershing Redevelopment project. 	<ol style="list-style-type: none"> 8) Telesis/Dairy House Phase II. 9) South Haymarket streetscape. 10) 700 O Street project. 11) Historic Haymarket streetscape. 12) 1222 P Street. 13) 11th & P redevelopment project. 14) 9th and O Hotel project.
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- New Downtown Parking Garage. Parking Services Division has completed a demand and occupancy study that will assist in determining the location of a new downtown parking facility. Site acquisition will be next.
- Antelope Valley Redevelopment Projects:
 - 1) Telegraph District redevelopment.
 - 2) Aspen housing.
 - 3) Antelope Square housing.
- University Place redevelopment:
 - 1) Former Green's Plumbing site.
 - 2) 48th & Leighton mixed use.
 - 3) 48th & Holdrege project.
- West O Street redevelopment will be on a project-by-project basis and the completion of the historic Detroit-Lincoln-Denver marker project.
- Havelock Redevelopment Project, SSH Architecture.
- NW Corridor redevelopment (West Cornhusker Highway).
- Innovation Campus redevelopment.
- 56th and Arbor Road redevelopment.
- North Cotner redevelopment.
- 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.
- Real estate major acquisition, negotiation and relocation projects:

<ol style="list-style-type: none"> 1) For effective transportation: <ul style="list-style-type: none"> ✓ Yankee Hill Roadway, 70th to 81st Street. ✓ NW 48th, Adams to Vine. ✓ Coddington and West Van Dorn intersection improvements. ✓ Yankee Hill intersection, 56th to 70th. ✓ Pine Lake Road, 61st to Hwy 2. ✓ Rokeby Road, 40th to 56th and 70th to 84th Streets. ✓ 14th and Cornhusker Hwy safety project. ✓ 33rd and Cornhusker Hwy RTSD project. ✓ Yankee Hill, 81st to 91st Street. 	<ul style="list-style-type: none"> ✓ 14th/Old Cheney/Warlick intersection. ✓ South 84th, Hwy 2 to Rokeby Road. ✓ East Beltway preliminary acquisitions. ✓ South Beltway preliminary acquisitions. ✓ Arterial/residential rehabs, executive order, traffic signals. ✓ 66th & Fremont safety project. ✓ West A Street, Folsom to SW 40th Street ✓ New LFR & LPD station acquisitions.
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- 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.
 - ✓ 56th & Morton storm water improvements.
 - ✓ 84th – Yankee Hill-Rokeby water main.
 - ✓ Miscellaneous storm water bond projects.
 - ✓ Cardwell branch sanitary sewer.
 - ✓ Miscellaneous sanitary sewer upgrade projects.
 - ✓ Conservation easements and wetlands acquisitions.
 - ✓ East O Street sewer and water projects.
 - ✓ Stone Bridge bike trail.
 - ✓ Dead Man's Run storm water bond project.
 - ✓ 27th & Theresa Street biogas project.
- 3) Relocation activities:
 - ✓ 1st and Cornhusker Hwy project.
 - ✓ 14th/Old Cheney/Warlick intersection project.
- Workforce Innovation and Opportunity Act (WIOA) funds granted to the City for use in Lancaster and Saunders Counties provide employment, education, and support services needed by jobseekers and employers to strengthen the economy. WIOA is focused on providing work-based and on-the-job training while emphasizing occupations in-demand in the local and regional markets.

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 involved 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 \$375 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 joined together through an interlocal agreement to form the Joint Antelope Valley Authority (JAVA). JAVA implemented 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, University of Nebraska-Lincoln student housing complexes, and infrastructure improvements.

All projects and their associated final documentation have been successfully completed, allowing JAVA to be dissolved in July 2016. The cost of the entire Antelope Valley project was approximately \$246 million.

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$98,920,000 over the 6-year period of fiscal year 2016-17 through fiscal year 2021-22. Of that total, approximately \$26,050,000 will be financed by revenue bonds, approximately \$2,200,000 will be financed by impact fees, with the remaining \$70,670,000 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 \$138,730,000 over the 6-year period of fiscal year 2016-17 through 2021-22. Of these dollars, approximately \$65,000,000 will be financed through revenue bonds, approximately \$4,300,000 will be financed through impact fees, approximately \$1,240,000 will be financed through community improvement financing, with the balance of \$68,190,000 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 2017-2022 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$39 million for the next six years. Funding for these projects includes \$171 million in City revenues, \$31 million in federal aid, and \$32 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 are set and adopted by the City Council.

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, 2016, current tax collections by the County Treasurer were 97.81% of the tax levy, an increase of .05% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy by Purpose</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
General Fund	.1957	.1859	.1889
Library	.0421	.0438	.0417
Social Security	.0144	.0163	.0155
Police and Fire Pension	.0352	.0374	.0378
Unemployment Compensation	.0003	.0000	.0000
General Obligation Debt	<u>.0319</u>	<u>.0362</u>	<u>.0319</u>
Total	<u>.3196</u>	<u>.3196</u>	<u>.3158</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	1,057	November, 1978
Cornhusker Square	390	December, 1983
University Square	432	April, 1990
Que Place	810	October, 1994
Carriage Park	701	February, 1995
Market Place	385	August, 2000
Haymarket	408	August, 2002
Larson Building	647	July, 2012
Lumberworks	530	January, 2014

The City's parking garages have been built to promote downtown redevelopment efforts by working with the private sector 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 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>2015-2016</u>	<u>2014-2015</u>
Operating Revenues	\$10,635,283	10,370,095
Net Earnings Before Depreciation	6,121,495	5,841,915
Debt Service	2,483,115	2,483,115
Debt Service Coverage Ratio	2.47	2.35

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, 2016, the City estimates that it will incur costs approximating \$24 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 an increase in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Wastewater System</u>	<u>2015-2016</u>	<u>2014-2015</u>
Operating Revenues	\$27,896,580	27,029,419
Operating Income	5,516,373	5,504,788
Revenue Available For Debt Service	15,007,381	14,485,305
Debt Service	7,409,843	6,861,802
Debt Service Coverage Ratio	2.03	2.11

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

<u>Water System</u>	<u>2015-2016</u>	<u>2014-2015</u>
Operating Revenues	\$35,400,979	31,323,477
Operating Income	9,743,115	5,871,628
Revenue Available For Debt Service	21,016,315	17,526,817
Debt Service	6,468,726	6,406,562
Debt Service Coverage Ratio	3.25	2.74

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, 2015, is included in the City's August 31, 2016, financial statements.

Certificate of Achievement

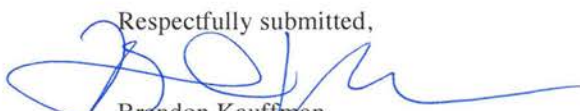
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2015. This was the thirty-third 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,



Brandon Kauffman
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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enev". The signature is written in a cursive, flowing style.

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, 2016, 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 did not audit the financial statements of Lincoln Wastewater System and Lincoln Water System, which represent 35%, 58% and 17%, respectively, of the total assets, net position and revenues of the business-type activities. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln Wastewater System and Lincoln Water System, is based solely on the report of the other auditors. 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 entity'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 entity'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.

Opinions

In our opinion, based on our audit and the report of the other auditors, 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, 2016, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison information for the general fund and street construction fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefit information 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 Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* as listed in the table of contents, 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 23, 2017, 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 23, 2017



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, 2016. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on page vii) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2016, by \$1,915,033,190 (net position). Of this amount, \$300,557,243 (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 \$85,004,021. Of this amount, \$45,431,679, or 53%, was an increase in governmental activities and \$39,572,342, or 47%, related to business-type activities. Please refer to the fund descriptions preceding the various combining statements (beginning on page 81) for information regarding constraints imposed on the City in spending available funds.
- As of August 31, 2016, the City's governmental funds reported combined ending fund balances of \$306,883,675, an increase of \$18,162,878 in comparison with the prior year. Of this total fund balance, 13%, or \$39,799,496 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2016, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the general fund was \$57,799,703, or 46% of total general fund expenditures. Following the implementation of GASB Statement No. 54, reference must be made to pages 83-85 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 \$31,035,460 (3%) during the current fiscal year. LES issued \$167,800,000 in construction and refunding bonds for a net present value savings of \$7,400,000.

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, 2016. 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; broadband facilities; 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 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; broadband system, 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 30-78 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 pages 79-80 of this report.

The combining statements referred to earlier are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found beginning on page 81 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 \$1,915,033,190 at August 31, 2016.

By far the largest portion of the City's net position (75%) 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, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 400,046,175	535,735,372	369,011,740	310,819,974	769,057,915	846,555,346
Capital Assets	1,259,026,439	1,076,401,619	1,556,077,987	1,540,507,192	2,815,104,426	2,616,908,811
Total Assets	1,659,072,614	1,612,136,991	1,925,089,727	1,851,327,166	3,584,162,341	3,463,464,157
Deferred Outflows of Resources	17,424,169	22,176,250	21,504,538	19,316,436	38,928,707	41,492,686
Long-Term Liabilities Outstanding	601,237,143	603,978,028	883,796,604	834,851,083	1,485,033,747	1,438,829,111
Other Liabilities	40,979,757	40,716,144	161,974,116	174,514,827	202,953,873	215,230,971
Total Liabilities	642,216,900	644,694,172	1,045,770,720	1,009,365,910	1,687,987,620	1,654,060,082
Deferred Inflows of Resources	18,935,325	19,706,190	1,134,913	1,161,402	20,070,238	20,867,592
Net Position:						
Net Investment in Capital Assets	773,243,018	587,747,372	664,773,842	692,461,543	1,438,016,860	1,280,208,915
Restricted	159,387,584	165,389,543	17,071,503	14,820,181	176,459,087	180,209,724
Unrestricted	82,713,956	216,775,964	217,843,287	152,834,566	300,557,243	369,610,530
Total Net Position	\$ 1,015,344,558	969,912,879	899,688,632	860,116,290	1,915,033,190	1,830,029,169

An additional portion of the City's net position (9%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (16%) may be used to meet the government's ongoing obligations to citizens and creditors.

At August 31, 2016, 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, 2016 and 2015

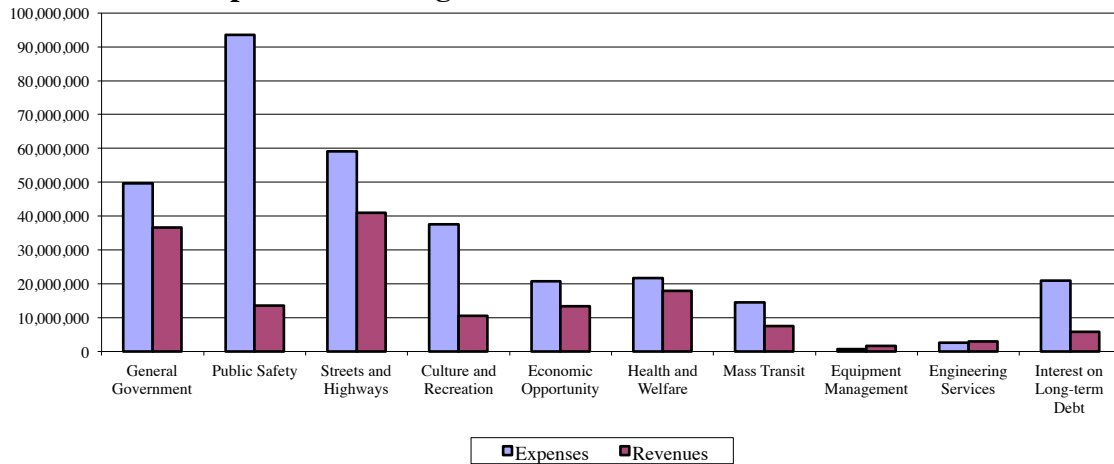
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 67,746,036	65,598,374	414,022,963	410,081,320	481,768,999	475,679,694
Operating Grants and Contributions	63,971,798	59,762,954	61,066	-	64,032,864	59,762,954
Capital Grants and Contributions	19,411,483	25,708,872	9,765,195	13,309,086	29,176,678	39,017,958
General Revenues:						
Property Tax	66,338,373	60,781,216	-	-	66,338,373	60,781,216
Sales and Use Tax	83,561,157	69,437,901	-	-	83,561,157	69,437,901
Occupation Tax	26,618,563	26,367,092	4,194,442	2,832,539	30,813,005	29,199,631
Other Taxes	25,075,921	24,141,211	-	-	25,075,921	24,141,211
Unrestricted Grants and Contributions	67,640	65,051	-	-	67,640	65,051
Unrestricted Investment Earnings	1,914,541	1,842,730	1,517,819	961,154	3,432,360	2,803,884
Other	708,314	1,251,922	89,483	329,954	797,797	1,581,876
Total Revenues	355,413,826	334,957,323	429,650,968	427,514,053	785,064,794	762,471,376
Expenses:						
General Government	49,756,620	48,543,231	-	-	49,756,620	48,543,231
Public Safety	93,495,599	91,997,706	-	-	93,495,599	91,997,706
Streets and Highways	59,111,970	41,302,726	-	-	59,111,970	41,302,726
Culture and Recreation	37,633,355	33,418,770	-	-	37,633,355	33,418,770
Economic Opportunity	20,703,598	18,101,822	-	-	20,703,598	18,101,822
Health and Welfare	21,701,621	22,273,013	-	-	21,701,621	22,273,013
Mass Transit	14,576,742	13,477,089	-	-	14,576,742	13,477,089
Equipment Management	614,893	1,032,440	-	-	614,893	1,032,440
Engineering Services	2,527,524	3,495,741	-	-	2,527,524	3,495,741
Interest on Long-Term Debt	20,931,956	21,310,128	-	-	20,931,956	21,310,128
Golf Courses	-	-	3,939,149	3,261,611	3,939,149	3,261,611
Parking	-	-	9,418,838	9,223,770	9,418,838	9,223,770
Entertainment Facilities	-	-	8,630,522	8,386,730	8,630,522	8,386,730
Solid Waste Management	-	-	11,742,556	9,498,841	11,742,556	9,498,841
Ambulance Transport	-	-	6,865,689	6,507,925	6,865,689	6,507,925
Broadband Enterprise	-	-	402,264	-	402,264	-
Wastewater	-	-	24,852,092	24,128,351	24,852,092	24,128,351
Water	-	-	27,243,026	26,368,801	27,243,026	26,368,801
Electric	-	-	286,006,000	298,753,000	286,006,000	298,753,000
Total Expenses	321,053,878	294,952,666	379,100,136	386,129,029	700,154,014	681,081,695
Increase in Net Position Before Transfers	34,359,948	40,004,657	50,550,832	41,385,024	84,910,780	81,389,681
Transfers	11,071,731	11,754,684	(10,978,490)	(11,594,036)	93,241	160,648
Increase in Net Position	45,431,679	51,759,341	39,572,342	29,790,988	85,004,021	81,550,329
Net Position - Beginning	969,912,879	918,153,538	860,116,290	830,325,302	1,830,029,169	1,748,478,840
Net Position - Ending	\$ 1,015,344,558	969,912,879	899,688,632	860,116,290	1,915,033,190	1,830,029,169

GOVERNMENTAL ACTIVITIES

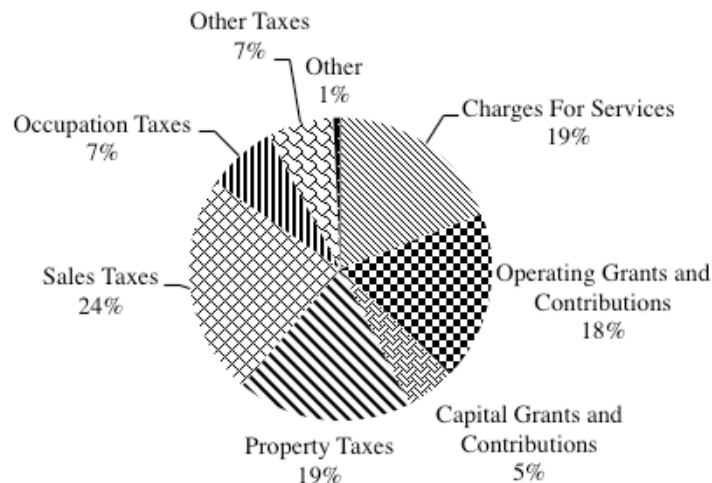
Governmental activities increased the City's net position by \$45,431,679, accounting for 53% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

- Operating grants and contributions increased by approximately \$4.2 million (7%) during 2016. An approximate \$5 million increase can be attributed to the improved investment market and its impact on endowment fund earnings.
- Capital grants and contributions decreased by approximately \$6.3 million (24.5%) during 2016. This reduction is primarily due to active streets & highways projects in the prior year that received funding from the State of Nebraska, as well as prior year developer contributions to the City's fiber infrastructure.
- Property Tax receipts increased by approximately \$5.6 million (9.1%) in 2016 primarily due to an increase in the overall tax base, which included a revaluation of property conducted by the County Assessor's Office.
- Sales taxes increased by approximately \$14 million (20.3%) during 2016. This increase was primarily due to the ¼ cent City sales tax increase approved by Lincoln voters to support the replacement of the City's emergency 911 radio system, and construction of four fire stations, one of which will be a joint police/fire station.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities



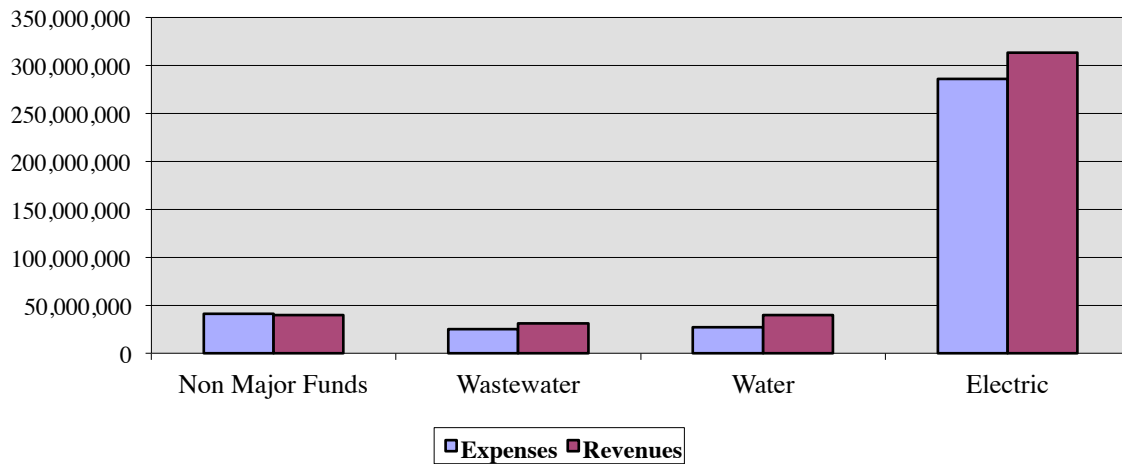
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$39,572,342, accounting for 47% of the total growth in the government's net position. Key elements of this increase are as follows:

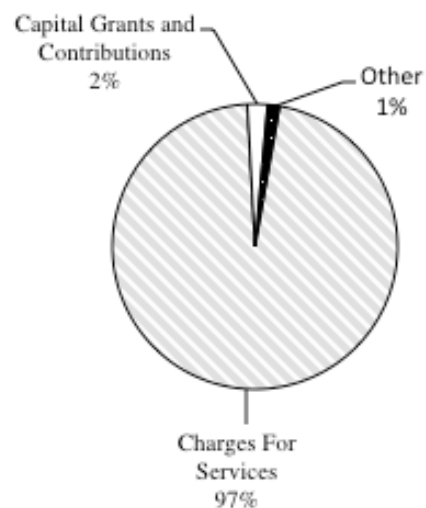
- Lincoln Electric System operating revenue in 2015 was down 4.5% from 2014. Retail revenue was lower primarily due to a weather-related decrease in energy sales. Wholesale revenue decreased 29.9% and purchased power and production expenses were down 10.7% due to lower market prices in the Southwest Power Pool Integrated Market (SPP IM), netting of certain SPP IM transactions which decreased both wholesale revenue and purchased power by the same amount, and other factors including lower energy sales, decreases in generation, and operation and maintenance expenses.

- Lincoln Wastewater System reported increased revenues due to a 3% increase implemented November 2015 and applied solely to the service charge. Total operating expenses increased primarily due to increased plant, pumping and treatment cost, including depreciation and maintenance.
- Lincoln Water System revenue increased during the year due to a 3% increase implemented November 2015 and applied solely to the service charge. Another factor was less precipitation in 2016 when compared to 2015.

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, 2016, the City's governmental funds reported combined ending fund balances of \$306,883,675, an increase of \$18,162,878 in comparison with the prior year. Of this total amount, 13% 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 (\$1,742,571), legally required to be maintained intact (\$37,160,000), restricted for particular purposes (\$132,015,449), committed for particular purposes (\$2,623,396), or assigned for particular purposes (\$93,542,763).

The General Fund is the chief operating fund of the City. At August 31, 2016, the unrestricted fund balance of the General Fund was \$57,799,703, while total fund balance reached \$65,703,098. 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 46% of total general fund expenditures, while total fund balance represents 52% of that same amount.

The fund balance of the City's General Fund increased by \$4,186,325 during 2016. The City appropriates General fund balance as a funding source for budget, with the allocation of balances spread over the two-year budget cycle.

The Street Construction Fund has a total fund balance of \$61,783,531, which is to be used in the construction and maintenance of streets and highways. The net decrease in fund balance during 2016 in the Street Construction Fund was \$(7,124,243), the result of several significant projects that have been conducted in the current year and the pre-funding of projects in the prior year that had delayed construction timelines.

The West Haymarket JPA Fund had a fund balance of \$28,923,150, 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 is \$4,570,807. The fund balance is a result of the issuance of bonds in prior years, occupation tax and donation revenue, less the Agency's expenditures for construction, debt service and general operations.

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 \$23,108,926, \$34,288,144, \$170,845,000 and \$(10,398,783), respectively, at August 31, 2016 (December 31, 2015 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 (decrease of \$395,977) and can be briefly summarized as follows:

Expenditure appropriations:

- \$(2,775,744) in miscellaneous changes in general government activities.
- \$570,931 in increases allocated to public safety.
- \$57,013 in increases to streets & highways.
- \$375,369 in increases allocated to parks and recreation.
- \$151,177 in increases allocated to fiber network improvements.
- \$1,225,277 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:

- \$3,357,438 positive variance in real estate and personal property tax. Actual property tax collections were 97.81% of the 2015 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- (\$1,493,389) negative variance in occupation taxes. Greater competition and both technological and generational changes in customer usage have led to decreased revenues.
- \$6,996,936 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future expenditures.
- \$2,797,839 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.
- (\$1,059,475) negative variance in street lighting function expenditures. This variance was the result of additions related to both normal construction as well as Antelope Valley Project construction.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of August 31, 2016, amounts to \$2,815,104,426 (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 2016 was 7.6% (17.0% increase for governmental activities and 1.0% increase for business-type activities).

Major capital asset events during 2016 included the following:

- The City capitalized its equity interest in the Joint Antelope Valley Authority Project. Land, the CHE building, parks and urban development improvements, and infrastructure were added at a total value of \$151,646,473.
- The City invested in its 911 emergency radio system at a cost of approximately \$4.5 million. The project is expected to be completed in October 2017 at an estimated total cost of \$12.2 million.
- The LES Mobile Meter Reading Project (MMR) is a program that will replace existing non-radio meters with mobile meter reading technology. Current capital expenditures for this project totaled \$6,244,000. The MMR project is expected to be completed with a total cost of \$9,599,000.
- LES is a 12.76% share owner in the Laramie River Station. LES' share of capital improvements for the plant in 2015 was \$6,072,000.
- Land was purchased for the future construction of the LES Operation Center (LOC). Capital expenditures in 2015 for this project totaled \$4,168,000. The LOC is expected to be completed in 2018 with an estimated total project cost of \$72,100,000.
- The Duct Installation Program (DIP), which started in 2012, is a 10-year project to install duct adjacent to distribution cable, allowing the cable to be replaced quickly when it reaches the end of its useful life. Capital expenditures in 2015 totaled \$2,948,000. The DIP project is expected to be completed in 2022 with an estimated project cost of \$29,412,000.
- Lincoln Wastewater System had select main replacements of approximately \$1.9 million.
- Lincoln Water System had approximately \$3 million of treatment plant modifications and \$2.7 million select main replacements.

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 165,699,845	144,393,691	25,083,921	24,979,425	190,783,766	169,373,116
Buildings	278,439,144	284,057,834	146,943,273	151,439,031	425,382,417	435,496,865
Improvements Other Than Buildings	98,783,363	68,888,373	482,759,823	478,172,559	581,543,186	547,060,932
Machinery and Equipment	36,077,355	36,355,170	21,334,119	20,175,942	57,411,474	56,531,112
Utility Plant	-	-	807,506,000	803,439,000	807,506,000	803,439,000
Infrastructure	627,005,515	482,433,178	-	-	627,005,515	482,433,178
Construction-in-progress	53,021,217	60,273,373	72,450,851	62,301,235	125,472,068	122,574,608
Total	<u>\$ 1,259,026,439</u>	<u>1,076,401,619</u>	<u>1,556,077,987</u>	<u>1,540,507,192</u>	<u>2,815,104,426</u>	<u>2,616,908,811</u>

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 48-50 of this report.

LONG-TERM DEBT

At August 31, 2016, the City of Lincoln had total bonded debt outstanding of \$1,200,786,000. Of this amount, \$445,151,000 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, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 443,131,274	448,085,814	-	-	443,131,274	448,085,814
Tax Supported Bonds	2,020,000	2,875,000	-	-	2,020,000	2,875,000
Revenue Bonds	-	-	755,635,000	718,790,000	755,635,000	718,790,000
Total	<u>\$ 445,151,274</u>	<u>450,960,814</u>	<u>755,635,000</u>	<u>718,790,000</u>	<u>1,200,786,274</u>	<u>1,169,750,814</u>

The City's total bonded debt increased by \$31,035,460 (3%) in the current fiscal year. LES issued \$167,800,000 in construction and refunding bonds for a net present value savings of \$7,400,000.

The City maintains the following credit ratings:

	Moody's Investors Service	Standard & 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+	-
Solid Waste Management Revenue Bonds	Aa2	AA+	-
Lincoln Electric System			
Revenue Bonds	-	AA	AA
Commercial Paper	-	A-1+	F1+

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

Additional information on the City's long-term debt can be found in Note 9 of the notes to the financial statements on pages 52-58 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2016-2018 biennial budget prepared for the City of Lincoln included the following factors relative to the 2016-2017 fiscal year.

- Property tax revenue required to fund the 2016-2017 budget increased \$3,580,648 from the prior year. Total change in the tax base is 2.2%. Levy increases required for an additional stormwater bond issue, emerald ash borer infestation treatment, and police & fire pension contributions, added 1.372 cents per \$100 of assessed valuation for fiscal year 2016-2017.
- 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 2017 include increased Parks and Recreation program fees, \$128,103; increased revenue from planning application fees, \$37,600; and increased various health department program fees, \$59,522.
- Utility rates are increased by an average of 5%, resulting in additional 2017 revenues of \$1,302,254 for Water and \$1,061,603 for Wastewater.
- An increase in Landfill gate fees and occupation tax fees are scheduled to begin January 2017, generating an additional \$619,183 in the 2017 fiscal year for the Solid Waste Management Fund.
- Increased on-street parking meter rates and parking garage hourly rates are expected to generate \$1,501,017 of additional revenues to benefit the parking system.
- 2017 projected sales tax collections reflect a 4.0% increase over 2016 expected collections.
- Staffing changes included in the 2016-2017 budget result in an increase for all funds of 21.57 full-time equivalents.
- The City pays employees every two weeks, or fourteen days. Every eleven or twelve years, depending on the number of leap years during that time, an additional pay period occurs during a fiscal year. This extra pay period falls in the 2017 fiscal year, significantly increasing its budget requirements. The cost of this extra pay period is approximately \$4.3 million for tax funds and \$6.4 million for all funds. The extra cost is funded by an additional one-time appropriation of fund balances in 2017. The costs in the operating budgets of non-tax funds are paid from the revenues of those funds.
- Health care premiums for the City's self-insured health plan for employees are projected to increase 4% in 2017.

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, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 24,811,118	28,790,373	53,601,491
Investments	270,673,279	182,301,026	452,974,305
Receivables, (Net of Allowance for Uncollectibles)	33,897,113	49,610,180	83,507,293
Internal Balances	(3,689,574)	3,689,574	-
Due from Other Governments	29,383,819	32,655	29,416,474
Inventories	2,051,248	17,174,755	19,226,003
Plant Operation Assets	-	14,095,000	14,095,000
Prepaid Items	952,921	1,325,910	2,278,831
Other Assets	2,656,251	7,393,691	10,049,942
Restricted Assets:			
Cash and Cash Equivalents	2,150,000	8,545,034	10,695,034
Investments	37,160,000	56,038,734	93,198,734
Receivables	-	14,808	14,808
Capital Assets:			
Non-depreciable	218,721,062	97,534,772	316,255,834
Depreciable (Net)	1,040,305,377	1,458,543,215	2,498,848,592
Total Assets	<u>1,659,072,614</u>	<u>1,925,089,727</u>	<u>3,584,162,341</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	994,111	20,291,726	21,285,837
Deferred Outflows for Pension	16,430,058	1,212,812	17,642,870
Total Deferred Outflows of Resources	<u>17,424,169</u>	<u>21,504,538</u>	<u>38,928,707</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	17,903,180	21,885,080	39,788,260
Accrued Liabilities	9,071,802	29,432,667	38,504,469
Due to Other Governments	753,175	302,010	1,055,185
Unearned Revenue	8,506,957	4,981,585	13,488,542
Notes Payable	-	95,500,000	95,500,000
Accrued Interest Payable	4,744,643	9,872,774	14,617,417
Noncurrent Liabilities:			
Payable within One Year	30,989,628	40,514,037	71,503,665
Payable in More Than One Year	570,247,515	843,282,567	1,413,530,082
Total Liabilities	<u>642,216,900</u>	<u>1,045,770,720</u>	<u>1,687,987,620</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Refunding	733,381	-	733,381
Deferred Inflows for Pension	18,201,944	1,134,913	19,336,857
Total Deferred Inflows of Resources	<u>18,935,325</u>	<u>1,134,913</u>	<u>20,070,238</u>
NET POSITION			
Net Investment in Capital Assets	773,243,018	664,773,842	1,438,016,860
Restricted for:			
Debt Service	7,292,803	9,381,611	16,674,414
Capital Projects	56,066,393	6,907,892	62,974,285
Grantor Loan Programs	17,634,000	-	17,634,000
Other	12,721,727	782,000	13,503,727
Trust Donations:			
Expendable	1,984,477	-	1,984,477
Nonexpendable	160,000	-	160,000
Health Care:			
Expendable	26,528,184	-	26,528,184
Nonexpendable	37,000,000	-	37,000,000
Unrestricted	<u>82,713,956</u>	<u>217,843,287</u>	<u>300,557,243</u>
Total Net Position	<u>\$ 1,015,344,558</u>	<u>899,688,632</u>	<u>1,915,033,190</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, 2016

		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
Expenses							
Functions/Programs							
Governmental Activities:							
General Government	\$ (49,756,620)	33,956,597	2,053,688	537,275	(13,209,060)	-	(13,209,060)
Public Safety	(93,495,599)	7,428,315	5,915,416	308,541	(79,843,327)	-	(79,843,327)
Streets and Highways	(59,111,970)	6,599,287	21,469,131	12,994,876	(18,048,676)	-	(18,048,676)
Culture and Recreation	(37,633,355)	4,675,252	2,369,623	3,553,740	(27,034,740)	-	(27,034,740)
Economic Opportunity	(20,703,598)	1,346,373	11,207,577	841,411	(7,308,237)	-	(7,308,237)
Health and Welfare	(21,701,621)	4,974,773	12,869,225	-	(3,857,623)	-	(3,857,623)
Mass Transit	(14,576,742)	3,835,166	3,619,559	-	(7,122,017)	-	(7,122,017)
Equipment Management	(614,893)	1,600,936	-	85,884	1,071,927	-	1,071,927
Engineering Services	(2,527,524)	2,985,456	-	11,417	469,349	-	469,349
Interest on Long-Term Debt	(20,931,956)	343,881	4,467,579	1,078,339	(15,042,157)	-	(15,042,157)
Total Governmental Activities	(321,053,878)	67,746,036	63,971,798	19,411,483	(169,924,561)	-	(169,924,561)
Business-Type Activities:							
Golf	(3,939,149)	3,737,367	-	-	-	(201,782)	(201,782)
Parking System	(9,418,838)	12,520,844	-	33,776	-	3,135,782	3,135,782
Municipal Arena	(8,630,522)	8,729,342	-	59,923	-	158,743	158,743
Solid Waste Management	(11,742,556)	8,094,491	15,077	212,500	-	(3,420,488)	(3,420,488)
Emergency Medical Services	(6,865,689)	6,500,914	-	14,976	-	(349,799)	(349,799)
Broadband Enterprise	(402,264)	50,000	83	-	-	(352,181)	(352,181)
Wastewater System	(24,852,092)	27,950,057	27,347	3,023,625	-	6,148,937	6,148,937
Water System	(27,243,026)	35,346,948	18,559	4,309,395	-	12,431,876	12,431,876
Electric System	(286,006,000)	311,093,000	-	2,111,000	-	27,198,000	27,198,000
Total Business-Type Activities	(379,100,136)	414,022,963	61,066	9,765,195	-	44,749,088	44,749,088
Total	\$ (700,154,014)	481,768,999	64,032,864	29,176,678	(169,924,561)	44,749,088	(125,175,473)
General Revenues:							
Property Tax					66,338,373	-	66,338,373
Motor Vehicle Tax					5,396,042	-	5,396,042
Wheel Tax					18,061,400	-	18,061,400
Sales and Use Tax					83,561,157	-	83,561,157
Sundry and In Lieu Tax					1,618,479	-	1,618,479
Occupation Tax					26,618,563	4,194,442	30,813,005
Unrestricted Grants and Contributions					67,640	-	67,640
Unrestricted Investment Earnings					1,914,541	1,517,819	3,432,360
Miscellaneous General Revenues					708,314	89,483	797,797
Transfers					11,071,731	(10,978,490)	93,241
Total General Revenues and Transfers					215,356,240	(5,176,746)	210,179,494
Change in Net Position					45,431,679	39,572,342	85,004,021
Net Position - Beginning					969,912,879	860,116,290	1,830,029,169
Net Position - Ending					\$ 1,015,344,558	899,688,632	1,915,033,190

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2016

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 5,075,233	2,388,205	1,287,845	14,253,973	23,005,256
Investments	46,628,775	54,972,573	32,891,984	131,630,642	266,123,974
Receivables, (Net of Allowance for Uncollectibles)	6,007,520	1,402,145	2,110,497	24,085,432	33,605,594
Due from Other Funds	2,722,903	7,288,186	-	1,336,608	11,347,697
Due from Other Governments	13,338,163	8,031,458	839,824	7,086,553	29,295,998
Inventories	305,282	327,910	-	593,716	1,226,908
Assets Held for Resale	-	-	2,526,251	130,000	2,656,251
Prepaid Items	165,139	26,640	323,884	-	515,663
Total Assets	<u>74,243,015</u>	<u>74,437,117</u>	<u>39,980,285</u>	<u>179,116,924</u>	<u>367,777,341</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,108,220	6,537,448	1,082,972	3,394,417	12,123,057
Contracts Payable	-	391,405	-	-	391,405
Accrued Liabilities	5,134,909	291,071	183,000	2,705,743	8,314,723
Due to Other Funds	732,692	429,610	181,054	14,791,313	16,134,669
Due to Other Governments	109,026	1,573	339,978	152,010	602,587
Due to Other Contractors	-	-	-	3,051,155	3,051,155
Unearned Revenue	600	-	8,199,176	245,399	8,445,175
Total Liabilities	<u>7,085,447</u>	<u>7,651,107</u>	<u>9,986,180</u>	<u>24,340,037</u>	<u>49,062,771</u>
Deferred Inflows of Resources:					
Unavailable Revenues	<u>1,454,470</u>	<u>5,002,479</u>	<u>1,070,955</u>	<u>4,302,991</u>	<u>11,830,895</u>
Fund Balances:					
Nonspendable	470,421	354,550	323,884	37,753,716	38,902,571
Restricted	7,432,974	29,629,913	3,984,690	90,967,872	132,015,449
Committed	-	-	-	2,623,396	2,623,396
Assigned	17,888,953	31,799,068	24,614,576	19,240,166	93,542,763
Unassigned	<u>39,910,750</u>	<u>-</u>	<u>-</u>	<u>(111,254)</u>	<u>39,799,496</u>
Total Fund Balances	<u>65,703,098</u>	<u>61,783,531</u>	<u>28,923,150</u>	<u>150,473,896</u>	<u>306,883,675</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 74,243,015</u>	<u>74,437,117</u>	<u>39,980,285</u>	<u>179,116,924</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.	1,233,695,799
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	11,830,895
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.	44,928,508
Long-term construction contracts and other liabilities require the use of unavailable financial resources and, therefore, are not reported in the funds.	(4,201,593)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(577,792,726)
Net position of governmental activities	<u>\$ 1,015,344,558</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, 2016

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 35,888,195	-	-	30,336,204	66,224,399
Motor Vehicle	5,396,042	-	-	-	5,396,042
Wheel	-	-	-	18,061,400	18,061,400
Sales and Use	72,305,953	-	-	11,255,204	83,561,157
Sundry and In Lieu	39,535	-	-	1,565,640	1,605,175
Occupation	10,204,620	-	16,413,943	-	26,618,563
Special Assessment	13,688	-	-	1,380,136	1,393,824
Intergovernmental	3,936,525	28,271,419	3,686,539	28,816,566	64,711,049
Permits and Fees	5,698,172	4,813,617	3,400	15,189,666	25,704,855
Reimbursement for Services	7,378,365	428,515	7,409,436	1,591,139	16,807,455
Court Settlements	75,000	-	-	-	75,000
Program Income	-	-	-	22,726	22,726
Investment Earnings	446,115	347,086	459,849	4,996,819	6,249,869
Donations	763,455	-	500,000	2,263,315	3,526,770
Keno Proceeds	-	-	-	4,559,104	4,559,104
Miscellaneous	598,006	788,008	-	973,014	2,359,028
Total Revenues	142,743,671	34,648,645	28,473,167	121,010,933	326,876,416
EXPENDITURES					
Current:					
General Government	34,710,113	-	6,472,617	13,300,852	54,483,582
Public Safety	67,765,524	-	-	9,633,650	77,399,174
Streets and Highways	5,689,524	15,207,310	-	-	20,896,834
Culture and Recreation	14,056,488	-	-	11,254,447	25,310,935
Economic Opportunity	4,183,176	-	-	9,829,764	14,012,940
Health and Welfare	439,087	-	-	22,166,658	22,605,745
Mass Transit	-	-	-	12,380,084	12,380,084
Debt Service	138,124	-	16,785,303	26,241,784	43,165,211
Capital Outlay	-	44,581,994	1,081,515	19,545,974	65,209,483
Total Expenditures	126,982,036	59,789,304	24,339,435	124,353,213	335,463,988
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,761,635	(25,140,659)	4,133,732	(3,342,280)	(8,587,572)
OTHER FINANCING SOURCES (USES)					
Transfers In	11,212,038	23,642,227	-	36,462,195	71,316,460
Transfers Out	(25,199,808)	(5,629,716)	(260,540)	(28,187,051)	(59,277,115)
Issuance of Debt	2,255,000	-	-	10,680,000	12,935,000
Premium on Debt Issued	149,439	-	-	473,390	622,829
Sale of Capital Assets	8,021	3,905	697,615	443,735	1,153,276
Total Other Financing Sources (Uses)	(11,575,310)	18,016,416	437,075	19,872,269	26,750,450
Net Change in Fund Balances	4,186,325	(7,124,243)	4,570,807	16,529,989	18,162,878
Fund Balances - Beginning	61,516,773	68,907,774	24,352,343	133,943,907	288,720,797
Fund Balances - Ending	\$ 65,703,098	61,783,531	28,923,150	150,473,896	306,883,675

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, 2016

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

Net change in fund balances - total governmental funds	\$ 18,162,878
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.	24,691,336
The net effect of various transactions involving capital contributions is to increase net position.	7,269,033
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.	3,411,536
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.	3,945,305
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.	(3,577,900)
Changes in the net pension liability, deferred inflows and outflows related to the total pension liability, and the net OPEB obligation do not represent financial activity in the governmental funds.	(4,840,448)
Changes in the interest in the underlying net position of the joint venture do not represent financial activity in governmental funds.	(14,330,228)
Internal service funds are used by management to charge the costs of certain services to individual funds. The net income of the internal service funds is reported within governmental activities.	10,700,167
Change in net position of governmental activities	<u>\$ 45,431,679</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 37,349,485	37,349,485	40,706,923	3,357,438
Taxes Collected by Others	72,477,700	72,477,700	71,621,717	(855,983)
Sundry Taxes and In Lieu	50,459	50,459	48,070	(2,389)
Occupation Taxes	11,418,010	11,418,010	9,924,621	(1,493,389)
Intergovernmental	2,529,348	2,529,348	2,291,364	(237,984)
Permits and Fees	3,474,493	3,474,493	3,633,404	158,911
Reimbursement for Services	3,180,860	3,180,860	3,521,900	341,040
Court Fees	737,000	737,000	816,252	79,252
Court Settlements	75,000	75,000	75,000	-
Recreation Receipts	2,516,655	2,516,655	2,667,620	150,965
Investment Earnings	194,979	194,979	379,101	184,122
Donations	789,252	789,252	789,252	-
Rental Income	524,361	524,361	589,127	64,766
Miscellaneous	338,111	338,111	498,722	160,611
Total Revenues	<u>135,655,713</u>	<u>135,655,713</u>	<u>137,563,073</u>	<u>1,907,360</u>
Expenditures:				
General Government:				
Legislative	299,262	301,251	252,018	49,233
Executive	1,630,299	1,688,354	1,431,378	256,976
Financial Administration	2,887,048	2,956,846	2,644,181	312,665
Law	3,122,643	3,186,654	2,843,132	343,522
Personnel Administration	1,250,744	1,285,148	1,104,021	181,127
Planning and Zoning	1,930,063	2,031,308	1,607,923	423,385
Urban Development	867,980	918,127	881,615	36,512
Miscellaneous	33,913,533	30,758,140	23,761,204	6,996,936
Total General Government	<u>45,901,572</u>	<u>43,125,828</u>	<u>34,525,472</u>	<u>8,600,356</u>
Public Safety:				
Police	36,424,293	37,127,387	34,329,548	2,797,839
Fire	27,029,072	26,857,762	26,460,696	397,066
Traffic Engineering	1,652,267	1,691,414	1,760,064	(68,650)
Total Public Safety	<u>65,105,632</u>	<u>65,676,563</u>	<u>62,550,308</u>	<u>3,126,255</u>
Streets and Highways:				
Street Maintenance	2,595,998	2,495,376	2,046,134	449,242
Street Lighting	2,345,413	2,503,048	3,562,523	(1,059,475)
Total Streets and Highways	<u>4,941,411</u>	<u>4,998,424</u>	<u>5,608,657</u>	<u>(610,233)</u>
Culture and Recreation:				
Parks and Recreation	13,934,435	14,309,804	13,744,250	565,554
Libraries	180,109	180,109	178,854	1,255
Total Culture and Recreation	<u>14,114,544</u>	<u>14,489,913</u>	<u>13,923,104</u>	<u>566,809</u>
Economic Opportunity:				
Lincoln Area Agency on Aging	238,209	238,209	238,209	-
Job Programs	65,120	65,120	65,120	-
Fiber Network	107,654	258,831	133,881	124,950
Total Economic Opportunity	<u>410,983</u>	<u>562,160</u>	<u>437,210</u>	<u>124,950</u>
Health and Welfare:				
Lincoln/Lancaster County Health	433,636	433,636	433,636	-
Debt Service:				
Issuance and Management Costs	-	-	138,124	(138,124)
Total Expenditures	<u>130,907,778</u>	<u>129,286,524</u>	<u>117,616,511</u>	<u>11,670,013</u>
Excess of Revenues Over Expenditures	<u>4,747,935</u>	<u>6,369,189</u>	<u>19,946,562</u>	<u>13,577,373</u>
Other Financing Sources (Uses):				
Transfers In	12,339,264	12,339,264	11,717,327	(621,937)
Transfers Out	(33,475,377)	(34,700,654)	(31,550,870)	3,149,784
Proceeds from Issuance of Debt	2,255,000	2,255,000	2,255,000	-
Premium on Debt Issued	-	-	149,439	149,439
Sale of Capital Assets	5,033	5,033	7,778	2,745
Total Other Financing Sources (Uses)	<u>(18,876,080)</u>	<u>(20,101,357)</u>	<u>(17,421,326)</u>	<u>2,680,031</u>
Net Change in Fund Balances	<u>(14,128,145)</u>	<u>(13,732,168)</u>	<u>2,525,236</u>	<u>16,257,404</u>
Fund Balances - Beginning	<u>41,542,766</u>	<u>41,542,766</u>	<u>41,542,766</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 27,414,621</u>	<u>27,810,598</u>	<u>44,068,002</u>	<u>16,257,404</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Special Assessment	\$ -	-	357	357
Intergovernmental	10,857,306	10,857,306	23,488,153	12,630,847
Permits and Fees	-	-	390,757	390,757
Reimbursement for Services	500,000	500,000	185,940	(314,060)
Investment Earnings	57,200	57,200	284,916	227,716
Miscellaneous	-	-	95,484	95,484
Total Revenues	<u>11,414,506</u>	<u>11,414,506</u>	<u>24,445,607</u>	<u>13,031,101</u>
Expenditures -- Streets and Highways:				
Personal Services	7,346,242	7,102,242	7,283,815	(181,573)
Materials and Supplies	1,077,138	1,114,138	1,222,706	(108,568)
Other Services and Charges	5,730,047	4,837,047	4,855,574	(18,527)
Capital Outlay	<u>1,541,140</u>	<u>2,641,140</u>	<u>1,724,084</u>	<u>917,056</u>
Total Expenditures	<u>15,694,567</u>	<u>15,694,567</u>	<u>15,086,179</u>	<u>608,388</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(4,280,061)</u>	<u>(4,280,061)</u>	<u>9,359,428</u>	<u>13,639,489</u>
Other Financing Sources (Uses):				
Transfers In	23,642,227	23,642,227	23,642,227	-
Transfers Out	(5,629,716)	(5,629,716)	(5,629,716)	-
Sale of Capital Assets	-	-	6,764	6,764
Total Other Financing Sources (Uses)	<u>18,012,511</u>	<u>18,012,511</u>	<u>18,019,275</u>	<u>6,764</u>
Net Change in Fund Balances	13,732,450	13,732,450	27,378,703	13,646,253
Amount Budgeted on Project Basis	(33,261,538)	(33,261,538)	(33,261,538)	-
Fund Balances - Beginning	<u>64,154,641</u>	<u>64,154,641</u>	<u>64,154,641</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 44,625,553</u>	<u>44,625,553</u>	<u>58,271,806</u>	<u>13,646,253</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, 2016

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 918,094	1,204,831	21,038,000	5,629,448	28,790,373	1,805,862
Investments	12,624,707	16,438,601	124,183,000	9,464,180	162,710,488	26,618,645
Restricted Assets:						
Restricted Cash and Cash Equivalents	-	-	5,369,000	-	5,369,000	-
Investments	-	-	12,478,000	-	12,478,000	-
Receivables, (Net of Allowance for Uncollectibles)	2,144,205	3,539,231	20,586,000	3,696,871	29,966,307	291,519
Unbilled Revenues	2,805,361	4,229,512	12,609,000	-	19,643,873	-
Due from Other Funds	791,730	3,458,279	-	169,840	4,419,849	1,183,164
Due from Other Governments	-	-	-	32,655	32,655	87,821
Inventories	107,759	1,241,681	15,423,000	402,315	17,174,755	824,340
Plant Operation Assets	-	-	14,095,000	-	14,095,000	-
Prepaid Expenses	-	-	1,241,000	89,910	1,330,910	437,258
Total Current Assets	<u>19,391,856</u>	<u>30,112,135</u>	<u>227,022,000</u>	<u>19,485,219</u>	<u>296,011,210</u>	<u>31,248,609</u>
Noncurrent Assets:						
Investments	5,507,132	8,596,708	-	5,486,698	19,590,538	15,090,660
Costs Recoverable from Future Billings	647,385	453,306	6,288,000	-	7,388,691	-
Restricted Assets:						
Cash and Cash Equivalents	-	-	112,000	3,064,034	3,176,034	2,150,000
Investments	7,724,681	7,853,165	21,790,000	6,192,888	43,560,734	-
Receivables	-	-	-	14,808	14,808	-
Total Restricted Assets	<u>7,724,681</u>	<u>7,853,165</u>	<u>21,902,000</u>	<u>9,271,730</u>	<u>46,751,576</u>	<u>2,150,000</u>
Capital Assets:						
Land	6,913,300	5,445,016	-	12,725,605	25,083,921	1,306,950
Buildings	80,077,486	80,718,654	-	76,126,554	236,922,694	14,065,461
Improvements Other Than Buildings	304,819,066	354,088,088	-	49,640,939	708,548,093	746,307
Machinery and Equipment	10,702,215	25,023,245	-	20,165,779	55,891,239	35,648,327
Utility Plant	-	-	1,454,957,000	-	1,454,957,000	-
Construction in Progress	3,131,541	7,163,769	57,484,000	4,671,541	72,450,851	13,100
Less Accumulated Depreciation	(136,300,863)	(148,258,071)	(647,451,000)	(65,765,877)	(997,775,811)	(26,449,505)
Total Capital Assets, Net	<u>269,342,745</u>	<u>324,180,701</u>	<u>864,990,000</u>	<u>97,564,541</u>	<u>1,556,077,987</u>	<u>25,330,640</u>
Total Noncurrent Assets	<u>283,221,943</u>	<u>341,083,880</u>	<u>893,180,000</u>	<u>112,322,969</u>	<u>1,629,808,792</u>	<u>42,571,300</u>
Total Assets	<u>302,613,799</u>	<u>371,196,015</u>	<u>1,120,202,000</u>	<u>131,808,188</u>	<u>1,925,820,002</u>	<u>73,819,909</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Refunding	616,005	640,274	19,009,000	26,447	20,291,726	-
Deferred Outflows for Pension	-	-	-	1,212,812	1,212,812	-
Total Deferred Outflows of Resources	<u>616,005</u>	<u>640,274</u>	<u>19,009,000</u>	<u>1,239,259</u>	<u>21,504,538</u>	<u>-</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	455,661	812,737	17,992,000	2,624,682	21,885,080	2,337,563
Construction Contracts	768,965	2,561,154	-	-	3,330,119	-
Accrued Liabilities	661,551	1,059,638	27,088,000	623,478	29,432,667	653,881
Accrued Compensated Absences	398,744	489,854	-	573,961	1,462,559	809,055
Due to Other Funds	-	-	-	329,025	329,025	85,766
Due to Other Governments	-	-	-	302,010	302,010	20,519
Unearned Revenue	-	-	-	4,981,585	4,981,585	61,782
Claims	-	-	-	-	-	3,942,223
Accrued Interest	515,713	129,628	9,138,000	89,433	9,872,774	101,103
Current Portion of Notes Payable	-	-	95,500,000	200,000	95,700,000	-
Current Portion of Capital Lease	-	-	-	436,273	436,273	1,010,000
Current Portion of Long-Term Debt	4,761,635	4,408,451	23,800,000	2,115,000	35,085,086	-
Total Current Liabilities	<u>7,562,269</u>	<u>9,461,462</u>	<u>173,518,000</u>	<u>12,275,447</u>	<u>202,817,178</u>	<u>9,021,892</u>
Noncurrent Liabilities:						
Due to Other Funds	-	-	-	401,250	401,250	-
Accrued Compensated Absences	399,371	598,429	-	160,199	1,157,999	1,126,845
Construction Contracts	-	84,336	-	-	84,336	-
Claims	-	-	508,000	-	508,000	6,016,989
Notes Payable	-	-	-	1,200,000	1,200,000	-
Capital Lease Payable	-	-	-	1,250,430	1,250,430	12,198,058
Long-Term Debt, Net	77,551,033	53,678,819	645,151,000	36,969,955	813,350,807	-
Accrued Liabilities	314,718	453,565	-	1,051,547	1,819,830	527,617
Net Pension Liability	-	-	-	3,420,165	3,420,165	-
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	20,491,000	20,491,000	-
Total Noncurrent Liabilities	<u>78,265,122</u>	<u>54,815,149</u>	<u>645,659,000</u>	<u>64,944,546</u>	<u>843,683,817</u>	<u>19,869,509</u>
Total Liabilities	<u>85,827,391</u>	<u>64,276,611</u>	<u>819,177,000</u>	<u>77,219,993</u>	<u>1,046,500,995</u>	<u>28,891,401</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows for Pension	-	-	-	1,134,913	1,134,913	-
NET POSITION						
Net Investment in Capital Assets	192,550,933	269,527,215	140,429,000	62,266,694	664,773,842	14,157,482
Restricted for:						
Debt Service	950,824	286,040	7,978,000	166,747	9,381,611	-
Capital Projects	791,730	3,458,279	-	2,657,883	6,907,892	-
Other	-	-	782,000	-	782,000	-
Unrestricted	23,108,926	34,288,144	170,845,000	(10,398,783)	217,843,287	30,771,026
Total Net Position	<u>\$ 217,402,413</u>	<u>307,559,678</u>	<u>320,034,000</u>	<u>54,692,541</u>	<u>899,688,632</u>	<u>44,928,508</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, 2016

	Business-Type Activities -- Enterprise Funds				Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total
Operating Revenues					
Charges for Services	\$ 27,986,580	35,400,979	287,058,000	8,104,526	358,550,085
Fees	-	-	-	10,799,949	10,799,949
Parking Revenue	-	-	-	11,124,369	11,124,369
Performance Revenue	-	-	-	6,970,137	6,970,137
Other Operating Revenue	-	-	13,395,000	2,632,509	16,027,509
Total Operating Revenues	<u>27,986,580</u>	<u>35,400,979</u>	<u>300,453,000</u>	<u>39,631,490</u>	<u>403,472,049</u>
Operating Expenses					
Personal Services	-	-	-	14,406,684	14,406,684
Contractual Services	-	-	-	9,786,970	9,786,970
Operation and Maintenance	12,083,625	14,880,238	25,674,000	10,275,682	62,913,545
Purchased Power	-	-	133,737,000	-	133,737,000
Depreciation	8,351,146	8,688,748	48,177,000	5,202,435	70,419,329
Administrative Costs	1,935,436	2,088,878	39,583,000	-	43,607,314
Total Operating Expenses	<u>22,370,207</u>	<u>25,657,864</u>	<u>247,171,000</u>	<u>39,671,771</u>	<u>334,870,842</u>
Operating Income (Loss)	<u>5,616,373</u>	<u>9,743,115</u>	<u>53,282,000</u>	<u>(40,281)</u>	<u>68,601,207</u>
Nonoperating Revenues (Expenses)					
Investment Earnings	345,697	621,416	392,000	158,789	1,517,902
Grant Proceeds	27,347	18,559	-	15,077	60,983
Gain on Disposal of Capital Assets	-	-	-	16,718	16,718
Settlement Proceeds	-	-	10,640,000	-	10,640,000
Occupation Tax	-	-	-	4,194,442	4,194,442
Payments in Lieu of Taxes	-	-	(10,316,000)	-	(10,316,000)
Net Costs Recoverable	(49,512)	(48,767)	-	-	(98,279)
Debt Issuance Expense	-	-	-	(5,000)	(5,000)
Interest Expense and Fiscal Charges	(2,432,373)	(1,536,395)	(26,408,000)	(1,338,568)	(31,715,336)
Total Nonoperating Revenues (Expenses)	<u>(2,108,841)</u>	<u>(945,187)</u>	<u>(25,692,000)</u>	<u>3,041,458</u>	<u>(25,704,570)</u>
Income Before Contributions and Transfers	3,507,532	8,797,928	27,590,000	3,001,177	42,896,637
Capital Contributions	3,023,625	4,309,395	2,111,000	1,256,881	10,700,901
Plant Costs Recovered through Capital Contributions	-	-	(2,111,000)	-	(2,111,000)
Transfers In	-	-	-	203,040	203,040
Transfers Out	(55,994)	-	(9,175,000)	(2,886,242)	(12,117,236)
Change in Net Position	<u>6,475,163</u>	<u>13,107,323</u>	<u>18,415,000</u>	<u>1,574,856</u>	<u>39,572,342</u>
Net Position - Beginning	<u>210,927,250</u>	<u>294,452,355</u>	<u>301,619,000</u>	<u>53,117,685</u>	<u>860,116,290</u>
Net Position - Ending	<u>\$ 217,402,413</u>	<u>307,559,678</u>	<u>320,034,000</u>	<u>54,692,541</u>	<u>899,688,632</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, 2016

	Business-Type Activities -- Enterprise Funds				Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 27,307,161	33,757,399	312,174,000	36,102,992	409,341,552
Receipts from Interfund Services Provided	205,260	-	6,105,000	1,549,485	7,859,745
Payments to Suppliers for Goods and Services	(3,098,951)	(8,134,090)	(190,046,000)	(13,380,822)	(214,659,863)
Payments to Employees	(7,632,595)	(8,574,825)	(28,789,000)	(13,606,538)	(58,602,958)
Payments for Interfund Services Provided	(2,949,750)	-	(1,486,000)	(3,289,238)	(7,724,988)
Other Receipts	-	-	-	2,425,987	2,425,987
Net Cash Provided by Operating Activities	13,831,125	17,048,484	97,958,000	9,801,866	138,639,475
Cash Flows from Noncapital Financing Activities					
Occupation Tax	-	-	-	3,878,941	3,878,941
Settlement Liquidation	-	-	(4,913,000)	-	(4,913,000)
Payments in Lieu of Taxes	-	-	(10,349,000)	-	(10,349,000)
Transfers from Other Funds	-	-	-	203,040	203,040
Transfers to Other Funds	(55,994)	-	(9,131,000)	(2,886,242)	(12,073,236)
Advances from General Fund	-	-	-	1,337,449	1,337,449
Repayment of Advances from General Fund	-	-	-	(1,380,646)	(1,380,646)
Repayments from Other Funds	-	-	-	-	-
Grant Proceeds	-	-	-	15,077	15,077
Principal Payment of Long-Term Debt	-	-	-	(200,000)	(200,000)
Interest and Fiscal Charges Paid	-	-	-	(7,370)	(7,370)
Net Cash Provided (Used) by Noncapital Financing Activities	(55,994)	-	(24,393,000)	960,249	(23,488,745)
Cash Flows from Capital and Related Financing Activities					
Additions to Capital Assets	(6,214,141)	(10,647,545)	(55,622,000)	(6,557,328)	(79,041,014)
Capital Contributions	694,165	1,963,036	2,111,000	261,252	5,029,453
Grant Proceeds	27,347	18,559	-	-	45,906
Proceeds from Sale of Capital Assets	-	-	-	99,921	99,921
Proceeds from Issuance of Long-Term Debt	-	172,823	79,491,000	527,866	80,191,689
Cost of Debt Issuance	-	-	(1,465,000)	-	(1,465,000)
Net Cost of Retiring Plant	-	-	(1,704,000)	-	(1,704,000)
Principal Payments of Capital Lease	-	-	-	(390,650)	(390,650)
Principal Payments of Long-Term Debt	(4,562,314)	(4,344,979)	(22,050,000)	(2,065,000)	(33,022,293)
Interest and Fiscal Charges Paid	(2,847,529)	(2,123,747)	(26,716,000)	(1,562,980)	(33,250,256)
Net Cash Used by Capital and Related Financing Activities	(12,902,472)	(14,961,853)	(25,955,000)	(9,686,919)	(63,506,244)
Cash Flows from Investing Activities					
Proceeds from Sale and Maturities of Investments	18,579,937	21,389,253	214,227,000	19,511,856	273,708,046
Purchases of Investments	(19,137,687)	(23,154,795)	(262,930,000)	(18,858,384)	(324,080,866)
Interest and Other Receipts	195,765	356,195	414,000	110,437	1,076,397
Net Cash Provided (Used) by Investing Activities	(361,985)	(1,409,347)	(48,289,000)	763,909	(49,296,423)
Net Increase (Decrease) in Cash and Cash Equivalents	510,674	677,284	(679,000)	1,839,105	2,348,063
Cash and Cash Equivalents - Beginning	407,420	527,547	27,198,000	6,854,377	34,987,344
Cash and Cash Equivalents - Ending	\$ 918,094	1,204,831	26,519,000	8,693,482	37,335,407
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 5,616,373	9,743,115	53,282,000	(40,281)	68,601,207
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	8,351,146	8,688,748	48,177,000	5,202,435	70,419,329
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable and Unbilled Revenues	(474,159)	(1,642,231)	(1,102,000)	(217,514)	(3,435,904)
Lease Receivable	-	-	-	-	95,000
Due from Other Funds	-	-	-	733,037	733,037
Due from Other Governments	-	-	-	8,076	8,076
Inventories	1,462	(314,253)	322,000	9,724	18,933
Plant Operation Assets	-	-	(2,186,000)	-	(2,186,000)
Prepaid Expenses	-	-	20,000	(10,195)	9,805
Other Assets	-	-	(79,000)	-	(79,000)
Deferred Outflows for Pension	-	-	-	258,180	258,180
Accounts Payable	135,373	301,092	(192,000)	537,360	781,825
Accrued Liabilities	118,974	199,788	(296,000)	317,035	339,797
Accrued Compensated Absences	81,956	72,225	-	60,804	214,985
Due to Other Funds	-	-	-	(7,020)	(7,020)
Due to Other Governments	-	-	-	84,833	84,833
Unearned Revenue	-	-	-	(76,625)	(76,625)
Claims	-	-	-	-	-
Other Liabilities	-	-	12,000	-	12,000
Net Pension Liability	-	-	-	51,506	51,506
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	2,917,000	2,917,000
Deferred Inflows for Pension	-	-	-	(26,489)	(26,489)
Total Adjustments	8,214,752	7,305,369	44,676,000	9,842,147	70,038,268
Net Cash Provided by Operating Activities	\$ 13,831,125	17,048,484	97,958,000	9,801,866	138,639,475
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:					
Contribution of Capital Assets	\$ 2,329,460	2,346,359	-	808,446	5,484,265
Purchase of Capital Assets on Account	768,965	2,645,490	462,000	959,289	4,835,744
Change in Fair Value of Investments	(154,699)	(265,422)	(402,000)	39,804	(782,317)
Capitalized Interest included in Capital Asset Additions	-	-	519,000	158,957	677,957

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, 2016

	Police & Fire Pension Trust Fund	Agency Funds
	<u>Trust Fund</u>	<u>Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 563,865	4,415,026
Investments:		
Pooled Investment Funds	1,804,732	-
Equities	7,516,090	-
Mutual Funds	111,709,665	-
Limited Partnership	11,486,953	-
Real Estate Limited Partnerships	80,775,361	-
Total Investments	<u>213,292,801</u>	-
Receivables:		
Contributions	604,906	-
Accrued Interest	2,904	618
Other	-	56,003
Due from Other Governments	405	-
Contractor Retainage	<u>-</u>	<u>78,454</u>
Total Assets	<u>214,464,881</u>	<u>4,550,101</u>
LIABILITIES		
Warrants Payable	-	2,690,295
Accounts Payable	27,857	217,074
Accrued Liabilities	11,712	-
Accrued Compensated Absences	13,807	-
Due to Other Governments	240	926,891
Due to Homeowners	-	27,004
Due to Contractors	-	570,911
Due to Bondholders	<u>-</u>	<u>117,926</u>
Total Liabilities	<u>53,616</u>	<u>4,550,101</u>
NET POSITION		
Net Position Restricted for Pensions	<u>\$ 214,411,265</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, 2016

	<u>Police & Fire Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 7,218,577
Employee	2,814,486
Total Contributions	<u>10,033,063</u>
Investment Earnings:	
Interest	15,463
Dividends	4,187,100
Net Increase in Fair Value of Investments	10,601,841
Net Investment Earnings	<u>14,804,404</u>
Total Additions	<u>24,837,467</u>
Deductions:	
Benefit Payments	14,201,247
Refunds of Contributions	222,236
Administrative Costs	<u>507,774</u>
Total Deductions	<u>14,931,257</u>
Change in Net Position	9,906,210
Net Position Restricted for Pensions - Beginning	<u>204,505,055</u>
Net Position Restricted for Pensions - Ending	<u><u>\$ 214,411,265</u></u>

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, 2016

(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, as the City is ultimately responsible for the debt of the WHJPA if such revenues are insufficient to make the necessary debt service payments. 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 almost exclusively benefits the City as its primary function is to finance and construct those City owned assets located in the 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, 2016. 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, 2015. The amounts included in the City's 2016 financial statements for LES are amounts as of and for the year ended December 31, 2015.

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*.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

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.

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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

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 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; 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

Investments in the Pension Trust Fund are carried at either fair value or net asset 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 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 the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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".

Plant Operation Assets

LES' interest in jointly owned facilities Laramie River Station and Walter Scott Energy Center (see Note 23), is reported as plant operation assets on the statement of net position.

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.

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, 2016

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, 2016

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 (resolutions approved by Council and executive orders approved by the Mayor) 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 intended to address the primary consideration of meeting unanticipated short-term cash flow needs of the City and the long-term goal of managing General Fund balances in a manner that at all times preserves the City's ability to meet its cash flow needs. No less than twenty percent of the ensuing year's General Fund budget is to be set aside to meet excess cash flow needs. Currently \$30,805,851 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 \$176,459,087 of restricted net position, of which enabling legislation restricts \$23,409,589.

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, 2016

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, RP Crawford Park, and Lincoln Bike Share), debt service (Special Assessment), permanent (JJ Hompes), Fast Forward, and agency funds. In addition, capital project funds are budgeted on a project rather than a biennial basis.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

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 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 \$25,663,184, which is reported along with \$865,000 of contingency funds 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 2016 the City implemented the provisions of the following accounting principles:

GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement for financial reporting purposes as well as applying fair value to certain investments and the disclosures related to all fair value measurements.

Implementation of this standard required the City to expand disclosures made about fair value measurements, the level of fair value hierarchy, valuation techniques, and additional disclosure regarding investments in certain entities that calculate net asset value per share (or its equivalent).

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The requirements of this Statement are intended to improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and non-employer contributing entities.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may select to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants of those pools with consistent application of an amortized cost-based measurement for financial reporting purposes.

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GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, 68, and 73*. The requirements of this statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The implementation of GASB Statements No. 73, 76, 79 and 82 did not have a significant impact on the City's financial statements.

(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 \$577,792,726 difference are as follows:

Bonds Payable	\$ 445,151,274
Less issuance discounts	(990,453)
Plus issuance premiums	12,167,745
Less deferred charge on refunding	(260,730)
Capital Leases Payable	30,624,810
Accrued Interest Payable	4,643,540
Net Pension Liability	54,316,122
Deferred Outflows for Pension	(16,430,058)
Deferred Inflows for Pension	18,201,944
Net OPEB Liability	10,606,924
Compensated Absences	19,761,608
Net difference	<u><u>\$ 577,792,726</u></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 \$24,691,336 difference are as follows:

Capital outlay	\$ 63,517,176
Depreciation expense	<u>(38,825,840)</u>
Net difference	<u><u>\$ 24,691,336</u></u>

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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 \$3,945,305 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation stormwater bonds	\$ (6,300,000)
Issuance of tax allocation bonds	(140,000)
Issuance of certificates of participation	(6,495,000)
Issuance premiums	(622,828)
Amortization of deferred premiums, discounts, and amounts from refundings	564,344
Principal repayments	<u>16,938,789</u>
Net difference	<u>\$ 3,945,305</u>

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 \$(3,577,900) difference are as follows:

Loss on disposal of capital assets	\$ (3,112,638)
Construction contracts	880,000
Accrued interest	118,494
Compensated absences	(1,462,336)
Other	<u>(1,420)</u>
Net difference	<u>\$ (3,577,900)</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 in the Renewal and Replacement Account are restricted for specific 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. Also, the Lincoln Electric System has assets restricted for paying employee health claims and the Municipal Services Center Internal Service Fund has assets restricted for capital improvements.

A recap of the proprietary funds restrictions and related balances at August 31, 2016, are as follows:

Fund Account	Parking System	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Municipal Services Center	Total
Principal and Interest	\$ 212,341	-	1,506,537	415,668	17,065,000	-	19,199,546
Reserve	2,583,565	1,117,083	5,673,816	5,077,600	21,394,000	-	35,846,064
Surplus	-	-	544,328	2,359,897	-	-	2,904,225
Renewal and Replacement	2,403,461	-	-	-	-	-	2,403,461
Capital Construction and Equipment	209,968	2,745,312	-	-	-	2,150,000	5,105,280
Claims	-	-	-	-	1,290,000	-	1,290,000
Total	<u>\$ 5,409,335</u>	<u>3,862,395</u>	<u>7,724,681</u>	<u>7,853,165</u>	<u>39,749,000</u>	<u>2,150,000</u>	<u>66,748,576</u>

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.

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(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, provide a Federal Home Loan Bank letter of credit, or to pledge government securities (types of which are specifically identified in the Statutes) to the City Treasurer in the amount of the City's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC).

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, or a letter of credit issued by a Federal Reserve Bank, and thus no custodial risk exists. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

INVESTMENTS

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2016.

Money Market Funds and External Investment Trusts are carried at cost, and thus are not included within the fair value hierarchy. Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have also not been classified in the fair value hierarchy. Other than the pension trust fund investments noted specifically on page 45, the City's remaining investments carried at net asset value have no unfunded commitments and these investments can be redeemed at any time. These investments have been noted with NAV in the table on page 41.

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At August 31, 2016, the City had the following investments, maturities, credit ratings, and fair value measurement:

	August 31, 2016 Maturities in Years					Credit Rating		Fair Value
Type	Carrying Value	Less than 1	1-5	6-10	More than 10	Moody's	S&P	Hierarchy Level
General City:								
U.S. Treasury Obligations	\$ 31,053,050	21,054,690	9,998,360	-	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	417,568,268	267,894,446	137,799,734	11,874,088	-	Aaa	AA+	2
U.S. Sponsored Agency Obligations	1,994,960	1,994,960	-	-	-	Not rated	Not rated	2
Commercial Issuers (Commercial Paper)	28,645,000	28,645,000	-	-	-	P1	A1	2
Money Market Funds - U.S. Treasury	1,798,240	1,798,240	-	-	-	Aaa-mf	AAAm	N/A
Money Market Funds - U.S. Treasury	9,689,370	9,689,370	-	-	-	Aaa-mf	Not rated	N/A
Money Market Funds - U.S. Agencies	32,628,666	32,628,666	-	-	-	Aaa	AAAm	N/A
External Investment Trust	8,520,000	8,520,000	-	-	-	Not rated	Not rated	N/A
Tax Increment Financing Investments and Other	6,769,404	59,694	541,671	655,932	5,512,107	Not rated	Not rated	2
Fixed Income Mutual Funds	157,484	157,484	-	-	-	Not rated	Not rated	1
Equities	2,310,611	2,310,611	-	-	-	Not rated	Not rated	1
Equity Mutual Funds	177,881	177,881	-	-	-	Not rated	Not rated	1
Total General City	541,312,934	374,931,042	148,339,765	12,530,020	5,512,107			
Community Health Endowment:								
Money Market Mutual Funds	628,439	628,439	-	-	-	Not rated	Not rated	N/A
Institutional funds								
Fixed income	14,411,386	-	13,630,712	151,673	629,001	Not rated	Not rated	NAV
Intermediate term credit	5,126,826	-	5,126,826	-	-	Not rated	Not rated	NAV
Large cap equity	3,062,221	3,062,221	-	-	-	Not rated	Not rated	NAV
International equity	9,912,274	9,912,274	-	-	-	Not rated	Not rated	NAV
High-yield bonds	7,511,787	-	3,764,613	3,747,174	-	Not rated	Not rated	NAV
Emerging markets equity	2,500,263	2,500,263	-	-	-	Not rated	Not rated	NAV
Mid cap equity	3,105,027	3,105,027	-	-	-	Not rated	Not rated	NAV
U.S. treasuries	4,971,149	-	4,971,149	-	-	Not rated	Not rated	NAV
Small cap equity	3,092,878	3,092,878	-	-	-	Not rated	Not rated	NAV
Commodities	1,983,866	1,983,866	-	-	-	Not rated	Not rated	NAV
Real Estate	5,795,363	5,795,363	-	-	-	Not rated	Not rated	NAV
Limited Partnership	436,371	-	436,371	-	-	Not rated	Not rated	NAV
Total Community Health Endowment:	62,537,850	30,080,331	27,929,671	3,898,847	629,001			
Police & Fire Pension Trust:								
Equities	7,516,090	7,516,090	-	-	-	Not rated	Not rated	1
Mutual Funds	111,709,665	111,709,665	-	-	-	Not rated	Not rated	1
	119,225,755	119,225,755	-	-	-			
Limited Partnership	11,486,953							NAV
Real Estate Limited Partnerships	80,775,361							NAV
Total Police & Fire Pension Trust	211,488,069							
Total Primary Government	\$ 815,338,853							

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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, 2016, the investment agreements were adequately collateralized with U.S. Government treasury 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. These Funds are carried by the City at amortized cost. NPAIT and STFIT invest in only the highest quality securities, including U.S. government, rated U.S. sponsored agencies, and guaranteed student loans, and their investment portfolios are valued at amortized cost, which approximates fair value based on the short-term nature of the instruments.

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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.

Type	Portfolio Composition	Policy Limits on Issuer
U.S. agency obligations:		
Federal Home Loan Bank	26.20 %	40.00 %
Federal Home Loan Mortgage Corporation	22.91	40.00
Federal National Mortgage Association	20.55	40.00
Federal Farm Credit Bank	7.47	40.00
Federal Agricultural Mortgage Corporation	0.37	25.00

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. CHE has engaged one of the world's largest institutional investment firms to advise on portfolio management. That investment firm and affiliates are also the sponsor and investment manager for all of the institutional funds listed on a previous page.

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.

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. None of CHE's investments were rated at August 31, 2016.

Concentration of Credit Risk. Concentration of credit risk is the risk associated with the amount of investments CHE has with any one issuer that exceeds 5% or more of its total investments. 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, 2016.

Police & Fire Pension Trust Policy

The Police & Fire Pension Trust Investment Board, established by the City Council in accordance with Lincoln Municipal Code chapter 4.62, directs and oversees the trust's investments for the sole benefit of plan participants and beneficiaries. The Board consists of nine members. Two board positions shall be filled by the City Finance Director and the City Human Resources Director; two board positions shall be

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elected by secret ballot by the active paid police officers of the City; two board positions shall be elected by secret ballot by the active paid firefighters of the City; and three board positions shall be appointed by the Mayor, after consultation with the other six members, subject to approval by the City Council. The three appointed members shall have at least five years demonstrated experience in financial, actuarial, investment or employee benefit plan matters.

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, and alternative investments.

The investment board has the responsibility to allocate plan assets in various investment strategies to reach the overall return and risk objectives of the plan. Annually the board reviews the plan's investments from an "asset allocation" perspective. The strategic allocation process is based on such factors as historical absolute returns of the benchmarks, recent returns for benchmarks, volatility of benchmark returns as measured by standard deviation, and the correlation of returns with other asset classes used in the portfolio. The following was the board's adopted asset allocation as of August 31, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Developed Markets Equity	50.0 %
Emerging Markets Equity	5.0
Private Equity	5.0
Core Real Estate	15.0
Value-Added Real Estate	5.0
Low Vol Hedge Funds	5.0
Core Fixed Income	10.0
High Yield Fixed Income	5.0
Total	<u>100.0 %</u>

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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, by separate asset classes and specific securities to appropriate benchmarks, and 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.

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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. The following individual investments currently held by the Plan are greater than 5% of the Plan's fiduciary net position:

J.P. Morgan Core Bond Fund	11.84 %
Pioneer Multi-sector Fixed Income Trust	6.83
Vanguard Total Stock Market Index	17.38
Vanguard Developed Markets Index	10.00
American New Perspective R6	9.70
Dodge and Cox Global Stock Fund	10.25
Principal Global Investor Trust	6.21
RREEF America REIT II	8.17

The Trust is required to fund an additional \$7 million into the RREEF America REIT II real estate limited partnership, in accordance with the related investment agreement. Additionally, the Trust is required to fund an additional \$3.5 million into the Flag Private Equity VI limited partnership, in accordance with the related partnership agreement. The Flag Private Equity VI limited partnership also makes quarterly distributions of capital from the fund, thus the Trust is not able to redeem its investment immediately.

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2016:

	Totals		
Investments	\$ 815,338,853		
Deposits and Cash on Hand	13,402,403		
	<u>\$ 828,741,256</u>		
	Government-wide	Fiduciary Funds	
	Statement of	Statement of	
	Net Position	Net Position	Totals
Cash and Cash Equivalents	\$ 53,601,491	4,978,891	58,580,382
Investments	452,974,305	213,292,801	666,267,106
Restricted Assets:			
Cash and Cash Equivalents	10,695,034	-	10,695,034
Investments	93,198,734	-	93,198,734
	<u>\$ 610,469,564</u>	<u>218,271,692</u>	<u>828,741,256</u>

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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 governmental funds balance sheet:

	Major Funds				Total
	General Fund	Street Construction	West Haymarket JPA	Other Funds	
Fund Balances:					
Nonspendable:					
Inventory	\$ 305,282	327,910	-	593,716	1,226,908
Prepaid Items	165,139	26,640	323,884	-	515,663
Permanent Fund Principal	-	-	-	37,160,000	37,160,000
Total Nonspendable	470,421	354,550	323,884	37,753,716	38,902,571
Restricted For:					
Capital Improvements	2,900,747	29,629,913	2,425,096	21,989,096	56,944,852
Human Services	1,059,572	-	-	-	1,059,572
Donor Purposes	3,341,765	-	-	2,392,563	5,734,328
Public Improvements	130,890	-	-	-	130,890
Agency Activities	-	-	1,559,594	-	1,559,594
Land Purchases	-	-	-	1,313,770	1,313,770
Social Security Obligations	-	-	-	1,537,678	1,537,678
Community Betterment	-	-	-	5,062,733	5,062,733
Federal Loan Programs	-	-	-	17,634,000	17,634,000
Grant Programs	-	-	-	1,817,127	1,817,127
Special Assessment Improvements	-	-	-	508,648	508,648
Debt Service	-	-	-	11,259,554	11,259,554
Health Care	-	-	-	25,724,441	25,724,441
Bike Share Program	-	-	-	274,386	274,386
Claims Contingencies	-	-	-	865,000	865,000
Library Media	-	-	-	588,876	588,876
Total Restricted	7,432,974	29,629,913	3,984,690	90,967,872	132,015,449
Committed To:					
Public Access Television	-	-	-	652,616	652,616
Building Code Enforcement	-	-	-	714,741	714,741
Debt Service	-	-	-	1,256,039	1,256,039
Total Committed	-	-	-	2,623,396	2,623,396
Assigned To:					
Capital Improvements	-	31,124,222	-	29,271	31,153,493
Donor Purposes	796,243	-	-	-	796,243
Public Improvements	483,554	-	-	-	483,554
Athletic Facility Improvements	1,102,229	-	-	-	1,102,229
Senior Care	569,808	-	-	-	569,808
Emergency Communications	2,813,013	-	-	-	2,813,013
Economic Development Projects	5,582,675	-	-	-	5,582,675
Snow Removal	-	674,846	-	-	674,846
Debt Service	-	-	24,614,576	-	24,614,576
Land Purchases	-	-	-	40,145	40,145
Public Access Television	-	-	-	29,253	29,253
Library Services	-	-	-	2,960,531	2,960,531
Health Care	-	-	-	2,970,230	2,970,230
Social Security Obligations	-	-	-	394,470	394,470
Public Transportation	-	-	-	5,057,849	5,057,849
Community Betterment	-	-	-	106,567	106,567
Building Code Enforcement	-	-	-	7,463,395	7,463,395
Park Projects	-	-	-	188,455	188,455
Other Purposes	6,541,431	-	-	-	6,541,431
Total Assigned	17,888,953	31,799,068	24,614,576	19,240,166	93,542,763
Unassigned	39,910,750	-	-	(111,254)	39,799,496
Total Fund Balances	\$ 65,703,098	61,783,531	28,923,150	150,473,896	306,883,675

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August 31, 2016

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

Receivables at August 31, 2016, consist of the following (in thousands):

Fund	Taxes	Accounts	Accrued Interest	Notes	Loans	<u>Special Assessment</u>		Contributions	Gross Receivables	Allowance For Uncollectibles	Net
						Current	Deferred				
General	\$ 3,823	2,109	76	-	-	-	-	-	6,008	-	6,008
Street Construction	-	1,304	98	-	-	-	-	-	1,402	-	1,402
West Haymarket JPA	1,559	410	141	-	-	-	-	-	2,110	-	2,110
Wastewater System	-	4,950	-	-	-	-	-	-	4,950	-	4,950
Water System	-	7,769	-	-	-	-	-	-	7,769	-	7,769
Electric System	-	33,976	219	-	-	-	-	-	34,195	1,000	33,195
Nonmajor -											
Special Revenue	1,574	422	82	74	22,661	-	-	-	24,813	5,027	19,786
Debt Service	1,731	-	18	-	-	546	2,163	-	4,458	196	4,262
Capital Projects	-	-	36	-	-	-	-	-	36	-	36
Permanent	-	-	2	-	-	-	-	-	2	-	2
Enterprise	-	5,485	46	-	-	-	-	-	5,531	1,819	3,712
Internal Service	-	212	79	-	-	-	-	-	291	-	291
Fiduciary	-	56	4	-	-	-	-	605	665	-	665
Total	\$ 8,687	56,693	801	74	22,661	546	2,163	605	92,230	8,042	84,188

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2016, were \$253,323.

The total of Due From Other Governments of \$29,416,474 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General/Major Governmental	\$ 12,615,596	State of Nebraska, July/August Sales and Use Tax
	518,949	August Motor Vehicle Taxes Collected by Lancaster County
	10,563	August Property Tax Interest Collected by Lancaster County
	64,351	Federal Government, Cost Reimbursements
	37,274	State of Nebraska, Cost Reimbursements
	85,079	Lancaster County, Cost Reimbursements
Street Construction/Major Governmental	4,189,552	State of Nebraska, July/August Highway User Fees
	28,608	Lower Platte South NRD, Cost Reimbursements
	3,028,411	State of Nebraska, Cost Reimbursements
	779,001	Federal Government, Cost Reimbursements
West Haymarket JPA/Major Governmental	839,824	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	404,444	Lancaster County, Cost Reimbursements
StarTran/Special Revenue	63,011	Federal Government, Cost Reimbursements
Federal Grants/Special Revenue	1,634,495	Federal Government, Cost Reimbursements
	554,581	State of Nebraska, Cost Reimbursements
Special Assessment/Debt Service	148,118	August Special Assessments Collected by Lancaster County
Vehicle Tax/Capital Projects	1,723,389	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Bonds/Capital Projects	116,038	Federal Government, Cost Reimbursements
Other Capital Projects/Capital Projects	2,144,084	State of Nebraska, July/August Sales and Use Tax
	291,674	Federal Government, Cost Reimbursements
Pinnacle Bank Arena/Enterprise	19,047	State of Nebraska Billings
Information Services/Internal Service	10,977	Lancaster County Billings
Insurance Revolving/Internal Service	13,255	Lancaster County Billings
Police Garage/Internal Service	29,649	State of Nebraska Billings
Copy Services/Internal Service	13,918	Lancaster County Billings
Subtotal	29,363,888	
All other	52,586	
Total Due From Other Governments	\$ 29,416,474	

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(7) **CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 144,393,691	22,213,669	907,515	165,699,845
Construction in Progress	60,273,373	33,494,294	40,746,450	53,021,217
Total Capital Assets, not being Depreciated	<u>204,667,064</u>	<u>55,707,963</u>	<u>41,653,965</u>	<u>218,721,062</u>
Capital Assets, being Depreciated:				
Buildings	336,012,989	2,556,591	885,000	337,684,580
Improvements Other Than Buildings	105,634,614	33,617,385	132,281	139,119,718
Machinery and Equipment	99,701,842	7,101,605	4,068,101	102,735,346
Infrastructure	757,431,995	167,997,547	21,429	925,408,113
Total Capital Assets, being Depreciated	<u>1,298,781,440</u>	<u>211,273,128</u>	<u>5,106,811</u>	<u>1,504,947,757</u>
Less Accumulated Depreciation for:				
Buildings	51,955,155	7,393,531	103,250	59,245,436
Improvements Other Than Buildings	36,746,241	3,719,870	129,756	40,336,355
Machinery and Equipment	63,346,672	7,317,855	4,006,536	66,657,991
Infrastructure	274,998,817	23,418,587	14,806	298,402,598
Total Accumulated Depreciation	<u>427,046,885</u>	<u>41,849,843</u>	<u>4,254,348</u>	<u>464,642,380</u>
Total Capital Assets, being Depreciated, Net	<u>871,734,555</u>	<u>169,423,285</u>	<u>852,463</u>	<u>1,040,305,377</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,076,401,619</u>	<u>225,131,248</u>	<u>42,506,428</u>	<u>1,259,026,439</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 24,979,425	104,496	-	25,083,921
Construction in Progress	62,301,235	76,596,875	66,447,259	72,450,851
Total Capital Assets, not being Depreciated	<u>87,280,660</u>	<u>76,701,371</u>	<u>66,447,259</u>	<u>97,534,772</u>
Capital Assets, being Depreciated:				
Buildings	236,107,939	814,755	-	236,922,694
Improvements Other Than Buildings	690,357,040	18,223,033	31,980	708,548,093
Machinery and Equipment	52,138,823	4,496,304	743,888	55,891,239
Utility Plant	1,410,277,000	50,540,000	5,860,000	1,454,957,000
Total Capital Assets, being Depreciated	<u>2,388,880,802</u>	<u>74,074,092</u>	<u>6,635,868</u>	<u>2,456,319,026</u>
Less Accumulated Depreciation for:				
Buildings	84,668,908	5,310,513	-	89,979,421
Improvements Other Than Buildings	212,184,481	13,635,768	31,979	225,788,270
Machinery and Equipment	31,962,881	3,296,048	701,809	34,557,120
Utility Plant	606,838,000	48,177,000	7,564,000	647,451,000
Total Accumulated Depreciation	<u>935,654,270</u>	<u>70,419,329</u>	<u>8,297,788</u>	<u>997,775,811</u>
Total Capital Assets, being Depreciated, Net	<u>1,453,226,532</u>	<u>3,654,763</u>	<u>(1,661,920)</u>	<u>1,458,543,215</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,540,507,192</u>	<u>80,356,134</u>	<u>64,785,339</u>	<u>1,556,077,987</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 1,655,951
Public Safety	2,136,444
Streets and Highways, including Infrastructure	22,902,970
Culture and Recreation	9,477,399
Economic Opportunity	188,163
Health and Welfare	279,591
Mass Transit	2,185,322
Subtotal	<u>38,825,840</u>
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	3,024,003
Total Depreciation Expense - Governmental	<u>\$ 41,849,843</u>

Business-type Activities:

Golf	620,899
Parking System	2,103,641
Pinnacle Bank Arena	16,407
Solid Waste Management	2,154,144
Emergency Medical Services	307,344
Wastewater System	8,351,146
Water System	8,688,748
Lincoln Electric System	48,177,000
Total Depreciation Expense - Business-type	<u>\$ 70,419,329</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	\$ 6,862,144	51,156	-	6,913,300
Construction in Progress	1,479,918	5,264,153	3,612,530	3,131,541
Total Capital Assets, not being Depreciated	<u>8,342,062</u>	<u>5,315,309</u>	<u>3,612,530</u>	<u>10,044,841</u>
Capital Assets, being Depreciated:				
Buildings	80,049,323	28,163	-	80,077,486
Improvements Other Than Buildings	299,125,875	5,693,191	-	304,819,066
Machinery and Equipment	9,976,633	742,036	16,454	10,702,215
Total Capital Assets, being Depreciated	<u>389,151,831</u>	<u>6,463,390</u>	<u>16,454</u>	<u>395,598,767</u>
Less Accumulated Depreciation for:				
Buildings	30,659,288	1,824,549	-	32,483,837
Improvements Other Than Buildings	90,669,653	5,999,538	-	96,669,191
Machinery and Equipment	6,634,316	527,059	13,540	7,147,835
Total Accumulated Depreciation	<u>127,963,257</u>	<u>8,351,146</u>	<u>13,540</u>	<u>136,300,863</u>
Total Capital Assets, being Depreciated, Net	<u>261,188,574</u>	<u>(1,887,756)</u>	<u>2,914</u>	<u>259,297,904</u>
Wastewater System Capital Assets, Net	<u>\$ 269,530,636</u>	<u>3,427,553</u>	<u>3,615,444</u>	<u>269,342,745</u>

CITY OF LINCOLN, NEBRASKA
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	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,391,676	53,340	-	5,445,016
Construction in Progress	6,194,349	10,812,257	9,842,837	7,163,769
Total Capital Assets, not being Depreciated	11,586,025	10,865,597	9,842,837	12,608,785
Capital Assets, being Depreciated:				
Buildings	79,967,560	751,094	-	80,718,654
Improvements Other Than Buildings	342,722,186	11,365,902	-	354,088,088
Machinery and Equipment	24,167,087	856,158	-	25,023,245
Total Capital Assets, being Depreciated	446,856,833	12,973,154	-	459,829,987
Less Accumulated Depreciation for:				
Buildings	29,251,530	1,623,921	-	30,875,451
Improvements Other Than Buildings	95,128,580	5,734,762	-	100,863,342
Machinery and Equipment	15,189,213	1,330,065	-	16,519,278
Total Accumulated Depreciation	139,569,323	8,688,748	-	148,258,071
Total Capital Assets, being Depreciated, Net	307,287,510	4,284,406	-	311,571,916
Water System Capital Assets, Net	\$ 318,873,535	15,150,003	9,842,837	324,180,701
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 53,994,000	55,734,000	52,244,000	57,484,000
Capital Assets, being Depreciated:				
Utility Plant	1,410,277,000	50,540,000	5,860,000	1,454,957,000
Less Accumulated Depreciation	606,838,000	48,177,000	7,564,000	647,451,000
Total Capital Assets, being Depreciated, Net	803,439,000	2,363,000	(1,704,000)	807,506,000
Electric System Capital Assets, Net	\$ 857,433,000	58,097,000	50,540,000	864,990,000

The costs of LES retirement work orders are closed into accumulated depreciation which follows Federal Energy Regulatory Commission guidelines. Therefore, as shown above, the decrease in LES accumulated depreciation exceeds the decrease in Utility Plant assets and the decrease in Construction in Progress exceeds the increase in Utility Plant.

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 2016 capitalized interest activity was as follows:

	Incurred Interest Cost	Capitalized Interest
Lincoln Wastewater System	\$ 2,601,043	101,779
Lincoln Water System	2,056,750	262,658
Solid Waste Management	351,202	158,957

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' true interest cost of the most recent borrowing. The rate was 2.8% from January to March 2015 and 3.5% from April to December 2015.

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(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2016, consist of the following:

Due To	Due From						
	General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ -	728	19,877	1,892,014	727,527	82,757	2,722,903
Street Construction	-	-	-	7,288,186	-	-	7,288,186
Nonmajor Governmental	-	-	-	1,336,608	-	-	1,336,608
Lincoln Wastewater System	-	-	-	791,730	-	-	791,730
Lincoln Water System	-	-	-	3,458,279	-	-	3,458,279
Nonmajor Enterprise	2,052	6,611	161,177	-	-	-	169,840
Internal Service	730,640	422,271	-	24,496	2,748	3,009	1,183,164
Total	\$ 732,692	429,610	181,054	14,791,313	730,275	85,766	16,950,710

“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.

Transfers To/From Other Funds for the year ended August 31, 2016, consist of the following:

Transfer To	Transfer From								
	General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Lincoln Wastewater	Lincoln Electric System	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ -	-	-	498,771	-	9,268,241	1,445,026	-	11,212,038
Street Construction	2,615,579	-	-	20,910,626	-	-	16,022	100,000	23,642,227
Nonmajor Governmental	22,584,229	5,552,624	57,500	6,777,654	55,994	-	1,425,194	9,000	36,462,195
Nonmajor Enterprise	-	-	203,040	-	-	-	-	-	203,040
Internal Service	-	77,092	-	-	-	-	-	-	77,092
Total	\$ 25,199,808	5,629,716	260,540	28,187,051	55,994	9,268,241	2,886,242	109,000	71,596,592

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 \$93,241 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. The payment of the commercial paper notes is subordinated to the payment of the principal of, and interest on, the outstanding bonds. At December 31, 2015, LES had \$95.5 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, 2015, was 0.06%. The outstanding commercial paper notes are secured by a revolving credit agreement. There were no advances outstanding under the credit agreement at December 31, 2015. 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 2015 was 61 days.

Commercial paper activity for the year ended December 31, 2015, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lincoln Electric System:					
Commercial Paper Notes	\$ 95,500,000	543,000,000	(543,000,000)	95,500,000	95,500,000

In December 2014, LES entered into a revolving credit agreement with Wells Fargo Bank, National Association. The agreement permits LES to draw up to \$50 million on a floating rate basis. LES' obligation to repay advances and the interest thereon under this agreement is subordinated to the payment of the principal of, and interest on, the outstanding bonds as well as LES' commercial paper notes and the associated credit agreement. No advances were outstanding under the agreement at December 31, 2015. The agreement also provides for Wells Fargo to issue one or more letters of credit for the aggregate undrawn amount, not to exceed \$10 million in the aggregate. LES is using \$2 million of the revolving credit agreement to provide a letter of credit to Southwest Power Pool to satisfy its market deposit requirements.

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 \$2,963,014, \$3,822,761, \$3,739,518, and \$1,990,300 is currently available in the debt service funds to service the Tax Allocation Bonds, General Obligation Bonds, Tax Supported 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.

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The City has entered into lease agreements for financing the acquisition of land, buildings, street lights, entry corridor improvements, sidewalks, dump trucks, emergency vehicles and equipment, 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	\$ 1,780,066	\$ 210,000
Buildings	25,944,791	1,647,945
Improvements	5,923,581	-
Infrastructure	22,918,430	-
Machinery and Equipment	6,120,540	3,211,847
Construction in Progress	13,100	-
Less Accumulated Depreciation, (where applicable)	<u>(14,751,762)</u>	<u>(2,547,215)</u>
Total	<u>\$ 47,948,746</u>	<u>\$ 2,522,577</u>

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.

In March 2015, LES issued \$167,800,000 of Revenue and Refunding Bonds, Series 2015A. Proceeds from the issuance of the 2015A bonds were used to advance refund portions of the series 2007A and series 2007B revenue bonds, reimburse LES for prior capital improvements, fund a deposit into the 2015 debt service reserve fund, and pay certain costs and expenses related to the issuance of the 2015 bonds. The refunding resulted in debt service savings of approximately \$11,200,000 and net present value savings of approximately \$7,400,000. At December 31, 2015, \$61,815,000 and \$37,815,000 of refunded series 2007A and 2007B bonds, respectively, are considered defeased and the liability for these bonds has been removed from the financial statements.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environmental Quality (NDEQ) consisting of three 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 these loans is 2.0%. The Wastewater System has also borrowed \$17,000,000 under contract 317830 to fund certain wastewater solids handling, trunk sewer, and selected facility replacement improvements. The interest rate throughout the term of the loan is 3.25%. All contracts are final as of the year ended August 31, 2016.

Lincoln Water System has entered into a \$14,977,829 loan agreement with NDEQ. This funding is available to fund certain water system extension and water repairs. The interest rate throughout the term of the loan is 2.25%. In addition, an administrative fee of 1% will be incurred on the loan. During the year ended August 31, 2016, project costs were incurred totaling \$48,042, resulting in the recognition of a project loan payable of \$13,554,550, which is shown net of \$1,423,279 of principal repayments. This loan contract is final as of the year ended August 31, 2016.

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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:							
\$ 8,295	06/27/07	Stormwater Drainage and Flood Mgmt	4.625 - 5.000	Serial 2008 to 2027	2017	Semiannually	\$ 5,475
8,200	02/10/11	Stormwater Bonds	2.000 - 4.500	Serial 2013 to 2030	2020	"	6,725
19,290	06/21/11	Refunding	0.200 - 5.000	Serial 2011 to 2022	2019	"	10,080
8,090	06/26/12	Refunding	1.000 - 3.000	Serial 2013 to 2023	---	"	4,385
6,385	03/20/13	Stormwater Bonds	2.000 - 4.000	Serial 2014 to 2029	2023	"	5,680
1,515	03/20/13	Stormwater Bonds	3.125	Term 2032	2023	"	1,515
5,720	04/15/15	Stormwater Refunding Bonds	1.000 - 5.000	Serial 2016 to 2025	---	"	5,210
6,300	06/28/16	Stormwater Bonds	2.000 - 3.000	Serial 2017 to 2036	2026	"	6,300
Total General Bonds							<u>\$ 45,370</u>
Tax Allocation Bonds:							
\$ 365	08/15/05	Tax Allocation Bonds	4.750	Serial 2006 to 2018	Anytime	Semiannually	\$ 56
288	10/01/06	Tax Allocation Bonds	5.100	Serial 2008 to 2016	Anytime	"	14
2,205	04/05/07	Tax Allocation Bonds	5.000 - 5.550	Serial 2009 to 2018	2012	"	785
601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	"	465
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	20
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	37
474	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2022	Anytime	"	46
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	283
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	99
611	06/30/09	Tax Allocation Bonds	7.000	Serial 2011 to 2023	Anytime	"	474
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	2,310
263	04/01/11	Tax Allocation Bonds	3.990	Serial 2011 to 2022	Anytime	"	160
103	04/15/13	Tax Allocation Bonds	2.370	Serial 2013 to 2025	Anytime	"	77
140	07/01/16	Tax Allocation Bonds	2.200	Serial 2016 to 2028	Anytime	"	140
Total Tax Allocation Bonds							<u>\$ 4,966</u>
Tax Supported Bonds:							
\$ 27,000	12/05/06	Highway Allocation Fund	4.000 - 5.000	Serial 2008 to 2027	2016	Semiannually	\$ 17,405
28,095	06/06/12	Highway Allocation Fund Refunding	1.000 - 5.000	Serial 2012 to 2023	---	"	20,875
16,515	07/23/13	Limited Tax Arena Bonds	2.000 - 4.500	Serial 2016 to 2031	2023	"	15,620
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>\$ 62,385</u>
Special Assessment Bonds:							
\$ 825	08/18/11	Special Assessment	0.400 - 3.700	Serial 2012 to 2026	2016	Semiannually	\$ 575
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	"	2,365
Total Special Assessment Bonds							<u>\$ 3,315</u>
West Haymarket Joint Public Agency							
\$ 31,515	09/08/10	Facility Bonds Taxable Build America Bonds	3.500 - 4.450	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 to 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
20,850	12/04/13	Facility Bonds	2.000 - 5.000	Serial 2014 to 2038	2023	"	19,770
7,325	12/04/13	Facility Bonds	4.500	Term 2043	2023	"	7,325
Total West Haymarket Joint Public Agency							<u>\$ 327,095</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 443,131</u>
Tax Supported Bonds:							
\$ 11,080	3/13/02	Antelope Valley Project	1.500 - 5.000	Serial 2002 to 2016	2012	Semiannually	<u>\$ 2,020</u>

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Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Business-Type Activities:							
Revenue Bonds:							
\$ 16,710	04/18/07	Wastewater Revenue	4.000 - 4.500	Serial 2008 to 2029	2017	Semiannually	\$ 11,675
3,750	04/18/07	Wastewater Revenue	4.375	Term 2032	2017	"	3,750
38,290	05/24/12	Wastewater Revenue Refunding	1.000 - 5.000	Serial 2013 to 2028	2023	"	30,055
12,220	04/09/15	Wastewater Revenue Refunding	1.000 - 4.000	Serial 2016 to 2030	2025	"	11,565
Total Wastewater Bonds							<u>\$ 57,045</u>
\$ 10,515	08/04/09	Water Revenue	2.000 - 4.125	Serial 2013 to 2029	2019	Semiannually	\$ 8,585
4,905	08/04/09	Water Revenue	4.500	Term 2034	2019	"	4,905
10,895	06/21/12	Water Revenue Refunding	1.000 - 4.000	Serial 2013 to 2022	---	"	6,765
28,595	05/30/13	Water Revenue Refunding	1.000 - 5.000	Serial 2014 to 2025	2023	"	21,670
Total Water Bonds							<u>\$ 41,925</u>
\$ 7,745	01/27/11	Parking Revenue and Refunding	2.000 - 5.000	Serial 2015 to 2024	2021	Semiannually	\$ 6,645
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	"	6,470
2,765	11/29/12	Parking Revenue and Refunding	3.000	Term 2032	2022	"	2,765
Total Parking Bonds							<u>\$ 26,655</u>
\$ 8,340	02/26/13	Solid Waste Management Revenue and Refunding	0.250 - 4.000	Serial 2013 to 2029	2023	Semiannually	\$ 6,210
5,520	07/08/15	Solid Waste Management Revenue	2.000 - 5.000	Serial 2016 to 2035	2025	"	5,300
Total Solid Waste Management Bonds							<u>\$ 11,510</u>
\$ 93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2013	Semiannually	\$ 1,150
183,230	05/15/07	Electric Revenue and Refunding Bonds	4.000 - 5.000	Serial 2009 to 2035	2016	"	100,195
81,850	05/15/07	Electric Revenue and Refunding Bonds	4.500 / 4.750	Term 2034 & 2037	2016	"	32,280
247,150	08/15/12	Electric Revenue and Refunding Bonds	1.000 - 5.000	Serial 2013 to 2032	2022	"	211,385
30,165	08/15/12	Electric Revenue and Refunding Bonds	3.625 - 5.000	Term 2037	2022	"	30,165
75,525	06/20/13	Electric Revenue and Refunding Bonds	2.700 - 5.000	Serial 2021 to 2025	2023	"	75,525
127,630	03/11/15	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2019 to 2036	2025	"	127,090
40,170	03/11/15	Electric Revenue and Refunding Bonds	4.000	Term 2040	2025	"	40,710
Total Electric Bonds							<u>\$ 618,500</u>
TOTAL REVENUE BONDS							<u>\$ 755,635</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
2017	\$ 10,535	20,380	2,020	51	5,570	1,130
2018	11,032	20,040	-	-	4,885	1,047
2019	10,840	19,660	-	-	4,632	925
2020	10,900	19,281	-	-	4,327	810
2021	14,628	18,822	-	-	4,133	701
2022 - 2026	85,025	83,529	-	-	16,838	1,760
2027 - 2031	70,876	67,045	-	-	2,935	184
2032 - 2036	75,620	50,783	-	-	-	-
2037 - 2041	81,700	31,246	-	-	-	-
2042 - 2046	71,975	9,198	-	-	-	-
Total	<u>\$ 443,131</u>	<u>339,984</u>	<u>2,020</u>	<u>51</u>	<u>43,320</u>	<u>6,557</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans/Note Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 33,355	32,479	1,930	756	436	32
2018	34,735	31,045	1,967	719	288	24
2019	36,180	29,524	2,005	680	242	19
2020	37,520	27,898	2,043	642	249	14
2021	38,965	26,200	2,083	602	251	8
2022 - 2026	207,775	104,036	10,436	2,382	211	2
2027 - 2031	138,720	65,891	11,058	1,259	-	-
2032 - 2036	120,690	38,374	5,347	193	-	-
2037 - 2041	107,695	10,953	-	-	-	-
Total	<u>\$ 755,635</u>	<u>366,400</u>	<u>36,869</u>	<u>7,233</u>	<u>1,677</u>	<u>99</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
2017	\$ 4,762	2,470	4,409	1,887	23,800	27,397
2018	4,839	2,371	4,518	1,750	24,990	26,207
2019	4,918	2,265	4,637	1,607	26,240	24,957
2020	5,027	2,151	4,791	1,439	27,280	23,645
2021	5,156	2,010	4,981	1,240	28,615	22,312
2022 - 2026	28,398	7,335	18,113	3,959	159,595	90,247
2027 - 2031	21,861	2,416	8,287	1,819	106,070	60,788
2032 - 2036	3,998	145	5,744	388	114,215	37,889
2037 - 2041	-	-	-	-	107,695	10,953
Total	\$ 78,959	21,163	55,480	14,089	618,500	324,395

Long-term liability activity for the year ended August 31, 2016, 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	\$ 43,800	6,300	(4,730)	45,370	4,590
Tax Allocation Bonds	6,461	140	(1,635)	4,966	766
Tax Supported Bonds	66,700	-	(4,315)	62,385	4,450
Special Assessment Debt with Government Commitment	3,490	-	(175)	3,315	180
West Haymarket Joint Public Agency Bonds	327,635	-	(540)	327,095	550
Tax Supported Antelope Valley Project Bonds	2,875	-	(855)	2,020	2,020
Capital Leases	40,989	8,550	(6,219)	43,320	5,570
Gross Bonds and Leases Payable	491,950	14,990	(18,469)	488,471	18,126
Deferred Amounts:					
For Issuance Premiums	12,633	737	(689)	12,681	-
For Issuance Discounts	(993)	-	2	(991)	-
Net Bonds and Leases Payable	503,590	15,727	(19,156)	500,161	18,126
Other Liabilities:					
Compensated Absences	20,028	10,340	(8,671)	21,697	8,921
Construction Contracts	4,848	-	(880)	3,968	-
Claims and Judgements	11,051	30,573	(31,665)	9,959	3,942
Net Pension Liability	54,370	-	(54)	54,316	-
Net OPEB Obligation	10,091	1,044	-	11,135	-
Governmental Activities Long-Term Liabilities	\$ 603,978	57,684	(60,426)	601,236	30,989
Business-Type Activities:					
Bonds, Loans, Note, and Leases Payable:					
Wastewater Revenue Bonds	\$ 60,515	-	(3,470)	57,045	3,650
Wastewater Loan Payable	23,007	-	(1,093)	21,914	1,112
Water Revenue Bonds	45,665	-	(3,740)	41,925	3,790
Water Loan Payable	14,112	48	(605)	13,555	618
Electric System Revenue Bonds	572,380	167,800	(121,680)	618,500	23,800
Parking Revenue Bonds	27,945	-	(1,290)	26,655	1,320
Solid Waste Management Revenue Bonds	12,285	-	(775)	11,510	795
Pinnacle Bank Arena Note	1,600	-	(200)	1,400	200
Capital Leases	1,540	528	(391)	1,677	436
Gross Bonds, Loans, Note, and Leases Payable	759,049	168,376	(133,244)	794,181	35,721
Deferred Amounts:					
For Issuance Premiums	46,300	16,952	(5,856)	57,396	-
For Issuance Discounts	(58)	-	3	(55)	-
Net Bonds, Loans, Note, and Leases Payable	805,291	185,328	(139,097)	851,522	35,721
Other Liabilities:					
Compensated Absences	2,405	1,629	(1,413)	2,621	1,463
Construction Contracts	3,157	3,212	(2,955)	3,414	3,330
Claims and Judgements	1,513	6,348	(7,353)	508	-
Net Pension Liability	3,369	51	-	3,420	-
Net OPEB Obligation	1,542	278	-	1,820	-
Accrued Landfill Closure/Postclosure Care Costs	17,574	2,917	-	20,491	-
Business-Type Activities Long-Term Liabilities	\$ 834,851	199,763	(150,818)	883,796	40,514

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Internal Service funds predominantly serve the governmental funds, therefore, their long-term liabilities are included with the governmental activities. Compensated absences for governmental activities are generally liquidated in the General Fund as well as various other Special Revenue and Internal Service funds where personnel costs are incurred. The construction contracts are liquidated in the Street Construction fund, financed primarily with impact fee 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 liability 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 personnel insurance costs are incurred.

Long-term liability activity for the major enterprise funds for the year ended August 31, 2016, 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	\$ 60,515	-	(3,470)	57,045	3,650
Wastewater Loans Payable	23,007	-	(1,093)	21,914	1,112
Deferred for Issuance Premiums	3,639	-	(278)	3,361	-
Deferred for Issuance Discounts	(8)	-	1	(7)	-
Net Bonds and Loans Payable	87,153	-	(4,840)	82,313	4,762
Other Liabilities:					
Compensated Absences	716	474	(392)	798	399
Construction Contracts	1,251	651	(1,133)	769	769
Net OPEB Obligation	264	51	-	315	-
Total Long-Term Liabilities	\$ 89,384	1,176	(6,365)	84,195	5,930
Lincoln Water System:					
Bonds and Loan Payable:					
Water Revenue Bonds	\$ 45,665	-	(3,740)	41,925	3,790
Water Loan Payable	14,112	48	(605)	13,555	618
Deferred for Issuance Premiums	2,963	-	(330)	2,633	-
Deferred for Issuance Discounts	(27)	-	1	(26)	-
Net Bonds and Loan Payable	62,713	48	(4,674)	58,087	4,408
Other Liabilities:					
Compensated Absences	1,016	574	(502)	1,088	490
Construction Contracts	1,906	2,561	(1,822)	2,645	2,561
Net OPEB Obligation	410	44	-	454	-
Total Long-Term Liabilities	\$ 66,045	3,227	(6,998)	62,274	7,459
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 572,380	167,800	(121,680)	618,500	23,800
Deferred for Issuance Premiums	38,677	16,952	(5,178)	50,451	-
Net Bonds Payable	611,057	184,752	(126,858)	668,951	23,800
Other Liabilities:					
Claims and Judgements	1,513	6,348	(7,353)	508	-
Total Long-Term Liabilities	\$ 612,570	191,100	(134,211)	669,459	23,800

DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2016, \$51,066,243 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

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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 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, 2016, \$16,765,000 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, 2016, 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	\$ 4,186,325	(7,124,243)
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.	(912,572)	1,241,408
Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting.	(748,517)	-
Amount budgeted on a project basis.	-	33,261,538
Balance on a budget basis	<u>\$ 2,525,236</u>	<u>27,378,703</u>

(11) DEFICIT NET POSITION

The following funds had a net position or fund balance deficit as of August 31, 2016:

Special Revenue - Impact Fees Fund	\$ (111,254)
Enterprise - Pinnacle Bank Arena Fund	(1,018,189)
Enterprise - Emergency Medical Services Fund	(456,871)
Enterprise - Broadband Enterprise Fund	(352,181)
Internal Service - Engineering Revolving Fund	(998,215)
Internal Service - Communication Services Fund	(56,404)
Internal Service - Copy Services Fund	(39,247)

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- The Impact Fees Fund deficit is expected to be reduced through future fee collections.
- The Pinnacle Bank Arena Fund was created to manage the operation of a new Arena, which opened in August, 2013. The Fund deficit is expected to be reduced through future revenue collections.
- The Emergency Medical Services Fund deficit is expected to be reduced through future emergency ambulance service fee collections.
- The Broadband Enterprise Fund was created in the current fiscal year. The deficit is expected to be reduced once more contracts are approved and subsequent revenues are received.
- 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 Services Fund is adjusting their billing process and when completed is expected to reduce the deficit.
- The Copy Services Fund deficit is expected to be reduced by an increase in fees charged.

(12) **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

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

General Fund	
Traffic Engineering	\$ 68,650
Street Lighting	1,059,475
Debt Service	138,124

(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 Pension Plan (PFP) 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 – PFP is a single-employer defined benefit pension plan administered by the City of Lincoln for all commissioned police and firefighters. PFP provides retirement, disability, and death benefits to plan members and beneficiaries. The City does not issue a separate report that includes financial statements and required supplementary information for PFP.

Summary of Benefit Provisions -

Plan A is applicable to members who were hired on/after April 1, 1995 or who were hired prior to that date, but elected Plan A coverage.

Plan B is applicable to members who were employed on/after April 11, 1984 or who, prior to April 11, 1984, elected Plan B coverage.

Plan C is applicable to members who were employed before April 11, 1984 and did not elect to move to Plan B or A.

Regular Pay - All plans include member's base pay and City's contributions to the Post-Employment Health Plan for the last consecutive 26 bi-weekly pay periods, or in the case of a demotion, the highest consecutive 26 bi-weekly pay periods.

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Normal Retirement Age – Plan A: Age 50
Plans B and C: Age 53

Normal Retirement – Plan A: Normal retirement age and 25 years of service.
Plans B and C: Normal retirement age and 21 years of service.

Amount of Pension –

- Plan A: 2.56% of regular pay times years of service to a maximum of 64% of regular pay.
- Plan B: 58% of regular pay with 21 years of service, plus 2% of regular pay for each year of service rendered after becoming eligible for retirement to a maximum increase of 10%.
- Plan C: 54% of regular pay with 21 years of service, plus 2% of regular pay for each year of service rendered after becoming eligible for retirement to a maximum increase of 10%.

Early Retirement - Eligibility for all plans is age 50 and 21 years of service.

Amount of Pension –

- Plan A: 2.56% of regular pay times years of service up to a maximum of 64% of regular pay.
- Plan B and C: 52% and 48% of regular pay, respectively, plus 2% of regular pay for each year of service rendered after becoming eligible, up to a maximum increase of 6%.

Partial Annuity - Eligibility for all plans is early retirement age and 10, or more, years of service.

Amount of Pension –

- Plan A: 2.56% of regular pay times years of service.
- Plan B: 58% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 58% of regular pay.
- Plan C: 54% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 54% of regular pay.

Deferred Annuity (Vested Termination) - Eligibility for all plans is age less than early retirement age and 10, or more, years of service. Payments begin at age 50.

Amount of Pension –

- Plan A: 2.56% of regular pay times years of service.
- Plan B: 58% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 58% of regular pay.
- Plan C: 54% of regular pay with 21 years of service. Members with less than 21 years of service receive a ratio of years of service to 21 years of 54% of regular pay.

Duty-Related Disability - Eligibility for all plans is permanent inability to perform the duties of the position from a cause occurring while in line of duty.

Amount of Pension –

- Plan A: 58% of regular pay.
 - Plan B and C: A benefit equal to 58% or 54% of regular pay, respectively, plus 2% of regular pay for each year of service rendered after becoming eligible for retirement, to a maximum increase of 10% of regular pay.
- Such benefits shall continue after the member's death to the member's surviving spouse (until their death or remarriage), minor children or designated beneficiary (at a reduced amount). The above amounts are subject to deduction of the amount received from worker's compensation.

Non-Duty Disability - Eligibility for all plans is permanent inability to perform duties of position from a cause not occurring in the line of duty.

Amount of Pension – equal to the following percent of regular pay:

<u>Years of Service (YOS)</u>	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>
5 ≤ YOS < 10	23%	23%	21%
10 ≤ YOS < 15	39%	39%	36%
YOS ≥ 15	53%	53%	49%

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Duty-Related Death - Eligibility for all plans is an active member death in the line of duty, or as a result of injuries received while in the line of duty.

Amount of Pension –

Spouse beneficiary paid at duty disability rate until remarriage or death. Upon spouse's remarriage or death, dependent children paid at same rate until age 19. Non-spouse beneficiary paid at 100% survivor rate for lifetime. The above amounts are subject to deduction of the amount received from worker's compensation.

Non-Duty Death - Eligibility for all plans is member dies from non-duty related cause and 5 years of service.

Amount of Pension - Benefits which would have been payable as a non-duty disability awarded the day prior to death (joint and 100% survivor).

Death After Retirement - Monthly benefit may continue to surviving spouse or non-spouse beneficiary, and is dependent on form of payment.

After monthly benefits cease a lump sum benefit is payable to survivors of members employed on or after January 1, 1992 to March 31, 2010, equal to the member's unrefunded accumulated contributions and interest multiplied by the ratio of the number of expected payments received to the number of expected payments. Survivors of other members receive a death benefit after monthly benefits cease, equal to the member's unrefunded accumulated contributions and interest less the sum of monthly benefits received.

Non-Vested Termination - Eligibility for all plans includes termination of employment and no pension is or will become payable.

Amount of Benefit – all plans will refund member's contributions plus annual interest.

Employee Contributions - Plan A: 8.0% of pay

Plan B: 7.6% of pay

Plan C: 7.0% of pay

Upon reaching 21 years of service, member contributions are discontinued for Plans B and C.

Cost of Living Adjustments (COLA) – Eligibility requirements include receiving benefits for at least twelve months preceding September 1. The lump sum payment will be a base amount of \$750 effective 9/1/1994. The lump sum payment amount will be annually increased by the lesser of three percent or the percentage increase in the Consumer Price Index for the last full calendar year prior to each September 1.

Deferred Retirement Option Plan (DROP) - The City has established 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. The balance held by the third party DROP administrator at August 31, 2016, is \$6,606,202.

Membership of the pension plan consisted of the following at August 31, 2016, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	501
Terminated plan members entitled to	
but not yet receiving benefits	27
Active plan members (non-DROP)	573
Death benefit refund due	1
DROP members	45
Total	<u>1,147</u>
Number of participating employers	<u>1</u>

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Funding Policy – The contribution requirements of plan members and the City are established by City Ordinance 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. It is recommended that the City contribute an actuarially determined amount; the contribution amount for fiscal year 2016 was \$9,666,852. For the fiscal year ended August 31, 2016, the Plan received \$7,170,104 in employer contributions.

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2014, 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 6.75% per year compounded annually, (b) projected salary increases of 7.3% grading down to 3.5% per year, including wage inflation at 2.5%, 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 a closed basis over a period of thirty years.

Net Pension Liability

The components of the net pension liability of the PFP at August 31, 2016, were as follows:

Total pension liability	\$ 271,594,222
Plan fiduciary net position	<u>(213,857,935)</u>
Net pension liability	<u>\$ 57,736,287</u>

Plan fiduciary net position as a percentage of the total pension liability	78.74%
----------------------------------------------------------------------------	--------

The total pension liability was determined by an actuarial valuation using the entry age normal cost method and calculated based on the discount rate and actuarial assumptions below.

Valuation date	August 31, 2016
Measurement date	August 31, 2016

Assumptions

The total pension liability as of August 31, 2016, was determined by an actuarial valuation performed as of August 31, 2016, using the following key actuarial assumptions:

Price inflation	2.50%
Salary increases, including wage inflation	3.50% to 7.30%
Long-term Rate of Return, net of investment expense, including price inflation	7.50%
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.50%
Post-retirement adjustment	COLA benefit payments are assumed to increase 2.50% each year.
Mortality	Mortality rates are based on the RP-2000 Mortality Tables for Employees, Healthy Annuitants, and Disabled Retirees with Generational Projection using Scale AA.

The actuarial assumptions that determined the total pension liability as of August 31, 2016, (with the exception of the investment return assumption) were based on the results of the most recent actuarial experience study for the five-year period ending August 31, 2014.

CITY OF LINCOLN, NEBRASKA
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August 31, 2016

Discount Rate

The discount rate used to measure the total pension liability at August 31, 2016, was 7.50%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be equal to the actuarially determined contribution rates determined in the actuarial valuation prepared two years prior to the current fiscal year end. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability. Projected future benefit payments for all current pension members were projected through 2115.

Long-Term Rate of Return – The long-term expected rate of return on pension plan investments is generally reviewed on a regular basis as part of an experience study. The 7.50% long-term assumed rate of return for both the current and prior measurement date was actuarially developed. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by investment consultants. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

Best estimate of arithmetic real rate of return for each major asset class included in the pension plan's target asset allocation as of August 31, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Developed Markets Equity	50.0 %	7.44 %
Emerging Markets Equity	5.0	11.95
Private Equity	5.0	11.80
Core Real Estate	15.0	4.36
Value-Added Real Estate	5.0	7.83
Low Vol Hedge Funds	5.0	2.79
Core Fixed Income	10.0	0.79
High Yield Fixed Income	5.0	5.07
Total	<u>100.0 %</u>	

* Arithmetic mean, net of investment expense.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 90,636,142	57,736,287	30,074,238

Rate of Return - For the year ended August 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.36 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF LINCOLN, NEBRASKA
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PFP financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the plan terms.

Investments as reported in the financial statements include long-term investments. Law or legal instruments may restrict these investments. All investments are stated at fair value based on quoted market prices. For investments where no readily ascertainable fair value exists, management has received an estimate of fair value from the investment fund manager based, in part, on real estate appraisals.

There have been no changes since the measurement date that would materially alter the pension plan financial report.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2015	\$ 261,733,723	203,995,271	57,738,452
Changes for the year:			
Service cost at end of year	8,539,932	-	8,539,932
Interest on TPL	19,098,818	-	19,098,818
Difference between expected and actual experience	(3,351,824)	-	(3,351,824)
Employer contributions	-	7,170,104	(7,170,104)
Employee contributions	-	2,817,102	(2,817,102)
Net investment income	-	14,795,745	(14,795,745)
Benefit payments, including member refunds	(14,426,427)	(14,426,427)	-
Administrative expenses	-	(493,860)	493,860
Net changes	9,860,499	9,862,664	(2,165)
Balances at August 31, 2016	\$ 271,594,222	213,857,935	57,736,287

CITY OF LINCOLN, NEBRASKA
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Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources As of August 31				
	<u>2015</u>	<u>Additions</u>	<u>Recognition</u>	<u>2016</u>
Differences between expected and actual experience	\$ 6,260,077	-	1,129,978	5,130,099
Differences between projected and actual earnings	16,102,293	322,254	4,090,024	12,334,523
Change in the Emergency Medical Services Fund's proportion of the collective net pension liability since the prior measurement date	166,295	49,438	37,485	178,248
Total	<u>\$ 22,528,665</u>	<u>371,692</u>	<u>5,257,487</u>	<u>17,642,870</u>

Deferred Inflows of Resources As of August 31				
	<u>2015</u>	<u>Additions</u>	<u>Recognition</u>	<u>2016</u>
Differences between expected and actual experience	\$ -	3,351,824	506,318	2,845,506
Changes of assumptions	19,906,297	-	3,593,194	16,313,103
Change in the City's proportion of the collective net pension liability since the prior measurement date	166,295	49,438	37,485	178,248
Total	<u>\$ 20,072,592</u>	<u>3,401,262</u>	<u>4,136,997</u>	<u>19,336,857</u>

Amounts reported as Deferred Outflows and Inflows of Resources related to pensions will be recognized in pension expense in future fiscal years as follows:

<u>Fiscal Year Ending August 31</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2017	\$ 5,257,487	(4,136,997)	1,120,490
2018	5,257,487	(4,136,997)	1,120,490
2019	5,257,488	(4,136,997)	1,120,491
2020	1,231,913	(4,136,997)	(2,905,084)
2021	633,865	(2,470,323)	(1,836,458)
Thereafter	4,630	(318,546)	(313,916)
	<u>\$ 17,642,870</u>	<u>(19,336,857)</u>	<u>(1,693,987)</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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Pension Expense

The calculation of the pension expense for the year ended August 31, 2016, is shown below:

Pension Expense For the Fiscal Year Ended August 31, 2016	
Service cost at end of year	\$ 8,539,932
Interest on the total pension liability	19,098,818
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(506,318)
Employee contributions	(2,817,102)
Projected earnings on plan investments	(15,117,999)
Expensed portion of current-period differences between projected and actual earnings on plan investments	64,451
Administrative expenses	493,860
Recognition of beginning deferred outflows of resources	5,185,568
Recognition of beginning deferred inflows of resources	(3,623,211)
Total Pension Expense	<u>\$ 11,317,999</u>

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). The plan assets are held, managed and administered by a custodian. 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 applicable compensation 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 applicable compensation. Vesting of LES contributions occurs over a three-year period. Employee forfeitures are used to reduce future employer contributions. For the year ended December 31, 2015, LES incurred contribution expense of approximately \$3,729,000 or 9.09% of covered payroll and its employees contributed approximately \$3,098,000 or 7.55% 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, 2015, was \$1,731,643. City contributions totaled \$180,489 or 10.42% of covered payroll and employee contributions totaled \$22,496 or 1.30% of covered payroll. There were no voluntary employee contributions made for the year ended December 31, 2015.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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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, 2015, total payroll was approximately \$83,517,000 and covered payroll was approximately \$72,331,000. The City incurred contribution expense totaling \$7,974,328, which included a reduction in expense of \$184,152 for employee forfeitures. Employer contributions were 11.02% of covered payroll and employee contributions totaled \$4,677,614 or 6.47% of covered payroll. Employees made \$402,440 in voluntary contributions for the year ended December 31, 2015.

(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, 2016, was calculated as follows:

(Dollar amounts in thousands)

Annual required contribution	\$ 2,035
Interest on net OPEB obligation	495
Adjustment to annual required contribution	(694)
Annual OPEB cost	1,836
Contributions made	(514)
Increase in net OPEB obligation	1,322
Net OPEB obligation-beginning	11,637
Net OPEB obligation-ending	<u>\$ 12,959</u>

CITY OF LINCOLN, NEBRASKA
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August 31, 2016

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

Year Ended August 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 1,836,000	28.0 %	\$ 12,959,000
2015	2,144,000	28.9	11,637,000
2014	2,142,000	28.9	10,112,000

Funded Status and Funding Progress – As of September 1, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial liability for benefits was \$17,273,000 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,273,000. Annual covered payroll was approximately \$129,096,000, and the ratio of the UAAL to the covered payroll was 13.4%.

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 healthcare cost trends. Amounts determined 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, 2015, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.25% discount rate and an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 5.0% for 2026 and beyond. The general inflation rate used for derivation of these calculations is 2.5%. Participation assumptions include 60% of eligible civilian members and 50% of eligible Fire/Police members electing coverage, with 25% participation assumed for both 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 \$1,280,000.

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 actuarial valuation have not been included here as it did not have a significant impact on the City's financial statements.

CITY OF LINCOLN, NEBRASKA
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(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 2015 tax levy, for the 2015-2016 fiscal year, was \$134,866,868 below the legal limit, with a tax rate per \$100 valuation of \$0.3196. The assessed value upon which the 2015 levy was based was \$18,457,318,752.

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 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 2015-2016 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2016. 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 unavailable 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, 2016, the City had a self-insured retention for workers' compensation exposures up to \$800,000 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 \$75,000 per occurrence; health care benefits with \$150,000 claim specific stop loss; self-insured dental benefits; and self-insured 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 \$800,000 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

CITY OF LINCOLN, NEBRASKA
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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 \$9,959,212 were recorded at August 31, 2016, which do not include claims relating to Lincoln Electric System's self-funded health and dental insurance programs. Excluding medical care claims approximating \$1,981,000, 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 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 .45% discount rate. The City has purchased no annuity contracts in the current fiscal year to resolve City of Lincoln claims.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2016 and 2015:

<u>2016</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 7,414,000	983,115	2,653,990	11,051,105
Current year claims and changes in estimates	2,251,839	92,793	28,228,422	30,573,054
Claims payments	(2,693,839)	(69,957)	(28,901,151)	(31,664,947)
Balance at August 31	\$ 6,972,000	1,005,951	1,981,261	9,959,212

<u>2015</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 7,146,000	947,531	2,127,558	10,221,089
Current year claims and changes in estimates	3,080,824	113,635	26,639,205	29,833,664
Claims payments	(2,812,824)	(78,051)	(26,112,773)	(29,003,648)
Balance at August 31	\$ 7,414,000	983,115	2,653,990	11,051,105

LINCOLN ELECTRIC SYSTEM

LES has self-funded health and dental insurance programs with claims processed by a third party administrator on behalf of the utility. As part of the health 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:

	2015	2014
Balance beginning of year	\$ 1,513,000	1,659,000
Claims and fees incurred	6,348,000	5,895,000
Claims paid/other	(7,353,000)	(6,041,000)
Balance end of year	\$ 508,000	1,513,000

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was \$508,000 and \$496,000 at December 31, 2015 and 2014, 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 that 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.

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(17) **COMMITMENTS AND CONTINGENCIES**

GENERAL

The City participates in a number of federal and state assisted grant programs. Federal and state 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, 2016, approximately 96% of the full-time, regular City's employees are represented by a Union. Labor contracts involving civilian City employees are negotiated to cover, at a minimum, a two-year period coinciding with the biennial budget process.

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.

STREET CONSTRUCTION PROJECTS

The City's Street Construction Fund has commitments under major construction contracts in progress of approximately \$19,700,000 as of August 31, 2016, which will be financed primarily through highway user fees, bond proceeds, federal and state grants, and developer contributions.

WEST HAYMARKET JOINT PUBLIC AGENCY

In connection with the West Haymarket Development Project, the WHJPA is involved with the clean-up and remediation of several development sites relating to soil and groundwater contamination. This clean-up and remediation is performed as sites are developed, as the WHJPA has not been designated as a potentially responsible party (PRP or equivalent status) by any regulatory agency requiring the immediate clean-up of impacted areas. Although future costs may be incurred, it is not possible at this time to reasonably estimate the amount of any obligation for remediation activities because of uncertainties with respect to assessing the extent of the contamination or the applicable regulatory requirements. No liability has been recorded for potential future remediation activities as of August 31, 2016.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$2,800,000 as of August 31, 2016.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$3,900,000 as of August 31, 2016.

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LINCOLN ELECTRIC SYSTEM

LES has an allocation from the U.S. Department of Energy, through Western Area Power Administration (WAPA), of firm power under contract from Upper Missouri Basin hydroelectric plants of approximately 56 MW. LES has also received an allocation of 72 MW of firm peaking power from WAPA for the six month summer season and 22 MW for the remaining months. LES' contract routinely has been extended by amendment and currently runs through 2020.

LES has participation contracts in the output of two existing Nebraska Public Power District (NPPD) power plants, a thirty percent (65 MW) and eight percent (109 MW) entitlement to the output of the Sheldon Station Power Plant (nominally rated 215 MW coal plant) and Gerald Gentleman Station Power Plant (nominally rated 1,365 MW coal plant), respectively. NPPD plans to replace one of the two col-fired boilers at the Sheldon Station with one that uses hydrogen fuel. NPPD and LES are in discussion regarding how this plant conversion impacts the participation agreement between LES and NPPD.

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 Codification Section RE10, *Regulated Operations*. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable.

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 \$17,997,000, \$18,393,000, \$18,797,000, \$19,211,000, and \$19,633,000, respectively, in each of the five years subsequent to December 31, 2015.

Through the participation contracts LES may be required to pay costs associated with compliance with environmental regulations.

LES participates in three wind plants through direct Power Purchase Agreements with the plant's developer/owner: 100 MW Arbuckle Mountain Wind farm in Oklahoma, 100 MW Buckeye Wind Energy Center in Kansas and 73 MW Prairie Breeze II Wind Energy Center in Nebraska. These new wind energy facilities were placed in commercial operation in 2015. LES also participates in four Nebraska-based wind plants through Power Sales Agreements with NPPD: Laredo Ridge (10 MW), Broken Bow (10 MW), Elkhorn Ridge (6 MW), and Crofton Bluffs (3 MW). For each of these plants, NPPD has the actual Power Purchase Agreement with the wind plant developer/owner.

(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. These costs are accounted for in the Solid Waste Management Fund, a nonmajor enterprise fund.

At August 31, 2016, the City had incurred a liability of approximately \$13,273,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 59% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$9.2 million, which will be recognized as the remaining capacity is used (estimated to be approximately 16 years).

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

As of August 31, 2016, the City had incurred a liability of approximately \$892,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 64% of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$496,000, which will be recognized as the remaining capacity is used (estimated to be approximately 12 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, 2016, a liability for closure and postclosure care costs is recorded in the amount of approximately \$6,326,000, as determined by an independent engineering consultant. 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

(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, and re-cycling drop-off program. Summary financial information for these divisions as of and for the year ended August 31, 2016, is presented as follows:

	Parking Facilities	Solid Waste Management
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets, excluding Due from Other Funds	\$ 5,054,883	5,838,746
Due from Other Funds	19,224	8,664
Other Assets	7,910,624	5,836,979
Capital Assets, Net	59,333,035	29,988,581
Total Assets	<u>72,317,766</u>	<u>41,672,970</u>
Deferred Outflows of Resources	<u>-</u>	<u>26,447</u>
Liabilities:		
Current Liabilities, excluding Due to Other Funds	3,474,754	2,129,696
Due to Other Funds	1,337	1,085
Noncurrent Liabilities	25,586,424	32,067,048
Total Liabilities	<u>29,062,515</u>	<u>34,197,829</u>
Net Position:		
Net Investment in Capital Assets	34,694,568	21,015,904
Restricted	2,780,176	29,478
Unrestricted	5,780,507	(13,543,794)
Total Net Position	<u>\$ 43,255,251</u>	<u>7,501,588</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION		
Operating Revenues	\$ 10,635,283	8,097,888
Depreciation Expense	(2,100,414)	(2,154,144)
Other Operating Expenses	(4,575,662)	(9,412,653)
Operating Income (Loss)	<u>3,959,207</u>	<u>(3,468,909)</u>
Nonoperating Revenues (Expenses):		
Investment Earnings	61,874	79,082
Grant Proceeds	-	15,077
Gain on Disposal of Capital Assets	-	16,486
Occupation Tax	-	4,194,442
Interest Expense and Fiscal Charges	(1,111,418)	(192,245)
Capital Contributions	30,398	212,500
Transfers	(1,445,026)	(1,400,827)
Change in Net Position	<u>1,495,035</u>	<u>(544,394)</u>
Beginning Net Position	41,760,216	8,045,982
Ending Net Position	<u>\$ 43,255,251</u>	<u>7,501,588</u>
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 6,135,333	1,482,117
Noncapital Financing Activities	(1,445,026)	2,493,191
Capital and Related Financing Activities	(3,432,705)	(5,416,704)
Investing Activities	(805,874)	1,590,355
Net Increase in Cash	<u>451,728</u>	<u>148,959</u>
Beginning Balance	3,101,399	351,692
Ending Balance	<u>\$ 3,553,127</u>	<u>500,651</u>

CITY OF LINCOLN, NEBRASKA
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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 from the debt provided financing for improvements to the sanitary sewer system, as well as refunding prior year wastewater debt. The debt is payable solely from the net earnings of the Wastewater System and is payable through 2034. The total principal and interest remaining to be paid is \$100,121,959, with annual payments expected to require 49% of net revenues. Principal and interest paid for the current year and net system revenues were \$7,409,843 and \$15,007,381, 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 debt is payable solely from the net earnings of the Water System and is payable through 2034. The total principal and interest remaining to be paid is \$69,568,617, with annual payments expected to require 30% of net revenues. Principal and interest paid for the current year and net system revenues were \$6,468,726 and \$21,016,315, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Electric System, net of operating and maintenance 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 2040. The total principal and interest remaining to be paid on the bonds is \$942,895,000, with annual payments expected to require 50% of net revenues. Principal and interest paid for the current year and net system revenues were \$49,957,000 and \$100,589,000, 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 \$37,208,839, with annual payments expected to require 42% of net revenues. Principal and interest paid for the current year and net system revenues were \$2,420,215 and \$6,121,495, 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 2035. The total principal and interest remaining to be paid on the bonds is \$14,931,463, with annual payments expected to require 30% of net revenues. Principal and interest paid for the current year and net system revenues were \$1,171,521 and \$4,474,932 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

CITY OF LINCOLN, NEBRASKA
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August 31, 2016

actual valuation of taxable property in the County. For the year ended August 31, 2016, the City made rental payments of approximately \$3.0 million to the Commission.

As of August 31, 2016, the Commission has debt outstanding of \$43,699,405. Bond and note proceeds 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 these 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.

For certain bonds 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 building occupancy. Such contributions are expected to be minimal and will be expensed in the appropriate funds when incurred.

For all other debt, funded through rental payments, the City's proportionate share is recorded as capital assets and the corresponding debt is reflected as capital lease long-term obligations in the City's statement of net position. Lease payments are not recorded as capital lease payments in the Debt Service Funds' financial statements but rather are recorded as current expenditures in the various individual funds at the time the payment is made.

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 was 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 constituted 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 included community revitalization, transportation, and drainage/flood control improvements.

During the implementation period of the agreement, JAVA had 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 had no power and authority to bond the credit or revenues of the three Partners or each Partner, or levy taxes.

On July 14, 2016, JAVA's partners passed a resolution authorizing the complete termination of JAVA's interlocal agreement and dissolution of JAVA. Upon termination of JAVA each project was allocated to the partner based upon their future maintenance responsibility.

Prior to termination, total assets of JAVA were approximately \$200 million. The City's equity distribution of the Project, following the net transfers between the partners to reassign future maintenance responsibility, amounted to approximately \$153 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

(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, 1,710 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 \$24.8 million are reflected in utility plant at December 31, 2015.

LRS has certain postretirement obligations, which have not yet been billed to the owners, as these costs are not due and payable. Thus, LES has not reflected these costs in its financial statements. As a co-owner of LRS, LES' allocation of these postretirement obligations was \$1.2 million at December 31, 2015.

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 or LRS is removed from commercial operation. During 2015 LES billed the County approximately \$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 had been placed in a separate custodial account pending an appeal filed by BNSF. A portion of these funds was due to MEAN and the County of Los Alamos, and were subsequently remitted to these entities based on the settlement discussed below.

On January 28, 2015, Western Fuels and BNSF filed a joint petition with STB asking the STB to hold the rate proceeding in abeyance due to the fact that the parties have reached a preliminary settlement that calls for dismissal of the case and vacation of the rate prescription ordered by STB. The settlement was finalized in 2015. LES will retain approximately 85% of its proportionate share of the overall value of the original award, including approximately \$10.8 million in the escrow fund. The settlement eliminated restrictions on settlement proceeds and the funds from the escrow account have been transferred into the appropriate accounts. This settlement resolves all outstanding legal issues with BNSF related to the 2004 freight issues.

Walter Scott Energy Center (WSEC #4)

MidAmerican Energy's Walter Scott Energy Center includes four coal-fired units. LES maintains ownership interest in 12.66% or 103 MW of WSEC #4. In order to minimize unit outage risk, LES has executed a power purchase and sales agreement with MidAmerican Energy to "swap" capacity and energy from LES' WSEC #4 ownership with capacity and energy from WSEC #3. Under this agreement, beginning in 2009, LES will schedule 50 MW of capacity and energy from WSEC #3 and 53 MW of capacity and energy from WSEC #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 WSEC #4 and has capitalized these costs plus interest. Costs, net of accumulated depreciation, associated with WSEC #4 of approximately \$140 million are reflected in utility plant at December 31, 2015.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2016

(24) JOINTLY GOVERNED ORGANIZATIONS

District Energy Corporation

The District Energy Corporation (DEC) was formed in 1989 by the City of Lincoln and Lancaster County 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 was approximately \$862,000 in 2015. The total amount of payments to LES for energy was approximately \$497,000 in 2015.

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. NUCorp is considered a component unit of the University of Nebraska; therefore, financial statements of NUCorp are included in the University of Nebraska's financial statements.

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 \$96,000 in 2015. The total amount of payments to LES for energy was approximately \$9.5 million in 2015.

(25) SUBSEQUENT EVENTS

In September 2016 LES issued \$116,645,000 of Revenue Refunding Bonds, Series. The proceeds of the bonds, along with other available funds, were deposited into an escrow account to refund approximately \$133 million of Revenue and Refunding Bonds, Series 2007A, Series 2007B, and Series 2012. The Series 2007A and 2007B refunded bonds were called for redemption on September 2, 2016. The refunded Series 2012 bonds will be called for redemption on September 1, 2022.

In December 2016 the City issued \$14,735,000 of General Obligation Highway Allocation Fund Refunding Bonds, Series 2016. The bond proceeds, together with other City funds, were used to redeem \$17,405,000 of outstanding Series 2006 bonds on January 3, 2017.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2016

**Schedule of Changes in the Police and Fire Pension (PFP) Net Pension Liability
and Related Ratios**

For the Fiscal Year Ended August 31

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 8,539,932	\$ 7,929,376	\$ 7,289,994
Interest	19,098,818	17,507,641	16,897,591
Differences between expected and actual experience	(3,351,824)	7,390,055	736,647
Effect of assumption changes or inputs	-	(23,499,491)	22,725,982
Benefit payments, including refunds of member contributions	(14,426,427)	(13,708,805)	(13,430,163)
Net change in total pension liability	9,860,499	(4,381,224)	34,220,051
Total pension liability - beginning	261,733,723	266,114,947	231,894,896
Total pension liability - ending (a)	<u>\$ 271,594,222</u>	<u>\$ 261,733,723</u>	<u>\$ 266,114,947</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 7,170,104	\$ 8,045,293	\$ 7,865,929
Contributions - employee	2,817,102	2,604,101	2,613,971
Net investment income	14,795,745	(5,843,555)	30,932,275
Benefit payments, including refunds of member contributions	(14,426,427)	(13,708,805)	(13,430,163)
Administrative expense	(493,860)	(444,578)	(407,146)
Net change in plan fiduciary net position	9,862,664	(9,347,544)	27,574,866
Plan fiduciary net position - beginning	203,995,271	213,342,815	185,767,949
Plan fiduciary net position - ending (b)	<u>\$ 213,857,935</u>	<u>\$ 203,995,271</u>	<u>\$ 213,342,815</u>
PFP Net Pension Liability - Ending (a) - (b)	<u>\$ 57,736,287</u>	<u>\$ 57,738,452</u>	<u>\$ 52,772,132</u>
Plan fiduciary net position as a percentage of the total pension liability	78.74%	77.94%	80.17%
Covered-employee payroll	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
PFP net pension liability as a percentage of covered-employee payroll	136.23%	152.39%	138.48%

Note to schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2014. Information prior to 2015 was restated after a change in the actuarial firm providing services.

Changes of benefit and funding terms:

8/31/2016 valuation - City Ordinance No. 20343, as passed by the City Council, merged the COLA Pool fund into the general pension fund. No benefits were impacted, only the funding of the benefits.

Changes in actuarial assumptions:

8/31/2016 valuation - Expected future investment return was increased from 6.40% to 7.50% compounded annually.

8/31/2015 valuation - Expected future investment return was reduced from 6.75% to 6.40% compounded annually.

8/31/2014 valuation - Expected future investment return was reduced from 7.50% to 6.75% compounded annually.

Assumed salary increase rates were reduced.

Mortality tables were updated from the 1994 Group Annuity Mortality tables with a 2 year set forward for males and 1 year set forward for females to the RP2000 Mortality table with generational improvements using Scale AA.

Assumed rates of retirement were generally lowered for Plans A, B and C.

The payroll growth assumption was reduced from 4.25% to 3.00%.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2016

Schedule of Employer Contributions for the Police and Fire Pension
For the Fiscal Year Ended August 31

	2016	2015	2014
Actuarial determined employer contribution	\$ 9,666,852	\$ 8,418,199	\$ 7,377,763
Actual employer contributions	7,170,104	8,045,293	7,865,929
Annual contribution deficiency (excess)	<u>\$ 2,496,748</u>	<u>\$ 372,906</u>	<u>\$ (488,166)</u>
Covered-employee payroll - current	\$ 42,381,059	\$ 37,887,505	\$ 38,107,652
Actual contributions as a percentage of covered-employee payroll	16.92%	21.23%	20.64%

Note to Schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2014.

Valuation date: 8/31/2014 8/31/2013 8/31/2012
Actuarially determined contribution rates are calculated as of August 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	30 years, level percent, closed	30 years, level percent, open
Remaining amortization period:	30 years	30 years
Asset valuation method:	5-year smoothed market	5-year smoothed market
Inflation:	2.50%	4.25%
Salary increases:	3.50% - 7.30%	4.25% - 8.25%
Investment rate of return:	6.75%	7.50%

Schedule of Investment Returns for the Police and Fire Pension
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Annual money-weighted rate of return, net of investment expense	7.36%	-3.52%	16.67%	12.42%	5.47%	12.64%	9.60%	-16.77%	-6.40%	14.05%

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, 2015	\$ 0	\$ 17,273	\$ 17,273	0.0 %	\$ 129,096	13.4 %
September 1, 2013	0	18,738	18,738	0.0	123,231	15.2
September 1, 2011	0	24,902	24,902	0.0	118,498	21.0

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



GENERAL FUND COMBINING FUNDS

GASB Statement No. 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, 2016

	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	\$ 4,639,338	43,861	32,900	125,263	2,303	231,568	-	5,075,233
Investments	36,643,199	1,056,578	690,135	2,855,203	42,752	5,340,908	-	46,628,775
Receivables, (Net of Allowance for Uncollectibles)								
Taxes	3,818,102	-	-	-	4,504	-	-	3,822,606
Accounts	2,003,588	-	467	104,823	-	-	-	2,108,878
Accrued Interest	56,503	1,790	1,704	5,783	57	10,199	-	76,036
Due from Other Funds	2,718,715	-	4,188	-	-	-	-	2,722,903
Due from Other Governments	13,300,886	-	7,436	29,838	3	-	-	13,338,163
Inventories	305,282	-	-	-	-	-	-	305,282
Prepaid Items	165,139	-	-	-	-	-	-	165,139
Total Assets	<u>63,650,752</u>	<u>1,102,229</u>	<u>736,830</u>	<u>3,120,910</u>	<u>49,619</u>	<u>5,582,675</u>	<u>-</u>	<u>74,243,015</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	1,047,195	-	50,183	10,842	-	-	-	1,108,220
Accrued Liabilities	4,830,570	-	112,116	192,223	-	-	-	5,134,909
Due to Other Funds	729,957	-	2,726	9	-	-	-	732,692
Due to Other Governments	107,029	-	1,997	-	-	-	-	109,026
Unearned Revenue	600	-	-	-	-	-	-	600
Total Liabilities	<u>6,715,351</u>	<u>-</u>	<u>167,022</u>	<u>203,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,085,447</u>
Deferred Inflows of Resources:								
Unavailable Revenues	<u>1,349,244</u>	<u>-</u>	<u>-</u>	<u>104,823</u>	<u>403</u>	<u>-</u>	<u>-</u>	<u>1,454,470</u>
Fund Balances:								
Nonspendable	470,421	-	-	-	-	-	-	470,421
Restricted	7,432,974	-	-	-	-	-	-	7,432,974
Assigned	7,772,012	1,102,229	569,808	2,813,013	49,216	5,582,675	-	17,888,953
Unassigned	39,910,750	-	-	-	-	-	-	39,910,750
Total Fund Balances	<u>55,586,157</u>	<u>1,102,229</u>	<u>569,808</u>	<u>2,813,013</u>	<u>49,216</u>	<u>5,582,675</u>	<u>-</u>	<u>65,703,098</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 63,650,752</u>	<u>1,102,229</u>	<u>736,830</u>	<u>3,120,910</u>	<u>49,619</u>	<u>5,582,675</u>	<u>-</u>	<u>74,243,015</u>

CITY OF LINCOLN, NEBRASKA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2016

	General Fund	Athletic Field & Facilities Improvement	Lincoln Area Agency On Aging	911 Communication	Unemployment Compensation	Fast Forward	Development Services Center	Total
Revenues:								
Taxes:								
Property	\$ 35,836,042	-	-	-	52,153	-	-	35,888,195
Motor Vehicle	5,396,042	-	-	-	-	-	-	5,396,042
Sales and Use	72,305,953	-	-	-	-	-	-	72,305,953
Sundry and In Lieu	39,502	-	-	-	33	-	-	39,535
Occupation	10,204,620	-	-	-	-	-	-	10,204,620
Special Assessment	13,688	-	-	-	-	-	-	13,688
Intergovernmental	2,087,217	-	1,276,100	573,208	-	-	-	3,936,525
Permits and Fees	4,515,824	-	58,386	1,123,962	-	-	-	5,698,172
Reimbursement for Services	6,835,444	337,765	189,156	16,000	-	-	-	7,378,365
Court Settlements	75,000	-	-	-	-	-	-	75,000
Investment Earnings	380,143	5,537	4,804	20,250	160	35,221	-	446,115
Donations	761,424	-	2,031	-	-	-	-	763,455
Miscellaneous	580,072	17,093	679	162	-	-	-	598,006
Total Revenues	139,030,971	360,395	1,531,156	1,733,582	52,346	35,221	-	142,743,671
Expenditures -- Current:								
General Government	34,678,833	-	-	-	31,280	-	-	34,710,113
Public Safety	62,741,464	-	-	5,024,060	-	-	-	67,765,524
Streets and Highways	5,689,524	-	-	-	-	-	-	5,689,524
Culture and Recreation	14,056,488	-	-	-	-	-	-	14,056,488
Economic Opportunity	434,009	-	3,713,077	-	-	36,090	-	4,183,176
Health and Welfare	439,087	-	-	-	-	-	-	439,087
Debt Service	138,124	-	-	-	-	-	-	138,124
Total Expenditures	118,177,529	-	3,713,077	5,024,060	31,280	36,090	-	126,982,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,853,442	360,395	(2,181,921)	(3,290,478)	21,066	(869)	-	15,761,635
Other Financing Sources (Uses):								
Transfers In	11,212,038	-	-	-	-	-	-	11,212,038
Transfers In (Inter-Fund)	510,739	-	2,356,601	3,666,818	-	-	257,550	6,791,708
Transfers Out	(24,759,163)	(122,295)	-	-	-	(60,800)	(257,550)	(25,199,808)
Transfers Out (Inter-Fund)	(6,791,708)	-	-	-	-	-	-	(6,791,708)
Issuance of Debt	2,255,000	-	-	-	-	-	-	2,255,000
Premium on Debt Issued	149,439	-	-	-	-	-	-	149,439
Sale of Capital Assets	8,021	-	-	-	-	-	-	8,021
Total Other Financing Sources (Uses)	(17,415,634)	(122,295)	2,356,601	3,666,818	-	(60,800)	-	(11,575,310)
Net Change In Fund Balances	3,437,808	238,100	174,680	376,340	21,066	(61,669)	-	4,186,325
Fund Balances - Beginning	52,148,349	864,129	395,128	2,436,673	28,150	5,644,344	-	61,516,773
Fund Balances - Ending	\$ 55,586,157	1,102,229	569,808	2,813,013	49,216	5,582,675	-	65,703,098



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2016

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 6,225,559	1,989,324	5,335,291	703,799	14,253,973
Investments	41,432,810	11,426,918	15,170,744	63,600,170	131,630,642
Receivables, (Net of Allowance for Uncollectibles)	19,785,131	4,262,022	36,033	2,246	24,085,432
Due from Other Funds	77	-	1,336,531	-	1,336,608
Due from Other Governments	2,657,182	148,486	4,280,885	-	7,086,553
Inventories	593,716	-	-	-	593,716
Assets Held for Resale	130,000	-	-	-	130,000
Total Assets	<u>70,824,475</u>	<u>17,826,750</u>	<u>26,159,484</u>	<u>64,306,215</u>	<u>179,116,924</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,482,213	-	1,893,752	18,452	3,394,417
Accrued Liabilities	2,695,147	-	-	10,596	2,705,743
Due to Other Funds	12,936,596	-	1,854,610	107	14,791,313
Due to Other Governments	152,010	-	-	-	152,010
Due to Other Contractors	-	3,051,155	-	-	3,051,155
Unearned Revenue	245,399	-	-	-	245,399
Total Liabilities	<u>17,511,365</u>	<u>3,051,155</u>	<u>3,748,362</u>	<u>29,155</u>	<u>24,340,037</u>
Deferred Inflows of Resources:					
Unavailable Revenues	<u>1,650,234</u>	<u>2,260,002</u>	<u>392,755</u>	<u>-</u>	<u>4,302,991</u>
Fund Balances (Deficits):					
Nonspendable	593,716	-	-	37,160,000	37,753,716
Restricted	30,602,162	11,259,554	21,989,096	27,117,060	90,967,872
Committed	1,367,357	1,256,039	-	-	2,623,396
Assigned	19,210,895	-	29,271	-	19,240,166
Unassigned	(111,254)	-	-	-	(111,254)
Total Fund Balances	<u>51,662,876</u>	<u>12,515,593</u>	<u>22,018,367</u>	<u>64,277,060</u>	<u>150,473,896</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 70,824,475</u>	<u>17,826,750</u>	<u>26,159,484</u>	<u>64,306,215</u>	<u>179,116,924</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 16,743,555	13,592,649	-	-	30,336,204
Wheel	-	-	18,061,400	-	18,061,400
Sales and Use	-	-	11,255,204	-	11,255,204
Sundry and In Lieu	10,378	1,555,262	-	-	1,565,640
Special Assessment	14,977	1,365,159	-	-	1,380,136
Intergovernmental	25,985,788	1,000,000	1,830,778	-	28,816,566
Permits and Fees	14,944,256	-	245,410	-	15,189,666
Reimbursement for Services	1,591,139	-	-	-	1,591,139
Program Income	22,726	-	-	-	22,726
Investment Earnings	410,712	75,074	93,092	4,417,941	4,996,819
Donations	491,878	-	1,771,437	-	2,263,315
Keno Proceeds	4,559,104	-	-	-	4,559,104
Miscellaneous	605,552	175,253	167,209	25,000	973,014
Total Revenues	<u>65,380,065</u>	<u>17,763,397</u>	<u>33,424,530</u>	<u>4,442,941</u>	<u>121,010,933</u>
EXPENDITURES					
Current:					
General Government	13,300,852	-	-	-	13,300,852
Public Safety	9,633,650	-	-	-	9,633,650
Culture and Recreation	11,250,534	-	-	3,913	11,254,447
Economic Opportunity	9,829,764	-	-	-	9,829,764
Health and Welfare	20,001,943	-	-	2,164,715	22,166,658
Mass Transit	12,380,084	-	-	-	12,380,084
Debt Service:					
Principal Retirement	-	15,766,212	-	-	15,766,212
Interest and Fiscal Charges	-	5,070,625	-	-	5,070,625
Debt Issuance Expense	-	7,500	114,052	-	121,552
Developer Purchased TIF Payments	-	5,216,258	-	-	5,216,258
Miscellaneous	-	67,137	-	-	67,137
Capital Outlay	-	-	19,545,974	-	19,545,974
Total Expenditures	<u>76,396,827</u>	<u>26,127,732</u>	<u>19,660,026</u>	<u>2,168,628</u>	<u>124,353,213</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,016,762)</u>	<u>(8,364,335)</u>	<u>13,764,504</u>	<u>2,274,313</u>	<u>(3,342,280)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	16,278,793	9,765,579	10,417,823	-	36,462,195
Transfers Out	(2,690,127)	(1,934,000)	(23,562,924)	-	(28,187,051)
Issuance of Debt	-	-	10,680,000	-	10,680,000
Premium on Debt Issued	-	-	473,390	-	473,390
Sale of Capital Assets	437,507	-	6,228	-	443,735
Total Other Financing Sources (Uses)	<u>14,026,173</u>	<u>7,831,579</u>	<u>(1,985,483)</u>	<u>-</u>	<u>19,872,269</u>
Net Change in Fund Balances	3,009,411	(532,756)	11,779,021	2,274,313	16,529,989
Fund Balances - Beginning	<u>48,653,465</u>	<u>13,048,349</u>	<u>10,239,346</u>	<u>62,002,747</u>	<u>133,943,907</u>
Fund Balances - Ending	<u>\$ 51,662,876</u>	<u>12,515,593</u>	<u>22,018,367</u>	<u>64,277,060</u>	<u>150,473,896</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, as well as permit and user fees.

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.

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.

RP 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.

Lincoln Bike Share Fund – To capture the financial activity, including revenues, sponsorships, donations, user fees and expenses generated by additions to the Lincoln Bike Share Program.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2016

	Advance Acquisition	Cable Access Television	Lincoln City Libraries	Lincoln/ Lancaster Co. Health	Social Security	Police & Fire Pension Contributions	StarTran
ASSETS							
Cash and Cash Equivalents	\$ 52,199	28,195	123,882	176,714	85,700	-	2,567,012
Investments	1,169,564	619,900	2,617,015	3,365,169	1,954,363	-	3,157,518
Receivables, (Net of Allowance for Uncollectibles):							
Taxes	-	-	721,800	-	247,057	604,906	-
Accounts	-	36,252	-	82,917	-	-	22,894
Accrued Interest	3,023	1,133	2,911	6,434	3,431	-	5,891
Notes Receivable	73,638	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	77
Due from Other Governments	-	-	485	404,444	166	-	63,011
Inventories	-	-	-	-	-	-	593,716
Assets Held for Resale	130,000	-	-	-	-	-	-
Total Assets	<u>1,428,424</u>	<u>685,480</u>	<u>3,466,093</u>	<u>4,035,678</u>	<u>2,290,717</u>	<u>604,906</u>	<u>6,410,119</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	2,423	91,346	161,106	1,698	-	234,031
Accrued Liabilities	-	1,121	290,718	422,558	314,636	501,708	410,181
Due to Other Funds	-	67	1,101	2,352	-	-	1,531
Due to Other Governments	56	-	200	1,130	-	-	14,379
Unearned Revenue	-	-	-	-	-	-	35,421
Total Liabilities	<u>56</u>	<u>3,611</u>	<u>383,365</u>	<u>587,146</u>	<u>316,334</u>	<u>501,708</u>	<u>695,543</u>
Deferred Inflows of Resources:							
Unavailable Revenues	<u>74,453</u>	<u>-</u>	<u>122,197</u>	<u>417,045</u>	<u>42,235</u>	<u>103,198</u>	<u>63,011</u>
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	593,716
Restricted	1,313,770	-	-	61,257	1,537,678	-	-
Committed	-	652,616	-	-	-	-	-
Assigned	40,145	29,253	2,960,531	2,970,230	394,470	-	5,057,849
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>1,353,915</u>	<u>681,869</u>	<u>2,960,531</u>	<u>3,031,487</u>	<u>1,932,148</u>	<u>-</u>	<u>5,651,565</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,428,424</u>	<u>685,480</u>	<u>3,466,093</u>	<u>4,035,678</u>	<u>2,290,717</u>	<u>604,906</u>	<u>6,410,119</u>

Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Total
216,900	1,728,397	204,904	374,179	532,515	63,497	8,683	51,265	11,517	6,225,559
4,977,519	-	483,740	8,266,346	12,086,515	1,386,376	140,470	945,697	262,618	41,432,810
-	-	-	-	-	-	-	-	-	1,573,763
210,975	48,758	-	-	-	19,991	-	-	-	421,787
9,655	1,516	6,459	15,557	22,816	2,563	303	-	251	81,943
-	-	-	-	-	-	-	-	-	73,638
-	17,634,000	-	-	-	-	-	-	-	17,634,000
-	-	-	-	-	-	-	-	-	77
-	2,189,076	-	-	-	-	-	-	-	2,657,182
-	-	-	-	-	-	-	-	-	593,716
-	-	-	-	-	-	-	-	-	130,000
<u>5,415,049</u>	<u>21,601,747</u>	<u>695,103</u>	<u>8,656,082</u>	<u>12,641,846</u>	<u>1,472,427</u>	<u>149,456</u>	<u>996,962</u>	<u>274,386</u>	<u>70,824,475</u>
115,237	765,343	59,634	17,989	53	33,353	-	-	-	1,482,213
-	508,572	-	236,119	5,133	-	4,401	-	-	2,695,147
38,040	5,853	126,821	12,917	12,747,914	-	-	-	-	12,936,596
92,472	42,757	-	943	-	73	-	-	-	152,010
-	-	-	209,978	-	-	-	-	-	245,399
<u>245,749</u>	<u>1,322,525</u>	<u>186,455</u>	<u>477,946</u>	<u>12,753,100</u>	<u>33,426</u>	<u>4,401</u>	<u>-</u>	<u>-</u>	<u>17,511,365</u>
-	828,095	-	-	-	-	-	-	-	1,650,234
-	-	-	-	-	-	-	-	-	593,716
5,062,733	19,451,127	508,648	-	-	1,250,546	145,055	996,962	274,386	30,602,162
-	-	-	714,741	-	-	-	-	-	1,367,357
106,567	-	-	7,463,395	-	188,455	-	-	-	19,210,895
-	-	-	-	(111,254)	-	-	-	-	(111,254)
<u>5,169,300</u>	<u>19,451,127</u>	<u>508,648</u>	<u>8,178,136</u>	<u>(111,254)</u>	<u>1,439,001</u>	<u>145,055</u>	<u>996,962</u>	<u>274,386</u>	<u>51,662,876</u>
<u>5,415,049</u>	<u>21,601,747</u>	<u>695,103</u>	<u>8,656,082</u>	<u>12,641,846</u>	<u>1,472,427</u>	<u>149,456</u>	<u>996,962</u>	<u>274,386</u>	<u>70,824,475</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, 2016

	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	\$ -	-	7,677,947	-	2,624,611	6,440,997	-
Sundry and In Lieu Tax	-	-	4,740	-	1,619	4,019	-
Special Assessment	-	-	-	956	-	-	-
Intergovernmental	-	-	792,779	2,483,122	-	-	3,076,030
Permits and Fees	-	231,879	373,162	4,710,725	-	-	3,576,343
Reimbursement for Services	-	-	1,200	607,739	-	-	143,572
Program Income	-	-	-	-	-	-	-
Investment Earnings	12,217	4,900	11,181	37,242	11,826	-	15,427
Donations	-	-	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-
Private Sector Share of Projects	-	-	-	-	-	-	-
Miscellaneous	-	-	32,567	6,910	-	-	168,103
Total Revenues	<u>12,217</u>	<u>236,779</u>	<u>8,893,576</u>	<u>7,846,694</u>	<u>2,638,056</u>	<u>6,445,016</u>	<u>6,979,475</u>
Expenditures -- Current:							
General Government	200,366	713,888	-	-	2,694,940	6,445,016	-
Public Safety	-	-	-	-	-	-	-
Culture and Recreation	-	-	9,043,199	-	-	-	-
Economic Opportunity	-	-	-	-	-	-	-
Health and Welfare	-	-	-	14,107,260	-	-	-
Mass Transit	-	-	-	-	-	-	12,109,514
Total Expenditures	<u>200,366</u>	<u>713,888</u>	<u>9,043,199</u>	<u>14,107,260</u>	<u>2,694,940</u>	<u>6,445,016</u>	<u>12,109,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(188,149)</u>	<u>(477,109)</u>	<u>(149,623)</u>	<u>(6,260,566)</u>	<u>(56,884)</u>	<u>-</u>	<u>(5,130,039)</u>
Other Financing Sources (Uses):							
Transfers In	-	-	4,000	6,505,444	-	-	7,099,749
Transfers Out	-	-	-	(24,854)	-	-	-
Sale of Capital Assets	431,573	-	494	-	-	-	5,327
Total Other Financing Sources (Uses)	<u>431,573</u>	<u>-</u>	<u>4,494</u>	<u>6,480,590</u>	<u>-</u>	<u>-</u>	<u>7,105,076</u>
Net Change In Fund Balances	243,424	(477,109)	(145,129)	220,024	(56,884)	-	1,975,037
Fund Balances (Deficits) - Beginning	<u>1,110,491</u>	<u>1,158,978</u>	<u>3,105,660</u>	<u>2,811,463</u>	<u>1,989,032</u>	<u>-</u>	<u>3,676,528</u>
Fund Balances (Deficits) - Ending	<u>\$ 1,353,915</u>	<u>681,869</u>	<u>2,960,531</u>	<u>3,031,487</u>	<u>1,932,148</u>	<u>-</u>	<u>5,651,565</u>

Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Parks & Recreation Special Projects	Library Special Trust	RP Crawford Park	Lincoln Bike Share	Total
-	-	-	-	-	-	-	-	-	16,743,555
-	-	-	-	-	-	-	-	-	10,378
-	14,021	-	-	-	-	-	-	-	14,977
-	19,514,982	-	-	-	4,875	-	-	114,000	25,985,788
-	238,183	-	5,677,562	136,402	-	-	-	-	14,944,256
-	542,620	-	149,942	-	146,066	-	-	-	1,591,139
-	22,726	-	-	-	-	-	-	-	22,726
31,725	3,665	19,179	51,753	-	8,660	1,093	201,458	386	410,712
-	54,185	-	-	-	181,252	96,441	-	160,000	491,878
4,559,104	-	-	-	-	-	-	-	-	4,559,104
-	61,848	188,457	-	-	64,020	-	-	-	314,325
-	6,087	-	313	-	77,247	-	-	-	291,227
4,590,829	20,458,317	207,636	5,879,570	136,402	482,120	97,534	201,458	274,386	65,380,065
1,717,900	376,105	1,035,805	-	116,832	-	-	-	-	13,300,852
-	3,645,906	-	5,987,744	-	-	-	-	-	9,633,650
565,833	1,200,587	-	-	-	336,530	104,385	-	-	11,250,534
-	9,829,764	-	-	-	-	-	-	-	9,829,764
-	5,894,683	-	-	-	-	-	-	-	20,001,943
-	270,570	-	-	-	-	-	-	-	12,380,084
2,283,733	21,217,615	1,035,805	5,987,744	116,832	336,530	104,385	-	-	76,396,827
2,307,096	(759,298)	(828,169)	(108,174)	19,570	145,590	(6,851)	201,458	274,386	(11,016,762)
-	484,269	1,040,623	1,144,708	-	-	-	-	-	16,278,793
(2,130,644)	(201,994)	(315,277)	-	-	(17,358)	-	-	-	(2,690,127)
-	-	-	-	-	113	-	-	-	437,507
(2,130,644)	282,275	725,346	1,144,708	-	(17,245)	-	-	-	14,026,173
176,452	(477,023)	(102,823)	1,036,534	19,570	128,345	(6,851)	201,458	274,386	3,009,411
4,992,848	19,928,150	611,471	7,141,602	(130,824)	1,310,656	151,906	795,504	-	48,653,465
5,169,300	19,451,127	508,648	8,178,136	(111,254)	1,439,001	145,055	996,962	274,386	51,662,876



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:

- 2007 Certificates of Participation – Street Lights
- 2007 Stormwater Drainage and Flood Management System Bonds
- 2008 Certificates of Participation – Street Lights
- 2009 Certificates of Participation – Street Lights
- 2010 Certificates of Participation – Street Lights & Emergency Equipment
- 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
- 2013 Stormwater Bonds
- 2014A Certificates of Participation – Street Lights, Corridor Improvements, Sidewalks
- 2015 Storm Sewer and Drainage System Refunding Bonds
- 2015 Certificates of Participation – Street Lights
- 2016 Stormwater Bonds
- 2016 Certificates of Participation – Street Lights, Fire Equipment, and Fire Station

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, 2016

	<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	\$ 200,827	140,596	155,705	1,492,196	1,989,324
Investments	4,629,398	3,221,646	3,575,874	-	11,426,918
Receivables (Net of Allowance for Uncollectibles):					
Taxes	1,177,406	553,586	-	-	1,730,992
Accrued Interest	6,538	3,723	7,939	-	18,200
Special Assessment	-	-	-	2,512,830	2,512,830
Due from Other Governments	-	368	-	148,118	148,486
Total Assets	<u>6,014,169</u>	<u>3,919,919</u>	<u>3,739,518</u>	<u>4,153,144</u>	<u>17,826,750</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due To Other Contractors	<u>3,051,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,051,155</u>
Deferred Inflows of Resources:					
Unavailable Revenues	<u>-</u>	<u>97,158</u>	<u>-</u>	<u>2,162,844</u>	<u>2,260,002</u>
Fund Balances:					
Restricted	1,706,975	3,822,761	3,739,518	1,990,300	11,259,554
Committed	1,256,039	-	-	-	1,256,039
Total Fund Balances	<u>2,963,014</u>	<u>3,822,761</u>	<u>3,739,518</u>	<u>1,990,300</u>	<u>12,515,593</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 6,014,169</u>	<u>3,919,919</u>	<u>3,739,518</u>	<u>4,153,144</u>	<u>17,826,750</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, 2016

	Tax Allocation Projects	Bond Interest & Redemption	Tax Supported Bonds	Special Assessment	Total
Revenues:					
Real Property and Personal Property Tax	\$ 7,767,591	5,825,058	-	-	13,592,649
Sundry and In Lieu Tax	-	3,599	1,551,663	-	1,555,262
Special Assessment	-	-	-	1,112,728	1,112,728
Special Assessment Interest	-	-	-	252,431	252,431
Intergovernmental	-	-	1,000,000	-	1,000,000
Investment Earnings	21,781	16,213	37,080	-	75,074
Miscellaneous	175,253	-	-	-	175,253
Total Revenues	<u>7,964,625</u>	<u>5,844,870</u>	<u>2,588,743</u>	<u>1,365,159</u>	<u>17,763,397</u>
Expenditures -- Debt Service:					
Principal Retirement	1,634,540	4,730,000	5,170,000	175,000	11,709,540
Interest	298,006	1,414,275	2,653,750	106,123	4,472,154
Fiscal Charges	23,486	13,420	2,274	800	39,980
Capital Lease Principal	-	4,056,672	-	-	4,056,672
Capital Lease Interest	-	558,491	-	-	558,491
Debt Issuance Expense	7,500	-	-	-	7,500
Developer Purchased TIF Payments	5,216,258	-	-	-	5,216,258
Miscellaneous	59,598	1,000	3,417	3,122	67,137
Total Expenditures	<u>7,239,388</u>	<u>10,773,858</u>	<u>7,829,441</u>	<u>285,045</u>	<u>26,127,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>725,237</u>	<u>(4,928,988)</u>	<u>(5,240,698)</u>	<u>1,080,114</u>	<u>(8,364,335)</u>
Other Financing Sources (Uses):					
Transfers In	-	4,720,735	5,044,844	-	9,765,579
Transfers Out	(893,377)	-	-	(1,040,623)	(1,934,000)
Total Other Financing Sources (Uses)	<u>(893,377)</u>	<u>4,720,735</u>	<u>5,044,844</u>	<u>(1,040,623)</u>	<u>7,831,579</u>
Net Change in Fund Balances	(168,140)	(208,253)	(195,854)	39,491	(532,756)
Fund Balances - Beginning	<u>3,131,154</u>	<u>4,031,014</u>	<u>3,935,372</u>	<u>1,950,809</u>	<u>13,048,349</u>
Fund Balances - Ending	<u>\$ 2,963,014</u>	<u>3,822,761</u>	<u>3,739,518</u>	<u>1,990,300</u>	<u>12,515,593</u>



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).

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, ¼ cent sales tax collections, 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, 2016

	Vehicle Tax	Storm Sewer Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Total
ASSETS						
Cash and Cash Equivalents	\$ 16,354	370,164	1,731	4,930,918	16,124	5,335,291
Investments	-	8,562,554	27,483	6,580,707	-	15,170,744
Accrued Interest Receivable	11,182	9,723	57	15,071	-	36,033
Due from Other Funds	-	-	-	1,209,711	126,820	1,336,531
Due From Other Governments	1,723,389	116,038	-	2,441,458	-	4,280,885
Total Assets	<u>1,750,925</u>	<u>9,058,479</u>	<u>29,271</u>	<u>15,177,865</u>	<u>142,944</u>	<u>26,159,484</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	2	372,285	-	1,380,846	140,619	1,893,752
Due to Other Funds	-	3,762	-	1,848,523	2,325	1,854,610
Total Liabilities	<u>2</u>	<u>376,047</u>	<u>-</u>	<u>3,229,369</u>	<u>142,944</u>	<u>3,748,362</u>
Deferred Inflows of Resources:						
Unavailable Revenues	-	101,081	-	291,674	-	392,755
Fund Balances:						
Restricted	1,750,923	8,581,351	-	11,656,822	-	21,989,096
Assigned	-	-	29,271	-	-	29,271
Total Fund Balances	<u>1,750,923</u>	<u>8,581,351</u>	<u>29,271</u>	<u>11,656,822</u>	<u>-</u>	<u>22,018,367</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 1,750,925</u>	<u>9,058,479</u>	<u>29,271</u>	<u>15,177,865</u>	<u>142,944</u>	<u>26,159,484</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>Vehicle Tax</u>	<u>Storm Sewer Bonds</u>	<u>1999 G.O. Various Purpose Bonds</u>	<u>Other Capital Projects</u>	<u>Special Assessment</u>	<u>Total</u>
Revenues:						
Wheel Tax	\$ 18,061,400	-	-	-	-	18,061,400
Sales and Use Tax	-	-	-	11,255,204	-	11,255,204
Intergovernmental	-	1,249,761	-	581,017	-	1,830,778
Permits and Fees	-	-	-	245,410	-	245,410
Investment Income	29,768	27,798	216	35,310	-	93,092
Donations	-	-	-	1,771,437	-	1,771,437
Developer's Share	-	-	-	160,096	-	160,096
Miscellaneous	-	-	-	7,113	-	7,113
Total Revenues	<u>18,091,168</u>	<u>1,277,559</u>	<u>216</u>	<u>14,055,587</u>	<u>-</u>	<u>33,424,530</u>
Expenditures:						
Debt Service:						
Debt Issuance Expense	-	113,800	-	252	-	114,052
Capital Outlay:						
General Government	-	-	-	7,702	-	7,702
Public Safety	-	-	-	5,363,524	-	5,363,524
Streets and Highways	11	3,317,140	-	330,161	714,199	4,361,511
Culture and Recreation	-	-	13,867	5,866,091	-	5,879,958
Economic Opportunity	-	-	-	3,933,279	-	3,933,279
Total Expenditures	<u>11</u>	<u>3,430,940</u>	<u>13,867</u>	<u>15,501,009</u>	<u>714,199</u>	<u>19,660,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,091,157</u>	<u>(2,153,381)</u>	<u>(13,651)</u>	<u>(1,445,422)</u>	<u>(714,199)</u>	<u>13,764,504</u>
Other Financing Sources (Uses):						
Transfers In	-	75,558	-	9,633,626	708,639	10,417,823
Transfers Out	(20,765,237)	(883,356)	-	(1,914,331)	-	(23,562,924)
Issuance of Debt	-	6,300,000	-	4,380,000	-	10,680,000
Premium on Debt Issued	-	214,531	-	258,859	-	473,390
Sale of Capital Assets	-	-	-	6,228	-	6,228
Total Other Financing Sources (Uses)	<u>(20,765,237)</u>	<u>5,706,733</u>	<u>-</u>	<u>12,364,382</u>	<u>708,639</u>	<u>(1,985,483)</u>
Net Change in Fund Balances	<u>(2,674,080)</u>	<u>3,553,352</u>	<u>(13,651)</u>	<u>10,918,960</u>	<u>(5,560)</u>	<u>11,779,021</u>
Fund Balances - Beginning	<u>4,425,003</u>	<u>5,027,999</u>	<u>42,922</u>	<u>737,862</u>	<u>5,560</u>	<u>10,239,346</u>
Fund Balances - Ending	<u>\$ 1,750,923</u>	<u>8,581,351</u>	<u>29,271</u>	<u>11,656,822</u>	<u>-</u>	<u>22,018,367</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.

JJ 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, 2016

	Community Health Permanent Endowment	JJ Hompes	Total
	<hr/>	<hr/>	<hr/>
ASSETS			
Cash and Cash Equivalents	\$ 671,792	32,007	703,799
Investments	62,880,485	719,685	63,600,170
Accrued Interest Receivable	2,200	46	2,246
	<hr/>	<hr/>	<hr/>
Total Assets	63,554,477	751,738	64,306,215
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	15,590	2,862	18,452
Accrued Liabilities	10,596	-	10,596
Due to Other Funds	107	-	107
	<hr/>	<hr/>	<hr/>
Total Liabilities	26,293	2,862	29,155
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Nonspendable	37,000,000	160,000	37,160,000
Restricted	26,528,184	588,876	27,117,060
	<hr/>	<hr/>	<hr/>
Total Fund Balances	63,528,184	748,876	64,277,060
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 63,554,477	751,738	64,306,215
	<hr/>	<hr/>	<hr/>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Community Health Permanent Endowment	JJ Hompes	Total
Revenues:			
Investment Earnings	\$ 4,381,974	35,967	4,417,941
Miscellaneous	25,000	-	25,000
Total Revenues	<u>4,406,974</u>	<u>35,967</u>	<u>4,442,941</u>
Expenditures -- Current:			
Culture and Recreation	-	3,913	3,913
Health and Welfare	2,164,715	-	2,164,715
Total Expenditures	<u>2,164,715</u>	<u>3,913</u>	<u>2,168,628</u>
Net Change in Fund Balances	2,242,259	32,054	2,274,313
Fund Balances - Beginning	<u>61,285,925</u>	<u>716,822</u>	<u>62,002,747</u>
Fund Balances - Ending	<u><u>\$ 63,528,184</u></u>	<u><u>748,876</u></u>	<u><u>64,277,060</u></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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 199,200	199,200	233,793	34,593
Investment Earnings	-	-	5,953	5,953
Total Revenues	<u>199,200</u>	<u>199,200</u>	<u>239,746</u>	<u>40,546</u>
Expenditures -- General Government:				
Personal Services	24,200	24,200	23,857	343
Materials and Supplies	10,000	10,000	680,326	(670,326)
Other Services and Charges	15,000	15,000	14,102	898
Capital Outlay	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total Expenditures	<u>199,200</u>	<u>199,200</u>	<u>718,285</u>	<u>(519,085)</u>
Deficiency of Revenues Under Expenditures	-	-	(478,539)	(478,539)
Fund Balances - Beginning	<u>1,126,096</u>	<u>1,126,096</u>	<u>1,126,096</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 1,126,096</u></u>	<u><u>1,126,096</u></u>	<u><u>647,557</u></u>	<u><u>(478,539)</u></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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 6,991,817	6,991,817	7,622,886	631,069
Sundry Taxes and In Lieu	4,360	4,360	4,721	361
Intergovernmental	765,709	765,709	792,779	27,070
Permits and Fees	378,543	378,543	371,290	(7,253)
Investment Earnings	3,200	3,200	11,543	8,343
Rental Income	1,200	1,200	1,200	-
Miscellaneous	24,140	24,140	32,326	8,186
Total Revenues	8,168,969	8,168,969	8,836,745	667,776
Expenditures -- Culture and Recreation:				
Personal Services	6,370,629	6,644,893	6,524,777	120,116
Materials and Supplies	158,652	158,652	147,145	11,507
Other Services and Charges	1,765,439	1,660,439	1,449,724	210,715
Capital Outlay	880,000	985,000	918,792	66,208
Total Expenditures	9,174,720	9,448,984	9,040,438	408,546
Deficiency of Revenues Under Expenditures	(1,005,751)	(1,280,015)	(203,693)	1,076,322
Other Financing Sources:				
Transfers In	-	-	4,000	4,000
Sale of Capital Assets	500	500	494	(6)
Total Other Financing Sources	500	500	4,494	3,994
Net Change in Fund Balances	(1,005,251)	(1,279,515)	(199,199)	1,080,316
Fund Balances - Beginning	3,248,764	3,248,764	3,248,764	-
Fund Balances - Ending	\$ 2,243,513	1,969,249	3,049,565	1,080,316

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special Assessment	\$ -	-	956	956
Intergovernmental	2,802,754	2,802,754	2,875,276	72,522
Permits and Fees	5,183,082	5,183,082	4,655,675	(527,407)
Reimbursement for Services	208,835	208,835	600,700	391,865
Investment Earnings	-	-	34,636	34,636
Miscellaneous	-	-	6,870	6,870
Total Revenues	<u>8,194,671</u>	<u>8,194,671</u>	<u>8,174,113</u>	<u>(20,558)</u>
Expenditures -- Health and Welfare:				
Personal Services	9,672,956	10,078,384	9,543,509	534,875
Materials and Supplies	310,300	312,446	258,264	54,182
Other Services and Charges	5,633,833	5,482,370	4,109,732	1,372,638
Capital Outlay	125,985	142,008	142,894	(886)
Total Expenditures	<u>15,743,074</u>	<u>16,015,208</u>	<u>14,054,399</u>	<u>1,960,809</u>
Deficiency of Revenues Under Expenditures	<u>(7,548,403)</u>	<u>(7,820,537)</u>	<u>(5,880,286)</u>	<u>1,940,251</u>
Other Financing Sources (Uses):				
Transfers In	6,261,539	6,261,539	6,505,444	243,905
Transfers Out	-	(4,854)	(24,854)	(20,000)
Total Other Financing Sources (Uses)	<u>6,261,539</u>	<u>6,256,685</u>	<u>6,480,590</u>	<u>223,905</u>
Net Change in Fund Balances	<u>(1,286,864)</u>	<u>(1,563,852)</u>	<u>600,304</u>	<u>2,164,156</u>
Fund Balances - Beginning	<u>2,913,153</u>	<u>2,913,153</u>	<u>2,913,153</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,626,289</u>	<u>1,349,301</u>	<u>3,513,457</u>	<u>2,164,156</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Real Property and Personal Property Tax	\$ 2,390,407	2,390,407	2,622,898	232,491
Sundry Taxes and In Lieu	1,617	1,617	1,627	10
Investment Earnings	3,000	3,000	11,506	8,506
Total Revenues	<u>2,395,024</u>	<u>2,395,024</u>	<u>2,636,031</u>	<u>241,007</u>
Expenditures -- General Government:				
Personal Services	2,503,501	2,567,434	2,478,323	89,111
Other Services and Charges	178,400	178,400	148,319	30,081
Total Expenditures	<u>2,681,901</u>	<u>2,745,834</u>	<u>2,626,642</u>	<u>119,192</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(286,877)	(350,810)	9,389	360,199
Fund Balances - Beginning	<u>2,304,399</u>	<u>2,304,399</u>	<u>2,304,399</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,017,522</u>	<u>1,953,589</u>	<u>2,313,788</u>	<u>360,199</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 2,512,000	2,512,000	3,026,022	514,022
Permits and Fees	2,709,153	2,709,153	2,748,687	39,534
Reimbursement for Services	-	-	143,572	143,572
Miscellaneous	-	-	170,962	170,962
Total Revenues	5,221,153	5,221,153	6,089,243	868,090
Expenditures -- Mass Transit:				
Personal Services	8,564,088	9,261,762	8,885,350	376,412
Materials and Supplies	2,020,215	2,137,215	1,282,490	854,725
Other Services and Charges	2,533,997	1,458,997	1,469,988	(10,991)
Capital Outlay	-	25,000	6,679	18,321
Total Expenditures	13,118,300	12,882,974	11,644,507	1,238,467
Deficiency of Revenues Under Expenditures	(7,897,147)	(7,661,821)	(5,555,264)	2,106,557
Other Financing Sources:				
Transfers In	6,716,715	6,716,715	7,096,761	380,046
Net Change in Fund Balances	(1,180,432)	(945,106)	1,541,497	2,486,603
Amount Budgeted on Project Basis	658,301	658,301	658,301	-
Fund Balances - Beginning	3,444,594	3,444,594	3,444,594	-
Fund Balances - Ending	\$ 2,922,463	3,157,789	5,644,392	2,486,603



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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Investment Earnings	\$ -	-	32,137	32,137
Keno Proceeds	3,101,794	3,101,794	4,505,986	1,404,192
Total Revenues	3,101,794	3,101,794	4,538,123	1,436,329
Expenditures:				
General Government:				
Other Services and Charges	1,193,981	1,193,981	1,695,831	(501,850)
Culture and Recreation:				
Materials and Supplies	-	-	8,265	(8,265)
Other Services and Charges	-	85,000	54,018	30,982
Capital Outlay	124,273	643,579	500,953	142,626
Total Expenditures	1,318,254	1,922,560	2,259,067	(336,507)
Excess of Revenues Over Expenditures	1,783,540	1,179,234	2,279,056	1,099,822
Other Financing Uses:				
Transfers Out	(4,573,229)	(3,968,923)	(2,125,195)	1,843,728
Net Change in Fund Balances	(2,789,689)	(2,789,689)	153,861	2,943,550
Fund Balances - Beginning	5,320,851	5,320,851	5,320,851	-
Fund Balances - Ending	<u>\$ 2,531,162</u>	<u>2,531,162</u>	<u>5,474,712</u>	<u>2,943,550</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 19,354,874	19,354,874	19,591,741	236,867
Permits and Fees	235,989	235,989	235,989	-
Reimbursement for Services	549,082	549,082	544,434	(4,648)
Program Income	1,207,389	1,207,389	1,369,393	162,004
Investment Earnings	4,300	4,300	4,349	49
Donations	54,135	54,135	54,135	-
Private Sector Share of Project	61,848	61,848	61,848	-
Miscellaneous	6,118	6,118	6,140	22
Total Revenues	21,473,735	21,473,735	21,868,029	394,294
Expenditures:				
General Government:				
Materials and Supplies	28	28	28	-
Other Services and Charges	309,344	309,344	309,344	-
Capital Outlay	41,511	41,511	41,511	-
Total General Government	350,883	350,883	350,883	-
Public Safety:				
Personal Services	1,247,857	1,247,857	1,247,857	-
Materials and Supplies	1,044,665	1,044,665	1,044,665	-
Other Services and Charges	1,138,937	1,138,937	1,138,937	-
Capital Outlay	169,194	169,194	169,194	-
Total Public Safety	3,600,653	3,600,653	3,600,653	-
Culture and Recreation:				
Personal Services	468,033	468,033	468,033	-
Materials and Supplies	24,321	24,321	24,321	-
Other Services and Charges	199,483	199,483	199,483	-
Capital Outlay	489,383	489,383	489,383	-
Total Culture and Recreation	1,181,220	1,181,220	1,181,220	-
Economic Opportunity:				
Personal Services	4,891,430	4,891,271	4,819,765	71,506
Materials and Supplies	77,329	77,329	79,440	(2,111)
Other Services and Charges	1,993,050	2,266,781	1,918,112	348,669
Capital Outlay	64,898	361,397	118,084	243,313
Loans and Grants	3,550,897	4,489,791	3,989,897	499,894
Total Economic Opportunity	10,577,604	12,086,569	10,925,298	1,161,271

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Health and Welfare:				
Personal Services	3,413,451	3,413,451	3,413,451	-
Materials and Supplies	266,343	266,343	266,343	-
Other Services and Charges	2,235,509	2,235,509	2,235,509	-
Capital Outlay	67,856	67,856	67,856	-
Loans and Grants	19,463	19,463	19,463	-
Total Health and Welfare	6,002,622	6,002,622	6,002,622	-
Mass Transit:				
Personal Services	269,509	269,509	269,509	-
Other Services and Charges	393	393	393	-
Total Mass Transit	269,902	269,902	269,902	-
Total Expenditures	21,982,884	23,491,849	22,330,578	1,161,271
Deficiency of Revenues Under Expenditures	(509,149)	(2,018,114)	(462,549)	1,555,565
Other Financing Sources (Uses):				
Transfers In	464,346	464,346	484,269	19,923
Transfers Out	(201,994)	(201,994)	(201,994)	-
Total Other Financing Sources (Uses)	262,352	262,352	282,275	19,923
Net Change in Fund Balances	(246,797)	(1,755,762)	(180,274)	1,575,488
Fund Balances - Beginning	870,268	870,268	870,268	-
Fund Balances (Deficits) - Ending	\$ 623,471	(885,494)	689,994	1,575,488

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Permits and Fees	\$ 5,079,847	5,079,847	5,685,827	605,980
Reimbursement for Services	-	-	150,187	150,187
Investment Earnings	-	-	48,088	48,088
Miscellaneous	-	-	313	313
Total Revenues	<u>5,079,847</u>	<u>5,079,847</u>	<u>5,884,415</u>	<u>804,568</u>
Expenditures -- Public Safety:				
Personal Services	4,985,320	5,202,828	5,014,038	188,790
Materials and Supplies	58,046	59,414	36,664	22,750
Other Services and Charges	1,170,233	1,292,003	950,419	341,584
Capital Outlay	<u>201,850</u>	<u>133,870</u>	<u>5,372</u>	<u>128,498</u>
Total Expenditures	<u>6,415,449</u>	<u>6,688,115</u>	<u>6,006,493</u>	<u>681,622</u>
Deficiency of Revenues Under Expenditures	(1,335,602)	(1,608,268)	(122,078)	1,486,190
Other Financing Sources:				
Transfers In	<u>1,121,043</u>	<u>1,121,043</u>	<u>1,144,708</u>	<u>23,665</u>
Net Change in Fund Balances	(214,559)	(487,225)	1,022,630	1,509,855
Fund Balances - Beginning	<u>7,429,548</u>	<u>7,429,548</u>	<u>7,429,548</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 7,214,989</u>	<u>6,942,323</u>	<u>8,452,178</u>	<u>1,509,855</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Investment Earnings	\$ -	-	964	964
Donations	104,870	104,870	96,441	(8,429)
Total Revenues	104,870	104,870	97,405	(7,465)
Expenditures -- Culture and Recreation:				
Personal Services	94,620	94,620	93,249	1,371
Other Services and Charges	250	250	-	250
Capital Outlay	10,000	10,000	9,918	82
Total Expenditures	104,870	104,870	103,167	1,703
Deficiency of Revenues Under Expenditures	-	-	(5,762)	(5,762)
Amount Not Required to be Budgeted	(494)	(494)	(494)	-
Fund Balances - Beginning	156,439	156,439	156,439	-
Fund Balances - Ending	\$ 155,945	155,945	150,183	(5,762)

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 1,986,357	1,986,357	7,475,856	5,489,499
Investment Earnings	-	-	20,787	20,787
Miscellaneous	-	-	175,253	175,253
Total Revenues	1,986,357	1,986,357	7,671,896	5,685,539
Expenditures -- Debt Service:				
Principal Retirement	1,662,981	1,662,981	1,634,540	28,441
Interest	323,376	323,376	298,006	25,370
Fiscal Charges	-	-	23,486	(23,486)
Developer Purchased TIF Payments	-	-	3,681,862	(3,681,862)
Miscellaneous	-	-	67,098	(67,098)
Total Expenditures	1,986,357	1,986,357	5,704,992	(3,718,635)
Excess of Revenues Over Expenditures	-	-	1,966,904	1,966,904
Other Financing Uses:				
Transfers Out	-	-	(893,377)	(893,377)
Net Change in Fund Balances	-	-	1,073,527	1,073,527
Fund Balances - Beginning	3,458,216	3,458,216	3,458,216	-
Fund Balances - Ending	\$ 3,458,216	3,458,216	4,531,743	1,073,527

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 5,307,402	5,307,402	5,829,094	521,692
Sundry and In Lieu Tax	3,450	3,450	3,617	167
Investment Earnings	5,300	5,300	16,142	10,842
Total Revenues	5,316,152	5,316,152	5,848,853	532,701
Expenditures -- Debt Service:				
Principal Retirement	4,710,000	4,710,000	4,730,000	(20,000)
Interest	1,495,500	1,495,500	1,414,275	81,225
Fiscal Charges	-	-	13,420	(13,420)
Capital Lease Principal	-	-	4,056,672	(4,056,672)
Capital Lease Interest	-	-	558,491	(558,491)
Miscellaneous	-	-	1,000	(1,000)
Total Expenditures	6,205,500	6,205,500	10,773,858	(4,568,358)
Deficiency of Revenues Under Expenditures	(889,348)	(889,348)	(4,925,005)	(4,035,657)
Other Financing Sources:				
Transfers In	-	-	4,720,735	4,720,735
Net Change in Fund Balances	(889,348)	(889,348)	(204,270)	685,078
Fund Balances - Beginning	4,371,956	4,371,956	4,371,956	-
Fund Balances - Ending	\$ 3,482,608	3,482,608	4,167,686	685,078

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Sundry and In Lieu Tax	\$ 1,801,532	1,801,532	1,551,663	(249,869)
Intergovernmental	977,400	977,400	1,000,000	22,600
Investment Earnings	-	-	57,059	57,059
Total Revenues	<u>2,778,932</u>	<u>2,778,932</u>	<u>2,608,722</u>	<u>(170,210)</u>
Expenditures -- Debt Service:				
Principal Retirement	5,170,000	5,170,000	5,170,000	-
Interest	2,653,932	2,653,932	2,653,750	182
Fiscal Charges	-	-	2,274	(2,274)
Miscellaneous	-	-	3,417	(3,417)
Total Expenditures	<u>7,823,932</u>	<u>7,823,932</u>	<u>7,829,441</u>	<u>(5,509)</u>
Deficiency of Revenues Under Expenditures	(5,045,000)	(5,045,000)	(5,220,719)	(175,719)
Other Financing Sources:				
Transfer In	<u>5,045,000</u>	<u>5,045,000</u>	<u>5,044,844</u>	<u>(156)</u>
Net Change in Fund Balances	-	-	(175,875)	(175,875)
Fund Balances - Beginning	<u>3,905,191</u>	<u>3,905,191</u>	<u>3,905,191</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,905,191</u>	<u>3,905,191</u>	<u>3,729,316</u>	<u>(175,875)</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment Earnings	\$ 2,711,726	2,711,726	4,386,891	1,675,165
Miscellaneous	-	-	25,000	25,000
Total Revenues	2,711,726	2,711,726	4,411,891	1,700,165
Expenditures -- Health and Welfare:				
Personal Services	373,955	373,955	359,662	14,293
Materials and Supplies	9,000	9,000	3,997	5,003
Other Services and Charges	78,771	78,771	88,662	(9,891)
Grants	4,714,230	4,714,230	1,895,848	2,818,382
Total Expenditures	5,175,956	5,175,956	2,348,169	2,827,787
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,464,230)	(2,464,230)	2,063,722	4,527,952
Fund Balances - Beginning	61,517,064	61,517,064	61,517,064	-
Fund Balances - Ending	\$ 59,052,834	59,052,834	63,580,786	4,527,952

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Reimbursement for Services	\$ 20,000	20,000	-	(20,000)
Investment Earnings	-	-	4,880	4,880
Rental Income	323,300	323,300	364,408	41,108
Miscellaneous	-	-	23,150	23,150
Total Revenues	<u>343,300</u>	<u>343,300</u>	<u>392,438</u>	<u>49,138</u>
Other Financing Uses:				
Transfers Out	<u>(1,009,243)</u>	<u>(1,009,243)</u>	<u>(122,295)</u>	<u>886,948</u>
Net Change in Fund Balances	(665,943)	(665,943)	270,143	936,086
Fund Balances - Beginning	<u>834,042</u>	<u>834,042</u>	<u>834,042</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 168,099</u>	<u>168,099</u>	<u>1,104,185</u>	<u>936,086</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,152,862	1,152,862	1,320,457	167,595
Permits and Fees	75,700	75,700	54,281	(21,419)
Reimbursement for Services	75,000	75,000	49,609	(25,391)
Client Contributions	175,000	175,000	140,089	(34,911)
Investment Earnings	-	-	4,096	4,096
Donations	67,335	67,335	2,175	(65,160)
Miscellaneous	-	-	690	690
Total Revenues	<u>1,545,897</u>	<u>1,545,897</u>	<u>1,571,397</u>	<u>25,500</u>
Expenditures -- Economic Opportunity:				
Personal Services	2,669,591	2,770,272	2,517,055	253,217
Materials and Supplies	274,870	274,870	229,834	45,036
Other Services and Charges	1,170,580	1,272,839	938,935	333,904
Capital Outlay	<u>5,140</u>	<u>18,814</u>	<u>12,212</u>	<u>6,602</u>
Total Expenditures	<u>4,120,181</u>	<u>4,336,795</u>	<u>3,698,036</u>	<u>638,759</u>
Deficiency of Revenues Under Expenditures	(2,574,284)	(2,790,898)	(2,126,639)	664,259
Other Financing Sources:				
Transfers In	<u>2,276,561</u>	<u>2,276,561</u>	<u>2,356,601</u>	<u>80,040</u>
Net Change in Fund Balances	(297,723)	(514,337)	229,962	744,299
Fund Balances - Beginning	<u>486,293</u>	<u>486,293</u>	<u>486,293</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 188,570</u>	<u>(28,044)</u>	<u>716,255</u>	<u>744,299</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 349,761	349,761	573,107	223,346
Permits and Fees	1,344,676	1,344,676	1,123,962	(220,714)
Reimbursement for Services	16,000	16,000	16,000	-
Investment Earnings	-	-	17,066	17,066
Miscellaneous	-	-	162	162
Total Revenues	<u>1,710,437</u>	<u>1,710,437</u>	<u>1,730,297</u>	<u>19,860</u>
Expenditures -- Public Safety:				
Personal Services	4,575,024	4,732,422	4,302,953	429,469
Materials and Supplies	31,600	31,600	20,298	11,302
Other Services and Charges	763,114	763,114	649,051	114,063
Capital Outlay	<u>325,000</u>	<u>485,000</u>	<u>23,750</u>	<u>461,250</u>
Total Expenditures	<u>5,694,738</u>	<u>6,012,136</u>	<u>4,996,052</u>	<u>1,016,084</u>
Deficiency of Revenues Under Expenditures	<u>(3,984,301)</u>	<u>(4,301,699)</u>	<u>(3,265,755)</u>	<u>1,035,944</u>
Other Financing Sources (Uses):				
Transfers In	3,522,012	3,522,012	3,666,818	144,806
Transfers Out	<u>(853)</u>	<u>(853)</u>	<u>-</u>	<u>853</u>
Total Other Financing Sources (Uses)	<u>3,521,159</u>	<u>3,521,159</u>	<u>3,666,818</u>	<u>145,659</u>
Net Change in Fund Balances	(463,142)	(780,540)	401,063	1,181,603
Fund Balances - Beginning	<u>2,611,014</u>	<u>2,611,014</u>	<u>2,611,014</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,147,872</u>	<u>1,830,474</u>	<u>3,012,077</u>	<u>1,181,603</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 49,835	49,835	48,052	(1,783)
Sundry Taxes and In Lieu	-	-	29	29
Investment Earnings	-	-	150	150
Total Revenues	<u>49,835</u>	<u>49,835</u>	<u>48,231</u>	<u>(1,604)</u>
Expenditures -- General Government:				
Unemployment Insurance Payments	<u>50,000</u>	<u>50,000</u>	<u>31,280</u>	<u>18,720</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(165)	(165)	16,951	17,116
Fund Balances - Beginning	<u>30,390</u>	<u>30,390</u>	<u>30,390</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 30,225</u></u>	<u><u>30,225</u></u>	<u><u>47,341</u></u>	<u><u>17,116</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Other Financing Sources (Uses):				
Transfers In	\$ 257,550	257,550	257,550	-
Transfers Out	-	-	(257,550)	(257,550)
Total Other Financing Sources (Uses)	<u>257,550</u>	<u>257,550</u>	<u>-</u>	<u>(257,550)</u>
Net Change in Fund Balances	257,550	257,550	-	(257,550)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 257,550</u></u>	<u><u>257,550</u></u>	<u><u>-</u></u>	<u><u>(257,550)</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 nine downtown parking garages: Carriage Park, Que Place, Center Park, Cornhusker Square, University Square, Market Place, Haymarket, Larson Building, and Lumberworks; 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 West Haymarket Joint Public Agency.

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

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 ambulance service.

Broadband Enterprise Fund - To account for the revenues generated from broadband franchise fees, conduit lease fees, fiber infrastructure support fees, conduit access permit fees, and other sources arising from the activities associated with a broadband franchise. These resources are to be used to support the construction, maintenance, operations, extensions, and other associated activities of the City's broadband system, as well as to support the City's telecommunication needs.

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2016

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 68,092	835,456	4,337,325	340,202	48,373	-	5,629,448
Investments	32,862	5,310,070	-	3,406,022	715,226	-	9,464,180
Receivables (Net of Allowance for Uncollectibles)	-	95,822	121,228	2,088,204	1,391,617	-	3,696,871
Due from Other Funds	-	155,294	5,882	8,664	-	-	169,840
Due from Other Governments	-	9,290	19,047	4,318	-	-	32,655
Inventories	72,059	-	133,100	-	197,156	-	402,315
Prepaid Expenses	-	-	89,910	-	-	-	89,910
Total Current Assets	173,013	6,405,932	4,706,492	5,847,410	2,352,372	-	19,485,219
Noncurrent Assets:							
Investments	19,051	3,078,423	-	1,974,584	414,640	-	5,486,698
Restricted Assets:							
Cash and Cash Equivalents	-	2,903,585	-	160,449	-	-	3,064,034
Investments	-	2,500,974	-	3,691,914	-	-	6,192,888
Receivables	-	4,776	-	10,032	-	-	14,808
Total Restricted Assets	-	5,409,335	-	3,862,395	-	-	9,271,730
Capital Assets:							
Land	1,068,949	10,116,204	-	1,540,452	-	-	12,725,605
Buildings	4,072,888	69,808,799	-	2,076,504	168,363	-	76,126,554
Improvements Other Than Buildings	7,857,763	571,654	-	41,211,522	-	-	49,640,939
Machinery and Equipment	2,931,942	3,751,964	481,424	10,079,837	2,920,612	-	20,165,779
Construction in Progress	14,900	1,394,967	-	3,261,674	-	-	4,671,541
Less Accumulated Depreciation	(10,085,592)	(25,963,387)	(211,553)	(28,181,408)	(1,323,937)	-	(65,765,877)
Total Capital Assets, Net	5,860,850	59,680,201	269,871	29,988,581	1,765,038	-	97,564,541
Total Noncurrent Assets	5,879,901	68,167,959	269,871	35,825,560	2,179,678	-	112,322,969
Total Assets	6,052,914	74,573,891	4,976,363	41,672,970	4,532,050	-	131,808,188
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Refunding	-	-	-	26,447	-	-	26,447
Deferred Outflows for Pension	-	-	-	-	1,212,812	-	1,212,812
Total Deferred Outflows of Resources	-	-	-	26,447	1,212,812	-	1,239,259
LIABILITIES							
Current Liabilities:							
Accounts Payable	308,942	841,827	276,654	958,325	151,853	87,081	2,624,682
Accrued Liabilities	85,560	15,077	187,781	131,444	192,335	11,281	623,478
Accrued Compensated Absences	81,103	27,881	96,194	124,628	222,181	21,974	573,961
Due to Other Funds	17	1,337	-	1,085	108,626	217,960	329,025
Due to Other Governments	91,318	2,656	118,642	88,451	943	-	302,010
Unearned Revenue	93,528	1,374,026	3,514,031	-	-	-	4,981,585
Accrued Interest	10,884	45,620	-	31,848	1,081	-	89,433
Current Portion of Notes Payable	-	-	200,000	-	-	-	200,000
Current Portion of Capital Lease	337,945	-	-	-	98,328	-	436,273
Current Portion of Long-Term Debt	-	1,320,000	-	795,000	-	-	2,115,000
Total Current Liabilities	1,009,297	3,628,424	4,393,302	2,130,781	775,347	338,296	12,275,447
Noncurrent Liabilities:							
Due to Other Funds	-	-	401,250	-	-	-	401,250
Accrued Compensated Absences	83,126	-	-	53,671	23,402	-	160,199
Notes Payable	-	-	1,200,000	-	-	-	1,200,000
Capital Lease Payable	1,250,430	-	-	-	-	-	1,250,430
Long-Term Debt, Net	-	25,577,168	-	11,392,787	-	-	36,969,955
Accrued Liabilities	50,910	9,256	-	129,590	847,906	13,885	1,051,547
Net Pension Liability	-	-	-	-	3,420,165	-	3,420,165
Accrued Landfill Closure/ Postclosure Care Costs	-	-	-	20,491,000	-	-	20,491,000
Total Noncurrent Liabilities	1,384,466	25,586,424	1,601,250	32,067,048	4,291,473	13,885	64,944,546
Total Liabilities	2,393,763	29,214,848	5,994,552	34,197,829	5,066,820	352,181	77,219,993
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows for Pension	-	-	-	-	1,134,913	-	1,134,913
NET POSITION							
Net Investment in Capital Assets	4,272,475	35,041,734	269,871	21,015,904	1,666,710	-	62,266,694
Restricted for:							
Debt Service	-	166,747	-	-	-	-	166,747
Capital Projects	-	2,613,429	-	29,478	14,976	-	2,657,883
Unrestricted	(613,324)	7,537,133	(1,288,060)	(13,543,794)	(2,138,557)	(352,181)	(10,398,783)
Total Net Position	\$ 3,659,151	45,359,043	(1,018,189)	7,501,588	(456,871)	(352,181)	54,692,541

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Operating Revenues							
Charges for Services	\$ 242,181	1,368,422	-	-	6,493,923	-	8,104,526
Fees	3,486,490	14,512	-	7,248,947	-	50,000	10,799,949
Parking Revenue	-	11,124,369	-	-	-	-	11,124,369
Performance Revenue	-	-	6,970,137	-	-	-	6,970,137
Other Operating Revenue	17,045	-	1,759,205	848,941	7,318	-	2,632,509
Total Operating Revenues	<u>3,745,716</u>	<u>12,507,303</u>	<u>8,729,342</u>	<u>8,097,888</u>	<u>6,501,241</u>	<u>50,000</u>	<u>39,631,490</u>
Operating Expenses							
Personal Services	1,593,443	349,778	4,357,525	2,884,252	5,085,455	136,231	14,406,684
Contractual Services	201,769	3,635,987	1,034,820	4,139,465	614,198	160,731	9,786,970
Operation and Maintenance	1,518,592	2,218,014	3,215,868	2,388,936	828,970	105,302	10,275,682
Depreciation	620,899	2,103,641	16,407	2,154,144	307,344	-	5,202,435
Total Operating Expenses	<u>3,934,703</u>	<u>8,307,420</u>	<u>8,624,620</u>	<u>11,566,797</u>	<u>6,835,967</u>	<u>402,264</u>	<u>39,671,771</u>
Operating Income (Loss)	<u>(188,987)</u>	<u>4,199,883</u>	<u>104,722</u>	<u>(3,468,909)</u>	<u>(334,726)</u>	<u>(352,264)</u>	<u>(40,281)</u>
Nonoperating Revenues (Expenses)							
Investment Earnings	(8)	72,116	-	79,082	7,516	83	158,789
Grant Proceeds	-	-	-	15,077	-	-	15,077
Gain (Loss) on Disposal of Capital Assets	25,802	-	-	16,486	(25,570)	-	16,718
Occupation Tax	-	-	-	4,194,442	-	-	4,194,442
Debt Issuance Expense	(5,000)	-	-	-	-	-	(5,000)
Interest Expense and Fiscal Charges	(25,248)	(1,111,418)	(5,903)	(192,245)	(3,754)	-	(1,338,568)
Total Nonoperating Revenues (Expenses)	<u>(4,454)</u>	<u>(1,039,302)</u>	<u>(5,903)</u>	<u>4,112,842</u>	<u>(21,808)</u>	<u>83</u>	<u>3,041,458</u>
Income (Loss) Before Contributions and Transfers	<u>(193,441)</u>	<u>3,160,581</u>	<u>98,819</u>	<u>643,933</u>	<u>(356,534)</u>	<u>(352,181)</u>	<u>3,001,177</u>
Capital Contributions	808,446	33,776	187,183	212,500	14,976	-	1,256,881
Transfers In	-	-	203,040	-	-	-	203,040
Transfers Out	<u>(24,367)</u>	<u>(1,461,048)</u>	<u>-</u>	<u>(1,400,827)</u>	<u>-</u>	<u>-</u>	<u>(2,886,242)</u>
Change in Net Position	<u>590,638</u>	<u>1,733,309</u>	<u>489,042</u>	<u>(544,394)</u>	<u>(341,558)</u>	<u>(352,181)</u>	<u>1,574,856</u>
Net Position - Beginning of Year	<u>3,068,513</u>	<u>43,625,734</u>	<u>(1,507,231)</u>	<u>8,045,982</u>	<u>(115,313)</u>	<u>-</u>	<u>53,117,685</u>
Net Position - Ending	<u>\$ 3,659,151</u>	<u>45,359,043</u>	<u>(1,018,189)</u>	<u>7,501,588</u>	<u>(456,871)</u>	<u>(352,181)</u>	<u>54,692,541</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Golf	Parking System	Pinnacle Bank Arena	Solid Waste Management	Emergency Medical Services	Broadband Enterprise	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 3,743,650	11,076,616	7,842,499	6,943,390	6,446,837	50,000	36,102,992
Receipts from Interfund Services Provided	-	1,386,057	-	163,428	-	-	1,549,485
Payments to Suppliers for Goods and Services	(1,118,177)	(4,987,496)	(3,071,099)	(2,937,791)	(1,087,348)	(178,911)	(13,380,822)
Payments to Employees	(1,532,734)	(340,425)	(4,271,100)	(2,808,325)	(4,564,863)	(89,091)	(13,606,538)
Payments for Interfund Services Provided	(511,041)	(716,491)	(1,118,055)	(521,004)	(422,647)	-	(3,289,238)
Other Receipts	17,045	-	1,759,205	642,419	7,318	-	2,425,987
Net Cash Provided (Used) by Operating Activities	598,743	6,418,261	1,141,450	1,482,117	379,297	(218,002)	9,801,866
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	3,878,941	-	-	3,878,941
Transfers from Other Funds	-	-	203,040	-	-	-	203,040
Transfers to Other Funds	(24,367)	(1,461,048)	-	(1,400,827)	-	-	(2,886,242)
Advances from General Fund	1,119,530	-	-	-	-	217,919	1,337,449
Repayment of Advances from General Fund	(1,280,646)	-	(100,000)	-	-	-	(1,380,646)
Grant Proceeds	-	-	-	15,077	-	-	15,077
Principal Payment of Long-Term Debt	-	-	(200,000)	-	-	-	(200,000)
Interest and Fiscal Charges Paid	-	-	(7,370)	-	-	-	(7,370)
Net Cash Provided (Used) by Non-Capital Financing Activities	(185,483)	(1,461,048)	(104,330)	2,493,191	-	217,919	960,249
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	(527,866)	(1,047,755)	-	(4,517,896)	(463,811)	-	(6,557,328)
Capital Contributions	-	33,776	-	212,500	14,976	-	261,252
Proceeds from Sale of Capital Assets	26,302	-	-	61,525	12,094	-	99,921
Proceeds from Long-Term Debt	527,866	-	-	-	-	-	527,866
Principal Payments of Capital Lease	(292,322)	-	-	-	(98,328)	-	(390,650)
Principal Payments of Bonded Debt	-	(1,290,000)	-	(775,000)	-	-	(2,065,000)
Interest and Fiscal Charges Paid	(27,227)	(1,133,219)	-	(397,833)	(4,701)	-	(1,562,980)
Net Cash Used by Capital and Related Financing Activities	(293,247)	(3,437,198)	-	(5,416,704)	(539,770)	-	(9,686,919)
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	-	8,726,130	-	9,627,656	1,158,070	-	19,511,856
Purchases of Investments	(51,921)	(9,709,548)	-	(8,089,475)	(1,007,440)	-	(18,858,384)
Interest and Other Receipts	-	52,892	-	52,174	5,288	83	110,437
Net Cash Provided (Used) by Investing Activities	(51,921)	(930,526)	-	1,590,355	155,918	83	763,909
Net Increase (Decrease) in Cash and Cash Equivalents	68,092	589,489	1,037,120	148,959	(4,555)	-	1,839,105
Cash and Cash Equivalents - Beginning	-	3,149,552	3,300,205	351,692	52,928	-	6,854,377
Cash and Cash Equivalents - Ending	\$ 68,092	3,739,041	4,337,325	500,651	48,373	-	8,693,482
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ (188,987)	4,199,883	104,722	(3,468,909)	(334,726)	(352,264)	(40,281)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	620,899	2,103,641	16,407	2,154,144	307,344	-	5,202,435
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable and Unbilled Revenues	-	(6,844)	197,394	(360,978)	(47,086)	-	(217,514)
Due from Other Funds	-	14,715	712,275	6,047	-	-	733,037
Due from Other Governments	-	2,135	(339)	6,280	-	-	8,076
Inventories	6,789	-	686	-	2,249	-	9,724
Prepaid Expenses	-	-	(10,195)	-	-	-	(10,195)
Deferred Outflows for Pension	-	-	-	-	258,180	-	258,180
Accounts Payable	101,134	160,594	13,524	161,368	13,618	87,122	537,360
Accrued Liabilities	33,164	3,623	78,581	43,389	133,112	25,166	317,035
Accrued Compensated Absences	6,632	5,730	7,844	12,706	5,918	21,974	60,804
Due to Other Funds	(3,618)	(6,296)	(10,000)	(2,479)	15,373	-	(7,020)
Due to Other Governments	7,751	(4,284)	67,519	13,549	298	-	84,833
Unearned Revenue	14,979	(54,636)	(36,968)	-	-	-	(76,625)
Net Pension Liability	-	-	-	-	51,506	-	51,506
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	2,917,000	-	-	2,917,000
Deferred Inflows for Pension	-	-	-	-	(26,489)	-	(26,489)
Total Adjustments	787,730	2,218,378	1,036,728	4,951,026	714,023	134,262	9,842,147
Net Cash Provided (Used) by Operating Activities	\$ 598,743	6,418,261	1,141,450	1,482,117	379,297	(218,002)	9,801,866
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ 808,446	-	-	-	-	-	808,446
Purchase of Capital Assets on Account	-	324,838	-	634,451	-	-	959,289
Change in Fair Value of Investments	(8)	17,890	-	19,566	2,356	-	39,804
Capitalized Interest included in Capital Asset Additions	-	-	-	158,957	-	-	158,957

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 as well as private developers.

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, 2016

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 132,847	13,001	1,445,030	27,367
Investments	1,768,735	61,857	21,654,590	405,939
Accounts Receivable	-	191,052	-	-
Accrued Interest Receivable	4,318	-	67,192	795
Due from Other Funds	1,794	413,154	450,000	1,468
Due from Other Governments	10,977	9,653	13,255	2,125
Inventories	-	-	-	712,909
Prepaid Expenses	415,930	21,328	-	-
Total Current Assets	<u>2,334,601</u>	<u>710,045</u>	<u>23,630,067</u>	<u>1,150,603</u>
Noncurrent Assets:				
Investments	1,025,394	35,861	12,212,834	235,336
Restricted Cash and Cash Equivalents	-	-	-	-
Capital Assets:				
Land	-	-	-	-
Buildings	26,486	-	-	-
Improvements Other Than Buildings	-	-	-	327,322
Machinery and Equipment	3,872,448	328,592	28,936	22,371,938
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(2,358,376)	(295,540)	(28,936)	(16,787,050)
Total Capital Assets, Net	<u>1,540,558</u>	<u>33,052</u>	<u>-</u>	<u>5,912,210</u>
Total Noncurrent Assets	<u>2,565,952</u>	<u>68,913</u>	<u>12,212,834</u>	<u>6,147,546</u>
Total Assets	<u>4,900,553</u>	<u>778,958</u>	<u>35,842,901</u>	<u>7,298,149</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	81,342	251,089	1,515,675	208,784
Accrued Liabilities	189,085	293,746	38,158	75,843
Accrued Compensated Absences	246,292	380,662	23,726	104,796
Due to Other Funds	555	745	112	1,690
Due to Other Governments	6,856	506	12,780	377
Unearned Revenue	-	17,622	-	26,640
Claims	-	-	3,942,223	-
Accrued Interest	-	-	-	-
Current Portion of Capital Lease	-	-	-	-
Total Current Liabilities	<u>524,130</u>	<u>944,370</u>	<u>5,532,674</u>	<u>418,130</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	196,695	643,046	38,024	146,145
Claims	-	-	6,016,989	-
Capital Lease Payable	-	-	-	-
Accrued Liabilities	143,475	189,757	37,026	87,936
Total Noncurrent Liabilities	<u>340,170</u>	<u>832,803</u>	<u>6,092,039</u>	<u>234,081</u>
Total Liabilities	<u>864,300</u>	<u>1,777,173</u>	<u>11,624,713</u>	<u>652,211</u>
NET POSITION				
Net Investment in Capital Assets	1,532,607	33,052	-	5,905,134
Unrestricted	2,503,646	(1,031,267)	24,218,188	740,804
Total Net Position	<u>\$ 4,036,253</u>	<u>(998,215)</u>	<u>24,218,188</u>	<u>6,645,938</u>

Police Garage	Municipal Services Center	Communication Services	Copy Services	Total
159,356	28,261	-	-	1,805,862
2,327,384	400,140	-	-	26,618,645
1,031	8,730	9,405	1,823	212,041
5,760	1,413	-	-	79,478
299,438	-	3,609	13,701	1,183,164
36,452	-	1,441	13,918	87,821
111,431	-	-	-	824,340
-	-	-	-	437,258
2,940,852	438,544	14,455	29,442	31,248,609
1,349,261	231,974	-	-	15,090,660
-	2,150,000	-	-	2,150,000
48,250	1,258,700	-	-	1,306,950
398,811	13,640,164	-	-	14,065,461
45,500	373,485	-	-	746,307
8,912,039	106,025	28,349	-	35,648,327
-	13,100	-	-	13,100
(4,868,914)	(2,082,340)	(28,349)	-	(26,449,505)
4,535,686	13,309,134	-	-	25,330,640
5,884,947	15,691,108	-	-	42,571,300
8,825,799	16,129,652	14,455	29,442	73,819,909
182,075	75,040	1,111	22,447	2,337,563
52,403	-	2,894	1,752	653,881
46,652	-	5,414	1,513	809,055
2	-	39,685	42,977	85,766
-	-	-	-	20,519
-	17,520	-	-	61,782
-	-	-	-	3,942,223
-	101,103	-	-	101,103
-	1,010,000	-	-	1,010,000
281,132	1,203,663	49,104	68,689	9,021,892
81,180	-	21,755	-	1,126,845
-	-	-	-	6,016,989
-	12,198,058	-	-	12,198,058
69,423	-	-	-	527,617
150,603	12,198,058	21,755	-	19,869,509
431,735	13,401,721	70,859	68,689	28,891,401
4,435,613	2,251,076	-	-	14,157,482
3,958,451	476,855	(56,404)	(39,247)	30,771,026
8,394,064	2,727,931	(56,404)	(39,247)	44,928,508

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Operating Revenues				
Charges for Services	\$ 8,893,858	9,698,446	41,668,638	6,254,574
Operating Expenses				
Personal Services	4,208,046	6,462,335	876,619	1,859,704
Materials and Supplies	176,877	30,362	6,197	1,644,057
Other Services and Charges	3,219,495	2,728,946	35,543,743	1,193,606
Depreciation	276,219	5,195	-	1,220,547
Total Operating Expenses	7,880,637	9,226,838	36,426,559	5,917,914
Operating Income (Loss)	1,013,221	471,608	5,242,079	336,660
Nonoperating Revenues (Expenses)				
Investment Earnings	15,752	(15)	247,919	1,968
Gain on Disposal of Capital Assets	71	1,582	-	67,058
Debt Issuance Expense	-	-	-	-
Interest Expense and Fiscal Charges	18,474	-	-	(3,375)
Total Nonoperating Revenues (Expenses)	34,297	1,567	247,919	65,651
Income (Loss) Before Contributions and Transfers	1,047,518	473,175	5,489,998	402,311
Capital Contributions	-	21,036	-	1,636,059
Transfers In	-	77,092	-	-
Transfers Out	(100,000)	-	-	-
Change in Net Position	947,518	571,303	5,489,998	2,038,370
Net Position - Beginning	3,088,735	(1,569,518)	18,728,190	4,607,568
Net Position - Ending	\$ 4,036,253	(998,215)	24,218,188	6,645,938

Police Garage	Municipal Services Center	Communication Services	Copy Services	Total
4,711,477	1,934,228	59,928	312,315	73,533,464
1,296,287	-	105,434	38,004	14,846,429
1,188,341	6,115	869	-	3,052,818
678,570	671,659	30,791	254,672	44,321,482
1,020,293	501,749	-	-	3,024,003
4,183,491	1,179,523	137,094	292,676	65,244,732
527,986	754,705	(77,166)	19,639	8,288,732
20,349	5,940	-	-	291,913
61,664	-	-	-	130,375
-	(19,449)	-	-	(19,449)
-	(304,589)	-	-	(289,490)
82,013	(318,098)	-	-	113,349
609,999	436,607	(77,166)	19,639	8,402,081
134,223	538,676	-	-	2,329,994
-	-	-	-	77,092
(9,000)	-	-	-	(109,000)
735,222	975,283	(77,166)	19,639	10,700,167
7,658,842	1,752,648	20,762	(58,886)	34,228,341
8,394,064	2,727,931	(56,404)	(39,247)	44,928,508

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,977,116	1,939,823	10,868,945	408,827
Receipts from Interfund Services Provided	6,152,020	7,549,848	30,801,101	5,847,874
Payments to Suppliers for Goods and Services	(3,151,185)	(529,096)	(35,306,852)	(2,240,924)
Payments to Employees	(4,133,483)	(6,269,008)	(840,007)	(1,817,495)
Payments for Interfund Services Provided	(192,922)	(2,173,401)	(305,926)	(542,423)
Net Cash Provided (Used) by Operating Activities	1,651,546	518,166	5,217,261	1,655,859
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	77,092	-	-
Transfers to Other Funds	(100,000)	-	-	-
Advance from General Fund	-	969,975	-	-
Repayment of Advances from General Fund	-	(1,456,757)	-	-
Repayments from Other Funds	-	-	150,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	(100,000)	(409,690)	150,000	-
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(296,237)	-	-	(1,058,035)
Proceeds from Sale of Capital Assets	71	2,258	-	73,515
Proceeds from Long-Term Debt	-	-	-	-
Cost of Debt Issuance	-	-	-	-
Principal Payments of Capital Lease	(385,000)	-	-	(235,223)
Interest and Fiscal Charges Paid	(11,842)	-	-	(7,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	(693,008)	2,258	-	(1,227,421)
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	1,716,778	-	25,027,663	157,444
Purchases of Investments	(2,491,373)	(97,733)	(29,673,207)	(571,791)
Interest and Other Receipts	11,124	-	191,534	1,634
Net Cash Provided (Used) by Investing Activities	(763,471)	(97,733)	(4,454,010)	(412,713)
Net Increase in Cash and Cash Equivalents	95,067	13,001	913,251	15,725
Cash and Cash Equivalents - Beginning	37,780	-	531,779	11,642
Cash and Cash Equivalents - Ending	\$ 132,847	13,001	1,445,030	27,367
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 1,013,221	471,608	5,242,079	336,660
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	276,219	5,195	-	1,220,547
Changes in Assets and Liabilities:				
Accounts Receivable	120	(92,347)	1,796	176
Lease Receivable	95,000	-	-	-
Due from Other Funds	69,722	(110,331)	-	(80)
Due from Other Governments	165,435	(9,328)	(388)	955
Inventories	-	-	-	12,091
Prepaid Expenses	(25,377)	6,038	-	-
Accounts Payable	(24,016)	62,795	1,027,721	44,278
Accrued Liabilities	44,975	78,440	11,320	26,459
Accrued Compensated Absences	29,588	114,887	25,292	15,750
Due to Other Funds	(152)	(12,179)	11	(2,430)
Due to Other Governments	6,811	157	1,323	377
Unearned Revenue	-	3,231	-	1,076
Claims	-	-	(1,091,893)	-
Total Adjustments	638,325	46,558	(24,818)	1,319,199
Net Cash Provided (Used) by Operating Activities	\$ 1,651,546	518,166	5,217,261	1,655,859
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	21,036	-	1,636,059
Purchase of Capital Assets on Account	7,951	-	-	7,076
Change in Fair Value of Investments	3,558	(15)	51,156	349

Police Garage	Municipal Services Center	Communication Services	Copy Services	Total
184,016	314,677	78,092	143,941	16,915,437
4,591,507	1,621,747	26,782	170,265	56,761,144
(1,134,953)	(185,062)	(29,883)	(246,714)	(42,824,669)
(1,266,585)	-	(89,417)	(45,077)	(14,461,072)
(712,930)	(467,106)	(3,591)	(6,571)	(4,404,870)
1,661,055	1,284,256	(18,017)	15,844	11,985,970
-	-	-	-	77,092
(9,000)	-	-	-	(109,000)
-	-	38,758	34,811	1,043,544
-	-	(20,741)	(50,655)	(1,528,153)
-	-	-	-	150,000
(9,000)	-	18,017	(15,844)	(366,517)
(1,082,674)	(282,493)	-	-	(2,719,439)
113,064	-	-	-	188,908
-	2,169,449	-	-	2,169,449
-	(19,449)	-	-	(19,449)
-	(910,000)	-	-	(1,530,223)
-	(336,092)	-	-	(355,612)
(969,610)	621,415	-	-	(2,266,366)
2,683,393	644,510	-	-	30,229,788
(3,278,266)	(563,622)	-	-	(36,675,992)
14,227	4,815	-	-	223,334
(580,646)	85,703	-	-	(6,222,870)
101,799	1,991,374	-	-	3,130,217
57,557	186,887	-	-	825,645
159,356	2,178,261	-	-	3,955,862
527,986	754,705	(77,166)	19,639	8,288,732
1,020,293	501,749	-	-	3,024,003
26,332	(1,310)	12,795	541	(51,897)
-	-	-	-	95,000
39,852	-	31,802	179	31,144
(2,138)	-	349	1,172	156,057
18,490	-	-	-	30,581
-	-	-	-	(19,339)
545	25,607	(1,755)	1,386	1,136,561
27,151	-	(5,033)	(5,858)	177,454
2,551	-	21,050	(1,215)	207,903
(7)	-	(59)	-	(14,816)
-	-	-	-	8,668
-	3,505	-	-	7,812
-	-	-	-	(1,091,893)
1,133,069	529,551	59,149	(3,795)	3,697,238
1,661,055	1,284,256	(18,017)	15,844	11,985,970
134,223	538,676	-	-	2,329,994
100,073	-	-	-	115,100
5,521	1,311	-	-	61,880



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 has no fund balance at August 31, 2016.

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 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, 2016

	Collections Due Other Governments	HILP Escrow Accounts	Contractor Deposits	Payroll Revolving	Outstanding Warrants
ASSETS					
Cash and Cash Equivalents	\$ 86,150	27,004	492,457	662,033	2,690,295
Receivables:					
Accrued Interest	-	-	-	-	-
Other	56,003	-	-	-	-
Contractor Retainage	-	-	78,454	-	-
	<u>142,153</u>	<u>27,004</u>	<u>570,911</u>	<u>662,033</u>	<u>2,690,295</u>
Total Assets	<u><u>142,153</u></u>	<u><u>27,004</u></u>	<u><u>570,911</u></u>	<u><u>662,033</u></u>	<u><u>2,690,295</u></u>
LIABILITIES					
Warrants Payable	-	-	-	-	2,690,295
Accounts Payable	-	-	-	213,728	-
Due to Other Governments	142,153	-	-	448,305	-
Due to Homeowners	-	27,004	-	-	-
Due to Contractors	-	-	570,911	-	-
Due to Bondholders	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>\$ 142,153</u></u>	<u><u>27,004</u></u>	<u><u>570,911</u></u>	<u><u>662,033</u></u>	<u><u>2,690,295</u></u>

Telephone Bill Suspense	Unredeemed Bonds And Coupons	Public Building Commission Bond Reserve	Total
3,346	117,926	335,815	4,415,026
-	-	618	618
-	-	-	56,003
-	-	-	78,454
3,346	117,926	336,433	4,550,101
-	-	-	2,690,295
3,346	-	-	217,074
-	-	336,433	926,891
-	-	-	27,004
-	-	-	570,911
-	117,926	-	117,926
3,346	117,926	336,433	4,550,101

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

	Balance Sep. 1, 2015	Additions	Deductions	Balance Aug. 31, 2016
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash and Cash Equivalents	\$ 77,583	1,061,544	1,052,977	86,150
Receivables	47,005	56,003	47,005	56,003
	<u>124,588</u>	<u>1,117,547</u>	<u>1,099,982</u>	<u>142,153</u>
Liabilities:				
Due to Other Governments	\$ 124,588	1,151,906	1,134,341	142,153
HILP ESCROW ACCOUNTS:				
Assets:				
Cash and Cash Equivalents	\$ 12,729	49,849	35,574	27,004
Liabilities:				
Due to Homeowners	\$ 12,729	14,275	-	27,004
CONTRACTOR DEPOSITS:				
Assets:				
Cash and Cash Equivalents	\$ 533,054	96,442	137,039	492,457
Contractor Retainage	87,633	-	9,179	78,454
	<u>620,687</u>	<u>96,442</u>	<u>146,218</u>	<u>570,911</u>
Liabilities:				
Due to Contractors	\$ 620,687	96,442	146,218	570,911
PAYROLL REVOLVING:				
Assets:				
Cash and Cash Equivalents	\$ 625,699	253,581,663	253,545,329	662,033
Liabilities:				
Accounts Payable	205,902	1,157,739	1,149,913	213,728
Due to Other Governments	419,797	193,642,371	193,613,863	448,305
	<u>\$ 625,699</u>	<u>194,800,110</u>	<u>194,763,776</u>	<u>662,033</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash and Cash Equivalents	\$ 623,423	449,879,989	447,813,117	2,690,295
Liabilities:				
Warrants Payable	\$ 623,423	449,879,989	447,813,117	2,690,295
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash and Cash Equivalents	\$ 2,001	136,920	135,575	3,346
Liabilities:				
Accounts Payable	\$ 2,001	138,921	137,576	3,346

(Continued)

(Agency Funds, Continued)

	Balance Sep. 1, 2015	Additions	Deductions	Balance Aug. 31, 2016
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	\$ -	2,630,396	2,630,396	-
Liabilities:				
Accounts Payable	-	2,529,301	2,529,301	-
Retainages Payable	-	4,374	4,374	-
Due to Other Governments	-	233,282	233,282	-
	\$ -	2,766,957	2,766,957	-
PUBLIC BUILDING COMMISSION BOND RESERVE:				
Assets:				
Cash and Cash Equivalents	\$ 336,950	1,677	2,812	335,815
Receivables	657	618	657	618
	337,607	2,295	3,469	336,433
Liabilities:				
Due to Other Governments	\$ 337,607	2,661	3,835	336,433
AGENCY FUND TOTALS:				
Total Assets	\$ 2,464,660	707,495,101	705,409,660	4,550,101
Total Liabilities	\$ 2,464,660	648,851,261	646,765,820	4,550,101



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	149
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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	154
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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	163
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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	167
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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	169
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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.



Table 1

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 773,243,018	587,747,372	545,831,558	522,108,202	405,635,743	386,451,715	482,099,420	471,161,398	460,113,747	433,488,477
Restricted	159,387,584	165,389,543	155,105,392	144,925,083	246,533,919	235,695,091	121,155,820	111,672,739	111,555,338	119,719,194
Unrestricted	82,713,956	216,775,964	264,484,057	253,913,437	228,009,224	216,250,335	207,317,364	211,304,395	189,259,245	153,402,735
Total Governmental Activities										
Net Position	\$ <u>1,015,344,558</u>	<u>969,912,879</u>	<u>965,421,007</u>	<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>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 664,773,842	692,461,543	673,582,095	615,635,246	608,119,231	622,950,944	598,053,416	583,202,962	570,458,163	568,947,439
Restricted	17,071,503	14,820,181	15,841,002	13,167,482	31,470,517	31,480,358	37,040,667	37,782,662	35,665,851	26,769,558
Unrestricted	217,843,287	152,834,566	143,784,800	179,766,596	153,480,358	107,063,389	100,903,096	93,873,028	82,155,334	70,546,311
Total Business-Type Activities										
Net Position	\$ <u>899,688,632</u>	<u>860,116,290</u>	<u>833,207,897</u>	<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>
Primary Government:										
Net Investment in										
Capital Assets	\$ 1,438,016,860	1,280,208,915	1,219,413,653	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
Restricted	176,459,087	180,209,724	170,946,394	158,092,565	278,004,436	267,175,449	158,196,487	149,455,401	147,221,189	146,488,752
Unrestricted	300,557,243	369,610,530	408,268,857	433,680,033	381,489,582	323,313,724	308,220,460	305,177,423	271,414,579	223,949,046
Total Primary Government										
Net Position	\$ <u>1,915,033,190</u>	<u>1,830,029,169</u>	<u>1,798,628,904</u>	<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>

CITY OF LINCOLN, NEBRASKA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities:										
General Government	\$ 49,756,620	48,543,231	45,355,465	43,666,952	40,635,824	40,059,839	36,991,820	31,985,923	32,808,482	30,681,069
Public Safety	93,495,599	91,997,706	87,571,014	86,493,288	82,915,183	81,218,142	75,364,591	75,077,334	72,715,593	71,999,597
Streets and Highways	59,111,970	41,302,726	46,525,688	39,551,411	38,319,958	39,840,551	38,150,193	31,465,735	29,132,813	31,953,438
Culture and Recreation	37,633,355	33,418,770	35,878,349	29,419,132	28,049,044	26,578,448	25,713,710	28,998,338	27,971,636	26,528,155
Economic Opportunity	20,703,598	18,101,822	21,549,476	14,819,767	16,840,478	16,336,855	17,198,314	14,851,021	16,355,833	15,486,850
Health and Welfare	21,701,621	22,273,013	21,456,657	20,939,140	21,414,951	21,153,869	20,840,847	19,592,758	20,674,538	20,335,733
Mass Transit	14,576,742	13,477,089	13,582,835	13,453,926	12,463,592	12,007,410	11,198,681	11,059,139	11,296,888	10,891,704
Equipment Management	614,893	1,032,440	1,181,947	1,479,534	1,162,325	1,882,136	1,767,774	2,562,842	2,563,466	2,363,486
Engineering Services	2,527,524	3,495,741	2,774,223	2,570,054	1,900,278	1,219,084	829,470	1,859,008	2,029,134	3,148,005
Interest on Long-Term Debt	20,931,956	21,310,128	21,776,180	19,787,131	20,417,899	11,568,353	6,373,674	6,503,466	6,473,960	5,826,378
Total Governmental Activities Expenses	321,053,878	294,952,666	297,651,834	272,180,335	264,119,532	251,864,687	234,429,074	223,955,564	222,022,343	219,214,415
Business-Type Activities:										
Golf	3,939,149	3,261,611	3,473,671	3,404,885	3,762,650	3,414,074	3,165,446	3,170,423	3,152,455	3,167,880
Parking System	9,418,838	9,223,770	8,078,478	7,144,511	5,933,848	5,632,973	5,475,157	5,007,885	4,908,537	4,833,961
Municipal Auditorium	-	33,652	1,538,108	2,632,482	2,468,566	2,202,234	2,243,518	1,937,132	2,041,953	2,274,043
Municipal Arena	8,630,522	8,353,078	11,462,603	1,712,916	18,851	-	-	-	-	-
Solid Waste Management	11,742,556	9,498,841	8,838,837	8,472,030	8,080,971	8,490,392	10,607,775	6,543,805	7,506,257	6,835,512
Emergency Medical Services	6,865,689	6,507,925	5,564,099	4,931,379	4,148,850	3,940,669	3,819,895	3,687,450	3,711,546	3,679,318
Broadband Enterprise	402,264	-	-	-	-	-	-	-	-	-
Wastewater System	24,852,092	24,128,351	23,864,691	23,116,057	23,017,798	23,135,157	22,265,579	22,979,974	18,965,453	18,230,853
Water System	27,243,026	26,368,801	25,941,743	25,499,420	25,908,587	26,084,158	23,469,948	23,794,190	23,378,936	23,544,989
Electric System	286,006,000	298,753,000	272,692,000	263,674,000	250,676,000	242,743,000	229,241,000	237,476,000	224,594,000	209,962,000
Total Business-Type Activities Expenses	379,100,136	386,129,029	361,454,230	340,587,680	324,016,121	315,642,657	300,288,318	304,596,859	288,259,137	272,528,556
Total	\$ 700,154,014	681,081,695	659,106,064	612,768,015	588,135,653	567,507,344	534,717,392	528,552,423	510,281,480	491,742,971
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 33,956,597	34,039,065	31,498,610	26,631,508	22,686,194	21,544,375	20,614,039	20,413,769	20,572,788	19,617,633
Public Safety	7,428,315	7,653,414	7,446,309	6,903,567	6,150,370	5,730,687	5,034,014	4,921,077	5,671,183	5,490,790
Streets and Highways	6,599,287	5,070,875	5,162,445	5,711,018	3,489,348	4,087,358	3,291,012	3,202,082	5,485,027	6,105,933
Culture and Recreation	4,675,252	4,565,482	4,328,220	4,367,112	4,473,514	4,114,179	3,880,012	3,537,088	3,583,144	3,485,195
Economic Opportunity	1,346,373	1,709,576	918,794	863,053	2,346,582	2,269,303	1,014,906	750,883	731,663	809,767
Health and Welfare	4,974,773	5,120,923	5,332,189	4,715,133	4,773,397	4,435,710	4,257,066	4,345,410	3,248,351	3,554,840
Other Activities	8,765,439	7,439,039	7,957,457	6,402,371	5,808,815	4,244,695	3,610,376	4,674,371	5,465,776	5,381,517
Operating Grants and Contributions	63,971,798	59,762,954	71,235,768	57,394,538	51,263,862	73,594,748	55,013,696	50,412,504	52,058,209	56,089,320
Capital Grants and Contributions	19,411,483	25,708,872	23,165,428	28,517,996	32,043,686	7,982,667	16,171,192	25,746,780	39,507,199	17,990,651
Total Governmental Activities	151,129,317	151,070,200	157,045,220	141,506,296	133,035,768	128,003,722	112,886,313	118,003,964	136,323,340	118,525,646
Business-Type Activities:										
Charges for Services:										
Wastewater System	27,950,057	27,004,622	25,804,120	24,550,035	24,040,603	22,931,019	21,661,455	21,111,385	20,575,445	19,379,833
Water System	35,346,948	31,275,854	32,558,575	31,931,843	34,021,393	28,474,175	25,012,703	25,586,213	23,943,135	25,159,477
Electric System	311,093,000	314,623,000	290,121,000	276,110,000	269,043,000	261,377,000	245,705,000	248,131,000	225,406,000	204,527,000
Other Activities	39,632,958	37,177,844	38,456,326	25,575,522	23,402,117	22,423,038	21,311,191	20,786,248	21,159,042	19,972,650
Operating Grants and Contributions	61,066	-	-	-	-	-	-	-	26,000	141,346
Capital Grants and Contributions	9,765,195	13,309,086	5,403,759	7,195,503	6,731,837	4,645,062	5,767,531	11,025,070	10,809,320	11,359,957
Total Business-Type Activities	423,849,224	423,390,406	392,343,780	365,362,903	357,238,950	339,850,294	319,457,880	326,639,916	301,918,942	280,540,263
Total	\$ 574,978,541	574,460,606	549,389,000	506,869,199	490,274,718	467,854,016	432,344,193	444,643,880	438,242,282	399,065,909
Net (Expense)/Revenue										
Governmental Activities	\$ (169,924,561)	(143,882,466)	(140,606,614)	(130,674,039)	(131,083,764)	(123,860,965)	(121,542,761)	(105,951,600)	(85,699,003)	(100,688,769)
Business-Type Activities	44,749,088	37,261,377	30,889,550	24,775,223	33,222,829	24,207,637	19,169,562	22,043,057	13,659,805	8,011,707
Total	\$ (125,175,473)	(106,621,089)	(109,717,064)	(105,898,816)	(97,860,935)	(99,653,328)	(102,373,199)	(83,908,543)	(72,039,198)	(92,677,062)

(Continued)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes										
In Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 66,338,373	60,781,216	55,871,758	56,130,131	53,302,884	48,621,668	48,637,701	49,370,031	48,016,158	45,981,349
Motor Vehicle Tax	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331	4,284,369	4,247,118	4,323,350	4,303,363	4,298,290
Wheel Tax	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801	12,031,376	11,519,622	10,697,955	10,458,568	10,059,772
Sales and Use Tax	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551	57,996,100	55,362,688	54,337,312	55,351,848	54,363,413
Sundry and In Lieu Tax	1,618,479	1,543,657	62,239	65,882	68,405	63,118	54,431	46,078	45,761	37,235
Occupation Tax	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963	20,403,399	10,847,214	10,541,781	10,038,110	9,534,401
Unrestricted Grants and Contributions	67,640	65,051	80,178	79,177	93,633	1,927,588	2,006,071	1,542,816	1,569,021	1,573,535
Unrestricted Investment Earnings (Loss)	1,914,541	1,842,730	2,855,984	(833,074)	1,014,773	1,370,358	1,926,976	5,181,996	6,738,206	6,355,562
Miscellaneous General Revenues	708,314	1,251,922	890,450	1,925,791	2,623,024	2,309,497	793,365	844,591	820,587	1,456,139
Transfers	11,071,731	11,754,684	10,825,543	11,290,702	9,254,144	2,678,029	2,581,647	2,275,892	2,675,305	1,753,685
Total Governmental Activities	<u>215,356,240</u>	<u>195,641,807</u>	<u>185,080,899</u>	<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>
Business-Type Activities:										
Occupation Tax	4,194,442	2,832,539	2,598,793	2,011,468	2,048,615	2,059,361	1,984,400	1,978,659	2,134,549	2,195,132
Unrestricted Investment Earnings (Loss)	1,517,819	961,154	1,757,946	(713,969)	983,824	1,564,708	1,673,103	4,680,958	8,761,713	9,333,779
Miscellaneous General Revenues	89,483	329,954	136,403	874,807	380,531	343,835	893,109	152,522	135,278	288,597
Transfers	(10,978,490)	(11,594,036)	(10,744,119)	(11,040,534)	(5,060,384)	(2,678,029)	(2,581,647)	(2,275,892)	(2,675,305)	(1,753,685)
Total Business-Type Activities	<u>(5,176,746)</u>	<u>(7,470,389)</u>	<u>(6,250,977)</u>	<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>
Total	<u>\$ 210,179,494</u>	<u>188,171,418</u>	<u>178,829,922</u>	<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>
Change in Net Position										
Governmental Activities	\$ 45,431,679	51,759,341	44,474,285	47,119,933	41,781,745	27,824,537	16,434,072	33,210,202	54,317,924	34,724,612
Business-Type Activities	39,572,342	29,790,988	24,638,573	15,906,995	31,575,415	25,497,512	21,138,527	26,579,304	22,016,040	18,075,530
Total	<u>\$ 85,004,021</u>	<u>81,550,329</u>	<u>69,112,858</u>	<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>

Table 3

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 ²	2010	2009	2008	2007
General Fund										
Reserved	\$ -	-	-	-	-	-	4,723,651	4,668,702	4,025,169	3,196,770
Unreserved	-	-	-	-	-	-	25,701,931	27,586,521	28,453,611	27,215,934
Nonspendable	470,421	658,674	1,711,883	3,313,783	4,833,496	6,891,170	-	-	-	-
Restricted	7,432,974	6,674,867	13,605,640	6,281,230	5,277,054	5,525,739	-	-	-	-
Assigned	17,888,953	16,266,623	14,859,083	14,425,933	13,359,297	13,750,394	-	-	-	-
Unassigned	39,910,750	37,916,609	27,287,777	31,198,290	25,631,426	15,586,533	-	-	-	-
Total General Fund	\$ 65,703,098	61,516,773	57,464,383	55,219,236	49,101,273	41,753,836	30,425,582	32,255,223	32,478,780	30,412,704
Other Governmental Funds										
Reserved	\$ -	-	-	-	-	-	73,769,526	74,955,098	73,635,833	71,029,872
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	-	57,417,341	59,557,240	61,839,340	65,368,433
Nonspendable	1,272,150	1,473,802	1,449,797	740,047	952,070	971,115	-	-	-	-
Restricted	64,216,765	90,127,670	80,627,691	81,155,945	193,309,126	275,451,124	-	-	-	-
Committed	1,367,357	2,011,552	1,002,975	821,517	805,612	633,206	-	-	-	-
Assigned	75,624,539	48,431,382	58,046,223	48,189,249	21,386,596	21,097,190	-	-	-	-
Unassigned	(111,254)	(130,824)	(144,837)	(133,773)	(191,814)	(140,056)	-	-	-	-
Debt Service ¹	-	-	-	-	-	-	-	-	-	9,933,914
Restricted	11,259,554	12,026,455	12,305,606	18,524,649	17,964,189	16,060,411	-	-	-	-
Committed	1,256,039	1,021,894	797,894	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	8,764,922	9,853,337	13,339,093	24,574,016
Nonspendable	-	915,875	-	-	-	-	-	-	-	-
Restricted	21,989,096	9,458,562	14,395,343	16,818,180	11,783,064	13,748,458	-	-	-	-
Assigned	29,271	42,922	42,649	54,154	207,968	207,940	-	-	-	-
Unassigned	-	(178,013)	-	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	16,511,201	14,146,177	13,529,735	13,609,259
Nonspendable	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	37,160,000	-	-	-	-
Restricted	27,117,060	24,842,747	28,175,169	22,080,008	21,292,273	19,553,118	-	-	-	-
Total Other Governmental Funds	\$ 241,180,577	227,204,024	233,858,510	225,409,976	304,669,084	384,742,506	156,462,990	158,511,852	162,344,001	184,515,494

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Taxes:										
Property	\$ 66,224,399	61,045,754	55,821,121	55,971,572	53,542,530	48,204,472	48,916,327	49,359,612	48,061,759	46,003,719
Motor Vehicle	5,396,042	5,049,072	4,737,197	4,504,623	4,331,331	4,284,369	4,247,118	4,323,350	4,303,363	4,298,290
Wheel	18,061,400	17,548,482	17,173,865	15,649,558	14,055,801	12,031,376	11,519,622	10,697,955	10,458,568	10,059,772
Sales and Use	83,561,157	69,437,901	66,753,197	63,544,137	62,388,551	57,996,100	55,362,688	54,337,312	55,351,848	54,363,413
Sundry and In Lieu	1,605,175	1,541,109	62,443	62,155	68,845	61,251	57,195	44,479	50,068	35,115
Occupation	26,618,563	26,367,092	25,830,488	25,437,045	25,732,963	20,936,558	10,314,055	10,541,781	10,517,680	9,054,831
Special Assessment	1,393,824	1,775,903	1,873,228	1,147,640	1,213,968	1,118,514	1,145,298	1,055,927	1,351,532	1,513,248
Intergovernmental	64,711,049	70,694,942	79,378,553	81,340,882	68,267,660	71,532,824	61,640,301	75,099,973	73,830,720	63,928,043
Permits and Fees	25,704,855	25,327,804	23,794,402	22,936,015	20,239,031	18,524,372	16,432,219	17,119,002	18,013,104	19,126,239
Reimbursement for Services	16,807,455	16,083,267	14,283,172	8,341,522	7,850,732	7,521,366	7,004,334	6,600,299	6,511,457	6,491,112
Court Settlements	75,000	-	265,120	856,188	1,931,804	1,700,000	-	-	-	-
Program Income	22,726	13,858	51,071	442,313	122,767	1,217,936	207,978	57,535	48,549	34,155
Investment Earnings	6,249,869	1,006,466	10,571,021	1,732,354	4,744,887	5,454,877	5,197,259	5,791,391	6,806,258	10,371,565
Donations	3,526,770	3,485,683	3,153,911	3,554,614	9,510,272	1,985,681	1,251,904	2,755,165	1,747,959	947,439
Keno Proceeds	4,559,104	4,343,261	4,189,006	3,930,602	3,639,819	3,321,506	3,132,180	3,140,726	3,373,939	2,798,262
Miscellaneous	2,359,028	3,183,321	3,326,065	3,253,780	5,004,523	3,054,429	1,875,076	1,864,589	2,497,331	3,272,251
Total Revenues	326,876,416	306,903,915	311,263,860	292,705,000	282,645,484	258,945,631	228,303,554	242,789,096	242,924,135	232,297,454
Expenditures										
General Government	54,483,582	50,714,491	51,044,096	42,761,424	39,048,320	36,622,362	35,865,006	34,428,477	35,278,575	33,946,258
Public Safety	77,399,174	75,625,163	72,833,698	72,489,536	70,444,362	69,537,057	64,679,523	63,984,484	61,147,903	60,953,651
Streets and Highways	20,896,834	19,464,370	21,054,394	18,355,326	18,471,067	18,335,078	19,832,223	16,445,304	16,482,240	17,430,452
Culture and Recreation	25,310,935	24,538,296	25,172,100	22,323,942	22,518,532	21,794,585	21,483,873	22,449,569	21,686,564	21,719,544
Economic Opportunity	14,012,940	14,773,423	13,792,741	12,831,193	14,673,671	15,811,914	15,359,628	11,321,242	14,685,668	11,670,315
Health and Welfare	22,605,745	23,038,785	22,097,954	21,339,175	22,070,619	21,993,415	21,652,729	20,349,757	21,053,132	20,378,863
Mass Transit	12,380,084	15,539,838	14,419,436	11,980,828	10,288,935	15,088,883	12,034,413	9,575,670	10,707,601	14,877,357
Debt Service										
Principal Retirement	16,306,212	13,669,561	12,562,312	11,105,182	10,403,101	9,657,542	10,087,532	10,446,544	7,989,828	6,282,536
Interest and Fiscal Charges	21,315,928	21,615,227	21,341,587	19,880,928	20,265,733	12,625,404	6,285,998	6,414,144	6,384,069	5,223,234
Miscellaneous	5,543,071	3,350,198	2,545,313	735,215	1,020,997	4,156,516	658,871	129,417	53,898	83,950
Capital Outlay ¹	65,209,483	63,654,540	93,177,287	208,303,537	142,260,715	109,581,050	32,547,239	61,094,201	79,369,789	44,955,954
Total Expenditures	335,463,988	325,983,892	350,040,918	442,106,286	371,466,052	335,203,806	240,487,035	256,638,809	274,839,267	237,522,114
Deficiency of Revenues										
Under Expenditures	(8,587,572)	(19,079,977)	(38,777,058)	(149,401,286)	(88,820,568)	(76,258,175)	(12,183,481)	(13,849,713)	(31,915,132)	(5,224,660)
Other Financing Sources (Uses)										
Transfers In	71,316,460	64,347,309	63,910,985	56,859,969	53,359,760	43,860,255	46,026,786	53,544,932	60,693,467	42,672,672
Transfers Out	(59,277,115)	(53,620,582)	(53,396,515)	(45,380,837)	(44,157,324)	(41,111,608)	(43,259,113)	(51,005,462)	(58,325,388)	(40,643,303)
Issuance of Debt ¹	12,935,000	3,400,000	37,675,000	35,433,437	6,080,000	313,480,500	4,131,948	6,501,393	8,877,537	44,588,425
Issuance of Refunding Debt	-	9,010,000	-	-	36,185,000	22,415,000	-	-	-	-
Premium on Debt Issued	622,829	435,077	682,653	980,327	4,182,049	5,761,647	-	25,473	98,768	484,811
Discounts on Debt Issued	-	-	-	-	-	(6,427)	-	-	-	(5,255)
Transfer to Bond Refunding Agent	-	(9,280,206)	-	-	(39,840,997)	(28,822,296)	-	-	-	-
Sale of Capital Assets	1,153,276	2,186,283	598,616	28,367,245	286,095	288,874	1,405,357	727,671	465,331	283,136
Total Other Financing Sources (Uses)	26,750,450	16,477,881	49,470,739	76,260,141	16,094,583	315,865,945	8,304,978	9,794,007	11,809,715	47,380,486
Net Change in Fund Balances	\$ 18,162,878	(2,602,096)	10,693,681	(73,141,145)	(72,725,985)	239,607,770	(3,878,503)	(4,055,706)	(20,105,417)	42,155,826
Debt Service as a Percentage of										
Noncapital Expenditures	13.8%	13.8%	12.9%	12.0%	12.7%	9.8%	7.7%	7.7%	6.5%	5.8%

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

Table 5

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

Lincoln Electric System Megawatt-Hour Sales								Average Cent per Kilowatt Hour Rate
Calendar Year	Residential	Commercial	Industrial	Street and Highway Lighting	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	
2015	1,171,732	1,492,176	486,001	21,516	(1,043)	918,131	4,088,513	\$ 0.0808
2014	1,202,922	1,508,493	497,872	21,642	(11,244)	932,130	4,151,815	0.0799
2013	1,213,553	1,488,594	497,388	21,403	15,653	963,306	4,199,897	0.0778
2012	1,183,412	1,477,103	497,908	21,172	15,817	881,355	4,076,767	0.0758
2011	1,214,170	1,467,530	496,957	21,166	(25,504)	1,116,821	4,291,140	0.0738
2010	1,216,899	1,474,185	495,279	21,082	(17,765)	1,006,085	4,195,765	0.0721
2009	1,121,769	1,427,402	483,982	20,651	269	1,092,093	4,146,166	0.0700
2008	1,133,238	1,451,353	558,088	20,349	73,241	1,232,903	4,469,172	0.0648
2007	1,152,048	1,471,457	539,438	20,234	(3,435)	569,319	3,749,061	0.0634
2006	1,106,943	1,428,094	547,028	19,667	(45,195)	467,471	3,524,008	0.0612

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	2015			2006		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Commercial	\$ 111,483	1	38.83 %	\$ 81,279	1	40.03 %
Residential	110,421	2	38.47	79,910	2	39.36
Industrial	32,039	3	11.16	26,424	3	13.01
Other	33,115	-	11.54	15,427	-	7.60
Total	\$ <u>287,058</u>		<u>100.00 %</u>	\$ <u>203,040</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
2016	\$	5,686,683,753	0.0175
2015		4,823,960,412	0.0150
2014		4,657,424,242	0.0150
2013		4,469,320,749	0.0150
2012		4,290,698,668	0.0150
2011		4,098,124,125	0.0150
2010		3,918,162,825	0.0150
2009		3,860,013,289	0.0150
2008		3,961,835,269	0.0150
2007		3,890,346,633	0.0150

Note: 2016 voter approved tax rate increase began
October 1, 2015, not to last more than 3 years.

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 ¹	Overlapping ²	Total Tax Rate
	City of Lincoln	State of Nebraska	
2016	0.0175	0.0550	0.0725
2015	0.0150	0.0550	0.0700
2014	0.0150	0.0550	0.0700
2013	0.0150	0.0550	0.0700
2012	0.0150	0.0550	0.0700
2011	0.0150	0.0550	0.0700
2010	0.0150	0.0550	0.0700
2009	0.0150	0.0550	0.0700
2008	0.0150	0.0550	0.0700
2007	0.0150	0.0550	0.0700

Note: ¹ 2016 voter approved tax rate increase began October 1, 2015, not to last more than 3 years.

² 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

<u>Business Classification</u>	<u>2015</u>			<u>2006</u>		
	<u>Net Taxable Sales</u>	<u>Rank</u>	<u>Percentage of Total Net Taxable Sales</u>	<u>Net Taxable Sales</u>	<u>Rank</u>	<u>Percentage of Total Net Taxable Sales</u>
Retail Trade	\$ 1,805,300,923	1	49.26 %	\$ 1,704,176,607	1	51.99 %
Accommodation & Food Services	619,898,545	2	16.92	403,417,907	2	12.31
Utilities	254,429,361	3	6.94	262,306,008	3	8.00
Other	<u>984,866,200</u>	-	<u>26.88</u>	<u>908,141,383</u>	-	<u>27.70</u>
Total	\$ <u>3,664,495,029</u>		<u>100.00 %</u>	\$ <u>3,278,041,905</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. 2016 amounts are not yet available.

Source: Nebraska Department of Revenue

Table 10

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		
2016	\$ 12,353,764,148	\$ 5,264,621,434	\$ 613,850,419	\$ 225,082,751	\$ 18,457,318,752	0.3196
2015	11,584,715,041	5,017,666,961	573,730,282	204,014,089	17,380,126,373	0.3196
2014	11,403,992,418	4,962,314,863	554,193,402	190,468,076	17,110,968,759	0.3158
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

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City of Lincoln										
General	0.1957	0.1859	0.1889	0.1854	0.1876	0.1739	0.1772	0.1806	0.1778	0.1687
Library	0.0421	0.0438	0.0417	0.0423	0.0400	0.0398	0.0398	0.0396	0.0404	0.0427
Social Security	0.0144	0.0163	0.0155	0.0157	0.0163	0.0141	0.0097	0.0129	0.0134	0.0135
Police and Fire Pension	0.0352	0.0374	0.0378	0.0382	0.0348	0.0261	0.0251	0.0201	0.0203	0.0208
Unemployment Compensation	0.0003	-	-	-	-	-	-	-	-	-
Bond Interest and Redemption	0.0319	0.0362	0.0319	0.0342	0.0371	0.0340	0.0361	0.0347	0.0360	0.0376
Total City of Lincoln	<u>0.3196</u>	<u>0.3196</u>	<u>0.3158</u>	<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>
Overlapping Rates ¹										
School District No. 1	1.2429	1.2434	1.2441	1.2447	1.2461	1.2462	1.2537	1.2668	1.2719	1.2764
Lancaster County	0.2783	0.2813	0.2813	0.2843	0.2683	0.2683	0.2683	0.2683	0.2755	0.2655
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0150	0.0150	0.0145	0.0150	0.0150	0.0141	0.0141
Community Technical College	0.0757	0.0598	0.0667	0.0627	0.0627	0.0600	0.0676	0.0722	0.0689	0.0689
Lower Platte South N.R.D.	0.0345	0.0358	0.0361	0.0378	0.0398	0.0406	0.0410	0.0410	0.0418	0.0416
Lancaster County Correctional JPA City	0.0156	0.0168	0.0172	0.0177	0.0185	0.0189	0.0194	0.0195	-	-
Lancaster County Correctional JPA County	0.0088	0.0094	0.0096	0.0099	0.0105	0.0106	0.0107	0.0106	-	-
Railroad Transportation Safety District	0.0160	0.0130	0.0130	0.0100	0.0260	0.0260	0.0260	0.0260	0.0260	0.0246
Agricultural Society of Lancaster County	0.0015	0.0015	0.0015	0.0015	0.0016	0.0017	0.0016	0.0015	0.0016	0.0016
Lancaster County Fairgrounds	0.0031	0.0033	0.0034	0.0037	0.0037	0.0038	0.0038	0.0038	0.0043	0.0037
Public Building Commission	0.0170	0.0170	0.0170	0.0167	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170
Total Overlapping Rates	<u>1.7084</u>	<u>1.6963</u>	<u>1.7049</u>	<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>

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	2016			2007		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
B & J Partnership Ltd.	Building Management	\$ 127,817,700	1	0.69 %	\$ 71,086,013	2	0.46 %
Burlington Northern	Railroad	97,411,314	2	0.53	46,701,614	9	0.30
Kawasaki	Manufacturing	79,811,695	3	0.43	68,098,040	3	0.44
Nebco	Construction / Development	70,822,225	4	0.38	47,148,845	8	0.31
Ameritas Life Insurance Corp.	Insurance	58,790,576	5	0.32	50,334,651	5	0.33
WEA Gateway LLC	Retail Management	52,978,600	6	0.29	59,386,082	4	0.39
Windstream	Telecommunications	48,598,528	7	0.26	72,471,636	1	0.47
Bryan LGH	Hospital	42,814,500	8	0.23	-	-	-
Assurity Life Insurance Co.	Insurance	41,260,319	9	0.22	-	-	-
Wal-Mart Real Estate Trust	Retail Management	39,070,700	10	0.21	-	-	-
Chateau Van Dorn LLC	Real Estate Development	-	-	-	49,958,335	6	0.33
Pfizer	Animal Health	-	-	-	48,138,439	7	0.31
Molex Inc.	Manufacturing	-	-	-	38,979,611	10	0.25
Total		<u>\$ 659,376,157</u>		<u>3.56 %</u>	<u>\$ 552,303,266</u>		<u>3.59 %</u>

Source: Lancaster County Assessor's Office

Table 13

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
2016	\$ 58,979,731	\$ 57,685,951	97.81 %	\$ -	\$ 57,685,951	97.81 %
2015	55,475,335	54,235,009	97.76	1,237,200	55,472,209	99.99
2014	53,893,483	52,616,370	97.63	1,275,343	53,891,713	100.00
2013	52,464,811	51,226,109	97.64	1,214,587	52,440,696	99.95
2012	50,182,572	48,788,943	97.22	1,344,523	50,133,466	99.90
2011	45,620,336	44,206,917	96.90	1,360,059	45,566,976	99.88
2010	45,210,589	43,791,366	96.86	1,400,701	45,192,067	99.96
2009	45,885,354	44,385,970	96.73	1,495,651	45,881,621	99.99
2008	45,235,971	43,526,689	96.22	1,528,544	45,055,233	99.60
2007	43,339,708	41,815,295	96.48	1,499,358	43,314,653	99.94

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.

Table 14

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

		Fiscal Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities											
General Bonds	\$	45,370	43,800	48,775	53,015	49,340	51,600	48,330	52,440	56,760	61,020
Tax Supported Bonds		62,385	66,700	69,975	73,165	50,250	55,205	57,655	59,385	61,750	63,080
Tax Allocation Bonds		4,966	6,461	7,976	9,254	10,358	11,658	12,398	13,356	10,071	9,313
Special Assessment Bonds		3,315	3,490	3,665	3,840	4,010	1,200	-	-	-	-
Antelope Valley Project Bonds		2,020	2,875	3,690	4,470	5,210	5,920	6,605	7,265	7,900	8,515
West Haymarket JPA Bonds		327,095	327,635	328,175	300,000	300,000	300,000	-	-	-	-
Capital Leases		43,320	40,989	43,731	39,043	33,371	33,525	28,989	28,094	28,574	22,792
Unamortized Premiums/Discounts		11,690	11,640	11,782	11,610	10,444	8,197	2,577	2,675	2,747	2,702
Business-Type Activities											
Revenue Bonds		755,635	718,790	743,660	750,500	701,560	732,650	745,660	773,390	781,125	709,645
Project Loans		35,469	37,119	35,881	27,429	16,532	6,991	3,049	-	-	-
Notes Payable		1,400	1,600	1,800	1,575	-	-	-	-	-	-
Capital Leases		1,677	1,540	1,939	2,389	2,271	1,009	1,328	338	478	922
Unamortized Premiums/Discounts		57,341	46,242	50,155	49,240	7,768	4,754	5,410	6,230	7,252	2,437
Total Primary Government	\$	<u>1,351,683</u>	<u>1,308,881</u>	<u>1,351,204</u>	<u>1,325,530</u>	<u>1,191,114</u>	<u>1,212,709</u>	<u>912,001</u>	<u>943,173</u>	<u>956,657</u>	<u>880,426</u>
Net Debt Per Capita ¹	\$	4,874	4,795	5,028	4,994	4,540	4,694	3,591	3,748	3,846	3,651
Percentage of Personal Income ¹	%	-	9.17	9.76	9.87	9.23	9.89	7.95	8.34	8.37	7.99

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.

Table 15

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
2016	\$ 45,370	\$ 62,385	\$ 4,966	\$ 3,315	\$ 327,095	\$ 11,664	\$454,795	\$ 8,328	\$446,467	\$ 1,609.77	2.53 %
2015	43,800	66,700	6,461	3,490	327,635	11,602	459,688	9,143	450,545	1,650.37	2.71
2014	48,775	69,975	7,976	3,665	328,175	11,734	470,300	9,427	460,873	1,736.50	2.89
2013	53,015	73,165	9,254	3,840	300,000	11,552	450,826	15,640	435,186	1,658.86	2.86
2012	49,340	50,250	10,358	4,010	300,000	10,376	424,334	15,142	409,192	1,583.69	2.71
2011	51,600	55,205	11,658	1,200	300,000	8,120	427,783	13,305	414,478	1,631.80	2.77
2010	48,330	57,655	12,398	-	-	2,491	120,874	13,480	107,394	426.80	0.71
2009	52,440	59,385	13,356	-	-	2,581	127,762	13,604	114,158	458.94	0.76
2008	56,760	61,750	10,071	-	-	2,645	131,226	12,962	118,264	490.38	0.81
2007	61,020	63,080	9,313	-	-	2,592	136,005	11,574	124,431	520.17	0.96

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, 2016

<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>500,161,000</u>	100.0 %	\$ <u>500,161,000</u>
Overlapping:			
School District #1	400,872,535	99.5	398,868,000
Public Building Commission	38,500,000	85.4	32,879,000
Lancaster County Correctional Facility	46,680,000	85.4	39,865,000
Lancaster County Fairgrounds	<u>9,300,000</u>	85.4	<u>7,942,000</u>
	<u>495,352,535</u>		<u>479,554,000</u>
Total	\$ <u><u>995,513,535</u></u>		\$ <u><u>979,715,000</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
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 17

		Fiscal Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Wastewater System											
Gross Revenues	\$	29,026,442	28,026,866	27,049,162	24,988,275	24,763,975	23,546,370	22,472,095	22,643,270	22,347,867	21,158,743
Direct Operating Expenses		14,019,061	13,541,561	13,337,986	12,522,159	12,378,673	12,543,964	11,664,593	11,771,291	11,393,624	11,462,964
Net Available Revenue		15,007,381	14,485,305	13,711,176	12,466,116	12,385,302	11,002,406	10,807,502	10,871,979	10,954,243	9,695,779
Debt Service Requirements											
Principal		4,562,314	3,747,284	4,053,916	3,487,906	3,137,858	2,865,000	2,695,000	2,620,000	2,415,000	2,005,000
Interest		2,847,529	3,114,518	3,077,999	3,089,698	3,655,156	3,647,609	3,731,444	3,820,044	4,030,454	3,081,481
Total		7,409,843	6,861,802	7,131,915	6,577,604	6,793,014	6,512,609	6,426,444	6,440,044	6,445,454	5,086,481
Coverage		2.03	2.11	1.92	1.90	1.82	1.69	1.68	1.69	1.70	1.91
Water System											
Gross Revenues	\$	37,985,431	34,481,875	34,933,647	34,241,815	35,984,891	30,629,506	26,515,467	27,838,187	27,257,184	29,386,495
Direct Operating Expenses		16,969,116	16,955,058	16,308,059	16,113,390	15,636,494	15,455,027	14,091,292	14,995,077	14,425,521	14,351,136
Net Available Revenue		21,016,315	17,526,817	18,625,588	18,128,425	20,348,397	15,174,479	12,424,175	12,843,110	12,831,663	15,035,359
Debt Service Requirements											
Principal		4,344,979	4,290,300	3,923,000	1,850,000	5,380,000	6,310,000	6,050,000	5,795,000	5,555,000	5,340,000
Interest		2,123,747	2,116,262	2,044,417	2,345,562	2,955,202	3,191,857	3,458,097	3,128,414	3,376,201	3,612,001
Total		6,468,726	6,406,562	5,967,417	4,195,562	8,335,202	9,501,857	9,508,097	8,923,414	8,931,201	8,952,001
Coverage		3.25	2.74	3.12	4.32	2.44	1.60	1.31	1.44	1.44	1.68
Lincoln Electric System											
Gross Revenues	\$	300,693,000	309,537,000	288,299,000	274,770,000	269,236,000	261,748,000	246,182,000	249,914,000	229,766,000	208,995,000
Direct Operating Expenses		200,104,000	214,677,000	194,336,000	184,558,000	176,956,000	169,389,000	158,143,000	164,758,000	152,645,000	143,062,000
Net Available Revenue		100,589,000	94,860,000	93,963,000	90,212,000	92,280,000	92,359,000	88,039,000	85,156,000	77,121,000	65,933,000
Debt Service Requirements											
Principal		22,633,000	21,390,000	20,263,000	19,695,000	18,990,000	18,107,000	17,273,000	14,333,000	13,953,000	12,177,000
Interest		27,324,000	26,041,000	26,701,000	26,569,000	27,126,000	27,763,000	29,052,000	29,879,000	28,676,000	24,530,000
Total		49,957,000	47,431,000	46,964,000	46,264,000	46,116,000	45,870,000	46,325,000	44,212,000	42,629,000	36,707,000
Coverage		2.01	2.00	2.00	1.95	2.00	2.01	1.90	1.93	1.81	1.80
Parking Facilities ¹											
Gross Revenues	\$	10,697,157	10,419,352	9,816,550	8,444,055	7,382,101	7,698,018	6,869,392	7,014,250	7,134,709	6,645,013
Direct Operating Expenses		4,575,662	4,577,437	4,211,473	3,919,678	3,823,131	3,606,008	3,340,601	2,874,768	2,912,511	2,781,952
Net Available Revenue		6,121,495	5,841,915	5,605,077	4,524,377	3,558,970	4,092,010	3,528,791	4,139,482	4,222,198	3,863,061
Debt Service Requirements											
Principal		1,290,000	1,260,000	1,310,000	1,270,000	860,000	580,000	1,435,000	1,360,000	1,305,000	1,240,000
Interest		1,130,215	1,148,265	1,172,465	1,091,614	1,078,688	689,717	558,519	624,394	687,194	746,374
Total		2,420,215	2,408,265	2,482,465	2,361,614	1,938,688	1,269,717	1,993,519	1,984,394	1,992,194	1,986,374
Coverage		2.53	2.43	2.26	1.92	1.84	3.22	1.77	2.09	2.12	1.94
Solid Wast Management											
Gross Revenues	\$	12,371,412	10,074,541	9,132,756	7,933,037	7,745,565	7,615,130	7,377,385	7,664,336	8,537,520	8,020,390
Direct Operating Expenses		7,896,480	7,519,523	7,319,215	7,087,935	6,376,120	6,253,133	5,768,077	5,491,789	5,540,292	5,290,802
Net Available Revenue		4,474,932	2,555,018	1,813,541	845,102	1,369,445	1,361,997	1,609,308	2,172,547	2,997,228	2,729,588
Debt Service Requirements											
Principal		775,000	550,000	550,000	475,000	220,000	210,000	200,000	195,000	190,000	185,000
Interest		396,521	196,202	198,128	133,463	124,025	132,425	140,425	148,225	155,825	160,825
Total		1,171,521	746,202	748,128	608,463	344,025	342,425	340,425	343,225	345,825	345,825
Coverage		3.82	3.42	2.42	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		855,000	815,000	780,000	740,000	710,000	685,000	660,000	635,000	615,000	595,000
Interest		122,375	162,088	199,225	237,925	270,980	299,235	325,640	349,934	371,978	391,655
Total		977,375	977,088	979,225	977,925	980,980	984,235	985,640	984,934	986,978	986,655
Coverage		1.02	1.02	1.02	1.02	1.02	1.02	1.01	1.02	1.01	1.01

Note: The Wastewater System, Water System, and Lincoln Electric System bonds are secured by revenues 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.

Table 18

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
2016	277,348	\$ -	\$ -	40,109	3.0 %
2015	272,996	14,280,552	44,133	39,842	2.3
2014	268,738	13,841,972	43,399	39,066	3.1
2013	265,404	13,426,786	42,743	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

Sources: ¹ U.S. Bureau of the Census, population estimates.

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. 2016 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.

Table 19

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

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Nebraska	9,182	1	4.80 %	10,016	1	5.81 %
Lincoln Public Schools	8,170	2	4.27	6,865	2	3.98
University of Nebraska-Lincoln	6,427	3	3.36	5,728	3	3.32
Bryan Health	3,500	4	1.83	3,670	4	2.13
US Government	3,252	5	1.70	2,680	5	1.56
City of Lincoln	2,601	6	1.36	2,674	6	1.55
Saint Elizabeth Regional Medical Center	2,300	7	1.20	2,541	7	1.47
Burlington Northern Railroad	2,000	8	1.05	1,800	8	1.04
Madonna Rehabilitation Hospital	1,500	9	0.78	-	-	-
Duncan Aviation	1,325	10	0.69	-	-	-
Kawasaki Motors Mfg. Corp	-	-	-	1,570	9	0.91
B&R Stores, Inc.	-	-	-	1,425	10	0.83
Total	<u>40,257</u>		<u>21.04 %</u>	<u>38,969</u>		<u>22.60 %</u>

Sources: Nebraska Department of Labor, Lincoln Partnership for Economic Development, and Employers.

Table 20

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Executive	17.25	17.25	18.25	19.08	19.70	20.75	21.15	21.25	20.50	25.20
Financial Administration	69.20	69.20	69.20	69.20	71.30	70.58	66.20	66.20	68.00	72.00
Law	32.50	32.50	31.75	31.75	30.00	29.00	27.00	27.00	26.00	28.50
Human Resources	22.80	22.80	22.80	22.80	22.42	23.47	22.80	22.80	22.00	23.19
Planning and Zoning	20.00	20.00	21.00	21.00	21.00	22.00	21.50	22.19	22.00	22.00
Urban Development	9.50	9.50	9.58	9.28	9.06	9.28	9.44	9.91	10.29	11.58
Public Safety										
Police	388.03	388.03	400.79	400.79	402.38	402.51	406.43	406.15	402.38	407.13
Fire	268.97	268.97	273.69	273.69	272.71	272.76	267.76	266.41	264.92	264.57
Building and Safety	50.85	50.85	50.38	50.38	51.00	54.58	54.62	58.00	63.00	63.00
Transportation	16.00	16.00	15.00	15.00	16.25	17.25	17.25	18.50	18.50	20.50
911 Communication	56.00	56.00	41.50	41.50	41.50	41.50	41.50	41.02	38.50	39.50
Streets and Highways	108.32	108.20	104.99	105.49	106.84	108.84	106.85	105.92	106.70	109.40
Culture and Recreation										
Parks and Recreation	239.99	238.89	229.60	228.95	230.28	232.43	226.26	231.17	264.65	280.79
Library	105.54	105.54	105.79	106.59	107.09	107.47	107.47	111.47	117.01	121.67
Economic Opportunity										
Lincoln Area Agency on Aging	48.05	48.05	48.24	48.24	50.84	51.03	51.33	52.50	57.10	64.30
Urban Development	9.15	9.15	9.80	9.80	10.22	10.43	10.31	11.23	12.83	12.68
Workforce Investment Act	12.85	12.85	13.19	13.19	13.11	12.02	8.98	9.01	8.20	6.20
Health and Welfare	111.52	111.52	110.02	109.77	112.97	112.25	112.03	112.78	113.97	119.52
Mass Transit	120.52	120.52	119.52	118.01	109.52	111.52	112.38	109.38	112.38	111.00
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	15.00	15.00	15.00	15.42	17.00
Radio Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	69.55	69.55	64.45	65.45	66.02	68.45	68.65	69.53	70.80	74.95
Golf	28.78	29.02	27.99	28.23	29.50	27.86	28.00	29.95	30.16	30.67
Parking Facilities	2.98	2.98	2.95	2.95	2.80	2.80	1.72	2.40	1.60	1.60
Sanitary Landfill	36.47	35.47	33.17	33.17	31.70	31.70	30.80	30.75	30.85	30.85
Emergency Medical Services	33.28	33.28	28.56	28.56	28.54	28.49	28.49	28.09	28.34	29.43
Wastewater System	87.18	87.20	89.87	89.87	90.23	92.43	93.65	96.72	97.36	98.70
Water System	100.26	100.28	104.80	104.30	106.81	108.56	107.43	112.60	113.68	115.28
Electric System	491.00	494.00	498.00	486.00	478.00	456.00	456.00	445.00	445.00	444.00
Total	2,600.54	2,601.60	2,588.88	2,577.04	2,575.79	2,569.96	2,550.00	2,561.93	2,611.14	2,674.21

Source: City of Lincoln Budget Office

Table 21

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

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Police:										
Arrests	23,076	23,543	25,424	24,035	24,868	25,637	26,796	28,183	31,026	29,404
Parking Violations	82,276	71,433	73,141	70,338	72,670	78,405	61,493	75,234	64,116	64,710
Traffic Violations	42,888	44,064	51,854	49,515	50,059	50,872	48,580	48,290	53,862	47,997
Fire:										
Number of Calls Answered	24,663	23,878	22,760	21,357	21,179	20,770	19,602	19,536	19,572	19,075
Building and Safety:										
Number of Commercial Building Permits	1,038	1,321	1,197	1,341	1,372	1,320	1,234	1,196	1,064	994
Number of Residential Building Permits	2,891	2,346	2,300	2,323	2,319	2,336	2,225	1,794	2,261	2,820
Culture and Recreation										
Library:										
Total Circulation (thousands)	3,089	3,074	3,176	3,293	3,294	3,417	3,343	3,348	3,182	3,138
Golf:										
Rounds of Golf	168,272	162,359	164,089	169,170	191,997	171,518	175,940	199,567	196,988	198,337
Mass Transit										
StarTran Ridership (thousands)	2,275	2,415	2,495	1,810	2,067	1,935	1,810	1,790	1,975	1,871
Wastewater										
Number of Consumers	82,511	80,704	80,851	80,066	79,346	78,811	78,376	77,613	77,174	76,458
Water										
Number of Consumers	82,853	82,058	81,196	80,418	79,698	79,184	78,740	77,973	77,532	76,816
Average Daily Consumption (thousand gallons)	34,858	31,766	34,584	35,873	38,445	32,017	31,064	32,716	32,832	35,057
Electric System										
Number of Consumers	134,417	132,672	131,915	130,537	129,163	128,373	129,322	128,115	126,978	124,878

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Fire Stations	14	14	14	14	14	14	14	14	14	14
Ambulances	13	12	12	11	11	11	10	11	11	11
Streets and Highways										
Lane Miles of Streets	2,820	2,891	2,823	2,766	2,760	2,757	2,732	2,713	2,677	2,641
Streetlights	30,740	30,516	29,997	29,759	29,393	29,040	28,928	28,412	28,223	27,923
Culture and Recreation										
Parks Acreage	6,814	6,808	6,557	6,503	6,503	6,503	6,503	6,503	7,124	6,114
Parks	161	159	135	141	141	141	141	141	125	123
Playgrounds	90	89	86	85	85	84	84	85	85	85
Swimming Pools (Public)	9	9	9	9	9	9	9	9	10	11
Golf Courses (Public)	5	5	5	5	5	5	5	5	5	5
Trail Miles	161	158	133	131	128	128	128	128	128	128
Recreation Centers	7	7	7	7	7	7	7	7	7	8
Libraries	8	8	8	8	8	8	8	8	8	8
Mass Transit										
Buses and Handivans	80	80	74	70	71	71	70	70	69	69
Wastewater										
Miles of Wastewater Mains	1,070	1,044	1,033	1,024	1,022	1,017	1,015	1,010	1,006	995
Water										
Miles of Water Mains	1,216	1,211	1,194	1,259	1,250	1,243	1,237	1,230	1,213	1,201

Note: No capital asset indicators are available for the general government function.
In 2016, 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
FOR THE YEAR ENDED AUGUST 31, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Federal Expenditures		Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
Pass-Through State Department Of Education:					
Child Nutrition Cluster:					
Summer Food Service Program for Children	10.559	20121N109943	\$	105,893	
Summer Food Service Program for Children	10.559	55-3002		<u>325,797</u>	431,690
					-
Pass-Through State Department Of Health And Human Services:					
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	* 29469-Y3		698,131	
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	* 24591-Y3		<u>136,688</u>	834,819
					-
Nutrition Program for the Elderly (Commodities)	10.570	NGA 29282-Y3		<u>137,020</u>	107,607
Total U.S. Department Of Agriculture				\$ <u>1,403,529</u>	\$ <u>107,607</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct Programs:					
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$	75,038	
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002		<u>49,271</u>	124,309
					-
CDBG - Entitlement Grants Cluster:					
Community Development Block Grant	14.218	* B-15 MC-31-0001		13,420,208	228,651
Emergency Solutions Grant Program	14.231	E14-MC-31-0002		34,249	34,249
Emergency Solutions Grant Program	14.231	E15-MC-31-0002		<u>62,563</u>	96,812
					<u>62,563</u>
					96,812
Shelter Plus Care	14.238	NE0059L7D021403		32,384	32,384
HOME Investment Partnerships Program	14.239	M-15 MC-31-0202		13,495,358	50,550
Continuum of Care Program	14.267	NE0073L7D021300		34,359	34,359
Continuum of Care Program	14.267	NE0073L7D021401		<u>42,892</u>	77,251
					<u>42,892</u>
					77,251
Fair Housing Assistance Program - State and Local	14.401	FF207K157017		146,015	-
Pass-Through State Department Of Economic Development:					
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	092N40		<u>153,011</u>	-
Total U.S. Department Of Housing And Urban Development				\$ <u>27,545,348</u>	\$ <u>485,648</u>
U.S. DEPARTMENT OF INTERIOR					
Pass-Through State Historical Society:					
Historic Preservation Fund Grants-in-Aid	15.904	15/16	\$	6,000	
Historic Preservation Fund Grants-in-Aid	15.904	15/16		<u>20,000</u>	\$ <u>26,000</u>
					\$ -
U.S. DEPARTMENT OF JUSTICE					
Direct Programs:					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Arrest Grant SART)	16.590	2013-WE-AX-0036	\$	76,313	75,842
Public Safety Partnership and Community Policing Grant (COPS Hiring)	16.710	2014ULWX0042		62,457	-
Equitable Sharing Program	16.922	NB0550100		91,307	-
JAG Program Cluster:					
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	2013DJBX0976		173,411	173,411
Pass-Through State Commission On Law Enforcement And Criminal Justice:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15DA0303		55,795	55,795
Edward Byrne Memorial Justice Assistance Grant Program	16.738	14DA0335		<u>22,815</u>	<u>22,815</u>
					78,610
Pass-Through Lancaster County:					
Violence Against Women Formula Grants (DV Specialist)	16.588	14-VW-704		23,324	
Violence Against Women Formula Grants (DV Specialist)	16.588	15-VW-715		<u>17,215</u>	40,539
					-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	204-WE-AX-0007		8,979	-
Pass-Through Nebraska State Patrol:					
Missing Children's Assistance (ICAC)	16.543	2014-MC-FX-K030-01		4,322	-
Pass-Through City of Omaha:					
Project Safe Neighborhoods	16.609	2014GPBX0010		8,633	
Project Safe Neighborhoods	16.609	2015GPBX0005		<u>5,237</u>	13,870
					-
Pass-Through State Commission On Law Enforcement And Criminal Justice:					
Crime Victim Assistance	16.575	15-VA-0255		<u>73,922</u>	-
Total U.S. Department Of Justice				\$ 623,730	\$ 327,863

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number / Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF LABOR				
Pass-Through State Department Of Labor:				
WIA/WIOA Cluster:				
WIOA Adult Program	17.258	* 2015	\$ 30,439	
WIOA Adult Program	17.258	* 2015	27,113	
WIOA Adult Program	17.258	* 2016	177,297	
WIOA Dislocated Workers Formula Grants	17.278	* 2015	16,350	
WIOA Dislocated Workers Formula Grants	17.278	* 2015	33,292	
WIOA Dislocated Workers Formula Grants	17.278	* 2015	100,013	
WIOA In School Youth Activities	17.259	* 2015	35,384	
WIOA In School Youth Activities	17.259	* 2015	42,790	
WIOA Out of School Youth Activities	17.259	* 2015	38,277	
WIOA Out of School Youth Activities	17.259	* 2015	296,610	\$ 797,565
				\$ -
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Transit Cluster:				
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X091	\$ 1,115	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X093	93,723	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0100	29,238	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0100	11,055	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-0103	1,705,000	
Pass-Through Nebraska Department Of Roads:				
Federal Transit: Formula Grants (Transit Planning)	20.507	RTP-C990 (035)	109,937	
Federal Transit: Formula Grants (Transit Planning)	20.507	RTP-C990 (036)	105,985	2,056,053
				-
Pass-Through Nebraska Department Of Roads:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Planning)	20.205	SPR-PL1(53)	469,697	
Highway Planning and Construction (Planning)	20.205	SPR-PL1(54)	81,205	
Highway Planning and Construction (10th & Military/Salt Creek)	20.205	LCLC-5215(3)	5,727	
Highway Planning and Construction (70th/VanDorn/Eastborough)	20.205	LCLC-5247(13)	189,614	
Highway Planning and Construction (56th, Shadow Pines, and Old Cheney)	20.205	LCLC-5241(5)	307,592	
Highway Planning and Construction (48th & Hwy 2 Signal Replacement)	20.205	LCLC-5239(9)	10,184	
Highway Planning and Construction (Calvert, 48th & 56th)	20.205	LCLC-5239(10)	5,823	
Highway Planning and Construction (S 17th, Washington - D)	20.205	LCLC-5227(8)	28,248	
Highway Planning and Construction (SW 40th Viaduct)	20.205	STPN-BR-TMT 5267(1)	263,875	
Highway Planning and Construction (Click It or Ticket)	20.205	HSIP-0038	4,719	
Highway Planning and Construction (You Drink, You Drive, You Lose)	20.205	HSIP-0040	3,072	
Pass-Through Game and Parks Commission:				
Recreational Trails Program (Pioneers Park Trail Renovation Phase III)	20.219	RTP2015(003)	280,931	
Recreational Trails Program (Billy Wolf Trail Randolph 27th)	20.219	RTP2014(002)	200,582	1,851,269
				-
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(217)	5,991	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(216)	36,184	42,175
				-
Highway Safety Cluster:				
State and Community Highway Safety (Speed Enforcement)	20.600	402-16-33	1,669	
State and Community Highway Safety	20.600	402-15-27	1,184	
State and Community Highway Safety	20.600	402-15-27	1,333	
State and Community Highway Safety	20.600	402-15-33	8,168	
State and Community Highway Safety	20.600	402-16-33-01	6,314	
State and Community Highway Safety	20.600	402-15-25	2,521	
State and Community Highway Safety	20.600	402-15-25	1,637	-
National Priority Safety Programs (Click It or Ticket)	20.616	405B-16-14	9,000	
National Priority Safety Programs	20.616	405D-16-05	3,332	
National Priority Safety Programs	20.616	405D-16-05	655	
National Priority Safety Programs	20.616	405D-15-04	2,982	
National Priority Safety Programs	20.616	405D-15-05	4,681	
National Priority Safety Programs	20.616	405D-16-05	9,419	
National Priority Safety Programs	20.616	405D-16-04	4,495	
National Priority Safety Programs (Child Restraint Systems)	20.616	405B-14-12-03	3,000	60,390
				-
Total U.S. Department Of Transportation			\$ 4,009,887	\$ -
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Programs:				
Employment Discrimination - State and Local Fair Employment Practices				
Agency Contracts	30.002	EEC45015C0047	\$ 32,364	\$ -
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
Grants to States (Net Lender Contract)	45.310	LS-00-160028+16	\$ 1,374	
Grants to States (Library Services & Technology Act)	45.310	16.08	2,716	4,090
				\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF 97740801	\$ 33,731	-

(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 / Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Pass-Through State Department Of Environmental Quality: Nonpoint Source Implementation Grants (Zoo Area)	66.460	C900740320	261,000	-
Performance Partnership Grants	66.605	RES 89439	97,759	
Performance Partnership Grants	66.605	PPG-99732508	<u>17,873</u>	115,632
Drinking Water State Revolving Fund Cluster: Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS997805	48,042	-
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	EO 089204	8,110	
Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act	66.034	DO 13732	<u>17,235</u>	<u>25,345</u>
Total U.S. Environmental Protection Agency			\$ <u>483,750</u>	\$ <u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
Food and Drug Administration General Grant Funding Program	93.103	5U18FD004661-02	\$ 61,955	
Food and Drug Administration General Grant Funding Program	93.103	5U18FD004661-05	5,131	
Food and Drug Administration General Grant Funding Program	93.103	1U18FD005629-01	33,935	
Food and Drug Administration General Grant Funding Program	93.103	1U18FD005629-02	<u>4,524</u>	105,545
Pass-Through National Association of County and City Health Officials: Medical Reserve Corps Small Grant Program	93.008	MRC 15 360	448	-
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 27873-Y3	5,000	
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 29508-Y3	<u>217</u>	5,217
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 27873-Y3-III-D	2,378	
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 29508-Y3-III-D	13,359	
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 25121-Y3-III-D	<u>331</u>	16,068
Aging Cluster: Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	* NGA 29508-Y3-III-B	163,711	18,159
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	* NGA 27873-Y3-III-B	164,309	12,971
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	* NGA 25121-Y3-III-C1	35,673	6,958
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	* NGA 27873-Y3-III-C1	90,969	13,917
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	* NGA 29508-Y3-III-C1	341,182	62,625
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	* NGA 25121-Y3-III-C2	61,799	8,710
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	* NGA 29508-Y3-III-C2	<u>143,196</u>	<u>23,227</u>
National Family Caregiver Support, Title III, Part E	93.052	NGA 29508-Y3-III-E	103,418	7,546
National Family Caregiver Support, Title III, Part E	93.052	NGA 25121-Y3-III-E	43,311	3,773
National Family Caregiver Support, Title III, Part E	93.052	NGA 27873-Y3-III-E	<u>27,623</u>	<u>3,773</u>
Public Health Emergency Preparedness	93.069	27577Y3	322,456	
Public Health Emergency Preparedness	93.069	BT 885 80912	<u>20,299</u>	342,755
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	25457-Y3	2,293	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52PS004677	<u>1,621</u>	3,914
Grants to States to Support Oral Health Workforce Activities	93.236	T12HP14997	655	-
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	24982-Y3	34,913	
Immunization Cooperative Agreements (NE Immunization Action Plan)	93.268	H231P00756	49,439	
Immunization Cooperative Agreements (Hepatitis B)	93.268	H231P00756	4,410	
Immunization Cooperative Agreements (Hepatitis B)	93.268	H231P00756	<u>5,610</u>	94,372
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	3U50C1000924-255	803	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	3U50CK00418-01S1	7,245	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	61824-04	229	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	DP001473-03	349	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	RES A 88575	53,845	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	2015	6,444	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	5NU58DP006008-02-00	10,197	
Centers for Disease Control and Prevention: Investigations and Tech Assistance	93.283	EO 089601	<u>11,098</u>	90,210
National State Based Tobacco Control Programs	93.305	DP-15-1509	37,832	-
Epidemiology and Laboratory Capacity for Infectious Diseases (West Nile Virus)	93.323	3U50CK00418-0251	1,104	-
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC27407	344,554	
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC23116	<u>59,271</u>	403,825

(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 / Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 088089/088405	135,253	
Refugee and Entrant Assistance Program (Health Screening)	93.566	EO 083947	<u>153,188</u>	288,441 -
Refugee and Entrant Assistance Program - Discretionary Grants	93.576	90RX0241-02-00	27,481	-
Social Services Block Grant (SSBG)	93.667	2016/2017	49,049	-
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (Young Children Oral Health)	93.758	24298-Y3	458	
Preventive Health and Health Services Block Grant Funded Solely with Prevention Public Health Funds (SK-Injury Prevention)	93.758	B011OT009036	5,511	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (Move More Lincoln Safely)	93.758	25339-Y3	23,750	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (Oral Health)	93.758	28761-Y3	18,594	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (Move More Lincoln Safely)	93.758	30019-Y3	17,473	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PHAB Accreditation)	93.758	28916-Y3	20,000	
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (CDC-Safe Kids Injury)	93.758	B011OT009036	<u>9</u>	85,795 -
Hospital Preparedness Program Ebola Preparedness and Response Activities	93.817	29492-Y4	7,979	
Hospital Preparedness Program Ebola Preparedness and Response Activities	93.817	29491-Y3	<u>5,258</u>	13,237 -
National Bioterrorism Hospital Preparedness Program (LMMRS)	93.889	U90TP000533	111,362	
National Bioterrorism Hospital Preparedness Program (LMMRS)	93.889	BT 982 63013	7,223	
National Bioterrorism Hospital Preparedness Program (LMMRS)	93.889	BT 1106 63015	122,049	
National Bioterrorism Hospital Preparedness Program (SENHCC)	93.889	28138-Y3	<u>50,122</u>	290,756 -
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	X07HA00042	25,000	
HIV Care Formula Grants (HIV-Linkage to Care)	93.917	X07HA00042	<u>13,071</u>	38,071 -
HIV Prevention Activities Health Dept Based (HIV Prevention)	93.940	U62PS003653	4,490	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	22486-Y3	<u>3,954</u>	8,444 -
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	1H25PS004335-02	2,124	
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	CDC-RFA-PS09-902	<u>2,908</u>	5,032 -
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	23840-Y3	26,975	
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	29370-Y3	<u>88,983</u>	115,958 21,000
Total U.S. Department Of Health And Human Services			\$ <u>3,199,400</u>	\$ <u>182,659</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Programs:				
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	14SFNNE 003 (16/17)	\$ 40,954	
Foster Grandparent Program	94.011	14SFNNE 003 (15/16)	<u>89,637</u>	130,591 -
Pass-Through Nebraska Volunteer Service Commission:				
AmeriCorps (Youth on the Move)	94.006	13AFHNE0010006	332	
AmeriCorps (Youth on the Move)	94.006	13AFHNE0010009	<u>118,513</u>	118,845 -
Total Corporation For National And Community Service			\$ <u>249,436</u>	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass-Through Nebraska State Patrol:				
High Intensity Drug Trafficking Areas Program	95.001	14HD02	\$ 21,151	
High Intensity Drug Trafficking Areas Program	95.001	15HD02	48,947	
High Intensity Drug Trafficking Areas Program	95.001	16HD02	<u>18,603</u>	88,701 -
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2054-CA-00034	\$ 877,687	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2014-CA-K00012-S01	<u>257,977</u>	1,135,664 -
Assistance to Firefighters Grant	97.044	* EMW-2013-FO-04850	871,035	
Assistance to Firefighters Grant	97.044	* EMW-2014-FP-00064	108,204	
Assistance to Firefighters Grant	97.044	* EMW-2014-FO-03200	<u>153,237</u>	1,132,476 -
Pass-Through Nebraska Emergency Management:				
Disaster Grants - Public Assistance	97.036	109-UA7U8-00	61,298	
Disaster Grants - Public Assistance	97.036	109-U9D8E-00	75,020	
Disaster Grants - Public Assistance	97.036	109-U7GKM-00	5,543	
Disaster Grants - Public Assistance	97.036	109-ULBUQ-00	<u>166,129</u>	307,990 -
Hazard Mitigation Grant	97.039	4013-0050	91,081	-
Total Department of Homeland Security			\$ <u>2,667,211</u>	\$ -
Total Federal Expenditures			\$ <u>41,131,011</u>	\$ <u>1,103,777</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards



CITY OF LINCOLN, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2016

REPORTING ENTITY

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Lincoln, Nebraska (the City) under programs of the federal government for the year ended August 31, 2016. The City 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, 2016, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

PASS-THROUGH AWARDS

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

MAJOR PROGRAMS

In accordance with the Uniform Guidance, 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.

FEDERAL LOANS OUTSTANDING

The federal loan programs listed subsequently are administered directly by the City and balances and transactions relating to these programs are included in the City basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at August 31, 2016, consist of:

CFDA#	Program Name	Outstanding Balance as of August 31, 2016
14.218	Community Development Block Grant	\$7,827,000
14.228	Community Development Block Grant - Neighborhood Stabilization Program	222,000
14.239	HOME Investment Partnership Program	9,375,000

New loans included in the Schedule totaled \$1,333,000, \$69,000, and \$1,302,000, respectively.

**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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2017. Our report includes a reference to other auditors who audited the financial statements of Lincoln Wastewater System and Lincoln Water System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 of the financial statements, 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 or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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*.

Purpose of this Report

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

A handwritten signature in black ink that reads "BKD, LLP". The letters are stylized and cursive.

Lincoln, Nebraska
February 23, 2017

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Lincoln, Nebraska's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended August 31, 2016. 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

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Lincoln, Nebraska, complied, in all material respects, with the types of 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, 2016.

Report on Internal Control Over Compliance

Management of 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 types of 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 the Uniform Guidance, 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 or significant deficiencies. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
February 23, 2017

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2016

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

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

Significant deficiency(ies)? ☐ Yes ☒ None Reported

Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None Reported

Material weakness(es)? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards were:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2016

Summary of Auditor's Results - Continued

7. The City's major programs were:

Cluster/Program	CFDA Number
Special Supplemental Nutrition Program for Women, Infants & Children	10.557
CDBG – Entitlement Grants Cluster	14.218
WIA Cluster	17.258 / 17.259 / 17.278
Aging Cluster	93.044 / 93.045
Assistance to Firefighters Grant	97.044

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

9. The City qualified as a low-risk auditee? ☒ Yes ☐ No

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2016

Reference Number	Summary of Finding	Status
No matters are reportable.		