
# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FISCAL YEAR ENDED AUGUST 31, 2015

CITY OF LINCOLN NEBRASKA

ON THE COVER

The City of Lincoln's entry corridor improvements on Cornhusker Highway include district markers donated by local manufacturer TMCO and surrounded by native plants. The project also includes street repair, banners and the planting of about 800 trees.

# COMPREHENSIVE

# ANNUAL FINANCIAL REPORT

**OF THE**

**CITY OF LINCOLN, NEBRASKA**

**FOR THE FISCAL YEAR ENDED AUGUST 31, 2015**


Prepared by:

The Accounting Division of the Finance Department

# INTRODUCTORY SECTION

## OFFICIALS OF THE CITY OF LINCOLN

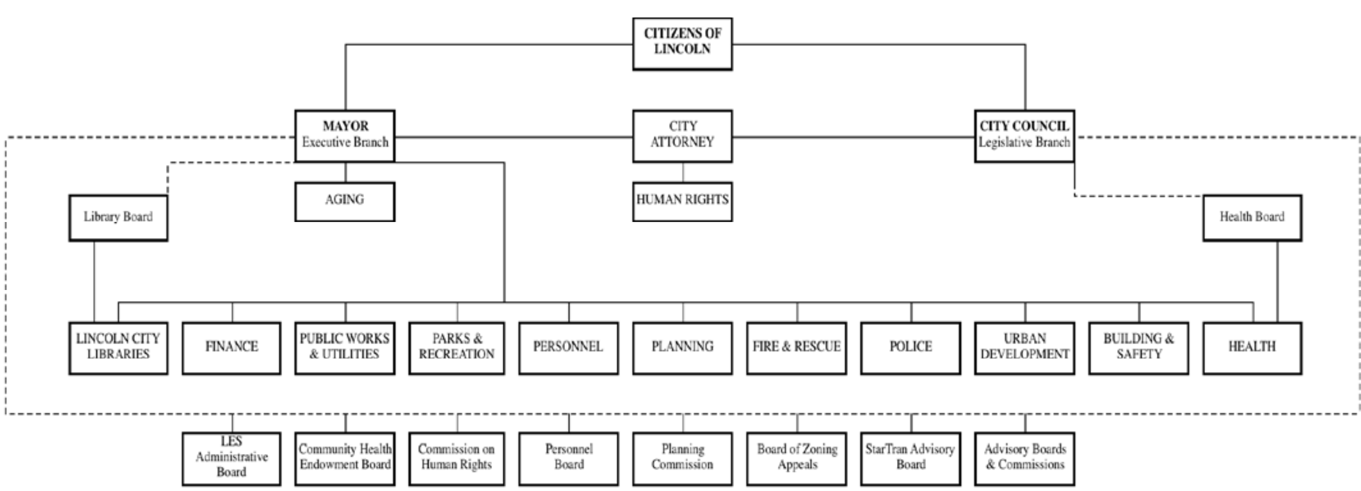
| | |
|---|---|
| Chris Beutler | Mayor |
| Trent Fellers | Chair, City Council |
| Leirion Gaylor Baird | Vice Chair, City Council |
| Jon Camp | Council Member |
| Roy Christensen | Council Member |
| Carl Eskridge | Council Member |
| Cyndi Lamm | Council Member |
| Jane Raybould | Council Member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

* * * * * *

| | |
|---|---|
| Steve Hubka | Interim Finance Director |
| David Cary | Interim Planning Director |
| Lynn Johnson | Parks and Recreation Director |
| Kevin Wailes | Lincoln Electric System Administrator |
| David Landis | Urban Development Director |
| Pat Leach | Library Director |
| Thomas Shafer | Interim 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 |
| Jim Peschong | Chief of Police |
| Tim Linke | Interim Fire Chief |

* * * * * *

## CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA**
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**
**FOR THE YEAR ENDED AUGUST 31, 2015**
# TABLE OF CONTENTS

**STATISTICAL SECTION**



**SINGLE AUDIT SECTION**

CITY OF
LINCOLN™
NEBRASKA

MAYOR CHRIS BEUTLER
555 South 10th Street Suite 301 Lincoln, NE 68508
402-441-7511 lincoln.ne.gov

February 22, 2016

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, 2015.

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 2014 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 32nd consecutive year. This recognition is a credit to the City and a compliment to our dedicated Finance Department.

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

Sincerely,

Chris Beutler
Mayor of Lincoln

CITY OF LINCOLN NEBRASKA
FINANCE DEPARTMENT
555 S. 10th St Suite 103 Lincoln, NE 68508
402-441-7411 fax: 402-441-8325 lincoln.ne.gov

February 22, 2016

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, 2015, is hereby submitted.

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

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The federal government, under the revised OMB Circular A-133, requires local governments that expend $500,000 or more in federal funds in any fiscal year to have a financial and compliance audit performed. As part of the City's Single Audit, tests were made of the City's internal control structure over compliance and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 2015, 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, 2015, are fairly presented in conformity with GAAP.

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

**Profile of the City**

The City of Lincoln, capital city of Nebraska, was originally incorporated on April 7, 1869. Lincoln is located in the southeastern corner of the state, is midway between Chicago and Denver, and is currently one of the fastest growing metro areas in the Midwest. It occupies a land area of approximately 90 square miles, serves a population of approximately 273,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

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

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

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

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

## Economic Condition and Outlook

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

The Lincoln metropolitan area population base (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, Lancaster County's rate of growth between 2000 and 2014 has been 20% or approximately 1.31% per year. The 2014 population of Lancaster County has been estimated to be in excess of 301,000 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, 2015, was 2.3%, well below the national average of 5.1%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current number of construction permits is up 7% when compared to levels 5 years ago, with an increase in the value of construction permits of over $331 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 $2,684,704 or 4.0% from the previous fiscal year. In relation to this primary revenue source, the City has recovered from the negative economic factors that have affected the local and national economies.

## Long-Term Planning and Major Initiatives

### Urban Development

The City anticipates approximately $35 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, 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:
  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) South Haymarket/Trinitas project.
  7) P Street East project.
  8) Pershing Redevelopment project.
  9) Telesis/Dairy House Phase II.
  10) Gallery Alley project.
  11) 700 O Street project.
  12) Historic Haymarket streetscape.
- North 27th Street redevelopment efforts will continue on a project-by-project basis.
- New Downtown Parking Garage. Parking Services Division is completing a demand and occupancy study that will assist in determining the location of a new downtown parking facility.
- Antelope Valley Redevelopment Projects:
  1) 21st & N Street redevelopment project.
  2) Aspen housing.
  3) 23rd and O Street project.
  4) 23rd and Q redevelopment project.
- University Place redevelopment of the former Green's Plumbing site.
- West O Street redevelopment will be on a project-by-project basis and the completion of the historic Detroit-Lincoln-Denver marker project.
- NW Corridor redevelopment (West Cornhusker Highway), including the Great American Sports Park.
- Innovation Campus redevelopment.
- 56th and Arbor Road 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:
  1) For effective transportation:
     - ✓ Yankee Hill Roadway, 70th to 81th Street.
     - ✓ NW 48th, Adams to Vine.
     - ✓ 56th Street, Old Cheney to Shadow Pines.
     - ✓ Coddington and West Van Dorn intersection improvements.
     - ✓ Yankee Hill intersection, 56th to 70th.
     - ✓ Pine Lake Road, 61st to Hwy 2.
     - ✓ Rokeby Road, 70th to 84th Street.
     - ✓ Yankee Hill, 81st to 91st Street.
     - ✓ 14th and Cornhusker Hwy safety project.
     - ✓ 33rd and Cornhusker Hwy RTSD project.
     - ✓ 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.

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

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.

  Examples of specialized projects this year include:
  1) Partnerships with community initiatives such as Prosper Lincoln, Hiring Our Heroes, Project Everlast, 1st Job Lincoln, the Active Community Team of Saunders County, and Re-Entry Alliance of Nebraska.
  2) Participation in LPED's Workforce Taskforce and the Business Retention & Expansion Survey Team.
  3) Collaboration with The Career Academy and service on the Overall Advisory Board and Pathway Support Teams.
  4) Participation in the Make It Work for Lincoln project of the Knowledge Management Council.

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 have joined together through an interlocal agreement to form the Joint Antelope Valley Authority (JAVA). JAVA has 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. Other redevelopment projects will progress as a result of the re-mapping of the floodplain.

Physical construction of all projects is now complete and final project documentation is expected to be completed in 2016 to close out project records.

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

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately $61,085,000 over the 5-year period of fiscal year 2015-16 through fiscal year 2019-20. Of that total, approximately $38,050,000 will be financed by revenue bonds, approximately $1,200,000 will be financed by impact fees, with the remaining $21,835,000 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 $90,900,000 over the 5-year period of fiscal year 2015-16 through 2019-20. Of these dollars, approximately $19,000,000 will be financed through revenue bonds, approximately $4,050,000 will be financed through impact fees, with the balance of $67,850,000 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 2015-2020 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of $42 million for the next five years. Funding for these projects includes $121 million in City revenues, $27 million in federal aid, and $62 million in other funds.

Infrastructure Impact Fees

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

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

Pension Costs

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

**Property Tax Collections**

As of August 31, 2015, current tax collections by the County Treasurer were 97.68% of the tax levy, an increase of .16% from last year. Allocations of property tax levy by purpose are as follows:

| City Tax Levy by Purpose | 2014-2015 | 2013-2014 | 2012-2013 |
|---|---|---|---|
| General Fund | .1859 | .1889 | .1854 |
| Library | .0438 | .0417 | .0423 |
| Social Security | .0163 | .0155 | .0157 |
| Police and Fire Pension | .0374 | .0378 | .0382 |
| General Obligation Debt | .0362 | .0319 | .0342 |
| Total | .3196 | .3158 | .3158 |

**Parking Facilities**

The City of Lincoln operates the following parking garages:

| Facility | Number of Stalls | Date Opened |
|---|---|---|
| Center Park | 1,049 | November, 1978 |
| Cornhusker Square | 390 | December, 1983 |
| University Square | 429 | 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 2010B Parking Revenue Bonds, the 2011 Parking Revenue and Refunding Bonds and 2012 Parking Revenue and Refunding Bonds. Comparative data for the past two fiscal years are presented in the following table:

| | 2014-2015 | 2013-2014 |
|---|---|---|
| Operating Revenues | $10,370,095 | 9,697,333 |
| Operating Income Before Depreciation | 5,841,915 | 5,605,077 |
| Debt Service | 2,483,115 | 2,483,115 |
| Debt Service Coverage Ratio | 2.35 | 2.26 |

**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, 2015, 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:

| Wastewater System | 2014-2015 | 2013-2014 |
|---|---|---|
| Operating Revenues | $27,029,419 | 25,860,215 |
| Operating Income | 5,504,788 | 4,737,120 |
| Revenue Available For Debt Service | 14,485,305 | 13,711,176 |
| Debt Service | 6,861,802 | 7,131,915 |
| Debt Service Coverage Ratio | 2.11 | 1.92 |

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

| Water System | 2014-2015 | 2013-2014 |
|---|---|---|
| Operating Revenues | $31,323,477 | 32,623,034 |
| Operating Income | 5,871,628 | 8,258,038 |
| Revenue Available For Debt Service | 17,526,817 | 18,625,588 |
| Debt Service | 6,406,562 | 5,967,417 |
| Debt Service Coverage Ratio | 2.74 | 3.12 |

**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, 2014, is included in the City's August 31, 2015, 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, 2014. This was the thirty-second consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

**Acknowledgments**

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

Respectfully submitted,

Steve Hubka

Steve Hubka
Interim Finance Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Lincoln**

**Nebraska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**August 31, 2014**

Jeffrey R. Emer

Executive Director/CEO

# FINANCIAL SECTION

BKD LLP
CPAs & Advisors
1248 "O" Street, Suite 1040 // Lincoln, NE 68508-1461
402.473.7600 // fax 402.473.7698 // bkd.com

# 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, 2015, 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 36%, 59% and 16%, 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, 2015, 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.

### *Emphasis of Matter*

As discussed in Notes 1 and 13 to the financial statements, in 2015 the City implemented the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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 22, 2016, 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 22, 2016

## 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, 2015. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on s vii) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 16). The financial information for 2014 shown in the Condensed Statements of Net Position and Condensed Statements of Activities on pages 7-8 has not been updated for changes resulting from the implementation of GASB Statement No. 68 (see page 37 for information regarding the implementation of GASB Statement No. 68).

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at August 31, 2015, by $1,830,029,169 (net position). Of this amount, $369,610,530 (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 $81,550,329. Of this amount, $51,759,341, or 63%, was an increase in governmental activities and $29,790,988, or 37%, 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, 2015, the City's governmental funds reported combined ending fund balances of $288,720,797, a decrease of $2,602,096 in comparison with the prior year. Of this total fund balance, 13%, or $37,607,772 is available for spending at the City's discretion (unassigned fund balance).
- As of August 31, 2015, unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) for the general fund was $54,183,232, or 43% 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 decreased by $36,165,000 (3%) during the current fiscal year. The city issued $17,940,000 in refunding bonds in the current year for a net present value savings of $1,957,311.

### 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, 2015. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

activities). The governmental activities of the City include general administrative services, public safety, streets and highways, health, planning and zoning, parks and recreation, libraries, aging services, job programs, urban development, mass transportation, engineering, self-insurance, and fleet management.
The business-type activities of the City include water, wastewater and electric utilities; ambulance transport; solid waste management; golf courses; entertainment centers; and parking.

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

FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-76 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 77-79 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 $1,830,029,169 at August 31, 2015.

By far the largest portion of the City's net position (70%) 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, 2015 and 2014**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Current and Other Assets | $ 535,735,372 | 536,125,243 | 310,819,974 | 287,136,962 | 846,555,346 | 823,262,205 |
| Capital Assets | 1,076,401,619 | 1,033,606,965 | 1,540,507,192 | 1,524,122,083 | 2,616,908,811 | 2,557,729,048 |
| Total Assets | 1,612,136,991 | 1,569,732,208 | 1,851,327,166 | 1,811,259,045 | 3,463,464,157 | 3,380,991,253 |
| Deferred Outflows of Resources | 22,176,250 | 1,109,915 | 19,316,436 | 21,879,889 | 41,492,686 | 22,989,804 |
| Long-Term Liabilities Outstanding | 603,978,028 | 561,671,668 | 834,851,083 | 861,413,108 | 1,438,829,111 | 1,423,084,776 |
| Other Liabilities | 40,716,144 | 43,749,448 | 174,514,827 | 138,517,929 | 215,230,971 | 182,267,377 |
| Total Liabilities | 644,694,172 | 605,421,116 | 1,009,365,910 | 999,931,037 | 1,654,060,082 | 1,605,352,153 |
| Deferred Inflows of Resources | 19,706,190 | - | 1,161,402 | - | 20,867,592 | - |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 587,747,372 | 545,831,558 | 692,461,543 | 673,582,095 | 1,280,208,915 | 1,219,413,653 |
| Restricted | 165,389,543 | 155,105,392 | 14,820,181 | 15,841,002 | 180,209,724 | 170,946,394 |
| Unrestricted | 216,775,964 | 264,484,057 | 152,834,566 | 143,784,800 | 369,610,530 | 408,268,857 |
| Total Net Position | $ 969,912,879 | 965,421,007 | 860,116,290 | 833,207,897 | 1,830,029,169 | 1,798,628,904 |

An additional portion of the City's net position (10%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (20%) may be used to meet the government's ongoing obligations to citizens and creditors.

At August 31, 2015, 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, 2015 and 2014**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | $ 65,598,374 | 62,644,024 | 410,081,320 | 386,940,021 | 475,679,694 | 449,584,045 |
| Operating Grants and Contributions | 59,762,954 | 71,235,768 | - | - | 59,762,954 | 71,235,768 |
| Capital Grants and Contributions | 25,708,872 | 23,165,428 | 13,309,086 | 5,403,759 | 39,017,958 | 28,569,187 |
| General Revenues: | | | | | | |
| Property Tax | 60,781,216 | 55,871,758 | - | - | 60,781,216 | 55,871,758 |
| Sales and Use Tax | 69,437,901 | 66,753,197 | - | - | 69,437,901 | 66,753,197 |
| Occupation Tax | 26,367,092 | 25,830,488 | 2,832,539 | 2,598,793 | 29,199,631 | 28,429,281 |
| Other Taxes | 24,141,211 | 21,973,301 | - | - | 24,141,211 | 21,973,301 |
| Unrestricted Grants and Contributions | 65,051 | 80,178 | - | - | 65,051 | 80,178 |
| Unrestricted Investment Earnings | 1,842,730 | 2,855,984 | 961,154 | 1,757,946 | 2,803,884 | 4,613,930 |
| Other | 1,251,922 | 890,450 | 329,954 | 136,403 | 1,581,876 | 1,026,853 |
| Total Revenues | 334,957,323 | 331,300,576 | 427,514,053 | 396,836,922 | 762,471,376 | 728,137,498 |
| Expenses: | | | | | | |
| General Government | 48,543,231 | 45,355,465 | - | - | 48,543,231 | 45,355,465 |
| Public Safety | 91,997,706 | 87,571,014 | - | - | 91,997,706 | 87,571,014 |
| Streets and Highways | 41,302,726 | 46,525,688 | - | - | 41,302,726 | 46,525,688 |
| Culture and Recreation | 33,418,770 | 35,878,349 | - | - | 33,418,770 | 35,878,349 |
| Economic Opportunity | 18,101,822 | 21,549,476 | - | - | 18,101,822 | 21,549,476 |
| Health and Welfare | 22,273,013 | 21,456,657 | - | - | 22,273,013 | 21,456,657 |
| Mass Transit | 13,477,089 | 13,582,835 | - | - | 13,477,089 | 13,582,835 |
| Equipment Management | 1,032,440 | 1,181,947 | - | - | 1,032,440 | 1,181,947 |
| Engineering Services | 3,495,741 | 2,774,223 | - | - | 3,495,741 | 2,774,223 |
| Interest on Long-Term Debt | 21,310,128 | 21,776,180 | - | - | 21,310,128 | 21,776,180 |
| Golf Courses | - | - | 3,261,611 | 3,473,671 | 3,261,611 | 3,473,671 |
| Parking | - | - | 9,223,770 | 8,078,478 | 9,223,770 | 8,078,478 |
| Entertainment Facilities | - | - | 8,386,730 | 13,000,711 | 8,386,730 | 13,000,711 |
| Solid Waste Management | - | - | 9,498,841 | 8,838,837 | 9,498,841 | 8,838,837 |
| Ambulance Transport | - | - | 6,507,925 | 5,564,099 | 6,507,925 | 5,564,099 |
| Wastewater | - | - | 24,128,351 | 23,864,691 | 24,128,351 | 23,864,691 |
| Water | - | - | 26,368,801 | 25,941,743 | 26,368,801 | 25,941,743 |
| Electric | - | - | 298,753,000 | 272,692,000 | 298,753,000 | 272,692,000 |
| Total Expenses | 294,952,666 | 297,651,834 | 386,129,029 | 361,454,230 | 681,081,695 | 659,106,064 |
| Increase in Net Position Before Transfers | 40,004,657 | 33,648,742 | 41,385,024 | 35,382,692 | 81,389,681 | 69,031,434 |
| Transfers | 11,754,684 | 10,825,543 | (11,594,036) | (10,744,119) | 160,648 | 81,424 |
| Increase in Net Position | 51,759,341 | 44,474,285 | 29,790,988 | 24,638,573 | 81,550,329 | 69,112,858 |
| Net Position - Beginning, Before Restatement | 965,421,007 | 920,946,722 | 833,207,897 | 808,569,324 | 1,798,628,904 | 1,729,516,046 |
| Adjustmnet for Implementation of GASB 68 | (47,267,469) | - | (2,882,595) | - | (50,150,064) | - |
| Net Position - Beginning, After Restatement | 918,153,538 | 920,946,722 | 830,325,302 | 808,569,324 | 1,748,478,840 | 1,729,516,046 |
| Net Position - Ending | $ 969,912,879 | 965,421,007 | 860,116,290 | 833,207,897 | 1,830,029,169 | 1,798,628,904 |

## GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by $51,759,341, accounting for 63% of the total growth in the net position of the City of Lincoln. Key elements of this increase are as follows:

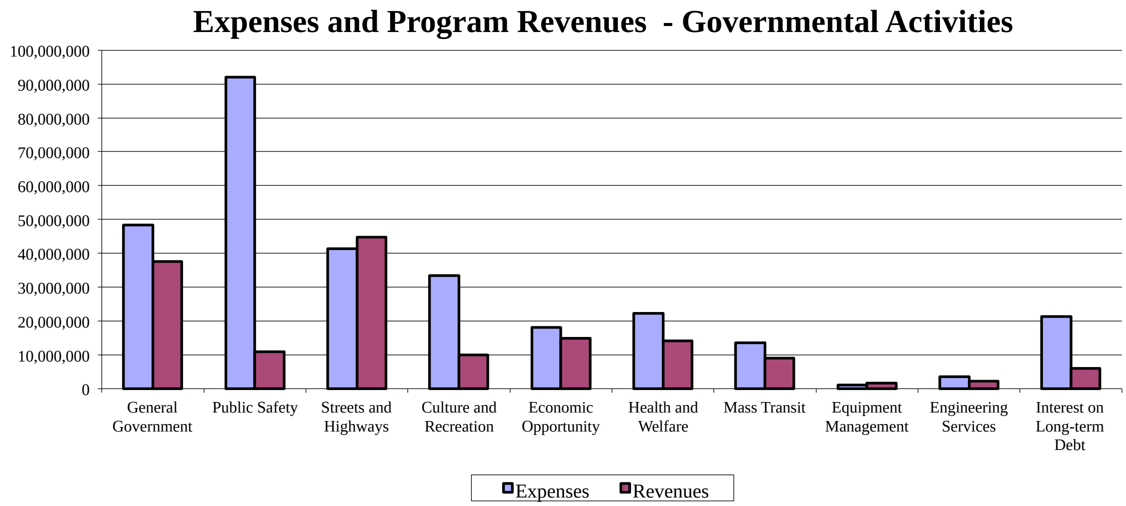
- Total grants and contributions decreased by approximately $9 million (9.5%) during 2015 after showing an increase of 9.9% in the prior year. Approximately $8.5 million of this decrease was the result of a volatile investment market and its impact on endowment fund earnings.

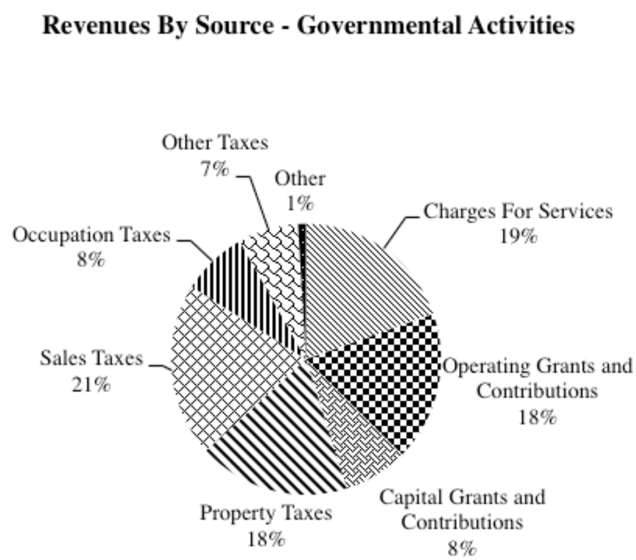
- Property Tax receipts increased by approximately $4.9 million (8.8%) in 2015. There was both an increase in the tax base and also an increase to the tax levy due to debt service requirements of a voter approved stormwater bond issue.

- Sales taxes increased by approximately $2.7 million (4.0%) during 2015 after showing an increase of 5.1% in the prior year.

- Other Tax receipts increased by approximately $2.2 million (9.9%) during 2015, due in large part to the State distribution of turn back tax related to revenues of the Arena facility and associated hotels.

- Unrestricted investment earnings decreased by approximately $1 million in 2015 after showing an increase the prior year. The most significant reason for this change was the volatility of the investment market from the prior fiscal year to the current fiscal year.




BUSINESS-TYPE ACTIVITIES

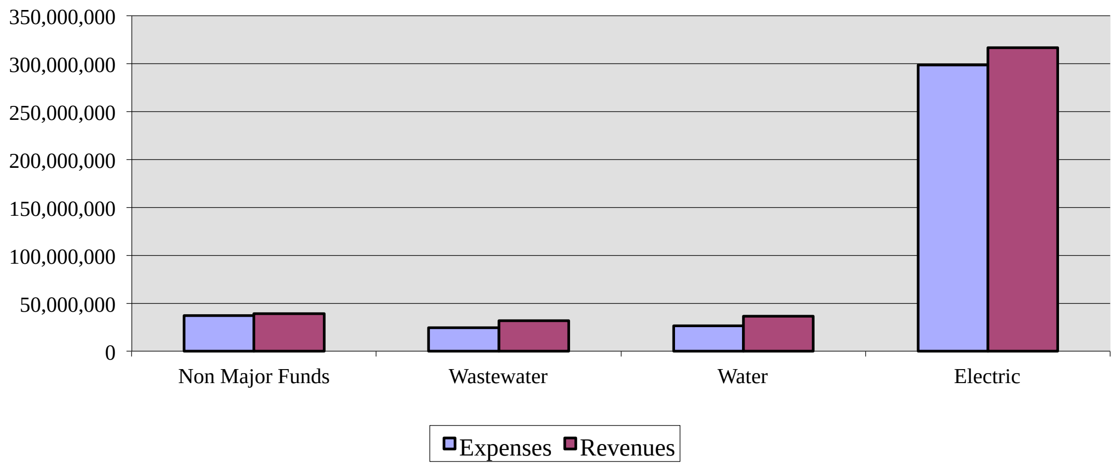
Business-type activities increased the City's net position by $29,790,988, accounting for 37% of the total growth in the government's net position. Key elements of this increase are as follows:

- Lincoln Electric System operating revenue in 2014 was 8.4% higher than 2013. Retail revenue was 2.2% higher due to the impact of a 2.9% rate increase on January 1, 2014, partially offset by a decrease in energy sales of 0.5%. Wholesale revenue increased 69.7% due to participation in the Southwest Power Pool Integrated Marketplace, partially offset by a decrease in energy sales of 3.2%. The city dividend for utility ownership added $7 million to operating revenue, up 7.8% primarily due to increased net position in 2013 and realized gain from sale of natural gas (net position is used in the determination of the city dividend for utility ownership).

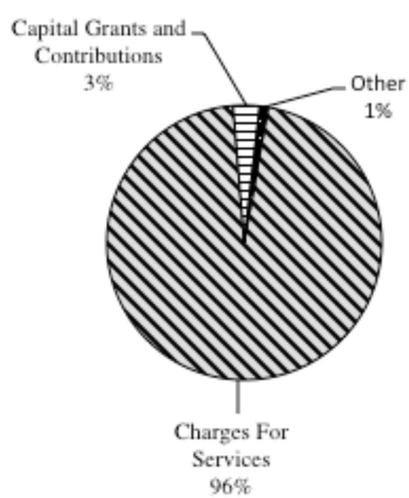
- Lincoln Wastewater System reported increased service charge revenues due to a 5% increase implemented November 2014. Total operating expenses increased primarily due to higher personnel costs, including salary and fringe benefits. Capital contributions increased due to increased development activity.

- Lincoln Water System revenue decreased during the year due to higher precipitation levels in 2015 compared to 2014. Rainfall for fiscal year 2015 was 40.37 inches, while the 30-year average was 28.93 inches. Total operating expenses increased primarily due to higher personnel costs, including salary and fringe benefits. Capital contributions increased due to increased development activity.

**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, 2015, the City's governmental funds reported combined ending fund balances of $288,720,797, a decrease of $(2,602,096) 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 ($3,048,351), legally required to be maintained intact ($37,160,000), restricted for particular purposes ($143,130,301), committed for particular purposes ($3,033,446), or assigned for particular purposes ($64,740,927).

The General Fund is the chief operating fund of the City. At August 31, 2015, the unrestricted fund balance of the General Fund was $54,183,232, while total fund balance reached $61,516,773. 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 43% of total general fund expenditures, while total fund balance represents 49% of that same amount.

The fund balance of the City's General Fund increased by $4,052,390 during 2015. 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 $68,907,774, which is to be used in the construction and maintenance of streets and highways. The net decrease in fund balance during 2015 in the Street Construction Fund was $(5,442,601), 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 $24,352,343, 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 $1,023,296. 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 $21,924,167, $31,289,129, $110,122,000 and $(10,500,730), respectively, at August 31, 2015 (December 31, 2014 for LES). Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were relatively minor (increase of $670,371) and can be briefly summarized as follows:

Expenditure appropriations:

- $(2,566,363) in miscellaneous changes in general government activities.
- $(1,576,091) in decreases allocated to public safety.
- $(220,651) in decreases to streets & highways.
- $176,986 in increases allocated to parks and recreation.
- $120,145 in increases allocated to fiber network improvements.
- $4,736,345 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:

- $3,601,246 positive variance in real estate and personal property tax. Actual property tax collections were 97.68% of the 2014 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- $4,313,148 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover future expenditures.
- $2,200,955 positive variance in police and fire expenditures. Remaining balances are reappropriated to the next year to assist with one-time expenditures that are not ongoing operating expenditures.
- ($1,751,837) 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, 2015, amounts to $2,616,908,811 (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 2015 was 2.3% (a 4.1% increase for governmental activities and a 1.1% increase for business-type activities).

Major capital asset events during 2015 included the following:

- The City increased its investment in infrastructure, including streets, bridges, drainage and traffic systems, in excess of $50 million.
- The City invested in its mass transit system with the purchase of eight new buses at a cost of approximately $3.9 million.
- The LES Southwest Reliability Project, which includes the installation of 5.5 miles of overhead line and construction of a new substation, is expected to be completed in 2015 with a total project cost of $8.6 million.
- Construction to upgrade the LES substation at 21st & N Street is expected to be completed in 2015 with a total project cost of $2.9 million.
- The majority of the work to remodel the Lincoln Electric Building and build a new training facility was completed in 2014 with an estimated total project cost of $2.9 million
- A multi-year project by LES to install an underground duct, adjacent to existing aging underground facilities to allow faster restoration of service should the cable fail, was started in the summer of 2012 with a target completion date of 2022 and a total project cost of $30.1 million.
- Lincoln Wastewater System 2015 events include replacement of a liftstation and solids dewatering improvements for approximately $3.5 million and $3.9 million, respectively.
- Lincoln Water System had approximately $5.3 million of treatment plant modifications and selected main replacements.

**City Of Lincoln**
**Capital Assets (net of depreciation)**
**August 31, 2015 and 2014**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | $ 144,393,691 | 141,724,149 | 24,979,425 | 24,440,188 | 169,373,116 | 166,164,337 |
| Buildings | 284,057,834 | 267,885,080 | 151,439,031 | 156,269,518 | 435,496,865 | 424,154,598 |
| Improvements Other Than Buildings | 68,888,373 | 59,970,122 | 478,172,559 | 464,616,356 | 547,060,932 | 524,586,478 |
| Machinery and Equipment | 36,355,170 | 34,330,128 | 20,175,942 | 13,726,707 | 56,531,112 | 48,056,835 |
| Utility Plant | - | - | 803,439,000 | 779,726,000 | 803,439,000 | 779,726,000 |
| Infrastructure | 482,433,178 | 466,235,722 | - | - | 482,433,178 | 466,235,722 |
| Construction-in-progress | 60,273,373 | 63,461,764 | 62,301,235 | 85,343,314 | 122,574,608 | 148,805,078 |
| Total | $ 1,076,401,619 | 1,033,606,965 | 1,540,507,192 | 1,524,122,083 | 2,616,908,811 | 2,557,729,048 |

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 47-49 of this report.

LONG-TERM DEBT

At August 31, 2015, the City of Lincoln had total bonded debt outstanding of $1,169,751,000. Of this amount, $448,086,000 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, 2015 and 2014**
**(dollar amounts in thousands)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| General Obligation Bonds | $ 448,086 | 458,566 | - | - | 448,086 | 458,566 |
| Tax Supported Bonds | 2,875 | 3,690 | - | - | 2,875 | 3,690 |
| Revenue Bonds | - | - | 718,790 | 743,660 | 718,790 | 743,660 |
| Total | $ 450,961 | 462,256 | 718,790 | 743,660 | 1,169,751 | 1,205,916 |

The City's total bonded debt decreased by $36,165,000 (3%) in the current fiscal year. The city issued $17,940,000 in refunding bonds in the current year for a net present value savings of $1,957,311.

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 | - |
| Lincoln Electric System Revenue Bonds | - | AA | AA |
| Lincoln Electric System 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 51-57 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2014-2016 biennial budget prepared for the City of Lincoln included the following factors relative to the 2015-2016 fiscal year.

- Property tax revenue required to fund the 2015-2016 budget increased $2,461,398 from the prior year. Total change in the tax base is 4.92%, with 3.5% estimated to come from revaluation of existing property.

- 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 2016 include increased Parks and Recreation program fees, $71,862; increased revenue from donations and TIF collections for the Airport Entryway project, $304,700; and increased various environmental health fees, $23,303.

- Utility rates are increased by an average of 3%, resulting in additional 2016 revenues of $1,189,000 for Water and $878,900 for Wastewater.

- An increase in Landfill gate fees and occupation tax fees are scheduled to begin September 2015, generating an additional $1,092,572 in the 2016 fiscal year for the Solid Waste Management Fund.

- 2016 projected sales tax collections reflect a 4.5% increase over 2015 projected collections.

- Staffing changes included in the 2015-2016 budget result in an increase for all funds of 1.82 full-time equivalents.

- Health care premiums for the City's self-insured health plan for employees are projected to increase 9% in 2016.

## 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, 2015

| | | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and Cash Equivalents | $ | 18,652,171 | 26,765,709 | 45,417,880 |
| Investments | | 252,323,432 | 133,493,822 | 385,817,254 |
| Receivables, (Net of Allowance for Uncollectibles) | | 32,135,480 | 47,051,183 | 79,186,663 |
| Internal Balances | | (3,061,329) | 3,061,329 | - |
| Due from Other Governments | | 27,925,349 | 165,512 | 28,090,861 |
| Inventories | | 2,426,860 | 17,193,688 | 19,620,548 |
| Plant Operation Assets | | - | 11,909,000 | 11,909,000 |
| Prepaid Items | | 1,894,332 | 1,335,715 | 3,230,047 |
| Other Assets | | 130,000 | 7,412,972 | 7,542,972 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | | 172,376 | 8,221,635 | 8,394,011 |
| Investments | | 37,160,000 | 54,198,162 | 91,358,162 |
| Receivables | | - | 11,247 | 11,247 |
| Investment in Joint Venture | | 165,976,701 | - | 165,976,701 |
| Capital Assets: | | | | |
| Non-depreciable | | 204,667,064 | 87,280,660 | 291,947,724 |
| Depreciable (Net) | | 871,734,555 | 1,453,226,532 | 2,324,961,087 |
| Total Assets | | 1,612,136,991 | 1,851,327,166 | 3,463,464,157 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred Loss on Refunding | | 1,118,577 | 17,845,444 | 18,964,021 |
| Deferred Outflows for Pension | | 21,057,673 | 1,470,992 | 22,528,665 |
| Total Deferred Outflows of Resources | | 22,176,250 | 19,316,436 | 41,492,686 |
| **LIABILITIES** | | | | |
| Accounts Payable and Other Current Liabilities | | 13,811,789 | 20,674,091 | 34,485,880 |
| Accrued Liabilities | | 8,072,535 | 43,696,438 | 51,768,973 |
| Due to Other Governments | | 5,043,981 | 217,177 | 5,261,158 |
| Unearned Revenue | | 8,918,850 | 5,058,210 | 13,977,060 |
| Notes Payable | | - | 95,500,000 | 95,500,000 |
| Accrued Interest Payable | | 4,868,989 | 9,368,911 | 14,237,900 |
| Noncurrent Liabilities: | | | | |
| Payable within One Year | | 31,939,706 | 38,915,947 | 70,855,653 |
| Payable in More Than One Year | | 572,038,322 | 795,935,136 | 1,367,973,458 |
| Total Liabilities | | 644,694,172 | 1,009,365,910 | 1,654,060,082 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred Gain on Refunding | | 795,000 | - | 795,000 |
| Deferred Inflows for Pension | | 18,911,190 | 1,161,402 | 20,072,592 |
| Total Deferred Inflows of Resources | | 19,706,190 | 1,161,402 | 20,867,592 |
| **NET POSITION** | | | | |
| Net Investment in Capital Assets | | 587,747,372 | 692,461,543 | 1,280,208,915 |
| Restricted for: | | | | |
| Debt Service | | 6,569,300 | 8,842,265 | 15,411,565 |
| Capital Projects | | 65,556,686 | 5,977,916 | 71,534,602 |
| Grantor Loan Programs | | 17,814,000 | - | 17,814,000 |
| Other | | 12,133,217 | - | 12,133,217 |
| Trust Donations: | | | | |
| Expendable | | 1,870,415 | - | 1,870,415 |
| Nonexpendable | | 160,000 | - | 160,000 |
| Health Care: | | | | |
| Expendable | | 24,285,925 | - | 24,285,925 |
| Nonexpendable | | 37,000,000 | - | 37,000,000 |
| Unrestricted | | 216,775,964 | 152,834,566 | 369,610,530 |
| Total Net Position | $ | 969,912,879 | 860,116,290 | 1,830,029,169 |

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, 2015

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| **Functions/Programs** | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | $ (48,543,231) | 34,039,065 | 1,578,136 | 1,899,228 | (11,026,802) | - | (11,026,802) |
| Public Safety | (91,997,706) | 7,653,414 | 2,945,650 | 334,944 | (81,063,698) | - | (81,063,698) |
| Streets and Highways | (41,302,726) | 5,070,875 | 23,397,448 | 16,310,746 | 3,476,343 | - | 3,476,343 |
| Culture and Recreation | (33,418,770) | 4,565,482 | 1,592,092 | 3,813,937 | (23,447,259) | - | (23,447,259) |
| Economic Opportunity | (18,101,822) | 1,709,576 | 10,857,752 | 2,378,726 | (3,155,768) | - | (3,155,768) |
| Health and Welfare | (22,273,013) | 5,120,923 | 8,930,227 | - | (8,221,863) | - | (8,221,863) |
| Mass Transit | (13,477,089) | 3,256,923 | 5,842,841 | - | (4,377,325) | - | (4,377,325) |
| Equipment Management | (1,032,440) | 1,641,022 | - | - | 608,582 | - | 608,582 |
| Engineering Services | (3,495,741) | 2,187,050 | - | 1,523 | (1,307,168) | - | (1,307,168) |
| Interest on Long-Term Debt | (21,310,128) | 354,044 | 4,618,808 | 969,768 | (15,367,508) | - | (15,367,508) |
| Total Governmental Activities | (294,952,666) | 65,598,374 | 59,762,954 | 25,708,872 | (143,882,466) | - | (143,882,466) |
| Business-Type Activities: | | | | | | | |
| Golf | (3,261,611) | 3,389,209 | - | - | - | 127,598 | 127,598 |
| Parking System | (9,223,770) | 11,848,451 | - | - | - | 2,624,681 | 2,624,681 |
| Municipal Auditorium | (33,652) | 763 | - | - | - | (32,889) | (32,889) |
| Municipal Arena | (8,353,078) | 8,322,073 | - | - | - | (31,005) | (31,005) |
| Solid Waste Management | (9,498,841) | 7,218,591 | - | 1,953,763 | - | (326,487) | (326,487) |
| Emergency Medical Services | (6,507,925) | 6,398,757 | - | 61,491 | - | (47,677) | (47,677) |
| Wastewater System | (24,128,351) | 27,004,622 | - | 4,483,405 | - | 7,359,676 | 7,359,676 |
| Water System | (26,368,801) | 31,275,854 | - | 5,145,427 | - | 10,052,480 | 10,052,480 |
| Electric System | (298,753,000) | 314,623,000 | - | 1,665,000 | - | 17,535,000 | 17,535,000 |
| Total Business-Type Activities | (386,129,029) | 410,081,320 | - | 13,309,086 | - | 37,261,377 | 37,261,377 |
| Total | $ (681,081,695) | 475,679,694 | 59,762,954 | 39,017,958 | (143,882,466) | 37,261,377 | (106,621,089) |
| General Revenues: | | | | | | | |
| Property Tax | | | | | 60,781,216 | - | 60,781,216 |
| Motor Vehicle Tax | | | | | 5,049,072 | - | 5,049,072 |
| Wheel Tax | | | | | 17,548,482 | - | 17,548,482 |
| Sales and Use Tax | | | | | 69,437,901 | - | 69,437,901 |
| Sundry and In Lieu Tax | | | | | 1,543,657 | - | 1,543,657 |
| Occupation Tax | | | | | 26,367,092 | 2,832,539 | 29,199,631 |
| Unrestricted Grants and Contributions | | | | | 65,051 | - | 65,051 |
| Unrestricted Investment Earnings | | | | | 1,842,730 | 961,154 | 2,803,884 |
| Miscellaneous General Revenues | | | | | 1,251,922 | 329,954 | 1,581,876 |
| Transfers | | | | | 11,754,684 | (11,594,036) | 160,648 |
| Total General Revenues and Transfers | | | | | 195,641,807 | (7,470,389) | 188,171,418 |
| Change in Net Position | | | | | 51,759,341 | 29,790,988 | 81,550,329 |
| Net Position - Beginning | | | | | 965,421,007 | 833,207,897 | 1,798,628,904 |
| Adjustment for Implementation of GASB 68 | | | | | (47,267,469) | (2,882,595) | (50,150,064) |
| Net Position - Beginning of Year, After Restatement | | | | | 918,153,538 | 830,325,302 | 1,748,478,840 |
| Net Position - Ending | | | | | $ 969,912,879 | 860,116,290 | 1,830,029,169 |

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

**CITY OF LINCOLN, NEBRASKA**
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2015

| | General Fund | Street Construction Fund | West Haymarket JPA Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | $ 3,447,953 | 3,186,766 | 579,126 | 10,785,057 | 17,998,902 |
| Investments | 44,301,940 | 59,660,104 | 33,766,391 | 116,553,775 | 254,282,210 |
| Receivables, (Net of Allowance for Uncollectibles) | 5,062,887 | 326,415 | 2,083,732 | 24,331,022 | 31,804,056 |
| Due from Other Funds | 3,745,757 | 6,837,122 | - | 1,235,814 | 11,818,693 |
| Due from Other Governments | 12,718,556 | 9,994,970 | 865,637 | 4,106,208 | 27,685,371 |
| Inventories | 400,286 | 490,789 | - | 680,863 | 1,571,938 |
| Assets Held for Resale | - | - | - | 130,000 | 130,000 |
| Prepaid Items | 258,388 | 25,564 | 270,525 | 921,936 | 1,476,413 |
| Total Assets | 69,935,767 | 80,521,730 | 37,565,411 | 158,744,675 | 346,767,583 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 1,495,951 | 5,730,569 | 130,042 | 3,576,822 | 10,933,384 |
| Contracts Payable | - | 67,114 | 6,347 | - | 73,461 |
| Accrued Liabilities | 4,687,383 | 249,921 | 183,000 | 2,306,142 | 7,426,446 |
| Due to Other Funds | 903,856 | 342,226 | 911,796 | 13,501,260 | 15,659,138 |
| Due to Other Governments | 34,988 | 2,588,490 | 2,264,643 | 265,240 | 5,153,361 |
| Due to Other Contractors | - | - | - | 1,516,758 | 1,516,758 |
| Unearned Revenue | 530 | - | 8,622,610 | 241,739 | 8,864,879 |
| Total Liabilities | 7,122,708 | 8,978,320 | 12,118,438 | 21,407,961 | 49,627,427 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable Revenues | 1,296,286 | 2,635,636 | 1,094,630 | 3,392,807 | 8,419,359 |
| Fund Balances: | | | | | |
| Nonspendable | 658,674 | 516,353 | 270,525 | 38,762,799 | 40,208,351 |
| Restricted | 6,674,867 | 50,520,328 | 9,327,186 | 76,607,920 | 143,130,301 |
| Committed | - | - | - | 3,033,446 | 3,033,446 |
| Assigned | 16,266,623 | 17,871,093 | 14,754,632 | 15,848,579 | 64,740,927 |
| Unassigned | 37,916,609 | - | - | (308,837) | 37,607,772 |
| Total Fund Balances | 61,516,773 | 68,907,774 | 24,352,343 | 133,943,907 | 288,720,797 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 69,935,767 | 80,521,730 | 37,565,411 | 158,744,675 | |

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. | 1,052,950,294 |
| Investment in joint venture is not a financial resource and, therefore, is not reported in the funds. | 165,976,701 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 8,419,359 |
| 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. | 34,228,341 |
| Long-term construction contracts and other liabilities require the use of unavailable financial resources and, therefore, are not reported in the funds. | (4,828,873) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | (575,553,740) |
| Net position of governmental activities | $ 969,912,879 |

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, 2015

| | General Fund | Street Construction Fund | West Haymarket JPA Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes: | | | | | |
| Property | $ 32,436,034 | - | - | 28,609,720 | 61,045,754 |
| Motor Vehicle | 5,049,072 | - | - | - | 5,049,072 |
| Wheel | - | - | - | 17,548,482 | 17,548,482 |
| Sales and Use | 69,437,901 | - | - | - | 69,437,901 |
| Sundry and In Lieu | 48,596 | - | - | 1,492,513 | 1,541,109 |
| Occupation | 10,920,203 | - | 15,446,889 | - | 26,367,092 |
| Special Assessment | 2,050 | 357 | - | 1,773,496 | 1,775,903 |
| Intergovernmental | 3,721,598 | 31,816,555 | 3,623,098 | 31,533,691 | 70,694,942 |
| Permits and Fees | 5,536,892 | 4,510,170 | 3,770 | 15,276,972 | 25,327,804 |
| Reimbursement for Services | 7,405,279 | 284,674 | 6,978,600 | 1,414,714 | 16,083,267 |
| Program Income | - | - | - | 13,858 | 13,858 |
| Investment Earnings | 302,940 | 354,580 | 600,995 | (252,049) | 1,006,466 |
| Donations | 630,549 | - | 500,000 | 2,355,134 | 3,485,683 |
| Keno Proceeds | - | - | - | 4,343,261 | 4,343,261 |
| Miscellaneous | 601,049 | 554,379 | 567,755 | 1,460,138 | 3,183,321 |
| Total Revenues | 136,092,163 | 37,520,715 | 27,721,107 | 105,569,930 | 306,903,915 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | 32,523,389 | - | 6,091,193 | 12,099,909 | 50,714,491 |
| Public Safety | 67,774,062 | - | - | 7,851,101 | 75,625,163 |
| Streets and Highways | 6,503,487 | 12,958,038 | - | 2,845 | 19,464,370 |
| Culture and Recreation | 13,462,781 | - | - | 11,075,515 | 24,538,296 |
| Economic Opportunity | 4,235,703 | - | - | 10,537,720 | 14,773,423 |
| Health and Welfare | 331,878 | - | - | 22,706,907 | 23,038,785 |
| Mass Transit | - | - | - | 15,539,838 | 15,539,838 |
| Debt Service | 78,950 | - | 16,796,109 | 21,759,927 | 38,634,986 |
| Capital Outlay | - | 45,174,142 | 2,852,825 | 15,627,573 | 63,654,540 |
| Total Expenditures | 124,910,250 | 58,132,180 | 25,740,127 | 117,201,335 | 325,983,892 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 11,181,913 | (20,611,465) | 1,980,980 | (11,631,405) | (19,079,977) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | 11,283,230 | 20,834,110 | - | 32,229,969 | 64,347,309 |
| Transfers Out | (21,893,971) | (5,671,021) | (957,684) | (25,097,906) | (53,620,582) |
| Issuance of Debt | 3,400,000 | - | - | - | 3,400,000 |
| Issuance of Refunding Debt | - | - | - | 9,010,000 | 9,010,000 |
| Premium on Debt Issued | 62,602 | - | - | 372,475 | 435,077 |
| Transfer To Bond Refunding Agent | - | - | - | (9,280,206) | (9,280,206) |
| Sale of Capital Assets | 18,616 | 5,775 | - | 2,161,892 | 2,186,283 |
| Total Other Financing Sources (Uses) | (7,129,523) | 15,168,864 | (957,684) | 9,396,224 | 16,477,881 |
| Net Change in Fund Balances | 4,052,390 | (5,442,601) | 1,023,296 | (2,235,181) | (2,602,096) |
| Fund Balances - Beginning | 57,464,383 | 74,350,375 | 23,329,047 | 136,179,088 | 291,322,893 |
| Fund Balances - Ending | $ 61,516,773 | 68,907,774 | 24,352,343 | 133,943,907 | 288,720,797 |

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, 2015

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | (2,602,096) |
| 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. | | 33,662,285 |
| The net effect of various miscellaneous transactions involving capital contributions is to increase net position. | | 10,365,108 |
| Revenues in the statement of activites 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. | | 34,333 |
| 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. | | 11,580,323 |
| 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. | | (2,624,771) |
| 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. | | (3,595,916) |
| Changes in the interest in the underlying net position of the joint venture do not represent financial activity in governmental funds. | | 190,782 |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The net expense of the internal service funds is reported within governmental activities. | | 4,749,293 |
| Change in net position of governmental activities | $ | 51,759,341 |

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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Real Estate and Personal Property Tax | $ 32,651,823 | 32,651,823 | 36,253,069 | 3,601,246 |
| Taxes Collected by Others | 69,356,651 | 69,356,651 | 68,861,600 | (495,051) |
| Sundry Taxes and In Lieu | 50,759 | 50,759 | 50,933 | 174 |
| Occupation Taxes | 11,435,960 | 11,435,960 | 11,340,187 | (95,773) |
| Intergovernmental | 2,266,408 | 2,266,408 | 1,681,207 | (585,201) |
| Permits and Fees | 3,455,482 | 3,455,482 | 3,591,435 | 135,953 |
| Reimbursement for Services | 3,137,790 | 3,137,790 | 3,682,579 | 544,789 |
| Court Fees | 737,000 | 737,000 | 762,436 | 25,436 |
| Recreation Receipts | 2,432,493 | 2,432,493 | 2,516,160 | 83,667 |
| Investment Earnings | 83,501 | 83,501 | 286,886 | 203,385 |
| Donations | 595,081 | 595,081 | 595,051 | (30) |
| Rental Income | 514,650 | 514,650 | 603,012 | 88,362 |
| Miscellaneous | 331,642 | 331,642 | 470,579 | 138,937 |
| Total Revenues | 127,049,240 | 127,049,240 | 130,695,134 | 3,645,894 |
| Expenditures: | | | | |
| General Government: | | | | |
| Legislative | 299,024 | 300,007 | 249,693 | 50,314 |
| Executive | 1,529,374 | 1,562,165 | 1,373,946 | 188,219 |
| Financial Administration | 2,805,310 | 2,846,384 | 2,536,222 | 310,162 |
| Law | 2,941,253 | 2,989,137 | 2,776,005 | 213,132 |
| Personnel Administration | 1,083,818 | 1,181,656 | 1,020,975 | 160,681 |
| Planning and Zoning | 1,849,413 | 1,920,049 | 1,709,508 | 210,541 |
| Urban Development | 846,457 | 869,659 | 853,206 | 16,453 |
| Miscellaneous | 29,350,671 | 26,469,900 | 22,156,752 | 4,313,148 |
| Total General Government | 40,705,320 | 38,138,957 | 32,676,307 | 5,462,650 |
| Public Safety: | | | | |
| Police | 37,827,031 | 35,617,612 | 34,633,300 | 984,312 |
| Fire | 26,067,373 | 26,679,917 | 25,463,274 | 1,216,643 |
| Traffic Engineering | 1,652,637 | 1,673,421 | 1,793,248 | (119,827) |
| Total Public Safety | 65,547,041 | 63,970,950 | 61,889,822 | 2,081,128 |
| Streets and Highways: | | | | |
| Street Maintenance | 2,682,334 | 2,445,889 | 2,164,953 | 280,936 |
| Street Lighting | 3,054,100 | 3,069,894 | 4,821,731 | (1,751,837) |
| Total Streets and Highways | 5,736,434 | 5,515,783 | 6,986,684 | (1,470,901) |
| Culture and Recreation: | | | | |
| Parks and Recreation | 13,478,916 | 13,655,902 | 13,363,015 | 292,887 |
| Libraries | 232,739 | 232,739 | 232,009 | 730 |
| Total Culture and Recreation | 13,711,655 | 13,888,641 | 13,595,024 | 293,617 |
| Economic Opportunity: | | | | |
| Lincoln Area Agency on Aging | 249,158 | 249,158 | 249,158 | - |
| Job Programs | 106,302 | 106,302 | 106,302 | |
| Fiber Network | 91,632 | 211,777 | 129,658 | 82,119 |
| Total Economic Opportunity | 447,092 | 567,237 | 485,118 | 82,119 |
| Health and Welfare: | | | | |
| Lincoln/Lancaster County Health | 324,662 | 324,662 | 324,662 | - |
| Debt Service: | | | | |
| Issuance and Management Costs | - | - | 78,950 | (78,950) |
| Total Expenditures | 126,472,204 | 122,406,230 | 116,036,567 | 6,369,663 |
| Excess of Revenues Over Expenditures | 577,036 | 4,643,010 | 14,658,567 | 10,015,557 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 12,496,443 | 12,496,443 | 11,283,434 | (1,213,009) |
| Transfers Out | (30,420,150) | (35,156,495) | (27,854,569) | 7,301,926 |
| Proceeds from Issuance of Debt | 3,400,000 | 3,400,000 | 3,400,000 | - |
| Premium on Debt Issued | - | - | 62,602 | 62,602 |
| Sale of Capital Assets | 5,000 | 5,000 | 18,463 | 13,463 |
| Total Other Financing Sources (Uses) | (14,518,707) | (19,255,052) | (13,090,070) | 6,164,982 |
| Net Change in Fund Balances | (13,941,671) | (14,612,042) | 1,568,497 | 16,180,539 |
| Fund Balances - Beginning | 39,974,269 | 39,974,269 | 39,974,269 | - |
| Fund Balances - Ending | $ 26,032,598 | 25,362,227 | 41,542,766 | 16,180,539 |

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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | 10,092,451 | 10,092,451 | 24,628,334 | 14,535,883 |
| Permits and Fees | - | - | 425,323 | 425,323 |
| Reimbursement for Services | 500,000 | 500,000 | 201,947 | (298,053) |
| Investment Earnings | 57,200 | 57,200 | 240,914 | 183,714 |
| Miscellaneous | - | - | 2,314 | 2,314 |
| Total Revenues | 10,649,651 | 10,649,651 | 25,498,832 | 14,849,181 |
| Expenditures -- Streets and Highways: | | | | |
| Personal Services | 6,986,668 | 6,986,668 | 6,839,063 | 147,605 |
| Materials and Supplies | 1,068,175 | 1,068,175 | 1,170,073 | (101,898) |
| Other Services and Charges | 4,698,662 | 4,661,161 | 3,797,383 | 863,778 |
| Capital Outlay | 36,300 | 1,771,300 | 888,038 | 883,262 |
| Total Expenditures | 12,789,805 | 14,487,304 | 12,694,557 | 1,792,747 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,140,154) | (3,837,653) | 12,804,275 | 16,641,928 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 21,001,391 | 21,001,391 | 21,001,391 | - |
| Transfers Out | (5,671,021) | (5,671,021) | (5,671,021) | - |
| Sale of Capital Assets | - | - | 2,916 | 2,916 |
| Total Other Financing Sources (Uses) | 15,330,370 | 15,330,370 | 15,333,286 | 2,916 |
| Net Change in Fund Balances | 13,190,216 | 11,492,717 | 28,137,561 | 16,644,844 |
| Amount Budgeted on Project Basis | (34,125,058) | (34,125,058) | (34,125,058) | - |
| Fund Balances - Beginning | 70,142,138 | 70,142,138 | 70,142,138 | - |
| Fund Balances - Ending | $ 49,207,296 | 47,509,797 | 64,154,641 | 16,644,844 |

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, 2015

| | 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 | $ 407,420 | 527,547 | 21,964,000 | 3,866,742 | 26,765,709 | 653,269 |
| Investments | 10,920,149 | 13,646,084 | 80,061,000 | 7,083,575 | 111,710,808 | 20,204,612 |
| Restricted Assets: | | | | | | |
| Restricted Cash and Cash Equivalents | - | - | 5,187,000 | - | 5,187,000 | - |
| Investments | - | - | 11,574,000 | - | 11,574,000 | - |
| Receivables, (Net of Allowance for Uncollectibles) | 2,164,305 | 3,143,564 | 19,509,000 | 3,199,045 | 28,015,914 | 331,424 |
| Unbilled Revenues | 2,631,813 | 3,978,456 | 12,425,000 | - | 19,035,269 | - |
| Due from Other Funds | 471,019 | 2,462,771 | - | 906,739 | 3,840,529 | 1,364,307 |
| Due from Other Governments | - | 124,781 | - | 40,731 | 165,512 | 239,978 |
| Inventories | 109,221 | 927,428 | 15,745,000 | 412,039 | 17,193,688 | 854,922 |
| Plant Operation Assets | - | - | 11,909,000 | - | 11,909,000 | - |
| Prepaids and Other Current Assets | - | - | 3,051,000 | 79,715 | 3,130,715 | 417,919 |
| Total Current Assets | 16,703,927 | 24,810,631 | 181,425,000 | 15,588,586 | 238,528,144 | 24,066,431 |
| Noncurrent Assets: | | | | | | |
| Investments | 6,583,343 | 9,736,519 | - | 5,463,152 | 21,783,014 | 14,996,610 |
| Costs Recoverable from Future Billings | 696,897 | 502,075 | 4,419,000 | - | 5,617,972 | - |
| Restricted Assets: | | | | | | |
| Cash and Cash Equivalents | - | - | 47,000 | 2,987,635 | 3,034,635 | 172,376 |
| Investments | 7,645,346 | 7,475,108 | 18,293,000 | 9,210,708 | 42,624,162 | - |
| Receivables | - | - | - | 11,247 | 11,247 | - |
| Total Restricted Assets | 7,645,346 | 7,475,108 | 18,340,000 | 12,209,590 | 45,670,044 | 172,376 |
| Capital Assets: | | | | | | |
| Land | 6,862,144 | 5,391,676 | - | 12,725,605 | 24,979,425 | 1,306,950 |
| Buildings | 80,049,323 | 79,967,560 | - | 76,091,056 | 236,107,939 | 13,448,344 |
| Improvements Other Than Buildings | 299,125,875 | 342,722,186 | - | 48,508,979 | 690,357,040 | 746,307 |
| Machinery and Equipment | 9,976,633 | 24,167,087 | - | 17,995,103 | 52,138,823 | 32,671,611 |
| Utility Plant | - | - | 1,410,277,000 | - | 1,410,277,000 | - |
| Construction in Progress | 1,479,918 | 6,194,349 | 53,994,000 | 632,968 | 62,301,235 | - |
| Less Accumulated Depreciation | (127,963,257) | (139,569,323) | (606,838,000) | (61,283,690) | (935,654,270) | (24,721,887) |
| Total Capital Assets, Net | 269,530,636 | 318,873,535 | 857,433,000 | 94,670,021 | 1,540,507,192 | 23,451,325 |
| Total Noncurrent Assets | 284,456,222 | 336,587,237 | 880,192,000 | 112,342,763 | 1,613,578,222 | 38,620,311 |
| Total Assets | 301,160,149 | 361,397,868 | 1,061,617,000 | 127,931,349 | 1,852,106,366 | 62,686,742 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Deferred Loss on Refunding | 669,714 | 710,994 | 16,433,000 | 31,736 | 17,845,444 | - |
| Deferred Outflows for Pension | - | - | - | 1,470,992 | 1,470,992 | - |
| Total Deferred Outflows of Resources | 669,714 | 710,994 | 16,433,000 | 1,502,728 | 19,316,436 | - |
| **LIABILITIES** | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | 320,288 | 511,645 | 18,184,000 | 1,658,158 | 20,674,091 | 1,288,186 |
| Construction Contracts | 1,133,634 | 1,821,804 | - | - | 2,955,438 | - |
| Accrued Liabilities | 592,948 | 903,486 | 41,710,000 | 490,004 | 43,696,438 | 544,311 |
| Accrued Compensated Absences | 391,570 | 502,356 | - | 519,393 | 1,413,319 | 774,652 |
| Due to Other Funds | - | - | - | 279,200 | 279,200 | 585,191 |
| Due to Other Governments | - | - | - | 217,177 | 217,177 | 11,851 |
| Unearned Revenue | - | - | - | 5,058,210 | 5,058,210 | 53,971 |
| Claims | - | - | 1,017,000 | - | 1,017,000 | 4,772,592 |
| Accrued Interest | 604,882 | 196,624 | 8,467,000 | 100,405 | 9,368,911 | 106,954 |
| Current Portion of Notes Payable | - | - | 95,500,000 | 200,000 | 95,700,000 | - |
| Current Portion of Capital Lease | - | - | - | 345,876 | 345,876 | 1,557,650 |
| Current Portion of Long-Term Debt | 4,562,314 | 4,307,000 | 22,050,000 | 2,065,000 | 32,984,314 | - |
| Total Current Liabilities | 7,605,636 | 8,242,915 | 186,928,000 | 10,933,423 | 213,709,974 | 9,695,358 |
| Noncurrent Liabilities: | | | | | | |
| Due to Other Funds | - | - | - | 500,000 | 500,000 | - |
| Accrued Compensated Absences | 324,589 | 513,702 | - | 153,963 | 992,254 | 953,345 |
| Construction Contracts | 117,455 | 84,336 | - | - | 201,791 | - |
| Claims | - | - | 496,000 | - | 496,000 | 6,278,513 |
| Notes Payable | - | - | - | 1,400,000 | 1,400,000 | - |
| Capital Lease Payable | - | - | - | 1,205,037 | 1,205,037 | 11,071,452 |
| Long-Term Debt, Net | 82,590,586 | 58,405,625 | 589,007,000 | 39,151,922 | 769,155,133 | - |
| Accrued Liabilities | 264,347 | 409,929 | - | 867,986 | 1,542,262 | 459,733 |
| Net Pension Liability | - | - | - | 3,368,659 | 3,368,659 | - |
| Accrued Landfill Closure/Postclosure Care Costs | - | - | - | 17,574,000 | 17,574,000 | - |
| Total Noncurrent Liabilities | 83,296,977 | 59,413,592 | 589,503,000 | 64,221,567 | 796,435,136 | 18,763,043 |
| Total Liabilities | 90,902,613 | 67,656,507 | 776,431,000 | 75,154,990 | 1,010,145,110 | 28,458,401 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Deferred Inflows for Pension | - | - | - | 1,161,402 | 1,161,402 | - |
| **NET POSITION** | | | | | | |
| Net Investment in Capital Assets | 187,492,677 | 260,427,539 | 184,131,000 | 60,410,327 | 692,461,543 | 10,792,315 |
| Restricted for: | | | | | | |
| Debt Service | 1,039,387 | 272,916 | 7,366,000 | 163,962 | 8,842,265 | - |
| Capital Projects | 471,019 | 2,462,771 | - | 3,044,126 | 5,977,916 | - |
| Unrestricted | 21,924,167 | 31,289,129 | 110,122,000 | (10,500,730) | 152,834,566 | 23,436,026 |
| Total Net Position | $ 210,927,250 | 294,452,355 | 301,619,000 | 53,117,685 | 860,116,290 | 34,228,341 |

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, 2015

| | Business-Type Activities -- Enterprise Funds | | | | | Governmental Activities -- |
|---|---|---|---|---|---|---|
| | Lincoln Wastewater System | Lincoln Water System | Lincoln Electric System | Other Enterprise Funds | Total | Internal Service Funds |
| **Operating Revenues** | | | | | | |
| Charges for Services | $ 27,029,419 | 31,323,477 | 301,387,000 | 7,929,789 | 367,669,685 | 67,162,196 |
| Fees | - | - | - | 9,449,377 | 9,449,377 | - |
| Parking Revenue | - | - | - | 10,540,877 | 10,540,877 | - |
| Performance Revenue | - | - | - | 6,510,745 | 6,510,745 | - |
| Other Operating Revenue | - | - | 13,236,000 | 2,760,381 | 15,996,381 | - |
| Total Operating Revenues | 27,029,419 | 31,323,477 | 314,623,000 | 37,191,169 | 410,167,065 | 67,162,196 |
| **Operating Expenses** | | | | | | |
| Personal Services | - | - | - | 13,833,458 | 13,833,458 | 14,506,891 |
| Contractual Services | - | - | - | 7,073,442 | 7,073,442 | - |
| Operation and Maintenance | 11,597,213 | 15,082,933 | 24,775,000 | 9,895,430 | 61,350,576 | 46,590,640 |
| Purchased Power | - | - | 149,726,000 | - | 149,726,000 | - |
| Depreciation | 7,983,070 | 8,496,791 | 44,182,000 | 5,058,966 | 65,720,827 | 2,830,906 |
| Administrative Costs | 1,944,348 | 1,872,125 | 39,167,000 | - | 42,983,473 | - |
| Total Operating Expenses | 21,524,631 | 25,451,849 | 257,850,000 | 35,861,296 | 340,687,776 | 63,928,437 |
| Operating Income | 5,504,788 | 5,871,628 | 56,773,000 | 1,329,873 | 69,479,289 | 3,233,759 |
| **Nonoperating Revenues (Expenses)** | | | | | | |
| Investment Earnings | 280,812 | 442,287 | 152,000 | 86,055 | 961,154 | 250,488 |
| Gain on Disposal of Capital Assets | - | 843,321 | - | 566,666 | 1,409,987 | 40,657 |
| Insurance Recovery | - | - | - | 56,143 | 56,143 | - |
| Occupation Tax | - | - | - | 2,832,539 | 2,832,539 | - |
| Payments in Lieu of Taxes | - | - | (10,344,000) | - | (10,344,000) | - |
| Net Costs Recoverable | (44,968) | (48,767) | (1,117,000) | - | (1,210,735) | - |
| Debt Issuance Expense | - | - | - | (129,524) | (129,524) | - |
| Interest Expense and Fiscal Charges | (2,558,753) | (1,711,506) | (25,550,000) | (1,332,688) | (31,152,947) | (330,015) |
| Other | - | - | (2,227,000) | - | (2,227,000) | - |
| Total Nonoperating Revenues (Expenses) | (2,322,909) | (474,665) | (39,086,000) | 2,079,191 | (39,804,383) | (38,870) |
| Income Before Contributions and Transfers | 3,181,879 | 5,396,963 | 17,687,000 | 3,409,064 | 29,674,906 | 3,194,889 |
| Capital Contributions | 4,483,405 | 5,145,427 | 1,665,000 | 2,170,728 | 13,464,560 | 437,005 |
| Plant Costs Recovered through Capital Contributions | - | - | (1,665,000) | - | (1,665,000) | - |
| Transfers In | - | - | - | 378,991 | 378,991 | 1,263,313 |
| Transfers Out | - | - | (8,970,000) | (3,092,469) | (12,062,469) | (145,914) |
| Change in Net Position | 7,665,284 | 10,542,390 | 8,717,000 | 2,866,314 | 29,790,988 | 4,749,293 |
| Net Position - Beginning of Year, Before Restatement | 203,261,966 | 283,909,965 | 292,902,000 | 53,133,966 | 833,207,897 | 29,479,048 |
| Adjustment for Implementation of GASB 68 | - | - | - | (2,882,595) | (2,882,595) | - |
| Net Position - Beginning of Year, After Restatement | 203,261,966 | 283,909,965 | 292,902,000 | 50,251,371 | 830,325,302 | 29,479,048 |
| Net Position - Ending | $ 210,927,250 | 294,452,355 | 301,619,000 | 53,117,685 | 860,116,290 | 34,228,341 |

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, 2015

| | 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 | $ 29,016,453 | 30,236,547 | 329,172,000 | 34,682,816 | 423,107,816 | 15,366,583 |
| Receipts from Interfund Services Provided | 408,708 | 892,142 | 6,451,000 | 1,373,310 | 9,125,160 | 52,187,617 |
| Payments to Suppliers for Goods and Services | (3,464,230) | (4,680,242) | (203,217,000) | (13,455,724) | (224,817,196) | (41,511,672) |
| Payments to Employees | (7,271,274) | (8,471,842) | (27,476,000) | (13,430,370) | (56,649,486) | (14,372,064) |
| Payments for Interfund Services Provided | (2,934,083) | (3,658,416) | (1,196,000) | (3,317,323) | (11,105,822) | (4,294,144) |
| Other Receipts | - | - | - | 2,740,428 | 2,740,428 | - |
| Net Cash Provided by Operating Activities | 15,755,574 | 14,318,189 | 103,734,000 | 8,593,137 | 142,400,900 | 7,376,320 |
| **Cash Flows from Noncapital Financing Activities** | | | | | | |
| Occupation Tax | - | - | - | 2,860,621 | 2,860,621 | - |
| Payments in Lieu of Taxes | - | - | (10,098,000) | - | (10,098,000) | - |
| Transfers from Other Funds | - | - | - | 289,608 | 289,608 | 1,263,313 |
| Transfers to Other Funds | - | - | (8,811,000) | (3,001,086) | (11,812,086) | (145,914) |
| Return of Excess Premiums | - | - | (538,000) | - | (538,000) | - |
| Advances from General Fund | - | - | - | 1,334,314 | 1,334,314 | 2,026,575 |
| Repayment of Advances from General Fund | - | - | - | (1,669,066) | (1,669,066) | (2,056,633) |
| Repayments from Other Funds | 69,765 | 70,167 | - | 47,198 | 187,130 | 97,080 |
| Principal Payment of Long-Term Debt | - | - | - | (200,000) | (200,000) | - |
| Interest and Fiscal Charges Paid | - | - | - | (3,420) | (3,420) | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | 69,765 | 70,167 | (19,447,000) | (341,831) | (19,648,899) | 1,184,421 |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | |
| Additions to Capital Assets | (13,469,766) | (9,834,142) | (49,144,000) | (2,878,763) | (75,326,671) | (2,230,110) |
| Capital Contributions | 737,176 | 1,872,790 | 1,665,000 | 32,563 | 4,307,529 | - |
| Proceeds from Sale of Capital Assets | - | 905,545 | - | 689,856 | 1,595,401 | 158,496 |
| Insurance Recovery | - | - | - | 56,143 | 56,143 | - |
| Proceeds from Issuance of Commercial Paper | - | - | 31,000,000 | - | 31,000,000 | - |
| Proceeds from Issuance of Long-Term Debt | 1,938,063 | 1,359,650 | - | 5,823,675 | 9,121,388 | - |
| Cost of Debt Issuance | - | - | (874,000) | (129,524) | (1,003,524) | - |
| Funds Used for Bond Refunding | (822,739) | - | - | - | (822,739) | - |
| Net Cost of Retiring Plant | - | - | (3,474,000) | - | (3,474,000) | - |
| Principal Payments of Capital Lease | - | - | - | (398,498) | (398,498) | (1,752,789) |
| Principal Payments of Long-Term Debt | (3,747,284) | (4,290,300) | (21,060,000) | (1,810,000) | (30,907,584) | - |
| Interest and Fiscal Charges Paid | (2,982,845) | (2,116,261) | (26,449,000) | (1,380,972) | (32,929,078) | (403,800) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (18,347,395) | (12,102,718) | (68,336,000) | 4,480 | (98,781,633) | (4,228,203) |
| **Cash Flows from Investing Activities** | | | | | | |
| Proceeds from Sale and Maturities of Investments | 20,092,251 | 18,607,731 | 124,299,000 | 12,087,374 | 175,086,356 | 25,780,992 |
| Purchases of Investments | (18,956,047) | (22,313,350) | (136,285,000) | (20,099,458) | (197,653,855) | (31,845,163) |
| Interest and Other Receipts | 217,877 | 328,880 | 128,000 | 64,466 | 739,223 | 185,448 |
| Net Cash Provided (Used) by Investing Activities | 1,354,081 | (3,376,739) | (11,858,000) | (7,947,618) | (21,828,276) | (5,878,723) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,167,975) | (1,091,101) | 4,093,000 | 308,168 | 2,142,092 | (1,546,185) |
| Cash and Cash Equivalents - Beginning | 1,575,395 | 1,618,648 | 23,105,000 | 6,546,209 | 32,845,252 | 2,371,830 |
| Cash and Cash Equivalents - Ending | $ 407,420 | 527,547 | 27,198,000 | 6,854,377 | 34,987,344 | 825,645 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | | | | | | |
| Operating Income | $ 5,504,788 | 5,871,628 | 56,773,000 | 1,329,873 | 69,479,289 | 3,233,759 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | | | |
| Depreciation | 7,983,070 | 8,496,791 | 44,182,000 | 5,058,966 | 65,720,827 | 2,830,906 |
| Changes in Assets, Deferred Outflows of Resources, Liabilites, and Deferred Inflows of Resources: | | | | | | |
| Accounts Receivable and Unbilled Revenues | 2,403,742 | (188,838) | 805,000 | (22,413) | 2,997,491 | 221,743 |
| Lease Receivable | - | - | - | - | - | 350,000 |
| Due from Other Funds | - | - | - | (670,089) | (670,089) | 404,410 |
| Due from Other Governments | - | - | - | 7,840 | 7,840 | (153,326) |
| Inventories | (17,706) | 13,052 | (714,000) | 34,157 | (684,497) | 51,408 |
| Plant Operation Assets | - | - | 29,000 | - | 29,000 | - |
| Prepaid Expenses | - | - | 923,000 | (43,100) | 879,900 | (15,275) |
| Other Assets | - | - | (1,339,000) | - | (1,339,000) | - |
| Deferred Outflows for Pension | - | - | - | (1,470,992) | (1,470,992) | - |
| Accounts Payable | (227,760) | 50,763 | 2,564,000 | (251,085) | 2,135,918 | (411,686) |
| Accrued Liabilities | 60,314 | 34,932 | - | 63,754 | 159,000 | 62,149 |
| Accrued Compensated Absences | 49,126 | 39,861 | - | 58,755 | 147,742 | 72,678 |
| Due to Other Funds | - | - | - | (228,975) | (228,975) | (27,739) |
| Due to Other Governments | - | - | - | (79,067) | (79,067) | 8,100 |
| Unearned Revenue | - | - | - | 2,290,047 | 2,290,047 | (80,823) |
| Claims | - | - | (183,000) | - | (183,000) | 830,016 |
| Other Liabilities | - | - | 694,000 | - | 694,000 | - |
| Net Pension Libility | - | - | - | 486,064 | 486,064 | - |
| Accrued Landfill Closure/Postclosure Care Costs | - | - | - | 868,000 | 868,000 | - |
| Defered Inflows for Pension | - | - | - | 1,161,402 | 1,161,402 | - |
| Total Adjustments | 10,250,786 | 8,446,561 | 46,961,000 | 7,263,264 | 72,921,611 | 4,142,561 |
| Net Cash Provided by Operating Activities | $ 15,755,574 | 14,318,189 | 103,734,000 | 8,593,137 | 142,400,900 | 7,376,320 |
| Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities: | | | | | | |
| Contribution of Capital Assets | $ 3,746,229 | 3,272,637 | - | 2,138,165 | 9,157,031 | 437,005 |
| Purchase of Capital Assets on Account | 1,251,089 | 1,906,140 | 999,000 | 535,084 | 4,691,313 | 202,283 |
| Change in Fair Value of Investments | (71,744) | (102,257) | 13,000 | 15,688 | (145,313) | 52,544 |
| Debt Refunding/Defeasance | 12,220,000 | - | - | - | 12,220,000 | - |
| Allowance for Funds Used in Construcction | - | - | 368,000 | - | 368,000 | - |

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

**CITY OF LINCOLN, NEBRASKA**
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2015

| | Police & Fire Pension Trust Fund | Agency Funds |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 1,453,348 | 2,329,365 |
| Investments: | | |
| Pooled Investment Funds | 3,241,829 | - |
| Equities | 13,140,477 | - |
| Mutual Funds | 150,190,830 | - |
| Limited Partnership | 11,428,688 | - |
| Real Estate Limited Partnerships | 24,532,552 | - |
| Total Investments | 202,534,376 | - |
| Receivables: | | |
| Contributions | 557,977 | - |
| Accrued Interest | 3,280 | 657 |
| Other | - | 47,005 |
| Due from Other Governments | 1,515 | - |
| Contractor Retainage | - | 87,633 |
| Total Assets | 204,550,496 | 2,464,660 |
| **LIABILITIES** | | |
| Warrants Payable | - | 623,423 |
| Accounts Payable | 23,313 | 207,903 |
| Accrued Liabilities | 9,803 | - |
| Accrued Compensated Absences | 11,932 | - |
| Due to Other Governments | 393 | 881,992 |
| Due to Homeowners | - | 12,729 |
| Due to Contractors | - | 620,687 |
| Due to Bondholders | - | 117,926 |
| Total Liabilities | 45,441 | 2,464,660 |
| **NET POSITION** | | |
| Net Position Restricted for Pensions | $ 204,505,055 | |

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, 2015

| | Police & Fire Pension Trust Fund |
|---|---|
| Additions: | |
| Contributions: | |
| Employer | $ 8,035,051 |
| Employee | 2,600,901 |
| Total Contributions | 10,635,952 |
| | |
| Investment Earnings: | |
| Interest | 170,545 |
| Dividends | 6,375,141 |
| Net Decrease in Fair Value of Investments | (12,376,972) |
| Net Investment Earnings (Loss) | (5,831,286) |
| | |
| Total Additions | 4,804,666 |
| | |
| Deductions: | |
| Benefit Payments | 13,137,786 |
| Refunds of Contributions | 573,962 |
| Administrative Costs | 449,267 |
| | |
| Total Deductions | 14,161,015 |
| | |
| Change in Net Position | (9,356,349) |
| | |
| Net Position Restricted for Pensions - Beginning | 213,861,404 |
| | |
| Net Position Restricted for Pensions - Ending | $ 204,505,055 |

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

# NOTES TO THE
# FINANCIAL STATEMENTS

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### REPORTING ENTITY

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

Blended component units, although legally separate entities, are, in substance, part of the government's operations. The participants in the WHJPA are the City and University of Nebraska (UNL), and the agency is governed by a board consisting of the Mayor, a member of the UNL Board of Regents, and a member of the City Council. The purpose of the agency is to make the most efficient use of the taxing authority and other powers of the participants to facilitate the redevelopment of the West Haymarket Redevelopment Area. The WHJPA 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, 2015. 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, 2014. The amounts included in the City's 2015 financial statements for LES are amounts as of and for the year ended December 31, 2014.

### GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

> Internal Service Funds account for data processing, engineering, risk management, fleet management, municipal services center operations, telecommunications, and copy services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.
>
> The Pension Trust Fund accounts for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers and firefighters.
>
> The Agency Funds account for the collection of various taxes, fines, and fees due to other government entities; funds held in escrow for homeowners; good faith money due to contractors upon project completion; funds held for payroll taxes and other payroll related payables: funds held to pay outstanding warrants; funds to pay phone system charges; funds to pay matured bonds and coupons for which the City Treasurer is trustee; funds for the joint administrative entity known as JAVA, created to coordinate planning and implementation of the Antelope Valley Project; funds for shared library services; and reserve funds held for the Public Building Commission Bonds.

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

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

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

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

## ASSETS, LIABILITIES, AND NET POSITION OR FUND EQUITY

### Deposits and Investments

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

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

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

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

Costs Recoverable from Future Billings

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

Investment in Joint Venture

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

Capital Assets

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

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

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:

| Assets | Years |
|---|---|
| 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 it's 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.

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 providing for an unreserved fund balance in the City's General Fund. To meet excess cash flow needs, no less than twenty percent of the ensuing year's General Fund budget is to be set aside as an unrestricted reserve. Currently $29,828,781 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 $180,209,724 of restricted net position, of which enabling legislation restricts $17,677,143.

*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.

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, and RP Crawford Park), 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.

## 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 $23,420,925, which is reported as expendable health care restricted net position in the statement of net position. The initial endowment principal is reported as nonexpendable health care restricted net position in the statement of net position.

## ESTIMATES

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

## IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

In 2015, the City implemented the provisions of the following accounting principles:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, An Amendment of GASB Statement No. 27*. This Statement improves the accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing assets and liabilities, deferred outflows and deferred inflows of resources, and expenses. Note disclosures and required supplementary information requirements about pensions are also addressed.

Implementation of this standard required the City to record its portion of the financial statement items mentioned above in relation to the Police and Fire Pension Plan through retroactive restatement of beginning balances. Beginning net position for the governmental activities was increased $2,622,068 for the removal of the net pension obligation, previously recorded in accordance with GASB Statement No. 27. Additionally, beginning net position for the governmental activities and business-type activities was reduced $49,889,537 and $2,882,595, respectively, to record the net pension liability as of September 1, 2014.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.* This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment, and also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of governmental operations.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The implementation of GASB Statements No. 69 and 71 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 $575,553,740 difference are as follows:

| | | |
|---|---|---|
| Bonds Payable | $ | 450,960,813 |
| Less issuance discounts | | (992,628) |
| Plus issuance premiums | | 12,174,282 |
| Less deferred charge on refunding | | (323,577) |
| Capital Leases Payable | | 28,819,059 |
| Accrued Interest Payable | | 4,762,035 |
| Net Pension Liability | | 54,369,793 |
| Deferred Outflows for Pension | | (21,057,673) |
| Deferred Inflows for Pension | | 18,911,190 |
| Net OPEB Liability | | 9,631,174 |
| Compensated Absences | | 18,299,272 |
| Net difference | $ | 575,553,740 |

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 $33,662,285 difference are as follows:

| | | |
|---|---|---|
| Capital outlay | $ | 70,161,868 |
| Depreciation expense | | (36,499,583) |
| Net difference | $ | 33,662,285 |

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 $11,580,323 difference are as follows:

| | | |
|---|---|---|
| Debt issued or incurred: | | |
| Issuance of general obligation refunding bonds | $ | (5,720,000) |
| Issuance of refunding capital lease | | (3,290,000) |
| Issuance of certificates of participation | | (3,400,000) |
| Issuance premiums | | (435,077) |
| Deferred amount from issuance of refunding debt | | 125,619 |
| Amortization of deferred premiums, discounts, and amounts from refundings | | 401,338 |
| Transfers to bond refunding agent | | 9,630,000 |
| Principal repayments | | 14,268,443 |
| Net difference | $ | 11,580,323 |

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 $(2,624,771) difference are as follows:

| | | |
|---|---|---|
| Construction contracts | | (506,548) |
| Accrued interest | | 87,671 |
| Compensated absences | | (2,005,061) |
| Other | | 26,663 |
| Net difference | $ | (2,624,771) |

**(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, 2015, 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 | $ | 201,685 | - | 1,644,268 | 469,540 | 15,810,000 | - | 18,125,493 |
| Reserve | | 2,613,661 | 1,117,084 | 5,696,316 | 5,077,600 | 17,843,000 | - | 32,347,661 |
| Surplus | | - | - | 304,762 | 1,927,968 | - | - | 2,232,730 |
| Renewal and Replacement | | 2,387,434 | - | - | - | - | - | 2,387,434 |
| Capital Construction and Equipment | | 624,130 | 5,265,596 | - | - | - | 172,376 | 6,062,102 |
| Claims | | - | - | - | - | 1,448,000 | - | 1,448,000 |
| Total | $ | 5,826,910 | 6,382,680 | 7,645,346 | 7,475,108 | 35,101,000 | 172,376 | 62,603,420 |

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

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

**(4) DEPOSITS AND INVESTMENTS**

DEPOSITS

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

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to provide a bond, 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

At August 31, 2015, the City had the following investments, maturities and credit ratings:

| | | August 31, 2015 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Maturities in Years | | | | Credit Rating | |
| Type | Carrying Value | Less than 1 | 1-5 | 6-10 | More than 10 | Moody's | S&P |
| **General City:** | | | | | | | |
| U.S. Treasury Obligations | $ 29,384,860 | 16,316,900 | 13,067,960 | - | - | Aaa | AA+ |
| U.S. Sponsored Agency Obligations | 363,481,560 | 227,757,940 | 114,849,108 | 20,874,512 | - | Aaa | AA+ |
| U.S. Sponsored Agency Obligations | 1,999,860 | 1,999,860 | - | - | - | Not rated | Not rated |
| Collateralized Investment Agreements | 1,120,000 | 1,120,000 | - | - | - | A3 | A- (Fitch) |
| Commercial Issuers (Commercial Paper) | 25,075,000 | 25,075,000 | - | - | - | P1 | A1 |
| Money Market Funds - U.S. Treasury | 1,797,723 | 1,797,723 | - | - | - | Aaa-mf | AAAm |
| Money Market Funds - U.S. Treasury | 5,150,383 | 5,150,383 | - | - | - | Aaa-mf | Not rated |
| Money Market Funds - U.S. Agencies | 21,282,623 | 21,282,623 | - | - | - | Aaa | AAAm |
| External Investment Trust | 6,950,000 | 6,950,000 | - | - | - | Not rated | Not rated |
| Tax Increment Financing Investments and Inter-fund Loans | 8,349,579 | 500,000 | 1,343,821 | 686,839 | 5,818,919 | Not rated | Not rated |
| Fixed Income Mutual Funds | 114,132 | 114,132 | - | - | - | Not rated | Not rated |
| Equities | 2,081,709 | 2,081,709 | - | - | - | Not rated | Not rated |
| Complementary Strategies | 83,341 | 83,341 | - | - | - | Not rated | Not rated |
| Real Assets | 72,140 | 72,140 | - | - | - | Not rated | Not rated |
| Total General City | 466,942,910 | 310,301,751 | 129,260,889 | 21,561,351 | 5,818,919 | | |
| **Community Health Endowment:** | | | | | | | |
| Money Market Mutual Funds | 2,905,764 | 2,905,764 | - | - | - | Not rated | Not rated |
| Institutional funds | | | | | | | |
| Fixed income | 14,956,472 | - | 13,452,992 | 910,938 | 592,542 | Not rated | Not rated |
| Intermediate term credit | 158,287 | - | 158,287 | - | - | Not rated | Not rated |
| Large cap equity | 1,999,025 | 1,999,025 | - | - | - | Not rated | Not rated |
| International equity | 12,871,335 | 12,871,335 | - | - | - | Not rated | Not rated |
| High-yield bonds | 7,805,632 | - | 4,876,728 | 2,928,904 | - | Not rated | Not rated |
| Emerging markets equity | 1,104,966 | 1,104,966 | - | - | - | Not rated | Not rated |
| Hedge funds | 5,799,248 | 5,799,248 | - | - | - | Not rated | Not rated |
| Mid cap equity | 2,887,618 | 2,887,618 | - | - | - | Not rated | Not rated |
| U.S. treasuries | 3,014,998 | - | 3,014,998 | - | - | Not rated | Not rated |
| Small cap equity | 1,414,587 | 1,414,587 | - | - | - | Not rated | Not rated |
| Commodities | 1,218,615 | 1,218,615 | - | - | - | Not rated | Not rated |
| Real Estate | 2,808,067 | 2,808,067 | - | - | - | Not rated | Not rated |
| Limited Partnership | 719,423 | - | 719,423 | - | - | Not rated | Not rated |
| Total Community Health Endowment: | 59,664,037 | 33,009,225 | 22,222,428 | 3,839,842 | 592,542 | | |
| **Police & Fire Pension Trust:** | | | | | | | |
| Equities | 13,140,477 | 13,140,477 | - | - | - | Not rated | Not rated |
| Mutual Funds | 150,190,830 | 150,190,830 | - | - | - | Not rated | Not rated |
| | 163,331,307 | 163,331,307 | - | - | - | | |
| Limited Partnership | 11,428,688 | | | | | | |
| Real Estate Limited Partnerships | 24,532,552 | | | | | | |
| Total Police & Fire Pension Trust | 199,292,547 | | | | | | |
| Total Primary Government | $ 725,899,494 | | | | | | |

## 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:

| | S&P | Moody's |
|---|---|---|
| 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, 2015, 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. NPAIT and STFIT invest in only the highest quality securities, including U.S. government, rated U.S. sponsored agencies, and guaranteed student loans.

*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 | 33.68 % | 40.00 % |
| Federal Home Loan Mortgage Corporation | 19.27 | 40.00 |
| Federal National Mortgage Association | 15.91 | 40.00 |
| Federal Farm Credit Bank | 8.99 | 40.00 |
| Federal Agricultural Mortgage Corporation | 0.43 | 40.00 |

Community Health Endowment (CHE) Policy

As a public endowment fund, under State law, CHE is permitted to invest in the manner required of a prudent investor acting with care, skill and diligence under the prevailing circumstance, without restrictions as to the type and limits of investments. 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, 2015.

*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, 2015.

Police & Fire Pension Trust Policy

The Police & Fire Pension Trust Investment Board, established by the City Council in accordance with the Lincoln Municipal Code chapter 4.62, directs and oversees the trust's investments for the sole benefit of plan participants and beneficiaries. The Board 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 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, mortgage-backed securities, and other 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, 2015:

| Asset Class | Target Allocation |
|---|---|
| Private Equity | 5.0 % |
| Public Equity | 55.0 |
| Hedge Fund-of-Funds | 5.0 |
| Real Estate | 15.0 |
| Fixed Income | 20.0 |
| Total | 100.0 % |

*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.

*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:

| | |
|---|---|
| American Europacific Growth Fund | 6.06 % |
| Oakmark International Fund 1 | 5.87 |
| Vanguard Total Stock Market Index #885 | 24.79 |
| Loomis Sayles Bond Institutional | 6.93 |
| Pioneer Strategic Income Class Y | 7.33 |
| Templeton Global Bond R6 | 6.80 |
| Blackstone (B1F non-taxable LP) | 5.21 |
| RREEF America REIT II | 7.96 |

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2015:

| | | Totals |
|---|---|---|
| Investments | $ | 725,899,494 |
| Deposits and Cash on Hand | | 11,404,902 |
| | $ | 737,304,396 |

| | | Government-wide Statement of Net Assets | Fiduciary Funds Statement of Net Assets | Totals |
|---|---|---|---|---|
| Cash and Cash Equivalents | $ | 45,417,880 | 3,782,713 | 49,200,593 |
| Investments | | 385,817,254 | 202,534,376 | 588,351,630 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | | 8,394,011 | - | 8,394,011 |
| Investments | | 91,358,162 | - | 91,358,162 |
| | $ | 530,987,307 | 206,317,089 | 737,304,396 |

## (5) FUND BALANCES

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

| | Major Funds | | | | |
|---|---|---|---|---|---|
| | General Fund | Street Construction | West Haymartket JPA | Other Funds | Total |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | $ 400,286 | 490,789 | - | 680,863 | 1,571,938 |
| Prepaid Items | 258,388 | 25,564 | 270,525 | 921,936 | 1,476,413 |
| Permanent Fund Principal | - | - | - | 37,160,000 | 37,160,000 |
| Total Nonspendable | 658,674 | 516,353 | 270,525 | 38,762,799 | 40,208,351 |
| Restricted For: | | | | | |
| Capital Improvements | 2,308,902 | 50,520,328 | 7,841,025 | 9,458,562 | 70,128,817 |
| Human Services | 965,659 | - | - | 30,542 | 996,201 |
| Donor Purposes | 2,893,824 | - | - | 2,109,097 | 5,002,921 |
| Public Improvements | 506,482 | - | - | - | 506,482 |
| Agency Activities | - | - | 1,486,161 | - | 1,486,161 |
| Land Purchases | - | - | - | 1,082,563 | 1,082,563 |
| Social Security Obligations | - | - | - | 1,606,388 | 1,606,388 |
| Community Betterment | - | - | - | 4,918,006 | 4,918,006 |
| Federal Loan Programs | - | - | - | 17,814,000 | 17,814,000 |
| Grant Programs | - | - | - | 2,114,150 | 2,114,150 |
| Special Assessment Improvements | - | - | - | 605,410 | 605,410 |
| Debt Service | - | - | - | 12,026,455 | 12,026,455 |
| Health Care | - | - | - | 23,420,925 | 23,420,925 |
| Claims Contingencies | - | - | - | 865,000 | 865,000 |
| Library Media | - | - | - | 556,822 | 556,822 |
| Total Restricted | 6,674,867 | 50,520,328 | 9,327,186 | 76,607,920 | 143,130,301 |
| Committed To: | | | | | |
| Public Access Television | - | - | - | 1,134,624 | 1,134,624 |
| Building Code Enforcement | - | - | - | 876,928 | 876,928 |
| Debt Service | - | - | - | 1,021,894 | 1,021,894 |
| Total Committed | - | - | - | 3,033,446 | 3,033,446 |
| Assigned To: | | | | | |
| Capital Improvements | - | 17,677,098 | - | 42,922 | 17,720,020 |
| Donor Purposes | 777,241 | - | - | - | 777,241 |
| Public Improvements | 479,619 | - | - | - | 479,619 |
| Athletic Facility Improvements | 864,129 | - | - | - | 864,129 |
| Senior Care | 395,128 | - | - | - | 395,128 |
| Emergency Communications | 2,436,673 | - | - | - | 2,436,673 |
| Economic Development Projects | 5,644,344 | - | - | - | 5,644,344 |
| Snow Removal | - | 193,995 | - | - | 193,995 |
| Debt Service | - | - | 14,754,632 | - | 14,754,632 |
| Land Purchases | - | - | - | 27,928 | 27,928 |
| Public Access Television | - | - | - | 24,354 | 24,354 |
| Library Services | - | - | - | 3,105,660 | 3,105,660 |
| Health Care | - | - | - | 2,780,921 | 2,780,921 |
| Social Security Obligations | - | - | - | 382,644 | 382,644 |
| Public Transportation | - | - | - | 2,995,665 | 2,995,665 |
| Community Betterment | - | - | - | 74,842 | 74,842 |
| Building Code Enforcement | - | - | - | 6,264,674 | 6,264,674 |
| Park Projects | - | - | - | 148,969 | 148,969 |
| Other Purposes | 5,669,489 | - | - | - | 5,669,489 |
| Total Assigned | 16,266,623 | 17,871,093 | 14,754,632 | 15,848,579 | 64,740,927 |
| Unassigned | 37,916,609 | - | - | (308,837) | 37,607,772 |
| Total Fund Balances | $ 61,516,773 | 68,907,774 | 24,352,343 | 133,943,907 | 288,720,797 |

## (6) RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables at August 31, 2015, consist of the following (in thousands):

| Fund | Taxes | Accounts | Accrued Interest | Notes | Loans | Special Assessment Current | Special Assessment Deferred | Lease | Contributions | Gross Receivables | Allowance For Uncollectibles | Net |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General | $ 3,212 | 1,769 | 82 | - | - | - | - | - | - | 5,063 | - | 5,063 |
| Street Construction | - | 221 | 105 | - | - | - | - | - | - | 326 | - | 326 |
| West Haymarket JPA | 1,486 | 452 | 146 | - | - | - | - | - | - | 2,084 | - | 2,084 |
| Wastewater System | - | 4,796 | - | - | - | - | - | - | - | 4,796 | - | 4,796 |
| Water System | - | 7,122 | - | - | - | - | - | - | - | 7,122 | - | 7,122 |
| Electric System | - | 33,128 | 60 | - | - | - | - | - | - | 33,188 | 1,254 | 31,934 |
| Nonmajor - | | | | | | | | | | | | |
| Special Revenue | 1,478 | 280 | 83 | 110 | 23,372 | - | - | - | - | 25,323 | 5,558 | 19,765 |
| Debt Service | 1,453 | - | 40 | - | - | 629 | 2,210 | - | - | 4,332 | 205 | 4,127 |
| Capital Projects | - | 400 | 38 | - | - | - | - | - | - | 438 | - | 438 |
| Permanent | - | - | 2 | - | - | - | - | - | - | 2 | - | 2 |
| Enterprise | - | 4,903 | 37 | - | - | - | - | - | - | 4,940 | 1,730 | 3,210 |
| Internal Service | - | 164 | 73 | - | - | - | - | 95 | - | 332 | - | 332 |
| Fiduciary | - | 47 | 4 | - | - | - | - | - | 558 | 609 | - | 609 |
| Total | $ 7,629 | 53,282 | 670 | 110 | 23,372 | 629 | 2,210 | 95 | 558 | 88,555 | 8,747 | 79,808 |

Enterprise funds customer accounts receivable include unbilled charges for services. Delinquent special assessment receivables at August 31, 2015, were $202,216.

The total of Due From Other Governments of $28,090,861 includes the following significant items:

| Fund/Fund Type | Amount | Service |
|---|---|---|
| General/Major Governmental | $ 11,931,361 | State of Nebraska, July/August Sales and Use Tax |
| | 462,394 | August Motor Vehicle Taxes Collected by Lancaster County |
| | 14,073 | August Property Tax Interest Collected by Lancaster County |
| | 166,581 | Federal Government, Cost Reimbursements |
| | 29,737 | State of Nebraska, Cost Reimbursements |
| | 108,920 | Lancaster County, Cost Reimbursements |
| Street Construction/Major Governmental | 4,128,817 | State of Nebraska, July/August Highway User Fees |
| | 29,976 | Lancaster County, Cost Reimbursements |
| | 4,636,814 | State of Nebraska, Cost Reimbursements |
| | 1,199,008 | Federal Government, Cost Reimbursements |
| West Haymarket JPA/Major Governmental | 865,637 | Federal Government, Cost Reimbursements |
| Water/Major Enterprise | 124,781 | State of Nebraska, Cost Reimbursements |
| Lincoln/Lancaster Co. Health/Special Revenue | 392,154 | Lancaster County, Cost Reimbursements |
| StarTran/Special Revenue | 51,235 | Federal Government, Cost Reimbursements |
| Federal Grants/Special Revenue | 1,128,078 | Federal Government, Cost Reimbursements |
| | 504,410 | State of Nebraska, Cost Reimbursements |
| Antelope Valley/Tax Supported Bonds/Debt Service | 166,667 | State of Nebraska, July/August Development Fund Disbursements |
| Special Assessment/Debt Service | 187,215 | August Special Assessments Collected by Lancaster County |
| Vehicle Tax/Capital Projects | 1,591,378 | August Motor Vehicle Taxes Collected by Lancaster County |
| Storm Sewer Bonds/Capital Projects | 81,174 | Federal Government, Cost Reimbursements |
| Parking System/Enterprise | 11,425 | State of Nebraska, Cost Reimbursements |
| Pinnacle Bank Arena/Enterprise | 18,708 | State of Nebraska Billings |
| Information Services/Internal Service | 171,991 | Lancaster County Billings |
| Insurance Revolving/Internal Service | 12,867 | Lancaster County Billings |
| Police Garage/Internal Service | 30,101 | State of Nebraska Billings |
| Copy Services/Internal Service | 15,090 | Lancaster County Billings |
| Subtotal | 28,060,592 | |
| All other | 30,269 | |
| Total Due From Other Governments | $ 28,090,861 | |

## (7) CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2015, was as follows:

| | Beginning Balances | Increases | Decreases | Transfers/ Reclassifications | Ending Balances |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Capital Assets, not being Depreciated: | | | | | |
| Land | $ 141,724,149 | 2,769,025 | 145,983 | 46,500 | 144,393,691 |
| Construction in Progress | 63,461,764 | 33,945,257 | 37,133,648 | - | 60,273,373 |
| Total Capital Assets, not being Depreciated | 205,185,913 | 36,714,282 | 37,279,631 | 46,500 | 204,667,064 |
| Capital Assets, being Depreciated: | | | | | |
| Buildings | 310,669,718 | 23,485,554 | 2,047,914 | 3,905,631 | 336,012,989 |
| Improvements Other Than Buildings | 93,795,605 | 12,156,208 | 425,336 | 108,137 | 105,634,614 |
| Machinery and Equipment | 94,702,368 | 9,209,350 | 4,416,070 | 206,194 | 99,701,842 |
| Infrastructure | 719,545,844 | 38,168,584 | 282,433 | - | 757,431,995 |
| Total Capital Assets, being Depreciated | 1,218,713,535 | 83,019,696 | 7,171,753 | 4,219,962 | 1,298,781,440 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | 42,784,638 | 7,319,735 | 2,047,915 | 3,898,697 | 51,955,155 |
| Improvements Other Than Buildings | 33,825,483 | 3,243,459 | 418,241 | 95,540 | 36,746,241 |
| Machinery and Equipment | 60,372,240 | 7,042,409 | 4,274,171 | 206,194 | 63,346,672 |
| Infrastructure | 253,310,122 | 21,724,886 | 36,191 | - | 274,998,817 |
| Total Accumulated Depreciation | 390,292,483 | 39,330,489 | 6,776,518 | 4,200,431 | 427,046,885 |
| Total Capital Assets, being Depreciated, Net | 828,421,052 | 43,689,207 | 395,235 | 19,531 | 871,734,555 |
| Governmental Activities Capital Assets, Net | $ 1,033,606,965 | 80,403,489 | 37,674,866 | 66,031 | 1,076,401,619 |

| | Beginning Balances | Increases | Decreases | Transfers/ Reclassifications | Ending Balances |
|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | |
| Capital Assets, not being Depreciated: | | | | | |
| Land | $ 24,440,188 | 656,316 | 70,579 | (46,500) | 24,979,425 |
| Construction in Progress | 85,343,314 | 70,625,904 | 93,667,983 | - | 62,301,235 |
| Total Capital Assets, not being Depreciated | 109,783,502 | 71,282,220 | 93,738,562 | (46,500) | 87,280,660 |
| Capital Assets, being Depreciated: | | | | | |
| Buildings | 240,197,535 | 477,997 | 655,211 | (3,912,382) | 236,107,939 |
| Improvements Other Than Buildings | 672,114,750 | 32,198,549 | 93,868 | (13,862,391) | 690,357,040 |
| Machinery and Equipment | 35,290,563 | 4,201,543 | 908,095 | 13,554,812 | 52,138,823 |
| Utility Plant | 1,352,479,000 | 64,420,000 | 6,622,000 | - | 1,410,277,000 |
| Total Capital Assets, being Depreciated | 2,300,081,848 | 101,298,089 | 8,279,174 | (4,219,961) | 2,388,880,802 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | 83,928,017 | 5,301,550 | 655,211 | (3,905,448) | 84,668,908 |
| Improvements Other Than Buildings | 207,498,394 | 13,177,067 | 93,868 | (8,397,112) | 212,184,481 |
| Machinery and Equipment | 21,563,856 | 3,060,210 | 763,315 | 8,102,130 | 31,962,881 |
| Utility Plant | 572,753,000 | 44,182,000 | 10,097,000 | - | 606,838,000 |
| Total Accumulated Depreciation | 885,743,267 | 65,720,827 | 11,609,394 | (4,200,430) | 935,654,270 |
| Total Capital Assets, being Depreciated, Net | 1,414,338,581 | 35,577,262 | (3,330,220) | (19,531) | 1,453,226,532 |
| Business-type Activities Capital Assets, Net | $ 1,524,122,083 | 106,859,482 | 90,408,342 | (66,031) | 1,540,507,192 |

Depreciation expense was charged to functions/programs as follows:

| | | |
|---|---|---|
| Governmental Activities: | | |
| General Government | $ | 1,714,449 |
| Public Safety | | 2,187,360 |
| Streets and Highways, including Infrastructure | | 21,062,330 |
| Culture and Recreation | | 9,172,472 |
| Economic Opportunity | | 56,186 |
| Health and Welfare | | 275,016 |
| Mass Transit | | 2,031,770 |
| Subtotal | | 36,499,583 |
| Internal Service Funds Capital Assets Depreciation is charged to the various functions based on usage of the assets. | | 2,830,906 |
| Total Depreciation Expense - Governmental | $ | 39,330,489 |
| | | |
| Business-type Activities: | | |
| Golf | | 595,752 |
| Parking System | | 2,118,953 |
| Pershing Municipal Auditorium | | 8,264 |
| Pinnacle Bank Arena | | 10,425 |
| Solid Waste Management | | 2,066,770 |
| Emergency Medical Services | | 258,802 |
| Wastewater System | | 7,983,070 |
| Water System | | 8,496,791 |
| Lincoln Electric System | | 44,182,000 |
| Total Depreciation Expense - Business-type | $ | 65,720,827 |

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 | $ | 6,205,956 | 656,188 | - | 6,862,144 |
| Construction in Progress | | 9,228,960 | 11,336,664 | 19,085,706 | 1,479,918 |
| Total Capital Assets, not being Depreciated | | 15,434,916 | 11,992,852 | 19,085,706 | 8,342,062 |
| | | | | | |
| Capital Assets, being Depreciated: | | | | | |
| Buildings | | 79,990,077 | 59,246 | - | 80,049,323 |
| Improvements Other Than Buildings | | 277,139,436 | 21,986,439 | - | 299,125,875 |
| Machinery and Equipment | | 9,538,309 | 482,188 | 43,864 | 9,976,633 |
| Total Capital Assets, being Depreciated | | 366,667,822 | 22,527,873 | 43,864 | 389,151,831 |
| | | | | | |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | | 28,836,698 | 1,822,590 | - | 30,659,288 |
| Improvements Other Than Buildings | | 85,013,277 | 5,656,376 | - | 90,669,653 |
| Machinery and Equipment | | 6,172,040 | 504,104 | 41,828 | 6,634,316 |
| Total Accumulated Depreciation | | 120,022,015 | 7,983,070 | 41,828 | 127,963,257 |
| | | | | | |
| Total Capital Assets, being Depreciated, Net | | 246,645,807 | 14,544,803 | 2,036 | 261,188,574 |
| | | | | | |
| Wastewater System Capital Assets, Net | $ | 262,080,723 | 26,537,655 | 19,087,742 | 269,530,636 |

| | | Beginning Balances | Increases | Decreases | Transfers/ Reclassifications | Ending Balances |
|---|---|---|---|---|---|---|
| **Lincoln Water System:** | | | | | | |
| Capital Assets, not being Depreciated: | | | | | | |
| Land | $ | 5,453,772 | 128 | 62,224 | - | 5,391,676 |
| Construction in Progress | | 4,333,124 | 8,548,502 | 6,687,277 | - | 6,194,349 |
| Total Capital Assets, not being Depreciated | | 9,786,896 | 8,548,630 | 6,749,501 | - | 11,586,025 |
| Capital Assets, being Depreciated: | | | | | | |
| Buildings | | 79,793,575 | 173,985 | - | - | 79,967,560 |
| Improvements Other Than Buildings | | 346,685,339 | 9,791,101 | - | (13,754,254) | 342,722,186 |
| Machinery and Equipment | | 9,761,146 | 789,674 | 137,987 | 13,754,254 | 24,167,087 |
| Total Capital Assets, being Depreciated | | 436,240,060 | 10,754,760 | 137,987 | - | 446,856,833 |
| Less Accumulated Depreciation for: | | | | | | |
| Buildings | | 27,658,498 | 1,593,032 | - | - | 29,251,530 |
| Improvements Other Than Buildings | | 97,867,444 | 5,562,708 | - | (8,301,572) | 95,128,580 |
| Machinery and Equipment | | 5,634,676 | 1,341,051 | 88,086 | 8,301,572 | 15,189,213 |
| Total Accumulated Depreciation | | 131,160,618 | 8,496,791 | 88,086 | - | 139,569,323 |
| Total Capital Assets, being Depreciated, Net | | 305,079,442 | 2,257,969 | 49,901 | - | 307,287,510 |
| Water System Capital Assets, Net | $ | 314,866,338 | 10,806,599 | 6,799,402 | - | 318,873,535 |

| | | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|---|
| **Lincoln Electric System:** | | | | | |
| Capital Assets, not being Depreciated: | | | | | |
| Construction in Progress | $ | 71,680,000 | 50,209,000 | 67,895,000 | 53,994,000 |
| Capital Assets, being Depreciated: | | | | | |
| Utility Plant | | 1,352,479,000 | 64,420,000 | 6,622,000 | 1,410,277,000 |
| Less Accumulated Depreciation | | 572,753,000 | 44,182,000 | 10,097,000 | 606,838,000 |
| Total Capital Assets, being Depreciated, Net | | 779,726,000 | 20,238,000 | (3,475,000) | 803,439,000 |
| Electric System Capital Assets, Net | $ | 851,406,000 | 70,447,000 | 64,420,000 | 857,433,000 |

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 2015, capitalized interest activity was as follows:

| | | Incurred Interest Cost | Capitalized Interest |
|---|---|---|---|
| Lincoln Wastewater System | $ | 3,101,554 | 338,815 |
| Lincoln Water System | | 2,164,645 | 195,441 |
| Solid Waste Management | | 188,831 | 21,253 |

Lincoln Electric System utility plant includes an allowance for funds used during construction for projects costing in excess of $500,000. The allowance for funds used during construction is based on LES' approximate weighted-average interest rate on the new money portion of the most current debt during the current period. The weighted-average rate for 2014 was 2.7%.

## (8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2015, consist of the following:

| Due To | | Due From | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | General Fund | Street Construction | West Haymarket JPA | Nonmajor Governmental | Nonmajor Enterprise | Internal Service | Total |
| General Fund | $ | - | 24,766 | 19,767 | 2,379,364 | 754,503 | 567,357 | 3,745,757 |
| Street Construction | | - | - | - | 6,837,122 | - | - | 6,837,122 |
| Nonmajor Governmental | | - | - | - | 1,225,814 | 10,000 | - | 1,235,814 |
| Lincoln Wastewater System | | - | - | - | 471,019 | - | - | 471,019 |
| Lincoln Water System | | - | - | - | 2,462,771 | - | - | 2,462,771 |
| Nonmajor Enterprise | | 829 | 13,860 | 892,029 | 21 | - | - | 906,739 |
| Internal Service | | 903,027 | 303,600 | - | 125,149 | 14,697 | 17,834 | 1,364,307 |
| Total | $ | 903,856 | 342,226 | 911,796 | 13,501,260 | 779,200 | 585,191 | 17,023,529 |

"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, 2015, consist of the following:

| Transfer To | | Transfer From | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | General Fund | Street Construction | West Haymarket JPA | Nonmajor Governmental | Lincoln Electric System | Nonmajor Enterprise | Internal Service | Total |
| General Fund | $ | - | - | - | 512,764 | 9,130,648 | 1,639,818 | - | 11,283,230 |
| Street Construction | | 2,221,867 | - | 300,798 | 18,205,079 | - | 16,366 | 90,000 | 20,834,110 |
| Nonmajor Governmental | | 19,623,477 | 5,071,021 | 453,466 | 5,679,189 | - | 1,346,902 | 55,914 | 32,229,969 |
| Nonmajor Enterprise | | - | - | 203,420 | 86,188 | - | 89,383 | - | 378,991 |
| Internal Service | | 48,627 | 600,000 | - | 614,686 | - | - | - | 1,263,313 |
| Total | $ | 21,893,971 | 5,671,021 | 957,684 | 25,097,906 | 9,130,648 | 3,092,469 | 145,914 | 65,989,613 |

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 $160,648 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.

## (9) DEBT OBLIGATIONS

SHORT-TERM

Established by City Ordinance, LES may borrow up to $150 million under a commercial paper note program. At December 31, 2014, 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, 2014, was 0.09%. The outstanding commercial paper notes are secured by a revolving credit agreement, which provides for borrowings up to $150 million. LES pays a commitment fee for the credit agreement. Under the terms of the agreement, LES can either settle or refinance the commercial paper upon maturity. LES uses commercial paper notes as part of their long-term financing strategy. As such, commercial paper is typically renewed as it matures. The weighted average length of maturity of commercial paper for 2014 was 67 days.

Commercial paper activity for the year ended December 31, 2014, is as follows:

| Lincoln Electric System: | | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|---|
| Commercial Paper Notes | $ | 64,500,000 | 495,500,000 | (464,500,000) | 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. No advances were outstanding under the agreement at December 31, 2014. 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 intending to use $5 million of the revolving credit agreement to provide a letter of credit to Southwest Power Pool (SPP) to satisfy its market deposit requirements. With this agreement in place, a cash deposit of $1.8 million that LES made with SPP in 2014 will be returned to LES.

LONG-TERM

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

Net position of $4,031,014, $3,935,372, $3,131,154, and $1,950,809 is currently available in the debt service funds to service the General Obligation Bonds, Tax Supported Bonds, Tax Allocation Bonds, and Special Assessment Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

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

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Land | $ 1,774,450 | $ 210,000 |
| Buildings | 25,937,597 | 1,646,732 |
| Improvements | 593,409 | - |
| Infrastructure | 21,172,814 | - |
| Machinery and Equipment | 6,120,540 | 3,245,696 |
| Construction in Progress | - | - |
| Less Accumulated Depreciation, (where applicable) | (12,508,879) | (2,724,854) |
| Total | $ 43,089,931 | $ 2,377,574 |

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 June 2013, LES issued $75,525,000 of Revenue and Refunding Bonds, Series 2013, to advance refund $53,710,000 of Revenue and Refunding Bonds, Series 2005 and redeem $24,000,000 of outstanding commercial paper notes. The net proceeds of the refunding bonds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the portion of the Series 2005 bonds refunded was considered defeased and the liability for those bonds was removed from the financial statements. The advance refunding resulted in debt service savings of approximately $36,605,000 and net present value savings of approximately $12,726,000. At December 31, 2014, there are $115.0 million of refunded Series 2005 bonds outstanding.

In April 2015, the City issued $5,720,000 of general obligation storm sewer refunding bonds to advance refund $6,340,000 of series 2005 bonds. The net proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the portion of the series 2005 bonds refunded are considered defeased and the liability for those bonds has been removed from the financial statements. The refunding resulted in a cash flow differential of $1,184,897, and a net present value savings of $653,236.

In April 2015, the Lincoln Wastewater System issued $12,220,000 of refunding bonds to advance refund $13,320,000 of series 2005 bonds. The net proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the portion of the series 2005 bonds refunded are considered defeased and the liability for those bonds has been removed from the financial statements. The refunding reduced total debt service payments over the next 15 years by $2,376,871 for an economic gain of $1,304,075.

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 the loan 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, 2015.

Lincoln Water System has entered into a $15,000,000 loan agreement with NDEQ. This funding is available to fund certain water system extension and water repairs. The interest rate during the period of construction is 2%. After the date of initiation of operation, the interest rate will increase to 2.25%. In addition, an administrative fee of 1% will be incurred on the loan. During the year ended August 31, 2015, project costs were incurred totaling $916,660, resulting in the recognition of a project loan payable of $14,111,487, which is shown net of $818,300 of principal repayments. The remaining available funds totaling $70,213, are not reflected in the financial statements.

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 | $ 5,860 |
| 8,200 | 02/10/11 | Stormwater Bonds | 2.000 - 4.500 | Serial 2013 to 2030 | 2020 | " | 7,100 |
| 19,290 | 06/21/11 | Refunding | 0.200 - 5.000 | Serial 2011 to 2022 | 2019 | " | 12,315 |
| 8,090 | 06/26/12 | Refunding | 1.000 - 3.000 | Serial 2013 to 2023 | --- | " | 5,255 |
| 6,385 | 03/20/13 | Stormwater Bonds | 2.000 - 4.000 | Serial 2014 to 2029 | 2023 | " | 6,035 |
| 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 | --- | " | 5,720 |
| | | Total General Bonds | | | | | $ 43,800 |
| Tax Allocation Bonds: | | | | | | | |
| $ 5,500 | 04/21/04 | Tax Allocation Bonds | 3.000 - 4.800 | Serial 2004 to 2015 | 2010 | Semiannually | $ 875 |
| 365 | 08/15/05 | Tax Allocation Bonds | 4.750 | Serial 2006 to 2018 | Anytime | " | 91 |
| 288 | 10/01/06 | Tax Allocation Bonds | 5.100 | Serial 2008 to 2016 | Anytime | " | 52 |
| 2,205 | 04/05/07 | Tax Allocation Bonds | 5.000 - 5.550 | Serial 2009 to 2018 | 2012 | " | 1,020 |
| 601 | 06/01/07 | Tax Allocation Bonds | 5.240 | Serial 2008 to 2018 | Anytime | " | 492 |
| 42 | 07/15/08 | Tax Allocation Bonds | 4.660 | Serial 2009 to 2021 | Anytime | " | 24 |
| 71 | 07/15/08 | Tax Allocation Bonds | 4.660 | Serial 2009 to 2017 | Anytime | " | 42 |
| 474 | 07/15/08 | Tax Allocation Bonds | 4.660 | Serial 2009 to 2022 | Anytime | " | 109 |
| 547 | 08/01/08 | Tax Allocation Bonds | 4.610 | Serial 2009 to 2022 | Anytime | " | 324 |
| 200 | 08/01/08 | Tax Allocation Bonds | 4.610 | Serial 2009 to 2022 | Anytime | " | 115 |
| 611 | 06/30/09 | Tax Allocation Bonds | 7.000 | Serial 2011 to 2023 | Anytime | " | 511 |
| 3,375 | 07/28/09 | Tax Allocation Bonds | 2.500 - 6.400 | Serial 2011 to 2023 | Anytime | " | 2,540 |
| 263 | 04/01/11 | Tax Allocation Bonds | 3.990 | Serial 2011 to 2022 | Anytime | " | 182 |
| 103 | 04/15/13 | Tax Allocation Bonds | 2.370 | Serial 2013 to 2025 | Anytime | " | 84 |
| | | Total Tax Allocation Bonds | | | | | $ 6,461 |
| Tax Supported Bonds: | | | | | | | |
| $ 27,000 | 12/05/06 | Highway Allocation Fund | 4.000 - 5.000 | Serial 2008 to 2027 | 2016 | Semiannually | $ 18,655 |
| 28,095 | 06/06/12 | Highway Allocation Fund Refunding | 1.000 - 5.000 | Serial 2012 to 2023 | --- | " | 23,045 |
| 16,515 | 07/23/13 | Limited Tax Arena Bonds | 2.000 - 4.500 | Serial 2016 to 2031 | 2023 | " | 16,515 |
| 2,635 | 07/23/13 | Limited Tax Arena Bonds | 2.000 - 4.500 | Term 2035 | 2023 | " | 2,635 |
| 5,850 | 07/23/13 | Limited Tax Arena Bonds | 2.000 - 4.500 | Term 2037 | 2023 | " | 5,850 |
| | | Total Tax Supported Bonds | | | | | $ 66,700 |
| Special Assessment Bonds: | | | | | | | |
| $ 825 | 08/18/11 | Special Assessment | 0.400 - 3.700 | Serial 2012 to 2026 | 2016 | Semiannually | $ 625 |
| 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 | " | 2,490 |
| | | Total Special Assessment Bonds | | | | | $ 3,490 |
| 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 | " | 20,310 |
| 7,325 | 12/04/13 | Facility Bonds | 4.500 | Term 2043 | 2023 | " | 7,325 |
| | | Total West Haymarket Joint Public Agency | | | | | $ 327,635 |
| | | TOTAL GENERAL OBLIGATION BONDS | | | | | $ 448,086 |
| Tax Supported Bonds: | | | | | | | |
| $ 11,080 | 3/13/02 | Antelope Valley Project | 1.500 - 5.000 | Serial 2002 to 2016 | 2012 | Semiannually | $ 2,875 |

| Amount | Issued | Issue | Rate | When Due | Callable | Date | Outstanding |
|---|---|---|---|---|---|---|---|
| **Business-Type Activities:** | | | | | | | |
| Revenue Bonds: | | | | | | | |
| $ 16,710 | 04/18/07 | Wastewater Revenue | 4.000 - 4.500 | Serial 2008 to 2029 | 2017 | Semiannually | $ 12,340 |
| 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 | " | 32,205 |
| 12,220 | 04/09/15 | Wastewater Revenue Refunding | 1.000 - 4.000 | Serial 2016 to 2030 | 2025 | " | 12,220 |
| | Total Wastewater Bonds | | | | | | $ 60,515 |
| $ 10,515 | 08/04/09 | Water Revenue | 2.000 - 4.125 | Serial 2013 to 2029 | 2019 | Semiannually | $ 9,085 |
| 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 | --- | " | 7,820 |
| 28,595 | 05/30/13 | Water Revenue Refunding | 1.000 - 5.000 | Serial 2014 to 2025 | 2023 | " | 23,855 |
| | Total Water Bonds | | | | | | $ 45,665 |
| $ 7,745 | 01/27/11 | Parking Revenue and Refunding | 2.000 - 5.000 | Serial 2015 to 2024 | 2021 | Semiannually | $ 7,200 |
| 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 | " | 7,205 |
| 2,765 | 11/29/12 | Parking Revenue and Refunding | 3.000 | Term 2032 | 2022 | " | 2,765 |
| | Total Parking Bonds | | | | | | $ 27,945 |
| $ 8,340 | 02/26/13 | Solid Waste Management Revenue and Refunding | 0.250 - 4.000 | Serial 2013 to 2029 | 2023 | Semiannually | $ 6,765 |
| 5,520 | 07/08/15 | Solid Waste Management Revenue | 2.000 - 5.000 | Serial 2016 to 2035 | 2025 | " | 5,520 |
| | | | | | | | $ 12,285 |
| $ 93,045 | 10/01/03 | Electric Revenue and Refunding Bonds | 3.000 - 5.000 | Serial 2004 to 2026 | 2013 | Semiannually | $ 2,930 |
| 183,230 | 05/15/07 | Electric Revenue and Refunding Bonds | 4.000 - 5.000 | Serial 2009 to 2035 | 2016 | " | 159,555 |
| 81,850 | 05/15/07 | Electric Revenue and Refunding Bonds | 4.500 / 4.750 | Term 2034 & 2037 | 2016 | " | 81,850 |
| 247,150 | 08/15/12 | Electric Revenue and Refunding Bonds | 1.000 - 5.000 | Serial 2013 to 2032 | 2022 | " | 222,355 |
| 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 |
| | Total Electric Bonds | | | | | | $ 572,380 |
| | TOTAL REVENUE BONDS | | | | | | $ 718,790 |

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 |
| 2016 | $ 11,395 | 20,593 | 855 | 122 | 6,219 | 1,124 |
| 2017 | 10,525 | 20,234 | 2,020 | 51 | 4,890 | 972 |
| 2018 | 10,747 | 19,883 | - | - | 4,235 | 845 |
| 2019 | 10,554 | 19,510 | - | - | 3,967 | 737 |
| 2020 | 10,610 | 19,135 | - | - | 3,657 | 636 |
| 2021 - 2025 | 83,264 | 86,428 | - | - | 14,840 | 1,687 |
| 2026 - 2030 | 70,046 | 69,772 | - | - | 3,028 | 142 |
| 2031 - 2035 | 71,980 | 54,033 | - | - | 153 | 3 |
| 2036 - 2040 | 79,750 | 35,421 | - | - | - | - |
| 2041 - 2045 | 77,505 | 13,375 | - | - | - | - |
| 2046 | 11,710 | 344 | - | - | - | - |
| Total | $ 448,086 | 358,728 | 2,875 | 173 | 40,989 | 6,146 |

| Fiscal Year Ended August 31 | Business-Type Activities | | | | | |
|---|---|---|---|---|---|---|
| | Revenue Bonds | | Loans/Note Payable | | Capital Leases | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | $ 31,325 | 30,775 | 1,859 | 928 | 346 | 29 |
| 2017 | 33,355 | 29,480 | 1,897 | 890 | 352 | 23 |
| 2018 | 34,735 | 28,046 | 1,939 | 847 | 202 | 17 |
| 2019 | 36,180 | 26,525 | 1,983 | 804 | 155 | 13 |
| 2020 | 37,790 | 24,899 | 2,027 | 760 | 160 | 10 |
| 2021 - 2025 | 208,695 | 98,524 | 10,443 | 3,081 | 325 | 9 |
| 2026 - 2030 | 150,405 | 57,927 | 11,145 | 1,777 | - | - |
| 2031 - 2035 | 106,825 | 29,669 | 7,426 | 391 | - | - |
| 2036 - 2038 | 79,480 | 8,238 | - | - | - | - |
| Total | $ 718,790 | 334,083 | 38,719 | 9,478 | 1,540 | 101 |

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 |
| 2016 | $ | 4,562 | 2,690 | 4,307 | 2,101 | 22,050 | 25,382 |
| 2017 | | 4,762 | 2,470 | 4,375 | 2,022 | 23,800 | 24,398 |
| 2018 | | 4,840 | 2,371 | 4,490 | 1,878 | 24,990 | 23,208 |
| 2019 | | 4,918 | 2,265 | 4,614 | 1,731 | 26,240 | 21,958 |
| 2020 | | 5,027 | 2,151 | 4,775 | 1,556 | 27,550 | 20,646 |
| 2021 - 2025 | | 27,483 | 8,271 | 21,621 | 5,174 | 158,170 | 82,816 |
| 2026 - 2030 | | 25,302 | 3,297 | 8,223 | 2,361 | 114,620 | 51,335 |
| 2031 - 2035 | | 6,628 | 338 | 7,372 | 685 | 95,480 | 28,704 |
| 2036 - 2038 | | - | - | - | - | 79,480 | 8,238 |
| Total | $ | 83,522 | 23,853 | 59,777 | 17,508 | 572,380 | 286,685 |

Long-term liability activity for the year ended August 31, 2015, 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 | $ | 48,775 | 5,720 | (10,695) | 43,800 | 4,730 |
| Tax Allocation Bonds | | 7,976 | - | (1,515) | 6,461 | 1,635 |
| Tax Supported Bonds | | 69,975 | - | (3,275) | 66,700 | 4,315 |
| Special Assessment Debt with Government Commitment | | 3,665 | - | (175) | 3,490 | 175 |
| West Haymarket Joint Public Agency Bonds | | 328,175 | - | (540) | 327,635 | 540 |
| Tax Supported Antelope Valley Project Bonds | | 3,690 | - | (815) | 2,875 | 855 |
| Capital Leases | | 43,731 | 6,690 | (9,432) | 40,989 | 6,219 |
| Gross Bonds and Leases Payable | | 505,987 | 12,410 | (26,447) | 491,950 | 18,469 |
| Deferred Amounts: | | | | | | |
| For Issuance Premiums | | 12,782 | 435 | (584) | 12,633 | 27 |
| For Issuance Discounts | | (1,000) | - | 7 | (993) | - |
| Net Bonds and Leases Payable | | 517,769 | 12,845 | (27,024) | 503,590 | 18,496 |
| Other Liabilities: | | | | | | |
| Compensated Absences | | 17,949 | 10,417 | (8,338) | 20,028 | 8,671 |
| Construction Contracts | | 4,342 | 880 | (374) | 4,848 | - |
| Claims and Judgements | | 10,221 | 29,834 | (29,004) | 11,051 | 4,773 |
| Net Pension Liability | | 49,890 | 4,480 | - | 54,370 | - |
| Net OPEB Obligation | | 8,769 | 1,322 | - | 10,091 | - |
| Governmental Activities Long-Term Liabilities | $ | 608,940 | 59,778 | (64,740) | 603,978 | 31,940 |
| **Business-Type Activities:** | | | | | | |
| Bonds, Loans, Note, and Leases Payable: | | | | | | |
| Wastewater Revenue Bonds | $ | 64,325 | 12,220 | (16,030) | 60,515 | 3,470 |
| Wastewater Loan Payable | | 22,106 | 1,938 | (1,037) | 23,007 | 1,092 |
| Water Revenue Bonds | | 49,375 | - | (3,710) | 45,665 | 3,740 |
| Water Loan Payable | | 13,775 | 917 | (580) | 14,112 | 567 |
| Electric System Revenue Bonds | | 593,440 | - | (21,060) | 572,380 | 22,050 |
| Parking Revenue Bonds | | 29,205 | - | (1,260) | 27,945 | 1,290 |
| Solid Waste Management Revenue Bonds | | 7,315 | 5,520 | (550) | 12,285 | 775 |
| Pinnacle Bank Arena Note | | 1,800 | - | (200) | 1,600 | 200 |
| Capital Leases | | 1,939 | - | (399) | 1,540 | 346 |
| Gross Bonds, Loans, Note, and Leases Payable | | 783,280 | 20,595 | (44,826) | 759,049 | 33,530 |
| Deferred Amounts: | | | | | | |
| For Issuance Premiums | | 50,216 | 896 | (4,812) | 46,300 | - |
| For Issuance Discounts | | (61) | - | 3 | (58) | - |
| Net Bonds, Loans, Note, and Leases Payable | | 833,435 | 21,491 | (49,635) | 805,291 | 33,530 |
| Other Liabilities: | | | | | | |
| Compensated Absences | | 2,258 | 1,491 | (1,344) | 2,405 | 1,413 |
| Construction Contracts | | 6,015 | 2,955 | (5,813) | 3,157 | 2,956 |
| Claims and Judgements | | 1,659 | 5,895 | (6,041) | 1,513 | 1,017 |
| Net Pension Liability | | 2,883 | 486 | - | 3,369 | - |
| Net OPEB Obligation | | 1,340 | 202 | - | 1,542 | - |
| Accrued Landfill Closure/Postclosure Care Costs | | 16,706 | 903 | (35) | 17,574 | - |
| Business-Type Activities Long-Term Liabilities | $ | 864,296 | 33,423 | (62,868) | 834,851 | 38,916 |

Internal Service funds predominantly serve the governmental funds. Therefore, their long-term liabilities are included with the governmental activities above. Compensated absences for governmental activities are generally liquidated in the General Fund as well as various other Special Revenue and Internal Service funds where 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, 2015, was as follows (in thousands of dollars):

| | | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|---|
| **Lincoln Wastewater System:** | | | | | | |
| Bonds and Loans Payable: | | | | | | |
| Wastwater Revenue Bonds | $ | 64,325 | 12,220 | (16,030) | 60,515 | 3,470 |
| Wastewater Loans Payable | | 22,106 | 1,938 | (1,037) | 23,007 | 1,092 |
| Deferred for Issuance Premiums | | 3,506 | 593 | (460) | 3,639 | - |
| Deferred for Issuance Discounts | | (8) | - | - | (8) | - |
| Net Bonds and Loans Payable | | 89,929 | 14,751 | (17,527) | 87,153 | 4,562 |
| Other Liabilities: | | | | | | |
| Compensated Absences | | 667 | 433 | (384) | 716 | 392 |
| Construction Contracts | | 3,373 | 1,133 | (3,255) | 1,251 | 1,134 |
| Net OPEB Obligation | | 229 | 35 | - | 264 | - |
| Total Long-Term Liabilities | $ | 94,198 | 16,352 | (21,166) | 89,384 | 6,088 |
| **Lincoln Water System:** | | | | | | |
| Bonds and Loan Payable: | | | | | | |
| Water Revenue Bonds | $ | 49,375 | - | (3,710) | 45,665 | 3,740 |
| Water Loan Payable | | 13,775 | 917 | (580) | 14,112 | 567 |
| Deferred for Issuance Premiums | | 3,293 | - | (330) | 2,963 | - |
| Deferred for Issuance Discounts | | (28) | - | 1 | (27) | - |
| Net Bonds and Loan Payable | | 66,415 | 917 | (4,619) | 62,713 | 4,307 |
| Other Liabilities: | | | | | | |
| Compensated Absences | | 976 | 523 | (483) | 1,016 | 502 |
| Construction Contracts | | 2,642 | 1,822 | (2,558) | 1,906 | 1,822 |
| Net OPEB Obligation | | 356 | 54 | - | 410 | - |
| Total Long-Term Liabilities | $ | 70,389 | 3,316 | (7,660) | 66,045 | 6,631 |
| **Lincoln Electric System:** | | | | | | |
| Bonds Payable: | | | | | | |
| Electric System Revenue Bonds | $ | 593,440 | - | (21,060) | 572,380 | 22,050 |
| Deferred for Issuance Premiums | | 42,643 | - | (3,966) | 38,677 | - |
| Net Bonds Payable | | 636,083 | - | (25,026) | 611,057 | 22,050 |
| Other Liabilities: | | | | | | |
| Claims and Judgements | | 1,659 | 5,895 | (6,041) | 1,513 | 1,017 |
| Total Long-Term Liabilities | $ | 637,742 | 5,895 | (31,067) | 612,570 | 23,067 |

## DEVELOPER PURCHASED TAX INCREMENT FINANCING NOTES AND BONDS

At August 31, 2015, $35,711,987 of developer purchased tax increment financing notes and bonds were outstanding. Developer purchased tax increment financing allows the City to create special districts to enable public/private improvements within those districts that will generate public/private-sector development. For a period of 15 years, the tax base is frozen at the predevelopment level, and taxes generated from the incremental increases in assessed value are remitted to the developer. The agreements between the City and developer expressly limit the City's commitment for debt repayment to the incremental tax collected during the 15-year period. At the end of the 15-year period, the tax jurisdiction collects on the increased property values. The related tax increment districts are not component units of 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, 2015, $17,600,000 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, 2015, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

| | General Fund | Street Construction Fund |
|---|---|---|
| Net Change in Fund Balances: | | |
| Balance on a GAAP basis | $ 4,052,390 | (5,442,601) |
| Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds. | (1,397,627) | (544,896) |
| Perspective differences occur when the structure used for budgeting differs from the fund structure used for financial reporting. | (1,086,266) | - |
| Amount budgeted on a project basis. | - | 34,125,058 |
| Balance on a budget basis | $ 1,568,497 | 28,137,561 |

## (11) DEFICIT NET POSITION

The following funds had a net position or fund balance deficit as of August 31, 2015:

| | |
|---|---|
| Special Revenue - Impact Fees Fund | $ (130,824) |
| Enterprise - Pinnacle Bank Arena Fund | (1,507,231) |
| Enterprise - Emergency Medical Services Fund | (115,313) |
| Internal Service - Engineering Revolving Fund | (1,569,518) |
| Internal Service - Copy Services Fund | (58,886) |

- 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 deficit is expected to be reduced through future emergency ambulance service fee collections.

- 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 Copy Services Fund deficit is expected to be reduced by an increase in fees charged.

## (12) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

| | | |
|---|---|---|
| General Fund | | |
| Traffic Engineering | $ | 119,827 |
| Street Lighting | | 1,751,837 |
| Debt Service | | 78,950 |

## (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.
*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% or 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%.

*Deferred Annuity (Vested Separation)* **-** Eligibility for all plans is 10 years of service, until eligible for early retirement.

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:

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

*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* **-** *M*onthly 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.

Reserves – Per City Ordinance, lump sum COLA payments are to be paid from an accounting pool which is funded by the interest differential between the pension fund's earned rate of interest and the actuarially assumed rate of interest, multiplied by a ratio of the retirant and beneficiary liability over the total liability of the fund. All such annual additions to the pool plus regular interest earned and applicable to the amounts allocated to the accounting pool shall constitute the pool of funds from which the COLA payments are to be paid. The market value of the COLA Pool as of August 31, 2015 is $27,167,188.

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, 2015 is $5,576,567.

Membership of the pension plan consisted of the following at August 31, 2015, the date of the latest actuarial valuation:

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 486 |
| Terminated plan members entitled to but not yet receiving benefits | 28 |
| Active plan members (non-DROP) | 576 |
| DROP members | 42 |
| Total | 1,132 |
| Number of participating employers | 1 |

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 2015 was $8,418,199. For the fiscal year ended August 31, 2015, the Plan received $8,045,293 in employer contributions.

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2013, actuarial valuation using the entry age actuarial funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 4.25 to 8.25% per year, including wage inflation at 4.25%, and (c) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using a five year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on an open basis over a period of thirty years.

Net Pension Liability

The components of the net pension liability of the PFP at August 31, 2015, were as follows:

| | |
|---|---|
| Total pension liability | $ 261,733,723 |
| Plan fiduciary net position | (203,995,271) |
| Net pension liability | $ 57,738,452 |
| Plan fiduciary net position as a percentage of the total pension liability | 77.94% |

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, 2015 |
| Measurement date | August 31, 2015 |

Assumptions

The total pension liability as of August 31, 2015, was determined by an actuarial valuation performed as of August 31, 2015, 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, Healthly Annuitants, and Disabled Retirees with Generational Projection using Scale AA. |

The actuarial assumptions that determined the total pension liability as of August 31, 2015 (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.

Discount Rate

The discount rate used to measure the total pension liability at August 31, 2015 was 7.50%. This is an increase from 6.75% as of the prior measurement date.

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 made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Projected future benefit payments for all current pension members were projected through 2114.

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 the current 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, 2015, are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|---|---|---|
| Private Equity | 5.0 % | 10.90 % |
| Public Equity | 55.0 | 7.31 |
| Hedge Fund-of-Funds | 5.0 | 3.82 |
| Real Estate | 15.0 | 2.75 |
| Fixed Income | 20.0 | 1.32 |
| | 100.0 % | |

* 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 City of Lincoln, calculated using the discount rate of 7.50%, as well as what the City of Lincoln'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 liabiity | $ 89,779,732 | 57,738,452 | 30,804,637 |

Rate of Return - For the year ended August 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -3.52 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2014 | $ | 266,114,947 | 213,342,815 | 52,772,132 |
| Changes for the year: | | | | |
| Service cost at end of year | | 7,929,376 | - | 7,929,376 |
| Interest on TPL | | 17,507,641 | - | 17,507,641 |
| Difference between expected and actual experience | | 7,390,055 | - | 7,390,055 |
| Assumption changes | | (23,499,491) | - | (23,499,491) |
| Employer contributions | | - | 8,045,293 | (8,045,293) |
| Employee contributions | | - | 2,604,101 | (2,604,101) |
| Net investment income | | - | (5,843,555) | 5,843,555 |
| Benefit payments, including member refunds | | (13,708,805) | (13,708,805) | - |
| Administrative expenses | | - | (444,578) | 444,578 |
| Net changes | | (4,381,224) | (9,347,544) | 4,966,320 |
| Balances at August 31, 2015 | $ | 261,733,723 | 203,995,271 | 57,738,452 |

Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
As of August 31

| | | 2014 | Additions | Recognition | 2015 |
|---|---|---|---|---|---|
| Differences between expected and actual experience | $ | - | 7,390,055 | 1,129,978 | 6,260,077 |
| Differences between projeced and actual earnings | | - | 20,127,866 | 4,025,573 | 16,102,293 |
| Change in EMS' proportion of the collective net pension liability since the prior measurement date | | - | 196,312 | 30,017 | 166,295 |
| | $ | - | 27,714,233 | 5,185,568 | 22,528,665 |

Deferred Inflows of Resources
As of August 31

| | | 2014 | Additions | Recognition | 2015 |
|---|---|---|---|---|---|
| Changes of assumptions | $ | - | 23,499,491 | 3,593,194 | 19,906,297 |
| Change in the City's proportion of the collective net pension liability since the prior measurement date | | - | 196,312 | 30,017 | 166,295 |
| Total | $ | - | 23,695,803 | 3,623,211 | 20,072,592 |

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

| Fiscal Year Ending August 31 | | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|---|
| 2016 | $ | 5,185,568 | (3,623,211) |
| 2017 | | 5,185,568 | (3,623,211) |
| 2018 | | 5,185,568 | (3,623,211) |
| 2019 | | 5,185,569 | (3,623,211) |
| 2020 | | 1,159,995 | (3,623,211) |
| Thereafter | | 626,397 | (1,956,537) |
| | $ | 22,528,665 | (20,072,592) |

Pension Expense

The calculation of the pension expense for the year ended August 31, 2015 is shown below:

Pension Expense
For the Fiscal Year Ended August 31, 2015

| | | |
|---|---|---|
| Service cost at end of year | $ | 7,929,376 |
| Interest on the total pension liability | | 17,507,641 |
| Expensed portion of current-period difference between expected and actual experience in the total pension liability | | 1,129,978 |
| Expensed portion of current-period assumption changes | | (3,593,194) |
| Employee contributions | | (2,604,101) |
| Projected earnings on plan investments | | (14,284,311) |
| Expensed portion of current-period differnces between projected and actual earnings on plan investments | | 4,025,573 |
| Administrative expenses | | 444,578 |
| Total Pension Expense | $ | 10,555,540 |

ELECTRIC SYSTEM

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

LES has a defined contribution retirement plan created in accordance with Internal Revenue Code Section 401(K) covering all employees upon employment. Effective December 1, 2014, LES made available to its participants a Roth 401(k) option. 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 gross wages for employees hired prior to 1/1/11. For employees hired after 1/1/11, LES' contribution is equal to 100% of employee's contributions up to 10% of gross wages. Vesting of LES contributions occurs over a three-year period. Employee forfeitures are used to reduce employer contributions. For the year ended December 31, 2014, LES incurred contribution expense of approximately $3,822,000 or 9.65% of covered payroll and its employees contributed approximately $2,748,000 or 6.94% 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, 2014, was $1,827,339. City contributions totaled $196,885 or 10.77% of covered payroll and employee contributions totaled $17,306 or .95% of covered payroll. There were no voluntary employee contributions made for the year ended December 31, 2014.

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, 2014, total payroll was approximately $81,855,000 and covered payroll was approximately $71,264,000. The City incurred contribution expense totaling $7,875,748, which included a reduction in expense of $214,588 for employee forfeitures. Employer contributions were 11.05% of covered payroll and employee contributions totaled $4,178,088 or 5.86% of covered payroll. Employees made $138,832 in voluntary contributions for the year ended December 31, 2014.

## (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, 2015, was calculated as follows:
(Dollar amounts in thousands)

| | |
|---|---|
| Annual required contribution | $ 2,283 |
| Interest on net OPEB obligation | 455 |
| Adjustment to annual required contribution | (594) |
| Annual OPEB cost | 2,144 |
| Contributions made | (619) |
| Increase in net OPEB obligation | 1,525 |
| Net OPEB obligation-beginning | 10,112 |
| Net OPEB obligation-ending | $ 11,637 |

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 |
|---|---|---|---|
| 2015 | $ 2,144,000 | 28.9 % | $ 11,637,000 |
| 2014 | 2,142,000 | 28.9 | 10,112,000 |
| 2013 | 3,011,000 | 23.4 | 8,589,000 |

Funded Status and Funding Progress – As of September 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial liability for benefits was $18,738,000 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $18,738,000. Annual covered payroll was approximately $123,231,000, and the ratio of the UAAL to the covered payroll was 15.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined 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, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% discount rate and an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5.9% for 2022 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 $1,264,000.

Long-Term Disability Plan

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

## (15) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966, City dollar tax limit as an initial tax limit, and increasing that tax limit each year following 1966 by 7% so that in each fiscal year thereafter the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 2014 tax levy, for the 2014-2015 fiscal year, was $127,141,801 below the legal limit, with a tax rate per $100 valuation of $0.3196. The assessed value upon which the 2014 levy was based was $17,380,126,373.

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 2014-2015 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2015. 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, 2015, 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 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 $11,051,105 were recorded at August 31, 2015, which do not include claims relating to Lincoln Electric System’s self-funded health and dental insurance programs. Excluding medical care claims approximating $2,654,000, 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, 2015 and 2014:

| 2015 | | 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 |

| 2014 | | Worker's Compensation and Others | Long-Term Disability | Health and Dental | Total |
|---|---|---|---|---|---|
| Balance at September 1 | $ | 7,354,000 | 941,204 | 1,484,880 | 9,780,084 |
| Current year claims and changes in estimates | | 2,299,000 | 93,668 | 26,060,617 | 28,453,285 |
| Claims payments | | (2,507,000) | (87,341) | (25,417,939) | (28,012,280) |
| Balance at August 31 | $ | 7,146,000 | 947,531 | 2,127,558 | 10,221,089 |

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:

| | | 2014 | 2013 |
|---|---|---|---|
| Balance beginning of year | $ | 1,659,000 | 1,083,000 |
| Claims accrued | | 5,895,000 | 5,729,000 |
| Claims paid/other | | (6,041,000) | (5,153,000) |
| Balance end of year | $ | 1,513,000 | 1,659,000 |

As required by state statute, LES maintains an incurred but not reported claims reserve which is actuarially determined, the balance of which was $496,000 and $459,000 at December 31, 2014 and 2013, 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.

## (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, 2015, approximately 96% of the full-time, regular City's employees are represented by a Union. Most existing union contracts expire in August 2016. All future labor contracts involving City employees will be negotiated to cover, at a minimum, a two-year period coinciding with the new biennial budget process.

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 $22,700,000 as of August 31, 2015, 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 Agency 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 Agency 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 if the contamination or the applicable regulatory requirements. No liability has been recorded for potential future remediation activities as of August 31, 2015.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately $2,200,000 as of August 31, 2015.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately $3,200,000 as of August 31, 2015.

LINCOLN ELECTRIC SYSTEM

LES has participating interests in the output of two existing 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.

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 the regulated operations provisions of GASB Statement No. 62. 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 $16,300,000, $16,700,000, $17,100,000, $17,400,000, and $17,800,000, respectively, in each of the five years subsequent to December 31, 2014.

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

LES also participates in four wind plants; Laredo Ridge (10 MW), Broken Bow (10 MW), Elkhorn Ridge (6 MW) and Crofton Bluffs (3 MW), through Power Sales Agreements with Nebraska Public Power District (NPPD). NPPD has a Power Purchase Agreement with the wind plant developer/owner. LES only pays for energy received.

LES has commitments under long-term contracts for the physical purchase of natural gas. Contract commitments are based on LES' gas procurement strategy.

## (18) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

At August 31, 2015, the City had incurred a liability of approximately $12,553,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 57% of landfill capacity used to date. The remaining estimated liability for these costs is approximately $9.6 million, which will be recognized as the remaining capacity is used (estimated to be approximately 19 years).

As of August 31, 2015, the City had incurred a liability of approximately $843,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 62% of landfill capacity used to date. The remaining estimated liability for these costs is approximately $525,000, which will be recognized as the remaining capacity is used (estimated to be approximately 14 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, 2015, a liability for closure and postclosure care costs is recorded in the amount of approximately $4,178,000, which is based on appropriations identified in the City's capital improvement projects budgeting process. If any unanticipated corrective action costs related to landfill gas migration or groundwater contamination are identified through current monitoring procedures, then an additional accrued liability will be recorded once these costs can be reasonably estimated.

**(19) SEGMENT INFORMATION**

The City has issued revenue bonds and other debt instruments to finance capital construction and acquisitions for both the Urban Development and Public Works/Utilities Departments. The Parking Facilities Division of the Urban Development Department operates the City's downtown parking garages and is accounted for in the Parking System Fund. The Solid Waste Operations Section of the Public Works/Utilities Department operates the City's solid waste disposal sites, yard waste composting facility, and re-cycling drop-off program. Summary financial information for these divisions as of and for the year ended August 31, 2015, is presented as follows:

| | | Parking Facilities | Solid Waste Management |
|---|---|---|---|
| **CONDENSED STATEMENT OF NET POSITION** | | | |
| Assets: | | | |
| Current Assets, excluding Due from Other Funds | $ | 3,415,861 | 4,144,987 |
| Due from Other Funds | | 11,369 | 14,711 |
| Other Assets | | 8,224,269 | 8,266,892 |
| Capital Assets | | 60,213,567 | 26,967,732 |
| Total Assets | | 71,865,066 | 39,394,322 |
| Deferred Outflows of Resources | | - | 31,736 |
| Liabilities: | | | |
| Current Liabilities, excluding Due to Other Funds | | 3,172,040 | 1,400,859 |
| Due to Other Funds | | 7,633 | 3,564 |
| Noncurrent Liabilities | | 26,925,177 | 29,975,653 |
| Total Liabilities | | 30,104,850 | 31,380,076 |
| Net Position: | | | |
| Net Investment in Capital Assets | | 34,465,523 | 20,261,928 |
| Restricted | | 3,175,525 | - |
| Unrestricted | | 4,119,168 | (12,215,946) |
| Total Net Position | $ | 41,760,216 | 8,045,982 |
| **CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION** | | | |
| Operating Revenues | $ | 10,370,095 | 7,221,815 |
| Depreciation Expense | | (2,115,726) | (2,066,770) |
| Other Operating Expenses | | (4,577,437) | (7,141,507) |
| Operating Income (Loss) | | 3,676,932 | (1,986,462) |
| Nonoperating Revenues (Expenses): | | | |
| Investment Earnings | | 49,257 | 20,187 |
| Loss on Disposal of Capital Assets | | - | 6,539 |
| Insurance Recovery | | - | 973 |
| Occupation Tax | | - | 2,832,539 |
| Debt Issuance Expense | | - | (129,524) |
| Interest Expense and Fiscal Charges | | (1,130,730) | (167,578) |
| Capital Contributions | | - | 1,953,763 |
| Transfers | | (1,453,838) | (1,246,016) |
| Change in Net Position | | 1,141,621 | 1,284,421 |
| Beginning Net Position | | 40,618,595 | 6,761,561 |
| Ending Net Position | $ | 41,760,216 | 8,045,982 |
| **CONDENSED STATEMENT OF CASH FLOWS** | | | |
| Net Cash Provided (Used) by: | | | |
| Operating Activitites | $ | 5,972,351 | 902,873 |
| Noncapital Financing Activities | | (1,431,033) | 1,630,380 |
| Capital and Related Financing Activities | | (3,156,504) | 3,337,010 |
| Investing Activities | | (1,769,611) | (5,982,718) |
| Net Decrease in Cash | | (384,797) | (112,455) |
| Beginning Balance | | 3,486,196 | 464,147 |
| Ending Balance | $ | 3,101,399 | 351,692 |

## (20) PLEDGED REVENUES

The City has pledged future revenues derived from the operation of the Lincoln Wastewater System, net of operating and maintenance expenses, to repay all outstanding wastewater revenue bonds and loans. Proceeds provided financing for improvements to the sanitary sewer system, as well as refunding prior year debt. The debt is payable solely from the net earnings of the Wastewater System and is payable through 2034. The total principal and interest remaining to be paid on the debt is $107,374,485, with annual payments expected to require 47% of net revenues. Principal and interest paid for the current year and net system revenues were $6,861,802 and $14,485,305, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Water System, net of operating and maintenance expenses, to repay all outstanding water revenue bonds and loans. Proceeds from the debt provided financing for improvements to the water supply system, as well as refunding prior water revenue bonds. The bonds are payable solely from the net earnings of the Water System and are payable through 2034. The total principal and interest remaining to be paid on the debt is $77,284,078, with annual payments expected to require 37% of net revenues. Principal and interest paid for the current year and net system revenues were $6,406,562 and $17,526,817, 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 2037. The total principal and interest remaining to be paid on the bonds is $859,065,000, with annual payments expected to require 50% of net revenues. Principal and interest paid for the current year and net system revenues were $47,431,000 and $94,860,000, 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 $39,629,054, with annual payments expected to require 45% of net revenues. Principal and interest paid for the current year and net system revenues were $2,408,265 and $5,841,915, 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 $16,102,987, with annual payments expected to require 40% of net revenues. Principal and interest paid for the current year and net system revenues were $746,202 and $2,555,018 respectively.

## (21) PUBLIC BUILDING COMMISSION

In 1990, the City and the County of Lancaster, pursuant to state statute, activated a separate governmental entity denominated as the Lincoln-Lancaster County Public Building Commission. The purpose of this joint venture is to design, acquire, construct, maintain, operate, improve, remodel, remove and reconstruct, so long as its corporate existence continues, public buildings, structures, or facilities for use jointly by the City and the County. The City and the County each appoint two members to the five-member Commission, with the fifth member being appointed by the other four members. All property held or acquired by the Commission is held or acquired in the name of the City and the County for use by the Commission in its corporate capacity. The Commission's costs of operation and debt service are funded through rental payments made by the City and the County based upon their proportionate occupancy of such buildings to the extent not covered by a maximum property tax levy of 1.7 cents for each $100 of actual valuation of taxable property in the County. For the year ended August 31, 2015, the City made rental payments of approximately $3.0 million to the Commission.

As of August 31, 2015, the Commission has debt outstanding of $29,100,846. 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 is a joint administrative entity created April 15, 2000, in accordance with Article XV, Section 18 of the Constitution of the State of Nebraska and Nebraska Revenue Statutes Sections 13.801 through 13.827 (1997) authorizing the creation of a joint entity by public agencies. Per an interlocal cooperative agreement by and between the Board of Regents of the University of Nebraska, a public body corporate, the City of Lincoln, Nebraska, a municipal corporation, and the Lower Platte South Natural Resources District, a political subdivision of the State of Nebraska, this joint administrative entity was created to be known as Joint Antelope Valley Authority (JAVA). JAVA constitutes a separate administrative entity, exercising the public power granted by the interlocal cooperation agreement on behalf of the three aforementioned "Partners" to coordinate planning and implementation of a public project described in the Antelope Valley Study and the U.S. Army Corps of Engineers Antelope Creek Feasibility Study (the Project). The Project generally includes community revitalization, transportation, and drainage/flood control improvements.

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

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

For the year ended August 31, 2015, total assets of JAVA are approximately $200 million. The City's equity interest in the Project is approximately $166 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.

## (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 $20.1 million are reflected in utility plant at December 31, 2014.

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, 2014.

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 2014, LES billed the County approximately $3.4 million for demand and energy charges.

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

Walter Scott Energy Center (WSEC4)

MidAmerican Energy's Walter Scott Energy Center includes four coal-fired units. LES maintains ownership interest in 12.66% or 103 MW of Unit #4. In order to minimize unit outage risk, LES has executed a power purchase and sales agreement with MidAmerican Energy to exchange capacity and energy from LES' Unit #4 ownership with capacity and energy from Unit #3. Under this agreement, beginning in 2009, LES will schedule 50 MW of capacity and energy from Unit #3 and 53 MW of capacity and energy from Unit #4. This twenty year unit agreement can be extended through mutual agreement of the parties. LES is responsible for the operation and maintenance expense and maintains a fuel inventory at the plant site. LES issued debt in conjunction with the construction of Unit #4 and has capitalized these costs plus interest. Costs, net of accumulated depreciation, associated with WSEC4 of approximately $142 million are reflected in utility plant at December 31, 2014.

## (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 $906,000 in 2014. The total amount of payments to LES for energy was approximately $555,000 in 2014.

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 $87,000 in 2014. The total amount of payments to LES for energy was approximately $9.6 million in 2014.

## (25) SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the Financial Statements were available to be issued.

In March 2015, LES issued $167,800,000 of Revenue and Refunding Bonds, Series 2015A, to advance refund approximately $100 million of Revenue and Refunding Bonds, Series 2007A and Series 2007B, and to reimburse LES for approximately $66 million of prior capital improvements.

**CITY OF LINCOLN, NEBRASKA**
**Required Supplementary Information**
**August 31, 2015**

**Schedule of Changes in the Police and Fire Pension (PFP) Net Pension Liability and Related Ratios**
For the Fiscal Year Ended August 31

| | 2015 | 2014 |
|---|---|---|
| **Total Pension Liability** | | |
| Service cost | $ 7,929,376 | $ 7,289,994 |
| Interest | 17,507,641 | 16,897,591 |
| Differences between expected and actual experience | 7,390,055 | 736,647 |
| Effect of assumption changes or inputs | (23,499,491) | 22,725,982 |
| Benefit payments, including refunds of member contributions | (13,708,805) | (13,430,163) |
| Net change in total pension liability | (4,381,224) | 34,220,051 |
| Total pension liability - beginning | 266,114,947 | 231,894,896 |
| Total pension liability - ending (a) | $ 261,733,723 | $ 266,114,947 |
| **Plan Fiduciary Net Position** | | |
| Contributions - employer | $ 8,045,293 | $ 7,865,929 |
| Contributions - employee | 2,604,101 | 2,613,971 |
| Net investment income | (5,843,555) | 30,932,275 |
| Benefit payments, including refunds of member contributions | (13,708,805) | (13,430,163) |
| Administrative expense | (444,578) | (407,146) |
| Net change in plan fiduciary net position | (9,347,544) | 27,574,866 |
| Plan fiduciary net position - beginning | 213,342,815 | 185,767,949 |
| Plan fiduciary net position - ending (b) | $ 203,995,271 | $ 213,342,815 |
| **PFP Net Pension Liability - Ending (a) - (b)** | $ 57,738,452 | $ 52,772,132 |
| Plan fiduciary net position as a percentage of the total penson liability | 77.94% | 80.17% |
| Covered-employee payroll | $ 47,604,228 | $ 46,465,990 |
| PFP net pension liability as a percentage of covered-employee payroll | 121.29% | 113.57% |

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.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2015

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

| | 2015 | 2014 |
|---|---|---|
| Actuarial determined employer contribution | $ 8,418,199 | $ 7,377,763 |
| Actual employer contributions | 8,045,293 | 7,865,929 |
| Annual contribution deficiency (excess) | $ 372,906 | $ (488,166) |
| Covered-employee payroll - current | $ 47,604,228 | $ 46,465,990 |
| Actual contributions as a percentage of covered-employee payroll | 16.90% | 16.93% |

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: | 8/31/2013 | 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 |
| Amortization method: | 30 years, level percent, open |
| Remaining amortization period: | 30 years |
| Asset valuation method: | 5-year smoothed market |
| Inflation: | 4.25% |
| Salary increases: | 4.25% - 8.25% |
| Investment rate of return: | 7.5% |

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

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expense | -3.52% | 16.67% | 12.42% | 5.47% | 12.64% | 9.60% | -16.77% | -6.40% | 14.05% | 11.14% |

**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, 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 |
| September 1, 2009 | 0 | 19,796 | 19,796 | 0.0 | 112,002 | 17.7 |

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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 comparisions 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, 2015

| | 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 | $ 3,198,399 | 83,954 | 14,254 | 46,906 | 1,950 | 102,490 | - | 3,447,953 |
| Investments | 34,965,705 | 772,694 | 476,398 | 2,530,137 | 26,144 | 5,530,862 | - | 44,301,940 |
| Receivables, (Net of Allowance for Uncollectibles) | | | | | | | | |
| Taxes | 3,211,472 | - | - | - | - | - | - | 3,211,472 |
| Accounts | 1,649,367 | 6,058 | - | 113,591 | - | - | - | 1,769,016 |
| Accrued Interest | 65,081 | 1,423 | 1,270 | 3,577 | 56 | 10,992 | - | 82,399 |
| Due from Other Funds | 3,745,539 | - | 218 | - | - | - | - | 3,745,757 |
| Due from Other Governments | 12,637,026 | - | 51,793 | 29,737 | - | - | - | 12,718,556 |
| Inventories | 400,286 | - | - | - | - | - | - | 400,286 |
| Prepaid Items | 258,388 | - | - | - | - | - | - | 258,388 |
| Total Assets | 60,131,263 | 864,129 | 543,933 | 2,723,948 | 28,150 | 5,644,344 | - | 69,935,767 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts Payable | 1,439,946 | - | 46,203 | 9,802 | - | - | - | 1,495,951 |
| Accrued Liabilities | 4,426,997 | - | 96,548 | 163,838 | - | - | - | 4,687,383 |
| Due to Other Funds | 901,420 | - | 2,392 | 44 | - | - | - | 903,856 |
| Due to Other Governments | 31,326 | - | 3,662 | - | - | - | - | 34,988 |
| Unearned Revenue | 530 | - | - | - | - | - | - | 530 |
| Total Liabilities | 6,800,219 | - | 148,805 | 173,684 | - | - | - | 7,122,708 |
| Deferred Inflows of Resources: | | | | | | | | |
| Unavailable Revenues | 1,182,695 | - | - | 113,591 | - | - | - | 1,296,286 |
| Fund Balances: | | | | | | | | |
| Nonspendable | 658,674 | - | - | - | - | - | - | 658,674 |
| Restricted | 6,674,867 | - | - | - | - | - | - | 6,674,867 |
| Assigned | 6,898,199 | 864,129 | 395,128 | 2,436,673 | 28,150 | 5,644,344 | - | 16,266,623 |
| Unassigned | 37,916,609 | - | - | - | - | - | - | 37,916,609 |
| Total Fund Balances | 52,148,349 | 864,129 | 395,128 | 2,436,673 | 28,150 | 5,644,344 | - | 61,516,773 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 60,131,263 | 864,129 | 543,933 | 2,723,948 | 28,150 | 5,644,344 | - | 69,935,767 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2015

| | General Fund | Athletic Field & Facilities Improvement | Lincoln Area Agency On Aging | 911 Communication | Unemployment Compensation | Fast Forward | Development Services Center | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | $ 32,436,034 | - | - | - | - | - | - | 32,436,034 |
| Motor Vehicle | 5,049,072 | - | - | - | - | - | - | 5,049,072 |
| Sales and Use | 69,437,901 | - | - | - | - | - | - | 69,437,901 |
| Sundry and In Lieu | 48,596 | - | - | - | - | - | - | 48,596 |
| Occupation | 10,920,203 | - | - | - | - | - | - | 10,920,203 |
| Special Assessment | 2,050 | - | - | - | - | - | - | 2,050 |
| Intergovernmental | 1,869,319 | - | 1,248,941 | 567,177 | 269 | 35,892 | - | 3,721,598 |
| Permits and Fees | 4,343,812 | - | 56,815 | 1,136,265 | - | - | - | 5,536,892 |
| Reimbursement for Services | 6,807,237 | 386,217 | 195,825 | 16,000 | - | - | - | 7,405,279 |
| Investment Earnings | 287,707 | 3,917 | 2,444 | 8,872 | - | - | - | 302,940 |
| Donations | 628,522 | - | 2,027 | - | - | - | - | 630,549 |
| Miscellaneous | 572,153 | 27,907 | 838 | 151 | - | - | - | 601,049 |
| Total Revenues | 132,402,606 | 418,041 | 1,506,890 | 1,728,465 | 269 | 35,892 | - | 136,092,163 |
| **Expenditures -- Current:** | | | | | | | | |
| General Government | 32,504,933 | - | - | - | 18,456 | - | - | 32,523,389 |
| Public Safety | 63,047,684 | - | - | 4,726,378 | - | - | - | 67,774,062 |
| Streets and Highways | 6,503,487 | - | - | - | - | - | - | 6,503,487 |
| Culture and Recreation | 13,462,781 | - | - | - | - | - | - | 13,462,781 |
| Economic Opportunity | 416,648 | - | 3,730,138 | - | - | 88,917 | - | 4,235,703 |
| Health and Welfare | 331,878 | - | - | - | - | - | - | 331,878 |
| Debt Service | 78,950 | - | - | - | - | - | - | 78,950 |
| Total Expenditures | 116,346,361 | - | 3,730,138 | 4,726,378 | 18,456 | 88,917 | - | 124,910,250 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 16,056,245 | 418,041 | (2,223,248) | (2,997,913) | (18,187) | (53,025) | - | 11,181,913 |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers In | 11,283,230 | - | - | - | - | - | - | 11,283,230 |
| Transfers In (Inter-Fund) | - | - | 2,288,187 | 3,938,610 | - | - | 257,931 | 6,484,728 |
| Transfers Out | (21,369,841) | (266,199) | - | - | - | - | (257,931) | (21,893,971) |
| Transfers Out (Inter-Fund) | (6,484,728) | - | - | - | - | - | - | (6,484,728) |
| Issuance of Debt | 3,400,000 | - | - | - | - | - | - | 3,400,000 |
| Premium on Debt Issued | 62,602 | - | - | - | - | - | - | 62,602 |
| Sale of Capital Assets | 18,616 | - | - | - | - | - | - | 18,616 |
| Total Other Financing Sources (Uses) | (13,090,121) | (266,199) | 2,288,187 | 3,938,610 | - | - | - | (7,129,523) |
| Net Change In Fund Balances | 2,966,124 | 151,842 | 64,939 | 940,697 | (18,187) | (53,025) | - | 4,052,390 |
| Fund Balances - Beginning | 49,182,225 | 712,287 | 330,189 | 1,495,976 | 46,337 | 5,697,369 | - | 57,464,383 |
| Fund Balances - Ending | $ 52,148,349 | 864,129 | 395,128 | 2,436,673 | 28,150 | 5,644,344 | - | 61,516,773 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2015

| | Special Revenue | Debt Service | Capital Projects | Permanent Funds | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | $ 5,322,383 | 1,423,759 | 1,042,053 | 2,996,862 | 10,785,057 |
| Investments | 36,809,256 | 11,040,112 | 9,490,191 | 59,214,216 | 116,553,775 |
| Receivables, (Net of Allowance for Uncollectibles) | 19,764,727 | 4,126,270 | 438,259 | 1,766 | 24,331,022 |
| Due from Other Funds | 10,085 | - | 1,225,729 | - | 1,235,814 |
| Due from Other Governments | 2,078,308 | 355,348 | 1,672,552 | - | 4,106,208 |
| Inventories | 680,863 | - | - | - | 680,863 |
| Assets Held for Resale | 130,000 | - | - | - | 130,000 |
| Prepaid Items | 6,061 | - | 915,875 | - | 921,936 |
| Total Assets | 64,801,683 | 16,945,489 | 14,784,659 | 62,212,844 | 158,744,675 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 1,352,421 | - | 2,112,273 | 112,128 | 3,576,822 |
| Accrued Liabilities | 2,293,049 | - | - | 13,093 | 2,306,142 |
| Due to Other Funds | 11,126,880 | - | 2,351,866 | 22,514 | 13,501,260 |
| Due to Other Governments | 202,878 | - | - | 62,362 | 265,240 |
| Due to Other Contractors | - | 1,516,758 | - | - | 1,516,758 |
| Unearned Revenue | 241,739 | - | - | - | 241,739 |
| Total Liabilities | 15,216,967 | 1,516,758 | 4,464,139 | 210,097 | 21,407,961 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable Revenues | 931,251 | 2,380,382 | 81,174 | - | 3,392,807 |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | 686,924 | - | 915,875 | 37,160,000 | 38,762,799 |
| Restricted | 30,280,156 | 12,026,455 | 9,458,562 | 24,842,747 | 76,607,920 |
| Committed | 2,011,552 | 1,021,894 | - | - | 3,033,446 |
| Assigned | 15,805,657 | - | 42,922 | - | 15,848,579 |
| Unassigned | (130,824) | - | (178,013) | - | (308,837) |
| Total Fund Balances | 48,653,465 | 13,048,349 | 10,239,346 | 62,002,747 | 133,943,907 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 64,801,683 | 16,945,489 | 14,784,659 | 62,212,844 | 158,744,675 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Special Revenue | Debt Service | Capital Projects | Permanent Funds | Total |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes: | | | | | |
| Property | $ 17,103,896 | 11,505,824 | - | - | 28,609,720 |
| Wheel | - | - | 17,548,482 | - | 17,548,482 |
| Sundry and In Lieu | 10,253 | 1,482,260 | - | - | 1,492,513 |
| Special Assessment | 1,360 | 1,772,136 | - | - | 1,773,496 |
| Intergovernmental | 28,833,224 | 924,683 | 1,775,784 | - | 31,533,691 |
| Permits and Fees | 14,971,288 | - | 305,684 | - | 15,276,972 |
| Reimbursement for Services | 1,414,714 | - | - | - | 1,414,714 |
| Program Income | 13,858 | - | - | - | 13,858 |
| Investment Earnings | 261,170 | 103,303 | 91,687 | (708,209) | (252,049) |
| Donations | 424,872 | - | 1,930,262 | - | 2,355,134 |
| Keno Proceeds | 4,343,261 | - | - | - | 4,343,261 |
| Miscellaneous | 591,350 | 75,348 | 765,743 | 27,697 | 1,460,138 |
| Total Revenues | 67,969,246 | 15,863,554 | 22,417,642 | (680,512) | 105,569,930 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | 12,099,909 | - | - | - | 12,099,909 |
| Public Safety | 7,851,101 | - | - | - | 7,851,101 |
| Streets and Highways | 2,845 | - | - | - | 2,845 |
| Culture and Recreation | 11,069,431 | - | - | 6,084 | 11,075,515 |
| Economic Opportunity | 10,537,720 | - | - | - | 10,537,720 |
| Health and Welfare | 20,061,081 | - | - | 2,645,826 | 22,706,907 |
| Mass Transit | 15,539,838 | - | - | - | 15,539,838 |
| Debt Service: | | | | | |
| Principal Retirement | - | 13,129,561 | - | - | 13,129,561 |
| Interest and Fiscal Charges | - | 5,359,118 | - | - | 5,359,118 |
| Payments to Bond Refunding Agent | - | 475,412 | | | 475,412 |
| Bond Issuance Expense | - | 102,971 | - | - | 102,971 |
| Developer Purchased TIF Payments | - | 2,685,877 | - | - | 2,685,877 |
| Miscellaneous | - | 6,988 | - | - | 6,988 |
| Capital Outlay | - | - | 15,627,573 | - | 15,627,573 |
| Total Expenditures | 77,161,925 | 21,759,927 | 15,627,573 | 2,651,910 | 117,201,335 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (9,192,679) | (5,896,373) | 6,790,069 | (3,332,422) | (11,631,405) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | 15,980,112 | 9,304,864 | 6,944,993 | - | 32,229,969 |
| Transfers Out | (2,542,097) | (3,565,911) | (18,989,898) | - | (25,097,906) |
| Issuance of Refunding Debt | 3,290,000 | 5,720,000 | - | - | 9,010,000 |
| Premium on Debt Issued | - | 372,475 | - | - | 372,475 |
| Transfer To Bond Refunding Agent | (3,290,000) | (5,990,206) | - | - | (9,280,206) |
| Sale of Capital Assets | 1,105,702 | - | 1,056,190 | - | 2,161,892 |
| Total Other Financing Sources (Uses) | 14,543,717 | 5,841,222 | (10,988,715) | - | 9,396,224 |
| Net Change in Fund Balances | 5,351,038 | (55,151) | (4,198,646) | (3,332,422) | (2,235,181) |
| Fund Balances - Beginning | 43,302,427 | 13,103,500 | 14,437,992 | 65,335,169 | 136,179,088 |
| Fund Balances - Ending | $ 48,653,465 | 13,048,349 | 10,239,346 | 62,002,747 | 133,943,907 |

## 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.

**CITY OF LINCOLN, NEBRASKA**
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2015

| | Advance Acquisition | Cable Access Television | Lincoln City Libraries | Lincoln/ Lancaster Co. Health | Social Security | Police & Fire Pension Contributions |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash and Cash Equivalents | $ 17,356 | 19,528 | 62,602 | 85,211 | 36,680 | - |
| Investments | 961,510 | 1,106,753 | 2,893,245 | 2,875,816 | 2,007,261 | - |
| Receivables, (Net of Allowance for Uncollectibles): | | | | | | |
| Taxes | - | - | 671,617 | - | 247,948 | 557,977 |
| Accounts | - | 38,166 | - | 23,405 | - | - |
| Accrued Interest | 5,643 | 2,143 | 3,555 | 5,334 | 3,520 | - |
| Notes Receivable | 110,456 | - | - | - | - | - |
| Loans | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - |
| Due from Other Governments | - | - | 1,771 | 392,154 | 660 | - |
| Inventories | - | - | - | - | - | - |
| Assets Held for Resale | 130,000 | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - |
| Total Assets | 1,224,965 | 1,166,590 | 3,632,790 | 3,381,920 | 2,296,069 | 557,977 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | - | 390 | 147,676 | 171,349 | 1,771 | - |
| Accrued Liabilities | - | 884 | 250,590 | 366,969 | 259,941 | 456,198 |
| Due to Other Funds | - | 6,338 | 315 | 12,726 | - | - |
| Due to Other Governments | 42 | - | 168 | 3,525 | - | - |
| Unearned Revenue | - | - | - | - | - | - |
| Total Liabilities | 42 | 7,612 | 398,749 | 554,569 | 261,712 | 456,198 |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable Revenues | 114,432 | - | 128,381 | 15,888 | 45,325 | 101,779 |
| Fund Balances (Deficits): | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 1,082,563 | - | - | 30,542 | 1,606,388 | - |
| Committed | - | 1,134,624 | - | - | - | - |
| Assigned | 27,928 | 24,354 | 3,105,660 | 2,780,921 | 382,644 | - |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances (Deficits) | 1,110,491 | 1,158,978 | 3,105,660 | 2,811,463 | 1,989,032 | - |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits) | $ 1,224,965 | 1,166,590 | 3,632,790 | 3,381,920 | 2,296,069 | 557,977 |

| StarTran | Keno | Federal Grants | Special Assessment | Building & Safety | Impact Fees | Parks & Recreation Special Projects | Library Special Trust | RP Crawford Park | Total |
|---|---|---|---|---|---|---|---|---|---|
| 2,173,314 | 91,590 | 2,169,077 | 203,369 | 167,221 | 209,104 | 40,549 | 4,349 | 42,433 | 5,322,383 |
| 1,304,284 | 4,949,889 | - | 491,930 | 7,456,787 | 10,562,087 | 1,295,570 | 151,053 | 753,071 | 36,809,256 |
| - | - | - | - | - | - | - | - | - | 1,477,542 |
| 27,158 | 157,857 | 33,051 | - | - | - | 503 | - | - | 280,140 |
| 2,902 | 10,991 | 2,251 | 6,297 | 14,019 | 23,021 | 2,579 | 334 | - | 82,589 |
| - | - | - | - | - | - | - | - | - | 110,456 |
| - | - | 17,814,000 | - | - | - | - | - | - | 17,814,000 |
| 85 | - | - | - | - | - | 10,000 | - | - | 10,085 |
| 51,235 | - | 1,632,488 | - | - | - | - | - | - | 2,078,308 |
| 680,863 | - | - | - | - | - | - | - | - | 680,863 |
| - | - | - | - | - | - | - | - | - | 130,000 |
| - | - | - | 6,061 | - | - | - | - | - | 6,061 |
| 4,239,841 | 5,210,327 | 21,650,867 | 707,657 | 7,638,027 | 10,794,212 | 1,349,201 | 155,736 | 795,504 | 64,801,683 |
| 169,160 | 106,987 | 684,992 | 20,251 | 11,403 | 182 | 38,244 | 16 | - | 1,352,421 |
| 331,513 | - | 399,321 | - | 219,371 | 4,448 | - | 3,814 | - | 2,293,049 |
| 1,878 | 32,591 | 16,878 | 75,935 | 59,813 | 10,920,406 | - | - | - | 11,126,880 |
| 15,439 | 77,901 | 105,500 | - | 2 | - | 301 | - | - | 202,878 |
| 35,903 | - | - | - | 205,836 | - | - | - | - | 241,739 |
| 553,893 | 217,479 | 1,206,691 | 96,186 | 496,425 | 10,925,036 | 38,545 | 3,830 | - | 15,216,967 |
| 9,420 | - | 516,026 | - | - | - | - | - | - | 931,251 |
| 680,863 | - | - | 6,061 | - | - | - | - | - | 686,924 |
| - | 4,918,006 | 19,928,150 | 605,410 | - | - | 1,161,687 | 151,906 | 795,504 | 30,280,156 |
| - | - | - | - | 876,928 | - | - | - | - | 2,011,552 |
| 2,995,665 | 74,842 | - | - | 6,264,674 | - | 148,969 | - | - | 15,805,657 |
| - | - | - | - | - | (130,824) | - | - | - | (130,824) |
| 3,676,528 | 4,992,848 | 19,928,150 | 611,471 | 7,141,602 | (130,824) | 1,310,656 | 151,906 | 795,504 | 48,653,465 |
| 4,239,841 | 5,210,327 | 21,650,867 | 707,657 | 7,638,027 | 10,794,212 | 1,349,201 | 155,736 | 795,504 | 64,801,683 |

**CITY OF LINCOLN, NEBRASKA**
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Advance Acquisition | Cable Access Television | Lincoln City Libraries | Lincoln/ Lancaster Co. Health | Social Security | Police & Fire Pension Contributions |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Real Property and Personal Property Tax | $ - | - | 7,604,436 | - | 2,832,310 | 6,667,150 |
| Sundry and In Lieu Tax | - | - | 4,562 | - | 1,699 | 3,992 |
| Special Assessment | - | - | - | 1,360 | - | - |
| Intergovernmental | - | - | 761,853 | 3,167,148 | - | - |
| Permits and Fees | - | 219,310 | 381,101 | 4,620,085 | - | - |
| Reimbursement for Services | 450 | - | 1,367 | 644,813 | - | - |
| Program Income | - | - | - | - | - | - |
| Investment Earnings | 3,923 | 6,308 | 11,092 | 22,597 | 10,050 | - |
| Donations | - | - | - | - | - | - |
| Keno Proceeds | - | - | - | - | - | - |
| Private Sector Share of Projects | - | - | - | - | - | - |
| Miscellaneous | - | - | 31,623 | 15,441 | - | - |
| Total Revenues | 4,373 | 225,618 | 8,796,034 | 8,471,444 | 2,844,059 | 6,671,142 |
| Expenditures -- Current: | | | | | | |
| General Government | 6,884 | 53,584 | - | - | 2,556,714 | 6,671,142 |
| Public Safety | - | - | - | - | - | - |
| Streets and Highways | - | - | - | - | - | - |
| Culture and Recreation | - | - | 8,541,572 | - | - | - |
| Economic Opportunity | - | - | - | - | - | - |
| Health and Welfare | - | - | - | 13,447,366 | - | - |
| Mass Transit | - | - | - | - | - | - |
| Total Expenditures | 6,884 | 53,584 | 8,541,572 | 13,447,366 | 2,556,714 | 6,671,142 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,511) | 172,034 | 254,462 | (4,975,922) | 287,345 | - |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | 259,921 | - | - | 6,231,919 | - | - |
| Transfers Out | (837,352) | - | (53,065) | (85,000) | - | - |
| Issuance of Refunding Debt | - | - | - | 3,290,000 | - | - |
| Transfer to Bond Refunding Agent | - | - | - | (3,290,000) | - | - |
| Sale of Capital Assets | 1,091,818 | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 514,387 | - | (53,065) | 6,146,919 | - | - |
| Net Change In Fund Balances | 511,876 | 172,034 | 201,397 | 1,170,997 | 287,345 | - |
| Fund Balances (Deficits) - Beginning | 598,615 | 986,944 | 2,904,263 | 1,640,466 | 1,701,687 | - |
| Fund Balances (Deficits) - Ending | $ 1,110,491 | 1,158,978 | 3,105,660 | 2,811,463 | 1,989,032 | - |

| StarTran | Keno | Federal Grants | Special Assessment | Building & Safety | Impact Fees | Parks & Recreation Special Projects | Library Special Trust | RP Crawford Park | Total |
|---|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - | 17,103,896 |
| - | - | - | - | - | - | - | - | - | 10,253 |
| - | - | - | - | - | - | - | - | - | 1,360 |
| 5,574,527 | - | 19,247,696 | 82,000 | - | - | - | - | - | 28,833,224 |
| 2,956,666 | - | 494,699 | - | 6,171,323 | 128,104 | - | - | - | 14,971,288 |
| 115,524 | - | 361,638 | - | 172,804 | - | 118,118 | - | - | 1,414,714 |
| - | - | 13,858 | - | - | - | - | - | - | 13,858 |
| 10,835 | 31,800 | 5,273 | 18,811 | 38,777 | - | 8,399 | 1,133 | 92,172 | 261,170 |
| 28,000 | - | 197,032 | - | - | - | 95,302 | 104,538 | - | 424,872 |
| - | 4,343,261 | - | - | - | - | - | - | - | 4,343,261 |
| 81,000 | - | 46,356 | - | - | - | 67,400 | - | - | 194,756 |
| 209,430 | - | 6,940 | - | 481 | - | 132,679 | - | - | 396,594 |
| 8,975,982 | 4,375,061 | 20,373,492 | 100,811 | 6,383,385 | 128,104 | 421,898 | 105,671 | 92,172 | 67,969,246 |
| | | | | | | | | | |
| - | 1,635,697 | 66,218 | 995,579 | - | 114,091 | - | - | - | 12,099,909 |
| - | - | 2,386,758 | - | 5,464,343 | - | - | - | - | 7,851,101 |
| - | - | 2,845 | - | - | - | - | - | - | 2,845 |
| - | 608,250 | 1,374,170 | - | - | - | 443,912 | 101,527 | - | 11,069,431 |
| - | - | 10,537,720 | - | - | - | - | - | - | 10,537,720 |
| - | - | 6,613,715 | - | - | - | - | - | - | 20,061,081 |
| 15,265,435 | - | 274,403 | - | - | - | - | - | - | 15,539,838 |
| 15,265,435 | 2,243,947 | 21,255,829 | 995,579 | 5,464,343 | 114,091 | 443,912 | 101,527 | - | 77,161,925 |
| | | | | | | | | | |
| (6,289,453) | 2,131,114 | (882,337) | (894,768) | 919,042 | 14,013 | (22,014) | 4,144 | 92,172 | (9,192,679) |
| | | | | | | | | | |
| 6,829,803 | - | 616,129 | 901,883 | 1,140,457 | - | - | - | - | 15,980,112 |
| - | (1,472,429) | (62,280) | - | - | - | (31,971) | - | - | (2,542,097) |
| - | - | - | - | - | - | - | - | - | 3,290,000 |
| - | - | - | - | - | - | - | - | - | (3,290,000) |
| 13,860 | - | - | - | - | - | 24 | - | - | 1,105,702 |
| 6,843,663 | (1,472,429) | 553,849 | 901,883 | 1,140,457 | - | (31,947) | - | - | 14,543,717 |
| 554,210 | 658,685 | (328,488) | 7,115 | 2,059,499 | 14,013 | (53,961) | 4,144 | 92,172 | 5,351,038 |
| 3,122,318 | 4,334,163 | 20,256,638 | 604,356 | 5,082,103 | (144,837) | 1,364,617 | 147,762 | 703,332 | 43,302,427 |
| 3,676,528 | 4,992,848 | 19,928,150 | 611,471 | 7,141,602 | (130,824) | 1,310,656 | 151,906 | 795,504 | 48,653,465 |

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

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

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

2005 Storm Sewer Construction Bonds
2007 Certificates of Participation – Street Lights
2007 Stormwater Drainage and Flood Management System Bonds
2008 Certificates of Participation – Street Lights & AV Parks
2009 Certificates of Participation – Street Lights
2010 Certificates of Participation – Street Lights & Emergency Equipment
2010B Certificates of Participation – Municipal Services Center
2011 Refunding Certificates of Participation
2011 Stormwater Bonds
2011 General Obligation Refunding Bonds
2011B Certificates of Participation – Street Lights & Software
2012 General Obligation Refunding Bonds
2012 Certificates of Participation – Street Lights, Municipal Services Center, VOIP Project
2013 Stormwater Bonds
2014A Certificates of Participation – Street Lights, Corridor Improvements, Sidewalks
2015 Storm Sewer and Drainage System Refunding Bonds
2015 Certificates of Participation – Street Lights

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, 2015

| | Tax Allocation Projects | Bond Interest & Redemption | Tax Supported Bonds | Special Assessment | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | $ 69,511 | 65,727 | 52,730 | 1,235,791 | 1,423,759 |
| Investments | 3,686,273 | 3,500,362 | 3,853,477 | - | 11,040,112 |
| Receivables (Net of Allowance for Uncollectibles): | | | | | |
| Taxes | 885,671 | 567,316 | - | - | 1,452,987 |
| Accrued Interest | 6,457 | 4,075 | 29,165 | - | 39,697 |
| Special Assessment | - | - | - | 2,633,586 | 2,633,586 |
| Due from Other Governments | - | 1,466 | 166,667 | 187,215 | 355,348 |
| Total Assets | 4,647,912 | 4,138,946 | 4,102,039 | 4,056,592 | 16,945,489 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Due To Other Contractors | 1,516,758 | - | - | - | 1,516,758 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable Revenues | - | 107,932 | 166,667 | 2,105,783 | 2,380,382 |
| Fund Balances: | | | | | |
| Restricted | 2,109,260 | 4,031,014 | 3,935,372 | 1,950,809 | 12,026,455 |
| Committed | 1,021,894 | - | - | - | 1,021,894 |
| Total Fund Balances | 3,131,154 | 4,031,014 | 3,935,372 | 1,950,809 | 13,048,349 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | $ 4,647,912 | 4,138,946 | 4,102,039 | 4,056,592 | 16,945,489 |

**CITY OF LINCOLN, NEBRASKA**
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Tax Allocation Projects | Bond Interest & Redemption | Tax Supported Bonds | Special Assessment | Total |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Real Property and Personal Property Tax | $ 5,219,091 | 6,286,733 | - | - | 11,505,824 |
| Sundry and In Lieu Tax | - | 3,775 | 1,478,485 | - | 1,482,260 |
| Special Assessment | - | - | - | 1,578,141 | 1,578,141 |
| Special Assessment Interest | - | - | - | 193,995 | 193,995 |
| Intergovernmental | - | 91,350 | 833,333 | - | 924,683 |
| Investment Earnings | 21,698 | 14,820 | 66,785 | - | 103,303 |
| Miscellaneous | 75,348 | - | - | - | 75,348 |
| Total Revenues | 5,316,137 | 6,396,678 | 2,378,603 | 1,772,136 | 15,863,554 |
| Expenditures -- Debt Service: | | | | | |
| Principal Retirement | 1,514,997 | 4,355,000 | 4,090,000 | 175,000 | 10,134,997 |
| Interest | 373,308 | 1,500,213 | 2,829,362 | 109,122 | 4,812,005 |
| Fiscal Charges | 1,074 | 12,333 | 2,274 | 800 | 16,481 |
| Capital Lease Principal | - | 2,994,564 | - | - | 2,994,564 |
| Capital Lease Interest | - | 530,632 | - | - | 530,632 |
| Payments to Bond Refunding Agent | - | 475,412 | - | - | 475,412 |
| Bond Issuance Expense | 5,000 | 97,971 | - | - | 102,971 |
| Developer Purchased TIF Payments | 2,685,877 | - | - | - | 2,685,877 |
| Miscellaneous | 30 | 3,500 | - | 3,458 | 6,988 |
| Total Expenditures | 4,580,286 | 9,969,625 | 6,921,636 | 288,380 | 21,759,927 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 735,851 | (3,572,947) | (4,543,033) | 1,483,756 | (5,896,373) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 255,946 | 3,559,709 | 5,489,209 | - | 9,304,864 |
| Transfers Out | (2,665,162) | - | - | (900,749) | (3,565,911) |
| Issuance of Refunding Debt | - | 5,720,000 | - | - | 5,720,000 |
| Premium on Debt Issued | - | 372,475 | - | - | 372,475 |
| Transfer to Bond Refunding Agent | - | (5,990,206) | - | - | (5,990,206) |
| Total Other Financing Sources (Uses) | (2,409,216) | 3,661,978 | 5,489,209 | (900,749) | 5,841,222 |
| Net Change in Fund Balances | (1,673,365) | 89,031 | 946,176 | 583,007 | (55,151) |
| Fund Balances - Beginning | 4,804,519 | 3,941,983 | 2,989,196 | 1,367,802 | 13,103,500 |
| Fund Balances - Ending | $ 3,131,154 | 4,031,014 | 3,935,372 | 1,950,809 | 13,048,349 |

## 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, 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, 2015

| | Vehicle Tax | Storm Sewer Bonds | 1999 G.O. Various Purpose Bonds | Other Capital Projects | Special Assessment | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash and Cash Equivalents | $ 53,240 | 138,692 | 2,169 | 644,516 | 203,436 | 1,042,053 |
| Investments | 2,759,621 | 5,045,749 | 40,668 | 1,644,153 | - | 9,490,191 |
| Accounts Receivable | - | - | - | 400,000 | - | 400,000 |
| Accrued Interest Receivable | 20,765 | 11,196 | 85 | 6,213 | - | 38,259 |
| Due from Other Funds | - | - | - | 1,149,794 | 75,935 | 1,225,729 |
| Due From Other Governments | 1,591,378 | 81,174 | - | - | - | 1,672,552 |
| Prepaid Items | - | - | - | 915,875 | - | 915,875 |
| Total Assets | 4,425,004 | 5,276,811 | 42,922 | 4,760,551 | 279,371 | 14,784,659 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | 1 | 164,514 | - | 1,678,781 | 268,977 | 2,112,273 |
| Due to Other Funds | - | 3,124 | - | 2,343,908 | 4,834 | 2,351,866 |
| Total Liabilities | 1 | 167,638 | - | 4,022,689 | 273,811 | 4,464,139 |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable Revenues | - | 81,174 | - | - | - | 81,174 |
| Fund Balances: | | | | | | |
| Nonspendable | - | - | - | 915,875 | - | 915,875 |
| Restricted | 4,425,003 | 5,027,999 | - | - | 5,560 | 9,458,562 |
| Assigned | - | - | 42,922 | - | - | 42,922 |
| Unassigned | - | - | - | (178,013) | - | (178,013) |
| Total Fund Balances | 4,425,003 | 5,027,999 | 42,922 | 737,862 | 5,560 | 10,239,346 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 4,425,004 | 5,276,811 | 42,922 | 4,760,551 | 279,371 | 14,784,659 |

**CITY OF LINCOLN, NEBRASKA**
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Vehicle Tax | Storm Sewer Bonds | 1999 G.O. Various Purpose Bonds | Other Capital Projects | Special Assessment | Total |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Wheel Tax | $ 17,548,482 | - | - | - | - | 17,548,482 |
| Intergovernmental | - | 1,063,638 | - | 712,146 | - | 1,775,784 |
| Permits and Fees | - | - | - | 305,684 | - | 305,684 |
| Investment Income | 35,465 | 44,606 | 273 | 11,343 | - | 91,687 |
| Donations | - | - | - | 1,930,262 | - | 1,930,262 |
| Developer's Share | - | 9,000 | - | 751,679 | - | 760,679 |
| Miscellaneous | - | - | - | 5,064 | - | 5,064 |
| Total Revenues | 17,583,947 | 1,117,244 | 273 | 3,716,178 | - | 22,417,642 |
| Expenditures -- Capital Outlay: | | | | | | |
| General Government | - | - | - | 6,030 | - | 6,030 |
| Public Safety | - | - | - | 321,894 | - | 321,894 |
| Streets and Highways | 61 | 2,893,280 | - | 41,997 | 1,048,101 | 3,983,439 |
| Culture and Recreation | - | - | - | 3,058,310 | - | 3,058,310 |
| Economic Opportunity | - | - | - | 8,257,900 | - | 8,257,900 |
| Total Expenditures | 61 | 2,893,280 | - | 11,686,131 | 1,048,101 | 15,627,573 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 17,583,886 | (1,776,036) | 273 | (7,969,953) | (1,048,101) | 6,790,069 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | - | - | - | 6,944,993 | - | 6,944,993 |
| Transfers Out | (16,729,300) | (531,156) | - | (1,729,442) | - | (18,989,898) |
| Sale of Capital Assets | - | - | - | 1,056,190 | - | 1,056,190 |
| Total Other Financing Sources (Uses) | (16,729,300) | (531,156) | - | 6,271,741 | - | (10,988,715) |
| Net Change in Fund Balances | 854,586 | (2,307,192) | 273 | (1,698,212) | (1,048,101) | (4,198,646) |
| Fund Balances - Beginning | 3,570,417 | 7,335,191 | 42,649 | 2,436,074 | 1,053,661 | 14,437,992 |
| Fund Balances - Ending | $ 4,425,003 | 5,027,999 | 42,922 | 737,862 | 5,560 | 10,239,346 |

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, 2015

| | Community Health Permanent Endowment | JJ Hompes | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Cash Equivalents | $ 2,940,461 | 56,401 | 2,996,862 |
| Investments | 58,553,479 | 660,737 | 59,214,216 |
| Accrued Interest Receivable | 1,732 | 34 | 1,766 |
| Total Assets | 61,495,672 | 717,172 | 62,212,844 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities: | | | |
| Accounts Payable | 111,778 | 350 | 112,128 |
| Accrued Liabilities | 13,093 | - | 13,093 |
| Due to Other Funds | 22,514 | - | 22,514 |
| Due to Other Governments | 62,362 | - | 62,362 |
| Total Liabilities | 209,747 | 350 | 210,097 |
| Fund Balances: | | | |
| Nonspendable | 37,000,000 | 160,000 | 37,160,000 |
| Restricted | 24,285,925 | 556,822 | 24,842,747 |
| Total Fund Balances | 61,285,925 | 716,822 | 62,002,747 |
| Total Liabilities and Fund Balances | $ 61,495,672 | 717,172 | 62,212,844 |

**CITY OF LINCOLN, NEBRASKA**
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Community Health Permanent Endowment | JJ Hompes | Total |
|---|---|---|---|
| Revenues: | | | |
| Investment Earnings (Loss) | $ (658,914) | (49,295) | (708,209) |
| Miscellaneous | 27,697 | - | 27,697 |
| Total Revenues | (631,217) | (49,295) | (680,512) |
| Expenditures -- Current: | | | |
| Culture and Recreation | - | 6,084 | 6,084 |
| Health and Welfare | 2,645,826 | - | 2,645,826 |
| Total Expenditures | 2,645,826 | 6,084 | 2,651,910 |
| Net Change in Fund Balances | (3,277,043) | (55,379) | (3,332,422) |
| Fund Balances - Beginning | 64,562,968 | 772,201 | 65,335,169 |
| Fund Balances - Ending | $ 61,285,925 | 716,822 | 62,002,747 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Permits and Fees | $ 197,697 | 197,697 | 214,579 | 16,882 |
| Investment Earnings | - | - | 5,863 | 5,863 |
| Total Revenues | 197,697 | 197,697 | 220,442 | 22,745 |
| Expenditures -- General Government: | | | | |
| Personal Services | 22,697 | 22,697 | 22,271 | 426 |
| Materials and Supplies | 10,000 | 10,000 | 12,139 | (2,139) |
| Other Services and Charges | 15,000 | 15,000 | 14,351 | 649 |
| Capital Outlay | 163,946 | 163,946 | - | 163,946 |
| Total Expenditures | 211,643 | 211,643 | 48,761 | 162,882 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (13,946) | (13,946) | 171,681 | 185,627 |
| Fund Balances - Beginning | 954,415 | 954,415 | 954,415 | - |
| Fund Balances - Ending | $ 940,469 | 940,469 | 1,126,096 | 185,627 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Real Property and Personal Property Tax | $ 6,844,989 | 6,844,989 | 7,558,514 | 713,525 |
| Sundry Taxes and In Lieu | 4,360 | 4,360 | 4,596 | 236 |
| Intergovernmental | 749,096 | 749,096 | 761,853 | 12,757 |
| Permits and Fees | 379,743 | 379,743 | 378,682 | (1,061) |
| Reimbursement for Services | - | - | 835 | 835 |
| Investment Earnings | 3,200 | 3,200 | 10,269 | 7,069 |
| Rental Income | 1,200 | 1,200 | 1,200 | - |
| Miscellaneous | 23,940 | 23,940 | 31,469 | 7,529 |
| Total Revenues | 8,006,528 | 8,006,528 | 8,747,418 | 740,890 |
| Expenditures -- Culture and Recreation: | | | | |
| Personal Services | 6,237,111 | 6,363,931 | 6,203,086 | 160,845 |
| Materials and Supplies | 157,152 | 157,152 | 138,557 | 18,595 |
| Other Services and Charges | 1,595,049 | 1,541,984 | 1,261,341 | 280,643 |
| Capital Outlay | 879,935 | 879,935 | 877,652 | 2,283 |
| Total Expenditures | 8,869,247 | 8,943,002 | 8,480,636 | 462,366 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (862,719) | (936,474) | 266,782 | 1,203,256 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | - | (53,065) | (53,065) | - |
| Sale of Capital Assets | 500 | 500 | - | (500) |
| Total Other Financing Sources (Uses) | 500 | (52,565) | (53,065) | (500) |
| Net Change in Fund Balances | (862,219) | (989,039) | 213,717 | 1,202,756 |
| Fund Balances - Beginning | 3,035,047 | 3,035,047 | 3,035,047 | - |
| Fund Balances - Ending | $ 2,172,828 | 2,046,008 | 3,248,764 | 1,202,756 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Special Assessment | $ - | - | 1,360 | 1,360 |
| Intergovernmental | 2,753,491 | 2,753,491 | 2,774,993 | 21,502 |
| Permits and Fees | 4,823,024 | 4,823,024 | 4,621,057 | (201,967) |
| Reimbursement for Services | 209,555 | 209,555 | 644,626 | 435,071 |
| Investment Earnings | - | - | 20,996 | 20,996 |
| Miscellaneous | - | - | 15,501 | 15,501 |
| Total Revenues | 7,786,070 | 7,786,070 | 8,078,533 | 292,463 |
| Expenditures -- Health and Welfare: | | | | |
| Personal Services | 9,396,338 | 9,567,303 | 9,147,038 | 420,265 |
| Materials and Supplies | 328,799 | 328,799 | 295,122 | 33,677 |
| Other Services and Charges | 5,045,710 | 4,905,523 | 3,863,333 | 1,042,190 |
| Capital Outlay | 162,284 | 198,284 | 138,679 | 59,605 |
| Total Expenditures | 14,933,131 | 14,999,909 | 13,444,172 | 1,555,737 |
| Deficiency of Revenues Under Expenditures | (7,147,061) | (7,213,839) | (5,365,639) | 1,848,200 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 6,114,944 | 6,114,944 | 6,231,919 | 116,975 |
| Transfers Out | - | (85,000) | (85,000) | - |
| Proceeds from Issuance of Debt | - | - | 3,290,000 | 3,290,000 |
| Transfer To Bond Refunding Agent | - | - | (3,290,000) | (3,290,000) |
| Total Other Financing Sources (Uses) | 6,114,944 | 6,029,944 | 6,146,919 | 116,975 |
| Net Change in Fund Balances | (1,032,117) | (1,183,895) | 781,280 | 1,965,175 |
| Fund Balances - Beginning | 2,131,873 | 2,131,873 | 2,131,873 | - |
| Fund Balances - Ending | $ 1,099,756 | 947,978 | 2,913,153 | 1,965,175 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Real Property and Personal Property Tax | $ 2,549,665 | 2,549,665 | 2,815,705 | 266,040 |
| Sundry Taxes and In Lieu | 1,617 | 1,617 | 1,713 | 96 |
| Investment Earnings | 3,000 | 3,000 | 9,316 | 6,316 |
| Total Revenues | 2,554,282 | 2,554,282 | 2,826,734 | 272,452 |
| Expenditures -- General Government: | | | | |
| Personal Services | 2,462,867 | 2,503,296 | 2,387,901 | 115,395 |
| Other Services and Charges | 178,146 | 178,146 | 152,416 | 25,730 |
| Total Expenditures | 2,641,013 | 2,681,442 | 2,540,317 | 141,125 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (86,731) | (127,160) | 286,417 | 413,577 |
| Fund Balances - Beginning | 2,017,982 | 2,017,982 | 2,017,982 | - |
| Fund Balances - Ending | $ 1,931,251 | 1,890,822 | 2,304,399 | 413,577 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $ 2,582,000 | 2,582,000 | 2,763,844 | 181,844 |
| Permits and Fees | 2,677,531 | 2,677,531 | 2,322,590 | (354,941) |
| Reimbursement for Services | - | - | 115,524 | 115,524 |
| Miscellaneous | - | - | 144,092 | 144,092 |
| Total Revenues | 5,259,531 | 5,259,531 | 5,346,050 | 86,519 |
| Expenditures -- Mass Transit: | | | | |
| Personal Services | 8,367,210 | 8,609,201 | 8,494,068 | 115,133 |
| Materials and Supplies | 2,030,405 | 2,030,405 | 1,376,497 | 653,908 |
| Other Services and Charges | 2,095,284 | 1,859,780 | 1,185,574 | 674,206 |
| Capital Outlay | 233,875 | 233,875 | 50,428 | 183,447 |
| Total Expenditures | 12,726,774 | 12,733,261 | 11,106,567 | 1,626,694 |
| Deficiency of Revenues Under Expenditures | (7,467,243) | (7,473,730) | (5,760,517) | 1,713,213 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 6,644,082 | 6,644,082 | 6,829,803 | 185,721 |
| Transfers Out | - | (205,504) | - | 205,504 |
| Total Other Financing Sources (Uses) | 6,644,082 | 6,438,578 | 6,829,803 | 391,225 |
| Net Change in Fund Balances | (823,161) | (1,035,152) | 1,069,286 | 2,104,438 |
| Amount Budgeted on Project Basis | (688,396) | (688,396) | (688,396) | - |
| Fund Balances - Beginning | 3,063,704 | 3,063,704 | 3,063,704 | - |
| Fund Balances - Ending | $ 1,552,147 | 1,340,156 | 3,444,594 | 2,104,438 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Investment Earnings | $ - | - | 28,135 | 28,135 |
| Keno Proceeds | 3,460,647 | 3,460,647 | 4,362,902 | 902,255 |
| Total Revenues | 3,460,647 | 3,460,647 | 4,391,037 | 930,390 |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | 1,193,981 | 1,193,981 | 1,645,408 | (451,427) |
| Culture and Recreation: | | | | |
| Materials and Supplies | - | - | 7,036 | (7,036) |
| Other Services and Charges | 39,033 | 39,033 | 73,681 | (34,648) |
| Capital Outlay | 168,204 | 687,510 | 521,553 | 165,957 |
| Total Expenditures | 1,401,218 | 1,920,524 | 2,247,678 | (327,154) |
| Excess of Revenues Over Expenditures | 2,059,429 | 1,540,123 | 2,143,359 | 603,236 |
| Other Financing Uses: | | | | |
| Transfers Out | (4,545,997) | (4,026,691) | (1,474,633) | 2,552,058 |
| Net Change in Fund Balances | (2,486,568) | (2,486,568) | 668,726 | 3,155,294 |
| Fund Balances - Beginning | 4,652,125 | 4,652,125 | 4,652,125 | - |
| Fund Balances - Ending | $ 2,165,557 | 2,165,557 | 5,320,851 | 3,155,294 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $ 18,755,076 | 18,755,076 | 19,259,422 | 504,346 |
| Permits and Fees | 549,617 | 549,617 | 549,617 | - |
| Reimbursement for Services | 371,842 | 371,842 | 374,109 | 2,267 |
| Program Income | 1,142,766 | 1,142,766 | 1,228,859 | 86,093 |
| Investment Earnings | 4,579 | 4,579 | 4,623 | 44 |
| Donations | 196,332 | 196,332 | 196,332 | - |
| Private Sector Share of Project | 46,356 | 46,356 | 46,356 | - |
| Miscellaneous | 6,687 | 6,687 | 6,687 | - |
| Total Revenues | 21,073,255 | 21,073,255 | 21,666,005 | 592,750 |
| Expenditures: | | | | |
| General Government: | | | | |
| Personal Services | 61 | 61 | 61 | - |
| Materials and Supplies | 534 | 534 | 534 | - |
| Other Services and Charges | 35,412 | 35,412 | 35,412 | - |
| Capital Outlay | 27,436 | 27,436 | 27,436 | - |
| Total General Government | 63,443 | 63,443 | 63,443 | - |
| Public Safety: | | | | |
| Personal Services | 1,062,456 | 1,062,456 | 1,062,456 | - |
| Materials and Supplies | 98,592 | 98,592 | 98,592 | - |
| Other Services and Charges | 1,166,111 | 1,166,111 | 1,166,111 | - |
| Capital Outlay | 131,000 | 131,000 | 131,000 | - |
| Total Public Safety | 2,458,159 | 2,458,159 | 2,458,159 | - |
| Culture and Recreation: | | | | |
| Personal Services | 510,919 | 510,919 | 510,919 | - |
| Materials and Supplies | 17,538 | 17,538 | 17,538 | - |
| Other Services and Charges | 364,369 | 364,369 | 364,369 | - |
| Capital Outlay | 535,750 | 535,750 | 535,750 | - |
| Total Culture and Recreation | 1,428,576 | 1,428,576 | 1,428,576 | - |
| Economic Opportunity: | | | | |
| Personal Services | 4,730,382 | 4,720,897 | 4,668,813 | 52,084 |
| Materials and Supplies | 83,982 | 83,982 | 85,460 | (1,478) |
| Other Services and Charges | 1,502,759 | 1,655,323 | 1,425,822 | 229,501 |
| Capital Outlay | 546,514 | 842,605 | 532,480 | 310,125 |
| Loans and Grants | 3,758,468 | 5,046,835 | 3,948,702 | 1,098,133 |
| Total Economic Opportunity | 10,622,105 | 12,349,642 | 10,661,277 | 1,688,365 |

(Continued)

(Federal Grants Fund, Continued)

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Health and Welfare: | | | | |
| Personal Services | 3,499,029 | 3,499,029 | 3,499,029 | - |
| Materials and Supplies | 275,358 | 275,358 | 275,358 | - |
| Other Services and Charges | 2,925,784 | 2,925,784 | 2,925,784 | - |
| Capital Outlay | 23,988 | 23,988 | 23,988 | - |
| Loans and Grants | 12,868 | 12,868 | 12,868 | - |
| Total Health and Welfare | 6,737,027 | 6,737,027 | 6,737,027 | - |
| Mass Transit: | | | | |
| Personal Services | 276,142 | 276,142 | 276,142 | - |
| Other Services and Charges | 253 | 253 | 253 | - |
| Total Mass Transit | 276,395 | 276,395 | 276,395 | - |
| Total Expenditures | 21,585,705 | 23,313,242 | 21,624,877 | 1,688,365 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (512,450) | (2,239,987) | 41,128 | 2,281,115 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 606,263 | 606,263 | 616,129 | 9,866 |
| Transfers Out | (17,280) | (17,280) | (98,405) | (81,125) |
| Total Other Financing Sources (Uses) | 588,983 | 588,983 | 517,724 | (71,259) |
| Net Change in Fund Balances | 76,533 | (1,651,004) | 558,852 | 2,209,856 |
| Fund Balances - Beginning | 311,416 | 311,416 | 311,416 | - |
| Fund Balances (Deficits) - Ending | $ 387,949 | (1,339,588) | 870,268 | 2,209,856 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Permits and Fees | $ 5,055,083 | 5,055,083 | 6,161,136 | 1,106,053 |
| Reimbursement for Services | - | - | 172,003 | 172,003 |
| Investment Earnings | - | - | 33,896 | 33,896 |
| Miscellaneous | - | - | 481 | 481 |
| Total Revenues | 5,055,083 | 5,055,083 | 6,367,516 | 1,312,433 |
| Expenditures -- Public Safety: | | | | |
| Personal Services | 4,878,168 | 4,982,463 | 4,512,655 | 469,808 |
| Materials and Supplies | 61,952 | 61,952 | 42,519 | 19,433 |
| Other Services and Charges | 1,263,693 | 1,263,693 | 855,435 | 408,258 |
| Capital Outlay | 181,344 | 181,344 | 43 | 181,301 |
| Total Expenditures | 6,385,157 | 6,489,452 | 5,410,652 | 1,078,800 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,330,074) | (1,434,369) | 956,864 | 2,391,233 |
| Other Financing Sources: | | | | |
| Transfers In | 1,119,471 | 1,119,471 | 1,140,457 | 20,986 |
| Net Change in Fund Balances | (210,603) | (314,898) | 2,097,321 | 2,412,219 |
| Fund Balances - Beginning | 5,332,227 | 5,332,227 | 5,332,227 | - |
| Fund Balances - Ending | $ 5,121,624 | 5,017,329 | 7,429,548 | 2,412,219 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Investment Earnings | $ - | - | 988 | 988 |
| Donations | 101,998 | 101,998 | 104,538 | 2,540 |
| Total Revenues | 101,998 | 101,998 | 105,526 | 3,528 |
| Expenditures -- Culture and Recreation: | | | | |
| Personal Services | 91,748 | 91,748 | 90,908 | 840 |
| Other Services and Charges | 250 | 250 | 155 | 95 |
| Capital Outlay | 10,000 | 10,000 | 10,067 | (67) |
| Total Expenditures | 101,998 | 101,998 | 101,130 | 868 |
| Excess of Revenues Over Expenditures | - | - | 4,396 | 4,396 |
| Amount Not Required to be Budgeted | 129 | 129 | 129 | - |
| Fund Balances - Beginning | 151,914 | 151,914 | 151,914 | - |
| Fund Balances - Ending | $ 152,043 | 152,043 | 156,439 | 4,396 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Real Property and Personal Property Tax | $ 1,714,071 | 1,714,071 | 3,842,352 | 2,128,281 |
| Investment Earnings | - | - | 33,898 | 33,898 |
| Miscellaneous | - | - | 75,348 | 75,348 |
| Total Revenues | 1,714,071 | 1,714,071 | 3,951,598 | 2,237,527 |
| Expenditures -- Debt Service: | | | | |
| Principal Retirement | 1,318,474 | 1,318,474 | 1,514,997 | (196,523) |
| Interest | 395,597 | 395,597 | 373,308 | 22,289 |
| Fiscal Charges | - | - | 1,074 | (1,074) |
| Developer Purchased TIF Payments | - | - | 1,928,606 | (1,928,606) |
| Miscellaneous | - | - | 38,979 | (38,979) |
| Total Expenditures | 1,714,071 | 1,714,071 | 3,856,964 | (2,142,893) |
| Excess of Revenues Over Expenditures | - | - | 94,634 | 94,634 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | 255,946 | 255,946 |
| Transfers Out | - | - | (2,808,325) | (2,808,325) |
| Total Other Financing Sources (Uses) | - | - | (2,552,379) | (2,552,379) |
| Net Change in Fund Balances | - | - | (2,457,745) | (2,457,745) |
| Fund Balances - Beginning | 5,915,961 | 5,915,961 | 5,915,961 | - |
| Fund Balances - Ending | $ 5,915,961 | 5,915,961 | 3,458,216 | (2,457,745) |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Real Property and Personal Property Tax | $ 5,662,445 | 5,662,445 | 6,214,882 | 552,437 |
| Sundry and In Lieu Tax | 3,550 | 3,550 | 3,771 | 221 |
| Intergovernmental | 91,350 | 91,350 | 91,350 | - |
| Investment Earnings | 5,300 | 5,300 | 15,357 | 10,057 |
| Total Revenues | 5,762,645 | 5,762,645 | 6,325,360 | 562,715 |
| Expenditures -- Debt Service: | | | | |
| Principal Retirement | 4,825,000 | 4,825,000 | 4,355,000 | 470,000 |
| Interest | 1,626,000 | 1,626,000 | 1,500,213 | 125,787 |
| Fiscal Charges | - | - | 12,333 | (12,333) |
| Capital Lease Principal | - | - | 2,994,564 | (2,994,564) |
| Capital Lease Interest | - | - | 530,632 | (530,632) |
| Payments to Refunding Agent | - | - | 475,412 | (475,412) |
| Bond Issuance Expense | - | - | 97,971 | (97,971) |
| Miscellaneous | - | - | 3,500 | (3,500) |
| Total Expenditures | 6,451,000 | 6,451,000 | 9,969,625 | (3,518,625) |
| Deficiency of Revenues Under Expenditures | (688,355) | (688,355) | (3,644,265) | (2,955,910) |
| Other Financing Sources: | | | | |
| Transfers In | - | - | 3,559,709 | 3,559,709 |
| Issuance of Refunding Debt | - | - | 5,720,000 | 5,720,000 |
| Premium on Debt Issued | - | - | 372,475 | 372,475 |
| Transfter to Bond Refunding Agent | - | - | (5,990,206) | (5,990,206) |
| Total Other Financing Sources (Uses) | - | - | 3,661,978 | 3,661,978 |
| Net Change in Fund Balances | (688,355) | (688,355) | 17,713 | 706,068 |
| Fund Balances - Beginning | 4,354,243 | 4,354,243 | 4,354,243 | - |
| Fund Balances - Ending | $ 3,665,888 | 3,665,888 | 4,371,956 | 706,068 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Sundry and In Lieu Tax | $ 906,532 | 906,532 | 1,478,485 | 571,953 |
| Intergovernmental | 977,100 | 977,100 | 1,000,000 | 22,900 |
| Investment Earnings | - | - | 63,890 | 63,890 |
| Total Revenues | 1,883,632 | 1,883,632 | 2,542,375 | 658,743 |
| Expenditures -- Debt Service: | | | | |
| Principal Retirement | 4,090,000 | 4,090,000 | 4,090,000 | - |
| Interest | 2,829,632 | 2,829,632 | 2,829,362 | 270 |
| Fiscal Charges | - | - | 2,274 | (2,274) |
| Total Expenditures | 6,919,632 | 6,919,632 | 6,921,636 | (2,004) |
| Deficiency of Revenues Under Expenditures | (5,036,000) | (5,036,000) | (4,379,261) | 656,739 |
| Other Financing Sources: | | | | |
| Transfer In | 5,036,000 | 5,036,000 | 5,489,209 | 453,209 |
| Net Change in Fund Balances | - | - | 1,109,948 | 1,109,948 |
| Fund Balances - Beginning | 2,795,243 | 2,795,243 | 2,795,243 | - |
| Fund Balances - Ending | $ 2,795,243 | 2,795,243 | 3,905,191 | 1,109,948 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Investment Earnings (Loss) | $ 2,647,573 | 2,647,573 | (662,298) | (3,309,871) |
| Miscellaneous | - | - | 27,697 | 27,697 |
| Total Revenues | 2,647,573 | 2,647,573 | (634,601) | (3,282,174) |
| Expenditures -- Health and Welfare: | | | | |
| Personal Services | 356,768 | 356,768 | 331,870 | 24,898 |
| Materials and Supplies | 9,000 | 9,000 | 5,399 | 3,601 |
| Other Services and Charges | 81,805 | 87,246 | 111,480 | (24,234) |
| Grants | 3,782,001 | 5,276,560 | 2,052,116 | 3,224,444 |
| Total Expenditures | 4,229,574 | 5,729,574 | 2,500,865 | 3,228,709 |
| Deficiency of Revenues Under Expenditures | (1,582,001) | (3,082,001) | (3,135,466) | (53,465) |
| Fund Balances - Beginning | 64,652,530 | 64,652,530 | 64,652,530 | - |
| Fund Balances - Ending | $ 63,070,529 | 61,570,529 | 61,517,064 | (53,465) |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Reimbursement for Services | $ 20,000 | 20,000 | - | (20,000) |
| Investment Earnings | - | - | 4,269 | 4,269 |
| Rental Income | 413,500 | 413,500 | 359,575 | (53,925) |
| Miscellaneous | - | - | 21,849 | 21,849 |
| Total Revenues | 433,500 | 433,500 | 385,693 | (47,807) |
| Other Financing Uses: | | | | |
| Transfers Out | (932,142) | (932,142) | (266,199) | 665,943 |
| Net Change in Fund Balances | (498,642) | (498,642) | 119,494 | 618,136 |
| Fund Balances - Beginning | 714,548 | 714,548 | 714,548 | - |
| Fund Balances - Ending | $ 215,906 | 215,906 | 834,042 | 618,136 |

**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, 2015

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | $ 1,127,338 | 1,127,338 | 1,242,569 | 115,231 |
| Permits and Fees | 75,700 | 75,700 | 61,363 | (14,337) |
| Reimbursement for Services | 75,000 | 75,000 | 48,712 | (26,288) |
| Client Contributions | 175,000 | 175,000 | 146,009 | (28,991) |
| Investment Earnings | - | - | 2,331 | 2,331 |
| Donations | 67,335 | 67,335 | 1,883 | (65,452) |
| Miscellaneous | - | - | 860 | 860 |
| Total Revenues | 1,520,373 | 1,520,373 | 1,503,727 | (16,646) |
| Expenditures -- Economic Opportunity: | | | | |
| Personal Services | 2,625,181 | 2,700,404 | 2,568,626 | 131,778 |
| Materials and Supplies | 268,070 | 278,070 | 245,214 | 32,856 |
| Other Services and Charges | 948,030 | 1,010,830 | 889,523 | 121,307 |
| Capital Outlay | 12,993 | 39,568 | 24,659 | 14,909 |
| Total Expenditures | 3,854,274 | 4,028,872 | 3,728,022 | 300,850 |
| Deficiency of Revenues Under Expenditures | (2,333,901) | (2,508,499) | (2,224,295) | 284,204 |
| Other Financing Sources: | | | | |
| Transfers In | 2,248,919 | 2,248,919 | 2,288,187 | 39,268 |
| Net Change in Fund Balances | (84,982) | (259,580) | 63,892 | 323,472 |
| Fund Balances - Beginning | 422,401 | 422,401 | 422,401 | - |
| Fund Balances - Ending | $ 337,419 | 162,821 | 486,293 | 323,472 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $ 348,374 | 348,374 | 351,307 | 2,933 |
| Permits and Fees | 1,363,320 | 1,363,320 | 1,136,265 | (227,055) |
| Reimbursement for Services | 16,000 | 16,000 | 16,000 | - |
| Investment Earnings | - | - | 6,056 | 6,056 |
| Miscellaneous | - | - | 151 | 151 |
| Total Revenues | 1,727,694 | 1,727,694 | 1,509,779 | (217,915) |
| Expenditures -- Public Safety: | | | | |
| Personal Services | 4,323,835 | 4,495,822 | 4,027,413 | 468,409 |
| Materials and Supplies | 31,600 | 31,600 | 32,114 | (514) |
| Other Services and Charges | 938,926 | 632,565 | 635,060 | (2,495) |
| Capital Outlay | 185,000 | 485,000 | 24,199 | 460,801 |
| Total Expenditures | 5,479,361 | 5,644,987 | 4,718,786 | 926,201 |
| Deficiency of Revenues Under Expenditures | (3,751,667) | (3,917,293) | (3,209,007) | 708,286 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 3,440,782 | 3,440,782 | 3,938,610 | 497,828 |
| Transfers Out | (853) | (853) | - | 853 |
| Total Other Financing Sources (Uses) | 3,439,929 | 3,439,929 | 3,938,610 | 498,681 |
| Net Change in Fund Balances | (311,738) | (477,364) | 729,603 | 1,206,967 |
| Fund Balances - Beginning | 1,881,411 | 1,881,411 | 1,881,411 | - |
| Fund Balances - Ending | $ 1,569,673 | 1,404,047 | 2,611,014 | 1,206,967 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Investment Earnings | $ - | - | 304 | 304 |
| Expenditures -- General Government: | | | | |
| Unemployment Insurance Payments | 40,000 | 40,000 | 18,456 | 21,544 |
| Deficiency of Revenues Under Expenditures | (40,000) | (40,000) | (18,152) | 21,848 |
| Fund Balances - Beginning | 48,542 | 48,542 | 48,542 | - |
| Fund Balances - Ending | $ 8,542 | 8,542 | 30,390 | 21,848 |

**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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | $ 257,600 | 257,600 | 257,931 | 331 |
| Transfers Out | - | - | (257,931) | (257,931) |
| Total Other Financing Sources (Uses) | 257,600 | 257,600 | - | (257,600) |
| Net Change in Fund Balances | 257,600 | 257,600 | - | (257,600) |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | $ 257,600 | 257,600 | - | (257,600) |

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.

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

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

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

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

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2015

| | Golf | Parking System | Pershing Municipal Auditorium | Pinnacle Bank Arena | Solid Waste Management | Emergency Medical Services | Total |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Cash Equivalents | $ - | 279,223 | - | 3,300,205 | 234,386 | 52,928 | 3,866,742 |
| Investments | - | 3,914,532 | - | - | 2,446,941 | 722,102 | 7,083,575 |
| Receivables (Net of Allowance for Uncollectibles) | - | 86,564 | - | 314,760 | 1,453,062 | 1,344,659 | 3,199,045 |
| Due from Other Funds | - | 170,009 | - | 722,019 | 14,711 | - | 906,739 |
| Due from Other Governments | - | 11,425 | - | 18,708 | 10,598 | - | 40,731 |
| Inventories | 78,848 | - | - | 133,786 | - | 199,405 | 412,039 |
| Prepaid Expenses | - | - | - | 79,715 | - | - | 79,715 |
| Total Current Assets | 78,848 | 4,461,753 | - | 4,569,193 | 4,159,698 | 2,319,094 | 15,588,586 |
| Noncurrent Assets: | | | | | | | |
| Investments | - | 3,022,902 | - | - | 1,884,212 | 556,038 | 5,463,152 |
| Restricted Assets: | | | | | | | |
| Cash and Cash Equivalents | - | 2,870,329 | - | - | 117,306 | - | 2,987,635 |
| Investments | - | 2,950,725 | - | - | 6,259,983 | - | 9,210,708 |
| Receivables | - | 5,856 | - | - | 5,391 | - | 11,247 |
| Total Restricted Assets | - | 5,826,910 | - | - | 6,382,680 | - | 12,209,590 |
| Capital Assets: | | | | | | | |
| Land | 1,068,949 | 10,116,204 | - | - | 1,540,452 | - | 12,725,605 |
| Buildings | 4,071,675 | 69,774,514 | - | - | 2,076,504 | 168,363 | 76,091,056 |
| Improvements Other Than Buildings | 7,103,117 | 571,654 | - | - | 40,834,208 | - | 48,508,979 |
| Machinery and Equipment | 2,553,783 | 3,673,258 | - | 440,416 | 8,258,869 | 3,068,777 | 17,995,103 |
| Construction in Progress | 24,095 | 280,204 | - | - | 328,669 | - | 632,968 |
| Less Accumulated Depreciation | (9,675,682) | (23,859,745) | - | (341,321) | (26,070,970) | (1,335,972) | (61,283,690) |
| Total Capital Assets, Net | 5,145,937 | 60,556,089 | - | 99,095 | 26,967,732 | 1,901,168 | 94,670,021 |
| Total Noncurrent Assets | 5,145,937 | 69,405,901 | - | 99,095 | 35,234,624 | 2,457,206 | 112,342,763 |
| Total Assets | 5,224,785 | 73,867,654 | - | 4,668,288 | 39,394,322 | 4,776,300 | 127,931,349 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | | | |
| Deferred Loss on Refunding | - | - | - | - | 31,736 | - | 31,736 |
| Deferred Outflows for Pension | - | - | - | - | - | 1,470,992 | 1,470,992 |
| Total Deferred Outlows of Resources | - | - | - | - | 31,736 | 1,470,992 | 1,502,728 |
| **LIABILITIES** | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts Payable | 202,808 | 501,235 | - | 263,130 | 297,817 | 393,168 | 1,658,158 |
| Accrued Liabilities | 64,995 | 13,048 | - | 109,200 | 102,712 | 200,049 | 490,004 |
| Accrued Compensated Absences | 78,329 | 22,151 | - | 88,350 | 113,280 | 217,283 | 519,393 |
| Due to Other Funds | 164,750 | 7,633 | - | 10,000 | 3,564 | 93,253 | 279,200 |
| Due to Other Governments | 83,567 | 6,940 | - | 51,123 | 74,902 | 645 | 217,177 |
| Unearned Revenue | 78,549 | 1,428,662 | - | 3,550,999 | - | - | 5,058,210 |
| Accrued Interest | 11,438 | 47,074 | - | 2,717 | 37,148 | 2,028 | 100,405 |
| Current Portion of Notes Payable | - | - | - | 200,000 | - | - | 200,000 |
| Current Portion of Capital Lease | 247,548 | - | - | - | - | 98,328 | 345,876 |
| Current Portion of Long-Term Debt | - | 1,290,000 | - | - | 775,000 | - | 2,065,000 |
| Total Current Liabilities | 931,984 | 3,316,743 | - | 4,275,519 | 1,404,423 | 1,004,754 | 10,933,423 |
| Noncurrent Liabilities: | | | | | | | |
| Due to Other Funds | - | - | - | 500,000 | - | - | 500,000 |
| Accrued Compensated Absences | 79,268 | - | - | - | 52,313 | 22,382 | 153,963 |
| Notes Payable | - | - | - | 1,400,000 | - | - | 1,400,000 |
| Capital Lease Payable | 1,106,709 | - | - | - | - | 98,328 | 1,205,037 |
| Long-Term Debt, Net | - | 26,917,515 | - | - | 12,234,407 | - | 39,151,922 |
| Accrued Liabilities | 38,311 | 7,662 | - | - | 114,933 | 707,080 | 867,986 |
| Net Pension Liability | - | - | - | - | - | 3,368,659 | 3,368,659 |
| Accrued Landfill Closure/ Postclosure Care Costs | - | - | - | - | 17,574,000 | - | 17,574,000 |
| Total Noncurrent Liabilities | 1,224,288 | 26,925,177 | - | 1,900,000 | 29,975,653 | 4,196,449 | 64,221,567 |
| Total Liabilities | 2,156,272 | 30,241,920 | - | 6,175,519 | 31,380,076 | 5,201,203 | 75,154,990 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | | |
| Deferred Inflows for Pension | - | - | - | - | - | 1,161,402 | 1,161,402 |
| **NET POSITION** | | | | | | | |
| Net Investment in Capital Assets | 3,791,680 | 34,808,045 | - | 99,095 | 20,261,928 | 1,449,579 | 60,410,327 |
| Restricted for: | | | | | | | |
| Debt Service | - | 163,962 | - | - | - | - | 163,962 |
| Capital Projects | - | 3,011,563 | - | - | - | 32,563 | 3,044,126 |
| Unrestricted | (723,167) | 5,642,164 | - | (1,606,326) | (12,215,946) | (1,597,455) | (10,500,730) |
| Total Net Position | $ 3,068,513 | 43,625,734 | - | (1,507,231) | 8,045,982 | (115,313) | 53,117,685 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Golf | Parking System | Pershing Municipal Auditorium | Pinnacle Bank Arena | Solid Waste Management | Emergency Medical Services | Total |
|---|---|---|---|---|---|---|---|
| **Operating Revenues** | | | | | | | |
| Charges for Services | $ 243,885 | 1,287,396 | - | - | - | 6,398,508 | 7,929,789 |
| Fees | 3,134,553 | 20,805 | - | - | 6,294,019 | - | 9,449,377 |
| Parking Revenue | - | 10,540,877 | - | - | - | - | 10,540,877 |
| Performance Revenue | - | - | - | 6,510,745 | - | - | 6,510,745 |
| Other Operating Revenue | 20,245 | - | 763 | 1,811,328 | 927,796 | 249 | 2,760,381 |
| Total Operating Revenues | 3,398,683 | 11,849,078 | 763 | 8,322,073 | 7,221,815 | 6,398,757 | 37,191,169 |
| **Operating Expenses** | | | | | | | |
| Personal Services | 1,436,525 | 339,334 | 17,017 | 4,360,369 | 2,834,460 | 4,845,753 | 13,833,458 |
| Contractual Services | 180,656 | 3,283,599 | - | 931,952 | 2,080,839 | 596,396 | 7,073,442 |
| Operation and Maintenance | 1,514,601 | 2,351,154 | 8,371 | 3,044,378 | 2,226,208 | 750,718 | 9,895,430 |
| Depreciation | 595,752 | 2,118,953 | 8,264 | 10,425 | 2,066,770 | 258,802 | 5,058,966 |
| Total Operating Expenses | 3,727,534 | 8,093,040 | 33,652 | 8,347,124 | 9,208,277 | 6,451,669 | 35,861,296 |
| Operating Income (Loss) | (328,851) | 3,756,038 | (32,889) | (25,051) | (1,986,462) | (52,912) | 1,329,873 |
| **Nonoperating Revenues (Expenses)** | | | | | | | |
| Investment Earnings | - | 58,538 | 4 | - | 20,187 | 7,326 | 86,055 |
| Gain (Loss) on Disposal of Capital Assets | 488,768 | - | 122,036 | - | 6,539 | (50,677) | 566,666 |
| Insurance Recovery | - | - | - | - | 973 | 55,170 | 56,143 |
| Occupation Tax | - | - | - | - | 2,832,539 | - | 2,832,539 |
| Debt Issuance Expense | - | - | - | - | (129,524) | - | (129,524) |
| Interest Expense and Fiscal Charges | (22,846) | (1,130,730) | - | (5,954) | (167,578) | (5,580) | (1,332,688) |
| Total Nonoperating Revenues (Expenses) | 465,922 | (1,072,192) | 122,040 | (5,954) | 2,563,136 | 6,239 | 2,079,191 |
| Income (Loss) Before Contributions and Transfers | 137,071 | 2,683,846 | 89,151 | (31,005) | 576,674 | (46,673) | 3,409,064 |
| Capital Contributions | 114,529 | - | - | 12,016 | 1,953,763 | 90,420 | 2,170,728 |
| Transfers In | - | 1,188 | - | 292,803 | 85,000 | - | 378,991 |
| Transfers Out | (5,886) | (1,471,392) | (284,175) | - | (1,331,016) | - | (3,092,469) |
| Change in Net Position | 245,714 | 1,213,642 | (195,024) | 273,814 | 1,284,421 | 43,747 | 2,866,314 |
| Net Position - Beginning of Year, Before Restatement | 2,822,799 | 42,412,092 | 195,024 | (1,781,045) | 6,761,561 | 2,723,535 | 53,133,966 |
| Adjustment for Implementation of GASB 68 | - | - | - | - | - | (2,882,595) | (2,882,595) |
| Net Position - Beginning of Year, After Restatement | 2,822,799 | 42,412,092 | 195,024 | (1,781,045) | 6,761,561 | (159,060) | 50,251,371 |
| Net Position - Ending | $ 3,068,513 | 43,625,734 | - | (1,507,231) | 8,045,982 | (115,313) | 53,117,685 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Golf | Parking System | Pershing Municipal Auditorium | Pinnacle Bank Arena | Solid Waste Management | Emergency Medical Services | Total |
|---|---|---|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | | | | |
| Receipts from Customers and Users | $ 3,391,798 | 10,804,312 | 29,126 | 7,790,276 | 6,209,832 | 6,457,472 | 34,682,816 |
| Receipts from Interfund Services Provided | - | 1,246,021 | - | - | 127,289 | - | 1,373,310 |
| Payments to Suppliers for Goods and Services | (830,174) | (4,893,262) | (151,409) | (3,512,573) | (3,017,130) | (1,051,176) | (13,455,724) |
| Payments to Employees | (1,451,522) | (334,642) | (17,017) | (4,439,316) | (2,783,051) | (4,404,822) | (13,430,370) |
| Payments for Interfund Services Provided | (957,344) | (835,294) | (7,464) | (571,080) | (541,910) | (404,231) | (3,317,323) |
| Other Receipts | 20,245 | - | 763 | 1,811,328 | 907,843 | 249 | 2,740,428 |
| Net Cash Provided (Used) by Operating Activities | 173,003 | 5,987,135 | (146,001) | 1,078,635 | 902,873 | 597,492 | 8,593,137 |
| **Cash Flows from Noncapital Financing Activities** | | | | | | | |
| Occupation Tax | - | - | - | - | 2,860,621 | - | 2,860,621 |
| Transfers from Other Funds | - | 1,188 | - | 203,420 | 85,000 | - | 289,608 |
| Transfers to Other Funds | (5,886) | (1,471,392) | (192,792) | - | (1,331,016) | - | (3,001,086) |
| Advances from General Fund | 1,334,314 | - | - | - | - | - | 1,334,314 |
| Repayment of Advances from General Fund | (1,669,066) | - | - | - | - | - | (1,669,066) |
| Repayments from Other Funds | - | 27,415 | - | - | 15,775 | 4,008 | 47,198 |
| Principal Payment of Long-Tern Debt | - | - | - | (200,000) | - | - | (200,000) |
| Interest and Fiscal Charges Paid | - | - | - | (3,420) | - | - | (3,420) |
| Net Cash Provided (Used) by Non-Capital Financing Activities | (340,638) | (1,442,789) | (192,792) | - | 1,630,380 | - 4,008 | (341,831) |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | | |
| Additions to Capital Assets | - | (745,235) | - | - | (1,611,161) | (522,367) | (2,878,763) |
| Capital Contributions | - | - | - | - | - | 32,563 | 32,563 |
| Proceeds from Sale of Capital Assets | 497,123 | - | 188,067 | - | - | 4,666 | 689,856 |
| Insurance Recovery | - | - | - | - | 973 | 55,170 | 56,143 |
| Proceeds from Long-Term Debt | - | - | - | - | 5,823,675 | - | 5,823,675 |
| Cost of Debt Issuance | - | - | - | - | (129,524) | - | (129,524) |
| Principal Payments of Capital Lease | (303,062) | - | - | - | - | (95,436) | (398,498) |
| Principal Payments of Bonded Debt | - | (1,260,000) | - | - | (550,000) | - | (1,810,000) |
| Interest and Fiscal Charges Paid | (26,426) | (1,151,269) | - | - | (196,953) | (6,324) | (1,380,972) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 167,635 | (3,156,504) | 188,067 | - | 3,337,010 | (531,728) | 4,480 |
| **Cash Flows from Investing Activities** | | | | | | | |
| Proceeds from Sale and Maturities of Investments | - | 7,236,375 | - | - | 3,780,884 | 1,070,115 | 12,087,374 |
| Purchases of Investments | - | (9,134,654) | - | - | (9,784,062) | (1,180,742) | (20,099,458) |
| Interest and Other Receipts | - | 39,338 | 15 | - | 20,460 | 4,653 | 64,466 |
| Net Cash Provided (Used) by Investing Activities | - | (1,858,941) | 15 | - | (5,982,718) | (105,974) | (7,947,618) |
| Net Increase (Decrease) in Cash and Cash Equivalents | - | (471,099) | (150,711) | 1,078,635 | (112,455) | (36,202) | 308,168 |
| Cash and Cash Equivalents - Beginning | - | 3,620,651 | 150,711 | 2,221,570 | 464,147 | 89,130 | 6,546,209 |
| Cash and Cash Equivalents - Ending | $ - | 3,149,552 | - | 3,300,205 | 351,692 | 52,928 | 6,854,377 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | | | | |
| Operating Income (Loss) | $ (328,851) | 3,756,038 | (32,889) | (25,051) | (1,986,462) | (52,912) | 1,329,873 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Depreciation | 595,752 | 2,118,953 | 8,264 | 10,425 | 2,066,770 | 258,802 | 5,058,966 |
| Changes in Assets, Deferred Outflows of Resources, Liabilites, and Deferred Inflows of Resources: | | | | | | | |
| Accounts Receivable and Unbilled Revenues | - | (19,647) | 17,305 | (116,944) | 37,909 | 58,964 | (22,413) |
| Due from Other Funds | - | (69,369) | 11,821 | (604,580) | (7,961) | - | (670,089) |
| Due from Other Governments | - | 3,013 | - | 11,626 | (6,799) | - | 7,840 |
| Inventories | 15,924 | - | - | 53,467 | - | (35,234) | 34,157 |
| Prepaid Expenses | - | - | - | (43,100) | - | - | (43,100) |
| Deferred Outflows for Pension | - | - | - | - | - | (1,470,992) | (1,470,992) |
| Accounts Payable | (47,548) | (98,907) | (20,562) | 21,326 | (111,587) | 6,193 | (251,085) |
| Accrued Liabilities | (30,189) | 1,091 | - | (69,189) | 18,824 | 143,217 | 63,754 |
| Accrued Compensated Absences | 15,192 | 3,601 | - | (9,758) | 13,441 | 36,279 | 58,755 |
| Due to Other Funds | (96,274) | (1,836) | (117,439) | (21,821) | 2,489 | 5,906 | (228,975) |
| Due to Other Governments | 35,637 | 6,940 | (12,501) | (117,195) | 8,249 | (197) | (79,067) |
| Unearned Revenue | 13,360 | 287,258 | - | 1,989,429 | - | - | 2,290,047 |
| Net Pension Liability | - | - | - | - | - | 486,064 | 486,064 |
| Accrued Landfill Closure/Postclosure Care Costs | - | - | - | - | 868,000 | - | 868,000 |
| Deferred Inflows for Pension | - | - | - | - | - | 1,161,402 | 1,161,402 |
| Total Adjustments | 501,854 | 2,231,097 | (113,112) | 1,103,686 | 2,889,335 | 650,404 | 7,263,264 |
| Net Cash Provided (Used) by Operating Activities | $ 173,003 | 5,987,135 | (146,001) | 1,078,635 | 902,873 | 597,492 | 8,593,137 |
| Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities: | | | | | | | |
| Contribution of Capital Assets | $ 114,529 | - | - | 12,016 | 1,953,763 | 57,857 | 2,138,165 |
| Purchase of Capital Assets on Account | - | 144,840 | - | - | 135,311 | 254,933 | 535,084 |
| Change in Fair Value of Investments | - | 14,561 | - | - | (1,329) | 2,456 | 15,688 |

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

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

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

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

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

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

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

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

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

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2015

| | Information Services | Engineering Revolving | Insurance Revolving | Fleet Services |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 37,780 | - | 531,779 | 11,642 |
| Investments | 1,138,952 | - | 16,797,604 | 128,009 |
| Accounts Receivable | 120 | 98,705 | 1,796 | 176 |
| Accrued Interest Receivable | 3,248 | - | 61,963 | 810 |
| Lease Receivable | 95,000 | - | - | - |
| Due from Other Funds | 71,516 | 302,823 | 600,000 | 1,388 |
| Due from Other Governments | 176,412 | 325 | 12,867 | 3,080 |
| Inventories | - | - | - | 725,000 |
| Prepaid Expenses | 390,553 | 27,366 | - | - |
| Total Current Assets | 1,913,581 | 429,219 | 18,006,009 | 870,105 |
| Noncurrent Assets: | | | | |
| Investments | 877,024 | - | 12,373,120 | 98,570 |
| Restricted Cash and Cash Equivalents | - | - | - | - |
| Capital Assets: | | | | |
| Land | - | - | - | - |
| Buildings | 26,486 | - | - | - |
| Improvements Other Than Buildings | - | - | - | 327,322 |
| Machinery and Equipment | 3,980,465 | 421,384 | 28,936 | 19,969,368 |
| Less Accumulated Depreciation | (2,494,363) | (403,497) | (28,936) | (15,858,646) |
| Total Capital Assets, Net | 1,512,588 | 17,887 | - | 4,438,044 |
| Total Noncurrent Assets | 2,389,612 | 17,887 | 12,373,120 | 4,536,614 |
| Total Assets | 4,303,193 | 447,106 | 30,379,129 | 5,406,719 |
| **LIABILITIES** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 97,407 | 188,294 | 487,954 | 157,431 |
| Accrued Liabilities | 161,158 | 232,663 | 33,215 | 64,529 |
| Accrued Compensated Absences | 245,088 | 355,546 | 18,736 | 99,200 |
| Due to Other Funds | 707 | 499,706 | 101 | 4,120 |
| Due to Other Governments | 45 | 349 | 11,457 | - |
| Unearned Revenue | - | 14,391 | - | 25,564 |
| Claims | - | - | 4,772,592 | - |
| Accrued Interest | 2,887 | - | - | 4,303 |
| Current Portion of Capital Lease | 412,428 | - | - | 235,222 |
| Total Current Liabilities | 919,720 | 1,290,949 | 5,324,055 | 590,369 |
| Noncurrent Liabilities: | | | | |
| Accrued Compensated Absences | 168,311 | 553,275 | 17,722 | 135,991 |
| Claims | - | - | 6,278,513 | - |
| Capital Lease Payable | - | - | - | - |
| Accrued Liabilities | 126,427 | 172,400 | 30,649 | 72,791 |
| Total Noncurrent Liabilities | 294,738 | 725,675 | 6,326,884 | 208,782 |
| Total Liabilities | 1,214,458 | 2,016,624 | 11,650,939 | 799,151 |
| **NET POSITION** | | | | |
| Net Investment in Capital Assets | 1,100,160 | 17,887 | - | 4,202,822 |
| Unrestricted | 1,988,575 | (1,587,405) | 18,728,190 | 404,746 |
| Total Net Position | $ 3,088,735 | (1,569,518) | 18,728,190 | 4,607,568 |

| Police Garage | Municipal Services Center | Communication Services | Copy Services | Total |
|---|---|---|---|---|
| 57,557 | 14,511 | - | - | 653,269 |
| 1,737,968 | 402,079 | - | - | 20,204,612 |
| 30,863 | 7,421 | 22,200 | 2,364 | 163,645 |
| 5,159 | 1,599 | - | - | 72,779 |
| - | - | - | - | 95,000 |
| 339,290 | - | 35,411 | 13,879 | 1,364,307 |
| 30,414 | - | 1,790 | 15,090 | 239,978 |
| 129,922 | - | - | - | 854,922 |
| - | - | - | - | 417,919 |
| 2,331,173 | 425,610 | 59,401 | 31,333 | 24,066,431 |
| 1,338,284 | 309,612 | - | - | 14,996,610 |
| - | 172,376 | - | - | 172,376 |
| 48,250 | 1,258,700 | - | - | 1,306,950 |
| 387,479 | 13,034,379 | - | - | 13,448,344 |
| 45,500 | 373,485 | - | - | 746,307 |
| 8,137,084 | 106,025 | 28,349 | - | 32,671,611 |
| (4,327,505) | (1,580,591) | (28,349) | - | (24,721,887) |
| 4,290,808 | 13,191,998 | - | - | 23,451,325 |
| 5,629,092 | 13,673,986 | - | - | 38,620,311 |
| 7,960,265 | 14,099,596 | 59,401 | 31,333 | 62,686,742 |
| 81,458 | 251,716 | 2,866 | 21,060 | 1,288,186 |
| 44,871 | - | 4,096 | 3,779 | 544,311 |
| 47,868 | - | 6,119 | 2,095 | 774,652 |
| 9 | - | 21,727 | 58,821 | 585,191 |
| - | - | - | - | 11,851 |
| - | 14,016 | - | - | 53,971 |
| - | - | - | - | 4,772,592 |
| - | 99,764 | - | - | 106,954 |
| - | 910,000 | - | - | 1,557,650 |
| 174,206 | 1,275,496 | 34,808 | 85,755 | 9,695,358 |
| 77,413 | - | - | 633 | 953,345 |
| - | - | - | - | 6,278,513 |
| - | 11,071,452 | - | - | 11,071,452 |
| 49,804 | - | 3,831 | 3,831 | 459,733 |
| 127,217 | 11,071,452 | 3,831 | 4,464 | 18,763,043 |
| 301,423 | 12,346,948 | 38,639 | 90,219 | 28,458,401 |
| 4,290,808 | 1,180,638 | - | - | 10,792,315 |
| 3,368,034 | 572,010 | 20,762 | (58,886) | 23,436,026 |
| 7,658,842 | 1,752,648 | 20,762 | (58,886) | 34,228,341 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Information Services | Engineering Revolving | Insurance Revolving | Fleet Services |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| Charges for Services | $ 8,303,501 | 7,245,031 | 38,484,096 | 6,094,743 |
| **Operating Expenses** | | | | |
| Personal Services | 4,197,669 | 6,371,122 | 808,734 | 1,776,387 |
| Materials and Supplies | 116,322 | 31,513 | 6,885 | 1,924,473 |
| Other Services and Charges | 2,966,306 | 2,137,661 | 35,278,229 | 1,089,713 |
| Depreciation | 278,038 | 11,867 | - | 1,207,026 |
| Total Operating Expenses | 7,558,335 | 8,552,163 | 36,093,848 | 5,997,599 |
| Operating Income (Loss) | 745,166 | (1,307,132) | 2,390,248 | 97,144 |
| **Nonoperating Revenues (Expenses)** | | | | |
| Investment Earnings | 10,176 | - | 217,933 | 1,203 |
| Gain (Loss) on Disposal of Capital Assets | (14,209) | 846 | - | 3,760 |
| Interest Expense and Fiscal Charges | 826 | - | - | (10,953) |
| Total Nonoperating Revenues (Expenses) | (3,207) | 846 | 217,933 | (5,990) |
| Income (Loss) Before Contributions and Transfers | 741,959 | (1,306,286) | 2,608,181 | 91,154 |
| Capital Contributions | - | - | - | 401,265 |
| Transfers In | - | 648,627 | - | - |
| Transfers Out | (90,000) | - | - | - |
| Change in Net Position | 651,959 | (657,659) | 2,608,181 | 492,419 |
| Net Position - Beginning | 2,436,776 | (911,859) | 16,120,009 | 4,115,149 |
| Net Position - Ending | $ 3,088,735 | (1,569,518) | 18,728,190 | 4,607,568 |

| Police Garage | Municipal Services Center | Communication Services | Copy Services | Total |
|---|---|---|---|---|
| 4,588,338 | 1,918,907 | 189,702 | 337,878 | 67,162,196 |
| | | | | |
| 1,152,395 | - | 110,441 | 90,143 | 14,506,891 |
| 1,353,708 | 1,686 | 3,082 | - | 3,437,669 |
| 691,114 | 678,092 | 43,066 | 268,790 | 43,152,971 |
| 849,006 | 484,969 | - | - | 2,830,906 |
| 4,046,223 | 1,164,747 | 156,589 | 358,933 | 63,928,437 |
| 542,115 | 754,160 | 33,113 | (21,055) | 3,233,759 |
| | | | | |
| 15,562 | 5,612 | 2 | - | 250,488 |
| 50,175 | - | 85 | - | 40,657 |
| - | (319,888) | - | - | (330,015) |
| 65,737 | (314,276) | 87 | - | (38,870) |
| | | | | |
| 607,852 | 439,884 | 33,200 | (21,055) | 3,194,889 |
| 35,740 | - | - | - | 437,005 |
| - | 614,686 | - | - | 1,263,313 |
| (55,914) | - | - | - | (145,914) |
| 587,678 | 1,054,570 | 33,200 | (21,055) | 4,749,293 |
| 7,071,164 | 698,078 | (12,438) | (37,831) | 29,479,048 |
| 7,658,842 | 1,752,648 | 20,762 | (58,886) | 34,228,341 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Information Services | Engineering Revolving | Insurance Revolving | Fleet Services |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Receipts from Customers and Users | $ 2,671,149 | 1,534,888 | 10,306,914 | 447,286 |
| Receipts from Interfund Services Provided | 5,600,852 | 5,786,654 | 28,175,469 | 5,836,690 |
| Payments to Suppliers for Goods and Services | (2,488,867) | (310,116) | (34,582,731) | (2,454,186) |
| Payments to Employees | (4,199,237) | (6,238,381) | (824,874) | (1,730,595) |
| Payments for Interfund Services Provided | (214,479) | (1,877,127) | (335,685) | (512,049) |
| Net Cash Provided (Used) by Operating Activities | 1,369,418 | (1,104,082) | 2,739,093 | 1,587,146 |
| **Cash Flows from Noncapital Financing Activities** | | | | |
| Transfers from Other Funds | - | 648,627 | - | - |
| Transfers to Other Funds | (90,000) | - | - | - |
| Advance from General Fund | - | 1,088,813 | - | 837,975 |
| Repayment of Advances from General Fund | - | (624,654) | - | (1,356,086) |
| Repayments from Other Funds | 4,957 | - | 82,537 | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | (85,043) | 1,112,786 | 82,537 | (518,111) |
| **Cash Flows from Capital and Related Financing Activities** | | | | |
| Additions to Capital Assets | (124,395) | (9,550) | - | (647,593) |
| Proceeds from Sale of Capital Assets | 1,175 | 846 | - | 58,618 |
| Principal Payments of Capital Lease | (635,000) | - | - | (227,789) |
| Interest and Fiscal Charges Paid | (30,894) | - | - | (15,111) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (789,114) | (8,704) | - | (831,875) |
| **Cash Flows from Investing Activities** | | | | |
| Proceeds from Sale and Maturities of Investments | 1,289,185 | - | 22,005,241 | (17,715) |
| Purchases of Investments | (1,862,353) | - | (26,274,205) | (209,313) |
| Interest and Other Receipts | 6,525 | - | 162,230 | 1,510 |
| Net Cash Provided (Used) by Investing Activities | (566,643) | - | (4,106,734) | (225,518) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (71,382) | - | (1,285,104) | 11,642 |
| Cash and Cash Equivalents - Beginning | 109,162 | - | 1,816,883 | - |
| Cash and Cash Equivalents - Ending | $ 37,780 | - | 531,779 | 11,642 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | |
| Operating Income (Loss) | $ 745,166 | (1,307,132) | 2,390,248 | 97,144 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation | 278,038 | 11,867 | - | 1,207,026 |
| Changes in Assets and Liabilities: | | | | |
| Accounts Receivable | 45,744 | 136,255 | (1,796) | 2,832 |
| Lease Receivable | 350,000 | - | - | - |
| Due from Other Funds | 92,769 | 46,749 | - | 156,877 |
| Due from Other Governments | (170,013) | (106) | 83 | 3,960 |
| Inventories | - | - | - | 19,922 |
| Prepaid Expenses | (19,203) | 3,928 | - | - |
| Accounts Payable | 53,422 | (22,421) | (472,722) | 26,228 |
| Accrued Liabilities | 10,924 | 18,313 | 1,839 | 15,333 |
| Accrued Compensated Absences | (12,492) | 114,428 | (17,979) | 30,459 |
| Due to Other Funds | (3,226) | 750 | (2,053) | 2,167 |
| Due to Other Governments | (1,711) | (326) | 11,457 | (366) |
| Unearned Revenue | - | (106,387) | - | 25,564 |
| Claims | - | - | 830,016 | - |
| Total Adjustments | 624,252 | 203,050 | 348,845 | 1,490,002 |
| Net Cash Provided (Used) by Operating Activities | $ 1,369,418 | (1,104,082) | 2,739,093 | 1,587,146 |
| Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities: | | | | |
| Contribution of Capital Assets | $ - | - | - | 401,265 |
| Purchase of Capital Assets on Account | - | - | - | - |
| Change in Fair Value of Investments | 2,175 | - | 46,382 | (449) |

| Police Garage | Municipal Services Center | Communication Services | Copy Services | Total |
|---|---|---|---|---|
| (108,175) | 296,678 | 69,890 | 147,953 | 15,366,583 |
| 4,895,715 | 1,621,748 | 77,578 | 192,911 | 52,187,617 |
| (1,198,709) | (183,642) | (36,010) | (257,411) | (41,511,672) |
| (1,180,230) | - | (108,112) | (90,635) | (14,372,064) |
| (798,716) | (535,943) | (7,978) | (12,167) | (4,294,144) |
| 1,609,885 | 1,198,841 | (4,632) | (19,349) | 7,376,320 |
| | | | | |
| - | 614,686 | - | - | 1,263,313 |
| (55,914) | - | - | - | (145,914) |
| - | - | 52,454 | 47,333 | 2,026,575 |
| - | - | (47,909) | (27,984) | (2,056,633) |
| 8,253 | 1,333 | - | - | 97,080 |
| (47,661) | 616,019 | 4,545 | 19,349 | 1,184,421 |
| | | | | |
| (1,122,665) | (325,907) | - | - | (2,230,110) |
| 97,772 | - | 85 | - | 158,496 |
| - | (890,000) | - | - | (1,752,789) |
| - | (357,795) | - | - | (403,800) |
| (1,024,893) | (1,573,702) | 85 | - | (4,228,203) |
| | | | | |
| 2,170,822 | 333,459 | - | - | 25,780,992 |
| (2,841,833) | (657,459) | - | - | (31,845,163) |
| 10,607 | 4,574 | 2 | - | 185,448 |
| (660,404) | (319,426) | 2 | - | (5,878,723) |
| | | | | |
| (123,073) | (78,268) | - | - | (1,546,185) |
| 180,630 | 265,155 | - | - | 2,371,830 |
| 57,557 | 186,887 | - | - | 825,645 |
| | | | | |
| 542,115 | 754,160 | 33,113 | (21,055) | 3,233,759 |
| | | | | |
| 849,006 | 484,969 | - | - | 2,830,906 |
| | | | | |
| 50,824 | (481) | (11,100) | (535) | 221,743 |
| - | - | - | - | 350,000 |
| 138,781 | - | (33,380) | 2,614 | 404,410 |
| 9,597 | - | 2,246 | 907 | (153,326) |
| 31,486 | - | - | - | 51,408 |
| - | - | - | - | (15,275) |
| 16,872 | (14,448) | 2,171 | (788) | (411,686) |
| 13,612 | - | 1,001 | 1,127 | 62,149 |
| (41,447) | - | 1,328 | (1,619) | 72,678 |
| (7) | (25,359) | (11) | - | (27,739) |
| (954) | - | - | - | 8,100 |
| - | - | - | - | (80,823) |
| - | - | - | - | 830,016 |
| 1,067,770 | 444,681 | (37,745) | 1,706 | 4,142,561 |
| 1,609,885 | 1,198,841 | (4,632) | (19,349) | 7,376,320 |
| | | | | |
| 35,740 | - | - | - | 437,005 |
| - | 202,283 | - | - | 202,283 |
| 4,187 | 249 | - | - | 52,544 |

## AGENCY FUNDS

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

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

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

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

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

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

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

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

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

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

Joint Antelope Valley Authority – To account for the accumulation and disbursement of funds for the joint administrative entity known as JAVA, created to coordinate planning and implementation of the Antelope Valley Project. This fund had no fund balance at August 31, 2015.

Pioneer Consortium – To account for funds deposited with the City by library members of the joint entity for the purpose of planning and using an open source intergrated library system. The Lincoln City Library is serving as the initial contracting and business agent for the joint entity. This fund had no fund balance at August 31, 2015.

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

**CITY OF LINCOLN, NEBRASKA**
COMBINING BALANCE SHEET
AGENCY FUNDS
AUGUST 31, 2015

| | Collections Due Other Governments | HILP Escrow Accounts | Contractor Deposits | Payroll Revolving | Outstanding Warrants |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | $ 77,583 | 12,729 | 533,054 | 625,699 | 623,423 |
| Receivables: | | | | | |
| Accrued Interest | - | - | - | - | - |
| Other | 47,005 | - | - | - | - |
| Contractor Retainage | - | - | 87,633 | - | - |
| Total Assets | 124,588 | 12,729 | 620,687 | 625,699 | 623,423 |
| **LIABILITIES** | | | | | |
| Warrants Payable | - | - | - | - | 623,423 |
| Accounts Payable | - | - | - | 205,902 | - |
| Due to Other Governments | 124,588 | - | - | 419,797 | - |
| Due to Homeowners | - | 12,729 | - | - | - |
| Due to Contractors | - | - | 620,687 | - | - |
| Due to Bondholders | - | - | - | - | - |
| Total Liabilities | $ 124,588 | 12,729 | 620,687 | 625,699 | 623,423 |

| Telephone Bill Suspense | Unredeemed Bonds And Coupons | Public Building Commission Bond Reserve | Total |
|---|---|---|---|
| 2,001 | 117,926 | 336,950 | 2,329,365 |
| - | - | 657 | 657 |
| - | - | - | 47,005 |
| - | - | - | 87,633 |
| 2,001 | 117,926 | 337,607 | 2,464,660 |
| - | - | - | 623,423 |
| 2,001 | - | - | 207,903 |
| - | - | 337,607 | 881,992 |
| - | - | - | 12,729 |
| - | - | - | 620,687 |
| - | 117,926 | - | 117,926 |
| 2,001 | 117,926 | 337,607 | 2,464,660 |

**CITY OF LINCOLN, NEBRASKA**
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

| | Balance Sep. 1, 2014 | Additions | Deductions | Balance Aug. 31, 2015 |
|---|---|---|---|---|
| **COLLECTIONS DUE OTHER GOVERNMENTS:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 77,917 | 992,764 | 993,098 | 77,583 |
| Receivables | 49,839 | 47,005 | 49,839 | 47,005 |
| | 127,756 | 1,039,769 | 1,042,937 | 124,588 |
| Liabilities: | | | | |
| Due to Other Governments | $ 127,756 | 1,036,826 | 1,039,994 | 124,588 |
| **HILP ESCROW ACCOUNTS:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 25,624 | 37,008 | 49,903 | 12,729 |
| Liabilities: | | | | |
| Due to Homeowners | $ 25,624 | - | 12,895 | 12,729 |
| **CONTRACTOR DEPOSITS:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 506,327 | 91,682 | 64,955 | 533,054 |
| Contractor Retainage | 293,236 | 32,032 | 237,635 | 87,633 |
| | 799,563 | 123,714 | 302,590 | 620,687 |
| Liabilities: | | | | |
| Due to Contractors | $ 799,563 | 123,714 | 302,590 | 620,687 |
| **PAYROLL REVOLVING:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 633,014 | 243,590,243 | 243,597,558 | 625,699 |
| Liabilities: | | | | |
| Accounts Payable | 224,336 | 153,158,071 | 153,176,505 | 205,902 |
| Due to Other Governments | 408,678 | 34,154,010 | 34,142,891 | 419,797 |
| | $ 633,014 | 187,312,081 | 187,319,396 | 625,699 |
| **OUTSTANDING WARRANTS:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 1,457,717 | 439,933,448 | 440,767,742 | 623,423 |
| Liabilities: | | | | |
| Warrants Payable | $ 1,457,717 | 439,933,448 | 440,767,742 | 623,423 |
| **TELEPHONE BILL SUSPENSE:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 43,178 | 209,303 | 250,480 | 2,001 |
| Liabilities: | | | | |
| Accounts Payable | $ 43,178 | 211,304 | 252,481 | 2,001 |

(Continued)

(Agency Funds, Continued)

| | Balance Sep. 1, 2014 | Additions | Deductions | Balance Aug. 31, 2015 |
|---|---|---|---|---|
| **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 | $ - | 10,180,076 | 10,180,076 | - |
| Liabilities: | | | | |
| Accounts Payable | - | 10,176,781 | 10,176,781 | - |
| Retainages Payable | - | 3,378 | 3,378 | - |
| Due to Other Governments | - | 466,564 | 466,564 | - |
| | $ - | 10,646,723 | 10,646,723 | - |
| **PIONEER CONSORTIUM** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 78,392 | 4,642 | 83,034 | - |
| | 78,392 | 4,642 | 83,034 | - |
| Liabilities: | | | | |
| Accounts Payable | 668 | - | 668 | - |
| Due to Plan Members | 77,724 | - | 77,724 | - |
| | $ 78,392 | - | 78,392 | - |
| **PUBLIC BUILDING COMMISSION BOND RESERVE:** | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | $ 1,288,212 | 1,936,400 | 2,887,662 | 336,950 |
| Investments | 1,910,000 | - | 1,910,000 | - |
| Receivables | 37,055 | 657 | 37,055 | 657 |
| | 3,235,267 | 1,937,057 | 4,834,717 | 337,607 |
| Liabilities: | | | | |
| Due to Other Governments | $ 3,235,267 | 29,600 | 2,927,260 | 337,607 |
| **AGENCY FUND TOTALS:** | | | | |
| Total Assets | $ 6,518,437 | 697,055,260 | 701,109,037 | 2,464,660 |
| Total Liabilities | $ 6,518,437 | 639,293,696 | 643,347,473 | 2,464,660 |

# 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.

**Contents** **Page**



**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Governmental Activities:** | | | | | | | | | | |
| Net Investment in Capital Assets | $ 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 | 417,745,982 |
| Restricted | 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 | 107,739,981 |
| Unrestricted | 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 | 146,399,831 |
| Total Governmental Activities Net Position | $ 969,912,879 | 965,421,007 | 920,946,722 | 880,178,886 | 838,397,141 | 810,572,604 | 794,138,532 | 760,928,330 | 706,610,406 | 671,885,794 |
| **Business-Type Activities:** | | | | | | | | | | |
| Net Investment in Capital Assets | $ 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 | 626,166,169 |
| Restricted | 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 | 23,399,483 |
| Unrestricted | 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 | -1,377,874 |
| Total Business-Type Activities Net Position | $ 860,116,290 | 833,207,897 | 808,569,324 | 793,070,106 | 761,494,691 | 735,997,179 | 714,858,652 | 688,279,348 | 666,263,308 | 648,187,778 |
| **Primary Government:** | | | | | | | | | | |
| Net Investment in Capital Assets | $ 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 | 1,043,912,151 |
| Restricted | 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 | 131,139,464 |
| Unrestricted | 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 | 145,021,957 |
| Total Primary Government Net Position | $ 1,830,029,169 | 1,798,628,904 | 1,729,516,046 | 1,673,248,992 | 1,599,891,832 | 1,546,569,783 | 1,508,997,184 | 1,449,207,678 | 1,372,873,714 | 1,320,073,572 |

Table 2

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Expenses** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | $ 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 | 30,781,582 |
| Public Safety | 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 | 70,390,835 |
| Streets and Highways | 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 | 29,293,980 |
| Culture and Recreation | 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 | 25,379,286 |
| Economic Opportunity | 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 | 16,165,310 |
| Health and Welfare | 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 | 20,215,258 |
| Mass Transit | 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 | 9,706,032 |
| Equipment Management | 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 | 1,789,593 |
| Engineering Services | 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 | 2,499,482 |
| Interest on Long-Term Debt | 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 | 4,853,854 |
| Total Governmental Activities Expenses | 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 | 211,075,212 |
| Business-Type Activities: | | | | | | | | | | |
| Golf | 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 | 3,169,578 |
| Parking System | 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 | 4,857,024 |
| 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 | 2,403,906 |
| Municipal Arena | 8,353,078 | 11,462,603 | 1,712,916 | 18,851 | - | - | - | - | - | - |
| Solid Waste Management | 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 | 6,146,612 |
| Emergency Medical Services | 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 | 3,793,035 |
| Wastewater System | 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 | 17,563,692 |
| Water System | 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 | 23,137,996 |
| Electric System | 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 | 197,751,000 |
| Total Business-Type Activities Expenses | 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 | 258,822,843 |
| Total | $ 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 | 469,898,055 |
| **Program Revenues** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | $ 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 | 15,643,439 |
| Public Safety | 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 | 5,862,622 |
| Streets and Highways | 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 | 5,774,740 |
| Culture and Recreation | 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 | 4,207,617 |
| Economic Opportunity | 1,709,576 | 918,794 | 863,053 | 2,346,582 | 2,269,303 | 1,014,906 | 750,883 | 731,663 | 809,767 | 754,096 |
| Health and Welfare | 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 | 3,133,880 |
| Other Activities | 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 | 5,339,097 |
| Operating Grants and Contributions | 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 | 45,068,631 |
| Capital Grants and Contributions | 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 | 24,519,249 |
| Total Governmental Activities Program Revenues | 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 | 110,303,371 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Wastewater System | 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 | 17,955,248 |
| Water System | 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 | 25,487,483 |
| Electric System | 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 | 188,369,000 |
| Other Activities | 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 | 19,032,389 |
| Operating Grants and Contributions | - | - | - | - | - | - | - | 26,000 | 141,346 | - |
| Capital Grants and Contributions | 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 | 11,092,348 |
| Total Business-Type Activities Program Revenues | 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 | 261,936,468 |
| Total | $ 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 | 372,239,839 |
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental Activities | $ (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) | (100,771,841) |
| Business-Type Activities | 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 | 3,113,625 |
| Total | $ (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) | (97,658,216) |

(Continued)

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **General Revenues and Other Changes In Net Position** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Tax | $ 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 | 43,081,366 |
| Motor Vehicle Tax | 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 | 4,249,847 |
| Wheel Tax | 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 | 9,250,300 |
| Sales and Use Tax | 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 | 54,348,587 |
| Sundry and In Lieu Tax | 1,543,657 | 62,239 | 65,882 | 68,405 | 63,118 | 54,431 | 46,078 | 45,761 | 37,235 | 35,020 |
| Occupation Tax | 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 | 9,225,546 |
| Unrestricted Grants and Contributions | 65,051 | 80,178 | 79,177 | 93,633 | 1,927,588 | 2,006,071 | 1,542,816 | 1,569,021 | 1,573,535 | 1,589,033 |
| Unrestricted Investment Earnings (Loss) | 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 | 3,650,661 |
| Miscellaneous General Revenues | 1,251,922 | 890,450 | 1,925,791 | 2,623,024 | 2,309,497 | 793,365 | 844,591 | 820,587 | 1,456,139 | 1,671,705 |
| Transfers | 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 | 1,260,507 |
| Total Governmental Activities | 195,641,807 | 185,080,899 | 177,793,972 | 172,865,509 | 151,685,502 | 137,976,833 | 139,161,802 | 140,016,927 | 135,413,381 | 128,362,572 |
| Business-Type Activities: | | | | | | | | | | |
| Occupation Tax | 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 | 2,232,680 |
| Unrestricted Investment Earnings (Loss) | 961,154 | 1,757,946 | (713,969) | 983,824 | 1,564,708 | 1,673,103 | 4,680,958 | 8,761,713 | 9,333,779 | 6,187,797 |
| Miscellaneous General Revenues | 329,954 | 136,403 | 874,807 | 380,531 | 343,835 | 893,109 | 152,522 | 135,278 | 288,597 | 277,850 |
| Transfers | (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) | (1,260,507) |
| Total Business-Type Activities | (7,470,389) | (6,250,977) | (8,868,228) | (1,647,414) | 1,289,875 | 1,968,965 | 4,536,247 | 8,356,235 | 10,063,823 | 7,437,820 |
| Total | $ 188,171,418 | 178,829,922 | 168,925,744 | 171,218,095 | 152,975,377 | 139,945,798 | 143,698,049 | 148,373,162 | 145,477,204 | 135,800,392 |
| | | | | | | | | | | |
| **Change in Net Position** | | | | | | | | | | |
| Governmental Activities | $ 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 | 27,590,731 |
| Business-Type Activities | 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 | 10,551,445 |
| Total | $ 81,550,329 | 69,112,858 | 63,026,928 | 73,357,160 | 53,322,049 | 37,572,599 | 59,789,506 | 76,333,964 | 52,800,142 | 38,142,176 |

Table 3

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 [2] | 2010 | 2009 | 2008 | 2007 | 2006 |
| **General Fund** | | | | | | | | | | |
| Reserved | $ - | - | - | - | - | 4,723,651 | 4,668,702 | 4,025,169 | 3,196,770 | 1,828,587 |
| Unreserved | - | - | - | - | - | 25,701,931 | 27,586,521 | 28,453,611 | 27,215,934 | 27,463,451 |
| Nonspendable | 658,674 | 1,711,883 | 3,313,783 | 4,833,496 | 6,891,170 | - | - | - | - | - |
| Restricted | 6,674,867 | 13,605,640 | 6,281,230 | 5,277,054 | 5,525,739 | - | - | - | - | - |
| Assigned | 16,266,623 | 14,859,083 | 14,425,933 | 13,359,297 | 13,750,394 | - | - | - | - | - |
| Unassigned | 37,916,609 | 27,287,777 | 31,198,290 | 25,631,426 | 15,586,533 | - | - | - | - | - |
| Total General Fund | $ 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 | 29,292,038 |
| | | | | | | | | | | |
| **Other Governmental Funds** | | | | | | | | | | |
| Reserved | $ - | - | - | - | - | 73,769,526 | 74,955,098 | 73,635,833 | 71,029,872 | 67,422,892 |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Funds | - | - | - | - | - | 57,417,341 | 59,557,240 | 61,839,340 | 65,368,433 | 67,422,892 |
| Nonspendable | 1,473,802 | 1,449,797 | 740,047 | 952,070 | 971,115 | - | - | - | - | - |
| Restricted | 90,127,670 | 80,627,691 | 81,155,945 | 193,309,126 | 275,451,124 | - | - | - | - | - |
| Committed | 2,011,552 | 1,002,975 | 821,517 | 805,612 | 633,206 | - | - | - | - | - |
| Assigned | 48,431,382 | 58,046,223 | 48,189,249 | 21,386,596 | 21,097,190 | - | - | - | - | - |
| Unassigned | (130,824) | (144,837) | (133,773) | (191,814) | (140,056) | - | - | - | - | - |
| Debt Service [1] | - | - | - | - | - | - | - | - | 9,933,914 | 8,491,735 |
| Restricted | 12,026,455 | 12,305,606 | 18,524,649 | 17,964,189 | 16,060,411 | - | - | - | - | - |
| Committed | 1,021,894 | 797,894 | - | - | - | - | - | - | - | - |
| Capital Projects Funds | - | - | - | - | - | 8,764,922 | 9,853,337 | 13,339,093 | 24,574,016 | 19,534,147 |
| Nonspendable | 915,875 | - | - | - | - | - | - | - | - | - |
| Restricted | 9,458,562 | 14,395,343 | 16,818,180 | 11,783,064 | 13,748,458 | - | - | - | - | - |
| Assigned | 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 | 9,441,571 |
| Nonspendable | 37,160,000 | 37,160,000 | 37,160,000 | 37,160,000 | 37,160,000 | - | - | - | - | - |
| Restricted | 24,842,747 | 28,175,169 | 22,080,008 | 21,292,273 | 19,553,118 | - | - | - | - | - |
| Total Other Governmental Funds | $ 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 | 172,313,237 |

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.

Table 4

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Revenues** | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | $ 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 | 43,051,465 |
| Motor Vehicle | 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 | 4,249,847 |
| Wheel | 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 | 9,250,300 |
| Sales and Use | 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 | 54,348,587 |
| Sundry and In Lieu | 1,541,109 | 62,443 | 62,155 | 68,845 | 61,251 | 57,195 | 44,479 | 50,068 | 35,115 | 34,090 |
| Occupation | 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 | 9,232,431 |
| Special Assessment | 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 | 1,691,266 |
| Intergovernmental | 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 | 60,757,501 |
| Permits and Fees | 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 | 18,423,079 |
| Reimbursement for Services | 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 | 7,063,192 |
| Court Settlements | - | 265,120 | 856,188 | 1,931,804 | 1,700,000 | - | - | - | - | - |
| Program Income | 13,858 | 51,071 | 442,313 | 122,767 | 1,217,936 | 207,978 | 57,535 | 48,549 | 34,155 | 26,614 |
| Investment Earnings | 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 | 4,082,196 |
| Donations | 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 | 1,062,197 |
| Keno Proceeds | 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 | 2,745,869 |
| Miscellaneous | 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 | 4,051,697 |
| Total Revenues | 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 | 220,070,331 |
| **Expenditures** | | | | | | | | | | |
| General Government | 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 | 34,666,641 |
| Public Safety | 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 | 60,064,604 |
| Streets and Highways | 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 | 16,928,575 |
| Culture and Recreation | 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 | 20,938,212 |
| Economic Opportunity | 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 | 12,623,307 |
| Health and Welfare | 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 | 25,566,267 |
| Mass Transit | 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 | 8,901,327 |
| Debt Service | | | | | | | | | | |
| Principal Retirement | 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 | 6,200,794 |
| Interest and Fiscal Charges | 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 | 4,803,380 |
| Miscellaneous | 3,350,198 | 2,545,313 | 735,215 | 1,020,997 | 4,156,516 | 658,871 | 129,417 | 53,898 | 83,950 | 12,095 |
| Capital Outlay [1] | 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 | 65,229,370 |
| Total Expenditures | 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 | 255,934,572 |
| Deficiency of Revenues Under Expenditures | (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) | (35,864,241) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers In | 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 | 39,460,154 |
| Transfers Out | (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) | (38,051,423) |
| Issuance of Debt [1] | 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 | 9,600,000 |
| Issuance of Refunding Debt | 9,010,000 | - | - | 36,185,000 | 22,415,000 | - | - | - | - | - |
| Premium on Debt Issued | 435,077 | 682,653 | 980,327 | 4,182,049 | 5,761,647 | - | 25,473 | 98,768 | 484,811 | 7,397 |
| 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 | 2,186,283 | 598,616 | 28,367,245 | 286,095 | 288,874 | 1,405,357 | 727,671 | 465,331 | 283,136 | 4,080,940 |
| Total Other Financing Sources (Uses) | 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 | 15,097,068 |
| Net Change in Fund Balances | $ (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 | (20,767,173) |
| Debt Service as a Percentage of Noncapital Expenditures | 13.8% | 12.9% | 12.0% | 12.7% | 9.8% | 7.7% | 7.7% | 6.5% | 5.8% | 5.4% |

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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Calendar Year | Residential | Commercial | Industrial | Street and Highway Lighting | Government and Other Billed | Unbilled Energy Increase/ (Decrease) | Sales To Others | Total Megawatt-Hour Sales | Average Cent per Kilowatt Hour Rate |
| 2014 | 1,202,922 | 1,200,862 | 497,872 | 21,642 | 307,631 | (11,244) | 932,130 | 4,151,815 | $ 0.0799 |
| 2013 | 1,213,553 | 1,189,904 | 497,388 | 21,403 | 298,690 | 15,653 | 963,306 | 4,199,897 | 0.0778 |
| 2012 | 1,183,412 | 1,186,722 | 497,908 | 21,172 | 290,381 | 15,817 | 881,355 | 4,076,767 | 0.0758 |
| 2011 | 1,214,170 | 1,176,199 | 496,957 | 21,166 | 291,331 | (25,504) | 1,116,821 | 4,291,140 | 0.0738 |
| 2010 | 1,216,899 | 1,188,925 | 495,279 | 21,082 | 285,260 | (17,765) | 1,006,085 | 4,195,765 | 0.0721 |
| 2009 | 1,121,769 | 1,149,462 | 483,982 | 20,651 | 277,940 | 269 | 1,092,093 | 4,146,166 | 0.0700 |
| 2008 | 1,133,238 | 1,177,049 | 558,088 | 20,349 | 274,304 | 73,241 | 1,232,903 | 4,469,172 | 0.0648 |
| 2007 | 1,152,048 | 1,198,401 | 539,438 | 20,234 | 273,056 | (3,435) | 569,319 | 3,749,061 | 0.0634 |
| 2006 | 1,106,943 | 1,167,869 | 547,028 | 19,667 | 260,225 | (45,195) | 467,471 | 3,524,008 | 0.0612 |
| 2005 | 1,130,943 | 1,146,236 | 565,404 | 19,080 | 263,157 | (25,389) | 401,203 | 3,500,634 | 0.0557 |

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)

| | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|
| Customer Type | Revenue From Electric Sales | Rank | Percentage of Revenue From Electric Sales | Revenue From Electric Sales | Rank | Percentage of Revenue From Electric Sales |
| Residential | $ 111,168 | 1 | 36.89 % | $ 74,670 | 1 | 40.20 % |
| Commercial | 89,747 | 2 | 29.78 | 59,695 | 2 | 32.14 |
| Industrial | 32,227 | 3 | 10.69 | 24,416 | 3 | 13.15 |
| Other | 68,245 | - | 22.64 | 26,953 | - | 14.51 |
| Total | $ 301,387 | | 100.00 % | $ 185,734 | | 100.00 % |

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 |
|---|---|---|
| 2015 | $ 4,823,960,412 | 0.015 |
| 2014 | 4,657,424,242 | 0.015 |
| 2013 | 4,469,320,749 | 0.015 |
| 2012 | 4,290,698,668 | 0.015 |
| 2011 | 4,098,124,125 | 0.015 |
| 2010 | 3,918,162,825 | 0.015 |
| 2009 | 3,860,013,289 | 0.015 |
| 2008 | 3,961,835,269 | 0.015 |
| 2007 | 3,890,346,633 | 0.015 |
| 2006 | 3,825,820,559 | 0.015 |

Source: City of Lincoln Treasurer's Office

Table 8

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

| | Direct | Overlapping [1] | |
|---|---|---|---|
| Fiscal Year | City of Lincoln | State of Nebraska | Total Tax Rate |
| 2015 | 0.015 | 0.055 | 0.070 |
| 2014 | 0.015 | 0.055 | 0.070 |
| 2013 | 0.015 | 0.055 | 0.070 |
| 2012 | 0.015 | 0.055 | 0.070 |
| 2011 | 0.015 | 0.055 | 0.070 |
| 2010 | 0.015 | 0.055 | 0.070 |
| 2009 | 0.015 | 0.055 | 0.070 |
| 2008 | 0.015 | 0.055 | 0.070 |
| 2007 | 0.015 | 0.055 | 0.070 |
| 2006 | 0.015 | 0.055 | 0.070 |

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

Table 9

**CITY OF LINCOLN, NEBRASKA**

NET TAXABLE SALES BY BUSINESS CLASSIFICATION

CURRENT YEAR AND NINE YEARS AGO

| | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|
| Business Classification | Net Taxable Sales | Rank | Percentage of Total Net Taxable Sales | Net Taxable Sales | Rank | Percentage of Total Net Taxable Sales |
| Retail Trade | $ 1,732,479,364 | 1 | 49.25 % | $ 1,708,653,081 | 1 | 52.24 % |
| Accommodation & Food Services | 577,258,252 | 2 | 16.41 | 381,719,213 | 2 | 11.67 |
| Utilities | 254,767,807 | 3 | 7.24 | 253,458,392 | 3 | 7.75 |
| Other | 953,352,601 | - | 27.10 | 927,158,405 | - | 28.34 |
| Total | $ 3,517,858,024 | | 100.00 % | $ 3,270,989,091 | | 100.00 % |

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. 2015 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

| | Real Property | | Other Property | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended August 31, | Residential Property | Commercial Property | Personal Property | Centrally Assessed Property | Total Taxable Assessed Value | Total Direct Tax Rate |
| 2015 | $ 11,914,884,192 | $ 4,687,497,810 | $ 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 |
| 2006 | 9,083,290,211 | 3,814,534,869 | 525,730,603 | 159,694,612 | 13,583,250,295 | 0.3009 |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **City of Lincoln** | | | | | | | | | | |
| General Fund | 0.1859 | 0.1889 | 0.1854 | 0.1876 | 0.1739 | 0.1772 | 0.1806 | 0.1778 | 0.1687 | 0.1955 |
| Library Fund | 0.0438 | 0.0417 | 0.0423 | 0.0400 | 0.0398 | 0.0398 | 0.0396 | 0.0404 | 0.0427 | 0.0488 |
| Social Security Fund | 0.0163 | 0.0155 | 0.0157 | 0.0163 | 0.0141 | 0.0097 | 0.0129 | 0.0134 | 0.0135 | 0.0139 |
| Police and Fire Pension Fund | 0.0374 | 0.0378 | 0.0382 | 0.0348 | 0.0261 | 0.0251 | 0.0201 | 0.0203 | 0.0208 | 0.0219 |
| Bond Interest and Redemption | 0.0362 | 0.0319 | 0.0342 | 0.0371 | 0.0340 | 0.0361 | 0.0347 | 0.0360 | 0.0376 | 0.0208 |
| Total City of Lincoln | 0.3196 | 0.3158 | 0.3158 | 0.3158 | 0.2879 | 0.2879 | 0.2879 | 0.2879 | 0.2833 | 0.3009 |
| **Overlapping Rates [1]** | | | | | | | | | | |
| School District No. 1 | 1.2434 | 1.2441 | 1.2447 | 1.2461 | 1.2462 | 1.2537 | 1.2668 | 1.2719 | 1.2764 | 1.3142 |
| Lancaster County | 0.2813 | 0.2813 | 0.2843 | 0.2683 | 0.2683 | 0.2683 | 0.2683 | 0.2755 | 0.2655 | 0.2841 |
| Educational Service Unit #18 | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0145 | 0.0150 | 0.0150 | 0.0141 | 0.0141 | 0.0150 |
| Community Technical College | 0.0598 | 0.0667 | 0.0627 | 0.0627 | 0.0600 | 0.0676 | 0.0722 | 0.0689 | 0.0689 | 0.0696 |
| Lower Platte South N.R.D. | 0.0358 | 0.0361 | 0.0378 | 0.0398 | 0.0406 | 0.0410 | 0.0410 | 0.0418 | 0.0416 | 0.0422 |
| Lancaster County Correctional JPA City | 0.0168 | 0.0172 | 0.0177 | 0.0185 | 0.0189 | 0.0194 | 0.0195 | - | - | - |
| Lancaster County Correctional JPA County | 0.0094 | 0.0096 | 0.0099 | 0.0105 | 0.0106 | 0.0107 | 0.0106 | - | - | - |
| Railroad Transportation Safety Dist. | 0.0130 | 0.0130 | 0.0100 | 0.0260 | 0.0260 | 0.0260 | 0.0260 | 0.0260 | 0.0246 | 0.0260 |
| Agricultural Society of Lancaster County | 0.0015 | 0.0015 | 0.0015 | 0.0016 | 0.0017 | 0.0016 | 0.0015 | 0.0016 | 0.0016 | 0.0018 |
| Lancaster County Fairgrounds | 0.0033 | 0.0034 | 0.0037 | 0.0037 | 0.0038 | 0.0038 | 0.0038 | 0.0043 | 0.0037 | 0.0042 |
| Public Building Commission | 0.0170 | 0.0170 | 0.0167 | 0.0170 | 0.0170 | 0.0170 | 0.0170 | 0.0170 | 0.0170 | 0.0170 |
| Total Overlapping Rates | 1.6963 | 1.7049 | 1.7040 | 1.7092 | 1.7076 | 1.7241 | 1.7417 | 1.7211 | 1.7134 | 1.7741 |

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

| | | 2015 | | | 2006 | | |
|---|---|---|---|---|---|---|---|
| Taxpayer | Type of Business | 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 | $ 98,564,700 | 1 | 0.57 % | $ 62,605,030 | 3 | 0.46 % |
| Burlington Northern | Railroad | 90,644,160 | 2 | 0.52 | 43,813,618 | 8 | 0.32 |
| Kawasaki | Manufacturing | 68,200,715 | 3 | 0.39 | 69,477,067 | 2 | 0.51 |
| Nebco | Construction / Development | 67,496,087 | 4 | 0.39 | 38,828,548 | 9 | 0.29 |
| Ameritas Life Insurance Corp. | Insurance | 57,665,529 | 5 | 0.33 | 49,520,031 | 4 | 0.36 |
| WEA Gateway LLC | Retail Management | 54,296,100 | 6 | 0.31 | 45,403,741 | 6 | 0.33 |
| Windstream | Telecommunications | 46,319,025 | 7 | 0.27 | 77,180,720 | 1 | 0.57 |
| Wal-Mart Real Estate Trust | Retail Management | 45,067,400 | 8 | 0.26 | - | - | - |
| Bryan LGH | Hospital | 44,815,641 | 9 | 0.26 | - | - | - |
| Assurity Life Insurance Co. | Insurance | 41,180,873 | 10 | 0.24 | - | - | - |
| Chateau Van Dorn LLC | Real Estate Development | - | - | - | 46,979,720 | 5 | 0.35 |
| Pfizer | Animal Health | - | - | - | 44,063,691 | 7 | 0.32 |
| Molex Inc. | Manufacturing | - | - | - | 32,776,339 | 10 | 0.24 |
| Total | | $ 614,250,230 | | 3.54 % | $ 510,648,505 | | 3.75 % |

Source: Lancaster County Assessor's Office

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

| Fiscal Year Ended August 31 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy: Amount | Collected within the Fiscal Year of the Levy: Percentage of Levy | Collections in Subsequent Years | Total Collections to Date: Amount | Total Collections to Date: Percentage of Levy |
|---|---|---|---|---|---|---|
| 2015 | $ 55,521,823 | $ 54,235,009 | 97.68 % | $ - | $ 54,235,009 | 97.68 % |
| 2014 | 53,952,152 | 52,616,370 | 97.52 | 1,325,975 | 53,942,345 | 99.98 |
| 2013 | 52,542,438 | 51,226,109 | 97.49 | 1,293,616 | 52,519,725 | 99.96 |
| 2012 | 50,183,934 | 48,788,943 | 97.22 | 1,343,989 | 50,132,932 | 99.90 |
| 2011 | 45,620,336 | 44,206,917 | 96.90 | 1,359,976 | 45,566,893 | 99.88 |
| 2010 | 45,210,589 | 43,791,366 | 96.86 | 1,400,545 | 45,191,911 | 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 |
| 2006 | 40,930,818 | 39,549,553 | 96.63 | 1,378,273 | 40,927,826 | 99.99 |

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

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

| | | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Governmental Activities** | | | | | | | | | | | |
| General Bonds | $ | 43,800 | 48,775 | 53,015 | 49,340 | 51,600 | 48,330 | 52,440 | 56,760 | 61,020 | 56,665 |
| Tax Supported Bonds | | 66,700 | 69,975 | 73,165 | 50,250 | 55,205 | 57,655 | 59,385 | 61,750 | 63,080 | 36,435 |
| Tax Allocation Bonds | | 6,461 | 7,976 | 9,254 | 10,358 | 11,658 | 12,398 | 13,356 | 10,071 | 9,313 | 6,247 |
| Special Assessment Bonds | | 3,490 | 3,665 | 3,840 | 4,010 | 1,200 | - | - | - | - | - |
| Antelope Valley Project Bonds | | 2,875 | 3,690 | 4,470 | 5,210 | 5,920 | 6,605 | 7,265 | 7,900 | 8,515 | 9,110 |
| West Haymarket JPA Bonds | | 327,635 | 328,175 | 300,000 | 300,000 | 300,000 | - | - | - | - | - |
| Capital Leases | | 40,989 | 43,731 | 39,043 | 33,371 | 33,525 | 28,989 | 28,094 | 28,574 | 22,792 | 18,321 |
| Unamortized Premiums/Discounts | | 11,640 | 11,782 | 11,610 | 10,444 | 8,197 | 2,577 | 2,675 | 2,747 | 2,702 | 2,248 |
| **Business-Type Activities** | | | | | | | | | | | |
| Revenue Bonds | | 718,790 | 743,660 | 750,500 | 701,560 | 732,650 | 745,660 | 773,390 | 781,125 | 709,645 | 709,320 |
| Project Loans | | 37,119 | 35,881 | 27,429 | 16,532 | 6,991 | 3,049 | - | - | - | - |
| Notes Payable | | 1,600 | 1,800 | 1,575 | - | - | - | - | - | - | - |
| Capital Leases | | 1,540 | 1,939 | 2,389 | 2,271 | 1,009 | 1,328 | 338 | 478 | 922 | 704 |
| Unamortized Premiums/Discounts | | 46,242 | 50,155 | 49,240 | 7,768 | 4,754 | 5,410 | 6,230 | 7,252 | 2,437 | 3,115 |
| Total Primary Government | $ | 1,308,881 | 1,351,204 | 1,325,530 | 1,191,114 | 1,212,709 | 912,001 | 943,173 | 956,657 | 880,426 | 842,165 |
| Net Debt Per Capita [1] | $ | 4,870 | 5,028 | 4,994 | 4,540 | 4,694 | 3,591 | 3,748 | 3,846 | 3,651 | 3,521 |
| Percentage of Personal Income [1] | % | - | 9.76 | 9.87 | 9.23 | 9.89 | 7.95 | 8.34 | 8.37 | 7.99 | 8.04 |

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] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 1,714.95 | 2.82 |
| 2013 | 53,015 | 73,165 | 9,254 | 3,840 | 300,000 | 11,552 | 450,826 | 15,640 | 435,186 | 1,639.71 | 2.73 |
| 2012 | 49,340 | 50,250 | 10,358 | 4,010 | 300,000 | 10,376 | 424,334 | 15,142 | 409,192 | 1,559.77 | 2.69 |
| 2011 | 51,600 | 55,205 | 11,658 | 1,200 | 300,000 | 8,120 | 427,783 | 13,305 | 414,478 | 1,604.15 | 2.74 |
| 2010 | 48,330 | 57,655 | 12,398 | - | - | 2,491 | 120,874 | 13,480 | 107,394 | 422.81 | 0.72 |
| 2009 | 52,440 | 59,385 | 13,356 | - | - | 2,581 | 127,762 | 13,604 | 114,158 | 453.68 | 0.75 |
| 2008 | 56,760 | 61,750 | 10,071 | - | - | 2,645 | 131,226 | 12,962 | 118,264 | 475.44 | 0.79 |
| 2007 | 61,020 | 63,080 | 9,313 | - | - | 2,592 | 136,005 | 11,574 | 124,431 | 515.95 | 0.85 |
| 2006 | 56,665 | 36,435 | 6,247 | - | - | 2,130 | 101,477 | 9,733 | 91,744 | 383.52 | 0.71 |

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.

Table 16

**CITY OF LINCOLN, NEBRASKA**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF AUGUST 31, 2015

| Governmental Units | Debt Outstanding | Estimated Percentage Applicable [1] | Direct And Overlapping Debt To The City |
|---|---|---|---|
| Direct: | | | |
| City | $ 503,590,000 | 100.0 % | $ 503,590,000 |
| Overlapping: | | | |
| School District #1 | 419,823,000 | 99.5 | 417,724,000 |
| Public Building Commission | 26,635,000 | 85.4 | 22,746,000 |
| Lancaster County Correctional Facility | 49,405,000 | 85.4 | 42,192,000 |
| Lancaster County Fairgrounds | 9,780,000 | 85.4 | 8,352,000 |
| | 505,643,000 | | 491,014,000 |
| Total | $ 1,009,233,000 | | $ 994,604,000 |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Wastewater System** | | | | | | | | | | |
| Gross Revenues | $ 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 | 19,827,194 |
| Direct Operating Expenses | 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 | 11,125,819 |
| Net Available Revenue | 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 | 8,701,375 |
| Debt Service Requirements | | | | | | | | | | |
| Principal | 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 | 2,065,000 |
| Interest | 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 | 3,043,500 |
| Total | 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 | 5,108,500 |
| Coverage | 2.11 | 1.92 | 1.90 | 1.82 | 1.69 | 1.68 | 1.69 | 1.70 | 1.91 | 1.70 |
| **Water System** | | | | | | | | | | |
| Gross Revenues | $ 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 | 29,014,999 |
| Direct Operating Expenses | 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 | 13,808,214 |
| Net Available Revenue | 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 | 15,206,785 |
| Debt Service Requirements | | | | | | | | | | |
| Principal | 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 | 5,130,000 |
| Interest | 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 | 3,834,301 |
| Total | 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 | 8,964,301 |
| Coverage | 2.74 | 3.12 | 4.32 | 2.44 | 1.60 | 1.31 | 1.44 | 1.44 | 1.68 | 1.70 |
| **Lincoln Electric System** | | | | | | | | | | |
| Gross Revenues | $ 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 | 191,075,000 |
| Direct Operating Expenses | 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 | 135,178,000 |
| Net Available Revenue | 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 | 55,897,000 |
| Debt Service Requirements | | | | | | | | | | |
| Principal | 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 | 10,713,000 |
| Interest | 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 | 22,124,000 |
| Total | 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 | 32,837,000 |
| Coverage | 2.00 | 2.00 | 1.95 | 2.00 | 2.01 | 1.90 | 1.93 | 1.81 | 1.80 | 1.70 |
| **Parking Facilities [1]** | | | | | | | | | | |
| Gross Revenues | $ 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 | 6,785,593 |
| Direct Operating Expenses | 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 | 2,775,122 |
| Net Available Revenue | 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 | 4,010,471 |
| Debt Service Requirements | | | | | | | | | | |
| Principal | 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 | 1,185,000 |
| Interest | 1,148,265 | 1,172,465 | 1,091,614 | 1,078,688 | 689,717 | 558,519 | 624,394 | 687,194 | 746,374 | 799,931 |
| Total | 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 | 1,984,931 |
| Coverage | 2.43 | 2.26 | 1.92 | 1.84 | 3.22 | 1.77 | 2.09 | 2.12 | 1.94 | 2.02 |
| **Solid Wast Management** | | | | | | | | | | |
| Gross Revenues | $ 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 | 7,519,523 | 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 | 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 | 550,000 | 550,000 | 475,000 | 220,000 | 210,000 | 200,000 | 195,000 | 190,000 | 185,000 | - |
| Interest | 196,202 | 198,128 | 133,463 | 124,025 | 132,425 | 140,425 | 148,225 | 155,825 | 160,825 | - |
| Total | 746,202 | 748,128 | 608,463 | 344,025 | 342,425 | 340,425 | 343,225 | 345,825 | 345,825 | - |
| Coverage | 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 | 815,000 | 780,000 | 740,000 | 710,000 | 685,000 | 660,000 | 635,000 | 615,000 | 595,000 | 580,000 |
| Interest | 162,088 | 199,225 | 237,925 | 270,980 | 299,235 | 325,640 | 349,934 | 371,978 | 391,655 | 408,998 |
| Total | 977,088 | 979,225 | 977,925 | 980,980 | 984,235 | 985,640 | 984,934 | 986,978 | 986,655 | 988,998 |
| Coverage | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.01 | 1.02 | 1.01 | 1.01 | 1.01 |

Note: The Wastewater System, Water System, and Lincoln Electric System bonds are secured by revenues are from utility service charges. Parking Facilities bonds are secured by revenues from parking fees, and Solid Waste Management's gross revenues include various waste disposal fees. City of the Primary Class Redevelopment Fund provides pledged revenues for the Antelope Valley Project Bonds from a cigarette tax imposed by the State of Nebraska. Should these funds be insufficient to pay principal and interest the City has covenanted to use City sales tax receipts. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Direct Opering 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] |
|---|---|---|---|---|---|
| 2015 | 272,996 | $ - | $ - | 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 |
| 2006 | 239,213 | 10,474,172 | 36,250 | 32,934 | 2.8 |

Sources: [1] Lincoln/Lancaster Planning Department.
[2] U.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Lincoln Metropolitan Statistical Area, which includes all of Lancaster and Seward Counties. 2015 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

| | 2015 | | | | 2006 | | | |
|---|---|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total City Employment | | Employees | Rank | Percentage of Total City Employment | |
| State of Nebraska | 8,991 | 1 | 4.68 | % | 10,262 | 1 | 6.00 | % |
| Lincoln Public Schools | 8,000 | 2 | 4.16 | | 6,007 | 2 | 3.51 | |
| University of Nebraska-Lincoln | 6,342 | 3 | 3.30 | | 5,550 | 3 | 3.24 | |
| Bryan Health | 3,500 | 4 | 1.82 | | 3,528 | 4 | 2.06 | |
| US Government | 3,344 | 5 | 1.74 | | 2,687 | 6 | 1.57 | |
| City of Lincoln | 2,602 | 6 | 1.35 | | 2,713 | 5 | 1.59 | |
| Saint Elizabeth Regional Medical Center | 2,300 | 7 | 1.20 | | 2,470 | 7 | 1.44 | |
| Burlington Northern Railroad | 2,000 | 8 | 1.04 | | - | - | - | |
| Madonna Rehabilitation Hospital | 1,500 | 9 | 0.78 | | - | - | - | |
| Duncan Aviation | 1,325 | 10 | 0.69 | | - | - | - | |
| State Farm Incurance | - | - | - | | 1,413 | 8 | 0.83 | |
| Hy-Vee Inc. | - | - | - | | 1,382 | 9 | 0.81 | |
| B&R Stores, Inc. | - | - | - | | 1,372 | 10 | 0.80 | |
| Total | 39,904 | | 20.76 | % | 37,384 | | 21.85 | % |

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

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

| | Full-Time Equivalent Employees as of August 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Function** | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Legislative | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 9.00 |
| Executive | 17.25 | 18.25 | 19.08 | 19.70 | 20.75 | 21.15 | 21.25 | 20.50 | 25.20 | 26.60 |
| Financial Administration | 69.20 | 69.20 | 69.20 | 71.30 | 70.58 | 66.20 | 66.20 | 68.00 | 72.00 | 71.67 |
| Law | 32.50 | 31.75 | 31.75 | 30.00 | 29.00 | 27.00 | 27.00 | 26.00 | 28.50 | 28.50 |
| Human Resources | 22.80 | 22.80 | 22.80 | 22.42 | 23.47 | 22.80 | 22.80 | 22.00 | 23.19 | 23.19 |
| Planning and Zoning | 20.00 | 21.00 | 21.00 | 21.00 | 22.00 | 21.50 | 22.19 | 22.00 | 22.00 | 21.06 |
| Urban Development | 9.50 | 9.58 | 9.28 | 9.06 | 9.28 | 9.44 | 9.91 | 10.29 | 11.58 | 11.78 |
| Public Safety | | | | | | | | | | |
| Police | 388.03 | 400.79 | 400.79 | 402.38 | 402.51 | 406.43 | 406.15 | 402.38 | 407.13 | 407.40 |
| Fire | 268.97 | 273.69 | 273.69 | 272.71 | 272.76 | 267.76 | 266.41 | 264.92 | 264.57 | 264.57 |
| Building and Safety | 50.85 | 50.38 | 50.38 | 51.00 | 54.58 | 54.62 | 58.00 | 63.00 | 63.00 | 63.00 |
| Transportation | 16.00 | 15.00 | 15.00 | 16.25 | 17.25 | 17.25 | 18.50 | 18.50 | 20.50 | 21.50 |
| 911 Communication | 56.00 | 41.50 | 41.50 | 41.50 | 41.50 | 41.50 | 41.02 | 38.50 | 39.50 | 39.50 |
| Streets and Highways | 108.20 | 104.99 | 105.49 | 106.84 | 108.84 | 106.85 | 105.92 | 106.70 | 109.40 | 110.35 |
| Culture and Recreation | | | | | | | | | | |
| Parks and Recreation | 238.89 | 229.60 | 228.95 | 230.28 | 232.43 | 226.26 | 231.17 | 264.65 | 280.79 | 286.23 |
| Library | 105.54 | 105.79 | 106.59 | 107.09 | 107.47 | 107.47 | 111.47 | 117.01 | 121.67 | 124.17 |
| Economic Opportunity | | | | | | | | | | |
| Lincoln Area Agency on Aging | 48.05 | 48.24 | 48.24 | 50.84 | 51.03 | 51.33 | 52.50 | 57.10 | 64.30 | 64.86 |
| Urban Development | 9.15 | 9.80 | 9.80 | 10.22 | 10.43 | 10.31 | 11.23 | 12.83 | 12.68 | 14.34 |
| Workforce Investment Act | 12.85 | 13.19 | 13.19 | 13.11 | 12.02 | 8.98 | 9.01 | 8.20 | 6.20 | 5.64 |
| Health and Welfare | 111.52 | 110.02 | 109.77 | 112.97 | 112.25 | 112.03 | 112.78 | 113.97 | 119.52 | 123.45 |
| Mass Transit | 120.52 | 119.52 | 118.01 | 109.52 | 111.52 | 112.38 | 109.38 | 112.38 | 111.00 | 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 | 15.42 | 17.00 | 17.37 |
| 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 | 64.45 | 65.45 | 66.02 | 68.45 | 68.65 | 69.53 | 70.80 | 74.95 | 76.00 |
| Golf | 29.02 | 27.99 | 28.23 | 29.50 | 27.86 | 28.00 | 29.95 | 30.16 | 30.67 | 30.49 |
| Parking Facilities | 2.98 | 2.95 | 2.95 | 2.80 | 2.80 | 1.72 | 2.40 | 1.60 | 1.60 | 1.60 |
| Sanitary Landfill | 35.47 | 33.17 | 33.17 | 31.70 | 31.70 | 30.80 | 30.75 | 30.85 | 30.85 | 30.84 |
| Emergency Medical Services | 33.28 | 28.56 | 28.56 | 28.54 | 28.49 | 28.49 | 28.09 | 28.34 | 29.43 | 29.43 |
| Wastewater System | 87.20 | 89.87 | 89.87 | 90.23 | 92.43 | 93.65 | 96.72 | 97.36 | 98.70 | 98.69 |
| Water System | 100.28 | 104.80 | 104.30 | 106.81 | 108.56 | 107.43 | 112.60 | 113.68 | 115.28 | 115.27 |
| Electric System | 494.00 | 498.00 | 486.00 | 478.00 | 456.00 | 456.00 | 445.00 | 445.00 | 444.00 | 452.50 |
| Total | 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 | 2,701.00 |

Source: City of Lincoln Budget Office

Table 21

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Arrests | 23,543 | 25,424 | 24,035 | 24,868 | 25,637 | 26,796 | 28,183 | 31,026 | 29,404 | 28,523 |
| Parking Violations | 71,433 | 73,141 | 70,338 | 72,670 | 78,405 | 61,493 | 75,234 | 64,116 | 64,710 | 54,852 |
| Traffic Violations | 44,064 | 51,854 | 49,515 | 50,059 | 50,872 | 48,580 | 48,290 | 53,862 | 47,997 | 54,572 |
| Fire: | | | | | | | | | | |
| Number of Calls Answered | 23,878 | 22,760 | 21,357 | 21,179 | 20,770 | 19,602 | 19,536 | 19,572 | 19,075 | 18,362 |
| Building and Safety: | | | | | | | | | | |
| Number of Commercial Building Permits | 1,321 | 1,197 | 1,341 | 1,372 | 1,320 | 1,234 | 1,196 | 1,064 | 994 | 1,088 |
| Number of Residential Building Permits | 2,346 | 2,300 | 2,323 | 2,319 | 2,336 | 2,225 | 1,794 | 2,261 | 2,820 | 3,150 |
| Culture and Recreation | | | | | | | | | | |
| Library: | | | | | | | | | | |
| Total Circulation (thousands) | 3,074 | 3,176 | 3,293 | 3,294 | 3,417 | 3,343 | 3,348 | 3,182 | 3,138 | 3,108 |
| Golf: | | | | | | | | | | |
| Rounds of Golf | 162,359 | 164,089 | 169,170 | 191,997 | 171,518 | 175,940 | 199,567 | 196,988 | 198,337 | 203,802 |
| Mass Transit | | | | | | | | | | |
| StarTran Ridership (thousands) | 2,415 | 2,495 | 1,810 | 2,067 | 1,935 | 1,810 | 1,790 | 1,975 | 1,871 | 1,826 |
| Wastewater | | | | | | | | | | |
| Number of Consumers | 80,704 | 80,851 | 80,066 | 79,346 | 78,811 | 78,376 | 77,613 | 77,174 | 76,458 | 75,573 |
| Water | | | | | | | | | | |
| Number of Consumers | 82,058 | 81,196 | 80,418 | 79,698 | 79,184 | 78,740 | 77,973 | 77,532 | 76,816 | 75,919 |
| Average Daily Consumption (thousand gallons) | 31,766 | 34,584 | 35,873 | 38,445 | 32,017 | 31,064 | 32,716 | 32,832 | 35,057 | 38,425 |
| Electric System | | | | | | | | | | |
| Number of Consumers | 132,672 | 131,915 | 130,537 | 129,163 | 128,373 | 129,322 | 128,115 | 126,978 | 124,878 | 123,376 |

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

Sources: Various City Departments

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Public Safety | | | | | | | | | | |
| Police Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |
| Fire Stations | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Ambulances | 12 | 12 | 11 | 11 | 11 | 10 | 11 | 11 | 11 | 11 |
| Streets and Highways | | | | | | | | | | |
| Lane Miles of Streets | 2,891 | 2,823 | 2,766 | 2,760 | 2,757 | 2,732 | 2,713 | 2,677 | 2,641 | 2,450 |
| Streetlights | 30,516 | 29,997 | 29,759 | 29,393 | 29,040 | 28,928 | 28,412 | 28,223 | 27,923 | 27,519 |
| Culture and Recreation | | | | | | | | | | |
| Parks Acreage | 6,808 | 6,557 | 6,503 | 6,503 | 6,503 | 6,503 | 6,503 | 7,124 | 6,114 | 6,114 |
| Parks | 159 | 135 | 141 | 141 | 141 | 141 | 141 | 125 | 123 | 122 |
| Playgrounds | 89 | 86 | 85 | 85 | 84 | 84 | 85 | 85 | 85 | 85 |
| Swimming Pools (Public) | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 11 | 11 |
| Golf Courses (Public) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Trail Miles | 158 | 133 | 131 | 128 | 128 | 128 | 128 | 128 | 128 | 122 |
| Recreation Centers | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 |
| Libraries | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Mass Transit | | | | | | | | | | |
| Buses and Handivans | 80 | 74 | 70 | 71 | 71 | 70 | 70 | 69 | 69 | 69 |
| Wastewater | | | | | | | | | | |
| Miles of Wastewater Mains | 1,044 | 1,033 | 1,024 | 1,022 | 1,017 | 1,015 | 1,010 | 1,006 | 995 | 978 |
| Water | | | | | | | | | | |
| Miles of Water Mains | 1,211 | 1,194 | 1,259 | 1,250 | 1,243 | 1,237 | 1,230 | 1,213 | 1,201 | 1,183 |

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

Sources: Various City Departments

# SINGLE AUDIT SECTION

**CITY OF LINCOLN, NEBRASKA**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant Number | | Federal Expenditures |
|---|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE** | | | | |
| Pass-Through State Department Of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| Summer Food Service Program for Children | 10.559 | 20121N109943 | $ 160,013 | |
| Summer Food Service Program for Children | 10.559 | 55-3002 | 117,781 | 277,794 |
| Pass-Through State Department Of Health And Human Services: | | | | |
| Special Supplemental Nutrition Program for Women, Infants & Children | 10.557 | EO 082647 | 136,812 | |
| Special Supplemental Nutrition Program for Women, Infants & Children | 10.557 | EO 087912 | 692,685 | 829,497 |
| Nutrition Program for the Elderly (Commodities) | 10.570 | | | 178,644 |
| Total U.S. Department Of Agriculture | | | | $ 1,285,935 |
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | |
| Direct Programs: | | | | |
| Congregate Housing Services Program (Mahoney Manor) | 14.170 | NE26-G940-001 | $ 75,675 | |
| Congregate Housing Services Program (Burke Plaza) | 14.170 | NE26-G940-002 | 54,938 | 130,613 |
| Community Development Block Grant | 14.218 | B-13 MC-31-0001 | | 13,086,196 |
| Emergency Solutions Grant Program | 14.231 | E13-MC-31-0002 | 83,048 | |
| Emergency Solutions Grant Program | 14.231 | E14-MC-31-0002 | 102,748 | 185,796 |
| Shelter Plus Care | 14.238 | NE0059L7D021201 | 6,910 | |
| Shelter Plus Care | 14.238 | NE0059L7D021302 | 31,263 | 38,173 |
| HOME Investment Partnerships Program | 14.239 * | M-14 MC-31-0202 | | 13,570,222 |
| Continuum of Care Program | 14.267 | NE0069L7D021200 | 9,040 | |
| Continuum of Care Program | 14.267 | NE0073L7D021300 | 30,656 | 39,696 |
| Fair Housing Assistance Program - State and Local | 14.401 | FF207K147017 | | 108,438 |
| Pass-Through State Department Of Economic Development: | | | | |
| Community Development Block Grant (Neighborhood Stabilization Program) | 14.228 | 092N40 | | 177,549 |
| Total U.S. Department Of Housing And Urban Development | | | | $ 27,336,683 |
| **U.S. DEPARTMENT OF INTERIOR** | | | | |
| Pass-Through State Historical Society: | | | | |
| Historic Preservation Fund Grants-in-Aid | 15.904 | 14/15 | $ 22,500 | |
| Historic Preservation Fund Grants-in-Aid | 15.904 | 15/16 | 6,000 | $ 28,500 |
| **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 | | $ 82,709 |
| Equitable Sharing Program | 16.922 | | | 30,841 |
| JAG Program Cluster: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula) | 16.738 | 2011DJBX3090 | 55,806 | |
| Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula) | 16.738 | 2012DJBX0865 | 187,100 | |
| Pass-Through State Commission On Law Enforcement And Criminal Justice: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program ARRA (Lin/Lan Investigative Narcotics Coop) | 16.738 | 13DA 0312 | 44,523 | |
| Edward Byrne Memorial Justice Assistance Grant Program ARRA (Lin/Lan Investigative Narcotics Coop) | 16.738 | 14DA0335 | 69,185 | 356,614 |
| Pass-Through Lancaster County: | | | | |
| Violence Against Women Formula Grants (DV Specialist) | 16.588 | 14-VW-704 | 16,175 | |
| Violence Against Women Formula Grants (DV Specialist) | 16.588 | 13-VW-702 | 20,169 | 36,344 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (VAWA) | 16.590 | 204-WE-AX-0007 | | 3,190 |
| Pass-Through Nebraska State Patrol: | | | | |
| Missing Children's Assistance (ICAC) | 16.543 | 2011-MC-CX-K022 | | 8,237 |
| Pass-Through City of Omaha: | | | | |
| Project Safe Neighborhoods | 16.609 | 2013GPBX0002 | 11,777 | |
| Project Safe Neighborhoods | 16.609 | 2014GPBX0010 | 467 | 12,244 |
| Pass-Through Nebraska Department of Roads: | | | | |
| Enforcing Underage Drinking Laws Program | 16.727 | | | 6,000 |

(Continued)
See Accompanying Notes to Schedule of Expenditures fo Federal Awards

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant Number | Federal Expenditures | |
|---|---|---|---|---|
| Pass-Through State Commission On Law Enforcement And Criminal Justice: | | | | |
| Crime Victim Assistance | 16.575 | 14-VA-203 | | 63,125 |
| Total U.S. Department Of Justice | | | | $ 599,304 |
| **U.S. DEPARTMENT OF LABOR** | | | | |
| Pass-Through State Department Of Labor: | | | | |
| WIA Cluster: | | | | |
| WIA Adult Program | 17.258 | 2012 | $ 390,934 | |
| WIA Dislocated Workers Formula Grants | 17.278 | 2012 | 139,909 | |
| WIA Dislocated Workers Formula Grants (Trade) | 17.278 | 2014 | 16,221 | |
| WIA Youth Activities | 17.259 | 2012 | 98,740 | |
| WIA Youth Activities | 17.259 | 2012 | 253,499 | |
| WIOA In School Youth Activities | 17.259 | 2015 | 555 | |
| WIOA Out of School Youth Activities | 17.259 | 2015 | 778 | $ 900,636 |
| **U.S. DEPARTMENT OF TRANSPORTATION** | | | | |
| Direct Programs: | | | | |
| Federal Transit Cluster: | | | | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-X091 | $ 117,631 | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-X093 | 12,168 | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-0095 | 302,615 | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-0100 | 1,726,476 | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-0097 | 752,000 | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-0098 | 838,000 | |
| Federal Transit: Formula Grants (Sec. 9 Capital) | 20.507 | NE-90-0100 | 126,516 | |
| Federal Transit: Formula Grants (Transit Planning) | 20.507 | FTA-NE90X098 | 118,306 | |
| Federal Transit: Formula Grants (Transit Planning) | 20.507 | FTA-NE90X100 | 130,756 | |
| Bus and Bus Facilities Formula Program | 20.526 | NE-34-002 | 643,840 | |
| Pass-Through Nebraska Department Of Roads: | | | | |
| Federal Transit: Formula Grants (Transit Planning) | 20.507 | RTP-C990 (034) | 8,849 | 4,777,157 |
| Pass-Through Nebraska Department Of Roads: | | | | |
| Highway Planning and Construction Cluster: | | | | |
| Highway Planning and Construction (Planning) | 20.205 | SPR-PL1(52) | 261,638 | |
| Highway Planning and Construction (Planning) | 20.205 | SPR-PL1(53) | 59,912 | |
| Highway Planning and Construction (10th & Military/Salt Creek) | 20.205 | LCLC-5215(3) | 13,857 | |
| Highway Planning and Construction (70th/VanDorn/Eastborough) | 20.205 | LCLC-5247(13) | 64,141 | |
| Highway Planning and Construction (14th and Cornhusker) | 20.205 | HSIP-5227(7) | 5,688 | |
| Highway Planning and Construction (56th, Shadow Pines, and Old Cheney) | 20.205 | LCLC-5241(5) | 887,116 | |
| Highway Planning and Construction (JAVA) | 20.205 | | 14,807 | |
| Highway Planning and Construction (66th and Fremont) | 20.205 | HSIP-5253(1) | 9,790 | |
| Highway Planning and Construction (Citywide Street Resurfacing) | 20.205 | LCLC-5228(4) | 9,587 | |
| Highway Planning and Construction (SW 40th Viaduct) | 20.205 | STPN-BR-TMT 5267(1) | 317,088 | |
| Highway Planning and Construction (Click It or Ticket) | 20.205 | HSIP-0021 | 8,081 | |
| Highway Planning and Construction (Click It or Ticket) | 20.205 | HSIP-0034 | 9,000 | |
| Highway Planning and Construction (You Drink, You Drive, You Lose) | 20.205 | HSIP-0031 | 6,991 | |
| Highway Planning and Construction (You Drink, You Drive, You Lose) | 20.205 | HSIP-36-09 | 7,950 | |
| Highway Planning and Construction (You Drink, You Drive, You Lose) | 20.205 | | 7,527 | |
| Pass-Through Game and Parks Commission: | | | | |
| Recreational Trails Program (Wilderness Park Bridge) | 20.219 | RTP2013(001) | 246,000 | |
| Recreational Trails Program (Billy Wolf Trail Randolph 27th) | 20.219 | RTP2014(002) | 21,000 | 1,950,173 |
| Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit) | 20.509 | RPT-C551(215) | 49,322 | |
| Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit) | 20.509 | RPT-C551(216) | 5,705 | 55,027 |
| Highway Safety Cluster: | | | | |
| State and Community Highway Safety (School Zones) | 20.600 | 402-14-33 | 8,100 | |
| State and Community Highway Safety (Speed Enforcement) | 20.600 | 402-14-33 | 6,674 | |
| State and Community Highway Safety | 20.600 | 402-15-27 | 1,125 | |
| State and Community Highway Safety | 20.600 | 402-15-27 | 1,333 | |
| State and Community Highway Safety | 20.600 | 402-15-33 | 8,164 | |
| State and Community Highway Safety | 20.600 | 402-15-27 | 1,184 | |
| State and Community Highway Safety | 20.600 | 402-15-25 | 1,637 | |
| State and Community Highway Safety | 20.600 | 402-15-33-06 | 9,000 | |
| National Priority Safety Programs (Click It or Ticket) | 20.616 | 405B-15-14 | 4,682 | |
| National Priority Safety Programs | 20.616 | 405D-15-5 | 4,860 | |
| National Priority Safety Programs (Child Restraint Systems) | 20.616 | 405B-14-12-03 | 5,000 | 51,759 |
| Total U.S. Department Of Transportation | | | | $ 6,834,116 |
| **EQUAL EMPLOYMENT OPPORTUNITY COMMISSION** | | | | |
| Direct Programs: | | | | |
| Employment Discrimination - State and Local Fair Employment Practices Agency Contracts | 30.002 | EEOCN120112 | | $ 12,237 |

(Continued)

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant Number | | Federal Expenditures |
|---|---|---|---|---|
| **INSTITUTE OF MUSEUM AND LIBRARY SERVICES** | | | | |
| Pass-Through State Library Commission: | | | | |
| Grants to States (Net Lender Contract) | 45.310 | | | $ 1,817 |
| | | | | |
| **NATIONAL ENDOWMENT FOR THE ARTS** | | | | |
| Direct Program: | | | | |
| Promotion of the Arts - Grants to Organizations and Individuals | 45.024 | 12-4292-7091 | | $ 5,000 |
| | | | | |
| **U.S. ENVIRONMENTAL PROTECTION AGENCY** | | | | |
| Pass-Through State Department Of Environmental Quality: | | | | |
| Nonpoint Source Implementation Grants (Antelope Park) | 66.460 | C900740320 | | $ 367,386 |
| | | | | |
| Performance Partnership Grants | 66.605 | RES 86361 | 12,178 | |
| Performance Partnership Grants | 66.605 | PPG-99732508 | 94,782 | 106,960 |
| | | | | |
| Drinking Water State Revolving Fund Cluster: | | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | FS997805 | | 1,096,660 |
| | | | | |
| Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act | 66.034 | XA-97726301 | 39,129 | |
| Surveys, Studies, Research, Investigations, Demonstrations, And Special Purpose Activities Relating to the Clean Air Act | 66.034 | 2015 | 7,765 | 46,894 |
| | | | | |
| Total U.S. Environmental Protection Agency | | | | $ 1,617,900 |
| | | | | |
| **U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | | | |
| Direct Program: | | | | |
| Food and Drug Administration General Grant Funding Program (Retail Food Safety) | 93.103 | 2016 | $ 6,419 | |
| Food and Drug Administration General Grant Funding Program (Retail Food Safety) | 93.103 | 5U18FD004661-03 | 77,505 | 83,924 |
| | | | | |
| Pass-Through National Association of County and City Health Officials: | | | | |
| Medical Reserve Corps Small Grant Program | 93.008 | MRC 13 360 | 200 | |
| Medical Reserve Corps Small Grant Program | 93.008 | MRC 14 360 | 900 | |
| Medical Reserve Corps Small Grant Program | 93.008 | MRC 15 360 | 1,304 | 2,404 |
| | | | | |
| 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 2014-044 | 4,999 | |
| Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals | 93.042 | NGA 2014-031 | 11,473 | 16,472 |
| | | | | |
| Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services | 93.043 | NGA 22606-III-D | | 21,402 |
| | | | | |
| Aging Cluster: | | | | |
| Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers | 93.044 | NGA 22606-III-B | 311,456 | |
| Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers | 93.044 | NGA 27873-Y3-III-B | 22,770 | |
| Special Programs for the Aging Title III, Part C: Nutrition Services | 93.045 | NGA 22606-III-C1 | 386,818 | |
| Special Programs for the Aging Title III, Part C: Nutrition Services | 93.045 | NGA 278473-Y3-III-C1 | 26,753 | |
| Special Programs for the Aging Title III, Part C: Nutrition Services | 93.045 | NGA 22606-III-C2 | 215,488 | |
| Special Programs for the Aging Title III, Part C: Nutrition Services | 93.045 | NGA 27873-Y3-III-C2 | 8,360 | 971,645 |
| | | | | |
| National Family Caregiver Support, Title III, Part E | 93.052 | NGA 22606-III-E | 166,249 | |
| National Family Caregiver Support, Title III, Part E | 93.052 | NGA 27873-Y3-III-E | 13,089 | 179,338 |
| | | | | |
| Public Health Emergency Preparedness | 93.069 | BT-965-63013 | 165,906 | |
| Public Health Emergency Preparedness | 93.069 | 2016 | 28,338 | |
| Public Health Emergency Preparedness | 93.069 | BT-885-80912 | 105,157 | 299,401 |
| | | | | |
| Environmental Public Health and Emergency Response | 93.070 | DO 13167 | | 918 |
| | | | | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | 25457-Y3 | 2,367 | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | 2014 | 9,552 | 11,919 |
| | | | | |
| Grants to States to Support Oral Health Workforce Activities | 93.236 | T12HP14997 | | 74 |
| | | | | |
| Immunization Cooperative Agreements (NE Immunization Action Plan) | 93.268 | 24982-Y3 | 45,856 | |
| Immunization Cooperative Agreements (NE Immunization Action Plan) | 93.268 | 5H23IP722562-09 | 29,189 | |
| Immunization Cooperative Agreements (Hepatitis B) | 93.268 | H231P00756 | 6,185 | 81,230 |
| | | | | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control) | 93.283 | 5U58DP001978-04 | 38,463 | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control) | 93.283 | DP-15-1509 | 10,168 | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program) | 93.283 | 3U50C1000924-255 | 20,148 | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program) | 93.283 | 2015 | 57 | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (Colon Cancer) | 93.283 | 2015 | 15,115 | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (Wellness Toolkit Project) | 93.283 | DP001473-03 | 1,761 | |
| Centers for Disease Control and Prevention: Investigations and Tech Assistance (Women's and Men's Health) | 93.283 | RES A 88575 | 21,301 | 107,013 |
| | | | | |
| Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program | 93.505 | D89MC25209 | 81,765 | |
| Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program | 93.505 | X02MC23116 | 351,497 | 433,262 |
| | | | | |
| PPHF 2012 National Public Health Improvement Initiative (CHIP) | 93.507 | DO 012273 | 5,000 | |
| PPHF 2012 National Public Health Improvement Initiative | 93.507 | 5U58CD001310-04 | 4,718 | 9,718 |

(Continued)

(Expenditures of Federal Awards, Continued)

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant Number | Federal Expenditures | |
|---|---|---|---|---|
| Refugee and Entrant Assistance Program (Health Screening) | 93.566 | EO 088089/088405 | 181,729 | |
| Refugee and Entrant Assistance Program (Health Screening) | 93.566 | EO 083947 | 209,265 | 390,994 |
| Refugee and Entrant Assistance Program - Descretionary Grants | 93.576 | 90RX0241-01-00 | | 27,711 |
| Social Services Block Grant (SSBG) | 93.667 | | | 43,341 |
| Preventive Health and Health Services Block Grant (Young Children Oral Health) | 93.758 | 24298-Y3 | 14,458 | |
| Preventive Health and Health Services Block Grant (SK-Injury Prevention) | 93.758 | B011OT009036 | 2,009 | |
| Preventive Health and Health Services Block Grant (Move More Lincoln Safely) | 93.758 | 25339-Y3 | 250 | 16,717 |
| National Bioterrorism Hospital Preparedness Program (HRSA) | 93.889 | BT 929 63012 | 432 | |
| National Bioterrorism Hospital Preparedness Program (HRSA) | 93.889 | BT 982 63013 | 69,317 | |
| National Bioterrorism Hospital Preparedness Program (HRSA) | 93.889 | BT 1106 63015 | 102,358 | |
| National Bioterrorism Hospital Preparedness Program (SENHCC) | 93.889 | BT 1110 63015 | 49,678 | |
| National Bioterrorism Hospital Preparedness Program (SENHCC) | 93.889 | BT 1110 63015 | 86 | 221,871 |
| HIV Prevention Activities Health Dept Based (HIV Testing) | 93.940 | EO 082960 | 10,536 | |
| HIV Prevention Activities Health Dept Based (HIV Testing) | 93.940 | 22486-Y3 | 17,811 | 28,347 |
| Preventive Health Services Sexually Transmitted Diseases Control Grants (STD) | 93.977 | 1H25PS004335-02 | | 5,876 |
| Preventive Health and Health Services Block Grant (Home Safety) | 93.991 | DP009036 | | 2,820 |
| Maternal and Child Health Services Block Grant to the States (Childhood Obesity) | 93.994 | 23840-Y3 | 123,025 | |
| Maternal and Child Health Services Block Grant to the States (Childhood Obesity) | 93.994 | MCH-10-06 | 51,035 | 174,060 |
| Total U.S. Department Of Health And Human Services | | | | $ 3,130,457 |
| **CORPORATION FOR NATIONAL AND COMMUNITY SERVICE** | | | | |
| Direct Programs: | | | | |
| Foster Grandparent/Senior Companion Cluster: | | | | |
| Foster Grandparent Program | 94.011 | 11SFNNE 003 (14/15) | $ 84,241 | |
| Foster Grandparent Program | 94.011 | 11SFNNE 003 (15/16) | 43,656 | 127,897 |
| Pass-Through Nebraska Volunteer Commission: | | | | |
| AmeriCorps (Youth on the Move) | 94.006 | 13AFHNE001004 | 14,888 | |
| AmeriCorps (Youth on the Move) | 94.006 | 13AFHNE0010006 | 260,792 | 275,680 |
| Total Corporation For National And Community Service | | | | $ 403,577 |
| **EXECUTIVE OFFICE OF THE PRESIDENT** | | | | |
| Pass-Through Nebraska State Patrol: | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | 12HD02 | $ 160 | |
| High Intensity Drug Trafficking Areas Program | 95.001 | 13HD02 | 15,486 | |
| High Intensity Drug Trafficking Areas Program | 95.001 | 14HD02 | 47,824 | |
| High Intensity Drug Trafficking Areas Program | 95.001 | 15HD02 | 24,872 | $ 88,342 |
| **DEPARTMENT OF HOMELAND SECURITY** | | | | |
| Direct Programs: | | | | |
| National Urban Search and Rescue (US&R) Response System | 97.025 | * EMW-2013-K00030-S01 | $ 468,030 | |
| National Urban Search and Rescue (US&R) Response System | 97.025 | * EMW-2014-CA-K00012-S01 | 926,654 | $ 1,394,684 |
| Total Federal Expenditures | | | | $ 43,639,188 |

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, 2015**

**(1) BASIS OF ACCOUNTING**

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

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

**(2) REPORTING ENTITY**

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

Lincoln Electric System (LES) operates on a calendar year basis for reporting purposes as opposed to the August 31 fiscal year basis of the City. As a result, the amounts included in the City's August 31, 2015, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2014.

**(3) PASS-THROUGH AWARDS**

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

**(4) MAJOR PROGRAMS**

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

**(5) SUBRECIPIENTS**

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

| Pass-through Recipient | CFDA# | Program | Amount |
|---|---|---|---|
| Catholic Social Services | 14.231 | Emergency Solutions Grant Program | $ 9,147 |
| Cedar's Youth Services | 14.231 | Emergency Solutions Grant Program | 2,000 |
| Centerpointe | 14.238 | Shelter Plus Care | 38,173 |
| | 14.267 | Continuum of Care Program | 30,656 |
| Community Action Partnership | 14.231 | Emergency Solutions Grant Program | 114,275 |
| Community Crops | 14.218 | Community Development Block Grant - Entitlement Grants Cluster | 24,628 |
| County Aging Programs | 10.570 | Nutrition Program for the Elderly | 60,971 |
| | 93.044 | Title III, Part B: Grants for Supportive Services and Senior Centers | 29,656 |
| | 93.045 | Title III, Part C: Nutrition Services | 113,482 |
| | 93.052 | Title III, Part E: National Family Caregiver Support | 18,587 |
| Fresh Start | 14.231 | Emergency Solutions Grant Program | 52,381 |
| Friendship Home | 14.231 | Emergency Solutions Grant Program | 2,000 |
| Habitat for Humanity | 14.239 | HOME Investment Partnerships Program | 129,435 |
| Houses of Hope | 14.231 | Emergency Solutions Grant Program | 2,000 |
| Joint Antelope Valley Authority | 20.205 | Highway Planning and Construction (JAVA) | 14,807 |
| League of Human Dignity | 14.218 | Community Development Block Grant - Entitlement Grants Cluster | 14,637 |
| Lincoln Housing Authority | 14.239 | HOME Investment Partnerships Program | 19,173 |
| NeighborWorks | 14.218 | Community Development Block Grant - Entitlement Grants Cluster | 172,752 |
| | 14.239 | HOME Investment Partnerships Program | 555,517 |
| People's City Mission | 14.231 | Emergency Solutions Grant Program | 3,250 |
| UNL Center on Children Families & the Law | 14.218 | Community Development Block Grant - Entitlement Grants Cluster | 26,934 |

**(6) FEDERAL LOANS OUTSTANDING**

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

| CFDA# | Program | Outstanding Balance as of August 31, 2015 |
|---|---|---|
| 14.218 | Community Development Block Grant | $ 7,488,000 |
| 14.228 | Community Development Block Grant – Neighborhood Stabilization Program | 153,000 |
| 14.239 | HOME Investment Partnership Program | 9,913,000 |

New loans included in the Schedule totaled $1,091,000, $0 and $1,397,000, respectively.

BKD LLP
CPAs & Advisors

1248 "O" Street, Suite 1040 // Lincoln, NE 68508-1461
402.473.7600 // fax 402.473.7698 // bkd.com

# 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, 2015, 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 22, 2016, which contained a reference to the report of other auditors and an "Emphasis of Matter" paragraph regarding a change in accounting principle. 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*.

We noted certain matters that we reported to the City's management in a separate letter dated February 22, 2016.

### *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.

BKD, LLP

Lincoln, Nebraska
February 22, 2016

BKD LLP
CPAs & Advisors

1248 "O" Street, Suite 1040 // Lincoln, NE 68508-1461
402.473.7600 // fax 402.473.7698 // bkd.com

# 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, 2015. 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 the requirements of laws, regulations, contracts and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. 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, 2015.

**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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
February 22, 2016

# City of Lincoln, Nebraska
## Schedule of Findings and Questioned Costs
## Year Ended August 31, 2015

***Summary of Auditor's Results***

1. The opinion expressed in the independent auditor's report 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

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 was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by OMB Circular A-133? ☐ Yes ☒ No

7. The City's major programs were:

| Cluster/Program | CFDA Number |
|---|---|
| HOME Investment Partnerships Program | 14.239 |
| National Urban Search and Rescue (US&R) Response System | 97.025 |

# City of Lincoln, Nebraska
## Schedule of Findings and Questioned Costs - Continued
## Year Ended August 31, 2015

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

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was $1,309,176.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? ☒ Yes ☐ No

**Findings Required to be Reported by *Government Auditing Standards***

| Reference Number | Finding | Questioned Costs |
|---|---|---|

No matters are reportable.

**Findings Required to be Reported by OMB Circular A-133**

| Reference Number | Finding | Questioned Costs |
|---|---|---|

No matters are reportable.

# City of Lincoln, Nebraska

## Summary Schedule of Prior Audit Findings

## Year Ended August 31, 2015

| Reference Number | Summary of Finding | Status |
|---|---|---|

No matters are reportable.