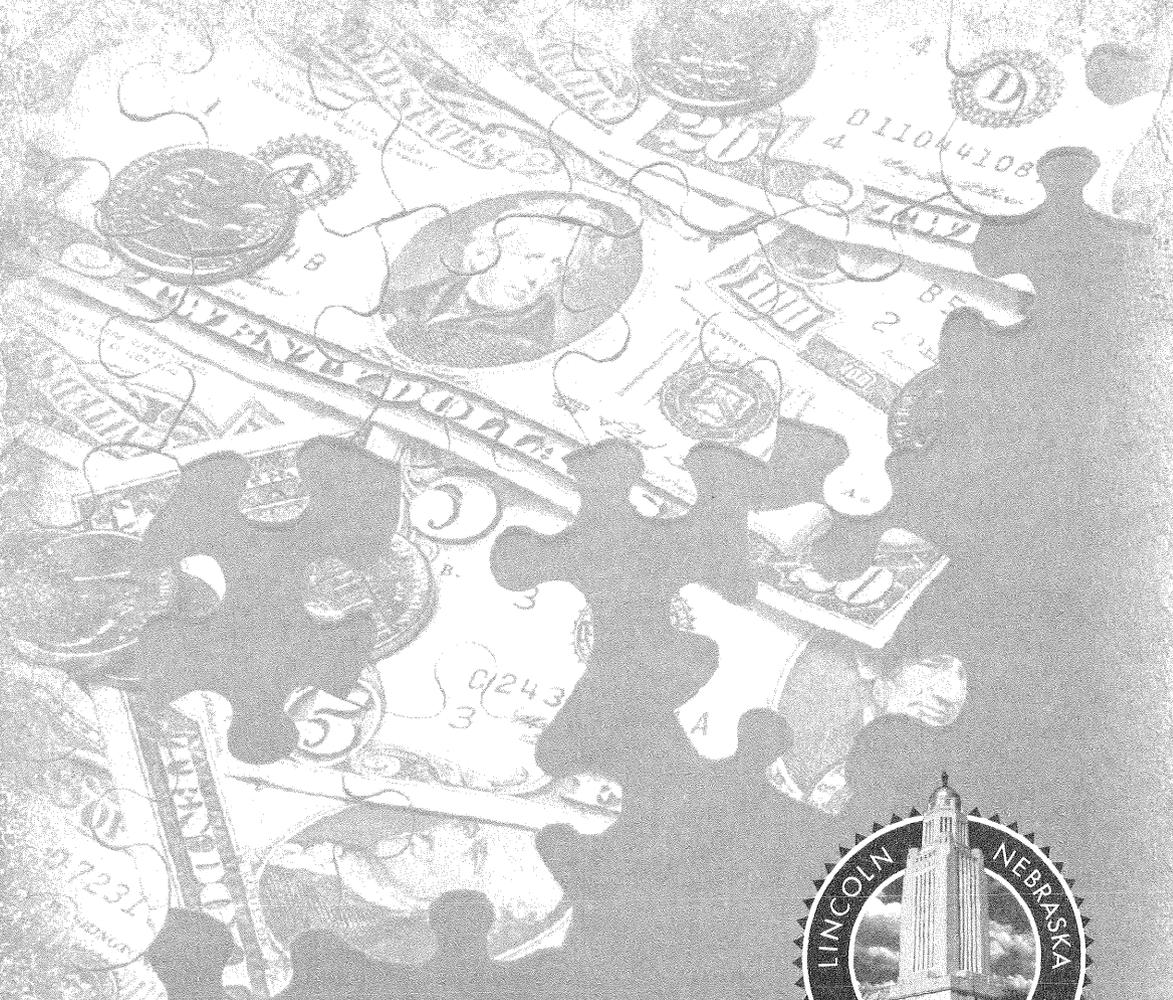


CITY OF LINCOLN, NEBRASKA



Comprehensive

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED AUGUST 31, 2001

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2001

Prepared by:

The Accounting Division of the Finance Department

OFFICIALS OF THE CITY OF LINCOLN

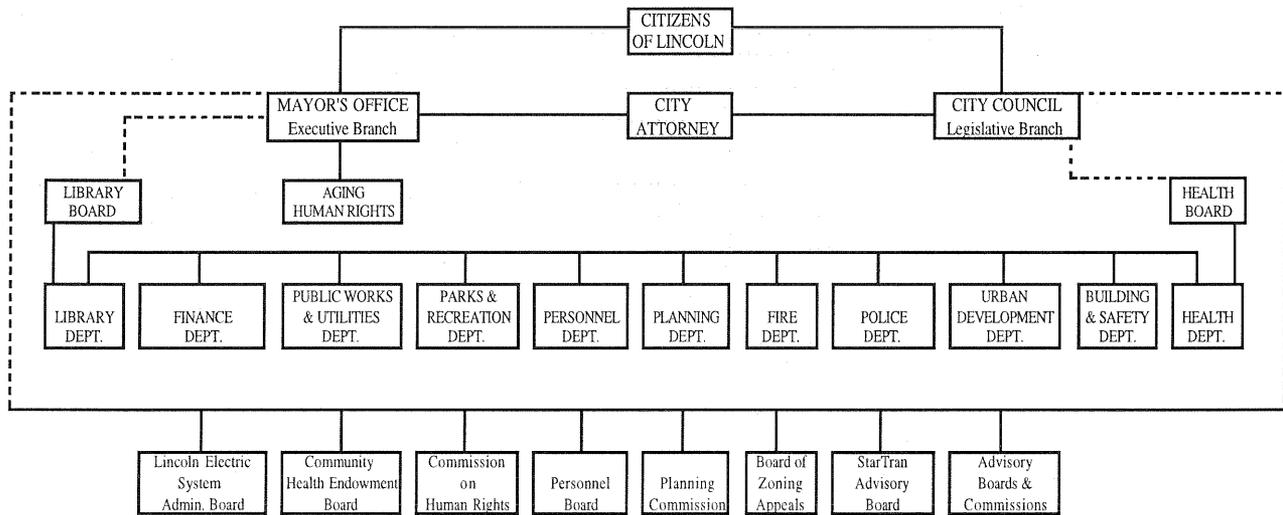
Don Wesely Mayor
 Annette McRoy Chair, City Council
 Jonathan Cook Vice Chair, City Council
 Glenn Friendt Council Member
 Coleen Seng Council Member
 Jon Camp Council Member
 Ken Svoboda Council Member
 Terry Werner Council Member

* * * * *

Don Herz Finance Director
 Kathleen Sellman Planning Director
 Lynn Johnson Parks And Recreation Director
 Terry Bundy Lincoln Electric System Administrator
 Marc Wullschleger Urban Development Director
 Carol Connor Library Director
 Allan Abbott Public Works/Utilities Director
 Mike Merwick Building And Safety Director
 Bruce Dart Health Director
 Georgia Glass Personnel Director
 Dana Roper City Attorney
 Thomas Casady Police Chief
 Mike Spadt Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



CITY OF LINCOLN, NE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED AUGUST 31, 2001
TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Exhibit</u>	<u>Page</u>
Title Page		
Officials Of The City Of Lincoln		i
City Of Lincoln Organization Chart		i
Table Of Contents		ii
Letter Of Transmittal From The Mayor		vii
Letter Of Transmittal From The Finance Director		ix
Certificate Of Achievement For Excellence In Financial Reporting		xix
 FINANCIAL SECTION		
Independent Auditors' Report		2
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types And Account Groups	1	4
Combined Statement Of Revenues, Expenditures, And Changes In Fund Balances - All Governmental Fund Types And Expendable Trust Funds	2	6
Combined Statement Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual - General, Special Revenue, And Debt Service Funds (Budget Basis)	3	7
Combined Statement Of Revenues, Expenses, And Changes In Retained Earnings/Fund Balances - All Proprietary Fund Types And Similar Trust Funds	4	8
Combined Statement of Changes In Plan Net Assets - Pension Trust Fund	5	9
Combined Statement of Cash Flows - All Proprietary Fund Types And Non-Expendable Trust Fund	6	10
Notes To General Purpose Financial Statements		13

	<u>Statement</u>	<u>Page</u>
Combining, Individual Fund, And Account Group Statements And Schedules		41
Governmental Funds:		
General Fund:		43
Schedule Of Revenues, Expenditures, And Changes In Fund Balance - Budget And Actual (Budget Basis)	A-1	44
Schedule Of Expenditures Compared To Budget (Budget Basis)	A-2	45
Special Revenue Funds:		49
Combining Balance Sheet	B-1	51
Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	B-2	53
Schedule Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual (Budget Basis):		
Athletic Field & Facilities Improvement Fund	B-3	55
Cable Access Television Fund	B-4	56
Lincoln City Libraries Fund	B-5	57
Lincoln Area Agency On Aging Fund	B-6	58
Lincoln/Lancaster County Health Fund	B-7	59
Snow Removal Fund	B-8	60
911 Communication Fund	B-9	61
Social Security Fund	B-10	62
Street Construction Fund	B-11	63
Unemployment Compensation Fund	B-12	64
Keno Fund	B-13	65
Federal Grants Fund	B-14	66
Building And Safety Fund	B-15	68
Debt Service Funds:		69
Combining Balance Sheet	C-1	70
Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	C-2	71
Combining Schedule Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual (Budget Basis)	C-3	72

	<u>Statement</u>	<u>Page</u>
Capital Projects Funds:		73
Combining Balance Sheet	D-1	74
Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	D-2	75
Proprietary Funds:		77
Enterprise Funds:		79
Combining Balance Sheet	E-1	80
Combining Statement Of Revenues, Expenses, And Changes In Retained Earnings	E-2	83
Combining Statement Of Cash Flows	E-3	84
Internal Service Funds:		87
Combining Balance Sheet	F-1	88
Combining Statement Of Revenues, Expenses, And Changes In Retained Earnings	F-2	89
Combining Statement Of Cash Flows	F-3	90
Fiduciary Funds:		91
Combining Balance Sheet	G-1	93
Police And Fire Pension Trust Fund - Statement Of Plan Net Assets	G-2	95
Pension Trust Fund - Statement Of Changes in Plan Net Assets	G-3	96
Expendable Trust Funds - Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	G-4	97
Community Health Endowment Non-Expendable Trust Fund - Statement Of Revenues, Expenses, And Changes In Fund Balance	G-5	98
Community Health Endowment Non-Expendable Trust Fund - Statement of Cash Flows	G-6	99
Agency Funds - Combining Statement Of Changes In Assets And Liabilities	G-7	100
General Fixed Assets Account Group:		103
Schedule Of General Fixed Assets Additions By Source	H-1	104
Schedule Of General Fixed Assets By Function And Activity	H-2	105
Schedule Of Changes In General Fixed Assets By Function And Activity	H-3	106

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
General Governmental Expenditures By Function Last Ten Fiscal Years	1	108
General Governmental Revenues By Source Last Ten Fiscal Years	2	108
Property Tax Levied And Collected Last Ten Years	3	108
Taxable Assessed Valuation Last Ten Years	4	109
Total Property Tax Levies All Direct And Overlapping Governments Last Ten Years	5	109
Special Assessment Collections Last Ten Fiscal Years	6	109
City Sales Tax Information Last Ten Fiscal Years	7	110
Schedule Of Net General Obligation Bonded Debt In Relation To Population, Total Assessed Valuation, And Real Property Valuation Last Ten Fiscal Years	8	110
Computation Of Direct And Overlapping Debt - August 31, 2001	9	110
Ratio Of Annual Debt Service Expenditures For General Bonded Debt To Total General Governmental Expenditures Last Ten Fiscal Years	10	111
Revenue Bond Coverage Last Ten Fiscal Years	11	111
Demographic Statistics Last Ten Years	12	112
Property Value and Construction Last Ten Fiscal Years	13	112
Ten Largest Taxpayers	14	113
Miscellaneous Statistics - August 31, 2001	15	113

SINGLE AUDIT SECTION

	<u>Statement</u>	<u>Page</u>
Supplementary Schedule Of Expenditures Of Federal Awards	I-1	116
Notes To Supplementary Schedule Of Expenditures Of Federal Awards		120
Independent Auditors' Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of General Purpose Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		121
Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133		122
Schedule Of Findings And Questioned Costs		124

(THIS PAGE LEFT BLANK INTENTIONALLY)

Lincoln



Nebraska's Capital City

January 5, 2002

Dear Citizens and Public Officials:

I am pleased to submit the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year ending August 31, 2001.

Fiscal discipline is the rule of my Administration. Enforcing fiscal responsibility to stay within the operating budget is a symbol of our stable and sound city government as well as an asset to Lincoln's overall economy.

The City's future is bright as it continues to grow and expand. Lincoln residents have a lot of which we can be proud. Although the city finances are solid, many city departments have been asked to continue to meet the increasing demand for services without additional resources.

Our ability to manage the City's fiscal affairs and ensure a full disclosure of the City's fiscal condition is exhibited by this open and unqualified audit. I am proud to report that the 2000 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement of Excellence in Financial Reporting for the eighteenth consecutive year. This recognition is a credit to the City and compliment to our committed Finance Department.

I express a special thank you to the Finance Department employees for their expertise and commitment in dealing with these complex accounting issues and to all city departments for their cooperation in providing the necessary information.

Sincerely,

A handwritten signature in cursive script that reads "Don Wesely".

Don Wesely
Mayor of Lincoln

(THIS PAGE LEFT BLANK INTENTIONALLY)



January 4, 2002

To The Honorable Mayor, Members Of The City Council, and Citizens Of The City Of Lincoln:

The Comprehensive Annual Financial Report (CAFR) of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2001, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our 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 results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities including all currently effective statements of the Governmental Accounting Standards Board have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit Sections.

- ◆ The Introductory Section, which is unaudited, contains a listing of the Officials of the City of Lincoln, an Organization Chart, a Table of Contents, a Letter of Transmittal from the Mayor, this Letter of Transmittal, and a reproduction of the City's Certificate of Achievement for Excellence in Financial Reporting for the year preceding the report.
- ◆ The Financial Section includes an Independent Auditors' Report, General Purpose Financial Statements (including Notes to the General Purpose Financial Statements), Combining, Individual Fund, and Account Group Statements and Schedules, and narrative explanations which can be used in understanding combining, individual fund, and account group statements and schedules.
- ◆ The Statistical Section, which is unaudited, presents comparative data for several periods of time or contains data from sources other than the accounting records. Statistical tables differ from financial statements because they usually cover more than two fiscal years and may present non-accounting data. Statistical tables reflect social and economic data, financial trends, and the fiscal capacity of the government.
- ◆ The Single Audit Section contains information related to the City's annual single audit, which is required under the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Included are a Supplementary Schedule of Expenditures of Federal Awards, Notes to Supplementary Schedule of Expenditures of Federal Awards, the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With *Government Auditing Standards*, the Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133, and a Schedule of Findings and Questioned Costs.

This report includes all funds and account groups of the City. Services are provided to residents in many areas, including public safety (police and fire), highways and streets, health, planning and zoning, parks, recreation, urban development, mass transportation, ambulance, electric utility, water utility, wastewater utility, sanitary landfill, golf courses, auditorium, 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,

StarTran, Parking Lots, Parking Facilities, Golf Courses and Pershing Municipal Auditorium are all part of administrative departments under the direction of the Mayor and are included as part of the primary government. Separately audited financial statements are available for LES, Lincoln Water System, Lincoln Wastewater System, Emergency Medical Services, the City's Sanitary Landfill, and the Community Health Endowment Trust.

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 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. The City has recorded its proportionate share of Commission assets and corresponding debt in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

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, the Lincoln metropolitan area population grew over 17% between 1990 and 2000, adding over 3,350 people to the community each year. The 1990 population of 213,641 reached 250,291 persons with the 2000 census, setting the County's annualized rate of population growth for the 1990's at 1.6 percent.

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 1.5 percent per year. As importantly, the City of Lincoln continues to absorb about 90% of all growth in Lancaster County.

Lincoln's unemployment at August 31, 2001 was 2.6%, well below the national average of 4.9%. Lincoln employment is strongest in the categories of government, services, and wholesale and retail trade.

Lincoln's construction activity has remained fairly stable over the past 5 years based on the number of permits issued. The total value of all forms of 2001 construction permits has risen approximately \$132 million over 1996 values.

Current net sales and use tax revenue increased 2% over the previous fiscal year.

Major Initiatives

The City anticipates approximately \$15 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 area, Havelock and University Place business areas, Focus area neighborhoods, and in low and moderate income areas throughout the City.

Financing will be provided by a variety of sources, including CDBG, HOME, EDI Special Project and Nebraska Affordable Housing Trust Fund grants, Tax Increment Financing, Advanced Land Acquisition funds, Special Assessments, and Street Construction funds. 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 projects include:

- ◆ Downtown Redevelopment Projects:
 - 1) The “O” Street streetscape improvements including the blocks between 16th and 17th Streets
 - 2) Sale and redevelopment of the Old Federal Building
 - 3) Development of MarketPlace Square, a downtown entertainment center
 - 4) National Research Corporation streetscape project at 13th & “Q” Streets
 - 5) Lincoln Building/Gold’s Galleria skywalk project
 - 6) Downtown I-180 entryway improvements
 - 7) 9th and “Q” Streets parking garage
 - 8) 12th and “M” Streets, Star Building streetscape project
 - 9) 12th Street, “N” to “Q” Streets streetscape project

- ◆ The North 27th Street Corridor redevelopment projects include:
 - 1) Development of a wrap-around community center
 - 2) Redevelopment of 27th Street, “S” to “T”
 - 3) Redevelopment of the “Old Broom Factory” site, “X” to “Y”
 - 4) Redevelopment of 27th Street north of the alley between “O” and “P” to “P”

- ◆ Numerous new and continuing housing programs:
 - 1) Continuation of First-time Homebuyer, Investor-Owner, and Owner-Occupied housing rehabilitation loan programs
 - 2) Participation in Elliott School District Revitalization Project with Nebraska Investment Finance Authority (NIFA)
 - 3) Continuation of Troubled Property program

- ◆ Housing Rehabilitation and Real Estate Division projects also include:
 - 1) Planning and negotiation for acquisition of park sites
 - 2) Acquisition and negotiation projects – Old Cheney Road - Hwy 2 to 70th Street; South 84th Street widening; Sheridan Boulevard roundabout; 84th Street water main; East “O” Street widening; Pioneers Boulevard widening, 70th to 84th Streets; Tierra Trails easements; relocation of tenants from 534 North 27th Street; special assessment and executive order projects; various projects in Public Works/Utilities 6-year program, and other Parks and Recreation projects city-wide. Title research of water transmission – Lincoln to Ashland.
 - 3) Acquisition and disposition of surplus properties including infill lots, tax sale lots, street and alley vacation, surplus park sites, surplus right-of-way and other miscellaneous properties.

- ◆ Focus Areas – Implementation of focus area public improvements. The focus areas are located in the Woods Park, Near South, Malone, Everett, Clinton, Downtown, North Bottoms, and South Salt Creek neighborhoods. Projects include South 15th Street Mall improvements and Vine Street revitalization.

- ◆ The Workforce Investment Act (WIA) is federal legislation which took effect on July 1, 2000. Under this legislation, Mayor Don Wesely is the designated Chief Elected Official and has appointed a 49 member Workforce Investment Board. This Board is constituted by law with a business majority. Other members represent community based organizations, education, economic development, organized labor, and program partner agencies. The Board and the Mayor have developed a local plan to implement WIA which has been approved by the State of Nebraska.

WIA will provide approximately 2 million dollars over the next three years to the workforce investment area of Lancaster and Saunders Counties. Gold’s Galleria, located in downtown Lincoln, is the site of the newly remodeled One Stop Career Center. Workforce Investment Act partners currently located in the One Stop are:

- City of Lincoln, Urban Development
- Adult Services
- Dislocated Worker Services
- Welfare To Work
- City of Lincoln, Aging
- Operation Able
- Nebraska Department of Labor
- Employment Service
- Veterans’ Outreach Services
- Disabled Veterans’ Outreach Services
- DESI, Inc.
- Job Corps
- Goodwill Industries (voluntary partner)
- Job Connection
- Nebraska Department of Education
- Vocational Rehabilitation Services

Partners providing services through technology are:

- Nebraska Department of Labor
- Unemployment Insurance

Partners providing services at the One Stop are:

- Southeast Community College English as a Second Language

Partners scheduled to locate in the One Stop in 2002 are:

- City of Lincoln, Urban Development
Economic Development
- Nebraska Department of Health and Human Services
Special Needs Unit and Family Services Intake
- Migrant and Seasonal Farm Worker
NAF Multicultural Human Development Corporation
- Native American Programs
Lincoln Indian Center

Partners not at the One Stop are:

- AARP
- Green Thumb of Nebraska
- Nebraska Commission for the Blind and Visually Impaired
- Client Assistance Program
- Lincoln Action Program

The City of Lincoln, Lower Platte South Natural Resources District and the University of Nebraska-Lincoln have jointly partnered with the Lincoln community to develop a set of strategies to strengthen the historical center of Nebraska's Capital City. The new stormwater, transportation and community revitalization strategies have been incorporated into the Antelope Valley Amended Draft Single Package and formally approved by all three of the sponsoring governmental entities. The Joint Antelope Valley Authority (JAVA) has also submitted an Environmental Impact Statement (EIS) proposing defined projects as the action that best satisfies the purposes and needs with the least adverse environmental impacts. The EIS was approved by a Record of Decision by the Federal Highway Administration on October 31, 2001.

When implemented the Antelope Valley Projects will provide significant benefits to the State of Nebraska. Recognizing these benefits, the State Legislature authorized and appropriated one million dollars each state fiscal year, for a period of 15 years, to the City of Lincoln to fund the various projects. The City is required to provide matching funds equal to the ratio of one dollar for each three dollars of the State distribution.

The Antelope Valley Projects include community revitalization strategies in the project area and the implementation of the Closer to Home Strategies, developed by neighborhood residents and the City's Urban Development Department, which includes street, alley, and curb improvements, housing rehabilitation, and neighborhood clean-ups. Additional community revitalization strategies will be further defined as part of the Redevelopment Plan process, and will include housing relocation, commercial development and strategies to further strengthen existing neighborhoods.

Other projects identified are the construction of the approximately 10.2 mile Antelope Valley Roadway, which includes an overpass over the mainline railway west of the Bob Devaney Center, an expanded 19th Street corridor, changing some streets from minor arterials to urban collectors and local streets, and reduction of the rail/vehicular/pedestrian conflicts at street crossings.

Also included is the implementation of the Antelope Valley flood control project by constructing a new, open channel to contain the waters of a designated "100-year" rainfall event. The new channel will be developed in a park-like atmosphere and a trail will be constructed along the length of the channel.

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$59,171,300 over the 6-year period of 2001-2002 through 2006-2007. Of that total approximately \$360,000 will be financed by developer contributions, approximately \$26,000,000 will be financed by revenue bonds, with the remaining \$32,811,300 to come from charges for services. The majority of these dollars are needed for nitrification and secondary treatment improvements at both the Theresa and

Northeast treatment plants, trunk sewer extensions, disinfection and aeration system improvements at both treatment facilities, and general replacement of sanitary sewer lines.

The Lincoln Water System is projecting a capital improvements program in the amount of \$45,247,000 over the 6-year period of 2001-2002 through 2006-2007. Of these dollars, approximately \$24,438,000 will be financed through revenue bonds, approximately \$213,000 will be financed through developer contributions, and the balance of \$20,596,000 will come from charges for services. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement wells, and additional storage reservoirs.

Internal Accounting Controls

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or dispositions, and the reliability of financial records for preparing financial statements in accordance with generally accepted accounting principles 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.

Several major internal controls within the Finance Department affect transactions from all City departments. The City Charter requires the City Controller to audit all departmental expenditures as to documentation, coding, etc., after they have been approved by the responsible department head. A monthly reconciliation is made between the City's accounting system and the Treasurer's Office. The Purchasing Ordinance requires that all purchase requisitions must include certification by the Director of the ordering department that money has been appropriated for that purpose. The City has a fixed asset system which includes monitoring acquisition and disposition of fixed assets. In addition to these major controls, there are numerous controls within the various departments. The above is not all-inclusive of the City's internal accounting controls, but serves to indicate that controls are adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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. This internal control structure is subject to periodic evaluation by management of the City.

As part of the City's Single Audit, tests were made of the City's internal control structure 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, 2001, disclosed no material internal control weaknesses.

Accounting System And Budgetary Control

The accounts of the City are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenses/expenditures. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. More information on descriptions of each fund and the accounting principles applied to each fund type is included in the Financial Section.

Budgetary control is maintained at the department level by the encumbrance of balances with purchase orders prior to payment to vendors. Purchase orders which result in an overrun of department balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at August 31, 2001. Except for certain Special Revenue (Advance Acquisition, Tax Sales Revolving, Property Tax Refunds, and Special Assessment), Debt Service (Special Assessment), and Capital

Projects Funds, budgets for Governmental Type Funds are adopted annually. Capital Project Funds are budgeted by project and appropriations are continuing appropriations through completion of the project. Enterprise, Internal Service and Pension Trust Fund budgets are adopted annually.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

General Governmental Functions

General governmental revenues (General, Special Revenue and Debt Service Funds) on a GAAP basis totaled \$164,437,881 in 2000-2001, an increase of 10.9% from 1999-2000. General property taxes produced 20.88% of General Governmental Revenues compared to 22.16% last year. The amount of revenues from various sources and the change from last year are shown in the following tabulation:

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1999-2000</u>	<u>Percent Of Increase (Decrease)</u>
Taxes And Special Assessment	\$ 89,503,325	54.5 %	\$ 2,671,753	3.1 %
Intergovernmental	48,369,359	29.4	12,899,455	36.4
Permits And Fees	9,405,081	5.7	(255,275)	(2.6)
Reimbursement For Services	2,061,899	1.3	243,622	13.4
Court Fees	233,395	0.1	55,723	31.4
Recreation Receipts	1,623,722	1.0	81,098	5.3
Investment Income	3,996,218	2.4	112,870	2.9
Other	9,244,882	5.6	402,060	4.5
	<u>\$ 164,437,881</u>	<u>100.0 %</u>	<u>\$ 16,211,306</u>	10.9 %

The increase in Intergovernmental Revenues is primarily the result of increased funding from the State of Nebraska Department of Roads and the Railroad Transportation Safety District for street and highway projects – most notably the Antelope Valley Redevelopment Area.

Assessed property valuations at market value for tax year 2000 total \$9,620,947,855.

As of August 31, 2001, current tax collections by the County Treasurer were 96.07% of the tax levy, a decrease of .76% from last year. Allocations of property tax levy by purpose for 2000-2001, and the preceding two fiscal years are as follows:

<u>City Tax Levy By Purpose</u>	<u>2000-2001</u>	<u>1999-2000</u>	<u>1998-1999</u>
General Fund	.18692	.18282	.20219
Library	.04673	.04614	.04599
Social Security	.01576	.01632	.01664
Police And Fire Pension	.01090	.01057	.01090
General Obligation Debt	<u>.06356</u>	<u>.06802</u>	<u>.04820</u>
	<u>.32387</u>	<u>.32387</u>	<u>.32392</u>

General governmental expenditures (General, Special Revenue and Debt Service Funds) on a GAAP basis of accounting totaled \$131,976,244 in 2000-2001, a net increase of 8.3% from 1999-2000. Increases and decreases in levels of expenditures by major functions of the City over the preceding year are shown in the following tabulation:

<u>Major Functions</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1999-2000</u>	<u>Percent Of Increase (Decrease)</u>
General Government	\$ 23,821,580	18.0 %	\$ 292,085	1.2 %
Public Safety	48,122,074	36.4	4,079,192	9.3
Streets And Highways	11,175,059	8.5	2,135,219	23.6
Culture And Recreation	14,500,939	11.0	836,322	6.1
Economic Opportunity	12,381,023	9.4	1,354,546	12.3
Health And Welfare	14,232,879	10.8	1,642,972	13.0
Debt Service	7,742,690	5.9	(181,605)	(2.3)
	<u>\$ 131,976,244</u>	<u>100.0 %</u>	<u>\$ 10,158,731</u>	8.3 %

The increase in expenditures for Streets and Highways in the current year is the result of severe winter weather conditions which required a significant increase in snow removal operations over the prior year.

As of August 31, 2001, general governmental fund balances (General, Special Revenue and Debt Service Funds) totaled approximately \$86.5 million, or 66% of current year general governmental expenditures.

Capital Projects Funds

Proceeds of general obligation bond issues are accounted for in Capital Projects funds until improvement projects are completed. Some capital improvement projects are accounted for in the general fixed asset account group upon completion. Since the City does not capitalize infrastructure items, such items are not included in the general fixed asset account group. Items which are purchased or constructed with Capital Projects funds and, upon completion or purchase, become part of the operation of an Internal Service fund or Enterprise fund, are recorded as Capital Contributions in those funds.

Parking Facilities

The City of Lincoln operates the 1,048 stall Center Park Parking Garage, which opened in November 1978, the 405 stall Cornhusker Square Parking Garage, which opened in December 1983, the 436 stall University Square Parking Garage, which opened in April 1990, the 598 stall Que Place Parking Garage, which opened in October 1994 and was expanded to 700 stalls in 2000, the 710 stall Carriage Park Parking Garage, which opened in February 1995, and the 430 stall Market Place Garage which opened in August 2000. The City's parking garages have been built to promote the downtown redevelopment efforts. They work with private industry in providing necessary parking to various businesses in the downtown area.

Revenue generated by the parking facilities and on-street parking meters, as well as unappropriated street construction funds, are pledged for debt service of the 1999 Parking Revenue and Refunding bonds. Comparative data for the past two fiscal years are presented in the following table:

	<u>2000-2001</u>	<u>1999-2000</u>
Operating Revenue	\$3,964,969	3,260,943
Operating Income Before Depreciation	1,837,619	1,867,306
On-Street Parking Meter Revenue	932,190	1,012,414
Revenue Available For Debt Service	2,769,809	2,879,720
Debt Service	1,696,538	1,696,538
Debt Service Coverage Ratio	1.63	1.70

On December 15, 2001 the City of Lincoln issued \$6,000,000 of Parking Revenue Bonds to provide funding for the construction and renovation of off-street parking facilities in the central business district of the City. These funds will primarily be used for construction of the 420 stall Haymarket Garage scheduled to open in September 2002.

Sanitary Landfill

The City of Lincoln owns and operates a solid waste disposal area and a construction and demolition disposal area which 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, 2001, the City estimates that it will incur costs approximating \$15.8 million to adhere to such requirements (see Note 19 to the General Purpose Financial Statements).

Water And Wastewater System

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

<u>Water System</u>	<u>2000-2001</u>	<u>1999-2000</u>
Operating Revenue	\$20,869,133	22,219,806
Operating Income	5,487,655	8,352,709
Revenue Available For Debt Service	11,326,824	14,011,810
Debt Service	4,995,075	5,001,515
Debt Service Coverage Ratio	2.27	2.80

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

<u>Wastewater System</u>	<u>2000-2001</u>	<u>1999-2000</u>
Operating Revenue	\$14,945,415	14,987,581
Operating Income	3,499,364	4,205,304
Revenue Available For Debt Service	8,576,287	9,034,450
Debt Service	1,317,472	1,323,597
Debt Service Coverage Ratio	6.51	6.83

Lincoln Electric System (LES)

The City owns and operates its own electric utility system which 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 2.55.090 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, 2000 is included in the City's August 31, 2001 financial statements.

Pension Trust Fund

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

Expendable Trust Funds, Non-Expendable Trust Funds And Agency Funds

Expendable and Non-Expendable Trust funds are used to account for resources received and held by the City as trustee and are to be expended in accordance with the conditions of the respective trusts.

Agency funds are used to account for assets held for other funds, governments, or other entities.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise and Internal Service funds. As of August 31, 2001, the general fixed assets totaled \$133,255,965, a net increase of \$19,745,310 over the prior year.

Debt And Cash Management

The amount of bonded debt per capita is a useful indicator of the City's debt position to municipal management, citizens, and investors. This data for the City of Lincoln at August 31, 2001, was as follows:

	<u>Outstanding Balance</u>	<u>Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt Per Capita</u>
General Obligation Bonds And Notes:				
General Bonds	\$48,794,000	3,977,262	44,816,738	198.67
MIRF Bonds	2,960,000	676,268	2,283,732	10.12
Tax Allocation Bonds And Notes	<u>2,244,000</u>	<u>2,942,887</u>	<u>(698,887)</u>	<u>(3.10)</u>
Total General Obligation Bonds And Notes	53,998,000	7,596,417	46,401,583	205.69
Special Assessment Bonds	<u>420,000</u>	<u>3,646,779</u>	<u>(3,226,779)</u>	<u>(14.30)</u>
	<u>\$54,418,000</u>	<u>11,243,196</u>	<u>43,174,804</u>	<u>191.39</u>

In addition to the general obligation bonded debt, the City recognizes a long-term liability for compensated absences of approximately \$1,604,000 and an obligation under capital leases of approximately \$1,868,000. Note 9 to the General Purpose Financial Statements presents more detailed information about the debt position of the City.

The City's General Obligation and Revenue Bonds continue to have excellent credit ratings. These ratings are as follows:

	<u>Moody's Investors Service</u>	<u>Standard And Poor's</u>	<u>Fitch Investors Service</u>
General Obligation Bonds	Aa1	AAA	
MIRF Bonds	Aa2	AAA	
Water Revenue	Aa2	AA+	
Parking Revenue	A2	A	
Electric Revenue:			
Electric Power Supply	Aa2	AA+	AA
Electric Distribution Facility	Aa2	AA	AA
Electric Revenue Bonds	Aa2	AA	AA
Commercial Paper Notes		A1+	F1+

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance, flow of monies through various restricted accounts, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages. The City is in compliance with all such significant limitations and restrictions on all the rated bonds illustrated above.

Cash temporarily idle during the year was invested in interest-bearing deposits or U.S. government securities. During the 2000-2001 fiscal year, 98.81% of available funds were invested in interest-bearing deposits or government securities. Note 4 to the General Purpose Financial Statements discloses the City's investment policies and the manner in which these investments are held. The average yield on investments was 5.73% and the amount of investment income was \$13,996,507.

Risk Management

The City's Risk Management Division is responsible for the administration of insurance and self-insurance loss control, wellness, benefits, claims administration and collections to control and finance the City's loss exposures. Responsibilities include researching insurance markets, preparing bid specifications and cost-effectively purchasing coverage; reviewing coverage; budgeting annual costs and maintaining actuarial soundness of self-insured claims funds; administering self-insured claims programs in a cost effective manner; and increasing City effectiveness in subrogation/collection recoveries, along with leading the City's safety/loss control and wellness efforts. The City has a high self-insured retention for workers' compensation, general liability, and employee long-term disability. The City also has some liability exposures related to public officials, property, law enforcement, and public transportation. These programs remain successful for the City. Since implementation, the self-insurance programs have provided the City considerable savings compared to fully insuring all loss exposures.

Independent Audit

The City Charter requires an annual audit to be made of all City funds and accounts by independent certified public accountants selected by the City Council. The Federal government, under the revised OMB Circular A-133, and the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996, requires local governments that expend \$300,000 or more in Federal funds in any fiscal year to have a financial and compliance audit performed. Through the efforts of the Finance Department staff and staff from the Urban Development and Police departments, the City was able to accommodate the Federal government's single audit requirements for grants.

Certificate Of Achievement

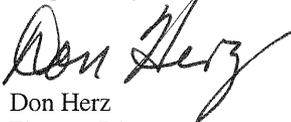
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2000. This was the eighteenth 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 generally accepted accounting principles 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,



Don Herz
Finance Director

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, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy A. Arue
President

Jeffrey L. Esser
Executive Director

(THIS PAGE LEFT BLANK INTENTIONALLY)

FINANCIAL SECTION



233 South 13th Street, Suite 1600
Lincoln, NE 68508-2041

Two Central Park Plaza
Suite 1501
Omaha, NE 68102

Independent Auditors' Report

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

We have audited the accompanying general purpose financial statements of the City of Lincoln, Nebraska, as of and for the year ended August 31, 2001, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City of Lincoln, Nebraska. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lincoln, Nebraska as of August 31, 2001, and the results of its operations, the changes in plan net assets of its pension trust fund, and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2002, on our consideration of the City of Lincoln, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We did not audit the data included in the introductory section or statistical section of this report and, accordingly, express no opinion thereon.



Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents which are also the responsibility of the management of the City of Lincoln, Nebraska, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of Lincoln, Nebraska. The accompanying schedule of expenditures of federal awards as listed in the table of contents is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The schedule of funding progress and employer contributions on page 32 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedule of funding progress and employer contributions certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedule.

KPMG LLP

January 4, 2002

CITY OF LINCOLN, NE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 AUGUST 31, 2001
 With Comparative Totals For August 31, 2000

Exhibit 1

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	2001	2000
ASSETS AND OTHER DEBITS											
Cash Held By City Treasurer	\$ 12,666,806	24,452,457	6,146,650	20,879,828	6,557,076	4,083,298	5,898,962			80,685,077	69,172,517
Cash On Hand And In Other Accounts	8,306	12,609		34	1,042,461	1,036	1,746,856			2,811,302	1,575,370
Investments	10,885,796	16,730,782	4,243,597	2,186,820	19,016,685	10,970,992	132,311,869			196,346,541	216,059,669
Investments Held By Investment Managers							42,044,452			42,044,452	38,682,528
Invested Securities Lending Collateral							10,525,085			10,525,085	12,531,585
Receivables	5,284,350	2,199,771	4,969,015	239,655	29,351,339	833,090	940,438			43,817,658	38,628,422
Due From Other Funds	3,133,556	413,716	19,162	2,573,286	25,929	466,447	684,525			7,316,621	7,733,803
Due From Other Governments	7,605,050	5,173,402	1,876	636,988	1,045,205	399,863	322			14,862,706	14,641,712
Inventories	302,682	216,320			7,384,642	395,116				8,298,760	7,816,388
Plant Operation Assets					3,564,000					3,564,000	3,274,000
Prepaid Items	867,232				702,880					1,570,112	1,427,031
Contractor Retainage							2,527,270			2,527,270	2,623,882
Unamortized Debt Issuance Expense					1,183,307					1,183,307	1,256,655
Deferred Charges And Other Assets					45,262,000					45,262,000	47,608,000
Restricted Assets:											
Cash Held By City Treasurer					9,614,128		146,222			9,760,350	14,169,986
Cash On Hand And In Other Accounts					2,615,572					2,615,572	181,324
Investments					86,128,879		280,000			86,408,879	83,644,712
Investments Held By Trustee							1,032,489			1,032,489	2,956,997
Accounts Receivable					6,400					6,400	
Accrued Interest Receivable					632,025		4,866			636,891	609,945
Due From Other Funds					4,737					4,737	11,881
Property, Plant, And Equipment (Net, Where Applicable, Of Accumulated Depreciation)					813,699,330	7,990,276		133,255,965		954,945,571	883,017,830
Amounts Available In Debt Service Funds									11,243,196	11,243,196	9,738,935
Amounts To Be Provided For Retirement Of General Long-Term Liabilities									46,646,365	46,646,365	52,109,565
Total Assets And Other Debits	40,753,778	49,199,057	15,380,300	26,516,611	1,027,836,595	25,140,118	198,143,356	133,255,965	57,889,561	1,574,115,341	1,509,472,737
LIABILITIES											
Warrants Payable				751,631	44,896	18,450	4,093,631			4,093,631	3,686,356
Vouchers Payable	3,028	260					63,602			881,867	114,714
Contracts Payable				2,090,893						2,090,893	2,805,433
Retainages Payable		6,892		1,096,024						1,102,916	585,714
Accounts Payable	553,296	501,607		433,045	18,600,369	385,525	28,617			20,502,459	13,555,991
Accrued Liabilities	2,137,789	1,180,221			8,551,508	357,553	46,137			12,273,208	11,258,618
Accrued Compensated Absences	2,843,557	1,001,905			1,147,729	563,847	7,839		1,604,115	7,168,992	5,803,237
Due To Other Governments	626,514	539,110		18,248	74,660	11,709	505,851			1,776,092	996,413
Due To Other Funds	461,075	3,026,567	304,602	548,887	1,837,858	317,101	825,268			7,321,358	7,745,684
Unearned Revenue		140,811			3,025,856	363,769				3,530,436	2,886,318
Notes Payable										9,915	
Other					5,022,000					5,022,000	5,550,000
Arbitrage Rebate				155,576						155,576	30,730
Deferred Revenue	1,284,145	348,286	3,728,252							5,437,893	5,283,898
Claims						4,762,334				4,762,334	3,818,302
Bond Principal Payable			65,000							65,000	65,000
Bond Interest Payable			39,250							39,250	39,250

(Continued)

(Exhibit I, Continued)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	2001	2000
(LIABILITIES, Continued)											
Payable From Restricted Assets:											
Claims							34,500			34,500	26,283
Construction Contracts					1,444,795					1,444,795	2,639,071
Vouchers Payable					8,496					8,496	
Accounts Payable					161,237					161,237	84,953
Arbitrage Rebate					43,942					43,942	
Accrued Interest					5,390,745					5,390,745	5,248,807
Long-Term Debt					16,467,389					16,467,389	15,767,389
Due To Contractors							2,929,373			2,929,373	2,951,045
Due To Lincoln Joint Venture							1,456,274			1,456,274	1,224,389
Due To Bondholders							12,372			12,372	
Special Assessment Debt With Governmental Commitment								420,000		420,000	690,000
General Obligation Bonds Payable								48,794,351		48,794,351	52,847,336
MIRF Bonds Payable								2,960,000		2,960,000	3,200,000
Long-Term Debt					325,422,566					325,422,566	341,889,955
Commercial Paper Notes Payable					65,000,000					65,000,000	25,000,000
Tax Allocation Bonds								2,243,342		2,243,342	2,066,885
Landfill Closure/Postclosure Accrual					5,757,000					5,757,000	6,988,000
Deferred Credits And Other					276,000					276,000	80,000
Obligations Under Securities Lending							10,525,085			10,525,085	12,531,585
Accrued Interest					2,054					2,054	
Obligations Under Capital Leases					1,326,616				1,867,753	3,194,369	1,895,745
Total Liabilities	7,909,404	6,745,659	4,137,104	5,094,304	459,605,716	6,780,288	20,605,759	57,889,561	568,767,795	568,767,795	539,379,388
EQUITY AND OTHER CREDITS											
Contributed Capital					78,205,423	354,998				78,560,421	81,188,621
Investment In General Fixed Assets								133,255,965		133,255,965	113,510,655
Retained Earnings:											
Reserved For:											
Debt Service					27,651,218					27,651,218	35,816,493
Improvements					21,029,468					21,029,468	15,340,054
Restricted Funds					26,839,340					26,839,340	23,329,896
Landfill Closure/Postclosure					4,570,000					4,570,000	5,901,000
Unreserved					409,935,430	18,004,832				427,940,262	402,368,507
Fund Balances:											
Reserved For:											
Encumbrances	709,600	4,907,142		4,849,045			31,843			10,497,630	19,142,015
Inventories	302,682	216,320								519,002	507,418
Prepaid Items	867,232									867,232	838,060
Debt Service			7,596,417							7,596,417	7,432,372
Employee Retirement							132,429,305			132,429,305	130,159,854
Trust Donations							1,171,081			1,171,081	1,157,802
Health Care							42,565,855			42,565,855	40,029,203
Claims							1,339,513			1,339,513	3,272,095
Unreserved:											
Designated For Debt Service	380,648		3,646,779							4,027,427	2,306,563
Designated For Subsequent Years' Expenditures	5,106,672	5,858,496								10,965,168	5,917,888
Undesignated	25,477,540	31,471,440		16,573,262						73,522,242	81,874,853
Total Retained Earnings/Fund Balances	32,844,374	42,453,398	11,243,196	21,422,307	490,025,456	18,004,832	177,537,597			793,531,160	775,394,073
Total Equity And Other Credits	32,844,374	42,453,398	11,243,196	21,422,307	568,230,879	18,359,830	177,537,597	133,255,965		1,005,347,546	970,093,349
Total Liabilities, Equity And Other Credits	\$ 40,753,778	\$ 49,199,057	\$ 15,380,300	\$ 26,516,611	\$ 1,027,836,595	\$ 25,140,118	\$ 198,143,356	\$ 133,255,965	\$ 57,889,561	\$ 1,574,115,341	\$ 1,509,472,737

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Totals For Fiscal Year Ended August 31, 2000

Exhibit 2

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	2001	2000
	Revenues:						
Taxes And Special Assessment	\$ 73,977,480	6,902,265	8,623,580	6,598,928		96,102,253	93,327,560
Intergovernmental	5,196,753	42,521,778	650,828	249,958		48,619,317	36,402,540
Permits And Fees	2,245,799	7,159,282				9,405,081	9,660,356
Reimbursement For Services	1,379,451	682,448				2,061,899	1,818,277
Court Fees	233,395					233,395	177,672
Recreation Receipts	1,551,807	71,915				1,623,722	1,542,624
Investment Income	1,456,911	1,973,000	566,307	1,816,375	76,367	5,888,960	6,048,111
Donations	543,197	62,141		991,897	352,516	1,949,751	2,620,512
Keno Proceeds		3,039,664				3,039,664	2,870,743
Miscellaneous	1,920,067	3,629,813	50,000	339,353	71,051	6,010,284	7,514,376
Total Revenues	88,504,860	66,042,306	9,890,715	9,996,511	499,934	174,934,326	161,982,771
Expenditures:							
Current:							
General Government	20,415,785	3,405,795				23,821,580	23,529,495
Public Safety	40,588,424	7,533,650				48,122,074	44,042,882
Streets And Highways	4,712,678	6,462,381				11,175,059	9,039,840
Culture And Recreation	8,807,139	5,693,800			305,821	14,806,760	13,958,414
Economic Opportunity	214,919	12,166,104			178,313	12,559,336	11,204,029
Health And Welfare	229,249	14,003,630				14,232,879	12,589,907
Debt Service:							
Principal Retirement			4,966,405			4,966,405	5,125,296
Interest And Fiscal Charges			2,765,418			2,765,418	2,781,777
Miscellaneous			10,867			10,867	17,222
Capital Outlay				48,371,432		48,371,432	35,820,347
Total Expenditures	74,968,194	49,265,360	7,742,690	48,371,432	484,134	180,831,810	158,109,209
Excess (Deficiency) Of Revenues Over Expenditures	13,536,666	16,776,946	2,148,025	(38,374,921)	15,800	(5,897,484)	3,873,562
Other Financing Sources (Uses):							
Operating Transfers In	422,771	9,317,645	689,058	35,170,141		45,599,615	40,689,841
Operating Transfers Out	(15,581,043)	(22,739,852)	(699,509)	(11,450,605)		(50,471,009)	(47,613,048)
Proceeds From Issuance Of Debt		190,000	385,794	814,207		1,390,001	3,431,579
Transfer To Bond Refunding Agent			(631,895)			(631,895)	
Total Other Financing Sources (Uses)	(15,158,272)	(13,232,207)	(256,552)	24,533,743		(4,113,288)	(3,491,628)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(1,621,606)	3,544,739	1,891,473	(13,841,178)	15,800	(10,010,772)	381,934
Fund Balances Beginning Of Year	34,465,980	38,521,447	9,738,935	35,263,485	1,187,124	119,176,971	118,795,037
Residual Equity Transfers In		387,212				387,212	3,132,470
Residual Equity Transfers Out			(387,212)			(387,212)	(3,132,470)
Fund Balances End Of Year	\$ 32,844,374	42,453,398	11,243,196	21,422,307	1,202,924	109,166,199	119,176,971

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES -- BUDGET AND ACTUAL -- GENERAL, SPECIAL REVENUE,
 AND DEBT SERVICE FUNDS (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 2001

Exhibit 3

	General Fund			Special Revenue Funds			Debt Service Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:												
Taxes	\$ 73,132,235	72,513,177	(619,058)	6,400,166	6,640,584	240,418	5,862,317	6,639,813	777,496	85,394,718	85,793,574	398,856
Intergovernmental	4,414,990	5,349,492	934,502	32,048,085	42,812,945	10,764,860	645,300	650,828	5,528	37,108,375	48,813,265	11,704,890
Permits And Fees	2,740,692	2,236,381	(504,311)	7,316,834	6,953,752	(363,082)				10,057,526	9,190,133	(867,393)
Reimbursement For Services	1,356,535	1,429,721	73,186	610,825	640,973	30,148				1,967,360	2,070,694	103,334
Court Fees	388,200	232,828	(155,372)							388,200	232,828	(155,372)
Recreation Receipts	1,662,537	1,552,323	(110,214)	85,000	71,689	(13,311)				1,747,537	1,624,012	(123,525)
Investment Income	1,107,093	1,308,995	201,902	1,003,085	1,888,416	885,331	150,000	318,686	168,686	2,260,178	3,516,097	1,255,919
Donations	449,191	451,191	2,000	60,183	54,788	(5,395)				509,374	505,979	(3,395)
Keno Proceeds				5,015,125	3,030,780	(1,984,345)				5,015,125	3,030,780	(1,984,345)
Miscellaneous	1,694,140	1,848,788	154,648	1,212,983	2,840,198	1,627,215		50,000	50,000	2,907,123	4,738,986	1,831,863
Total Revenues	86,945,613	86,922,896	(22,717)	53,752,286	64,934,125	11,181,839	6,657,617	7,659,327	1,001,710	147,355,516	159,516,348	12,160,832
Expenditures:												
Current:												
General Government	23,056,262	20,509,497	2,546,765	2,933,771	2,894,110	39,661				25,990,033	23,403,607	2,586,426
Public Safety	41,060,509	39,503,999	1,556,510	7,853,255	7,474,233	379,022				48,913,764	46,978,232	1,935,532
Streets And Highways	5,076,527	4,683,476	393,051	6,000,453	6,420,546	(420,093)				11,076,980	11,104,022	(27,042)
Culture And Recreation	9,020,633	8,745,055	275,578	5,889,481	5,606,913	282,568				14,910,114	14,351,968	558,146
Economic Opportunity	219,560	219,560		14,985,667	12,014,660	2,971,007				15,205,227	12,234,220	2,971,007
Health And Welfare	223,369	223,369		13,670,445	13,489,774	180,671				13,893,814	13,713,143	180,671
Debt Service							7,138,477	7,433,827	(295,350)	7,138,477	7,433,827	(295,350)
Total Expenditures	78,656,860	73,884,956	4,771,904	51,333,072	47,900,236	3,432,836	7,138,477	7,433,827	(295,350)	137,128,409	129,219,019	7,909,390
Excess (Deficiency) Of Revenues Over Expenditures	8,288,753	13,037,940	4,749,187	2,419,214	17,033,889	14,614,675	(480,860)	225,500	706,360	10,227,107	30,297,329	20,070,222
Other Financing Sources (Uses):												
Operating Transfers In	279,220	421,949	142,729	9,309,586	9,317,645	8,059	689,058	689,058		10,277,864	10,428,652	150,788
Operating Transfers Out	(18,434,692)	(15,595,417)	2,839,275	(17,890,245)	(15,542,647)	2,347,598	(699,509)	(699,509)		(37,024,446)	(31,837,573)	5,186,873
Refunding Bond Proceeds							385,794	385,794		385,794	385,794	
Transfer To Bond Refunding Agent							(631,895)	(631,895)		(631,895)	(631,895)	
Proceeds From Issuance Of Debt				190,000	190,000					190,000	190,000	
Total Other Financing Sources (Uses)	(18,155,472)	(15,173,468)	2,982,004	(8,390,659)	(6,035,002)	2,355,657	(256,552)	(256,552)		(26,802,683)	(21,465,022)	5,337,661
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(9,866,719)	(2,135,528)	7,731,191	(5,971,445)	10,998,887	16,970,332	(737,412)	(31,052)	706,360	(16,575,576)	8,832,307	25,407,883
Fund Balances Beginning Of Year As Restated	29,829,846	29,829,846		43,343,802	43,343,802		7,181,519	7,181,519		80,355,167	80,355,167	
Fund Balances End Of Year	\$ 19,963,127	27,694,318	7,731,191	37,372,357	54,342,689	16,970,332	6,444,107	7,150,467	706,360	63,779,591	89,187,474	25,407,883

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS/ FUND BALANCES -- ALL PROPRIETARY FUND TYPES
 AND SIMILAR TRUST FUNDS
 FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Totals For Fiscal Year Ended August 31, 2000

Exhibit 4

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2001	2000
Operating Revenues:					
Charges For Services	\$ 194,886,996	21,463,663		216,350,659	206,363,775
Investment Income			2,116,067	2,116,067	2,880,831
Other Operating Revenues	13,964,240		117,586	14,081,826	14,229,624
Total Operating Revenues	208,851,236	21,463,663	2,233,653	232,548,552	223,474,230
Operating Expenses:					
Personal Services	10,057,098	9,136,717	128,956	19,322,771	16,002,106
Contractual Services	2,346,457			2,346,457	3,118,491
Grants			1,276,915	1,276,915	538,001
Operation And Maintenance	31,604,954	12,066,266	223,712	43,894,932	40,542,562
Purchased Power	85,625,000			85,625,000	73,331,000
Depreciation	28,976,069	1,931,446		30,907,515	28,704,631
Payments In Lieu Of Taxes	6,688,000			6,688,000	6,307,000
Administrative Costs	17,984,272			17,984,272	15,333,009
Total Operating Expenses	183,281,850	23,134,429	1,629,583	208,045,862	183,876,800
Operating Income (Loss)	25,569,386	(1,670,766)	604,070	24,502,690	39,597,430
Non-Operating Revenues (Expenses):					
Investment Income	7,207,760	899,787		8,107,547	8,255,542
Gain (Loss) On Disposal Of Assets	4,007			4,007	(132,286)
Operating Grants	2,089,186			2,089,186	1,006,279
Amortization Of Deferred Charges	(3,962,537)			(3,962,537)	(3,375,909)
Interest Expense And Fiscal Charges	(18,184,250)			(18,184,250)	(18,301,751)
Miscellaneous		52,081		52,081	216,379
Total Non-Operating Revenues (Expenses)	(12,845,834)	951,868		(11,893,966)	(12,331,746)
Income (Loss) Before Contributions And Transfers	12,723,552	(718,898)	604,070	12,608,724	27,265,684
Capital Contributions	4,690,392	1,080,698		5,771,090	7,353,060
Transfers:					
Operating Transfers In	5,262,600	108,687		5,371,287	7,247,772
Operating Transfers Out	(293,720)	(206,173)		(499,893)	(324,565)
Total Transfers	4,968,880	(97,486)		4,871,394	6,923,207
Net Income	22,382,824	264,314	604,070	23,251,208	41,541,951
Depreciation Transfer On Contributed Capital	2,545,209	81,991		2,627,200	2,649,805
Increase In Retained Earnings/Fund Balances	24,928,033	346,305	604,070	25,878,408	44,191,756
Retained Earnings/Fund Balances Beginning Of Year	465,097,423	17,658,527	43,301,298	526,057,248	481,865,492
Retained Earnings/Fund Balances End Of Year	\$ 490,025,456	18,004,832	43,905,368	551,935,656	526,057,248

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUND
 FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Amounts For Fiscal Year Ended August 31, 2000

Exhibit 5

	(Memorandum Only)	
	2001	2000
Additions:		
Contributions:		
Employer	\$ 1,156,379	957,524
Employee	1,508,511	1,333,052
Total Contributions	2,664,890	2,290,576
Investment Income:		
Net Appreciation In Fair Value Of Investments	5,087,159	11,316,835
Total Additions	7,752,049	13,607,411
Deductions:		
Benefit Payments	4,074,057	3,920,162
Refunds Of Contributions	1,187,952	1,059,473
Administrative Costs	220,589	83,043
Total Deductions	5,482,598	5,062,678
Net Increase	2,269,451	8,544,733
Net Assets Held In Trust For Pension Benefits Beginning Of Year	130,159,854	121,615,121
Net Assets Held In Trust For Pension Benefits End Of Year	\$ 132,429,305	130,159,854

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 AND NON-EXPENDABLE TRUST FUND
 FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Totals For Fiscal Year Ended August 31, 2000

Exhibit 6

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2001	2000
Cash Flows From Operating Activities:					
Receipts From Customers And Users	\$ 216,935,123	22,005,419		238,940,542	229,563,332
Payments To Suppliers For Goods And Services	(122,653,508)	(10,978,019)	(171,881)	(133,803,408)	(134,114,730)
Payments To Employees	(34,171,789)	(9,039,080)	(123,505)	(43,334,374)	(38,848,560)
Payments For Claims			(45,777)	(45,777)	(290,619)
Payments To Grantees			(1,173,208)	(1,173,208)	(538,001)
Payments In Lieu Of Taxes	(6,297,000)			(6,297,000)	(6,358,000)
Other Receipts	287,712		117,586	405,298	419,973
Net Cash Provided (Used) By Operating Activities	54,100,538	1,988,320	(1,396,785)	54,692,073	49,833,395
Cash Flows From Non-Capital Financing Activities:					
Operating Grants	98,750			98,750	1,006,279
City Subsidy	5,191,974			5,191,974	4,723,443
Transfers From Other Funds		108,687		108,687	25,000
Transfers To Other Funds	(293,720)	(206,173)		(499,893)	(324,565)
Advance From General Fund	1,482,956	181,334		1,664,290	769,502
Payment To General Fund		(769,502)		(769,502)	(191,673)
Miscellaneous	5	5	3,000	3,010	
Net Cash Provided (Used) By Non-Capital Financing Activities	6,479,965	(685,649)	3,000	5,797,316	6,007,986
Cash Flows From Capital Financing Activities:					
Additions To Property, Plant, And Equipment	(74,976,212)	(1,786,720)		(76,762,932)	(68,248,825)
Proceeds From Sale Of Property, Plant, And Equipment	119,919	147,457		267,376	437,458
Proceeds From Commercial Paper Notes	40,000,000			40,000,000	10,000,000
Proceeds From Certificates Of Participation	1,200,000			1,200,000	
Bond Proceeds					15,385,000
Debt Issuance Costs	(16,317)			(16,317)	(250,568)
Net Cost Of Retiring Plant	(379,000)			(379,000)	(325,000)
Capital Construction Transfer In	1,376,454			1,376,454	3,546,338
Principal Payments Of Capital Lease	(13,893)			(13,893)	(12,888)
Principal Payments And Extinguishment Of Long-Term Debt	(15,767,389)			(15,767,389)	(25,824,458)
Interest Paid And Fiscal Charges	(18,647,095)			(18,647,095)	(18,501,158)
Net Cash Used By Capital Financing Activities	(67,103,533)	(1,639,263)		(68,742,796)	(83,794,101)
Cash Flows From Investing Activities:					
Proceeds From Sale And Maturities Of Investments	298,757,553	11,255,576	130,584,761	440,597,890	463,201,849
Purchases Of Investments	(301,359,226)	(11,992,357)	(132,498,498)	(445,850,081)	(448,708,094)
Interest And Other Receipts	7,170,044	884,737	3,719,446	11,774,227	11,196,694
Net Cash Provided By Investing Activities	4,568,371	147,956	1,805,709	6,522,036	25,690,449
Net Increase (Decrease) In Cash	(1,954,659)	(188,636)	411,924	(1,731,371)	(2,262,271)
Cash Beginning Of Year	21,783,896	4,272,970	268,425	26,325,291	28,587,562
Cash End Of Year	\$ 19,829,237	4,084,334	680,349	24,593,920	26,325,291

(Continued)

(Exhibit 6, Continued)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Non-Expendable	(Memorandum Only)	
			Trust	2001	2000
Reconciliation Of Operating Income To Net Cash From Operating Activities:					
Operating Income (Loss)	\$ 25,569,386	(1,670,766)	604,070	24,502,690	39,597,430
Adjustments To Reconcile Operating Income (Loss)					
To Net Cash Provided (Used) By Operating Activities:					
Depreciation	28,976,069	1,931,446		30,907,515	28,704,631
Investment Income			(2,116,067)	(2,116,067)	(2,880,831)
Changes In Assets And Liabilities:					
Accounts Receivable And Unbilled Revenues	(3,356,436)	211,209		(3,145,227)	(4,693,839)
Due From Other Funds	(1,689)	53,525		51,836	154,458
Due From Other Governments	9,237	(79,578)		(70,341)	94,842
Inventories	(484,524)	13,736		(470,788)	(418,772)
Plant Operation Assets	(290,000)			(290,000)	479,000
Prepaid Expenses	(113,909)			(113,909)	96,686
Other Assets	(1,553,000)			(1,553,000)	621,000
Vouchers Payable	53,392	17,015		70,407	(352,471)
Accounts Payable	5,899,921	93,743	9,346	6,003,010	(6,815,699)
Accrued Liabilities	474,676	49,747	5,393	529,816	219,478
Accrued Compensated Absences	92,234	42,882		135,116	61,535
Due To Other Governments	(2,119)	3,496		1,377	3,606
Due To Other Funds	89,125	21,233	92,256	202,614	(67,494)
Unearned Revenue	301,175	356,600		657,775	266,445
Other Current Liabilities	(528,000)			(528,000)	(624,000)
Landfill Closure/Postclosure Accrual	(1,231,000)			(1,231,000)	599,000
Deferred Credits And Other Liabilities	196,000			196,000	(5,400,000)
Claims Payable		944,032	8,217	952,249	188,390
Total Adjustments	28,531,152	3,659,086	(2,000,855)	30,189,383	10,235,965
Net Cash Provided (Used) By Operating Activities	\$ 54,100,538	1,988,320	(1,396,785)	54,692,073	49,833,395
Supplemental Disclosure Of Noncash Investing And Financing Activities:					
Contribution Of Capital Assets	\$ 4,313,075	1,080,698		5,393,773	7,158,800
Change In Fair Value Of Investments	15,358	27,416	(1,669,641)	(1,626,867)	646,761
Reconciliation To Combined Balance Sheet:					
Cash Held By City Treasurer	\$ 6,557,076	4,083,298	5,898,962		
Cash On Hand And In Other Accounts	1,042,461	1,036	1,746,856		
Restricted Assets:					
Cash	9,614,128		146,222		
Cash On Hand And In Other Accounts	2,615,572				
Less:					
Cash End Of Year Pension Trust Fund			(1,351,302)		
Cash End Of Year Expendable Trust Funds			(701,728)		
Cash End Of Year Agency Funds			(5,058,661)		
	\$ 19,829,237	4,084,334	680,349		

See Accompanying Notes To General Purpose Financial Statements

(THIS PAGE LEFT BLANK INTENTIONALLY)

**NOTES TO GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements
August 31, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lincoln, Nebraska (City) was incorporated on April 7, 1869. 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 7 members. Three Council members are elected at large and 4 by district on a nonpartisan basis for a term of 4 years. The administration of City government is performed under the direction of the Mayor through administrative departments. Services are provided to residents in many areas, including public safety (police and fire), highways and streets, health, planning and zoning, parks, recreation, urban development, mass transportation, electric system, water and wastewater systems, ambulance transport, sanitary landfill, golf courses, auditorium, and general administrative services.

REPORTING ENTITY

The City of Lincoln's general purpose financial statements present all the fund types and account groups of the City. Based upon the financial accountability criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, none of the City's significant potential component units are required to be included as part of the reporting entity. 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.

The following is a summary of the more significant accounting policies:

FISCAL YEAR-END

All fund types and account groups of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 2001, with memorandum totals as of and for the year ended August 31, 2000. December 31st is the fiscal year-end of LES as established by the City Charter, and the last separate audit was as of and for the year ended December 31, 2000. The amounts included in the City's August 31, 2001 financial statements for LES are audited figures as of and for the year ended December 31, 2000. The 2000 memorandum totals include the December 31, 1999 audited financial statements of LES.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenses/expenditures. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

Governmental funds are those through which most general governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental fund types are presented using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance is a measure of available spendable resources. The following are the City's governmental fund types:

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

- General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based on the flow of economic resources which emphasizes the determination of net income. The City applies all applicable GASB pronouncements as well as FASB, APB, and ARB pronouncements issued on or before November 30, 1989 (unless such pronouncements conflict with or contradict related GASB pronouncements) in accounting and reporting for its proprietary funds. The utility funds (Lincoln Wastewater, Lincoln Water, and Lincoln Electric Systems) have elected to apply all FASB pronouncements issued subsequent to this date that do not conflict with GASB statements and interpretations. The following are the City's proprietary fund types:

- Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises: (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

- Trust And Agency Funds - Trust and Agency Funds include pension trust, expendable trust, non-expendable trust, and agency funds. Pension and non-expendable trust funds are accounted for essentially in the same manner as proprietary funds. Expendable trust funds are accounted for and reported essentially in the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term liabilities. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations. The following are the City's account groups:

- General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds and trust funds.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

- General Long-Term Liability Account Group - This account group is established to account for all long-term liabilities of the City except those accounted for in the proprietary funds and trust funds.

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and traffic light systems are not accounted for with general fixed assets. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. No depreciation has been provided for on general fixed assets nor has interest been capitalized. All general fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables generally is deferred until they become current receivables.

Special reporting treatments are also applied to governmental fund inventories and prepaid expenses to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are offset by a fund balance reserve account.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Liability Account Group.

Proprietary funds, pension trust funds, and nonexpendable trust funds, accounted for on the flow of economic resources measurement focus, include all assets and liabilities (whether current or concurrent) associated with their activity on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Property, plant, and equipment owned by the proprietary funds is stated at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair value at the time received. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	10 - 50 years
Improvements	5 - 40 years
Equipment	2 - 20 years
Utility Plant	30 - 40 years

In proprietary funds, grants, entitlements, or shared revenues received for operations and/or for either operations, capital acquisitions, or construction are reported as "non-operating" revenues. Such resources externally restricted for capital acquisitions or construction are reported as capital contributions. Operating expenses include depreciation on all depreciable fixed assets. Depreciation recognized on assets acquired or constructed prior to fiscal year 2000 through such resources externally restricted for capital acquisitions is transferred to the appropriate contributed capital account and reported in the operating statement. The net income (loss) is adjusted by the amount of depreciation on fixed assets acquired or constructed prior to 2000 through such resources externally restricted for this purpose and closed to Retained Earnings. Contributed capital at August 31, 2001 is net of accumulated depreciation.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

BASIS OF ACCOUNTING

Governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Revenues are recorded when they become both measurable and available. Major revenues that are determined to be susceptible to accrual include sales tax, highway user fees, interdepartmental charges, grants-in-aid, earned interest, rentals, and other intergovernmental revenues. Major revenues not susceptible to accrual because they are either not available soon enough to pay liabilities from the current period or are not measurable include sundry taxes and in lieu of tax payments, permits and fees, parking meter collections and motor vehicle taxes. Revenues which are measurable but not considered available are recorded as deferred revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured interest and principal on general long-term obligations which is recorded when due.

In applying the measurable and available concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For one type, monies must be expended on the specific purposes or project before any amounts will be paid to the City; therefore, revenues are recorded based upon expenditures incurred. For the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

Special assessments are recorded as revenues in the year the assessments become current; those amounts receivable after one year are recorded as deferred revenue. Annual installments not yet due are reflected as special assessment receivables and deferred revenues.

The accrual basis of accounting is used by proprietary funds, pension trust funds, and non-expendable trust funds. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Police and Fire Pension Plan recognizes plan member contributions in the period in which they are due. Employer contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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 end of the budget and fiscal year, the Mayor submits to the City Council a proposed annual budget for the ensuing year. The annual budget is a complete financial plan for the ensuing budget year 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 fiscal year, 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. The Mayor also has authority to lower appropriations in any fund where actual revenues are less than that appropriated, in order to avoid incurring a budget deficit for the year.

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 annual 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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

- 5) Budgets for all funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Since encumbrances are included in the City's budget accounting, year-end encumbrances are reappropriated to the next year in the budget process. Budget basis expenditures are presented on a cash basis.

In prior years, encumbrances were included with budget basis actual expenditures rather than brought forward to the subsequent year's budgeted amounts. As a result, Fund Balance Beginning Of Year has been restated in the appropriate General Fund and Special Revenue Funds budget basis statements to reflect this change in budget basis reporting.

Amendments to the adopted budget were made this year and result 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 revision 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 fiscal year except for 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, enterprise, internal service, pension and non-expendable trusts. Legally adopted annual budgets are not established for certain special revenue (Advance Acquisition, Tax Sales Revolving, Property Tax Refunds, and Special Assessment), debt service (Special Assessment), and expendable trust and agency funds. In addition, capital project funds are not budgeted on an annual basis, but rather a project basis. As a result, budget to actual comparisons have not been presented for these funds.

ENCUMBRANCES

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are reported as reservations of fund balances, since they do not constitute liabilities. As explained in the budget footnote above, August 31, 2000 encumbrances have been reported with the Budget amounts for 2001 on the budget basis statements.

CASH HELD BY CITY TREASURER

Cash held by the City Treasurer includes the available cash funds that have been invested in short-term interest bearing securities. These investments are not specifically identified with any one fund. Interest on fund investments is allocated to the individual funds on the basis of average cash balances.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows of its proprietary funds, the City considers cash on hand and in the bank as well as cash held and invested by the City Treasurer on behalf of the funds, which is readily convertible to known amounts of cash, to be cash and cash equivalents.

Cash and Cash Equivalents, as reported in the Statements of Cash Flows, includes Cash held by City Treasurer, Cash on hand and in other accounts, Restricted cash, and Restricted cash on hand and in other accounts.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

INVESTMENTS

Investments are carried at fair value. Short-term investments 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.

In accordance with authorized investment laws, the Pension Trust Fund of the City is allowed to invest in various mortgage-backed securities, such as collateralized mortgage obligations. They are reported in aggregate as mortgage-backed securities in the disclosure of custodial credit risk (see Note 4).

INVENTORIES

Inventories are valued at cost (first-in, first-out). Inventories in the governmental type funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

RESTRICTED ASSETS

Certain proceeds of the enterprise funds revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Assets included in the Bond Principal and Interest Account and the Bond Reserve Account are restricted for the payment of bond principal and interest. Assets included in the Surplus Account and the Depreciation and Replacement Account are restricted for purposes including improvements, repairs and replacements, acquisition of equipment and the payment of bond principal and interest. Assets included in the Construction Account are restricted for paying the cost of the capital projects.

Certain assets of the Golf enterprise fund are classified as restricted assets to be used for capital improvements.

Certain assets of the Community Health Endowment trust fund are classified as restricted assets to provide for all reimbursable claims pursuant to the terms of the Lincoln General Hospital sale agreement. Additional assets are restricted because their use is restricted by donors for specific purposes.

A recap of restrictions and related balances at August 31, 2001 are as follows:

Fund Account	Golf	Parking Facilities	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Community Health Endowment	Totals
Principal and Interest	\$	52,769	1,305	809,375	8,562,000		9,425,449
Reserve	465,500	1,563,500	1,413,005	5,239,776	15,132,000		23,813,781
Surplus		1,263,297	15,778,252	6,247,185			23,288,734
Depreciation and Replacement	151,278	609,090					760,368
Construction		10,596	12,945,118	8,509,667	9,040,000		30,505,381
Loan Payments			275,365				275,365
Claims						1,374,013	1,374,013
Rate Stabilization					10,000,000		10,000,000
Decommissioning					243,000		243,000
Arbitrage Rebate				111,704			111,704
Capital Improvements	510,109						510,109
Donor Specific Purpose						89,564	89,564
Customer Deposits				67,850			67,850
	\$	<u>1,126,887</u>	<u>3,499,252</u>	<u>30,413,045</u>	<u>20,985,557</u>	<u>1,463,577</u>	<u>100,465,318</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

VACATION AND SICK LEAVE

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 30 days.

Employees earn sick leave at the rate of one day per month with a total accumulation of 200-240 days, or unlimited accumulation, depending upon the employees' bargaining unit. Upon retirement, an employee is reimbursed for one-fourth or one-half of accumulated sick leave, with maximums ranging from 60 to 100 days to no maximum, depending on the employees' bargaining unit. In some cases payment may be placed directly in a medical spending account rather than reimbursing the employee directly. Police union employees who leave the City service in good standing after giving two weeks notice of termination of employment are compensated for one-fourth of accumulated sick leave to the date of separation. 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. 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.

In the governmental and similar trust funds, compensated absences expected to be liquidated with expendable available financial resources are recorded as a fund liability with the remainder being recorded in the general long-term liability account group. The proprietary and similar trust funds recognize the entire compensated absence balance as a fund liability.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

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 during the reporting period. Actual results could differ from those estimates.

TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the General Purpose Financial Statements are captioned Memorandum Only to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CAPITALIZATION OF INTEREST COST

Interest cost incurred during the construction of proprietary fund property, plant, and equipment is capitalized and depreciated over the estimated useful life of the assets.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

UTILITY REVENUES

Billings for electric revenues are rendered on a monthly cycle basis. Billings for water and wastewater revenues are rendered on a two-month billing cycle. Unbilled utility revenues, representing estimated consumer usage for the period between the last billing date and the end of the period, are accrued in the period of consumption.

RECLASSIFICATIONS

Certain reclassifications have been made in the 2000 totals columns to conform to the 2001 financial statement presentation.

(2) 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 also has the power to levy taxes each year sufficient to pay any judgment existing against the City and the interest on the bonded debt and the principal on any bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 2000 tax levy, for the 2000-2001 fiscal year, was \$42,303,430 below the legal limit, with a tax rate per \$100 valuation of 0.32387. The assessed value upon which the 2000 levy was based was \$9,620,947,855.

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.

Property taxes levied for 2000-2001 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 2001. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the balance sheet.

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.

(3) DEFEASANCE OF DEBT

In prior years, the City defeased certain bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On August 31, 2001, the following bonds outstanding are considered defeased:

Revenue Bonds:		
08/15/80	Lincoln Wastewater	\$ 5,000
Various	Lincoln Electric	40,000,000
01/15/93	Hospital Revenue	<u>20,900,000</u>
Total Defeased Bonds Outstanding		<u>\$ 60,905,000</u>

(4) DEPOSITS AND INVESTMENTS

State Statute 14-563 R.R.S., 1943 authorizes funds of the City to be invested in "securities of the United States, the State of Nebraska, a city of the metropolitan class, a county in which such city of the metropolitan class is located, or a school district of such city, in the securities of municipally owned and

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

operated public utility property and plants of such city, or in the same manner as funds of the State of Nebraska are invested, except that the city treasurer may purchase certificates of deposit from and make time deposits in banks, capital stock financial institutions, or qualifying mutual financial institutions selected as depositories of City funds." Additionally, State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to give bond 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 which is insured by the Federal Deposit Insurance Corporation (FDIC).

DEPOSITS

For purposes of classifying categories of custodial risk, the bank balances of the City's deposits as of August 31, 2001 are either entirely insured or collateralized with securities held by the City's agent in the City's name.

INVESTMENTS

For reporting purposes, the carrying amount of investments is classified into the following three categories of custodial risk:

- 1) Insured or registered, or securities held by the City or its agent in the City's name.
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

Pension Fund

At August 31, 2001, the Pension Trust fund had investments as follows:

	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Mortgage-Backed Securities	\$ 55,356,887	55,356,887	55,356,887
Government Securities	29,481,422	29,481,422	29,481,422
Government Agencies	10,007,400	10,007,400	10,007,400
Repurchase Agreements	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
	<u>\$ 96,145,709</u>	96,145,709	96,145,709
Open-end Mutual Funds		<u>34,436,088</u>	<u>34,436,088</u>
		<u>\$130,581,797</u>	<u>130,581,797</u>

Lincoln Electric System (LES)

At December 31, 2000, LES had investments as follows:

	<u>Category 3</u>	
	<u>Reported Amount</u>	<u>Fair Value</u>
Government Securities	\$ 21,904,000	22,119,000
Repurchase Agreements	<u>35,670,000</u>	<u>35,670,000</u>
	<u>\$ 57,574,000</u>	<u>57,789,000</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Lincoln Wastewater System

At August 31, 2001, Lincoln Wastewater System had investments as shown below:

	<u>Category 3</u>	
	<u>Reported Amount</u>	<u>Fair Value</u>
Government Securities	<u>\$ 18,222,957</u>	<u>18,300,533</u>

Lincoln Water System

At August 31, 2001, Lincoln Water System had investments as follows:

	<u>Category</u>		<u>Reported Amount</u>	<u>Fair Value</u>
	<u>2</u>	<u>3</u>		
Government Securities	\$ 2,921,057	12,328,759	12,328,759	12,430,041
Repurchase Agreements	<u>2,051,094</u>		<u>2,051,094</u>	<u>2,051,094</u>
	<u>\$ 2,051,094</u>	<u>12,328,759</u>	<u>14,379,853</u>	<u>14,481,135</u>

Community Health Endowment – Non-Expendable Trust Fund

At August 31, 2001, Community Health Endowment had investments as follows:

	<u>Category</u>		<u>Reported Amount</u>	<u>Fair Value</u>
	<u>2</u>	<u>3</u>		
Government Securities	\$ 2,921,057		2,921,057	2,921,057
Government Agencies	13,467,593	280,000	13,747,593	13,747,593
Corporate Bonds	<u>26,688,291</u>		<u>26,688,291</u>	<u>26,688,291</u>
	<u>\$ 43,076,941</u>	<u>280,000</u>	43,356,941	43,356,941
Securities Lending Short-term Investment Pool			<u>10,525,085</u>	<u>10,525,085</u>
			<u>\$ 53,882,026</u>	<u>53,882,026</u>

All Other City Funds

Investments of all other City funds do not vary significantly in either type or risk. These investments at August 31, 2001 were as follows:

	<u>Category</u>		<u>Reported Amount</u>	<u>Fair Value</u>
	<u>2</u>	<u>3</u>		
Government Securities	\$	225,225	225,225	225,225
Government Agencies		106,680,907	106,680,907	106,767,898
Government Money Markets	<u>47,679</u>	<u>23,225,000</u>	<u>23,272,679</u>	<u>23,272,679</u>
	<u>\$ 47,679</u>	<u>130,131,132</u>	130,178,811	130,265,802
Interfund Investments			<u>1,614,301</u>	<u>1,614,301</u>
			<u>\$ 131,793,112</u>	<u>131,880,103</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Reconciliation to Exhibit 1

As of August 31, 2001, the deposits and investments of the City consisted of:

<u>Fund</u>	<u>Reported Amount</u>
Investments:	
Police And Fire Pension	\$ 130,581,797
Lincoln Electric System	57,574,000
Lincoln Wastewater System	18,222,957
Lincoln Water System	14,379,853
Community Health Endowment	53,882,026
All Other City Funds	<u>131,793,112</u>
Total Investments	406,433,745
Deposits And Cash:	
Certificates Of Deposit	18,418,181
Bank Accounts	7,265,967
Cash On Hand	<u>111,854</u>
	<u>\$ 432,229,747</u>

These assets are reflected on Exhibit 1 as follows:

Cash Held By City Treasurer	\$ 80,685,077
Cash On Hand And In Other Accounts	2,811,302
Investments	196,346,541
Investments Held By Investment Managers	42,044,452
Invested Securities Lending Collateral	10,525,085
Restricted Assets:	
Cash	9,760,350
Cash On Hand And In Other Accounts	2,615,572
Investments	86,408,879
Investments Held By Trustee	<u>1,032,489</u>
	<u>\$ 432,229,747</u>

There were no investments that resulted in significantly greater custodial risk held during the fiscal year ended August 31, 2001 than those held at year end.

The City's Pension Trust Fund invests in collateralized mortgage obligations to maximize investment earnings. These securities are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

The policies of the Community Health Endowment (CHE) Board of Trustees authorize the CHE fund to participate in securities lending transactions, where securities are loaned to brokers and broker dealers with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank administers the securities lending program and receives cash at least equal in value to the market value of the loaned securities as collateral for securities of the type on loan at year-end. Securities lent at year-end for cash collateral are presented as unclassified in the preceding schedule of custodial risk. The cash can not be spent by CHE unless the borrower defaults. There are no restrictions on the amount of securities that can be loaned, and there were no losses resulting from borrower default during the year.

Either CHE or the borrowers can terminate all securities loans on demand. Cash collateral is invested in one of the lending agent's short-term investment pools that had an average duration of 57 days. Because loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. Loss indemnification is provided to the Fund by the contract with the custodian.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(5) **RECEIVABLES**

Receivables at August 31, 2001 consist of the following (in thousands):

Fund	Taxes	Accounts	Special Assessments		Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
			Current	Deferred				
General	\$ 3,271	1,766			247	5,284		5,284
Special Revenue	1,093	750			357	2,200		2,200
Debt Service	1,226		527	3,403	108	5,264	295	4,969
Capital Projects					240	240		240
Enterprise		29,403			1,317	30,720	730	29,990
Internal Service		586			247	833		833
Trust And Agency	193	307			445	945		945
	<u>\$ 5,783</u>	<u>32,812</u>	<u>527</u>	<u>3,403</u>	<u>2,961</u>	<u>45,486</u>	<u>1,025</u>	<u>44,461</u>

Enterprise Fund customer accounts receivable include unbilled charges for services.
Delinquent Special Assessment Receivables at August 31, 2001 were \$255,964.

(6) **DUE FROM OTHER GOVERNMENTS**

The total of Due From Other Governments of \$14,862,706 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General	\$6,943,658	State of Nebraska, July/August Sales and Use Tax
	326,643	August Motor Vehicle Taxes Collected by Lancaster County
	262,534	Federal Government, Cost Reimbursements
	69,714	Lancaster County, Cost Reimbursements
Lincoln Area Agency on Aging/Special Revenue	103,991	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	375,011	Lancaster County, Cost Reimbursements
Snow Removal/Special Revenue	93,670	August Motor Vehicle Taxes Collected by Lancaster County
Street Construction/Special Revenue	2,568,783	State of Nebraska, July/August Highway User Fees
	1,190,723	State of Nebraska, Project Cost Reimbursements
Federal Grants/Special Revenue	838,256	Federal Government, Cost Reimbursements
Vehicle Tax/Capital Projects	636,988	August Motor Vehicle Taxes Collected by Lancaster County
StarTran/Enterprise	1,037,439	Federal Government, Subsidies
Information Services/Internal Service	247,555	Lancaster County Billings
Engineering Revolving/Internal Service	29,295	State of Nebraska, Project Cost Reimbursements
Fleet Services/Internal Service	54,469	Lancaster County Billing
	25,813	Nebraska State Patrol Billing

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(7) **FIXED ASSETS**

GENERAL FIXED ASSETS

All items in the general fixed assets account group are valued at historical cost, or, if donated, estimated fair value at the time of donation. The City has elected not to record infrastructure assets or to depreciate general fixed assets. Effective for the fiscal year ended August 31, 2001, the City has elected to report only those assets with an original value of \$5,000 or greater. While significantly reducing the number of items included, the total value is minimally affected. A summary of changes in general fixed assets since August 31, 2000 is as shown below:

	<u>Balance</u> <u>August 31, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>August 31, 2001</u>
Land	\$ 16,184,839	1,215,918	470,605	16,930,152
Buildings	40,019,054	1,744,832	829,976	40,933,910
Improvements Other Than Buildings	25,888,223	15,310,020	1,418,192	39,780,051
Machinery and Equipment	30,498,118	2,402,860	7,352,439	25,548,539
Construction In Progress	<u>920,421</u>	<u>9,142,892</u>	<u> </u>	<u>10,063,313</u>
	<u>\$ 113,510,655</u>	<u>29,816,522</u>	<u>10,071,212</u>	<u>133,255,965</u>

PROPRIETARY FUND TYPES - PROPERTY, PLANT AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 2001 follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 13,694,198	48,250
Buildings	170,098,610	351,081
Improvements Other Than Buildings	289,845,449	1,163,159
Machinery And Equipment	32,254,250	18,727,563
Utility Plant	579,185,000	
Construction In Progress	<u>85,003,044</u>	
Total	1,170,080,551	20,290,053
Less Accumulated Depreciation	<u>(356,381,221)</u>	<u>(12,299,777)</u>
	<u>\$ 813,699,330</u>	<u>7,990,276</u>

Construction In Progress at August 31, 2001 is as follows:

Parking Facilities	280,767
Sanitary Landfill	195,559
StarTran	438,673
Lincoln Wastewater System	7,967,906
Lincoln Water System	5,620,139
Lincoln Electric System	<u>70,500,000</u>
	<u>\$ 85,003,044</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(8) CONTRIBUTED CAPITAL

The following are changes for the year ended August 31, 2001 in contributed capital for the proprietary funds:

	Contributed Capital	
	Enterprise Funds	Internal Service Funds
Balance, August 31, 2000	\$ 80,750,632	437,989
Less Donated Assets Deleted		(1,000)
Less Depreciation On Assets Acquired With Contributed Capital	(2,545,209)	(81,991)
Balance, August 31, 2001	\$ 78,205,423	354,998

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 2001 (in thousands of dollars):

	General Long-Term Liability Account Group				Proprietary Fund Long-Term Obligations		Total
	General And Tax Allocation Bonds And Notes	Special Assessment Debt With Governmental Commitment	Capital Leases	Accrued Compensated Absences	Revenue Bonds And Loans	Capital Leases	
Balances At August 31, 2000	\$ 58,124	690	1,755	1,279	357,658	140	419,646
Additions:							
New Bonds:							
05/01/01 Tax Allocation And Refunding Bonds	1,200						1,200
Other:							
New Accrued Compensated Absence Obligations				375			375
02/15/01 Certificates Of Participation			190			1,200	1,390
Deductions:							
Current Refunding	(630)						(630)
General Bonds	(4,053)	(270)			(14,816)		(19,139)
MIRF Bonds	(240)						(240)
Tax Allocation Bonds	(393)						(393)
Notes Payable	(10)						(10)
Project Loan					(952)		(952)
Capital Lease Payments			(77)			(14)	(91)
Accrued Compensated Absences				(50)			(50)
Balances At August 31, 2001	\$ 53,998	420	1,868	1,604	341,890	1,326	401,106

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Long-term debt is comprised of the following individual issues (in thousands of dollars):

Original Amount	Issued	Issue	Average Interest Rate	When Due	Date Callable	Interest Date	Outstanding
General Obligation Bonds And Notes:							
General Bonds:							
5,193	09/15/89	Sanitary Improvement District #7	5.00000	Ser. '91 to '10	1990	Annually	\$ 2,234
4,570	06/01/93	Various Purpose Refunding	4.47364	Ser. '94 to '06	1998	Semiannually	1,640
10,740	07/01/93	Downtown Redev. Refunding	4.26203	Ser. '93 to '02	1998	"	2,525
4,000	04/15/95	Storm Sewer	5.45795	Ser. '95 to '15	2002	"	2,800
6,500	08/01/95	Various Purpose	5.18442	Ser. '96 to '15	2002	"	4,875
8,250	08/15/97	Storm Sewer and Drainage	4.92735	Ser. '99 to '17	2005	"	7,680
14,435	03/01/99	Various Purpose Series A	4.46209	Ser. '00 to '14	2009	"	12,970
7,365	03/01/99	Various Purpose Series A	4.46209	Term '15 to '19	2009	"	7,365
8,220	03/01/99	Various Purpose Series B	3.81227	Ser. '99 to '11	2007	"	6,705
Total General Bonds							<u>\$ 48,794</u>
Municipal Infrastructure Redevelopment Bonds:							
3200	06/13/00	Municipal Infrastructure Redev.	5.04700	Ser. '01 to '09	2005	Semiannually	\$ 2,960
Tax Allocation Bonds:							
1,310	11/15/92	Tax Allocation Bonds	5.87280	Ser. '93 to '06	1997	Semiannually	\$ 555
105	11/15/92	Tax Allocation Bonds	6.35000	Term '93 to '06	1997	"	65
90	11/15/92	Tax Allocation Bonds	6.30000	Term '93 to '05	1997	"	50
303	10/18/94	Tax Allocation Bonds	8.00000	Term '95 to '05	Anytime	"	159
232	04/21/00	Tax Allocation Bonds	5.49750	Ser. '01 to '10	2000	"	215
1,200	05/01/01	Tax Allocation & Refunding Bonds	3.63774	Ser. '01 to '04	2003	"	1,200
Total Tax Allocation Bonds							<u>\$ 2,244</u>
Total General, MIRF, And Tax Allocation Bonds							<u>\$ 53,998</u>
Special Assessment Bonds:							
3,860	11/15/89	Special Assessment Revolving	6.47384	Ser. '90 to '04	1996	Semiannually	\$ 420
TOTAL GENERAL OBLIGATION BONDS AND NOTES							<u>\$ 54,418</u>
Revenue Bonds And Loans:							
60,000	08/15/93	Water Revenue	5.13966	Ser. '94 to '12	2003	Semiannually	\$ 40,690
9,018	02/05/91	Wastewater Revenue Project Loan	5.00000	1992 to 2007	1992	Semiannually	\$ 6,585
6,815	09/08/99	Parking Revenue Series A	5.18256	Ser. '00 to '14	2001	Semiannually	\$ 6,325
6,695	09/08/99	Parking Revenue Series A	5.18256	Term 2014	2001	"	6,695
2,125	09/08/99	Parking Revenue Series B	6.25000	Ser. '00 to '04	2001	"	1,365
Total Parking Bonds							<u>\$ 14,385</u>
4,655	08/15/91	Golf Course Revenue	6.69210	Ser. '95 to '11	1998	Semiannually	\$ 3,310
44,475	08/01/92	Electric Power Supply '92 Series A	4.76526	Ser. '95 to '03	2002	Semiannually	\$ 3,990
33,405	08/01/92	Electric Power Supply '92 Series A	5.75000	Term 2016	2012	"	33,405
184,650	07/01/93	Electric Refunding '93 Series A	4.68942	Ser. '94 to '11	2004	"	136,130
62,005	07/01/93	Electric Refunding '93 Series A	5.25000	Term 2015	2012	"	62,005
45,560	02/15/98	Electric Revenue Bonds '98 Series A	4.65000	Ser. '98 to '18	2008	"	41,355
Total Electric Bonds							<u>\$ 276,885</u>
140	05/01/99	Taxable Revenue Allocation Bonds	5.25000	15-Aug-02	Anytime	Annually	\$ 35
TOTAL REVENUE BONDS AND LOANS							<u>\$ 341,890</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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

Fiscal Year Ended August 31	General Obligations				Revenue Bonds, Notes And Loans		Capital Leases	
	Bonds And Notes		Special Assessment		Bonds And Loans	Interest	Principal	Interest
	Bonds And Notes	Interest	Bonds	Interest				
2002	4,812	2,396	110	25	16,467	17,585	281	145
2003	5,060	2,186	105	18	17,188	16,806	296	133
2004	3,850	1,997	105	10	18,023	15,980	311	119
2005	3,671	1,837	100	3	18,818	15,110	321	105
2006	3,500	1,680			19,706	14,196	334	90
2007-2011	15,445	6,164			108,643	55,494	984	269
2012 & Thereafter	17,660	3,555			143,045	28,506	667	127
	<u>\$ 53,998</u>	<u>19,815</u>	<u>420</u>	<u>56</u>	<u>341,890</u>	<u>163,677</u>	<u>3,194</u>	<u>988</u>

Funds of \$3,977,262, \$676,268, \$2,942,887 and \$3,646,779 are available in the debt service funds to service the General Obligation Bonds, MIRF Bonds, Tax Allocation Bonds, and Special Assessment Bonds, respectively. In the unlikely event special assessment collections are not sufficient to make debt payments, the responsibility rests with the City to meet that obligation.

Established by City Ordinance, LES may borrow up to \$125 million under a commercial paper note program. At December 31, 2000, LES had \$65 million of 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, 2000 was 4.3 percent. The annual requirement to pay interest on this outstanding debt is approximately \$2,795,000. The outstanding commercial paper notes are secured by a revolving credit agreement which provides for borrowings up to \$125 million. LES pays a commitment fee for the credit agreement. Under the terms of the agreement LES refinances the commercial paper upon maturity.

Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

Under the City's Home Rule Charter, there is no legal debt margin. 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 the opinion of management, the City is in compliance with all such significant limitations and restrictions.

The general obligation debt of all local governmental units which provide services within the City's boundaries and which debt must be borne by properties in the City (commonly called overlapping debt) as of August 31, 2001, is summarized below (unaudited):

Units	Net Debt Outstanding	Percentage Applicable To The City	Direct And Overlapping Debt To The City
Direct:			
City	\$ 43,175,000	100.0 %	\$ 43,175,000
Overlapping:			
School District #1	97,929,000	97.2	95,187,000
Airport Authority	3,727,000	100.0	3,727,000
Lancaster County	13,574,000	84.6	11,484,000
Public Building Commission	30,011,000	84.6	25,389,000
Southeast Community College	None	35.9	None
	<u>145,241,000</u>		<u>135,787,000</u>
Total	<u>\$ 188,416,000</u>		<u>\$ 178,962,000</u>

The City has no direct liability for the School District, Airport Authority, Lancaster County, or Southeast Community College debt summarized above. See Note 20 regarding the Public Building Commission. This results in a per capita direct City debt of \$191.39; a per capita direct and overlapping debt of \$793.31; a ratio of direct City debt to 2001 actual valuation of .40 percent; and a ratio of direct and overlapping debt to 2001 actual valuation of 1.67 percent.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(10) FAIR VALUE OF FINANCIAL INSTRUMENTS

In the opinion of management, the carrying value of financial instruments of the City's utility proprietary funds (Lincoln Wastewater, Lincoln Water, and Lincoln Electric Systems) is presented in the City's financial statements at values which approximated fair value at August 31, 2001 (December 31, 2000 for Lincoln Electric System), with the exception of long-term debt for which the estimated fair value is \$6,700,000, \$39,300,000 and \$282,000,000, respectively.

(11) SEGMENTS OF OTHER ENTERPRISE ACTIVITIES

Various services provided by the City are financed by user charges. These include parking, golf, transportation, ambulance, wastewater, water, landfill, electricity, and a city auditorium. Segment information for the year ended August 31, 2001 (December 31, 2000 for Lincoln Electric System) is as follows:

	Golf	Parking Facilities	Emergency Medical Services	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other	Total
Operating Revenues	\$ 2,512,477	3,964,969	3,342,072	14,945,415	20,869,133	154,756,000	8,461,170	208,851,236
Operating Expenses:								
Depreciation	425,162	893,379	69,234	3,358,363	4,421,163	17,620,000	2,188,768	28,976,069
Other	2,140,853	2,127,350	3,641,819	8,087,688	10,960,315	116,556,000	10,791,756	154,305,781
	<u>2,566,015</u>	<u>3,020,729</u>	<u>3,711,053</u>	<u>11,446,051</u>	<u>15,381,478</u>	<u>134,176,000</u>	<u>12,980,524</u>	<u>183,281,850</u>
Operating Income (Loss)	\$ (53,538)	944,240	(368,981)	3,499,364	5,487,655	20,580,000	(4,519,354)	25,569,386
Operating Grants	\$						2,089,186	2,089,186
Operating Transfers In	\$	85,000					5,177,600	5,262,600
Operating Transfers Out	\$						(293,720)	(293,720)
Net Income (Loss)	\$ (202,954)	485,915	(434,507)	7,383,642	7,500,221	4,509,000	3,141,507	22,382,824
Net Working Capital	\$ 613,259	871,992	(561,437)	2,794,753	5,498,034	15,136,000	5,865,710	30,218,311
Total Assets	\$ 9,223,868	37,261,727	2,650,027	149,660,491	229,645,217	566,302,000	33,093,265	1,027,836,595
Capital Lease Payable	\$		1,200,000				126,616	1,326,616
Long-Term Debt Payable	\$ 3,310,000	14,385,000		6,585,066	40,690,000	341,885,000	34,889	406,889,955
Landfill Closure/ PostClosure Accrual	\$						5,757,000	5,757,000
Current Capital Contributions	\$	248,457		2,165,718	2,021,400		1,253,954	5,689,529
Contributed Capital	\$ 271,897	10,559,200		35,780,030	25,431,628		6,162,668	78,205,423
Fund Equity (Deficit) And Other Credits	\$ 5,654,161	22,449,415	(434,507)	141,996,441	185,961,814	190,270,000	22,333,555	568,230,879
Property, Plant and Equipment Additions	\$ 493,776	1,711,184	1,231,207	7,625,991	13,411,850	51,805,000	3,010,279	79,289,287

The operating loss of \$4,519,354 in the "Other" column is primarily attributable to StarTran which incurred an operating loss of \$6,533,475, but received federal and state grants and local subsidies of \$6,893,160, which are included in operating grants and operating transfers.

(12) DEFICIT RETAINED EARNINGS

The following fund had deficit retained earnings as of August 31, 2001, which will be eliminated through the collection of future ambulance service fees.

Emergency Medical Services Enterprise Fund \$(434,507)

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(13) **EMPLOYEES' RETIREMENT PLANS**

The employees of the City are covered by several retirement plans. The Police and Fire Department Plan 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 combined financial statements.

POLICE AND FIRE PENSION

Plan Description - The Police and Fire Department Plan (PFDP) is a single-employer defined benefit pension plan administered by the City of Lincoln. PFDP provides retirement, disability, and death benefits to plan members and beneficiaries. Cost-of-living adjustments are provided to members and beneficiaries in accordance with the plan document. Article II Section 3 of the Lincoln Charter assigns the authority to establish and amend benefit provisions to the City Council. The City does not issue a separate report that includes financial statements and required supplementary information for PFDP.

Membership of the plan consisted of the following at August 31, 2001, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	301
Terminated plan members entitled to but not yet receiving benefits	41
Active plan members	<u>584</u>
Total	<u><u>926</u></u>
Number of participating employers	<u><u>1</u></u>

Funding Policy - The contribution requirements of plan members and the City are established by City Ordinance #15728 dated September 24, 1990 and may be amended by the City Council. Plan members are required to contribute between 7% and 8% of their annual covered salary based on an election made by the employee. The City is required to contribute at an actuarially determined rate; the current rate is 6.93% of annual covered payroll. Actual contributions by the City were 4.10% of annual covered payroll as the City has chosen to accelerate the period over which the funding credit is being amortized. Administrative costs of PFDP are financed through investment earnings.

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

(Dollar amounts in thousands)

Annual required contribution	\$ 1,156
Interest on net pension obligation	---
Adjustment to annual required contribution	<u>---</u>
Annual pension cost	1,156
Contributions made	<u>1,156</u>
Increase (decrease) in net pension obligation	<u>---</u>
Net pension obligation at transition	<u>---</u>
Net pension obligation end of year	<u><u>\$ ---</u></u>

The annual required contribution for the current year was determined as part of the August 31, 2001 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 5.0-9.0% per year, and (c) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using a four year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at August 31, 2001 was 5 years.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Three-Year Trend Information
(Dollar Amounts In Thousands)

Year Ended August 31	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2001	\$ 1,156	100 %	\$ ---
2000	958	100	---
1999	904	100	---

Required Supplementary Information (Unaudited)

Schedule Of Funding Progress
(Dollar Amounts In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
August 31, 2001	\$ 128,070	\$ 122,661	\$ (5,409)	104.4 %	\$ 28,216	(19.2) %
August 31, 2000	121,404	115,671	(5,733)	105.0	25,808	(22.2)
August 31, 1999	113,903	104,692	(9,211)	108.8	23,611	(39.0)
August 31, 1998	109,213	94,848	(14,365)	115.1	21,860	(65.7)
August 31, 1997	101,476	91,023	(10,453)	111.5	20,909	(50.0)
August 31, 1996	94,348	81,583	(12,765)	115.6	19,225	(66.4)

Schedule Of Employer Contributions
(Dollar Amounts In Thousands)

Year Ended August 31	Annual Required Contribution	Percentage Contributed
2001	\$ 1,156	100 %
2000	958	100
1999	904	100
1998	504	100
1997	433	100
1996	428	100

ELECTRIC SYSTEM

The City owns and operates its own electric system which is included in the enterprise funds in the accompanying general purpose 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 covering all employees upon employment; however, employees are not eligible to receive employer contributions until they have been employed six months. The plan is a straight money purchase plan, administered by a financial institution. LES's contribution is equal to 200% of the employees' contributions which range from 2-5% of gross wages. This plan and related contribution requirements were authorized by the administrative board of directors under LES' retirement plan, on October 12, 1972 (latest restatement June 15, 1989). Vesting of LES contributions occurs over a five-year period. Employee forfeitures are used to reduce employer

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

contributions. Vested benefits are fully funded. LES incurred contribution expense of \$2,039,000 (9.5% of covered payroll) and its employees contributed \$1,049,500 (4.9% 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 the City to contribute 6% of the first \$4,800 of earned income plus 12% of earned income over \$4,800 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, 2000 was \$1,209,855. City contributions totaled \$137,387 or 11.4% of covered payroll. No voluntary employee contributions were made for the year ended December 31, 2000.

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 3% of earnings on the first \$4,800 and 6% on the balance of earnings. Currently, the City contributes 200% of the employees' contribution. Employee forfeitures are used to reduce employer contributions. Employees covered by the Plan may also make voluntary contributions. During the year ended December 31, 2000, total payroll was \$51,453,500 and covered payroll was \$43,559,200. City contributions totaled \$4,633,720 or 10.6% of covered payroll and employee contributions totaled \$2,434,798 or 5.6% of covered payroll. Employees made \$8,500 in voluntary contributions for the year ended December 31, 2000.

(14) COMMITMENTS AND CONTINGENCIES

GENERAL

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

The City is a defendant in a number of lawsuits in its normal course of operations and management is of the opinion that ultimate settlement of such lawsuits will not 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 soil, 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, additional corrective action costs related to landfill gas migration and groundwater conditions may be identified once testing is completed and regulatory officials have made a final review of reported findings.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$1,500,000 at August 31, 2001, which will be financed primarily through operations.

Lincoln Wastewater System has commitments to fund Lincoln Water System's purchase of automated meter reading system equipment. Under the agreement, Lincoln Wastewater System will fund approximately \$400,000 for the next year, with the intention to extend the commitment for an additional five years. The maximum remaining commitment is approximately \$2,400,000.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$9,300,000 at August 31, 2001, which will be financed primarily through operations and available funds.

Lincoln Water System has commitments to purchase approximately \$1,000,000 of automated meter reading system equipment for the next year, with intention to execute additional contracts to extend commitments for an additional five years. The maximum remaining commitment is approximately \$6,300,000.

LINCOLN ELECTRIC SYSTEM (LES)

Power Sales Contract

LES has a participation contract with Nebraska Public Power District (NPPD) which provides for the purchase of 12.5 percent of the output of NPPD's nominally rated 800-megawatt nuclear facility. The contract provides that LES will pay a proportionate share of the nuclear fuel costs (based on energy actually delivered) plus 12.5 percent of all other costs of the facility. Fixed cost payments under the contract are on a participation basis whether or not the plant is operating or operable. LES recognized expense for its share of the total fixed demand costs of approximately \$24,300,000 in 2000.

The contract continues through September 22, 2003 and may be extended if NPPD continues operating the facility after that date. The nuclear facility's operating license issued by the Nuclear Regulatory Commission has been extended to 2014. Upon expiration of the contract, if the facility is no longer operated, LES would be liable for 12.5 percent of the costs of decommissioning the nuclear facility. The most recent study indicates the total cost of decommissioning the facility would approximate between \$474,000,000 and \$492,000,000 in 1996 dollars. The available cash balances of various NPPD funds at that time will be used to offset the total cost of decommissioning the nuclear facility. At December 31, 2000, the available cash balances approximated \$256,600,000. LES recognized expense for these potential costs of approximately \$2,900,000 in 2000.

Participants are also billed for disposal costs of nuclear fuel burned based on energy produced. LES recognized related costs of approximately \$548,000 in 2000.

LES is responsible for 12.5 percent of capital additions and improvements at the nuclear facility. These projects are financed by NPPD and billed to LES over periods ranging from six to eight years. LES recognized as purchased power approximately \$2,200,000 in 2000 for its share of these costs.

Internal financial statements of the nuclear facility reflect \$104,000,000 in revenue bonds outstanding at December 31, 2000. Fixed cost payments of LES include the debt service payments necessary to retire 12.5 percent of the principal and interest on bonds issued by NPPD for the facility. LES's share of debt service payments was approximately \$4,400,000 in 2000.

Expected fixed cost payments to NPPD under this contract, including debt service payments, payments for decommissioning costs, fixed costs and other costs as noted above, aggregate \$24,200,000, \$22,000,000 and \$21,100,000, respectively, in each of the three years subsequent to December 31, 2000.

Various lawsuits have been filed related to the construction of a low-level radioactive waste facility in Nebraska, which would be utilized by NPPD. LES is unable to predict the effect the lawsuits could have on the construction and operation of the waste facility, but the operation of the nuclear facility, as well as access to waste storage facilities, could be adversely affected.

Participation Agreements

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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable. LES recognized expense for its share of the total fixed costs of approximately \$12,900,000 in 2000. The expected fixed cost requirements aggregate approximately \$14,100,000, \$15,500,000, \$15,300,000, \$15,500,000, and \$16,200,000, respectively, in each of the five years subsequent to December 31, 2000.

Laramie River Station (LRS)

LES is an 12.76 percent co-owner of the Missouri Basin Power Project which includes LRS, a three-unit, 1,650 MW coal-fired generating station in eastern Wyoming and a related transmission system. Costs, net of accumulated depreciation, associated with LRS of approximately \$72,000,000 are reflected in utility plant at December 31, 2000.

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 approximately \$116,000 per month through July 1, 2001 for demand charges. 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. At July 1, 2001 it was determined that the rate would remain at approximately \$116,000 per month. The agreement remains in effect until either the final maturity occurs on any LRS related debt, LRS is removed from commercial operation or the County gives LES notice to terminate the agreement. During 2000, LES billed the County approximately \$2,300,000 for demand and energy charges.

(15) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

The following funds had a combined amount of expenditures and transfers for which there were no appropriations:

Special Revenue	Cable Access Television Fund	\$ 357
	Snow Removal Fund	587,450
Debt Service	Tax Allocation Projects	35,276
	Bond Interest And Redemption Fund	260,074

Per Council Budget Resolution, all of the above are among the funds allowed to spend any monies received without further Council action.

(16) 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, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 2001, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the Budgetary Basis, is presented below:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses):			
Balance On A GAAP Basis	\$ (1,621,606)	3,544,739	1,891,473
Timing Differences (Accruals)	(513,922)	4,688,837	(195,097)
Entity Differences (Non-budgeted funds)	<u> </u>	<u>2,765,311</u>	<u>(1,727,428)</u>
Balance On Budget Basis	<u>\$ (2,135,528)</u>	<u>10,998,887</u>	<u>(31,052)</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(17) DUE TO/FROM OTHER FUNDS

Due To/From Other Funds at August 31, 2001, consists of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ <u>3,133,556</u>	<u>461,075</u>
Special Revenue Funds:		
Advance Acquisition Fund	4,466	
Athletic Field & Facilities Improvement Fund	771	92
Cable Access Television Fund	267	
Lincoln City Libraries Fund	6,312	37,880
Lincoln Area Agency On Aging Fund	4,590	28,462
Tax Sales Revolving Fund	3,793	
Lincoln/Lancaster County Health Fund	1,086	107,748
Snow Removal Fund	3,422	4,121
911 Communication Fund	34,605	14,882
Social Security Fund	3,639	124,231
Street Construction Fund	32,005	2,306,565
Unemployment Compensation Fund	959	
Keno Fund	8,993	60,732
Federal Grants Fund	2,243	58,610
Special Assessment Fund	304,639	244,091
Building & Safety Fund	1,911	39,153
Property Tax Refunds Fund	<u>15</u>	
Total Special Revenue Funds	<u>413,716</u>	<u>3,026,567</u>
Debt Service Funds:		
Tax Allocation Projects Debt Service Fund	8,982	
Bond Interest And Redemption Fund	7,787	
MIRF Bonds Fund	1,036	
Special Assessment Fund	<u>1,357</u>	<u>304,602</u>
Total Debt Service Funds	<u>19,162</u>	<u>304,602</u>
Capital Projects Funds:		
Street Construction Fund	2,263,770	509
Vehicle Tax Fund	13,754	
1991 G.O. Various Purpose Bonds Fund	130	
Downtown Redevelopment Project Fund	298	
Storm Sewer Bonds Fund	2,167	
1995 G.O. Various Purpose Bonds Fund	305	
1999 G.O. Various Purpose Bonds Fund	31,244	
Other Capital Projects Fund	17,527	548,343
Special Assessment Fund	<u>244,091</u>	<u>35</u>
Total Capital Projects Funds	<u>2,573,286</u>	<u>548,887</u>
Enterprise Funds:		
Parking Lot Revolving Fund	3,729	
Golf Fund	2,511	44,636
Parking Facilities Fund	6,635	836
Pershing Municipal Auditorium Fund	11	157,788
Sanitary Landfill Revenue Fund	17,780	14,204
Emergency Medical Services Fund	<u> </u>	<u>1,620,394</u>
Total Enterprise Funds	<u>30,666</u>	<u>1,837,858</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Due To/From Other Funds (Continued)

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Internal Service Funds:		
Information Services Fund	193,610	31,648
Engineering Revolving Fund	18,947	239,236
Insurance Revolving Fund	2,041	14,693
Fleet Services Fund	12,394	23,967
Police Garage Fund	201,565	6,422
Communication Services Fund	11,403	933
Copy Services Fund	<u>26,487</u>	<u>202</u>
Total Internal Service Funds	<u>466,447</u>	<u>317,101</u>
Fiduciary Funds:		
Expendable Trust Funds:		
Parks And Recreation Special Projects Fund	626	4
Commission On Aging Gift Trust Fund	716	38
Library Special Trust Fund	<u>836</u>	<u>1,034</u>
Total Expendable Trust Funds	<u>2,178</u>	<u>1,076</u>
Non-Expendable Trust Fund:		
Community Health Endowment Fund	<u>2,118</u>	<u>92,542</u>
Agency Funds:		
Collections Due Other Governments Fund	74,005	
Payroll Revolving Fund	604,240	496,283
Earnings On Pooled Investments Fund		235,367
Telephone Bill Suspense Fund	1,854	
Gateway Center Joint Venture Escrow Fund	<u>130</u>	<u> </u>
Total Agency Funds	<u>680,229</u>	<u>731,650</u>
Total Fiduciary Funds	<u>684,525</u>	<u>825,268</u>
Total All Funds	<u>\$ 7,321,358</u>	<u>7,321,358</u>

(18) SELF-INSURANCE

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. For the year ended August 31, 2001, the City has a self-insured retention for workers' compensation exposures up to \$300,000 per individual; building and contents exposures up to \$25,000 per occurrence; law enforcement liability exposures up to \$250,000 per occurrence; general liability exposures up to \$250,000 per occurrence; public officials exposures up to \$150,000 per occurrence; public transportation liability exposures up to \$150,000 per occurrence; and employee long-term disability benefits, all of which are covered under the Insurance Revolving Fund which is included in the internal service funds. The self-insurance programs are administered through the Risk Management division.

Auto liability exposures continue to be insured through an A+ rated insurance company with a limit of \$3 million, although the City self-insures their collision exposure. Workers' compensation is covered by a policy which provides statutory limits above the City's retention of \$300,000 per individual. Law enforcement liability is covered by a policy which provides limits of \$2 million per occurrence and \$5 million in aggregate. Both general liability and public officials liability provides limits of \$1 million per occurrence and \$5 million in aggregate. Public transportation liability is covered by a policy which provides a limit of \$5 million. The Nebraska Political Tort Claims Act limits the City's

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

liability for tort claims to \$1 million per individual and \$5 million per occurrence. 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, 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 (IBNR) 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 budgeted annual premium amounts, based on past experience of incurred losses, to the Insurance Revolving Funds. Claim liabilities of \$4,762,334 were recorded at August 31, 2001. This is the actuarially estimated amount of claims based on an estimate of ultimate incurred and IBNR 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. These liabilities have been discounted using a 5.0% discount rate and a claim payment pattern based on the historical data of the City. As of August 31, 2001 the City has purchased two insured annuity contracts totaling \$46,000 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, 2001 and 2000:

	<u>2001</u>	<u>2000</u>
Balance at September 1	\$ 3,818,302	3,509,994
Current year claims and changes in estimates	3,324,202	2,222,368
Claim payments	<u>(2,380,170)</u>	<u>(1,914,060)</u>
Balance at August 31	<u>\$ 4,762,334</u>	<u>3,818,302</u>

(19) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City of Lincoln currently owns and operates a solid waste disposal area and a construction and demolition disposal area. 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 solid waste disposal area and five subsequent years on the construction and demolition disposal area. Although certain closure and postclosure care costs will be paid only near or after the date that the landfill stops 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 balance sheet date.

At August 31, 2001, the City had incurred a liability of \$4,173,000 for the solid waste disposal area which represents the amount of costs reported to date based on the approximately 28 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$10.5 million which will be recognized as the remaining capacity is used (estimated to be approximately 24 years).

As of August 31, 2001, the City had incurred a liability of \$397,000 for the construction and demolition disposal area which represents the amount of costs reported to date based on the approximately 36 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$700,000 which will be recognized as the remaining capacity is used (estimated to be approximately 19 years).

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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

April 1996, based upon state and federal laws, and authorized by City Resolution A-77309, the City and the Nebraska Department of Environmental Quality agreed to a demonstration of financial assurance regarding the City's ability to finance the closure and postclosure care costs using fund equity, which is a combination financial test and Enterprise Fund financial assurance mechanism. At August 31, 2001 the City established a Reserve For Landfill Closure/Postclosure of \$4,570,000 to represent such financial responsibility.

The City of Lincoln also owns a solid waste disposal area which 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 soil, monitoring of ground water conditions and landfill gas migration, and general site maintenance. At August 31, 2001, a liability for closure and postclosure care costs is recorded in the amount of \$1,187,000, which is based on appropriations identified in the City's capital improvement projects budgeting process. Additional corrective action costs related to possible landfill gas migration and groundwater conditions will be identified once testing is completed and regulatory officials have made a final review of subsequent findings. Consequently, costs associated with the potential corrective action have not been accrued as of August 31, 2001.

(20) 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, 2001, the City made rental payments of approximately \$2 million to the Commission.

As of August 31, 2001, the Commission has bonds outstanding of \$32,390,000 attributable to three separate bond issues. Proceeds from two of the bond issues totaling \$5,400,000 have been utilized by the Commission to acquire and/or renovate certain buildings occupied by the City and County. The City's proportionate share of such buildings and the corresponding debt have been reflected as capital leases in the City's financial statements. Lease payments are not recorded as capital lease payments in the Debt Service funds but rather are recorded as current expenditures in the various individual funds.

The third bond issue, totaling \$29 million, has been utilized by the Commission to construct a new County-City building and to renovate the prior County-City building to be used as a Hall of Justice. It is estimated that the City occupies approximately 65% of the new building and 38% of the renovated building (Hall of Justice). It is anticipated that property tax levies by the Commission will be sufficient to meet bond principal and interest payments. Should revenues from such property tax levies not be sufficient to meet debt service requirements in any given year, the City and County would contribute the necessary payments based on their proportionate occupancy in such buildings. Such contributions are expected to be minimal and will be expensed in the appropriate funds when incurred. The City's proportionate share of the buildings will be recorded in the GFAAG in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(21) **SUBSEQUENT EVENTS**

In October, 2001, the City issued \$3,165,000 of Golf Course Revenue Refunding Bonds, Series 2001, to provide a portion of the funds necessary to provide for the payment and redemption of the \$3,310,000 in aggregate principal amount of the City's Golf Course Revenue Bonds, Series 1991. The interest rate on the 2001 bonds range from 2.30-4.05 percent and the final maturity is on August 15, 2011. Debt service payments are scheduled annually at amounts that range from \$280,000-\$365,000.

In December, 2001 the City issued \$6,000,000 of Parking Revenue Bonds, Series 2001, to provide funds for the construction of motor vehicle off-street parking facilities, inclusive of improvements to existing parking facilities. The interest rate on the bonds range from 3.75-5.125 percent and the final maturity is on August 15, 2021. Debt service payments are scheduled annually at amounts that range from \$210,000-\$360,000 with a final term payment of \$1,640,000.

(22) **PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED**

The GASB issued Statement 34, "*Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.*" This statement will significantly change the way the City reports their finances to the public. Some of the more significant changes are as follows:

Management discussion and analysis (MD&A)

Financial managers of the City will be required to share their insights of the City's financial performance for the year. The MD&A will provide an analysis of the City's overall financial position and results of the previous year's operations and will discuss the capital asset and long-term debt activity. The MD&A will conclude with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on the City's future financial position and operations.

Government-wide financial statements

The government-wide financial statements will be prepared using full accrual accounting (economic resources measurement focus) for all of the government's activities. The statement of activities will report expenses and revenues in a format that focuses on the net cost of each of the government's functions. The statements will distinguish between the governmental and business-type activities of the primary government and its discretely presented component units. Fiduciary activities will be excluded from the statements.

Fund-based financial statements

This will consist of a series of statements that provide information about the City's major and nonmajor governmental and enterprise funds.

Required supplementary information

A budgetary comparison schedule comparing original, final, and actual information on the budgetary basis for the City's general fund and major special revenue funds is required.

Infrastructure

The City will be required to report all capital assets, including infrastructure, in the government-wide statement of net assets and will report depreciation expense in the statement of activities.

The City will issue financial statements under Statement No. 34 for the fiscal year ending August 31, 2002. This will be the initial implementation incorporating the changes noted above.

**COMBINING, INDIVIDUAL FUND, AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES**

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL FUND

This fund accounts for all financial resources not accounted for in other funds. It finances the regular day-to-day operation of the basic governmental activities, such as legislative, judicial, administration, police protection, fire protection, legal services, planning, property management, and parks and recreation. Appropriations are made from the fund annually. The fund's existence is perpetual.

CITY OF LINCOLN, NE

A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 2001

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Real Estate And Personal Property Tax	\$ 19,621,918	20,809,154	1,187,236
Taxes Collected By Others	46,024,077	44,486,127	(1,537,950)
Sundry Taxes And In Lieu	1,210,844	1,115,680	(95,164)
Occupation Taxes	6,273,846	6,091,801	(182,045)
Special Assessments	1,550	10,415	8,865
Intergovernmental	4,414,990	5,349,492	934,502
Permits And Fees	2,740,692	2,236,381	(504,311)
Reimbursement For Services	1,356,535	1,429,721	73,186
Court Fees	388,200	232,828	(155,372)
Recreation Receipts	1,662,537	1,552,323	(110,214)
Investment Income	1,107,093	1,308,995	201,902
Donations	449,191	451,191	2,000
Rental Income	242,365	310,104	67,739
Parking Revenue	932,190	932,190	
Sale Of Assets	28,501	33,032	4,531
Miscellaneous	491,084	573,462	82,378
Total Revenues	<u>86,945,613</u>	<u>86,922,896</u>	<u>(22,717)</u>
Expenditures:			
General Government	23,056,262	20,509,497	2,546,765
Public Safety	41,060,509	39,503,999	1,556,510
Streets And Highways	5,076,527	4,683,476	393,051
Culture And Recreation	9,020,633	8,745,055	275,578
Economic Opportunity	219,560	219,560	
Health And Welfare	223,369	223,369	
Total Expenditures	<u>78,656,860</u>	<u>73,884,956</u>	<u>4,771,904</u>
Excess Of Revenues Over Expenditures	<u>8,288,753</u>	<u>13,037,940</u>	<u>4,749,187</u>
Other Financing Sources (Uses):			
Operating Transfers In	279,220	421,949	142,729
Operating Transfers Out	<u>(18,434,692)</u>	<u>(15,595,417)</u>	<u>2,839,275</u>
Total Other Financing Sources (Uses)	<u>(18,155,472)</u>	<u>(15,173,468)</u>	<u>2,982,004</u>
Deficiency Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(9,866,719)	(2,135,528)	7,731,191
Fund Balance Beginning Of Year As Restated	<u>29,829,846</u>	<u>29,829,846</u>	
Fund Balance End Of Year	<u>\$ 19,963,127</u>	<u>27,694,318</u>	<u>7,731,191</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
GENERAL FUND

A-2

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	\$ 138,341	146,144	(7,803)
Materials And Supplies	1,870	3,551	(1,681)
Other Services And Charges	91,214	57,469	33,745
Capital Outlay	285	319	(34)
Total Legislative	<u>231,710</u>	<u>207,483</u>	<u>24,227</u>
Executive:			
Personal Services	842,482	784,420	58,062
Materials And Supplies	30,097	21,234	8,863
Other Services And Charges	254,564	145,161	109,403
Capital Outlay	19,012	21,678	(2,666)
Total Executive	<u>1,146,155</u>	<u>972,493</u>	<u>173,662</u>
Financial Administration:			
Personal Services	1,366,010	1,384,054	(18,044)
Materials And Supplies	60,169	50,253	9,916
Other Services And Charges	583,892	489,027	94,865
Capital Outlay	8,232	11,494	(3,262)
Total Financial Administration	<u>2,018,303</u>	<u>1,934,828</u>	<u>83,475</u>
Law:			
Personal Services	1,346,431	1,304,834	41,597
Materials And Supplies	46,048	45,141	907
Other Services And Charges	247,443	157,057	90,386
Capital Outlay	22,334	21,148	1,186
Total Law	<u>1,662,256</u>	<u>1,528,180</u>	<u>134,076</u>
Personnel Administration:			
Personal Services	576,509	569,500	7,009
Materials And Supplies	16,500	23,207	(6,707)
Other Services And Charges	124,536	101,065	23,471
Capital Outlay	5,235	5,309	(74)
Total Personnel Administration	<u>722,780</u>	<u>699,081</u>	<u>23,699</u>
Planning And Zoning:			
Personal Services	1,044,268	973,171	71,097
Materials And Supplies	24,350	32,053	(7,703)
Other Services And Charges	530,328	411,055	119,273
Capital Outlay	38,110	43,196	(5,086)
Total Planning And Zoning	<u>1,637,056</u>	<u>1,459,475</u>	<u>177,581</u>

(Continued)

Urban Development:			
Personal Services	477,041	412,931	64,110
Materials And Supplies	7,195	6,772	423
Other Services And Charges	174,844	146,014	28,830
Capital Outlay	<u>2,050</u>	<u>5,997</u>	<u>(3,947)</u>
Total Urban Development	<u>661,130</u>	<u>571,714</u>	<u>89,416</u>
Miscellaneous:			
Personal Services	6,816,225	6,776,609	39,616
Materials And Supplies	1,500	683	817
Other Services And Charges	7,898,816	6,110,391	1,788,425
Capital Outlay	<u>260,331</u>	<u>248,560</u>	<u>11,771</u>
Total Miscellaneous	<u>14,976,872</u>	<u>13,136,243</u>	<u>1,840,629</u>
Total General Government	<u>23,056,262</u>	<u>20,509,497</u>	<u>2,546,765</u>
PUBLIC SAFETY:			
Police:			
Personal Services	18,415,088	18,263,189	151,899
Materials And Supplies	547,899	558,093	(10,194)
Other Services And Charges	4,387,609	3,702,139	685,470
Capital Outlay	<u>356,093</u>	<u>253,919</u>	<u>102,174</u>
Total Police	<u>23,706,689</u>	<u>22,777,340</u>	<u>929,349</u>
Fire:			
Personal Services	13,901,278	13,738,639	162,639
Materials And Supplies	335,903	447,118	(111,215)
Other Services And Charges	825,661	746,479	79,182
Capital Outlay	<u>524,985</u>	<u>269,702</u>	<u>255,283</u>
Total Fire	<u>15,587,827</u>	<u>15,201,938</u>	<u>385,889</u>
Traffic Engineering:			
Personal Services	799,378	756,045	43,333
Materials And Supplies	424,795	406,575	18,220
Other Services And Charges	348,820	310,531	38,289
Capital Outlay	<u>193,000</u>	<u>51,570</u>	<u>141,430</u>
Total Traffic Engineering	<u>1,765,993</u>	<u>1,524,721</u>	<u>241,272</u>
Total Public Safety	<u>41,060,509</u>	<u>39,503,999</u>	<u>1,556,510</u>
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	945,967	863,958	82,009
Materials And Supplies	59,098	45,872	13,226
Other Services And Charges	880,663	607,153	273,510
Capital Outlay	<u>63,699</u>	<u>42,259</u>	<u>21,440</u>
Total Street Maintenance	<u>1,949,427</u>	<u>1,559,242</u>	<u>390,185</u>
Street Lighting:			
Other Services And Charges	<u>3,127,100</u>	<u>3,124,234</u>	<u>2,866</u>
Total Streets And Highways	<u>5,076,527</u>	<u>4,683,476</u>	<u>393,051</u>

(Continued)

CULTURE AND RECREATION :

Parks And Recreation:

Personal Services	6,092,482	5,647,887	444,595
Materials And Supplies	553,798	598,688	(44,890)
Other Services And Charges	2,316,767	2,378,713	(61,946)
Capital Outlay	9,702	71,883	(62,181)
Total Parks And Recreation	<u>8,972,749</u>	<u>8,697,171</u>	<u>275,578</u>

Libraries:

Personal Services	26,169	26,169	
Materials And Supplies	41	41	
Other Services And Charges	5,145	5,145	
Capital Outlay	16,529	16,529	
Total Libraries	<u>47,884</u>	<u>47,884</u>	

Total Culture And Recreation	<u>9,020,633</u>	<u>8,745,055</u>	<u>275,578</u>
------------------------------	------------------	------------------	----------------

ECONOMIC OPPORTUNITY:

Lincoln Area Agency On Aging:

Personal Services	81,955	81,955	
Materials And Supplies	22,654	22,654	
Other Services And Charges	111,954	111,954	
Capital Outlay	2,153	2,153	
Total Lincoln Area Agency On Aging	<u>218,716</u>	<u>218,716</u>	

Job Programs:

Other Services And Charges	<u>844</u>	<u>844</u>	
----------------------------	------------	------------	--

Total Economic Opportunity	<u>219,560</u>	<u>219,560</u>	
----------------------------	----------------	----------------	--

HEALTH AND WELFARE:

Lincoln/Lancaster County Health:

Personal Services	104,213	104,213	
Materials And Supplies	11,984	11,984	
Other Services And Charges	107,172	107,172	
Total Health And Welfare	<u>223,369</u>	<u>223,369</u>	

Total Expenditures	\$ <u>78,656,860</u>	<u>73,884,956</u>	<u>4,771,904</u>
--------------------	----------------------	-------------------	------------------

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds from a specific revenue source that is legally restricted to expenditures for a specified purpose.

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.

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. These monies must be used for improvements to athletic field and facilities.

Cable Access Television Fund - To account for receipt and disbursement of educational and governmental access capital equipment and facilities grants. The Franchise Agreement between the City and Lincoln Cablevision, effective August 5, 1985, required Cablevision to deposit \$400,000 in such a fund. Cablevision is required to match, one for one, any contributions by the City for such purposes up to \$100,000.

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 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.

Tax Sales Revolving Fund - To provide working funds to acquire lots sold at tax sale for which any part of the taxes included in the decree of foreclosure is due to the City as well as to account for expenditures from this fund to purchase such lots and associated expenses, and to account for monies received from the sale of such lots. Financing is provided by a transfer from the Advance Acquisition Fund and monies received from the sale of lots.

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.

Snow Removal Fund - To account for the costs of providing snow and ice removal services for all streets in the City of Lincoln. Financing is provided by a percentage of wheel tax receipts and transfers from the Street Construction Fund.

911 Communication Fund - To account for the costs of answering and processing all incoming 911 and non-emergency calls as well as the cost to 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.

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.

Street Construction Fund - To account for the receipt of highway allocation fees received from the State of Nebraska, and the transfer of resources to fund capital improvement expenditures accounted for in the Street Construction Capital Projects Fund. By State law, these highway allocation fees are restricted to construction and maintenance of streets and highways and appurtenances thereto.

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 is provided by a specific annual property tax levy. Such property taxes may only be used for this purpose.

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. Funding is provided by grants from the Department of Housing and Urban Development (HUD).

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.

Job Training Programs Fund - To account for the costs of providing services under the Job Training and Partnership Act. Funding is provided by grants from the Department of Labor.

Workforce Investment Act (WIA) Fund - To account for the costs of providing services under the Workforce Investment Act, new federal legislation which took effect July 1, 2000. Funding is 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 Special Assessment 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.

Property Tax Refunds Fund - To accumulate resources for reimbursement of taxes on centrally assessed property per court order. Resources are derived from collection of prior years' tax levies and interest earned on those collections.

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2001
With Comparative Totals For August 31, 2000

B-1

	Advance Acquisition	Athletic Field & Facilities Improvement	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Tax Sales Revolving	Lincoln/Lancaster Co. Health	Snow Removal	911 Communication	Social Security	Street Construction	Unemployment Compensation	Keno	Federal Grants	Special Assessment	Building & Safety	Property Tax Refunds	Totals	
																		2001	2000
ASSETS																			
Cash Held By City Treasurer	\$ 1,434,728	247,860	85,601	2,027,807	193,864	1,305,784	394,305	1,108,577	26,952	1,169,040	10,280,013	307,994	2,889,333	2,371,793	16,062	587,776	4,968	24,452,457	12,415,922
Cash On Hand And In Other Accounts					1,963		9,003	5						1,638				12,609	27,298
Investments		199,852				34,889					13,924,040					2,572,001		16,730,782	21,110,093
Receivables:																			
Taxes				815,210						277,704								1,092,914	807,973
Accounts		362		792	44		5,104		363,199		112,336		257,768	10,233				749,838	603,398
Accrued Interest	10,990	2,445	646	12,104	2,629	7,630	2,674	6,461	435	7,696	225,021	2,296	21,770	5,297	122	48,765	38	357,019	431,020
Due From Other Funds	4,466	771	267	6,312	4,590	3,793	1,086	3,422	34,605	3,639	32,005	959	8,993	2,243	304,639	1,911	15	413,716	2,859,133
Due From Other Governments				1,379	103,991		376,135	93,670			465			838,256				5,173,402	5,447,020
Inventories								179,565			36,755							216,320	228,510
Total Assets	1,450,184	451,290	86,514	2,863,604	307,081	1,352,096	788,307	1,391,700	425,191	1,458,544	28,369,676	311,249	3,177,864	3,229,460	320,823	3,210,453	5,021	49,199,057	43,930,367
LIABILITIES AND FUND BALANCES																			
Liabilities:																			
Vouchers Payable				74			142									44		260	
Retainages Payable											6,892							6,892	12,008
Accounts Payable	500		107	67,926	47,005		42,308	11,337	1,901		24,454		7,877	295,914		2,278		501,607	455,656
Accrued Liabilities				136,640	98,863		233,504	7,171	65,672	175,047	96,409			234,774		132,141		1,180,221	1,003,522
Accrued Compensated Absences				178,648	97,989		246,122	16,585	39,070	9,124	96,924			173,248		144,195		1,001,905	922,440
Due To Other Governments	585			16	850				200					476,204				539,110	75,282
Due To Other Funds		92		37,880	28,462		107,748	4,121	14,882	124,231	2,306,565		60,732	58,610	244,091	39,153		3,026,567	2,469,537
Unearned Revenue																140,811		140,811	154,468
Deferred Revenue				258,467						89,819								348,286	316,007
Total Liabilities	1,085	92	107	679,651	273,169		629,824	39,214	121,725	398,221	2,531,244		129,908	1,238,750	244,091	458,578		6,745,659	5,408,920
Fund Balances:																			
Reserved For:																			
Encumbrances				200,219	17,594		60,552	9,254			3,501,943		72,207	965,614	76,732	3,027		4,907,142	14,658,207
Inventories								179,565			36,755							216,320	228,510
Unreserved:																			
Designated For Subsequent Years' Expenditures				398,134	16,318		97,931	3,331	30,503	85,217	5,070,687	95,000				61,375		5,858,496	829,385
Undesignated	1,449,099	451,198	86,407	1,585,600		1,352,096		1,160,336	272,963	975,106	17,229,047	216,249	2,975,749	1,025,096		2,687,473	5,021	31,471,440	22,805,345
Total Fund Balances	1,449,099	451,198	86,407	2,183,953	33,912	1,352,096	158,483	1,352,486	303,466	1,060,323	25,838,432	311,249	3,047,956	1,990,710	76,732	2,751,875	5,021	42,453,398	38,521,447
Total Liabilities And Fund Balances	\$ 1,450,184	451,290	86,514	2,863,604	307,081	1,352,096	788,307	1,391,700	425,191	1,458,544	28,369,676	311,249	3,177,864	3,229,460	320,823	3,210,453	5,021	49,199,057	43,930,367

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Totals For August 31, 2000

B-2

	Advance Acquisition	Athletic Field & Facilities Improvement	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Tax Sales Revolving	Lincoln/Lancaster Co. Health	Snow Removal	911 Communication	Social Security	Street Construction	Unemployment Compensation	Keno	Federal Grants	Special Assessment	Building & Safety	Property Tax Refunds	Totals		
																		2001	2000	
Revenues:																				
Real Property And Personal Property Tax	\$			4,431,719						1,497,337									5,929,056	5,664,551
Wheel Tax								970,309											970,309	955,249
Special Assessment														2,900					2,900	
Intergovernmental				450,622	1,042,200		2,170,766		78,539		24,872,480			13,907,171					42,521,778	29,832,049
Permits And Fees				271,120	118,255		1,868,265		880,992		162,750					3,370,590			7,159,282	7,154,034
Reimbursement For Services					21,599		80,809		38,737		189,562			198,486		153,255			682,448	597,986
Recreation Receipts		71,915																	71,915	70,655
Investment Income	79,051	21,910	6,395	63,879	15,451	61,674	13,642	51,166	3,783	48,387	1,203,743	16,404	146,915	44,602	6,596	189,391	11	1,973,000	1,985,512	
Donations					25,366									36,775					62,141	28,278
Keno Proceeds													3,039,664						3,039,664	2,870,743
Client Contributions					137,976									57					138,033	142,953
Rental Income	558										3,575								4,133	2,016
Program Income														1,136,720					1,136,720	627,374
Sale Of Assets	108,218				350	160,750	1,382							10,965					281,665	108,589
Private Sector Share Of Projects											1,230,662			155,389	473,445				1,859,496	1,946,286
Miscellaneous		11,080	1,616	7,348	2,409		3,529		590	20	37,220			30,403	104,004	11,547			209,766	272,040
Total Revenues	187,827	104,905	8,011	5,224,688	1,363,606	222,424	4,138,393	1,021,475	1,002,641	1,545,744	27,699,992	16,404	3,186,579	16,010,778	584,045	3,724,783	11	66,042,306	52,258,315	
Expenditures:																				
Current:																				
General Government	15,364		21,405			347				1,456,472			11,365	1,143,746	224,490	532,606			3,405,795	3,593,476
Public Safety									2,012,416					1,457,392		4,063,842			7,533,650	6,567,497
Streets And Highways								2,451,190			3,931,044			80,147					6,462,381	4,626,114
Culture And Recreation			5,211,052											91,651	391,097				5,693,800	5,508,057
Economic Opportunity					3,820,085									8,346,019					12,166,104	10,772,595
Health And Welfare							8,758,702							5,244,928					14,003,630	12,513,259
Total Expenditures	15,364	21,405	5,211,052	3,820,085	347	8,758,702	2,451,190	2,012,416	1,456,472	3,931,044	11,365	1,534,843	15,444,627	532,606	4,063,842	11	49,265,360	43,580,998		
Excess (Deficiency) Of Revenues Over Expenditures	172,463	104,905	(13,394)	13,636	(2,456,479)	222,077	(4,620,309)	(1,429,715)	(1,009,775)	89,272	23,768,948	5,039	1,651,736	566,151	51,439	(339,059)	11	16,776,946	8,677,317	
Other Financing Sources (Uses):																				
Operating Transfers In					2,399,623		4,240,810	906,053	954,443					179,773		636,943			9,317,645	14,401,271
Operating Transfers Out	(198,700)		(28,000)			(148,415)	(3,721)	(47,500)			(18,224,436)		(868,143)	(356,751)	(2,864,186)				(22,739,852)	(23,447,512)
Proceeds From Issuance of Debt							190,000												190,000	
Total Other Financing Sources (Uses)	(198,700)	(28,000)	2,399,623	(148,415)	4,427,089	(148,415)	858,553	954,443	(18,224,436)	(868,143)	(176,978)	(2,864,186)	636,943	(13,232,207)	(9,046,241)					
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(26,237)	104,905	(41,394)	13,636	(56,856)	73,662	(193,220)	(571,162)	(55,332)	89,272	5,544,512	5,039	783,593	389,173	(2,812,747)	297,884	11	3,544,739	(368,924)	
Fund Balances Beginning Of Year	1,475,336	346,293	127,801	2,170,317	90,768	1,278,434	351,703	1,923,648	358,798	971,051	20,293,920	306,210	2,264,363	1,601,537	2,502,267	2,453,991	5,010	38,521,447	35,757,901	
Residual Equity Transfers In															387,212			387,212	3,132,470	
Fund Balances End Of Year	\$ 1,449,099	451,198	86,407	2,183,953	33,912	1,352,096	158,483	1,352,486	303,466	1,060,323	25,838,432	311,249	3,047,956	1,990,710	76,732	2,751,875	5,021	42,453,398	38,521,447	

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Recreation Receipts	\$ 85,000	71,689	(13,311)
Investment Income		20,943	20,943
Miscellaneous		<u>17,022</u>	<u>17,022</u>
Total Revenues	<u>85,000</u>	<u>109,654</u>	<u>24,654</u>
Other Financing (Uses):			
Operating Transfers Out	<u>(191,826)</u>		<u>191,826</u>
Excess (Deficiency) Of Revenues Over Other Financing (Uses)	(106,826)	109,654	216,480
Fund Balance Beginning Of Year	<u>342,259</u>	<u>342,259</u>	
Fund Balance End Of Year	<u>\$ 235,433</u>	<u>451,913</u>	<u>216,480</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
CABLE ACCESS TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Income	\$ 49,150	7,189	(41,961)
Miscellaneous		<u>1,616</u>	<u>1,616</u>
Total Revenues	<u>49,150</u>	<u>8,805</u>	<u>(40,345)</u>
Expenditures -- General Government:			
Materials And Supplies		3,652	(3,652)
Other Services And Charges	16,650	17,515	(865)
Capital Outlay		<u>340</u>	<u>(340)</u>
Total Expenditures	<u>16,650</u>	<u>21,507</u>	<u>(4,857)</u>
Excess (Deficiency) Of Revenues Over Expenditures	32,500	(12,702)	(45,202)
Other Financing (Uses):			
Operating Transfers Out	<u>(32,500)</u>	<u>(28,000)</u>	<u>4,500</u>
Deficiency Of Revenues Over Expenditures And Other Financing (Uses)		(40,702)	(40,702)
Fund Balance Beginning Of Year	<u>126,302</u>	<u>126,302</u>	
Fund Balance End Of Year	<u>\$ 126,302</u>	<u>85,600</u>	<u>(40,702)</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
LINCOLN CITY LIBRARIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-5

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Real Property And Personal Property Tax	\$ 4,050,731	4,236,958	186,227
Intergovernmental	456,572	450,622	(5,950)
Permits And Fees	270,000	270,489	489
Reimbursement For Services	3,070		(3,070)
Investment Income	65,000	69,282	4,282
Sale Of Assets		26	26
Miscellaneous	1,840	8,865	7,025
Total Revenues	<u>4,847,213</u>	<u>5,036,242</u>	<u>189,029</u>
Expenditures -- Culture And Recreation:			
Personal Services	3,783,740	3,645,242	138,498
Materials And Supplies	164,775	176,383	(11,608)
Other Services And Charges	797,317	773,503	23,814
Capital Outlay	592,503	532,847	59,656
Total Expenditures	<u>5,338,335</u>	<u>5,127,975</u>	<u>210,360</u>
Deficiency Of Revenues Over Expenditures	(491,122)	(91,733)	399,389
Fund Balance Beginning Of Year As Restated	<u>2,388,391</u>	<u>2,388,391</u>	
Fund Balance End Of Year	<u>\$ 1,897,269</u>	<u>2,296,658</u>	<u>399,389</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
LINCOLN AREA AGENCY ON AGING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,062,095	1,184,249	122,154
Permits And Fees	136,344	118,133	(18,211)
Reimbursement For Services	21,599	21,599	
Investment Income		15,029	15,029
Donations	30,761	25,366	(5,395)
Client Contributions	160,259	136,248	(24,011)
Sale Of Assets		369	369
Miscellaneous	1,000	2,453	1,453
Total Revenues	<u>1,412,058</u>	<u>1,503,446</u>	<u>91,388</u>
Expenditures -- Economic Opportunity:			
Personal Services	2,545,054	2,500,642	44,412
Materials And Supplies	306,118	303,188	2,930
Other Services And Charges	1,059,879	965,486	94,393
Capital Outlay	71,582	59,244	12,338
Total Expenditures	<u>3,982,633</u>	<u>3,828,560</u>	<u>154,073</u>
Deficiency Of Revenues Over Expenditures	(2,570,575)	(2,325,114)	245,461
Other Financing Sources:			
Operating Transfers In	<u>2,376,234</u>	<u>2,399,623</u>	<u>23,389</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(194,341)	74,509	268,850
Fund Balance Beginning Of Year As Restated	<u>96,462</u>	<u>96,462</u>	
Fund Balance (Deficit) End Of Year	<u>\$ (97,879)</u>	<u>170,971</u>	<u>268,850</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
LINCOLN/LANCASTER COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-7

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,168,509	2,148,173	(20,336)
Permits And Fees	2,036,100	1,875,491	(160,609)
Reimbursement For Services		80,882	80,882
Investment Income		15,920	15,920
Sale Of Assets		1,382	1,382
Miscellaneous		3,665	3,665
Total Revenues	<u>4,204,609</u>	<u>4,125,513</u>	<u>(79,096)</u>
Expenditures -- Health And Welfare:			
Personal Services	6,141,111	5,927,874	213,237
Materials And Supplies	301,098	319,677	(18,579)
Other Services And Charges	2,167,530	2,156,315	11,215
Capital Outlay	272,581	297,783	(25,202)
Total Expenditures	<u>8,882,320</u>	<u>8,701,649</u>	<u>180,671</u>
Deficiency Of Revenues Over Expenditures	(4,677,711)	(4,576,136)	101,575
Other Financing Sources (Uses):			
Operating Transfers In	4,199,741	4,240,810	41,069
Operating Transfers Out		(3,721)	(3,721)
Proceeds From Issuance Of Debt	190,000	190,000	
Total Other Financing Sources (Uses)	<u>4,389,741</u>	<u>4,427,089</u>	<u>37,348</u>
Deficiency Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(287,970)	(149,047)	138,923
Fund Balance Beginning Of Year As Restated	<u>535,959</u>	<u>535,959</u>	
Fund Balance End Of Year	<u>\$ 247,989</u>	<u>386,912</u>	<u>138,923</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE

B-8

SNOW REMOVAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Wheel Tax	\$ 983,000	964,916	(18,084)
Investment Income		58,233	58,233
Total Revenues	<u>983,000</u>	<u>1,023,149</u>	<u>40,149</u>
Expenditures -- Streets And Highways:			
Personal Services	881,155	995,365	(114,210)
Materials And Supplies	171,650	255,459	(83,809)
Other Services And Charges	728,798	1,157,538	(428,740)
Capital Outlay	<u>59,950</u>	<u>20,641</u>	<u>39,309</u>
Total Expenditures	<u>1,841,553</u>	<u>2,429,003</u>	<u>(587,450)</u>
Deficiency Of Revenues Over Expenditures	(858,553)	(1,405,854)	(547,301)
Other Financing Sources (Uses):			
Operating Transfers In	906,053	906,053	
Operating Transfers Out	<u>(47,500)</u>	<u>(47,500)</u>	
Total Other Financing Sources (Uses)	<u>858,553</u>	<u>858,553</u>	
Deficiency Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)		(547,301)	(547,301)
Fund Balance Beginning Of Year	<u>1,655,877</u>	<u>1,655,877</u>	
Fund Balance End Of Year	<u>\$ 1,655,877</u>	<u>1,108,576</u>	<u>(547,301)</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
911 COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 78,539	78,539	
Permits And Fees	930,500	663,698	(266,802)
Reimbursement For Services		4,216	4,216
Investment Income		7,334	7,334
Miscellaneous		590	590
Total Revenues	1,009,039	754,377	(254,662)
Expenditures -- Public Safety:			
Personal Services	1,603,676	1,593,940	9,736
Materials And Supplies	9,750	16,418	(6,668)
Other Services And Charges	502,030	364,620	137,410
Capital Outlay	13,992	18,608	(4,616)
Total Expenditures	2,129,448	1,993,586	135,862
Deficiency Of Revenues Over Expenditures	(1,120,409)	(1,239,209)	(118,800)
Other Financing Sources:			
Operating Transfers In	954,443	954,443	
Deficiency Of Revenues And Other Financing Sources Over Expenditures	(165,966)	(284,766)	(118,800)
Fund Balance Beginning Of Year As Restated	311,719	311,719	
Fund Balance End Of Year	\$ 145,753	26,953	(118,800)

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-10

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Real Property And Personal Property Tax	\$ 1,366,435	1,438,710	72,275
Investment Income	38,000	50,287	12,287
Miscellaneous		20	20
Total Revenues	1,404,435	1,489,017	84,582
Expenditures -- General Government:			
Personal Services	1,468,582	1,394,607	73,975
Other Services And Charges	17,799	23,939	(6,140)
Total Expenditures	1,486,381	1,418,546	67,835
Excess (Deficiency) Of Revenues Over Expenditures	(81,946)	70,471	152,417
Fund Balance Beginning Of Year	1,169,879	1,169,879	
Fund Balance End Of Year	\$ 1,087,933	1,240,350	152,417

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
STREET CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 12,800,000	23,588,709	10,788,709
Permits And Fees		166,111	166,111
Reimbursement For Services	400,000	193,849	(206,151)
Investment Income	800,000	1,262,657	462,657
Rental Income		3,575	3,575
Private Sector Share Of Project		1,260,097	1,260,097
Miscellaneous		46,600	46,600
Total Revenues	<u>14,000,000</u>	<u>26,521,598</u>	<u>12,521,598</u>
Expenditures -- Streets And Highways:			
Personal Services	2,384,530	2,278,439	106,091
Materials And Supplies	325,750	365,316	(39,566)
Other Services And Charges	1,331,206	1,230,874	100,332
Capital Outlay	36,250	35,750	500
Total Expenditures	<u>4,077,736</u>	<u>3,910,379</u>	<u>167,357</u>
Excess Of Revenues Over Expenditures	9,922,264	22,611,219	12,688,955
Other Financing (Uses):			
Operating Transfers Out	<u>(14,239,354)</u>	<u>(14,239,354)</u>	
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing (Uses)	(4,317,090)	8,371,865	12,688,955
Fund Balance Beginning Of Year As Restated	<u>32,224,015</u>	<u>32,224,015</u>	
Fund Balance End Of Year	<u>\$ 27,906,925</u>	<u>40,595,880</u>	<u>12,688,955</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-12

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Income	\$ <u> </u>	<u> 17,199</u>	<u> 17,199</u>
Expenditures -- General Government:			
Unemployment Insurance Payments	<u> 95,000</u>	<u> 11,365</u>	<u> 83,635</u>
Excess (Deficiency) Of Revenues Over Expenditures	(95,000)	5,834	100,834
Fund Balance Beginning Of Year	<u> 304,466</u>	<u> 304,466</u>	
Fund Balance End Of Year	<u><u> 209,466</u></u>	<u><u> 310,300</u></u>	<u><u> 100,834</u></u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE

B-13

KENO FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)

FISCAL YEAR ENDED AUGUST 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Income	\$	144,464	144,464
Keno Proceeds	<u>5,015,125</u>	<u>3,030,780</u>	<u>(1,984,345)</u>
Total Revenues	<u>5,015,125</u>	<u>3,175,244</u>	<u>(1,839,881)</u>
Expenditures:			
General Government:			
Other Services And Charges	<u>1,033,500</u>	<u>1,140,452</u>	<u>(106,952)</u>
Culture And Recreation:			
Capital Outlay	<u>455,666</u>	<u>383,458</u>	<u>72,208</u>
Total Expenditures	<u>1,489,166</u>	<u>1,523,910</u>	<u>(34,744)</u>
Excess Of Revenues Over Expenditures	3,525,959	1,651,334	(1,874,625)
Other Financing (Uses):			
Operating Transfers Out	<u>(3,022,314)</u>	<u>(867,321)</u>	<u>2,154,993</u>
Excess Of Revenues Over Expenditures And Other Financing (Uses)	503,645	784,013	280,368
Fund Balance Beginning Of Year As Restated	<u>2,388,453</u>	<u>2,388,453</u>	
Fund Balance End Of Year	<u>\$ 2,892,098</u>	<u>3,172,466</u>	<u>280,368</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-14

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 15,482,370	15,362,653	(119,717)
Permits And Fees	487,231	487,231	
Reimbursement For Services	186,156	187,172	1,016
Investment Income	50,935	50,935	
Donations	29,422	29,422	
Client Contributions	57	57	
Program Income	876,731	1,136,720	259,989
Sale of Assets	10,966	10,966	
Private Sector Share Of Project	155,389	155,389	
Miscellaneous	6,741	42,988	36,247
Total Revenues	<u>17,285,998</u>	<u>17,463,533</u>	<u>177,535</u>
Expenditures:			
General Government:			
Personal Services	305	305	
Materials And Supplies	522	522	
Other Services And Charges	175,017	175,017	
Capital Outlay	126,396	126,396	
Total General Government	<u>302,240</u>	<u>302,240</u>	
Public Safety:			
Personal Services	350,396	350,396	
Materials And Supplies	61,670	61,670	
Other Services And Charges	454,014	424,511	29,503
Capital Outlay	600,059	600,059	
Total Public Safety	<u>1,466,139</u>	<u>1,436,636</u>	<u>29,503</u>
Streets And Highways:			
Personal Services	81,164	81,164	
Culture And Recreation:			
Personal Services	1,965	1,965	
Materials And Supplies	11,563	11,563	
Other Services And Charges	6,580	6,580	
Capital Outlay	75,372	75,372	
Total Culture And Recreation	<u>95,480</u>	<u>95,480</u>	
Economic Opportunity:			
Personal Services	2,582,789	2,440,173	142,616
Materials And Supplies	71,636	74,742	(3,106)
Other Services And Charges	1,530,537	1,310,410	220,127
Capital Outlay	933,675	212,623	721,052
Loans And Grants	5,884,397	4,148,152	1,736,245
Total Economic Opportunity	<u>11,003,034</u>	<u>8,186,100</u>	<u>2,816,934</u>

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Health And Welfare:			
Personal Services	2,434,401	2,434,401	
Materials And Supplies	72,304	72,304	
Other Services And Charges	2,201,431	2,201,431	
Capital Outlay	14,636	14,636	
Loans And Grants	<u>65,353</u>	<u>65,353</u>	
Total Health And Welfare	<u>4,788,125</u>	<u>4,788,125</u>	
Total Expenditures	<u>17,736,182</u>	<u>14,889,745</u>	<u>2,846,437</u>
Excess (Deficiency) Of Revenues Over Expenditures	(450,184)	2,573,788	3,023,972
Other Financing Sources (Uses):			
Operating Transfers In	240,812	179,773	(61,039)
Operating Transfers Out	<u>(356,751)</u>	<u>(356,751)</u>	
Total Other Financing Sources (Uses)	<u>(115,939)</u>	<u>(176,978)</u>	<u>(61,039)</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(566,123)	2,396,810	2,962,933
Fund Deficit Beginning Of Year As Restated	<u>(933,054)</u>	<u>(933,054)</u>	
Fund Balance (Deficit) End Of Year	<u>\$ (1,499,177)</u>	<u>1,463,756</u>	<u>2,962,933</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
BUILDING AND SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

B-15

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Permits And Fees	\$ 3,456,659	3,372,599	(84,060)
Reimbursement For Services		153,255	153,255
Investment Income		168,944	168,944
Sale Of Assets		3	3
Miscellaneous		11,547	11,547
Total Revenues	<u>3,456,659</u>	<u>3,706,348</u>	<u>249,689</u>
Expenditures -- Public Safety:			
Personal Services	3,391,799	3,276,646	115,153
Materials And Supplies	60,975	46,867	14,108
Other Services And Charges	602,908	532,003	70,905
Capital Outlay	201,986	188,495	13,491
Total Expenditures	<u>4,257,668</u>	<u>4,044,011</u>	<u>213,657</u>
Deficiency Of Revenues Over Expenditures	(801,009)	(337,663)	463,346
Other Financing Sources:			
Operating Transfers In	<u>632,303</u>	<u>636,943</u>	<u>4,640</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(168,706)	299,280	467,986
Fund Balance Beginning Of Year	<u>2,733,074</u>	<u>2,733,074</u>	
Fund Balance End Of Year	<u>\$ 2,564,368</u>	<u>3,032,354</u>	<u>467,986</u>

See Accompanying Independent Auditors' Report

DEBT SERVICE FUNDS

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

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

Bond Interest And Redemption Fund - To accumulate resources for payment of principal and interest on the several general obligation bond issues, notes and capital leases outstanding as follows:

1989	Sanitary Improvement District #7 Bonds
1990	University Square Redevelopment Project Bonds
1993	Various Purpose Refunding Bonds
1993	Downtown Redevelopment Refunding Bonds
1995	Storm Sewer Construction Bonds
1995	Various Purpose Bonds
1997	Storm Sewer and Drainage System Bonds
1999A	Various Purpose Bonds
1999B	Various Purpose Bonds
2001	Certificates of Participation – Health Lease

Resources are derived from an annual tax levy.

MIRF Bond Debt Fund – To accumulate resources for payment of principal and interest on the Municipal Infrastructure Redevelopment Fund Bonds, Series 2000. The bonds are payable from amounts received by the City from the State of Nebraska MIRF fund established pursuant to the MIRF Act (Chapter 18, Article 26, Reissue Revised Statutes of Nebraska, as amended), which provides annual appropriations from an imposed cigarette tax.

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

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2001
With Comparative Totals For August 31, 2000

C-1

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	MIRF Bonds	Special Assessment	Totals	
					2001	2000
ASSETS						
Cash Held By City Treasurer	\$ 2,875,833	2,501,990	332,953	435,874	6,146,650	5,460,414
Investments		597,208	332,228	3,314,161	4,243,597	6,118,742
Receivables:						
Taxes	36,839	1,188,721			1,225,560	1,010,112
Accrued Interest	21,233	16,159	10,051	60,418	107,861	77,000
Special Assessment				3,635,594	3,635,594	3,649,747
Due From Other Funds	8,982	7,787	1,036	1,357	19,162	22,843
Due From Other Governments		1,876			1,876	1,218
Total Assets	2,942,887	4,313,741	676,268	7,447,404	15,380,300	16,340,076
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable						2,325
Due To Other Funds				304,602	304,602	2,777,602
Deferred Revenue		324,811		3,403,441	3,728,252	3,716,964
Bond Principal Payable		10,000		55,000	65,000	65,000
Bond Interest Payable		1,668		37,582	39,250	39,250
Total Liabilities		336,479		3,800,625	4,137,104	6,601,141
Fund Balances:						
Reserved For Debt Service	2,942,887	3,977,262	676,268		7,596,417	7,432,372
Unreserved - Designated For Debt Service				3,646,779	3,646,779	2,306,563
Total Fund Balances	2,942,887	3,977,262	676,268	3,646,779	11,243,196	9,738,935
Total Liabilities And Fund Balances	\$ 2,942,887	4,313,741	676,268	7,447,404	15,380,300	16,340,076

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Totals For Fiscal Year Ended August 31, 2000

C-2

	Tax				Totals	
	Allocation Projects Debt Service	Bond Interest And Redemption	MIRF Bonds	Special Assessment	2001	2000
Revenues:						
Real Property And Personal Property Tax	\$ 795,742	6,028,418			6,824,160	6,930,260
Taxes Collected By Others		7,843			7,843	8,532
Special Assessment				1,534,420	1,534,420	1,643,549
Special Assessment Interest				257,157	257,157	310,557
Intergovernmental		178,550	472,278		650,828	420,580
Investment Income	151,477	109,690	58,101	247,039	566,307	553,782
Miscellaneous		50,000			50,000	50,048
Total Revenues	<u>947,219</u>	<u>6,374,501</u>	<u>530,379</u>	<u>2,038,616</u>	<u>9,890,715</u>	<u>9,917,308</u>
Expenditures -- Debt Service:						
Principal Retirement	270,407	4,185,998	240,000	270,000	4,966,405	5,125,296
Interest	109,832	2,422,100	181,877	39,438	2,753,247	2,772,021
Fiscal Charges	1,687	4,430	950	1,383	8,450	9,756
Capital Lease Interest		3,721			3,721	
Miscellaneous	7,000	3,500		367	10,867	17,222
Total Expenditures	<u>388,926</u>	<u>6,619,749</u>	<u>422,827</u>	<u>311,188</u>	<u>7,742,690</u>	<u>7,924,295</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>558,293</u>	<u>(245,248)</u>	<u>107,552</u>	<u>1,727,428</u>	<u>2,148,025</u>	<u>1,993,013</u>
Other Financing Sources (Uses):						
Operating Transfers In	439,109	249,949			689,058	543,030
Operating Transfers Out	(699,509)				(699,509)	(1,846,185)
Refunding Bond Proceeds	385,794				385,794	
Transfer To Bond Refunding Agent	(631,895)				(631,895)	
Total Other Financing Sources (Uses)	<u>(506,501)</u>	<u>249,949</u>			<u>(256,552)</u>	<u>(1,303,155)</u>
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	51,792	4,701	107,552	1,727,428	1,891,473	689,858
Fund Balances Beginning Of Year	2,891,095	3,972,561	568,716	2,306,563	9,738,935	12,181,547
Residual Equity Transfers Out				(387,212)	(387,212)	(3,132,470)
Fund Balances End Of Year	<u>\$ 2,942,887</u>	<u>3,977,262</u>	<u>676,268</u>	<u>3,646,779</u>	<u>11,243,196</u>	<u>9,738,935</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2001

	Tax Allocation Projects Debt Service			Bond Interest And Redemption			MIRF Bonds			Totals		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:												
Real Property And Personal Property Tax	\$ 353,650	818,138	464,488	5,503,567	5,814,489	310,922				5,857,217	6,632,627	775,410
Taxes Collected By Others				5,100	7,186	2,086				5,100	7,186	2,086
Intergovernmental				178,500	178,550	50	466,800	472,278	5,478	645,300	650,828	5,528
Investment Income		156,844	156,844	150,000	107,498	(42,502)		54,344	54,344	150,000	318,686	168,686
Miscellaneous					50,000	50,000					50,000	50,000
Total Revenues	353,650	974,982	621,332	5,837,167	6,157,723	320,556	466,800	526,622	59,822	6,657,617	7,659,327	1,001,710
Expenditures -- Debt Service:												
Principal Retirement	257,400	270,407	(13,007)	4,053,000	4,185,998	(132,998)	240,000	240,000		4,550,400	4,696,405	(146,005)
Interest	96,250	109,832	(13,582)	2,309,000	2,422,100	(113,100)	181,877	181,877		2,587,127	2,713,809	(126,682)
Fiscal Charges		1,687	(1,687)		5,255	(5,255)	950	950		950	7,892	(6,942)
Capital Lease Interest					3,721	(3,721)					3,721	(3,721)
Miscellaneous		7,000	(7,000)		5,000	(5,000)					12,000	(12,000)
Total Expenditures	353,650	388,926	(35,276)	6,362,000	6,622,074	(260,074)	422,827	422,827		7,138,477	7,433,827	(295,350)
Excess (Deficiency) Of Revenues Over Expenditures		586,056	586,056	(524,833)	(464,351)	60,482	43,973	103,795	59,822	(480,860)	225,500	706,360
Other Financing Sources (Uses):												
Operating Transfers In	439,109	439,109		249,949	249,949					689,058	689,058	
Operating Transfers Out	(699,509)	(699,509)								(699,509)	(699,509)	
Refunding Bond Proceeds	385,794	385,794								385,794	385,794	
Transfer To Bond Refunding Agent	(631,895)	(631,895)								(631,895)	(631,895)	
Total Other Financing Sources (Uses)	(506,501)	(506,501)		249,949	249,949					(256,552)	(256,552)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(506,501)	79,555	586,056	(274,884)	(214,402)	60,482	43,973	103,795	59,822	(737,412)	(31,052)	706,360
Fund Balances Beginning Of Year	2,499,917	2,499,917		4,120,217	4,120,217		561,385	561,385		7,181,519	7,181,519	
Fund Balances End Of Year	\$ 1,993,416	2,579,472	586,056	3,845,333	3,905,815	60,482	605,358	665,180	59,822	6,444,107	7,150,467	706,360

See Accompanying Independent Auditors' Report

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, special assessments, and trust funds).

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

Street Construction Fund - To account for the cost of constructing and improving streets and highways in the City. Financing is provided from highway allocation fees.

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.

1991 G. O. Various Purpose Bonds Fund - To account for the cost of providing improvements to the City's existing library system, including the expansion and equipping of Gere Branch Library and to purchase and equip a new bookmobile; and providing improvements to the City's existing storm sewer and drainage system. Financing is provided by General Obligation Bonds.

Downtown Redevelopment Project Fund - To account for the cost of acquiring real property and development within the area included in the Lincoln Center Retail Revitalization/Redevelopment Project. Financing is provided by General Obligation Bonds.

Storm Sewer Bonds Fund - To account for the cost of reconstructing the Antelope Creek box culvert and providing other improvements and extensions to the City's storm water sewer and drainage system. Financing is to be provided by a combination of General Obligation Bond Issue proceeds, Tax Increment Financing and reimbursement funds from the Federal Emergency Management Agency.

1995 G.O. Various Purpose Bonds Fund - To account for the cost of constructing a new fire station; constructing a classroom addition to the existing fire training center; remodeling and expanding Fire Station #12; replacing three aerial fire trucks; acquiring a hazardous materials command vehicle; acquiring various fire equipment; and upgrading and enhancing the City's 800 Mhz trunked radio system. Financing is provided by General Obligation Bonds.

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 fixed 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, NE
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2001

D-1

With Comparative Totals For August 31, 2000

	Storm Sewer Construction	Street Construction	Vehicle Tax	1991 G.O.	Downtown Redevelopment Project	Storm Sewer Bonds	1995 G.O.	1999 G.O.	Other Capital Projects	Special Assessment	Totals	
				Various Purpose Bonds			Various Purpose Bonds	Various Purpose Bonds			2001	2000
ASSETS												
Cash Held By City Treasurer	\$ 99,610		4,418,969	41,655	95,861	696,082	97,936	10,038,348	5,391,367		20,879,828	22,855,257
Cash On Hand And In Other Accounts			34								34	
Investments								876,563	1,310,257		2,186,820	12,591,179
Note Receivable												1,000,000
Accounts Receivable												4,868
Accrued Interest Receivable			77,041	307	710	2,783	736	88,946	69,132		239,655	319,060
Due From Other Funds		2,263,770	13,754	130	298	2,167	305	31,244	17,527	244,091	2,573,286	2,054,474
Due From Other Governments			636,988								636,988	599,824
Total Assets	99,610	2,263,770	5,146,786	42,092	96,869	701,032	98,977	11,035,101	6,788,283	244,091	26,516,611	39,424,662
LIABILITIES AND FUND BALANCES												
Liabilities:												
Vouchers Payable		751,631									751,631	
Contracts Payable	27,183	486,924						475,225	857,517	244,044	2,090,893	2,805,433
Retainages Payable		680,567				17,331		398,126			1,096,024	573,706
Accounts Payable	177	325,891				29	5,000	50,181	51,755	12	433,045	527,901
Accrued Compensated Absences												139
Due To Other Governments		18,248									18,248	57,937
Due To Other Funds		509									548,887	165,331
Arbitrage Rebate									548,343	35	155,576	30,730
Total Liabilities	27,360	2,263,770				17,360	5,000	923,532	1,613,191	244,091	5,094,304	4,161,177
Fund Balances:												
Reserved For Encumbrances	72,250					43,370		572,896	4,160,529		4,849,045	3,955,063
Unreserved, Undesignated			5,146,786	42,092	96,869	640,302	93,977	9,538,673	1,014,563		16,573,262	31,308,422
Total Fund Balances	72,250		5,146,786	42,092	96,869	683,672	93,977	10,111,569	5,175,092		21,422,307	35,263,485
Total Liabilities And Fund Balances	\$ 99,610	2,263,770	5,146,786	42,092	96,869	701,032	98,977	11,035,101	6,788,283	244,091	26,516,611	39,424,662

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Totals For Fiscal Year Ended August 31, 2000

D-2

	Storm Sewer Construction	Street Construction	Vehicle Tax	1991 G.O. Various Purpose Bonds	Downtown Redevelopment Project	Storm Sewer Bonds	1995 G.O. Various Purpose Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Totals	
											2001	2000
Revenues:												
Wheel Tax	\$		6,598,928								6,598,928	6,495,988
Intergovernmental		122,239				127,719					249,958	932,636
Investment Income			602,149	2,174	5,007	50,807	22,836	851,282	282,120		1,816,375	2,093,085
Donations									991,897		991,897	1,921,064
Rental Income												117,557
Sale Of Assets									270,266		270,266	1,691,718
Miscellaneous									69,087		69,087	47,232
Total Revenues		122,239	7,201,077	2,174	5,007	178,526	22,836	851,282	1,613,370		9,996,511	13,299,280
Expenditures -- Capital Outlay:												
Capital Outlay							456,840	764,244	9,491		1,230,575	645,856
Debt Issuance Costs												28,070
Construction Contracts	202,231	22,058,251				593,784	92,823	8,068,112	6,903,142	2,813,100	40,731,443	30,564,479
Engineering And Other	17,597	5,359,761				48,334		174,560	582,092	227,070	6,409,414	4,581,942
Total Expenditures	219,828	27,418,012				642,118	549,663	9,006,916	7,494,725	3,040,170	48,371,432	35,820,347
Excess (Deficiency) Of Revenues Over Expenditures												
	(97,589)	(27,418,012)	7,201,077	2,174	5,007	(463,592)	(526,827)	(8,155,634)	(5,881,355)	(3,040,170)	(38,374,921)	(22,521,067)
Other Financing Sources (Uses):												
Operating Transfers In		27,866,118							4,263,853	3,040,170	35,170,141	25,464,685
Operating Transfers Out		(448,106)	(10,364,778)			(130,000)			(507,721)		(11,450,605)	(8,876,386)
Proceeds From Issuance Of Bonds									814,207		814,207	3,431,579
Total Other Financing Sources (Uses)		27,418,012	(10,364,778)			(130,000)			4,570,339	3,040,170	24,533,743	20,019,878
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)												
	(97,589)		(3,163,701)	2,174	5,007	(593,592)	(526,827)	(8,155,634)	(1,311,016)		(13,841,178)	(2,501,189)
Fund Balances Beginning Of Year												
	169,839		8,310,487	39,918	91,862	1,277,264	620,804	18,267,203	6,486,108		35,263,485	37,764,674
Fund Balances End Of Year												
	\$ 72,250		5,146,786	42,092	96,869	683,672	93,977	10,111,569	5,175,092		21,422,307	35,263,485

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

PROPRIETARY FUNDS

(THIS PAGE LEFT BLANK INTENTIONALLY)

ENTERPRISE FUNDS

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

Parking Lot Revolving Fund - To account for the revenues and expenses of several City-owned parking lots.

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

Parking Facilities Fund - To account for the revenues and expenses of six downtown parking garages, the Carriage Park Parking Facility, the Que Place Parking Facility, the Center Park Parking Facility, the Cornhusker Square Parking Facility, the University Square Parking Facility, and the Market Place Parking Facility.

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

Sanitary Landfill Revenue Fund - To account for the revenues and expenses of the City-owned landfill.

StarTran Fund - To account for the revenues and expenses of the City-owned transit system.

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

Lincoln Wastewater System Fund - To account for the revenues and expenses of the City-owned wastewater utility.

Lincoln Water System Fund - To account for the revenues and expenses of the City-owned water utility.

Lincoln Electric System Fund - To account for the revenues and expenses of the City-owned electric utility.

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2001

E-1

With Comparative Totals For August 31, 2000

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill	StarTran	Emergency Medical Services	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											2001	2000
ASSETS												
Current Assets:												
Cash Held By City Treasurer	\$ 1,198,039	586,726	957,361	3,412	608,403	1,603,135		600,000	1,000,000		6,557,076	6,815,485
Cash On Hand And In Other Accounts	3,236		77,480	517,206	40	44,756	27,493	100	2,150	370,000	1,042,461	770,397
Investments		149,966			4,026,719					14,840,000	19,016,685	19,122,225
Receivables:												
Accounts		41,916		132,145	745,888	7,186	1,346,914	1,450,784	2,419,134	10,967,000	17,110,967	13,730,334
Accrued Interest	8,924	6,403	17,004	217	78,333	10,563				564,000	685,444	665,033
Unbilled Revenues								1,361,752	2,719,176	7,474,000	11,554,928	11,586,792
Due From Other Funds	3,729	1,826	2,583	11	17,780						25,929	190,118
Due From Other Governments					7,766	1,037,439					1,045,205	17,003
Inventories		75,130		16,824		535,181	67,769	149,484	948,254	5,592,000	7,384,642	6,900,118
Plant Operation Assets										3,564,000	3,564,000	3,274,000
Prepaid Expenses				114,959			30,921			557,000	702,880	588,971
Total Current Assets	1,213,928	861,967	1,054,428	784,774	5,484,929	3,238,260	1,473,097	3,562,120	7,088,714	43,928,000	68,690,217	63,660,476
Other Assets:												
Unamortized Debt Issuance Expense		49,650	478,920				14,957		639,780		1,183,307	1,256,655
Deferred Charges And Other Assets										45,262,000	45,262,000	47,608,000
Total Other Assets		49,650	478,920				14,957		639,780	45,262,000	46,445,307	48,864,655
Restricted Assets:												
Cash Held By City Treasurer		220,256	1,301,797					4,191,007	3,901,068		9,614,128	14,016,690
Cash On Hand And In Other Accounts			1,568,590						803,982	243,000	2,615,572	181,324
Investments		888,372	607,679					25,722,957	16,175,871	42,734,000	86,128,879	83,371,934
Accounts Receivable		6,400									6,400	
Accrued Interest Receivable		11,174	17,134					499,081	104,636		632,025	609,945
Due From Other Funds		685	4,052								4,737	11,881
Total Restricted Assets		1,126,887	3,499,252					30,413,045	20,985,557	42,977,000	99,001,741	98,191,774
Property, Plant, And Equipment:												
Land	320,200	1,084,933	3,673,008	46,500	1,942,957	102,020		2,138,362	4,386,218		13,694,198	12,271,281
Buildings	9,765	2,110,453	35,044,007	4,324,549	1,091,594	3,624,808		36,843,157	87,050,277		170,098,610	156,399,280
Improvements Other Than Buildings	261,520	6,128,253	226,428	179,024	14,565,896	107,299		111,275,542	157,101,487		289,845,449	245,097,188
Machinery And Equipment	59,424	1,424,598	375,937	768,548	5,061,090	9,295,840	1,231,207	7,565,989	6,471,617		32,254,250	29,511,320
Utility Plant										579,185,000	579,185,000	556,206,000
Construction In Progress			280,767		195,559	438,673		7,967,906	5,620,139	70,500,000	85,003,044	94,640,710
Total	650,909	10,748,237	39,600,147	5,318,621	22,857,096	13,568,640	1,231,207	165,790,956	260,629,738	649,685,000	1,170,080,551	1,094,125,779
Less Accumulated Depreciation												
	(93,530)	(3,562,873)	(7,371,020)	(4,417,966)	(6,868,370)	(8,644,026)	(69,234)	(50,105,630)	(59,698,572)	(215,550,000)	(356,381,221)	(331,754,712)
Net Property, Plant, And Equipment	557,379	7,185,364	32,229,127	900,655	15,988,726	4,924,614	1,161,973	115,685,326	200,931,166	434,135,000	813,699,330	762,371,067
Total Assets	\$ 1,771,307	9,223,868	37,261,727	1,685,429	21,473,655	8,162,874	2,650,027	149,660,491	229,645,217	566,302,000	1,027,836,595	973,087,972

(Continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Emergency Medical Services	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											2001	2000
LIABILITIES AND FUND EQUITY												
Current Liabilities (Payable From Current Assets):												
Vouchers Payable	\$				44,896						44,896	
Accounts Payable	1,603	75,828	179,038	29,275	489,926	322,184	133,786	69,116	555,613	16,744,000	18,600,369	11,716,090
Accrued Liabilities		49,996	2,068	12,635	47,415	236,588	96,110	406,769	673,927	7,026,000	8,551,508	8,076,832
Accrued Compensated Absences		60,633	494		61,431	340,359	32,190	291,482	361,140		1,147,729	1,055,495
Due To Other Governments				13,690	60,970						74,660	76,779
Due To Other Funds		44,636	836	157,788	14,204		1,620,394				1,837,858	201,356
Unearned Revenue		17,615		219,237		2,789,004					3,025,856	2,724,681
Accrued Interest							2,054				2,054	
Current Portion Of Capital Lease	14,976						150,000				164,976	13,893
Other										5,022,000	5,022,000	5,550,000
Total Current Liabilities (Payable From Current Assets)	16,579	248,708	182,436	432,625	718,842	3,688,135	2,034,534	767,367	1,590,680	28,792,000	38,471,906	29,415,126
Current Liabilities (Payable From Restricted Assets):												
Construction Contracts								241,718	1,203,077		1,444,795	2,639,071
Vouchers Payable			8,496								8,496	
Accounts Payable		1,234	160,003								161,237	84,953
Arbitrage Rebate			43,942								43,942	
Accrued Interest		9,765	32,435					69,899	199,646	5,079,000	5,390,745	5,248,807
Current Portion Of Long-Term Debt		240,000	830,000	34,889				992,500	2,880,000	11,490,000	16,467,389	15,767,389
Total Current Liabilities (Payable From Restricted Assets)		250,999	1,074,876	34,889				1,304,117	4,282,723	16,569,000	23,516,604	23,740,220
Long-Term Liabilities:												
Long-Term Debt (Net Of Current Portion)		3,070,000	13,555,000					5,592,566	37,810,000	265,395,000	325,422,566	341,889,955
Commercial Paper Notes Payable										65,000,000	65,000,000	25,000,000
Landfill Closure/Postclosure Accrual					5,757,000						5,757,000	6,988,000
Deferred Credits And Other Obligations Under Capital Leases (Net Of Current Portion)										276,000	276,000	80,000
Total Long-Term Liabilities	111,640	3,070,000	13,555,000		5,757,000		1,050,000	5,592,566	37,810,000	330,671,000	397,617,206	374,084,571
Total Liabilities	128,219	3,569,707	14,812,312	467,514	6,475,842	3,688,135	3,084,534	7,664,050	43,683,403	376,032,000	459,605,716	427,239,917
Fund Equity (Deficit):												
Contributed Capital	89,651	271,897	10,559,200	670,472	2,330,523	3,072,022		35,780,030	25,431,628		78,205,423	80,750,632
Retained Earnings (Deficit):												
Reserved For:												
Debt Service		465,500	1,563,500					16,405,528	9,216,690		27,651,218	35,816,493
Improvements		410,388	609,090					12,703,400	7,306,590		21,029,468	15,340,054
Restricted Funds			251,786						179,554	26,408,000	26,839,340	23,329,896
Landfill Closure/Postclosure					4,570,000						4,570,000	5,901,000
Unreserved	1,553,437	4,506,376	9,465,839	547,443	8,097,290	1,402,717	(434,507)	77,107,483	143,827,352	163,862,000	409,935,430	384,709,980
Total Retained Earnings (Deficit)	1,553,437	5,382,264	11,890,215	547,443	12,667,290	1,402,717	(434,507)	106,216,411	160,530,186	190,270,000	490,025,456	465,097,423
Total Fund Equity (Deficit)	1,643,088	5,654,161	22,449,415	1,217,915	14,997,813	4,474,739	(434,507)	141,996,441	185,961,814	190,270,000	568,230,879	545,848,055
Total Liabilities And Fund Equity (Deficit)	\$ 1,771,307	9,223,868	37,261,727	1,685,429	21,473,655	8,162,874	2,650,027	149,660,491	229,645,217	566,302,000	1,027,836,595	973,087,972

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Totals For Fiscal Year Ended August 31, 2000

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill	StarTran	Emergency Medical Services	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											2001	2000
Operating Revenues:												
Charges For Services	\$					974,376	3,342,072	14,945,415	20,869,133	154,756,000	194,886,996	186,664,916
Fees		2,507,153			5,583,436						8,090,589	8,724,057
Parking Facility Revenue	150,651		3,951,027								4,101,678	3,379,613
Performance Revenue				1,485,761							1,485,761	279,723
Other Operating Revenue		5,324	13,942	79,657	120,129	67,160					286,212	1,846,181
Total Operating Revenues	150,651	2,512,477	3,964,969	1,565,418	5,703,565	1,041,536	3,342,072	14,945,415	20,869,133	154,756,000	208,851,236	200,894,490
Operating Expenses:												
Personal Services		1,038,721	46,049	825,310	1,279,726	5,079,835	1,787,457				10,057,098	7,639,019
Contractual Services	36,464	109,625	1,437,728			288,050	474,590				2,346,457	3,118,491
Operation And Maintenance	173,584	992,507	643,573	1,080,218	651,048	1,377,521	1,379,772	6,951,483	9,341,248	9,014,000	31,604,954	30,085,018
Purchased Power										85,625,000	85,625,000	73,331,000
Depreciation	25,323	425,162	893,379	153,393	1,180,447	829,605	69,234	3,358,363	4,421,163	17,620,000	28,976,069	27,018,370
Payments In Lieu Of Taxes										6,688,000	6,688,000	6,307,000
Administrative Costs								1,136,205	1,619,067	15,229,000	17,984,272	15,333,009
Total Operating Expenses	235,371	2,566,015	3,020,729	2,058,921	3,111,221	7,575,011	3,711,053	11,446,051	15,381,478	134,176,000	183,281,850	162,831,907
Operating Income (Loss)	(84,720)	(53,538)	944,240	(493,503)	2,592,344	(6,533,475)	(368,981)	3,499,364	5,487,655	20,580,000	25,569,386	38,062,583
Non-Operating Revenues (Expenses):												
Investment Income	65,586	114,115	275,105	856	255,738	54,031	11,763	1,718,560	1,418,006	3,294,000	7,207,760	7,452,690
Gain (Loss) On Disposal Of Assets		(20,390)			24,397						4,007	(132,286)
Operating Grants						2,089,186					2,089,186	1,006,279
Amortization Of Deferred Charges		(3,450)	(26,471)				(1,360)		(33,256)	(3,898,000)	(3,962,537)	(3,375,909)
Interest Expense And Fiscal Charges	(10,107)	(239,691)	(791,959)	(3,663)			(75,929)		(1,595,901)	(15,467,000)	(18,184,250)	(18,301,751)
Total Non-Operating Revenues (Expenses)	55,479	(149,416)	(543,325)	(2,807)	280,135	2,143,217	(65,526)	1,718,560	(211,151)	(16,071,000)	(12,845,834)	(13,350,977)
Net Income (Loss) Before Contributions And Transfers	(29,241)	(202,954)	400,915	(496,310)	2,872,479	(4,390,258)	(434,507)	5,217,924	5,276,504	4,509,000	12,723,552	24,711,606
Capital Contributions				175,000	125,957			2,165,718	2,223,717		4,690,392	7,183,891
Transfers:												
Operating Transfers In			85,000	373,626		4,803,974					5,262,600	7,222,772
Operating Transfers Out					(293,720)						(293,720)	(324,565)
Total Transfers			85,000	373,626	(293,720)	4,803,974					4,968,880	6,898,207
Net Income (Loss)	(29,241)	(202,954)	485,915	52,316	2,704,716	413,716	(434,507)	7,383,642	7,500,221	4,509,000	22,382,824	38,793,704
Depreciation Transfer On Contributed Capital	7,222	6,205	296,139	118,600	83,974	769,841		816,541	446,687		2,545,209	2,555,163
Increase (Decrease) In Retained Earnings	(22,019)	(196,749)	782,054	170,916	2,788,690	1,183,557	(434,507)	8,200,183	7,946,908	4,509,000	24,928,033	41,348,867
Retained Earnings Beginning Of Year	1,575,456	5,579,013	11,108,161	376,527	9,878,600	219,160		98,016,228	152,583,278	185,761,000	465,097,423	423,748,556
Retained Earnings (Deficit) End Of Year	\$ 1,553,437	5,382,264	11,890,215	547,443	12,667,290	1,402,717	(434,507)	106,216,411	160,530,186	190,270,000	490,025,456	465,097,423

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Totals For Fiscal Year Ended August 31, 2000

E-3

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill	StarTran	Emergency Medical Services	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											2001	2000
Cash Flows From Operating Activities:												
Receipts From Customers And Users	\$ 155,651	2,462,775	3,951,027	1,551,395	5,586,714	1,147,040	1,264,470	15,166,694	21,058,357	164,591,000	216,935,123	209,775,085
Payments To Suppliers For Goods And Services	(209,716)	(1,122,520)	(2,322,164)	(1,154,025)	(1,920,137)	(1,645,164)	(1,003,559)	(4,643,674)	(5,769,549)	(102,863,000)	(122,653,508)	(123,751,671)
Payments To Employees		(1,023,938)	(53,824)	(934,263)	(1,262,509)	(5,030,084)	(1,656,785)	(4,741,439)	(5,337,947)		(14,131,000)	(30,604,806)
Payments In Lieu Of Taxes										(6,297,000)	(6,297,000)	(6,358,000)
Other Receipts		5,324	15,442	79,657	120,129	67,160					287,712	419,923
Net Cash Provided (Used) By Operating Activities	(54,065)	321,641	1,590,481	(457,236)	2,524,197	(5,461,048)	(1,395,874)	5,781,581	9,950,861	41,300,000	54,100,538	49,480,531
Cash Flows From Non-Capital Financing Activities:												
Operating Grants						98,750					98,750	1,006,279
City Subsidy				388,000		4,803,974					5,191,974	4,723,443
Transfers To Other Funds					(293,720)						(293,720)	(324,565)
Advance From General Fund							1,482,956				1,482,956	
Miscellaneous			5								5	
Net Cash Provided (Used) By Non-Capital Financing Activities			5	388,000	(293,720)	4,902,724	1,482,956				6,479,965	5,405,157
Cash Flows From Capital Financing Activities:												
Additions To Property, Plant, And Equipment	(180,861)	(493,776)	(1,711,184)	(30,055)	(1,626,573)	(1,046,833)	(1,231,207)	(5,460,273)	(11,390,450)	(51,805,000)	(74,976,212)	(65,788,631)
Proceeds From Sale Of Property, Plant, And Equipment		58			32,607			24,952	62,302		119,919	159,207
Proceeds From Commercial Paper Notes										40,000,000	40,000,000	10,000,000
Proceeds From Certificates Of Participation							1,200,000				1,200,000	
Bond Proceeds												15,385,000
Debt Issuance Cost							(16,317)				(16,317)	(250,568)
Net Cost Of Retiring Plant									(379,000)		(379,000)	(325,000)
Capital Construction Transfer In			248,457	175,000		952,997					1,376,454	3,546,338
Principal Payments Of Capital Lease	(13,893)										(13,893)	(12,888)
Principal Payments And Extinguishment Of Long-Term Debt		(230,000)	(795,000)	(34,889)				(952,500)	(2,755,000)	(11,000,000)	(15,767,389)	(25,824,458)
Interest Paid And Fiscal Charges	(10,107)	(240,332)	(793,759)	(3,663)			(23,828)	(9,922)	(1,538,484)	(16,027,000)	(18,647,095)	(18,501,158)
Net Cash Provided (Used) By Capital Financing Activities	(204,861)	(964,050)	(3,051,486)	106,393	(1,593,966)	(93,836)	(71,352)	(6,397,743)	(15,621,632)	(39,211,000)	(67,103,533)	(81,612,158)
Cash Flows From Investing Activities:												
Proceeds From Sale And Maturities Of Investments		1,628,549	6,339,125		4,287,403			41,570,000	49,922,476	195,010,000	298,757,553	316,115,046
Purchases Of Investments		(1,121,637)	(4,530,377)		(5,252,582)			(43,140,444)	(47,530,186)	(199,784,000)	(301,359,226)	(297,661,092)
Interest And Other Receipts	71,594	106,321	346,954	916	268,299	56,382	11,763	1,603,380	1,474,435	3,230,000	7,170,044	7,429,321
Net Cash Provided (Used) By Investing Activities	71,594	613,233	2,155,702	916	(696,880)	56,382	11,763	32,936	3,866,725	(1,544,000)	4,568,371	25,883,275
Net Increase (Decrease) In Cash	(187,332)	(29,176)	694,702	38,073	(60,369)	(595,778)	27,493	(583,226)	(1,804,046)	545,000	(1,954,659)	(843,195)
Cash Beginning Of Year	1,388,607	836,158	3,210,526	482,545	668,812	2,243,669		5,374,333	7,511,246	68,000	21,783,896	22,627,091
Cash End Of Year	\$ 1,201,275	806,982	3,905,228	520,618	608,443	1,647,891	27,493	4,791,107	5,707,200	613,000	19,829,237	21,783,896

(Continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Emergency Medical Services	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											2001	2000
Reconciliation Of Operating Income To Net Cash From Operating Activities:												
Operating Income (Loss)	\$ (84,720)	(53,538)	944,240	(493,503)	2,592,344	(6,533,475)	(368,981)	3,499,364	5,487,655	20,580,000	25,569,386	38,062,583
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:												
Depreciation	25,323	425,162	893,379	153,393	1,180,447	829,605	69,234	3,358,363	4,421,163	17,620,000	28,976,069	27,018,370
Changes In Assets And Liabilities:												
Accounts Receivable And Unbilled Revenues Due From Other Funds	5,000	(48,302)	1,500	(105,136)	6,451 (1,689)	35,462	(1,346,914)	221,279	189,224	(2,315,000)	(3,356,436)	(4,531,297)
Due From Other Governments					(1,484)	10,721				9,237	9,237	(2,998)
Inventories		(25,033)		4,328		17,705	(67,769)	(10,151)	(131,604)	(272,000)	(484,524)	(292,834)
Plant Operation Assets										(290,000)	(290,000)	479,000
Prepaid Expenses				(78,988)			(30,921)			(4,000)	(113,909)	96,686
Other Assets										(1,553,000)	(1,553,000)	621,000
Vouchers Payable			8,496		44,896						53,392	(140,390)
Accounts Payable	332	3,843	(249,670)	870	(80,507)	2,702	133,786	(1,299,007)	(87,428)	7,475,000	5,899,921	(6,841,873)
Accrued Liabilities		10,248	(1,146)	(108,953)	5,909	23,325	96,110	10,648	47,535	391,000	474,676	145,464
Accrued Compensated Absences		3,793	(5,979)		10,403	26,426	32,190	1,085	24,316		92,234	19,795
Due To Other Governments				49	(2,168)						(2,119)	1,712
Due To Other Funds		1,544	(339)	(66)	595		87,391				89,125	3,500
Unearned Revenue		3,924		170,770		126,481					301,175	266,084
Other Current Liabilities										(528,000)	(528,000)	(624,000)
Landfill Closure/Postclosure Accrual					(1,231,000)						(1,231,000)	599,000
Deferred Credits And Other Liabilities										196,000	196,000	(5,400,000)
Total Adjustments	30,655	375,179	646,241	36,267	(68,147)	1,072,427	(1,026,893)	2,282,217	4,463,206	20,720,000	28,531,152	11,417,948
Net Cash Provided (Used) By Operating Activities	\$ (54,065)	321,641	1,590,481	(457,236)	2,524,197	(5,461,048)	(1,395,874)	5,781,581	9,950,861	41,300,000	54,100,538	49,480,531
Supplemental Disclosure Of Noncash Investing And Financing Activities:												
Contribution Of Capital Assets					125,957			2,165,718	2,021,400		4,313,075	6,989,631
Change In Fair Value Of Investments					15,358						15,358	(1,733)

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

INTERNAL SERVICE FUNDS

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

Information Services Fund - To account for the cost of operating a central data processing facility for the City of Lincoln and Lancaster County. User City and County departments are charged for the resources used. Resources used are billed at cost plus an administrative overhead.

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, liability, property insurance, long-term disability and Blue Cross/Blue Shield Health Insurance Plan. 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, and miscellaneous other equipment. 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.

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, NE
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2001
 With Comparative Totals For August 31, 2000

F-1

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								2001	2000
ASSETS									
Current Assets:									
Cash Held By City Treasurer	\$ 1,653,901		655,784	654,862	886,045	94,262	138,444	4,083,298	4,271,548
Cash On Hand And In Other Accounts		1,017		19				1,036	1,422
Investments			10,446,628		349,280		175,084	10,970,992	10,315,259
Receivables:									
Accounts	58,564	484,723	520	446	39,800	311	1,257	585,621	811,407
Accrued Interest	9,545		225,671	3,742	5,693	665	2,153	247,469	146,239
Due From Other Funds	193,610	18,947	2,041	12,394	201,565	11,403	26,487	466,447	525,104
Due From Other Governments	251,386	29,295		92,430	809	1,419	24,524	399,863	320,285
Inventories				303,770	91,346			395,116	408,852
Total Current Assets	2,167,006	533,982	11,330,644	1,067,663	1,574,538	108,060	367,949	17,149,842	16,800,116
Property, Plant, And Equipment	1,983,140	1,208,180	25,688	12,435,448	4,536,394	101,203		20,290,053	19,630,839
Less Accumulated Depreciation	(1,535,107)	(429,840)	(12,244)	(7,778,122)	(2,476,725)	(67,739)		(12,299,777)	(12,494,731)
Net Property, Plant, And Equipment	448,033	778,340	13,444	4,657,326	2,059,669	33,464		7,990,276	7,136,108
Total Assets	2,615,039	1,312,322	11,344,088	5,724,989	3,634,207	141,524	367,949	25,140,118	23,936,224
LIABILITIES AND FUND EQUITY									
Current Liabilities:									
Vouchers Payable		10,527		7,923				18,450	1,435
Accounts Payable	43,563	35,937	18,486	221,124	33,577	2,829	30,009	385,525	291,782
Accrued Liabilities	111,338	164,346	12,083	40,890	23,772	4,432	692	357,553	307,806
Accrued Compensated Absences	131,047	280,473	10,639	86,273	46,350	8,408	657	563,847	520,965
Due To Other Governments	10,951			758				11,709	8,213
Due To Other Funds	31,648	239,236	14,693	23,967	6,422	933	202	317,101	884,036
Unearned Revenue		363,769						363,769	7,169
Claims			2,597,887					2,597,887	2,364,090
Total Current Liabilities	328,547	1,094,288	2,653,788	380,935	110,121	16,602	31,560	4,615,841	4,385,496
Long-Term Liabilities:									
Claims			2,164,447					2,164,447	1,454,212
Total Liabilities	328,547	1,094,288	4,818,235	380,935	110,121	16,602	31,560	6,780,288	5,839,708
Fund Equity:									
Contributed Capital		6,209		218,071	86,776	13,942	30,000	354,998	437,989
Retained Earnings/Unreserved	2,286,492	211,825	6,525,853	5,125,983	3,437,310	110,980	306,389	18,004,832	17,658,527
Total Fund Equity	2,286,492	218,034	6,525,853	5,344,054	3,524,086	124,922	336,389	18,359,830	18,096,516
Total Liabilities And Fund Equity	\$ 2,615,039	1,312,322	11,344,088	5,724,989	3,634,207	141,524	367,949	25,140,118	23,936,224

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Totals For Fiscal Year Ended August 31, 2000

F-2

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								2001	2000
Operating Revenues: Charges For Services	\$ 5,879,399	5,116,757	3,353,270	4,279,310	2,271,427	176,631	386,869	21,463,663	19,698,859
Operating Expenses:									
Personal Services	2,869,157	4,128,679	304,592	1,068,643	654,656	92,974	18,016	9,136,717	8,259,728
Materials And Supplies	271,344	58,175	10,465	1,211,874	777,655	4,584	41,541	2,375,638	2,133,399
Other Services And Charges	2,115,726	1,111,238	4,622,099	1,102,940	360,367	90,899	287,359	9,690,628	7,982,154
Depreciation	295,164	199,430	4,870	899,012	515,858	17,112		1,931,446	1,686,261
Total Operating Expenses	5,551,391	5,497,522	4,942,026	4,282,469	2,308,536	205,569	346,916	23,134,429	20,061,542
Operating Income (Loss)	328,008	(380,765)	(1,588,756)	(3,159)	(37,109)	(28,938)	39,953	(1,670,766)	(362,683)
Non-Operating Revenues (Expenses):									
Investment Income	58,585		740,036	17,679	63,847	4,392	15,248	899,787	802,852
Miscellaneous	(30,956)	(6,170)		73,740	15,667	(200)		52,081	216,379
Total Non-Operating Revenues (Expenses)	27,629	(6,170)	740,036	91,419	79,514	4,192	15,248	951,868	1,019,231
Income (Loss) Before Contributions And Transfers	355,637	(386,935)	(848,720)	88,260	42,405	(24,746)	55,201	(718,898)	656,548
Capital Contributions		790,844		247,278	42,576			1,080,698	169,169
Transfers:									
Operating Transfers In		8,687		20,000	52,000	28,000		108,687	25,000
Operating Transfers Out				(206,173)				(206,173)	
Total Transfers		8,687		(186,173)	52,000	28,000		(97,486)	25,000
Net Income	355,637	412,596	(848,720)	149,365	136,981	3,254	55,201	264,314	850,717
Depreciation Transfer On Contributed Capital	3,657	955		34,498	31,458	11,423		81,991	94,642
Increase In Retained Earnings	359,294	413,551	(848,720)	183,863	168,439	14,677	55,201	346,305	945,359
Retained Earnings (Deficit) Beginning Of Year	1,927,198	(201,726)	7,374,573	4,942,120	3,268,871	96,303	251,188	17,658,527	16,713,168
Retained Earnings End Of Year	\$ 2,286,492	211,825	6,525,853	5,125,983	3,437,310	110,980	306,389	18,004,832	17,658,527

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Totals For Fiscal Year Ended August 31, 2000

F-3

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								2001	2000
Cash Flows From Operating Activities:									
Receipts From Customers And Users	\$ 5,788,627	5,810,731	3,353,246	4,282,505	2,221,141	179,323	369,846	22,005,419	19,788,247
Payments To Suppliers For Goods And Services	(2,398,342)	(1,150,861)	(3,670,910)	(2,180,468)	(1,148,160)	(107,342)	(321,936)	(10,978,019)	(10,194,127)
Payments To Employees	(2,844,709)	(4,079,407)	(299,782)	(1,055,371)	(651,796)	(90,378)	(17,637)	(9,039,080)	(8,139,823)
Net Cash Provided (Used) By Operating Activities	545,576	580,463	(617,446)	1,046,666	421,185	(18,397)	30,273	1,988,320	1,454,297
Cash Flows From Non-Capital Financing Activities:									
Transfers From Other Funds		8,687		20,000	52,000	28,000		108,687	25,000
Transfers To Other Funds				(206,173)				(206,173)	
Advance From General Fund		181,334						181,334	769,502
Payment To General Fund		(769,502)						(769,502)	(191,673)
Miscellaneous		5						5	
Net Cash Provided (Used) By Non-Capital Financing Activities		(579,476)		(186,173)	52,000	28,000		(685,649)	602,829
Cash Flows From Capital Financing Activities:									
Additions To Property, Plant, And Equipment	(234,493)		(1,657)	(981,164)	(569,406)			(1,786,720)	(2,460,194)
Proceeds From Sale Of Property, Plant, And Equipment	48			81,679	65,730			147,457	278,251
Net Cash Used By Capital Financing Activities	(234,445)		(1,657)	(899,485)	(503,676)			(1,639,263)	(2,181,943)
Cash Flows From Investing Activities:									
Proceeds From Sale And Maturities Of Investments			10,712,100		350,000		193,476	11,255,576	10,230,825
Purchases Of Investments			(11,391,076)		(329,005)		(272,276)	(11,992,357)	(11,746,277)
Interest And Other Receipts	59,076		732,412	19,417	53,014	4,476	16,342	884,737	915,263
Net Cash Provided (Used) By Investing Activities	59,076		53,436	19,417	74,009	4,476	(62,458)	147,956	(600,189)
Net Increase (Decrease) In Cash	370,207	987	(565,667)	(19,575)	43,518	14,079	(32,185)	(188,636)	(725,006)
Cash Beginning Of Year	1,283,694	30	1,221,451	674,456	842,527	80,183	170,629	4,272,970	4,997,976
Cash End Of Year	\$ 1,653,901	1,017	655,784	654,881	886,045	94,262	138,444	4,084,334	4,272,970
Reconciliation Of Operating Income To Net Cash From Operating Activities:									
Operating Income (Loss)	\$ 328,008	(380,765)	(1,588,756)	(3,159)	(37,109)	(28,938)	39,953	(1,670,766)	(362,683)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:									
Depreciation	295,164	199,430	4,870	899,012	515,858	17,112		1,931,446	1,686,261
Changes In Assets And Liabilities:									
Accounts Receivable	(17,103)	232,328	(24)	16,019	(20,893)	247	635	211,209	(162,542)
Due From Other Funds	(42,452)	58,152		77,590	(31,297)	(1,226)	(7,242)	53,525	153,729
Due From Other Governments	(31,217)	46,894		(90,414)	1,904	3,671	(10,416)	(79,578)	97,840
Inventories				33,496	(19,760)			13,736	(125,938)
Vouchers Payable		10,527	(1,435)	7,923				17,015	(212,081)
Accounts Payable	(14,127)	7,223	8,554	87,221	9,767	(11,859)	6,964	93,743	24,021
Accrued Liabilities	12,422	26,189	1,893	6,131	1,506	1,498	108	49,747	74,455
Accrued Compensated Absences	10,877	20,716	2,629	6,276	1,394	736	254	42,882	41,871
Due To Other Governments	3,191	(307)	(146)	758				3,496	1,894
Due To Other Funds	813	3,476	10,937	5,813	(185)	362	17	21,233	(71,199)
Unearned Revenue		356,600						356,600	361
Claims			944,032					944,032	308,308
Total Adjustments	217,568	961,228	971,310	1,049,825	458,294	10,541	(9,680)	3,659,086	1,816,980
Net Cash Provided (Used) By Operating Activities	545,576	580,463	(617,446)	1,046,666	421,185	(18,397)	30,273	1,988,320	1,454,297
Supplemental Disclosure Of Noncash Investing And Financing Activities:									
Contribution Of Capital Assets	\$	790,844		247,278	42,576			1,080,698	169,169
Change In Fair Value Of Investments			27,416					27,416	(6,536)

See Accompanying Independent Auditors' Report

FIDUCIARY FUNDS

Fiduciary Funds are established to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Pension Trust Funds

The City maintains a pension trust fund to account for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers and firefighters.

Expendable Trust Funds

Expendable Trust funds are used to account for resources received and held by the City as trustee and are to be expended in accordance with the conditions of the respective trust.

Parks And 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.

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

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

Joseph J. Hompes Trust -	To be used to buy books as stipulated by the trust.
Charles Gere Library Fund -	To be used as directed by the Library Board for the benefit of the Lincoln City Libraries.
Lillian Polley Trust -	To be used for the Polley Music Library.

Non-Expendable Trust Fund

Community Health Endowment Fund – To account for the cash proceeds realized by the City of Lincoln from the sale of Lincoln General Hospital together with any interest or other investment income earned. The endowment may be increased by donations, bequests, or appropriations to the fund. Monies in the fund shall be used for the purpose of funding health and health-related programs or projects that further the health, safety, or welfare of the citizens of the City of Lincoln.

Agency Funds

Agency funds are used to account for assets held for other funds, governments, or others.

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

Airport Authority -	Taxes collected on its behalf.
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.
Department of Housing and Urban Development -	Various bank accounts used for Home Improvement Loans, Down-payment Assistance and Rental Rehabilitation programs. 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.

Earnings On Pooled Investments - To account for interest received from pooled idle fund investments pending distribution to the various City funds.

Telephone Bill Suspense - To account for the accumulation and disbursement of funds to pay for the City's phone system charges.

Undistributed Property Tax - To account for tax collections received from the County Treasurer pending distribution to the various tax supported funds.

Defeased Bond Proceeds - To account for the proceeds from the 1992 Sanitary Sewer Revenue Bonds issued to defease the 1980 Sanitary Sewer Revenue Bonds. The City Treasurer is the Trustee for this bond defeasance.

Gateway Center Joint Venture Escrow - To account for funds deposited with the City by the Gateway Shopping Center in fulfillment of a condition of the use permit for expansion of the shopping center. Funds may be drawn upon for construction of roadway improvements for the purpose of controlling the flow of off-site traffic in the "O" street corridor between Cotner Boulevard and 73rd Street.

CITY OF LINCOLN, NE
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2001
With Comparative Totals For August 31, 2000

G-1

	Pension Trust Fund	Expendable Trust Funds				Non- Expendable Trust Fund	Agency Funds								Totals	
		Police And Fire Pension	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust		Community Health Endowment	Collections Due Other Governments	Contractor Deposits	Payroll Revolving	Outstanding Warrants	Earnings On Pooled Investments	Telephone Bill Suspense	Defeased Bond Proceeds	Gateway Center Joint Venture Escrow	2001
ASSETS																
Cash Held By City Treasurer	\$ 109,651	201,196	229,873	268,578	534,127	75,182			4,093,631	268,960	63,603	12,372	41,789	5,898,962	6,605,885	
Cash On Hand And In Other Accounts	1,241,651	1,806	275			98,680	402,103	2,341						1,746,856	700,890	
Investments	130,581,797	175,084		330,000									1,224,988	132,311,869	130,732,521	
Investments Held By Investment Managers					42,044,452									42,044,452	38,682,528	
Invested Securities Lending Collateral					10,525,085									10,525,085	12,531,585	
Receivables:																
Taxes	192,683													192,683	138,709	
Accrued Interest	390,959	4,182	1,842	1,990	5,028								36,138	440,139	399,683	
Other		32						154,197			158		153,229	307,616	149,207	
Due From Other Funds		626	716	836	2,118			604,240			1,854		130	684,525	651,937	
Due From Other Governments	322													322		
Contractor Retainage							2,527,270							2,527,270	2,623,882	
Restricted Assets:																
Cash Held By City Treasurer					146,222									146,222	153,296	
Investments Held By City Treasurer					280,000									280,000	272,778	
Investments Held By Trustee					1,032,489									1,032,489	2,956,997	
Accrued Interest					4,866									4,866		
Total Assets	132,517,063	382,926	232,706	601,404	54,574,387	247,867	2,929,373	760,778	4,093,631	268,960	65,615	12,372	1,456,274	198,143,356	196,599,898	
LIABILITIES AND FUND BALANCES																
Liabilities:																
Warrants Payable									4,093,631					4,093,631	3,686,356	
Vouchers Payable											63,602			63,602	105,459	
Accounts Payable	4,813	2,464	1,247	70	11,499			6,511			2,013			28,617	69,872	
Accrued Liabilities	3,102			4,049	5,393					33,593				46,137	63,841	
Accrued Compensated Absences	2,633			5,206										7,839	7,314	
Due To Other Governments						247,867		257,984						505,851	502,573	
Due To Other Funds		4	38	1,034	92,542			496,283		235,367				825,268	699,806	
Deferred Revenue	77,210													77,210	70,727	
Claims Payable From Restricted Assets					34,500									34,500	26,283	
Due To Contractors							2,929,373							2,929,373	2,951,045	
Due To Lincoln Joint Venture													1,456,274	1,456,274	1,224,389	
Due To Bondholders												12,372		12,372	12,372	
Obligations Under Securities Lending					10,525,085									10,525,085	12,531,585	
Total Liabilities	87,758	2,468	1,285	10,359	10,669,019	247,867	2,929,373	760,778	4,093,631	268,960	65,615	12,372	1,456,274	20,605,759	21,951,622	
Fund Balances:																
Reserved For:																
Encumbrances		31,843												31,843	29,322	
Employee Retirement	132,429,305													132,429,305	130,159,854	
Trust Donations		348,615	231,421	591,045										1,171,081	1,157,802	
Health Care					42,565,855									42,565,855	40,029,203	
Claims					1,339,513									1,339,513	3,272,095	
Total Fund Balances	132,429,305	380,458	231,421	591,045	43,905,368									177,537,597	174,648,276	
Total Liabilities And Fund Balances	\$ 132,517,063	382,926	232,706	601,404	54,574,387	247,867	2,929,373	760,778	4,093,631	268,960	65,615	12,372	1,456,274	198,143,356	196,599,898	

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
POLICE AND FIRE PENSION TRUST FUND
STATEMENT OF PLAN NET ASSETS
AUGUST 31, 2001
With Comparative Amounts For August 31, 2000

G-2

	2001	2000
ASSETS		
Cash Held By City Treasurer	\$ 109,651	202,504
Cash On Hand And In Other Accounts	1,241,651	248,457
Investments, At Fair Value:		
Mortgage Backed Securities	55,356,887	51,338,549
U.S. Government Securities	29,481,422	34,795,331
U.S. Government Agencies	10,007,400	11,100,600
Repurchase Agreements	1,300,000	1,307,000
Open-end Mutual Funds	34,436,088	30,724,616
Total Investments	130,581,797	129,266,096
Receivables:		
Taxes	192,683	138,709
Accrued Interest	390,959	381,816
Total Receivables	583,642	520,525
Due From Other Funds		847
Due From Other Governments	322	
Total Assets	132,517,063	130,238,429
LIABILITIES		
Accounts Payable	4,813	1,111
Accrued Liabilities	3,102	2,597
Accrued Compensated Absences	2,633	3,486
Due To Other Funds		654
Deferred Revenue	77,210	70,727
Total Liabilities	87,758	78,575
Net Assets Held In Trust For Pension Benefits	\$ 132,429,305	130,159,854

See Accompanying Independent Auditors' Report

A Schedule Of Funding Progress Is Presented On Page 32.

CITY OF LINCOLN, NE
PENSION TRUST FUND

G-3

STATEMENT OF CHANGES IN PLAN NET ASSETS
FISCAL YEAR ENDED AUGUST 31, 2001
 With Comparative Amounts For Fiscal Year Ended August 31, 2000

	2001	2000
Additions:		
Contributions:		
Employer	\$ 1,156,379	957,524
Employee	1,508,511	1,333,052
Total Contributions	2,664,890	2,290,576
Investment Income:		
Net Appreciation In		
Fair Value Of Investments	5,087,159	11,316,835
Total Additions	7,752,049	13,607,411
Deductions:		
Benefit Payments	4,074,057	3,920,162
Refunds Of Contributions	1,187,952	1,059,473
Administrative Costs	220,589	83,043
Total Deductions	5,482,598	5,062,678
Net Increase	2,269,451	8,544,733
Net Assets Held In Trust For Pension Benefits		
Beginning Of Year	130,159,854	121,615,121
Net Assets Held In Trust For Pension Benefits		
End Of Year	\$ 132,429,305	130,159,854

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Totals For Fiscal Year Ended August 31, 2000

G-4

	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	Totals	
				2001	2000
Revenues:					
Investment Income	\$ 19,094	13,905	43,368	76,367	71,678
Donations	88,996	172,008	91,512	352,516	337,903
Miscellaneous	71,051			71,051	47,335
Total Revenues	<u>179,141</u>	<u>185,913</u>	<u>134,880</u>	<u>499,934</u>	<u>456,916</u>
Expenditures:					
Culture And Recreation:					
Personal Services			104,204	104,204	97,062
Materials And Supplies	57,675		90	57,765	40,487
Other Services And Charges	58,627		3,666	62,293	72,484
Construction Contracts	39,882			39,882	53,530
Equipment	1,993		39,684	41,677	30,234
Total Culture And Recreation	<u>158,177</u>		<u>147,644</u>	<u>305,821</u>	<u>293,797</u>
Economic Opportunity:					
Materials And Supplies		28,255		28,255	23,384
Other Services And Charges		147,462		147,462	141,820
Equipment		2,596		2,596	12,348
Total Economic Opportunity		<u>178,313</u>		<u>178,313</u>	<u>177,552</u>
Total Expenditures	<u>158,177</u>	<u>178,313</u>	<u>147,644</u>	<u>484,134</u>	<u>471,349</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>20,964</u>	<u>7,600</u>	<u>(12,764)</u>	<u>15,800</u>	<u>(14,433)</u>
Fund Balances Beginning Of Year	<u>359,494</u>	<u>223,821</u>	<u>603,809</u>	<u>1,187,124</u>	<u>1,201,557</u>
Fund Balances End Of Year	<u>\$ 380,458</u>	<u>231,421</u>	<u>591,045</u>	<u>1,202,924</u>	<u>1,187,124</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
COMMUNITY HEALTH ENDOWMENT NON-EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCE
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Amounts For Fiscal Year Ended August 31, 2000

G-5

	<u>2001</u>	<u>2000</u>
Operating Revenues:		
Investment Income	\$ 2,116,067	2,880,831
Other Operating Revenues	<u>117,586</u>	<u>50</u>
Total Operating Revenues	<u>2,233,653</u>	<u>2,880,881</u>
Operating Expenses:		
Personal Services	128,956	103,359
Grants	1,276,915	538,001
Operation And Maintenance	<u>223,712</u>	<u>341,991</u>
Total Operating Expenses	<u>1,629,583</u>	<u>983,351</u>
Operating Income	<u>604,070</u>	<u>1,897,530</u>
Fund Balance Beginning Of Year	<u>43,301,298</u>	<u>41,403,768</u>
Fund Balance End Of Year	<u>\$ 43,905,368</u>	<u>43,301,298</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
COMMUNITY HEALTH ENDOWMENT NON-EXPENDABLE TRUST FUND
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 2001
With Comparative Amounts For Fiscal Year Ended August 31, 2000

G-6

	2001	2000
Cash Flows From Operating Activities:		
Payments To Suppliers For Goods And Services	\$ (171,881)	(168,932)
Payments To Employees	(123,505)	(103,931)
Payments For Claims	(45,777)	(290,619)
Payments To Grantees	(1,173,208)	(538,001)
Other Receipts	117,586	50
Net Cash Used By Operating Activities	(1,396,785)	(1,101,433)
Cash Flows From Non-Capital Financing Activities:		
Miscellaneous	3,000	
Cash Flows From Investing Activities:		
Proceeds From Sale And Maturities Of Investments	130,584,761	136,855,978
Purchases Of Investments	(132,498,498)	(139,300,725)
Interest And Other Receipts	3,719,446	2,852,110
Net Cash Provided By Investing Activities	1,805,709	407,363
Net Increase (Decrease) In Cash	411,924	(694,070)
Cash Beginning Of Year	268,425	962,495
Cash End Of Year	\$ 680,349	268,425
Reconciliation Of Operating Income To Net Cash From Operating Activities:		
Operating Income	\$ 604,070	1,897,530
Adjustments To Reconcile Operating Income To Net Cash Used By Operating Activities:		
Investment Income	(2,116,067)	(2,880,831)
Changes In Assets And Liabilities:		
Accounts Payable	9,346	2,153
Accrued Liabilities	5,393	(441)
Accrued Compensated Absences		(131)
Due To Other Funds	92,256	205
Claims Payable	8,217	(119,918)
Total Adjustments	(2,000,855)	(2,998,963)
Net Cash Used By Operating Activities	\$ (1,396,785)	(1,101,433)
Supplemental Disclosure Of Noncash Investing And Financing Activities:		
Change In Fair Value Of Investments	\$ (1,669,641)	655,030

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED AUGUST 31, 2001

G-7

	Balance Sep. 1, 2000	Additions	Deductions	Balance Aug. 31, 2001
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash Held By City Treasurer	\$ 67,005	957,085	948,908	75,182
Cash In Other Accounts	119,131	605,362	625,813	98,680
Due From Other Funds	71,850	74,005	71,850	74,005
	<u>257,986</u>	<u>1,636,452</u>	<u>1,646,571</u>	<u>247,867</u>
Liabilities:				
Due To Other Governments	\$ 257,986	744,143	754,262	247,867
CONTRACTOR DEPOSITS:				
Assets:				
Cash In Other Accounts	\$ 327,163	135,985	61,045	402,103
Contractor Retainage	2,623,882	484,457	581,069	2,527,270
	<u>2,951,045</u>	<u>620,442</u>	<u>642,114</u>	<u>2,929,373</u>
Liabilities:				
Due To Contractors	\$ 2,951,045	620,442	642,114	2,929,373
PAYROLL REVOLVING:				
Assets:				
Cash Held By City Treasurer	\$	97,800,593	97,800,593	
Cash In Other Accounts	2,497	43,346,366	43,346,522	2,341
Receivables	148,971	154,197	148,971	154,197
Due From Other Funds	572,523	98,405,646	98,373,929	604,240
	<u>723,991</u>	<u>239,706,802</u>	<u>239,670,015</u>	<u>760,778</u>
Liabilities:				
Vouchers Payable		97,379,374	97,379,374	
Accounts Payable	59,932	74,295,316	74,348,737	6,511
Due To Other Governments	244,587	22,568,687	22,555,290	257,984
Due To Other Funds	419,472	496,283	419,472	496,283
	<u>\$ 723,991</u>	<u>194,739,660</u>	<u>194,702,873</u>	<u>760,778</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash Held By City Treasurer	\$ 3,686,356	279,600,792	279,193,517	4,093,631
Liabilities:				
Warrants Payable	\$ 3,686,356	279,600,792	279,193,517	4,093,631
EARNINGS ON POOLED INVESTMENTS:				
Assets:				
Cash Held By City Treasurer	\$ 335,875	3,936,754	4,003,669	268,960
Liabilities:				
Accrued Liabilities	57,490	33,593	57,490	33,593
Due To Other Funds	278,385	4,013,965	4,056,983	235,367
	<u>\$ 335,875</u>	<u>4,047,558</u>	<u>4,114,473</u>	<u>268,960</u>

(Continued)

	Balance Sep. 1, 2000	Additions	Deductions	Balance Aug. 31, 2001
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash Held By City Treasurer	\$ 105,459	697,667	739,523	63,603
Accounts Receivable	236	159	237	158
Due From Other Funds	2,008	1,854	2,008	1,854
	<u>107,703</u>	<u>699,680</u>	<u>741,768</u>	<u>65,615</u>
Liabilities:				
Vouchers Payable	105,459	697,667	739,524	63,602
Accounts Payable	2,244	2,013	2,244	2,013
	<u>\$ 107,703</u>	<u>699,680</u>	<u>741,768</u>	<u>65,615</u>
UNDISTRIBUTED PROPERTY TAX:				
Assets:				
Cash Held By City Treasurer	\$	43,793,155	43,793,155	
Liabilities:				
Due To Other Funds	\$	43,793,155	43,793,155	
DEFEASED BOND PROCEEDS:				
Assets:				
Cash Held By City Treasurer	\$ 12,372			12,372
Liabilities:				
Due To Bondholders	\$ 12,372			12,372
GATEWAY CENTER JOINT VENTURE ESCROW:				
Assets:				
Cash Held By City Treasurer	\$ 1,221,391	45,153	1,224,755	41,789
Cash In Other Accounts	2,998		2,998	
Investments		1,224,988		1,224,988
Receivables		189,367		189,367
Due From Other Funds		130		130
	<u>1,224,389</u>	<u>1,459,638</u>	<u>1,227,753</u>	<u>1,456,274</u>
Liabilities:				
Due To Lincoln Joint Venture	\$ 1,224,389	231,885		1,456,274
AGENCY FUND TOTALS:				
Total Assets	\$ 9,299,717	571,453,715	570,918,562	9,834,870
Total Liabilities	\$ 9,299,717	524,477,315	523,942,162	9,834,870

See Accompanying Independent Auditors' Report

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations or accounted for in trust funds.

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS ADDITIONS
BY SOURCE
FISCAL YEAR ENDED AUGUST 31, 2001

H-1

General Fixed Assets August 31, 1982*	\$	46,978,145
Additions To General Fixed Assets By Source -- September 1, 1982 Through August 31, 2000		
General Fund Revenues		18,549,990
Federal Funds		2,136,871
Capital Projects Funds		54,690,778
Special Revenue Funds		15,456,024
Donations		4,206,557
		95,040,220
Deletions		(28,507,710)
General Fixed Assets August 31, 2000		113,510,655
Additions To General Fixed Assets By Source -- September 1, 2000 Through August 31, 2001		
General Fund Revenues		741,541
Federal Funds		386,791
Capital Projects Funds		14,701,326
Special Revenue Funds		1,182,103
Donations		12,804,761
		29,816,522
Deletions		(10,071,212)
General Fixed Assets August 31, 2001	\$	133,255,965

See Accompanying Independent Auditors' Report

*The City's first inventory was completed at August 31, 1982. General fixed assets by source was not available for assets acquired prior to August 31, 1982.

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
AUGUST 31, 2001

H-2

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery And Equipment</u>	<u>Construction In Progress</u>
GENERAL GOVERNMENT						
Legislative	\$ 11,397				11,397	
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	322,364		31,000		291,364	
Financial Administration	283,169				283,169	
Law	60,966				60,966	
Personnel Administration	57,933				57,933	
Planning And Zoning	201,273				201,273	
Buildings And Plant	22,341,810	1,467,274	7,496,236	13,196,839	35,526	145,935
Urban Development	1,767,319	1,750,114			17,205	
Total General Government	<u>25,046,231</u>	<u>3,217,388</u>	<u>7,527,236</u>	<u>13,196,839</u>	<u>958,833</u>	<u>145,935</u>
PUBLIC SAFETY						
Police	2,654,263	376,909	1,182,869		1,094,485	
Fire	8,548,922	283,760	2,756,076	24,800	5,484,286	
Building And Safety	420,810				420,810	
Transportation	170,515		35,813		134,702	
Communications	2,871,358		872,599	7,738	1,991,021	
Total Public Safety	<u>14,665,868</u>	<u>660,669</u>	<u>4,847,357</u>	<u>32,538</u>	<u>9,125,304</u>	
STREETS AND HIGHWAYS						
Street Maintenance	<u>5,312,783</u>	<u>2,436,638</u>	<u>1,900,262</u>	<u>679,962</u>	<u>295,921</u>	
CULTURE AND RECREATION						
Parks And Recreation	57,032,729	9,982,867	18,185,366	25,726,528	810,773	2,327,195
Libraries	25,869,362	144,554	4,764,974	144,184	13,225,467	7,590,183
Cornhusker Convention Center	2,694,751	446,036	2,248,715			
Total Culture And Recreation	<u>85,596,842</u>	<u>10,573,457</u>	<u>25,199,055</u>	<u>25,870,712</u>	<u>14,036,240</u>	<u>9,917,378</u>
ECONOMIC OPPORTUNITY						
Lincoln Area Agency On Aging Job Programs	650,511		277,000		373,511	
Total Economic Opportunity	<u>660,628</u>		<u>277,000</u>		<u>383,628</u>	
HEALTH AND WELFARE						
Lincoln/Lancaster County Health	<u>1,973,613</u>	<u>42,000</u>	<u>1,183,000</u>		<u>748,613</u>	
Total General Fixed Assets	<u>\$ 133,255,965</u>	<u>16,930,152</u>	<u>40,933,910</u>	<u>39,780,051</u>	<u>25,548,539</u>	<u>10,063,313</u>

See Accompanying Independent Auditors' Report

CITY OF LINCOLN, NE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FISCAL YEAR ENDED AUGUST 31, 2001

H-3

	General Fixed Assets Aug. 31, 2000	Transfers	Additions*	Deductions	General Fixed Assets Aug. 31, 2001
GENERAL GOVERNMENT					
Legislative	\$ 49,441			38,044	11,397
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	530,655		1,569	209,860	322,364
Financial Administration	454,297		4,960	176,088	283,169
Law	324,378		9,940	273,352	60,966
Personnel Administration	89,968			32,035	57,933
Planning And Zoning	265,724		18,820	83,271	201,273
Buildings And Plant	9,151,235	149,816	13,058,997	18,238	22,341,810
Urban Development	2,120,293	(840,832)	965,918	478,060	1,767,319
Total General Government	<u>12,985,991</u>	<u>(691,016)</u>	<u>14,060,204</u>	<u>1,308,948</u>	<u>25,046,231</u>
PUBLIC SAFETY					
Police	4,413,150	376,909	75,966	2,211,762	2,654,263
Fire	9,678,147	(50,000)	748,605	1,827,830	8,548,922
Building And Safety	588,919	50,000	573	218,682	420,810
Transportation	201,775		66,000	97,260	170,515
Communications	2,554,755		522,124	205,521	2,871,358
Total Public Safety	<u>17,436,746</u>	<u>376,909</u>	<u>1,413,268</u>	<u>4,561,055</u>	<u>14,665,868</u>
STREETS AND HIGHWAYS					
Street Maintenance	<u>6,147,740</u>	<u>16,937</u>	<u>47,093</u>	<u>898,987</u>	<u>5,312,783</u>
CULTURE AND RECREATION					
Parks And Recreation	52,705,996	297,170	6,326,083	2,296,520	57,032,729
Libraries	18,880,262		7,553,862	564,762	25,869,362
Cornhusker Convention Center	2,694,751				2,694,751
Total Culture And Recreation	<u>74,281,009</u>	<u>297,170</u>	<u>13,879,945</u>	<u>2,861,282</u>	<u>85,596,842</u>
ECONOMIC OPPORTUNITY					
Lincoln Area Agency On Aging	629,733		119,982	99,204	650,511
Job Programs	25,983			15,866	10,117
Total Economic Opportunity	<u>655,716</u>		<u>119,982</u>	<u>115,070</u>	<u>660,628</u>
HEALTH AND WELFARE					
Lincoln/Lancaster County Health	<u>2,003,453</u>		<u>296,030</u>	<u>325,870</u>	<u>1,973,613</u>
Total General Fixed Assets	<u>\$ 113,510,655</u>		<u>29,816,522</u>	<u>10,071,212</u>	<u>133,255,965</u>

See Accompanying Independent Auditors' Report

*The figures in this column do not necessarily agree with the other financial statements for capital outlay in the governmental funds. This is because expenditures made by some funds for building improvements are shown here under Buildings and Plant. Also, infrastructure items are not capitalized under the City's capitalization policies.

**STATISTICAL SECTION
(UNAUDITED)**

**CITY OF LINCOLN, NE
GENERAL INFORMATION**

Table 1

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS ¹**

Fiscal Year	General Government	Public Safety	Streets And Highways	Culture And Recreation	Economic Opportunity	Health And Welfare	Debt Service	Totals
2001	\$ 23,821,580	48,122,074	11,175,059	14,500,939	12,381,023	14,232,879	7,742,690	131,976,244
2000	23,529,495	44,042,882	9,039,840	13,664,617	11,026,477	12,589,907	7,924,295	121,817,513
1999	21,891,174	41,555,922	9,406,531	12,999,988	10,076,176	11,226,029	6,937,983	114,093,803
1998	30,170,768	41,140,827	8,992,439	12,865,881	11,886,801	10,979,131	7,317,239	123,353,086
1997	17,791,275	35,073,010	10,348,129	12,451,875	8,473,117	9,491,687	7,807,532	101,436,625
1996	21,642,981	35,208,168	8,204,830	12,278,005	8,571,770	8,874,148	7,468,367	102,248,269
1995	19,324,778	32,268,654	7,707,436	11,305,566	8,957,863	7,838,386	7,161,326	94,564,009
1994	17,757,517	29,709,169	7,039,926	10,313,064	8,036,307	7,019,362	9,116,154	88,991,499
1993	15,561,262	28,560,001	7,724,395	10,002,344	8,042,464	6,067,846	9,647,393	85,605,705
1992	14,359,558	27,458,036	6,745,007	9,570,033	7,029,374	5,277,565	9,862,524	80,302,097

¹ Includes General, Special Revenue, and Debt Service Funds.

Table 2

**GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS ¹**

Fiscal Year	Taxes And Special Assessment	Inter-Governmental	Permits And Fees	Reimbursement For Services	Court Fees	Recreation Receipts	Investment Income	Other	Totals
2001	\$ 89,503,325	48,369,359	9,405,081	2,061,899	233,395	1,623,722	3,996,218	9,244,882	164,437,881
2000	86,831,572	35,469,904	9,660,356	1,818,277	177,672	1,542,624	3,883,348	8,842,822	148,226,575
1999	82,998,188	34,847,767	8,501,410	1,560,207	189,155	1,446,299	3,271,085	8,492,628	141,306,739
1998	79,200,331	40,261,744	7,869,252	1,270,497	171,403	1,332,853	3,468,117	10,014,571	143,588,768
1997	78,164,628	26,909,591	7,724,118	2,582,830	179,343	1,258,665	3,147,992	8,067,070	128,034,237
1996	75,624,598	27,398,828	7,410,729	1,874,624	176,916	1,137,763	2,840,478	9,244,341	125,708,277
1995	71,429,314	24,447,377	6,102,612	2,146,958	223,162	1,064,861	2,591,984	9,178,531	117,184,799
1994	72,266,306	24,954,144	4,164,959	1,946,264	124,275	916,358	1,323,904	8,319,684	114,015,894
1993	65,691,255	24,158,900	3,325,037	1,382,306	116,457	733,723	1,252,772	5,295,130	101,955,580
1992	61,520,132	18,822,780	2,940,003	1,129,027	98,009	682,245	1,236,569	3,389,998	89,818,763

¹ Includes General, Special Revenue and Debt Service Funds.

Table 3

**PROPERTY TAX LEVIED AND COLLECTED
LAST TEN YEARS**

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. Delinquent taxes bear 14 percent interest. The figures below include interest and penalties. The figures below do not include motor vehicle in lieu of ad valorem taxes.

Tax Year	Taxes Levied	Collected As Of August 31 After Levy		Accumulated Collections As Of August 31, 2001	
		Amount	Percent	Amount	Percent
2000	\$ 31,159,364	\$ 29,936,079	96.07 %	\$ 29,936,079	96.07 %
1999	29,603,794	28,665,780	96.83	29,736,691	100.45
1998	27,597,664	26,411,546	95.70	27,392,516	99.26
1997	26,812,692	25,758,577	96.07	26,995,591	100.68
1996	27,022,949	25,894,971	95.83	27,006,128	99.94
1995	26,717,464	25,626,901	95.92	26,806,873	100.33
1994	26,289,058	25,209,483	95.89	26,295,165	100.02
1993	25,962,618	25,108,543	96.71	26,253,222	101.12
1992	24,951,389	23,789,500	95.34	24,936,187	99.94
1991	24,086,774	22,331,375	92.71	23,825,904	98.92

Table 4

Tax Year	TAXABLE ASSESSED VALUATION LAST TEN YEARS ¹			
	Real Estate	All Other	Motor Vehicle	Total
2001	\$ 9,903,888,713	820,797,124		10,724,685,837
2000	8,814,516,041	806,431,814		9,620,947,855
1999	8,423,860,600	716,780,457		9,140,641,057
1998	7,859,292,010	660,609,204		8,519,901,214
1997	6,850,027,133	637,669,384		7,487,696,517
1996	6,516,782,050	525,762,951	706,470,078	7,749,015,079
1995	6,243,138,433	442,913,618	639,647,617	7,325,699,668
1994	6,040,320,804	431,628,371	598,259,561	7,070,208,736
1993	4,569,474,800	424,296,765	542,119,130	5,535,890,695
1992	4,546,536,977	357,430,964	539,257,371	5,443,225,312

¹ Assessment is at 100% of actual. Effective in the 1997 tax year, Motor Vehicles are excluded from the taxable assessed valuation.

Table 5

TOTAL PROPERTY TAX LEVIES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS ¹

	Tax Year									
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
City Of Lincoln	0.3145	0.3239	0.3239	0.3239	0.3581	0.3837	0.3996	0.4062	0.5199	0.5088
School District No. 1	1.2732	1.3684	1.3813	1.3050	1.6308	1.6260	1.5946	1.6084	1.9098	1.7543
Lancaster County	0.2583	0.2643	0.2584	0.2782	0.2966	0.3106	0.3169	0.3051	0.3584	0.3382
Educational Service Unit #18	0.0150	0.0150	0.0150	0.0149	0.0089	0.0081	0.0082	0.0082	0.0078	0.0076
Community Technical College	0.0636	0.0295	0.0334	0.0696	0.0782	0.0840	0.0864	0.0843	0.0917	0.0903
Lower Platte South Natural Res. Dist.	0.0365	0.0367	0.0372	0.0389	0.0365	0.0346	0.0346	0.0293	0.0349	0.0357
Railroad Transportation Safety Dist.	0.0221	0.0260	0.0260	0.0260	0.0260	0.0091	0.0096	0.0096	0.0130	0.0000
Agricultural Society Of Lancaster County	0.0024	0.0073	0.0032	0.0013	0.0364	0.0364	0.0014	0.0014	0.0017	0.0018
Lancaster County Fairgrounds	0.0052									
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0169	0.0170	0.0127	0.0170	0.0169
	<u>2.0078</u>	<u>2.0881</u>	<u>2.0954</u>	<u>2.0748</u>	<u>2.4885</u>	<u>2.5094</u>	<u>2.4683</u>	<u>2.4652</u>	<u>2.9542</u>	<u>2.7536</u>

¹ The assessment rate is 100% of market and the levy is expressed as the tax per \$100 of estimated market value.

Table 6

SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS ¹

Fiscal Year Ended August 31	Special Assessment Collections Including Interest
2001	\$ 1,796,924
2000	1,948,791
1999	2,359,812
1998	2,104,022
1997	2,390,085
1996	2,484,416
1995	2,337,275
1994	2,770,059
1993	2,903,065
1992	2,845,980

¹ Special assessment collections are not tracked by levy year, therefore the portion of collections during any year which apply to any particular levy cannot be determined. Special assessment billings by year are not available.

CITY SALES TAX INFORMATION

The City had a one percent (1%) sales and use tax through June 30, 1985. Effective July 1, 1985 the sales and use tax was raised to one and one half percent (1.5%). These taxes are administered and collected for the City by the State of Nebraska. The State receives three percent (3%) for their service. The City has had a sales tax since 1969.

SALES AND USE TAX COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31	Amount
2001	\$ 44,486,127
2000	43,608,313
1999	41,642,771
1998	37,479,413
1997	36,549,194
1996	33,543,308
1995	31,420,946
1994	29,739,476
1993	25,920,431
1992	24,572,746

Table 8

SCHEDULE OF NET GENERAL OBLIGATION BONDED DEBT IN RELATION TO POPULATION,
TOTAL ASSESSED VALUATION, AND REAL PROPERTY VALUATION
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt	Sinking Funds	Net General Obligation Bonded Debt	Population ¹	Net G.O. Bonded Debt Per Capita	Assessed Valuation Real And Personal ²	Ratio Of Net Debt To Assessed Valuation Real & Personal	Assessed Valuation Of Taxable ² Real Property	Ratio Of Net Debt To Estimated Valuation Of Taxable Real Property
2001	\$ 54,418,000	\$ 11,243,000	\$ 43,175,000	225,588	\$ 191.39	\$ 10,724,685,837	0.40 %	\$ 9,903,888,713	0.44 %
2000	58,814,000	9,739,000	49,075,000	218,497	224.60	9,620,947,855	0.51	8,814,516,041	0.56
1999	60,508,000	12,182,000	48,326,000	217,537	222.15	9,140,641,057	0.53	8,423,860,600	0.57
1998	40,492,000	17,707,000	22,785,000	215,000	105.98	8,519,901,214	0.27	7,859,292,010	0.29
1997	47,665,000	16,121,000	31,544,000	209,192	150.79	7,487,696,517	0.42	6,850,027,133	0.46
1996	44,885,000	14,529,594	30,355,406	206,100	147.28	7,749,015,079	0.39	6,516,782,050	0.47
1995	49,573,000	13,486,759	36,086,241	203,076	177.70	7,325,699,668	0.49	6,243,138,433	0.58
1994	42,845,000	12,423,441	30,421,559	199,350	152.60	7,070,208,736	0.43	6,040,320,804	0.50
1993	47,954,000	12,945,562	35,008,438	197,482	177.27	5,535,890,695	0.63	4,569,474,800	0.77
1992	51,099,000	11,962,647	39,136,353	195,168	200.53	5,443,225,312	0.72	4,546,536,977	0.86

¹ Source: Lincoln/Lancaster Planning Department.

² Assessed valuation is 100% of actual. Effective in the 1997 tax year, Motor Vehicles are excluded from the taxable assessed valuation.

Table 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2001

Units	Net Debt Outstanding	Percentage Applicable To The City	Direct And Overlapping Debt To The City
Direct:			
City	\$ 43,175,000	100.0 %	\$ 43,175,000
Overlapping:			
School District #1	97,929,000	97.2	95,187,000
Airport Authority	3,727,000	100.0	3,727,000
Lancaster County	13,574,000	84.6	11,484,000
Public Building Commission	30,011,000	84.6	25,389,000
Southeast Community College	None	35.9	None
	<u>145,241,000</u>		<u>135,787,000</u>
Total	\$ <u>188,416,000</u>		\$ <u>178,962,000</u>

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS ²

Fiscal Year	Principal	Interest ³	Total Debt Service	Total General Governmental Expenditures ¹	Ratio Of Debt Service To Total General Expenditures
2001	\$ 4,966,405	\$ 2,753,247	\$ 7,719,652	\$ 131,976,244	5.85 %
2000	5,125,296	2,772,021	7,897,317	121,817,513	6.48
1999	4,209,267	2,301,745	6,511,012	114,093,803	5.71
1998	4,927,317	2,329,696	7,257,013	123,353,086	5.88
1997	5,469,089	2,274,947	7,744,036	101,436,625	7.63
1996	4,959,621	2,445,185	7,404,806	102,248,269	7.24
1995	4,827,845	2,086,601	6,914,446	94,564,009	7.31
1994	6,603,251	2,349,574	8,952,825	88,991,499	10.06
1993	6,380,195	3,093,979	9,474,174	85,605,705	11.07
1992	6,409,476	3,184,607	9,594,083	80,302,097	11.95

¹ Includes: General, Special Revenue, and Debt Service Funds.

² In-substance defeasances are excluded from this table.

³ Does not include fiscal and miscellaneous charges.

Table 11

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Wastewater System</u>							
2001	\$ 16,663,975	8,087,688	8,576,287	952,500	364,972	1,317,472	6.51
2000	16,741,692	7,707,242	9,034,450	912,500	411,097	1,323,597	6.83
1999	16,286,632	7,591,990	8,694,642	1,255,000	474,743	1,729,743	5.03
1998	15,873,036	7,512,753	8,360,283	1,217,500	554,216	1,771,716	4.72
1997	15,521,150	7,339,135	8,182,015	1,120,000	627,402	1,747,402	4.68
1996	15,158,461	7,082,660	8,075,801	1,070,000	677,886	1,747,886	4.62
1995	14,978,232	6,785,101	8,193,131	1,020,000	728,840	1,748,840	4.68
1994	14,366,125	6,538,152	7,827,973	970,000	776,009	1,746,009	4.48
1993	13,145,256	6,398,829	6,746,427	910,000	821,593	1,731,593	3.90
1992	12,712,957	6,285,596	6,427,361	590,000	742,022	1,332,022	4.83
<u>Water System</u>							
2001	\$ 22,287,139	10,960,315	11,326,824	2,755,000	2,240,075	4,995,075	2.27
2000	23,823,957	9,812,147	14,011,810	2,640,000	2,361,515	5,001,515	2.80
1999	20,787,797	9,067,262	11,720,535	2,530,000	2,514,373	5,044,373	2.32
1998	21,009,615	8,894,295	12,115,320	2,435,000	2,621,365	5,056,365	2.40
1997	20,426,318	8,161,529	12,264,789	2,345,000	2,730,407	5,075,407	2.42
1996	20,152,071	8,072,097	12,079,974	2,265,000	2,829,751	5,094,751	2.37
1995	20,467,243	7,622,280	12,844,963	2,195,000	2,963,950	5,158,950	2.49
1994	20,256,136	6,858,777	13,397,359	2,145,000	3,036,215	5,181,215	2.59
1993	17,866,972	6,359,712	11,507,260	1,230,000	3,096,495	4,326,495	2.66
1992	21,106,800	6,391,486	14,715,314	1,170,000	3,287,250	4,457,250	3.30
<u>Parking Facilities</u> ^{1, 2}							
2001	\$ 5,172,264	2,127,350	3,044,914	795,000	787,419	1,582,419	1.92
2000	4,853,708	1,393,637	3,460,071	455,000	761,521	1,216,521	2.84
1999	4,209,988	2,329,165	1,880,823	585,000	640,712	1,225,712	1.53
1998	4,068,991	1,340,709	2,728,282	455,000	651,694	1,106,694	2.47
1997	3,623,705	1,110,085	2,513,620	435,000	670,847	1,105,847	2.27
1996	3,411,735	1,271,655	2,140,080	415,000	908,380	1,323,380	1.62
1995	3,205,953	1,025,468	2,180,485	400,000	483,214	883,214	2.47
1994	2,242,835	724,003	1,518,832	110,000	316,975	426,975	3.56
1993	2,101,383	608,667	1,492,716	220,000	331,262	551,262	2.71
1992	1,831,601	589,578	1,242,023	205,000	350,594	555,594	2.24

¹ Parking Facilities' gross revenues include parking meter revenues which were deposited to the General Fund but are pledged per bond ordinance.

² Information in this table does not agree with information in the transmittal letter because transmittal letter information is calculated in accordance with specific requirements of the bond covenants.

Table 12

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	City Of Lincoln Population ¹	Per Capita Income ²	School Enrollment ³	Unemployment Rate ⁴
2001	225,588	\$	31,581	2.6 %
2000	218,497		31,354	2.7
1999	217,537	28,493	31,052	1.9
1998	215,000	27,487	31,000	1.5
1997	209,192	24,602	30,924	1.7
1996	206,100	23,591	30,779	2.4
1995	203,076	22,446	30,693	2.2
1994	199,350	21,169	30,041	2.4
1993	197,482	20,130	29,943	2.4
1992	195,168	18,995	29,743	3.1

Sources:

¹ Lincoln/Lancaster Planning Department.² U.S. Department of Commerce Bureau of Economic Analysis. Per Capita Income for 2000 and 2001 is unavailable.³ Lincoln Public Schools.⁴ State of Nebraska, Department of Labor.

Median age from 1990 census was 30.3. Education statistics per the 1990 Census indicate that 88.3% of the population 25 years and older has a high school degree or greater with 28.5% of the same population holding a Bachelor's degree or greater.

Table 13

PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction ¹		Residential Construction ¹		Property Value ²		Totals
	Number Of Permits	Value	Number Of Permits	Value	Commercial	Residential	
2001	1,017	\$ 215,856,679	3,212	\$ 231,390,626	2,855,200,333	7,048,688,380	\$ 9,903,888,713
2000	1,069	181,983,107	3,385	225,622,611	2,540,905,431	6,273,610,610	8,814,516,041
1999	1,148	186,569,754	3,235	206,065,342	2,356,367,014	6,067,493,586	8,423,860,600
1998	1,093	119,532,867	3,109	185,894,741	2,132,780,337	5,726,511,673	7,859,292,010
1997	1,107	90,599,429	3,284	191,975,903	1,986,422,642	4,863,604,491	6,850,027,133
1996	1,212	148,033,633	2,976	167,561,114	1,840,136,792	4,676,645,258	6,516,782,050
1995	1,140	110,994,400	2,739	146,598,151	1,734,716,053	4,508,422,380	6,243,138,433
1994	1,117	136,104,897	3,114	156,183,375	1,703,370,467	4,336,950,337	6,040,320,804
1993	1,027	105,463,763	2,528	129,375,506	1,359,824,873	3,209,649,927	4,569,474,800
1992	1,037	97,404,261	2,368	112,917,088	1,059,803,513	3,486,733,464	4,546,536,977

Sources:

¹ City of Lincoln, Department of Building and Safety.² Lancaster County Assessor.

TEN LARGEST TAXPAYERS

Listed below are the ten largest taxpayers in the City of Lincoln as reported by the County Assessor. These taxpayers each pay less than five percent of the total taxes levied.

<u>Taxpayers</u>	<u>Type Of Business</u>	<u>2001 Assessed Valuations</u>	<u>Percentage Of Total Assessed Valuation</u>
Alltel Communications	Telecommunications	\$ 94,656,597	.88%
Pfizer	Animal Health	55,806,655	.52
Burlington Northern	Railroad	49,888,265	.47
Molex Inc.	Manufacturing	44,664,388	.42
Kawasaki	Manufacturing	44,467,988	.41
Lincoln Joint Venture	Retail Management	43,202,191	.40
RED Capital Management	Retail Management	36,783,814	.34
Chateau Van Dorn LLC	Real Estate Development	35,599,848	.33
B & J Partnership Ltd.	Building Management	34,966,737	.33
State Farm	Insurance	<u>33,378,233</u>	<u>.31</u>
		<u>\$ 473,414,716</u>	<u>4.41%</u>

Table 15

MISCELLANEOUS STATISTICS
AUGUST 31, 2001

Date of Incorporation: 1869
 Form of Government: Mayor-Council,
 Home Rule Charter
 Area: 79.08 square miles
 Lane Miles of Streets: 2,678 miles
 Number of Street Lights: 24,270

Culture And Recreation

Park System: 102 parks & 80 playgrounds,
 5,474 acres maintained for public use.
 Parks, trails, Right-of-ways, etc.
 Trail Miles: 90
 Libraries: 7
 Recreation Centers: 8
 Swimming Pools (Public): 11
 Golf Courses (Public): 5

Fire Protection / Emergency Services

Number of Stations: 14
 Number of Firefighters: 244
 Number of Ambulances: 11
 Number of Certified Paramedics: 63

Police Protection

Number of Stations: 1
 Number of Police Officers: 300

Water Department

Number of Consumers: 68,187
 Average Daily Consumption: 39,698,060 gallons
 Miles of Water Mains: 1,065 miles

Sanitary Sewer

Number of Consumers: 67,916
 Miles of Wastewater Mains: 868

Education

Public Schools:
 Senior High Schools: 4
 Middle Schools: 10
 Elementary Schools: 37
 Number of Students: 31,581
 Private and Parochial Schools:
 Number of Schools: 31
 Number of Students: 6,772

(THIS PAGE LEFT BLANK INTENTIONALLY)

SINGLE AUDIT SECTION

CITY OF LINCOLN, NE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED AUGUST 31, 2001

I-1

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs:			
Summer Food Service Program for Children	10.559	6/00-8/00	\$ 8,432
Summer Food Service Program for Children	10.559	6/01-8/01	43,467
Pass-Through State Department Of Health And Human Services:			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	2000	37,391
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	2001	349,404
Nutrition Program for the Elderly (Commodities)	10.570		<u>146,877</u>
Total U.S. Department Of Agriculture			\$ <u>585,571</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$ 55,230
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002	33,261
Community Development Block Grant	14.218	B-98-99-00 MC-31-0001	2,165,477
Emergency Shelter Grant Program	14.231	S 99-00 MC-310002	84,261
HOME Investment Partnerships Program	14.239	* M-98-99-00 MC-31-0202	1,961,849
HOME Investment Partnerships Program	14.239	* M-99-MC-31-0202	227,905
Community Development Block Grants/Economic Development Initiative	14.246	B-99-SP-NE-1085	<u>199,075</u>
Total U.S. Department Of Housing And Urban Development			\$ <u>4,727,058</u>
U.S. DEPARTMENT OF INTERIOR			
Pass-Through State Historical Society:			
Historical Preservation Fund Grants-in-Aid	15.904	00/01	\$ 6,876
Historical Preservation Fund Grants-in-Aid	15.904	01/02	<u>8,349</u>
Total U.S. Department Of Interior			\$ <u>15,225</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Local Law Enforcement Block Grant	16.592	* 98-LB-VX-4715	\$ 330,712
Local Law Enforcement Block Grant	16.592	* 2000-LB-BX-0438	16,904
Local Law Enforcement Block Grant	16.592	* 2000-LB-VX-1374	206,902
Bulletproof Vest Partnership Program	16.607		13,544
Public Safety Partnership and Community Policing Grant (Cops Ahead)	16.710	95-CC-WX-0426	274,847
Pass-Through State Comm. On Law Enforcement And Criminal Justice:			
Crime Victim Assistance	16.575	00-VA-900/00-VA-227	106,547
Crime Victim Assistance	16.575	99-VA-233/99-VA-900	13,204
Byrne Formula Grant Program (Street Drug Dealer Apprehension Program)	16.579	00-DA-317	347,828
Byrne Formula Grant Program (Street Drug Dealer Apprehension Program)	16.579	99-DA-300	<u>77,579</u>
Total U.S. Department Of Justice			\$ <u>1,388,067</u>
U.S. DEPARTMENT OF LABOR			
Pass-Through State Department Of Health And Human Services:			
Senior Community Service Employment Program	17.235	NGA 2002-038	\$ 628
Senior Community Service Employment Program	17.235	NGA 2001-036	44,798
Pass-Through State Department Of Labor:			
Workforce Investment Act Cluster:			
Workforce Investment Act (Adult)	17.255	* 2000	121,259
Workforce Investment Act (Dislocated Worker)	17.255	* 2000	149,621
Workforce Investment Act (Youth)	17.255	* 2000	166,655
Workforce Investment Act (Adult)	17.255	* 2001	10,835
Workforce Investment Act (Dislocated Worker)	17.255	* 2001	13,932
Workforce Investment Act (Youth)	17.255	* 2001	1,272
Workforce Investment Act Incentive/Capacity	17.255	* 2000	12,316
Workforce Investment Act Incentive/Capacity	17.255	* 2001	<u>951</u>
			<u>476,841</u>
Total U.S. Department Of Labor			\$ <u>522,267</u>

(Continued)

See Accompanying Notes To Supplementary Schedule Of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X039	\$ 2,851
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X046	19,870
Federal Transit: Formula Grants (Transit Planning)	20.507	NE90-X046	40,273
Federal Transit: Formula Grants (Transit Planning)	20.507	RPT-CP990(00)	40,891
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X048	6,011
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X052	34,186
Federal Transit: Formula Grants (Maint. Facility)	20.507	NE-03-0029	941,691
Federal Transit: Formula Grants (Oxidiesel Engines)	20.507	NE-90-X050	98,377
Pass-Through State Department Of Roads:			
State and Community Highway Safety Cluster:			
Highway Planning and Construction (Planning)	20.205	HPR-PL1(38)	263,176
Highway Planning and Construction (Lancaster County Rural Transit)	20.205	RPT-C551(202)	2,529
Highway Planning and Construction (Lancaster County Rural Transit)	20.205	RPT-C551(201)	<u>12,633</u>
			278,338
Pass-Through State Department Of Highway And Safety:			
State and Community Highway Safety	20.600	00-5	7,730
State and Community Highway Safety	20.600	01-5	25,731
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	410-96-109	<u>60,536</u>
Total U.S. Department Of Transportation			<u>\$ 1,556,485</u>
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION			
Direct Programs:			
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	0/5010/0157	<u>\$ 34,726</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Direct Programs:			
Institute of Museum and Library Services: General Operating Support	45.301	IG 80262-98	\$ 2,403
Pass-Through State Library Commission			
State Library Program (Net Lender Contract)	45.310		<u>3,784</u>
Total Institute of Museum And Library Services			<u>\$ 6,187</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Direct Programs:			
CEPP Technical Assistance Grants Program (112R)	66.810	00	\$ 3,703
CEPP Technical Assistance Grants Program (Risk Management Program)	66.810	X99786101-0	18,898
Pass-Through State Department Of Environmental Quality:			
Air Pollution Control Program Support	66.001	M-007056(01)	104,842
Air Pollution Control Program Support	66.001	M-007056(00)	19,539
Air Pollution Control Program Support	66.001	M-007056(99)	64
Nonpoint Source Implementation Grants (Safe Water Tomorrow-South)	66.460	C9007403-00-0	4,295
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	PM997527-01(01)	13,234
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	PM997527-01(00)	<u>4,997</u>
Total U.S. Environmental Protection Agency			<u>\$ 169,572</u>
FEMA			
Direct Programs:			
National Urban Search and Rescue (US&R) Response System	83.526	EMW-97-CA-0402	<u>\$ 96,323</u>
U.S. DEPARTMENT OF EDUCATION			
Pass-Through State Library Commission:			
Urban Library System Resource Sharing	84.034	94/95	\$ 463
Pass-Through State Department Of Education:			
Special Education: Grants for Infants and Families with Disabilities(Innovative Projects)	84.181	965508-248-3C3-01	12,909
Special Education: Grants for Infants and Families with Disabilities(Innovative Projects)	84.181	965508-24811H-00	5,645
Goals 2000: Parental Information Resource Centers (Nebraska Spring)	84.310	S310A970052-99	<u>2,900</u>
Total U.S. Department Of Education			<u>\$ 21,917</u>

(Continued)

See Accompanying Notes To Supplementary Schedule Of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through State Department Of Health And Human Services:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2001	\$ 9,806
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2000	14,964
Acquired Immunodeficiency Syndrome (Aids) Activity (CTRPN)	93.118	2001	16,845
Acquired Immunodeficiency Syndrome (Aids) Activity (CTRPN)	93.118	98	2,122
Acquired Immunodeficiency Syndrome (Aids) Activity (Prevention)	93.118	2001	9,463
Acquired Immunodeficiency Syndrome (Aids) Activity (STD)	93.118	2001	9,129
Acquired Immunodeficiency Syndrome (Aids) Activity (STD)	93.118	2000	8,178
Childhood Lead Poisoning Prevention Projects (CDC 02)	93.197	99033	5,008
Childhood Lead Poisoning Prevention Projects (CDC 01)	93.197	99033	59,813
Immunization Grants (Hepatitis B)	93.268	2001	8,055
Immunization Grants (Hepatitis B)	93.268	2000	6,090
Immunization Grants (NE Immunization Action Plan)	93.268	2001	22,205
Immunization Grants (NE Immunization Action Plan)	93.268	2000	21,440
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Grant)	93.283	2002	2,056
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Grant)	93.283	2001	45,294
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Grant)	93.283	2000	4,105
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Grant)	93.283	1998	999
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Free)	93.283	2002	60
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Free)	93.283	2001	4,240
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tabacco Free)	93.283	2000	6,338
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Bioterrorism Grant)	93.283	99051	18,986
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Bioterrorism Grant)	93.283	99051	15,942
Cooperative Agreements for State-Based Comprehensive Breast & Cervical CancerEarly Detection Programs	93.919	2001	51,935
Cooperative Agreements for State-Based Comprehensive Breast & Cervical CancerEarly Detection Programs	93.919	2000	1,411
HIV Prevention Activities Health Dept Board (HIV Prevention Program)	93.940	2001	6,872
HIV Prevention Activities Health Dept Board (HIV Testing CTR/PCRS)	93.940	U62/CCU702039-15-1	27,045
Preventive Health and Health Services Block Grant (Injury Prevention & Control)	93.991	2002-PHHS-10-LHD-C	1,654
Preventive Health and Health Services Block Grant (Injury Prevention & Control)	93.991	2001-PHHS-10-LHD-C	7,966
Preventive Health and Health Services Block Grants(Local Director's Training Grant)	93.991	2002-PHHS-02-DDF	1,041
Preventive Health and Health Services Block Grants(Local Director's Training Grant)	93.991	2001-PHHS-02-DDF	19,211
Preventive Health and Health Services Block Grants (Cardiovascular)	93.991	2002-PHHS-08-LHD-C	4,168
Preventive Health and Health Services Block Grants (Cardiovascular)	93.991	2001-PHHS-08-LHD-C	16,120
Preventive Health and Health Services Block Grants (Diabetes)	93.991	2001	4,250
Preventive Health and Health Services Block Grants (Epidemiology 2001)	93.991	2001-PHHS-09-LHD-C	19,691
Preventive Health and Health Services Block Grants (Epidemiology 2000)	93.991	2000-PHHS-09-LHD-C	1,749
Maternal and Child Health Services Block Grant to the States (High Risk Newborns)	93.994	MCH-02-35	6,827
Maternal and Child Health Services Block Grant to the States (High Risk Newborns)	93.994	MCH-01-35	59,841
Maternal and Child Health Services Block Grant to the States (High Risk Newborns)	93.994	MCH-00-35	500
Maternal and Child Health Services Block Grants to the States	93.994	MCH-99-20 (B)	2,318
Pass-Through State Department Of Health And Human Services:			
Title III, Part F: Disease Prevention and Health Promotion Services	93.043	NGA 2001-070	17,343
Aging Cluster:			
Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2002-032	13,503
Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2001-067	339,219
Title III, Part C: Nutrition Services	93.045	NGA 2002-033	14,810
Title III, Part C: Nutrition Services	93.045	NGA 2001-068	363,411
Title III, Part C: Nutrition Services	93.045	NGA 2002-034	5,649
Title III, Part C: Nutrition Services	93.045	NGA 2001-069	100,781
			837,373
Title III, Part E: Family Caregivers Support Group	93.052	NGA 2001	20,647
Title III, Part E: Family Caregivers Support Group	93.052	NGA 2002-035	4,954
Refugee and Entrant Assistance - Discretionary Grant (Elderly Refugee Services)	93.576	2001	48,222
Refugee and Entrant Assistance - Discretionary Grant (Elderly Refugee Services)	93.576	2000	17,226
Social Services Block Grant (SSBG)	93.667		12,290
Pass-Through State Department Of Labor:			
Temporary Assistance for Needy Families (Work-Up Program)	93.558	GOOINETANF	790
Temporary Assistance for Needy Families (WorkFare)	93.558	GOOINETANF	2,184
Temporary Assistance for Needy Families (Welfare to Work)	93.558	Y-7052-9-00-81-50	100,596
Total U.S. Department Of Health And Human Services			\$ 1,585,362

(Continued)

See Accompanying Notes To Supplementary Schedule Of Federal Awards

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	440-N147/19	\$ 73,895
Volunteers in Service to America (Safe Nights)	94.013	GM332N231-01	16
Foster Grandparent Program/Senior Companion Program Cluster:			
Foster Grandparent Program	94.011	439 NO64104	41,499
Foster Grandparent Program	94.011	439 NO64101	79,254
Senior Companion Program	94.016	OISCNNE011	22,181
Senior Companion Program	94.016	436-N024/13	<u>115,188</u>
			<u>258,122</u>
Total Corporation For National And Community Service			\$ <u>332,033</u>
Total Federal Expenditures			\$ <u>11,040,793</u>

See Accompanying Notes To Supplementary Schedule Of Federal Awards

CITY OF LINCOLN, NE
Notes to Supplementary Schedule of Expenditures of Federal Awards
August 31, 2001

(1) BASIS OF ACCOUNTING

The Supplementary Schedule of Expenditures of Federal Awards is not prepared on the accrual basis of accounting. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Encumbrances are not included.

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 Supplementary Schedule of Expenditures of Federal Awards includes all funds of the City as defined in Note 1 of the Notes to General Purpose 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, 2001 general purpose financial statements for LES are audited figures as of and for the year ended December 31, 2000.

(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 Supplementary Schedule of Expenditures of Federal Awards.

(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) FEDERAL LOANS OUTSTANDING

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

<u>CFDA#</u>	<u>Program</u>	<u>Outstanding Balance As Of August 31, 2001</u>
14.218	Community Development Block Grant	\$ 10,266,552
14.239	HOME Investment Partnership Program	7,239,321

The City administers the following loan programs for which the federal government does not impose continuing compliance on the following outstanding balance:

<u>CFDA#</u>	<u>Program</u>	<u>Outstanding Balance As Of August 31, 2001</u>
14.230	Rental Rehabilitation Program	\$ 709,459
14.240	Hope 3 Loan Program	49,226
66.458	Capitalization Grant Project Loan No. C317008-01	6,585,066

(6) CONTINGENCIES

The City receives funds under various federal grant programs and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.



233 South 13th Street, Suite 1600
Lincoln, NE 68508-2041

Two Central Park Plaza
Suite 1501
Omaha, NE 68102

**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of General Purpose 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 the general purpose financial statements of the City of Lincoln, Nebraska (the City) as of and for the year ended August 31, 2001, and have issued our report thereon dated January 4, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 4, 2002





233 South 13th Street, Suite 1600
Lincoln, NE 68508-2041

Two Central Park Plaza
Suite 1501
Omaha, NE 68102

**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

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

Compliance

We have audited the compliance of the City of Lincoln, Nebraska (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2001. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2001.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.



Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal components does not reduce to a relatively low level the risk of noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 4, 2002

CITY OF LINCOLN, NEBRASKA
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2001

I. Summary of Auditors' Results

- (a) Type of report issued as it relates to the financial statements: **Unqualified.**
- (b) The audit did not disclose any reportable conditions in internal control over the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any reportable conditions in internal controls over a major program.
- (e) Type of report issued on compliance for major programs: **Unqualified.**
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with section .510(a) of OMB Circular A-133.
- (g) Major programs:
 - CFDA #14.239 Home Investment Partnership Program
 - CFDA #16.592 Local Law Enforcement Block Grant
 - CFDA #17.255 Workforce Investment Act Cluster
- (h) Dollar threshold to distinguish Type A and B programs: \$331,224.
- (i) The City of Lincoln, Nebraska did qualify as a low-risk auditee.

II. Findings Related to the Financial Statements which are Required to be Reported in Accordance with *Government Auditing Standards*

None.

III. Findings and Questioned Costs Relating to Federal Awards

None.