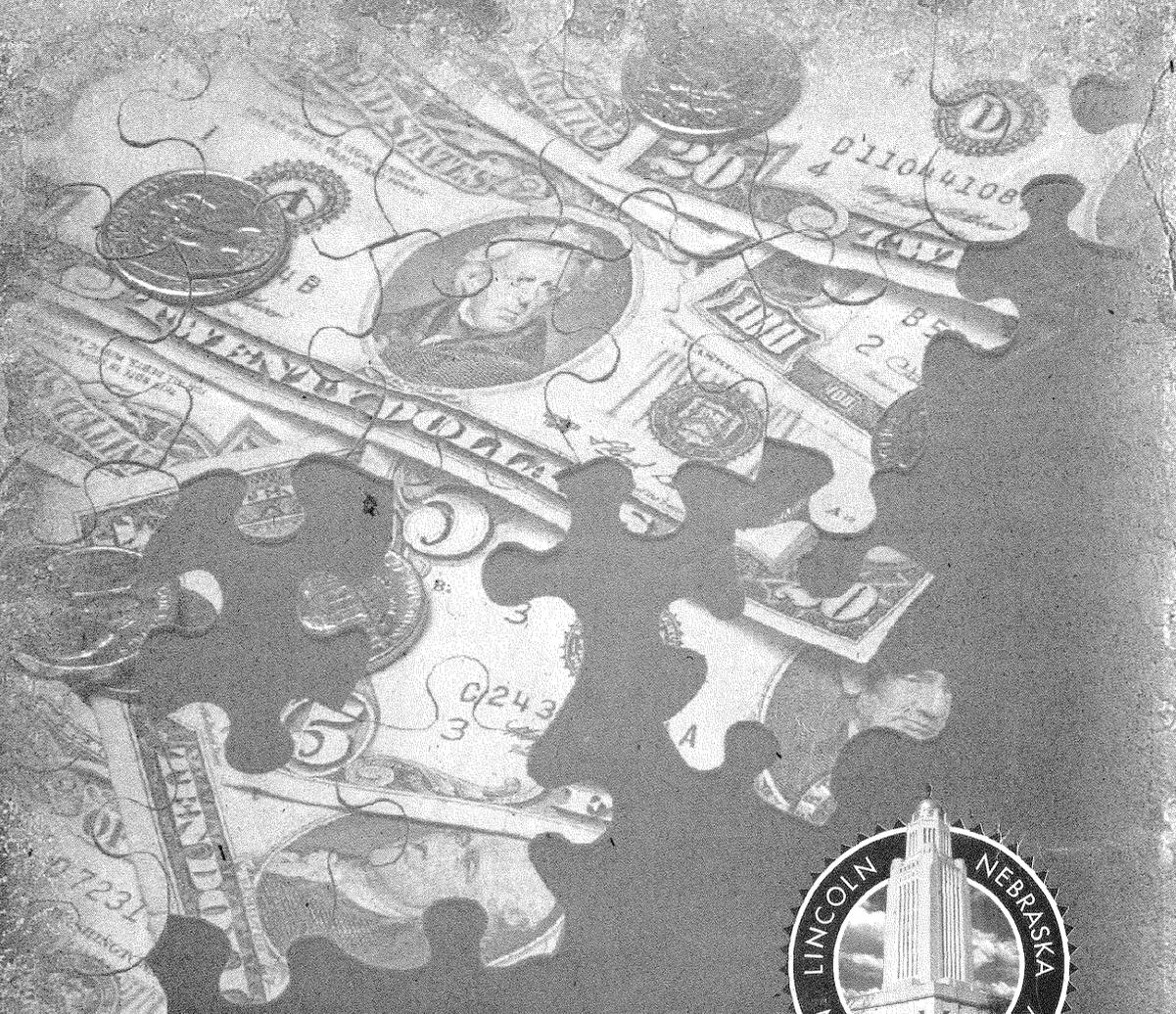


CITY OF LINCOLN, NEBRASKA



Comprehensive
**ANNUAL FINANCIAL
REPORT**

FISCAL YEAR ENDED AUGUST 31, 2000

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2000

Prepared by:

The Accounting Division of the Finance Department

OFFICIALS OF THE CITY OF LINCOLN

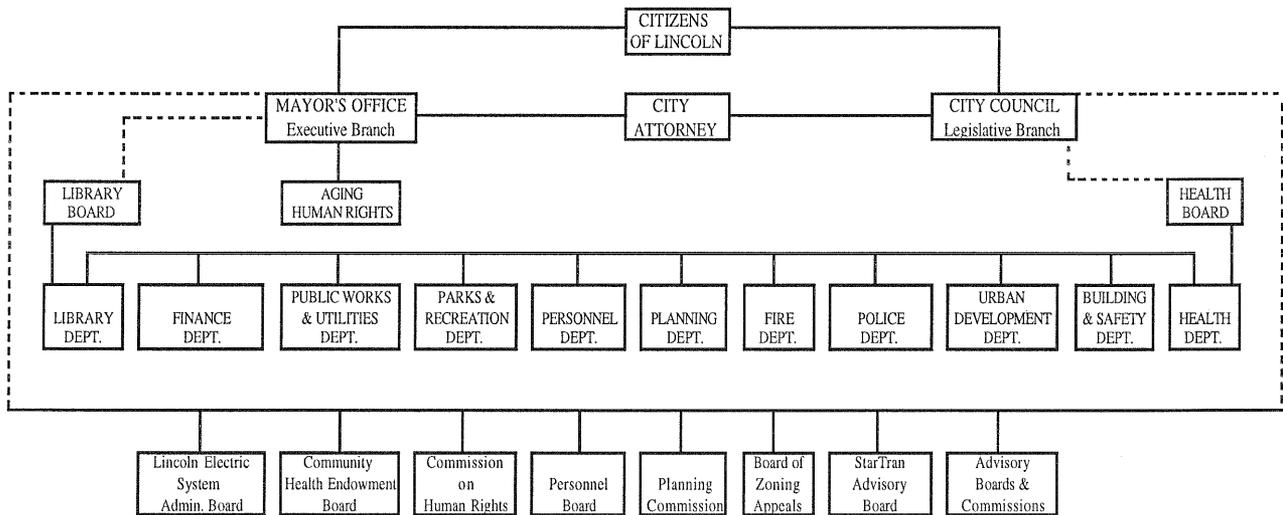
Don Wesely Mayor
 Jerry Shoecraft..... Chair, City Council
 Jeff Fortenberry Vice Chair, City Council
 Cindy Johnson Council Member
 Coleen Seng..... Council Member
 Jon Camp..... Council Member
 Annette McRoy..... Council Member
 Jonathan Cook..... Council Member

* * * * *

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
 Leon Vinci 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, 2000
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
Other – Property Tax Refunds Fund	B-16	69
Debt Service Funds:		71
Combining Balance Sheet	C-1	72
Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	C-2	73
Combining Schedule Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual (Budget Basis)	C-3	74

	<u>Statement</u>	<u>Page</u>
Capital Projects Funds:		75
Combining Balance Sheet	D-1	76
Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	D-2	77
Proprietary Funds:		79
Enterprise Funds:		81
Combining Balance Sheet	E-1	82
Combining Statement Of Revenues, Expenses, And Changes In Retained Earnings	E-2	85
Combining Statement Of Cash Flows	E-3	86
Internal Service Funds:		89
Combining Balance Sheet	F-1	90
Combining Statement Of Revenues, Expenses, And Changes In Retained Earnings	F-2	91
Combining Statement Of Cash Flows	F-3	92
Fiduciary Funds:		93
Combining Balance Sheet	G-1	95
Police And Fire Pension Trust Fund - Statement Of Plan Net Assets	G-2	97
Pension Trust Fund - Statement Of Changes in Plan Net Assets	G-3	98
Expendable Trust Funds - Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances	G-4	99
Community Health Endowment Non-Expendable Trust Fund - Statement Of Revenues, Expenses, And Changes In Fund Balance	G-5	100
Community Health Endowment Non-Expendable Trust Fund - Statement of Cash Flows	G-6	101
Agency Funds - Combining Statement Of Changes In Assets And Liabilities	G-7	102
General Fixed Assets Account Group:		105
Schedule Of General Fixed Assets Additions By Source	H-1	106
Schedule Of General Fixed Assets By Function And Activity	H-2	107
Schedule Of Changes In General Fixed Assets By Function And Activity	H-3	108

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
General Governmental Expenditures By Function Last Ten Fiscal Years	1	110
General Governmental Revenues By Source Last Ten Fiscal Years	2	110
Property Tax Levied And Collected Last Ten Years	3	110
Taxable Assessed Valuation Last Ten Years	4	111
Total Property Tax Levies All Direct And Overlapping Governments Last Ten Years	5	111
Special Assessment Collections Last Ten Fiscal Years	6	111
City Sales Tax Information Last Ten Fiscal Years	7	112
Schedule Of Net General Obligation Bonded Debt In Relation To Population, Total Assessed Valuation, And Real Property Valuation Last Ten Fiscal Years	8	112
Computation Of Direct And Overlapping Debt - August 31, 2000	9	112
Ratio Of Annual Debt Service Expenditures For General Bonded Debt To Total General Governmental Expenditures Last Ten Fiscal Years	10	113
Revenue Bond Coverage Last Ten Fiscal Years	11	113
Demographic Statistics Last Ten Years	12	114
Property Value, Construction, And Bank Deposits Last Ten Fiscal Years	13	114
Ten Largest Taxpayers	14	115
Miscellaneous Statistics - August 31, 2000	15	115

SINGLE AUDIT SECTION

	<u>Statement</u>	<u>Page</u>
Supplementary Schedule Of Expenditures Of Federal Awards	I-1	118
Notes To Supplementary Schedule Of Expenditures Of Federal Awards		122
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>		123
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		124
Schedule Of Findings And Questioned Costs		126

(THIS PAGE LEFT BLANK INTENTIONALLY)

Lincoln



Nebraska's Capital City

January 15, 2001

Citizens of Lincoln
Lincoln City Council
Lincoln, Nebraska

Dear Citizens and Public Officials:

I am pleased to submit the City of Lincoln Comprehensive Annual Financial Report for the fiscal year ending August 31, 2000.

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

The City's future continues to be 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 1999 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement of Excellence in Financial Reporting for the seventeenth consecutive year. This recognition is a credit to the City and complement 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 12, 2001

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, 2000, 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, 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*, including a 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, 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, 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, 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 10.76% between 1980 and 1990, adding over 2,000 people to the community each year. The 1980 population of 192,884 reached 213,641 persons with the 1990 census. The most recent estimates place the population of Lancaster County at 237,657, setting the County's annualized rate of population growth for the first nine years of the 1990's at 1.25 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. Most forecasters envision Lincoln to continue to grow at a rate near or in excess of one 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, 2000 was 2.7%, well below the national average of 4.1%. This has been led by expansion in the areas of transportation, meat processing and state government. Lincoln is strongest in the categories of government, manufacturing, services, and wholesale and retail trade.

Lincoln's construction activity continues to demonstrate sustained growth. Permits for all forms of new construction have risen 15% over the past 5 years with an increase in the value of construction permits of over \$150 million.

Current net sales and use tax revenue increased 4.7% 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, and EDI Special Project grants, Community Improvement Financing, Advanced 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 facilities including parking, sidewalks, infrastructure and streetscapes.

Ongoing and anticipated projects include:

- ◆ Downtown Redevelopment Projects:
 - 1) The Journal-Star printing facility located on Block 29
 - 2) The “O” Street streetscape improvements including the blocks between 14th and 16th Streets
 - 3) Redevelopment of the Old Federal Building
 - 4) Development of a downtown entertainment center
 - 5) National Research Corporation streetscape project at 13th & “Q” Streets
 - 6) Block 55 skywalk project
 - 7) Downtown I-180 entryway improvements
 - 8) 9th and “Q” Street Haymarket parking garage

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

- ◆ North 27th Redevelopment Plan projects include:
 - 1) Major park improvements at Trago Park are completed, with restrooms constructed in fiscal year 1999/2000. Minor work remains, primarily painting in the shelter areas.

- ◆ Numerous new and continuing housing programs:
 - 1) Continuation of First-time Homebuyer, Investor-Owner, and Owner-Occupied housing rehabilitation loan programs
 - 2) Continuation of First-time Homebuyer 3% mortgage and rehabilitation projects
 - 3) Participation in Elliott School District Revitalization Project with Nebraska Investment Finance Authority (NIFA)
 - 4) Continuation of Troubled Property program
 - 5) Development of Old Riley School housing project by Nebraska Housing Resources
 - 6) Development of a “lead safe” housing program in partnership with Lincoln Housing Authority.
 - 7) Housing Rehabilitation and Real Estate Division projects also include:
 - a) Planning and negotiation for acquisition of park sites
 - b) Acquisition and negotiation projects – Old Cheney Road - Hwy 2 to 70th Street; South 84th Street Widening; Vine Street widening; Pine Lake Road widening; East “O” Street widening; Pioneers Boulevard widening, 70th to 84th Streets; relocation of tenants from 500 block of 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.
 - c) 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.

- ◆ The Antelope Valley Study identifies community revitalization strategies along the study area; the Closer to Home strategies include 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.

- ◆ 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, Vine Street revitalization, and sidewalk and streetscape improvements in North Bottoms.

- ◆ Landscaping the recently paved 3rd Street corridor.

- ◆ The Workforce Investment Act (WIA) is new 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 57 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 1.5 million dollars over the next three years to the workforce investment area of Lancaster and Saunders Counties. Gold's Galleria, located in downtown Lincoln, was the site selected for the one-stop job center, named *One Stop Employment Solutions*. Located there so far are:

- Employment Service (Nebraska Department of Labor)
- Veteran's Employment Service (Nebraska Department of Labor)
- Unemployment Insurance, NAFTA/TAA (Nebraska Department of Labor)
- WIA Adult and Dislocated Workers (City of Lincoln, Urban Development)
- Welfare-to-Work, Employment First Work Experience/On the Job Training, Workfare (City of Lincoln, Urban Development)

Partners located in the Gold's Galleria/Energy Square complex are:

- Adult Education and Literacy; Carl Perkins Vocational and Applied Technology (Southeast Community College)
- TANF/Food Stamps (Nebraska Department of Health and Human Services)

Lincoln Action Program has been selected to deliver the WIA youth services in the two county area. Services to be provided include adult mentoring, leadership development opportunities, support services, work experience, and occupational skill training.

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$54,501,000 over the 6-year period of 2000-2001 through 2005-2006. Of that total \$360,000 will be financed by developer contributions, \$24,500,000 will be financed by revenue bonds, and \$29,641,000 will 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 \$49,743,000 over the 6-year period of 2000-2001 through 2005-2006. Of these dollars, approximately \$22,500,000 will be financed through revenue bonds, approximately \$833,000 will be financed through developer contributions, and the balance of \$26,410,000 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.

The City, the University of Nebraska at Lincoln (UNL) and a private investor have entered into a partnership to construct a baseball/softball complex on city-owned land near downtown Lincoln and the UNL campus. The focal point of the project will be a 4,500 seat ballpark to be used for UNL baseball and a newly acquired Northern League minor league franchise. The softball park will be the home field for the UNL women's softball team. An on-site parking lot will have about 1,750 parking stalls and a pedestrian walkway will connect the complex to the Haymarket District of downtown Lincoln and the UNL campus. Play in the baseball stadium is slated to begin during the spring of 2001, forty years after minor league baseball was previously played in Lincoln.

The City's financial commitment is primarily for site costs, relocations of existing facilities, and road and bridge work. UNL and the private investor will pay for construction of the ballparks and the parking lot and share site costs with the City. Of the projected \$33.1 million cost of the project, the City will pay \$8.2 million; the University \$10.6 million; the private investor \$9.5 million; and other sources \$4.8 million. The City's share will be paid with existing balances from various funds, Street Construction revenues and Federal bridge funds.

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, 2000, 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, 2000. Except for certain Special Revenue (Advance Acquisition, Tax Sales Revolving, 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 \$148,226,575 in 1999-2000, an increase of 4.9% from 1998-99. General property taxes produced 22.16% of General Governmental Revenues compared to 22.19% 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 1998-99</u>	<u>Percent Of Increase (Decrease)</u>
Taxes	\$ 86,831,572	58.6%	\$3,833,384	4.6%
Intergovernmental	34,848,918	23.5	1,151	0.0
Permits And Fees	9,396,990	6.4	895,580	10.5
Reimbursement For Services	1,769,628	1.2	209,421	13.4
Court Fees	177,672	0.1	(11,483)	(6.1)
Recreation Receipts	1,542,624	1.0	96,325	6.7
Investment Income	3,883,348	2.6	612,263	18.7
Other	<u>9,775,823</u>	<u>6.6</u>	<u>1,283,195</u>	<u>15.1</u>
	<u>\$ 148,226,575</u>	<u>100.0%</u>	<u>\$ 6,919,836</u>	<u>4.9%</u>

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

As of August 31, 2000, current tax collections by the County Treasurer were 96.83% of the tax levy, a decrease of 1.13% from last year. Allocations of property tax levy by purpose for 1999-2000, and the preceding two fiscal years are as follows:

<u>City Tax Levy By Purpose</u>	<u>1999-2000</u>	<u>1998-99</u>	<u>1997-98</u>
General Fund	.18282	.20219	.22316
Library	.04614	.04599	.05161
Social Security	.01632	.01664	.01796
Police And Fire Pension	.01057	.01090	.00667
General Obligation Debt	<u>.06802</u>	<u>.04820</u>	<u>.05869</u>
	<u>.32387</u>	<u>.32392</u>	<u>.35809</u>

General governmental expenditures (General, Special Revenue and Debt Service Funds) on a GAAP basis of accounting totaled \$121,817,513 in 1999-2000, a net increase of 6.8% from 1998-99. Increases and decreases in levels of expenditures by major functions of the City over the preceding year are shown in the following tabulation:

	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1998-99</u>	<u>Percent Of Increase (Decrease)</u>
General Government	\$ 23,529,495	19.3%	\$1,638,321	7.5%
Public Safety	44,042,882	36.2	2,486,960	6.0
Streets And Highways	9,039,840	7.4	(366,691)	(3.9)
Culture And Recreation	13,664,617	11.2	664,629	5.1
Economic Opportunity	11,026,477	9.1	950,301	9.4
Health And Welfare	12,589,907	10.3	1,363,878	12.1
Debt Service	<u>7,924,295</u>	<u>6.5</u>	<u>986,312</u>	<u>14.2</u>
	<u>\$121,817,513</u>	<u>100.0%</u>	<u>\$ 7,723,710</u>	<u>6.8%</u>

As of August 31, 2000, general governmental fund balances (General, Special Revenue and Debt Service Funds) totaled approximately \$82.7 million, or 67% 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 space 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.

On September 8, 1999 the City of Lincoln issued \$15,635,000 of Parking Revenue and Refunding Bonds to refinance existing debt and provide funding for the construction which occurred in fiscal 2000. 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 bonds. Comparative data for the past two fiscal years are presented in the following table:

	<u>1999-2000</u>	<u>1998-99</u>
Operating Revenue	\$3,260,943	3,080,590
Operating Income Before Depreciation	1,867,306	751,425
On-Street Parking Meter Revenue	1,012,414	848,357
Street Construction Revenue	-	932,298
Revenue Available For Debt Service	2,879,720	2,532,080
Debt Service	1,696,538	1,266,040
Debt Service Coverage Ratio	1.70	2.00

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, 2000, the City estimates that it will incur costs approximating \$25.3 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 an increase 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>1999-2000</u>	<u>1998-99</u>
Operating Revenue	\$22,219,806	19,235,184
Operating Income	8,352,709	6,406,452
Revenue Available For Debt Service	14,011,810	11,720,535
Debt Service	5,001,515	5,044,373
Debt Service Coverage Ratio	2.80	2.32

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

<u>Wastewater System</u>	<u>1999-2000</u>	<u>1998-99</u>
Operating Revenue	\$14,987,581	14,655,033
Operating Income	4,205,304	4,575,900
Revenue Available For Debt Service	9,034,450	8,694,642
Debt Service	1,323,597	1,729,743
Debt Service Coverage Ratio	6.83	5.03

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, 1999 is included in the City's August 31, 2000 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, 2000, the general fixed assets totaled \$113,510,655, a net increase of \$11,421,876 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, 2000, 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	\$52,847,000	3,972,561	48,874,439	223.68
MIRF Bonds	3,200,000	568,716	2,631,284	12.04
Tax Allocation Bonds And Notes	<u>2,077,000</u>	<u>2,891,095</u>	<u>(814,095)</u>	<u>(3.72)</u>
Total General Obligation Bonds And Notes	58,124,000	7,432,372	50,691,628	232.00
Special Assessment Bonds	<u>690,000</u>	<u>2,306,563</u>	<u>(1,616,563)</u>	<u>(7.40)</u>
	<u>\$58,814,000</u>	<u>9,738,935</u>	<u>49,075,065</u>	<u>224.60</u>

In addition to the general obligation bonded debt, the City recognizes a long-term liability for compensated absences of \$1,279,128 and an obligation under capital leases of \$1,755,236. 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:

	Moody's Investors <u>Service</u>	Standard And <u>Poor's</u>	Fitch Investors <u>Service</u>
General Obligation Bonds	Aa1	AAA	
MIRF Bonds	Aa2	AAA	
Water Revenue	Aa2	AA+	
Sewer 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 1999-2000 fiscal year, 98.78% 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 5.68% and the amount of investment income was \$14,303,653.

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 Health, Urban Development, and Police departments, the City was able to accommodate the Federal government's single audit requirements for grants.

Certificate Of Achievement

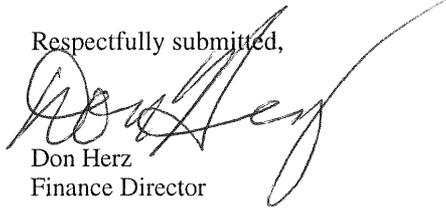
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 1999. This was the seventeenth 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,

A handwritten signature in black ink, appearing to read "Don Herz", with a long, sweeping flourish extending to the right.

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, 1999

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.



Anne Spray Kinsey

President

Jeffrey L. Essler

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, 2000, 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, 2000, 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.

As discussed in note 1 to the general purpose financial statements, the City of Lincoln, Nebraska adopted Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* in 2000.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2001, 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 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 12, 2001

CITY OF LINCOLN, NE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 AUGUST 31, 2000
 With Comparative Totals For August 31, 1999

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	Long-Term Liability	2000	1999
ASSETS AND OTHER DEBITS											
Cash Held By City Treasurer	\$ 10,748,006	12,415,922	5,460,414	22,855,257	6,815,485	4,271,548	6,605,885			69,172,517	63,655,605
Cash On Hand And In Other Accounts	75,363	27,298			770,397	1,422	700,890			1,575,370	1,612,956
Investments	16,069,650	21,110,093	6,118,742	12,591,179	19,122,225	10,315,259	130,732,521			216,059,669	266,975,476
Investments Held By Investment Managers							38,682,528			38,682,528	
Invested Securities Lending Collateral							12,531,585			12,531,585	
Receivables	3,097,840	1,842,391	4,736,859	1,323,928	25,982,159	957,646	687,599			38,628,422	32,947,399
Due From Other Funds	1,430,194	2,859,133	22,843	2,054,474	190,118	525,104	651,937			7,733,803	8,410,661
Due From Other Governments	8,256,362	5,447,020	1,218	599,824	17,003	320,285				14,641,712	12,873,050
Inventories	278,908	228,510			6,900,118	408,852				7,816,388	7,551,109
Plant Operation Assets					3,274,000					3,274,000	3,635,000
Prepaid Items	838,060				588,971					1,427,031	1,334,165
Contractor Retainage							2,623,882			2,623,882	3,480,246
Unamortized Bond Issuance Expense					1,256,655					1,256,655	1,040,292
Deferred Charges And Other Assets					49,458,000					49,458,000	48,238,000
Restricted Assets:											
Cash Held By City Treasurer					14,016,690		153,296			14,169,986	16,375,197
Cash On Hand And In Other Accounts					181,324					181,324	22,128
Investments					83,371,934		272,778			83,644,712	89,436,812
Investments Held By Trustee							2,956,997			2,956,997	
Accounts Receivable											7,167
Accrued Interest Receivable					609,945					609,945	338,119
Due From Other Funds					11,881					11,881	17,797
Property, Plant, And Equipment (Net, Where Applicable, Of Accumulated Depreciation)					760,521,067	7,136,108		113,510,655		881,167,830	822,455,935
Amounts Available In Debt Service Funds									9,738,935	9,738,935	8,099,539
Amounts To Be Provided For Retirement Of General Long-Term Liabilities									52,109,565	52,109,565	55,470,330
Total Assets And Other Debits	40,794,383	43,930,367	16,340,076	39,424,662	973,087,972	23,936,224	196,599,898	113,510,655	61,848,500	1,509,472,737	1,443,976,983
LIABILITIES											
Warrants Payable							3,686,356			3,686,356	1,665,192
Vouchers Payable	7,820					1,435	105,459			114,714	2,043,926
Contracts Payable				2,805,433						2,805,433	2,716,999
Retainage Payable		12,008		573,706						585,714	560,147
Accounts Payable	492,365	455,656	2,325	527,901	11,716,090	291,782	69,872			13,555,991	19,702,211
Accrued Liabilities	1,806,617	1,003,522			8,076,832	307,806	63,841			11,258,618	10,631,120
Accrued Compensated Absences	2,017,756	922,440		139	1,055,495	520,965	7,314	1,279,128		5,803,237	5,415,000
Due To Other Governments	275,629	75,282		57,937	76,779	8,213	502,573			996,413	1,193,888
Due To Other Funds	548,016	2,469,537	2,777,602	165,331	201,356	884,036	699,806			7,745,684	8,428,458
Unearned Revenue		154,468			2,724,681	7,169				2,886,318	2,473,954
Notes Payable					25,000,000					25,009,915	15,043,000
Other					5,550,000				9,915	5,550,000	6,249,729
Arbitrage Rebate				30,730						30,730	30,730
Deferred Revenue	1,180,200	316,007	3,716,964				70,727			5,283,898	5,683,154
Claims						3,818,302				3,818,302	3,509,994
Bond Principal Payable			65,000							65,000	65,000
Bond Interest Payable			39,250							39,250	39,249

(Continued)

(Exhibit 1, 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	2000	1999
(LIABILITIES, Continued)											
Payable From Restricted Assets:											
Claims							26,283			26,283	146,201
Construction Contracts					2,639,071					2,639,071	2,595,483
Vouchers Payable											250,000
Accounts Payable					84,953					84,953	12,682
Accrued Interest					5,248,807					5,248,807	5,437,266
Revenue Bonds					15,767,389					15,767,389	14,837,389
Due To Contractors							2,951,045			2,951,045	3,826,364
Due To Lincoln Joint Venture							1,224,389			1,224,389	1,040,616
Due To Bondholders							12,372			12,372	12,372
Special Assessment Debt With Governmental Commitment									690,000	690,000	1,460,000
General Obligation Bonds Payable									56,047,336	56,047,336	56,821,000
Revenue Bonds And Notes					341,889,955					341,889,955	352,927,344
Tax Allocation Bonds									2,066,885	2,066,885	2,184,000
Landfill Closure/Postclosure Accrual					6,988,000					6,988,000	6,389,000
Deferred Credits And Other					80,000					80,000	317,000
Obligations Under Securities Lending							12,531,585			12,531,585	
Obligations Under Capital Leases					140,509				1,755,236	1,895,745	1,976,447
Total Liabilities	6,328,403	5,408,920	6,601,141	4,161,177	427,239,917	5,839,708	21,951,622		61,848,500	539,381,388	535,686,914
EQUITY AND OTHER CREDITS											
Contributed Capital					80,750,632	437,989				81,188,621	83,927,639
Investment In General Fixed Assets								113,510,655		113,510,655	102,088,779
Retained Earnings:											
Reserved For:											
Debt Service					35,816,493					35,816,493	35,450,114
Improvements					15,340,054					15,340,054	21,107,570
Restricted Funds					23,329,896					23,329,896	23,088,283
Landfill Closure/Postclosure					5,901,000					5,901,000	5,066,000
Unreserved					384,709,980	17,658,527				402,368,507	355,749,757
Fund Balances:											
Reserved For:											
Encumbrances	499,423	14,658,207		3,955,063						19,112,693	12,841,526
Inventories	278,908	228,510								507,418	542,911
Prepaid Items	838,060									838,060	648,508
Debt Service			7,432,372							7,432,372	8,099,539
Employee Retirement							130,159,854			130,159,854	121,615,121
Trust Donations							1,187,124			1,187,124	1,201,557
Health Care							40,029,203			40,029,203	38,096,648
Claims							3,272,095			3,272,095	3,307,120
Unreserved:											
Designated For Debt Service			2,306,563							2,306,563	4,082,008
Designated For Subsequent Years' Expenditures	5,088,503	829,385								5,917,888	10,096,809
Undesignated	27,761,086	22,805,345		31,308,422						81,874,853	81,282,179
Total Retained Earnings/Fund Balances	34,465,980	38,521,447	9,738,935	35,263,485	465,097,423	17,658,527	174,648,276			775,394,073	722,275,650
Total Equity And Other Credits	34,465,980	38,521,447	9,738,935	35,263,485	545,848,055	18,096,516	174,648,276	113,510,655		970,093,349	908,292,068
Total Liabilities, Equity And Other Credits	\$ 40,794,383	43,930,367	16,340,076	39,424,662	973,087,972	23,936,224	196,599,898	113,510,655	61,848,500	1,509,474,737	1,443,978,982

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, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

Exhibit 2

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	2000	1999
Revenues:							
Taxes And Special Assessment	\$ 71,318,874	6,619,800	8,892,898	6,495,988		93,327,560	89,321,535
Intergovernmental	5,191,729	29,236,609	420,580	932,636		35,781,554	35,546,543
Permits And Fees	2,506,322	6,890,668				9,396,990	8,501,410
Reimbursement For Services	1,191,988	577,640				1,769,628	1,560,207
Court Fees	177,672					177,672	189,155
Recreation Receipts	1,471,969	70,655				1,542,624	1,446,299
Investment Income	1,344,054	1,985,512	553,782	2,093,085	71,678	6,048,111	4,622,859
Donations	333,267	28,278		1,921,064	337,903	2,620,512	659,738
Keno Proceeds		2,870,743				2,870,743	2,805,009
Miscellaneous	2,515,077	3,978,410	50,048	1,856,507	47,335	8,447,377	6,035,931
Total Revenues	86,050,952	52,258,315	9,917,308	13,299,280	456,916	161,982,771	150,688,686
Expenditures:							
Current:							
General Government	19,936,019	3,593,476				23,529,495	21,891,174
Public Safety	37,475,385	6,567,497				44,042,882	41,555,922
Streets And Highways	4,413,726	4,626,114				9,039,840	9,406,531
Culture And Recreation	8,156,560	5,508,057			293,797	13,958,414	13,254,994
Economic Opportunity	253,882	10,772,595			177,552	11,204,029	10,215,261
Health And Welfare	76,648	12,513,259				12,589,907	11,226,029
Debt Service:							
Principal Retirement			5,125,296			5,125,296	4,209,267
Interest And Fiscal Charges			2,781,777			2,781,777	2,309,720
Payments To Refunding Agent							128,522
Bond Issuance Cost							85,163
Miscellaneous			17,222			17,222	205,311
Capital Outlay				35,820,347		35,820,347	33,916,861
Total Expenditures	70,312,220	43,580,998	7,924,295	35,820,347	471,349	158,109,209	148,404,755
Excess (Deficiency) Of Revenues Over Expenditures	15,738,732	8,677,317	1,993,013	(22,521,067)	(14,433)	3,873,562	2,283,931
Other Financing Sources (Uses):							
Operating Transfers In	280,855	14,401,271	543,030	25,464,685		40,689,841	42,332,348
Operating Transfers Out	(13,442,965)	(23,447,512)	(1,846,185)	(8,876,386)		(47,613,048)	(47,620,639)
Proceeds From Issuance Of Bonds				3,431,579		3,431,579	30,020,000
Transfer To Bond Refunding Agent							(8,134,836)
Total Other Financing Sources (Uses)	(13,162,110)	(9,046,241)	(1,303,155)	20,019,878		(3,491,628)	16,596,873
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	2,576,622	(368,924)	689,858	(2,501,189)	(14,433)	381,934	18,880,804
Fund Balances Beginning Of Year	31,889,358	35,757,901	12,181,547	37,764,674	1,201,557	118,795,037	94,544,678
Cumulative Effect Of Change In Accounting Principle In Reporting Nonexchange Transactions							
Residual Equity Transfers In		3,132,470				3,132,470	2,501,936
Residual Equity Transfers Out			(3,132,470)			(3,132,470)	(2,493,531)
Fund Balances End Of Year	\$ 34,465,980	38,521,447	9,738,935	35,263,485	1,187,124	119,176,971	118,795,037

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, 2000

Exhibit 3

	General Fund			Special Revenue Funds			Debt Service Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:												
Taxes	\$ 67,378,726	70,523,080	3,144,354	6,097,994	6,506,295	408,301	5,976,117	6,780,698	804,581	79,452,837	83,810,073	4,357,236
Intergovernmental	4,095,885	4,979,063	883,178	30,556,709	28,081,601	(2,475,108)	183,200	420,579	237,379	34,835,794	33,481,243	(1,354,551)
Permits And Fees	2,452,135	2,350,854	(101,281)	6,332,553	6,881,789	549,236				8,784,688	9,232,643	447,955
Reimbursement For Services	1,003,329	1,141,322	137,993	466,838	577,035	110,197				1,470,167	1,718,357	248,190
Court Fees	426,518	182,839	(243,679)							426,518	182,839	(243,679)
Recreation Receipts	1,432,944	1,482,181	49,237	86,000	71,109	(14,891)				1,518,944	1,553,290	34,346
Investment Income	1,278,863	1,991,034	712,171	984,077	2,061,645	1,077,568	150,000	464,328	314,328	2,412,940	4,517,007	2,104,067
Donations	331,290	331,290		27,802	28,213	411				359,092	359,503	411
Keno Proceeds				2,367,060	2,831,776	464,716				2,367,060	2,831,776	464,716
Miscellaneous	1,756,403	2,344,213	587,810	1,882,486	2,853,822	971,336		50,048	50,048	3,638,889	5,248,083	1,609,194
Total Revenues	80,156,093	85,325,876	5,169,783	48,801,519	49,893,285	1,091,766	6,309,317	7,715,653	1,406,336	135,266,929	142,934,814	7,667,885
Expenditures:												
Current:												
General Government	20,464,113	19,669,160	794,953	2,829,644	2,850,342	(20,698)				23,293,757	22,519,502	774,255
Public Safety	38,393,532	37,101,149	1,292,383	7,080,377	6,650,923	429,454				45,473,909	43,752,072	1,721,837
Streets And Highways	4,479,289	4,346,222	133,067	5,394,526	4,732,324	662,202				9,873,815	9,078,546	795,269
Culture And Recreation	8,087,725	8,087,398	327	5,573,180	5,526,742	46,438				13,660,905	13,614,140	46,765
Economic Opportunity	243,446	243,446		12,840,952	10,577,016	2,263,936				13,084,398	10,820,462	2,263,936
Health And Welfare	72,806	72,806		12,738,059	12,489,474	248,585				12,810,865	12,562,280	248,585
Debt Service							6,849,400	7,082,903	(233,503)	6,849,400	7,082,903	(233,503)
Total Expenditures	71,740,911	69,520,181	2,220,730	46,456,738	42,826,821	3,629,917	6,849,400	7,082,903	(233,503)	125,047,049	119,429,905	5,617,144
Excess (Deficiency) Of Revenues Over Expenditures	8,415,182	15,805,695	7,390,513	2,344,781	7,066,464	4,721,683	(540,083)	632,750	1,172,833	10,219,880	23,504,909	13,285,029
Other Financing Sources (Uses):												
Operating Transfers In	274,593	277,009	2,416	14,294,166	14,401,270	107,104		543,030	543,030	14,568,759	15,221,309	652,550
Operating Transfers Out	(15,651,188)	(13,555,111)	2,096,077	(25,350,311)	(24,193,494)	1,156,817	(1,846,185)	(1,846,185)		(42,847,684)	(39,594,790)	3,252,894
Total Other Financing Sources (Uses)	(15,376,595)	(13,278,102)	2,098,493	(11,056,145)	(9,792,224)	1,263,921	(1,846,185)	(1,303,155)	543,030	(28,278,925)	(24,373,481)	3,905,444
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(6,961,413)	2,527,593	9,489,006	(8,711,364)	(2,725,760)	5,985,604	(2,386,268)	(670,405)	1,715,863	(18,059,045)	(868,572)	17,190,473
Fund Balances Beginning Of Year	26,802,829	26,802,829		33,918,319	33,918,319		7,851,924	7,851,924		68,573,072	68,573,072	
Fund Balances End Of Year	\$ 19,841,416	29,330,422	9,489,006	25,206,955	31,192,559	5,985,604	5,465,656	7,181,519	1,715,863	50,514,027	67,704,500	17,190,473

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, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

Exhibit 4

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2000	1999
	Operating Revenues:				
Charges For Services	\$ 186,664,916	19,698,859		206,363,775	199,999,205
Investment Income			3,282,263	3,282,263	1,995,210
Other Operating Revenues	14,229,574		50	14,229,624	13,007,966
Total Operating Revenues	<u>200,894,490</u>	<u>19,698,859</u>	<u>3,282,313</u>	<u>223,875,662</u>	<u>215,002,381</u>
Operating Expenses:					
Personal Services	7,639,019	8,259,728	103,359	16,002,106	15,373,979
Contractual Services	3,118,491			3,118,491	6,089,736
Grants			538,001	538,001	
Operation And Maintenance	30,085,018	10,115,553	743,423	40,943,994	39,213,037
Purchased Power	73,331,000			73,331,000	71,103,000
Depreciation	27,018,370	1,686,261		28,704,631	26,761,276
Payments In Lieu Of Taxes	6,307,000			6,307,000	6,381,000
Administrative Costs	15,333,009			15,333,009	13,898,557
Total Operating Expenses	<u>162,831,907</u>	<u>20,061,542</u>	<u>1,384,783</u>	<u>184,278,232</u>	<u>178,820,585</u>
Operating Income	<u>38,062,583</u>	<u>(362,683)</u>	<u>1,897,530</u>	<u>39,597,430</u>	<u>36,181,796</u>
Non-Operating Revenues (Expenses):					
Investment Income	7,452,690	802,852		8,255,542	8,037,323
Loss On Disposal Of Assets	(132,286)			(132,286)	(1,703)
Operating Grants	1,006,279			1,006,279	814,919
Amortization Of Deferred Charges	(3,375,909)			(3,375,909)	(3,067,999)
Interest Expense And Fiscal Charges	(18,301,751)			(18,301,751)	(18,851,250)
Miscellaneous		216,379		216,379	(80,234)
Total Non-Operating Revenues (Expenses)	<u>(13,350,977)</u>	<u>1,019,231</u>		<u>(12,331,746)</u>	<u>(13,148,944)</u>
Income Before Contributions And Operating Transfers	<u>24,711,606</u>	<u>656,548</u>	<u>1,897,530</u>	<u>27,265,684</u>	<u>23,032,852</u>
Capital Contributions	7,183,891	169,169		7,353,060	
Transfers:					
Operating Transfers In	7,222,772	25,000		7,247,772	5,700,760
Operating Transfers Out	(324,565)			(324,565)	(412,469)
Total Transfers	<u>6,898,207</u>	<u>25,000</u>		<u>6,923,207</u>	<u>5,288,291</u>
Net Income	38,793,704	850,717	1,897,530	41,541,951	28,321,143
Depreciation Transfer On Contributed Capital	2,555,163	94,642		2,649,805	2,785,393
Increase In Retained Earnings/Fund Balances	41,348,867	945,359	1,897,530	44,191,756	31,106,536
Retained Earnings/Fund Balances Beginning Of Year	423,748,556	16,713,168	41,403,768	481,865,492	450,767,361
Residual Equity Transfers In					39,892,330
Residual Equity Transfers Out					<u>(39,900,735)</u>
Retained Earnings/Fund Balances End Of Year	<u>\$ 465,097,423</u>	<u>17,658,527</u>	<u>43,301,298</u>	<u>526,057,248</u>	<u>481,865,492</u>

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, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

Exhibit 5

	(Memorandum Only)	
	2000	1999
Additions:		
Contributions:		
Employer	\$ 957,524	904,180
Employee	1,333,052	1,308,914
Total Contributions	2,290,576	2,213,094
Investment Income:		
Net Appreciation (Depreciation) In Fair Value Of Investments	11,316,835	(385,583)
Total Additions	13,607,411	1,827,511
Deductions:		
Benefit Payments	3,920,162	3,587,573
Refunds Of Contributions	1,059,473	2,555,141
Administrative Costs	83,043	196,558
Total Deductions	5,062,678	6,339,272
Net Increase (Decrease)	8,544,733	(4,511,761)
Net Assets Held In Trust For Pension Benefits Beginning Of Year	121,615,121	126,126,882
Net Assets Held In Trust For Pension Benefits End Of Year	\$ 130,159,854	121,615,121

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, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

Exhibit 6

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2000	1999
Cash Flows From Operating Activities:					
Operating Income	\$ 38,062,583	(362,683)	1,897,530	39,597,430	36,181,796
Adjustments To Reconcile Operating Income To Net Cash From Operating Activities:					
Depreciation	27,018,370	1,686,261		28,704,631	26,761,276
Investment Income			(3,282,263)	(3,282,263)	(1,995,210)
Changes In Assets And Liabilities:					
Accounts Receivable	(4,299,297)	(162,542)		(4,461,839)	502,775
Unbilled Revenues	(232,000)			(232,000)	(441,000)
Due From Other Funds	729	153,729		154,458	(232,082)
Due From Other Governments	(2,998)	97,840		94,842	118,014
Inventories	(174,834)	(125,938)		(300,772)	(4,461)
Plant Operation Assets	361,000			361,000	143,000
Prepaid Expenses	96,686			96,686	(56,069)
Other Assets	621,000			621,000	(6,117,000)
Vouchers Payable	(140,390)	(212,081)		(352,471)	208,384
Accounts Payable	(6,841,873)	24,021	2,153	(6,815,699)	8,255,535
Accrued Liabilities	145,464	74,455	(441)	219,478	461,188
Accrued Compensated Absences	19,795	41,871	(131)	61,535	52,608
Due To Other Governments	1,712	1,894		3,606	2,857
Due To Other Funds	115,646	506,630	205	622,481	158,006
Unearned Revenue	345,346	361		345,707	384,812
Other Current Liabilities	(703,262)			(703,262)	716,623
Landfill Closure/Postclosure Accrual	599,000			599,000	2,224,000
Deferred Credits And Other Liabilities	(5,400,000)			(5,400,000)	156,000
Claims		308,308	(119,918)	188,390	(261,761)
Total Adjustments	11,530,094	2,394,809	(3,400,395)	10,524,508	31,037,495
Net Cash From Operating Activities	49,592,677	2,032,126	(1,502,865)	50,121,938	67,219,291
Cash Flows From Non-Capital Financing Activities:					
Operating Grants	1,006,279			1,006,279	814,919
City Subsidy	4,611,297			4,611,297	4,579,441
Transfers From Other Funds		25,000		25,000	1,037,328
Transfers To Other Funds	(6,767)			(6,767)	(1,165,841)
Special Waste Programs Subsidy	(317,798)			(317,798)	(260,956)
Residual Equity Transfers To Other Funds					(8,405)
Net Cash From Non-Capital Financing Activities	5,293,011	25,000		5,318,011	4,996,486

(Continued)

(Exhibit 6, Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2000	1999
Cash Flows From Capital Financing Activities:					
Additions To Property, Plant, And Equipment	(36,034,344)	(2,460,194)		(38,494,538)	(19,339,505)
Proceeds From Sale Of Property, Plant, And Equipment	155,920	278,251		434,171	172,242
Proceeds From Commercial Paper Notes	10,000,000			10,000,000	
Bond Proceeds Advance					250,000
Bond Proceeds	15,385,000			15,385,000	45,699,556
Bond Issuance Costs	(250,568)			(250,568)	(16,560)
Net Other Refunding Activity					(165,000)
Expenditures For Utility Plant	(29,751,000)			(29,751,000)	(22,079,000)
Net Cost Of Retiring Plant	(325,000)			(325,000)	(162,000)
Capital Construction Transfer In	3,546,338			3,546,338	120,664
Principal Payments On Capital Lease	(12,888)			(12,888)	(11,956)
Principal Payments Of Commercial Paper Notes					(30,000,000)
Principal Payments And Extinguishment Of Long-Term Debt	(25,824,458)			(25,824,458)	(16,784,889)
Interest Paid And Fiscal Charges	(18,501,158)			(18,501,158)	(18,588,070)
Net Cash From Capital Financing Activities	(81,612,158)	(2,181,943)		(83,794,101)	(60,904,518)
Cash Flows From Investing Activities:					
Proceeds From Sale And Maturities Of Investments	315,892,046	10,230,825	136,855,978	462,978,849	370,398,007
Purchases Of Investments	(297,438,092)	(11,746,277)	(139,300,725)	(448,485,094)	(386,046,770)
Interest And Other Receipts	7,429,321	915,263	3,253,542	11,598,126	10,239,406
Net Cash From Investing Activities	25,883,275	(600,189)	808,795	26,091,881	(5,409,357)
Net Increase (Decrease) In Cash	(843,195)	(725,006)	(694,070)	(2,262,271)	5,901,902
Cash Beginning Of Year	22,627,091	4,997,976	962,495	28,587,562	22,685,660
Cash End Of Year	\$ 21,783,896	4,272,970	268,425	26,325,291	28,587,562
Supplemental Disclosure Of Noncash Investing And Financing Activities:					
Donation Of Capital Assets	\$ 7,183,891	169,169		7,353,060	3,386,583
Reconciliation To Combined Balance Sheet:					
Cash Held By City Treasurer	\$ 6,815,485	4,271,548	6,605,885		
Cash On Hand And In Other Accounts	770,397	1,422	700,890		
Restricted Assets:					
Cash	14,016,690		153,296		
Cash On Hand And In Other Accounts	181,324				
Less:					
Cash End Of Year Pension Trust Fund			(450,961)		
Cash End Of Year Expendable Trust Funds			(860,438)		
Cash End Of Year Agency Funds			(5,880,247)		
	\$ 21,783,896	4,272,970	268,425		

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
Fiscal Year Ended August 31, 2000

(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, sanitary landfill, golf courses, auditorium, and general administrative services. Education, housing, and airport services are provided by the Lincoln Public Schools, the Lincoln Housing Authority, and Lincoln Airport Authority, respectively.

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 were 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, 2000, with memorandum totals as of and for the year ended August 31, 1999. 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, 1999. The amounts included in the City's August 31, 2000 financial statements for LES are audited figures as of and for the year ended December 31, 1999. The 1999 memorandum totals include the December 31, 1998 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. The measurement focus is upon determination of changes in financial position rather than upon net income. 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 upon determination of net income and capital maintenance. 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.

All proprietary funds and pension trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included 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, 2000 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.

As of September 1, 1999, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, on a retroactive basis. GASB No. 33 establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. In accordance with GASB No. 33 the City is recognizing derived tax revenues (e.g. sales tax, occupation tax, and highway user fees) in the period when the underlying exchange transaction occurred and the resources are available. As a result of implementing GASB No. 33, opening fund balance was increased by \$5,361,150.

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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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.

- 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 plus encumbrances.

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 and Special Assessment), debt service (Special Assessment), and 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 as expenditures 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 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.

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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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

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 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, 2000 are as follows:

Fund Account	Golf	Parking Facilities	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Community Health Endowment	Totals
Principal and Interest	\$	26,400	1,305	116,028	8,564,000		8,707,733
Reserve	465,500	1,563,500	1,380,052	5,571,833	15,119,000		24,099,885
Surplus			17,148,013	13,247,985			30,395,998
Depreciation and Replacement	143,763	576,568					720,331
Construction		2,808,289	10,504,323	6,162,245	3,525,000		22,999,857
Loan Payments			276,954				276,954
Claims						3,298,378	3,298,378
Rate Stabilization					10,000,000		10,000,000
Arbitrage Rebate				74,020			74,020
Capital Improvements	850,786						850,786
Donor Specific Purpose						84,693	84,693
Customer Deposits				66,210			66,210
	\$	<u>1,460,049</u>	<u>4,974,757</u>	<u>29,310,647</u>	<u>25,238,321</u>	<u>37,208,000</u>	<u>101,574,845</u>

VACATION AND SICK LEAVE

City employees generally earn vacation days at specific rates during the periods of the first 5 years of service, from 5 to 15 years of service, and over 15 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 31 days. Employees earn sick leave at the rate of one day per month with a total accumulation of 200-240 days depending upon the employees' bargaining unit, with the exception of the firefighter's union which allows unlimited sick leave accumulation. Upon retirement, an employee is

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

reimbursed for one-fourth of accumulated sick leave up to a maximum of 60 days, which in some cases may be placed directly in a medical spending account rather than reimbursing the employee directly. LES is covered by a separate personnel plan regarding vacation and sick leave with the liability for these benefits recorded in Accrued Liabilities.

Vacation leave and other compensated absences with similar characteristics are accrued as the benefits are earned if the leave is attributable to past service and it is probable that the City will compensate the employees for such benefits. Sick leave and other compensated absences with similar characteristics are accrued as the benefits are earned only to the extent it is probable that the City will compensate the employees for such benefits through cash payments conditioned on the employee's termination or retirement. 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.

CONTRIBUTED CAPITAL

During 2000, the City implemented GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Implementation of this statement has resulted in the City recognizing capital grants and donations earned as revenues and no longer as an addition to contributed capital during 2000. Amounts previously reported as contributed capital prior to the implementation of this statement will continue to be carried as such in the financial statements. Depreciation recognized on assets acquired or constructed prior to 2000 through resources externally restricted for capital acquisitions is closed to contributed capital.

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.

UTILITY REVENUES

Billings for electric revenues are rendered on a monthly cycle basis. Unbilled electric 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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Billings for water and wastewater revenues are rendered on a two-month billing cycle; unbilled revenues at the end of the fiscal year are accrued in the period of consumption. During the year ended August 31, 2000, Lincoln Water and Wastewater Systems discovered the calculation of unbilled revenues at August 31, 1999, was inaccurate. As a result, unbilled revenues in the current statements as of August 31, 1999, increased by \$438,548 and \$326,024, respectively, unreserved retained earnings increased by \$414,870 and \$307,891, respectively, accrued liabilities increased by \$23,678 and \$18,133, respectively, and operating revenues in 1999 increased by \$414,870 and \$307,891, respectively.

RECLASSIFICATIONS

Certain reclassifications have been made in the 1999 totals columns to conform to the 2000 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 1999 tax levy, for the 1999-2000 fiscal year, was \$39,617,077 below the legal limit, with a tax rate per \$100 valuation of 0.32387. The assessed value upon which the 1999 levy was based was \$9,140,641,057.

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 1999-2000 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 2000. 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

On September 8, 1999, the City issued \$13.5 million in tax-exempt 1999A Parking Revenue and Refunding Bonds with an average interest rate of 5.2%. Concurrently with the 1999A bonds, the City also issued \$2 million in 1999B Taxable Parking Revenue Refunding Bonds with an average interest rate of 6.25%. The revenue bonds provided approximately \$7 million in construction funds, with the remaining proceeds placed in an irrevocable trust to provide for all future debt service payments on \$4,755,000 of outstanding 1994A Parking Bonds and \$6,195,000 of outstanding 1994C Parking Bonds. As a result, the bonds are considered to be defeased and the trust account assets and the liability for these bonds are not included in the City's financial statements. Pertinent data regarding this current year refunding activity is as follows:

Description Of Bonds	Balance Of Bonds At Time Of Refunding	Amount Placed In Irrevocable Trust	Accounting Gain (Loss)	Decrease In Cash Flow Requirements	Economic Gain
1994A and 1994C Parking Revenue Bonds	\$ 10,950,000	11,028,834	N/A	3,341,465	98,356

Following the sale of Lincoln General Hospital (LGH) on October 31, 1997, the City placed a portion of the sale proceeds in escrow to provide for future debt service payments on the outstanding LGH bonds. This debt became a general obligation of the City with the corresponding assets transferred to the

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Debt Service fund and the liabilities recorded in the General Long-Term Liability Account Group. It has subsequently been determined that this transaction is more accurately reported as a defeasance, with current year statements for the Debt Service fund and the General Long-Term Liability Account Group restated to exclude \$23,405,505 of assets and \$22,770,000 of bonds payable liability for this debt.

Description Of Bonds	Balance Of Bonds At Time Of Refunding	Amount Placed In Irrevocable Trust	Accounting Gain (Loss)	Decrease In Cash Flow Requirements	Economic Gain
1993 Series A and B Hospital Revenue Bonds	\$ 24,470,000	25,293,200	N/A	7,962,540	N/A

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, 2000, the following bonds outstanding are considered defeased:

Revenue Bonds:		
08/15/80	Lincoln Wastewater	5,000
Various	Lincoln Electric	40,000,000
11/01/90	Lincoln Water	37,025,000
01/15/93	Hospital Revenue	21,860,000
03/01/94	Parking Revenue A	4,330,000
08/15/94	Parking Revenue C	<u>6,120,000</u>
Total Defeased Bonds Outstanding		<u>\$ 109,340,000</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, metropolitan city, county in which such metropolitan city is located or school district of such city, in the securities of municipally owned and 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 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, 2000 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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Pension Fund

At August 31, 2000, the Pension Trust fund had investments as follows:

	<u>Category 3</u>	<u>Total</u>
Mortgage Backed Securities	\$ 51,338,549	51,338,549
Government Securities	34,795,331	34,795,331
Government Agencies	11,100,600	11,100,600
Repurchase Agreements	<u>1,307,000</u>	<u>1,307,000</u>
	<u>\$ 98,541,480</u>	98,541,480
Open-end Mutual Funds		<u>30,724,616</u>
		<u>\$129,266,096</u>

Lincoln Electric System (LES)

At December 31, 1999, LES had investments as follows:

	<u>Category 3</u>	
	<u>Reported Amount</u>	<u>Fair Value</u>
Government Securities	\$ 25,432,000	25,572,000
Repurchase Agreements	<u>27,330,000</u>	<u>27,330,000</u>
	<u>\$ 52,762,000</u>	<u>52,902,000</u>

Lincoln Wastewater System

At August 31, 2000, Lincoln Wastewater System had investments as shown below:

	<u>Category 3</u>	
	<u>Reported Amount</u>	<u>Fair Value</u>
Government Securities	\$ <u>21,152,513</u>	<u>21,098,916</u>

Lincoln Water System

At August 31, 2000, 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	\$	16,181,689	16,181,689	16,096,951
Repurchase Agreements	<u>2,386,472</u>		<u>2,386,472</u>	<u>2,386,472</u>
	<u>\$ 2,386,472</u>	<u>16,181,689</u>	<u>18,568,161</u>	<u>18,483,423</u>

Community Health Endowment

At August 31, 2000, 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	\$ 9,654,033		9,654,033	9,654,033
Government Agencies	12,751,487	1,411,781	14,163,268	14,163,268
Corporate Equities	<u>19,234,005</u>		<u>19,234,005</u>	<u>19,234,005</u>
	<u>\$ 41,639,525</u>	<u>1,411,781</u>	43,051,306	43,051,306
Securities Lending Short-term Investment Pool			<u>12,531,585</u>	<u>12,531,585</u>
			<u>\$55,582,891</u>	<u>55,582,891</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

All Other City Funds

Investments of all other City funds do not vary significantly in either type or risk. These investments at August 31, 2000 were as follows:

	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Government Securities	\$ 6,846,066	6,846,066	6,846,066
Government Agencies	123,668,935	123,668,935	123,620,496
Repurchase Agreements	<u>10,330,000</u>	<u>10,330,000</u>	<u>10,330,000</u>
	<u>\$ 140,845,001</u>	140,845,001	140,796,562
Interfund Investments		<u>2,209,407</u>	<u>2,209,407</u>
		<u>143,054,408</u>	<u>143,005,969</u>

Reconciliation to Exhibit 1

As of August 31, 2000, the deposits and investments of the City consisted of:

<u>Fund</u>	<u>Reported Amount</u>
Investments:	
Police And Fire Pension	\$ 129,266,096
Lincoln Electric System	52,762,000
Lincoln Wastewater System	21,152,513
Lincoln Water System	18,568,161
Community Health Endowment	55,582,891
All Other City Funds	<u>143,054,408</u>
Total Investments	420,386,069
Deposits And Cash:	
Certificates Of Deposit	13,920,000
Bank Accounts	4,570,447
Cash On Hand	<u>98,172</u>
	<u>\$ 438,974,688</u>

These assets are reflected on Exhibit 1 as follows:

Cash Held By City Treasurer	\$ 69,172,517
Cash On Hand And In Other Accounts	1,575,370
Investments	216,059,669
Investments Held By Investment Managers	38,682,528
Invested Securities Lending Collateral	12,531,585
Restricted Assets:	
Cash	14,169,986
Cash On Hand And In Other Accounts	181,324
Investments	83,644,712
Investments Held By Trustee	<u>2,956,997</u>
	<u>\$ 438,974,688</u>

There were no investments that resulted in significantly greater custodial risk held during the fiscal year ended August 31, 2000 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. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated. Additionally, based upon market conditions, significant losses could result if such securities are sold prior to maturity.

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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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.

(5) **RECEIVABLES**

Receivables at August 31, 2000 consist of the following (in thousands):

Fund	Taxes	Notes	Accounts	Special Assessments		Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
				Current	Deferred				
General	\$ 2,400		557			141	3,098		3,098
Special Revenue	808		603			431	1,842		1,842
Debt Service	1,010			530	3,416	77	5,033	296	4,737
Capital Projects		1,000	5			319	1,324		1,324
Enterprise			25,317			1,275	26,592		26,592
Internal Service			811			146	957		957
Trust And Agency	139		149			400	688		688
	<u>\$ 4,357</u>	<u>1,000</u>	<u>27,442</u>	<u>530</u>	<u>3,416</u>	<u>2,789</u>	<u>39,534</u>	<u>296</u>	<u>39,238</u>

Enterprise Fund customer accounts receivable include unbilled charges for services.

Delinquent Special Assessment Receivables at August 31, 2000 were \$236,099.

(6) **DUE FROM OTHER GOVERNMENTS**

The total of Due from Other Governments of \$14,641,712 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General	\$7,432,386	State of Nebraska, July/August Sales and Use Tax
	327,911	August Motor Vehicle Taxes Collected by Lancaster County
	353,158	Federal Government, Cost Reimbursements
Lincoln Area Agency on Aging/Special Revenue	227,213	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	352,418	Lancaster County, Cost Reimbursements
Snow Removal/Special Revenue	88,205	August Motor Vehicle Taxes Collected by Lancaster County
Street Construction/Special Revenue	2,260,739	State of Nebraska, July/August Highway User Fees
	214,996	State of Nebraska, Project Cost Reimbursements
Federal Grants/Special Revenue	2,302,330	Federal Government, Cost Reimbursements
Vehicle Tax/Capital Projects	599,824	August Motor Vehicle Taxes Collected by Lancaster County
Information Services/Internal Service	217,134	Lancaster County Billings
Engineering Revolving/Internal Service	76,189	State of Nebraska, Project Cost Reimbursements

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. A summary of changes in general fixed assets since August 31, 1999 is as shown below:

	Balance <u>August 31, 1999</u>	Additions	Deletions	Balance <u>August 31, 2000</u>
Land	\$ 16,758,076	925,434	1,498,671	16,184,839
Buildings	35,216,803	4,843,800	41,549	40,019,054
Improvements Other Than Buildings	22,709,039	3,321,361	142,177	25,888,223
Machinery and Equipment	27,404,861	4,185,329	1,092,072	30,498,118
Construction In Progress	<u> </u>	<u>920,421</u>	<u> </u>	<u>920,421</u>
	<u>\$ 102,088,779</u>	<u>14,196,345</u>	<u>2,774,469</u>	<u>113,510,655</u>

PROPRIETARY FUND TYPES - PROPERTY, PLANT AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 2000 follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 12,271,281	48,250
Buildings	156,399,280	358,909
Improvements Other Than Buildings	245,097,188	475,646
Machinery And Equipment	29,511,320	18,748,034
Utility Plant	554,356,000	
Construction In Progress	<u>94,640,710</u>	
Total	1,092,275,779	19,630,839
Less Accumulated Depreciation	<u>(331,754,712)</u>	<u>(12,494,731)</u>
	<u>\$ 760,521,067</u>	<u>7,136,108</u>

Construction In Progress at August 31, 2000 is as follows:

StarTran	53,616
Lincoln Wastewater System	26,053,285
Lincoln Water System	25,733,809
Lincoln Electric System	<u>42,800,000</u>
	<u>\$ 94,640,710</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(8) CONTRIBUTED CAPITAL

The following are changes for the year ended August 31, 2000 in contributed capital for the proprietary funds:

	Contributed Capital	
	Enterprise Funds	Internal Service Funds
Balance, August 31, 1999	\$ 83,395,008	532,631
Less Donated Assets Deleted	(89,213)	
Less Depreciation On Assets Acquired With Contributed Capital	(2,555,163)	(94,642)
Balance, August 31, 2000	\$ 80,750,632	437,989

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 2000 (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 Notes	Capital Leases	
Balances At August 31, 1999	\$ 81,818	1,460	1,823	1,239	367,760	153	454,253
Additions:							
New Bonds:							
09/08/99 Parking Revenue Bonds A					13,510		13,510
09/08/99 Parking Revenue Bonds B					2,125		2,125
04/21/00 Tax Allocation Bonds	232						232
06/13/00 Municipal Infrastructure Redevelopment Fund Bonds	3,200						3,200
Other:							
New Accrued Compensated Absence Obligations				53			53
Deductions:							
Defeasance	(22,770)				(10,950)		(33,720)
Serial Bonds	(3,974)	(770)			(14,787)		(19,531)
Tax Allocation Bonds	(349)						(349)
Notes Payable	(33)						(33)
Capital Lease Payments			(68)			(13)	(81)
Accrued Compensated Absences				(13)			(13)
Balances At August 31, 2000	\$ 58,124	690	1,755	1,279	357,658	140	419,646

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	\$ 2,427
4,570	06/01/93	Various Purpose Refunding	4.47364	Ser. '94 to '06	1998	Semiannually	1,985
10,740	07/01/93	Downtown Redev. Refunding	4.26203	Ser. '93 to '02	1998	"	3,730
4,000	04/15/95	Storm Sewer	5.45795	Ser. '95 to '15	2002	"	3,000
6,500	08/01/95	Various Purpose	5.18442	Ser. '96 to '15	2002	"	5,200
8,250	08/15/97	Storm Sewer and Drainage	4.92735	Ser. '99 to '17	2005	"	7,970
14,435	03/01/99	Various Purpose Series A	4.46209	Ser. '00 to '14	2009	"	13,715
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	"	7,455
Total General Bonds							<u>\$ 52,847</u>
Municipal Infrastructure Redevelopment Bonds:							
3200	06/13/00	Municipal Infrastructure Redev.	5.04700	Ser. '01 to '09	2005	Semiannually	\$ 3,200
Tax Allocation Bonds:							
880	01/17/90	Tax Allocation Bonds	7.90000	Oct. 1, 2004	Anytime	Annually	\$ 133
1,310	11/15/92	Tax Allocation Bonds	5.87280	Ser. '93 to '06	1997	Semiannually	705
105	11/15/92	Tax Allocation Bonds	6.35000	Term '93 to '06	1997	"	70
90	11/15/92	Tax Allocation Bonds	6.30000	Term '93 to '05	1997	"	55
303	10/18/94	Tax Allocation Bonds	8.00000	Term '95 to '05	Anytime	"	187
835	05/15/95	Tax Allocation Bonds	5.49750	Term '95 to '09	2000	"	685
232	04/21/00	Tax Allocation Bonds	5.49750	Ser. '01 to '10	2000	"	232
Total Tax Allocation Bonds							<u>\$ 2,067</u>
Notes Payable:							
146	07/28/92	Notes Payable	7.00000	1995 to 2004	Anytime	Annually	\$ 10
Total General, MIRF, And Tax Allocation Bonds And Notes							<u>\$ 58,124</u>
Special Assessment Bonds:							
3,860	11/15/89	Special Assessment Revolving	6.47384	Ser. '90 to '04	1996	Semiannually	\$ 530
1,495	07/01/93	Special Assessment Revolving	4.11627	Ser. '94 to '01	1998	"	160
Total Special Assessment Bonds							<u>\$ 690</u>
TOTAL GENERAL OBLIGATION BONDS AND NOTES							<u>\$ 58,814</u>
Revenue Bonds:							
60,000	08/15/93	Water Revenue	5.13966	Ser. '94 to '12	2003	Semiannually	\$ 43,445
9,018	02/05/91	Wastewater Revenue	5.00000	Ser. '92 to '07	1992	Semiannually	\$ 7,538
6,815	09/08/99	Parking Revenue Series A	5.18256	Ser. '00 to '14	2001	Semiannually	\$ 6,710
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	"	1,775
Total Parking Bonds							<u>\$ 15,180</u>
4,655	08/15/91	Golf Course Revenue	6.69210	Ser. '95 to '11	1998	Semiannually	\$ 3,540
44,475	08/01/92	Electric Power Supply '92 Series A	4.76526	Ser. '95 to '03	2002	Semiannually	\$ 5,785
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	"	143,870
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	"	42,820
Total Electric Bonds							<u>\$ 287,885</u>
140	05/01/99	Taxable Revenue Allocation Bonds	5.25000	15-Aug-02	Anytime	Annually	\$ 70
TOTAL REVENUE BONDS							<u>\$ 357,658</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 And Notes		Capital Leases	
	Bonds And Notes		Special Assessment		Bonds And Notes	Interest	Principal	Interest
	And Notes	Interest	Bonds	Interest				
2001	4,685	2,703	270	40	15,767	18,316	91	96
2002	4,653	2,399	110	25	16,467	17,585	96	92
2003	4,720	2,188	105	18	17,188	16,806	101	87
2004	3,500	2,010	105	10	18,023	15,980	106	82
2005	3,576	1,857	100	3	18,818	15,110	111	76
2006-2010	16,970	6,956			104,660	60,824	598	284
2011 & Thereafter	20,020	4,497			166,735	37,372	792	165
	<u>\$ 58,124</u>	<u>22,610</u>	<u>690</u>	<u>96</u>	<u>357,658</u>	<u>181,993</u>	<u>1,895</u>	<u>882</u>

Funds of \$3,972,561, \$568,716, \$2,891,095 and \$2,306,563 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.

General obligation notes payable relate to a bank loan of \$146,274, obtained for construction related to the Apothecary and Ridnour Buildings sub-project. The balance of the loan will be paid in the subsequent fiscal year through tax increment revenue.

Established by City Ordinance, LES may borrow up to \$75 million under a commercial paper note program. At December 31, 1999, LES had \$25 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, 1999 was 3.8 percent. The outstanding commercial paper notes are secured by a revolving credit agreement which provides for borrowings up to \$75 million. LES pays a commitment fee for the credit agreement.

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, 2000, is summarized below (unaudited):

<u>Units</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To The City</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ 49,075,000	100.0 %	\$ 49,075,000
Overlapping:			
School District #1	38,729,000	97.2	37,645,000
Airport Authority	3,872,000	100.0	3,872,000
Lancaster County	16,997,000	84.6	14,379,000
Public Building Commission	30,703,000	84.6	25,975,000
Southeast Community College	None	35.9	None
	<u>90,301,000</u>		<u>81,871,000</u>
Total	<u>\$ 139,376,000</u>		<u>\$ 130,946,000</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 \$224.60; a per capita direct and overlapping debt of \$599.30; a ratio of direct City debt to 2000 actual valuation of .51 percent; and a ratio of direct and overlapping debt to 2000 actual valuation of 1.36 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, 2000 (December 31, 1999 for Lincoln Electric System), with the exception of long-term debt for which the estimated fair value is \$7,900,000, \$44,700,000 and \$283,500,000, respectively.

(11) SEGMENTS OF OTHER ENTERPRISE ACTIVITIES

Various services provided by the City are financed by user charges. These include parking, golf, transportation, wastewater, water, landfill, electricity, and a city auditorium. Segment information for the year ended August 31, 2000 (December 31, 1999 for Lincoln Electric System) is as follows:

	Golf	Parking Facilities	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other	Total
Operating Revenues	\$ 2,822,266	3,260,943	14,987,581	22,219,806	148,507,000	9,096,894	200,894,490
Operating Expenses:							
Depreciation	416,838	636,856	3,075,035	4,054,950	16,926,000	1,908,691	27,018,370
Other	1,952,906	1,393,637	7,707,242	9,812,147	102,161,000	12,786,605	135,813,537
	2,369,744	2,030,493	10,782,277	13,867,097	119,087,000	14,695,296	162,831,907
Operating Income (Loss)	\$ 452,522	1,230,450	4,205,304	8,352,709	29,420,000	(5,598,402)	38,062,583
Operating Grants	\$					1,006,279	1,006,279
Operating Transfers In	\$	2,611,475				4,611,297	7,222,772
Operating Transfers Out	\$					(324,565)	(324,565)
Net Income (Loss)	\$ 359,237	3,720,922	8,655,144	12,227,569	13,603,000	227,832	38,793,704
Net Working Capital	\$ 775,377	22,288	2,833,661	5,619,299	(5,022,000)	5,016,725	9,245,350
Total Assets	\$ 9,634,111	38,108,074	144,526,545	224,883,283	525,137,000	30,798,959	973,087,972
Bonds And Notes Payable	\$ 3,540,000	15,180,000	7,537,566	43,445,000	312,885,000	69,778	382,657,344
Landfill Closure/ PostClosure Accrual	\$					6,988,000	6,988,000
Current Capital Contributions	\$ 97,726	3,546,338	2,699,009	4,128,261		258,895	10,730,229
Contributed Capital	\$ 278,102	10,855,339	36,596,571	25,878,315		7,142,305	80,750,632
Fund Equity & Other Credits	\$ 5,857,115	21,963,500	134,612,799	178,461,593	185,761,000	19,192,048	545,848,055
Property, Plant and Equipment Additions	\$ 348,376	8,988,894	14,689,324	14,463,053	29,751,000	4,728,588	72,969,235

The operating loss of \$5,598,402 in the "Other" column is primarily attributable to StarTran which incurred an operating loss of \$5,953,194, but received federal and state grants and local subsidies of \$5,341,722, which are included in operating grants and operating transfers.

(12) DEFICIT RETAINED EARNINGS

The following fund had deficit retained earnings as of August 31, 2000:

Engineering Revolving Internal Service Fund \$(201,726)

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, 2000, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	303
Terminated plan members entitled to but not yet receiving benefits	45
Active plan members	<u>543</u>
Total	<u><u>891</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 3.31% of annual covered payroll. Actual contributions by the City were 3.71% 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	\$ 958
Interest on net pension obligation	---
Adjustment to annual required contribution	<u>---</u>
Annual pension cost	958
Contributions made	<u>958</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, 2000 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 7.0% 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, 2000 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
2000	\$ 958	100 %	\$ ---
1999	904	100	---
1998	504	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, 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)
August 31, 1995#	92,235	79,202	(13,033)	116.5	18,561	(70.2)

After changes in benefit provisions.

Schedule Of Employer Contributions
(Dollar Amounts In Thousands)

Year Ended August 31	Annual Required Contribution	Percentage Contributed
2000	\$ 958	100 %
1999	904	100
1998	504	100
1997	433	100
1996	428	100
1995	402	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 contributory 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 contributions. Vested benefits are fully funded. LES incurred contribution expense of \$1,930,000 (9.62% of covered payroll) and its employees contributed \$988,000 (4.92% of covered payroll).

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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. Effective September 1, 2000, the eligibility age will be 19 and vesting will occur between 3 and 7 years. Total and covered payroll for the year ended December 31, 1999 was \$1,111,035. City contributions totaled \$134,421 or 12.1% of covered payroll. No voluntary employee contributions were made for the year ended December 31, 1999.

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after 6 months' service and age 21 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 5 and 10 years of enrollment in the plan. Effective September 1, 2000, the eligibility age will be 19 and vesting will occur between 3 and 7 years. 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, 1999, total payroll was \$49,558,695 and covered payroll was \$41,902,243. City contributions totaled \$4,121,799 or 9.8% of covered payroll and employee contributions totaled \$2,336,078 or 5.6% of covered payroll.

(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 \$2,402,000 at August 31, 2000, 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 \$2,800,000.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$3,572,000 at August 31, 2000, which will be financed primarily through operations and available funds.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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 \$7,300,000.

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 \$22,200,000 in 1999.

The contract continues through September 22, 2003 and may be extended if NPPD intends to continue 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 is also 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, 1999, the available cash balances approximated \$219,600,000. The additional funds required for decommissioning are billed to the participants and discounted at a rate of 8 percent to the year of collection. LES recognized expense for these associated costs of approximately \$2,900,000 in the year ended December 31, 1999.

Participants are also billed for disposal costs of nuclear fuel burned based on energy produced. LES recognized related costs of approximately \$750,000 in 1999.

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 \$1,400,000 in 1999 for its share of these costs.

Internal financial statements of the nuclear facility reflect \$132,000,000 in revenue bonds outstanding at December 31, 1999. 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 1999.

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 \$23,800,000, \$24,200,000, \$22,000,000 and \$25,200,000, respectively, in each of the four years subsequent to December 31, 1999.

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 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's share of the total fixed costs incurred, was \$9,900,000 in 1999. The expected fixed cost

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

requirements aggregate approximately \$12,400,000, \$13,900,000, \$15,300,000, \$15,000,000, and \$15,200,000, respectively, in each of the five years subsequent to December 31, 1999.

Laramie River Station (LRS)

LES is an 11.09 percent co-owner of the Missouri Basin Power Project which includes LRS, a three-unit, 1,650 MW coal-fired power supply station in eastern Wyoming and a related transmission system. Costs, net of accumulated depreciation, associated with LRS of approximately \$76,000,000 are reflected in utility plant at December 31, 1999.

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 \$115,000 per month through July 1, 2000 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, 2000 it was determined that the rate would be 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 1999, LES billed the County approximately \$2,100,000 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	\$ 8,396
	Street Construction Fund	137,144
Debt Service	Tax Allocation Projects	3,384
	Bond Interest And Redemption Fund	229,619
	MIRF Bonds	500

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

The following division of the General Fund had expenditures for which there were no appropriations:

Streets And Highways	Street Lighting	\$ 6,851
----------------------	-----------------	----------

(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, 2000, 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	\$ 2,576,622	(368,924)	689,858
Timing Differences (Accruals)	(164,874)	1,142,789	(3,238)
Basis Differences (Encumbrances)	115,845	(4,914,685)	
Entity Differences (Non-budgeted funds)		<u>1,415,060</u>	<u>(1,357,025)</u>
Balance On Budget Basis	<u>\$ 2,527,593</u>	<u>(2,725,760)</u>	<u>(670,405)</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, 2000, consists of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,430,194	<u>548,016</u>
Special Revenue Funds:		
Advance Acquisition Fund	6,091	
Athletic Field & Facilities Improvement Fund	582	92
Cable Access Television Fund	191	
Lincoln City Libraries Fund	8,867	36,006
Lincoln Area Agency On Aging Fund	23,374	31,536
Tax Sales Revolving Fund	4,990	
Lincoln/Lancaster County Health Fund	2,846	83,344
Snow Removal Fund	6,927	2,757
911 Communication Fund	1,304	12,816
Social Security Fund	4,596	113,777
Street Construction Fund	2,598	1,658,067
Unemployment Compensation Fund	1,264	
Keno Fund	8,808	58,766
Federal Grants Fund	10,632	92,684
Special Assessment Fund	2,771,154	345,869
Building & Safety Fund	4,889	33,823
Other Funds	<u>20</u>	
Total Special Revenue Funds	<u>2,859,133</u>	<u>2,469,537</u>
Debt Service Funds:		
Tax Allocation Projects Debt Service Fund	10,804	
Bond Interest And Redemption Fund	9,303	
MIRF Bonds Fund	1,001	
Special Assessment Fund	<u>1,735</u>	<u>2,777,602</u>
Total Debt Service Funds	<u>22,843</u>	<u>2,777,602</u>
Capital Projects Funds:		
Street Construction Fund	1,613,112	
Vehicle Tax Fund	31,887	
1991 G.O. Various Purpose Bonds Fund	165	
Downtown Redevelopment Project Fund	379	
Storm Sewer Bonds Fund	5,585	
1995 G.O. Various Purpose Bonds Fund	2,157	
1999 G.O. Various Purpose Bonds Fund	38,605	
Other Capital Projects Fund	16,715	165,331
Special Assessment Fund	<u>345,869</u>	
Total Capital Projects Funds	<u>2,054,474</u>	<u>165,331</u>
Enterprise Funds:		
Parking Lot Revolving Fund	5,802	
Golf Fund	3,351	43,092
Parking Facilities Fund	175,837	1,175
Pershing Municipal Auditorium Fund	14	143,480
Sanitary Landfill Revenue Fund	<u>16,995</u>	<u>13,609</u>
Total Enterprise Funds	<u>201,999</u>	<u>201,356</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	151,375	30,835
Engineering Revolving Fund	77,099	823,928
Insurance Revolving Fund	5,109	3,756
Fleet Services Fund	90,740	18,154
Police Garage Fund	171,035	6,607
Communication Services Fund	10,218	571
Copy Services Fund	<u>19,528</u>	<u>185</u>
Total Internal Service Funds	<u>525,104</u>	<u>884,036</u>
Fiduciary Funds:		
Pension Trust Fund:		
Police And Fire Pension Fund	<u>847</u>	<u>654</u>
Expendable Trust Funds:		
Parks And Recreation Special Projects Fund	1,493	13
Commission On Aging Gift Trust Fund	930	32
Library Special Trust Fund	<u>1,174</u>	<u>964</u>
Total Expendable Trust Funds	<u>3,597</u>	<u>1,009</u>
Non-Expendable Trust Fund:		
Community Health Endowment Fund	<u>1,112</u>	<u>286</u>
Agency Funds:		
Collections Due Other Governments Fund	71,850	
Payroll Revolving Fund	572,523	419,472
Earnings On Pooled Investments Fund		278,385
Telephone Bill Suspense Fund	<u>2,008</u>	
Total Agency Funds	<u>646,381</u>	<u>697,857</u>
Total Fiduciary Funds	<u>651,937</u>	<u>699,806</u>
Total All Funds	<u>\$ 7,745,684</u>	<u>7,745,684</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. 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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

\$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 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 fiscal years.
- 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 \$3,818,302 were recorded at August 31, 2000. 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 6.5% discount rate and a claim payment pattern based on the historical data of the City. As of August 31, 2000 the City has purchased no annuity contracts to satisfy any of its liabilities.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2000 and 1999:

	<u>2000</u>	<u>1999</u>
Balance at September 1	\$ 3,509,994	3,917,956
Current year claims and changes in estimates	2,222,368	2,614,128
Claim payments	<u>(1,914,060)</u>	<u>(3,022,090)</u>
Balance at August 31	<u>\$ 3,818,302</u>	<u>3,509,994</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. The City recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until and subsequent to closure of the landfill. The amount recognized each year to date is based on the percentage of the landfill capacity.

At August 31, 2000, the City had incurred a liability of \$5,116,000 for the solid waste disposal area which represents the amount of costs reported to date based on the approximately 26 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$18 million which will be recognized as the remaining capacity is used (estimated to be approximately 24 years).

As of August 31, 2000, the City had incurred a liability of \$785,000 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 \$1.4 million which will be recognized as the remaining capacity is used (estimated to be approximately 18 years).

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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 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, 2000 the City established a Reserve For Landfill Closure/Postclosure of \$5,901,000 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, 2000, a liability for closure and postclosure care costs is recorded in the amount of \$1,087,000, 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, 2000.

(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, 2000, the City made rental payments of approximately \$1.7 million to the Commission.

As of August 31, 2000, the Commission has bonds outstanding of \$33,085,000 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**

On November 1, 1999, Resolution No A-79828 was passed approving the official intent of the City to reimburse the costs of constructing certain improvements to the City's Solid Waste Management And Disposal System by issuing solid waste management revenue bonds. It is anticipated that approximately \$4,000,000 of revenue bonds will be issued in 2001.

On February 15, 2001 the City is issuing \$1,375,000 of Certificates of Participation (Lease Rentals) to acquire new ambulances and related equipment for the Fire Department and to acquire computer hardware and software for the use of the Lincoln/Lancaster County Health Department to manage client data. The final maturity is on February 15, 2008, with debt service payments scheduled annually at amounts ranging from \$185,000 to \$215,000.

**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, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	\$ 15,624,061	16,945,645	1,321,584
Taxes Collected By Others	44,824,462	46,679,100	1,854,638
Sundry Taxes And In Lieu	1,129,664	1,051,810	(77,854)
Occupation Taxes	5,800,539	5,846,525	45,986
Intergovernmental	4,095,885	4,979,063	883,178
Permits And Fees	2,452,135	2,350,854	(101,281)
Reimbursement For Services	1,003,329	1,141,322	137,993
Court Fees	426,518	182,839	(243,679)
Recreation Receipts	1,432,944	1,482,181	49,237
Investment Income	1,278,863	1,991,034	712,171
Donations	331,290	331,290	
Rental Income	212,429	249,240	36,811
Parking Revenue	1,012,414	1,012,414	
Sale Of Assets	9,750	1,727	(8,023)
Miscellaneous	521,810	1,080,832	559,022
Total Revenues	<u>80,156,093</u>	<u>85,325,876</u>	<u>5,169,783</u>
Expenditures:			
General Government	20,464,113	19,669,160	794,953
Public Safety	38,393,532	37,101,149	1,292,383
Streets And Highways	4,479,289	4,346,222	133,067
Culture And Recreation	8,087,725	8,087,398	327
Economic Opportunity	243,446	243,446	
Health And Welfare	72,806	72,806	
Total Expenditures	<u>71,740,911</u>	<u>69,520,181</u>	<u>2,220,730</u>
Excess Of Revenues Over Expenditures	<u>8,415,182</u>	<u>15,805,695</u>	<u>7,390,513</u>
Other Financing Sources (Uses):			
Operating Transfers In	274,593	277,009	2,416
Operating Transfers Out	<u>(15,651,188)</u>	<u>(13,555,111)</u>	<u>2,096,077</u>
Total Other Financing Sources (Uses)	<u>(15,376,595)</u>	<u>(13,278,102)</u>	<u>2,098,493</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(6,961,413)	2,527,593	9,489,006
Fund Balance Beginning Of Year	<u>26,802,829</u>	<u>26,802,829</u>	
Fund Balance End Of Year	<u>\$ 19,841,416</u>	<u>29,330,422</u>	<u>9,489,006</u>

CITY OF LINCOLN, NE
GENERAL FUND

A-2

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	\$ 84,894	86,766	(1,872)
Materials And Supplies	1,876	3,128	(1,252)
Other Services And Charges	78,429	42,294	36,135
Capital Outlay		1,824	(1,824)
Total Legislative	<u>165,199</u>	<u>134,012</u>	<u>31,187</u>
Executive:			
Personal Services	784,803	735,172	49,631
Materials And Supplies	20,220	20,490	(270)
Other Services And Charges	186,893	144,268	42,625
Capital Outlay	23,722	22,519	1,203
Total Executive	<u>1,015,638</u>	<u>922,449</u>	<u>93,189</u>
Financial Administration:			
Personal Services	1,374,928	1,331,913	43,015
Materials And Supplies	51,905	45,756	6,149
Other Services And Charges	504,466	437,239	67,227
Capital Outlay	20,800	31,651	(10,851)
Total Financial Administration	<u>1,952,099</u>	<u>1,846,559</u>	<u>105,540</u>
Law:			
Personal Services	1,272,393	1,239,678	32,715
Materials And Supplies	51,800	54,376	(2,576)
Other Services And Charges	199,212	151,222	47,990
Capital Outlay	21,000	15,901	5,099
Total Law	<u>1,544,405</u>	<u>1,461,177</u>	<u>83,228</u>
Personnel Administration:			
Personal Services	559,851	566,923	(7,072)
Materials And Supplies	23,300	19,539	3,761
Other Services And Charges	124,462	112,004	12,458
Capital Outlay	3,306	1,662	1,644
Total Personnel Administration	<u>710,919</u>	<u>700,128</u>	<u>10,791</u>
Planning And Zoning:			
Personal Services	987,895	943,810	44,085
Materials And Supplies	32,400	24,405	7,995
Other Services And Charges	268,082	254,536	13,546
Capital Outlay	71,423	64,821	6,602
Total Planning And Zoning	<u>1,359,800</u>	<u>1,287,572</u>	<u>72,228</u>

(Continued)

Urban Development:			
Personal Services	433,493	377,906	55,587
Materials And Supplies	5,705	4,505	1,200
Other Services And Charges	77,971	70,443	7,528
Capital Outlay		663	(663)
Total Urban Development	<u>517,169</u>	<u>453,517</u>	<u>63,652</u>
Miscellaneous:			
Personal Services	5,411,065	5,891,999	(480,934)
Materials And Supplies	5,000	8,275	(3,275)
Other Services And Charges	7,205,569	6,260,420	945,149
Capital Outlay	<u>577,250</u>	<u>703,052</u>	<u>(125,802)</u>
Total Miscellaneous	<u>13,198,884</u>	<u>12,863,746</u>	<u>335,138</u>
Total General Government	<u>20,464,113</u>	<u>19,669,160</u>	<u>794,953</u>
PUBLIC SAFETY:			
Police:			
Personal Services	16,965,459	16,359,998	605,461
Materials And Supplies	457,557	527,242	(69,685)
Other Services And Charges	4,009,277	3,533,453	475,824
Capital Outlay	<u>593,819</u>	<u>593,333</u>	<u>486</u>
Total Police	<u>22,026,112</u>	<u>21,014,026</u>	<u>1,012,086</u>
Fire:			
Personal Services	13,381,362	13,196,955	184,407
Materials And Supplies	352,488	393,928	(41,440)
Other Services And Charges	724,888	735,261	(10,373)
Capital Outlay	<u>327,990</u>	<u>253,230</u>	<u>74,760</u>
Total Fire	<u>14,786,728</u>	<u>14,579,374</u>	<u>207,354</u>
Traffic Engineering:			
Personal Services	872,107	820,252	51,855
Materials And Supplies	369,245	329,088	40,157
Other Services And Charges	321,840	332,113	(10,273)
Capital Outlay	<u>17,500</u>	<u>26,296</u>	<u>(8,796)</u>
Total Traffic Engineering	<u>1,580,692</u>	<u>1,507,749</u>	<u>72,943</u>
Total Public Safety	<u>38,393,532</u>	<u>37,101,149</u>	<u>1,292,383</u>
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	817,232	795,855	21,377
Materials And Supplies	47,277	37,729	9,548
Other Services And Charges	617,859	538,956	78,903
Capital Outlay	<u>46,521</u>	<u>16,431</u>	<u>30,090</u>
Total Street Maintenance	<u>1,528,889</u>	<u>1,388,971</u>	<u>139,918</u>
Street Lighting:			
Other Services And Charges	<u>2,950,400</u>	<u>2,957,251</u>	<u>(6,851)</u>
Total Streets And Highways	<u>4,479,289</u>	<u>4,346,222</u>	<u>133,067</u>

(Continued)

CULTURE AND RECREATION :

Parks And Recreation:

Personal Services	5,562,016	5,371,077	190,939
Materials And Supplies	464,849	571,476	(106,627)
Other Services And Charges	2,001,736	2,067,122	(65,386)
Capital Outlay		18,599	(18,599)
Total Parks And Recreation	<u>8,028,601</u>	<u>8,028,274</u>	<u>327</u>

Libraries:

Personal Services	24,991	24,991	
Materials And Supplies	660	660	
Other Services And Charges	4,351	4,351	
Capital Outlay	29,122	29,122	
Total Libraries	<u>59,124</u>	<u>59,124</u>	

Total Culture And Recreation	<u>8,087,725</u>	<u>8,087,398</u>	<u>327</u>
------------------------------	------------------	------------------	------------

ECONOMIC OPPORTUNITY:

Lincoln Area Agency On Aging:

Personal Services	33,904	33,904	
Materials And Supplies	30,970	30,970	
Other Services And Charges	93,410	93,410	
Capital Outlay	80,042	80,042	
Total Lincoln Area Agency On Aging	<u>238,326</u>	<u>238,326</u>	

Job Programs:

Personal Services	5,074	5,074	
Other Services And Charges	46	46	
Total Job Programs	<u>5,120</u>	<u>5,120</u>	

Total Economic Opportunity	<u>243,446</u>	<u>243,446</u>	
----------------------------	----------------	----------------	--

HEALTH AND WELFARE:

Lincoln/Lancaster County Health:

Personal Services	7,464	7,464	
Materials And Supplies	13,141	13,141	
Other Services And Charges	50,196	50,196	
Capital Outlay	2,005	2,005	
Total Health And Welfare	<u>72,806</u>	<u>72,806</u>	

Total Expenditures	\$ <u>71,740,911</u>	<u>69,520,181</u>	<u>2,220,730</u>
--------------------	----------------------	-------------------	------------------

(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.

Other Special Revenue Funds - To account for various other revenues which must be used for specific purposes. Includes two funds as follows:

Northeast Radial Fund - To account for rental receipts from and the maintenance of various properties purchased for construction of a radial access to the northeast part of the City. Actual construction of the radial has been defeated by the voters and the disposition of certain land is still to be resolved.

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, 2000
With Comparative Totals For August 31, 1999

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	Other	Totals	
																		2000	1999
ASSETS																			
Cash Held By City Treasurer	\$ 1,455,874	139,059	45,594	2,119,459	119,372	1,192,741	543,842	1,655,878	311,719	1,098,569	618,246	302,160	2,105,276		34,712	668,724	4,697	12,415,922	11,454,547
Cash On Hand And In																			
Other Accounts		6,077		1,668			18,820				28			705				27,298	19,823
Investments		199,000	80,218			69,778					18,548,461					2,212,636		21,110,093	22,131,592
Receivables:																			
Taxes				595,619						212,354								807,973	701,121
Accounts				36	91		3,253	77	145,904		159,323		248,884	5,827	40,000	3		603,398	489,671
Accrued Interest	13,395	1,667	2,007	14,951	2,378	10,925	3,723	10,023	2,767	8,639	305,802	2,786	19,503	9,755	2,270	20,136	293	431,020	393,317
Due From Other Funds	6,091	582	191	8,867	23,374	4,990	2,846	6,927	1,304	4,596	2,598	1,264	8,808	10,632	2,771,154	4,889	20	2,859,133	1,772,654
Due From Other Governments				827	227,213		352,418	88,205		292	2,475,735			2,302,330				5,447,020	4,343,172
Inventories								185,753			42,757							228,510	239,782
Total Assets	1,475,360	346,385	128,010	2,741,427	372,428	1,278,434	924,902	1,946,863	461,694	1,324,450	22,152,950	306,210	2,382,471	2,329,249	2,848,136	2,906,388	5,010	43,930,367	41,545,679
LIABILITIES AND FUND BALANCES																			
Liabilities:																			
Vouchers Payable																			106,634
Retainages Payable							47,778	210	1,110		13,998			12,008				12,008	6,988
Accounts Payable			209	46,236	67,135								238	271,656		7,086		455,656	399,978
Accrued Liabilities				114,680	87,415		205,302	8,736	50,690	148,169	85,797			187,711		115,022		1,003,522	775,062
Accrued Compensated Absences				141,094	95,513		234,699	11,512	38,080	8,530	101,168			150,834		141,010		922,440	846,333
Due To Other Governments	24			10	61		2,076		200				59,104	12,819		988		75,282	145,518
Due To Other Funds		92		36,006	31,536		83,344	2,757	12,816	113,777	1,658,067		58,766	92,684	345,869	33,823		2,469,537	3,052,089
Unearned Revenues																154,468		154,468	136,278
Deferred Revenues				233,084						82,923								316,007	318,898
Total Liabilities	24	92	209	571,110	281,660		573,199	23,215	102,896	353,399	1,859,030		118,108	727,712	345,869	452,397		5,408,920	5,787,778
Fund Balances:																			
Reserved For:																			
Encumbrances				166,291	49,319		38,514		3,992		10,849,904		16,766	1,031,154	2,502,267			14,658,207	8,004,878
Inventories								185,753			42,757							228,510	239,782
Unreserved:																			
Designated For Subsequent Years' Expenditures				376,952	39,696		93,213	3,744	22,840	82,667	39,238	95,000				76,035		829,385	5,888,875
Undesignated	1,475,336	346,293	127,801	1,627,074	1,753	1,278,434	219,976	1,734,151	331,966	888,384	9,362,021	211,210	2,247,597	570,383		2,377,956	5,010	22,805,345	21,624,366
Total Fund Balances	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
Total Liabilities And Fund Balances	\$ 1,475,360	346,385	128,010	2,741,427	372,428	1,278,434	924,902	1,946,863	461,694	1,324,450	22,152,950	306,210	2,382,471	2,329,249	2,848,136	2,906,388	5,010	43,930,367	41,545,679

(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, 2000
 With Comparative Totals For August 31, 1999

	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	Other	Totals		
																		2000	1999	
Revenues:																				
Real Property And Personal Property Tax	\$			4,183,999				955,249		1,480,551							1	5,664,551	5,282,308	
Wheel Tax																			955,249	929,861
Intergovernmental Permits And Fees			428,300	1,133,647	1,724,643	2,043,617	72,039	872,069	14,235,872	201,466	11,268,341	54,793		29,236,609	29,993,117				6,890,668	6,275,480
Reimbursement For Services			2,146	125,982	30,414	42			350,431	62,771				577,640	334,713				70,655	67,175
Recreation Receipts		70,655																		
Investment Income	82,439	21,401	9,534	73,240	13,377	70,886	13,689	53,806	14,047	45,458	1,202,324	17,313	111,914	83,938	12,173	157,768	2,205	1,985,512	1,532,901	
Donations				411										27,867					28,278	27,862
Keno Proceeds													2,870,743						2,870,743	2,805,009
Client Contributions				142,882										71					142,953	148,390
Rental Income	1,266								750										2,016	13,153
Program Income														627,374					627,374	1,088,531
Sale Of Assets	101,971			2,793	2,050	1,482											293		108,589	209,113
Developer's Share Of Projects																				164,874
Miscellaneous		9,991	1,483	270,179	22,869	10,371	493		1,217,416					579,869	978,452	6,355			3,097,478	1,910,769
Total Revenues	185,676	102,047	11,017	4,960,657	1,441,218	72,368	3,822,734	1,009,590	958,197	1,526,009	17,208,259	17,313	2,982,657	13,103,614	1,045,418	3,809,335	2,206	52,258,315	50,783,256	
Expenditures:																				
Current:																				
General Government	176,983		33,243			2,295				1,392,130			12,246	1,129,004	325,742	521,833			3,593,476	4,106,071
Public Safety									1,778,169					1,095,530		3,693,798			6,567,497	5,968,143
Streets And Highways								1,006,446			3,539,392			80,276					4,626,114	5,130,817
Culture And Recreation			4,942,874											118,077					5,508,057	5,140,018
Economic Opportunity				3,629,870										7,142,725					10,772,595	9,931,562
Health And Welfare							7,748,622							4,764,637					12,513,259	11,197,633
Total Expenditures	176,983	33,243	4,942,874	3,629,870	2,295	7,748,622	1,006,446	1,778,169	1,392,130	3,539,392	12,246	1,576,110	13,526,987	521,833	3,693,798	43,580,998	41,474,244			
Excess (Deficiency) Of Revenues Over Expenditures	8,693	102,047	(22,226)	17,783	(2,188,652)	70,073	(3,925,888)	3,144	(819,972)	133,879	13,668,867	5,067	1,406,547	(423,373)	523,585	115,537	2,206	8,677,317	9,309,012	
Other Financing Sources (Uses):																				
Operating Transfers In				2,152,025			3,931,061	854,463	878,932		5,842,882			134,032		607,876			14,401,271	13,783,934
Operating Transfers Out	(100,000)	(261,832)	(25,000)	(1,228)							(19,824,444)			(705,278)	(570,319)	(1,917,411)			(42,000)	(23,447,512)
Total Other Financing Sources (Uses)	(100,000)	(261,832)	(25,000)	(1,228)	2,152,025	3,931,061	854,463	878,932	(13,981,562)	(705,278)	(436,287)	(1,917,411)	607,876	(42,000)	(9,046,241)	(7,102,075)				
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(91,307)	(159,785)	(47,226)	16,555	(36,627)	70,073	5,173	857,607	58,960	133,879	(312,695)	5,067	701,269	(859,660)	(1,393,826)	723,413	(39,794)	(368,924)	2,206,937	
Fund Balances Beginning Of Year	1,566,643	506,078	175,027	2,153,762	127,395	1,208,361	346,530	1,066,041	299,838	837,172	20,606,615	301,143	1,563,094	2,461,197	763,623	1,730,578	44,804	35,757,901	29,618,845	
Cumulative Effect Of Change In Accounting Principle In Reporting Nonexchange Transactions																				1,438,588
Residual Equity Transfers In																				3,132,470
Fund Balances End 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	

53

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE

B-3

ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Recreation Receipts	\$ 86,000	71,109	(14,891)
Investment Income		31,121	31,121
Miscellaneous		4,049	4,049
Total Revenues	<u>86,000</u>	<u>106,279</u>	<u>20,279</u>
Other Financing (Uses):			
Operating Transfers Out	<u>(368,658)</u>	<u>(261,832)</u>	<u>106,826</u>
Deficiency Of Revenues Over Other Financing (Uses)	(282,658)	(155,553)	127,105
Fund Balance Beginning Of Year	<u>497,812</u>	<u>497,812</u>	
Fund Balance End Of Year	<u>\$ 215,154</u>	<u>342,259</u>	<u>127,105</u>

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, 2000

B-4

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment Income	\$ 49,905	12,246	(37,659)
Miscellaneous		<u>1,483</u>	<u>1,483</u>
Total Revenues	<u>49,905</u>	<u>13,729</u>	<u>(36,176)</u>
Expenditures -- General Government:			
Materials And Supplies		1,316	(1,316)
Other Services And Charges	19,905	25,046	(5,141)
Capital Outlay		<u>6,939</u>	<u>(6,939)</u>
Total Expenditures	<u>19,905</u>	<u>33,301</u>	<u>(13,396)</u>
Excess (Deficiency) Of Revenues Over Expenditures	30,000	(19,572)	(49,572)
Other Financing (Uses):			
Operating Transfers Out	<u>(30,000)</u>	<u>(25,000)</u>	<u>5,000</u>
Deficiency Of Revenues Over Expenditures And Other Financing (Uses)		(44,572)	(44,572)
Fund Balance Beginning Of Year	<u>170,874</u>	<u>170,874</u>	
Fund Balance End Of Year	<u>\$ 170,874</u>	<u>126,302</u>	<u>(44,572)</u>

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, 2000

B-5

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Property And Personal Property Tax	\$ 3,799,242	4,099,911	300,669
Intergovernmental	428,300	428,300	
Reimbursement For Services	4,450	2,146	(2,304)
Investment Income	65,000	124,383	59,383
Sale Of Assets		2,767	2,767
Miscellaneous	284,160	271,747	(12,413)
Total Revenues	<u>4,581,152</u>	<u>4,929,254</u>	<u>348,102</u>
Expenditures -- Culture And Recreation:			
Personal Services	3,483,231	3,420,902	62,329
Materials And Supplies	146,675	158,236	(11,561)
Other Services And Charges	688,812	725,426	(36,614)
Capital Outlay	733,225	700,941	32,284
Total Expenditures	<u>5,051,943</u>	<u>5,005,505</u>	<u>46,438</u>
Over Expenditures			
Deficiency Of Revenues Over Expenditures	(470,791)	(76,251)	394,540
Other Financing (Uses):			
Operating Transfers Out	<u>(1,228)</u>	<u>(1,228)</u>	
Deficiency Of Revenues Over Expenditures And Other Financing (Uses)	(472,019)	(77,479)	394,540
Fund Balance Beginning Of Year	<u>2,299,579</u>	<u>2,299,579</u>	
Fund Balance End Of Year	<u>\$ 1,827,560</u>	<u>2,222,100</u>	<u>394,540</u>

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, 2000

B-6

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 1,028,299	1,021,544	(6,755)
Permits And Fees	131,675	125,757	(5,918)
Investment Income		27,447	27,447
Donations		411	411
Client Contributions		145,650	145,650
Sale Of Assets		2,031	2,031
Miscellaneous	210,877	22,798	(188,079)
Total Revenues	<u>1,370,851</u>	<u>1,345,638</u>	<u>(25,213)</u>
Expenditures -- Economic Opportunity:			
Personal Services	2,307,961	2,332,632	(24,671)
Materials And Supplies	285,830	266,924	18,906
Other Services And Charges	981,422	917,060	64,362
Capital Outlay	87,390	67,473	19,917
Total Expenditures	<u>3,662,603</u>	<u>3,584,089</u>	<u>78,514</u>
Deficiency Of Revenues Over Expenditures	(2,291,752)	(2,238,451)	53,301
Other Financing Sources:			
Operating Transfers In	<u>2,151,936</u>	<u>2,152,025</u>	<u>89</u>
Deficiency Of Revenues And Other Financing Sources Over Expenditures	(139,816)	(86,426)	53,390
Fund Balance Beginning Of Year	<u>133,569</u>	<u>133,569</u>	
Fund Balance (Deficit) End Of Year	<u>\$ (6,247)</u>	<u>47,143</u>	<u>53,390</u>

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, 2000

B-7

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 2,014,648	2,017,640	2,992
Permits And Fees	1,821,547	1,720,359	(101,188)
Reimbursement For Services		33,579	33,579
Investment Income		17,226	17,226
Miscellaneous		10,225	10,225
Total Revenues	<u>3,836,195</u>	<u>3,799,029</u>	<u>(37,166)</u>
Expenditures -- Health And Welfare:			
Personal Services	5,613,781	5,420,612	193,169
Materials And Supplies	267,760	262,190	5,570
Other Services And Charges	1,790,546	1,681,122	109,424
Capital Outlay	51,500	111,079	(59,579)
Debt Service	196,775	196,774	1
Total Expenditures	<u>7,920,362</u>	<u>7,671,777</u>	<u>248,585</u>
Deficiency Of Revenues Over Expenditures	(4,084,167)	(3,872,748)	211,419
Other Financing Sources:			
Operating Transfers In	<u>3,917,471</u>	<u>3,931,061</u>	<u>13,590</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(166,696)	58,313	225,009
Fund Balance Beginning Of Year	<u>439,132</u>	<u>439,132</u>	
Fund Balance End Of Year	<u>\$ 272,436</u>	<u>497,445</u>	<u>225,009</u>

CITY OF LINCOLN, NE
 SNOW REMOVAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 2000

B-8

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Wheel Tax	\$ 954,900	952,608	(2,292)
Reimbursement for Services		42	42
Investment Income		55,243	55,243
Miscellaneous		555	555
Total Revenues	954,900	1,008,448	53,548
Expenditures -- Streets And Highways:			
Personal Services	836,197	461,701	374,496
Materials And Supplies	157,595	55,539	102,056
Other Services And Charges	796,371	464,028	332,343
Capital Outlay	31,200	40,749	(9,549)
Total Expenditures	1,821,363	1,022,017	799,346
Deficiency Of Revenues Over Expenditures	(866,463)	(13,569)	852,894
Other Financing Sources:			
Operating Transfers In	866,463	854,463	(12,000)
Excess Of Revenues And Other Financing Sources Over Expenditures		840,894	840,894
Fund Balance Beginning Of Year	814,983	814,983	
Fund Balance End Of Year	\$ 814,983	1,655,877	840,894

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, 2000

B-9

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 72,039	72,039	
Permits And Fees	850,000	869,939	19,939
Reimbursement For Services		42	42
Investment Income		19,194	19,194
Total Revenues	<u>922,039</u>	<u>961,214</u>	<u>39,175</u>
Expenditures -- Public Safety:			
Personal Services	1,481,255	1,361,772	119,483
Materials And Supplies	9,250	9,159	91
Other Services And Charges	420,266	380,779	39,487
Capital Outlay	32,700	33,373	(673)
Total Expenditures	<u>1,943,471</u>	<u>1,785,083</u>	<u>158,388</u>
Deficiency Of Revenues Over Expenditures	(1,021,432)	(823,869)	197,563
Other Financing Sources:			
Operating Transfers In	<u>878,932</u>	<u>878,932</u>	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(142,500)	55,063	197,563
Fund Balance Beginning Of Year	<u>252,664</u>	<u>252,664</u>	
Fund Balance End Of Year	<u>\$ 110,164</u>	<u>307,727</u>	<u>197,563</u>

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, 2000

B-10

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Real Property And Personal Property Tax	\$ 1,343,852	1,453,775	109,923
Investment Income	<u>27,000</u>	<u>68,118</u>	<u>41,118</u>
Total Revenues	<u>1,370,852</u>	<u>1,521,893</u>	<u>151,041</u>
Expenditures -- General Government:			
Personal Services	1,412,520	1,339,997	72,523
Other Services And Charges	<u>17,800</u>	<u>16,890</u>	<u>910</u>
Total Expenditures	<u>1,430,320</u>	<u>1,356,887</u>	<u>73,433</u>
Excess (Deficiency) Of Revenues Over Expenditures	(59,468)	165,006	224,474
Fund Balance Beginning Of Year	<u>1,004,873</u>	<u>1,004,873</u>	
Fund Balance End Of Year	<u>\$ 945,405</u>	<u>1,169,879</u>	<u>224,474</u>

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, 2000

B-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 16,140,300	14,148,900	(1,991,400)
Permits And Fees		200,142	200,142
Reimbursement For Services	400,000	346,661	(53,339)
Investment Income	750,000	1,267,814	517,814
Rental Income		2,250	2,250
Miscellaneous		1,154,681	1,154,681
Total Revenues	<u>17,290,300</u>	<u>17,120,448</u>	<u>(169,852)</u>
Expenditures -- Streets And Highways:			
Personal Services	2,157,198	2,269,796	(112,598)
Materials And Supplies	282,840	314,439	(31,599)
Other Services And Charges	1,041,637	1,030,681	10,956
Capital Outlay	12,750	16,653	(3,903)
Total Expenditures	<u>3,494,425</u>	<u>3,631,569</u>	<u>(137,144)</u>
Excess Of Revenues Over Expenditures	13,795,875	13,488,879	(306,996)
Other Financing Sources (Uses):			
Operating Transfers In	5,842,882	5,842,882	
Operating Transfers Out	(22,591,685)	(22,591,685)	
Total Other Financing Sources (Uses)	<u>(16,748,803)</u>	<u>(16,748,803)</u>	
Deficiency Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(2,952,928)	(3,259,924)	(306,996)
Fund Balance Beginning Of Year	<u>24,634,035</u>	<u>24,634,035</u>	
Fund Balance End Of Year	<u>\$ 21,681,107</u>	<u>21,374,111</u>	<u>(306,996)</u>

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, 2000

B-12

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment Income	\$ _____	<u>28,550</u>	<u>28,550</u>
Expenditures -- General Government:			
Unemployment Insurance Payments	<u>95,000</u>	<u>12,246</u>	<u>82,754</u>
Excess (Deficiency) Of Revenues Over Expenditures	(95,000)	16,304	111,304
Fund Balance Beginning Of Year	<u>288,162</u>	<u>288,162</u>	<u> </u>
Fund Balance End Of Year	<u>\$ 193,162</u>	<u>304,466</u>	<u>111,304</u>

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, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment Income	\$	143,724	143,724
Keno Proceeds	<u>2,367,060</u>	<u>2,831,776</u>	<u>464,716</u>
Total Revenues	<u>2,367,060</u>	<u>2,975,500</u>	<u>608,440</u>
Expenditures:			
General Government:			
Other Services And Charges	<u>901,000</u>	<u>1,064,489</u>	<u>(163,489)</u>
Culture And Recreation:			
Capital Outlay	<u>406,710</u>	<u>406,710</u>	<u></u>
Total Expenditures	<u>1,307,710</u>	<u>1,471,199</u>	<u>(163,489)</u>
Excess Of Revenues Over Expenditures	1,059,350	1,504,301	444,951
Other Financing (Uses):			
Operating Transfers Out	<u>(1,746,422)</u>	<u>(701,431)</u>	<u>1,044,991</u>
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing (Uses)	(687,072)	802,870	1,489,942
Fund Balance Beginning Of Year	<u>1,568,817</u>	<u>1,568,817</u>	<u></u>
Fund Balance End Of Year	<u>\$ 881,745</u>	<u>2,371,687</u>	<u>1,489,942</u>

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, 2000

B-14

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 10,873,123	10,393,178	(479,945)
Permits And Fees	454,558	454,558	
Reimbursement For Services	62,388	62,771	383
Investment Income	92,172	92,172	
Donations	27,802	27,802	
Client Contributions	71	71	
Program Income	808,630	649,830	(158,800)
Miscellaneous	578,748	579,040	292
Total Revenues	<u>12,897,492</u>	<u>12,259,422</u>	<u>(638,070)</u>
Expenditures:			
General Government:			
Personal Services	8,949	8,949	
Materials And Supplies	580	580	
Other Services And Charges	288,890	288,890	
Capital Outlay	85,000	85,000	
Total General Government	<u>383,419</u>	<u>383,419</u>	
Public Safety:			
Personal Services	305,281	305,281	
Materials And Supplies	76,907	76,907	
Other Services And Charges	409,253	389,926	19,327
Capital Outlay	431,544	431,544	
Total Public Safety	<u>1,222,985</u>	<u>1,203,658</u>	<u>19,327</u>
Streets And Highways:			
Personal Services	77,238	77,238	
Other Services And Charges	1,500	1,500	
Total Streets And Highways	<u>78,738</u>	<u>78,738</u>	
Culture And Recreation:			
Personal Services	36,217	36,217	
Materials And Supplies	17,575	17,575	
Other Services And Charges	23,357	23,357	
Capital Outlay	37,378	37,378	
Total Culture And Recreation	<u>114,527</u>	<u>114,527</u>	
Economic Opportunity:			
Personal Services	2,363,957	2,134,813	229,144
Materials And Supplies	126,340	108,622	17,718
Other Services And Charges	1,538,611	1,150,378	388,233
Capital Outlay	498,984	567,620	(68,636)
Loans And Grants	4,650,457	3,031,494	1,618,963
Total Economic Opportunity	<u>9,178,349</u>	<u>6,992,927</u>	<u>2,185,422</u>

(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Health And Welfare:			
Personal Services	2,343,693	2,343,693	
Materials And Supplies	88,813	88,813	
Other Services And Charges	2,273,405	2,273,405	
Capital Outlay	30,393	30,393	
Loans And Grants	81,393	81,393	
Total Health And Welfare	<u>4,817,697</u>	<u>4,817,697</u>	
 Total Expenditures	<u>15,795,715</u>	<u>13,590,966</u>	<u>2,204,749</u>
 Deficiency Of Revenues Over Expenditures	(2,898,223)	(1,331,544)	1,566,679
Other Financing Sources (Uses):			
Operating Transfers In	43,156	134,032	90,876
Operating Transfers Out	<u>(570,318)</u>	<u>(570,318)</u>	
Total Other Financing Sources (Uses)	<u>(527,162)</u>	<u>(436,286)</u>	<u>90,876</u>
 Deficiency Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(3,425,385)	(1,767,830)	1,657,555
 Fund Deficit Beginning Of Year	<u>(196,378)</u>	<u>(196,378)</u>	
 Fund Deficit End Of Year	<u>\$ (3,621,763)</u>	<u>(1,964,208)</u>	<u>1,657,555</u>

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, 2000

B-15

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Permits And Fees	\$ 3,074,773	3,511,034	436,261
Reimbursement For Services		131,794	131,794
Investment Income		170,159	170,159
Sale Of Assets		290	290
Miscellaneous		6,355	6,355
Total Revenues	<u>3,074,773</u>	<u>3,819,632</u>	<u>744,859</u>
Expenditures -- Public Safety:			
Personal Services	3,052,693	3,026,002	26,691
Materials And Supplies	51,671	43,392	8,279
Other Services And Charges	551,935	477,486	74,449
Capital Outlay	<u>257,622</u>	<u>115,302</u>	<u>142,320</u>
Total Expenditures	<u>3,913,921</u>	<u>3,662,182</u>	<u>251,739</u>
Excess (Deficiency) Of Revenues Over Expenditures	(839,148)	157,450	996,598
Other Financing Sources:			
Operating Transfers In	<u>593,326</u>	<u>607,875</u>	<u>14,549</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(245,822)	765,325	1,011,147
Fund Balance Beginning Of Year	<u>1,967,749</u>	<u>1,967,749</u>	
Fund Balance End Of Year	<u><u>\$ 1,721,927</u></u>	<u><u>2,733,074</u></u>	<u><u>1,011,147</u></u>

CITY OF LINCOLN, NE

B-16

OTHER - PROPERTY TAX REFUNDS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax		1	1
Investment Income		4,248	4,248
Total Revenues		<u>4,249</u>	<u>4,249</u>
Other Financing (Uses):			
Operating Transfers Out	<u>(42,000)</u>	<u>(42,000)</u>	
Deficiency Of Revenues Over Other Financing (Uses)	(42,000)	(37,751)	4,249
Fund Balance Beginning Of Year	<u>42,448</u>	<u>42,448</u>	
Fund Balance End Of Year	<u>\$ 448</u>	<u>4,697</u>	<u>4,249</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

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

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, 2000
With Comparative Totals For August 31, 1999

C-1

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	MIRF Bonds	Special Assessment	Totals	
					2000	1999
ASSETS						
Cash Held By City Treasurer	\$ 2,582,623	2,223,828	239,304	414,659	5,460,414	6,130,879
Investments	213,656	1,089,772	319,036	4,496,278	6,118,742	6,211,812
Receivables:						
Taxes	59,235	950,877			1,010,112	816,034
Accrued Interest	24,777	12,452	9,375	30,396	77,000	42,420
Special Assessment				3,649,747	3,649,747	4,023,020
Due From Other Funds	10,804	9,303	1,001	1,735	22,843	215,116
Due From Other Governments		1,218			1,218	
Total Assets	2,891,095	4,287,450	568,716	8,592,815	16,340,076	17,439,281
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable		2,325			2,325	
Due To Other Funds				2,777,602	2,777,602	1,088,540
Deferred Revenues		300,896		3,416,068	3,716,964	4,064,945
Bond Principal Payable		10,000		55,000	65,000	65,000
Bond Interest Payable		1,668		37,582	39,250	39,249
Total Liabilities		314,889		6,286,252	6,601,141	5,257,734
Fund Balances:						
Reserved For Debt Service	2,891,095	3,972,561	568,716		7,432,372	8,099,539
Unreserved - Designated For Debt Service				2,306,563	2,306,563	4,082,008
Total Fund Balances	2,891,095	3,972,561	568,716	2,306,563	9,738,935	12,181,547
Total Liabilities And Fund Balances	\$ 2,891,095	4,287,450	568,716	8,592,815	16,340,076	17,439,281

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 2000
With Comparative Totals For Fiscal Year Ended August 31, 1999

C-2

	Tax				Totals	
	Allocation Projects Debt Service	Bond Interest And Redemption	MIRF Bonds	Special Assessment	2000	1999
Revenues:						
Real Property And Personal Property Tax	\$ 812,832	6,117,428			6,930,260	6,180,798
Taxes Collected By Others		8,532			8,532	4,475
Special Assessment				1,643,549	1,643,549	1,841,055
Special Assessment Interest				310,557	310,557	367,309
Intergovernmental		183,200	237,380		420,580	187,750
Investment Income	174,389	125,570	11,836	241,987	553,782	595,858
Miscellaneous		50,048			50,048	50,488
Total Revenues	<u>987,221</u>	<u>6,484,778</u>	<u>249,216</u>	<u>2,196,093</u>	<u>9,917,308</u>	<u>9,227,733</u>
Expenditures -- Debt Service:						
Principal Retirement	259,252	4,096,044		770,000	5,125,296	4,209,267
Interest	110,532	2,594,197		67,292	2,772,021	2,301,745
Fiscal Charges	1,000	6,808	500	1,448	9,756	7,975
Payments To Refunding Agent						128,522
Bond Issuance Cost						85,163
Miscellaneous	7,500	9,394		328	17,222	205,311
Total Expenditures	<u>378,284</u>	<u>6,706,443</u>	<u>500</u>	<u>839,068</u>	<u>7,924,295</u>	<u>6,937,983</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>608,937</u>	<u>(221,665)</u>	<u>248,716</u>	<u>1,357,025</u>	<u>1,993,013</u>	<u>2,289,750</u>
Other Financing Sources (Uses):						
Operating Transfers In		223,030	320,000		543,030	12,577
Operating Transfers Out	(1,846,185)				(1,846,185)	(5,582,567)
Refunding Bond Proceeds						8,220,000
Transfer To Bond Refunding Agent						(8,134,836)
Total Other Financing Sources (Uses)	<u>(1,846,185)</u>	<u>223,030</u>	<u>320,000</u>		<u>(1,303,155)</u>	<u>(5,484,826)</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	<u>(1,237,248)</u>	<u>1,365</u>	<u>568,716</u>	<u>1,357,025</u>	<u>689,858</u>	<u>(3,195,076)</u>
Fund Balances Beginning Of Year	4,128,343	3,971,196		4,082,008	12,181,547	17,706,751
Residual Equity Transfers Out				(3,132,470)	(3,132,470)	(2,330,128)
Fund Balances End Of Year	<u>\$ 2,891,095</u>	<u>3,972,561</u>	<u>568,716</u>	<u>2,306,563</u>	<u>9,738,935</u>	<u>12,181,547</u>

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, 2000

	Tax Allocation Projects Debt Service			Bond Interest And Redemption			MIRF Bonds			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:												
Real Property And Personal Property Tax	\$ 374,900	929,999	555,099	5,595,717	5,843,385	247,668				5,970,617	6,773,384	802,767
Taxes Collected By Others				5,500	7,314	1,814				5,500	7,314	1,814
Intergovernmental				183,200	183,200		237,379	237,379		183,200	420,579	237,379
Investment Income		285,482	285,482	150,000	174,340	24,340	4,506	4,506		150,000	464,328	314,328
Miscellaneous					50,048	50,048					50,048	50,048
Total Revenues	374,900	1,215,481	840,581	5,934,417	6,258,287	323,870	241,885	241,885		6,309,317	7,715,653	1,406,336
Expenditures -- Debt Service:												
Principal Retirement	258,200	259,252	(1,052)	3,974,000	4,096,044	(122,044)				4,232,200	4,355,296	(123,096)
Interest	116,700	110,532	6,168	2,500,500	2,594,197	(93,697)				2,617,200	2,704,729	(87,529)
Fiscal Charges		1,000	(1,000)		5,984	(5,984)	500	(500)			7,484	(7,484)
Miscellaneous		7,500	(7,500)		7,894	(7,894)					15,394	(15,394)
Total Expenditures	374,900	378,284	(3,384)	6,474,500	6,704,119	(229,619)	500	(500)		6,849,400	7,082,903	(233,503)
Excess (Deficiency) Of Revenues Over Expenditures		837,197	837,197	(540,083)	(445,832)	94,251	241,385	241,385		(540,083)	632,750	1,172,833
Other Financing Sources (Uses):												
Operating Transfers In					223,030	223,030	320,000	320,000			543,030	543,030
Operating Transfers Out	(1,846,185)	(1,846,185)								(1,846,185)	(1,846,185)	
Total Other Financing Sources (Uses)	(1,846,185)	(1,846,185)			223,030	223,030	320,000	320,000		(1,846,185)	(1,303,155)	543,030
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(1,846,185)	(1,008,988)	837,197	(540,083)	(222,802)	317,281	561,385	561,385		(2,386,268)	(670,405)	1,715,863
Fund Balances Beginning Of Year	3,508,905	3,508,905		4,343,019	4,343,019					7,851,924	7,851,924	
Fund Balances End Of Year	\$ 1,662,720	2,499,917	837,197	3,802,936	4,120,217	317,281	561,385	561,385		5,465,656	7,181,519	1,715,863

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, 2000
 With Comparative Totals For August 31, 1999

D-1

	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	
											2000	1999
ASSETS												
Cash Held By City Treasurer	\$ 193,410		7,622,268	39,390	90,648	1,335,026	515,607	9,228,094	3,830,814		22,855,257	8,898,461
Investments							99,177	9,592,724	2,899,278		12,591,179	29,541,017
Note Receivable									1,000,000		1,000,000	349,900
Accounts Receivable	4,820								48		4,868	4,820
Accrued Interest Receivable			56,508	363	835	8,371	4,763	169,704	78,516		319,060	235,028
Due From Other Funds		1,613,112	31,887	165	379	5,585	2,157	38,605	16,715	345,869	2,054,474	2,640,691
Due From Other Governments			599,824								599,824	581,871
Total Assets	198,230	1,613,112	8,310,487	39,918	91,862	1,348,982	621,704	19,029,127	7,825,371	345,869	39,424,662	42,251,788
LIABILITIES AND FUND BALANCES												
Liabilities:												
Vouchers Payable												4,880
Contracts Payable	28,391	760,650						640,800	1,067,223	308,369	2,805,433	2,716,999
Retainage Payable		360,314				71,718		112,719		28,955	573,706	553,159
Accounts Payable		434,289					900	8,405	75,762	8,545	527,901	78,926
Accrued Compensated Absences									139		139	399
Due To Other Governments		57,859							78		57,937	44
Due To Other Funds									165,331		165,331	1,101,977
Arbitrage Rebate									30,730		30,730	30,730
Total Liabilities	28,391	1,613,112				71,718	900	761,924	1,339,263	345,869	4,161,177	4,487,114
Fund Balances:												
Reserved For Encumbrances	169,839					151,799		1,986,560	1,646,865		3,955,063	4,221,380
Unreserved, Undesignated			8,310,487	39,918	91,862	1,125,465	620,804	16,280,643	4,839,243		31,308,422	33,543,294
Total Fund Balances	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
Total Liabilities And Fund Balances	\$ 198,230	1,613,112	8,310,487	39,918	91,862	1,348,982	621,704	19,029,127	7,825,371	345,869	39,424,662	42,251,788

CITY OF LINCOLN, NE
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED AUGUST 31, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

77

	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	
											2000	1999
Revenues:												
Wheel Tax	\$		6,495,988								6,495,988	6,323,347
Intergovernmental	103,373					66,718			762,545		932,636	698,776
Investment Income			432,559	2,222	59,770	157,693	35,872	1,162,722	242,247		2,093,085	1,294,434
Donations									1,921,064		1,921,064	34,770
Rental Income								98,582	18,975		117,557	91,525
Sale Of Assets									1,691,718		1,691,718	355,102
Miscellaneous									47,232		47,232	124,754
Total Revenues	103,373		6,928,547	2,222	59,770	224,411	35,872	1,261,304	4,683,781		13,299,280	8,922,708
Expenditures -- Capital Outlay:												
Capital Outlay								38,780	578,924	28,152	645,856	239,754
Bond Issuance Costs									28,070		28,070	327,000
Construction Contracts	90,527	15,778,101				2,862,331	25,243	3,264,686	6,882,046	1,661,545	30,564,479	28,746,178
Engineering And Other	27,622	3,291,878				146,993		202,012	657,571	255,866	4,581,942	4,603,929
Total Expenditures	118,149	19,069,979				3,009,324	64,023	4,045,622	7,595,839	1,917,411	35,820,347	33,916,861
Excess (Deficiency) Of Revenues Over Expenditures	(14,776)	(19,069,979)	6,928,547	2,222	59,770	(2,784,913)	(28,151)	(2,784,318)	(2,912,058)	(1,917,411)	(22,521,067)	(24,994,153)
Other Financing Sources (Uses):												
Operating Transfers In		19,069,979							4,477,295	1,917,411	25,464,685	28,258,624
Operating Transfers Out			(5,824,868)		(2,508,018)		(35,000)		(508,500)		(8,876,386)	(6,892,587)
Proceeds From Issuance Of Bonds									3,431,579		3,431,579	21,800,000
Total Other Financing Sources (Uses)		19,069,979	(5,824,868)		(2,508,018)		(35,000)		7,400,374	1,917,411	20,019,878	43,166,037
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(14,776)		1,103,679	2,222	(2,448,248)	(2,784,913)	(63,151)	(2,784,318)	4,488,316		(2,501,189)	18,171,884
Fund Balances Beginning Of Year	184,615		7,206,808	37,696	2,540,110	4,062,177	683,955	21,051,521	1,997,792		37,764,674	19,592,790
Fund Balances End 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

(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.

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, 2000
With Comparative Totals For August 31, 1999

E-1

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										2000	1999
ASSETS											
Current Assets:											
Cash Held By City Treasurer	\$ 1,386,849	391,811	528,691	3,226	668,786	2,236,122	600,000	1,000,000		6,815,485	5,521,702
Cash On Hand And In Other Accounts	1,758	27,828	183,669	479,319	26	7,547	100	2,150	68,000	770,397	708,064
Investments		499,086			3,069,139				15,554,000	19,122,225	34,984,253
Receivables:											
Accounts	5,000	63	1,505	27,009	753,552	42,648	1,442,945	2,436,612	9,021,000	13,730,334	10,045,600
Accrued Interest	12,859	13,289	6,306	274	82,391	12,914			537,000	665,033	814,968
Unbilled Revenues							1,590,870	2,890,922	7,105,000	11,586,792	10,731,795
Due From Other Funds	5,802	1,639	165,668	14	16,995					190,118	1,204,936
Due From Other Governments					6,282	10,721				17,003	14,005
Inventories		50,097		21,152		552,886	139,333	816,650	5,320,000	6,900,118	6,725,284
Plant Operation Assets									3,274,000	3,274,000	3,635,000
Prepaid Expenses				35,971					553,000	588,971	685,657
Total Current Assets	1,412,268	983,813	885,839	566,965	4,597,171	2,862,838	3,773,248	7,146,334	41,432,000	63,660,476	75,071,264
Other Assets:											
Unamortized Bond Issuance Expense		53,100	505,391					698,164		1,256,655	1,040,292
Deferred Charges And Other Assets									49,458,000	49,458,000	48,238,000
Total Other Assets		53,100	505,391					698,164	49,458,000	50,714,655	49,278,292
Restricted Assets:											
Cash Held By City Treasurer		409,199	2,430,824				4,774,233	6,402,434		14,016,690	16,375,197
Cash On Hand And In Other Accounts		7,320	67,342					106,662		181,324	22,128
Investments		1,023,878	2,419,382				24,152,513	18,568,161	37,208,000	83,371,934	85,983,491
Accounts Receivable											7,167
Accrued Interest Receivable		17,940	47,040				383,901	161,064		609,945	338,119
Due From Other Funds		1,712	10,169							11,881	17,797
Total Restricted Assets		1,460,049	4,974,757				29,310,647	25,238,321	37,208,000	98,191,774	102,743,899
Property, Plant, And Equipment:											
Land	320,200	1,084,933	3,099,008	46,500	1,942,957	102,020	2,138,362	3,537,301		12,271,281	12,250,294
Buildings	9,765	2,098,814	34,637,379	4,346,500	1,073,233	2,874,813	34,077,234	77,281,542		156,399,280	133,902,074
Improvements Other Than Buildings	103,546	5,861,557	159,074	179,024	14,383,750	336,341	89,087,519	134,986,377		245,097,188	237,744,699
Machinery And Equipment	36,537	1,438,322	374,882	938,866	3,990,305	9,376,215	7,076,962	6,279,231		29,511,320	28,317,998
Utility Plant									554,356,000	554,356,000	539,780,000
Construction In Progress						53,616	26,053,285	25,733,809	42,800,000	94,640,710	72,132,136
Total	470,048	10,483,626	38,270,343	5,510,890	21,390,245	12,743,005	158,433,362	247,818,260	597,156,000	1,092,275,779	1,024,127,201
Less Accumulated Depreciation	(68,207)	(3,346,477)	(6,528,256)	(4,486,897)	(5,967,259)	(8,232,108)	(46,990,712)	(56,017,796)	(200,117,000)	(331,754,712)	(310,029,499)
Net Property, Plant, And Equipment	401,841	7,137,149	31,742,087	1,023,993	15,422,986	4,510,897	111,442,650	191,800,464	397,039,000	760,521,067	714,097,702
Total Assets	\$ 1,814,109	9,634,111	38,108,074	1,590,958	20,020,157	7,373,735	144,526,545	224,883,283	525,137,000	973,087,972	941,191,157

(Continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										2000	1999
LIABILITIES AND FUND EQUITY											
Current Liabilities (Payable From Current Assets):											
Vouchers Payable	\$										140,390
Accounts Payable	1,271	55,065	852,689	28,405	569,779	122,993	253,069	563,819	9,269,000	11,716,090	18,227,201
Accrued Liabilities		39,748	3,214	121,588	41,506	213,263	396,121	626,392	6,635,000	8,076,832	7,983,367
Accrued Compensated Absences		56,840	6,473		51,028	313,933	290,397	336,824		1,055,495	1,035,700
Due To Other Governments				13,641	63,138					76,779	75,067
Due To Other Funds		43,092	1,175	143,480	13,609					201,356	85,710
Unearned Revenue		13,691		48,467		2,662,523				2,724,681	2,330,868
Current Portion Of Capital Lease Notes Payable	13,893									13,893	12,888
Other									25,000,000	25,000,000	15,000,000
									5,550,000	5,550,000	6,249,729
Total Current Liabilities (Payable From Current Assets)	15,164	208,436	863,551	355,581	739,060	3,312,712	939,587	1,527,035	46,454,000	54,415,126	51,140,920
Current Liabilities (Payable From Restricted Assets):											
Construction Contracts							1,356,772	1,282,299		2,639,071	2,595,483
Vouchers Payable											250,000
Accounts Payable		18,165	66,788							84,953	12,682
Accrued Interest		10,395	34,235				79,821	167,356	4,957,000	5,248,807	5,437,266
Current Portion Of Revenue Bonds		230,000	795,000	34,889			952,500	2,755,000	11,000,000	15,767,389	14,837,389
Total Current Liabilities (Payable From Restricted Assets)		258,560	896,023	34,889			2,389,093	4,204,655	15,957,000	23,740,220	23,132,820
Long-Term Liabilities:											
Revenue Bonds And Notes (Net Of Current Portion)		3,310,000	14,385,000	34,889			6,585,066	40,690,000	276,885,000	341,889,955	352,927,344
Landfill Closure/Postclosure Accrual					6,988,000					6,988,000	6,389,000
Deferred Credits And Other Obligations Under Capital Leases (Net Of Current Portion)									80,000	80,000	317,000
	126,616									126,616	140,509
Total Long-Term Liabilities	126,616	3,310,000	14,385,000	34,889	6,988,000		6,585,066	40,690,000	276,965,000	349,084,571	359,773,853
Total Liabilities	141,780	3,776,996	16,144,574	425,359	7,727,060	3,312,712	9,913,746	46,421,690	339,376,000	427,239,917	434,047,593
Fund Equity:											
Contributed Capital	96,873	278,102	10,855,339	789,072	2,414,497	3,841,863	36,596,571	25,878,315		80,750,632	83,395,008
Retained Earnings:											
Reserved For:											
Debt Service		465,500	1,563,500				17,774,003	16,013,490		35,816,493	35,450,114
Improvements		735,989	576,568				9,147,551	4,879,946		15,340,054	21,107,570
Restricted Funds			1,938,666					140,230	21,251,000	23,329,896	23,088,283
Landfill Closure/Postclosure					5,901,000					5,901,000	5,066,000
Unreserved	1,575,456	4,377,524	7,029,427	376,527	3,977,600	219,160	71,094,674	131,549,612	164,510,000	384,709,980	339,036,589
Total Retained Earnings/ Fund Balances	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
Total Fund Equity	1,672,329	5,857,115	21,963,500	1,165,599	12,293,097	4,061,023	134,612,799	178,461,593	185,761,000	545,848,055	507,143,564
Total Liabilities And Fund Equity	\$ 1,814,109	9,634,111	38,108,074	1,590,958	20,020,157	7,373,735	144,526,545	224,883,283	525,137,000	973,087,972	941,191,157

(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, 2000
With Comparative Totals For Fiscal Year Ended August 31, 1999

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										2000	1999
Operating Revenues:											
Charges For Services	\$					950,529	14,987,581	22,219,806	148,507,000	186,664,916	180,168,738
Fees		2,817,563			5,906,494					8,724,057	8,072,321
Parking Facility Revenue	122,550		3,257,063							3,379,613	3,188,916
Performance Revenue				279,723						279,723	284,375
Other Operating Revenue		4,703	3,880	1,620,385	108,938	108,275				1,846,181	1,462,354
Total Operating Revenues	122,550	2,822,266	3,260,943	1,900,108	6,015,432	1,058,804	14,987,581	22,219,806	148,507,000	200,894,490	193,176,704
Operating Expenses:											
Personal Services		968,888	74,805	800,885	1,151,120	4,643,321				7,639,019	7,357,015
Contractual Services	26,724	57,130	831,559		1,936,338	266,740				3,118,491	6,089,736
Operation And Maintenance	136,130	926,888	487,273	1,276,027	1,258,473	1,290,847	6,675,888	8,339,492	9,694,000	30,085,018	29,289,714
Purchased Power									73,331,000	73,331,000	71,103,000
Depreciation	11,819	416,838	636,856	158,393	927,389	811,090	3,075,035	4,054,950	16,926,000	27,018,370	25,075,613
Payments In Lieu Of Taxes									6,307,000	6,307,000	6,381,000
Administrative Costs							1,031,354	1,472,655	12,829,000	15,333,009	13,898,557
Total Operating Expenses	174,673	2,369,744	2,030,493	2,235,305	5,273,320	7,011,998	10,782,277	13,867,097	119,087,000	162,831,907	159,194,635
Operating Income (Loss)	(52,123)	452,522	1,230,450	(335,197)	742,112	(5,953,194)	4,205,304	8,352,709	29,420,000	38,062,583	33,982,069
Non-Operating Revenues (Expenses):											
Investment Income	84,932	112,302	577,856	3,323	241,601	47,414	1,754,111	1,604,151	3,027,000	7,452,690	7,398,175
Gain (Loss) On Disposal Of Assets		(48,446)	2,495		(86,335)					(132,286)	(1,703)
Operating Grants						1,006,279				1,006,279	814,919
Amortization Of Deferred Charges		(3,225)	(15,148)				(3,280)	(33,256)	(3,321,000)	(3,375,909)	(3,067,999)
Interest Expense And Fiscal Charges	(11,112)	(251,642)	(686,206)	(5,495)				(1,824,296)	(15,523,000)	(18,301,751)	(18,851,250)
Total Non-Operating Revenues (Expenses)	73,820	(191,011)	(121,003)	(2,172)	155,266	1,053,693	1,750,831	(253,401)	(15,817,000)	(13,350,977)	(13,707,858)
Net Income (Loss) Before Contributions And Transfers	21,697	261,511	1,109,447	(337,369)	897,378	(4,899,501)	5,956,135	8,099,308	13,603,000	24,711,606	20,274,211
Capital Contributions	110,200	97,726		28,620	120,075		2,699,009	4,128,261		7,183,891	
Transfers:											
Operating Transfers In			2,611,475	275,854		4,335,443				7,222,772	5,677,760
Operating Transfers Out					(317,798)	(6,767)				(324,565)	(260,956)
Total Transfers			2,611,475	275,854	(317,798)	4,328,676				6,898,207	5,416,804
Net Income (Loss)	131,897	359,237	3,720,922	(32,895)	699,655	(570,825)	8,655,144	12,227,569	13,603,000	38,793,704	25,691,015
Depreciation Transfer On Contributed Capital	7,221	6,205	277,714	127,508	83,301	789,985	816,542	446,687		2,555,163	2,673,914
Increase In Retained Earnings	139,118	365,442	3,998,636	94,613	782,956	219,160	9,471,686	12,674,256	13,603,000	41,348,867	28,364,929
Retained Earnings Beginning Of Year	1,436,338	5,213,571	7,109,525	281,914	9,095,644		88,544,542	139,909,022	172,158,000	423,748,556	435,275,957
Residual Equity Transfers Out											(39,892,330)
Retained Earnings End 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

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 2000
With Comparative Totals For Fiscal Year Ended August 31, 1999

E-3

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										2000	1999
Cash Flows From Operating Activities:											
Operating Income (Loss)	\$ (52,123)	452,522	1,230,450	(335,197)	742,112	(5,953,194)	4,205,304	8,352,709	29,420,000	38,062,583	33,982,069
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities:											
Depreciation	11,819	416,838	636,856	158,393	927,389	811,090	3,075,035	4,054,950	16,926,000	27,018,370	25,075,613
Changes In Assets And Liabilities:											
Accounts Receivable	(5,000)	30,573	19,176	(9,112)	106,365	(19,023)	(338,387)	(1,010,889)	(3,073,000)	(4,299,297)	843,472
Unbilled Revenues									(232,000)	(232,000)	(441,000)
Due From Other Funds					729					729	(4,216)
Due From Other Governments					(685)	(2,313)				(2,998)	(3,019)
Inventories		22,876		(593)		57,532	(3,724)	(67,925)	(183,000)	(174,834)	(5,092)
Plant Operation Assets									361,000	361,000	143,000
Prepaid Expenses				(9,314)					106,000	96,686	(56,069)
Other Assets									621,000	621,000	(6,117,000)
Vouchers Payable	(613)	(13,051)	(19,669)		(60,297)	(46,760)			(140,390)	(140,390)	113,830
Accounts Payable	(1,471)	(3,220)	79,253	(8,451)	3,361	58,989	414,654	(367,988)	(7,017,000)	(6,841,873)	8,309,069
Accrued Liabilities		8,603	563	2,682	7,842	33,741	7,666	84,367		145,464	435,479
Accrued Compensated Absences		3,809	32		(4,668)	(3,695)	8,025	16,292		19,795	45,841
Due To Other Governments				3,243	(1,531)					1,712	4,552
Due To Other Funds		4,023	(316)	112,480	(541)					115,646	34,235
Unearned Revenues		13,691				331,655				345,346	383,283
Other Current Liabilities				(79,262)					(624,000)	(703,262)	716,623
Landfill Closure/Postclosure Accrual					599,000					599,000	2,224,000
Deferred Credits And Other Liabilities									(5,400,000)	(5,400,000)	156,000
Total Adjustments	4,735	484,142	715,895	170,066	1,576,964	1,221,216	3,163,269	2,708,807	1,485,000	11,530,094	31,858,601
Net Cash From Operating Activities	(47,388)	936,664	1,946,345	(165,131)	2,319,076	(4,731,978)	7,368,573	11,061,516	30,905,000	49,592,677	65,840,670
Cash Flows From Non-Capital Financing Activities:											
Operating Grants						1,006,279				1,006,279	814,919
City Subsidy				275,854		4,335,443				4,611,297	4,579,441
Transfers To Other Funds						(6,767)				(6,767)	(1,014,328)
Special Waste Programs Subsidy					(317,798)					(317,798)	(260,956)
Net Cash From Non-Capital Financing Activities				275,854	(317,798)	5,334,955				5,293,011	4,119,076

(Continued)

(Enterprise Funds, Continued)

E-3

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										2000	1999
Cash Flows From Capital Financing Activities:											
Additions To Property, Plant, And Equipment	(20,546)	(250,650)	(8,988,894)	(3,583)	(4,157,199)	(288,365)	(11,990,315)	(10,334,792)		(36,034,344)	(17,697,126)
Proceeds From Sale Of Property, Plant, And Equipment		5,158	2,490		148,272					155,920	6,203
Proceeds From Commercial Paper Notes									10,000,000	10,000,000	
Bond Proceeds Advance											250,000
Bond Proceeds			15,385,000							15,385,000	45,699,556
Bond Issuance Cost			(250,568)							(250,568)	(16,560)
Net Other Refunding Activity											(165,000)
Expenditures For Utility Plant									(29,751,000)	(29,751,000)	(22,079,000)
Net Cost Of Retiring Plant									(325,000)	(325,000)	(162,000)
Capital Construction Transfer In			3,546,338							3,546,338	120,664
Principal Payments Of Capital Lease	(12,888)									(12,888)	(11,956)
Principal Payments Of Commercial Paper Notes											(30,000,000)
Principal Payments And Extinguishment Of Long-Term Debt		(215,000)	(11,487,069)	(34,889)			(917,500)	(2,640,000)	(10,530,000)	(25,824,458)	(16,784,889)
Interest Paid And Fiscal Charges	(11,112)	(253,521)	(651,971)	(5,495)			(10,030)	(1,788,029)	(15,781,000)	(18,501,158)	(18,588,070)
Net Cash From Capital Financing Activities	(44,546)	(714,013)	(2,444,674)	(43,967)	(4,008,927)	(288,365)	(12,917,845)	(14,762,821)	(46,387,000)	(81,612,158)	(59,428,178)
Cash Flows From Investing Activities:											
Proceeds From Sale And Maturities Of Investments	1,712,666	1,224,874	20,626,788		3,776,213		46,825,000	51,033,505	190,693,000	315,892,046	307,453,784
Purchases Of Investments	(1,081,344)	(1,716,119)	(17,980,901)		(1,917,026)		(46,595,663)	(49,672,039)	(178,475,000)	(297,438,092)	(320,871,379)
Interest And Other Revenues	96,748	144,461	532,261	3,189	284,165	54,973	1,520,985	1,627,539	3,165,000	7,429,321	7,377,229
Net Cash From Investing Activities	728,070	(346,784)	3,178,148	3,189	2,143,352	54,973	1,750,322	2,989,005	15,383,000	25,883,275	(6,040,366)
Net Increase (Decrease) In Cash	636,136	(124,133)	2,679,819	69,945	135,703	369,585	(3,798,950)	(712,300)	(99,000)	(843,195)	4,491,202
Cash Beginning Of Year	752,471	960,291	530,707	412,600	533,109	1,874,084	9,173,283	8,223,546	167,000	22,627,091	18,135,889
Cash End 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
Supplemental Disclosure Of Noncash Investing And Financing Activities:											
Donation Of Capital Assets	\$ 110,200	97,726		28,620	120,075		2,699,009	4,128,261		7,183,891	3,337,452

(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, 2000
 With Comparative Totals For August 31, 1999

F-1

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								2000	1999
ASSETS									
Current Assets:									
Cash Held By City Treasurer	\$ 1,282,502		1,221,251	674,456	842,527	80,183	170,629	4,271,548	4,997,890
Cash On Hand And In Other Accounts	1,192	30	200					1,422	86
Investments			9,867,446		350,000		97,813	10,315,259	8,843,166
Receivables:									
Accounts	41,461	717,051	496	18,353	31,596	558	1,892	811,407	634,288
Accrued Interest	9,819		115,185	4,724	14,368	708	1,435	146,239	33,237
Due From Other Funds	151,375	77,099	5,109	90,740	171,035	10,218	19,528	525,104	860,888
Due From Other Governments	220,169	76,189		2,016	2,713	5,090	14,108	320,285	418,125
Inventories				337,266	71,586			408,852	282,914
Total Current Assets	1,706,518	870,369	11,209,687	1,127,555	1,483,825	96,757	305,405	16,800,116	16,070,594
Property, Plant, And Equipment	2,245,705	714,186	24,031	12,048,693	4,489,462	108,762		19,630,839	19,475,787
Less Accumulated Depreciation	(1,705,997)	(521,085)	(7,374)	(7,714,746)	(2,487,543)	(57,986)		(12,494,731)	(13,206,333)
Net Property, Plant, And Equipment	539,708	193,101	16,657	4,333,947	2,001,919	50,776		7,136,108	6,269,454
Total Assets	2,246,226	1,063,470	11,226,344	5,461,502	3,485,744	147,533	305,405	23,936,224	22,340,048
LIABILITIES AND FUND EQUITY									
Current Liabilities:									
Vouchers Payable			1,435					1,435	213,516
Accounts Payable	57,690	28,714	9,932	133,903	23,810	14,688	23,045	291,782	267,761
Accrued Liabilities	98,916	138,157	10,190	34,759	22,266	2,934	584	307,806	233,351
Accrued Compensated Absences	120,170	259,757	8,010	79,997	44,956	7,672	403	520,965	479,094
Due To Other Governments	7,760	307	146					8,213	6,319
Due To Other Funds	30,835	823,928	3,756	18,154	6,607	571	185	884,036	377,406
Unearned Revenue		7,169						7,169	6,808
Claims			2,364,090					2,364,090	1,460,714
Total Current Liabilities	315,371	1,258,032	2,397,559	266,813	97,639	25,865	24,217	4,385,496	3,044,969
Long-Term Liabilities:									
Claims			1,454,212					1,454,212	2,049,280
Total Liabilities	315,371	1,258,032	3,851,771	266,813	97,639	25,865	24,217	5,839,708	5,094,249
Fund Equity (Deficit):									
Contributed Capital	3,657	7,164		252,569	119,234	25,365	30,000	437,989	532,631
Retained Earnings (Deficit)/Unreserved	1,927,198	(201,726)	7,374,573	4,942,120	3,268,871	96,303	251,188	17,658,527	16,713,168
Total Fund Equity (Deficit)	1,930,855	(194,562)	7,374,573	5,194,689	3,388,105	121,668	281,188	18,096,516	17,245,799
Total Liabilities And Fund Equity (Deficit)	\$ 2,246,226	1,063,470	11,226,344	5,461,502	3,485,744	147,533	305,405	23,936,224	22,340,048

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 2000
With Comparative Totals For Fiscal Year Ended August 31, 1999

F-2

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								2000	1999
Operating Revenues:									
Charges For Services	\$ 5,790,330	4,299,599	3,645,688	3,328,375	2,133,376	150,193	351,298	19,698,859	19,830,467
Operating Expenses:									
Personal Services	2,637,084	3,697,434	274,744	963,401	614,777	56,165	16,123	8,259,728	8,015,574
Materials And Supplies	396,896	49,715	6,732	948,410	673,584	4,607	53,455	2,133,399	1,622,790
Other Services And Charges	2,456,018	681,333	3,423,176	831,315	267,311	108,907	214,094	7,982,154	7,818,151
Depreciation	275,871	51,517	4,247	876,894	461,751	15,981		1,686,261	1,685,663
Total Operating Expenses	5,765,869	4,479,999	3,708,899	3,620,020	2,017,423	185,660	283,672	20,061,542	19,142,178
Operating Income (Loss)	24,461	(180,400)	(63,211)	(291,645)	115,953	(35,467)	67,626	(362,683)	688,289
Non-Operating Revenues (Expenses):									
Investment Income	58,743		627,809	35,020	64,193	3,783	13,304	802,852	639,148
Miscellaneous	(7,873)	(163)		193,667	30,748			216,379	(80,234)
Total Non-Operating Revenues (Expenses)	50,870	(163)	627,809	228,687	94,941	3,783	13,304	1,019,231	558,914
Income (Loss) Before Contributions And Transfers	75,331	(180,563)	564,598	(62,958)	210,894	(31,684)	80,930	656,548	1,247,203
Capital Contributions		2,936		155,157		11,076		169,169	
Transfers:									
Operating Transfers In						25,000		25,000	23,000
Operating Transfers Out									(151,513)
Total Transfers						25,000		25,000	(128,513)
Net Income (Loss)	75,331	(177,627)	564,598	92,199	210,894	4,392	80,930	850,717	1,118,690
Depreciation Transfer On Contributed Capital	10,969	955		37,648	33,646	11,424		94,642	111,479
Increase (Decrease) In Retained Earnings	86,300	(176,672)	564,598	129,847	244,540	15,816	80,930	945,359	1,230,169
Retained Earnings (Deficit) Beginning Of Year	1,840,898	(25,054)	6,809,975	4,812,273	3,024,331	80,487	170,258	16,713,168	15,491,404
Residual Equity Transfers Out									(8,405)
Retained Earnings (Deficit) End 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

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 2000
With Comparative Totals For Fiscal Year Ended August 31, 1999

F-3

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								2000	1999
Cash Flows From Operating Activities:									
Operating Income (Loss)	\$ 24,461	(180,400)	(63,211)	(291,645)	115,953	(35,467)	67,626	(362,683)	688,289
Adjustments To Reconcile Operating Income (Loss)									
To Net Cash From Operating Activities:									
Depreciation	275,871	51,517	4,247	876,894	461,751	15,981		1,686,261	1,685,663
Changes In Assets And Liabilities:									
Accounts Receivable	22,836	(188,734)	6,729	(6,233)	2,948	688	(776)	(162,542)	(340,697)
Due From Other Funds	300,106	(72,965)		(70,043)	(1,426)	(4,467)	2,524	153,729	(227,866)
Due From Other Governments	93,543	(37,313)		53,336	(951)	(4,667)	(6,108)	97,840	121,033
Inventories				(117,153)	(8,785)			(125,938)	631
Vouchers Payable	(40,815)	(22,899)	(101,703)	(41,668)	(3,744)		(1,252)	(212,081)	94,554
Accounts Payable	36,505	(60,640)	8,372	22,584	3,060	9,555	4,585	24,021	(53,534)
Accrued Liabilities	23,928	37,060	1,754	7,912	5,082	(1,404)	123	74,455	25,268
Accrued Compensated Absences	3,560	34,220	732	2,646	3,620	(2,700)	(207)	41,871	6,636
Due To Other Governments	1,445	307	146	(4)				1,894	(1,695)
Due To Other Funds	1,331	508,927	(1,752)	(340)	(1,193)	(350)	7	506,630	123,690
Unearned Revenue		361						361	1,529
Claims			308,308					308,308	(407,962)
Total Adjustments	718,310	249,841	226,833	727,931	460,362	12,636	(1,104)	2,394,809	1,027,250
Net Cash From Operating Activities	742,771	69,441	163,622	436,286	576,315	(22,831)	66,522	2,032,126	1,715,539
Cash Flows From Non-Capital Financing Activities:									
Transfers From Other Funds						25,000		25,000	23,000
Transfers To Other Funds									(151,513)
Residual Equity Transfers To Other Funds									(8,405)
Net Cash From Non-Capital Financing Activities						25,000		25,000	(136,918)
Cash Flows From Capital Financing Activities:									
Additions To Property, Plant, And Equipment	(307,683)	(69,411)	(4,856)	(1,236,033)	(842,211)			(2,460,194)	(1,642,379)
Proceeds From Sale Of Property, Plant, And Equipment				207,767	70,484			278,251	166,039
Net Cash From Capital Financing Activities	(307,683)	(69,411)	(4,856)	(1,028,266)	(771,727)			(2,181,943)	(1,476,340)
Cash Flows From Investing Activities:									
Proceeds From Sale And Maturities Of Investments			9,558,136		477,857		194,832	10,230,825	10,543,126
Purchases Of Investments			(11,202,708)		(350,000)		(193,569)	(11,746,277)	(10,848,366)
Interest And Other Receipts	69,662		634,878	78,381	109,406	6,862	16,074	915,263	651,164
Net Cash From Investing Activities	69,662		(1,009,694)	78,381	237,263	6,862	17,337	(600,189)	345,924
Net Increase (Decrease) In Cash	504,750	30	(850,928)	(513,599)	41,851	9,031	83,859	(725,006)	448,205
Cash Beginning Of Year	778,944		2,072,379	1,188,055	800,676	71,152	86,770	4,997,976	4,549,771
Cash End Of Year	\$ 1,283,694	30	1,221,451	674,456	842,527	80,183	170,629	4,272,970	4,997,976
Supplemental Disclosure Of Noncash Investing And Financing Activities:									
Donation Of Capital Assets	\$	2,936		155,157		11,076		169,169	49,131

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, 2000
With Comparative Totals For August 31, 1999

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
ASSETS															
Cash Held By City Treasurer	\$ 202,504	356,814	222,384	280,596	115,129	67,005			3,686,356	335,875	105,459	12,372	1,221,391	6,605,885	8,113,709
Cash In Other Accounts	248,457	644				119,131	327,163	2,497					2,998	700,890	839,517
Investments	129,266,096			327,422	1,139,003									130,732,521	158,084,606
Investments Held By Investment Managers					38,682,528									38,682,528	
Invested Securities Lending Collateral					12,531,585									12,531,585	
Receivables:															
Taxes	138,709													138,709	123,281
Accrued Interest	381,816	3,353	2,174	3,163	9,177									399,683	675,383
Other								148,971			236			149,207	147,159
Due From Other Funds	847	1,493	930	1,174	1,112	71,850		572,523			2,008			651,937	725,890
Contractor Retainage							2,623,882							2,623,882	3,480,246
Restricted Assets:															
Cash Held By City Treasurer					153,296									153,296	
Investments Held By City Treasurer					272,778									272,778	
Investments Held By Trustee					2,956,997									2,956,997	3,453,321
Total Assets	130,238,429	362,304	225,488	612,355	55,861,605	257,986	2,951,045	723,991	3,686,356	335,875	107,703	12,372	1,224,389	196,599,898	175,643,112
LIABILITIES AND FUND BALANCES															
Liabilities:															
Warrants Payable									3,686,356					3,686,356	1,665,192
Vouchers Payable											105,459			105,459	1,269,705
Accounts Payable	1,111	2,797	1,635		2,153			59,932			2,244			69,872	187,700
Accrued Liabilities	2,597			3,754						57,490				63,841	245,960
Accrued Compensated Absences	3,486			3,828										7,314	5,800
Due To Other Governments						257,986		244,587						502,573	806,459
Due To Other Funds	654	13	32	964	286			419,472		278,385				699,806	2,144,756
Deferred Revenue	70,727													70,727	71,541
Claims Payable From Restricted Assets					26,283									26,283	146,201
Due To Contractors							2,951,045							2,951,045	3,826,364
Due To Lincoln Joint Venture													1,224,389	1,224,389	1,040,616
Due To Bondholders												12,372		12,372	12,372
Obligations Under Securities Lending					12,531,585									12,531,585	
Total Liabilities	78,575	2,810	1,667	8,546	12,560,307	257,986	2,951,045	723,991	3,686,356	335,875	107,703	12,372	1,224,389	21,951,622	11,422,666
Fund Balances:															
Reserved For:															
Employee Retirement	130,159,854													130,159,854	121,615,121
Trust Donations		359,494	223,821	603,809										1,187,124	1,201,557
Health Care					40,029,203									40,029,203	38,096,648
Claims					3,272,095									3,272,095	3,307,120
Total Fund Balances	130,159,854	359,494	223,821	603,809	43,301,298									174,648,276	164,220,446
Total Liabilities And Fund Balances	\$ 130,238,429	362,304	225,488	612,355	55,861,605	257,986	2,951,045	723,991	3,686,356	335,875	107,703	12,372	1,224,389	196,599,898	175,643,112

95

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
POLICE AND FIRE PENSION TRUST FUND
STATEMENT OF PLAN NET ASSETS
AUGUST 31, 2000
With Comparative Totals For August 31, 1999

G-2

	2000	1999
ASSETS		
Cash Held By City Treasurer	\$ 202,504	266,545
Cash On Hand And In Other Accounts	248,457	33,136
Investments, At Fair Value:		
Mortgage Backed Securities	51,338,549	29,041,795
U.S. Government Securities	34,795,331	62,147,450
U.S. Government Agencies	11,100,600	11,719,000
Repurchase Agreements	1,307,000	1,780,000
Open-end Mutual Funds	30,724,616	16,117,309
Total Investments	129,266,096	120,805,554
Receivables:		
Taxes	138,709	123,281
Accrued Interest	381,816	533,342
Total Receivables	520,525	656,623
Due From Other Funds	847	7,817
Total Assets	130,238,429	121,769,675
LIABILITIES		
Accounts Payable	1,111	76,221
Accrued Liabilities	2,597	1,947
Accrued Compensated Absences	3,486	2,339
Due To Other Funds	654	2,506
Deferred Revenues	70,727	71,541
Total Liabilities	78,575	154,554
Net Assets Held In Trust For Pension Benefits	\$ 130,159,854	121,615,121

A Schedule Of Funding Progress Is Presented On Page 32.

CITY OF LINCOLN, NE

G-3

PENSION TRUST FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS

FISCAL YEAR ENDED AUGUST 31, 2000

With Comparative Totals For Fiscal Year Ended August 31, 1999

	<u>2000</u>	<u>1999</u>
Additions:		
Contributions:		
Employer	\$ 957,524	904,180
Employee	<u>1,333,052</u>	<u>1,308,914</u>
Total Contributions	2,290,576	2,213,094
Investment Income:		
Net Appreciation (Depreciation) In Fair Value Of Investments	<u>11,316,835</u>	<u>(385,583)</u>
Total Additions	<u>13,607,411</u>	<u>1,827,511</u>
Deductions:		
Benefit Payments	3,920,162	3,587,573
Refunds Of Contributions	1,059,473	2,555,141
Administrative Costs	<u>83,043</u>	<u>196,558</u>
Total Deductions	<u>5,062,678</u>	<u>6,339,272</u>
Net Increase (Decrease)	8,544,733	(4,511,761)
Net Assets Held In Trust For Pension Benefits Beginning Of Year	<u>121,615,121</u>	<u>126,126,882</u>
Net Assets Held In Trust For Pension Benefits End Of Year	<u>\$ 130,159,854</u>	<u>121,615,121</u>

CITY OF LINCOLN, NE
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

G-4

	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	<u>Totals</u>	
				2000	1999
Revenues:					
Investment Income	\$ 21,487	13,535	36,656	71,678	57,340
Donations	71,176	176,103	90,624	337,903	363,207
Miscellaneous	47,335			47,335	38,692
Total Revenues	<u>139,998</u>	<u>189,638</u>	<u>127,280</u>	<u>456,916</u>	<u>459,239</u>
Expenditures:					
Culture And Recreation:					
Personal Services			97,062	97,062	91,192
Materials And Supplies	40,389		98	40,487	32,140
Other Services And Charges	67,426		5,058	72,484	38,881
Construction Contracts	53,530			53,530	61,746
Equipment	8,033		22,201	30,234	31,047
Total Culture And Recreation	<u>169,378</u>		<u>124,419</u>	<u>293,797</u>	<u>255,006</u>
Economic Opportunity:					
Materials And Supplies		23,384		23,384	20,584
Other Services And Charges		141,820		141,820	105,348
Equipment		12,348		12,348	13,153
Total Economic Opportunity		<u>177,552</u>		<u>177,552</u>	<u>139,085</u>
Total Expenditures	<u>169,378</u>	<u>177,552</u>	<u>124,419</u>	<u>471,349</u>	<u>394,091</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(29,380)</u>	<u>12,086</u>	<u>2,861</u>	<u>(14,433)</u>	<u>65,148</u>
Fund Balances Beginning Of Year	<u>388,874</u>	<u>211,735</u>	<u>600,948</u>	<u>1,201,557</u>	<u>1,136,409</u>
Fund Balances End Of Year	<u>\$ 359,494</u>	<u>223,821</u>	<u>603,809</u>	<u>1,187,124</u>	<u>1,201,557</u>

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, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

G-5

	<u>2000</u>	<u>1999</u>
Operating Revenues:		
Investment Income	\$ 3,282,263	1,995,210
Other Operating Revenues	50	
Total Operating Revenues	<u>3,282,313</u>	<u>1,995,210</u>
Operating Expenses:		
Personal Services	103,359	1,390
Grants	538,001	
Operation And Maintenance	743,423	482,382
Total Operating Expenses	<u>1,384,783</u>	<u>483,772</u>
Operating Income	<u>1,897,530</u>	<u>1,511,438</u>
Fund Balance Beginning Of Year	41,403,768	
Residual Equity Transfers In		<u>39,892,330</u>
Fund Balance End Of Year	<u>\$ 43,301,298</u>	<u>41,403,768</u>

CITY OF LINCOLN, NE
COMMUNITY HEALTH ENDOWMENT NON-EXPENDABLE TRUST FUND
STATEMENT OF CASH FLOWS

G-6

FISCAL YEAR ENDED AUGUST 31, 2000
 With Comparative Totals For Fiscal Year Ended August 31, 1999

	2000	1999
Cash Flows From Operating Activities:		
Operating Income	\$ 1,897,530	1,511,438
Adjustments To Reconcile Operating Income		
To Net Cash From Operating Activities:		
Investment Income	(3,282,263)	(1,995,210)
Changes In Assets And Liabilities:		
Accounts Payable	2,153	
Accrued Liabilities	(441)	441
Accrued Compensated Absences	(131)	131
Due To Other Funds	205	81
Claims	(119,918)	146,201
Total Adjustments	(3,400,395)	(1,848,356)
Net Cash From Operating Activities	(1,502,865)	(336,918)
Cash Flows From Non-Capital Financing Activities:		
Transfers From Other Funds		1,014,328
Cash Flows From Investing Activities:		
Proceeds From Sale And Maturities Of Investments	136,855,978	52,401,097
Purchases Of Investments	(139,300,725)	(54,327,025)
Interest And Other Revenues	3,253,542	2,211,013
Net Cash From Investing Activities	808,795	285,085
Net Increase In Cash	(694,070)	962,495
Cash Beginning Of Year	962,495	
Cash End Of Year	\$ 268,425	962,495

CITY OF LINCOLN, NE

G-7

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED AUGUST 31, 2000

	Balance Sep. 1, 1999	Additions	Deductions	Balance Aug. 31, 2000
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash Held By City Treasurer	\$ 55,508	794,558	783,061	67,005
Cash In Other Accounts	453,554	562,952	897,375	119,131
Due From Other Funds	63,567	71,850	63,567	71,850
	<u>572,629</u>	<u>1,429,360</u>	<u>1,744,003</u>	<u>257,986</u>
Liabilities:				
Due To Other Governments	\$ 572,629	726,307	1,040,950	257,986
CONTRACTOR DEPOSITS:				
Assets:				
Cash In Other Accounts	\$ 346,118	55,930	74,885	327,163
Contractor Retainage	3,480,246	309,910	1,166,274	2,623,882
	<u>3,826,364</u>	<u>365,840</u>	<u>1,241,159</u>	<u>2,951,045</u>
Liabilities:				
Due To Contractors	\$ 3,826,364	365,840	1,241,159	2,951,045
PAYROLL REVOLVING:				
Assets:				
Cash Held By City Treasurer	\$ 816,218	88,084,163	88,900,381	
Cash In Other Accounts	3,166	39,173,688	39,174,357	2,497
Receivables	146,102	148,971	146,102	148,971
Due From Other Funds	560,113	88,657,498	88,645,088	572,523
	<u>1,525,599</u>	<u>216,064,320</u>	<u>216,865,928</u>	<u>723,991</u>
Liabilities:				
Vouchers Payable	1,201,684	87,709,427	88,911,111	
Accounts Payable	90,085	66,286,184	66,316,337	59,932
Due To Other Governments	233,830	21,085,844	21,075,087	244,587
Due To Other Funds		419,472		419,472
	<u>\$ 1,525,599</u>	<u>175,500,927</u>	<u>176,302,535</u>	<u>723,991</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash Held By City Treasurer	\$ 1,665,192	260,476,250	258,455,086	3,686,356
Liabilities:				
Warrants Payable	1,665,192	260,476,250	258,455,086	3,686,356
EARNINGS ON POOLED INVESTMENTS:				
Assets:				
Cash Held By City Treasurer	\$ 2,381,705	3,067,846	5,113,676	335,875
Liabilities:				
Accrued Liabilities	240,700	57,490	240,700	57,490
Due To Other Funds	2,141,005	3,308,546	5,171,166	278,385
	<u>\$ 2,381,705</u>	<u>3,366,036</u>	<u>5,411,866</u>	<u>335,875</u>

(Continued)

(Agency Funds, Continued)

G-7

	Balance Sep. 1, 1999	Additions	Deductions	Balance Aug. 31, 2000
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash Held By City Treasurer	\$ 60,021	613,641	568,203	105,459
Accounts Receivable	1,051	236	1,051	236
Due From Other Funds	2,815	2,008	2,815	2,008
	<u>63,887</u>	<u>615,885</u>	<u>572,069</u>	<u>107,703</u>
Liabilities:				
Vouchers Payable	60,021	613,641	568,203	105,459
Accounts Payable	3,866	2,244	3,866	2,244
	<u>\$ 63,887</u>	<u>615,885</u>	<u>572,069</u>	<u>107,703</u>
UNDISTRIBUTED PROPERTY TAX:				
Assets:				
Cash Held By City Treasurer	\$	45,252,737	45,252,737	
Liabilities:				
Due To Other Funds	\$	45,252,737	45,252,737	
DEFEASD 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	\$ 1,038,257	183,134		1,221,391
Cash In Other Accounts	2,359	2,998	2,359	2,998
	<u>1,040,616</u>	<u>186,132</u>	<u>2,359</u>	<u>1,224,389</u>
Liabilities:				
Due To Lincoln Joint Venture	\$ 1,040,616	183,773		1,224,389
AGENCY FUND TOTALS:				
Total Assets	<u>\$ 11,088,364</u>	<u>527,458,370</u>	<u>529,247,017</u>	<u>9,299,717</u>
Total Liabilities	<u>\$ 11,088,364</u>	<u>486,487,755</u>	<u>488,276,402</u>	<u>9,299,717</u>

(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, 2000

H-1

General Fixed Assets August 31, 1982*	\$	46,978,145
Additions To General Fixed Assets By Source --		
September 1, 1982 Through August 31, 1999		
General Fund Revenues		16,689,664
Federal Funds		1,550,670
Capital Projects Funds		45,379,889
Special Revenue Funds		13,802,481
Donations		3,421,171
		80,843,875
Deletions		(25,733,241)
General Fixed Assets August 31, 1999		102,088,779
Additions To General Fixed Assets By Source --		
September 1, 1999 Through August 31, 2000		
General Fund Revenues		1,860,326
Federal Funds		586,201
Capital Projects Funds		9,310,889
Special Revenue Funds		1,653,543
Donations		785,386
		14,196,345
Deletions		(2,774,469)
General Fixed Assets August 31, 2000	\$	113,510,655

*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, 2000

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	\$ 49,441				49,441	
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	530,655		39,401		491,254	
Financial Administration	454,297				454,297	
Law	324,378				324,378	
Personnel Administration	89,968				89,968	
Planning And Zoning	265,724				265,724	
Buildings And Plant	9,151,235	1,317,459	7,246,121	556,178	31,477	
Urban Development	2,120,293	2,095,633			24,660	
Total General Government	<u>12,985,991</u>	<u>3,413,092</u>	<u>7,285,522</u>	<u>556,178</u>	<u>1,731,199</u>	
PUBLIC SAFETY						
Police	4,413,150		1,159,096		3,254,054	
Fire	9,678,147	283,760	2,757,776	74,466	6,562,145	
Building And Safety	588,919				588,919	
Communications	2,554,755		451,851	2,400	2,100,504	
Transportation	201,775		40,655		161,120	
Total Public Safety	<u>17,436,746</u>	<u>283,760</u>	<u>4,409,378</u>	<u>76,866</u>	<u>12,666,742</u>	
STREETS AND HIGHWAYS						
Street Maintenance	<u>6,147,740</u>	<u>2,419,700</u>	<u>2,405,938</u>	<u>709,259</u>	<u>612,843</u>	
CULTURE AND RECREATION						
Parks And Recreation	52,705,996	9,435,697	17,439,302	24,397,457	1,433,540	
Libraries	18,880,262	144,554	4,769,104	148,463	12,897,720	920,421
Cornhusker Convention Center	2,694,751	446,036	2,248,715			
Total Culture And Recreation	<u>74,281,009</u>	<u>10,026,287</u>	<u>24,457,121</u>	<u>24,545,920</u>	<u>14,331,260</u>	<u>920,421</u>
ECONOMIC OPPORTUNITY						
Lincoln Area Agency On Aging	629,733		278,095		351,638	
Job Programs	25,983				25,983	
Total Economic Opportunity	<u>655,716</u>		<u>278,095</u>		<u>377,621</u>	
HEALTH AND WELFARE						
Lincoln/Lancaster County Health	<u>2,003,453</u>	<u>42,000</u>	<u>1,183,000</u>		<u>778,453</u>	
Total General Fixed Assets	<u>\$ 113,510,655</u>	<u>16,184,839</u>	<u>40,019,054</u>	<u>25,888,223</u>	<u>30,498,118</u>	<u>920,421</u>

CITY OF LINCOLN, NE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FISCAL YEAR ENDED AUGUST 31, 2000

H-3

	General Fixed Assets <u>Aug. 31, 1999</u>	<u>Additions*</u>	<u>Deductions</u>	General Fixed Assets <u>Aug. 31, 2000</u>
GENERAL GOVERNMENT				
Legislative	\$ 15,990	33,451		49,441
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	517,935	21,167	8,447	530,655
Financial Administration	595,339	122,339	263,381	454,297
Law	290,839	91,854	58,315	324,378
Personnel Administration	65,213	24,755		89,968
Planning And Zoning	233,281	32,443		265,724
Buildings And Plant	8,444,584	749,719	43,068	9,151,235
Urban Development	3,474,972	143,991	1,498,670	2,120,293
Total General Government	<u>13,638,153</u>	<u>1,219,719</u>	<u>1,871,881</u>	<u>12,985,991</u>
PUBLIC SAFETY				
Police	2,453,593	1,996,566	37,009	4,413,150
Fire	9,331,490	364,277	17,620	9,678,147
Building And Safety	470,467	149,542	31,090	588,919
Communications	2,882,753	170,506	498,504	2,554,755
Transportation	189,661	13,814	1,700	201,775
Total Public Safety	<u>15,327,964</u>	<u>2,694,705</u>	<u>585,923</u>	<u>17,436,746</u>
STREETS AND HIGHWAYS				
Street Maintenance	<u>5,945,597</u>	<u>202,143</u>		<u>6,147,740</u>
CULTURE AND RECREATION				
Parks And Recreation	45,214,189	7,636,683	144,876	52,705,996
Libraries	16,640,285	2,308,534	68,557	18,880,262
Cornhusker Convention Center	2,776,733		81,982	2,694,751
Total Culture And Recreation	<u>64,631,207</u>	<u>9,945,217</u>	<u>295,415</u>	<u>74,281,009</u>
ECONOMIC OPPORTUNITY				
Lincoln Area Agency On Aging	560,181	78,396	8,844	629,733
Job Programs	24,496	1,487		25,983
Total Economic Opportunity	<u>584,677</u>	<u>79,883</u>	<u>8,844</u>	<u>655,716</u>
HEALTH AND WELFARE				
Lincoln/Lancaster County Health	<u>1,961,181</u>	<u>54,678</u>	<u>12,406</u>	<u>2,003,453</u>
Total General Fixed Assets	<u>\$ 102,088,779</u>	<u>14,196,345</u>	<u>2,774,469</u>	<u>113,510,655</u>

*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
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
1991	14,922,461	26,579,461	6,761,346	9,514,317	6,140,782	4,993,576	9,569,083	78,481,026

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

Table 2

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

Fiscal Year	Taxes	Inter-Governmental	Permits And Fees	Reimbursement For Services	Court Fees	Recreation Receipts	Interest	Other	Totals
2000	\$ 86,831,572	34,848,918	9,396,990	1,769,628	177,672	1,542,624	3,883,348	9,775,823	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
1991	58,095,595	17,950,671	2,581,777	1,155,385	95,847	718,076	2,182,268	6,882,597	89,662,216

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		Accumulated Collections As Of August 31, 2000	
		Amount	Percent	Amount	Percent
1999	\$ 29,603,794	\$ 28,665,780	96.83 %	\$ 28,665,780	96.83 %
1998	27,597,664	26,411,546	95.70	27,382,041	99.22
1997	26,812,692	25,758,577	96.07	26,991,223	100.67
1996	27,022,949	25,894,971	95.83	27,001,823	99.92
1995	26,717,464	25,626,901	95.92	26,805,304	100.33
1994	26,289,058	25,209,483	95.89	26,294,671	100.02
1993	25,962,618	25,108,543	96.71	26,252,976	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
1990	22,712,308	21,472,586	94.54	22,819,849	100.47

TAXABLE ASSESSED VALUATION
LAST TEN YEARS ¹

Tax Year	Real Estate	All Other	Motor Vehicle	Total
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
1991	4,281,739,381	651,042,612	532,313,665	5,465,095,658

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

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

	Tax Year									
	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
City Of Lincoln	0.3239	0.3239	0.3239	0.3581	0.3837	0.3996	0.4062	0.5199	0.5088	0.4883
School District No. 1	1.3684	1.3813	1.3050	1.6308	1.6260	1.5946	1.6084	1.9098	1.7543	1.7680
Lancaster County	0.2643	0.2584	0.2782	0.2966	0.3106	0.3169	0.3051	0.3584	0.3382	0.3402
Educational Service Unit #18	0.0150	0.0150	0.0149	0.0089	0.0081	0.0082	0.0082	0.0078	0.0076	0.0072
Community Technical College	0.0295	0.0334	0.0696	0.0782	0.0840	0.0864	0.0843	0.0917	0.0903	0.0830
Lower Platte South Natural Res. Dist.	0.0367	0.0372	0.0389	0.0365	0.0346	0.0346	0.0293	0.0349	0.0357	0.0364
Railroad Transportation Safety Dist.	0.0260	0.0260	0.0260	0.0260	0.0091	0.0096	0.0096	0.0130	0.0000	0.0132
Agricultural Society Of Lancaster County	0.0073	0.0032	0.0013	0.0364	0.0364	0.0014	0.0014	0.0017	0.0018	0.0018
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0169	0.0170	0.0127	0.0170	0.0169	0.0109
	<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>	<u>2.7490</u>

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

SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS ¹

Fiscal Year Ended August 31	Special Assessment Collections Including Interest
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
1991	3,061,525

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 <u>August 31</u>	<u>Amount</u>
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
1991	24,079,362

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
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
1991	49,190,000	9,958,461	39,231,539	193,335	202.92	5,465,095,658	0.72	4,281,739,381	0.92

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, 2000

<u>Units</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To The City</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ 49,075,000	100.0 %	\$ 49,075,000
Overlapping:			
School District #1	38,729,000	97.2	37,645,000
Airport Authority	3,872,000	100.0	3,872,000
Lancaster County	16,997,000	84.6	14,379,000
Public Building Commission	30,703,000	84.6	25,975,000
Southeast Community College	None	35.9	None
	<u>90,301,000</u>		<u>81,871,000</u>
Total	\$ <u>139,376,000</u>		\$ <u>130,946,000</u>

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS²

Fiscal Year	Principal	Interest ³	Total Debt Service	Total General Governmental Expenditures ¹	Ratio Of Debt Service To Total General Expenditures
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
1991	5,906,493	3,455,384	9,361,877	78,481,026	11.93

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>							
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
1991	12,339,062	5,759,667	6,579,395	705,000	592,332	1,297,332	5.07
<u>Water System</u>							
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
1991	22,314,434	5,945,212	16,369,222	1,045,000	2,787,571	3,832,571	4.27
<u>Parking Facilities</u> 1, 2							
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
1991	1,603,052	861,278	741,774	185,000	363,714	548,714	1.35

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
2000	218,497	\$	31,354	2.7 %
1999	217,537		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
1991	193,335	18,429	28,806	2.4

Sources:

¹ Lincoln/Lancaster Planning Department.² University of Nebraska Bureau of Business Research. Per Capita Income for 1999 and 2000 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, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction ¹		Residential Construction ¹		Bank Deposits ² In Millions	Property Value ³		Totals
	Number Of Permits	Value	Number Of Permits	Value		Commercial	Residential	
2000	1,069	\$ 181,983,107	3,385	\$ 225,622,611	2,309.7	2,540,905,431	6,273,610,610	\$ 8,814,516,041
1999	1,148	186,569,754	3,235	206,065,342	2,308.8	2,356,367,014	6,067,493,586	8,423,860,600
1998	1,093	119,532,867	3,109	185,894,741	2,242.5	2,132,780,337	5,726,511,673	7,859,292,010
1997	1,107	90,599,429	3,284	191,975,903	2,014.7	1,986,422,642	4,863,604,491	6,850,027,133
1996	1,212	148,033,633	2,976	167,561,114	2,491.8	1,840,136,792	4,676,645,258	6,516,782,050
1995	1,140	110,994,400	2,739	146,598,151	2,518.9	1,734,716,053	4,508,422,380	6,243,138,433
1994	1,117	136,104,897	3,114	156,183,375	2,257.3	1,703,370,467	4,336,950,337	6,040,320,804
1993	1,027	105,463,763	2,528	129,375,506	2,252.8	1,359,824,873	3,209,649,927	4,569,474,800
1992	1,037	97,404,261	2,368	112,917,088	2,156.1	1,059,803,513	3,486,733,464	4,546,536,977
1991	1,258	68,441,436	1,497	91,566,856	2,051.4	916,414,341	3,365,325,040	4,281,739,381

Sources:

¹ City of Lincoln, Department of Building and Safety.² Lincoln Financial Institutions. Effective fiscal year 1997, the amounts for deposits exclude those banks no longer able to provide a breakdown of statewide figures for Lincoln only.³ 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>2000 Assessed Valuations</u>	<u>Percentage Of Total Assessed Valuation</u>
Alltel	Telecommunications	\$ 98,230,894	1.02%
Pfizer	Animal Health	57,470,898	.60
Archer Daniels Midland Co.	Soybean Processing	56,965,356	.59
Molex Inc.	Manufacturing	50,212,389	.52
Burlington Northern	Railroad	48,427,221	.50
Lincoln Joint Venture	Retail Management	44,584,408	.46
Chateau Van Dorn LLC	Real Estate Development	34,054,576	.35
RED Capital Management	Retail Management	33,588,884	.35
State Farm	Insurance	29,116,954	.30
Peoples Natural Gas	Gas Utility	<u>28,927,424</u>	<u>.30</u>
		<u>\$ 481,579,004</u>	<u>4.99%</u>

MISCELLANEOUS STATISTICS
AUGUST 31, 2000

Date of Incorporation: 1869
Form of Government: Mayor-Council,
Home Rule Charter
Area: 76.35 square miles
Lane Miles of Streets: 2,268 miles
Number of Street Lights: 23,551

Culture And Recreation

Park System: 100 parks & 78 playgrounds,
6,280 acres maintained for public use.
Parks, trails, Right-of-ways, etc.
Trail Miles: 89
Libraries: 7
Recreation Centers: 8
Swimming Pools (Public): 11
Golf Courses (Public): 5

Fire Protection

Number of Stations: 14
Number of Firefighters: 244

Police Protection

Number of Stations: 1
Number of Police Officers: 296

Water Department

Number of Consumers: 66,956
Average Daily Consumption: 41,821,342 gallons
Miles of Water Mains: 1,060 miles

Sanitary Sewer

Number of Consumers: 66,665
Miles of Wastewater Mains: 857

Education

Public Schools:
Senior High Schools: 4
Middle Schools: 10
Elementary Schools: 36
Number of Students: 31,354

Private and Parochial Schools:

Number of Schools: 31
Number of Students: 6,767

(THIS PAGE LEFT BLANK INTENTIONALLY)

SINGLE AUDIT SECTION

CITY OF LINCOLN, NE
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED AUGUST 31, 2000

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	\$ 63,844
Summer Food Service Program for Children	10.559	6/99-8/99	43,703
Pass-Through State Department Of Health:			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	* 2000	305,082
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	* 99	38,843
Total U.S. Department Of Agriculture			\$ 451,472
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$ 55,538
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002	36,289
Community Development Block Grant	14.218	* B-97-98-99 MC-31-0001	2,608,971
Emergency Shelter Grant Program	14.231	S 98-99 MC-310002	53,967
HOME Investment Partnerships Program	14.239	* M-97-98-99 MC-31-0202	774,677
HOME Investment Partnerships Program	14.239	* M-99-MC-31-0202	266,882
Community Development Block Grants/Economic Development Initiative	14.246	B-99-SP-NE-1085	265,838
Total U.S. Department Of Housing And Urban Development			\$ 4,062,162
U.S. DEPARTMENT OF INTERIOR			
Pass-Through State Historical Society:			
Historical Preservation Fund Grants-in-Aid	15.904	99/00	\$ 9,080
Historical Preservation Fund Grants-in-Aid	15.904	00/01	13,524
Total U.S. Department Of Interior			\$ 22,604
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Local Law Enforcement Block Grant	16.592	98-LB-VX-4715	\$ 6,415
Bulletproof Vest Partnership Program	16.607		22,413
Public Safety Partnership and Community Policing Grant (Cops Ahead)	16.710	95-CC-WX-0426	550,014
Pass-Through State Comm. On Law Enforcement And Criminal Justice:			
Crime Victim Assistance	16.575	99-VA-233/99-VA-900	94,502
Byrne Formula Grant Program (Street Drug Dealer Apprehension Program)	16.579	* 97-DA-326/98-DA-309	14,839
Byrne Formula Grant Program (Street Drug Dealer Apprehension Program)	16.579	* 99-DA-300	363,978
Local Law Enforcement Block Grants Program	16.592	97LB VX4715	286,781
Total U.S. Department Of Justice			\$ 1,338,942
U.S. DEPARTMENT OF LABOR			
Pass-Through State Department Of Aging:			
Senior Community Service Employment Program	17.235	NGA 2000-083	\$ 40,636
Senior Community Service Employment Program	17.235	NGA-2001-036	620
Pass-Through State Department Of Labor:			
Job Training Partnership Act Cluster:			
Employment and Training Assistance-Dislocated Worker (Dislocated Worker)	17.246	* 31-31-12	163,019
Job Training Partnership Act (Title IIA Older Worker)	17.250	*	4,320
Job Training Partnership Act (Title IIA Program)	17.250	*	139,500
Job Training Partnership Act (Title IIB Summer SYETP)	17.250	*	17,572
Job Training Partnership Act (Title IIC)	17.250	*	24,556
Job Training Partnership Act (8%)	17.250	*	13,565
Job Training Partnership Act (IIA/C)	17.250	*	70,230
			432,762
Workforce Investment Act (Adult)	17.255		11,456
Workforce Investment Act (Dislocated Worker)	17.255		9,324
Total U.S. Department Of Labor			\$ 494,798

(Continued)

See Accompanying Notes To Supplementary Schedule Of Expenditures 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	\$ 962
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	NE-90-X046	81,880
Federal Transit: Formula Grants (Transit Planning)	20.507	RPT-C990(99)	37,497
Federal Transit: Formula Grants (Transit Planning)	20.507	NE90-X046	23,274
Federal Transit: Formula Grants (Sec. 90 Operating)	20.507	NE-90-X048	747,115
Federal Transit: Formula Grants (Sec. 90 Capital)	20.507	NE-90-X048	48,918
Federal Transit: Formula Grants (Maint. Facility)	20.507	NE-03-0029	42,893
Federal Transit: Formula Grants (Oxidiesel Engines)	20.507	NE-90-X050	21,572
Pass-Through State Department Of Roads:			
Highway Planning and Construction (Planning)	20.205	HPR-PL1(38)	31,800
Highway Planning and Construction (Planning)	20.205	HPR-PL1(37)	234,818
Highway Planning and Construction (Lancaster County Rural Transit)	20.205	RPT-C551(200)-2000	10,012
Highway Planning and Construction (Lancaster County Rural Transit)	20.205	RPT-C551(199)-2001	2,367
Pass-Through State Department Of Highway & Safety:			
State and Community Highway Safety Cluster:			
State and Community Highway Safety (DMV Conference)	20.600	410-00-4	937
State and Community Highway Safety (DMV Conference)	20.600	00-25	1,116
State and Community Highway Safety (DMV Conference)	20.600	00-25	1,075
State and Community Highway Safety	20.600	00-5	25,775
State and Community Highway Safety	20.600	99-5	5,639
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	410-96-109	29,304
			<u>63,846</u>
Total U.S. Department Of Transportation			\$ <u>1,346,954</u>
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION			
Direct Programs:			
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	0/5010/0157	\$ <u>19,527</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Direct Programs:			
Institute of Museum and Library Services: General Operating Support	45.301	IG 80262-98	\$ 38,155
Pass-Through State Library Commission:			
State Library Program (Library Services and Technology Act)	45.310	1999	19,700
State Library Program (Net Lender Contract)	45.310		<u>4,221</u>
Total Institute Of Museum And Library Services			\$ <u>62,076</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Direct Programs:			
CEPP Technical Assistance Grants Program (112R)	66.810	00	\$ 39,952
CEPP Technical Assistance Grants Program (112R)	66.810	99	3,466
Environmental Education Grants (Child Care Providers)	66.951	NE826801-01-0	30,873
Pass-Through State Department Of Environmental Quality:			
Air Pollution Control Program Support	66.001	M-007056(00)	85,195
Air Pollution Control Program Support	66.001	M-007056(99)	29,152
Air Pollution Control Program Support	66.001	M-007056(98)	2,951
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	PM997527-01	28,503
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	PM997527-01	<u>3,664</u>
Total U.S. Environmental Protection Agency			\$ <u>223,756</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	440-N147/15	\$ 71,813
Retired and Senior Volunteer Program	94.002	440-N147/16	3,014
Volunteers in Service to America (Safe Nights)	94.013	GM332N231-01	443
Foster Grandparent Program/ Senior Companion Program Cluster:			
Foster Grandparent Program	94.011	439 NO64101	82,246
Senior Companion Program	94.016	436-N024/13	17,833
Senior Companion Program	94.016	436-N024/12	108,593
			<u>208,672</u>
Total Corporation For National And Community Service			\$ <u>283,942</u>

(Continued)

See Accompanying Notes To Supplementary Schedule Of Expenditures Of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
FEMA			
Direct Programs:			
National Urban Search and Rescue (US&R) Response System	83.526	EMW-97-CA-0402	\$ 144,688
U.S. DEPARTMENT OF EDUCATION			
Pass-Through State Library Commission:			
Urban Library System Resource Sharing	84.034	94/95	\$ 8,860
Urban Library System Signage	84.034	90/91	8,695
Pass-Through State Department Of Education:			
Special Education: Grants for Infants and Families with Disabilities (Innovative Projects)	84.181A	96-55-082481IH-00	5,550
Special Education: Grants for Infants and Families with Disabilities (Innovative Projects)	84.181A	96-55-082481IH-99	4,956
Total U.S. Department Of Education			\$ 28,061
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Programs:			
Head Start (Early Head Start)	93.600	07YC0492/03	\$ 7,961
Head Start (Early Head Start)	93.600	07YC0492/02	13,606
Pass-Through State Department Of Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2000	7,036
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	99	6,850
Acquired Immunodeficiency Syndrome (Aids) Activity (CTRPN)	93.118	2001	7,206
Acquired Immunodeficiency Syndrome (Aids) Activity (CTRPN)	93.118	2000	42,035
Acquired Immunodeficiency Syndrome (Aids) Activity (CTRPN)	93.118	98	2,810
Acquired Immunodeficiency Syndrome (Aids) Activity (Prevention)	93.118	2001	1,961
Acquired Immunodeficiency Syndrome (Aids) Activity (Prevention)	93.118	2000	20,702
Acquired Immunodeficiency Syndrome (Aids) Activity (Prevention)	93.118	99	805
Acquired Immunodeficiency Syndrome (Aids) Activity (Prevention)	93.118	98	1,440
Acquired Immunodeficiency Syndrome (Aids) Activity (STD)	93.118	2000	11,932
Acquired Immunodeficiency Syndrome (Aids) Activity (STD)	93.118	99	9,901
Childhood Lead Poisoning Prevention Projects (2001)	93.197	99.033	5,187
Childhood Lead Poisoning Prevention Projects (2000)	93.197	99.033	88,907
Childhood Lead Poisoning Prevention Projects (98)(CDC)	93.197	H64-CCH712190-02	4,289
Immunization Grants (Hepatitis B)	93.268	2000	3,648
Immunization Grants (Hepatitis B)	93.268	1999	4,787
Immunization Grants (Hepatitis B)	93.268	1998	695
Immunization Grants (NE Immunization Action Plan)	93.268	2000	39,834
Immunization Grants (NE Immunization Action Plan)	93.268	1999	23,365
Immunization Grants (NE Immunization Action Plan)	93.268	1998	6,118
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	2001	11,706
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	2000	55,920
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	1998	1,000
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	2000	1,026
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	99051	11,558
Developmental Disabilities Basic Support and Advocacy Grants	93.630	DD 99-20C	5,452
Cooperative Agreements for State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	93.919	2000	53,589
Cooperative Agreements for State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	93.919	99	584
Cooperative Agreements for State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	93.919	99	631
Preventive Health and Health Services Block Grants (Injury Prevention & Control)	93.991	2001-PHHS-10-LHD-C	415
Preventive Health and Health Services Block Grants (Injury Prevention & Control)	93.991	2000-PHHS-10-LHD-C	6,957
Preventive Health and Health Services Block Grants (Local Director's Training Grant)	93.991	2001-PHHS-02-DDR	24
Preventive Health and Health Services Block Grants (Local Director's Training Grant)	93.991	2000-PHHS-02-LHD-DDR	17,253
Preventive Health and Health Services Block Grants (Cardiovascular)	93.991	2001-PHHS-08-LHD-C	6,343
Preventive Health and Health Services Block Grants (Cardiovascular)	93.991	2000-PHHS-08-LHD-C	52,453
Preventive Health and Health Services Block Grants (Diabetes)	93.991	2000	4,750
Preventive Health and Health Services Block Grants (Epidemiology 2000)	93.991	2001-PHHS-09-LHD-C	576
Preventive Health and Health Services Block Grants (Epidemiology 2000)	93.991	2000-PHHS-09-LHD-C	19,403
Maternal and Child Health Services Block Grant to the States (High Risk Newborns)	93.994	MCH-01-35	10,159
Maternal and Child Health Services Block Grant to the States (High Risk Newborns)	93.994	MCH-00-35	62,255
Maternal and Child Health Services Block Grants to the States	93.994	MCH-99-20 (B)	70
Pass-Through State Department Of Aging:			
Title III, Part F: Disease Prevention and Health Promotion Services	93.043	NGA 2000-081	17,391
Aging Cluster:			
Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2000-101	273,829
Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA-2001-031	15,270
Title III, Part C: Nutrition Services	93.045	NGA 2000-078	388,939
Title III, Part C: Nutrition Services	93.045	NGA-2001-032	15,972
Title III, Part C: Nutrition Services	93.045	NGA 2000-079	102,317
Title III, Part C: Nutrition Services	93.045	NGA-2001-033	5,867
			802,194

(Continued)

See Accompanying Notes To Supplementary Schedule Of Expenditures Of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Title III, Part D: In-Home Services for Frail Older Individuals	93.046	NGA 2000-102	482
Refugee and Entrant Assistance - Discretionary Grant (Elderly Refugee Services)	93.576		43,756
Social Services Block Grant (SSBG)	93.667		11,307
Pass-Through State Department Of Education:			
Child Care and Development Block Grant (Regional Training Project)	93.575	965508-8ECC01T-00	22,000
Pass-Through State Department Of Labor:			
Temporary Assistance for Needy Families (Work-Up Program)	93.558	GOINETANF	2,183
Temporary Assistance for Needy Families (Employment First)	93.558	GOINETANF	9
Temporary Assistance for Needy Families (WorkFare)	93.558	GOINETANF	1,916
Temporary Assistance for Needy Families (Welfare to Work)	93.558	Y-7052-9-00-81-50	<u>100,356</u>
Total U.S. Department Of Health And Human Services			\$ <u>1,634,793</u>
OTHER FEDERAL AWARDS			
Pass-Through State Department Of Aging:			
Nutrition Program for the Elderly (Commodities)	10.570		\$ <u>151,092</u>
Total Cash Awards			\$ <u>10,264,867</u>

See Accompanying Notes To Supplementary Schedule Of Expenditures Of Federal Awards

CITY OF LINCOLN, NE
Notes to Supplementary Schedule of Expenditures of Federal Awards
August 31, 2000

(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, 2000 general purpose financial statements for LES are audited figures as of and for the year ended December 31, 1999.

(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</u> <u>As Of August 31, 2000</u>
14.218	Community Development Block Grant	\$ 9,293,736
14.239	HOME Investment Partnership Program	5,618,349

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</u> <u>As Of August 31, 2000</u>
14.230	Rental Rehabilitation Program	\$ 728,903
14.240	Hope 3 Loan Program	65,273
66.458	Capitalization Grant Project Loan No. C317008-01	7,537,565

(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, 2000, and have issued our report thereon dated January 12, 2001. 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 12, 2001





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, 2000. 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, 2000.

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.

KPMG LLP

January 12, 2001

CITY OF LINCOLN, NEBRASKA

Schedule of Findings and Questioned Costs

For the Year Ended August 31, 2000

I. Summary of Auditors' Results

- 1 Type of report issued as it relates to the financial statements: **Unqualified.**
- 2 The audit did not disclose any reportable conditions in internal control over the financial statements.
- 3 The audit did not disclose any noncompliance which is material to the financial statements.
- 4 The audit did not disclose any reportable conditions in internal controls over a major program.
- 5 Type of report issued on compliance for major programs: **Unqualified.**
- 6 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.
- 7 Major programs:

CFDA #14.239	Home Investment Partnership Program
CFDA #10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
CFDA #16.579	Byrne Formula Grant Program
CFDA #14.218	Community Development Block
CFDA #'s 17.246 & 17.250	JTPA Cluster

- 8 Dollar threshold to distinguish Type A and B programs: \$307,946.
- 9 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