

COMPREHENSIVE ANNUAL FINANCIAL



REPORT

**Fiscal Year Ended
August 31, 2009**

On the cover:

Union Plaza is a new unique urban park being constructed as part of the Antelope Valley flood and roadway project.

This six-acre park will include four water features, a festival space, new trail connection, artwork, children's play area, pond plaza, outdoor plaza seating, a scenic overlook and an outdoor amphitheater.

When completed in 2010, Union Plaza will be a special gathering place for celebration, education and entertainment for the Lincoln community.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2009

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

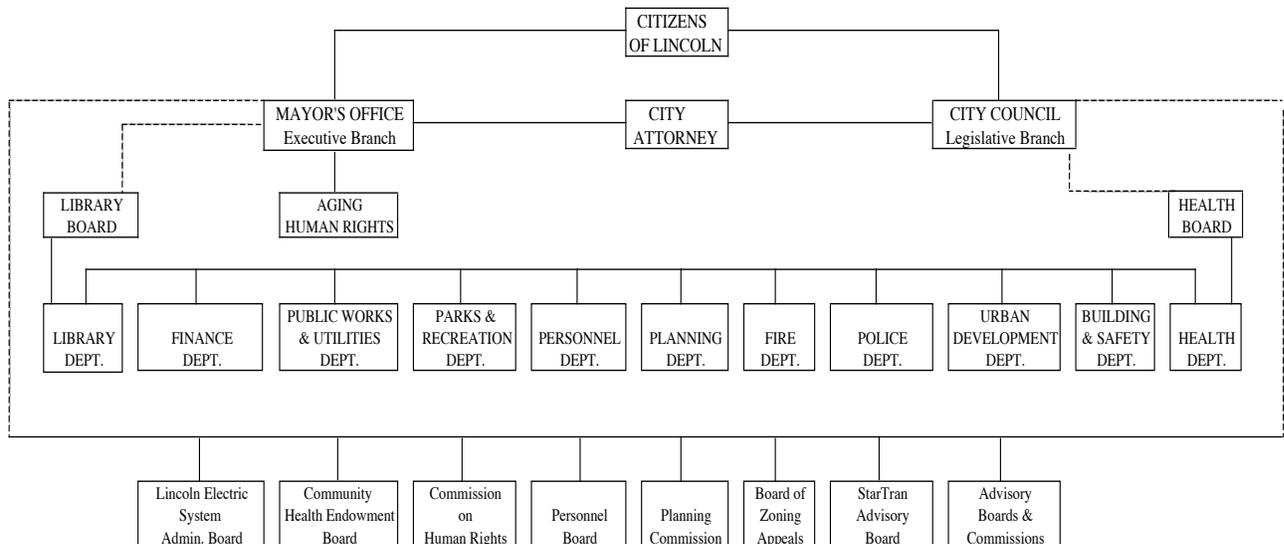
Chris Beutler.....Mayor
 Doug EmeryChair, City Council
 John SpatzVice Chair, City Council
 Jon Camp.....Council Member
 Eugene Carroll.....Council Member
 Jonathan Cook.....Council Member
 Adam Hornung.....Council Member
 Jayne Snyder.....Council Member

* * * * *

Don Herz Finance Director
 Marvin Krout.....Planning Director
 Lynn JohnsonParks and Recreation Director
 Douglas CurryLincoln Electric System Administrator
 David LandisUrban Development Director
 Pat Leach.....Library Director
 Greg MacLean.....Public Works/Utilities Director
 Fred Hoke.....Building and Safety Director
 Bruce Dart.....Health Director
 Mark Koller.....Personnel Director
 Rodney ConferCity Attorney
 Thomas CasadyPolice Chief
 Niles Ford.....Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED AUGUST 31, 2009
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CITY OF LINCOLN
NEBRASKA

MAYOR CHRIS BEUTLER
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Lincoln, Nebraska 68508
402-441-7511
fax: 402-441-7120
mayor@lincoln.ne.gov

February 24, 2010

Dear Citizens and Public Officials:

It is my pleasure to submit the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year that ended August 31, 2009.

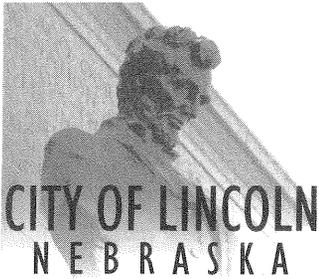
Ensuring both fiscal and operational accountability in our use of public resources is a priority for my Administration, and this report is essential to that effort. This report provides a complete and accurate picture of the City's financial status and fulfills our continuing disclosure responsibilities in accordance with governmental reporting standards.

Our ability to manage the City's fiscal affairs and provide a full disclosure of the City's fiscal condition is exhibited by the unqualified audit opinion that follows. I am proud to report that the 2008 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 26th consecutive year. This recognition is a credit to the City and a compliment to our dedicated Finance Department.

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

Sincerely,

Chris Beutler
Mayor of Lincoln



Finance Department
Don Herz, Director
555 South 10th Street
Suite 103
Lincoln, Nebraska 68508

402-441-7411
fax: 402-441-8325



MAYOR CHRIS BEUTLER

lincoln.ne.gov

February 24, 2010

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Lincoln:

Both the City Charter and State law require an annual audit of the City's funds and accounts be made by a recognized independent and qualified accountant covering all financial transactions, affairs, and financial condition of the City, with the audit report published within six months after the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln, Nebraska for the fiscal year ended August 31, 2009, is hereby submitted.

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

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The federal government, under the revised OMB Circular A-133, requires local governments that expend \$500,000 or more in federal funds in any fiscal year to have a financial and compliance audit performed. As part of the City's Single Audit, tests were made of the City's internal control structure over compliance and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 2009, disclosed no material internal control weaknesses. The independent accountants' reports are included in the Single Audit section found at the end of the CAFR.

To the best of management's knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner designed to present fairly the financial position and financial activities of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities as specified by all currently effective statements of the Governmental Accounting Standards Board have been included.

A firm of licensed certified public accountants has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent accountants concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the City's financial statements for the fiscal year ended August 31, 2009, are fairly presented in conformity with GAAP.

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

Profile of the City

The City of Lincoln, capital city of Nebraska, was originally incorporated on April 7, 1869. Lincoln is located in the southeastern corner of the state, is midway between Chicago and Denver, and is currently one of the fastest growing metro areas in the Midwest. It occupies a land area of approximately 90 square miles, serves a population of over 251,000, and in its growth and development has annexed five other municipalities so that the City includes most of the urban area of Lancaster County. It enjoys a unique position in Nebraska as the center of the state's governmental and educational activities.

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

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

The City Council exercises budgetary and/or rate setting authority over the City Library and Lincoln Electric System (LES), neither of which are legally separate from the City and are thus included as part of the primary government. The Lincoln Water System, Lincoln Wastewater System, Emergency Medical Services, Solid Waste Management, Parking Lots, Parking Facilities, Golf Courses, Pershing Municipal Auditorium, and Community Health Endowment are all part of administrative departments under the direction of the Mayor and are included as part of the primary government. Separately audited financial statements are available for LES, Lincoln Water System, Lincoln Wastewater System, Emergency Medical Services, Solid Waste Management, Parking Facilities, and the Community Health Permanent Endowment Trust.

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

Economic Condition And Outlook

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

The Lincoln metropolitan area population base (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, the Lincoln metropolitan area population grew by 79.51 percent since 1960. Lancaster County's rate of growth between 2000 and 2008 has been 10.88 percent

or approximately 1.3 percent per year. The 2008 population of Lancaster County has been estimated to be in excess of 278,000 persons.

While such a growth rate may be modest by some standards, this healthy pace of expansion places Lincoln as one of the fastest growing communities in this region. Recent projections envision Lincoln to continue to grow at a rate of over 1% per year. As importantly, the City of Lincoln continues to absorb about 90% of all growth in Lancaster County.

Lincoln's unemployment rate at August 31, 2009 was 4.3%, well below the national average of 9.7%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current number of construction permits is down 39% when compared to levels 5 years ago, with a corresponding decrease in the value of construction permits of over \$276 million.

To more aggressively pursue economic opportunities, the City, Lancaster County, and LES have partnered to hire an economic development coordinator to facilitate job creation in the private sector. In addition, the Mayor's Technology Council completed its technology audit, which led to a new strategic plan for economic development.

Net sales and use tax revenue decreased \$1,014,536 or 1.8% from the previous fiscal year. This primary revenue source has been impacted by negative economic factors that have affected the local and national economies.

Long-Term Planning And Major Initiatives

Urban Development

The City anticipates approximately \$19.5 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, the South Capitol blight area, the Antelope Valley project area, West O, North 56th and Arbor Road, and in low-moderate income neighborhoods throughout the City.

Financing will be provided by a variety of sources, including Tax Increment Financing (TIF), Parking Revenues, CDBG, HOME Economic Development Initiative Neighborhood Stabilization Program (NSP) and American Recovery and Reinvestment Act (ARRA) grants, Advanced Land Acquisition funds, Special Assessments, and General Fund. Funding is often combined with developer, grant or other private sector funds.

The City's involvement will vary depending upon the project and could likely include property acquisition, relocation and demolition; housing rehabilitation and development; commercial development; and construction of public improvements including parking, sidewalks, infrastructure and streetscapes.

Ongoing and anticipated projects include:

- Downtown Redevelopment Projects:
 - 1) Catalyst One site.
 - 2) Former Douglas III/Civic Plaza site.
 - 3) West Haymarket Arena/Hotel project.
 - 4) North Haymarket Arts and Humanities Block.
 - 5) Block 85.
- North 27th Street redevelopment efforts are focusing on the acquisition of blighted properties and assembly for redevelopment.
- Antelope Valley Redevelopment Projects:
 - 1) Plaza Parkway Triangle, phase 1 – Assurity project site.
 - 2) 19th & K - WJS project site.
 - 3) 10th & Military – Creekside Village
 - 4) 23rd & P – Antelope Creek Village

- Havelock Redevelopment on-going projects include streetscape improvements, commercial building facade improvements and public parking lot improvements.
- University Place redevelopment of the former Green’s Plumbing site.
- West O Street redevelopment projects.
- North 56th and Arbor Road redevelopment.
- NW Corridor redevelopment (West Cornhusker Highway).
- Innovation Campus redevelopment.
- 84th and Havelock redevelopment.
- South Capital redevelopment.
- Focus area projects yet to be determined in Malone and South Capitol
- Housing rehabilitation programs for quality, affordable housing and home ownership:
 - 1) Continuation of First-time Homebuyer and Owner-Occupied Housing Rehabilitation Loan programs.
 - 2) Partner with NeighborWorks-Lincoln for their Home Ownership Zone in Antelope Valley.
 - 3) Partner with other non-profit and for-profit housing organizations for affordable housing projects in low-to-moderate income neighborhoods under the Mayor’s Stronger Safer Neighborhoods Program.
 - 4) Manage the local affordable housing effort made possible by Federal Economic Stimulus Programs.
- Real Estate Division major acquisition and negotiation projects.
 - 1) For effective transportation:

<ul style="list-style-type: none"> ✓ Antelope Valley transportation and relocation projects. ✓ Antelope Valley redevelopment plan catalyst projects. ✓ West Haymarket area redevelopment. ✓ 98th Street, Yankee Hill to Pine Lake Rd. ✓ Alvo Road, NW 20th to 1st Street. ✓ Yankee Hill Roadway, 70th to 84th Street. ✓ SW 40th Street overpass. ✓ 14th Street, Superior to Alvo Road. 	<ul style="list-style-type: none"> ✓ 56th Street, Old Cheney to Pine Lake Rd. ✓ Old Cheney Road, 70th to 84th Street. ✓ Pine Lake Road, 59th to Hwy 2. ✓ RTSD Quiet Zone project. ✓ East Beltway preliminary acquisitions. ✓ South Beltway preliminary acquisitions. ✓ Arterial rehab, executive order, traffic signal, and Federal Infrastructure Stimulus funded projects.
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 - 2) For environmental quality:

<ul style="list-style-type: none"> ✓ Park sites city-wide. ✓ Antelope Valley storm water projects. ✓ Stevens Creek sanitary sewer Phase III. ✓ Yankee Hill water main, 56th to 84th Street. ✓ 98th Street water main, Holdrege to Alvo. 	<ul style="list-style-type: none"> ✓ 56th & Arbor Rd sewer and water district projects ✓ Conservation easements and wetlands acquisitions ✓ Additional projects made possible by Federal Infrastructure Stimulus funds.
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- The Workforce Investment Act (WIA) is federal legislation which took effect on July 1, 2000. Under this legislation, the Mayor of Lincoln is the designated Chief Elected Official working in conjunction with a forty-seven 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 developed a local Plan to implement WIA that was approved by the State of Nebraska. This Plan serves as the funding document for receipt of Federal WIA funds including ARRA funds, which totaled approximately \$1.9 million in 2009.

Workforce Investment Act services will continue to be provided from the One Stop Career Center, located in downtown Lincoln. It is anticipated that 20,000+ individuals and 500 employers will use One Stop Services. Workforce services are available directly from Urban Development, Operation ABLE, Nebraska Workforce Development, Goodwill, Vocational Rehabilitation and Experience Works staff members.

WIA funds will continue to be used to improve the employment skills of low-income adults and youth, and to assist individuals laid off from area employers to re-enter the labor force. WIA funds will be used to assist these individuals to improve basic skills, complete secondary and post-secondary education, gain work experience, and to obtain and retain employment. The majority of training will be in occupations that meet the requirements of high demand, high wage, and high skills.

Additional partnerships will be developed with organizations that provide services to youth. The goal of these partnerships is to increase the number of youth receiving WIA assistance which now includes a summer youth employment program. Over 200 youth participated in the 2009 summer program. Recruitment efforts will continue in the Area of Substantial Unemployment in the city. An expanded job search assistance service will be provided to individuals that are unemployed due to a layoff or business closing. The One Stop will continue to assist employers with job listing and recruiting.

The City is administering a \$250,000 Regional Innovation Grant to develop a strategic regional plan addressing present and future economic dislocation events in Lancaster, Saunders, Fillmore, Gage, Johnson, Nemaha, Otoe, Pawnee, Richardson, Saline, Seward, and York counties. The goal of the project is to shorten or eliminate the time from worker dislocation to re-employment.

West Haymarket Project

The West Haymarket Redevelopment Project encompasses an area of approximately 150 acres on the western edge of Downtown Lincoln. The project involves the relocation and elimination of existing railroad tracks and completion of other site preparation activities. The project's program statement generally calls for the construction of a 16,000 seat civic arena, a community ice center, private retail and office space, a new Amtrak Station, residential units, surface and decked parking, public gathering areas, street and utility improvement, landscaping, trails and walkways, pedestrian bridges, and environmental enhancements. The overall project cost is projected to be in the range of \$350 – \$450 million with funding coming from both private and public sources. Private funding will be in the form of developer capital and community donations. Public revenues will likely be drawn from a wide variety of sources including tax increment financing; State Turn Back Tax revenues; arena generated funds; lodging fees; various occupation taxes; and other miscellaneous fees and sources.

Antelope Valley Project

The City of Lincoln, Lower Platte South Natural Resource District and the University of Nebraska-Lincoln have joined together through an interlocal agreement to form the Joint Antelope Valley Authority (JAVA). JAVA is in the process of implementing the Antelope Valley project, which consists of stormwater, transportation and community revitalization strategies.

The stormwater and transportation portions of the project are scheduled for substantial completion in 2012. Redevelopment projects have begun and will progress as flood control work is completed. The channel work needed for re-mapping of the floodplain will be substantially completed in 2010.

Projects completed include Fleming Field, Lewis Fields; Military, Y Street, and Vine Street bridges and roadways; the BNSF overpass and roadway (Big T) near Devaney Center; channel work between Salt Creek and R Street; the BNSF railroad bridge project over Antelope Creek; landscaping work on the Military, Y Street, Vine Street, Vine to Y, and Big T roadway projects and the BNSF overpass project; roadway construction between Vine and Y streets; and the J, P, Q, and O Street bridges and roadways.

Work on the East Leg Bridge and Roadway project, which is a BNSF railroad overpass on the east-west roadway along the south side of State Fair Park, was substantially completed in 2009. Work on the north/south roadway between P and Vine streets began in 2009 and will be complete in 2010.

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

Wastewater System

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$66,803,000 over the 6-year period of fiscal year 2009-10 through fiscal year 2014-15. Of that total, approximately \$42,069,000 will be financed by revenue bonds, approximately \$3,780,000 will be financed by impact fees, \$1,240,000 from TIF funding, approximately \$484,000 will come from developer contributions, with the remaining \$19,230,000 to come from utility revenue fees. The majority of these dollars are needed for replacement and maintenance of existing infrastructure, new infrastructure to serve development in various basins throughout the City, and improvements to both the Theresa Street and Northeast treatment plants.

Water System

The Lincoln Water System is projecting a capital improvements program in the amount of approximately \$93,330,000 over the 6-year period of fiscal year 2009-10 through 2014-15. Of these dollars, approximately \$74,250,000 will be financed through revenue bonds, approximately \$3,830,000 will be financed from TIF funding, approximately \$4,030,000 will be financed through impact fees, with the balance of \$11,220,000 coming from utility revenue fees. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement and new wells, and additional storage reservoirs.

Streets And Highways

The 2010-2015 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of over \$28.1 million for the next six years. Funding for these projects includes \$111 million in City revenues, \$27 million in federal aid, and \$30 million in other funds.

Infrastructure Impact Fees

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

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

Property Tax Collections

As of August 31, 2009, current tax collections by the County Treasurer were 96.83% of the tax levy, an increase of .17% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy By Purpose</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>
General Fund	.1806	.1778	.1687
Library	.0396	.0404	.0427
Social Security	.0129	.0134	.0135
Police and Fire Pension	.0201	.0203	.0208
General Obligation Debt	.0347	.0360	.0376
	<u>.2879</u>	<u>.2879</u>	<u>.2833</u>

Parking Facilities

The City of Lincoln operates the following parking garages:

<u>Facility</u>	<u>Number of Stalls</u>	<u>Date Opened</u>
Center Park	1,048	November, 1978
Cornhusker Square	405	December, 1983
University Square	436	April, 1990
Que Place	773	October, 1994
Carriage Park	710	February, 1995
Market Place	433	August, 2000
Haymarket	420	August, 2002

The City's parking garages have been built to promote downtown redevelopment efforts by working with private industry in providing necessary parking to various businesses in the downtown area.

Revenue generated by the parking facilities and on-street parking meters, as well as unappropriated street construction funds, are pledged for debt service of both the 2001 Parking Revenue Bonds and the 1999 Parking Revenue and Refunding Bonds. Comparative data for the past two fiscal years are presented in the following table:

	<u>2008-2009</u>	<u>2007-2008</u>
Operating Revenues	\$ 6,614,715	6,642,460
Operating Income Before Depreciation	3,739,947	3,729,949
Debt Service	1,998,056	1,998,056
Debt Service Coverage Ratio	1.87	1.87

Solid Waste Management

The City of Lincoln owns and operates a municipal solid waste landfill and a construction and demolition debris landfill that are subject to the U.S. Environmental Protection Agency rule *Solid Waste Disposal Facility Criteria*, which establishes closure and postclosure care requirements. As of August 31, 2009, the City estimates that it will incur costs approximating \$16 million to adhere to such requirements (see Note 18 of Notes to the Financial Statements).

Water And Wastewater System

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

<u>Wastewater System</u>	<u>2008-2009</u>	<u>2007-2008</u>
Operating Revenues	\$21,142,579	20,621,911
Operating Income	1,782,499	2,443,304
Revenue Available For Debt Service	10,871,979	10,954,243
Debt Service	6,440,044	6,445,454
Debt Service Coverage Ratio	1.69	1.70

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

<u>Water System</u>	<u>2008-2009</u>	<u>2007-2008</u>
Operating Revenues	\$25,692,203	24,049,039
Operating Income	3,769,225	2,696,281
Revenue Available For Debt Service	12,843,110	12,831,663
Debt Service	8,923,414	8,931,201
Debt Service Coverage Ratio	1.44	1.44

Lincoln Electric System (LES)

The City owns and operates its own electric utility system that is managed by an administrative board. Actions of the board with regard to rates, budgets, and long-term financing are subject to final review and approval by the City Council. In accordance with Section 4.24.090 of the Lincoln Municipal Code, LES operates on a January 1 - December 31, fiscal year. Audited financial information as of and for LES' fiscal year ended December 31, 2008, is included in the City's August 31, 2009, financial statements.

Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2008. This was the twenty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



Don Herz
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lincoln
Nebraska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2008

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.



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



FINANCIAL SECTION

Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska as of and for the year ended August 31, 2009, which collectively comprise the City of Lincoln's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Lincoln Electric System which represent 58%, 32% and 77%, respectively, of the total assets, net assets and revenues of the business-type activities. Those financial statements were audited by other accountants whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln Electric System, is based solely on the report of the other accountants. The prior-year summarized comparative financial information in these statements has been derived from the City's basic financial statements as of and for the year ended August 31, 2008, and in our report dated February 11, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 and the report of the other accountants provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, Nebraska as of August 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, street construction fund and federal grants fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2010, on our consideration of the City of Lincoln's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and the schedules of funding progress and employer contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other accountants have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other accountants, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical section as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

/s/ **BKD, LLP**

February 24, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Lincoln, Nebraska (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2009. Please consider this discussion in conjunction with the additional information provided in the Letter of Transmittal (beginning on page vii) and the transactions, events and conditions reflected in the City's financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at August 31, 2009, by \$1,508,997,184 (net assets). Of this amount, \$305,177,423 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$59,789,506. Of this amount, \$33,210,202, or 56 percent, was an increase in governmental activities and \$26,579,304, or 44 percent, related to business-type activities.
- As of August 31, 2009, the City's governmental funds reported combined ending fund balances of \$190,767,075, a decrease of \$(4,055,706) in comparison with the prior year. Of this total fund balance, 58 percent, or \$111,143,275, is available for spending at the City's discretion (unreserved fund balance).
- As of August 31, 2009, unreserved fund balance for the general fund was \$27,586,521, or 28 percent of total general fund expenditures.
- The City's total bonded debt decreased by \$11,920,000 (1.3 percent) during the current fiscal year. The City issued \$15,420,000 in Water Revenue bonds in the current year for capital improvements to the water system.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the year ended August 31, 2009. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administrative services, public safety, streets and highways, health, planning and zoning, parks and recreation, libraries, aging services, job

programs, urban development, mass transportation, engineering, self-insurance, and fleet management. The business-type activities of the City include water, wastewater and electric utilities; ambulance transport; solid waste management; golf courses; auditorium; and parking.

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

FUND FINANCIAL STATEMENTS

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

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

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

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

The City adopts an annual appropriated budget for its general fund and most other governmental funds. A budgetary comparison statement has been provided for the General, Street Construction, and Federal Grants major funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-25 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

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

The fiduciary fund financial statements can be found on pages 29-30 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-69 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its police and fire employees, and to provide other postemployment benefits. Required supplementary information can be found on page 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$1,508,997,184 at August 31, 2009.

By far the largest portion of the City’s net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, utility plant, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City Of Lincoln
Condensed Statements of Net Assets
August 31, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 388,695,310	379,081,647	242,568,924	258,810,179	631,264,234	637,891,826
Capital Assets	614,765,299	598,864,306	1,410,398,966	1,379,907,263	2,025,164,265	1,978,771,569
Total Assets	<u>1,003,460,609</u>	<u>977,945,953</u>	<u>1,652,967,890</u>	<u>1,638,717,442</u>	<u>2,656,428,499</u>	<u>2,616,663,395</u>
Long-Term Liabilities Outstanding	194,364,099	196,689,161	795,328,460	805,068,287	989,692,559	1,001,757,448
Other Liabilities	14,957,978	20,328,462	142,780,778	145,369,807	157,738,756	165,698,269
Total Liabilities	<u>209,322,077</u>	<u>217,017,623</u>	<u>938,109,238</u>	<u>950,438,094</u>	<u>1,147,431,315</u>	<u>1,167,455,717</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	471,161,398	460,113,747	583,202,962	570,458,163	1,054,364,360	1,030,571,910
Restricted	111,672,739	111,555,338	37,782,662	35,665,851	149,455,401	147,221,189
Unrestricted	211,304,395	189,259,245	93,873,028	82,155,334	305,177,423	271,414,579
Total Net Assets	<u>\$ 794,138,532</u>	<u>760,928,330</u>	<u>714,858,652</u>	<u>688,279,348</u>	<u>1,508,997,184</u>	<u>1,449,207,678</u>

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

At August 31, 2009, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

City Of Lincoln
Condensed Statements of Activities
For the Years Ended August 31, 2009 and 2008

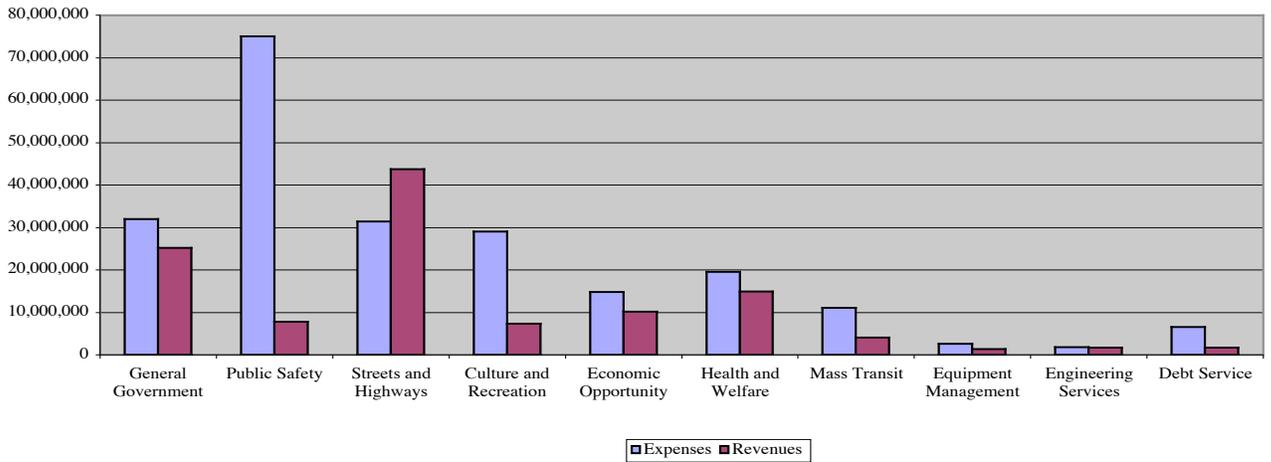
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 41,844,680	44,757,932	315,614,846	291,083,622	357,459,526	335,841,554
Operating Grants and Contributions	50,412,504	52,058,209	-	26,000	50,412,504	52,084,209
Capital Grants and Contributions	25,746,780	39,507,199	11,025,070	10,809,320	36,771,850	50,316,519
General Revenues:						
Property Tax	49,370,031	48,016,158	-	-	49,370,031	48,016,158
Sales and Use Tax	54,337,312	55,351,848	-	-	54,337,312	55,351,848
Other Taxes	25,609,164	24,845,802	1,978,659	2,134,549	27,587,823	26,980,351
Unrestricted Grants and Contributions	1,542,816	1,569,021	-	-	1,542,816	1,569,021
Unrestricted Investment Earnings	5,181,996	6,738,206	4,680,958	8,761,713	9,862,954	15,499,919
Other	844,591	820,587	152,522	135,278	997,113	955,865
Total Revenues	<u>254,889,874</u>	<u>273,664,962</u>	<u>333,452,055</u>	<u>312,950,482</u>	<u>588,341,929</u>	<u>586,615,444</u>
Expenses:						
General Government	31,985,923	32,808,482	-	-	31,985,923	32,808,482
Public Safety	75,077,334	72,715,593	-	-	75,077,334	72,715,593
Streets and Highways	31,465,735	29,132,813	-	-	31,465,735	29,132,813
Culture and Recreation	28,998,338	27,971,636	-	-	28,998,338	27,971,636
Economic Opportunity	14,851,021	16,355,833	-	-	14,851,021	16,355,833
Health and Welfare	19,592,758	20,674,538	-	-	19,592,758	20,674,538
Mass Transit	11,059,139	11,296,888	-	-	11,059,139	11,296,888
Equipment Management	2,562,842	2,563,466	-	-	2,562,842	2,563,466
Engineering Services	1,859,008	2,029,134	-	-	1,859,008	2,029,134
Interest on Long-Term Debt	6,503,466	6,473,960	-	-	6,503,466	6,473,960
Parking	-	-	5,007,885	4,908,537	5,007,885	4,908,537
Golf Courses	-	-	3,170,423	3,152,455	3,170,423	3,152,455
Auditorium	-	-	1,937,132	2,041,953	1,937,132	2,041,953
Solid Waste Management	-	-	6,543,805	7,506,257	6,543,805	7,506,257
Ambulance Transport	-	-	3,687,450	3,711,546	3,687,450	3,711,546
Wastewater	-	-	22,979,974	18,965,453	22,979,974	18,965,453
Water	-	-	23,794,190	23,378,936	23,794,190	23,378,936
Electric	-	-	237,476,000	224,594,000	237,476,000	224,594,000
Total Expenses	<u>223,955,564</u>	<u>222,022,343</u>	<u>304,596,859</u>	<u>288,259,137</u>	<u>528,552,423</u>	<u>510,281,480</u>
Increase in Net Assets Before Transfers	30,934,310	51,642,619	28,855,196	24,691,345	59,789,506	76,333,964
Transfers	2,275,892	2,675,305	(2,275,892)	(2,675,305)	-	-
Increase in Net Assets	<u>33,210,202</u>	<u>54,317,924</u>	<u>26,579,304</u>	<u>22,016,040</u>	<u>59,789,506</u>	<u>76,333,964</u>
Net Assets - Beginning	760,928,330	706,610,406	688,279,348	666,263,308	1,449,207,678	1,372,873,714
Net Assets - Ending	<u>\$ 794,138,532</u>	<u>760,928,330</u>	<u>714,858,652</u>	<u>688,279,348</u>	<u>1,508,997,184</u>	<u>1,449,207,678</u>

GOVERNMENTAL ACTIVITIES

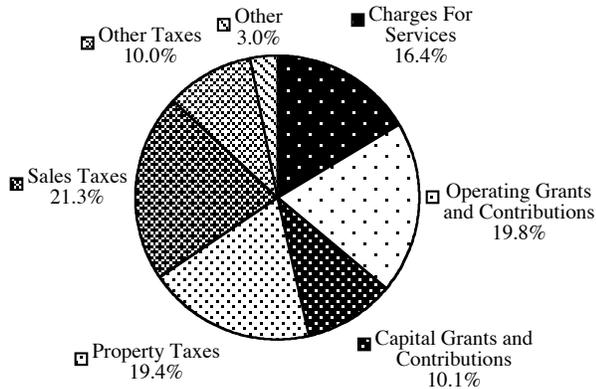
Governmental activities increased the City's net assets by \$33,210,202, accounting for 56 percent of the total growth in the net assets of the City of Lincoln. Key elements of this increase are as follows:

- The City's current year contribution to the Joint Antelope Valley Authority amounted to \$22,069,965, of which a significant portion is federally funded.
- Property taxes increased by approximately \$1.3 million (2.8 percent) during 2009. Total growth in the tax base, which includes revaluations, annexations and other adjustments, was 1.80 percent.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities



BUSINESS-TYPE ACTIVITIES

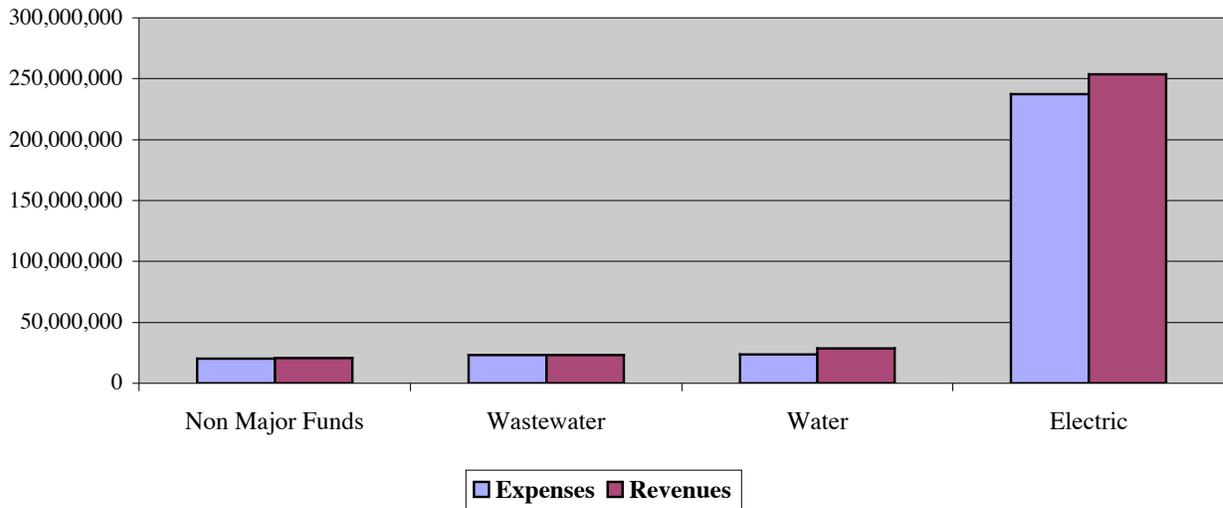
Business-type activities increased the City’s net assets by \$26,579,304, accounting for 44 percent of the total growth in the government’s net assets. Key elements of this increase are as follows:

- Charges for services increased by approximately \$24.5 million, or 8 percent. Water and Wastewater revenues increased \$1.6 million (6.8%) and \$.5 million (2.5%), respectively, primarily due to an increase of 3 percent in user fees implemented in February 2009.

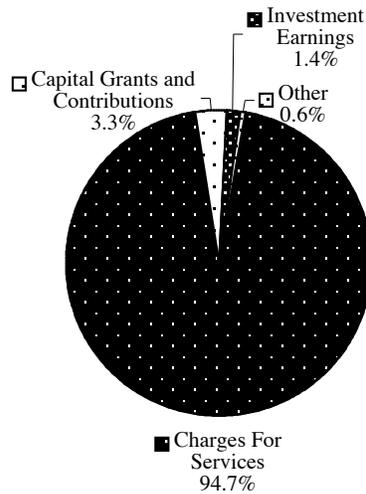
Lincoln Electric System operating revenue in 2008 was 10% higher than 2007 due to retail rate increases of 5.0% in March, 2008 and 9.1% on September 1, 2008, while retail energy sales remained flat. Wholesale revenue was higher from the firm sale of power from Walter Scott #4 generating station.

- LES recorded capital contributions of \$5.7 million.
- Lincoln Water and Wastewater Systems reported developer capital contributions of approximately \$3.3 million and \$2.1 million respectively.
- Lincoln Water and Wastewater Systems reported losses in nonoperating activities due to declining interest income and rates on investments, as well as declining capital investment resulting in reduced capitalized interest in 2009.

Expenses And Program Revenues - Business-type Activities



Revenues By Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of August 31, 2009, the City's governmental funds reported combined ending fund balances of \$190,767,075, a decrease of \$(4,055,706) in comparison with the prior year. Of this total amount, 58 percent constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to:

- long-term loans receivable (\$19,637,000),
- pay debt service (\$16,055,872),
- generate income for the purpose of funding health and health-related programs for the citizens of Lincoln (\$37,000,000), and
- a variety of other restricted purposes (\$6,930,928).

The General Fund is the chief operating fund of the City. At August 31, 2009, the unreserved fund balance of the General Fund was \$27,586,521, while total fund balance reached \$32,255,223. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 28 percent of total general fund expenditures, while total fund balance represents 33 percent of that same amount.

The fund balance of the City's General Fund decreased by \$(223,557) during 2009. For the current fiscal year, appropriated General fund balance, used as a funding source for the budget increased \$284,618. General Fund balances as a future funding source are projected to decrease as the City reduces balances, measured at year end, to a goal of 15% of the projected General Fund budget five years in the future.

The Street Construction Fund had a total fund balance of \$28,388,503, which is to be used in the construction and maintenance of street and highways. The net decrease in fund balance during 2009 in the Street Construction Fund was \$(1,749,329), as is expected as the City spends down bond proceeds on current projects.

The Federal Grants Fund had a fund balance of \$21,163,792, a net increase of \$1,811,440. Expenditures and revenues in the fund decreased by \$2,801,148 (12 percent) and \$3,143,976 (13 percent), respectively. Net transfers into the fund were \$1,789,304, an increase over the prior year of \$1,360,458. A significant portion of this increase related to the transfer of tax increment financing funds that were used along with federal funds and other donations in the construction of the North 27th Street Pedestrian Bridge.

PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Wastewater System, Water System, Electric System, and other enterprise funds amounted to \$5,424,150, \$10,247,629, \$77,576,000 and \$6,415,740, respectively, at August 31, 2009 (December 31, 2008 for LES). Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were relatively minor (increase of \$60,846 in appropriations) and can be briefly summarized as follows:

- \$(630,722) in miscellaneous changes in general government activities.
- \$360,386 in increases allocated to public safety.
- \$42,500 in increases allocated to street maintenance.
- \$91,759 in increases allocated to parks and recreation.
- \$196,923 in increases allocated for General Fund transfers to other City funds.

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- \$3,451,077 positive variance in real estate and personal property tax. Actual property collections were 96.83% of the 2008 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- \$(2,709,458) negative variance in taxes collected by others. Current year sales tax collections have been impacted by the national economy and also an increase in refunds over the prior year.
- \$2,270,001 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover ongoing future expenditures.
- \$(1,347,513) negative variance in street lighting function expenditures. This variance was the result of additions related to both normal construction as well as Antelope Valley Project construction.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of August 31, 2009, amounts to \$2,025,164,265 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, bridges, storm sewers, electric plant, and water and sewer plant. The total increase in the City's investment in capital assets for 2009 was 2.3 percent (a 2.7 percent increase for governmental activities and a 2.2 percent increase for business-type activities).

Major capital asset events during 2009 included the following:

- A variety of street construction widening and expansion projects for existing streets and bridges continued. Along with new construction of streets and drainage projects, construction-in-progress of infrastructure as of August 31, 2009 reached \$82,682,000
- Continued major electric plant construction including the transmission, substation and distribution system which totaled over \$45.6 million in 2008.
- Wastewater System capital assets increased by approximately \$518,000 (.21 percent). Major project additions included:
 - ✓ Trunk sewer improvement mains – \$4,273,000
- Water System capital assets increased by approximately \$12,516,000 (4 percent) due to major project additions such as:
 - ✓ Water transmission pump station & mains - \$7,915,000
 - ✓ Water distribution mains - \$1,820,000
 - ✓ Water treatment plan - \$2,716,000

City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 65,038,172	62,978,764	21,691,556	21,004,520	86,729,728	83,983,284
Buildings	45,508,199	47,552,703	154,374,821	157,688,117	199,883,020	205,240,820
Improvements Other Than Buildings	36,850,167	38,298,396	388,022,172	375,660,608	424,872,339	413,959,004
Machinery and Equipment	31,042,569	33,551,718	11,321,850	10,810,069	42,364,419	44,361,787
Utility Plant	-	-	729,402,000	736,632,000	729,402,000	736,632,000
Infrastructure	347,255,342	316,365,857	-	-	347,255,342	316,365,857
Construction-in-progress	89,070,850	100,116,868	105,586,567	78,111,949	194,657,417	178,228,817
Total	\$ <u>614,765,299</u>	<u>598,864,306</u>	<u>1,410,398,966</u>	<u>1,379,907,263</u>	<u>2,025,164,265</u>	<u>1,978,771,569</u>

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

LONG-TERM DEBT

At August 31, 2009, the City of Lincoln had total bonded debt outstanding of \$905,836,000. Of this amount, \$132,446,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City Of Lincoln
Outstanding Bonded Debt
August 31, 2009 and 2008
(dollar amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 125,181	128,581	-	-	125,181	128,581
Tax Supported Bonds	7,265	7,900	-	-	7,265	7,900
Revenue Bonds	-	-	773,390	781,275	773,390	781,275
Total	\$ <u>132,446</u>	<u>136,481</u>	<u>773,390</u>	<u>781,275</u>	<u>905,836</u>	<u>917,756</u>

The City's total bonded debt decreased by \$11,920,000 (1.3 percent) during the current fiscal year. The City issued \$15,420,000 in Water Revenue bonds in the current year for capital improvements to the water system.

The City maintains the following credit ratings:

	Moody's Investors <u>Service</u>	Standard And <u>Poor's</u>	Fitch Investors <u>Service</u>
General Obligation Bonds	Aaa	AAA	-
Antelope Valley Project Bonds	Aa2	AA	-
Water Revenue Bonds	Aa2	AA	-
Wastewater Revenue Bonds			
MBIA insured	Aaa	AAA	-
Underlying	Aa2	AA+	-
Parking Revenue Bonds	A2	A	-
Lincoln Electric System			
Revenue Bonds	Aa2	AA	AA
2005 Revenue Bonds			
FSA insured	-	AAA	AAA
2007 Revenue Bonds			
FGIC insured	Aaa	AAA	AAA
Commercial Paper – tax exempt	-	A1+	F1+

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

Additional information on the City's long-term debt can be found in Note 9 of the notes to the financial statements on pages 51-55 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Property tax revenue required to fund the 2010 budget decreased \$489,992 or (1.19) percent from the prior year. Total change in the tax base is also estimated at (1.19) percent, therefore the tax rate for 2010 remains the same as 2009.
- The adequacy of fees charged for City service cost recovery is examined each year and some fee increases are included in each annual budget. Without periodic increases in fees, amounts collected, or other revenue adjustments, inflationary cost increases would need to be covered by additional property tax revenue or the levels of service provided would need to be reduced. Fee adjustments in 2010 include an increase in the telecommunications occupation tax rate from 5.5% to 6.0%, and the natural gas franchise fee is increased by 10% as allowed in the franchise agreement.
- Sales tax collections for 2009 finished 4.76 percent behind projections. 2010 projections reflect a 2.5 percent increase over 2009 actual collections.
- Re-bidding the City's self-insured health care plan and amortizing fund balances accumulated through positive claims experience allows for a 10% rate decrease resulting in nearly a \$1.6 million savings in all funds for 2010.
- Fuel budgets throughout City departments are reduced \$2.3 million due to the drop in fuel prices from their record high during the summer of 2008.
- A 5 percent water rate increase and a 4 percent wastewater rate increase were adopted by the City Council and are effective January 2010.
- A hiring freeze and a retirement incentive package have been utilized to create vacant positions, eliminate positions, encourage reorganizations and make budget reductions while at the same time minimizing the number of layoffs. As a result, the net change for all funds is a decrease of 22.94 full-time equivalents for the 2010 budget.

All of these factors were considered in preparing the City's budget for the 2010 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Lincoln's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lincoln, Finance Department, 555 South 10th Street, Lincoln, NE 68508.

BASIC FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA

STATEMENT OF NET ASSETS

AUGUST 31, 2009

With Summarized Financial Information as of August 31, 2008

	Governmental Activities	Business-Type Activities	Totals	
			2009	2008
ASSETS				
Cash and Cash Equivalents	\$ 44,478,663	55,163,313	99,641,976	85,518,279
Investments	98,376,503	12,103,653	110,480,156	117,681,592
Invested Securities Lending Collateral	1,020,557	-	1,020,557	4,065,673
Receivables, (Net of Allowance for Uncollectibles)	28,858,062	38,544,641	67,402,703	64,173,019
Internal Balances	(3,017,485)	3,017,485	-	-
Due from Other Governments	26,913,784	6,002	26,919,786	36,476,005
Inventories	2,040,676	15,608,190	17,648,866	19,051,889
Plant Operation Assets	-	12,387,000	12,387,000	9,859,000
Prepaid Items	585,111	1,470,638	2,055,749	1,981,413
Deferred Charges and Other Assets	2,471,382	17,901,005	20,372,387	13,368,432
Restricted Assets:				
Cash and Cash Equivalents	-	46,029,807	46,029,807	71,617,056
Investments	37,160,000	40,088,595	77,248,595	85,938,680
Receivables	-	248,595	248,595	422,696
Investment in Joint Venture	149,808,057	-	149,808,057	127,738,092
Capital Assets:				
Non-depreciable	154,109,022	127,278,123	281,387,145	262,212,101
Depreciable (Net)	460,656,277	1,283,120,843	1,743,777,120	1,716,559,468
 Total Assets	 <u>1,003,460,609</u>	 <u>1,652,967,890</u>	 <u>2,656,428,499</u>	 <u>2,616,663,395</u>
LIABILITIES				
Accounts Payable	6,706,290	21,823,333	28,529,623	32,686,972
Accrued Liabilities	3,592,292	11,469,746	15,062,038	15,649,246
Due to Other Governments	949,787	123,082	1,072,869	1,100,607
Unearned Revenue	1,008,627	777,430	1,786,057	2,456,969
Obligations under Securities Lending	1,020,557	-	1,020,557	4,065,673
Other Liabilities	-	7,822,000	7,822,000	6,953,000
Commercial Paper Notes Payable	-	90,000,000	90,000,000	90,000,000
Accrued Interest Payable	1,680,425	10,765,187	12,445,612	12,785,802
Noncurrent Liabilities:				
Payable within One Year	22,350,342	31,143,441	53,493,783	50,263,887
Payable in More Than One Year	172,013,757	764,185,019	936,198,776	951,493,561
 Total Liabilities	 <u>209,322,077</u>	 <u>938,109,238</u>	 <u>1,147,431,315</u>	 <u>1,167,455,717</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	471,161,398	583,202,962	1,054,364,360	1,030,571,910
Restricted for:				
Debt Service, Net of Related Debt	3,108,169	29,305,291	32,413,460	33,263,693
Capital Projects	34,408,346	2,649,305	37,057,651	37,160,608
Grantor Loan Programs	19,637,000	-	19,637,000	17,927,000
Other	1,917,718	5,828,066	7,745,784	6,873,311
Trust Donations:				
Expendable	1,715,834	-	1,715,834	1,798,661
Nonexpendable	160,000	-	160,000	160,000
Health Care:				
Expendable	13,725,672	-	13,725,672	13,037,916
Nonexpendable	37,000,000	-	37,000,000	37,000,000
Unrestricted	211,304,395	93,873,028	305,177,423	271,414,579
 Total Net Assets	 <u>\$ 794,138,532</u>	 <u>714,858,652</u>	 <u>1,508,997,184</u>	 <u>1,449,207,678</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2009
 With Summarized Financial Information for the Year Ended August 31, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Totals	
			Grants and Contributions	Grants and Contributions			2009	2008
Functions/Programs								
Governmental Activities:								
General Government	\$ (31,985,923)	20,413,769	3,582,323	1,193,381	(6,796,450)	-	(6,796,450)	(10,062,024)
Public Safety	(75,077,334)	4,921,077	2,826,531	-	(67,329,726)	-	(67,329,726)	(63,005,084)
Streets and Highways	(31,465,735)	3,202,082	17,647,283	22,892,011	12,275,641	-	12,275,641	30,488,982
Culture and Recreation	(28,998,338)	3,537,088	2,310,282	1,532,802	(21,618,166)	-	(21,618,166)	(21,055,650)
Economic Opportunity	(14,851,021)	750,883	9,412,747	-	(4,687,391)	-	(4,687,391)	(5,412,869)
Health and Welfare	(19,592,758)	4,345,410	10,591,849	-	(4,655,499)	-	(4,655,499)	(4,675,870)
Mass Transit	(11,059,139)	1,530,247	2,521,489	-	(7,007,403)	-	(7,007,403)	(6,925,308)
Equipment Management	(2,562,842)	1,377,287	-	-	(1,185,555)	-	(1,185,555)	(979,012)
Engineering Services	(1,859,008)	1,667,399	-	5,929	(185,680)	-	(185,680)	120,444
Interest on Long-Term Debt	(6,503,466)	99,438	1,520,000	122,657	(4,761,371)	-	(4,761,371)	(4,192,612)
Total Governmental Activities	(223,955,564)	41,844,680	50,412,504	25,746,780	(105,951,600)	-	(105,951,600)	(85,699,003)
Business-Type Activities:								
Parking Lots	(297,452)	425,549	-	-	-	128,097	128,097	138,086
Golf	(3,170,423)	3,123,544	-	-	-	(46,879)	(46,879)	(234,676)
Parking Facilities	(4,710,433)	6,610,282	-	-	-	1,899,849	1,899,849	1,946,878
Municipal Auditorium	(1,937,132)	1,185,656	-	-	-	(751,476)	(751,476)	(599,048)
Solid Waste Management	(6,543,805)	5,123,772	-	-	-	(1,420,033)	(1,420,033)	(1,634,019)
Emergency Medical Services	(3,687,450)	4,317,445	-	-	-	629,995	629,995	328,121
Wastewater System	(22,979,974)	21,111,385	-	2,057,734	-	189,145	189,145	4,154,957
Water System	(23,794,190)	25,586,213	-	3,274,336	-	5,066,359	5,066,359	3,586,506
Electric System	(237,476,000)	248,131,000	-	5,693,000	-	16,348,000	16,348,000	5,973,000
Total Business-Type Activities	(304,596,859)	315,614,846	-	11,025,070	-	22,043,057	22,043,057	13,659,805
Total	\$ (528,552,423)	357,459,526	50,412,504	36,771,850	(105,951,600)	22,043,057	(83,908,543)	(72,039,198)
General Revenues:								
Property Tax					49,370,031	-	49,370,031	48,016,158
Motor Vehicle Tax					4,323,350	-	4,323,350	4,303,363
Wheel Tax					10,697,955	-	10,697,955	10,458,568
Sales and Use Tax					54,337,312	-	54,337,312	55,351,848
Sundry and In Lieu Tax					46,078	-	46,078	45,761
Occupation Tax					10,541,781	1,978,659	12,520,440	12,172,659
Unrestricted Grants and Contributions					1,542,816	-	1,542,816	1,569,021
Unrestricted Investment Earnings					5,181,996	4,680,958	9,862,954	15,499,919
Miscellaneous General Revenues					844,591	152,522	997,113	955,865
Transfers					2,275,892	(2,275,892)	-	-
Total General Revenues and Transfers					139,161,802	4,536,247	143,698,049	148,373,162
Change in Net Assets					33,210,202	26,579,304	59,789,506	76,333,964
Net Assets - Beginning					760,928,330	688,279,348	1,449,207,678	1,372,873,714
Net Assets - Ending					\$ 794,138,532	714,858,652	1,508,997,184	1,449,207,678

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2009

	General Fund	Street Construction Fund	Federal Grants Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 7,423,569	5,970,467	1,523,598	21,681,972	36,599,606
Investments	11,287,172	14,329,024	-	89,948,799	115,564,995
Invested Securities Lending Collateral	-	-	-	1,020,557	1,020,557
Receivables, (Net of Allowance for Uncollectibles)	3,919,343	335,946	19,653,946	4,442,582	28,351,817
Due from Other Funds	2,392,460	7,969,711	81,325	4,733,022	15,176,518
Due from Other Governments	9,890,715	13,336,182	1,843,251	1,718,949	26,789,097
Inventories	529,043	55,869	-	796,416	1,381,328
Assets Held for Resale	-	-	-	1,100,000	1,100,000
Prepaid Items	10,124,237	-	-	-	10,124,237
Total Assets	<u>45,566,539</u>	<u>41,997,199</u>	<u>23,102,120</u>	<u>125,442,297</u>	<u>236,108,155</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	535,926	3,057,735	750,608	1,391,815	5,736,084
Contracts Payable	-	541,260	-	202,445	743,705
Accrued Liabilities	1,750,829	108,220	285,808	1,061,717	3,206,574
Due to Other Funds	9,961,292	16,522	11,140	9,554,055	19,543,009
Due to Other Governments	38,940	479,898	186,640	86,777	792,255
Unearned Revenue	-	-	-	879,073	879,073
Obligations under Securities Lending	-	-	-	1,020,557	1,020,557
Deferred Revenue	1,024,329	9,405,061	704,132	2,286,301	13,419,823
Total Liabilities	<u>13,311,316</u>	<u>13,608,696</u>	<u>1,938,328</u>	<u>16,482,740</u>	<u>45,341,080</u>
Fund Balances:					
Reserved for:					
Inventories	529,043	55,869	-	796,416	1,381,328
Prepaid Items	325,985	-	-	-	325,985
Improvements	2,995,956	-	-	149,941	3,145,897
Resale of Assets	-	-	-	1,100,000	1,100,000
Grantor Loan Programs	-	-	19,637,000	-	19,637,000
Restricted Funds	817,718	-	-	-	817,718
Debt Service	-	-	-	16,055,872	16,055,872
Trust Donations (nonexpendable)	-	-	-	160,000	160,000
Health Care (nonexpendable)	-	-	-	37,000,000	37,000,000
Unreserved, Reported in:					
General Fund:					
Designated for Debt Service	378,783	-	-	-	378,783
Designated for Subsequent Years Expenditures	3,262,112	-	-	-	3,262,112
Designated for Encumbrances	938,258	-	-	-	938,258
Undesignated	23,007,368	-	-	-	23,007,368
Special Revenue Funds:					
Designated for Subsequent Years Expenditures	-	37,698	-	1,781,285	1,818,983
Designated for Encumbrances	-	3,511,504	976,280	219,734	4,707,518
Undesignated	-	24,783,432	550,512	27,696,795	53,030,739
Capital Projects Funds:					
Designated for Encumbrances	-	-	-	1,691,482	1,691,482
Undesignated	-	-	-	8,161,855	8,161,855
Permanent Funds:					
Designated for Contingencies	-	-	-	865,000	865,000
Undesignated	-	-	-	13,281,177	13,281,177
Total Fund Balances	<u>32,255,223</u>	<u>28,388,503</u>	<u>21,163,792</u>	<u>108,959,557</u>	<u>190,767,075</u>
Total Liabilities and Fund Balances	<u>\$ 45,566,539</u>	<u>41,997,199</u>	<u>23,102,120</u>	<u>125,442,297</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	595,497,261
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.	149,808,057
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	13,419,823
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	29,282,074
Accrued pension contribution, long-term construction contracts and other liabilities require the use of unavailable financial resources and, therefore, are not reported in the funds.	(5,231,757)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(179,404,001)
Net assets of governmental activities	<u>\$ 794,138,532</u>

CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	General Fund	Street Construction Fund	Federal Grants Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 29,735,619	-	-	19,623,993	49,359,612
Motor Vehicle	4,323,350	-	-	-	4,323,350
Wheel	-	-	-	10,697,955	10,697,955
Sales and Use	54,337,312	-	-	-	54,337,312
Sundry and In Lieu	31,077	-	-	13,402	44,479
Occupation	10,541,781	-	-	-	10,541,781
Special Assessment	2,597	-	-	1,053,330	1,055,927
Intergovernmental	3,328,425	43,879,218	18,267,321	9,625,009	75,099,973
Permits and Fees	3,410,588	2,416,579	1,217,837	10,073,998	17,119,002
Reimbursement for Services	4,751,119	9,418	460,242	1,379,520	6,600,299
Program Income	-	-	57,535	-	57,535
Investment Earnings	794,758	627,193	17,932	4,351,508	5,791,391
Donations	572,060	50	343,504	1,839,551	2,755,165
Keno Proceeds	-	-	-	3,140,726	3,140,726
Miscellaneous	505,728	92,174	2,930	1,263,757	1,864,589
Total Revenues	<u>112,334,414</u>	<u>47,024,632</u>	<u>20,367,301</u>	<u>63,062,749</u>	<u>242,789,096</u>
EXPENDITURES					
Current:					
General Government	26,043,858	-	333,903	8,050,716	34,428,477
Public Safety	52,744,057	-	2,842,745	8,397,682	63,984,484
Streets and Highways	7,209,731	6,591,494	114,709	2,529,370	16,445,304
Culture and Recreation	11,282,155	-	2,875,672	8,291,742	22,449,569
Economic Opportunity	210,320	-	7,135,326	3,975,596	11,321,242
Health and Welfare	213,431	-	6,882,791	13,253,535	20,349,757
Mass Transit	-	-	160,019	9,415,651	9,575,670
Debt Service	45,723	-	-	16,944,382	16,990,105
Capital Outlay	-	46,257,948	-	14,836,253	61,094,201
Total Expenditures	<u>97,749,275</u>	<u>52,849,442</u>	<u>20,345,165</u>	<u>85,694,927</u>	<u>256,638,809</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,585,139</u>	<u>(5,824,810)</u>	<u>22,136</u>	<u>(22,632,178)</u>	<u>(13,849,713)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	3,937,714	10,307,913	2,104,539	37,194,766	53,544,932
Transfers Out	(21,354,086)	(6,232,432)	(315,235)	(23,103,709)	(51,005,462)
Issuance of Debt	2,500,000	-	-	4,001,393	6,501,393
Premium on Debt Issued	25,473	-	-	-	25,473
Sale of Capital Assets	82,203	-	-	645,468	727,671
Total Other Financing Sources (Uses)	<u>(14,808,696)</u>	<u>4,075,481</u>	<u>1,789,304</u>	<u>18,737,918</u>	<u>9,794,007</u>
Net Change in Fund Balances	(223,557)	(1,749,329)	1,811,440	(3,894,260)	(4,055,706)
Fund Balances - Beginning	<u>32,478,780</u>	<u>30,137,832</u>	<u>19,352,352</u>	<u>112,853,817</u>	<u>194,822,781</u>
Fund Balances - Ending	<u>\$ 32,255,223</u>	<u>28,388,503</u>	<u>21,163,792</u>	<u>108,959,557</u>	<u>190,767,075</u>

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

CITY OF LINCOLN, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2009

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

Net change in fund balances - total governmental funds	\$ (4,055,706)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	14,061,193
The net effect of various miscellaneous transactions involving capital contributions is to increase net assets.	5,712,574
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds; change in revenues in fund statements previously recognized in the statement of activities.	(8,839,359)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,571,173
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,715,276)
Changes in the net pension asset/obligation and the net OPEB asset/obligation do not represent financial activity in governmental funds.	90,534
Changes in the interest in the underlying net assets of the joint venture do not represent financial activity in governmental funds.	22,069,965
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue of the internal service funds is reported within governmental activities.	<u>1,315,104</u>
Change in net assets of governmental activities	<u>\$ 33,210,202</u>

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

CITY OF LINCOLN, NEBRASKA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 31,696,063	31,696,063	35,147,140	3,451,077
Taxes Collected by Others	56,964,834	56,964,834	54,255,376	(2,709,458)
Sundry Taxes and In Lieu	27,178	27,178	29,895	2,717
Occupation Taxes	9,978,214	9,978,214	10,356,508	378,294
Intergovernmental	3,411,173	3,411,173	3,112,637	(298,536)
Permits and Fees	2,885,319	2,885,319	2,709,262	(176,057)
Reimbursement for Services	2,461,349	2,461,349	2,495,467	34,118
Court Fees	565,750	565,750	581,113	15,363
Recreation Receipts	1,840,963	1,840,963	1,840,506	(457)
Investment Earnings	577,158	577,158	818,718	241,560
Donations	509,306	509,306	549,291	39,985
Rental Income	478,084	478,084	424,663	(53,421)
Miscellaneous	406,237	406,237	643,185	236,948
Total Revenues	<u>111,801,628</u>	<u>111,801,628</u>	<u>112,963,761</u>	<u>1,162,133</u>
Expenditures:				
General Government:				
Legislative	307,674	307,674	260,156	47,518
Executive	1,229,523	1,229,523	1,110,619	118,904
Financial Administration	2,376,751	2,376,751	2,300,899	75,852
Law	2,103,179	2,156,179	2,121,994	34,185
Personnel Administration	947,559	947,559	917,434	30,125
Planning and Zoning	1,865,795	1,865,795	1,802,376	63,419
Urban Development	756,768	856,768	728,660	128,108
Miscellaneous	19,871,278	19,087,556	16,817,555	2,270,001
Total General Government	<u>29,458,527</u>	<u>28,827,805</u>	<u>26,059,693</u>	<u>2,768,112</u>
Public Safety:				
Police	31,335,600	31,335,600	29,822,828	1,512,772
Fire	20,764,184	21,124,570	20,654,573	469,997
Traffic Engineering	1,579,234	1,579,234	1,529,444	49,790
Total Public Safety	<u>53,679,018</u>	<u>54,039,404</u>	<u>52,006,845</u>	<u>2,032,559</u>
Streets and Highways:				
Street Maintenance	2,329,295	2,371,795	2,193,221	178,574
Street Lighting	3,697,784	3,697,784	5,045,297	(1,347,513)
Total Streets and Highways	<u>6,027,079</u>	<u>6,069,579</u>	<u>7,238,518</u>	<u>(1,168,939)</u>
Culture and Recreation:				
Parks and Recreation	11,384,930	11,476,689	11,084,531	392,158
Libraries	179,894	179,894	179,894	-
Total Culture and Recreation	<u>11,564,824</u>	<u>11,656,583</u>	<u>11,264,425</u>	<u>392,158</u>
Economic Opportunity:				
Lincoln Area Agency on Aging	209,267	209,267	209,267	-
Health and Welfare:				
Lincoln/Lancaster County Health	211,666	211,666	211,666	-
Debt Service:				
Issuance and Management Costs	-	-	45,723	(45,723)
Total Expenditures	<u>101,150,381</u>	<u>101,014,304</u>	<u>97,036,137</u>	<u>3,978,167</u>
Excess of Revenues Over Expenditures	<u>10,651,247</u>	<u>10,787,324</u>	<u>15,927,624</u>	<u>5,140,300</u>
Other Financing Sources (Uses):				
Transfers In	3,299,837	3,299,837	3,951,729	651,892
Transfers Out	(21,310,986)	(21,507,909)	(21,269,938)	237,971
Proceeds from Issuance of Debt	2,500,000	2,500,000	2,500,000	-
Premium on Debt Issued	-	-	25,473	25,473
Sale of Capital Assets	102,880	102,880	83,163	(19,717)
Total Other Financing Sources (Uses)	<u>(15,408,269)</u>	<u>(15,605,192)</u>	<u>(14,709,573)</u>	<u>895,619</u>
Net Change in Fund Balances	(4,757,022)	(4,817,868)	1,218,051	6,035,919
Fund Balances - Beginning	<u>22,396,325</u>	<u>22,396,325</u>	<u>22,396,325</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 17,639,303</u>	<u>17,578,457</u>	<u>23,614,376</u>	<u>6,035,919</u>

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



CITY OF LINCOLN, NEBRASKA
STREET CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 12,028,226	12,028,226	16,950,552	4,922,326
Permits and Fees	-	-	294,051	294,051
Reimbursement for Services	400,000	400,000	9,593	(390,407)
Investment Earnings	100,000	100,000	(18,771)	(118,771)
Miscellaneous	-	-	244	244
Total Revenues	<u>12,528,226</u>	<u>12,528,226</u>	<u>17,235,669</u>	<u>4,707,443</u>
Expenditures -- Streets and Highways:				
Personal Services	3,561,284	3,606,284	3,663,497	(57,213)
Materials and Supplies	614,722	614,722	536,741	77,981
Other Services and Charges	3,054,139	3,009,139	2,194,401	814,738
Capital Outlay	43,258	43,258	28,322	14,936
Total Expenditures	<u>7,273,403</u>	<u>7,273,403</u>	<u>6,422,961</u>	<u>850,442</u>
Excess of Revenues Over Expenditures	<u>5,254,823</u>	<u>5,254,823</u>	<u>10,812,708</u>	<u>5,557,885</u>
Other Financing Sources (Uses):				
Transfers In	10,321,707	10,321,707	10,321,707	-
Transfers Out	<u>(12,994,232)</u>	<u>(12,994,232)</u>	<u>(12,994,232)</u>	-
Total Other Financing Sources (Uses)	<u>(2,672,525)</u>	<u>(2,672,525)</u>	<u>(2,672,525)</u>	-
Net Change in Fund Balances	2,582,298	2,582,298	8,140,183	5,557,885
Amount Budgeted on Project Basis	(8,798,288)	(8,798,288)	(8,798,288)	-
Fund Balances - Beginning	<u>26,532,102</u>	<u>26,532,102</u>	<u>26,532,102</u>	-
Fund Balances - Ending	<u>\$ 20,316,112</u>	<u>20,316,112</u>	<u>25,873,997</u>	<u>5,557,885</u>

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

CITY OF LINCOLN, NEBRASKA
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,588,256	19,588,256	18,818,865	(769,391)
Permits and Fees	1,279,242	1,279,242	1,279,242	-
Reimbursement for Services	289,751	289,751	289,751	-
Client Contributions	150	150	150	-
Program Income	1,084,368	1,084,368	1,110,535	26,167
Recreation Receipts	79,841	79,841	79,841	-
Investment Earnings	21,571	21,571	21,712	141
Donations	336,660	336,660	336,660	-
Rental Income	92,433	92,433	84,691	(7,742)
Miscellaneous	2,812	2,812	2,812	-
Total Revenues	<u>22,775,084</u>	<u>22,775,084</u>	<u>22,024,259</u>	<u>(750,825)</u>
Expenditures:				
General Government:				
Materials and Supplies	2,149	2,149	2,149	-
Other Services and Charges	91,190	91,190	91,190	-
Capital Outlay	239,987	239,987	239,987	-
Total General Government	<u>333,326</u>	<u>333,326</u>	<u>333,326</u>	<u>-</u>
Public Safety:				
Personal Services	1,128,908	1,128,908	1,128,908	-
Materials and Supplies	161,967	161,967	161,967	-
Other Services and Charges	1,148,736	1,148,736	1,148,736	-
Capital Outlay	470,573	470,573	470,573	-
Total Public Safety	<u>2,910,184</u>	<u>2,910,184</u>	<u>2,910,184</u>	<u>-</u>
Streets and Highways:				
Materials and Supplies	18	18	18	-
Other Services And Charges	113,350	113,350	113,350	-
Total Streets And Highways	<u>113,368</u>	<u>113,368</u>	<u>113,368</u>	<u>-</u>
Culture and Recreation:				
Personal Services	694,891	694,891	694,891	-
Materials and Supplies	37,880	37,880	37,880	-
Other Services and Charges	280,989	280,989	280,989	-
Capital Outlay	2,203,593	2,203,593	2,203,593	-
Total Culture and Recreation	<u>3,217,353</u>	<u>3,217,353</u>	<u>3,217,353</u>	<u>-</u>
Economic Opportunity:				
Personal Services	4,347,582	4,359,538	4,435,187	(75,649)
Materials and Supplies	120,935	120,935	128,004	(7,069)
Other Services and Charges	2,345,341	2,400,814	1,895,212	505,602
Capital Outlay	111,624	978,239	179,951	798,288
Loans and Grants	3,412,086	4,136,184	2,847,237	1,288,947
Total Economic Opportunity	<u>10,337,568</u>	<u>11,995,710</u>	<u>9,485,591</u>	<u>2,510,119</u>

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Personal Services	3,831,396	3,831,396	3,831,396	-
Materials and Supplies	268,656	268,656	268,656	-
Other Services and Charges	3,004,716	3,004,716	3,004,716	-
Capital Outlay	48,981	48,981	48,981	-
Loans and Grants	40,090	40,090	40,090	-
Total Health and Welfare	<u>7,193,839</u>	<u>7,193,839</u>	<u>7,193,839</u>	<u>-</u>
Mass Transit:				
Personal Services	154,355	154,355	154,355	-
Materials and Supplies	75	75	75	-
Other Services and Charges	4,894	4,894	4,894	-
Total Mass Transit	<u>159,324</u>	<u>159,324</u>	<u>159,324</u>	<u>-</u>
Total Expenditures	<u>24,264,962</u>	<u>25,923,104</u>	<u>23,412,985</u>	<u>2,510,119</u>
Deficiency of Revenues Under Expenditures	<u>(1,489,878)</u>	<u>(3,148,020)</u>	<u>(1,388,726)</u>	<u>1,759,294</u>
Other Financing Sources (Uses):				
Transfers In	2,104,340	2,104,340	2,104,539	199
Transfers Out	<u>(214,539)</u>	<u>(64,539)</u>	<u>(315,235)</u>	<u>(250,696)</u>
Total Other Financing Sources (Uses)	<u>1,889,801</u>	<u>2,039,801</u>	<u>1,789,304</u>	<u>(250,497)</u>
Net Change in Fund Balances	399,923	(1,108,219)	400,578	1,508,797
Fund Balances - Beginning	<u>232,533</u>	<u>232,533</u>	<u>232,533</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 632,456</u>	<u>(875,686)</u>	<u>633,111</u>	<u>1,508,797</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2009

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities --
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		Internal Service Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 3,283,735	4,394,292	42,140,000	5,345,286	55,163,313	7,879,057
Investments	-	-	-	12,103,653	12,103,653	19,971,508
Restricted Assets:						
Cash and Cash Equivalents	-	-	16,676,000	269,996	16,945,996	-
Investments	1,338,842	397,478	-	-	1,736,320	-
Receivables, (Net of Allowance for Uncollectibles)	1,760,530	2,808,120	14,798,000	1,777,394	21,144,044	506,245
Unbilled Revenues	2,109,234	3,275,363	12,016,000	-	17,400,597	-
Due from Other Funds	1,275,753	1,681,859	-	1,031,382	3,988,994	2,695,040
Due from Other Governments	-	-	-	6,002	6,002	124,687
Inventories	80,118	849,679	14,457,000	221,393	15,608,190	659,348
Plant Operation Assets	-	-	12,387,000	-	12,387,000	-
Prepaid Expenses	-	-	1,422,000	48,638	1,470,638	259,126
Total Current Assets	<u>9,848,212</u>	<u>13,406,791</u>	<u>113,896,000</u>	<u>20,803,744</u>	<u>157,954,747</u>	<u>32,095,011</u>
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	-	-	28,457,000	626,811	29,083,811	-
Investments	13,009,486	18,464,162	3,640,000	3,238,627	38,352,275	-
Receivables	142,092	61,154	-	45,349	248,595	-
Due from Other Funds	-	-	-	115,009	115,009	-
Total Restricted Assets	<u>13,151,578</u>	<u>18,525,316</u>	<u>32,097,000</u>	<u>4,025,796</u>	<u>67,799,690</u>	<u>-</u>
Deferred Charges	<u>782,328</u>	<u>740,779</u>	<u>15,992,000</u>	<u>385,898</u>	<u>17,901,005</u>	<u>-</u>
Capital Assets:						
Land	5,774,849	5,123,119	-	10,793,588	21,691,556	48,250
Buildings	75,192,066	100,121,194	-	50,206,556	225,519,816	373,146
Improvements Other Than Buildings	242,828,463	255,101,939	-	30,740,362	528,670,764	1,166,615
Machinery and Equipment	8,783,360	6,898,028	-	11,960,569	27,641,957	26,532,340
Utility Plant	-	-	1,128,630,000	-	1,128,630,000	-
Construction in Progress	3,799,297	30,363,834	68,035,000	3,388,436	105,586,567	-
Less Accumulated Depreciation	<u>(83,659,749)</u>	<u>(98,775,110)</u>	<u>(399,228,000)</u>	<u>(45,678,835)</u>	<u>(627,341,694)</u>	<u>(18,650,565)</u>
Total Capital Assets, Net	<u>252,718,286</u>	<u>298,833,004</u>	<u>797,437,000</u>	<u>61,410,676</u>	<u>1,410,398,966</u>	<u>9,469,786</u>
Total Noncurrent Assets	<u>266,652,192</u>	<u>318,099,099</u>	<u>845,526,000</u>	<u>65,822,370</u>	<u>1,496,099,661</u>	<u>9,469,786</u>
Total Assets	<u>276,500,404</u>	<u>331,505,890</u>	<u>959,422,000</u>	<u>86,626,114</u>	<u>1,654,054,408</u>	<u>41,564,797</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	380,187	531,560	13,140,000	2,081,089	16,132,836	457,734
Construction Contracts	1,180,787	6,044,900	477,000	-	7,702,687	-
Accrued Liabilities	402,104	657,547	10,201,000	209,095	11,469,746	304,858
Accrued Compensated Absences	330,462	380,821	-	292,798	1,004,081	667,204
Due to Other Funds	-	-	-	834,146	834,146	1,346,034
Due to Other Governments	-	-	-	123,082	123,082	12,012
Unearned Revenue	-	-	-	777,430	777,430	129,554
Claims	-	-	251,000	-	251,000	4,683,839
Accrued Interest	777,384	145,347	9,806,000	36,456	10,765,187	131
Commercial Paper Notes Payable	-	-	90,000,000	-	90,000,000	-
Current Portion of Capital Lease	-	-	-	146,170	146,170	47,014
Current Portion of Long-Term Debt	2,695,000	6,050,000	17,000,000	1,985,000	27,730,000	-
Other	-	-	7,822,000	-	7,822,000	-
Total Current Liabilities	<u>5,765,924</u>	<u>13,810,175</u>	<u>148,697,000</u>	<u>6,485,266</u>	<u>174,758,365</u>	<u>7,648,380</u>
Noncurrent Liabilities:						
Due to Other Funds	-	-	-	252,372	252,372	-
Accrued Compensated Absences	184,339	376,989	-	77,425	638,753	703,962
Construction Contracts	2,771,854	667,211	-	-	3,439,065	-
Claims	-	-	750,000	-	750,000	3,879,638
Long-Term Debt, Net	80,193,837	71,972,602	584,115,000	12,969,567	749,251,006	-
Capital Lease Payable	-	-	-	191,740	191,740	-
Accrued Liabilities	28,742	40,806	-	48,907	118,455	50,743
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	9,796,000	9,796,000	-
Total Noncurrent Liabilities	<u>83,178,772</u>	<u>73,057,608</u>	<u>584,865,000</u>	<u>23,336,011</u>	<u>764,437,391</u>	<u>4,634,343</u>
Total Liabilities	<u>88,944,696</u>	<u>86,867,783</u>	<u>733,562,000</u>	<u>29,821,277</u>	<u>939,195,756</u>	<u>12,282,723</u>
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	181,153,293	233,365,538	119,876,000	48,808,131	583,202,962	9,422,772
Restricted for:						
Debt Service	356,741	216,595	28,408,000	323,955	29,305,291	-
Capital Projects	621,524	808,345	-	1,219,436	2,649,305	-
Other	-	-	-	37,575	37,575	-
Unrestricted	<u>5,424,150</u>	<u>10,247,629</u>	<u>77,576,000</u>	<u>6,415,740</u>	<u>99,663,519</u>	<u>19,859,302</u>
Total Net Assets	<u>\$ 187,555,708</u>	<u>244,638,107</u>	<u>225,860,000</u>	<u>56,804,837</u>	<u>714,858,652</u>	<u>29,282,074</u>

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Operating Revenues						
Charges for Services	\$ 21,142,579	25,692,203	248,131,000	4,317,445	299,283,227	48,969,481
Fees	-	-	-	7,834,305	7,834,305	-
Parking Revenue	-	-	-	7,034,535	7,034,535	-
Performance Revenue	-	-	-	1,106,150	1,106,150	-
Other Operating Revenue	-	-	-	509,151	509,151	-
Total Operating Revenues	<u>21,142,579</u>	<u>25,692,203</u>	<u>248,131,000</u>	<u>20,801,586</u>	<u>315,767,368</u>	<u>48,969,481</u>
Operating Expenses						
Personal Services	-	-	-	7,202,016	7,202,016	12,547,700
Contractual Services	-	-	-	3,141,668	3,141,668	-
Operation and Maintenance	10,258,810	12,750,099	12,180,000	5,308,738	40,497,647	34,076,767
Purchased Power	-	-	124,150,000	-	124,150,000	-
Depreciation	7,588,789	6,927,901	35,152,000	3,520,631	53,189,321	2,609,568
Administrative Costs	1,512,481	2,244,978	27,333,000	-	31,090,459	-
Total Operating Expenses	<u>19,360,080</u>	<u>21,922,978</u>	<u>198,815,000</u>	<u>19,173,053</u>	<u>259,271,111</u>	<u>49,234,035</u>
Operating Income (Loss)	<u>1,782,499</u>	<u>3,769,225</u>	<u>49,316,000</u>	<u>1,628,533</u>	<u>56,496,257</u>	<u>(264,554)</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	998,912	870,720	1,783,000	1,028,326	4,680,958	1,357,236
Gain (Loss) on Disposal of Capital Assets	-	-	-	(238,443)	(238,443)	4,840
Occupation Tax	-	-	-	1,978,659	1,978,659	-
Payments in Lieu of Taxes	-	-	(8,548,000)	-	(8,548,000)	-
Amortization of Deferred Charges	(38,904)	(70,604)	(234,000)	(53,689)	(397,197)	-
Interest Expense and Fiscal Charges	(3,580,990)	(1,800,608)	(29,879,000)	(881,510)	(36,142,108)	(2,685)
Total Nonoperating Revenues (Expenses)	<u>(2,620,982)</u>	<u>(1,000,492)</u>	<u>(36,878,000)</u>	<u>1,833,343</u>	<u>(38,666,131)</u>	<u>1,359,391</u>
Income (Loss) Before Contributions and Transfers	<u>(838,483)</u>	<u>2,768,733</u>	<u>12,438,000</u>	<u>3,461,876</u>	<u>17,830,126</u>	<u>1,094,837</u>
Capital Contributions	2,057,734	3,274,336	5,693,000	263,153	11,288,223	220,692
Transfers In	-	-	-	690,425	690,425	10,000
Transfers Out	-	-	(1,519,000)	(1,710,470)	(3,229,470)	(10,425)
Change in Net Assets	<u>1,219,251</u>	<u>6,043,069</u>	<u>16,612,000</u>	<u>2,704,984</u>	<u>26,579,304</u>	<u>1,315,104</u>
Net Assets - Beginning	<u>186,336,457</u>	<u>238,595,038</u>	<u>209,248,000</u>	<u>54,099,853</u>	<u>688,279,348</u>	<u>27,966,970</u>
Net Assets - Ending	<u>\$ 187,555,708</u>	<u>244,638,107</u>	<u>225,860,000</u>	<u>56,804,837</u>	<u>714,858,652</u>	<u>29,282,074</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Business-Type Activities -- Enterprise Funds				Total	Governmental
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 20,514,662	24,487,136	253,583,000	20,304,506	318,889,304	11,597,557
Receipts from Interfund Services Provided	146,819	570,906	5,047,000	203,100	5,967,825	36,684,146
Payments to Suppliers for Goods and Services	(3,422,054)	(4,671,298)	(161,338,000)	(7,407,352)	(176,838,704)	(30,048,892)
Payments to Employees	(6,580,411)	(7,776,770)	(21,436,000)	(7,137,152)	(42,930,333)	(12,623,153)
Payments for Interfund Services Provided	(1,765,304)	(3,055,747)	(1,708,000)	(1,414,894)	(7,943,945)	(1,881,649)
Other Receipts	-	-	-	429,645	429,645	-
Net Cash Provided by Operating Activities	<u>8,893,712</u>	<u>9,554,227</u>	<u>74,148,000</u>	<u>4,977,853</u>	<u>97,573,792</u>	<u>3,728,009</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	2,045,982	2,045,982	-
Payments in Lieu of Taxes	-	-	(8,272,000)	-	(8,272,000)	-
Transfers from Other Funds	-	-	-	675,425	675,425	10,000
Transfers to Other Funds	-	-	(1,492,000)	(1,710,470)	(3,202,470)	(10,425)
Advances from General Fund	-	-	-	1,001,903	1,001,903	1,391,947
Repayment of Advances from General Fund	-	-	-	(1,721,931)	(1,721,931)	(726,253)
Advances to Other Funds	-	-	-	(2,743)	(2,743)	(105,251)
Payments from Other Funds	396,164	122,238	-	170,399	688,801	92,544
Interest Paid	-	-	-	(47,504)	(47,504)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>396,164</u>	<u>122,238</u>	<u>(9,764,000)</u>	<u>411,061</u>	<u>(8,834,537)</u>	<u>652,562</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(8,240,018)	(17,815,271)	(50,612,000)	(3,705,138)	(80,372,427)	(1,971,927)
Proceeds from Sale of Capital Assets	-	-	-	87,000	87,000	37,401
Proceeds from Long-Term Debt	-	15,248,642	-	-	15,248,642	-
Cost of Debt Issuance	-	-	(246,000)	-	(246,000)	-
Net Cost of Retiring Plant	-	-	(447,000)	-	(447,000)	-
Capital Contributions	-	-	5,693,000	-	5,693,000	-
Principal Payments of Capital Lease	-	-	-	(139,618)	(139,618)	(60,884)
Principal Payments of Long-Term Debt	(2,620,000)	(5,795,000)	(13,000,000)	(1,890,000)	(23,305,000)	-
Interest and Fiscal Charges Paid	(3,692,565)	(2,023,885)	(31,343,000)	(837,798)	(37,897,248)	(2,855)
Net Cash Used by Capital and Related Financing Activities	<u>(14,552,583)</u>	<u>(10,385,514)</u>	<u>(89,955,000)</u>	<u>(6,485,554)</u>	<u>(121,378,651)</u>	<u>(1,998,265)</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	7,380,050	3,593,879	3,702,000	4,730,915	19,406,844	3,924,552
Purchases of Investments	(3,288,340)	(2,741,705)	-	(3,522,507)	(9,552,552)	(4,915,120)
Interest and Other Receipts	782,933	759,833	2,006,000	849,496	4,398,262	1,074,832
Net Cash Provided by Investing Activities	<u>4,874,643</u>	<u>1,612,007</u>	<u>5,708,000</u>	<u>2,057,904</u>	<u>14,252,554</u>	<u>84,264</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(388,064)	902,958	(19,863,000)	961,264	(18,386,842)	2,466,570
Cash and Cash Equivalents - Beginning	3,671,799	3,491,334	107,136,000	5,280,829	119,579,962	5,412,487
Cash and Cash Equivalents - Ending	<u>\$ 3,283,735</u>	<u>4,394,292</u>	<u>87,273,000</u>	<u>6,242,093</u>	<u>101,193,120</u>	<u>7,879,057</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 1,782,499	3,769,225	49,316,000	1,628,533	56,496,257	(264,554)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	7,588,789	6,927,901	35,152,000	3,520,631	53,189,321	2,609,568
Changes in Assets and Liabilities:						
Accounts Receivable and Unbilled Revenues	(478,773)	(607,355)	(3,596,000)	185,922	(4,496,206)	18,739
Due from Other Funds	-	-	-	(941)	(941)	(609,814)
Due from Other Governments	-	-	-	67,923	67,923	106,198
Inventories	20,937	193,756	1,127,000	(22,688)	1,319,005	189,254
Plant Operation Assets	-	-	(2,528,000)	-	(2,528,000)	-
Prepaid Expenses	-	-	(175,000)	(5,494)	(180,494)	6,857
Other Assets	-	-	(6,104,000)	-	(6,104,000)	-
Accounts Payable	(18,603)	(274,219)	288,000	(124,138)	(128,960)	36,213
Accrued Liabilities	(6,750)	(512,322)	-	17,881	(501,191)	(150,075)
Accrued Compensated Absences	5,613	57,241	-	52,520	115,374	74,622
Due to Other Funds	-	-	-	(75,572)	(75,572)	11,550
Due to Other Governments	-	-	-	(11,485)	(11,485)	(229)
Unearned Revenue	-	-	-	(117,239)	(117,239)	(190,995)
Claims	-	-	(201,000)	-	(201,000)	1,890,675
Deferred Credits and Other Liabilities	-	-	869,000	-	869,000	-
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	(138,000)	(138,000)	-
Total Adjustments	<u>7,111,213</u>	<u>5,785,002</u>	<u>24,832,000</u>	<u>3,349,320</u>	<u>41,077,535</u>	<u>3,992,563</u>
Net Cash Provided by Operating Activities	<u>\$ 8,893,712</u>	<u>9,554,227</u>	<u>74,148,000</u>	<u>4,977,853</u>	<u>97,573,792</u>	<u>3,728,009</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 1,555,955	1,999,072	-	263,153	3,818,180	220,692
Purchase of Capital Assets on Account	3,952,641	6,712,111	-	1,443,956	12,108,708	34,096
Change in Fair Value of Investments	267,999	230,443	95,000	192,723	786,165	281,639

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2009

	Police & Fire Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,474,722	3,443,701
Investments:		
Pooled Investment Funds	4,870,385	-
U.S. Agency Obligations	-	1,910,000
Corporate Bonds	1,379,800	-
Private Equity	386,047	-
Mutual Funds	119,461,573	-
Real Estate Limited Partnership	19,218,203	-
Other	150,900	-
Total Investments	145,466,908	1,910,000
Receivables:		
Contributions	268,149	-
Accrued Interest	875,421	88,824
Other	-	31,047
Due from Other Governments	338	-
Contractor Retainage	-	814,064
 Total Assets	 149,085,538	 6,287,636
LIABILITIES		
Warrants Payable	-	754,047
Accounts Payable	11,829	308,243
Accrued Liabilities	3,365	-
Accrued Compensated Absences	10,707	-
Due to Other Governments	-	3,569,053
Due to Homeowners	-	5,763
Due to Contractors	-	1,333,595
Due to Joint Venture	-	199,009
Due to Bondholders	-	117,926
 Total Liabilities	 25,901	 6,287,636
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	\$ 149,059,637	

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2009

	Police & Fire Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 3,538,283
Employee	2,237,015
Total Contributions	5,775,298
Investment Earnings (Loss):	
Interest	512,240
Dividends	2,758,709
Net Decrease in Fair Value of Investments	(33,269,043)
Net Investment Earnings (Loss)	(29,998,094)
Total Additions (Loss)	(24,222,796)
Deductions:	
Benefit Payments	9,087,929
Refunds of Contributions	568,092
Administrative Costs	171,931
Total Deductions	9,827,952
Change in Net Assets	(34,050,748)
Net Assets Held in Trust for Pension Benefits and Other Purposes - Beginning	183,110,385
Net Assets Held in Trust for Pension Benefits and Other Purposes - Ending	\$ 149,059,637

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

**NOTES TO THE
FINANCIAL STATEMENTS**

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The accompanying financial statements present the government of the City of Lincoln, Nebraska (City). Based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, and Statement 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, none of the City's significant potential component units are required to be included as part of the reporting entity. Regarding related organizations, the City's Mayor appoints and the City Council approves all of the board appointments of the Housing Authority of the City of Lincoln. However, the City has no further accountability for this organization.

FISCAL YEAR-END

All funds of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 2009. December 31st is the fiscal year-end of LES as established by the City Charter, and the last separate financial statements were as of and for the year ended December 31, 2008. The amounts included in the City's 2009 financial statements for LES are amounts as of and for the year ended December 31, 2008.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

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

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

The City reports the following major governmental funds:

The General Fund finances the day-to-day operation of the basic governmental activities, such as legislative, judicial, administration, police and fire protection, legal services, planning, and parks and recreation.

The Street Construction Fund accounts for the resources accumulated and payments made for the maintenance, construction, and improvement of the streets and highways in the City.

The Federal Grants Fund accounts for the costs of providing services under the City's Community Development Block Grant Program with funding provided by grants from the Department of Housing and Urban Development; monies received from various federal and state agencies under several small categorical grants and the City's matching funds to provide services as stipulated in the individual grant agreements; costs of providing services under the Workforce Investment Act with funding provided by grants from the Department of Labor; and reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood damage with funds used to reimburse other funds for related costs and to pay disaster related expenses.

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

Internal Service Funds account for data processing, engineering, risk management, fleet management, telecommunications, and copy services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

The Agency Funds account for the collection of various taxes, fines, and fees due to other government entities; funds held in escrow for homeowners; good faith money due to contractors upon project completion; funds held for payroll taxes and other payroll related payables; funds held to pay outstanding warrants; funds to pay phone system charges; funds to pay matured bonds and coupons for which the City Treasurer is trustee; funds for the joint administrative entity known as JAVA, created to coordinate planning and implementation of the Antelope Valley Project; funds deposited by Gateway Shopping Center in fulfillment of a condition of the use permit for expansion; and reserve funds held for the Public Building Commission Bonds.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict pronouncements of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. Only the City's Lincoln Wastewater System and Lincoln Water System funds have elected to follow subsequent private-sector guidance.

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES, AND NET ASSETS OR FUND EQUITY

Deposits and Investments

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

Receivables and Payables

Loans receivable in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables generally is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. When certain payments are made that have benefit to future accounting periods and are funded by interfund borrowings, they are recorded as prepayments, with a like amount of interfund liability reflected. The prepayments are charged to expenditures on the governmental fund financial statements over the period of their economic benefit.

Amounts of governmental fund inventories and vendor prepaid items are offset by a fund balance reserve account to indicate that they do not represent "available spendable resources".

Deferred Charges

Advances for mine development are payments made for the construction of the Dry Fork Coal Mine and are included in deferred charges on the statement of net assets. The mine is expected to provide fuel for Laramie River Station over the estimated 25-year life of the mine. The advances will be returned to LES over the estimated life of the mine. In addition, costs related to certain capital improvements at Sheldon Station have been deferred under accounting pronouncements applicable to regulated utilities.

Investment in Joint Venture

Investment in joint venture consists of the City's interest in the Joint Antelope Valley Authority (see Note 23), a joint administrative entity reported in the City's financial statements using the equity method of accounting.

Capital Assets

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 50
Improvements	5 - 40
Infrastructure	20 - 100
Equipment	2 - 20
Utility Plant	30 - 40

The exception to this rule is library media, which is depreciated using a composite depreciation method.

Compensated Absences

City employees generally earn vacation days at a variable rate based on years of service. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation, which is in no case longer than 35 days.

Employees earn sick leave at the rate of one day per month with total accumulation limits established by the employees' bargaining unit. Upon retirement, an employee is reimbursed for accumulated sick leave with maximums depending on the employees' bargaining unit contract. In some cases payment may be placed in a medical spending account rather than reimbursing the employee directly. Police union employees who leave the City's service in good standing after giving two weeks notice of termination of employment are also compensated for sick leave. LES is covered by a separate personnel plan regarding vacation and sick leave with the liability for these benefits recorded in accrued liabilities.

Vacation leave and other compensated absences with similar characteristics are accrued as the benefits are earned if the leave is attributable to past service and it is probable that the City will compensate the employees for such benefits. Sick leave and other compensated absences with similar characteristics are accrued as the benefits are earned only to the extent it is probable that the City will compensate the employees for such benefits through cash payments conditioned on the employee's termination or retirement, and is recorded based on the termination method. Such accruals are based on current salary rates and include salary-related payments directly and incrementally associated with payments made for compensated absences on termination.

All vacation and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In the governmental funds, only compensated absences that have matured as of year-end, for example, as a result of employee resignations and retirements, are recorded as a fund liability.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the bonds-outstanding method. For current and advance refundings of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while

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discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designations of unrestricted fund balance represent tentative management plans that are subject to change.

The City has established a policy providing for an unreserved fund balance in the City's General Fund. To meet excess cash flow needs, no less than twenty percent of the ensuing year's General Fund budget is to be set aside as an unrestricted reserve. Currently \$23,004,086 of the General Fund's unreserved fund balance of \$27,586,521 meets the requirements of this policy, leaving an additional unreserved balance of \$4,582,435.

Net Assets Classification

Net assets are required to be classified into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt.

Restricted – This component of net assets consists of restrictions placed on net assets use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$149,455,401 of restricted net assets, of which enabling legislation restricts \$18,385,933.

Unrestricted – This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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 appropriated in order to avoid incurring a budget deficit for the year.

Appropriation transfers between departments or agencies may only be authorized by resolution of the City Council. The Council may not make any appropriations in addition to those authorized in the annual budget, except that it may authorize emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community.

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- 5) Budgets for all funds are adopted on a basis inconsistent 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. Various funds have expenditures automatically appropriated through the budget resolution, based on funds available. These expenditures are reflected in the original and final budgets at amounts equal to the actual expenditures. Budget basis expenditures are presented on a cash basis.

Amendments to the adopted budget were made this year and resulted from prior fiscal year encumbrances identified subsequent to budget adoption, appropriation of unanticipated revenues to certain funds as provided in the budget resolution, and appropriation revisions between or among departments as provided for under the City Charter.

- 6) Appropriation controls are required at the departmental level. However, as a matter of policy and practice, appropriations generally are controlled at the next level of organization (division) or by fund within a department.
- 7) Operating appropriations lapse at the end of the 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, permanent, enterprise, internal service, and pension trust. Legally adopted annual budgets are not established for certain special revenue (Advance Acquisition, Police & Fire Pension Contributions, Special Assessment, Impact Fees, Development Services Center, Other (Tax Sales Revolving, Property Tax Refunds, Robert Crawford Corridor), Parks & Recreation Special Projects, and Seniors Foundation of Lincoln & Lancaster County), permanent (J.J. Hompes), and agency funds. In addition, capital project funds are budgeted on a project rather than an annual basis.

ENDOWMENTS

The Community Health Permanent Endowment Fund was established in 1997 with the \$37,000,000 cash proceeds realized by the City from the sale of Lincoln General Hospital, and may be increased by donations, bequests, or appropriations to the fund. Investment earnings of the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln. Earnings deposited with the City Treasurer shall be paid out only by order of those persons designated by the Community Health Endowment (CHE) Board of Trustees as outlined in the Fiscal and Budget Directives policy between the CHE and the City. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The current amount of net appreciation available for expenditure is \$12,860,672, which is reported as expendable health care restricted net assets in the statement of net assets. The initial endowment principal is reported as nonexpendable health care restricted net assets in the statement of net assets.

PRIOR-YEAR SUMMARIZED FINANCIAL INFORMATION

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's basic financial statements as of and for the year ended August 31, 2008, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

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the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ materially from those estimates.

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

In 2009, the City implemented the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which addresses standards for pollution remediation obligations dealing with the current or potential detrimental effects of existing pollution by participation in pollution remediation activities such as site assessments and cleanups. The implementation of GASB 49 did not have a material impact on the financial statements.

In 2009, the City implemented the provisions of GASB Statement No. 52 *Land and Other Real Estate Held as Investments by Endowments*, which establishes standards requiring endowments to report their land and other real estate investments at fair value. The implementation had no impact on the financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

GASB has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for financial statements for periods beginning after June 15, 2009. Statement 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies in the areas of recognition, initial measurement, and amortization, thereby enhancing the comparability among state and local governments.

GASB has issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for financial statements for periods beginning after June 15, 2009. Statement 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for financial statements for periods beginning after June 15, 2010. Statement 54 looks to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

The City will review these standards in preparation for meeting the implementation deadlines as established by the statements.

GASB has issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, in order to incorporate the hierarchy of generally accepted accounting principles for state and local governments into the GASB authoritative literature. The Statement prioritizes pronouncements into four categories. The statement was issued in March of 2009 and was effective upon issuance as the standard was not expected to change current practice.

GASB has issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, in order to incorporate into GASB authoritative literature certain accounting and financial reporting guidance presented in the AICPA Statement on Auditing Standards. The Statement applies to all state and local governments. Related party transactions, going concern considerations and subsequent events, which had not previously been included in governmental authoritative literature, are addressed in the Statement. The Statement moves existing accounting and financial reporting guidance contained in auditing standards into the GASB standards. The statement was issued in March of 2009 and was effective upon issuance.

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

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The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.” The details of the \$179,404,001 difference are as follows:

Bonds Payable	\$ 132,446,004
Less deferred charge for issuance costs	(1,371,382)
Less issuance discounts	(22,744)
Plus issuance premiums	2,698,100
Capital Leases Payable	28,047,479
Accrued Interest Payable	1,680,294
Net Pension Obligation	3,983,011
Net OPEB Obligation	660,447
Compensated Absences	<u>11,282,792</u>
Net difference	<u>\$ 179,404,001</u>

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$14,061,193 difference are as follows:

Capital outlay	\$ 36,705,269
Depreciation expense	<u>(22,644,076)</u>
Net difference	<u>\$ 14,061,193</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$4,571,173 difference are as follows:

Debt issued or incurred:	
Issuance of tax allocation bonds	\$ (4,001,393)
Issuance of certificates of participation	(2,500,000)
Deferred charge for issuance costs	138,333
Issuance premiums	(25,473)
Amortization of deferred items	4,924
Principal repayments	<u>10,954,782</u>
Net difference	<u>\$ 4,571,173</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(1,715,276) difference are as follows:

Loss on disposal of capital assets	\$ (1,748,282)
Termination benefits	386,214
Construction contracts	431,032
Other	(11,014)
Accrued interest	32,984
Compensated absences	<u>(806,210)</u>
Net difference	<u>\$ (1,715,276)</u>

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(3) RESTRICTED ASSETS

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

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

Certain assets of the Pershing Municipal Auditorium Enterprise Fund are classified as restricted assets to be used for improvements.

A recap of restrictions and related balances at August 31, 2009 are as follows:

Fund Account	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals
Principal and Interest	\$ 7,160	225,261	-	-	1,338,842	397,478	16,676,000	18,644,741
Reserve	316,500	1,937,819	-	400,000	6,487,613	8,365,688	22,015,000	39,522,620
Depreciation and Replacement	100,000	682,850	-	-	-	-	-	782,850
Construction	-	-	-	556,062	6,663,965	10,159,628	10,082,000	27,461,655
Capital Improvements	124	22,573	9,868	-	-	-	-	32,565
Marketing	-	-	37,575	-	-	-	-	37,575
	<u>\$ 423,784</u>	<u>2,868,503</u>	<u>47,443</u>	<u>956,062</u>	<u>14,490,420</u>	<u>18,922,794</u>	<u>48,773,000</u>	<u>86,482,006</u>

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

(4) DEPOSITS AND INVESTMENTS

DEPOSITS

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

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to 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 insured by the Federal Deposit Insurance Corporation (FDIC).

One or more of the financial institutions holding the City's cash accounts are participating in the FDIC Transaction Account Guarantee Program. Under the program, through December 31, 2009, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account. For interest-bearing cash accounts, the City's cash deposits, including certificates of deposit, are insured up to \$250,000 by the FDIC. Any cash deposits or certificates of deposit in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the City and thus no custodial risk exists.

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INVESTMENTS

At August 31, 2009, the City had the following investments, maturities and credit ratings:

Type	August 31, 2009					Credit Rating S&P Moody's	
	Fair Value	Maturities in Years					
		Less than 1	1-5	6-10	More than 10		
General City:							
U.S. Treasury Obligations	\$ 20,899,608	5,574,100	15,325,508	-	-	N/A	N/A
U.S. Sponsored Agency Obligations	122,938,419	54,552,427	66,257,773	2,128,219	-	AAA	Aaa
Collateralized Repurchase Agreements	1,768,956	1,768,956	-	-	-	N/A	N/A
Collateralized Investment Agreements	3,139,981	-	-	-	3,139,981	AA-	Aaa
Collateralized Investment Agreements	4,930,000	-	-	-	4,930,000	A-	A3
Collateralized Investment Agreements	1,120,000	-	-	1,120,000	-	A+ (Fitch)	A1
Money Market Mutual Funds - U.S. Treasury	3,376,182	3,376,182	-	-	-	N/A	N/A
Money Market Mutual Funds - U.S. Agencies	110,196,102	110,196,102	-	-	-	AAAm	Aaa
Money Market Mutual Funds	23,934	23,934	-	-	-	Not rated	Not rated
Corporate Bonds	32,281	-	32,281	-	-	A	A2
External Investment Trust	18,300,000	18,300,000	-	-	-	Not rated	Not rated
Tax Increment Financing Investments	2,994,959	-	-	1,809,135	1,185,824	Not rated	Not rated
Total General City	289,720,422	193,791,701	81,615,562	5,057,354	9,255,805		
Community Health Endowment:							
U.S. Treasury Obligations	3,298,384	100,417	2,069,583	574,441	553,943	N/A	N/A
U.S. Sponsored Agency Obligations	944,847	-	944,847	-	-	AAA	Aaa
U.S. Sponsored Agency Obligations	5,146,642	-	37,877	265,416	4,843,349	Not rated	Not rated
Money Market Mutual Funds	4,121,547	4,121,547	-	-	-	Not rated	Not rated
Mortgage-backed Securities	186,342	-	-	-	186,342	AAA	Aaa
Mortgage-backed Securities	38,262	-	-	-	38,262	B	B
Corporate Bonds	2,199,625	-	1,710,803	75,515	413,307	AAA	Aaa to Aa
Corporate Bonds	253,616	-	-	99,577	154,039	AA	Aa
Corporate Bonds	2,855,245	125,999	1,093,858	1,202,558	432,830	A	AA to Baa
Corporate Bonds	1,342,109	-	428,427	637,483	276,199	BBB	A to Baa
Municipal Issues	126,839	-	126,839	-	-	A	A
Mutual Funds – Fixed Income	23,207,746	23,207,746	-	-	-	Not rated	Not rated
Partnerships/Joint Ventures	5,652,974	5,652,974	-	-	-	Not rated	Not rated
Foreign Obligations	177,432	-	-	177,432	-	AAA	Aaa
Foreign Obligations	220,758	-	220,758	-	-	AA	Aa
Foreign Obligations	233,662	-	206,777	-	26,885	A	A to Baa
Foreign Obligations	121,315	-	-	48,594	72,721	BBB	Baa
Securities Lending short-term investment pool	1,020,557	1,020,557	-	-	-	Not rated	Not rated
Total Community Health Endowment:	51,147,902	34,229,240	6,839,769	3,081,016	6,997,877		
Police & Fire Pension Trust:							
Corporate Bonds	1,379,800	-	-	-	1,379,800	B+	Not rated
Money Market Mutual Funds	40,029	40,029	-	-	-	Not rated	Not rated
Mutual Funds - Fixed Income	20,885,194	20,885,194	-	-	-	Not rated	Not rated
	22,305,023	20,925,223	-	-	1,379,800		
Mutual Funds	98,727,279	-	-	-	-		
Private Equity	386,047	-	-	-	-		
Real Estate Limited Partnerships	19,218,203	-	-	-	-		
Total Police & Fire Pension Trust	140,636,552	-	-	-	-		
Total Primary Government	\$ 481,504,876	-	-	-	-		

INVESTMENT POLICIES

General City Policy

Generally, the City's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with the investment policy adopted by the City Council complying with state statutes and the City Charter. The City may legally invest in U.S. government securities and agencies, U.S. government sponsored agencies, and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds, bankers' acceptances, and investment agreements.

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Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits current operating funds to be invested with maturities of not longer than twenty-four months. Fixed income investments held in construction funds, operating funds, and other nonoperating funds are limited to ten-year maturities. Investment agreements are not subject to interest rate risk, as the issuer guarantees the interest rate. Money market mutual funds and external investment funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately. Tax Increment Financing investments are allowed to exceed 10 years as the interest rates are guaranteed by the fund and the investment is made within the City's funds.

Credit Risk. Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy establishes requirements for certain investment securities to be rated at certain rates or higher without having collateral pledged to the City. The following investment types must be rated at the minimum rates noted below:

	<u>S&P</u>	<u>Moody's</u>
Money Markets	AA	Aa
Corporate Notes	AA-	Aa3
Investment Agreements	AA-	Aa3

Investment agreements are made with provisions that if the provider is downgraded below Aa3 by Moody's Investors Service (Moody's) or AA- by Standard & Poor's (S&P) the provider must deliver collateral of U.S. Government agencies obligations at a margin of 104% and if the provider is further downgraded, the City will have the right to terminate the agreement and receive all invested amounts plus accrued but unpaid interest without penalty. As of August 31, 2009, the investment agreements were adequately collateralized with U.S. Government agencies obligations that had a rating of Aaa by Moody's and AAA by S&P.

The \$23,934 non-rated money market fund is held in the J.J. Hompes fund. The money market fund is comprised of highly rated securities. The external investment funds are held in the City's idle fund pool and are comprised of Nebraska Public Agency Investment Trust (NPAIT) and Short-Term Federal Investment Trust (STFIT). NPAIT and STFIT invest in only the highest quality securities, including U.S. government, rated U.S. sponsored agencies, and guaranteed student loans.

Concentration of Credit Risk. The City's investment policy places various limits on the amount that may be invested in any one issuer. Per the policy, allocation limits do not apply to the investment of proceeds from issuance of debt. These investments shall be governed by the debt covenant included in the debt instrument. Non-compliance due to a decrease in investment balance does not require corrective action.

<u>Type</u>	<u>Portfolio Composition</u>	<u>Policy Limits on Issuer</u>
U.S. agency obligations:		
Federal Home Loan Bank	20.30 %	40.00 %
Federal Home Loan Mortgage Corporation	4.21	40.00
Federal National Mortgage Association	11.30	40.00
Federal Farm Credit Bank	6.63	40.00

Community Health Endowment (CHE) Policy

CHE may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury, U.S. agencies, instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds, bankers' acceptance, mutual funds, and investment agreements.

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Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, CHE will not be able to recover the value of its investment securities that are in the possession of an outside party.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, CHE's investment policy limits all bond investments to a maximum maturity of 30 years. Mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is CHE's policy to limit its investments in U.S. treasury and U.S. agency obligations to issues with at least Baa / BBB ratings. Short-term fixed income issues should have a minimum A-2 / P-2 rating. Investments in corporate debt, bank loan portfolios, and associated high yield fixed income mutual funds must have a minimum average credit rating of B-.

Concentration of Credit Risk. CHE limits the percentage of cost that may be invested in any one industry, company and issuer by an investment manager. The limits vary depending on the type of investment. Investments by an investment manager in any one company are limited to 5% of portfolio cost. Except for U.S. treasury and U.S. agency obligations, investments in any one issuer are also limited to 5% of portfolio cost. Industry limits are 25% of portfolio cost for any one industry. Investments in Distressed/Mezzanine corporate debt or related mutual funds should have a minimum diversification of at least twenty different company investments. At August 31, 2009, CHE's investment in Federal National Mortgage Association bonds constituted 9% of its total investments.

Foreign Currency Risk. This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. CHE's investment policy states investments in developed country and corporate foreign debt may not exceed 25% of total investment portfolio. CHE had no investment denominated in foreign currency at August 31, 2009.

Police & Fire Pension Trust Policy

The Police & Fire Pension Trust Investment Board, established by the City Council in accordance with the Lincoln Municipal Code chapter 4.62, directs and oversees the trust's investments for the sole benefit of plan participants and beneficiaries. The board also provides oversight and directions to the plan administrator with regard to the investments of the trust's funds. The daily management responsibility of the trust and routine investment transactions are delegated to the plan administrator.

The Police & Fire Pension Trust is allowed to invest in domestic and international equity funds, domestic and foreign bonds, real estate, mortgage-backed securities, and other alternative investments.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Police & Fire Pension Trust will not be able to recover the value of its investment securities that are in the possession of an outside party.

Interest Rate Risk. The Investment Board for the Police & Fire Pension Trust compares the risk and return characteristics derived from the actual performance of the Fund, separate asset classes and specific securities to appropriate benchmarks, financial indices and/or funds at least annually. Asset allocation, investments, and/or investment managers are adjusted as necessary by this monitoring.

Credit Risk. The policy states that the plan will select appropriate investments, or investment manager(s), to fill each asset class allocation. The individual investment, or investment managers, chosen shall be those determined to meet the board's objectives in terms of their overall combination of risk, return, and liquidity.

Concentration of Credit Risk. It is the desire of the board that no more than 5% of assets may be from a single corporate or sovereign issuer exclusive of the U.S. government. The board reviews assets to monitor the concentration of overlapping securities held by multiple mutual funds.

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Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of August 31, 2009:

	<u>Totals</u>			
Investments	\$ 481,504,876			
Deposits and Cash on Hand	6,211,546			
	<u>\$ 487,716,422</u>			
	<u>Government-wide</u>	<u>Fiduciary Funds</u>		
	<u>Statement of</u>	<u>Statement of</u>		
	<u>Net Assets</u>	<u>Net Assets</u>	<u>Totals</u>	
Cash and Cash Equivalents	\$ 99,641,976	5,918,423		105,560,399
Investments	110,480,156	147,376,908		257,857,064
Invested Securities Lending	1,020,557	-		1,020,557
Restricted Assets:				
Cash and Cash Equivalents	46,029,807	-		46,029,807
Investments	77,248,595	-		77,248,595
	<u>\$ 334,421,091</u>	<u>153,295,331</u>		<u>487,716,422</u>

Securities Lending Transactions

The policies of the Community Health Endowment Board of Trustees authorize CHE to participate in securities lending transactions, where securities are loaned to brokers and broker dealers with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank administers the securities lending program and receives cash at least equal in value to the fair 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. At year-end, CHE has no credit risk exposure to borrowers because the amounts CHE owes the borrowers exceed the amounts the borrowers owe CHE. The cash cannot 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. At August 31, 2009, securities lending transactions included U.S. treasuries and U.S. agency obligations.

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 67 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 CHE by the contract with the custodian.

CITY OF LINCOLN, NEBRASKA
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(5) **RECEIVABLES**

Receivables at August 31, 2009, consist of the following (in thousands):

Fund	Taxes	Accounts	Loans	Contributions	Special Assessment		Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
					Current	Deferred				
General	\$ 2,712	1,106	-	-	-	-	101	3,919	-	3,919
Street Construction	-	249	-	-	-	-	87	336	-	336
Federal Grants	-	14	23,623	-	-	-	3	23,640	3,986	19,654
Wastewater System	-	3,870	-	-	-	-	142	4,012	-	4,012
Water System	-	6,084	-	-	-	-	61	6,145	-	6,145
Electric System	-	26,786	-	-	-	-	28	26,814	-	26,814
Nonmajor -										
Special Revenue	994	328	-	-	388	1,431	216	3,357	137	3,220
Debt Service	842	-	-	-	-	-	102	944	-	944
Capital Projects	-	21	-	-	-	-	101	122	-	122
Permanent	-	-	-	-	-	-	157	157	-	157
Enterprise	-	4,021	-	-	-	-	156	4,177	2,354	1,823
Internal Service	-	337	-	-	-	-	169	506	-	506
Fiduciary	-	31	-	268	-	-	964	1,263	-	1,263
	\$ 4,548	42,847	23,623	268	388	1,431	2,287	75,392	6,477	68,915

Enterprise funds customer accounts receivable include unbilled charges for services.

Delinquent special assessment receivables at August 31, 2009, were \$208,700.

(6) **DUE FROM OTHER GOVERNMENTS**

The total of Due From Other Governments of \$26,919,786 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General/General	\$ 9,195,486	State of Nebraska, July/August Sales and Use Tax
	390,455	August Motor Vehicle Taxes Collected by Lancaster County
	126,686	Federal Government, Cost Reimbursements
	160,742	Lancaster County, Cost Reimbursements
Street Construction/Special Revenue	2,841,343	State of Nebraska, July/August Highway User Fees
	408,884	Railroad Transportation Safety District, Cost Reimbursements
	9,705,716	Federal Government, Cost Reimbursements
	380,239	Lancaster County, Cost Reimbursements
Federal Grants/Special Revenue	1,843,251	Federal Government, Cost Reimbursements
Lincoln Area Agency on Aging/Special Revenue	73,606	Federal Government, Cost Reimbursements
	12,636	State of Nebraska, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	334,560	Lancaster County, Cost Reimbursements
Snow Removal/Special Revenue	97,817	August Motor Vehicle Taxes Collected by Lancaster County
StarTran/Special Revenue	35,724	Federal Government, Cost Reimbursements
Antelope Valley/Tax Supported Bonds/Debt Service	166,666	State of Nebraska, July/August Development Fund Disbursements
Vehicle Tax/Capital Projects	861,168	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Construction/Capital Projects	135,304	Federal Government, Cost Reimbursements
Information Services/Internal Service	103,163	Lancaster County Billings
Copy Services/Internal Service	15,854	Lancaster County Billings
Subtotal	26,889,300	
All other	30,486	
Total Due From Other Governments	\$ 26,919,786	

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(7) **CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 62,978,764	2,509,995	450,587	65,038,172
Construction in Progress	<u>100,116,868</u>	<u>26,676,496</u>	<u>37,722,514</u>	<u>89,070,850</u>
Total Capital Assets, not being Depreciated	<u>163,095,632</u>	<u>29,186,491</u>	<u>38,173,101</u>	<u>154,109,022</u>
Capital Assets, being Depreciated:				
Buildings	76,224,063	881,548	2,613,281	74,492,330
Improvements Other Than Buildings	61,520,620	448,033	206,020	61,762,633
Machinery and Equipment	75,270,070	4,166,488	1,869,505	77,567,053
Infrastructure	<u>466,493,064</u>	<u>45,975,333</u>	<u>324,360</u>	<u>512,144,037</u>
Total Capital Assets, being Depreciated	<u>679,507,817</u>	<u>51,471,402</u>	<u>5,013,166</u>	<u>725,966,053</u>
Less Accumulated Depreciation for:				
Buildings	28,671,360	1,896,312	1,583,541	28,984,131
Improvements Other Than Buildings	23,222,224	1,888,197	197,955	24,912,466
Machinery and Equipment	41,718,352	6,610,976	1,804,844	46,524,484
Infrastructure	<u>150,127,207</u>	<u>14,858,159</u>	<u>96,671</u>	<u>164,888,695</u>
Total Accumulated Depreciation	<u>243,739,143</u>	<u>25,253,644</u>	<u>3,683,011</u>	<u>265,309,776</u>
Total Capital Assets, being Depreciated, Net	<u>435,768,674</u>	<u>26,217,758</u>	<u>1,330,155</u>	<u>460,656,277</u>
Governmental Activities Capital Assets, Net	<u>\$ 598,864,306</u>	<u>55,404,249</u>	<u>39,503,256</u>	<u>614,765,299</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 21,004,520	963,777	276,741	21,691,556
Construction in Progress	<u>78,111,949</u>	<u>77,370,099</u>	<u>49,895,481</u>	<u>105,586,567</u>
Total Capital Assets, not being Depreciated	<u>99,116,469</u>	<u>78,333,876</u>	<u>50,172,222</u>	<u>127,278,123</u>
Capital Assets, being Depreciated:				
Buildings	223,984,884	1,883,330	348,398	225,519,816
Improvements Other Than Buildings	505,547,113	23,429,762	306,111	528,670,764
Machinery and Equipment	26,497,215	2,334,180	1,189,438	27,641,957
Utility Plant	<u>1,102,873,000</u>	<u>27,475,000</u>	<u>1,718,000</u>	<u>1,128,630,000</u>
Total Capital Assets, being Depreciated	<u>1,858,902,212</u>	<u>55,122,272</u>	<u>3,561,947</u>	<u>1,910,462,537</u>
Less Accumulated Depreciation for:				
Buildings	66,296,767	5,196,626	348,398	71,144,995
Improvements Other Than Buildings	129,886,505	11,066,226	304,139	140,648,592
Machinery and Equipment	15,687,146	1,774,469	1,141,508	16,320,107
Utility Plant	<u>366,241,000</u>	<u>35,152,000</u>	<u>2,165,000</u>	<u>399,228,000</u>
Total Accumulated Depreciation	<u>578,111,418</u>	<u>53,189,321</u>	<u>3,959,045</u>	<u>627,341,694</u>
Total Capital Assets, being Depreciated, Net	<u>1,280,790,794</u>	<u>1,932,951</u>	<u>(397,098)</u>	<u>1,283,120,843</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,379,907,263</u>	<u>80,266,827</u>	<u>49,775,124</u>	<u>1,410,398,966</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 1,084,230
Public Safety	1,890,199
Streets and Highways, including Infrastructure	14,268,490
Culture and Recreation	3,404,342
Economic Opportunity	62,050
Health and Welfare	238,347
Mass Transit	1,696,418
Subtotal	<u>22,644,076</u>
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	2,609,568
Total Depreciation Expense - Governmental	<u>\$ 25,253,644</u>

Business-type Activities:	
Parking Lots	\$ 32,056
Golf	582,151
Parking Facilities	1,124,306
Pershing Municipal Auditorium	63,838
Solid Waste Management	1,718,280
Wastewater System	7,588,789
Water System	6,927,901
Lincoln Electric System	35,152,000
Total Depreciation Expense - Business-type	<u>\$ 53,189,321</u>

Capital asset activity of each major enterprise fund was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Wastewater System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,454,208	320,641	-	5,774,849
Construction in Progress	6,293,116	5,967,222	8,461,041	3,799,297
Total Capital Assets, not being Depreciated	<u>11,747,324</u>	<u>6,287,863</u>	<u>8,461,041</u>	<u>9,574,146</u>
Capital Assets, being Depreciated:				
Buildings	75,130,556	409,908	348,398	75,192,066
Improvements Other Than Buildings	233,809,970	9,314,890	296,397	242,828,463
Machinery and Equipment	8,349,695	555,516	121,851	8,783,360
Total Capital Assets, being Depreciated	<u>317,290,221</u>	<u>10,280,314</u>	<u>766,646</u>	<u>326,803,889</u>
Less Accumulated Depreciation for:				
Buildings	18,651,704	1,710,526	348,398	20,013,832
Improvements Other Than Buildings	54,375,299	5,332,575	296,397	59,411,477
Machinery and Equipment	3,810,603	545,688	121,851	4,234,440
Total Accumulated Depreciation	<u>76,837,606</u>	<u>7,588,789</u>	<u>766,646</u>	<u>83,659,749</u>
Total Capital Assets, being Depreciated, Net	<u>240,452,615</u>	<u>2,691,525</u>	<u>-</u>	<u>243,144,140</u>
Wastewater System Capital Assets, Net	<u>\$ 252,199,939</u>	<u>8,979,388</u>	<u>8,461,041</u>	<u>252,718,286</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 4,832,093	291,026	-	5,123,119
Construction in Progress	26,510,579	16,726,012	12,872,757	30,363,834
Total Capital Assets, not being Depreciated	<u>31,342,672</u>	<u>17,017,038</u>	<u>12,872,757</u>	<u>35,486,953</u>
Capital Assets, being Depreciated:				
Buildings	99,328,684	792,510	-	100,121,194
Improvements Other Than Buildings	241,191,398	13,911,658	1,117	255,101,939
Machinery and Equipment	6,545,791	596,038	243,801	6,898,028
Total Capital Assets, being Depreciated	<u>347,065,873</u>	<u>15,300,206</u>	<u>244,918</u>	<u>362,121,161</u>
Less Accumulated Depreciation for:				
Buildings	27,595,714	2,367,861	-	29,963,575
Improvements Other Than Buildings	60,413,306	4,128,281	1,117	64,540,470
Machinery and Equipment	4,083,107	431,759	243,801	4,271,065
Total Accumulated Depreciation	<u>92,092,127</u>	<u>6,927,901</u>	<u>244,918</u>	<u>98,775,110</u>
Total Capital Assets, being Depreciated, Net	<u>254,973,746</u>	<u>8,372,305</u>	<u>-</u>	<u>263,346,051</u>
Water System Capital Assets, Net	<u>\$ 286,316,418</u>	<u>25,389,343</u>	<u>12,872,757</u>	<u>298,833,004</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 44,755,000	51,202,000	27,922,000	68,035,000
Capital Assets, being Depreciated:				
Utility Plant	1,102,873,000	27,475,000	1,718,000	1,128,630,000
Less Accumulated Depreciation	366,241,000	35,152,000	2,165,000	399,228,000
Total Capital Assets, being Depreciated, Net	<u>736,632,000</u>	<u>(7,677,000)</u>	<u>(447,000)</u>	<u>729,402,000</u>
Electric System Capital Assets, Net	<u>\$ 781,387,000</u>	<u>43,525,000</u>	<u>27,475,000</u>	<u>797,437,000</u>

During 2009, Lincoln Wastewater System incurred \$3,708,468 of interest cost, of which \$127,478 was capitalized into construction in progress. Lincoln Water System incurred \$2,941,269 of interest cost, of which \$1,140,661 was capitalized into construction in progress. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets.

Lincoln Electric System utility plant includes an allowance for funds used during construction of projects costing in excess of \$500,000 with a construction period in excess of 12 months. The allowance for funds used during construction consists of the plant balance times the weighted-average interest rate on debt based on Federal Energy Regulatory Commission accounting method. The weighted-average rate for 2008 was 4.6%.

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(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2009, consist of the following:

Due To	Due From						Total
	General Fund	Street Construction	Federal Grants	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	338	240	35,310	1,051,889	1,304,683	2,392,460
Street Construction	1,192,546	-	-	6,755,865	21,300	-	7,969,711
Federal Grants	81,325	-	-	-	-	-	81,325
Nonmajor Governmental	3,448,822	-	4,530	1,279,670	-	-	4,733,022
Lincoln Wastewater System	654,229	-	-	621,524	-	-	1,275,753
Lincoln Water System	873,514	-	-	808,345	-	-	1,681,859
Nonmajor Enterprise	1,138,428	7,800	-	163	-	-	1,146,391
Internal Service	2,572,428	8,384	6,370	53,178	13,329	41,351	2,695,040
	<u>\$ 9,961,292</u>	<u>16,522</u>	<u>11,140</u>	<u>9,554,055</u>	<u>1,086,518</u>	<u>1,346,034</u>	<u>21,975,561</u>

“Due to” and “Due from” balances are recorded when funds overdraw their share of pooled cash. Other balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During 2005 the City’s General Fund purchased the street light system from LES at an amount equal to the net book value of the street light system at the transaction date. The purchase was financed through an interfund borrowing. On the government-wide statements, the purchase was accounted for as a purchase of capital assets of governmental activities and a sale of capital assets of business-type activities. On the governmental fund statements, the General Fund recognized a liability in due to other funds and a prepayment for the funds borrowed from the City’s other funds. Each fund has recorded a receivable for the pro-rata share of the borrowed funds. The General Fund will pay back the amount borrowed plus interest in scheduled monthly installments over a period of 120 months. As payments are made, the General Fund will reduce the liability, the related prepayment, and recognize streets and highways expenditures.

Transfers To/From Other Funds for the year ended August 31, 2009, consist of the following:

Transfer To	Transfer From							Total
	General Fund	Street Construction	Federal Grants	Nonmajor Governmental	Lincoln Electric System	Nonmajor Enterprise	Internal Service	
General Fund	\$ -	9,085	8,000	1,552,129	1,519,000	839,500	10,000	3,937,714
Street Construction	625,725	-	250,696	9,431,492	-	-	-	10,307,913
Federal Grants	347,055	-	-	1,757,484	-	-	-	2,104,539
Nonmajor Governmental	19,681,306	6,223,347	56,539	10,362,604	-	870,970	-	37,194,766
Nonmajor Enterprise	690,000	-	-	-	-	-	425	690,425
Internal Service	10,000	-	-	-	-	-	-	10,000
Total	<u>\$ 21,354,086</u>	<u>6,232,432</u>	<u>315,235</u>	<u>23,103,709</u>	<u>1,519,000</u>	<u>1,710,470</u>	<u>10,425</u>	<u>54,245,357</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) transfer payment in lieu of taxes from LES to the General Fund.

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(9) LONG-TERM DEBT

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

Net assets of \$3,945,644, \$3,401,372, and \$8,708,856, are currently available in the debt service funds to service the General Obligation Bonds, Tax Supported Bonds, and Tax Allocation Bonds, respectively. Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

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

	Governmental Activities	Business-Type Activities
Land	\$ 515,750	\$ 210,000
Buildings	11,914,750	-
Improvements	219,925	-
Infrastructure	10,933,215	-
Machinery and Equipment	1,838,042	3,113,553
Less Accumulated Depreciation, (where applicable)	<u>(3,483,954)</u>	<u>(2,416,018)</u>
Total	<u>\$ 21,937,728</u>	<u>\$ 907,535</u>

Under the City's Home Rule Charter, there is no legal debt limit. The various bond indentures contain significant limitations and restrictions on annual debt service requirements, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages.

Established by City Ordinance, LES may borrow up to \$150 million under a commercial paper note program. At December 31, 2008, LES had \$90 million of tax-exempt commercial paper notes outstanding. The notes mature at various dates but not more than 270 days after the date of issuance. The weighted-average interest rate for the year ended December 31, 2008, was 2.29 percent. The annual requirement to pay interest on this outstanding debt is approximately \$2.1 million. The outstanding commercial paper notes are secured by a revolving credit agreement, which provides for borrowings up to \$150 million. LES pays a commitment fee for the credit agreement. Under the terms of the agreement, LES can either settle or refinance the commercial paper upon maturity. LES uses these vehicles as part of their long-term financing strategy. As such, commercial paper is renewed as it matures. The average length of maturity of commercial paper for 2008 was 61 days.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lincoln Electric System:					
Commercial Paper Notes	\$ <u>90,000,000</u>	<u>355,400,000</u>	<u>(355,400,000)</u>	<u>90,000,000</u>	<u>90,000,000</u>

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

Original Amount	Issued	Issue	Interest Rate	When Due	Date Callable	Interest Date	Outstanding
Governmental Activities:							
General Obligation Bonds:							
General Bonds:							
14,435	03/01/99	Various Purpose Series A	3.000 - 4.600	Serial 2000 to 2014	2009	Semiannually	\$ 5,840
7,365	03/01/99	Various Purpose Series A	4.750	Term 2019	2009	"	7,365
8,220	03/01/99	Various Purpose Series B	3.000 - 4.250	Serial 1999 to 2011	2007	"	1,160
6,350	05/29/02	Storm Sewer and Drainage	3.000 - 5.000	Serial 2004 to 2020	2010	"	4,940
1,150	05/29/02	Storm Sewer and Drainage	5.00	Term 2022	2010	"	1,150
15,595	07/08/03	Various Purpose	2.625 - 3.750	Serial 2004 to 2017	2013	"	7,145
3,710	07/08/03	Various Purpose	4.000 / 4.125	Term 2020 & 2023	2013	"	3,710
6,555	06/01/05	Storm Sewer Refunding	2.500 - 4.375	Serial 2005 to 2017	2011	"	4,870
9,950	06/15/05	Storm Sewer Construction	3.250 - 4.250	Serial 2006 to 2025	2015	"	8,465
8,295	06/27/07	Stormwater Drainage and Flood Mgmt	4.625 - 5.000	Serial 2008 to 2027	2017	"	7,795
Total General Bonds							<u>\$ 52,440</u>
Tax Allocation Bonds:							
1,035	04/21/04	Tax Allocation Bonds	2.000 - 3.200	Serial 2004 to 2011	2008	Semiannually	420
5,500	04/21/04	Tax Allocation Bonds	3.000 - 4.800	Serial 2004 to 2015	2010	"	3,750
365	08/15/05	Tax Allocation Bonds	4.750	Serial 2006 to 2018	Anytime	"	271
288	10/01/06	Tax Allocation Bonds	5.100	Serial 2008 to 2016	Anytime	"	247
2,205	04/05/07	Tax Allocation Bonds	5.000 - 5.550	Serial 2009 to 2018	2012	"	2,205
601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	"	578
388	06/01/07	Tax Allocation Bonds	5.240	Serial 2007 to 2020	Anytime	"	346
369	06/15/07	Tax Allocation Bonds	5.400	Serial 2007 to 2014	Anytime	"	285
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	42
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	71
474	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2022	Anytime	"	429
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	532
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	194
611	06/30/09	Tax Allocation Bonds	7.00	Serial 2011 to 2023	Anytime	"	611
3,375	07/28/09	Tax Allocation Bonds	2.500 - 6.400	Serial 2011 to 2023	Anytime	"	3,375
Total Tax Allocation Bonds							<u>\$ 13,356</u>
Tax Supported Bonds:							
35,000	03/17/04	Highway Allocation Fund	2.000 - 5.000	Serial 2007 to 2023	2014	Semiannually	34,080
27,000	12/05/06	Highway Allocation Fund	4.000 - 5.000	Serial 2008 to 2027	2016	"	25,305
Total Tax-Supported Bonds							<u>\$ 59,385</u>
TOTAL GENERAL OBLIGATION BONDS							<u>\$ 125,181</u>
Tax Supported Bonds:							
11,080	3/13/02	Antelope Valley Project	1.500 - 5.000	Serial 2002 to 2016	2012	Semiannually	<u>\$ 7,265</u>
Business-Type Activities:							
Revenue Bonds:							
39,235	07/31/03	Wastewater Revenue	2.000 - 5.000	Serial 2004 to 2023	2013	Semiannually	\$ 29,720
15,765	07/31/03	Wastewater Revenue	4.625 / 5.000	Term 2025 & 2028	2013	"	15,765
18,000	08/03/05	Wastewater Revenue	4.000 - 5.000	Serial 2006 to 2030	2015	"	16,030
16,710	04/18/07	Wastewater Revenue	4.000 - 4.500	Serial 2008 to 2029	2017	"	15,840
3,750	04/18/07	Wastewater Revenue	4.375	Term 2032	2017	"	3,750
Total Wastewater Bonds							<u>\$ 81,105</u>
11,850	11/22/02	Water Revenue	2.750 - 5.000	Serial 2005 to 2017	2012	Semiannually	\$ 7,940
6,660	11/22/02	Water Revenue	5.000	Term 2022	2012	"	6,660
32,180	05/01/03	Water Revenue	5.000	Serial 2004 to 2012	-	"	11,100
40,000	11/16/04	Water Revenue	3.000 - 5.000	Serial 2005 to 2025	2014	"	35,160
10,515	08/04/09	Water Revenue	2.000 - 4.125	Serial 2013 to 2029	2019	"	10,515
4,905	08/04/09	Water Revenue	4.5000	Term 2034	2019	"	4,905
Total Water Bonds							<u>\$ 76,280</u>
6,695	09/08/99	Parking Revenue Series A	5.375	Term 2014	2009	"	\$ 6,695
4,360	12/18/01	Parking Revenue	3.750 - 5.000	Serial 2002 to 2017	2011	"	2,475
1,640	12/18/01	Parking Revenue	5.125	Term 2021	2011	"	1,640
Total Parking Bonds							<u>\$ 10,810</u>
3,165	11/27/01	Golf Course Revenue Refunding	2.300 - 4.050	Serial 2002 to 2011	2008	Semiannually	<u>\$ 715</u>
4,000	08/17/06	Solid Waste Management Revenue	4.000 - 4.250	Serial 2007 to 2021	2013	Semiannually	<u>\$ 3,430</u>
148,190	10/01/02	Electric Revenue and Refunding Bonds	4.000 - 5.000	Serial 2004 to 2025	2012	"	103,290
93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2014	"	84,415
33,265	10/01/03	Electric Revenue and Refunding Bonds	4.750	Term 2028	2014	"	33,265
61,290	10/01/05	Electric Revenue Bonds	5.000	Serial 2029 to 2032	2015	"	61,290
53,710	10/01/05	Electric Revenue Bonds	4.750	Term 2035	2015	"	53,710
183,230	05/15/07	Electric Revenue and Refunding Bonds	4.000 - 5.000	Serial 2009 to 2035	2016	"	183,230
81,850	05/15/07	Electric Revenue and Refunding Bonds	4.500 / 4.750	Term 2034 & 2037	2016	"	81,850
Total Electric Bonds							<u>\$ 601,050</u>
TOTAL REVENUE BONDS							<u>\$ 773,390</u>

CITY OF LINCOLN, NEBRASKA
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August 31, 2009

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

Fiscal Year Ended August 31	Governmental Activities					
	General Obligation Bonds		Tax Supported Bonds		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 6,798	5,351	660	326	3,198	1,042
2011	7,288	5,130	685	299	3,212	953
2012	8,162	4,816	710	271	3,656	847
2013	8,063	4,474	740	238	2,429	726
2014	8,385	4,120	780	200	2,418	639
2015 - 2019	43,222	14,857	3,690	335	8,779	1,924
2020 - 2024	35,298	6,023	-	-	2,630	749
2025 - 2029	7,965	657	-	-	1,772	155
	<u>\$ 125,181</u>	<u>45,428</u>	<u>7,265</u>	<u>1,669</u>	<u>28,094</u>	<u>7,035</u>

Fiscal Year Ended August 31	Business-Type Activities			
	Revenue Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2010	\$ 27,730	36,590	146	13
2011	29,000	35,270	127	7
2012	28,750	33,895	65	1
2013	27,800	32,481	-	-
2014	29,265	31,121	-	-
2015 - 2019	159,060	133,377	-	-
2020 - 2024	141,370	94,338	-	-
2025 - 2029	112,620	66,044	-	-
2030 - 2034	114,460	38,872	-	-
2035 - 2039	103,335	10,447	-	-
	<u>\$ 773,390</u>	<u>512,435</u>	<u>338</u>	<u>21</u>

Major Enterprise fund annual requirements to pay principal and interest to maturity on outstanding debt follow (in thousands of dollars):

Fiscal Year Ended August 31	Major Enterprise Funds					
	Wastewater System		Water System		Electric System	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,695	3,731	6,050	3,458	17,000	28,673
2011	2,785	3,607	6,310	3,192	17,820	27,840
2012	2,880	3,504	5,380	2,905	18,680	26,956
2013	2,980	3,388	3,310	2,647	19,610	26,007
2014	3,085	3,263	3,425	2,506	20,595	25,010
2015 - 2019	17,325	14,014	19,260	10,051	119,325	108,427
2020 - 2024	21,365	9,604	20,710	5,235	97,430	79,359
2025 - 2029	23,110	4,128	6,930	1,729	82,580	60,187
2030 - 2034	4,880	384	4,905	684	104,675	37,804
2035 - 2039	-	-	-	-	103,335	10,447
	<u>\$ 81,105</u>	<u>45,623</u>	<u>76,280</u>	<u>32,407</u>	<u>601,050</u>	<u>430,710</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

Long-term liability activity for the year ended August 31, 2009, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Leases Payable:					
General Bonds	\$ 56,760	-	(4,320)	52,440	4,110
Tax Allocation Bonds	10,071	4,001	(716)	13,356	958
Tax Supported Bonds	61,750	-	(2,365)	59,385	1,730
Tax Supported Antelope Valley					
Project Bonds	7,900	-	(635)	7,265	660
Capital Leases	28,574	2,500	(2,980)	28,094	3,198
Gross Bonds and Leases Payable	<u>165,055</u>	<u>6,501</u>	<u>(11,016)</u>	<u>160,540</u>	<u>10,656</u>
Deferred Amounts:					
For Issuance Premiums	2,771	25	(98)	2,698	-
For Issuance Discounts	(24)	-	1	(23)	-
Net Bonds and Leases Payable	<u>167,802</u>	<u>6,526</u>	<u>(11,113)</u>	<u>163,215</u>	<u>10,656</u>
Other Liabilities:					
Compensated Absences	11,773	7,281	(6,400)	12,654	6,780
Construction Contracts	5,687	229	(679)	5,237	231
Claims and Judgements	6,673	21,357	(19,466)	8,564	4,683
Net Pension Obligation	4,432	-	(449)	3,983	-
Net OPEB Obligation	323	388	-	711	-
Governmental Activity Long-Term Liabilities	<u>\$ 196,690</u>	<u>35,781</u>	<u>(38,107)</u>	<u>194,364</u>	<u>22,350</u>
Business-Type Activities:					
Bonds and Leases Payable:					
Wastewater Revenue Bonds	\$ 83,725	-	(2,620)	81,105	2,695
Water Revenue Bonds	66,655	15,420	(5,795)	76,280	6,050
Parking Revenue Bonds	12,170	-	(1,360)	10,810	1,435
Golf Course Revenue Bonds	1,050	-	(335)	715	350
Solid Waste Management Revenue Bonds	3,625	-	(195)	3,430	200
Electric System Revenue Bonds	614,050	-	(13,000)	601,050	17,000
Capital Leases	478	-	(140)	338	146
Gross Bonds and Leases Payable	<u>781,753</u>	<u>15,420</u>	<u>(23,445)</u>	<u>773,728</u>	<u>27,876</u>
Deferred Amounts:					
For Issuance Premiums	21,342	-	(2,766)	18,576	-
For Issuance Discounts	(14,090)	(36)	1,777	(12,349)	-
For Refunding	(3,069)	-	432	(2,637)	-
Net Bonds and Leases Payable	<u>785,936</u>	<u>15,384</u>	<u>(24,002)</u>	<u>777,318</u>	<u>27,876</u>
Other Liabilities:					
Compensated Absences	1,527	1,083	(967)	1,643	1,004
Construction Contracts	6,374	2,736	(3,659)	5,451	2,012
Claims and Judgements	1,202	3,848	(4,049)	1,001	251
Net OPEB Obligation	95	24	-	119	-
Accrued Landfill Closure/Postclosure Care Costs	9,934	414	(552)	9,796	-
Business-Type Activity Long-Term Liabilities	<u>\$ 805,068</u>	<u>23,489</u>	<u>(33,229)</u>	<u>795,328</u>	<u>31,143</u>

Internal Service funds predominantly serve the governmental funds. Therefore, their long-term liabilities are included with the governmental activities above. Compensated absences for governmental activities are generally liquidated in the General Fund as well as various other Special Revenue and Internal Service funds where personal costs are incurred. The construction contracts are liquidated in the Street Construction fund, financed with impact fee collections. The claims and judgements liability will generally be liquidated through the City's Insurance Revolving Internal Service Fund, which will finance the payment of those claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension obligation will be liquidated through the Police & Fire Pension Contributions Special Revenue Fund with financing provided by an annual property tax levy. The net OPEB obligation for an implicit rate subsidy will be liquidated with those governmental funds where personal insurance costs are incurred.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

Long-term liability activity for the major enterprise funds for the year ended August 31, 2009, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lincoln Wastewater System:					
Bonds Payable:					
Wastwater Revenue Bonds	83,725	-	(2,620)	81,105	2,695
Deferred For Issuance Premiums	1,888	-	(94)	1,794	-
Deferred For Issuance Discounts	(11)	-	1	(10)	-
Net Bonds Payable	<u>85,602</u>	<u>-</u>	<u>(2,713)</u>	<u>82,889</u>	<u>2,695</u>
Other Liabilities:					
Compensated Absences	509	335	(329)	515	330
Construction Contracts	4,324	1,955	(3,390)	2,889	117
Total Long-Term Liabilities	<u>\$ 90,435</u>	<u>2,290</u>	<u>(6,432)</u>	<u>86,293</u>	<u>3,142</u>
Lincoln Water System:					
Bonds Payable:					
Water Revenue Bonds	\$ 66,655	15,420	(5,795)	76,280	6,050
Deferred for Issuance Premiums	2,517	-	(337)	2,180	-
Deferred For Issuance Discounts	-	(36)	-	(36)	-
Deferred for Refunding	(537)	-	136	(401)	-
Net Bonds Payable	<u>68,635</u>	<u>15,384</u>	<u>(5,996)</u>	<u>78,023</u>	<u>6,050</u>
Other Liabilities:					
Compensated Absences	701	439	(382)	758	381
Construction Contracts	2,050	781	(269)	2,562	1,895
Total Long-Term Liabilities	<u>\$ 71,386</u>	<u>16,604</u>	<u>(6,647)</u>	<u>81,343</u>	<u>8,326</u>
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 614,050	-	(13,000)	601,050	17,000
Deferred for Issuance Premiums	16,927	-	(2,335)	14,592	-
Deferred for Issuance Discounts	(14,079)	-	1,776	(12,303)	-
Deferred for Refunding	(2,516)	-	292	(2,224)	-
Net Bonds Payable	<u>614,382</u>	<u>-</u>	<u>(13,267)</u>	<u>601,115</u>	<u>17,000</u>
Other Liabilities:					
Claims and Judgements	1,202	3,848	(4,049)	1,001	251
Total Long-Term Liabilities	<u>\$ 615,584</u>	<u>3,848</u>	<u>(17,316)</u>	<u>602,116</u>	<u>17,251</u>

(10) RECONCILIATION OF BUDGET BASIS TO GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 2009, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Street Construction Fund	Federal Grants Fund
Net Change in Fund Balances:			
Balance on a GAAP basis	\$ (223,557)	(1,749,329)	1,811,440
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds.	1,441,608	1,091,224	(1,410,862)
Amount budgeted on a project basis.	-	8,798,288	-
Balance on a budget basis	<u>\$ 1,218,051</u>	<u>8,140,183</u>	<u>400,578</u>

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

(11) DEFICIT NET ASSETS

The following funds had a net asset or fund balance deficit as of August 31, 2009:

Special Revenue - Impact Fees Fund	\$ (48,868)
Enterprise - Emergency Medical Services Fund	(102,193)
Internal Service - Engineering Revolving Fund	(335,509)

The Impact Fees Fund deficit is expected to be reduced through future fee collections.

The Emergency Medical Services Fund deficit is expected to be reduced by increasing revenues with improved rate schedules and decreasing operating expenses.

The Engineering Revolving Fund is evaluating various means to reduce expenses and improve revenue collections affected by staffing levels, overhead costs, billing practices, and intra-City services reimbursements.

(12) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

General Fund	
Street Lighting	\$ 1,347,513
Debt Service	45,723

(13) EMPLOYEES' RETIREMENT PLANS

The employees of the City are covered by several retirement plans. Article II Section 3 of the Lincoln Charter assigns the authority to establish and amend benefit provisions of the various plans to the City Council. The Police and Fire Department Plan (PFDP) is administered by the City and is included in the Fiduciary Fund type. All other plans are administered by outside trustees and are not included in the City's basic financial statements.

POLICE AND FIRE PENSION

Plan Description – 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. PFDP 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. Cost-of-living adjustments are provided to members and beneficiaries in accordance with the plan document. The City does not issue a separate report that includes financial statements and required supplementary information for PFDP.

The City has established the Deferred Retirement Option Plan (DROP) for police and fire pension members. The DROP program allows a member to retire for pension purposes, but to continue working. The member receives a paycheck and the member's monthly pension benefit is deposited into the member's DROP account. At the end of five years, or anytime before five years, the member must "retire-in-fact". Contributions to the pension are eliminated at the beginning of the DROP period. Pension benefits are set, and will not be increased because of raises, promotions, increased years of service or pension enhancements. When a member retires-in-fact, their monthly pension benefit will be paid directly to them and the member will have access to the funds in their DROP account.

CITY OF LINCOLN, NEBRASKA
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Membership of the pension plan consisted of the following at August 31, 2009, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	402
Terminated plan members entitled to but not yet receiving benefits	27
Active plan members (non-DROP)	553
DROP members	47
Total	1029
Number of participating employers	1

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 rate for fiscal year 2009 was 9.99% of annual covered payroll. Actual contributions by the City were 10.7% of annual covered payroll. 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	\$ 3,316
Interest on net pension obligation	332
Adjustment to annual required contribution	(525)
Annual pension cost	3,123
Contributions made	3,572
Decrease in net pension obligation	(449)
Net pension obligation beginning	4,432
Net pension obligation ending	\$ 3,983

Three-Year Trend Information
(Dollar amounts in thousands)

Year Ended <u>August 31</u>	Annual Pension Cost (APC)	Annual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 3,123	\$ 3,572	114 %	\$ 3,983
2008	3,907	3,456	88	4,432
2007	3,905	3,494	89	3,981

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2007, actuarial valuation using the entry age actuarial funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 4.25 to 8.25% per year, including wage inflation at 4.25%, and (c) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using a four year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on an open basis over a period of ten years.

Funded Status and Funding Progress – As of August 31, 2009, the most recent actuarial valuation date, the plan was 95 percent funded. The actuarial accrued liability for benefits was \$187,292,000, and the actuarial value of assets was \$177,526,000, resulting in an unfunded actuarial accrued liability (UAAL)

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

of \$9,766,000. The covered payroll (annual payroll of active employees covered by the plan) was \$33,450,000, and the ratio of the UAAL to the covered payroll was 29.2 percent.

The Schedule of Funding Progress, presented as RSI following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ELECTRIC SYSTEM

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

LES has a defined contribution retirement plan 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 LES. LES' contribution is equal to 200% of the employees' contributions, which range from 2% to 5% of gross wages. The administrative board of directors authorized this plan and related contribution requirements. Vesting of LES contributions occurs over a five-year period. Employee forfeitures are used to reduce employer contributions. Vested benefits are fully funded. For the year ended December 31, 2008, LES incurred contribution expense of approximately \$3,092,000 (9.6% of covered payroll) and its employees contributed approximately \$2,068,000 (6.4% of covered payroll).

DEPARTMENT DIRECTORS

Directors of City departments are eligible the first of the month following the date employed to be covered by the Director's Money Purchase Plan, established by City Ordinance, and administered by an insurance company. The Plan is a defined contribution plan requiring the City to contribute 6% of the first \$4,800 of earned income plus 12% of earned income over \$4,800 in one calendar year. Employees covered by the Plan may also make voluntary contributions. Participant accounts are immediately 100% vested. Total and covered payroll for the year ended December 31, 2008, was \$1,788,512. City contributions totaled \$201,463 or 11.3% of covered payroll. There were no employee contributions made for the year ended December 31, 2008.

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after 6 months' service and age 19 to be covered under the City's Money Purchase Pension Plan, established by City Ordinance, and administered by an insurance company. Enrollment in the program is mandatory at age 40 with 5 years service. Vesting occurs in increments between 3 and 7 years of enrollment in the plan. The Plan is a defined contribution plan requiring employees to contribute 3% of earnings on the first \$4,800 and 6% on the balance of earnings. Currently, the City contributes 200% of the employees' contributions. Employee forfeitures are used to reduce employer contributions. Employees covered by the Plan may also make voluntary contributions. During the year ended December 31, 2008, total payroll was approximately \$74,440,000 and covered payroll was approximately \$65,321,000. City contributions totaled \$7,262,377 or 11.1% of covered payroll and employee contributions totaled \$3,731,432 or 5.7% of covered payroll. Employees made \$32,572 in voluntary contributions for the year ended December 31, 2008.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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(14) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City offers employees and their families the opportunity to continue their health care coverage when there is a qualifying event, such as retirement, that would result in a loss of coverage under the City’s plan. Each qualified beneficiary pays the entire cost of premiums for the continuous coverage. The City recognizes as OPEB the implicit rate subsidy provided to retirees when their premium is the “full cost” of the insurer’s charge for the active population. Since the retirees have higher costs, the premium they pay is not expected to cover their costs, and the difference is essentially covered by the City’s payment for active employees. The City does not issue a separate report that includes financial statements and required supplementary information for OPEB.

Funding Policy – The plan is a pay-as-you-go and therefore, is not funded.

Annual OPEB cost and Net OPEB Obligation – The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The net OPEB obligation as of August 31, 2009, was calculated as follows:

(Dollar amounts in thousands)

Annual required contribution	\$ 662
Interest on net OPEB obligation	19
Adjustment to annual required contribution	<u>(25)</u>
Annual OPEB cost	656
Contributions made	<u>(244)</u>
Increase in net OPEB obligation	412
Net OPEB obligation beginning	<u>418</u>
Net OPEB obligation ending	<u><u>\$ 830</u></u>

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

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
August 31			
2009	\$ 656,000	37.2 %	\$ 830,000
2008	662,000	36.9	418,000

Funded Status and Funding Progress – As of September 1, 2007, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial liability for benefits was \$5,662,000 and the actuarial value of assets was zero, resulting in an unfunded actuarial liability (UAL) of \$5,662,000. Annual covered payroll was approximately \$106,787,000, and the ratio of the UAL to the covered payroll was 5.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 1, 2007, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate and an annual healthcare cost trend rate of 7.74% initially, reduced by decrements to an ultimate rate of 4.42% after 10 years. Participation assumptions include 60% of eligible civilian members and 40% of eligible Fire/Police members electing coverage, also assuming that 50% of those who elect coverage will cover a spouse as well. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount. The remaining amortization period at September 1, 2007 was thirty years.

PEHP – Defined Contribution Plan

The City has a defined contribution Post Employment Health Plan (PEHP) administered by Nationwide Retirement Solutions. The purpose of the PEHP plan is to provide reimbursement of qualifying health care and medical insurance premium expenses for employees upon separation from employment.

Terms for eligibility and contribution rates are specified in the City's various collective bargaining agreements. Individual employee accounts consist of employer contributions, investment returns and any forfeiture allocations. Current employer contributions range from \$18-\$50 per pay period based on union contracts. Current year contributions totaled approximately \$1,275,000.

(15) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966, City dollar tax limit as an initial tax limit, and increasing that tax limit each year following 1966 by 7% so that in each fiscal year thereafter the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 2008 tax levy, for the 2008-2009 fiscal year, was \$76,225,407 below the legal limit, with a tax rate per \$100 valuation of \$0.2879. The assessed value upon which the 2008 levy was based was \$15,935,572,737.

The tax levies for all political subdivisions in Lancaster County are certified by the County Board on or before October 15th. Real estate taxes are due on December 31st and attach as an enforceable lien on property on January 1st following the levy date and become delinquent in two equal installments on April 1st and August 1st. Personal property taxes are due December 31st and become delinquent on April 1st and August 1st following the levy date. Delinquent taxes bear 14% interest.

Within the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. Property taxes levied for 2008-2009 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2009. 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 fund balance sheets.

The City-owned electric utility is required by City Charter to make payments in lieu of taxes, aggregating 5% of its gross retail operating revenues derived from within the city limits of incorporated cities and towns served.

CITY OF LINCOLN, NEBRASKA
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August 31, 2009

(16) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or acts of God. All risk management activities are accounted for in the Insurance Revolving Fund, an internal service fund, and administered through the Risk Management Division.

For the year ended August 31, 2009, the City had a self-insured retention for workers' compensation exposures up to \$500,000 per individual; law enforcement liability, general liability, public officials liability, public transportation liability, medical professional liability, and auto liability exposures up to \$250,000 per occurrence; building and contents property exposures up to \$50,000 per occurrence; health and dental benefits, and employee long-term disability benefits.

The City also obtained excess liability insurance coverage in the current year. Workers' compensation was covered by a policy that provided statutory limits above the City's retention of \$500,000 per individual. Law enforcement, general, public officials, public transportation, medical professional, and auto liabilities were covered by policies that provided limits of \$6 million per occurrence with a \$12 million annual aggregate. Health had excess loss indemnity coverage above \$150,000 per claim and above 125% of the aggregate attachment point. The Nebraska Political Tort Claims Act limits the City's liability for tort claims to \$1 million per individual and \$5 million per occurrence.

There were no significant insurance recoveries in the current year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City annually retains the services of independent actuaries to analyze the self-insured workers' compensation, general liability, public transportation liability, law enforcement liability, auto liability, and long-term disability exposures. Such analysis has been used to assist the City with its financial planning and management of the self-insurance program. Included in the specific objectives of the studies were to:

- Estimate the outstanding liabilities for the current fiscal year ended August 31,
- Forecast ultimate incurred losses and incurred but not reported losses for future years, and
- Estimate the required funding level for the City's self-insured liabilities.

The City funds its self-insurance program on an "incurred loss" basis. The governmental and proprietary funds pay annual premium amounts, based on past experience of incurred losses, to the Insurance Revolving Fund. Claim liabilities of \$8,563,477 were recorded at August 31, 2009. Excluding medical care claims approximating \$1,692,000, the remaining liability is the actuarially estimated amount of claims based on an estimate of ultimate incurred and incurred but not reported losses as of that date and is calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. The claims liability estimate also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of their allocation to specific claims. These liabilities have been discounted using a 3.89% discount rate. The City has purchased no annuity contracts in the current fiscal year to resolve City of Lincoln claims.

CITY OF LINCOLN, NEBRASKA
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The following is a summary of the changes in the estimated claims liability for the years ended August 31, 2009 and 2008:

<u>2009</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 4,745,000	559,821	1,367,981	6,672,802
Current year claims and changes in estimates	3,816,000	110,933	17,430,160	21,357,093
Claims payments	(2,294,000)	(65,984)	(17,106,434)	(19,466,418)
Balance at August 31	<u>\$ 6,267,000</u>	<u>604,770</u>	<u>1,691,707</u>	<u>8,563,477</u>

<u>2008</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 4,359,000	605,509	1,390,997	6,355,506
Current year claims and changes in estimates	2,867,000	(3,778)	17,737,105	20,600,327
Claims payments	(2,481,000)	(41,910)	(17,760,121)	(20,283,031)
Balance at August 31	<u>\$ 4,745,000</u>	<u>559,821</u>	<u>1,367,981</u>	<u>6,672,802</u>

LINCOLN ELECTRIC SYSTEM

LES has a self-funded health insurance program with claims processed by and on behalf of the utility. As part of the plan, a reinsurance policy has been purchased which covers claims in excess of \$100,000 per individual. Total accrual and payment history is shown below:

	<u>2008</u>	<u>2007</u>
Balance beginning of year	\$ 1,202,000	1,727,000
Claims accrued	3,848,000	3,268,000
Claims paid/other	(4,049,000)	(3,793,000)
Balance end of year	<u>\$ 1,001,000</u>	<u>1,202,000</u>

(17) 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.

At August 31, 2009, approximately 97% of the full-time, regular City's employees are represented by a Union. The existing union contracts will expire in August 2010.

The City is a defendant in a number of lawsuits and claims in its normal course of operations. Management is currently of the opinion that ultimate settlement of such lawsuits and claims will not have a materially adverse effect on the financial statements.

The City has been identified as a potentially responsible party (PRP) or equivalent status in relation to several sites with environmental remediation activities. Management currently believes that the liability of the City in connection with these activities will be immaterial. However, the ultimate cost will depend on the extent of remediation required. Management does not believe that changes in these cost estimates will have a materially adverse effect on the financial statements.

CITY OF LINCOLN, NEBRASKA
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The City of Lincoln owns a solid waste disposal area which discontinued operations in 1990, but still requires certain closure and postclosure care, including the construction of final cover, monitoring of groundwater conditions and landfill gas migration, and general site maintenance. While accrual of closure and postclosure care costs has been reflected in the financial statements in the current year, additional corrective action costs related to landfill gas migration and groundwater conditions may be identified once testing is completed and the state regulatory agency has issued a final determination.

The City has entered into various agreements with developers for reimbursement of eligible infrastructure construction. After construction is substantially complete, the developer will be reimbursed based upon the anticipated expenditure appropriations or collection of directed impact fees within the development area. As of August 31, 2009, the City's commitment to developers is estimated to be approximately \$59,000,000.

STREET CONSTRUCTION PROJECTS

The City's Street Construction Capital Projects Fund has commitments under major construction contracts in progress of approximately \$4,000,000 as of August 31, 2009, which will be financed primarily through highway user fees, bond proceeds, federal and state grants, and developer contributions.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$2,300,000 at August 31, 2009.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$4,000,000 as of August 31, 2009.

LINCOLN ELECTRIC SYSTEM

Participation Contracts with NPPD

LES has participating interests in the output of two existing NPPD power plants, a thirty percent (68 MW) and eight percent (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.

LES is responsible for its respective participating interests in the two facilities' capital additions and improvements. LES's share of debt service payments necessary to retire the respective participating interests of principal and interest on bonds issued by NPPD for the facilities was approximately \$6,700,000 in 2008. LES recognizes its share of capital acquisition costs and debt service payments as power costs in the period the costs are billed with the exception of costs approved for deferral under FAS 71. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable. LES recognized expense for its share of the total fixed costs of approximately \$17,300,000 in 2008.

The participation contracts continue until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. The estimated fixed cost payments to NPPD under these contracts, including capital additions and improvements, debt service payments and fixed costs, and credits aggregate approximately \$18,000,000, \$18,300,000, \$18,100,000, \$25,700,000, and \$22,100,000, respectively, in each of the five years subsequent to December 31, 2008.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

Laramie River Station (LRS)

LES is a 12.76 percent co-owner of the Missouri Basin Power Project, which includes LRS, a three-unit, 1,650 MW coal-fired generating station in eastern Wyoming and a related transmission system. Costs, net of accumulated depreciation, associated with LRS of approximately \$30,000,000 are reflected in utility plant at December 31, 2008.

LES has a participation power sales agreement with the County of Los Alamos, New Mexico (the County) whereby the County purchases from LES 10 MW of LES's capacity interest in LRS. The agreement provides for the County to pay LES monthly fixed payments for the repayment of debt service. The amount is subject to change each July 1 based on debt costs of LES relative to the current market rates, until termination of the agreement. The agreement remains in effect until either the final maturity occurs on any LRS related debt, LRS is removed from commercial operation, or the County gives LES six-months' notice to terminate the agreement. During 2008, LES billed the County approximately \$3,000,000 for demand and energy charges.

The LRS project participants, including LES, filed a rate case in 2004 with the federal Surface Transportation Board (STB) challenging the reasonableness of the freight rates from the Burlington Northern Santa Fe (BNSF) railroad for coal deliveries to LRS. In early 2009 the STB issued its decision and awarded the LRS project participants a favorable decision estimated by the STB at approximately \$345 million in rate relief. The STB awarded \$100 million to the LRS participants for past freight overcharges plus an expectation of present value rate benefits of approximately \$245 million due to a new tariff the STB ordered to be charged through 2024. BNSF is appealing the decision.

Walter Scott Energy Center (WS4)

MidAmerican Energy's Walter Scott Energy Center includes the following units: Unit #1 – a 1954 coal-fired unit built with 43 MW capacity, Unit #2 – a 1958 coal-fired unit built with 88 MW capacity, Unit #3 – a 1979 coal-fired unit built with 675 MW capacity, and the recently completed supercritical technology, coal-fired 790 MW unit that became commercial in June, 2007, as well as the associated common equipment and inventories. LES maintains ownership interest in 12.6 percent of 105 MW of Unit #4. In order to minimize unit outage risk, LES has executed a power purchase and sales agreement with MidAmerican Energy. Under this agreement, beginning in 2009, LES will schedule 50 MW of Unit #3 and 55 MW of Unit #4 under the twenty year unit agreement which can be extended through mutual agreement of the parties. LES is responsible for the operation and maintenance expense and maintains a fuel inventory at the plant site. LES issued debt in conjunction with the construction of Unit #4 and has capitalized these costs plus interest on its books.

(18) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

At August 31, 2009, the City had incurred a liability of approximately \$6,753,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 45 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$8.1 million, which will be recognized as the remaining capacity is used (estimated to be approximately 24 years).

As of August 31, 2009, the City had incurred a liability of approximately \$534,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

approximately 50 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$527,000, which will be recognized as the remaining capacity is used (estimated to be approximately 15 years).

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

The City of Lincoln, in a review by the Nebraska Department of Environmental Quality (NDEQ), has demonstrated compliance with the financial assurance requirements as specified in Title 132 - *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

The City of Lincoln also owns a solid waste disposal area that discontinued operations in 1990. Although exempt from the U.S. Environmental Protection Agency *Solid Waste Disposal Facility Criteria* issued October 9, 1991, the City must still adhere to certain closure and postclosure care requirements under prior legislation, including the construction of final cover, monitoring of ground water conditions and landfill gas migration, and general site maintenance. At August 31, 2009, a liability for closure and postclosure care costs is recorded in the amount of approximately \$2,509,000, 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 may be identified once testing is completed and the state regulatory agency has issued a final determination. These additional potential costs cannot be reasonably estimated and thus no liability has been accrued as of August 31, 2009.

(19) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Lincoln Water System and Lincoln Wastewater System to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash, accounts receivable and accounts payable – The carrying amount approximates fair value because of the short maturity of these instruments.

Long-term debt – The estimated fair value of the long-term debt is approximately \$84,671,000 for the Water System and \$92,571,000 for the Wastewater System based on borrowing rates currently available as of August 31, 2009.

Investments – The fair values of investments held directly by the funds are based on quoted market prices.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(20) SEGMENT INFORMATION

The City has issued revenue bonds and other debt instruments to finance capital construction and acquisitions for both the Parks and Recreation and Public Works/Utilities Departments. The Golf Division of the Parks and Recreation Department operates the City's golf courses and is accounted for in the Golf Fund. The Parking Facilities Division of the Urban Development Department operates the City's downtown parking garages and is accounted for in the Parking Facilities Fund. The Solid Waste Operations Section of the Public Works/Utilities Department operates the City's solid waste disposal sites, yard waste composting facility, and re-cycling drop-off program. Summary financial information for these divisions as of and for the year ended August 31, 2009, is presented as follows:

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

	Golf	Parking Facilities	Solid Waste Management
CONDENSED STATEMENT OF NET ASSETS			
Assets:			
Current Assets, excluding Due from Other Funds	\$ 64,670	5,912,028	11,033,019
Due from Other Funds	23,516	372,530	649,316
Restricted Assets	393,108	2,604,268	903,543
Deferred Charges	17,372	303,781	64,745
Capital Assets	5,624,724	35,931,775	19,075,588
Total Assets	6,123,390	45,124,382	31,726,211
Liabilities:			
Current Liabilities, excluding Due to Other Funds	800,722	2,354,419	1,932,095
Due to Other Funds	333,599	294	253
Noncurrent Liabilities	591,938	9,375,355	13,080,528
Total Liabilities	1,726,259	11,730,068	15,012,876
Net Assets:			
Invested in Capital Assets, Net of Related Debt	4,924,312	26,943,167	16,186,844
Restricted	105,653	1,023,848	404,022
Unrestricted	(632,834)	5,427,299	122,469
Total Net Assets	\$ 4,397,131	33,394,314	16,713,335
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS			
Operating Revenues	\$ 3,129,150	6,614,715	5,128,698
Depreciation Expense	(582,151)	(1,124,306)	(1,718,280)
Other Operating Expenses	(2,516,538)	(2,874,768)	(4,482,819)
Operating Income (Loss)	30,461	2,615,641	(1,072,401)
Nonoperating Revenues (Expenses):			
Investment Earnings	4,088	399,535	556,979
Loss on Disposal of Capital Assets	-	(44,950)	(191,713)
Occupation Tax	-	-	1,978,659
Interest Expense and Fiscal Charges	(71,734)	(666,409)	(150,993)
Capital Contributions	23,165	-	239,988
Transfers	(4,500)	(834,575)	(870,970)
Change in Net Assets	(18,520)	1,469,242	489,549
Beginning Net Assets	4,415,651	31,925,072	16,223,786
Ending Net Assets	\$ 4,397,131	33,394,314	16,713,335
CONDENSED STATEMENT OF CASH FLOWS			
Net Cash Provided (Used) by:			
Operating Activities	\$ 635,919	3,701,572	633,419
Noncapital Financing Activities	(161,418)	(1,033,619)	1,541,283
Capital and Related Financing Activities	(531,771)	(2,859,053)	(3,068,644)
Investing Activities	22,193	583,192	1,479,273
Net Increase (Decrease) in Cash	(35,077)	392,092	585,331
Beginning Balance	153,092	1,698,532	2,673,105
Ending Balance	\$ 118,015	2,090,624	3,258,436

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2009

(21) PLEDGED REVENUES

The City has pledged future revenues derived from the operation of the Lincoln Wastewater System, net of operating and maintenance expenses, to repay \$93,460,000 in wastewater revenue bonds. Proceeds from the bonds provided financing for improvements to the sanitary sewer system, as well as refunding a \$4.5 million loan to the City from the Nebraska Department of Environmental Quality. The bonds are payable solely from the net earnings of the Wastewater System and are payable through 2032. The total principal and interest remaining to be paid on the bonds is \$126,727,846, with annual payments expected to require 59 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$6,440,044 and \$10,871,979, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Water System, net of operating and maintenance expenses, to repay \$106,110,000 in water revenue bonds. Proceeds from the bonds provided financing for improvements to the water supply system, as well as refunding \$37.8 million of water revenue bonds. The bonds are payable solely from the net earnings of the Water System and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$108,687,485, with annual payments expected to require 70 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$8,923,414 and \$12,843,110, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Electric System, net of operating, maintenance and certain power expenses, to repay \$654,580,000 in electric revenue bonds. Proceeds from the bonds provided financing for construction of additional utility plant, as well as refunding certain issues of electric revenue bonds. The bonds are payable solely from the net earnings of the Electric System and are payable through 2037. The total principal and interest remaining to be paid on the bonds is \$1,031,760,000, with annual payments expected to require 55 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$43,649,000 and \$86,251,000, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Golf Courses, net of operating expenses, to repay \$3,165,000 in golf revenue refunding bonds. Proceeds from the bonds provided financing for refunding \$3.3 million of 1991 Golf Course Revenue Bonds. The bonds are payable solely from the net earnings of the municipal golf courses and are payable through 2011. The total principal and interest remaining to be paid on the bonds is \$758,565, with annual payments expected to require 73 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$376,848 and \$616,700, respectively.

The City has pledged future revenues derived from the operation of the Lincoln Parking System, net of operating and maintenance expenses, and amounts, if any, distributed by the State for street purposes to repay \$19,510,000 in parking revenue bonds. Proceeds from the bonds provided financing for construction and improvements to the parking system, as well as refunding \$8,755,000 of Series 1994 A & C parking revenue bonds. The bonds are payable solely from the net earnings of the Parking System and are payable through 2022. The total principal and interest remaining to be paid on the bonds is \$13,388,332, with annual payments expected to require 50 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$1,984,394 and \$4,139,482, respectively.

The City has pledged future revenues derived from the operation of the municipally owned solid waste management facilities, net of operating and maintenance expenses, to repay \$4,000,000 in solid waste management revenue bonds. Proceeds from the bonds provided financing for improvements to the solid waste facilities. The bonds are payable solely from the net earnings of the Solid Waste System and are payable through 2021. The total principal and interest remaining to be paid on the bonds is \$4,502,737, with annual payments expected to require 15 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$343,225 and \$3,181,517, respectively.

(22) 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, 2009, the City made rental payments of approximately \$2.4 million to the Commission.

As of August 31, 2009, the Commission has bonds outstanding of \$43,960,000 attributable to several bond issues. Certain proceeds from the bonds totaling \$26,725,000 have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City and County. The City's proportionate share of such buildings are recorded as capital assets and the corresponding debt are 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.

Additional bond proceeds, totaling \$29,000,000, have 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 73% of the new building and 35% 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 has been recorded in capital assets in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

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.

(23) JOINT ANTELOPE VALLEY AUTHORITY

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

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

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

For the year ended August 31, 2009, total assets of JAVA reached approximately \$179 million, an increase of \$22 million from the prior year. The City's equity interest increased by approximately \$22 million to \$150 million.

Complete separate financial statements for JAVA may be obtained at the City of Lincoln Public Works Business Office, 555 South 10th Street, Lincoln, Nebraska 68508.

(24) JOINTLY GOVERNED ORGANIZATIONS

District Energy Corporation

LES, in conjunction with two other governmental entities, created the District Energy Corporation (DEC) in 1989 to own, operate, maintain, and finance the heating and cooling facilities utilized by certain city, county, and state buildings. The Board of Directors of DEC is comprised of five members: two appointed by the County Board of Commissioners, two by the Mayor of Lincoln who must be confirmed by the City Council, and one by LES. No participant has any obligation, entitlement, or residual interest.

The DEC Board of Directors, under a twenty-year management agreement, has appointed LES to supervise and manage the system and business affairs of DEC. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to DEC at an established interruptible commercial rate. The total amount of payments to LES for management, operations, and maintenance services was approximately \$265,000 in 2008. The total amount of payments to LES for energy was approximately \$101,000 in 2008.

Nebraska Utility Corporation

On May 17, 2001, LES, in conjunction with another governmental entity, created the Nebraska Utility Corporation (NUCorp) to purchase, lease, construct, and finance facilities and acquire services in order to furnish energy requirements, utility and infrastructure facilities, and all related energy, utility, and infrastructure services to counties, cities, villages, school districts, sanitary and improvement districts, or other municipal corporations or political subdivisions of the State of Nebraska or political subdivisions of another state. The Board of Directors of NUCorp is comprised of five members: three members appointed by the University of Nebraska and two members appointed by LES. No participant has any obligation, entitlement, or residual interest.

Operations commenced in January 2002. The NUCorp board of directors, under a twenty-year management agreement, appointed LES to supervise and manage the system and business affairs of NUCorp. LES is reimbursed for these management services based on the allocated actual costs of these services. LES also provides electric energy to NUCorp on an established rate schedule. The total payment to LES for management, operations, and maintenance services was approximately \$88,000 in 2008. The total amount of payments to LES for energy was approximately \$9.0 million in 2008.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2009

Schedule of Funding Progress for PFDP Pension
(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, 2009	\$ 177,526	\$ 187,292	\$ 9,766	94.8 %	\$ 33,450	29.2 %
August 31, 2008	179,390	179,376	(14)	100.0	32,266	(0.0)
August 31, 2007	171,264	169,587	(1,677)	101.0	30,546	(5.5)
August 31, 2006	157,527	161,583	4,056	97.5	30,724	13.2
August 31, 2005	145,730	151,978	6,248	95.9	29,029	21.5
August 31, 2004	136,974	144,179	7,205	95.0	28,125	25.6

Schedule of Employer Contributions for PFDP Pension
(dollar amounts in thousands)

Year Ended August 31	Annual Required Contribution	Annual Pension Contribution	Percentage Contributed
2009	\$ 3,316	\$ 3,572	108 %
2008	4,076	3,456	85
2007	4,056	3,494	86
2006	4,077	2,893	71
2005	3,684	2,562	70
2004	3,297	1,992	60

Schedule of Funding Progress for City OPEB
(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
September 1, 2007	\$ 0	\$ 5,662	\$ 5,662	0.0 %	\$ 106,787	5.3 %

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**



CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2009

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 10,935,978	3,935,043	2,490,799	4,320,152	21,681,972
Investments	26,800,202	10,565,263	5,635,296	46,948,038	89,948,799
Invested Securities Lending Collateral	-	-	-	1,020,557	1,020,557
Receivables, (Net of Allowance for Uncollectibles)	3,219,845	944,034	122,138	156,565	4,442,582
Due from Other Funds	2,163,314	786,212	1,748,418	35,078	4,733,022
Due from Other Governments	555,227	167,250	996,472	-	1,718,949
Inventories	796,416	-	-	-	796,416
Assets Held for Resale	-	-	1,100,000	-	1,100,000
	<u>44,470,982</u>	<u>16,397,802</u>	<u>12,093,123</u>	<u>52,480,390</u>	<u>125,442,297</u>
Total Assets					
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	489,969	3,500	766,764	131,582	1,391,815
Contracts Payable	-	-	154,720	-	154,720
Retainages Payable	-	-	47,725	-	47,725
Accrued Liabilities	1,054,013	-	-	7,704	1,061,717
Due to Other Funds	9,539,685	-	-	14,370	9,554,055
Due to Other Governments	58,845	-	27,932	-	86,777
Unearned Revenue	879,073	-	-	-	879,073
Obligations under Securities Lending	-	-	-	1,020,557	1,020,557
Deferred Revenue	1,947,871	338,430	-	-	2,286,301
Total Liabilities	<u>13,969,456</u>	<u>341,930</u>	<u>997,141</u>	<u>1,174,213</u>	<u>16,482,740</u>
Fund Balances:					
Reserved for:					
Inventories	796,416	-	-	-	796,416
Improvements	7,296	-	142,645	-	149,941
Resale of Assets	-	-	1,100,000	-	1,100,000
Debt Service	-	16,055,872	-	-	16,055,872
Trust Donations (nonexpendable)	-	-	-	160,000	160,000
Health Care (nonexpendable)	-	-	-	37,000,000	37,000,000
Unreserved:					
Designated for Subsequent Years Expenditures	1,781,285	-	-	-	1,781,285
Designated for Encumbrances	219,734	-	1,691,482	-	1,911,216
Designated for Contingencies	-	-	-	865,000	865,000
Undesignated	27,696,795	-	8,161,855	13,281,177	49,139,827
Total Fund Balances	<u>30,501,526</u>	<u>16,055,872</u>	<u>11,095,982</u>	<u>51,306,177</u>	<u>108,959,557</u>
Total Liabilities and Fund Balances	<u>\$ 44,470,982</u>	<u>16,397,802</u>	<u>12,093,123</u>	<u>52,480,390</u>	<u>125,442,297</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 11,619,125	8,004,868	-	-	19,623,993
Wheel	1,091,192	-	9,606,763	-	10,697,955
Sundry and In Lieu	9,070	4,332	-	-	13,402
Special Assessment	1,053,330	-	-	-	1,053,330
Intergovernmental	7,153,102	1,475,991	995,916	-	9,625,009
Permits and Fees	9,918,363	-	155,635	-	10,073,998
Reimbursement for Services	1,379,520	-	-	-	1,379,520
Investment Earnings	1,193,533	709,126	550,563	1,898,286	4,351,508
Donations	240,819	-	1,569,232	29,500	1,839,551
Keno Proceeds	3,140,726	-	-	-	3,140,726
Miscellaneous	108,895	99,439	707,371	348,052	1,263,757
Total Revenues	<u>36,907,675</u>	<u>10,293,756</u>	<u>13,585,480</u>	<u>2,275,838</u>	<u>63,062,749</u>
EXPENDITURES					
Current:					
General Government	8,050,716	-	-	-	8,050,716
Public Safety	8,397,682	-	-	-	8,397,682
Streets and Highways	2,529,370	-	-	-	2,529,370
Culture and Recreation	8,264,389	-	-	27,353	8,291,742
Economic Opportunity	3,975,596	-	-	-	3,975,596
Health and Welfare	11,621,492	-	-	1,632,043	13,253,535
Mass Transit	9,415,651	-	-	-	9,415,651
Debt Service:					
Principal Retirement	-	10,446,544	-	-	10,446,544
Interest and Fiscal Charges	-	6,411,144	-	-	6,411,144
Miscellaneous	-	86,694	-	-	86,694
Capital Outlay	-	-	14,836,253	-	14,836,253
Total Expenditures	<u>52,254,896</u>	<u>16,944,382</u>	<u>14,836,253</u>	<u>1,659,396</u>	<u>85,694,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,347,221)</u>	<u>(6,650,626)</u>	<u>(1,250,773)</u>	<u>616,442</u>	<u>(22,632,178)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	25,187,306	7,699,195	4,308,265	-	37,194,766
Transfers Out	(11,006,162)	(801,572)	(11,295,975)	-	(23,103,709)
Issuance of Debt	-	335,168	3,666,225	-	4,001,393
Sale of Capital Assets	645,333	-	135	-	645,468
Total Other Financing Sources (Uses)	<u>14,826,477</u>	<u>7,232,791</u>	<u>(3,321,350)</u>	<u>-</u>	<u>18,737,918</u>
Net Change in Fund Balances	(520,744)	582,165	(4,572,123)	616,442	(3,894,260)
Fund Balances - Beginning	<u>31,022,270</u>	<u>15,473,707</u>	<u>15,668,105</u>	<u>50,689,735</u>	<u>112,853,817</u>
Fund Balances - Ending	<u>\$ 30,501,526</u>	<u>16,055,872</u>	<u>11,095,982</u>	<u>51,306,177</u>	<u>108,959,557</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds from a specific revenue source that is 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, and revenues received from the rental of park land for telecommunications towers. These monies must be used for improvements to athletic field and facilities, and the maintenance and repair of Parks and Recreation property and facilities.

Cable Access Television Fund - To account for the receipt and use of franchise fees, imposed by the City, from the cable provider in order to construct, operate and maintain a cable television system within the boundaries of the City.

Lincoln City Libraries Fund - To account for the costs of providing library services to the citizens of Lincoln. Financing is provided by a specific annual tax levy, fines and fees, and reimbursement from Lancaster County for services provided to County residents.

Lincoln 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.

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 of dispatch service for the Lincoln Police Department, Lincoln Fire Department, Lancaster County Sheriff's Office and Rural Volunteer Fire and Rescue Departments. Financing is provided by County and City funds and a 911 telephone surcharge.

Social Security Fund - To account for the City of Lincoln's matching share of Social Security costs for employees paid from the General Fund and other funds supported primarily from general tax revenue. Financing is provided by a specific annual property tax levy. Such property taxes may only be used for this purpose.

Police & Fire Pension Contributions Fund - To account for the City's contributions to the Police and Fire Pension. Financing is provided by a specific annual property tax levy.

StarTran Fund - To account for the cost of operating the City-owned transit system. Financing is provided primarily through passenger revenue and Federal, State, and City funds.



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.

Special Assessment Fund - To account for the receipt and disbursement of special assessment bond proceeds and other income which is derived from interest income, developers share of districts and City subsidies. This fund is also used to account for the administrative cost of collection of and accounting for special assessments levied against benefited properties. Expenditures for capital improvement projects are accounted for in the Special Assessment Capital Projects Fund. Periodic transfers are made to the Capital Projects Fund to cover expenditures.

Building & Safety Fund - To account for the cost of providing building and safety permit and inspection services to the citizens of Lincoln. Financing is provided through permit and inspection fee revenues and City funds.

Impact Fees - To account for receipts and disbursements of impact fees in accordance with city ordinance.

Fast Forward Fund - To make funds available for economic development projects where there is a demonstrated benefit to the community and/or where incentives can positively influence the outcome of a project. Funding provided by a surplus of Special Assessment Debt Service funds.

Development Services Center Fund - To provide certain start-up costs and one time costs associated with the establishment of the Development Services Center. Funding provided by a surplus of Special Assessment Revolving funds.

Parks & Recreation Special Projects Fund - To account for the proceeds of various trusts and donations to be used for the development of various projects, such as a mini-park, an observatory, landscaping, etc.

Senior Foundation of Lincoln & Lancaster County 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:

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.

Other 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 transfers from the Advance Acquisition Fund and monies received from the sale of lots.

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.

Robert Crawford Corridor - To accumulate resources required to be distributed from the Crawford Trust per IRS regulations. Such funds to be held until the Mayor and Council determine the use most appropriate with donor intent.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2009

	Advance Acquisition	Athletic Field & Facilities Improvement	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Lincoln/ Lancaster Co. Health	Snow Removal	911 Communication	Social Security	Police & Fire Pension Contributions
ASSETS										
Cash and Cash Equivalents	\$ 260,412	111,091	248,124	860,132	91,363	128,195	436,240	122,753	557,156	-
Investments	625,063	262,672	594,661	2,052,736	205,517	295,506	1,047,041	276,049	1,338,900	-
Receivables:										
Taxes	-	-	-	547,024	-	-	-	-	178,404	268,149
Accounts	-	-	-	4,644	1,643	19,301	2,172	168,277	-	-
Accrued Interest	-	2,304	5,214	11,321	2,952	2,788	-	1,152	10,971	-
Special Assessment	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	52,029	21,948	49,481	170,784	21,612	24,593	87,106	22,928	111,406	-
Due from Other Governments	-	-	-	666	86,242	334,560	97,817	-	218	-
Inventories	-	-	-	-	-	-	354,900	-	-	-
Total Assets	937,504	398,015	897,480	3,647,307	409,329	804,943	2,025,276	591,159	2,197,055	268,149
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	-	-	-	80,260	59,798	85,957	1,222	3,503	-	-
Accrued Liabilities	-	-	774	126,979	63,823	179,323	8,480	67,830	136,142	187,289
Due to Other Funds	-	-	-	987	2,252	19,750	1,884	5,403	-	-
Due to Other Governments	-	-	-	123	404	4,192	-	-	-	-
Unearned Revenue	-	-	645,825	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	177,959	-	7,374	2,172	-	57,891	80,860
Total Liabilities	-	-	646,599	386,308	126,277	296,596	13,758	76,736	194,033	268,149
Fund Balances (Deficits):										
Reserved for:										
Inventories	-	-	-	-	-	-	354,900	-	-	-
Improvements	-	-	-	-	-	-	-	7,296	-	-
Unreserved:										
Designated for Subsequent Years' Expenditures	-	-	270	653,863	22,233	62,468	2,954	23,628	823,725	-
Designated for Encumbrances	-	-	-	45,826	24,084	-	22,000	-	-	-
Undesignated	937,504	398,015	250,611	2,561,310	236,735	445,879	1,631,664	483,499	1,179,297	-
Total Fund Balances (Deficits)	937,504	398,015	250,881	3,260,999	283,052	508,347	2,011,518	514,423	2,003,022	-
Total Liabilities and Fund Balances (Deficits)	\$ 937,504	398,015	897,480	3,647,307	409,329	804,943	2,025,276	591,159	2,197,055	268,149

StarTran	Unemployment Compensation	Keno	Special Assessment	Building & Safety	Impact Fees	Fast Forward	Development Services Center	Parks & Recreation Special Projects	Seniors Foundation Of Lincoln & Lancaster County	Library Special Trust	Other Funds	Total
622,893	52,583	755,103	936,756	962,130	2,563,624	1,765,469	80,150	261,523	41,122	68,351	10,808	10,935,978
1,413,080	126,472	1,810,737	3,109,827	2,238,796	6,074,300	4,236,809	190,924	615,334	99,718	161,738	24,322	26,800,202
-	-	-	-	-	-	-	-	-	-	-	-	993,577
20,256	-	111,228	-	-	-	-	-	-	-	-	-	327,521
6,344	1,120	16,185	54,060	19,917	68,748	4,535	144	5,543	997	1,574	134	216,003
-	-	-	1,682,744	-	-	-	-	-	-	-	-	1,682,744
117,677	10,484	150,697	187,049	186,265	505,590	352,639	15,971	51,245	8,231	13,522	2,057	2,163,314
35,724	-	-	-	-	-	-	-	-	-	-	-	555,227
441,516	-	-	-	-	-	-	-	-	-	-	-	796,416
<u>2,657,490</u>	<u>190,659</u>	<u>2,843,950</u>	<u>5,970,436</u>	<u>3,407,108</u>	<u>9,212,262</u>	<u>6,359,452</u>	<u>287,189</u>	<u>933,645</u>	<u>150,068</u>	<u>245,185</u>	<u>37,321</u>	<u>44,470,982</u>
86,868	-	74,293	65,509	5,153	11,079	-	-	16,201	-	126	-	489,969
170,987	-	-	-	107,878	2,449	-	-	-	-	2,059	-	1,054,013
1,991	-	21,654	217,802	20,352	9,247,602	-	-	-	8	-	-	9,539,685
-	-	52,546	-	1,505	-	-	-	75	-	-	-	58,845
66,411	-	-	-	166,837	-	-	-	-	-	-	-	879,073
263	-	-	1,621,352	-	-	-	-	-	-	-	-	1,947,871
<u>326,520</u>	<u>-</u>	<u>148,493</u>	<u>1,904,663</u>	<u>301,725</u>	<u>9,261,130</u>	<u>-</u>	<u>-</u>	<u>16,276</u>	<u>8</u>	<u>2,185</u>	<u>-</u>	<u>13,969,456</u>
441,516	-	-	-	-	-	-	-	-	-	-	-	796,416
-	-	-	-	-	-	-	-	-	-	-	-	7,296
59,564	95,000	-	-	37,580	-	-	-	-	-	-	-	1,781,285
42,166	-	50,978	-	19,580	-	-	-	15,100	-	-	-	219,734
1,787,724	95,659	2,644,479	4,065,773	3,048,223	(48,868)	6,359,452	287,189	902,269	150,060	243,000	37,321	27,696,795
<u>2,330,970</u>	<u>190,659</u>	<u>2,695,457</u>	<u>4,065,773</u>	<u>3,105,383</u>	<u>(48,868)</u>	<u>6,359,452</u>	<u>287,189</u>	<u>917,369</u>	<u>150,060</u>	<u>243,000</u>	<u>37,321</u>	<u>30,501,526</u>
<u>2,657,490</u>	<u>190,659</u>	<u>2,843,950</u>	<u>5,970,436</u>	<u>3,407,108</u>	<u>9,212,262</u>	<u>6,359,452</u>	<u>287,189</u>	<u>933,645</u>	<u>150,068</u>	<u>245,185</u>	<u>37,321</u>	<u>44,470,982</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Advance Acquisition	Athletic Field & Facilities Improvement	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Lincoln/ Lancaster Co. Health	Snow Removal	911 Communication	Social Security	Police & Fire Pension Contributions
Revenues:										
Real Property and										
Personal Property Tax	\$ -	-	-	6,229,044	-	-	-	-	2,034,711	3,233,509
Wheel Tax	-	-	-	-	-	-	1,091,192	-	-	-
Sundry and In Lieu Tax	-	-	-	4,947	-	-	-	-	1,615	2,508
Special Assessment	-	-	-	-	-	482	504	-	-	-
Intergovernmental	-	-	-	621,716	1,060,283	2,912,789	-	150,775	-	-
Permits and Fees	-	-	303,827	391,400	86,330	3,077,633	-	1,315,565	-	-
Reimbursement for Services	633	367,169	-	-	170,569	504,355	-	1,472	-	-
Investment Earnings	39,078	16,848	39,992	89,134	17,964	23,096	39,269	7,312	82,936	-
Donations	-	-	-	-	24,385	-	-	2,300	-	-
Keno Proceeds	-	-	-	-	-	-	-	-	-	-
Private Sector Share of Projects	-	-	-	-	-	-	-	-	-	-
Miscellaneous	9	5,822	-	31,854	2,828	6,893	-	235	-	-
Total Revenues	39,720	389,839	343,819	7,368,095	1,362,359	6,525,248	1,130,965	1,477,659	2,119,262	3,236,017
Expenditures -- Current:										
General Government	645,521	-	64,442	-	-	-	-	-	2,087,482	3,236,017
Public Safety	-	-	-	-	-	-	-	3,461,694	-	-
Streets and Highways	-	-	-	-	-	-	2,529,370	-	-	-
Culture and Recreation	-	-	-	7,360,431	-	-	-	-	-	-
Economic Opportunity	-	-	-	-	3,741,593	-	-	-	-	-
Health and Welfare	-	-	-	-	-	11,621,492	-	-	-	-
Mass Transit	-	-	-	-	-	-	-	-	-	-
Total Expenditures	645,521	-	64,442	7,360,431	3,741,593	11,621,492	2,529,370	3,461,694	2,087,482	3,236,017
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(605,801)	389,839	279,377	7,664	(2,379,234)	(5,096,244)	(1,398,405)	(1,984,035)	31,780	-
Other Financing Sources (Uses):										
Transfers In	52,632	-	-	-	2,419,180	5,308,628	1,885,605	2,163,999	-	-
Transfers Out	(650,012)	(145,539)	-	-	-	(406)	-	(71,995)	-	-
Sale of Capital Assets	643,953	-	-	-	-	-	-	-	-	-
Total Other Financing										
Sources (Uses)	46,573	(145,539)	-	-	2,419,180	5,308,222	1,885,605	2,092,004	-	-
Net Change In Fund Balances	(559,228)	244,300	279,377	7,664	39,946	211,978	487,200	107,969	31,780	-
Fund Balances (Deficits) - Beginning	1,496,732	153,715	(28,496)	3,253,335	243,106	296,369	1,524,318	406,454	1,971,242	-
Fund Balances (Deficits) - Ending	\$ 937,504	398,015	250,881	3,260,999	283,052	508,347	2,011,518	514,423	2,003,022	-

StarTran	Unemployment Compensation	Keno	Special Assessment	Building & Safety	Impact Fees	Fast Forward	Development Services Center	Parks & Recreation Special Projects	Seniors Foundation Of Lincoln & Lancaster County	Library Special Trust	Other Funds	Total
-	-	-	-	-	-	-	-	121,861	-	-	-	11,619,125
-	-	-	-	-	-	-	-	-	-	-	-	1,091,192
-	-	-	-	-	-	-	-	-	-	-	-	9,070
-	-	-	1,052,344	-	-	-	-	-	-	-	-	1,053,330
2,407,526	-	-	-	-	-	-	-	-	-	-	13	7,153,102
1,433,399	-	-	-	3,241,983	68,226	-	-	-	-	-	-	9,918,363
100,836	-	-	-	126,394	106	-	-	107,790	196	-	-	1,379,520
61,949	8,690	130,567	256,177	150,093	-	124,452	5,189	41,221	9,396	12,800	37,370	1,193,533
-	-	-	-	-	-	-	-	88,632	35,991	89,511	-	240,819
-	-	3,140,726	-	-	-	-	-	-	-	-	-	3,140,726
-	-	-	-	-	-	-	-	14,740	-	-	-	14,740
25,295	-	-	-	2,997	-	-	-	18,201	21	-	-	94,155
4,029,005	8,690	3,271,293	1,308,521	3,521,467	68,332	124,452	5,189	392,445	45,604	102,311	37,383	36,907,675
-	19,497	1,184,870	709,657	-	100,835	-	-	-	-	-	2,395	8,050,716
-	-	-	-	4,935,988	-	-	-	-	-	-	-	8,397,682
-	-	-	-	-	-	-	-	-	-	-	-	2,529,370
-	-	537,383	-	-	-	-	-	268,116	-	98,459	-	8,264,389
-	-	-	-	-	-	-	-	-	234,003	-	-	3,975,596
-	-	-	-	-	-	-	-	-	-	-	-	11,621,492
9,415,651	-	-	-	-	-	-	-	-	-	-	-	9,415,651
9,415,651	19,497	1,722,253	709,657	4,935,988	100,835	-	-	268,116	234,003	98,459	2,395	52,254,896
(5,386,646)	(10,807)	1,549,040	598,864	(1,414,521)	(32,503)	124,452	5,189	124,329	(188,399)	3,852	34,988	(15,347,221)
5,894,587	-	-	-	845,675	-	6,335,000	282,000	-	-	-	-	25,187,306
(10,297)	-	(2,104,750)	(7,896,012)	(15,721)	-	(100,000)	-	(4,603)	-	-	(6,827)	(11,006,162)
1,380	-	-	-	-	-	-	-	-	-	-	-	645,333
5,885,670	-	(2,104,750)	(7,896,012)	829,954	-	6,235,000	282,000	(4,603)	-	-	(6,827)	14,826,477
499,024	(10,807)	(555,710)	(7,297,148)	(584,567)	(32,503)	6,359,452	287,189	119,726	(188,399)	3,852	28,161	(520,744)
1,831,946	201,466	3,251,167	11,362,921	3,689,950	(16,365)	-	-	797,643	338,459	239,148	9,160	31,022,270
2,330,970	190,659	2,695,457	4,065,773	3,105,383	(48,868)	6,359,452	287,189	917,369	150,060	243,000	37,321	30,501,526



NONMAJOR DEBT SERVICE FUNDS

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

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

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

- 1999A Various Purpose Bonds
- 1999B Various Purpose Bonds
- 2002 Storm Sewer and Drainage System Bonds
- 2003 Various Purpose Bonds
- 2004 Certificates of Participation – Fire & 911
- 2005 Storm Sewer Refunding Bonds
- 2005 Storm Sewer Construction Bonds
- 2005 Certificates of Participation – Street Lights
- 2006 Certificates of Participation – Street Lights
- 2007 Certificates of Participation – Street Lights
- 2007 Stormwater Drainage and Flood Management System Bonds
- 2008 Certificates of Participation – Street Lights & AV Parks
- 2009 Certificates of Participation – Street Lights

Tax Supported Bonds Fund – includes bonded debt funds as follows:

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.

Antelope Valley Debt Fund – To accumulate resources for payment of principal and interest on the Tax Supported Antelope Valley Project Bonds, Series 2002. The bonds are payable from amounts received from the State of Nebraska City of the Primary Class Development Fund, established pursuant to Chapter 19, article 1, Reissue Revised Statutes of Nebraska, which provides annual appropriations from an imposed cigarette tax, and from the sales tax receipts of the City pledged to the payment of the bonds as needed.

Highway User Allocation Debt Fund - To accumulate resources for payment of principal and interest on the Highway User Allocation Bonds, Series 2004 and Series 2006. For the prompt payment of principal of and interest on the bonds, the City has pledged funds received and to be received by the City from the State Highway Allocation Fund as authorized under Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AUGUST 31, 2009

	<u>Tax Allocation Projects Debt Service</u>	<u>Bond Interest & Redemption</u>	<u>Tax Supported Bonds</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,310,076	1,001,082	623,885	3,935,043
Investments	5,547,739	2,400,534	2,616,990	10,565,263
Receivables (Net of Allowance for Uncollectibles):				
Taxes	347,282	494,862	-	842,144
Accrued Interest	42,065	20,462	39,363	101,890
Due from Other Funds	461,694	199,884	124,634	786,212
Due from Other Governments	-	584	166,666	167,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>8,708,856</u>	<u>4,117,408</u>	<u>3,571,538</u>	<u>16,397,802</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	-	-	3,500	3,500
Deferred Revenue	-	171,764	166,666	338,430
Total Liabilities	<u> </u>	<u>171,764</u>	<u>170,166</u>	<u>341,930</u>
Fund Balances:				
Reserved for Debt Service	<u>8,708,856</u>	<u>3,945,644</u>	<u>3,401,372</u>	<u>16,055,872</u>
Total Fund Balances	<u>8,708,856</u>	<u>3,945,644</u>	<u>3,401,372</u>	<u>16,055,872</u>
Total Liabilities and Fund Balances	<u>\$ 8,708,856</u>	<u>4,117,408</u>	<u>3,571,538</u>	<u>16,397,802</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Tax Allocation Projects Debt Service	Bond Interest & Redemption	Tax Supported Bonds	Total
Revenues:				
Real Property and Personal Property Tax	\$ 2,549,055	5,455,813	-	8,004,868
Sundry and In Lieu Tax	-	4,332	-	4,332
Intergovernmental	-	122,657	1,353,334	1,475,991
Investment Earnings	346,945	149,580	212,601	709,126
Miscellaneous	52,776	46,663	-	99,439
Total Revenues	<u>2,948,776</u>	<u>5,779,045</u>	<u>1,565,935</u>	<u>10,293,756</u>
Expenditures -- Debt Service:				
Principal Retirement	716,544	4,320,000	3,000,000	8,036,544
Interest	459,401	2,335,411	3,019,259	5,814,071
Fiscal Charges	1,750	2,938	2,800	7,488
Capital Lease Principal	-	2,410,000	-	2,410,000
Capital Lease Interest	-	589,585	-	589,585
Miscellaneous	79,694	3,500	3,500	86,694
Total Expenditures	<u>1,257,389</u>	<u>9,661,434</u>	<u>6,025,559</u>	<u>16,944,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,691,387</u>	<u>(3,882,389)</u>	<u>(4,459,624)</u>	<u>(6,650,626)</u>
Other Financing Sources (Uses):				
Transfers In	411,054	2,999,585	4,288,556	7,699,195
Transfers Out	(539,281)	-	(262,291)	(801,572)
Issuance of Debt	335,168	-	-	335,168
Total Other Financing Sources (Uses)	<u>206,941</u>	<u>2,999,585</u>	<u>4,026,265</u>	<u>7,232,791</u>
Net Change in Fund Balances	1,898,328	(882,804)	(433,359)	582,165
Fund Balances - Beginning	<u>6,810,528</u>	<u>4,828,448</u>	<u>3,834,731</u>	<u>15,473,707</u>
Fund Balances - Ending	<u>\$ 8,708,856</u>	<u>3,945,644</u>	<u>3,401,372</u>	<u>16,055,872</u>



NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for all resources received and used for the acquisition or development of major capital improvements (other than those financed by proprietary funds and trust funds).

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

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.

Storm Sewer Bonds Fund - To account for the cost of providing improvements and extensions to the City's storm water sewer and drainage system. Financing is to be provided by a combination of general obligation bond issue proceeds, tax increment financing and reimbursement funds from the Federal Emergency Management Agency.

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, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AUGUST 31, 2009

	Storm Sewer Construction	Vehicle Tax	1991 G.O. Various Purpose Bonds	Storm Sewer Bonds	1999 G.O. Various Purpose Bonds
ASSETS					
Cash and Cash Equivalents	\$ 40,823	675,523	-	1,435,500	21,425
Investments	99,718	1,623,462	-	3,443,927	51,075
Accounts Receivable	-	-	-	-	21,051
Accrued Interest Receivable	-	52,667	-	34,128	432
Due from Other Funds	8,231	135,020	-	286,599	4,213
Due from Other Governments	-	861,168	-	135,304	-
Assets Held For Resale	-	-	-	-	-
	<u>148,772</u>	<u>3,347,840</u>	<u>-</u>	<u>5,335,458</u>	<u>98,196</u>
Total Assets					
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	-	-	181,123	-
Contracts Payable	-	-	-	31,581	-
Retainages Payable	-	-	-	47,725	-
Due to Other Governments	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,429</u>	<u>-</u>
Fund Balances:					
Reserved For:					
Improvements	-	-	-	-	-
Resale Assets	-	-	-	-	-
Unreserved:					
Designated for Encumbrances	-	-	-	1,278,616	-
Undesignated	148,772	3,347,840	-	3,796,413	98,196
Total Fund Balances	<u>148,772</u>	<u>3,347,840</u>	<u>-</u>	<u>5,075,029</u>	<u>98,196</u>
Total Liabilities and Fund Balances	<u>\$ 148,772</u>	<u>3,347,840</u>	<u>-</u>	<u>5,335,458</u>	<u>98,196</u>

<u>2002 Antelope Valley Bonds</u>	<u>Other Capital Projects</u>	<u>Special Assessment</u>	<u>Total</u>
	317,528	-	2,490,799
	417,114	-	5,635,296
	-	-	21,051
	13,860	-	101,087
	1,096,554	217,801	1,748,418
	-	-	996,472
	1,100,000	-	1,100,000
<u>-</u>	<u>2,945,056</u>	<u>217,801</u>	<u>12,093,123</u>
	528,650	56,991	766,764
	123,139	-	154,720
	-	-	47,725
	27,932	-	27,932
<u>-</u>	<u>679,721</u>	<u>56,991</u>	<u>997,141</u>
	142,645	-	142,645
	1,100,000	-	1,100,000
	252,056	160,810	1,691,482
	770,634	-	8,161,855
<u>-</u>	<u>2,265,335</u>	<u>160,810</u>	<u>11,095,982</u>
<u>-</u>	<u>2,945,056</u>	<u>217,801</u>	<u>12,093,123</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Storm Sewer Construction</u>	<u>Vehicle Tax</u>	<u>1991 G.O. Various Purpose Bonds</u>	<u>Storm Sewer Bonds</u>	<u>1999 G.O. Various Purpose Bonds</u>
Revenues:					
Wheel Tax	\$ -	9,606,763	-	-	-
Intergovernmental	2,602	-	-	164,015	-
Permits and Fees	-	-	-	-	-
Investment Earnings	1,361	217,379	896	232,327	4,050
Donations	-	-	-	-	-
Developer's Share	-	-	-	142,304	-
Miscellaneous	-	-	-	521,021	21,051
Total Revenues	<u>3,963</u>	<u>9,824,142</u>	<u>896</u>	<u>1,059,667</u>	<u>25,101</u>
Expenditures -- Capital Outlay:					
General Government	-	-	-	-	-
Streets and Highways	20,903	-	-	3,903,240	-
Culture and Recreation	-	-	-	-	2,767
Economic Opportunity	-	-	-	-	-
Debt Service	-	-	-	-	-
Equipment Maintenance	-	-	-	-	-
Total Expenditures	<u>20,903</u>	<u>-</u>	<u>-</u>	<u>3,903,240</u>	<u>2,767</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,940)</u>	<u>9,824,142</u>	<u>896</u>	<u>(2,843,573)</u>	<u>22,334</u>
Other Financing Sources (Uses):					
Transfers In	20,000	-	-	-	1,785
Transfers Out	-	(9,321,061)	(52,920)	(197,436)	-
Issuance of Debt	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>(9,321,061)</u>	<u>(52,920)</u>	<u>(197,436)</u>	<u>1,785</u>
Net Change in Fund Balances	3,060	503,081	(52,024)	(3,041,009)	24,119
Fund Balances - Beginning	<u>145,712</u>	<u>2,844,759</u>	<u>52,024</u>	<u>8,116,038</u>	<u>74,077</u>
Fund Balances - Ending	<u>\$ 148,772</u>	<u>3,347,840</u>	<u>-</u>	<u>5,075,029</u>	<u>98,196</u>

<u>Other Capital Projects</u>	<u>Special Assessment</u>	<u>Total</u>
-	-	9,606,763
829,299	-	995,916
155,635	-	155,635
94,550	-	550,563
1,569,232	-	1,569,232
-	-	142,304
22,995	-	565,067
<u>2,671,711</u>	<u>-</u>	<u>13,585,480</u>
2,350,900	-	2,350,900
15,760	219,930	4,159,833
3,825,464	-	3,828,231
4,414,643	-	4,414,643
814	-	814
81,832	-	81,832
<u>10,689,413</u>	<u>219,930</u>	<u>14,836,253</u>
<u>(8,017,702)</u>	<u>(219,930)</u>	<u>(1,250,773)</u>
3,909,675	376,805	4,308,265
(1,724,558)	-	(11,295,975)
3,666,225	-	3,666,225
135	-	135
<u>5,851,477</u>	<u>376,805</u>	<u>(3,321,350)</u>
(2,166,225)	156,875	(4,572,123)
<u>4,431,560</u>	<u>3,935</u>	<u>15,668,105</u>
<u>2,265,335</u>	<u>160,810</u>	<u>11,095,982</u>



NONMAJOR PERMANENT FUNDS

Permanent funds are established to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Community Health Permanent Endowment Fund – To account for the cash proceeds realized by the City from the sale of Lincoln General Hospital, together with any interest or other investment earnings. Monies in the fund are used for funding health and health-related programs that further the health, safety, or welfare of the citizens of Lincoln.

J.J. Hompes Fund - To account for the receipt of investment earnings to be used to buy books as stipulated by the trust agreement.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
AUGUST 31, 2009

	Community Health Permanent Endowment	J.J. Hompes	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 4,282,953	37,199	4,320,152
Investments	46,394,943	553,095	46,948,038
Invested Securities Lending Collateral	1,020,557	-	1,020,557
Accrued Interest Receivable	156,297	268	156,565
Due from Other Funds	32,334	2,744	35,078
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>51,887,084</u>	<u>593,306</u>	<u>52,480,390</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	118,781	12,801	131,582
Accrued Liabilities	7,704	-	7,704
Due to Other Funds	14,370	-	14,370
Obligations under Securities Lending	1,020,557	-	1,020,557
Total Liabilities	<u>1,161,412</u>	<u>12,801</u>	<u>1,174,213</u>
Fund Balances:			
Reserved for:			
Trust Donations (nonexpendable)	-	160,000	160,000
Health Care (nonexpendable)	37,000,000	-	37,000,000
Unreserved:			
Designated for Contingencies	865,000	-	865,000
Undesignated	12,860,672	420,505	13,281,177
Total Fund Balances	<u>50,725,672</u>	<u>580,505</u>	<u>51,306,177</u>
Total Liabilities and Fund Balances	<u>\$ 51,887,084</u>	<u>593,306</u>	<u>52,480,390</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Community Health Permanent Endowment	J.J. Hompes	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Investment Earnings	\$ 1,942,247	(43,961)	1,898,286
Donations	29,500	-	29,500
Miscellaneous	348,052	-	348,052
Total Revenues	<u>2,319,799</u>	<u>(43,961)</u>	<u>2,275,838</u>
Expenditures -- Current:			
Culture and Recreation	-	27,353	27,353
Health and Welfare	1,632,043	-	1,632,043
Total Expenditures	<u>1,632,043</u>	<u>27,353</u>	<u>1,659,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	687,756	(71,314)	616,442
Fund Balances - Beginning	<u>50,037,916</u>	<u>651,819</u>	<u>50,689,735</u>
Fund Balances - Ending	<u>\$ 50,725,672</u>	<u>580,505</u>	<u>51,306,177</u>



CITY OF LINCOLN, NEBRASKA
ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Recreation Receipts	\$ 25,000	25,000	49,000	24,000
Investment Earnings	-	-	15,047	15,047
Rental Income	306,000	306,000	341,224	35,224
Miscellaneous	-	-	5,822	5,822
Total Revenues	<u>331,000</u>	<u>331,000</u>	<u>411,093</u>	<u>80,093</u>
Expenditures--Culture & Recreation:				
Other Services & Charges	<u>-</u>	<u>-</u>	<u>127</u>	<u>(127)</u>
Excess of Revenues Over Expenditures	331,000	331,000	410,966	79,966
Other Financing Uses:				
Transfers Out	<u>(374,358)</u>	<u>(374,358)</u>	<u>(145,539)</u>	<u>228,819</u>
Net Change in Fund Balances	(43,358)	(43,358)	265,427	308,785
Fund Balances - Beginning	<u>133,698</u>	<u>133,698</u>	<u>133,698</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 90,340</u>	<u>90,340</u>	<u>399,125</u>	<u>308,785</u>

CITY OF LINCOLN, NEBRASKA
CABLE ACCESS TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Permits and Fees	\$ 67,082	67,082	303,827	236,745
Investment Earnings	-	-	42,771	42,771
Total Revenues	<u>67,082</u>	<u>67,082</u>	<u>346,598</u>	<u>279,516</u>
Expenditures -- General Government:				
Personal Services	32,838	32,838	32,713	125
Materials and Supplies	2,066	2,066	1,716	350
Other Services and Charges	32,178	32,178	26,961	5,217
Capital Outlay	2,990	2,990	2,915	75
Total Expenditures	<u>70,072</u>	<u>70,072</u>	<u>64,305</u>	<u>5,767</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,990)	(2,990)	282,293	285,283
Fund Balances (Deficits) - Beginning	<u>(37,424)</u>	<u>(37,424)</u>	<u>(37,424)</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u><u>(40,414)</u></u>	<u><u>(40,414)</u></u>	<u><u>244,869</u></u>	<u><u>285,283</u></u>

CITY OF LINCOLN, NEBRASKA
LINCOLN CITY LIBRARIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 5,681,665	5,681,665	6,489,141	807,476
Intergovernmental	621,716	621,716	621,716	-
Permits and Fees	382,000	382,000	387,947	5,947
Investment Earnings	48,000	48,000	94,623	46,623
Miscellaneous	20,775	20,775	31,512	10,737
Total Revenues	<u>6,754,156</u>	<u>6,754,156</u>	<u>7,624,939</u>	<u>870,783</u>
Expenditures -- Culture and Recreation:				
Personal Services	5,406,218	5,406,218	5,136,145	270,073
Materials and Supplies	179,085	179,085	153,847	25,238
Other Services and Charges	1,231,862	1,231,862	1,202,534	29,328
Capital Outlay	853,133	853,133	845,851	7,282
Total Expenditures	<u>7,670,298</u>	<u>7,670,298</u>	<u>7,338,377</u>	<u>331,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(916,142)	(916,142)	286,562	1,202,704
Other Financing Sources:				
Sale of Capital Assets	500	500	-	(500)
Net Change in Fund Balances	(915,642)	(915,642)	286,562	1,202,204
Fund Balances - Beginning	<u>3,110,211</u>	<u>3,110,211</u>	<u>3,110,211</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,194,569</u>	<u>2,194,569</u>	<u>3,396,773</u>	<u>1,202,204</u>

CITY OF LINCOLN, NEBRASKA
LINCOLN AREA AGENCY ON AGING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,029,463	1,029,463	994,938	(34,525)
Permits and Fees	85,683	85,683	86,402	719
Reimbursement for Services	14,000	14,000	13,993	(7)
Client Contributions	191,060	191,060	155,139	(35,921)
Investment Earnings	-	-	19,472	19,472
Donations	69,590	69,590	24,700	(44,890)
Miscellaneous	-	-	2,953	2,953
Total Revenues	<u>1,389,796</u>	<u>1,389,796</u>	<u>1,297,597</u>	<u>(92,199)</u>
Expenditures -- Economic Opportunity:				
Personal Services	2,473,513	2,509,199	2,467,076	42,123
Materials and Supplies	294,092	294,592	211,080	83,512
Other Services and Charges	1,134,319	1,118,231	1,039,287	78,944
Capital Outlay	-	1,800	2,082	(282)
Total Expenditures	<u>3,901,924</u>	<u>3,923,822</u>	<u>3,719,525</u>	<u>204,297</u>
Deficiency of Revenues Under Expenditures	(2,512,128)	(2,534,026)	(2,421,928)	112,098
Other Financing Sources:				
Transfers In	2,395,035	2,395,035	2,419,180	24,145
Net Change in Fund Balances	(117,093)	(138,991)	(2,748)	136,243
Fund Balances - Beginning	<u>308,301</u>	<u>308,301</u>	<u>308,301</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 191,208</u>	<u>169,310</u>	<u>305,553</u>	<u>136,243</u>

CITY OF LINCOLN, NEBRASKA
LINCOLN/LANCASTER COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Assessment	\$ -	-	482	482
Intergovernmental	2,841,076	2,841,076	2,578,229	(262,847)
Permits and Fees	3,501,850	3,501,850	3,073,390	(428,460)
Reimbursement for Services	-	-	503,658	503,658
Investment Earnings	-	-	22,893	22,893
Miscellaneous	-	-	6,527	6,527
Total Revenues	<u>6,342,926</u>	<u>6,342,926</u>	<u>6,185,179</u>	<u>(157,747)</u>
Expenditures -- Health and Welfare:				
Personal Services	7,847,755	7,908,837	7,603,810	305,027
Materials and Supplies	250,577	250,577	279,097	(28,520)
Other Services and Charges	3,868,970	3,868,970	3,706,182	162,788
Capital Outlay	4,271	4,271	1,047	3,224
Total Expenditures	<u>11,971,573</u>	<u>12,032,655</u>	<u>11,590,136</u>	<u>442,519</u>
Deficiency of Revenues Under Expenditures	<u>(5,628,647)</u>	<u>(5,689,729)</u>	<u>(5,404,957)</u>	<u>284,772</u>
Other Financing Sources (Uses):				
Transfers In	5,243,907	5,243,907	5,308,628	64,721
Transfers Out	-	-	(406)	(406)
Total Other Financing Sources (Uses)	<u>5,243,907</u>	<u>5,243,907</u>	<u>5,308,222</u>	<u>64,315</u>
Net Change in Fund Balances	<u>(384,740)</u>	<u>(445,822)</u>	<u>(96,735)</u>	<u>349,087</u>
Fund Balances - Beginning	<u>612,886</u>	<u>612,886</u>	<u>612,886</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 228,146</u>	<u>167,064</u>	<u>516,151</u>	<u>349,087</u>

CITY OF LINCOLN, NEBRASKA
SNOW REMOVAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Wheel Tax	\$ 1,074,700	1,074,700	1,089,079	14,379
Special Assessment	-	-	738	738
Investment Earnings	-	-	44,474	44,474
Total Revenues	<u>1,074,700</u>	<u>1,074,700</u>	<u>1,134,291</u>	<u>59,591</u>
Expenditures -- Streets and Highways:				
Personal Services	1,252,507	1,252,507	1,276,559	(24,052)
Materials and Supplies	274,650	274,650	368,608	(93,958)
Other Services and Charges	1,362,148	1,362,148	1,000,792	361,356
Capital Outlay	71,000	60,388	70,344	(9,956)
Total Expenditures	<u>2,960,305</u>	<u>2,949,693</u>	<u>2,716,303</u>	<u>233,390</u>
Deficiency of Revenues Under Expenditures	(1,885,605)	(1,874,993)	(1,582,012)	292,981
Other Financing Sources:				
Transfers In	<u>1,885,605</u>	<u>1,885,605</u>	<u>1,885,605</u>	<u>-</u>
Net Change in Fund Balances	-	10,612	303,593	292,981
Fund Balances - Beginning	<u>1,269,882</u>	<u>1,269,882</u>	<u>1,269,882</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 1,269,882</u></u>	<u><u>1,280,494</u></u>	<u><u>1,573,475</u></u>	<u><u>292,981</u></u>

CITY OF LINCOLN, NEBRASKA
911 COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 140,421	140,421	150,775	10,354
Permits and Fees	1,206,100	1,206,100	1,324,966	118,866
Reimbursement for Services	-	-	1,472	1,472
Investment Earnings	-	-	8,077	8,077
Donations	-	-	2,300	2,300
Miscellaneous	-	-	235	235
Total Revenues	<u>1,346,521</u>	<u>1,346,521</u>	<u>1,487,825</u>	<u>141,304</u>
Expenditures -- Public Safety:				
Personal Services	2,909,485	2,909,485	2,840,629	68,856
Materials and Supplies	21,794	22,536	27,402	(4,866)
Other Services and Charges	484,290	552,332	558,972	(6,640)
Capital Outlay	23,000	25,300	16,235	9,065
Total Expenditures	<u>3,438,569</u>	<u>3,509,653</u>	<u>3,443,238</u>	<u>66,415</u>
Deficiency of Revenues Under Expenditures	<u>(2,092,048)</u>	<u>(2,163,132)</u>	<u>(1,955,413)</u>	<u>207,719</u>
Other Financing Sources (Uses):				
Transfers In	2,163,999	2,163,999	2,163,999	-
Transfers Out	(72,848)	(72,848)	(71,995)	853
Total Other Financing Sources (Uses)	<u>2,091,151</u>	<u>2,091,151</u>	<u>2,092,004</u>	<u>853</u>
Net Change in Fund Balances	(897)	(71,981)	136,591	208,572
Fund Balances - Beginning	<u>315,494</u>	<u>315,494</u>	<u>315,494</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 314,597</u>	<u>243,513</u>	<u>452,085</u>	<u>208,572</u>

CITY OF LINCOLN, NEBRASKA
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real Property and Personal Property Tax	\$ 1,855,570	1,855,570	2,123,590	268,020
Investment Earnings	<u>42,000</u>	<u>42,000</u>	<u>87,404</u>	<u>45,404</u>
Total Revenues	<u>1,897,570</u>	<u>1,897,570</u>	<u>2,210,994</u>	<u>313,424</u>
Expenditures -- General Government:				
Personal Services	2,104,870	2,108,927	2,011,368	97,559
Other Services and Charges	<u>57,616</u>	<u>57,616</u>	<u>50,419</u>	<u>7,197</u>
Total Expenditures	<u>2,162,486</u>	<u>2,166,543</u>	<u>2,061,787</u>	<u>104,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(264,916)	(268,973)	149,207	418,180
Fund Balances - Beginning	<u>2,099,080</u>	<u>2,099,080</u>	<u>2,099,080</u>	-
Fund Balances - Ending	<u>\$ 1,834,164</u>	<u>1,830,107</u>	<u>2,248,287</u>	<u>418,180</u>

CITY OF LINCOLN, NEBRASKA
STARTRAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,246,670	2,246,670	2,241,875	(4,795)
Permits and Fees	1,592,850	1,592,850	1,355,001	(237,849)
Reimbursement for Services	-	-	100,836	100,836
Investment Earnings	-	-	11,467	11,467
Miscellaneous	-	-	22,403	22,403
Total Revenues	<u>3,839,520</u>	<u>3,839,520</u>	<u>3,731,582</u>	<u>(107,938)</u>
Expenditures -- Mass Transit:				
Personal Services	6,552,749	6,552,749	6,708,702	(155,953)
Materials and Supplies	1,837,140	1,837,140	1,237,903	599,237
Other Services and Charges	1,331,218	1,331,218	1,166,697	164,521
Capital Outlay	-	-	75,142	(75,142)
Total Expenditures	<u>9,721,107</u>	<u>9,721,107</u>	<u>9,188,444</u>	<u>532,663</u>
Deficiency of Revenues Under Expenditures	<u>(5,881,587)</u>	<u>(5,881,587)</u>	<u>(5,456,862)</u>	<u>424,725</u>
Other Financing Sources (Uses):				
Transfers In	5,881,587	5,881,587	5,881,587	-
Transfers Out	-	-	(19,293)	(19,293)
Total Other Financing Sources (Uses)	<u>5,881,587</u>	<u>5,881,587</u>	<u>5,862,294</u>	<u>(19,293)</u>
Net Change in Fund Balances	-	-	405,432	405,432
Amount Budgeted on Project Basis	161,733	161,733	161,733	-
Fund Balances - Beginning	<u>1,621,687</u>	<u>1,621,687</u>	<u>1,621,687</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,783,420</u>	<u>1,783,420</u>	<u>2,188,852</u>	<u>405,432</u>

CITY OF LINCOLN, NEBRASKA
UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	9,303	9,303
Expenditures -- General Government:				
Unemployment Insurance Payments	<u>95,000</u>	<u>95,000</u>	<u>19,497</u>	<u>75,503</u>
Deficiency of Revenues Under Expenditures	(95,000)	(95,000)	(10,194)	84,806
Fund Balances - Beginning	<u>201,626</u>	<u>201,626</u>	<u>201,626</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 106,626</u>	<u>106,626</u>	<u>191,432</u>	<u>84,806</u>

CITY OF LINCOLN, NEBRASKA
KENO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	142,571	142,571
Keno Proceeds	<u>3,186,935</u>	<u>3,186,935</u>	<u>3,166,565</u>	<u>(20,370)</u>
Total Revenues	<u>3,186,935</u>	<u>3,186,935</u>	<u>3,309,136</u>	<u>122,201</u>
Expenditures:				
General Government:				
Other Services and Charges	1,206,297	1,206,297	1,205,052	1,245
Culture and Recreation:				
Other Services and Charges	28,571	63,571	38,190	25,381
Capital Outlay	<u>20,878</u>	<u>524,939</u>	<u>470,434</u>	<u>54,505</u>
Total Expenditures	<u>1,255,746</u>	<u>1,794,807</u>	<u>1,713,676</u>	<u>81,131</u>
Excess of Revenues Over Expenditures	1,931,189	1,392,128	1,595,460	203,332
Other Financing Uses:				
Transfers Out	<u>(3,799,867)</u>	<u>(2,211,698)</u>	<u>(2,109,769)</u>	<u>101,929</u>
Net Change in Fund Balances	(1,868,678)	(819,570)	(514,309)	305,261
Fund Balances - Beginning	<u>3,508,103</u>	<u>3,508,103</u>	<u>3,508,103</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,639,425</u>	<u>2,688,533</u>	<u>2,993,794</u>	<u>305,261</u>

CITY OF LINCOLN, NEBRASKA
BUILDING & SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 4,861,062	4,861,062	3,229,950	(1,631,112)
Reimbursement for Services	-	-	126,216	126,216
Investment Earnings	-	-	168,464	168,464
Miscellaneous	-	-	2,997	2,997
Total Revenues	<u>4,861,062</u>	<u>4,861,062</u>	<u>3,527,627</u>	<u>(1,333,435)</u>
Expenditures -- Public Safety:				
Personal Services	4,605,541	4,617,937	4,319,039	298,898
Materials and Supplies	69,595	69,595	34,727	34,868
Other Services and Charges	1,084,734	1,084,734	564,776	519,958
Capital Outlay	79,995	79,995	949	79,046
Total Expenditures	<u>5,839,865</u>	<u>5,852,261</u>	<u>4,919,491</u>	<u>932,770</u>
Deficiency of Revenues Under Expenditures	<u>(978,803)</u>	<u>(991,199)</u>	<u>(1,391,864)</u>	<u>(400,665)</u>
Other Financing Sources (Uses):				
Transfers In	820,675	820,675	845,675	25,000
Transfers Out	(20,000)	(20,000)	(15,721)	4,279
Total Other Financing Sources (Uses)	<u>800,675</u>	<u>800,675</u>	<u>829,954</u>	<u>29,279</u>
Net Change in Fund Balances	(178,128)	(190,524)	(561,910)	(371,386)
Fund Balances - Beginning	<u>3,800,951</u>	<u>3,800,951</u>	<u>3,800,951</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,622,823</u>	<u>3,610,427</u>	<u>3,239,041</u>	<u>(371,386)</u>

CITY OF LINCOLN, NEBRASKA
FAST FORWARD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	114,982	114,982
Expenditures -- Economic Opportunity:				
Other Services and Charges	<u>235,000</u>	<u>235,000</u>	<u>-</u>	<u>235,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(235,000)</u>	<u>(235,000)</u>	<u>114,982</u>	<u>349,982</u>
Other Financing Sources (Uses):				
Transfers In	235,000	235,000	6,335,000	6,100,000
Transfers Out	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources Uses	<u>235,000</u>	<u>135,000</u>	<u>6,235,000</u>	<u>6,100,000</u>
Net Change in Fund Balances	-	(100,000)	6,349,982	6,449,982
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>(100,000)</u></u>	<u><u>6,349,982</u></u>	<u><u>6,449,982</u></u>

CITY OF LINCOLN, NEBRASKA
LIBRARY SPECIAL TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ -	-	13,417	13,417
Donations	<u>87,402</u>	<u>87,402</u>	<u>89,511</u>	<u>2,109</u>
Total Revenues	<u>87,402</u>	<u>87,402</u>	<u>102,928</u>	<u>15,526</u>
Expenditures -- Culture and Recreation:				
Personal Services	77,152	77,152	76,745	407
Other Services and Charges	250	250	-	250
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>25,058</u>	<u>(15,058)</u>
Total Expenditures	<u>87,402</u>	<u>87,402</u>	<u>101,803</u>	<u>(14,401)</u>
Excess of Revenues Over Expenditures	-	-	1,125	1,125
Amount Not Required to be Budgeted	(11,042)	(11,042)	(11,042)	-
Fund Balances - Beginning	<u>242,892</u>	<u>242,892</u>	<u>242,892</u>	-
Fund Balances - Ending	<u><u>\$ 231,850</u></u>	<u><u>231,850</u></u>	<u><u>232,975</u></u>	<u><u>1,125</u></u>

CITY OF LINCOLN, NEBRASKA
TAX ALLOCATION PROJECTS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real Property and Personal Property Tax	\$ 1,087,071	1,087,071	2,590,716	1,503,645
Investment Earnings	-	-	342,868	342,868
Miscellaneous	-	-	52,776	52,776
Total Revenues	<u>1,087,071</u>	<u>1,087,071</u>	<u>2,986,360</u>	<u>1,899,289</u>
Expenditures -- Debt Service:				
Principal Retirement	716,544	-	716,544	(716,544)
Interest	370,527	-	459,401	(459,401)
Fiscal Charges	-	-	1,750	(1,750)
Miscellaneous	-	-	79,694	(79,694)
Total Expenditures	<u>1,087,071</u>	<u>-</u>	<u>1,257,389</u>	<u>(1,257,389)</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>1,087,071</u>	<u>1,728,971</u>	<u>641,900</u>
Other Financing Sources (Uses):				
Transfers In	-	-	411,054	411,054
Transfers Out	-	-	(539,281)	(539,281)
Bond Proceeds	-	-	335,168	335,168
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>206,941</u>	<u>206,941</u>
Net Change in Fund Balances	-	1,087,071	1,935,912	848,841
Fund Balances - Beginning	<u>6,070,816</u>	<u>6,070,816</u>	<u>6,070,816</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,070,816</u>	<u>7,157,887</u>	<u>8,006,728</u>	<u>848,841</u>

CITY OF LINCOLN, NEBRASKA
BOND INTEREST & REDEMPTION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Real Property and Personal Property Tax	\$ 4,968,074	4,968,074	5,689,007	720,933
Sundry and In Lieu Tax	3,024	3,024	4,126	1,102
Intergovernmental	122,657	122,657	122,657	-
Investment Earnings	85,000	85,000	158,387	73,387
Miscellaneous	-	-	46,663	46,663
Total Revenues	<u>5,178,755</u>	<u>5,178,755</u>	<u>6,020,840</u>	<u>842,085</u>
Expenditures -- Debt Service:				
Principal Retirement	4,320,000	4,320,000	4,320,000	-
Interest	2,335,624	2,335,624	2,335,411	213
Fiscal Charges	-	-	2,938	(2,938)
Capital Lease Principal	-	-	2,410,000	(2,410,000)
Capital Lease Interest	-	-	589,585	(589,585)
Miscellaneous	-	-	3,500	(3,500)
Total Expenditures	<u>6,655,624</u>	<u>6,655,624</u>	<u>9,661,434</u>	<u>(3,005,810)</u>
Deficiency of Revenues Under Expenditures	(1,476,869)	(1,476,869)	(3,640,594)	(2,163,725)
Other Financing Sources:				
Transfers In	610,000	610,000	2,999,585	2,389,585
Net Change in Fund Balances	(866,869)	(866,869)	(641,009)	225,860
Fund Balances - Beginning	<u>5,042,424</u>	<u>5,042,424</u>	<u>5,042,424</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,175,555</u>	<u>4,175,555</u>	<u>4,401,415</u>	<u>225,860</u>

CITY OF LINCOLN, NEBRASKA
TAX SUPPORTED BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,731,144	1,731,144	1,520,000	(211,144)
Investment Earnings	-	-	221,488	221,488
Total Revenues	<u>1,731,144</u>	<u>1,731,144</u>	<u>1,741,488</u>	<u>10,344</u>
Expenditures -- Debt Service:				
Principal Retirement	3,000,000	3,000,000	3,000,000	-
Interest	3,019,700	3,019,700	3,019,259	441
Fiscal Charges	-	-	2,800	(2,800)
Total Expenditures	<u>6,019,700</u>	<u>6,019,700</u>	<u>6,022,059</u>	<u>(2,359)</u>
Deficiency of Revenues Under Expenditures	<u>(4,288,556)</u>	<u>(4,288,556)</u>	<u>(4,280,571)</u>	<u>7,985</u>
Other Financing Sources (Uses):				
Transfer In	4,288,556	4,288,556	4,288,556	-
Transfer Out	-	-	(262,291)	(262,291)
Total Other Financing Sources (Uses)	<u>4,288,556</u>	<u>4,288,556</u>	<u>4,026,265</u>	<u>(262,291)</u>
Net Change in Fund Balances	-	-	(254,306)	(254,306)
Fund Balances - Beginning	<u>3,614,677</u>	<u>3,614,677</u>	<u>3,614,677</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,614,677</u>	<u>3,614,677</u>	<u>3,360,371</u>	<u>(254,306)</u>

CITY OF LINCOLN, NEBRASKA
COMMUNITY HEALTH PERMANENT ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Earnings	\$ 2,053,199	2,053,199	1,943,633	(109,566)
Donations	-	-	29,500	29,500
Miscellaneous	-	-	348,052	348,052
Total Revenues	<u>2,053,199</u>	<u>2,053,199</u>	<u>2,321,185</u>	<u>267,986</u>
Expenditures -- Health and Welfare:				
Personal Services	290,839	290,839	262,264	28,575
Materials and Supplies	14,137	14,137	14,699	(562)
Other Services and Charges	298,223	279,428	420,841	(141,413)
Grants	<u>2,239,859</u>	<u>2,046,460</u>	<u>835,930</u>	<u>1,210,530</u>
Total Expenditures	<u>2,843,058</u>	<u>2,630,864</u>	<u>1,533,734</u>	<u>1,097,130</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(789,859)	(577,665)	787,451	1,365,116
Fund Balances - Beginning	<u>50,072,068</u>	<u>50,072,068</u>	<u>50,072,068</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 49,282,209</u>	<u>49,494,403</u>	<u>50,859,519</u>	<u>1,365,116</u>

NONMAJOR ENTERPRISE FUNDS

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

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 seven downtown parking garages: Carriage Park, Que Place, Center Park, Cornhusker Square, University Square, Market Place, and Haymarket.

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2009

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	Emergency Medical Services	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 439,996	-	1,621,670	287,579	2,996,041	-	5,345,286
Investments	1,028,800	-	4,008,235	2,432	7,064,186	-	12,103,653
Restricted Assets:							
Cash and Cash Equivalents	-	7,160	225,261	37,575	-	-	269,996
Receivables (Net of Allowance for Uncollectibles)	8,804	25	56,862	14,991	966,790	729,922	1,777,394
Due from Other Funds	85,735	-	333,556	15,294	596,797	-	1,031,382
Due from Other Governments	-	-	-	-	6,002	-	6,002
Inventories	-	57,485	-	24,830	-	139,078	221,393
Prepaid Expenses	39,781	-	-	8,857	-	-	48,638
Total Current Assets	<u>1,603,116</u>	<u>64,670</u>	<u>6,245,584</u>	<u>391,558</u>	<u>11,629,816</u>	<u>869,000</u>	<u>20,803,744</u>
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	-	110,855	243,693	9,868	262,395	-	626,811
Investments	-	282,130	2,325,354	-	631,143	-	3,238,627
Receivables	-	123	35,221	-	10,005	-	45,349
Due from Other Funds	-	23,516	38,974	-	52,519	-	115,009
Total Restricted Assets	<u>-</u>	<u>416,624</u>	<u>2,643,242</u>	<u>9,868</u>	<u>956,062</u>	<u>-</u>	<u>4,025,796</u>
Deferred Charges	<u>-</u>	<u>17,372</u>	<u>303,781</u>	<u>-</u>	<u>64,745</u>	<u>-</u>	<u>385,898</u>
Capital Assets:							
Land	320,200	1,082,623	7,695,337	46,500	1,648,928	-	10,793,588
Buildings	9,765	2,404,035	41,774,695	4,346,297	1,671,764	-	50,206,556
Improvements Other Than Buildings	287,148	7,090,038	226,428	202,005	22,934,743	-	30,740,362
Machinery and Equipment	142,924	2,030,658	1,564,589	809,179	6,148,187	1,265,032	11,960,569
Construction in Progress	-	89,448	-	-	3,298,988	-	3,388,436
Less Accumulated Depreciation	(278,105)	(7,072,078)	(15,329,274)	(5,205,103)	(16,627,022)	(1,167,253)	(45,678,835)
Total Capital Assets, Net	<u>481,932</u>	<u>5,624,724</u>	<u>35,931,775</u>	<u>198,878</u>	<u>19,075,588</u>	<u>97,779</u>	<u>61,410,676</u>
Total Noncurrent Assets	<u>481,932</u>	<u>6,058,720</u>	<u>38,878,798</u>	<u>208,746</u>	<u>20,096,395</u>	<u>97,779</u>	<u>65,822,370</u>
Total Assets	<u>2,085,048</u>	<u>6,123,390</u>	<u>45,124,382</u>	<u>600,304</u>	<u>31,726,211</u>	<u>966,779</u>	<u>86,626,114</u>
LIABILITIES							
Current Liabilities:							
Accounts Payable	12,747	173,397	226,149	68,706	1,531,296	68,794	2,081,089
Accrued Liabilities	-	40,063	2,967	47,237	44,438	74,390	209,095
Accrued Compensated Absences	-	71,460	3,015	-	81,177	137,146	292,798
Due to Other Funds	-	333,599	294	-	253	500,000	834,146
Due to Other Governments	-	34,246	-	24,905	63,479	452	123,082
Unearned Revenue	12,310	8,678	664,026	92,416	-	-	777,430
Accrued Interest	-	1,489	23,262	-	11,705	-	36,456
Current Portion of Capital Lease	-	121,389	-	24,781	-	-	146,170
Current Portion of Long-Term Debt	-	350,000	1,435,000	-	200,000	-	1,985,000
Total Current Liabilities	<u>25,057</u>	<u>1,134,321</u>	<u>2,354,713</u>	<u>258,045</u>	<u>1,932,348</u>	<u>780,782</u>	<u>6,485,266</u>
Noncurrent Liabilities:							
Due to Other Funds	-	-	-	-	-	252,372	252,372
Accrued Compensated Absences	-	41,446	-	-	33,455	2,524	77,425
Long-Term Debt, Net	-	353,784	9,375,000	-	3,240,783	-	12,969,567
Capital Lease Payable	-	191,740	-	-	-	-	191,740
Accrued Liabilities	-	4,968	355	-	10,290	33,294	48,907
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	-	9,796,000	-	9,796,000
Total Noncurrent Liabilities	<u>-</u>	<u>591,938</u>	<u>9,375,355</u>	<u>-</u>	<u>13,080,528</u>	<u>288,190</u>	<u>23,336,011</u>
Total Liabilities	<u>25,057</u>	<u>1,726,259</u>	<u>11,730,068</u>	<u>258,045</u>	<u>15,012,876</u>	<u>1,068,972</u>	<u>29,821,277</u>
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	481,932	4,924,312	26,943,167	174,097	16,186,844	97,779	48,808,131
Restricted for:							
Debt Service	-	5,530	318,425	-	-	-	323,955
Capital Projects	-	100,123	705,423	9,868	404,022	-	1,219,436
Other	-	-	-	37,575	-	-	37,575
Unrestricted	1,578,059	(632,834)	5,427,299	120,719	122,469	(199,972)	6,415,740
Total Net Assets (Deficits)	<u>\$ 2,059,991</u>	<u>4,397,131</u>	<u>33,394,314</u>	<u>342,259</u>	<u>16,713,335</u>	<u>(102,193)</u>	<u>56,804,837</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	Emergency Medical Services	Total
Operating Revenues							
Charges for Services	\$ -	-	-	-	-	4,317,445	4,317,445
Fees	-	3,107,595	-	-	4,726,710	-	7,834,305
Parking Revenue	425,563	-	6,608,972	-	-	-	7,034,535
Performance Revenue	-	-	-	1,106,150	-	-	1,106,150
Other Operating Revenue	359	21,555	5,743	79,506	401,988	-	509,151
Total Operating Revenues	<u>425,922</u>	<u>3,129,150</u>	<u>6,614,715</u>	<u>1,185,656</u>	<u>5,128,698</u>	<u>4,317,445</u>	<u>20,801,586</u>
Operating Expenses							
Personal Services	-	1,377,125	108,520	933,979	1,960,957	2,821,435	7,202,016
Contractual Services	72,974	47,147	1,802,794	-	897,855	320,898	3,141,668
Operation and Maintenance	192,422	1,092,266	963,454	934,587	1,624,007	502,002	5,308,738
Depreciation	32,056	582,151	1,124,306	63,838	1,718,280	-	3,520,631
Total Operating Expenses	<u>297,452</u>	<u>3,098,689</u>	<u>3,999,074</u>	<u>1,932,404</u>	<u>6,201,099</u>	<u>3,644,335</u>	<u>19,173,053</u>
Operating Income (Loss)	<u>128,470</u>	<u>30,461</u>	<u>2,615,641</u>	<u>(746,748)</u>	<u>(1,072,401)</u>	<u>673,110</u>	<u>1,628,533</u>
Nonoperating Revenues (Expenses)							
Investment Earnings	67,038	4,088	399,535	686	556,979	-	1,028,326
Loss on Disposal of Capital Assets	-	-	(44,950)	(1,780)	(191,713)	-	(238,443)
Occupation Tax	-	-	-	-	1,978,659	-	1,978,659
Amortization of Deferred Charges	-	(8,139)	(41,869)	-	(3,681)	-	(53,689)
Interest Expense and Fiscal Charges	-	(63,595)	(624,540)	(2,948)	(147,312)	(43,115)	(881,510)
Total Nonoperating Revenues (Expenses)	<u>67,038</u>	<u>(67,646)</u>	<u>(311,824)</u>	<u>(4,042)</u>	<u>2,192,932</u>	<u>(43,115)</u>	<u>1,833,343</u>
Income (Loss) Before Contributions and Transfers	<u>195,508</u>	<u>(37,185)</u>	<u>2,303,817</u>	<u>(750,790)</u>	<u>1,120,531</u>	<u>629,995</u>	<u>3,461,876</u>
Capital Contributions	-	23,165	-	-	239,988	-	263,153
Transfers In	-	-	425	690,000	-	-	690,425
Transfers Out	-	(4,500)	(835,000)	-	(870,970)	-	(1,710,470)
Change in Net Assets	<u>195,508</u>	<u>(18,520)</u>	<u>1,469,242</u>	<u>(60,790)</u>	<u>489,549</u>	<u>629,995</u>	<u>2,704,984</u>
Net Assets (Deficits) - Beginning	<u>1,864,483</u>	<u>4,415,651</u>	<u>31,925,072</u>	<u>403,049</u>	<u>16,223,786</u>	<u>(732,188)</u>	<u>54,099,853</u>
Net Assets (Deficits) - Ending	<u>\$ 2,059,991</u>	<u>4,397,131</u>	<u>33,394,314</u>	<u>342,259</u>	<u>16,713,335</u>	<u>(102,193)</u>	<u>56,804,837</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	Emergency Medical Services	Total
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$ 432,077	3,091,313	6,603,261	1,114,032	4,754,185	4,309,638	20,304,506
Receipts from Interfund Services Provided	-	-	27,674	-	175,426	-	203,100
Payments to Suppliers for Goods and Services	(259,153)	(717,561)	(2,378,152)	(924,717)	(2,430,939)	(696,830)	(7,407,352)
Payments to Employees	-	(1,354,907)	(109,235)	(957,111)	(1,912,358)	(2,803,541)	(7,137,152)
Payments for Interfund Services Provided	(5,986)	(404,481)	(447,719)	-	(354,883)	(201,825)	(1,414,894)
Other Receipts	359	21,555	5,743	-	401,988	-	429,645
Net Cash Provided (Used) by Operating Activities	<u>167,297</u>	<u>635,919</u>	<u>3,701,572</u>	<u>(767,796)</u>	<u>633,419</u>	<u>607,442</u>	<u>4,977,853</u>
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	-	2,045,982	-	2,045,982
Transfers from Other Funds	-	-	425	675,000	-	-	675,425
Transfers to Other Funds	-	(4,500)	(1,076,333)	-	(629,637)	-	(1,710,470)
Advances from General Fund	-	709,533	-	-	-	292,370	1,001,903
Repayment of Advances from General Fund	-	(869,623)	-	-	-	(852,308)	(1,721,931)
Advances to Other Funds	(2,679)	-	-	(64)	-	-	(2,743)
Payments from Other Funds	-	3,172	42,289	-	124,938	-	170,399
Interest Paid to General Fund	-	-	-	-	-	(47,504)	(47,504)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(2,679)</u>	<u>(161,418)</u>	<u>(1,033,619)</u>	<u>674,936</u>	<u>1,541,283</u>	<u>(607,442)</u>	<u>411,061</u>
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	-	(21,300)	(871,769)	-	(2,812,069)	-	(3,705,138)
Proceeds from Sale of Capital Assets	-	-	-	-	87,000	-	87,000
Principal Payments of Capital Lease	-	(116,480)	-	(23,138)	-	-	(139,618)
Principal Payments of Bonded Debt	-	(335,000)	(1,360,000)	-	(195,000)	-	(1,890,000)
Interest and Fiscal Charges Paid	-	(58,991)	(627,284)	(2,948)	(148,575)	-	(837,798)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(531,771)</u>	<u>(2,859,053)</u>	<u>(26,086)</u>	<u>(3,068,644)</u>	<u>-</u>	<u>(6,485,554)</u>
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	189,304	95,720	1,420,251	847	3,024,793	-	4,730,915
Purchases of Investments	(268,738)	(73,697)	(1,169,299)	(635)	(2,010,138)	-	(3,522,507)
Interest and Other Receipts	51,809	170	332,240	659	464,618	-	849,496
Net Cash Provided (Used) by Investing Activities	<u>(27,625)</u>	<u>22,193</u>	<u>583,192</u>	<u>871</u>	<u>1,479,273</u>	<u>-</u>	<u>2,057,904</u>
Net Increase (Decrease) in Cash and Cash Equivalents	136,993	(35,077)	392,092	(118,075)	585,331	-	961,264
Cash and Cash Equivalents - Beginning	303,003	153,092	1,698,532	453,097	2,673,105	-	5,280,829
Cash and Cash Equivalents - Ending	<u>\$ 439,996</u>	<u>118,015</u>	<u>2,090,624</u>	<u>335,022</u>	<u>3,258,436</u>	<u>-</u>	<u>6,242,093</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ 128,470	30,461	2,615,641	(746,748)	(1,072,401)	673,110	1,628,533
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	32,056	582,151	1,124,306	63,838	1,718,280	-	3,520,631
Changes in Assets and Liabilities:							
Accounts Receivable and Unbilled Revenues	79	(25)	(8,835)	23,591	178,919	(7,807)	185,922
Due from Other Funds	-	-	-	-	(941)	-	(941)
Due from Other Governments	-	-	43,000	-	24,923	-	67,923
Inventories	-	(6,847)	-	(765)	-	(15,076)	(22,688)
Prepaid Expenses	(6,523)	-	-	1,029	-	-	(5,494)
Accounts Payable	6,780	18,149	(57,502)	12,568	(87,928)	(16,205)	(124,138)
Accrued Liabilities	-	9,535	868	(23,132)	9,180	21,430	17,881
Accrued Compensated Absences	-	12,683	(1,583)	-	8,409	33,011	52,520
Due to Other Funds	-	7,563	(2,121)	-	86	(81,100)	(75,572)
Due to Other Governments	-	(1,494)	-	(2,962)	(7,108)	79	(11,485)
Unearned Revenue	6,435	(16,257)	(12,202)	(95,215)	-	-	(117,239)
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	-	(138,000)	-	(138,000)
Total Adjustments	<u>38,827</u>	<u>605,458</u>	<u>1,085,931</u>	<u>(21,048)</u>	<u>1,705,820</u>	<u>(65,668)</u>	<u>3,349,320</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 167,297</u>	<u>635,919</u>	<u>3,701,572</u>	<u>(767,796)</u>	<u>633,419</u>	<u>607,442</u>	<u>4,977,853</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ -	23,165	-	-	239,988	-	263,153
Purchase of Capital Assets on Account	-	21,300	-	-	1,422,656	-	1,443,956
Change in Fair Value of Investments	15,644	3,795	74,406	32	98,846	-	192,723

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
AUGUST 31, 2009

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 382,196	71,773	6,913,711	-
Investments	858,550	170,251	17,746,087	-
Accounts Receivable	61,749	231,047	131	155
Accrued Interest Receivable	7,424	1,861	151,299	730
Due from Other Funds	262,627	16,665	1,380,770	450,704
Due from Other Governments	103,193	2,364	-	2,499
Inventories	-	-	-	591,556
Prepaid Expenses	218,279	40,847	-	-
Total Current Assets	<u>1,894,018</u>	<u>534,808</u>	<u>26,191,998</u>	<u>1,045,644</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	26,485	-	-	-
Improvements Other Than Buildings	-	693,733	-	427,382
Machinery and Equipment	2,278,231	467,491	28,936	18,020,853
Less Accumulated Depreciation	<u>(1,780,105)</u>	<u>(997,224)</u>	<u>(22,757)</u>	<u>(11,739,082)</u>
Total Capital Assets, Net	<u>524,611</u>	<u>164,000</u>	<u>6,179</u>	<u>6,709,153</u>
Total Assets	<u>2,418,629</u>	<u>698,808</u>	<u>26,198,177</u>	<u>7,754,797</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	59,758	11,006	24,754	307,734
Accrued Liabilities	85,730	141,696	16,746	34,939
Accrued Compensated Absences	193,156	317,439	21,855	88,801
Due to Other Funds	3,861	16,552	405	1,309,201
Due to Other Governments	14	92	11,906	-
Unearned Revenue	-	129,554	-	-
Claims	-	-	4,683,839	-
Accrued Interest	131	-	-	-
Current Portion of Capital Lease	47,014	-	-	-
Total Current Liabilities	<u>389,664</u>	<u>616,339</u>	<u>4,759,505</u>	<u>1,740,675</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	138,271	395,978	28,188	76,207
Claims	-	-	3,879,638	-
Accrued Liabilities	13,129	22,000	2,129	7,097
Total Noncurrent Liabilities	<u>151,400</u>	<u>417,978</u>	<u>3,909,955</u>	<u>83,304</u>
Total Liabilities	<u>541,064</u>	<u>1,034,317</u>	<u>8,669,460</u>	<u>1,823,979</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	477,597	164,000	6,179	6,709,153
Unrestricted	1,399,968	(499,509)	17,522,538	(778,335)
Total Net Assets (Deficits)	<u>\$ 1,877,565</u>	<u>(335,509)</u>	<u>17,528,717</u>	<u>5,930,818</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
397,565	37,666	76,146	7,879,057
953,404	89,990	153,226	19,971,508
39,872	3,001	1,049	337,004
5,717	822	1,388	169,241
543,224	11,709	29,341	2,695,040
117	660	15,854	124,687
67,792	-	-	659,348
-	-	-	259,126
<u>2,007,691</u>	<u>143,848</u>	<u>277,004</u>	<u>32,095,011</u>
48,250	-	-	48,250
346,661	-	-	373,146
45,500	-	-	1,166,615
5,708,480	28,349	-	26,532,340
(4,086,178)	(25,219)	-	(18,650,565)
<u>2,062,713</u>	<u>3,130</u>	<u>-</u>	<u>9,469,786</u>
<u>4,070,404</u>	<u>146,978</u>	<u>277,004</u>	<u>41,564,797</u>
27,043	742	26,697	457,734
21,387	3,118	1,242	304,858
39,354	5,566	1,033	667,204
15,577	438	-	1,346,034
-	-	-	12,012
-	-	-	129,554
-	-	-	4,683,839
-	-	-	131
-	-	-	47,014
<u>103,361</u>	<u>9,864</u>	<u>28,972</u>	<u>7,648,380</u>
64,730	-	588	703,962
-	-	-	3,879,638
5,323	710	355	50,743
<u>70,053</u>	<u>710</u>	<u>943</u>	<u>4,634,343</u>
<u>173,414</u>	<u>10,574</u>	<u>29,915</u>	<u>12,282,723</u>
2,062,713	3,130	-	9,422,772
<u>1,834,277</u>	<u>133,274</u>	<u>247,089</u>	<u>19,859,302</u>
<u>3,896,990</u>	<u>136,404</u>	<u>247,089</u>	<u>29,282,074</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
Operating Revenues				
Charges for Services	\$ 5,750,734	6,768,233	27,362,758	4,849,269
Operating Expenses				
Personal Services	3,663,416	5,779,376	517,650	1,476,210
Materials and Supplies	195,894	29,816	9,736	1,738,510
Other Services and Charges	2,279,181	1,072,154	25,185,651	1,288,355
Depreciation	217,338	33,520	1,725	1,726,410
Total Operating Expenses	<u>6,355,829</u>	<u>6,914,866</u>	<u>25,714,762</u>	<u>6,229,485</u>
Operating Income (Loss)	<u>(605,095)</u>	<u>(146,633)</u>	<u>1,647,996</u>	<u>(1,380,216)</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	56,773	14,264	1,206,494	8,618
Gain (Loss) on Disposal of Capital Assets	-	(429)	-	23,472
Interest Expense and Fiscal Charges	(2,685)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>54,088</u>	<u>13,835</u>	<u>1,206,494</u>	<u>32,090</u>
Income (Loss) Before Contributions and Transfers	(551,007)	(132,798)	2,854,490	(1,348,126)
Capital Contributions	-	-	-	220,692
Transfers In	10,000	-	-	-
Transfers Out	-	(10,000)	(425)	-
Change in Net Assets	<u>(541,007)</u>	<u>(142,798)</u>	<u>2,854,065</u>	<u>(1,127,434)</u>
Net Assets (Deficits) - Beginning	<u>2,418,572</u>	<u>(192,711)</u>	<u>14,674,652</u>	<u>7,058,252</u>
Net Assets (Deficits) - Ending	<u>\$ 1,877,565</u>	<u>(335,509)</u>	<u>17,528,717</u>	<u>5,930,818</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>3,711,238</u>	<u>193,353</u>	<u>333,896</u>	<u>48,969,481</u>
920,572	141,071	49,405	12,547,700
1,109,519	3,478	-	3,086,953
768,342	82,412	313,719	30,989,814
629,636	939	-	2,609,568
<u>3,428,069</u>	<u>227,900</u>	<u>363,124</u>	<u>49,234,035</u>
<u>283,169</u>	<u>(34,547)</u>	<u>(29,228)</u>	<u>(264,554)</u>
54,412	6,102	10,573	1,357,236
(18,203)	-	-	4,840
-	-	-	(2,685)
<u>36,209</u>	<u>6,102</u>	<u>10,573</u>	<u>1,359,391</u>
319,378	(28,445)	(18,655)	1,094,837
-	-	-	220,692
-	-	-	10,000
-	-	-	(10,425)
<u>319,378</u>	<u>(28,445)</u>	<u>(18,655)</u>	<u>1,315,104</u>
<u>3,577,612</u>	<u>164,849</u>	<u>265,744</u>	<u>27,966,970</u>
<u><u>3,896,990</u></u>	<u><u>136,404</u></u>	<u><u>247,089</u></u>	<u><u>29,282,074</u></u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,416,501	1,284,992	7,380,323	259,662
Receipts from Interfund Services Provided	3,379,049	5,313,091	19,986,703	4,181,072
Payments to Suppliers for Goods and Services	(2,323,112)	(540,632)	(23,108,331)	(2,494,470)
Payments to Employees	(3,656,080)	(5,895,582)	(508,651)	(1,457,499)
Payments for Interfund Services Provided	(154,398)	(565,924)	(198,912)	(294,365)
Net Cash Provided (Used) by Operating Activities	<u>(338,040)</u>	<u>(404,055)</u>	<u>3,551,132</u>	<u>194,400</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	10,000	-	-	-
Transfers to Other Funds	-	(10,000)	(425)	-
Advance from General Fund	-	-	-	1,391,947
Repayment of Advances from General Fund	-	-	-	(726,253)
Advances to Other Funds	-	-	(105,251)	-
Payments from Other Funds	45,924	28,011	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>55,924</u>	<u>18,011</u>	<u>(105,676)</u>	<u>665,694</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(205,727)	(6,954)	-	(896,379)
Proceeds from Sale of Capital Assets	-	-	-	26,314
Principal Payments of Capital Lease	(60,884)	-	-	-
Interest and Fiscal Charges Paid	(2,855)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(269,466)</u>	<u>(6,954)</u>	<u>-</u>	<u>(870,065)</u>
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	694,291	348,577	2,419,548	-
Purchases of Investments	(224,266)	(44,472)	(4,333,806)	-
Interest and Other Receipts	54,913	13,672	937,992	9,971
Net Cash Provided (Used) by Investing Activities	<u>524,938</u>	<u>317,777</u>	<u>(976,266)</u>	<u>9,971</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,644)	(75,221)	2,469,190	-
Cash and Cash Equivalents - Beginning	408,840	146,994	4,444,521	-
Cash and Cash Equivalents - Ending	<u>\$ 382,196</u>	<u>71,773</u>	<u>6,913,711</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (605,095)	(146,633)	1,647,996	(1,380,216)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	217,338	33,520	1,725	1,726,410
Changes in Assets and Liabilities:				
Accounts Receivable	(19,420)	30,818	4,268	2,111
Due from Other Funds	(34,274)	(994)	-	(409,012)
Due from Other Governments	98,510	2,927	-	(1,634)
Inventories	-	-	-	166,642
Prepaid Expenses	8,566	(1,709)	-	-
Accounts Payable	(10,414)	(2,364)	(14,581)	74,927
Accrued Liabilities	(17,909)	(155,754)	7,113	9,797
Accrued Compensated Absences	25,245	39,548	1,886	8,914
Due to Other Funds	(561)	(310)	144	(3,539)
Due to Other Governments	(26)	(203)	-	-
Unearned Revenue	-	(202,901)	11,906	-
Claims	-	-	1,890,675	-
Total Adjustments	<u>267,055</u>	<u>(257,422)</u>	<u>1,903,136</u>	<u>1,574,616</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (338,040)</u>	<u>(404,055)</u>	<u>3,551,132</u>	<u>194,400</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	-	-	220,692
Purchase of Capital Assets on Account	3,736	-	-	30,360
Change in Fair Value of Investments	6,999	(994)	260,172	-

Police Garage	Communication Services	Copy Services	Total
71,852	61,723	122,504	11,597,557
3,474,432	134,661	215,138	36,684,146
(1,201,504)	(77,270)	(303,573)	(30,048,892)
(917,396)	(138,770)	(49,175)	(12,623,153)
(649,977)	(7,922)	(10,151)	(1,881,649)
<u>777,407</u>	<u>(27,578)</u>	<u>(25,257)</u>	<u>3,728,009</u>

-	-	-	10,000
-	-	-	(10,425)
-	-	-	1,391,947
-	-	-	(726,253)
-	-	-	(105,251)
12,663	2,349	3,597	92,544
<u>12,663</u>	<u>2,349</u>	<u>3,597</u>	<u>652,562</u>

(862,867)	-	-	(1,971,927)
11,087	-	-	37,401
-	-	-	(60,884)
-	-	-	(2,855)
<u>(851,780)</u>	<u>-</u>	<u>-</u>	<u>(1,998,265)</u>

343,818	46,851	71,467	3,924,552
(249,044)	(23,507)	(40,025)	(4,915,120)
44,026	5,237	9,021	1,074,832
<u>138,800</u>	<u>28,581</u>	<u>40,463</u>	<u>84,264</u>

77,090	3,352	18,803	2,466,570
320,475	34,314	57,343	5,412,487
<u>397,565</u>	<u>37,666</u>	<u>76,146</u>	<u>7,879,057</u>

<u>283,169</u>	<u>(34,547)</u>	<u>(29,228)</u>	<u>(264,554)</u>
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629,636	939	-	2,609,568
(340)	1,559	(257)	18,739
(165,773)	517	(278)	(609,814)
1,159	955	4,281	106,198
22,612	-	-	189,254
-	-	-	6,857
(11,801)	451	(5)	36,213
5,698	563	417	(150,075)
(2,522)	1,738	(187)	74,622
15,569	247	-	11,550
-	-	-	(229)
-	-	-	(190,995)
-	-	-	1,890,675
<u>494,238</u>	<u>6,969</u>	<u>3,971</u>	<u>3,992,563</u>
<u>777,407</u>	<u>(27,578)</u>	<u>(25,257)</u>	<u>3,728,009</u>

-	-	-	220,692
-	-	-	34,096
12,595	1,026	1,841	281,639



AGENCY FUNDS

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

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

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.

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

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

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

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

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

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

Joint Antelope Valley Authority - To account for the accumulation and disbursement of funds for the joint administrative entity known as JAVA, created to coordinate planning and implementation of the Antelope Valley Project.

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.

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

CITY OF LINCOLN, NEBRASKA
COMBINING BALANCE SHEET
AGENCY FUNDS
AUGUST 31, 2009

	<u>Collections Due Other Governments</u>	<u>HILP Escrow Accounts</u>	<u>Contractor Deposits</u>	<u>Payroll Revolving</u>	<u>Outstanding Warrants</u>
ASSETS					
Cash and Cash Equivalents	\$ 55,297	5,763	519,531	554,959	754,047
Investments	-	-	-	-	-
Receivables:					
Accrued Interest	-	-	-	-	-
Other	31,047	-	-	-	-
Contractor Retainage	-	-	814,064	-	-
Total Assets	<u>86,344</u>	<u>5,763</u>	<u>1,333,595</u>	<u>554,959</u>	<u>754,047</u>
LIABILITIES					
Warrants Payable	-	-	-	-	754,047
Accounts Payable	-	-	-	193,699	-
Due to Other Governments	86,344	-	-	361,260	-
Due To Homeowners	-	5,763	-	-	-
Due to Contractors	-	-	1,333,595	-	-
Due to Joint Venture	-	-	-	-	-
Due to Bondholders	-	-	-	-	-
Total Liabilities	<u>\$ 86,344</u>	<u>5,763</u>	<u>1,333,595</u>	<u>554,959</u>	<u>754,047</u>

<u>Telephone Bill Suspense</u>	<u>Unredeemed Bonds And Coupons</u>	<u>Gateway Center Joint Venture Escrow</u>	<u>Public Building Commission Bond Reserve</u>	<u>Total</u>
114,544	117,926	197,847	1,123,787	3,443,701
-	-	-	1,910,000	1,910,000
-	-	1,162	87,662	88,824
-	-	-	-	31,047
-	-	-	-	814,064
<u>114,544</u>	<u>117,926</u>	<u>199,009</u>	<u>3,121,449</u>	<u>6,287,636</u>
-	-	-	-	754,047
114,544	-	-	-	308,243
-	-	-	3,121,449	3,569,053
-	-	-	-	5,763
-	-	-	-	1,333,595
-	-	199,009	-	199,009
-	117,926	-	-	117,926
<u>114,544</u>	<u>117,926</u>	<u>199,009</u>	<u>3,121,449</u>	<u>6,287,636</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Balance Sep. 1, 2008	Additions	Deductions	Balance Aug. 31, 2009
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash and Cash Equivalents	\$ 63,371	940,193	948,267	55,297
Receivables	38,260	31,047	38,260	31,047
	101,631	971,240	986,527	86,344
Liabilities:				
Due to Other Governments	\$ 101,631	883,105	898,392	86,344
	101,631	883,105	898,392	86,344
HILP ESCROW ACCOUNTS:				
Assets:				
Cash and Cash Equivalents	\$ 44,008	23,571	61,816	5,763
	44,008	23,571	61,816	5,763
Liabilities:				
Due to Homeowners	\$ 44,008	-	38,245	5,763
	44,008	-	38,245	5,763
CONTRACTOR DEPOSITS:				
Assets:				
Cash and Cash Equivalents	\$ 544,435	77,925	102,829	519,531
Contractor Retainage	836,784	-	22,720	814,064
	1,381,219	77,925	125,549	1,333,595
Liabilities:				
Due to Contractors	\$ 1,381,219	77,925	125,549	1,333,595
	1,381,219	77,925	125,549	1,333,595
PAYROLL REVOLVING:				
Assets:				
Cash and Cash Equivalents	\$ 478,876	203,629,954	203,553,871	554,959
	478,876	203,629,954	203,553,871	554,959
Liabilities:				
Accounts Payable	128,732	129,436,555	129,371,588	193,699
Due to Other Governments	350,144	28,355,492	28,344,376	361,260
	\$ 478,876	157,792,047	157,715,964	554,959
OUTSTANDING WARRANTS:				
Assets:				
Cash and Cash Equivalents	\$ 1,655,399	381,265,971	382,167,323	754,047
	1,655,399	381,265,971	382,167,323	754,047
Liabilities:				
Warrants Payable	\$ 1,655,399	381,265,971	382,167,323	754,047
	1,655,399	381,265,971	382,167,323	754,047
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash and Cash Equivalents	\$ 51,769	671,851	609,076	114,544
	51,769	671,851	609,076	114,544
Liabilities:				
Accounts Payable	\$ 51,769	671,851	609,076	114,544
	51,769	671,851	609,076	114,544

(Continued)

(Agency Funds, Continued)

	Balance Sep. 1, 2008	Additions	Deductions	Balance Aug. 31, 2009
UNREDEEMED BONDS AND COUPONS:				
Assets:				
Cash and Cash Equivalents	\$ 117,926	-	-	117,926
Liabilities:				
Due to Bondholders	\$ 117,926	-	-	117,926
JOINT ANTELOPE VALLEY AUTHORITY				
Assets:				
Cash and Cash Equivalents	\$ -	37,466,071	37,466,071	-
Liabilities:				
Accounts Payable	\$ -	24,049,338	24,049,338	-
GATEWAY CENTER JOINT VENTURE ESCROW:				
Assets:				
Cash and Cash Equivalents	\$ 190,672	7,976	801	197,847
Receivables	1,257	1,162	1,257	1,162
	<u>191,929</u>	<u>9,138</u>	<u>2,058</u>	<u>199,009</u>
Liabilities:				
Due to Joint Venture	\$ 191,929	7,080	-	199,009
PUBLIC BUILDING COMMISSION BOND RESERVE:				
Assets:				
Cash and Cash Equivalents	\$ 191,409	1,017,516	85,138	1,123,787
Investments	2,843,800	-	933,800	1,910,000
Receivables	38,562	87,662	38,562	87,662
	<u>3,073,771</u>	<u>1,105,178</u>	<u>1,057,500</u>	<u>3,121,449</u>
Liabilities:				
Due to Other Governments	\$ 3,073,771	185,118	137,440	3,121,449
AGENCY FUND TOTALS:				
Total Assets	\$ 7,096,528	625,220,899	626,029,791	6,287,636
Total Liabilities	\$ 7,096,528	564,932,435	565,741,327	6,287,636



STATISTICAL SECTION

This part of the City of Lincoln’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<u>Contents</u>	<u>Page</u>
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Financial Trends	135
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These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity	142
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These schedules contain information to help the reader assess the City’s three most significant local revenue sources; electrical sales, sales tax, and property tax.

Debt Capacity	152
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These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information	158
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information	160
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These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



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

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 471,161,398	460,113,747	433,488,477	417,745,982	399,561,548	361,516,579	353,228,671	321,761,052
Restricted	111,672,739	111,555,338	119,719,194	107,739,981	111,872,162	99,491,762	85,214,600	99,929,683
Unrestricted	<u>211,304,395</u>	<u>189,259,245</u>	<u>153,402,735</u>	<u>146,399,831</u>	<u>132,861,353</u>	<u>111,868,857</u>	<u>93,499,003</u>	<u>72,078,083</u>
Total Governmental Activities Net Assets	<u>\$ 794,138,532</u>	<u>760,928,330</u>	<u>706,610,406</u>	<u>671,885,794</u>	<u>644,295,063</u>	<u>572,877,198</u>	<u>531,942,274</u>	<u>493,768,818</u>
Business-Type Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 583,202,962	570,458,163	568,947,439	626,166,169	509,989,903	496,144,600	513,682,743	476,054,560
Restricted	37,782,662	35,665,851	26,769,558	23,399,483	15,101,637	16,262,952	52,887,433	47,701,632
Unrestricted	<u>93,873,028</u>	<u>82,155,334</u>	<u>70,546,311</u>	<u>(1,377,874)</u>	<u>112,544,793</u>	<u>114,643,047</u>	<u>39,215,687</u>	<u>55,451,079</u>
Total Business-Type Activities Net Assets	<u>\$ 714,858,652</u>	<u>688,279,348</u>	<u>666,263,308</u>	<u>648,187,778</u>	<u>637,636,333</u>	<u>627,050,599</u>	<u>605,785,863</u>	<u>579,207,271</u>
Primary Government:								
Invested in Capital Assets, Net of Related Debt	\$ 1,054,364,360	1,030,571,910	1,002,435,916	1,043,912,151	909,551,451	857,661,179	866,911,414	797,815,612
Restricted	149,455,401	147,221,189	146,488,752	131,139,464	126,973,799	115,754,714	138,102,033	147,631,315
Unrestricted	<u>305,177,423</u>	<u>271,414,579</u>	<u>223,949,046</u>	<u>145,021,957</u>	<u>245,406,146</u>	<u>226,511,904</u>	<u>132,714,690</u>	<u>127,529,162</u>
Total Primary Government Net Assets	<u>\$ 1,508,997,184</u>	<u>1,449,207,678</u>	<u>1,372,873,714</u>	<u>1,320,073,572</u>	<u>1,281,931,396</u>	<u>1,199,927,797</u>	<u>1,137,728,137</u>	<u>1,072,976,089</u>

CITY OF LINCOLN, NEBRASKA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(acrual basis of accounting)

	2009	2008	2007	Fiscal Year 2006	2005	2004	2003	2002
Expenses								
Governmental Activities:								
General Government	\$ 31,985,923	32,808,482	30,681,069	30,781,582	27,955,407	28,475,396	26,781,326	23,530,070
Public Safety	75,077,334	72,715,593	71,999,597	70,390,835	70,432,578	66,461,665	60,312,147	58,784,389
Streets and Highways	31,465,735	29,132,813	31,953,438	29,293,980	20,620,140	24,066,450	21,627,658	21,073,128
Culture and Recreation	28,998,338	27,971,636	26,528,155	25,379,286	23,827,670	23,699,396	23,183,517	21,219,904
Economic Opportunity	14,851,021	16,355,833	15,486,850	16,165,310	15,522,471	16,778,622	18,803,783	14,097,457
Health and Welfare	19,592,758	20,674,538	20,335,733	20,215,258	18,873,394	18,122,416	17,232,211	18,133,340
Mass Transit	11,059,139	11,296,888	10,891,704	9,706,032	9,511,096	8,928,193	8,526,212	8,176,390
Equipment Management	2,562,842	2,563,466	2,363,486	1,789,593	2,012,107	1,017,244	580,423	906,227
Engineering Services	1,859,008	2,029,134	3,148,005	2,499,482	2,073,123	2,139,853	2,517,342	1,810,386
Interest on Long-Term Debt	6,503,466	6,473,960	5,826,378	4,853,854	4,859,767	3,701,385	3,510,748	2,680,738
Total Governmental Activities Expenses	<u>223,955,564</u>	<u>222,022,343</u>	<u>219,214,415</u>	<u>211,075,212</u>	<u>195,687,753</u>	<u>193,390,620</u>	<u>183,075,367</u>	<u>170,412,029</u>
Business-Type Activities:								
Parking Lots	297,452	213,043	217,915	204,531	282,945	231,572	184,222	187,586
Golf	3,170,423	3,152,455	3,167,880	3,169,578	3,295,680	3,230,108	3,064,867	2,785,793
Parking Facilities	4,710,433	4,695,494	4,616,046	4,652,493	4,903,338	4,731,301	4,328,388	3,726,638
Municipal Auditorium	1,937,132	2,041,953	2,274,043	2,403,906	2,211,685	2,374,730	2,341,886	2,303,780
Solid Waste Management	6,543,805	7,506,257	6,835,512	6,146,612	6,767,689	6,446,310	4,390,601	5,428,560
Emergency Medical Services	3,687,450	3,711,546	3,679,318	3,793,035	3,828,891	3,684,221	3,905,011	3,518,764
Wastewater System	22,979,974	18,965,453	18,230,853	17,563,692	16,461,078	15,461,420	13,205,150	12,659,850
Water System	23,794,190	23,378,936	23,544,989	23,137,996	22,249,027	20,169,981	19,144,465	18,206,099
Electric System	237,476,000	224,594,000	209,962,000	197,751,000	171,812,000	163,078,000	155,489,000	161,026,000
Total Business-Type Activities Expenses	<u>304,596,859</u>	<u>288,259,137</u>	<u>272,528,556</u>	<u>258,822,843</u>	<u>231,812,333</u>	<u>219,407,643</u>	<u>206,053,590</u>	<u>209,843,070</u>
Total	<u>\$ 528,552,423</u>	<u>510,281,480</u>	<u>491,742,971</u>	<u>469,898,055</u>	<u>427,500,086</u>	<u>412,798,263</u>	<u>389,128,957</u>	<u>380,255,099</u>
Program Revenues								
Governmental Activities:								
Charges for Services:								
General Government	\$ 20,413,769	20,572,788	19,617,633	15,643,439	14,366,997	14,507,882	13,883,872	13,145,419
Public Safety	4,921,077	5,671,183	5,490,790	5,862,622	6,336,457	6,136,393	5,797,146	5,780,009
Streets and Highways	3,202,082	5,485,027	6,105,933	5,774,740	6,773,393	4,191,241	881,255	3,140,077
Culture and Recreation	3,537,088	3,583,144	3,485,195	4,207,617	3,088,848	2,792,436	2,700,504	2,455,509
Economic Opportunity	750,883	731,663	809,767	754,096	576,632	2,573,607	2,334,074	1,945,026
Health and Welfare	4,345,410	3,248,351	3,554,840	3,133,880	3,100,114	2,979,036	2,735,248	2,737,636
Other Activities	4,674,371	5,465,776	5,381,517	5,339,097	4,473,512	3,745,956	4,081,655	4,504,543
Operating Grants and Contributions	50,412,504	52,058,209	56,089,320	45,068,631	36,666,428	59,074,592	43,864,363	56,861,307
Capital Grants and Contributions	25,746,780	39,507,199	17,990,651	24,519,249	48,270,586	18,375,380	32,549,986	22,629,262
Total Governmental Activities Program Revenues	<u>118,003,964</u>	<u>136,323,340</u>	<u>118,525,646</u>	<u>110,303,371</u>	<u>123,652,967</u>	<u>114,376,523</u>	<u>108,828,103</u>	<u>113,198,788</u>
Business-Type Activities:								
Charges for Services:								
Wastewater System	21,111,385	20,575,445	19,379,833	17,955,248	16,920,940	15,980,045	14,665,990	14,926,446
Water System	25,586,213	23,943,135	25,159,477	25,487,483	24,266,844	22,064,193	20,841,857	21,971,839
Electric System	248,131,000	225,406,000	204,527,000	188,369,000	168,487,000	168,868,000	164,974,000	159,415,000
Other Activities	20,786,248	21,159,042	19,972,650	19,032,389	17,350,098	17,896,445	18,765,461	18,398,186
Operating Grants and Contributions	-	26,000	141,346	-	650,300	1,316,900	294,915	3,296
Capital Grants and Contributions	11,025,070	10,809,320	11,359,957	11,092,348	9,703,652	8,707,137	7,538,876	6,073,286
Total Business-Type Activities Program Revenues	<u>326,639,916</u>	<u>301,918,942</u>	<u>280,540,263</u>	<u>261,936,468</u>	<u>237,378,834</u>	<u>234,832,720</u>	<u>227,081,099</u>	<u>220,788,053</u>
Total	<u>\$ 444,643,880</u>	<u>438,242,282</u>	<u>399,065,909</u>	<u>372,239,839</u>	<u>361,031,801</u>	<u>349,209,243</u>	<u>335,909,202</u>	<u>333,986,841</u>
Net (Expense)/Revenue								
Governmental Activities	\$ (105,951,600)	(85,699,003)	(100,688,769)	(100,771,841)	(72,034,786)	(79,014,097)	(74,247,264)	(57,213,241)
Business-Type Activities	22,043,057	13,659,805	8,011,707	3,113,625	5,566,501	15,425,077	21,027,509	10,944,983
Total	<u>\$ (83,908,543)</u>	<u>(72,039,198)</u>	<u>(92,677,062)</u>	<u>(97,658,216)</u>	<u>(66,468,285)</u>	<u>(63,589,020)</u>	<u>(53,219,755)</u>	<u>(46,268,258)</u>

(Continued)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes In Net Assets								
Governmental Activities:								
Taxes:								
Property Tax	\$ 49,370,031	48,016,158	45,981,349	43,081,366	40,877,070	39,138,647	36,389,326	34,991,750
Motor Vehicle Tax	4,323,350	4,303,363	4,298,290	4,249,847	4,256,521	4,055,313	3,823,011	3,589,367
Wheel Tax	10,697,955	10,458,568	10,059,772	9,250,300	9,153,599	8,634,929	7,767,169	7,758,565
Sales and Use Tax	54,337,312	55,351,848	54,363,413	54,348,587	53,741,266	51,978,978	49,010,546	47,049,405
Sundry and In Lieu Tax	46,078	45,761	37,235	35,020	31,765	36,735	44,810	45,685
Occupation Tax	10,541,781	10,038,110	9,534,401	9,225,546	9,451,789	9,291,595	8,555,252	9,020,544
Unrestricted Grants and Contributions	1,542,816	1,569,021	1,573,535	1,589,033	1,577,852	1,597,551	2,970,754	3,425,878
Unrestricted Investment Earnings	5,181,996	6,738,206	6,355,562	3,650,661	2,800,970	3,163,454	2,157,467	3,495,539
Miscellaneous General Revenues	844,591	820,587	907,513	1,107,132	1,042,665	590,961	405,066	492,161
Gain on Sale of Capital Assets	-	-	548,626	564,573	2,857,136	304,974	1,073,191	915,594
Transfers	2,275,892	2,675,305	1,753,685	1,260,507	1,290,018	1,155,884	224,128	1,104,289
Total Governmental Activities	<u>139,161,802</u>	<u>140,016,927</u>	<u>135,413,381</u>	<u>128,362,572</u>	<u>127,080,651</u>	<u>119,949,021</u>	<u>112,420,720</u>	<u>111,888,777</u>
Business-Type Activities:								
Occupation Tax	1,978,659	2,134,549	2,195,132	2,232,680	2,111,731	2,234,490	565,790	-
Unrestricted Investment Earnings	4,680,958	8,761,713	9,333,779	6,187,797	3,986,941	4,387,629	5,045,047	5,239,848
Miscellaneous General Revenues	152,522	135,278	176,226	170,825	165,585	80,033	92,258	204,685
Gain on Sale of Capital Assets	-	-	112,371	107,025	44,736	293,726	72,505	148,653
Transfers	(2,275,892)	(2,675,305)	(1,753,685)	(1,260,507)	(1,289,760)	(1,156,219)	(224,517)	(1,087,038)
Total Business-Type Activities	<u>4,536,247</u>	<u>8,356,235</u>	<u>10,063,823</u>	<u>7,437,820</u>	<u>5,019,233</u>	<u>5,839,659</u>	<u>5,551,083</u>	<u>4,506,148</u>
Total	<u>\$ 143,698,049</u>	<u>148,373,162</u>	<u>145,477,204</u>	<u>135,800,392</u>	<u>132,099,884</u>	<u>125,788,680</u>	<u>117,971,803</u>	<u>116,394,925</u>
Change in Net Assets								
Governmental Activities	\$ 33,210,202	54,317,924	34,724,612	27,590,731	55,045,865	40,934,924	38,173,456	54,675,536
Business-Type Activities	26,579,304	22,016,040	18,075,530	10,551,445	10,585,734	21,264,736	26,578,592	15,451,131
Total	<u>\$ 59,789,506</u>	<u>76,333,964</u>	<u>52,800,142</u>	<u>38,142,176</u>	<u>65,631,599</u>	<u>62,199,660</u>	<u>64,752,048</u>	<u>70,126,667</u>

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

	Fiscal Year				
	2009	2008	2007	2006	2005
General Fund					
Reserved	\$ 4,668,702	4,025,169	3,196,770	1,828,587	1,935,693
Unreserved	27,586,521	28,453,611	27,215,934	27,463,451	29,467,581
Total General Fund	<u>\$ 32,255,223</u>	<u>32,478,780</u>	<u>30,412,704</u>	<u>29,292,038</u>	<u>31,403,274</u>
All Other Governmental Funds					
Reserved	\$ 74,955,098	73,635,833	71,029,872	67,422,892	55,344,060
Unreserved, Reported in:					
Special Revenue Funds	59,557,240	61,839,340	65,368,433	67,422,892	46,519,881
Debt Service ²	-	-	9,933,914	8,491,735	7,070,715
Capital Projects Funds	9,853,337	13,339,093	24,574,016	19,534,147	27,698,544
Permanent Funds	14,146,177	13,529,735	13,609,259	9,441,571	8,834,071
Total All Other Governmental Funds	<u>\$ 158,511,852</u>	<u>162,344,001</u>	<u>184,515,494</u>	<u>172,313,237</u>	<u>145,467,271</u>

Note: ¹ In 2002, StarTran was added as a Governmental Fund.

² In 2008, Special Assessment Debt Service Fund balance transferred to Special Revenue Special Assessment Fund.

Table 3

Fiscal Year				
2004	2003	2002 ¹	2001	2000
3,420,876	1,129,488	1,395,664	1,879,514	1,616,391
32,552,543	35,987,302	36,735,397	30,964,860	32,849,589
35,973,419	37,116,790	38,131,061	32,844,374	34,465,980
85,470,219	68,736,621	72,352,843	55,771,848	64,461,276
31,763,330	18,170,362	24,251,512	43,188,432	23,634,730
7,344,884	6,135,384	4,866,366	3,646,779	2,306,563
18,619,537	24,877,481	25,320,734	16,573,262	31,308,422
8,025,744	6,904,635	5,624,910	6,905,368	6,301,298
151,223,714	124,824,483	132,416,365	126,085,689	128,012,289

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

	Fiscal Year				
	2009	2008	2007	2006	2005
Revenues					
Taxes:					
Property	\$ 49,359,612	48,061,759	46,003,719	43,051,465	40,877,024
Motor Vehicle	4,323,350	4,303,363	4,298,290	4,249,847	4,256,521
Wheel	10,697,955	10,458,568	10,059,772	9,250,300	9,153,599
Sales and Use	54,337,312	55,351,848	54,363,413	54,348,587	53,741,266
Sundry and In Lieu	44,479	50,068	35,115	34,090	34,888
Occupation	10,541,781	10,517,680	9,054,831	9,232,431	9,853,990
Special Assessment	1,055,927	1,351,532	1,513,248	1,691,266	1,400,791
Intergovernmental	75,099,973	73,830,720	63,928,043	60,757,501	63,180,171
Permits and Fees	17,119,002	18,013,104	19,126,239	18,423,079	16,535,049
Reimbursement for Services	6,600,299	6,511,457	6,491,112	7,063,192	6,936,334
Program Income	57,535	48,549	34,155	26,614	1,758,999
Investment Earnings	5,791,391	6,806,258	10,371,565	4,082,196	4,327,311
Donations	2,755,165	1,747,959	947,439	1,062,197	2,150,197
Keno Proceeds	3,140,726	3,373,939	2,798,262	2,745,869	3,016,301
Miscellaneous	1,864,589	2,497,331	3,272,251	4,051,697	5,102,920
Total Revenues	242,789,096	242,924,135	232,297,454	220,070,331	222,325,361
Expenditures					
General Government	34,428,477	35,278,575	33,946,258	34,666,641	32,532,685
Public Safety	63,984,484	61,147,903	60,953,651	60,064,604	58,669,932
Streets and Highways	16,445,304	16,482,240	17,430,452	16,928,575	17,064,845
Culture and Recreation	22,449,569	21,686,564	21,719,544	20,938,212	21,669,847
Economic Opportunity	11,321,242	14,685,668	11,670,315	12,623,307	14,870,592
Health and Welfare	20,349,757	21,053,132	20,378,863	25,566,267	19,126,931
Mass Transit ²	9,575,670	10,707,601	14,877,357	8,901,327	8,306,921
Debt Service					
Principal Retirement	10,446,544	7,989,828	6,282,536	6,200,794	5,536,580
Interest and Fiscal Charges	6,414,144	6,384,069	5,223,234	4,803,380	4,934,088
Miscellaneous	129,417	53,898	83,950	12,095	92,325
Capital Outlay	61,094,201	79,369,789	44,955,954	65,229,370	65,859,750
Total Expenditures	256,638,809	274,839,267	237,522,114	255,934,572	248,664,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,849,713)	(31,915,132)	(5,224,660)	(35,864,241)	(26,339,135)
Other Financing Sources (Uses)					
Transfers In	53,544,932	60,693,467	42,672,672	39,460,154	38,002,168
Transfers Out	(51,005,462)	(58,325,388)	(40,643,303)	(38,051,423)	(36,757,125)
Issuance of Debt	6,501,393	8,877,537	44,588,425	9,600,000	18,655,035
Premiums on Debt Issued	25,473	98,768	484,811	7,397	42,635
Discounts on Debt Issued	-	-	(5,255)	-	(16,057)
Transfer to Bond Refunding Agent	-	-	-	-	(6,504,876)
Sale of Capital Assets	727,671	465,331	283,136	4,080,940	2,590,767
Total Other Financing Sources (Uses)	9,794,007	11,809,715	47,380,486	15,097,068	16,012,547
Net Change in Fund Balances	\$ (4,055,706)	(20,105,417)	42,155,826	(20,767,173)	(10,326,588)
Debt Service as a Percentage of Noncapital Expenditures	7.7%	6.5%	5.8%	5.4%	5.2%

Note: ¹ GASB 34 implemented.

² In 2002 StarTran added as a Governmental Fund.

Table 4

Fiscal Year				
2004	2003	2002 ¹	2001	2000
38,825,280	36,350,142	35,969,591	30,943,110	29,736,987
4,055,313	3,823,011	3,589,367	3,375,770	3,108,906
8,634,929	7,767,169	7,758,565	7,569,236	7,451,237
51,978,978	49,010,546	47,049,405	43,988,822	44,099,958
31,194	44,809	45,685	47,512	36,207
9,265,448	8,172,116	9,020,544	7,282,792	5,917,801
1,965,820	1,946,784	1,705,895	1,808,772	1,954,357
58,619,699	52,773,424	59,029,609	48,619,317	35,807,100
15,593,326	12,679,623	12,449,879	9,638,475	9,838,029
6,322,870	6,097,336	5,605,557	5,071,766	4,896,203
1,808,012	1,748,959	1,354,481	1,136,720	627,374
5,207,711	4,353,336	4,606,825	8,005,027	9,330,374
1,769,777	2,081,127	1,524,145	1,949,751	2,620,512
3,331,968	3,178,094	3,209,235	3,039,664	2,870,743
3,278,763	1,225,958	4,237,773	3,020,054	4,127,567
<u>210,689,088</u>	<u>191,252,434</u>	<u>197,156,556</u>	<u>175,496,788</u>	<u>162,423,355</u>
30,884,544	28,938,852	27,237,134	23,821,580	23,529,495
55,272,920	50,933,285	49,913,169	48,122,074	44,042,882
13,633,902	12,317,663	10,833,055	11,175,059	9,039,840
22,308,940	19,935,823	16,974,798	14,806,760	13,958,414
14,728,510	16,469,645	14,017,601	12,559,336	11,204,029
18,544,667	17,614,751	17,989,603	15,862,462	13,974,690
10,525,090	7,996,019	12,691,837	-	-
5,003,161	5,498,277	4,974,223	4,966,405	5,125,296
2,904,318	3,001,504	2,437,266	2,765,418	2,781,777
7,042	7,442	389	10,867	17,222
<u>58,177,933</u>	<u>48,163,988</u>	<u>49,461,878</u>	<u>48,371,432</u>	<u>35,820,347</u>
<u>231,991,027</u>	<u>210,877,249</u>	<u>206,530,953</u>	<u>182,461,393</u>	<u>159,493,992</u>
<u>(21,301,939)</u>	<u>(19,624,815)</u>	<u>(9,374,397)</u>	<u>(6,964,605)</u>	<u>2,929,363</u>
32,371,598	31,698,768	36,383,394	47,073,066	44,844,418
(31,663,701)	(31,487,832)	(35,321,704)	(50,858,221)	(50,745,518)
43,799,999	19,347,418	18,580,000	1,390,001	3,431,579
1,918,788	247,703	143,659	-	-
(5,854)	-	(3,066)	-	-
-	(9,598,350)	-	(631,895)	-
136,969	810,955	753,313	584,952	1,819,622
<u>46,557,799</u>	<u>11,018,662</u>	<u>20,535,596</u>	<u>(2,442,097)</u>	<u>(649,899)</u>
<u>25,255,860</u>	<u>(8,606,153)</u>	<u>11,161,199</u>	<u>(9,406,702)</u>	<u>2,279,464</u>
4.1%	4.8%	4.8%	5.1%	5.4%

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

Lincoln Electric System Megawatt-Hour Sales									
Calendar Year	Residential	Commercial	Industrial	Street and Highway Lighting	Government and Other Billed	Unbilled Energy Increase/ (Decrease)	Sales To Others	Total Megawatt-Hour Sales	Average Cent per Kilowatt Hour Rate
2008	1,133,238	1,177,049	558,088	20,349	274,304	73,241	1,232,903	4,469,172	\$ 0.0648
2007	1,152,048	1,198,401	539,438	20,234	273,056	(3,435)	569,319	3,749,061	0.0634
2006	1,106,943	1,167,869	547,028	19,667	260,225	(45,195)	467,471	3,524,008	0.0612
2005	1,130,943	1,146,236	565,404	19,080	263,157	(25,389)	401,203	3,500,634	0.0557
2004	1,036,911	1,091,094	555,127	18,860	250,887	17,209	384,639	3,354,727	0.0520

Note: The numbers are based on Lincoln Electric System's 12/31 fiscal year end.
 Per Lincoln Electric System, numbers are only comparable for last five years.

Source: Lincoln Electric System

Table 6

CITY OF LINCOLN, NEBRASKA
REVENUE FROM ELECTRICAL SALES BY CUSTOMER TYPE
CALENDAR YEAR 2008
(dollars in thousands)

Customer Type	2008		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 85,932	1	35.41 %
Commercial	72,099	2	29.71
Industrial	27,986	3	11.53
Other	56,682	-	23.35
Total	\$ <u>242,699</u>		<u>100.00 %</u>

Note: The numbers are based on Lincoln Electric System's 12/31/08 fiscal year end.
Numbers from nine years ago are not comparable per Lincoln Electric System.

Source: Lincoln Electric System

Table 7

CITY OF LINCOLN, NEBRASKA
TOTAL CITY TAXABLE SALES
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Total City Taxable Sales	Total Direct Tax Rate
2009	\$ 3,860,013,289	0.0150
2008	3,961,835,269	0.0150
2007	3,890,346,633	0.0150
2006	3,825,820,559	0.0150
2005	3,834,847,147	0.0150
2004	3,735,080,884	0.0150
2003	3,533,640,597	0.0150
2002	3,392,336,361	0.0150
2001	3,242,035,037	0.0150
2000	3,228,281,779	0.0150

Source: City of Lincoln Treasurer's Office

Table 8

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

Fiscal Year	Direct	Overlapping ¹	Total Tax Rate
	City of Lincoln	State of Nebraska	
2009	0.015	0.055	0.070
2008	0.015	0.055	0.070
2007	0.015	0.055	0.070
2006	0.015	0.055	0.070
2005	0.015	0.055	0.070
2004	0.015	0.055	0.070
2003	0.015	0.055	0.070
2002	0.015	0.050	0.065
2001	0.015	0.050	0.065
2000	0.015	0.050	0.065

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

Table 9

CITY OF LINCOLN, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
CURRENT YEAR AND NINE YEARS AGO

<u>Business Classification</u>	<u>2008</u>			<u>1999</u>		
	<u>Net Taxable Sales</u>	<u>Rank</u>	<u>Percentage of Total Net Taxable Sales</u>	<u>Net Taxable Sales</u>	<u>Rank</u>	<u>Percentage of Total Net Taxable Sales</u>
Retail Trade	\$ 1,705,586,174	1	52.56 %	\$ 1,336,650,787	1	52.06 %
Accommodation & Food Services	450,833,348	2	13.89	310,542,190	2	12.09
Utilities	267,843,411	3	8.25	172,691,426	3	6.73
Other	821,220,262	-	25.30	747,779,807	-	29.12
Total	\$ <u>3,245,483,195</u>		<u>100.00 %</u>	\$ <u>2,567,664,210</u>		<u>100.00 %</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis. 2009 amounts are not yet available.

Source: Nebraska Department of Revenue

Table 10

CITY OF LINCOLN, NEBRASKA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Real Property		Other Property		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Personal Property	Centrally Assessed Property		
2009	\$ 10,839,440,027	\$ 4,382,749,195	\$ 547,971,496	\$ 165,412,019	\$ 15,935,572,737	0.2879
2008	10,723,170,809	4,246,365,596	521,771,782	162,618,303	15,653,926,490	0.2879
2007	10,402,515,684	4,236,340,817	538,646,420	164,660,867	15,342,163,788	0.2833
2006	9,083,290,211	3,814,534,869	525,730,603	159,694,612	13,583,250,295	0.3009
2005	8,727,702,573	3,694,097,147	560,657,306	156,059,200	13,138,516,226	0.2950
2004	8,402,403,364	3,598,787,015	566,854,120	176,060,893	12,744,105,392	0.2903
2003	7,255,640,292	3,094,988,486	599,272,540	180,686,849	11,130,588,167	0.3145
2002	7,048,688,380	2,855,200,333	634,025,721	186,771,403	10,724,685,837	0.3145
2001	6,273,610,610	2,540,905,431	626,730,328	179,701,486	9,620,947,855	0.3239
2000	6,067,493,586	2,356,367,014	554,008,996	162,771,461	9,140,641,057	0.3239

Note: Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Source: Lancaster County Assessor's Office

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

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
City of Lincoln										
General Fund	0.1806	0.1778	0.1687	0.1955	0.1706	0.1692	0.1757	0.1780	0.1869	0.1828
Library Fund	0.0396	0.0404	0.0427	0.0488	0.0490	0.0485	0.0534	0.0522	0.0467	0.0462
Social Security Fund	0.0129	0.0134	0.0135	0.0139	0.0149	0.0143	0.0162	0.0153	0.0158	0.0163
Police and Fire Pension Fund	0.0201	0.0203	0.0208	0.0219	0.0182	0.0149	0.0149	0.0126	0.0109	0.0106
Bond Interest and Redemption	0.0347	0.0360	0.0376	0.0208	0.0423	0.0434	0.0543	0.0564	0.0636	0.0680
Total City of Lincoln	<u>0.2879</u>	<u>0.2879</u>	<u>0.2833</u>	<u>0.3009</u>	<u>0.2950</u>	<u>0.2903</u>	<u>0.3145</u>	<u>0.3145</u>	<u>0.3239</u>	<u>0.3239</u>
Overlapping Rates ¹										
School District No. 1	1.2668	1.2719	1.2764	1.3142	1.3141	1.3011	1.2830	1.2732	1.3684	1.3813
Lancaster County	0.2683	0.2755	0.2655	0.2841	0.2797	0.2683	0.2683	0.2583	0.2643	0.2584
Educational Service Unit #18	0.0150	0.0141	0.0141	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Community Technical College	0.0722	0.0689	0.0689	0.0696	0.0655	0.0655	0.0655	0.0636	0.0295	0.0334
Lower Platte South N.R.D.	0.0410	0.0418	0.0416	0.0422	0.0323	0.0323	0.0359	0.0365	0.0367	0.0372
Lancaster County Correctional JPA City	0.0195	-	-	-	-	-	-	-	-	-
Lancaster County Correctional JPA County	0.0106	-	-	-	-	-	-	-	-	-
Railroad Transportation Safety Dist.	0.0260	0.0260	0.0246	0.0260	0.0260	0.0248	0.0220	0.0221	0.0260	0.0260
Agricultural Society of Lancaster County	0.0015	0.0016	0.0016	0.0018	0.0020	0.0030	0.0012	0.0024	0.0073	0.0032
Lancaster County Fairgrounds	0.0038	0.0043	0.0037	0.0042	0.0042	0.0043	0.0050	0.0052	-	-
Public Building Commission	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170	0.0170
Total Overlapping Rates	<u>1.7417</u>	<u>1.7211</u>	<u>1.7134</u>	<u>1.7741</u>	<u>1.7558</u>	<u>1.7313</u>	<u>1.7129</u>	<u>1.6933</u>	<u>1.7642</u>	<u>1.7715</u>

Note: ¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Lincoln.

State of Nebraska State Statute 77-3442 limits the maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy.

Sources: Lancaster County Clerk's Office and City of Lincoln Budget Office

Table 12

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

Taxpayer	Type of Business	2009			2000		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Burlington Northern	Railroad	\$ 90,073,928	1	0.57 %	\$ 41,246,222	5	0.45 %
B & J Partnership Ltd.	Building Management	75,543,266	2	0.47	-	-	-
Kawasaki	Manufacturing	69,661,956	3	0.44	-	-	-
WEA Gateway LLC	Retail Management	59,352,318	4	0.37	44,551,575	4	0.49
Pfizer	Animal Health	57,320,332	5	0.36	56,777,921	2	0.62
Windstream	Telecommunications	56,779,077	6	0.36	84,602,707	1	0.93
Ameritas Life Insurance Corp.	Insurance	54,189,717	7	0.34	25,862,426	9	0.28
Chateau Van Dorn LLC	Real Estate Development	50,457,704	8	0.32	30,937,963	7	0.34
Nebco	Construction / Development	46,352,883	9	0.29	-	-	-
Molex Inc.	Manufacturing	46,194,962	10	0.29	53,251,728	3	0.58
Archer Daniels Midland Co.	Soybean Processing	-	-	-	32,806,264	6	0.36
Aquila	Gas Utility	-	-	-	29,027,372	8	0.32
State Farm	Insurance	-	-	-	24,034,419	10	0.26
Total		\$ 605,926,143		3.81 %	\$ 423,098,597		4.63 %

Source: Lancaster County Assessor's Office



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

Fiscal Year Ended August 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date Includes Interest and Penalties	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 45,875,327	\$ 44,419,142	96.83 %	\$ -	\$ 44,419,142	96.83 %
2008	45,064,524	43,561,215	96.66	1,609,317	45,170,532	100.24
2007	43,475,089	41,848,163	96.26	1,584,824	43,432,987	99.90
2006	40,873,358	39,579,041	96.83	1,489,456	41,068,497	100.48
2005	38,755,995	37,514,748	96.80	1,357,370	38,872,118	100.30
2004	36,994,112	35,726,509	96.57	1,308,013	37,034,522	100.11
2003	35,007,926	33,676,453	96.20	1,364,065	35,040,518	100.09
2002	33,731,282	32,501,760	96.35	1,331,781	33,833,541	100.30
2001	31,159,364	29,936,079	96.07	1,210,029	31,146,108	99.96
2000	29,603,794	28,665,780	96.83	1,095,641	29,761,421	100.53

Note: The fiscal year of the City begins September 1 and ends August 31. Taxes are levied in October. First installments of real estate taxes are delinquent the following April 1, second installments delinquent August 1; personal property taxes are delinquent April 1 and August 1. Delinquent taxes bear 14 percent interest. The figures above do not include motor vehicle in lieu of ad valorem taxes.

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

Governmental Activities

Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Special Assessment Bonds	Antelope Valley Project Bonds	Notes Payable	Capital Leases
2009	\$ 52,440	\$ 59,385	\$ 13,356	\$ -	\$ 7,265	\$ -	\$ 28,094
2008	56,760	61,750	10,071	-	7,900	-	28,574
2007	61,020	63,080	9,313	-	8,515	-	22,792
2006	56,665	36,435	6,247	-	9,110	-	18,321
2005	60,915	36,770	6,853	-	9,690	-	9,475
2004	54,650	37,090	7,075	100	10,255	-	7,785
2003	57,865	2,395	1,294	205	10,810	-	1,680
2002	52,157	2,685	1,845	310	11,080	-	1,818
2001	48,794	2,960	2,244	420	-	-	1,868
2000	52,847	3,200	2,067	690	-	10	1,755

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
¹ See Table 18, Demographic and Economic Statistics, for income and population data.

Table 14

 Business-Type Activities

Revenue Bonds	Wastewater Project Loan	Commercial Paper Notes	Capital Leases	Total Primary Government	Net Debt Per Capita ¹	Percentage of Personal Income ¹
\$ 773,390	\$ -	\$ 90,000	\$ 338	\$ 1,024,268	\$ 4,071	- %
781,125	-	90,000	478	1,036,658	4,168	-
709,645	-	90,000	922	965,287	4,003	9.40
709,320	-	90,000	704	926,802	3,874	9.56
609,550	-	90,173	1,136	824,562	3,455	8.88
572,360	-	90,173	1,554	781,042	3,307	8.74
499,320	-	90,173	1,349	665,091	2,823	7.74
430,975	5,593	75,000	1,639	583,102	2,516	7.06
335,305	6,585	65,000	1,326	464,502	2,059	5.84
350,120	7,538	25,000	140	443,367	2,029	5.70

CITY OF LINCOLN, NEBRASKA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Special Assessment Bonds	General Bonded Debt	Sinking Funds	Net General Bonded Debt	Net Bonded Debt Per Capita ¹	Ratio of Net Debt To Estimated Valuation of Taxable Real Property ²
2009	\$ 52,440	\$ 59,385	\$ 13,356	\$ -	\$ 125,181	\$ 13,604	\$ 111,577	\$ 443.43	0.73 %
2008	56,760	61,750	10,071	-	128,581	12,962	115,619	464.81	0.77
2007	61,020	63,080	9,313	-	133,413	11,574	121,839	505.21	0.83
2006	56,665	36,435	6,247	-	99,347	9,733	89,614	374.62	0.69
2005	60,915	36,770	6,853	-	104,538	13,364	91,174	382.08	0.73
2004	54,650	37,090	7,075	100	98,915	13,164	85,751	363.13	0.71
2003	57,865	2,395	1,294	205	61,759	11,114	50,645	214.99	0.49
2002	52,157	2,685	1,845	310	56,997	11,147	45,850	197.80	0.46
2001	48,794	2,960	2,244	420	54,418	7,596	46,822	207.56	0.53
2000	52,847	3,200	2,067	690	58,804	7,432	51,372	235.12	0.61

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Population data can be found in Table 18, Demographic and Economic Statistics.

² Property value information can be found in Table 10, Assessed Value and Actual Value of Taxable Property.

CITY OF LINCOLN, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2009

<u>Governmental Units</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ <u>125,181,000</u>	100.0 %	\$ <u>125,181,000</u>
Overlapping:			
School District #1	329,200,000	99.5	327,554,000
Lower Platte South N.R.D.	4,750,000	75.4	3,582,000
Lancaster County	2,330,000	85.4	1,990,000
Public Building Commission	44,400,000	85.4	37,918,000
Lancaster County Correctional Facility	64,390,000	85.4	54,989,000
Lancaster County Fairgrounds	<u>8,830,000</u>	85.4	<u>7,541,000</u>
	<u>453,900,000</u>		<u>433,574,000</u>
Total	\$ <u><u>579,081,000</u></u>		\$ <u><u>558,755,000</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lincoln. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable revenue base that is within the City of Lincoln's boundaries and dividing it by the unit's total taxable revenue base.

Sources: Assessed value data used to estimate applicable percentages provided by the County Assessor's Office. Debt outstanding data provided by each governmental entity.

CITY OF LINCOLN, NEBRASKA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 17

	Gross Revenue	Direct Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Wastewater System</u>							
<u>Utility Service Charges</u>							
2009	\$ 22,643,270	11,771,291	10,871,979	2,620,000	3,820,044	6,440,044	1.69
2008	22,347,867	11,393,624	10,954,243	2,415,000	4,030,454	6,445,454	1.70
2007	21,158,743	11,462,964	9,695,779	2,005,000	3,081,481	5,086,481	1.91
2006	19,827,194	11,125,819	8,701,375	2,065,000	3,043,500	5,108,500	1.70
2005	18,248,683	10,482,955	7,765,728	1,500,000	2,403,519	3,903,519	1.99
2004	18,092,619	10,042,919	8,049,700	1,750,000	2,133,704	3,883,704	2.07
2003	15,607,743	9,086,469	6,521,274	1,032,500	266,722	1,299,222	5.02
2002	15,731,749	8,632,287	7,099,462	992,500	316,847	1,309,347	5.42
2001	16,663,975	8,087,688	8,576,287	952,500	364,972	1,317,472	6.51
2000	16,741,692	7,707,242	9,034,450	912,500	411,097	1,323,597	6.83
<u>Water System</u>							
<u>Utility Service Charges</u>							
2009	\$ 27,838,187	14,995,077	12,843,110	5,795,000	3,128,414	8,923,414	1.44
2008	27,257,184	14,425,521	12,831,663	5,555,000	3,376,201	8,931,201	1.44
2007	29,386,495	14,351,136	15,035,359	5,340,000	3,612,001	8,952,001	1.68
2006	29,014,999	13,808,214	15,206,785	5,130,000	3,834,301	8,964,301	1.70
2005	27,153,937	13,145,665	14,008,272	4,895,000	3,517,932	8,412,932	1.67
2004	24,557,918	12,477,486	12,080,432	3,115,000	2,411,632	5,526,632	2.19
2003	22,094,721	11,631,496	10,463,225	3,010,000	2,898,489	5,908,489	1.77
2002	22,894,652	11,474,433	11,420,219	2,880,000	2,110,590	4,990,590	2.29
2001	22,489,456	10,960,315	11,529,141	2,755,000	2,240,075	4,995,075	2.31
2000	24,018,217	9,812,147	14,206,070	2,640,000	2,361,515	5,001,515	2.84
<u>Lincoln Electric System</u>							
<u>Utility Service Charges</u>							
2008	\$ 249,914,000	163,663,000	86,251,000	14,333,000	29,316,000	43,649,000	1.98
2007	229,766,000	154,584,000	75,182,000	13,953,000	28,570,000	42,523,000	1.77
2006	208,995,000	148,442,000	60,553,000	12,177,000	26,541,000	38,718,000	1.56
2005	191,074,000	139,094,000	51,980,000	10,713,000	22,795,000	33,508,000	1.55
2004	169,986,000	113,755,000	56,231,000	12,341,000	20,790,000	33,131,000	1.70
2003	170,410,000	116,151,000	54,259,000	12,646,000	15,235,000	27,881,000	1.95
2002	168,279,000	109,348,000	58,931,000	10,840,000	18,678,000	29,518,000	2.00
2001	162,882,000	117,165,000	45,717,000	11,025,000	15,779,000	26,804,000	1.71
2000	158,052,000	112,111,000	45,941,000	11,163,000	14,516,000	25,679,000	1.79
1999	151,534,000	99,465,000	52,069,000	10,687,000	14,990,000	25,677,000	2.03
<u>Golf</u>							
<u>Facility and Course Fees</u>							
2009	\$ 3,133,238	2,516,538	616,700	335,000	41,848	376,848	1.64
2008	2,933,843	2,402,983	530,860	325,000	54,035	379,035	1.40
2007	2,926,985	2,463,827	463,158	315,000	65,060	380,060	1.22
2006	2,993,961	2,467,141	526,820	305,000	74,973	379,973	1.39
2005	3,135,875	2,568,462	567,413	295,000	83,823	378,823	1.50
2004	2,899,670	2,467,141	432,529	290,000	91,653	381,653	1.13
2003	2,648,552	2,408,947	239,605	280,000	98,513	378,513	0.63
2002	2,673,078	2,141,707	531,371	305,000	75,628	380,628	1.40
2001	2,626,592	2,140,853	485,739	230,000	239,088	469,088	1.04
2000	2,934,568	1,952,906	981,662	215,000	252,310	467,310	2.10

(Continued)

(Pledged Revenue Coverage, Table 17, Continued)

	Gross Revenue	Direct Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Parking Facilities</u> ^{1,2}							
	<u>Parking Fees</u>						
2009	\$ 7,014,250	2,874,768	4,139,482	1,360,000	624,394	1,984,394	2.09
2008	7,134,709	2,912,511	4,222,198	1,305,000	687,194	1,992,194	2.12
2007	6,645,013	2,781,952	3,863,061	1,240,000	746,374	1,986,374	1.94
2006	6,785,593	2,775,122	4,010,471	1,185,000	799,931	1,984,931	2.02
2005	6,219,935	2,972,709	3,247,226	1,140,000	850,501	1,990,501	1.63
2004	6,299,598	2,733,492	3,566,106	1,145,000	908,456	2,053,456	1.74
2003	5,988,240	2,304,632	3,683,608	1,085,000	962,829	2,047,829	1.80
2002	5,483,546	1,964,389	3,519,157	1,115,000	924,470	2,039,470	1.73
2001	5,172,264	2,127,350	3,044,914	795,000	787,419	1,582,419	1.92
2000	4,853,708	1,393,637	3,460,071	455,000	761,521	1,216,521	2.84
<u>Antelope Valley Project Bonds</u>							
	<u>Development Fund *</u>						
2009	\$ 1,000,000	-	1,000,000	635,000	349,934	984,934	1.02
2008	1,000,000	-	1,000,000	615,000	371,978	986,978	1.01
2007	1,000,000	-	1,000,000	595,000	391,655	986,655	1.01
2006	1,000,000	-	1,000,000	580,000	408,998	988,998	1.01
2005	1,000,000	-	1,000,000	565,000	423,615	988,615	1.01
2004	1,000,000	-	1,000,000	555,000	435,663	990,663	1.01
2003	1,000,000	-	1,000,000	270,000	445,711	715,711	1.40
2002	1,000,000	-	1,000,000	-	-	-	-
2001	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-
<u>Solid Waste Management</u>							
	<u>Waste Disposal Fees</u>						
2009	\$ 7,664,336	4,482,819	3,181,517	195,000	148,225	343,225	9.27
2008	8,537,520	5,701,312	2,836,208	190,000	155,825	345,825	8.20
2007	8,020,390	5,079,147	2,941,243	185,000	155,971	340,971	8.63
2006	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Direct Operating Expenses do not include interest, depreciation and amortization expenses, or in lieu of taxes.

* City of the Primary Class Redevelopment Fund provides for annual appropriations from a cigarette tax imposed by the State of Nebraska. Should these funds be insufficient to pay principal and interest the City has covenanted to use City sales tax receipts.

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 schedule does not agree with information in the transmittal letter which is calculated in accordance with specific requirements of the bond covenants.

CITY OF LINCOLN, NEBRASKA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2009	251,624	\$ -	-	34,973	4.3 %
2008	248,744	-	-	34,061	3.0
2007	241,167	10,267,546	35,254	33,466	2.7
2006	239,213	9,699,367	33,705	32,934	2.8
2005	238,625	9,282,743	32,617	32,505	3.4
2004	236,146	8,937,362	31,800	32,270	3.7
2003	235,565	8,592,801	30,846	31,889	3.6
2002	231,800	8,254,893	30,064	31,867	3.0
2001	225,588	7,947,494	29,330	31,581	2.6
2000	218,497	7,774,823	29,020	31,354	2.7

Sources: ¹ Lincoln/Lancaster Planning Department.

² U.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Lincoln Metropolitan Statistical Area, which includes all of Lancaster and Seward Counties. 2008 and 2009 numbers are unavailable.

³ Lincoln Public Schools.

⁴ State of Nebraska, Department of Labor.

Median age from 2000 census was 31.3 years old. Education statistics per the 2000 census indicate that 90.2% of the population 25 years and older has a high school degree or greater with 33.3% of the same population holding a Bachelor's degree or greater.

CITY OF LINCOLN, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2009		Percentage of Total City Employment
	Employees	Rank	
State of Nebraska	9,543	1	5.61 %
Lincoln Public Schools	7,453	2	4.38
University of Nebraska-Lincoln	5,847	3	3.44
BryanLGH Medical Center	3,770	4	2.22
US Government	3,008	5	1.77
City of Lincoln	2,573	6	1.51
Saint Elizabeth Regional Medical Center	2,388	7	1.40
Burlington Northern	1,700	8	1.00
State Farm Insurance	1,442	9	0.85
B&R Stores, Inc.	1,352	10	0.79
Total	<u>39,076</u>		<u>22.97 %</u>

Note: Data not available for Employers nine years prior.

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

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

Function	Full-Time Equivalent Employees as of August 31									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
Legislative	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	7.00
Executive	21.25	20.50	25.20	26.60	28.10	28.10	27.50	27.68	26.63	24.71
Financial Administration	66.20	68.00	72.00	71.67	73.00	73.00	72.00	74.00	74.00	75.00
Law	27.00	26.00	28.50	28.50	28.50	28.50	28.46	27.50	27.75	26.88
Personnel Administration	22.80	22.00	23.19	23.19	22.38	22.38	21.00	21.40	21.38	21.40
Planning and Zoning	22.19	22.00	22.00	21.06	21.08	21.00	20.25	21.00	21.00	21.00
Urban Development	9.91	10.29	11.58	11.78	11.83	10.93	9.23	9.65	8.80	7.65
Public Safety										
Police	406.15	402.38	407.13	407.40	407.33	405.75	392.50	396.25	392.65	386.90
Fire	266.41	264.92	264.57	264.57	263.48	259.06	255.07	253.77	255.65	256.50
Building and Safety	58.00	63.00	63.00	63.00	65.00	62.00	61.00	62.50	60.84	58.50
Transportation	18.50	18.50	20.50	21.50	21.33	20.50	20.50	20.50	20.58	22.38
911 Communication	41.02	38.50	39.50	39.50	39.50	39.50	35.50	35.25	34.85	33.90
Streets and Highways	105.92	106.70	109.40	110.35	110.01	108.02	106.00	106.52	101.20	97.43
Culture and Recreation										
Parks and Recreation	231.17	264.65	280.79	286.23	276.94	271.95	264.25	265.16	250.49	245.54
Library	111.47	117.01	121.67	124.17	124.17	124.17	124.16	120.63	101.76	101.45
Economic Opportunity										
Lincoln Area Agency on Aging	52.50	57.10	64.30	64.86	68.42	69.42	68.22	71.95	71.87	69.72
Urban Development	11.23	12.83	12.68	14.34	14.39	15.80	18.28	15.95	13.95	13.71
Workforce Investment Act	9.01	8.20	6.20	5.64	5.54	3.82	4.24	5.15	5.00	-
Job Training Partnership Act	-	-	-	-	-	-	-	-	-	6.98
Health and Welfare	112.78	113.97	119.52	123.45	124.85	120.55	125.95	124.35	124.85	121.12
Mass Transit	109.38	112.38	111.00	111.00	113.00	112.00	111.00	113.00	115.00	112.67
Equipment Management										
Police Garage	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Fleet Services	15.00	15.42	17.00	17.37	17.38	17.38	17.38	17.38	16.38	15.88
Radio Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	5.25
Engineering Services	69.53	70.80	74.95	76.00	76.00	75.45	74.45	73.05	71.30	71.83
Golf	29.95	30.16	30.67	30.49	32.55	32.32	32.78	33.88	31.64	31.44
Parking Facilities	2.40	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.70	1.55
Municipal Auditorium	11.00	11.00	11.00	12.00	11.00	12.00	12.00	12.00	13.00	13.00
Sanitary Landfill	30.75	30.85	30.85	30.84	30.85	30.85	29.35	29.35	29.25	29.25
Emergency Medical Services	28.09	28.34	29.43	29.43	30.52	37.43	35.43	35.73	18.34	-
Wastewater System	96.72	97.36	98.70	98.69	95.44	95.19	96.85	98.05	97.65	99.50
Water System	112.60	113.68	115.28	115.27	112.26	111.76	108.63	109.38	106.65	104.40
Electric System	445.00	445.00	444.00	452.50	447.50	446.50	435.00	421.00	415.00	409.50
	<u>2,572.93</u>	<u>2,622.14</u>	<u>2,685.21</u>	<u>2,713.00</u>	<u>2,703.95</u>	<u>2,686.93</u>	<u>2,638.58</u>	<u>2,634.73</u>	<u>2,560.16</u>	<u>2,507.04</u>

Note: The Job Training Partnership Act was replaced by the Workforce Investment Act in 2001.
 Emergency Medical Services began mid-year of 2001.

Source: City of Lincoln Budget Office

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

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public Safety										
Police:										
Arrests	28,183	31,026	29,404	28,523	24,609	23,298	22,339	23,523	23,513	22,638
Parking Violations	75,234	64,116	64,710	54,852	80,071	91,529	101,537	108,286	110,495	116,371
Traffic Violations	48,290	53,862	47,997	54,572	57,732	54,260	48,250	52,843	49,470	48,818
Fire:										
Number of Calls Answered	19,536	19,572	19,075	18,362	18,457	17,931	19,557	20,314	19,472	13,794
Building and Safety:										
Number of Commercial Building Permits	1,196	1,064	994	1,088	1,092	1,061	1,036	1,013	1,017	1,069
Number of Residential Building Permits	1,794	2,261	2,820	3,150	3,387	3,846	3,913	3,405	3,212	3,385
Culture and Recreation										
Library:										
Total Circulation (thousands)	3,348	3,182	3,138	3,108	3,076	3,077	3,016	2,751	2,307	2,293
Golf:										
Rounds of Golf	199,567	196,988	198,337	203,802	202,255	200,986	195,003	204,524	197,698	236,270
Mass Transit										
StarTran Ridership (thousands)	1,790	1,975	1,871	1,826	1,649	1,553	1,529	1,581	1,603	1,589
Wastewater										
Number of Consumers	77,613	77,174	76,458	75,573	74,326	72,753	70,651	69,292	67,916	66,665
Water										
Number of Consumers	77,973	77,532	76,816	75,919	74,649	73,059	72,260	69,704	68,187	66,956
Average Daily Consumption (thousand gallons)	32,716	32,832	35,057	38,425	37,867	35,141	37,520	40,091	39,698	41,821
Electric System										
Number of Consumers	128,115	126,978	124,878	123,376	121,508	119,456	116,974	114,388	112,247	110,414

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

Sources: Various City Departments

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

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public Safety										
Police Stations	3	3	3	2	2	2	2	2	1	1
Fire Stations	14	14	14	14	14	14	14	14	14	14
Ambulances	11	11	11	11	11	11	11	11	11	-
Streets and Highways										
Lane Miles of Streets ¹	2,713	2,677	2,641	2,450	2,420	2,818	2,791	2,729	2,678	2,268
Streetlights	28,412	28,223	27,923	27,519	26,654	25,973	25,196	24,677	24,270	23,551
Culture and Recreation										
Parks Acreage	6,503	7,124	6,114	6,114	6,748	5,891	5,779	5,455	5,474	6,280
Parks	141	125	123	122	116	114	112	105	102	100
Playgrounds	85	85	85	85	83	86	85	81	80	78
Swimming Pools (Public)	9	10	11	11	11	11	11	11	11	11
Golf Courses (Public)	5	5	5	5	5	5	5	5	5	5
Trail Miles	128	128	128	122	99	84	83	80	90	89
Recreation Centers	7	7	8	8	8	8	8	8	8	8
Libraries	8	8	8	8	8	8	8	8	7	7
Mass Transit										
Buses and Handivans	70	69	69	69	69	66	66	65	66	65
Wastewater										
Miles of Wastewater Mains	1,010	1,006	995	978	960	935	909	875	868	857
Water										
Miles of Water Mains	1,230	1,213	1,201	1,183	1,164	1,132	1,104	1,085	1,065	1,060

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

¹ In 2005, the qualifications for Lane Miles of Streets were reassessed.

Sources: Various City Departments

SINGLE AUDIT SECTION

CITY OF LINCOLN, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>	
OFFICE OF NATIONAL DRUG CONTROL POLICY				
Pass-Through Nebraska State Patrol:				
High Intensity Drug Trafficking Area	07	I8PMWP6347-2	\$ 51,229	
High Intensity Drug Trafficking Area	07	I7PMWP6347-2	14,227	
High Intensity Drug Trafficking Area	07	09H02	<u>18,331</u>	\$ 83,787
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Community Food Projects (Open Harvest)	10.225	2006-33800-17641	\$	42,702
Pass-Through State Department Of Health And Human Services:				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	2008	78,405	
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	EO 081797	<u>607,017</u>	685,422
Summer Food Service Program for Children	10.559	06/08-08/08	3,712	
Summer Food Service Program for Children	10.559	06/09-08/09	<u>196,589</u>	200,301
Nutrition Program for the Elderly (Commodities)	10.570			<u>144,494</u>
Total U.S. Department Of Agriculture				<u>\$ 1,072,919</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$ 58,860	
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002	<u>44,334</u>	103,194
Community Development Block Grant	14.218	* B-08 MC-31-0001		2,153,794
Shelter Plus Care	14.238	NE26C602001		17,988
HOME Investment Partnerships Program	14.239	M-08 MC-31-0202		1,681,533
Community Development Block Grants/Economic Development Initiative	14.246	B-06-SP-NE-0621		4,015
Economic Development Initiative - Special Project	14.251	B-08-SP-NE-05037		70,000
Homelessness Prevention and Rapid Re-Housing Program ARRA	14.257	S-09-MY-31-0002		3,602
Fair Housing Assistance Program - State and Local	14.401	FF207K087017		133,548
Pass-Through State Department Of Health And Human Services:				
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	2008	579	
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	PB-98709707-0	<u>1,492</u>	2,071
Total U.S. Department Of Housing And Urban Development				<u>\$ 4,169,745</u>
U.S. DEPARTMENT OF INTERIOR				
Pass-Through State Historical Society:				
Historical Preservation Fund Grants-in-Aid	15.904	08/09	\$ 19,250	
Historical Preservation Fund Grants-in-Aid	15.904	09/10	<u>5,325</u>	\$ 24,575
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
The Community-Defined Solutions to Violence Against Women Grant Program (VAWA Interpreters)	16.590	2007-WE-AX-0057	\$	120,685
Public Safety Partnership and Community Policing Grant (Cops Interoperable Communications Technology Grant Award)	16.710	2004INWX0014	5,263	
Public Safety Partnership and Community Policing Grant (Meth 360)	16.710		<u>5,763</u>	11,026
Pass-Through Lancaster County:				
Violence Against Women Formula Grants	16.588	07-VW-707		33,887
The Community-Defined Solutions to Violence Against Women Grant Program (VAWA Interpreters)	16.590	04WEA20049C090190		10,833
Pass-Through Nebraska State Patrol:				
Missing Children's Assistance (Internet Crimes Against Children)	16.543	07-IC-03		1,045
Public Safety Partnership and Community Policing Grant (Methamphetamine Initiative)	16.710	06-ME-03		11,898

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

(Expenditures of Federal Awards, Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Pass-Through State Comm. On Law Enforcement And Criminal Justice: Crime Victim Assistance	16.575	08-VA-234/08-VS-900		88,546
Byrne Justice Assistance Grant Program (Street Drug Dealer Apprehension Program)	16.738	08-DA-305	61,963	
Byrne Justice Assistance Grant Program (JAG Formula)	16.738	2008DJBX0550	<u>89,411</u>	151,374
Community Prosecution and Project Safe Neighborhoods	16.609	07-SN-8901		<u>16,462</u>
Total U.S. Department Of Justice			\$	<u>445,756</u>
U.S. DEPARTMENT OF LABOR				
Pass-Through State Department Of Health And Human Services: Senior Community Service Employment Program	17.235	NGA 2009-122	\$ 36,090	
Senior Community Service Employment Program	17.235	NGA	<u>348</u>	36,438
Pass-Through State Department Of Labor: WIA Cluster:				
Workforce Investment Act (Adult)	17.258	2008	222,342	
Workforce Investment Act (Youth)	17.259	2008	223,147	
Workforce Investment Act (Dislocated Worker)	17.260	2008	405,480	
Workforce Investment Act Incentive/Capacity	17.258	2008	32,758	
Workforce Investment Act (Dislocated Worker)	17.260	EM-17484-08-60-A-31	22,463	
Workforce Investment Act (Adult)	17.259	2009	18,627	
Workforce Investment Act (Dislocated Worker)	17.260	2009	44,083	
Workforce Investment Act (Youth)	17.259	2009	35,539	
Workforce Investment Act Incentive/Capacity	17.258	2009	617	
Workforce Investment Act ARRA (Adult)	17.259	2010	9,626	
Workforce Investment Act ARRA (Dislocated Worker)	17.260	2010	20,613	
Workforce Investment Act ARRA (Youth)	17.259	2010	203,477	
Workforce Investment Act Incentive/Capacity ARRA	17.258	2010	<u>25,638</u>	<u>1,264,410</u>
Total U.S. Department Of Labor				\$ <u>1,300,848</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs: New Freedom Program	20.521	NE-57-0001	\$	43,708
Federal Transit Cluster:				
Federal Transit: Formula Grants (AVL System)	20.507	* NE-26-0001	39,966	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0068	32,904	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X058	29,156	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X064	14,064	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X069	265,555	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X070	17,695	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X072	1,472,271	
Federal Transit: Formula Grants ARRA	20.507	* NE-96-0001	2,747	
Federal Transit: Formula Grants (Transit Planning)	20.507	* NE-90-0068	30,468	
Federal Transit: Formula Grants (Transit Planning)	20.507	* NE-90-0070	30,773	
Pass-Through Nebraska Department Of Roads: Federal Transit: Formula Grants (Transit Planning)	20.507	* RPT -C990(028)	43,134	
Federal Transit: Formula Grants (Transit Planning)	20.507	* RPT -C990(029)	<u>23,084</u>	2,001,817
Pass-Through Nebraska Department Of Roads: Highway Planning and Construction Cluster:				
Highway Planning and Construction (Planning)	20.205	HPR-PL1(46)	360,787	
Highway Planning and Construction (Planning)	20.205	HPR-PL1(47)	107,780	
Highway Planning and Construction (MOPAC Trail)	20.205	STPB-55(155)	447,780	
Highway Planning and Construction (Jamaica North Trail)	20.205	STPB-55(160)	17,159	
Highway Planning and Construction (Surface Transportation Program - West O Street)	20.205	ENH-5266(2)	21,778	
Highway Planning and Construction (9th-10th Street and Van Dorn)	20.205	STPP-5236(1)	26,167	
Highway Planning and Construction (56th and Elkcrest)	20.205	STPP-5241(4)	34,541	
Highway Planning and Construction (Adams West of NW 12th Street)	20.205	BR-5248(4)	540,000	
Highway Planning and Construction (Superior Street at I-80)	20.205	HSIP-5254(8)	20,795	
Highway Planning and Construction (JAVA)	20.205		10,017,405	
Recreational Trails Program (VanDorn/Bison Trail)	20.219	RTP 2007(005)	132,025	
Recreational Trails Program (Boosalis Trail)	20.219	RTP 2008(003)	<u>121,110</u>	11,847,327
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(209)	27,625	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(210)	<u>5,383</u>	<u>33,008</u>
Total U.S. Department Of Transportation				\$ <u>13,925,860</u>

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

(Expenditures of Federal Awards, Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Programs:				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	6FPSLP0107		\$ 14,001
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
State Library Program (Library Services and Technology Act)	45.310	08.14	\$ 7,125	
State Library Program (Net Lender Contract)	45.310		4,764	\$ 11,889
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Regional Environmental Priority Projects	66.111	R7-98793201-0	\$	12,155
Pass-Through State Department Of Environmental Quality:				
Air Pollution Control Program Support	66.001	M-007056(08)	4,507	
Air Pollution Control Program Support	66.001	M-007056(09)	90,985	95,492
Nonpoint Source Implementation Grants (East Saline Wetlands Project)	66.460	NDEQ 56-00686	247,766	
Nonpoint Source Implementation Grants (Holmes Lake Watershed Project)	66.460	C900740314	6,561	
Nonpoint Source Implementation Grants (Stormwater Best Management Practices)	66.460	C900740316	2,430	256,757
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	PM997527-01-05	16,727	
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	EO 080925	12,016	
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	2009	6,802	35,545
Total U.S. Environmental Protection Agency				\$ 399,949
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through State Department Of Health And Human Services:				
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	93.006	STTMP051026	\$ 4,611	
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	93.006	STTMP051026	4,990	9,601
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2009-110		5,000
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 2009-146		13,286
Aging Cluster:				
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2010-029	28,894	
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2009-143	272,354	
Special Programs for the Aging Title III, Part C: Nutrition Services ARRA	93.045	NGA 2010 ARRA 05	62,816	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2009-144	350,583	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2010-030	8,323	
Special Programs for the Aging Title III, Part C: Nutrition Services ARRA	93.045	NGA 2010 ARRA 06	30,925	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2009-145	109,335	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2010-031	2,976	866,206
Special Programs for the Aging Title III, Part E: National Family Caregiver Support	93.052	NGA 2009-107	128,072	
Special Programs for the Aging Title III, Part E: National Family Caregiver Support	93.052	NGA 2010-033	19,585	147,657
Public Health Emergency Preparedness	93.069	BT-645-123108	125,133	
Public Health Emergency Preparedness	93.069	BT-697-123109	206,621	
Public Health Emergency Preparedness (Pandemic)	93.069	BT-645-123108	70,614	
Public Health Emergency Preparedness (Pan Flu Tabletop Training)	93.069	DO 02296	341	402,709
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 536	177	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 01734	4,490	4,667
Acquired Immunodeficiency Syndrome (Aids) Activity (STD)	93.118	2007	476	
Acquired Immunodeficiency Syndrome (Aids) Activity (STD)	93.118	2008	12,910	13,386
Injury Prevention and Control Research and State and Community Based Programs	93.136	01/08-07/08	248	
Injury Prevention and Control Research and State and Community Based Programs	93.136	DO 01781	1,102	1,350
Immunization Grants (Hepatitis B)	93.268	2008	6,506	
Immunization Grants (Hepatitis B)	93.268	EO 082013	14,354	
Immunization Grants (NE Immunization Action Plan)	93.268	2008	26,009	
Immunization Grants (NE Immunization Action Plan)	93.268	EO 082013	27,003	73,872
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control)	93.283	EO 081439	63,450	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control)	93.283	EO 082437	7,678	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program)	93.283	20480180 2008	5,288	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program)	93.283	090CCU23775	8,587	85,003

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

(Expenditures of Federal Awards, Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Refugee and Entrant Assistance Program (Health Screening)	93.566	3120090	1,600	
Refugee and Entrant Assistance Program (Health Screening)	93.566	RES 85442 08/09	14,096	
Refugee and Entrant Assistance Program (Health Screening)	93.566	RES 85442 09/10	<u>1,177</u>	16,873
Social Services Block Grant (SSBG)	93.667			10,658
National Bioterrorism Hospital Preparedness Program	93.889	BT-579-033108	19,501	
National Bioterrorism Hospital Preparedness Program (Pandemic)	93.889	BT-579-033108	<u>20,894</u>	40,395
HIV Prevention Activities Health Dept Based (Sista Sista / HIV Prevention)	93.940	5120145 2007	1,221	
HIV Prevention Activities Health Dept Based (Sista Sista / HIV Prevention)	93.940	5120145 2008	9,183	
HIV Prevention Activities Health Dept Based (Sista Sista / HIV Prevention)	93.940	4012	48,649	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	5U62PS723501-05 07/08	24,707	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	5U62PS723501-05 08/09	29,324	
HIV Prevention Activities Health Dept Based (HIV /Train & Quality Assurance CTR/PCRS)	93.940	5U62PS723501-05	<u>6,348</u>	119,432
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	CDC-RFA-PS09-902		15,447
Preventive Health and Health Services Block Grant (Cardiovascular)	93.991	2008-PHHSBG-01-LHD	14,041	
Preventive Health and Health Services Block Grant (Cardiovascular)	93.991	2009-PHHSBG-01-LHD	<u>43,975</u>	58,016
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	MCH-09-06	17,762	
Maternal and Child Health Services Block Grant to the States (Injury)	93.994	MCH-08-06	<u>11,559</u>	29,321
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-566-123107	1,704	
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-623-123108	147,839	
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-689-93009	<u>57,576</u>	207,119
Total U.S. Department Of Health And Human Services				\$ <u>2,119,998</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	07SRNNE 006 (07/08)	\$ 675	
Retired and Senior Volunteer Program	94.002	04SRNNE 004 (08/09)	<u>80,249</u>	80,924
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	08SFNNE 004 (08/09)	94,799	
Foster Grandparent Program	94.011	05SFNNE 004 (09/10)	45,246	
Senior Companion Program	94.016	07SCNNE 001 (09/10)	22,145	
Senior Companion Program	94.016	07SCNNE 001 (08/09)	<u>108,517</u>	270,707
Volunteers In Service To America (Youth Achievement)	94.013	2004-DVSA-61321-A21-4101		33,966
Pass-Through Nebraska Volunteer Commission:				
AmeriCorps (Star City Treasures 2007)	94.006	06AFHNE0010004	9,820	
AmeriCorps (Reach for the Stars)	94.006	06ACHNE0010002	225,983	
AmeriCorps ARRA (Go Green Initiative)	94.006	09RCHNE002001	18,706	
AmeriCorps (Keds at the Core)	94.006	06AFHNE0010010	<u>91,178</u>	345,687
Total Corporation For National And Community Service				\$ <u>731,284</u>
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2007-CA-0170	\$ 9,392	
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2008-CA-0525	963,248	
National Urban Search and Rescue (US&R) Response System	97.025	2009-SR-24-K020	<u>41,495</u>	1,014,135
Assistance to Firefighters Grant	97.044	EMW-2007-FP-01862		12,303
Pass-Through Nebraska Emergency Management Agency:				
Homeland Security Grant Program (N.E.M.A.)	97.067	2005-GE-T5-0020	20,352	
Homeland Security Grant Program (N.E.M.A.)	97.067	2006-GE-T6-0016	<u>109,112</u>	129,464
Total Department Of Homeland Security				\$ <u>1,155,902</u>
Total Federal Expenditures				\$ <u><u>25,456,513</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards



**CITY OF LINCOLN, NEBRASKA
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2009**

(1) BASIS OF ACCOUNTING

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

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

(2) REPORTING ENTITY

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

Lincoln Electric System (LES) operates on a calendar year basis for reporting purposes as opposed to the August 31 fiscal year basis of the City. As a result, the amounts included in the City's August 31, 2009, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2008.

(3) PASS-THROUGH AWARDS

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

(4) MAJOR PROGRAMS

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

(5) SUBRECIPIENTS

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

<u>CFDA#</u>	<u>Program</u>	<u>Amount</u>
Pass-Through to County Aging Programs:		
10.570	Nutrition Program for the Elderly	\$ 67,494
93.044	Title III, Part B: Grants for Supportive Services and Senior Centers	32,155
93.045	Title III, Part C: Nutrition Services	143,753
93.052	Title III, Part E: National Family Caregiver Support	19,652
Pass-Through to Joint Antelope Valley Authority:		
20.205	Highway Planning and Construction (JAVA)	\$ 10,017,405

(6) FEDERAL LOANS OUTSTANDING

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

<u>CFDA#</u>	<u>Program</u>	<u>Outstanding Balance as of August 31, 2009</u>
14.218	Community Development Block Grant	\$ 11,513,000
14.239	HOME Investment Partnership Program	12,110,000

New loans included in the Schedule totaled \$546,000 and \$1,033,000, respectively.

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lincoln, Nebraska (the "City") as of and for the year ended August 31, 2009, which collectively comprise its basic financial statements and have issued our report thereon dated February 24, 2010, which contained a reference to the report of other accountants. 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. Other accountants audited the financial statements of Lincoln Electric System, as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those accountants.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated February 24, 2010.

This report is intended solely for the information and use of the governing body, management and others within the City 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.

/s/ **BKD, LLP**

February 24, 2010

Independent Accountants' Report on Compliance and Internal Control Over Compliance with Requirements Applicable to Major Federal Awards Programs

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, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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 compliance of the City of Lincoln, Nebraska 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 on the City's compliance with those requirements.

In our opinion, the City of Lincoln, Nebraska 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, 2009.

Internal Control Over Compliance

The management of the City of Lincoln, Nebraska 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing body, 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.

/s/ **BKD, LLP**

February 24, 2010

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2009

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
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No matters are reportable.

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2009

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
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No matters are reportable.

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2009

Reference Number	Summary of Finding	Status
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No matters are reportable.

