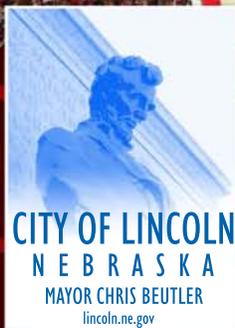


COMPREHENSIVE ANNUAL FINANCIAL



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CITY OF LINCOLN
NEBRASKA
MAYOR CHRIS BEUTLER
lincoln.ne.gov

R E P O R T

Fiscal Year Ended
August 31, 2010

On the cover:

The West Haymarket Redevelopment Program envisions developing over 100 acres of blighted and underutilized property on the western edge of Lincoln's downtown and traditional Haymarket district.

The redevelopment program involves several new elements including: a 16,000-seat civic arena, a community ice center, a hotel, retail and office space, and residential units.

When completed in the fall of 2013, the civic arena will be home to the University of Nebraska basketball programs.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE
CITY OF LINCOLN, NEBRASKA

FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

Prepared by:

The Accounting Division of the Finance Department

INTRODUCTORY SECTION

OFFICIALS OF THE CITY OF LINCOLN

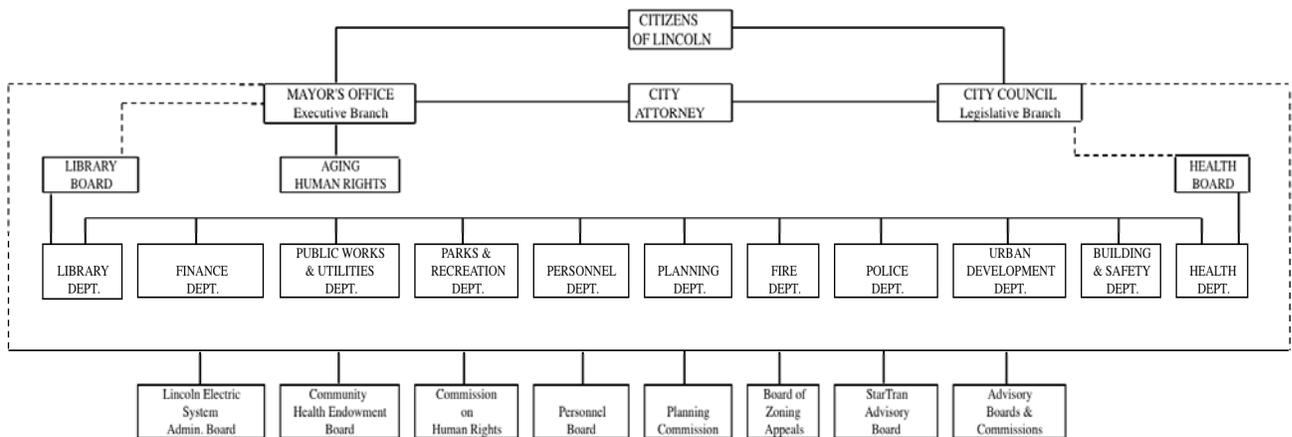
Chris Beutler Mayor
 John Spatz Chair, City Council
 Eugene Carroll..... Vice Chair, City Council
 Jon Camp..... Council Member
 Jonathan Cook..... Council Member
 Doug Emery Council Member
 Adam Hornung..... Council Member
 Jayne Snyder Council Member

* * * * *

Don Herz Finance Director
 Marvin Krout..... Planning Director
 Lynn Johnson Parks and Recreation Director
 Kevin Wailes Lincoln Electric System Administrator
 David Landis Urban Development Director
 Pat Leach..... Library Director
 Greg MacLean..... Public Works/Utilities Director
 Chuck Zimmerman..... Interim Building and Safety Director
 Judith Halstead Health Director
 Mark Koller Personnel Director
 Rodney Confer City Attorney
 Thomas Casady Police Chief
 Niles Ford..... Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



**CITY OF LINCOLN, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED AUGUST 31, 2010
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CITY OF LINCOLN
NEBRASKA

MAYOR CHRIS BEUTLER

lincoln.ne.gov

Office of the Mayor
555 South 10th Street
Suite 301

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

February 23, 2011

Dear Citizens and Public Officials:

It is my pleasure to submit the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year ended August 31, 2010.

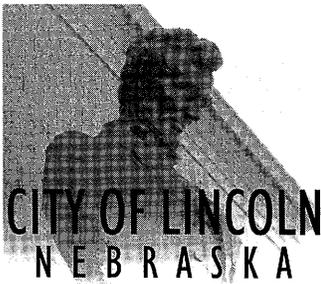
Ensuring both fiscal and operational accountability in our use of public resources is a priority for my Administration, and this report is essential to that effort. This report provides a complete and accurate picture of the City's financial status and fulfills our continuing disclosure responsibilities 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 2009 report submitted to the Government Finance Officers Association was recognized with the prestigious Certificate of Achievement for Excellence in Financial Reporting for the 27th consecutive year. This recognition is a credit to the City and a compliment to our dedicated Finance Department.

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

Sincerely,

Chris Beutler
Mayor of Lincoln



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 23, 2011

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, 2010, is hereby submitted.

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

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The federal government, under the revised OMB Circular A-133, requires local governments that expend \$500,000 or more in federal funds in any fiscal year to have a financial and compliance audit performed. As part of the City's Single Audit, tests were made of the City's internal control structure over compliance and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 2010, 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, 2010, 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 254,000, 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 Facilities and Lots, 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. The City is considered to be financially accountable for the West Haymarket Joint Public Agency, and has included the Agency as part of the primary government as a blended component unit. Separately audited financial statements are available for LES, Lincoln Water System, Lincoln Wastewater System, Emergency Medical Services, Solid Waste Management, Parking Facilities, Community Health Permanent Endowment Trust, and West Haymarket Joint Public Agency.

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 79.03 percent since 1960. Lancaster County's rate of growth between 2000 and 2009 has been 10.57 percent or approximately 1.3 percent per year. The 2009 population of Lancaster County has been estimated to be in excess of 281,000 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, 2010 was 3.9%, well below the national average of 9.6%, with employment strongest in the categories of government, educational & health services, and retail trade. Lincoln's current number of construction permits is down 23% when compared to levels 5 years ago, with a corresponding decrease in the value of construction permits of over \$123 million.

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

Net sales and use tax revenue increased \$1,025,376 or 1.9% from the previous fiscal year. In relation to this primary revenue source, the City is seeing slight signs of recovery from the negative economic factors that have affected the local and national economies.

Long-Term Planning and Major Initiatives

Urban Development

The City anticipates approximately \$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 and Havelock business areas, Focus Area neighborhoods, the South Capitol blight area, the Antelope Valley project area, West O, 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:

<ol style="list-style-type: none"> 1) Block 38 Catalyst One site. 2) Former Douglas III/Civic Plaza site. 3) West Haymarket/Hotel project. 4) North Haymarket Arts & Humanities Block. 5) Block 85. 	<ol style="list-style-type: none"> 6) Telesis/Meadow Gold project. 7) Haymarket Hotel and Tool House. 8) M Street Corridor planning. 9) P & Q Streets Corridor planning. 10) Centennial Mall project.
--	--
- 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, public parking lot improvements, and park improvements.
- University Place redevelopment of the former Green’s Plumbing site.
- West O Street redevelopment projects and historic DLD marker project.
- NW Corridor redevelopment (West Cornhusker Highway).
- Innovation Campus redevelopment.
- 84th and Havelock redevelopment.
- South Capitol redevelopment.
- Focus area projects 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, negotiation and relocation projects:
 - 1) For effective transportation:

<ul style="list-style-type: none"> ✓ Antelope Valley transportation projects. ✓ Antelope Valley redevelopment plan catalyst projects. ✓ West Haymarket transportation projects. ✓ Yankee Hill Roadway, 70th to 84th Street. ✓ SW 40th Street overpass. ✓ 14th Street, Superior to Alvo Road. ✓ 56th Street, Old Cheney to Pine Lake Rd. 	<ul style="list-style-type: none"> ✓ 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.
---	--
 - 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. ✓ 56th & Arbor Road sewer and water district projects. 	<ul style="list-style-type: none"> ✓ North 1st Street, Cornhusker Hwy to Superior Street. ✓ Conservation easements and wetlands acquisitions. ✓ Additional projects made possible by Federal Infrastructure Stimulus funds.
--	---

- 3) Relocation activities:
 - ✓ North 27th Street projects.
 - ✓ West Haymarket projects.
 - ✓ Antelope Valley projects.
- Workforce Investment Act funds received by the City provide employment skills to low-income adults and youth and also to individuals laid-off from area employers. Funding is provided for GED and Adult Basic Education instruction, secondary and post-secondary education, and placement in work experience and On-the-Job Training (OJT) with an emphasis on high wage and high demand occupations.

Services are provided from the Workforce Center located in the Gold's Building. Partner agencies co-located at the Center include Operation ABLE, Goodwill Industries, Vocational Rehabilitation, Nebraska Department of Labor, and Experience Works. Over 20,000 individuals and 500 employers use the Center annually.

Examples of specialized projects this year include:

- ✓ Targeted OJT projects for dislocated workers.
- ✓ "Pathways Out of Poverty" program providing basic skills and green building skills to low-income residents in north Lincoln.
- ✓ "The Metro SyNErgy" project in Lincoln and Omaha providing green building technology to unemployed and incumbent workers.
- ✓ Expanded job search assistance for laid-off workers affected by the TierOne Bank closure.
- ✓ Regional Innovation Network fostering collaboration of education, economic development and workforce development leaders in a twelve county southeast Nebraska area.

West Haymarket Project

The West Haymarket Redevelopment Project is a multi-faceted endeavor to revitalize the 100 acres of underutilized property that lies on the western edge of Lincoln's downtown and Haymarket district. On May 11, 2010, the citizens of Lincoln voted to approve the issuance of arena bonds which signaled approval for the project to proceed. The project involves the relocation and elimination of existing railroad tracks and completion of other site preparation activities, 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 estimated to be approximately \$340 million.

The West Haymarket Joint Public Agency (WHJPA) is the governmental agency responsible for oversight of the project, for issuing bonds, collecting revenue, and making bond payments over the course of the Project. Participants in the agency are the City and the Board of Regents of the University of Nebraska.

Beginning January 1, 2011, an occupation tax will be imposed on car rental, hotel, restaurant and bar charges within the City of Lincoln. This revenue has been pledged to repayment of any outstanding WHJPA bonds.

Antelope Valley Project

The City of Lincoln, Lower Platte South Natural Resource District and the University of Nebraska-Lincoln have joined together through an interlocal agreement to form the Joint Antelope Valley Authority (JAVA). JAVA 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 was 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 & East Leg Bridge and Roadway) 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, P to Vine, East Leg and Big T roadway projects and the BNSF overpass project; roadway construction between P and Y streets; and the J, P, Q, and O Street bridges and roadways.

Work on the north/south roadway between K and P and the South Street bridge project will begin in 2011 and will be complete in 2012.

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 \$66,787,000 over the 6-year period of fiscal year 2010-11 through fiscal year 2015-16. Of that total, approximately \$45,629,000 will be financed by revenue bonds, approximately \$4,030,000 will be financed by impact fees, \$640,000 from TIF funding, with the remaining \$16,488,000 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 \$100,520,000 over the 6-year period of fiscal year 2010-11 through 2015-16. Of these dollars, approximately \$82,550,000 will be financed through revenue bonds, approximately \$4,530,000 will be financed from TIF funding, approximately \$5,020,000 will be financed through impact fees, with the balance of \$8,420,000 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 2011-2016 Streets and Highways capital improvements program and Transportation improvement program identify average annual expenditures of \$26 million for the next six years. Funding for these projects includes \$108 million in City revenues, \$25 million in federal aid, and \$23 million in other funds.

Infrastructure Impact Fees

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

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

Pension Costs

The City currently contributes \$2 for every \$1 contributed by employees in the civilian retirement plans. In an effort to control this significant budget item, the City and three of four civilian unions have agreed to change the plan to a \$1.29 to \$1 match for new employees hired after the effective date. The City is unable

to legally change the match for current employees. The City anticipates saving 20 to 25 percent in retirement costs for each employee hired under this new arrangement, with the first actual match reduction occurring in February, 2011.

Property Tax Collections

As of August 31, 2010, current tax collections by the County Treasurer were 96.60% of the tax levy, a decrease of .15% from last year. Allocations of property tax levy by purpose are as follows:

<u>City Tax Levy by Purpose</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>
General Fund	.1772	.1806	.1778
Library	.0398	.0396	.0404
Social Security	.0097	.0129	.0134
Police and Fire Pension	.0251	.0201	.0203
General Obligation Debt	<u>.0361</u>	<u>.0347</u>	<u>.0360</u>
	<u>.2879</u>	<u>.2879</u>	<u>.2879</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>2009-2010</u>	<u>2008-2009</u>
Operating Revenues	\$ 6,747,738	6,614,715
Operating Income Before Depreciation	3,407,137	3,739,947
Debt Service	1,998,056	1,998,056
Debt Service Coverage Ratio	1.71	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, 2010, the City estimates that it will incur costs approximating \$20 million to adhere to such requirements (see Note 18 of Notes to the Financial Statements).

Water and Wastewater System

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

<u>Wastewater System</u>	<u>2009-2010</u>	<u>2008-2009</u>
Operating Revenues	\$21,703,427	21,142,579
Operating Income	2,875,498	1,782,499
Revenue Available For Debt Service	10,807,502	10,871,979
Debt Service	6,426,444	6,440,044
Debt Service Coverage Ratio	1.68	1.69

The City's Water Utility System showed a decrease 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>2009-2010</u>	<u>2008-2009</u>
Operating Revenues	\$25,135,127	25,692,203
Operating Income	3,881,476	3,769,225
Revenue Available For Debt Service	12,424,175	12,843,110
Debt Service	9,508,097	8,923,414
Debt Service Coverage Ratio	1.31	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, 2009, is included in the City's August 31, 2010, financial statements.

Certificate of Achievement

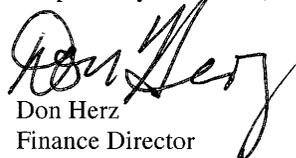
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 2009. This was the twenty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,


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, 2009

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.



President

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 (the City) as of and for the year ended August 31, 2010, 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 59%, 33% 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, 2009, and in our report dated February 24, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and street construction 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 23, 2011, 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.

BKD, LLP

February 23, 2011



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, 2010. 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, 2010, by \$1,546,569,783 (net assets). Of this amount, \$308,220,460 (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 \$37,572,599. Of this amount, \$16,434,072, or 44 percent, was an increase in governmental activities and \$21,138,527, or 56 percent, related to business-type activities.
- As of August 31, 2010, the City's governmental funds reported combined ending fund balances of \$186,888,572, a decrease of \$(3,878,503) in comparison with the prior year. Of this total fund balance, 58 percent, or \$108,395,395, is available for spending at the City's discretion (unreserved fund balance).
- As of August 31, 2010, unreserved fund balance for the general fund was \$25,701,931, or 25 percent of total general fund expenditures.
- The City's total bonded debt decreased by \$35,188,000 (3.9 percent) during the current fiscal year. The City issued no additional bonded debt in the current year.

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, 2010. 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 West Haymarket JPA fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its parking facilities and lots; golf courses; 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 24-26 of this report.

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-69 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 \$1,546,569,783 at August 31, 2010.

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, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 398,115,532	388,695,310	246,650,963	242,568,924	644,766,495	631,264,234
Capital Assets	622,796,373	614,765,299	1,417,922,340	1,410,398,966	2,040,718,713	2,025,164,265
Total Assets	<u>1,020,911,905</u>	<u>1,003,460,609</u>	<u>1,664,573,303</u>	<u>1,652,967,890</u>	<u>2,685,485,208</u>	<u>2,656,428,499</u>
Long-Term Liabilities Outstanding	189,192,032	194,364,099	773,188,114	795,328,460	962,380,146	989,692,559
Other Liabilities	21,147,269	14,957,978	155,388,010	142,780,778	176,535,279	157,738,756
Total Liabilities	<u>210,339,301</u>	<u>209,322,077</u>	<u>928,576,124</u>	<u>938,109,238</u>	<u>1,138,915,425</u>	<u>1,147,431,315</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	482,099,420	471,161,398	598,053,416	583,202,962	1,080,152,836	1,054,364,360
Restricted	121,155,820	111,672,739	37,040,667	37,782,662	158,196,487	149,455,401
Unrestricted	207,317,364	211,304,395	100,903,096	93,873,028	308,220,460	305,177,423
Total Net Assets	<u>\$ 810,572,604</u>	<u>794,138,532</u>	<u>735,997,179</u>	<u>714,858,652</u>	<u>1,546,569,783</u>	<u>1,508,997,184</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, 2010, 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, 2010 and 2009

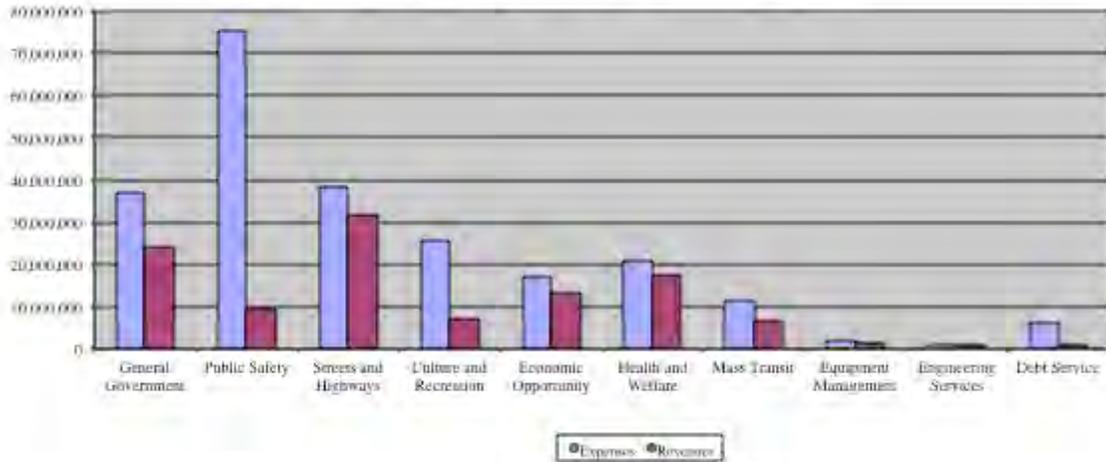
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 41,701,425	41,844,680	313,690,349	315,614,846	355,391,774	357,459,526
Operating Grants and Contributions	55,013,696	50,412,504	-	-	55,013,696	50,412,504
Capital Grants and Contributions	16,171,192	25,746,780	5,767,531	11,025,070	21,938,723	36,771,850
General Revenues:						
Property Tax	48,637,701	49,370,031	-	-	48,637,701	49,370,031
Sales and Use Tax	55,362,688	54,337,312	-	-	55,362,688	54,337,312
Other Taxes	26,668,385	25,609,164	1,984,400	1,978,659	28,652,785	27,587,823
Unrestricted Grants and Contributions	2,006,071	1,542,816	-	-	2,006,071	1,542,816
Unrestricted Investment Earnings	1,926,976	5,181,996	1,673,103	4,680,958	3,600,079	9,862,954
Other	793,365	844,591	893,109	152,522	1,686,474	997,113
Total Revenues	248,281,499	254,889,874	324,008,492	333,452,055	572,289,991	588,341,929
Expenses:						
General Government	36,991,820	31,985,923	-	-	36,991,820	31,985,923
Public Safety	75,364,591	75,077,334	-	-	75,364,591	75,077,334
Streets and Highways	38,150,193	31,465,735	-	-	38,150,193	31,465,735
Culture and Recreation	25,713,710	28,998,338	-	-	25,713,710	28,998,338
Economic Opportunity	17,198,314	14,851,021	-	-	17,198,314	14,851,021
Health and Welfare	20,840,847	19,592,758	-	-	20,840,847	19,592,758
Mass Transit	11,198,681	11,059,139	-	-	11,198,681	11,059,139
Equipment Management	1,767,774	2,562,842	-	-	1,767,774	2,562,842
Engineering Services	829,470	1,859,008	-	-	829,470	1,859,008
Interest on Long-Term Debt	6,373,674	6,503,466	-	-	6,373,674	6,503,466
Parking	-	-	5,475,157	5,007,885	5,475,157	5,007,885
Golf Courses	-	-	3,165,446	3,170,423	3,165,446	3,170,423
Auditorium	-	-	2,243,518	1,937,132	2,243,518	1,937,132
Solid Waste Management	-	-	10,607,775	6,543,805	10,607,775	6,543,805
Ambulance Transport	-	-	3,819,895	3,687,450	3,819,895	3,687,450
Wastewater	-	-	22,265,579	22,979,974	22,265,579	22,979,974
Water	-	-	23,469,948	23,794,190	23,469,948	23,794,190
Electric	-	-	229,241,000	237,476,000	229,241,000	237,476,000
Total Expenses	234,429,074	223,955,564	300,288,318	304,596,859	534,717,392	528,552,423
Increase in Net Assets Before Transfers	13,852,425	30,934,310	23,720,174	28,855,196	37,572,599	59,789,506
Transfers	2,581,647	2,275,892	(2,581,647)	(2,275,892)	-	-
Increase in Net Assets	16,434,072	33,210,202	21,138,527	26,579,304	37,572,599	59,789,506
Net Assets - Beginning	794,138,532	760,928,330	714,858,652	688,279,348	1,508,997,184	1,449,207,678
Net Assets - Ending	\$ 810,572,604	794,138,532	735,997,179	714,858,652	1,546,569,783	1,508,997,184

GOVERNMENTAL ACTIVITIES

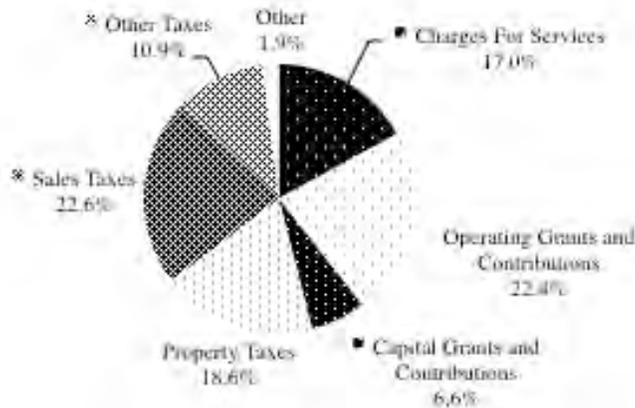
Governmental activities increased the City's net assets by \$16,434,072, accounting for 44 percent of the total growth in the net assets of the City of Lincoln. Key elements of this increase are as follows:

- The City's current year contribution to the Joint Antelope Valley Authority amounted to \$2,783,720, of which a significant portion is federally funded.
- Sales taxes increased by approximately \$1.0 million (1.9 percent) during 2010 after showing a decrease of 1.8% in the prior year.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities



BUSINESS-TYPE ACTIVITIES

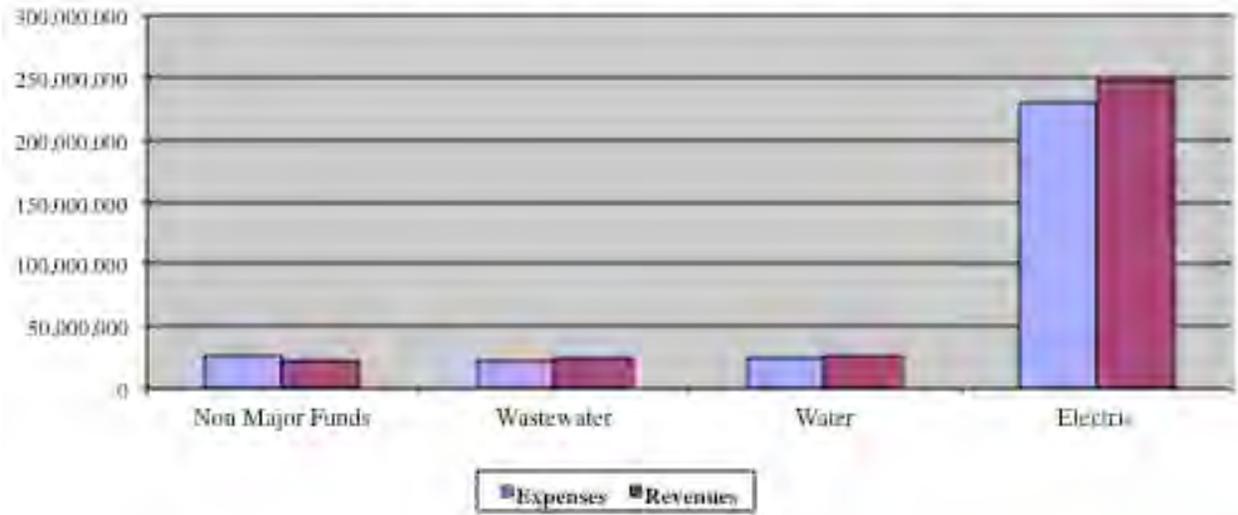
Business-type activities increased the City's net assets by \$21,138,527, accounting for 56 percent of the total growth in the government's net assets. Key elements of this increase are as follows:

- Water System operating revenues decreased by \$557,076 (2.17%) from 2009. Effective February, 2010, there was a 5% user fee increase, but total water pumpage for 2010 was down 5% due to summer weather conditions. Operating expense decreased \$669,327 (3.05%) due to decreased electricy and chemical costs from lower water pumpage.
- Wastewater System operating revenues increased \$560,848 (2.65%) primarily due to a 4% user fee increase implemented with the billings starting in February, 2010. Sanitary sewer bills for residential customers are based on water usage during a two-month period during the winter and remain the same over the balance of the following ten-month period. Non-residential customers are billed for sanitary sewer based on their monthly water usage.
- Lincoln Electric System operating revenue in 2009 was 1% lower than 2008. Energy sales were down due to mild summer weather and the economy. Wholesale revenue was 20% less due to the end of a short-term sale of a portion of Walter Scott 4 generating station power, offset by increased non-firm

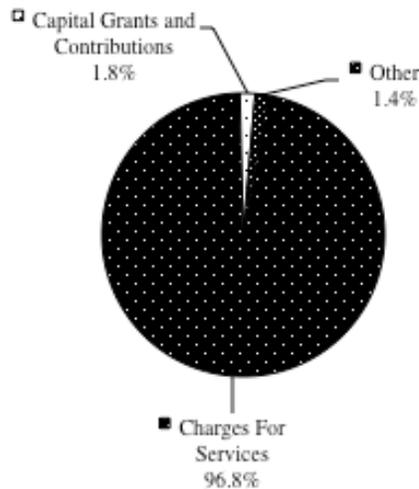
sales benefiting from membership in Southwest Power Pool. Operating expense decreased 4% because of lower power cost from reduced fuel expense.

- LES recorded capital contributions of \$2 million.
- Lincoln Water and Wastewater Systems each reported developer capital contributions of approximately \$1.9 million.
- Lincoln Water and Wastewater Systems reported net losses in nonoperating activities due to interest expense.

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, 2010, the City's governmental funds reported combined ending fund balances of \$186,888,572, a decrease of \$(3,878,503) 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 (\$19,566,000),
- pay debt service (\$16,172,469),
- 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 (\$5,754,708).

The General Fund is the chief operating fund of the City. At August 31, 2010, the unreserved fund balance of the General Fund was \$25,701,931, while total fund balance reached \$30,425,582. 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 25 percent of total general fund expenditures, while total fund balance represents 30 percent of that same amount.

The fund balance of the City's General Fund decreased by \$(1,829,641) during 2010. For the current fiscal year, appropriated General fund balance, used as a funding source for the budget decreased \$542,052 to \$2,608,706. 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 \$31,586,833, which is to be used in the construction and maintenance of street and highways. The net increase in fund balance during 2010 in the Street Construction Fund was \$3,198,330, which was the result of changes in the demand for funding of the various JAVA projects.

The West Haymarket JPA Fund had a fund deficit of \$(2,474,531), due to start-up costs and a short-term note borrowing. The JPA has issued \$200,000,000 in bonds subsequent to year-end for funding the improvements of the West Haymarket Redevelopment Project.

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 \$10,008,549, \$10,247,931, \$83,113,000 and \$2,788,606, respectively, at August 31, 2010 (December 31, 2009 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 \$99,820 in appropriations) and can be briefly summarized as follows:

- \$(689,576) in miscellaneous changes in general government activities.
- \$(59,729) in decreases allocated to public safety.
- \$(10,400) in decreases allocated to parks and recreation.
- \$859,525 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:

- \$1,924,797 positive variance in real estate and personal property tax. Actual property collections were 96.60% of the 2009 levy, while estimated tax revenue is based on 90% collections as provided by the City Charter.
- \$1,199,660 positive variance in miscellaneous general government expenditures. Significant savings were realized in several service line items that are reappropriated to cover ongoing future expenditures.
- \$(2,490,797) 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, 2010, amounts to \$2,040,718,713 (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 2010 was .77 percent (a 1.31 percent increase for governmental activities and a .53 percent increase for business-type activities).

Major capital asset events during 2010 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, 2010 reached \$82,932,000.
- Wastewater and Water Systems realized significant reductions in capital spending in order to preserve cash positions, keep rate increases as small as possible, and maintain or improve bonding capacity for future years. In 2010 capital assets increased by only \$984,530 and \$2,195,024, respectively.

**City Of Lincoln
Capital Assets (net of depreciation)
August 31, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 63,866,125	65,038,172	21,950,552	21,691,556	85,816,677	86,729,728
Buildings	45,950,230	45,508,199	126,543,523	154,374,821	172,493,753	199,883,020
Improvements Other Than Buildings	38,189,441	36,850,167	446,114,577	388,022,172	484,304,018	424,872,339
Machinery and Equipment	31,600,937	31,042,569	12,232,011	11,321,850	43,832,948	42,364,419
Utility Plant	-	-	760,709,000	729,402,000	760,709,000	729,402,000
Infrastructure	354,568,639	347,255,342	-	-	354,568,639	347,255,342
Construction-in-progress	88,621,001	89,070,850	50,372,677	105,586,567	138,993,678	194,657,417
Total	\$ 622,796,373	614,765,299	1,417,922,340	1,410,398,966	2,040,718,713	2,025,164,265

Additional information on the City’s capital assets can be found in Note 7 of the notes to the financial statements on pages 45-47 of this report.

LONG-TERM DEBT

At August 31, 2010, the City of Lincoln had total bonded debt outstanding of \$870,648,000. Of this amount, \$118,383,000 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, 2010 and 2009
(dollar amounts in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 118,383	125,181	-	-	118,383	125,181
Tax Supported Bonds	6,605	7,265	-	-	6,605	7,265
Revenue Bonds	-	-	745,660	773,390	745,660	773,390
Total	\$ 124,988	132,446	745,660	773,390	870,648	905,836

The City’s total bonded debt decreased by \$35,188,000 (3.9 percent) during the current fiscal year.

The City maintains the following credit ratings:

	Moody's Investors Service	Standard And Poor's	Fitch Investors Service
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 49-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Property tax revenue required to fund the 2011 budget increased \$349,273 or .86 percent from the prior year. Total change in the tax base is also estimated at .86 percent, therefore the tax rate for 2011 remains the same as 2010.
- 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 2011 include changes to the telecommunications occupation tax ordinance to clarify categories of gross revenue to be taxed effective October 1, 2010, resulting in an anticipated revenue increase of \$666,666.

- A transfer of \$3,732,350 from the Cash Reserve Fund (provided by surplus special assessment fund balance) will be used in 2011 to subsidize the City's tax funds.
- Sales tax collections for 2010 finished .83 percent behind projections. 2011 projections reflect a 1.96 percent increase over 2010 actual collections.
- A 5 percent water rate increase and a 5 percent wastewater rate increase were adopted by the City Council and were effective January, 2011.
- A hiring freeze and a retirement incentive package have been utilized in prior years to create vacant positions, eliminate positions, encourage reorganizations and make budget reductions while at the same time minimizing the number of layoffs. Staffing changes included in the 2010-2011 budget result in an increase for all funds of 19.97 full-time equivalents.

All of these factors were considered in preparing the City's budget for the 2011 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, 2010

With Summarized Financial Information as of August 31, 2009

	Governmental Activities	Business-Type Activities	Totals	
			2010	2009
ASSETS				
Cash and Cash Equivalents	\$ 39,699,866	42,617,927	82,317,793	99,641,976
Investments	106,596,863	42,107,920	148,704,783	110,480,156
Invested Securities Lending Collateral	1,025,994	-	1,025,994	1,020,557
Receivables, (Net of Allowance for Uncollectibles)	30,165,820	40,802,353	70,968,173	67,402,703
Internal Balances	(1,679,380)	1,679,380	-	-
Due from Other Governments	27,967,702	3,831	27,971,533	26,919,786
Inventories	2,040,156	17,006,247	19,046,403	17,648,866
Plant Operation Assets	-	14,091,000	14,091,000	12,387,000
Prepaid Items	711,547	1,116,621	1,828,168	2,055,749
Deferred Charges and Other Assets	1,835,187	14,798,356	16,633,543	20,372,387
Restricted Assets:				
Cash and Cash Equivalents	-	18,790,915	18,790,915	46,029,807
Investments	37,160,000	53,387,696	90,547,696	77,248,595
Receivables	-	248,717	248,717	248,595
Investment in Joint Venture	152,591,777	-	152,591,777	149,808,057
Capital Assets:				
Non-depreciable	152,487,126	72,323,229	224,810,355	281,387,145
Depreciable (Net)	470,309,247	1,345,599,111	1,815,908,358	1,743,777,120
Total Assets	1,020,911,905	1,664,573,303	2,685,485,208	2,656,428,499
LIABILITIES				
Accounts Payable and Other Current Liabilities	9,910,385	41,919,029	51,829,414	36,351,623
Accrued Liabilities	5,194,633	12,043,296	17,237,929	15,062,038
Due to Other Governments	651,524	167,868	819,392	1,072,869
Unearned Revenue	719,807	904,560	1,624,367	1,786,057
Obligations under Securities Lending	1,025,994	-	1,025,994	1,020,557
Notes Payable	2,000,000	90,000,000	92,000,000	90,000,000
Accrued Interest Payable	1,644,926	10,353,257	11,998,183	12,445,612
Noncurrent Liabilities:				
Payable within One Year	24,197,525	30,842,185	55,039,710	53,493,783
Payable in More Than One Year	164,994,507	742,345,929	907,340,436	936,198,776
Total Liabilities	210,339,301	928,576,124	1,138,915,425	1,147,431,315
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	482,099,420	598,053,416	1,080,152,836	1,054,364,360
Restricted for:				
Debt Service, Net of Related Debt	4,463,918	30,404,916	34,868,834	32,413,460
Capital Projects	41,173,646	1,342,678	42,516,324	37,057,651
Grantor Loan Programs	19,566,000	-	19,566,000	19,637,000
Other	998,080	5,293,073	6,291,153	7,745,784
Trust Donations:				
Expendable	1,723,206	-	1,723,206	1,715,834
Nonexpendable	160,000	-	160,000	160,000
Health Care:				
Expendable	16,070,970	-	16,070,970	13,725,672
Nonexpendable	37,000,000	-	37,000,000	37,000,000
Unrestricted	207,317,364	100,903,096	308,220,460	305,177,423
Total Net Assets	\$ 810,572,604	735,997,179	1,546,569,783	1,508,997,184

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, 2010
 With Summarized Financial Information for the Year Ended August 31, 2009

Functions/Programs	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			2010	2009
Governmental Activities:								
General Government	\$ (36,991,820)	20,614,039	1,730,599	1,684,485	(12,962,697)	-	(12,962,697)	(6,796,450)
Public Safety	(75,364,591)	5,034,014	4,513,715	131,049	(65,685,813)	-	(65,685,813)	(67,329,726)
Streets and Highways	(38,150,193)	3,291,012	15,242,304	13,056,892	(6,559,985)	-	(6,559,985)	12,275,641
Culture and Recreation	(25,713,710)	3,880,012	1,921,677	1,124,361	(18,787,660)	-	(18,787,660)	(21,618,166)
Economic Opportunity	(17,198,314)	1,014,906	12,304,207	27,000	(3,852,201)	-	(3,852,201)	(4,687,391)
Health and Welfare	(20,840,847)	4,257,066	13,046,524	-	(3,537,257)	-	(3,537,257)	(4,655,499)
Mass Transit	(11,198,681)	1,480,352	5,254,670	-	(4,463,659)	-	(4,463,659)	(7,007,403)
Equipment Management	(1,767,774)	1,326,194	-	25,000	(416,580)	-	(416,580)	(1,185,555)
Engineering Services	(829,470)	798,718	-	2,823	(27,929)	-	(27,929)	(185,680)
Interest on Long-Term Debt	(6,373,674)	5,112	1,000,000	119,582	(5,248,980)	-	(5,248,980)	(4,761,371)
Total Governmental Activities	(234,429,074)	41,701,425	55,013,696	16,171,192	(121,542,761)	-	(121,542,761)	(105,951,600)
Business-Type Activities:								
Parking Lots	(386,081)	468,451	-	-	-	82,370	82,370	128,097
Golf	(3,165,446)	2,771,655	-	20,000	-	(373,791)	(373,791)	(46,879)
Parking Facilities	(5,089,076)	6,747,242	-	-	-	1,658,166	1,658,166	1,899,849
Municipal Auditorium	(2,243,518)	1,594,711	-	-	-	(648,807)	(648,807)	(751,476)
Solid Waste Management	(10,607,775)	5,313,308	-	-	-	(5,294,467)	(5,294,467)	(1,420,033)
Emergency Medical Services	(3,819,895)	4,415,824	-	-	-	595,929	595,929	629,995
Wastewater System	(22,265,579)	21,661,455	-	1,887,561	-	1,283,437	1,283,437	189,145
Water System	(23,469,948)	25,012,703	-	1,900,970	-	3,443,725	3,443,725	5,066,359
Electric System	(229,241,000)	245,705,000	-	1,959,000	-	18,423,000	18,423,000	16,348,000
Total Business-Type Activities	(300,288,318)	313,690,349	-	5,767,531	-	19,169,562	19,169,562	22,043,057
Total	\$ (534,717,392)	355,391,774	55,013,696	21,938,723	(121,542,761)	19,169,562	(102,373,199)	(83,908,543)
General Revenues:								
Property Tax					48,637,701	-	48,637,701	49,370,031
Motor Vehicle Tax					4,247,118	-	4,247,118	4,323,350
Wheel Tax					11,519,622	-	11,519,622	10,697,955
Sales and Use Tax					55,362,688	-	55,362,688	54,337,312
Sundry and In Lieu Tax					54,431	-	54,431	46,078
Occupation Tax					10,847,214	1,984,400	12,831,614	12,520,440
Unrestricted Grants and Contributions					2,006,071	-	2,006,071	1,542,816
Unrestricted Investment Earnings					1,926,976	1,673,103	3,600,079	9,862,954
Miscellaneous General Revenues					793,365	893,109	1,686,474	997,113
Transfers					2,581,647	(2,581,647)	-	-
Total General Revenues and Transfers					137,976,833	1,968,965	139,945,798	143,698,049
Change in Net Assets					16,434,072	21,138,527	37,572,599	59,789,506
Net Assets - Beginning					794,138,532	714,858,652	1,508,997,184	1,449,207,678
Net Assets - Ending					\$ 810,572,604	735,997,179	1,546,569,783	1,508,997,184

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

CITY OF LINCOLN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 6,609,172	7,531,109	2,710,908	15,284,268	32,135,457
Investments	10,799,505	20,259,752	-	91,285,881	122,345,138
Invested Securities Lending Collateral	-	-	-	1,025,994	1,025,994
Receivables, (Net of Allowance for Uncollectibles)	4,786,747	1,093,027	1,303	23,885,417	29,766,494
Due from Other Funds	1,732,085	4,419,316	-	4,931,635	11,083,036
Due from Other Governments	10,252,420	11,899,787	-	5,438,210	27,590,417
Inventories	475,372	47,203	-	816,558	1,339,133
Prepaid Items	8,314,491	-	-	-	8,314,491
Total Assets	<u>42,969,792</u>	<u>45,250,194</u>	<u>2,712,211</u>	<u>142,667,963</u>	<u>233,600,160</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	982,568	3,871,697	2,182,908	2,376,897	9,414,070
Contracts Payable	-	59,723	-	191,290	251,013
Accrued Liabilities	2,029,219	126,192	-	1,609,673	3,765,084
Due to Other Funds	7,872,362	27,482	2,741	5,917,477	13,820,062
Due to Other Governments	116,361	-	-	389,749	506,110
Tax Anticipation Note	-	-	2,000,000	-	2,000,000
Note Interest Payable	-	-	1,093	-	1,093
Bond Security Deposit	-	-	1,000,000	-	1,000,000
Unearned Revenue	-	-	-	575,298	575,298
Obligations under Securities Lending	-	-	-	1,025,994	1,025,994
Deferred Revenue	1,543,700	9,578,267	-	3,230,897	14,352,864
Total Liabilities	<u>12,544,210</u>	<u>13,663,361</u>	<u>5,186,742</u>	<u>15,317,275</u>	<u>46,711,588</u>
Fund Balances (Deficits):					
Reserved for:					
Inventories	475,372	47,203	-	816,558	1,339,133
Prepaid Items	317,037	-	-	-	317,037
Improvements	3,046,200	-	-	7,296	3,053,496
Grantor Loan Programs	-	-	-	19,566,000	19,566,000
Restricted Funds	885,042	-	-	-	885,042
Debt Service	-	-	-	16,172,469	16,172,469
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	379,783	-	-	-	379,783
Designated for Subsequent Years Expenditures	3,577,797	-	-	-	3,577,797
Designated for Encumbrances	859,428	-	-	-	859,428
Undesignated	20,884,923	-	-	-	20,884,923
Special Revenue Funds:					
Designated for Subsequent Years Expenditures	-	52,100	-	1,481,896	1,533,996
Designated for Encumbrances	-	5,319,256	-	3,782,754	9,102,010
Undesignated	-	26,168,274	(2,474,531)	23,087,592	46,781,335
Capital Projects Funds:					
Designated for Encumbrances	-	-	-	2,661,119	2,661,119
Undesignated	-	-	-	6,103,803	6,103,803
Permanent Funds:					
Designated for Contingencies	-	-	-	865,000	865,000
Undesignated	-	-	-	15,646,201	15,646,201
Total Fund Balances (Deficits)	<u>30,425,582</u>	<u>31,586,833</u>	<u>(2,474,531)</u>	<u>127,350,688</u>	<u>186,888,572</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 42,969,792</u>	<u>45,250,194</u>	<u>2,712,211</u>	<u>142,667,963</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.	605,937,726
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.	152,591,777
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,352,864
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.	29,167,115
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.	(4,742,365)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(173,623,085)
Net assets of governmental activities	<u>\$ 810,572,604</u>

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

CITY OF LINCOLN, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	General Fund	Street Construction Fund	West Haymarket JPA Fund	Other Governmental Funds	Total
REVENUES					
Taxes:					
Property	\$ 28,953,318	-	-	19,963,009	48,916,327
Motor Vehicle	4,247,118	-	-	-	4,247,118
Wheel	-	-	-	11,519,622	11,519,622
Sales and Use	55,362,688	-	-	-	55,362,688
Sundry and In Lieu	41,167	-	-	16,028	57,195
Occupation	10,314,055	-	-	-	10,314,055
Special Assessment	472	-	-	1,144,826	1,145,298
Intergovernmental	3,831,371	24,036,221	-	33,772,709	61,640,301
Permits and Fees	3,781,112	1,682,121	-	10,968,986	16,432,219
Reimbursement for Services	4,881,815	23,871	-	2,098,648	7,004,334
Program Income	-	-	-	207,978	207,978
Investment Earnings	270,175	305,351	1,824	4,619,909	5,197,259
Donations	711,163	-	-	540,741	1,251,904
Keno Proceeds	-	-	-	3,132,180	3,132,180
Miscellaneous	671,103	289,604	-	914,369	1,875,076
Total Revenues	<u>113,065,557</u>	<u>26,337,168</u>	<u>1,824</u>	<u>88,899,005</u>	<u>228,303,554</u>
EXPENDITURES					
Current:					
General Government	27,216,459	-	65,068	8,583,479	35,865,006
Public Safety	53,448,064	-	-	11,231,459	64,679,523
Streets and Highways	8,362,054	7,158,846	-	4,311,323	19,832,223
Culture and Recreation	11,437,768	-	-	10,046,105	21,483,873
Economic Opportunity	246,307	-	-	15,113,321	15,359,628
Health and Welfare	224,473	-	-	21,428,256	21,652,729
Mass Transit	-	-	-	12,034,413	12,034,413
Debt Service	49,918	-	577,343	16,405,140	17,032,401
Capital Outlay	-	23,120,038	1,833,944	7,593,257	32,547,239
Total Expenditures	<u>100,985,043</u>	<u>30,278,884</u>	<u>2,476,355</u>	<u>106,746,753</u>	<u>240,487,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,080,514</u>	<u>(3,941,716)</u>	<u>(2,474,531)</u>	<u>(17,847,748)</u>	<u>(12,183,481)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	2,866,901	12,148,040	-	31,011,845	46,026,786
Transfers Out	(20,971,889)	(6,251,254)	-	(16,035,970)	(43,259,113)
Issuance of Debt	4,131,948	-	-	-	4,131,948
Sale of Capital Assets	62,885	1,243,260	-	99,212	1,405,357
Total Other Financing Sources (Uses)	<u>(13,910,155)</u>	<u>7,140,046</u>	<u>-</u>	<u>15,075,087</u>	<u>8,304,978</u>
Net Change in Fund Balances	(1,829,641)	3,198,330	(2,474,531)	(2,772,661)	(3,878,503)
Fund Balances - Beginning	<u>32,255,223</u>	<u>28,388,503</u>	<u>-</u>	<u>130,123,349</u>	<u>190,767,075</u>
Fund Balances (Deficits) - Ending	<u>\$ 30,425,582</u>	<u>31,586,833</u>	<u>(2,474,531)</u>	<u>127,350,688</u>	<u>186,888,572</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, 2010

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

Net change in fund balances - total governmental funds	\$ (3,878,503)
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.	8,335,241
The net effect of various miscellaneous transactions involving capital contributions is to increase net assets.	6,088,309
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.	933,041
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.	7,077,674
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,933,333)
Changes in the net pension obligation and the net OPEB obligation do not represent financial activity in governmental funds.	(857,118)
Changes in the interest in the underlying net assets of the joint venture do not represent financial activity in governmental funds.	2,783,720
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>(114,959)</u>
Change in net assets of governmental activities	<u>\$ 16,434,072</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Estate and Personal Property Tax	\$ 30,677,088	30,677,088	32,601,885	1,924,797
Taxes Collected by Others	55,614,362	55,614,362	54,925,013	(689,349)
Sundry Taxes and In Lieu	29,538	29,538	35,326	5,788
Occupation Taxes	11,354,160	11,354,160	10,760,491	(593,669)
Intergovernmental	3,902,519	3,902,519	3,887,002	(15,517)
Permits and Fees	2,999,903	2,999,903	3,054,960	55,057
Reimbursement for Services	2,719,030	2,719,030	2,322,805	(396,225)
Court Fees	565,000	565,000	552,526	(12,474)
Recreation Receipts	2,022,835	2,022,835	2,043,802	20,967
Investment Earnings	342,973	342,973	319,521	(23,452)
Donations	723,371	723,371	733,027	9,656
Rental Income	502,416	502,416	471,716	(30,700)
Miscellaneous	345,956	345,956	691,998	346,042
Total Revenues	<u>111,799,151</u>	<u>111,799,151</u>	<u>112,400,072</u>	<u>600,921</u>
Expenditures:				
General Government:				
Legislative	311,055	311,055	265,653	45,402
Executive	1,284,037	1,241,099	1,127,249	113,850
Financial Administration	2,429,249	2,454,449	2,372,704	81,745
Law	2,338,652	2,392,652	2,378,806	13,846
Personnel Administration	877,121	877,121	847,649	29,472
Planning and Zoning	1,778,317	1,768,567	1,699,972	68,595
Building and Plant	-	-	1,110,000	(1,110,000)
Urban Development	916,205	916,205	762,384	153,821
Miscellaneous	18,467,320	17,751,232	16,551,572	1,199,660
Total General Government	<u>28,401,956</u>	<u>27,712,380</u>	<u>27,115,989</u>	<u>596,391</u>
Public Safety:				
Police	32,750,367	32,793,305	31,340,607	1,452,698
Fire	21,577,234	21,474,567	20,947,624	526,943
Traffic Engineering	1,502,383	1,502,383	1,435,401	66,982
Total Public Safety	<u>55,829,984</u>	<u>55,770,255</u>	<u>53,723,632</u>	<u>2,046,623</u>
Streets and Highways:				
Street Maintenance	2,380,337	2,380,337	2,089,416	290,921
Street Lighting	3,784,138	3,784,138	6,274,935	(2,490,797)
Total Streets and Highways	<u>6,164,475</u>	<u>6,164,475</u>	<u>8,364,351</u>	<u>(2,199,876)</u>
Culture and Recreation:				
Parks and Recreation	11,537,791	11,527,391	11,122,129	405,262
Libraries	243,678	243,678	243,678	-
Total Culture and Recreation	<u>11,781,469</u>	<u>11,771,069</u>	<u>11,365,807</u>	<u>405,262</u>
Economic Opportunity:				
Lincoln Area Agency on Aging	245,213	245,213	245,213	-
Health and Welfare:				
Lincoln/Lancaster County Health	216,187	216,187	216,187	-
Debt Service:				
Issuance and Management Costs	-	-	49,918	(49,918)
Total Expenditures	<u>102,639,284</u>	<u>101,879,579</u>	<u>101,081,097</u>	<u>798,482</u>
Excess of Revenues Over Expenditures	<u>9,159,867</u>	<u>9,919,572</u>	<u>11,318,975</u>	<u>1,399,403</u>
Other Financing Sources (Uses):				
Transfers In	3,109,326	3,109,326	2,863,258	(246,068)
Transfers Out	(20,764,926)	(21,624,451)	(21,035,060)	589,391
Proceeds from Issuance of Debt	4,131,948	4,131,948	4,131,948	-
Sale of Capital Assets	66,088	66,088	92,555	26,467
Total Other Financing Sources (Uses)	<u>(13,457,564)</u>	<u>(14,317,089)</u>	<u>(13,947,299)</u>	<u>369,790</u>
Net Change in Fund Balances	(4,297,697)	(4,397,517)	(2,628,324)	1,769,193
Fund Balances - Beginning	23,614,376	23,614,376	23,614,376	-
Fund Balances - Ending	<u>\$ 19,316,679</u>	<u>19,216,859</u>	<u>20,986,052</u>	<u>1,769,193</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,613,270	12,613,270	15,919,139	3,305,869
Permits and Fees	-	-	218,443	218,443
Reimbursement for Services	400,000	400,000	5,297	(394,703)
Investment Earnings	100,000	100,000	123,547	23,547
Miscellaneous	-	-	8,056	8,056
Total Revenues	<u>13,113,270</u>	<u>13,113,270</u>	<u>16,274,482</u>	<u>3,161,212</u>
Expenditures -- Streets and Highways:				
Personal Services	3,847,880	3,847,880	4,016,232	(168,352)
Materials and Supplies	667,827	668,827	663,947	4,880
Other Services and Charges	3,010,718	3,400,718	2,911,466	489,252
Capital Outlay	24,449	24,449	6,881	17,568
Total Expenditures	<u>7,550,874</u>	<u>7,941,874</u>	<u>7,598,526</u>	<u>343,348</u>
Excess of Revenues Over Expenditures	<u>5,562,396</u>	<u>5,171,396</u>	<u>8,675,956</u>	<u>3,504,560</u>
Other Financing Sources (Uses):				
Transfers In	12,111,141	12,111,141	12,111,141	-
Transfers Out	(6,251,254)	(6,251,254)	(6,251,254)	-
Sale of Capital Assets	-	-	1,243,260	1,243,260
Total Other Financing Sources (Uses)	<u>5,859,887</u>	<u>5,859,887</u>	<u>7,103,147</u>	<u>1,243,260</u>
Net Change in Fund Balances	11,422,283	11,031,283	15,779,103	4,747,820
Amount Budgeted on Project Basis	(12,727,628)	(12,727,628)	(12,727,628)	-
Fund Balances - Beginning	<u>25,873,997</u>	<u>25,873,997</u>	<u>25,873,997</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 24,568,652</u>	<u>24,177,652</u>	<u>28,925,472</u>	<u>4,747,820</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, 2010

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 3,080,393	1,804,922	32,961,000	4,771,612	42,617,927	7,564,409
Investments	-	-	30,427,000	11,680,920	42,107,920	21,411,725
Restricted Assets:						
Cash and Cash Equivalents	-	-	15,764,000	937,658	16,701,658	-
Investments	1,331,676	397,309	932,000	-	2,660,985	-
Receivables, (Net of Allowance for Uncollectibles)	3,440,264	2,711,578	14,519,000	1,978,389	22,649,231	399,326
Unbilled Revenues	2,238,194	3,801,928	12,113,000	-	18,153,122	-
Due from Other Funds	1,104,649	341,866	-	830,971	2,277,486	2,145,304
Due from Other Governments	-	-	-	3,831	3,831	377,285
Inventories	102,980	840,372	15,882,000	180,895	17,006,247	701,023
Plant Operation Assets	-	-	14,091,000	-	14,091,000	-
Prepaid Expenses	-	-	1,076,000	40,621	1,116,621	394,510
Total Current Assets	<u>11,298,156</u>	<u>9,897,975</u>	<u>137,765,000</u>	<u>20,424,897</u>	<u>179,386,028</u>	<u>32,993,582</u>
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	-	-	293,000	1,796,257	2,089,257	-
Investments	13,349,964	13,811,830	22,028,000	1,536,917	50,726,711	-
Receivables	131,375	107,783	-	9,559	248,717	-
Due from Other Funds	-	-	-	74,185	74,185	-
Total Restricted Assets	<u>13,481,339</u>	<u>13,919,613</u>	<u>22,321,000</u>	<u>3,416,918</u>	<u>53,138,870</u>	<u>-</u>
Deferred Charges	743,424	663,892	13,053,000	338,040	14,798,356	-
Capital Assets:						
Land	5,820,833	5,444,607	-	10,685,112	21,950,552	48,250
Buildings	75,359,698	67,219,982	-	50,730,487	193,310,167	373,146
Improvements Other Than Buildings	247,828,003	320,129,285	-	35,945,808	603,903,096	1,159,425
Machinery and Equipment	8,551,731	8,183,784	-	12,388,267	29,123,782	27,315,648
Utility Plant	-	-	1,192,400,000	-	1,192,400,000	-
Construction in Progress	6,524,586	2,116,922	41,229,000	502,169	50,372,677	-
Less Accumulated Depreciation	(90,382,035)	(102,066,552)	(431,691,000)	(48,998,347)	(673,137,934)	(20,035,276)
Total Capital Assets, Net	<u>253,702,816</u>	<u>301,028,028</u>	<u>801,938,000</u>	<u>61,253,496</u>	<u>1,417,922,340</u>	<u>8,861,193</u>
Total Noncurrent Assets	<u>267,927,579</u>	<u>315,611,533</u>	<u>837,312,000</u>	<u>65,008,454</u>	<u>1,485,859,566</u>	<u>8,861,193</u>
Total Assets	<u>279,225,735</u>	<u>325,509,508</u>	<u>975,077,000</u>	<u>85,433,351</u>	<u>1,665,245,594</u>	<u>41,854,775</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	249,416	665,094	13,764,000	974,425	15,652,935	775,073
Construction Contracts	1,305,063	1,394,031	639,000	-	3,338,094	-
Accrued Liabilities	435,972	687,344	10,627,000	292,980	12,043,296	359,820
Accrued Compensated Absences	347,742	409,070	-	294,811	1,051,623	719,414
Due to Other Funds	-	-	-	672,291	672,291	1,087,658
Due to Other Governments	-	-	-	167,868	167,868	29,894
Unearned Revenue	-	-	-	904,560	904,560	144,509
Claims	-	-	478,000	-	478,000	5,097,887
Accrued Interest	751,467	134,393	9,430,000	37,397	10,353,257	-
Commercial Paper Notes Payable	-	-	90,000,000	-	90,000,000	-
Current Portion of Capital Lease	-	-	-	318,288	318,288	-
Current Portion of Long-Term Debt	2,785,000	6,310,000	17,820,000	2,079,274	28,994,274	-
Other	-	-	22,928,000	-	22,928,000	-
Total Current Liabilities	<u>5,874,660</u>	<u>9,599,932</u>	<u>165,686,000</u>	<u>5,741,894</u>	<u>186,902,486</u>	<u>8,214,255</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	196,528	371,633	-	68,193	636,354	711,532
Construction Contracts	2,681,630	1,227,600	-	-	3,909,230	-
Claims	-	-	-	-	-	3,616,183
Long-Term Debt, Net	80,364,615	65,463,309	566,195,000	10,895,154	722,918,078	-
Capital Lease Payable	-	-	-	1,009,368	1,009,368	-
Accrued Liabilities	84,011	119,104	33,000	146,784	382,899	145,690
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	13,490,000	13,490,000	-
Total Noncurrent Liabilities	<u>83,326,784</u>	<u>67,181,646</u>	<u>566,228,000</u>	<u>25,609,499</u>	<u>742,345,929</u>	<u>4,473,405</u>
Total Liabilities	<u>89,201,444</u>	<u>76,781,578</u>	<u>731,914,000</u>	<u>31,351,393</u>	<u>929,248,415</u>	<u>12,687,660</u>
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	178,631,892	238,080,168	131,184,000	50,157,356	598,053,416	8,861,193
Restricted for:						
Debt Service	860,936	397,377	28,866,000	280,603	30,404,916	-
Capital Projects	522,914	2,454	-	817,310	1,342,678	-
Other	-	-	-	38,083	38,083	-
Unrestricted	10,008,549	10,247,931	83,113,000	2,788,606	106,158,086	20,305,922
Total Net Assets	<u>\$ 190,024,291</u>	<u>248,727,930</u>	<u>243,163,000</u>	<u>54,081,958</u>	<u>735,997,179</u>	<u>29,167,115</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, 2010

	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	\$ 21,703,427	25,135,127	245,705,000	4,415,824	296,959,378	48,916,235
Fees	-	-	-	7,555,077	7,555,077	-
Parking Revenue	-	-	-	7,215,699	7,215,699	-
Performance Revenue	-	-	-	1,531,079	1,531,079	-
Other Operating Revenue	-	-	-	609,487	609,487	-
Total Operating Revenues	<u>21,703,427</u>	<u>25,135,127</u>	<u>245,705,000</u>	<u>21,327,166</u>	<u>313,870,720</u>	<u>48,916,235</u>
Operating Expenses						
Personal Services	-	-	-	7,480,150	7,480,150	12,693,891
Contractual Services	-	-	-	7,323,081	7,323,081	-
Operation and Maintenance	10,067,749	11,833,628	13,708,000	5,933,457	41,542,834	34,601,517
Purchased Power	-	-	110,316,000	-	110,316,000	-
Depreciation	7,163,336	7,162,359	36,311,000	3,675,106	54,311,801	2,454,921
Administrative Costs	1,596,844	2,257,664	30,471,000	-	34,325,508	-
Total Operating Expenses	<u>18,827,929</u>	<u>21,253,651</u>	<u>190,806,000</u>	<u>24,411,794</u>	<u>255,299,374</u>	<u>49,750,329</u>
Operating Income (Loss)	<u>2,875,498</u>	<u>3,881,476</u>	<u>54,899,000</u>	<u>(3,084,628)</u>	<u>58,571,346</u>	<u>(834,094)</u>
Nonoperating Revenues (Expenses)						
Investment Earnings	455,149	523,674	477,000	217,280	1,673,103	516,717
Gain (Loss) on Disposal of Capital Assets	-	-	-	(76,996)	(76,996)	41,104
Insurance Recovery	688,025	-	-	24,713	712,738	-
Occupation Tax	-	-	-	1,984,400	1,984,400	-
Payments in Lieu of Taxes	-	-	(8,717,000)	-	(8,717,000)	-
Amortization of Deferred Charges	(38,904)	(76,887)	(666,000)	(56,441)	(838,232)	-
Interest Expense and Fiscal Charges	(3,398,746)	(2,139,410)	(29,052,000)	(766,560)	(35,356,716)	(658)
Total Nonoperating Revenues (Expenses)	<u>(2,294,476)</u>	<u>(1,692,623)</u>	<u>(37,958,000)</u>	<u>1,326,396</u>	<u>(40,618,703)</u>	<u>557,163</u>
Income (Loss) Before Contributions and Transfers	581,022	2,188,853	16,941,000	(1,758,232)	17,952,643	(276,931)
Capital Contributions	1,887,561	1,900,970	1,959,000	188,856	5,936,387	179,142
Transfers In	-	-	-	677,077	677,077	10,829
Transfers Out	-	-	(1,597,000)	(1,830,580)	(3,427,580)	(27,999)
Change in Net Assets	<u>2,468,583</u>	<u>4,089,823</u>	<u>17,303,000</u>	<u>(2,722,879)</u>	<u>21,138,527</u>	<u>(114,959)</u>
Net Assets - Beginning	<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>
Net Assets - Ending	<u>\$ 190,024,291</u>	<u>248,727,930</u>	<u>243,163,000</u>	<u>54,081,958</u>	<u>735,997,179</u>	<u>29,167,115</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, 2010

	Business-Type Activities -- Enterprise Funds				Total	Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds		
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 19,478,474	24,996,296	250,213,000	20,420,040	315,107,810	10,927,186
Receipts from Interfund Services Provided	519,868	513,149	5,312,000	234,450	6,579,467	38,296,191
Payments to Suppliers for Goods and Services	(3,327,409)	(3,507,425)	(140,505,000)	(7,262,061)	(154,601,895)	(30,860,657)
Payments to Employees	(6,637,193)	(7,643,101)	(21,782,000)	(7,269,060)	(43,331,354)	(13,786,690)
Payments for Interfund Services Provided	(1,740,017)	(2,665,387)	(1,794,000)	(1,912,531)	(8,111,935)	(2,118,399)
Other Receipts	-	-	35,000	609,327	644,327	-
Net Cash Provided by Operating Activities	<u>8,293,723</u>	<u>11,693,532</u>	<u>91,479,000</u>	<u>4,820,165</u>	<u>116,286,420</u>	<u>2,457,631</u>
Cash Flows from Noncapital Financing Activities						
Occupation Tax	-	-	-	1,951,809	1,951,809	-
Payments in Lieu of Taxes	-	-	(8,178,000)	-	(8,178,000)	-
Transfers from Other Funds	-	-	-	708,000	708,000	10,829
Transfers to Other Funds	-	-	(1,519,000)	(1,830,580)	(3,349,580)	(46,202)
Advances from General Fund	-	-	-	1,252,018	1,252,018	948,553
Repayment of Advances from General Fund	-	-	-	(1,739,428)	(1,739,428)	(1,212,866)
Advances to Other Funds	-	-	-	(2,879)	(2,879)	(11,465)
Payments from Other Funds	72,494	534,102	-	229,190	835,786	163,635
Interest Paid to General Fund	-	-	-	(14,695)	(14,695)	-
Other	-	-	14,998,000	-	14,998,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>72,494</u>	<u>534,102</u>	<u>5,301,000</u>	<u>553,435</u>	<u>6,461,031</u>	<u>(147,516)</u>
Cash Flows from Capital and Related Financing Activities						
Additions to Capital Assets	(7,789,773)	(12,403,559)	(40,736,000)	(4,837,665)	(65,766,997)	(1,795,832)
Proceeds from Sale of Capital Assets	-	-	-	52,850	52,850	134,800
Insurance Recovery	688,025	-	-	24,713	712,738	-
Proceeds from Long-Term Debt	3,048,891	-	-	1,189,703	4,238,594	-
Cost of Debt Issuance	-	-	(213,000)	(8,584)	(221,584)	-
Net Salvage Value of Retiring Plant	-	-	15,000	-	15,000	-
Capital Contributions	1,563,520	856,666	1,959,000	-	4,379,186	-
Principal Payments of Capital Lease	-	-	-	(199,956)	(199,956)	(47,014)
Principal Payments of Long-Term Debt	(2,695,000)	(6,050,000)	(17,000,000)	(1,985,000)	(27,730,000)	-
Interest and Fiscal Charges Paid	(3,517,776)	(2,349,658)	(29,569,000)	(747,910)	(36,184,344)	(789)
Net Cash Used by Capital and Related Financing Activities	<u>(8,702,113)</u>	<u>(19,946,551)</u>	<u>(85,544,000)</u>	<u>(6,511,849)</u>	<u>(120,704,513)</u>	<u>(1,708,835)</u>
Cash Flows from Investing Activities						
Proceeds from Sale and Maturities of Investments	3,401,675	7,648,621	-	7,777,187	18,827,483	7,707,138
Purchases of Investments	(3,775,939)	(3,203,284)	(49,748,000)	(5,840,051)	(62,567,274)	(9,322,696)
Interest and Other Receipts	506,818	684,210	257,000	464,547	1,912,575	699,630
Net Cash Provided (Used) by Investing Activities	<u>132,554</u>	<u>5,129,547</u>	<u>(49,491,000)</u>	<u>2,401,683</u>	<u>(41,827,216)</u>	<u>(915,928)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(203,342)	(2,589,370)	(38,255,000)	1,263,434	(39,784,278)	(314,648)
Cash and Cash Equivalents - Beginning	3,283,735	4,394,292	87,273,000	6,242,093	101,193,120	7,879,057
Cash and Cash Equivalents - Ending	<u>\$ 3,080,393</u>	<u>1,804,922</u>	<u>49,018,000</u>	<u>7,505,527</u>	<u>61,408,842</u>	<u>7,564,409</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 2,875,498	3,881,476	54,899,000	(3,084,628)	58,571,346	(834,094)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	7,163,336	7,162,359	36,311,000	3,675,106	54,311,801	2,454,921
Changes in Assets and Liabilities:						
Accounts Receivable and Unbilled Revenues	(1,710,084)	375,868	402,000	(192,574)	(1,124,790)	99,347
Due from Other Funds	-	-	-	(76)	(76)	445,438
Due from Other Governments	-	-	-	2,171	2,171	(252,598)
Inventories	(22,862)	9,307	(1,425,000)	40,498	(1,398,057)	(41,675)
Plant Operation Assets	-	-	(1,704,000)	-	(1,704,000)	-
Prepaid Expenses	-	-	346,000	8,017	354,017	(135,384)
Other Assets	-	-	2,667,000	-	2,667,000	-
Accounts Payable	(130,771)	133,534	624,000	250,786	877,549	322,621
Accrued Liabilities	89,137	108,095	-	181,762	378,994	149,909
Accrued Compensated Absences	29,469	22,893	-	(7,219)	45,143	59,780
Due to Other Funds	-	-	-	80,406	80,406	5,936
Due to Other Governments	-	-	-	44,786	44,786	29,788
Unearned Revenue	-	-	-	127,130	127,130	3,049
Claims	-	-	227,000	-	227,000	150,593
Deferred Credits and Other Liabilities	-	-	(868,000)	-	(868,000)	-
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	3,694,000	3,694,000	-
Total Adjustments	5,418,225	7,812,056	36,580,000	7,904,793	57,715,074	3,291,725
Net Cash Provided by Operating Activities	<u>\$ 8,293,723</u>	<u>11,693,532</u>	<u>91,479,000</u>	<u>4,820,165</u>	<u>116,286,420</u>	<u>2,457,631</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:						
Contribution of Capital Assets	\$ 324,041	1,044,304	-	188,856	1,557,201	179,142
Purchase of Capital Assets on Account	3,986,693	2,621,631	-	65,206	6,673,530	-
Change in Fair Value of Investments	(40,953)	(207,165)	-	(187,307)	(435,425)	(175,341)

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, 2010

	<u>Police & Fire Pension Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 924,027	3,061,015
Investments:		
Pooled Investment Funds	1,410,040	-
U.S. Agency Obligations	-	2,244,459
Corporate Bonds	1,331,400	-
Private Equity	464,992	-
Mutual Funds	135,177,710	-
Real Estate Limited Partnership	9,712,116	-
Total Investments	<u>148,096,258</u>	<u>2,244,459</u>
Receivables:		
Contributions	389,421	-
Accrued Interest	684,143	42,089
Other	-	36,151
Due from Other Governments	803	-
Contractor Retainage	-	<u>927,389</u>
 Total Assets	 <u>150,094,652</u>	 <u><u>6,311,103</u></u>
LIABILITIES		
Warrants Payable	-	399,889
Accounts Payable	50,155	254,077
Accrued Liabilities	4,673	-
Accrued Compensated Absences	12,999	-
Due to Other Governments	-	3,883,269
Due to Homeowners	-	11,848
Due to Contractors	-	1,440,843
Due to Joint Venture	-	203,251
Due to Bondholders	-	<u>117,926</u>
 Total Liabilities	 <u>67,827</u>	 <u><u>6,311,103</u></u>
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	\$ <u><u>150,026,825</u></u>	

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, 2010

		Police & Fire Pension Trust Fund
Additions:		
Contributions:		
Employer	\$	4,275,295
Employee		2,296,532
Total Contributions		6,571,827
Investment Earnings:		
Interest		(108,380)
Dividends		2,395,631
Net Increase in Fair Value of Investments		3,289,408
Net Investment Earnings		5,576,659
Total Additions		12,148,486
Deductions:		
Benefit Payments		9,901,647
Refunds of Contributions		876,508
Administrative Costs		403,143
Total Deductions		11,181,298
Change in Net Assets		967,188
Net Assets Held in Trust for Pension Benefits and Other Purposes - Beginning		149,059,637
Net Assets Held in Trust for Pension Benefits and Other Purposes - Ending	\$	150,026,825

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, 2010

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

REPORTING ENTITY

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

Blended component units, although legally separate entities, are, in substance, part of the government's operations. The participants in the WHJPA are the City and University of Nebraska (UNL), and the agency is governed by a board consisting of the Mayor, a member of the UNL Board of Regents, and a member of the City Council. The purpose of the agency is to make the most efficient use of the taxing authority and other powers of the participants to facilitate the redevelopment of the West Haymarket Redevelopment Area. The WHJPA is reported as a major governmental fund in the City's financial statements. Complete separate financial statements for the WHJPA may be obtained at the City of Lincoln Finance Department, 555 South 10th Street, Suite 103, Lincoln, NE 68508.

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, 2010. 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, 2009. The amounts included in the City's 2010 financial statements for LES are amounts as of and for the year ended December 31, 2009.

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

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

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

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

The General Fund finances the day-to-day operation of the basic governmental activities, such as legislative, judicial, administration, 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 West Haymarket JPA Fund accounts for the activities of the joint public agency, a blended component unit of the City, established to facilitate the redevelopment of the West Haymarket Area.

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, 2010

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 market

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

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.

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".

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

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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

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

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

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

<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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

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 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 \$24,054,573 of the General Fund's unreserved fund balance of \$25,701,931 meets the requirements of this policy, leaving an additional unreserved balance of \$1,647,358.

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 \$158,196,487 of restricted net assets, of which enabling legislation restricts \$12,567,922.

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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

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

- 5) Budgets for all funds are adopted on a basis inconsistent with accounting principles generally accepted in the United States of America (GAAP). Since encumbrances are included in the City's budget accounting, year-end encumbrances are reappropriated to the next year in the budget process. Various funds have expenditures automatically appropriated through the budget resolution, based on funds available. These expenditures are reflected in the original and final budgets at amounts equal to the actual expenditures. Budget basis expenditures are presented on a cash basis.

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

- 6) Appropriation controls are required at the departmental level. However, as a matter of policy and practice, appropriations generally are controlled at the next level of organization (division) or by fund within a department.
- 7) Operating appropriations lapse at the end of the 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 the West Haymarket JPA component unit, certain special revenue (Advance Acquisition, Police & Fire Pension Contributions, Special Assessment, Impact Fees, Fast Forward, Parks & Recreation Special Projects, Seniors Foundation of Lincoln & Lancaster County, and R.P. Crawford Park), 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 \$15,205,970, 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, 2009, 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

ESTIMATES

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

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

In 2010, the City implemented the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which 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. The implementation of GASB 51 did not have a material impact on the financial statements.

In 2010, the City implemented the provisions of GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The implementation of GASB 53 did not have a material impact on the financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

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.

GASB has issued Statements No. 59, *Financial Instruments Omnibus*, effective for periods beginning after June 15, 2010. The objective of Statement No. 59 is to improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

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

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

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

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, are not reported in the funds.” The details of the \$173,623,085 difference are as follows:

Bonds Payable	\$ 124,988,473
Less deferred charge for issuance costs	(1,835,187)
Less issuance discounts	(20,577)
Plus issuance premiums	2,597,706
Capital Leases Payable	28,989,369
Accrued Interest Payable	1,643,833
Net Pension Obligation	3,595,657
Net OPEB Obligation	1,904,919
Compensated Absences	<u>11,758,892</u>
Net difference	<u>\$ 173,623,085</u>

CITY OF LINCOLN, NEBRASKA
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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 \$8,335,241 difference are as follows:

Capital outlay	\$ 31,525,515
Depreciation expense	<u>(23,190,274)</u>
Net difference	<u>\$ 8,335,241</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 \$7,077,674 difference are as follows:

Debt issued or incurred:	
Issuance of capital lease	\$ (1,110,000)
Issuance of certificates of participation	(3,021,948)
Deferred charge for issuance costs	562,591
Amortization of deferred items	(559)
Principal repayments	<u>10,647,590</u>
Net difference	<u>\$ 7,077,674</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(3,933,333) difference are as follows:

Loss on disposal of capital assets	\$ (3,983,086)
Construction contracts	448,261
Other	41,131
Accrued interest	36,461
Compensated absences	<u>(476,100)</u>
Net difference	<u>\$ (3,933,333)</u>

(3) RESTRICTED ASSETS

Certain proceeds of the enterprise funds revenue bonds and resources set aside for their repayment are classified as restricted assets on the statement of net 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.

CITY OF LINCOLN, NEBRASKA
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A recap of restrictions and related balances at August 31, 2010 are as follows:

Fund Account	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	EMS	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals
Principal and Interest	\$ 4,330	303,312	-	-	-	1,331,676	397,309	16,696,000	18,732,627
Reserve	316,500	1,815,575	-	400,000	-	6,416,951	9,386,640	22,239,000	40,574,666
Depreciation and Replacement	100,000	682,850	-	-	-	-	-	-	782,850
Construction	-	-	-	14,490	-	7,064,388	4,532,973	82,000	11,693,851
Capital Projects	3,892	6,461	9,616	-	659,468	-	-	-	679,437
Marketing	-	-	38,082	-	-	-	-	-	38,082
	\$ 424,722	2,808,198	47,698	414,490	659,468	14,813,015	14,316,922	39,017,000	72,501,513

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

(4) DEPOSITS AND INVESTMENTS

DEPOSITS

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

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to provide a bond 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, 2012, 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.

CITY OF LINCOLN, NEBRASKA
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INVESTMENTS

At August 31, 2010, the City had the following investments, maturities and credit ratings:

Type	Fair Value	August 31, 2010 Maturities in Years				Credit Rating	
		Less than 1	1-5	6-10	More than 10	Moody's	S&P
General City:							
U.S. Treasury Obligations	\$ 69,118,621	54,012,000	15,106,621	-	-	N/A	N/A
U.S. Sponsored Agency Obligations	143,858,491	75,297,170	68,561,321	-	-	Aaa	AAA
Collateralized Repurchase Agreements	4,982,098	4,982,098	-	-	-	N/A	N/A
Collateralized Investment Agreements	1,120,000	-	-	1,120,000	-	A1	A+ (Fitch)
Collateralized Investment Agreements	3,139,981	-	-	-	3,139,981	A3	A-
Collateralized Investment Agreements	4,930,000	-	-	-	4,930,000	Aaa	AA-
Money Market Funds - U.S. Treasury	3,986,824	3,986,824	-	-	-	N/A	N/A
Money Market Funds - U.S. Agencies	41,667,056	41,667,056	-	-	-	Aaa	AAAm
External Investment Trust	16,950,000	16,950,000	-	-	-	Not rated	Not rated
Tax Increment Financing Investments	2,767,427	-	238,953	1,414,915	1,113,559	Not rated	Not rated
Fixed Income Mutual Funds	135,703	135,703	-	-	-	Not rated	Not rated
Equities	269,047	269,047	-	-	-	Not rated	Not rated
Complementary Strategies	53,285	53,285	-	-	-	Not rated	Not rated
Real Assets	80,834	80,834	-	-	-	Not rated	Not rated
Total General City	293,059,367	197,434,017	83,906,895	2,534,915	9,183,540		
Community Health Endowment:							
Money Market Mutual Funds	519,671	519,671	-	-	-	Not rated	Not rated
Mutual Funds							
Convertible Bonds	5,007,595	5,007,595	-	-	-	Not rated	Not rated
Institutional Funds							
Fixed Income	11,439,866	11,439,866	-	-	-	Not rated	Not rated
Intermediate Term Credit	6,555,625	6,555,625	-	-	-	Not rated	Not rated
Large Cap Equity	6,492,897	6,492,897	-	-	-	Not rated	Not rated
International Equity	5,017,156	5,017,156	-	-	-	Not rated	Not rated
High-Yield Bonds	4,001,450	4,001,450	-	-	-	Not rated	Not rated
Emerging Markets Equity	2,999,230	2,999,230	-	-	-	Not rated	Not rated
Hedge Funds	2,555,718	2,555,718	-	-	-	Not rated	Not rated
U.S. Treasuries	2,516,591	2,516,591	-	-	-	Not rated	Not rated
Small Cap Equity	1,512,406	1,512,406	-	-	-	Not rated	Not rated
Commodities	1,253,818	1,253,818	-	-	-	Not rated	Not rated
Real Estate	257,029	257,029	-	-	-	Not rated	Not rated
Limited Partnership	1,168,240	1,168,240	-	-	-	Not rated	Not rated
U.S. Treasuries	1,409,827	-	1,409,827	-	-	Aaa	AAA
Securities lending short-term investment pool	1,025,994	1,025,994	-	-	-	Not rated	Not rated
Total Community Health Endowment:	53,733,113	52,323,286	1,409,827	-	-		
Police & Fire Pension Trust:							
Corporate Bonds	1,331,400	-	-	-	1,331,400	B (Fitch)	B+
Mutual Funds	135,177,710	-	-	-	-		
Private Equity	464,992	-	-	-	-		
Real Estate Limited Partnerships	9,712,116	-	-	-	-		
Total Police & Fire Pension Trust	146,686,218						
Total Primary Government	\$ 493,478,698						

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, 2010, 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 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.

<u>Type</u>	<u>Portfolio Composition</u>	<u>Policy Limits on Issuer</u>
U.S. agency obligations:		
Federal Home Loan Bank	23.91 %	40.00 %
Federal Home Loan Mortgage Corporation	7.26	40.00
Federal National Mortgage Association	12.67	40.00
Federal Farm Credit Bank	5.26	40.00

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.

Community Health Endowment (CHE) Policy

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

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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 requires the average duration of the fixed income portfolio to be no more than 120% of the appropriate fixed income benchmark. Mutual and institutional 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 fixed income securities to issues with at least BBB-/Baa3 ratings. Short-term fixed income issues should have a minimum A-2/P-2 rating.

Concentration of Credit Risk. CHE limits the percentage of cost that may be invested in any one industry, company and issuer. CHE's portfolio shall not own more than 5% of the outstanding securities of any single issuer. Exceptions are allowed where a fund's benchmark includes securities greater than 3%, in which case the investment manager may have no more than the securities index weight plus 2%. The entire portfolio shall have no more than 5% of its assets invested in the securities of any one issuer, with the exception of U.S. Treasury and U.S. agencies obligations.

Foreign Currency Risk. This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. CHE had no investment denominated in foreign currency at August 31, 2010.

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.

CITY OF LINCOLN, NEBRASKA
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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, 2010:

	Totals		
Investments	\$	493,478,698	
Deposits and Cash on Hand		2,234,242	
	\$	495,712,940	
	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Totals
Cash and Cash Equivalents	\$	82,317,793	3,985,042
Investments		148,704,783	150,340,717
Invested Securities Lending		1,025,994	-
Restricted Assets:			
Cash and Cash Equivalents		18,790,915	-
Investments		90,547,696	-
	\$	341,387,181	154,325,759
			495,712,940

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, 2010, securities lending transactions included U.S. treasuries and U.S. agency obligations.

Cash collateral is invested in one of the lending agent's short-term investment pools that had an average duration of 85 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. Either CHE or the borrowers can terminate all securities loans on demand. Subsequent to August 31, 2010, CHE liquidated the securities lending transactions and terminated its participation in the program.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
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(5) **RECEIVABLES**

Receivables at August 31, 2010, consist of the following (in thousands):

Fund	Taxes	Accounts	Loans	Contributions	Special Assessment		Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
					Current	Deferred				
General	\$ 3,177	1,529	-	-	-	-	81	4,787	-	4,787
Street Construction	-	996	-	-	-	-	97	1,093	-	1,093
West Haymarket JPA	-	-	-	-	-	-	1	1	-	1
Wastewater System	-	5,679	-	-	-	-	131	5,810	-	5,810
Water System	-	6,513	-	-	-	-	108	6,621	-	6,621
Electric System	-	26,384	-	-	-	-	248	26,632	-	26,632
Nonmajor -										
Special Revenue	1,174	467	24,607	-	382	1,250	188	28,068	5,164	22,904
Debt Service	795	-	-	-	-	-	93	888	-	888
Capital Projects	-	1	-	-	-	-	77	78	-	78
Permanent	-	-	-	-	-	-	15	15	-	15
Enterprise	-	5,352	-	-	-	-	96	5,448	3,460	1,988
Internal Service	-	237	-	-	-	-	162	399	-	399
Fiduciary	-	36	-	389	-	-	727	1,152	-	1,152
	\$ 5,146	47,194	24,607	389	382	1,250	2,024	80,992	8,624	72,368

Enterprise funds customer accounts receivable include unbilled charges for services.

Delinquent special assessment receivables at August 31, 2010, were \$194,468.

(6) **DUE FROM OTHER GOVERNMENTS**

The total of Due From Other Governments of \$27,971,533 includes the following significant items:

Fund/Fund Type	Amount	Service
General/General	\$ 9,633,161	State of Nebraska, July/August Sales and Use Tax
	392,007	August Motor Vehicle Taxes Collected by Lancaster County
	67,154	Federal Government, Cost Reimbursements
	17,167	State of Nebraska, Cost Reimbursements
	125,707	Lancaster County, Cost Reimbursements
Street Construction/Special Revenue	2,921,919	State of Nebraska, July/August Highway User Fees
	179,875	Railroad Transportation Safety District, Cost Reimbursements
	8,338,417	Federal Government, Cost Reimbursements
	20,164	State of Nebraska, Cost Reimbursements
	439,412	Lancaster County, Cost Reimbursements
Lincoln Area Agency on Aging/Special Revenue	13,136	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	355,621	Lancaster County, Cost Reimbursements
Snow Removal/Special Revenue	101,594	August Motor Vehicle Taxes Collected by Lancaster County
StarTran/Special Revenue	26,815	Federal Government, Cost Reimbursements
Federal Grants/Special Revenue	3,077,747	Federal Government, Cost Reimbursements
	666,246	State of Nebraska, Cost Reimbursements
Antelope Valley/Tax Supported Bonds/Debt Service	166,666	State of Nebraska, July/August Development Fund Disbursements
Vehicle Tax/Capital Projects	995,534	August Motor Vehicle Taxes Collected by Lancaster County
Storm Sewer Construction/Capital Projects	24,893	Federal Government, Cost Reimbursements
Information Services/Internal Service	336,850	Lancaster County Billings
Fleet Services/Internal Service	11,506	Lincoln Public Schools Billings
Copy Services/Internal Service	22,570	Lancaster County Billings
Subtotal	27,934,161	
All other	37,372	
Total Due From Other Governments	\$ 27,971,533	

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(7) **CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2010 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 65,038,172	1,305,178	2,477,225	63,866,125
Construction in Progress	89,070,850	13,015,846	13,465,695	88,621,001
Total Capital Assets, not being Depreciated	<u>154,109,022</u>	<u>14,321,024</u>	<u>15,942,920</u>	<u>152,487,126</u>
Capital Assets, being Depreciated:				
Buildings	74,492,330	2,317,474	147,222	76,662,582
Improvements Other Than Buildings	61,762,633	3,387,349	227,817	64,922,165
Machinery and Equipment	77,567,053	7,042,858	2,927,207	81,682,704
Infrastructure	512,144,037	22,895,115	108,546	534,930,606
Total Capital Assets, being Depreciated	<u>725,966,053</u>	<u>35,642,796</u>	<u>3,410,792</u>	<u>758,198,057</u>
Less Accumulated Depreciation for:				
Buildings	28,984,131	1,868,252	140,031	30,712,352
Improvements Other Than Buildings	24,912,466	1,950,067	129,809	26,732,724
Machinery and Equipment	46,524,484	6,328,168	2,770,885	50,081,767
Infrastructure	164,888,695	15,498,708	25,436	180,361,967
Total Accumulated Depreciation	<u>265,309,776</u>	<u>25,645,195</u>	<u>3,066,161</u>	<u>287,888,810</u>
Total Capital Assets, being Depreciated, Net	<u>460,656,277</u>	<u>9,997,601</u>	<u>344,631</u>	<u>470,309,247</u>
Governmental Activities Capital Assets, Net	<u>\$ 614,765,299</u>	<u>24,318,625</u>	<u>16,287,551</u>	<u>622,796,373</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 21,691,556	367,472	108,476	21,950,552
Construction in Progress	105,586,567	59,195,878	114,409,768	50,372,677
Total Capital Assets, not being Depreciated	<u>127,278,123</u>	<u>59,563,350</u>	<u>114,518,244</u>	<u>72,323,229</u>
Capital Assets, being Depreciated:				
Buildings	192,385,546	1,080,445	155,824	193,310,167
Improvements Other Than Buildings	561,805,034	45,458,544	3,360,482	603,903,096
Machinery and Equipment	27,641,957	2,689,264	1,207,439	29,123,782
Utility Plant	1,128,630,000	68,127,000	4,357,000	1,192,400,000
Total Capital Assets, being Depreciated	<u>1,910,462,537</u>	<u>117,355,253</u>	<u>9,080,745</u>	<u>2,018,737,045</u>
Less Accumulated Depreciation for:				
Buildings	62,349,048	4,573,420	155,824	66,766,644
Improvements Other Than Buildings	149,444,539	11,704,462	3,360,482	157,788,519
Machinery and Equipment	16,320,107	1,722,919	1,151,255	16,891,771
Utility Plant	399,228,000	36,311,000	3,848,000	431,691,000
Total Accumulated Depreciation	<u>627,341,694</u>	<u>54,311,801</u>	<u>8,515,561</u>	<u>673,137,934</u>
Total Capital Assets, being Depreciated, Net	<u>1,283,120,843</u>	<u>63,043,452</u>	<u>565,184</u>	<u>1,345,599,111</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,410,398,966</u>	<u>122,606,802</u>	<u>115,083,428</u>	<u>1,417,922,340</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 1,103,159
Public Safety	1,851,825
Streets and Highways, including Infrastructure	14,868,202
Culture and Recreation	3,559,691
Economic Opportunity	59,205
Health and Welfare	279,387
Mass Transit	1,468,805
Subtotal	<u>23,190,274</u>
Internal Service Funds Capital Assets	
Depreciation is charged to the various functions based on usage of the assets.	2,454,921
Total Depreciation Expense - Governmental	<u>\$ 25,645,195</u>
Business-type Activities:	
Parking Lots	\$ 26,983
Golf	535,153
Parking Facilities	1,146,213
Pershing Municipal Auditorium	47,657
Solid Waste Management	1,919,100
Wastewater System	7,163,336
Water System	7,162,359
Lincoln Electric System	36,311,000
Total Depreciation Expense - Business-type	<u>\$ 54,311,801</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	\$ 5,774,849	45,984	-	5,820,833
Construction in Progress	3,799,297	7,712,835	4,987,546	6,524,586
Total Capital Assets, not being Depreciated	<u>9,574,146</u>	<u>7,758,819</u>	<u>4,987,546</u>	<u>12,345,419</u>
Capital Assets, being Depreciated:				
Buildings	75,192,066	323,456	155,824	75,359,698
Improvements Other Than Buildings	242,828,463	5,002,341	2,801	247,828,003
Machinery and Equipment	8,783,360	81,045	312,674	8,551,731
Total Capital Assets, being Depreciated	<u>326,803,889</u>	<u>5,406,842</u>	<u>471,299</u>	<u>331,739,432</u>
Less Accumulated Depreciation for:				
Buildings	20,013,832	1,709,167	155,824	21,567,175
Improvements Other Than Buildings	59,411,477	4,958,640	2,801	64,367,316
Machinery and Equipment	4,234,440	495,529	282,425	4,447,544
Total Accumulated Depreciation	<u>83,659,749</u>	<u>7,163,336</u>	<u>441,050</u>	<u>90,382,035</u>
Total Capital Assets, being Depreciated, Net	<u>243,144,140</u>	<u>(1,756,494)</u>	<u>30,249</u>	<u>241,357,397</u>
Wastewater System Capital Assets, Net	<u>\$ 252,718,286</u>	<u>6,002,325</u>	<u>5,017,795</u>	<u>253,702,816</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Water System:				
Capital Assets, not being Depreciated:				
Land	\$ 5,123,119	321,488	-	5,444,607
Construction in Progress	30,363,834	7,933,962	36,180,874	2,116,922
Total Capital Assets, not being Depreciated	<u>35,486,953</u>	<u>8,255,450</u>	<u>36,180,874</u>	<u>7,561,529</u>
Capital Assets, being Depreciated:				
Buildings	66,986,924	233,058	-	67,219,982
Improvements Other Than Buildings	288,236,209	35,249,281	3,356,205	320,129,285
Machinery and Equipment	6,898,028	1,812,303	526,547	8,183,784
Total Capital Assets, being Depreciated	<u>362,121,161</u>	<u>37,294,642</u>	<u>3,882,752</u>	<u>395,533,051</u>
Less Accumulated Depreciation for:				
Buildings	21,167,628	1,729,142	-	22,896,770
Improvements Other Than Buildings	73,336,417	4,977,547	3,356,205	74,957,759
Machinery and Equipment	4,271,065	455,670	514,712	4,212,023
Total Accumulated Depreciation	<u>98,775,110</u>	<u>7,162,359</u>	<u>3,870,917</u>	<u>102,066,552</u>
Total Capital Assets, being Depreciated, Net	<u>263,346,051</u>	<u>30,132,283</u>	<u>11,835</u>	<u>293,466,499</u>
Water System Capital Assets, Net	<u>\$ 298,833,004</u>	<u>38,387,733</u>	<u>36,192,709</u>	<u>301,028,028</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Lincoln Electric System:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 68,035,000	40,827,000	67,633,000	41,229,000
Capital Assets, being Depreciated:				
Utility Plant	1,128,630,000	68,127,000	4,357,000	1,192,400,000
Less Accumulated Depreciation	399,228,000	36,311,000	3,848,000	431,691,000
Total Capital Assets, being Depreciated, Net	<u>729,402,000</u>	<u>31,816,000</u>	<u>509,000</u>	<u>760,709,000</u>
Electric System Capital Assets, Net	<u>\$ 797,437,000</u>	<u>72,643,000</u>	<u>68,142,000</u>	<u>801,938,000</u>

During 2010, Lincoln Wastewater System incurred \$3,612,415 of interest cost, of which \$213,669 was capitalized into construction in progress. Lincoln Water System incurred \$3,247,849 of interest cost, of which \$1,108,439 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 2009 was 4.6%.

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(8) INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds at August 31, 2010, consist of the following:

Due To	Due From						
	General Fund	Street Construction	West Haymarket JPA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ -	338	2,461	27,984	660,892	1,040,410	1,732,085
Street Construction	1,462,925	-	-	2,956,391	-	-	4,419,316
Nonmajor Governmental	2,631,524	-	-	2,300,111	-	-	4,931,635
Lincoln Wastewater System	581,735	-	-	522,914	-	-	1,104,649
Lincoln Water System	339,412	-	-	2,454	-	-	341,866
Nonmajor Enterprise	897,150	8,006	-	-	-	-	905,156
Internal Service	1,959,616	19,138	280	107,623	11,399	47,248	2,145,304
	<u>\$ 7,872,362</u>	<u>27,482</u>	<u>2,741</u>	<u>5,917,477</u>	<u>672,291</u>	<u>1,087,658</u>	<u>15,580,011</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, 2010, consist of the following:

Transfer To	Transfer From						
	General Fund	Street Construction	Nonmajor Governmental	Lincoln Electric System	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ -	-	400,873	1,597,000	851,029	17,999	2,866,901
Street Construction	969,393	-	11,178,647	-	-	-	12,148,040
Nonmajor Governmental	19,376,419	6,250,425	4,405,450	-	979,551	-	31,011,845
Nonmajor Enterprise	626,077	-	51,000	-	-	-	677,077
Internal Service	-	829	-	-	-	10,000	10,829
Total	<u>\$ 20,971,889</u>	<u>6,251,254</u>	<u>16,035,970</u>	<u>1,597,000</u>	<u>1,830,580</u>	<u>27,999</u>	<u>46,714,692</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) **DEBT OBLIGATIONS**

SHORT-TERM

Established by City Ordinance, LES may borrow up to \$150 million under a commercial paper note program. At December 31, 2009, 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, 2009, was 0.54 percent. 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 weighted average length of maturity of commercial paper for 2009 was 62 days.

Lincoln Electric System:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Commercial Paper Notes	\$ <u>90,000,000</u>	<u>514,500,000</u>	<u>(514,500,000)</u>	<u>90,000,000</u>	<u>90,000,000</u>

The City of Lincoln is authorized by Ordinance No. 19402 to issue up to \$22,500,000 of General Obligation Bond Anticipation Notes and \$27,500,000 of General Obligation Tax Anticipation Notes for the purpose of providing interim financing for costs in connection with construction of a new arena and related improvements in the West Haymarket area of the City. As of August 31, 2010, only \$2,000,000 of tax anticipation notes had been issued. The notes are payable 120 days after their date of issuance and bear interest at 0.60% plus 70% of LIBOR. The full faith and credit and the taxing powers of the City have been pledged for the payment of the principal and interest on the notes. Payment of the principal and interest on the notes will be paid from the proceeds of bonds to be issued by the West Haymarket JPA (see Note 25).

City of Lincoln:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax Anticipation Notes	\$ <u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>

LONG-TERM

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

Net assets of \$3,448,228, \$2,928,428, and \$9,795,813, 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

CITY OF LINCOLN, NEBRASKA
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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	12,914,750	-
Improvements	219,925	-
Infrastructure	12,460,176	-
Machinery and Equipment	1,838,042	3,278,413
Less Accumulated Depreciation, (where applicable)	(4,348,400)	(2,271,231)
Total	\$ 23,600,243	\$ 1,217,182

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.

Lincoln Wastewater System has entered into a loan agreement with the Nebraska Department of Environmental Quality consisting of two separate contracts. Funding totaling \$5,000,000 is available under Contract A to fund certain sewer system extension and repairs. During the year ended August 31, 2010, Lincoln Wastewater System incurred project costs totaling \$4,136,604, resulting in the recognition of \$1,250,000 of federal grant funds as capital contributions and a project loan payable of \$3,048,891. The remaining \$863,396 under Contract A is not reflected on the financial statements. Under Contract B Lincoln Wastewater System has available a \$5,000,000 loan, subject to availability of state and federal funds, to finance certain projects of the system. No costs were incurred under Contract B during the year ended August 31, 2010, therefore, the available loan is not reflected on the financial statements. The interest rate for these loans range from 0.0 to 2.0 percent.

CITY OF LINCOLN, NEBRASKA
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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	\$ 4,775
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	"	525
6,350	05/29/02	Storm Sewer and Drainage	3.000 - 5.000	Serial 2004 to 2020	2010	"	4,625
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	"	6,180
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	"	4,395
9,950	06/15/05	Storm Sewer Construction	3.250 - 4.250	Serial 2006 to 2025	2015	"	8,070
8,295	06/27/07	Stormwater Drainage and Flood Mgmt	4.625 - 5.000	Serial 2008 to 2027	2017	"	7,535
Total General Bonds							\$ 48,330
Tax Allocation Bonds:							
1,035	04/21/04	Tax Allocation Bonds	2.000 - 3.200	Serial 2004 to 2011	2008	Semiannually	290
5,500	04/21/04	Tax Allocation Bonds	3.000 - 4.800	Serial 2004 to 2015	2010	"	3,325
365	08/15/05	Tax Allocation Bonds	4.750	Serial 2006 to 2018	Anytime	"	244
288	10/01/06	Tax Allocation Bonds	5.100	Serial 2008 to 2016	Anytime	"	219
2,205	04/05/07	Tax Allocation Bonds	5.000 - 5.550	Serial 2009 to 2018	2012	"	2,030
601	06/01/07	Tax Allocation Bonds	5.240	Serial 2008 to 2018	Anytime	"	571
388	06/01/07	Tax Allocation Bonds	5.240	Serial 2007 to 2020	Anytime	"	323
369	06/15/07	Tax Allocation Bonds	5.400	Serial 2007 to 2014	Anytime	"	239
42	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2021	Anytime	"	39
71	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2017	Anytime	"	67
474	07/15/08	Tax Allocation Bonds	4.660	Serial 2009 to 2022	Anytime	"	382
547	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	501
200	08/01/08	Tax Allocation Bonds	4.610	Serial 2009 to 2022	Anytime	"	182
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							\$ 12,398
Tax Supported Bonds:							
35,000	03/17/04	Highway Allocation Fund	2.000 - 5.000	Serial 2007 to 2023	2014	Semiannually	33,365
27,000	12/05/06	Highway Allocation Fund	4.000 - 5.000	Serial 2008 to 2027	2016	"	24,290
Total Tax-Supported Bonds							\$ 57,655
TOTAL GENERAL OBLIGATION BONDS							\$ 118,383
Tax Supported Bonds:							
11,080	3/13/02	Antelope Valley Project	1.500 - 5.000	Serial 2002 to 2016	2012	Semiannually	\$ 6,605
Business-Type Activities:							
Revenue Bonds:							
39,235	07/31/03	Wastewater Revenue	2.000 - 5.000	Serial 2004 to 2023	2013	Semiannually	\$ 28,060
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	"	15,525
16,710	04/18/07	Wastewater Revenue	4.000 - 4.500	Serial 2008 to 2029	2017	"	15,310
3,750	04/18/07	Wastewater Revenue	4.375	Term 2032	2017	"	3,750
Total Wastewater Bonds							\$ 78,410
11,850	11/22/02	Water Revenue	2.750 - 5.000	Serial 2005 to 2017	2012	Semiannually	\$ 7,075
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	-	"	6,965
40,000	11/16/04	Water Revenue	3.000 - 5.000	Serial 2005 to 2025	2014	"	34,110
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							\$ 70,230
6,695	09/08/99	Parking Revenue Series A	5.375	Term 2014	2009	"	\$ 5,525
4,360	12/18/01	Parking Revenue	3.750 - 5.000	Serial 2002 to 2017	2011	"	2,210
1,640	12/18/01	Parking Revenue	5.125	Term 2021	2011	"	1,640
Total Parking Bonds							\$ 9,375
3,165	11/27/01	Golf Course Revenue Refunding	2.300 - 4.050	Serial 2002 to 2011	2008	Semiannually	\$ 365
4,000	08/17/06	Solid Waste Management Revenue	4.000 - 4.250	Serial 2007 to 2021	2013	Semiannually	\$ 3,230
148,190	10/01/02	Electric Revenue and Refunding Bonds	4.000 - 5.000	Serial 2004 to 2025	2012	"	92,730
93,045	10/01/03	Electric Revenue and Refunding Bonds	3.000 - 5.000	Serial 2004 to 2026	2014	"	81,370
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	"	179,835
81,850	05/15/07	Electric Revenue and Refunding Bonds	4.500 / 4.750	Term 2034 & 2037	2016	"	81,850
Total Electric Bonds							\$ 584,050
TOTAL REVENUE BONDS							\$ 745,660

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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
2011	\$ 7,288	5,130	685	299	3,575	1,010
2012	8,162	4,816	710	271	4,008	920
2013	8,063	4,474	740	238	2,779	798
2014	8,385	4,120	780	200	2,772	709
2015	8,700	3,746	815	162	2,863	618
2016 - 2020	41,294	12,956	2,875	173	8,504	1,825
2021 - 2025	31,551	4,516	-	-	2,673	729
2026 - 2030	4,940	319	-	-	1,662	137
2031 - 2035	-	-	-	-	153	3
	<u>\$ 118,383</u>	<u>40,077</u>	<u>6,605</u>	<u>1,343</u>	<u>28,989</u>	<u>6,749</u>

Fiscal Year Ended August 31	Business-Type Activities					
	Revenue Bonds		Loans Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 29,000	35,271	-	-	318	31
2012	28,750	33,895	112	62	258	24
2013	27,800	32,481	139	35	198	18
2014	29,265	31,121	140	33	205	13
2015	28,955	29,673	142	32	152	7
2016 - 2020	166,625	125,483	735	133	197	7
2021 - 2025	128,475	87,971	780	89	-	-
2026 - 2030	111,185	60,614	829	40	-	-
2031 - 2035	116,345	33,258	172	2	-	-
2036 - 2040	79,260	6,078	-	-	-	-
	<u>\$ 745,660</u>	<u>475,845</u>	<u>3,049</u>	<u>426</u>	<u>1,328</u>	<u>100</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
2011	\$ 2,785	3,607	6,310	3,192	17,820	27,840
2012	2,992	3,566	5,380	2,905	18,680	26,956
2013	3,119	3,423	3,310	2,647	19,610	26,007
2014	3,225	3,296	3,425	2,506	20,595	25,010
2015	3,347	3,147	3,555	2,354	21,620	23,972
2016 - 2020	18,760	13,338	20,055	9,147	125,255	102,390
2021 - 2025	23,115	8,691	20,130	4,300	84,860	75,017
2026 - 2030	21,389	3,078	4,045	1,434	86,580	56,141
2031 - 2035	2,727	171	4,020	464	109,770	32,626
2036 - 2040	-	-	-	-	79,260	6,078
	<u>\$ 81,459</u>	<u>42,317</u>	<u>70,230</u>	<u>28,949</u>	<u>584,050</u>	<u>402,037</u>

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Long-term liability activity for the year ended August 31, 2010 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	\$ 52,440	-	(4,110)	48,330	3,835
Tax Allocation Bonds	13,356	-	(958)	12,398	1,003
Tax Supported Bonds	59,385	-	(1,730)	57,655	2,450
Tax Supported Antelope Valley Project Bonds	7,265	-	(660)	6,605	685
Capital Leases	28,094	4,132	(3,237)	28,989	3,575
Gross Bonds and Leases Payable	160,540	4,132	(10,695)	153,977	11,548
Deferred Amounts:					
For Issuance Premiums	2,698	-	(100)	2,598	-
For Issuance Discounts	(23)	-	2	(21)	-
Net Bonds and Leases Payable	163,215	4,132	(10,793)	156,554	11,548
Other Liabilities:					
Compensated Absences	12,654	7,316	(6,780)	13,190	7,021
Construction Contracts	5,237	650	(800)	5,087	530
Claims and Judgements	8,564	22,118	(21,968)	8,714	5,098
Net Pension Obligation	3,983	51	(438)	3,596	-
Net OPEB Obligation	711	1,340	-	2,051	-
Governmental Activities Long-Term Liabilities	\$ 194,364	35,607	(40,779)	189,192	24,197
Business-Type Activities:					
Bonds, Loans and Leases Payable:					
Wastewater Revenue Bonds	\$ 81,105	-	(2,695)	78,410	2,785
Wastewater Loan Payable	-	3,049	-	3,049	-
Water Revenue Bonds	76,280	-	(6,050)	70,230	6,310
Parking Revenue Bonds	10,810	-	(1,435)	9,375	1,510
Golf Course Revenue Bonds	715	-	(350)	365	365
Solid Waste Management Revenue Bonds	3,430	-	(200)	3,230	210
Electric System Revenue Bonds	601,050	-	(17,000)	584,050	17,820
Capital Leases	338	1,190	(200)	1,328	318
Gross Bonds, Loans and Leases Payable	773,728	4,239	(27,930)	750,037	29,318
Deferred Amounts:					
For Issuance Premiums	18,576	-	(2,593)	15,983	-
For Issuance Discounts	(12,349)	-	1,776	(10,573)	-
For Refunding	(2,637)	-	430	(2,207)	(6)
Net Bonds and Leases Payable	777,318	4,239	(28,317)	753,240	29,312
Other Liabilities:					
Compensated Absences	1,643	1,049	(1,004)	1,688	1,052
Construction Contracts	5,451	645	(2,187)	3,909	-
Claims and Judgements	1,001	7,185	(7,708)	478	478
Accrued Liabilities	-	33	-	33	-
Net OPEB Obligation	119	231	-	350	-
Accrued Landfill Closure/Postclosure Care Costs	9,796	3,694	-	13,490	-
Business-Type Activities Long-Term Liabilities	\$ 795,328	17,076	(39,216)	773,188	30,842

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
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Long-term liability activity for the major enterprise funds for the year ended August 31, 2010, was as follows (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lincoln Wastewater System:					
Bonds Payable:					
Wastewater Revenue Bonds	81,105	-	(2,695)	78,410	2,785
Wastewater Loan Payable	-	3,049	-	3,049	-
Deferred For Issuance Premiums	1,794	-	(93)	1,701	-
Deferred For Issuance Discounts	(10)	-	-	(10)	-
Net Bonds Payable	<u>82,889</u>	<u>3,049</u>	<u>(2,788)</u>	<u>83,150</u>	<u>2,785</u>
Other Liabilities:					
Compensated Absences	515	359	(330)	544	348
Construction Contracts	2,889	54	(261)	2,682	-
Net OPEB Obligation	29	55	-	84	-
Total Long-Term Liabilities	<u>\$ 86,322</u>	<u>3,517</u>	<u>(3,379)</u>	<u>86,460</u>	<u>3,133</u>
Lincoln Water System:					
Bonds Payable:					
Water Revenue Bonds	\$ 76,280	-	(6,050)	70,230	6,310
Deferred for Issuance Premiums	2,180	-	(336)	1,844	-
Deferred For Issuance Discounts	(36)	-	1	(35)	-
Deferred for Refunding	(401)	-	135	(266)	-
Net Bonds Payable	<u>78,023</u>	<u>-</u>	<u>(6,250)</u>	<u>71,773</u>	<u>6,310</u>
Other Liabilities:					
Compensated Absences	758	404	(381)	781	409
Construction Contracts	2,562	591	(1,926)	1,227	-
Net OPEB Obligation	41	78	-	119	-
Total Long-Term Liabilities	<u>\$ 81,384</u>	<u>1,073</u>	<u>(8,557)</u>	<u>73,900</u>	<u>6,719</u>
Lincoln Electric System:					
Bonds Payable:					
Electric System Revenue Bonds	\$ 601,050	-	(17,000)	584,050	17,820
Deferred for Issuance Premiums	14,592	-	(2,165)	12,427	-
Deferred for Issuance Discounts	(12,303)	-	1,775	(10,528)	-
Deferred for Refunding	(2,224)	-	290	(1,934)	-
Net Bonds Payable	<u>601,115</u>	<u>-</u>	<u>(17,100)</u>	<u>584,015</u>	<u>17,820</u>
Other Liabilities:					
Claims and Judgements	1,001	7,185	(7,708)	478	478
Accrued Liabilities	-	33	-	33	-
Total Long-Term Liabilities	<u>\$ 602,116</u>	<u>7,218</u>	<u>(24,808)</u>	<u>584,526</u>	<u>18,298</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, 2010, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Street Construction Fund
Net Change in Fund Balances:		
Balance on a GAAP basis	\$(1,829,641)	3,198,330
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.	(798,683)	(146,855)
Amount budgeted on a project basis.	-	12,727,628
Balance on a budget basis	<u>\$ (2,628,324)</u>	<u>15,779,103</u>

CITY OF LINCOLN, NEBRASKA
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(11) DEFICIT NET ASSETS

The following funds had a net asset or fund balance deficit as of August 31, 2010:

Major Governmental - West Haymarket JPA Fund	\$ (2,474,531)
Special Revenue - Impact Fees Fund	(101,808)
Internal Service - Engineering Revolving Fund	(331,035)

The West Haymarket JPA Fund deficit will be reduced by proceeds from the issuance of bonds.

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

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

(12) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

General Fund	
Building and Plant	\$ 1,110,000
Street Lighting	2,490,797
Debt Service	49,918

(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, 2010, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	408
Terminated plan members entitled to but not yet receiving benefits	26
Active plan members (non-DROP)	561
DROP members	55
Total	1,050
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 2010 was 10.7% of annual covered payroll. Actual contributions by the City were 11.7% 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	\$ 3,752
Interest on net pension obligation	302
Adjustment to annual required contribution	(478)
Annual pension cost	3,576
Contributions made	3,963
Decrease in net pension obligation	(387)
Net pension obligation beginning	3,983
Net pension obligation ending	\$ 3,596

Three-Year Trend Information
(Dollar amounts in thousands)

Year Ended	Annual Pension Cost (APC)	Annual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation
August 31				
2010	\$ 3,576	\$ 3,963	111 %	\$ 3,596
2009	3,123	3,572	114	3,983
2008	3,907	3,456	88	4,432

Actuarial Methods and Assumptions – The annual required contribution for the current year was determined as part of the August 31, 2008, 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 thirty years.

Funded Status and Funding Progress – As of August 31, 2010, the most recent actuarial valuation date, the plan was 88 percent funded. The actuarial accrued liability for benefits was \$195,206,000, and the actuarial value of assets was \$172,317,000, resulting in an unfunded actuarial accrued liability (UAIL) of

CITY OF LINCOLN, NEBRASKA
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\$22,889,000. The covered payroll (annual payroll of active employees covered by the plan) was \$34,233,000, and the ratio of the UAAL to the covered payroll was 66.86 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, 2009, LES incurred contribution expense of approximately \$3,143,000 (9.5% of covered payroll) and its employees contributed approximately \$2,117,000 (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, 2009, was \$1,806,788. City contributions totaled \$210,349 or 11.6% of covered payroll. There were no employee contributions made for the year ended December 31, 2009.

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, 2009, total payroll was approximately \$73,098,000 and covered payroll was approximately \$64,753,000. City contributions totaled \$7,147,081 or 11.0% of covered payroll and employee contributions totaled \$3,693,124 or 5.7% of covered payroll. Employees made \$104,982 in voluntary contributions for the year ended December 31, 2009.

(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

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coverage. The City recognizes as OPEB the implicit rate subsidy provided to retirees when their premium is the “full cost” of the insurer’s charge for the active population. Since the retirees have higher costs, the premium they pay is not expected to cover their costs, and the difference is essentially covered by the City’s payment for active employees. The City plan is a single-employer defined benefit plan. The City does not issue a separate report that includes financial statements and required supplementary information for OPEB.

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

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

The net OPEB obligation as of August 31, 2010, was calculated as follows:

(Dollar amounts in thousands)

Annual required contribution	\$ 2,111
Interest on net OPEB obligation	37
Adjustment to annual required contribution	<u>(51)</u>
Annual OPEB cost	2,097
Contributions made	<u>(526)</u>
Increase in net OPEB obligation	1,571
Net OPEB obligation beginning	830
Net OPEB obligation ending	<u><u>\$ 2,401</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 <u>August 31</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 2,097,000	25.1 %	\$ 2,401,000
2009	656,000	37.2	830,000
2008	662,000	36.9	418,000

Funded Status and Funding Progress – As of September 1, 2009, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial liability for benefits was \$19,796,000 and the actuarial value of assets was zero, resulting in an unfunded actuarial liability (UAL) of \$19,796,000. Annual covered payroll was approximately \$112,002,000, and the ratio of the UAL to the covered payroll was 17.7%.

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
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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, 2009, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% discount rate and an annual healthcare cost trend rate of 9.5% initially, reduced by decrements to an ultimate rate of 5.0% for 2020 and beyond. Participation assumptions include 60% of eligible civilian members and 40% of eligible Fire/Police members electing coverage, with 30% and 20% participation assumed for civilian and Fire/Police spouses, respectively. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a period of thirty years.

PEHP – Defined Contribution Plan

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

Terms for eligibility and contribution rates are specified in the City's various collective bargaining agreements. Individual employee accounts consist of employer contributions, investment returns and any forfeiture allocations. Current employer contributions range from \$18-\$50 per pay period based on union contracts. Current year contributions totaled approximately \$894,000.

(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 2009 tax levy, for the 2009-2010 fiscal year, was \$84,939,527 below the legal limit, with a tax rate per \$100 valuation of \$0.2879. The assessed value upon which the 2009 levy was based was \$15,746,453,582.

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 2009-2010 are recorded as revenue in the fund financial statements when expected to be collected within 60 days after August 31, 2010. 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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(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, 2010, 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 \$8,714,070 were recorded at August 31, 2010. Excluding medical care claims approximating \$1,228,000, 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 2.36% 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, 2010 and 2009:

<u>2010</u>	Worker's Compensation and Others	Long-Term Disability	Health and Dental	Total
Balance at September 1	\$ 6,267,000	604,770	1,691,707	8,563,477
Current year claims and changes in estimates	3,088,000	370,067	18,659,998	22,118,065
Claims payments	(2,765,000)	(78,654)	(19,123,818)	(21,967,472)
Balance at August 31	<u>\$ 6,590,000</u>	<u>896,183</u>	<u>1,227,887</u>	<u>8,714,070</u>

<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>

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>2009</u>	<u>2008</u>
Balance beginning of year	\$ 1,001,000	1,202,000
Claims accrued	7,185,000	3,848,000
Claims paid/other	(7,708,000)	(4,049,000)
Balance end of year	<u>\$ 478,000</u>	<u>1,001,000</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, 2010, approximately 96% of the full-time, regular City's employees are represented by a Union. The existing union contracts will expire either in August 2011 or August 2012. Public Association of Government Employees contract negotiations are currently under review by the Commission on Industrial Relations.

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

CITY OF LINCOLN, NEBRASKA
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the extent of remediation required. Management does not believe that changes in these cost estimates will have a materially adverse effect on the financial statements.

The City of Lincoln owns a solid waste disposal area which discontinued operations in 1990, but still requires certain closure and postclosure care, including the construction of final cover, monitoring of groundwater conditions and landfill gas migration, and general site maintenance. While accrual of closure and postclosure care costs has been reflected in the financial statements in the current year, 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, 2010, the City's commitment to developers is estimated to be approximately \$41,000,000.

STREET CONSTRUCTION PROJECTS

The City's Street Construction Capital Projects Fund has commitments under major construction contracts in progress of approximately \$5,500,000 as of August 31, 2010, 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 \$4,900,000 at August 31, 2010.

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$1,600,000 as of August 31, 2010.

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 \$6,600,000 in 2009. 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 \$18,600,000 in 2009.

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 \$23,400,000, \$21,000,000, \$21,800,000, \$19,600,000, and \$21,500,000, respectively, in each of the five years subsequent to December 31, 2009.

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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 \$26,000,000 are reflected in utility plant at December 31, 2009.

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 2009, LES billed the County approximately \$3,200,000 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 \$119 million to the LRS participants for past freight overcharges plus an expectation of present value rate benefits of approximately \$245 million due to a new tariff the STB ordered to be charged through 2024. BNSF remitted \$15,000,000 to LES, which has been escrowed pending an appeal filed by BNSF.

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 Unit #4 - 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.

(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, 2010, the City had incurred a liability of approximately \$9,140,000 for the municipal solid waste landfill which represents the amount of costs reported to date based on the approximately 47 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$10.1 million, which will be recognized as the remaining capacity is used (estimated to be approximately 24 years).

CITY OF LINCOLN, NEBRASKA
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August 31, 2010

As of August 31, 2010, the City had incurred a liability of approximately \$558,000 for the construction and demolition debris landfill which represents the amount of costs reported to date based on the approximately 52 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$508,000, which will be recognized as the remaining capacity is used (estimated to be approximately 20 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, 2010, a liability for closure and postclosure care costs is recorded in the amount of approximately \$3,792,000, 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, 2010.

(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 \$82,307,000 for the Water System and \$94,913,000 for the Wastewater System based on borrowing rates currently available as of August 31, 2010.

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,

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

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, 2010, is presented as follows:

	Golf	Parking Facilities	Solid Waste Management
CONDENSED STATEMENT OF NET ASSETS			
Assets:			
Current Assets, excluding Due from Other Funds	\$ 69,933	6,595,701	9,198,687
Due from Other Funds	20,554	352,048	443,862
Restricted Assets	399,838	2,500,861	394,336
Deferred Charges	8,868	259,619	60,969
Capital Assets	5,722,449	35,118,904	19,661,219
Total Assets	<u>6,221,642</u>	<u>44,827,133</u>	<u>29,759,073</u>
Liabilities:			
Current Liabilities, excluding Due to Other Funds	998,377	2,627,327	617,984
Due to Other Funds	600,389	1,848	2,197
Noncurrent Liabilities	496,310	7,866,328	16,574,228
Total Liabilities	<u>2,095,076</u>	<u>10,495,503</u>	<u>17,194,409</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	5,020,071	27,565,296	16,821,065
Restricted	107,175	966,631	14,490
Unrestricted	(1,000,680)	5,799,703	(4,270,891)
Total Net Assets	<u>\$ 4,126,566</u>	<u>34,331,630</u>	<u>12,564,664</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS			
Operating Revenues	\$ 2,777,524	6,747,738	5,322,585
Depreciation Expense	(535,153)	(1,146,213)	(1,919,100)
Other Operating Expenses	(2,562,064)	(3,340,601)	(8,482,526)
Operating Income (Loss)	(319,693)	2,260,924	(5,079,041)
Nonoperating Revenues (Expenses):			
Investment Earnings	(2,765)	121,654	70,400
Loss on Disposal of Capital Assets	(5,212)	-	(62,895)
Insurance Recovery	1,900	-	-
Occupation Tax	-	-	1,984,400
Interest Expense and Fiscal Charges	(63,017)	(602,262)	(143,254)
Capital Contributions	71,722	-	61,270
Transfers	46,500	(843,000)	(979,551)
Change in Net Assets	(270,565)	937,316	(4,148,671)
Beginning Net Assets	4,397,131	33,394,314	16,713,335
Ending Net Assets	<u>\$ 4,126,566</u>	<u>34,331,630</u>	<u>12,564,664</u>
CONDENSED STATEMENT OF CASH FLOWS			
Net Cash Provided (Used) by:			
Operating Activities	\$ 292,121	3,552,865	557,259
Noncapital Financing Activities	344,665	(822,518)	1,177,788
Capital and Related Financing Activities	(634,013)	(2,267,319)	(4,266,791)
Investing Activities	(12,126)	1,001,393	1,613,670
Net Increase (Decrease) in Cash	(9,353)	1,464,421	(918,074)
Beginning Balance	118,015	2,090,624	3,258,436
Ending Balance	<u>\$ 108,662</u>	<u>3,555,045</u>	<u>2,340,362</u>

(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 \$96,508,891 in wastewater revenue bonds & loans. Proceeds 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 debt is 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 debt is \$123,775,832, with annual payments expected to require 59 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$6,426,444 and \$10,807,502, respectively.

CITY OF LINCOLN, NEBRASKA
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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 \$99,179,389, with annual payments expected to require 76.5 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$9,508,097 and \$12,424,175, 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 \$986,087,000, with annual payments expected to require 52 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$45,946,000 and \$91,687,000, 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 \$379,782, with annual payments expected to require 83 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$378,783 and \$217,360, 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 \$11,394,813, with annual payments expected to require 50 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$1,993,519 and \$3,528,791, 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 \$4,162,312, with annual payments expected to require 15 percent of net revenues. Principal and interest paid for the current year and net system revenues were \$340,425 and \$0, respectively.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

(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, 2010, the City made rental payments of approximately \$2.6 million to the Commission.

As of August 31, 2010, the Commission has bonds outstanding of \$43,770,000 attributable to several bond issues. Certain proceeds from the bonds totaling \$28,925,000 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 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.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

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, 2010, total assets of JAVA reached approximately \$182 million, an increase of \$3 million from the prior year. The City's equity interest increased by approximately \$3 million to \$153 million.

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

(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 \$280,000 in 2009. The total amount of payments to LES for energy was approximately \$84,000 in 2009.

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 \$89,000 in 2009. The total amount of payments to LES for energy was approximately \$9.5 million in 2009.

CITY OF LINCOLN, NEBRASKA
Notes to the Financial Statements
August 31, 2010

(25) **SUBSEQUENT EVENTS**

In September 2010, the WHJPA issued \$100,000,000 in General Obligation Facility Bonds, Taxable Series 2010A, to provide a portion of the funds necessary to pay the costs of constructing, equipping, furnishing, and financing the development of the West Haymarket facilities. Debt service principal payments are scheduled annually beginning in 2020 at amounts that range from \$2,440,000 to \$5,855,000 with the final maturity December 2045. The bonds are Build America Bonds and, as such, the WHJPA has elected to receive a federal subsidy of 35 percent from the U.S. Department of the Treasury for a portion of the interest payable on the bonds. The interest rates on the bonds range from 3.50 to 5.00 percent prior to the federal subsidy. The federal subsidy reduces the true interest cost to 3.20 percent.

In December 2010, the WHJPA issued an additional \$100,000,000 in General Obligation Facility Bonds, Series 2010B and C. The first series was \$67,965,000 of taxable Build America Bonds, with the federal government providing a 35 percent subsidy. The second series was \$32,035,000 of taxable Recovery Zone Economic Development Bonds, which have a federal subsidy of 45 percent. Debt service principal payments are scheduled annually beginning in 2020 at amounts that range from \$2,440,000 to \$5,855,000 with the final maturity December 2045. The two series have interest rates ranging from 4.00 to 6.75 percent prior to the federal subsidy. The federal subsidy reduces the true interest cost to 3.75 percent.

In November 2010, the City issued \$7,780,000 in Certificates of Participation, Series 2010B, to provide funds for the purchase and improvements to the former Experian Building. Interest rates range from 2.00 to 3.50 percent and the final maturity is November 2025. Debt service principal payments are scheduled annually at amounts that range from \$495,000 to \$650,000.

Also in December 2010, the City issued \$2,065,000 of taxable Parking Revenue Bonds, Series 2010B, to provide a portion of the funds necessary to pay the costs of constructing a new downtown garage. The interest rates on the bonds range from 1.25 to 2.85 percent and the final maturity is August 2014. Debt service principal payments are scheduled annually at amounts that range from \$305,000 to \$600,000.

In January 2011, the City issued an additional \$18,520,000 of tax exempt Parking Revenue Bonds, Series 2011, to provide the remainder of funds necessary to pay the costs of constructing a new downtown garage and the refunding of the 1999A bonds. The interest rates on the bonds range from 2.000 to 5.209 percent and the final maturity is August 2031. Debt service principal payments are scheduled annually at amounts that range from \$545,000 to \$1,780,000.

In February 2011, the City issued \$8,200,000 of General Obligation Stormwater Bonds, Series 2011, to provide a portion of the funds necessary to pay the costs of constructing extensions of and improvements to the City's stormwater system. The interest rates on the bonds range from 2.00 to 4.50 percent and the final maturity is June 2030. Debt service principal payments are scheduled annually at amounts that range from \$365,000 to \$615,000.

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information
August 31, 2010

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, 2010	\$ 172,317	\$ 195,206	\$ 22,889	88.3 %	\$ 34,233	66.9 %
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

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

Year Ended August 31	Annual Required Contribution	Annual Pension Contribution	Percentage Contributed
2010	\$ 3,752	\$ 3,963	106 %
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

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, 2009	\$ 0	\$ 19,796	\$ 19,796	0.0 %	\$ 112,002	17.7 %
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, 2010

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 9,292,675	3,638,429	1,716,626	636,538	15,284,268
Investments	23,078,770	10,907,944	4,241,556	53,057,611	91,285,881
Invested Securities Lending Collateral	-	-	-	1,025,994	1,025,994
Receivables, (Net of Allowance for Uncollectibles)	22,903,804	888,080	78,436	15,097	23,885,417
Due from Other Funds	1,619,683	688,981	2,600,818	22,153	4,931,635
Due from Other Governments	4,249,965	167,818	1,020,427	-	5,438,210
Inventories	816,558	-	-	-	816,558
Total Assets	61,961,455	16,291,252	9,657,863	54,757,393	142,667,963
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,658,090	-	666,758	52,049	2,376,897
Contracts Payable	-	-	125,141	-	125,141
Retainages Payable	-	-	66,149	-	66,149
Accrued Liabilities	1,601,614	-	-	8,059	1,609,673
Due to Other Funds	5,907,387	-	10,000	90	5,917,477
Due to Other Governments	389,749	-	-	-	389,749
Unearned Revenue	575,298	-	-	-	575,298
Obligations under Securities Lending	-	-	-	1,025,994	1,025,994
Deferred Revenue	3,087,221	118,783	24,893	-	3,230,897
Total Liabilities	13,219,359	118,783	892,941	1,086,192	15,317,275
Fund Balances:					
Reserved for:					
Inventories	816,558	-	-	-	816,558
Improvements	7,296	-	-	-	7,296
Long Term Loans Receivable	19,566,000	-	-	-	19,566,000
Debt Service	-	16,172,469	-	-	16,172,469
Trust Donations (nonexpendable)	-	-	-	160,000	160,000
Health Care (nonexpendable)	-	-	-	37,000,000	37,000,000
Unreserved:					
Designated for Subsequent Years Expenditures	1,481,896	-	-	-	1,481,896
Designated for Encumbrances	3,782,754	-	2,661,119	-	6,443,873
Designated for Contingencies	-	-	-	865,000	865,000
Undesignated	23,087,592	-	6,103,803	15,646,201	44,837,596
Total Fund Balances	48,742,096	16,172,469	8,764,922	53,671,201	127,350,688
Total Liabilities and Fund Balances	\$ 61,961,455	16,291,252	9,657,863	54,757,393	142,667,963

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Taxes:					
Property	\$ 11,808,431	8,154,578	-	-	19,963,009
Wheel	1,093,215	-	10,426,407	-	11,519,622
Sundry and In Lieu	10,762	5,266	-	-	16,028
Special Assessment	1,144,826	-	-	-	1,144,826
Intergovernmental	32,202,170	1,286,248	284,291	-	33,772,709
Permits and Fees	10,845,723	-	123,263	-	10,968,986
Reimbursement for Services	2,098,648	-	-	-	2,098,648
Program Income	207,978	-	-	-	207,978
Investment Earnings	486,614	253,977	161,095	3,718,223	4,619,909
Donations	404,035	-	116,706	20,000	540,741
Keno Proceeds	3,132,180	-	-	-	3,132,180
Miscellaneous	285,998	5,112	581,220	42,039	914,369
Total Revenues	<u>63,720,580</u>	<u>9,705,181</u>	<u>11,692,982</u>	<u>3,780,262</u>	<u>88,899,005</u>
EXPENDITURES					
Current:					
General Government	8,583,479	-	-	-	8,583,479
Public Safety	11,231,459	-	-	-	11,231,459
Streets and Highways	4,311,323	-	-	-	4,311,323
Culture and Recreation	10,040,946	-	-	5,159	10,046,105
Economic Opportunity	15,113,321	-	-	-	15,113,321
Health and Welfare	20,018,177	-	-	1,410,079	21,428,256
Mass Transit	12,034,413	-	-	-	12,034,413
Debt Service:					
Principal Retirement	-	10,087,532	-	-	10,087,532
Interest and Fiscal Charges	-	6,280,716	-	-	6,280,716
Miscellaneous	-	36,892	-	-	36,892
Capital Outlay	-	-	7,593,257	-	7,593,257
Total Expenditures	<u>81,333,118</u>	<u>16,405,140</u>	<u>7,593,257</u>	<u>1,415,238</u>	<u>106,746,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,612,538)</u>	<u>(6,699,959)</u>	<u>4,099,725</u>	<u>2,365,024</u>	<u>(17,847,748)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	18,234,632	7,689,254	5,087,959	-	31,011,845
Transfers Out	(3,644,528)	(872,698)	(11,518,744)	-	(16,035,970)
Sale of Capital Assets	99,212	-	-	-	99,212
Total Other Financing Sources (Uses)	<u>14,689,316</u>	<u>6,816,556</u>	<u>(6,430,785)</u>	<u>-</u>	<u>15,075,087</u>
Net Change in Fund Balances	(2,923,222)	116,597	(2,331,060)	2,365,024	(2,772,661)
Fund Balances - Beginning	<u>51,665,318</u>	<u>16,055,872</u>	<u>11,095,982</u>	<u>51,306,177</u>	<u>130,123,349</u>
Fund Balances - Ending	<u>\$ 48,742,096</u>	<u>16,172,469</u>	<u>8,764,922</u>	<u>53,671,201</u>	<u>127,350,688</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.

Federal Grants Fund - Includes federal sub-funds as follows:

Community Development Block Grant Fund - To account for the costs of providing services under the City's Community Development Block Grant Program with funding provided by grants from the Department of Housing and Urban Development.

Grants-In-Aid Fund - To account for monies received from various federal and state agencies under several small categorical grants and the City's matching funds where applicable. Monies are utilized to provide services as stipulated in the individual grant agreements.

Workforce Investment Act (WIA) Fund - To account for the costs of providing services under the Workforce Investment Act with funding provided by grants from the Department of Labor.

Disaster Recovery (FEMA) Fund - To account for reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood damage. Funds are used to reimburse other funds for related costs and to pay disaster related expenses.

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

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

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

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.

Seniors 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 Fund- To be used for the Polley Music Library.

R.P. Crawford Park Fund - To accumulate resources required to be distributed from the Crawford Trust per IRS regulations. Such funds to be held until the end of the Trust period, then combined with the Trust assets to be used for the purchase of land and the developemnt of a City park and playground.

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2010

	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	StarTran
ASSETS											
Cash and Cash Equivalents	\$ 260,906	157,613	211,974	773,003	103,980	201,987	95,945	170,356	345,981	-	520,928
Investments	702,161	423,126	571,793	2,056,166	280,178	474,588	259,594	440,280	930,878	-	1,300,256
Receivables, (Net of Allowance for Uncollectibles)											
Taxes	-	-	-	629,394	-	-	-	-	154,982	389,421	-
Accounts	-	14,715	-	3,353	4,903	17,689	474	161,800	-	-	12,880
Accrued Interest	4,890	3,168	4,345	10,208	3,534	2,757	446	1,954	7,647	-	5,934
Special Assessment	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	49,424	29,831	40,227	144,674	24,913	33,429	18,234	30,950	65,499	-	91,571
Due from Other Governments	-	-	-	1,271	20,362	355,621	101,594	-	309	-	26,815
Inventories	-	-	-	-	-	-	380,500	-	-	-	436,058
Total Assets	1,017,381	628,453	828,339	3,618,069	437,870	1,086,071	856,787	805,340	1,505,296	389,421	2,394,442
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	-	-	753	80,784	31,821	94,512	104,333	4,932	3,387	-	101,369
Accrued Liabilities	-	-	881	144,983	72,667	217,906	7,601	76,123	157,673	319,692	184,364
Due to Other Funds	-	-	-	1,456	4,776	43,009	2,665	1,624	-	-	12,143
Due to Other Governments	124	-	-	136	1,626	5,320	-	13	-	-	-
Unearned Revenue	-	-	350,684	-	-	-	-	-	-	-	45,869
Deferred Revenue	-	-	-	123,324	-	363,905	474	161,800	31,924	69,729	10
Total Liabilities	124	-	352,318	350,683	110,890	724,652	115,073	244,492	192,984	389,421	343,755
Fund Balances (Deficits):											
Reserved for:											
Inventories	-	-	-	-	-	-	380,500	-	-	-	436,058
Improvements	-	-	-	-	-	-	-	7,296	-	-	-
Long Term Loans Receivable	-	-	-	-	-	-	-	-	-	-	-
Unreserved:											
Designated for Subsequent Years' Expenditures	-	-	364	765,750	30,001	89,965	3,139	31,429	341,777	-	76,116
Designated for Encumbrances	-	-	-	82,057	1,821	928	15,500	-	-	-	1,538,513
Undesignated	1,017,257	628,453	475,657	2,419,579	295,158	270,526	342,575	522,123	970,535	-	-
Total Fund Balances (Deficits)	1,017,257	628,453	476,021	3,267,386	326,980	361,419	741,714	560,848	1,312,312	-	2,050,687
Total Liabilities and Fund Balances (Deficits)	\$ 1,017,381	628,453	828,339	3,618,069	437,870	1,086,071	856,787	805,340	1,505,296	389,421	2,394,442

Unemployment Compensation	Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Fast Forward	Development Services Center	Parks & Recreation Special Projects	Seniors Foundation Of Lincoln & Lancaster County	Library Special Trust	RP Crawford Park	Total
41,349	563,455	914,183	910,089	785,171	1,144,277	1,661,942	65,524	258,979	29,775	46,082	29,176	9,292,675
113,215	1,514,107	-	3,258,154	2,048,161	3,078,531	4,470,274	178,399	696,443	80,051	124,651	77,764	23,078,770
-	-	-	-	-	-	-	-	-	-	-	-	1,173,797
-	125,726	86,260	38,456	300	-	-	-	2	-	-	-	466,558
848	11,466	3,051	28,786	16,642	39,940	33,355	1,384	5,105	821	1,053	580	187,914
-	-	-	1,509,535	-	-	-	-	-	-	-	-	1,509,535
-	-	19,566,000	-	-	-	-	-	-	-	-	-	19,566,000
7,917	106,606	47,265	172,345	144,114	216,651	314,620	12,556	49,024	5,598	8,717	5,518	1,619,683
-	-	3,743,993	-	-	-	-	-	-	-	-	-	4,249,965
-	-	-	-	-	-	-	-	-	-	-	-	816,558
<u>163,329</u>	<u>2,321,360</u>	<u>24,360,752</u>	<u>5,917,365</u>	<u>2,994,388</u>	<u>4,479,399</u>	<u>6,480,191</u>	<u>257,863</u>	<u>1,009,553</u>	<u>116,245</u>	<u>180,503</u>	<u>113,038</u>	<u>61,961,455</u>
-	36,697	1,157,902	6,872	13,970	66	-	142	20,550	-	-	-	1,658,090
-	-	297,467	-	117,124	2,789	-	-	-	-	2,344	-	1,601,614
-	25,297	12,049	1,198,321	27,610	4,578,352	-	51	-	34	-	-	5,907,387
-	61,899	320,227	-	6	-	-	-	384	14	-	-	389,749
-	-	-	-	178,745	-	-	-	-	-	-	-	575,298
-	-	897,062	1,438,993	-	-	-	-	-	-	-	-	3,087,221
-	123,893	2,684,707	2,644,186	337,455	4,581,207	-	193	20,934	48	2,344	-	13,219,359
-	-	-	-	-	-	-	-	-	-	-	-	816,558
-	-	-	-	-	-	-	-	-	-	-	-	7,296
-	-	19,566,000	-	-	-	-	-	-	-	-	-	19,566,000
95,000	-	-	-	48,355	-	-	-	-	-	-	-	1,481,896
-	33,890	2,110,045	-	-	-	-	-	-	-	-	-	3,782,754
68,329	2,163,577	-	3,273,179	2,608,578	(101,808)	6,480,191	257,670	988,619	116,197	178,159	113,038	23,087,592
<u>163,329</u>	<u>2,197,467</u>	<u>21,676,045</u>	<u>3,273,179</u>	<u>2,656,933</u>	<u>(101,808)</u>	<u>6,480,191</u>	<u>257,670</u>	<u>988,619</u>	<u>116,197</u>	<u>178,159</u>	<u>113,038</u>	<u>48,742,096</u>
<u>163,329</u>	<u>2,321,360</u>	<u>24,360,752</u>	<u>5,917,365</u>	<u>2,994,388</u>	<u>4,479,399</u>	<u>6,480,191</u>	<u>257,863</u>	<u>1,009,553</u>	<u>116,245</u>	<u>180,503</u>	<u>113,038</u>	<u>61,961,455</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, 2010

	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	StarTran
Revenues:											
Real Property and Personal Property Tax	\$ -	-	-	6,240,074	-	-	-	-	1,528,238	4,040,119	-
Wheel Tax	-	-	-	-	-	-	1,093,215	-	-	-	-
Sundry and In Lieu Tax	-	-	-	5,812	-	-	-	-	1,433	3,517	-
Special Assessment	-	-	-	-	-	1,320	1,673	-	-	-	-
Intergovernmental	-	-	-	617,163	1,198,405	2,205,821	-	199,765	-	-	5,126,598
Permits and Fees	-	-	295,141	492,637	82,507	3,104,565	-	1,069,142	-	-	1,374,687
Reimbursement for Services	183	411,445	-	-	198,402	596,800	-	-	-	-	105,920
Program Income	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	17,531	11,441	11,281	13,327	7,642	14,489	-	2,377	12,378	-	8,374
Donations	-	-	-	-	43,489	2,000	-	-	-	-	-
Keno Proceeds	-	-	-	-	-	-	-	-	-	-	-
Private Sector Share of Projects	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	18,897	-	30,179	628	1,892	-	11,200	6	-	45,739
Total Revenues	17,714	441,783	306,422	7,399,192	1,531,073	5,926,887	1,094,888	1,282,484	1,542,055	4,043,636	6,661,318
Expenditures -- Current:											
General Government	1,292	-	81,282	-	-	-	-	-	2,232,765	4,043,636	-
Public Safety	-	-	-	-	-	-	-	3,435,394	-	-	-
Streets and Highways	-	-	-	-	-	-	4,308,236	-	-	-	-
Culture and Recreation	-	-	-	7,401,461	-	-	-	-	-	-	-
Economic Opportunity	-	-	-	-	3,710,966	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	11,348,800	-	-	-	-	-
Mass Transit	-	-	-	-	-	-	-	-	-	-	11,872,611
Total Expenditures	1,292	-	81,282	7,401,461	3,710,966	11,348,800	4,308,236	3,435,394	2,232,765	4,043,636	11,872,611
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,422	441,783	225,140	(2,269)	(2,179,893)	(5,421,913)	(3,213,348)	(2,152,910)	(690,710)	-	(5,211,293)
Other Financing Sources (Uses):											
Transfers In	-	-	-	-	2,223,821	5,275,163	1,943,544	2,198,335	-	-	4,961,422
Transfers Out	(21,350)	(211,345)	-	-	-	(178)	-	-	-	-	(35,287)
Sale of Capital Assets	84,681	-	-	8,656	-	-	-	1,000	-	-	4,875
Total Other Financing Sources (Uses)	63,331	(211,345)	-	8,656	2,223,821	5,274,985	1,943,544	2,199,335	-	-	4,931,010
Net Change In Fund Balances	79,753	230,438	225,140	6,387	43,928	(146,928)	(1,269,804)	46,425	(690,710)	-	(280,283)
Fund Balances (Deficits) - Beginning	937,504	398,015	250,881	3,260,999	283,052	508,347	2,011,518	514,423	2,003,022	-	2,330,970
Fund Balances (Deficits) - Ending	\$ 1,017,257	628,453	476,021	3,267,386	326,980	361,419	741,714	560,848	1,312,312	-	2,050,687

Unemployment Compensation	Keno	Federal Grants	Special Assessment	Building & Safety	Impact Fees	Fast Forward	Development Services Center	Parks & Recreation Special Projects	Seniors Foundation Of Lincoln & Lancaster County	Library Special Trust	RP Crawford Park	Total
-	-	-	-	-	-	-	-	-	-	-	-	11,808,431
-	-	-	-	-	-	-	-	-	-	-	-	1,093,215
-	-	-	-	-	-	-	-	-	-	-	-	10,762
-	-	-	1,141,833	-	-	-	-	-	-	-	-	1,144,826
-	-	22,844,402	-	-	-	-	-	10,016	-	-	-	32,202,170
-	-	1,051,613	-	3,325,739	49,692	-	-	-	-	-	-	10,845,723
-	-	487,209	-	180,466	-	-	-	118,223	-	-	-	2,098,648
-	-	207,978	-	-	-	-	-	-	-	-	-	207,978
1,997	27,344	13,092	76,286	48,576	-	120,739	4,930	14,675	1,973	2,445	75,717	486,614
-	-	210,995	-	-	-	-	-	47,994	23,544	76,013	-	404,035
-	3,132,180	-	-	-	-	-	-	-	-	-	-	3,132,180
-	-	27,200	38,456	-	-	-	-	88,990	-	-	-	154,646
-	-	6,097	-	1,968	-	-	-	14,746	-	-	-	131,352
1,997	3,159,524	24,848,586	1,256,575	3,556,749	49,692	120,739	4,930	294,644	25,517	78,458	75,717	63,720,580
29,327	1,180,122	218,264	694,159	-	102,632	-	-	-	-	-	-	8,583,479
-	-	2,908,728	-	4,887,337	-	-	-	-	-	-	-	11,231,459
-	-	3,087	-	-	-	-	-	-	-	-	-	4,311,323
-	490,331	1,793,091	-	-	-	-	-	218,394	-	137,669	-	10,040,946
-	-	11,308,526	-	-	-	-	34,449	-	59,380	-	-	15,113,321
-	-	8,669,377	-	-	-	-	-	-	-	-	-	20,018,177
-	-	161,802	-	-	-	-	-	-	-	-	-	12,034,413
29,327	1,670,453	25,062,875	694,159	4,887,337	102,632	-	34,449	218,394	59,380	137,669	-	81,333,118
(27,330)	1,489,071	(214,289)	562,416	(1,330,588)	(52,940)	120,739	(29,519)	76,250	(33,863)	(59,211)	75,717	(17,612,538)
-	-	731,454	-	900,893	-	-	-	-	-	-	-	18,234,632
-	(1,987,061)	(4,912)	(1,355,010)	(18,755)	-	-	-	(5,000)	-	(5,630)	-	(3,644,528)
-	-	-	-	-	-	-	-	-	-	-	-	99,212
-	(1,987,061)	726,542	(1,355,010)	882,138	-	-	-	(5,000)	-	(5,630)	-	14,689,316
(27,330)	(497,990)	512,253	(792,594)	(448,450)	(52,940)	120,739	(29,519)	71,250	(33,863)	(64,841)	75,717	(2,923,222)
190,659	2,695,457	21,163,792	4,065,773	3,105,383	(48,868)	6,359,452	287,189	917,369	150,060	243,000	37,321	51,665,318
163,329	2,197,467	21,676,045	3,273,179	2,656,933	(101,808)	6,480,191	257,670	988,619	116,197	178,159	113,038	48,742,096



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
- 2010 Certificates of Participation – Street Lights & Emergency Equipment

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

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

Highway 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, 2010

	Tax Allocation Projects Debt Service	Bond Interest & Redemption	Tax Supported Bonds	Total
ASSETS				
Cash and Cash Equivalents	\$ 2,456,999	766,325	415,105	3,638,429
Investments	6,609,921	2,061,884	2,236,139	10,907,944
Receivables (Net of Allowance for Uncollectibles):				
Taxes	216,950	577,638	-	794,588
Accrued Interest	46,571	14,938	31,983	93,492
Due from Other Funds	465,372	145,074	78,535	688,981
Due from Other Governments	-	1,152	166,666	167,818
Total Assets	<u>9,795,813</u>	<u>3,567,011</u>	<u>2,928,428</u>	<u>16,291,252</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Revenue	-	118,783	-	118,783
Fund Balances:				
Reserved for Debt Service	<u>9,795,813</u>	<u>3,448,228</u>	<u>2,928,428</u>	<u>16,172,469</u>
Total Liabilities and Fund Balances	<u>\$ 9,795,813</u>	<u>3,567,011</u>	<u>2,928,428</u>	<u>16,291,252</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, 2010

	Tax Allocation Projects Debt Service	Bond Interest & Redemption	Tax Supported Bonds	Total
Revenues:				
Real Property and Personal Property Tax	\$ 2,500,943	5,653,635	-	8,154,578
Sundry and In Lieu Tax	-	5,266	-	5,266
Intergovernmental	-	119,582	1,166,666	1,286,248
Investment Earnings	140,611	19,044	94,322	253,977
Miscellaneous	5,112	-	-	5,112
Total Revenues	<u>2,646,666</u>	<u>5,797,527</u>	<u>1,260,988</u>	<u>9,705,181</u>
Expenditures -- Debt Service:				
Principal Retirement	957,532	4,110,000	2,390,000	7,457,532
Interest	595,867	2,178,545	2,902,521	5,676,933
Fiscal Charges	1,448	6,398	1,874	9,720
Capital Lease Principal	-	2,630,000	-	2,630,000
Capital Lease Interest	-	594,063	-	594,063
Miscellaneous	36,892	-	-	36,892
Total Expenditures	<u>1,591,739</u>	<u>9,519,006</u>	<u>5,294,395</u>	<u>16,405,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,054,927</u>	<u>(3,721,479)</u>	<u>(4,033,407)</u>	<u>(6,699,959)</u>
Other Financing Sources (Uses):				
Transfers In	158,310	3,224,063	4,306,881	7,689,254
Transfers Out	(126,280)	-	(746,418)	(872,698)
Total Other Financing Sources (Uses)	<u>32,030</u>	<u>3,224,063</u>	<u>3,560,463</u>	<u>6,816,556</u>
Net Change in Fund Balances	<u>1,086,957</u>	<u>(497,416)</u>	<u>(472,944)</u>	<u>116,597</u>
Fund Balances - Beginning	<u>8,708,856</u>	<u>3,945,644</u>	<u>3,401,372</u>	<u>16,055,872</u>
Fund Balances - Ending	<u>\$ 9,795,813</u>	<u>3,448,228</u>	<u>2,928,428</u>	<u>16,172,469</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.

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, 2010

	<u>Storm Sewer Construction</u>	<u>Vehicle Tax</u>	<u>Storm Sewer Bonds</u>	<u>1999 G.O. Various Purpose Bonds</u>
ASSETS				
Cash and Cash Equivalents	\$ 139,047	434,591	836,842	26,072
Investments	-	1,171,031	2,250,575	68,615
Accounts Receivable	-	-	-	-
Accrued Interest Receivable	-	51,050	18,248	518
Due from Other Funds	7,198	82,374	158,430	4,878
Due from Other Governments	-	995,534	24,893	-
Total Assets	<u>146,245</u>	<u>2,734,580</u>	<u>3,288,988</u>	<u>100,083</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	-	-	140,017	-
Contracts Payable	-	-	-	-
Retainages Payable	-	-	50,014	-
Due to Other Funds	-	-	10,000	-
Deferred Revenue	-	-	24,893	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>224,924</u>	<u>-</u>
Fund Balances:				
Unreserved:				
Designated for Encumbrances	-	-	1,427,567	-
Undesignated	146,245	2,734,580	1,636,497	100,083
Total Fund Balances	<u>146,245</u>	<u>2,734,580</u>	<u>3,064,064</u>	<u>100,083</u>
Total Liabilities and Fund Balances	<u>\$ 146,245</u>	<u>2,734,580</u>	<u>3,288,988</u>	<u>100,083</u>

Other Capital Projects	Special Assessment	Total
280,074	-	1,716,626
751,335	-	4,241,556
1,000	-	1,000
7,620	-	77,436
1,149,617	1,198,321	2,600,818
-	-	1,020,427
<u>2,189,646</u>	<u>1,198,321</u>	<u>9,657,863</u>
337,995	188,746	666,758
125,141	-	125,141
5,485	10,650	66,149
-	-	10,000
-	-	24,893
<u>468,621</u>	<u>199,396</u>	<u>892,941</u>
234,627	998,925	2,661,119
1,486,398	-	6,103,803
<u>1,721,025</u>	<u>998,925</u>	<u>8,764,922</u>
<u>2,189,646</u>	<u>1,198,321</u>	<u>9,657,863</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, 2010

	<u>Storm Sewer Construction</u>	<u>Vehicle Tax</u>	<u>Storm Sewer Bonds</u>	<u>1999 G.O. Various Purpose Bonds</u>
Revenues:				
Wheel Tax	\$ -	10,426,407	-	-
Intergovernmental	-	-	11,223	-
Permits and Fees	-	-	-	-
Investment Earnings	-	108,561	27,259	1,887
Donations	-	-	-	-
Rental Income	-	-	-	-
Developer's Share	-	-	575,441	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>10,534,968</u>	<u>613,923</u>	<u>1,887</u>
Expenditures -- Capital Outlay:				
General Government	-	-	-	-
Streets and Highways	2,527	-	2,513,486	-
Culture and Recreation	-	-	-	-
Economic Opportunity	-	-	-	-
Equipment Maintenance	-	-	-	-
Total Expenditures	<u>2,527</u>	<u>-</u>	<u>2,513,486</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,527)</u>	<u>10,534,968</u>	<u>(1,899,563)</u>	<u>1,887</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(11,148,228)	(111,402)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,148,228)</u>	<u>(111,402)</u>	<u>-</u>
Net Change in Fund Balances	(2,527)	(613,260)	(2,010,965)	1,887
Fund Balances - Beginning	<u>148,772</u>	<u>3,347,840</u>	<u>5,075,029</u>	<u>98,196</u>
Fund Balances - Ending	<u>\$ 146,245</u>	<u>2,734,580</u>	<u>3,064,064</u>	<u>100,083</u>

Other Capital Projects	Special Assessment	Total
-	-	10,426,407
273,068	-	284,291
123,263	-	123,263
23,388	-	161,095
116,706	-	116,706
1,000	-	1,000
-	-	575,441
4,779	-	4,779
<u>542,204</u>	<u>-</u>	<u>11,692,982</u>
449,579	-	449,579
166,942	516,895	3,199,850
1,527,743	-	1,527,743
2,342,707	-	2,342,707
73,378	-	73,378
<u>4,560,349</u>	<u>516,895</u>	<u>7,593,257</u>
<u>(4,018,145)</u>	<u>(516,895)</u>	<u>4,099,725</u>
3,732,949	1,355,010	5,087,959
(259,114)	-	(11,518,744)
<u>3,473,835</u>	<u>1,355,010</u>	<u>(6,430,785)</u>
(544,310)	838,115	(2,331,060)
<u>2,265,335</u>	<u>160,810</u>	<u>11,095,982</u>
<u><u>1,721,025</u></u>	<u><u>998,925</u></u>	<u><u>8,764,922</u></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, 2010

	Community Health Permanent Endowment	J.J. Hompes	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 625,234	11,304	636,538
Investments	52,471,057	586,554	53,057,611
Invested Securities Lending Collateral	1,025,994	-	1,025,994
Accrued Interest Receivable	14,883	214	15,097
Due from Other Funds	19,994	2,159	22,153
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>54,157,162</u>	<u>600,231</u>	<u>54,757,393</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	52,049	-	52,049
Accrued Liabilities	8,059	-	8,059
Due to Other Funds	90	-	90
Obligations under Securities Lending	1,025,994	-	1,025,994
Total Liabilities	<u>1,086,192</u>	<u> </u>	<u>1,086,192</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	15,205,970	440,231	15,646,201
Total Fund Balances	<u>53,070,970</u>	<u>600,231</u>	<u>53,671,201</u>
Total Liabilities and Fund Balances	<u>\$ 54,157,162</u>	<u>600,231</u>	<u>54,757,393</u>

CITY OF LINCOLN, NEBRASKA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Community Health Permanent Endowment	J.J. Hompes	Total
Revenues:			
Investment Earnings	\$ 3,693,338	24,885	3,718,223
Donations	20,000	-	20,000
Miscellaneous	42,039	-	42,039
Total Revenues	<u>3,755,377</u>	<u>24,885</u>	<u>3,780,262</u>
Expenditures -- Current:			
Culture and Recreation	-	5,159	5,159
Health and Welfare	1,410,079	-	1,410,079
Total Expenditures	<u>1,410,079</u>	<u>5,159</u>	<u>1,415,238</u>
Excess of Revenues Over Expenditures	2,345,298	19,726	2,365,024
Fund Balances - Beginning	<u>50,725,672</u>	<u>580,505</u>	<u>51,306,177</u>
Fund Balances - Ending	<u><u>\$ 53,070,970</u></u>	<u><u>600,231</u></u>	<u><u>53,671,201</u></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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Reimbursement for Services	\$ 357,900	357,900	411,444	53,544
Investment Earnings	-	-	11,111	11,111
Miscellaneous	-	-	4,182	4,182
Total Revenues	<u>357,900</u>	<u>357,900</u>	<u>426,737</u>	<u>68,837</u>
Other Financing Uses:				
Transfers Out	<u>(611,720)</u>	<u>(611,720)</u>	<u>(211,345)</u>	<u>400,375</u>
Net Change in Fund Balances	(253,820)	(253,820)	215,392	469,212
Fund Balances - Beginning	<u>399,125</u>	<u>399,125</u>	<u>399,125</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 145,305</u></u>	<u><u>145,305</u></u>	<u><u>614,517</u></u>	<u><u>469,212</u></u>

CITY OF LINCOLN, NEBRASKA
CABLE ACCESS TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 65,596	65,596	295,141	229,545
Investment Earnings	-	-	13,605	13,605
Total Revenues	<u>65,596</u>	<u>65,596</u>	<u>308,746</u>	<u>243,150</u>
Expenditures -- General Government:				
Personal Services	33,214	33,214	32,991	223
Materials and Supplies	1,200	1,200	1,140	60
Other Services and Charges	31,182	31,182	34,739	(3,557)
Capital Outlay	-	-	11,564	(11,564)
Total Expenditures	<u>65,596</u>	<u>65,596</u>	<u>80,434</u>	<u>(14,838)</u>
Excess of Revenues Over Expenditures	-	-	228,312	228,312
Fund Balances - Beginning	<u>244,869</u>	<u>244,869</u>	<u>244,869</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 244,869</u>	<u>244,869</u>	<u>473,181</u>	<u>228,312</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 5,644,878	5,644,878	6,108,276	463,398
Intergovernmental	1,168,099	1,168,099	617,163	(550,936)
Permits and Fees	790,000	790,000	490,239	(299,761)
Investment Earnings	100,000	100,000	17,823	(82,177)
Miscellaneous	62,150	62,150	30,159	(31,991)
Total Revenues	<u>7,765,127</u>	<u>7,765,127</u>	<u>7,263,660</u>	<u>(501,467)</u>
Expenditures -- Culture and Recreation:				
Personal Services	5,217,216	5,217,216	5,088,224	128,992
Materials and Supplies	171,592	171,592	155,865	15,727
Other Services and Charges	1,463,683	1,453,683	1,247,431	206,252
Capital Outlay	811,906	821,906	894,340	(72,434)
Total Expenditures	<u>7,664,397</u>	<u>7,664,397</u>	<u>7,385,860</u>	<u>278,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,730	100,730	(122,200)	(222,930)
Other Financing Sources:				
Sale of Capital Assets	400	400	8,656	8,256
Net Change in Fund Balances	101,130	101,130	(113,544)	(214,674)
Fund Balances - Beginning	<u>3,396,773</u>	<u>3,396,773</u>	<u>3,396,773</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,497,903</u>	<u>3,497,903</u>	<u>3,283,229</u>	<u>(214,674)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,060,888	1,060,888	1,268,332	207,444
Permits and Fees	85,505	85,505	81,988	(3,517)
Reimbursement for Services	16,000	16,000	40,949	24,949
Client Contributions	178,700	178,700	156,027	(22,673)
Investment Earnings	-	-	7,835	7,835
Donations	94,420	94,420	43,489	(50,931)
Miscellaneous	-	-	637	637
Total Revenues	<u>1,435,513</u>	<u>1,435,513</u>	<u>1,599,257</u>	<u>163,744</u>
Expenditures -- Economic Opportunity:				
Personal Services	2,509,885	2,523,653	2,516,995	6,658
Materials and Supplies	271,663	285,262	216,206	69,056
Other Services and Charges	969,523	1,081,273	981,759	99,514
Capital Outlay	-	58,560	6,541	52,019
Total Expenditures	<u>3,751,071</u>	<u>3,948,748</u>	<u>3,721,501</u>	<u>227,247</u>
Deficiency of Revenues Under Expenditures	(2,315,558)	(2,513,235)	(2,122,244)	390,991
Other Financing Sources:				
Transfers In	<u>2,223,821</u>	<u>2,223,821</u>	<u>2,223,821</u>	<u>-</u>
Net Change in Fund Balances	(91,737)	(289,414)	101,577	390,991
Fund Balances - Beginning	<u>305,553</u>	<u>305,553</u>	<u>305,553</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 213,816</u></u>	<u><u>16,139</u></u>	<u><u>407,130</u></u>	<u><u>390,991</u></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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessment	\$ -	-	1,320	1,320
Intergovernmental	2,541,029	2,541,029	2,540,380	(649)
Permits and Fees	3,531,195	3,531,195	3,085,250	(445,945)
Reimbursement for Services	230,000	230,000	597,500	367,500
Investment Earnings	-	-	15,624	15,624
Donations	-	-	2,000	2,000
Miscellaneous	-	-	2,278	2,278
Total Revenues	<u>6,302,224</u>	<u>6,302,224</u>	<u>6,244,352</u>	<u>(57,872)</u>
Expenditures -- Health and Welfare:				
Personal Services	7,836,604	7,727,354	7,409,153	318,201
Materials and Supplies	249,554	249,554	248,282	1,272
Other Services and Charges	3,616,971	3,631,032	3,568,763	62,269
Capital Outlay	4,271	99,460	57,339	42,121
Total Expenditures	<u>11,707,400</u>	<u>11,707,400</u>	<u>11,283,537</u>	<u>423,863</u>
Deficiency of Revenues Under Expenditures	<u>(5,405,176)</u>	<u>(5,405,176)</u>	<u>(5,039,185)</u>	<u>365,991</u>
Other Financing Sources (Uses):				
Transfers In	5,274,663	5,274,663	5,275,163	500
Transfers Out	-	-	(178)	(178)
Total Other Financing Sources (Uses)	<u>5,274,663</u>	<u>5,274,663</u>	<u>5,274,985</u>	<u>322</u>
Net Change in Fund Balances	<u>(130,513)</u>	<u>(130,513)</u>	<u>235,800</u>	<u>366,313</u>
Fund Balances - Beginning	<u>516,151</u>	<u>516,151</u>	<u>516,151</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 385,638</u>	<u>385,638</u>	<u>751,951</u>	<u>366,313</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Wheel Tax	\$ 1,094,000	1,094,000	1,088,885	(5,115)
Special Assessment	-	-	1,673	1,673
Total Revenues	<u>1,094,000</u>	<u>1,094,000</u>	<u>1,090,558</u>	<u>(3,442)</u>
Expenditures -- Streets and Highways:				
Personal Services	1,296,231	1,296,231	1,633,700	(337,469)
Materials and Supplies	362,750	362,750	281,349	81,401
Other Services and Charges	1,375,563	1,375,563	2,331,143	(955,580)
Capital Outlay	26,000	26,000	17,751	8,249
Total Expenditures	<u>3,060,544</u>	<u>3,060,544</u>	<u>4,263,943</u>	<u>(1,203,399)</u>
Deficiency of Revenues Under Expenditures	(1,966,544)	(1,966,544)	(3,173,385)	(1,206,841)
Other Financing Sources:				
Transfers In	<u>1,943,544</u>	<u>1,943,544</u>	<u>1,943,544</u>	-
Net Change in Fund Balances	(23,000)	(23,000)	(1,229,841)	(1,206,841)
Fund Balances - Beginning	<u>1,573,475</u>	<u>1,573,475</u>	<u>1,573,475</u>	-
Fund Balances - Ending	<u>\$ 1,550,475</u>	<u>1,550,475</u>	<u>343,634</u>	<u>(1,206,841)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 144,597	144,597	199,765	55,168
Permits and Fees	1,272,000	1,272,000	1,237,420	(34,580)
Investment Earnings	-	-	1,899	1,899
Miscellaneous	-	-	11,200	11,200
Total Revenues	<u>1,416,597</u>	<u>1,416,597</u>	<u>1,450,284</u>	<u>33,687</u>
Expenditures -- Public Safety:				
Personal Services	2,960,109	2,960,109	2,913,735	46,374
Materials and Supplies	20,500	20,500	17,743	2,757
Other Services and Charges	555,956	549,856	487,708	62,148
Capital Outlay	15,000	28,000	10,628	17,372
Total Expenditures	<u>3,551,565</u>	<u>3,558,465</u>	<u>3,429,814</u>	<u>128,651</u>
Deficiency of Revenues Under Expenditures	<u>(2,134,968)</u>	<u>(2,141,868)</u>	<u>(1,979,530)</u>	<u>162,338</u>
Other Financing Sources (Uses):				
Transfers In	2,198,335	2,198,335	2,198,335	-
Transfers Out	(853)	(853)	-	853
Sale of Capital Assets	-	-	1,000	1,000
Total Other Financing Sources (Uses)	<u>2,197,482</u>	<u>2,197,482</u>	<u>2,199,335</u>	<u>1,853</u>
Net Change in Fund Balances	62,514	55,614	219,805	164,191
Fund Balances - Beginning	<u>452,085</u>	<u>452,085</u>	<u>452,085</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 514,599</u>	<u>507,699</u>	<u>671,890</u>	<u>164,191</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 1,371,897	1,371,897	1,527,034	155,137
Investment Earnings	110,000	110,000	19,015	(90,985)
Miscellaneous	-	-	6	6
Total Revenues	<u>1,481,897</u>	<u>1,481,897</u>	<u>1,546,055</u>	<u>64,158</u>
Expenditures -- General Government:				
Personal Services	2,136,319	2,136,319	2,104,818	31,501
Other Services and Charges	111,861	111,861	105,094	6,767
Total Expenditures	<u>2,248,180</u>	<u>2,248,180</u>	<u>2,209,912</u>	<u>38,268</u>
Deficiency of Revenues Under Expenditures	(766,283)	(766,283)	(663,857)	102,426
Fund Balances - Beginning	<u>2,248,287</u>	<u>2,248,287</u>	<u>2,248,287</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,482,004</u>	<u>1,482,004</u>	<u>1,584,430</u>	<u>102,426</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,821,670	2,821,670	2,919,436	97,766
Permits and Fees	1,517,850	1,517,850	1,253,629	(264,221)
Reimbursement for Services	-	-	105,920	105,920
Miscellaneous	-	-	41,542	41,542
Total Revenues	<u>4,339,520</u>	<u>4,339,520</u>	<u>4,320,527</u>	<u>(18,993)</u>
Expenditures -- Mass Transit:				
Personal Services	6,697,474	6,702,474	6,694,385	8,089
Materials and Supplies	1,361,722	1,363,222	1,401,558	(38,336)
Other Services and Charges	1,518,870	1,512,370	1,240,571	271,799
Total Expenditures	<u>9,578,066</u>	<u>9,578,066</u>	<u>9,336,514</u>	<u>241,552</u>
Deficiency of Revenues Under Expenditures	<u>(5,238,546)</u>	<u>(5,238,546)</u>	<u>(5,015,987)</u>	<u>222,559</u>
Other Financing Sources (Uses):				
Transfers In	4,961,422	4,961,422	4,961,422	-
Transfers Out	-	-	(35,287)	(35,287)
Total Other Financing Sources (Uses)	<u>4,961,422</u>	<u>4,961,422</u>	<u>4,926,135</u>	<u>(35,287)</u>
Net Change in Fund Balances	(277,124)	(277,124)	(89,852)	187,272
Amount Budgeted on Project Basis	(150,661)	(150,661)	(150,661)	-
Fund Balances - Beginning	<u>2,188,852</u>	<u>2,188,852</u>	<u>2,188,852</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,761,067</u>	<u>1,761,067</u>	<u>1,948,339</u>	<u>187,272</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, 2010

	<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	\$ -	-	2,589	2,589
Expenditures -- General Government:				
Unemployment Insurance Payments	<u>95,000</u>	<u>95,000</u>	<u>29,327</u>	<u>65,673</u>
Deficiency of Revenues Under Expenditures	(95,000)	(95,000)	(26,738)	68,262
Fund Balances - Beginning	<u>191,432</u>	<u>191,432</u>	<u>191,432</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 96,432</u>	<u>96,432</u>	<u>164,694</u>	<u>68,262</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, 2010

	<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	\$ -	-	36,733	36,733
Keno Proceeds	3,170,740	3,170,740	3,117,682	(53,058)
Total Revenues	<u>3,170,740</u>	<u>3,170,740</u>	<u>3,154,415</u>	<u>(16,325)</u>
Expenditures:				
General Government:				
Other Services and Charges	1,206,297	1,206,297	1,165,665	40,632
Culture and Recreation:				
Other Services and Charges	28,334	63,334	14,579	48,755
Capital Outlay	50,978	555,039	518,452	36,587
Total Expenditures	<u>1,285,609</u>	<u>1,824,670</u>	<u>1,698,696</u>	<u>125,974</u>
Excess of Revenues Over Expenditures	1,885,131	1,346,070	1,455,719	109,649
Other Financing Uses:				
Transfers Out	<u>(3,065,661)</u>	<u>(2,526,600)</u>	<u>(1,983,418)</u>	<u>543,182</u>
Net Change in Fund Balances	(1,180,530)	(1,180,530)	(527,699)	652,831
Fund Balances - Beginning	<u>2,993,794</u>	<u>2,993,794</u>	<u>2,993,794</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,813,264</u>	<u>1,813,264</u>	<u>2,466,095</u>	<u>652,831</u>

CITY OF LINCOLN, NEBRASKA
FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,476,800	21,476,800	21,350,032	(126,768)
Permits and Fees	905,205	905,205	905,205	-
Reimbursement for Services	487,949	487,949	496,196	8,247
Program Income	894,885	894,885	1,115,978	221,093
Investment Earnings	13,795	13,795	13,916	121
Donations	223,236	223,236	223,236	-
Private Sector Share of Project	27,200	27,200	27,200	-
Miscellaneous	6,120	6,120	6,212	92
Total Revenues	<u>24,035,190</u>	<u>24,035,190</u>	<u>24,137,975</u>	<u>102,785</u>
Expenditures:				
General Government:				
Personal Services	86,707	86,707	86,707	-
Materials and Supplies	7,775	7,775	7,775	-
Other Services and Charges	94,518	94,518	94,518	-
Capital Outlay	2,151	2,151	2,151	-
Total General Government	<u>191,151</u>	<u>191,151</u>	<u>191,151</u>	<u>-</u>
Public Safety:				
Personal Services	929,554	929,554	929,554	-
Materials and Supplies	242,161	242,161	242,161	-
Other Services and Charges	812,246	812,246	812,246	-
Capital Outlay	833,449	833,449	833,449	-
Total Public Safety	<u>2,817,410</u>	<u>2,817,410</u>	<u>2,817,410</u>	<u>-</u>
Streets and Highways:				
Other Services And Charges	2,305	2,305	2,305	-
Culture and Recreation:				
Personal Services	866,234	866,234	866,234	-
Materials and Supplies	35,696	35,696	35,696	-
Other Services and Charges	146,684	146,684	146,684	-
Capital Outlay	743,675	743,675	743,675	-
Total Culture and Recreation	<u>1,792,289</u>	<u>1,792,289</u>	<u>1,792,289</u>	<u>-</u>
Economic Opportunity:				
Personal Services	4,342,900	4,260,154	4,658,745	(398,591)
Materials and Supplies	81,131	81,131	79,938	1,193
Other Services and Charges	2,649,988	3,030,816	3,129,240	(98,424)
Capital Outlay	15,579	1,348,912	231,214	1,117,698
Loans and Grants	3,735,696	4,657,835	4,083,193	574,642
Total Economic Opportunity	<u>10,825,294</u>	<u>13,378,848</u>	<u>12,182,330</u>	<u>1,196,518</u>

(Continued)

(Federal Grants Fund, Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Personal Services	4,102,176	4,102,176	4,102,176	-
Materials and Supplies	496,914	496,914	496,914	-
Other Services and Charges	2,939,512	2,939,512	2,939,512	-
Capital Outlay	512,025	512,025	512,025	-
Loans and Grants	26,385	26,385	26,385	-
Total Health and Welfare	<u>8,077,012</u>	<u>8,077,012</u>	<u>8,077,012</u>	<u>-</u>
Mass Transit:				
Personal Services	158,179	158,179	158,179	-
Materials and Supplies	97	97	97	-
Other Services and Charges	2,945	2,945	2,945	-
Total Mass Transit	<u>161,221</u>	<u>161,221</u>	<u>161,221</u>	<u>-</u>
Total Expenditures	<u>23,866,682</u>	<u>26,420,236</u>	<u>25,223,718</u>	<u>1,196,518</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>168,508</u>	<u>(2,385,046)</u>	<u>(1,085,743)</u>	<u>1,299,303</u>
Other Financing Sources (Uses):				
Transfers In	731,454	731,454	731,454	-
Transfers Out	<u>(4,912)</u>	<u>(4,912)</u>	<u>(4,912)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>726,542</u>	<u>726,542</u>	<u>726,542</u>	<u>-</u>
Net Change in Fund Balances	895,050	(1,658,504)	(359,201)	1,299,303
Fund Balances - Beginning	<u>633,111</u>	<u>633,111</u>	<u>633,111</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 1,528,161</u>	<u>(1,025,393)</u>	<u>273,910</u>	<u>1,299,303</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 4,604,315	4,604,315	3,326,635	(1,277,680)
Reimbursement for Services	-	-	180,365	180,365
Investment Earnings	-	-	57,305	57,305
Miscellaneous	-	-	1,663	1,663
Total Revenues	<u>4,604,315</u>	<u>4,604,315</u>	<u>3,565,968</u>	<u>(1,038,347)</u>
Expenditures -- Public Safety:				
Personal Services	4,501,120	4,501,120	4,200,776	300,344
Materials and Supplies	74,719	74,719	37,599	37,120
Other Services and Charges	1,044,498	1,044,498	632,581	411,917
Capital Outlay	106,925	106,925	667	106,258
Total Expenditures	<u>5,727,262</u>	<u>5,727,262</u>	<u>4,871,623</u>	<u>855,639</u>
Deficiency of Revenues Under Expenditures	<u>(1,122,947)</u>	<u>(1,122,947)</u>	<u>(1,305,655)</u>	<u>(182,708)</u>
Other Financing Sources (Uses):				
Transfers In	900,893	900,893	900,893	-
Transfers Out	(20,000)	(20,000)	(18,755)	1,245
Total Other Financing Sources (Uses)	<u>880,893</u>	<u>880,893</u>	<u>882,138</u>	<u>1,245</u>
Net Change in Fund Balances	(242,054)	(242,054)	(423,517)	(181,463)
Fund Balances - Beginning	<u>3,239,041</u>	<u>3,239,041</u>	<u>3,239,041</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,996,987</u>	<u>2,996,987</u>	<u>2,815,524</u>	<u>(181,463)</u>

CITY OF LINCOLN, NEBRASKA
DEVELOPMENT SERVICES CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED AUGUST 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ -	-	3,749	3,749
Expenditures -- Economic Opportunity:				
Materials and Supplies	-	-	2,794	(2,794)
Other Services and Charges	282,000	282,000	7,097	274,903
Capital Outlay	-	-	24,411	(24,411)
Total Expenditures	<u>282,000</u>	<u>282,000</u>	<u>34,302</u>	<u>247,698</u>
Deficiency of Revenues Under Expenditures	(282,000)	(282,000)	(30,553)	251,447
Fund Balances - Beginning	<u>286,838</u>	<u>286,838</u>	<u>286,838</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,838</u>	<u>4,838</u>	<u>256,285</u>	<u>251,447</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ -	-	3,329	3,329
Donations	89,852	89,852	76,013	(13,839)
Total Revenues	<u>89,852</u>	<u>89,852</u>	<u>79,342</u>	<u>(10,510)</u>
Expenditures -- Culture and Recreation:				
Personal Services	79,602	79,602	79,433	169
Other Services and Charges	250	250	115	135
Capital Outlay	10,000	10,000	9,990	10
Total Expenditures	<u>89,852</u>	<u>89,852</u>	<u>89,538</u>	<u>314</u>
Deficiency of Revenues Under Expenditures	-	-	(10,196)	(10,196)
Amount Not Required to be Budgeted	(42,502)	(42,502)	(42,502)	-
Fund Balances - Beginning	<u>232,975</u>	<u>232,975</u>	<u>232,975</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 190,473</u></u>	<u><u>190,473</u></u>	<u><u>180,277</u></u>	<u><u>(10,196)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 1,416,166	1,416,166	2,631,276	1,215,110
Investment Earnings	-	-	147,312	147,312
Miscellaneous	-	-	5,112	5,112
Total Revenues	<u>1,416,166</u>	<u>1,416,166</u>	<u>2,783,700</u>	<u>1,367,534</u>
Expenditures -- Debt Service:				
Principal Retirement	957,532	957,532	957,532	-
Interest	458,634	458,634	595,867	(137,233)
Fiscal Charges	-	-	1,448	(1,448)
Miscellaneous	-	-	36,892	(36,892)
Total Expenditures	<u>1,416,166</u>	<u>1,416,166</u>	<u>1,591,739</u>	<u>(175,573)</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,191,961</u>	<u>1,191,961</u>
Other Financing Sources (Uses):				
Transfers In	-	-	158,310	158,310
Transfers Out	-	-	(126,280)	(126,280)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>32,030</u>	<u>32,030</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,223,991</u>	<u>1,223,991</u>
Fund Balances - Beginning	<u>8,006,728</u>	<u>8,006,728</u>	<u>8,006,728</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 8,006,728</u>	<u>8,006,728</u>	<u>9,230,719</u>	<u>1,223,991</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real Property and Personal Property Tax	\$ 5,113,188	5,113,188	5,517,878	404,690
Sundry and In Lieu Tax	3,894	3,894	4,697	803
Intergovernmental	119,582	119,582	119,582	-
Investment Earnings	-	-	29,783	29,783
Total Revenues	<u>5,236,664</u>	<u>5,236,664</u>	<u>5,671,940</u>	<u>435,276</u>
Expenditures -- Debt Service:				
Principal Retirement	4,110,000	4,110,000	4,110,000	-
Interest	2,178,545	2,178,545	2,178,545	-
Fiscal Charges	-	-	6,398	(6,398)
Capital Lease Principal	-	-	2,630,000	(2,630,000)
Capital Lease Interest	-	-	594,063	(594,063)
Total Expenditures	<u>6,288,545</u>	<u>6,288,545</u>	<u>9,519,006</u>	<u>(3,230,461)</u>
Deficiency of Revenues Under Expenditures	(1,051,881)	(1,051,881)	(3,847,066)	(2,795,185)
Other Financing Sources:				
Transfers In	<u>52,651</u>	<u>52,651</u>	<u>3,224,063</u>	<u>3,171,412</u>
Net Change in Fund Balances	(999,230)	(999,230)	(623,003)	376,227
Fund Balances - Beginning	<u>4,401,415</u>	<u>4,401,415</u>	<u>4,401,415</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,402,185</u>	<u>3,402,185</u>	<u>3,778,412</u>	<u>376,227</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 985,640	985,640	1,000,000	14,360
Investment Earnings	-	-	105,969	105,969
Total Revenues	<u>985,640</u>	<u>985,640</u>	<u>1,105,969</u>	<u>120,329</u>
Expenditures -- Debt Service:				
Principal Retirement	2,390,000	2,390,000	2,390,000	-
Interest	2,902,521	2,902,521	2,902,521	-
Fiscal Charges	-	-	1,874	(1,874)
Miscellaneous	-	-	3,500	(3,500)
Total Expenditures	<u>5,292,521</u>	<u>5,292,521</u>	<u>5,297,895</u>	<u>(5,374)</u>
Deficiency of Revenues Under Expenditures	<u>(4,306,881)</u>	<u>(4,306,881)</u>	<u>(4,191,926)</u>	<u>114,955</u>
Other Financing Sources (Uses):				
Transfer In	4,306,881	4,306,881	4,306,881	-
Transfer Out	-	-	(746,418)	(746,418)
Total Other Financing Sources (Uses)	<u>4,306,881</u>	<u>4,306,881</u>	<u>3,560,463</u>	<u>(746,418)</u>
Net Change in Fund Balances	-	-	(631,463)	(631,463)
Fund Balances - Beginning	<u>3,360,371</u>	<u>3,360,371</u>	<u>3,360,371</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,360,371</u>	<u>3,360,371</u>	<u>2,728,908</u>	<u>(631,463)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ 1,545,291	1,545,291	2,256,160	710,869
Donations	-	-	20,000	20,000
Miscellaneous	-	-	42,039	42,039
Total Revenues	<u>1,545,291</u>	<u>1,545,291</u>	<u>2,318,199</u>	<u>772,908</u>
Expenditures -- Health and Welfare:				
Personal Services	293,482	293,482	274,992	18,490
Materials and Supplies	14,137	14,137	3,491	10,646
Other Services and Charges	237,672	237,672	142,246	95,426
Capital Outlay	-	-	1,461	(1,461)
Grants	1,846,186	2,365,186	1,068,546	1,296,640
Total Expenditures	<u>2,391,477</u>	<u>2,910,477</u>	<u>1,490,736</u>	<u>1,419,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(846,186)	(1,365,186)	827,463	2,192,649
Fund Balances - Beginning	<u>50,859,519</u>	<u>50,859,519</u>	<u>50,859,519</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 50,013,333</u>	<u>49,494,333</u>	<u>51,686,982</u>	<u>2,192,649</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, 2010

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	Emergency Medical Services	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 461,143	-	1,743,265	318,630	2,234,055	14,519	4,771,612
Investments	1,215,631	-	4,526,652	3,431	5,894,037	41,169	11,680,920
Restricted Assets:							
Cash and Cash Equivalents	-	4,330	273,860	-	-	659,468	937,658
Receivables (Net of Allowance for Uncollectibles)	9,487	13,092	51,924	146,048	1,066,764	691,074	1,978,389
Due from Other Funds	85,573	-	318,571	240	423,708	2,879	830,971
Due from Other Governments	-	-	-	-	3,831	-	3,831
Inventories	-	52,511	-	28,044	-	100,340	180,895
Prepaid Expenses	39,383	-	-	1,238	-	-	40,621
Total Current Assets	1,811,217	69,933	6,914,272	497,631	9,622,395	1,509,449	20,424,897
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	-	104,332	1,537,920	47,698	106,307	-	1,796,257
Investments	-	291,614	959,407	-	285,896	-	1,538,917
Receivables	-	3,892	3,534	-	2,133	-	9,559
Due from Other Funds	-	20,554	33,477	-	20,154	-	74,185
Total Restricted Assets	-	420,392	2,534,338	47,698	414,490	-	3,416,918
Deferred Charges	-	8,868	259,619	-	60,969	8,584	338,040
Capital Assets:							
Land	320,200	1,082,623	7,695,337	46,500	1,540,452	-	10,685,112
Buildings	9,765	2,500,473	41,804,231	4,346,297	2,069,721	-	50,730,487
Improvements Other Than Buildings	287,148	7,088,562	226,428	202,005	28,141,665	-	35,945,808
Machinery and Equipment	142,924	2,292,981	1,701,720	865,043	6,209,457	1,176,142	12,388,267
Construction in Progress	-	89,448	166,675	-	246,046	-	502,169
Less Accumulated Depreciation	(305,088)	(7,331,638)	(16,475,487)	(5,252,760)	(18,546,122)	(1,087,252)	(48,998,347)
Total Capital Assets, Net	454,949	5,722,449	35,118,904	207,085	19,661,219	88,890	61,253,496
Total Noncurrent Assets	454,949	6,151,709	37,912,861	254,783	20,136,678	97,474	65,008,454
Total Assets	2,266,166	6,221,642	44,827,133	752,414	29,759,073	1,606,923	85,433,351
LIABILITIES							
Current Liabilities:							
Accounts Payable	64,842	213,751	357,445	80,420	179,153	78,814	974,425
Accrued Liabilities	-	47,058	5,366	118,786	53,145	68,625	292,980
Accrued Compensated Absences	-	79,108	6,100	-	88,304	121,299	294,811
Due to Other Funds	-	600,389	1,848	15,923	2,197	51,934	672,291
Due to Other Governments	21,482	52,983	-	16,589	76,344	470	167,868
Unearned Revenue	13,715	17,560	728,242	145,043	-	-	904,560
Accrued Interest	-	5,791	20,174	-	11,038	394	37,397
Current Portion of Capital Lease	-	222,852	-	-	-	95,436	318,288
Current Portion of Long-Term Debt	-	359,274	1,510,000	-	210,000	-	2,079,274
Total Current Liabilities	100,039	1,598,766	2,629,175	376,761	620,181	416,972	5,741,894
Noncurrent Liabilities:							
Accrued Compensated Absences	-	43,607	265	-	23,235	1,086	68,193
Long-Term Debt, Net	-	-	7,865,000	-	3,030,154	-	10,895,154
Capital Lease Payable	-	436,752	-	-	-	572,616	1,009,368
Accrued Liabilities	-	15,951	1,063	-	30,839	98,931	146,784
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	-	13,490,000	-	13,490,000
Total Noncurrent Liabilities	-	496,310	7,866,328	-	16,574,228	672,633	25,609,499
Total Liabilities	100,039	2,095,076	10,495,503	376,761	17,194,409	1,089,605	31,351,393
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	454,949	5,020,071	27,565,296	207,085	16,821,065	88,890	50,157,356
Restricted for:							
Debt Service	-	3,283	277,320	-	-	-	280,603
Capital Projects	-	103,892	689,311	9,617	14,490	-	817,310
Other	-	-	-	38,083	-	-	38,083
Unrestricted	1,711,178	(1,000,680)	5,799,703	120,868	(4,270,891)	428,428	2,788,606
Total Net Assets	\$ 2,166,127	4,126,566	34,331,630	375,653	12,564,664	517,318	54,081,958

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Solid Waste Management	Emergency Medical Services	Total
Operating Revenues							
Charges for Services	\$ -	-	-	-	-	4,415,824	4,415,824
Fees	-	2,758,294	-	-	4,796,783	-	7,555,077
Parking Revenue	468,450	-	6,747,249	-	-	-	7,215,699
Performance Revenue	-	-	-	1,531,079	-	-	1,531,079
Other Operating Revenue	273	19,230	489	63,632	525,802	61	609,487
Total Operating Revenues	<u>468,723</u>	<u>2,777,524</u>	<u>6,747,738</u>	<u>1,594,711</u>	<u>5,322,585</u>	<u>4,415,885</u>	<u>21,327,166</u>
Operating Expenses							
Personal Services	-	1,441,106	168,752	1,041,169	1,948,006	2,881,117	7,480,150
Contractual Services	109,424	48,939	1,957,697	-	4,858,768	348,253	7,323,081
Operation and Maintenance	249,674	1,072,019	1,214,152	1,153,466	1,675,752	568,394	5,933,457
Depreciation	26,983	535,153	1,146,213	47,657	1,919,100	-	3,675,106
Total Operating Expenses	<u>386,081</u>	<u>3,097,217</u>	<u>4,486,814</u>	<u>2,242,292</u>	<u>10,401,626</u>	<u>3,797,764</u>	<u>24,411,794</u>
Operating Income (Loss)	<u>82,642</u>	<u>(319,693)</u>	<u>2,260,924</u>	<u>(647,581)</u>	<u>(5,079,041)</u>	<u>618,121</u>	<u>(3,084,628)</u>
Nonoperating Revenues (Expenses)							
Investment Earnings	27,023	(2,765)	121,654	260	70,400	708	217,280
Loss on Disposal of Capital Assets	-	(5,212)	-	-	(62,895)	(8,889)	(76,996)
Insurance Recovery	-	1,900	-	-	-	22,813	24,713
Occupation Tax	-	-	-	-	1,984,400	-	1,984,400
Amortization of Deferred Charges	-	(8,504)	(44,162)	-	(3,775)	-	(56,441)
Interest Expense and Fiscal Charges	-	(54,513)	(558,100)	(1,226)	(139,479)	(13,242)	(766,560)
Total Nonoperating Revenues (Expenses)	<u>27,023</u>	<u>(69,094)</u>	<u>(480,608)</u>	<u>(966)</u>	<u>1,848,651</u>	<u>1,390</u>	<u>1,326,396</u>
Income (Loss) Before Contributions and Transfers	109,665	(388,787)	1,780,316	(648,547)	(3,230,390)	619,511	(1,758,232)
Capital Contributions	-	71,722	-	55,864	61,270	-	188,856
Transfers In	-	51,000	-	626,077	-	-	677,077
Transfers Out	(3,529)	(4,500)	(843,000)	-	(979,551)	-	(1,830,580)
Change in Net Assets	<u>106,136</u>	<u>(270,565)</u>	<u>937,316</u>	<u>33,394</u>	<u>(4,148,671)</u>	<u>619,511</u>	<u>(2,722,879)</u>
Net Assets (Deficits) - Beginning	<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>
Net Assets - Ending	<u>\$ 2,166,127</u>	<u>4,126,566</u>	<u>34,331,630</u>	<u>375,653</u>	<u>12,564,664</u>	<u>517,318</u>	<u>54,081,958</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	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	\$ 469,342	2,750,217	6,805,273	1,372,654	4,567,811	4,454,743	20,420,040
Receipts from Interfund Services Provided	-	143	10,625	80,000	143,682	-	234,450
Payments to Suppliers for Goods and Services	(266,384)	(660,905)	(2,694,663)	(746,547)	(2,347,331)	(546,231)	(7,262,061)
Payments to Employees	-	(1,413,319)	(162,295)	(969,620)	(1,921,843)	(2,801,983)	(7,269,060)
Payments for Interfund Services Provided	(18,739)	(403,102)	(406,547)	(399,116)	(410,862)	(274,165)	(1,912,531)
Other Receipts	273	19,087	472	63,632	525,802	61	609,327
Net Cash Provided (Used) by Operating Activities	<u>184,492</u>	<u>292,121</u>	<u>3,552,865</u>	<u>(598,997)</u>	<u>557,259</u>	<u>832,425</u>	<u>4,820,165</u>
Cash Flows from Noncapital Financing Activities							
Occupation Tax	-	-	-	-	1,951,809	-	1,951,809
Transfers from Other Funds	-	51,000	-	657,000	-	-	708,000
Transfers to Other Funds	(3,529)	(4,500)	(843,000)	-	(979,551)	-	(1,830,580)
Advances from General Fund	-	1,183,641	-	-	-	68,377	1,252,018
Repayment of Advances from General Fund	-	(888,438)	-	-	-	(850,990)	(1,739,428)
Advances to Other Funds	-	-	-	-	-	(2,879)	(2,879)
Payments from Other Funds	162	2,962	20,482	54	205,530	-	229,190
Interest Paid to General Fund	-	-	-	-	-	(14,695)	(14,695)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(3,367)</u>	<u>344,665</u>	<u>(822,518)</u>	<u>657,054</u>	<u>1,177,788</u>	<u>(800,187)</u>	<u>553,435</u>
Cash Flows from Capital and Related Financing Activities							
Additions to Capital Assets	-	(587,668)	(271,131)	-	(3,978,866)	-	(4,837,665)
Proceeds from Sale of Capital Assets	-	-	-	-	52,850	-	52,850
Insurance Recovery	-	1,900	-	-	-	22,813	24,713
Proceeds from Long-Term Debt	-	521,651	-	-	-	668,052	1,189,703
Cost of Debt Issuance	-	-	-	-	-	(8,584)	(8,584)
Principal Payments of Capital Lease	-	(175,175)	-	(24,781)	-	-	(199,956)
Principal Payments of Bonded Debt	-	(350,000)	(1,435,000)	-	(200,000)	-	(1,985,000)
Interest and Fiscal Charges Paid	-	(44,721)	(561,188)	(1,226)	(140,775)	-	(747,910)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(634,013)</u>	<u>(2,267,319)</u>	<u>(26,007)</u>	<u>(4,266,791)</u>	<u>682,281</u>	<u>(6,511,849)</u>
Cash Flows from Investing Activities							
Proceeds from Sale and Maturities of Investments	360,504	120,919	3,059,781	558	4,235,425	-	7,777,187
Purchases of Investments	(555,393)	(133,232)	(2,285,836)	(1,567)	(2,823,464)	(40,559)	(5,840,051)
Interest and Other Receipts	34,911	187	227,448	265	201,709	27	464,547
Net Cash Provided (Used) by Investing Activities	<u>(159,978)</u>	<u>(12,126)</u>	<u>1,001,393</u>	<u>(744)</u>	<u>1,613,670</u>	<u>(40,532)</u>	<u>2,401,683</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,147	(9,353)	1,464,421	31,306	(918,074)	673,987	1,263,434
Cash and Cash Equivalents - Beginning	439,996	118,015	2,090,624	335,022	3,258,436	-	6,242,093
Cash and Cash Equivalents - Ending	<u>\$ 461,143</u>	<u>108,662</u>	<u>3,555,045</u>	<u>366,328</u>	<u>2,340,362</u>	<u>673,987</u>	<u>7,505,527</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ 82,642	(319,693)	2,260,924	(647,581)	(5,079,041)	618,121	(3,084,628)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	26,983	535,153	1,146,213	47,657	1,919,100	-	3,675,106
Changes in Assets and Liabilities:							
Accounts Receivable and Unbilled Revenues	(513)	(16,959)	4,416	(131,052)	(87,385)	38,919	(192,574)
Due from Other Funds	-	-	-	-	(76)	-	(76)
Due from Other Governments	-	-	-	-	2,171	-	2,171
Inventories	-	4,974	-	(3,214)	-	38,738	40,498
Prepaid Expenses	398	-	-	7,619	-	-	8,017
Accounts Payable	52,095	40,354	69,085	11,714	67,518	10,020	250,786
Accrued Liabilities	-	17,978	3,107	71,549	29,256	59,872	181,762
Accrued Compensated Absences	-	9,809	3,350	-	(3,093)	(17,285)	(7,219)
Due to Other Funds	-	(7,114)	1,554	-	1,944	84,022	80,406
Due to Other Governments	21,482	18,737	-	(8,316)	12,865	18	44,786
Unearned Revenue	1,405	8,882	64,216	52,627	-	-	127,130
Accrued Landfill Closure/Postclosure Care Costs	-	-	-	-	3,694,000	-	3,694,000
Total Adjustments	101,850	611,814	1,291,941	48,584	5,636,300	214,304	7,904,793
Net Cash Provided (Used) by Operating Activities	<u>\$ 184,492</u>	<u>292,121</u>	<u>3,552,865</u>	<u>(598,997)</u>	<u>557,259</u>	<u>832,425</u>	<u>4,820,165</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:							
Contribution of Capital Assets	\$ -	71,722	-	55,864	61,270	-	188,856
Purchase of Capital Assets on Account	-	-	62,211	-	2,995	-	65,206
Change in Fair Value of Investments	(8,058)	(2,829)	(73,585)	(10)	(103,435)	610	(187,307)

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, 2010

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 274,279	136,297	6,566,899	-
Investments	739,900	364,804	18,732,305	-
Accounts Receivable	122,277	82,721	-	150
Accrued Interest Receivable	5,532	3,587	140,583	1,294
Due from Other Funds	372,044	47,087	1,243,524	50,633
Due from Other Governments	336,972	649	725	12,574
Inventories	-	-	-	557,486
Prepaid Expenses	331,340	63,170	-	-
Total Current Assets	<u>2,182,344</u>	<u>698,315</u>	<u>26,684,036</u>	<u>622,137</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	26,485	-	-	-
Improvements Other Than Buildings	-	693,733	-	420,192
Machinery and Equipment	2,328,881	412,960	28,936	18,581,766
Less Accumulated Depreciation	<u>(1,909,851)</u>	<u>(988,852)</u>	<u>(24,482)</u>	<u>(12,961,273)</u>
Total Capital Assets, Net	<u>445,515</u>	<u>117,841</u>	<u>4,454</u>	<u>6,040,685</u>
Total Assets	<u>2,627,859</u>	<u>816,156</u>	<u>26,688,490</u>	<u>6,662,822</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	102,635	26,878	387,582	153,989
Accrued Liabilities	104,685	165,941	19,810	40,241
Accrued Compensated Absences	209,309	331,528	26,561	95,872
Due to Other Funds	7,981	30,636	1,843	1,046,603
Due to Other Governments	96	882	28,741	-
Unearned Revenue	-	144,509	-	-
Claims	-	-	5,097,887	-
Total Current Liabilities	<u>424,706</u>	<u>700,374</u>	<u>5,562,424</u>	<u>1,336,705</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	145,351	386,202	29,795	67,247
Claims	-	-	3,616,183	-
Accrued Liabilities	37,220	60,615	8,507	22,332
Total Noncurrent Liabilities	<u>182,571</u>	<u>446,817</u>	<u>3,654,485</u>	<u>89,579</u>
Total Liabilities	<u>607,277</u>	<u>1,147,191</u>	<u>9,216,909</u>	<u>1,426,284</u>
NET ASSETS				
Invested in Capital Assets	445,515	117,841	4,454	6,040,685
Unrestricted	1,575,067	(448,876)	17,467,127	(804,147)
Total Net Assets (Deficits)	<u>\$ 2,020,582</u>	<u>(331,035)</u>	<u>17,471,581</u>	<u>5,236,538</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
515,762	27,745	43,427	7,564,409
1,386,025	73,189	115,502	21,411,725
24,704	6,485	1,320	237,657
9,120	580	973	161,669
392,547	9,416	30,053	2,145,304
-	3,795	22,570	377,285
143,537	-	-	701,023
-	-	-	394,510
<u>2,471,695</u>	<u>121,210</u>	<u>213,845</u>	<u>32,993,582</u>
48,250	-	-	48,250
346,661	-	-	373,146
45,500	-	-	1,159,425
5,934,756	28,349	-	27,315,648
<u>(4,124,660)</u>	<u>(26,158)</u>	<u>-</u>	<u>(20,035,276)</u>
<u>2,250,507</u>	<u>2,191</u>	<u>-</u>	<u>8,861,193</u>
<u>4,722,202</u>	<u>123,401</u>	<u>213,845</u>	<u>41,854,775</u>
76,969	2,989	24,031	775,073
21,692	5,302	2,149	359,820
44,757	7,879	3,508	719,414
241	354	-	1,087,658
-	175	-	29,894
-	-	-	144,509
-	-	-	5,097,887
<u>143,659</u>	<u>16,699</u>	<u>29,688</u>	<u>8,214,255</u>
81,707	-	1,230	711,532
-	-	-	3,616,183
<u>13,826</u>	<u>2,127</u>	<u>1,063</u>	<u>145,690</u>
<u>95,533</u>	<u>2,127</u>	<u>2,293</u>	<u>4,473,405</u>
<u>239,192</u>	<u>18,826</u>	<u>31,981</u>	<u>12,687,660</u>
2,250,507	2,191	-	8,861,193
<u>2,232,503</u>	<u>102,384</u>	<u>181,864</u>	<u>20,305,922</u>
<u>4,483,010</u>	<u>104,575</u>	<u>181,864</u>	<u>29,167,115</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, 2010

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
Operating Revenues				
Charges for Services	\$ 6,391,564	6,869,849	26,281,986	5,096,823
Operating Expenses				
Personal Services	3,550,019	5,747,693	695,697	1,519,338
Materials and Supplies	187,104	34,322	4,892	1,902,925
Other Services and Charges	2,371,567	1,046,186	26,066,281	918,901
Depreciation	165,149	31,236	1,726	1,644,811
Total Operating Expenses	<u>6,273,839</u>	<u>6,859,437</u>	<u>26,768,596</u>	<u>5,985,975</u>
Operating Income (Loss)	<u>117,725</u>	<u>10,412</u>	<u>(486,610)</u>	<u>(889,152)</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	20,626	8,156	447,473	1,944
Gain (Loss) on Disposal of Capital Assets	-	(14,923)	-	54,110
Interest Expense and Fiscal Charges	(658)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>19,968</u>	<u>(6,767)</u>	<u>447,473</u>	<u>56,054</u>
Income (Loss) Before Contributions and Transfers	137,693	3,645	(39,137)	(833,098)
Capital Contributions	5,324	-	-	148,818
Transfers In	-	829	-	-
Transfers Out	-	-	(17,999)	(10,000)
Change in Net Assets	<u>143,017</u>	<u>4,474</u>	<u>(57,136)</u>	<u>(694,280)</u>
Net Assets (Deficits) - Beginning	<u>1,877,565</u>	<u>(335,509)</u>	<u>17,528,717</u>	<u>5,930,818</u>
Net Assets (Deficits) - Ending	<u>\$ 2,020,582</u>	<u>(331,035)</u>	<u>17,471,581</u>	<u>5,236,538</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>3,783,139</u>	<u>192,389</u>	<u>300,485</u>	<u>48,916,235</u>
965,754	136,761	78,629	12,693,891
1,092,573	2,537	-	3,224,353
599,872	85,267	289,090	31,377,164
611,060	939	-	2,454,921
<u>3,269,259</u>	<u>225,504</u>	<u>367,719</u>	<u>49,750,329</u>
<u>513,880</u>	<u>(33,115)</u>	<u>(67,234)</u>	<u>(834,094)</u>
35,223	1,286	2,009	516,717
1,917	-	-	41,104
-	-	-	(658)
<u>37,140</u>	<u>1,286</u>	<u>2,009</u>	<u>557,163</u>
551,020	(31,829)	(65,225)	(276,931)
25,000	-	-	179,142
10,000	-	-	10,829
-	-	-	(27,999)
<u>586,020</u>	<u>(31,829)</u>	<u>(65,225)</u>	<u>(114,959)</u>
<u>3,896,990</u>	<u>136,404</u>	<u>247,089</u>	<u>29,282,074</u>
<u>4,483,010</u>	<u>104,575</u>	<u>181,864</u>	<u>29,167,115</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,280,390	867,386	6,882,910	684,757
Receipts from Interfund Services Provided	3,687,986	6,148,502	19,398,482	4,831,737
Payments to Suppliers for Goods and Services	(2,464,943)	(502,523)	(25,121,835)	(1,343,601)
Payments to Employees	(3,483,740)	(5,680,520)	(679,942)	(2,803,178)
Payments for Interfund Services Provided	(155,974)	(569,562)	(417,644)	(263,338)
Net Cash Provided (Used) by Operating Activities	<u>(136,281)</u>	<u>263,283</u>	<u>61,971</u>	<u>1,106,377</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	829	-	-
Transfers to Other Funds	-	-	(17,999)	(10,000)
Advance from General Fund	-	-	-	948,553
Repayment of Advances from General Fund	-	-	-	(1,212,866)
Advances to Other Funds	-	(11,465)	-	-
Payments from Other Funds	19,464	-	137,245	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>19,464</u>	<u>(10,636)</u>	<u>119,246</u>	<u>(274,313)</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(84,465)	-	-	(889,480)
Proceeds from Sale of Capital Assets	-	-	-	56,036
Principal Payments of Capital Lease	(47,014)	-	-	-
Interest and Fiscal Charges Paid	(789)	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(132,268)</u>	<u>-</u>	<u>-</u>	<u>(833,444)</u>
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	445,899	-	6,926,877	-
Purchases of Investments	(338,042)	(193,462)	(8,071,743)	-
Interest and Other Receipts	33,311	5,339	616,837	1,380
Net Cash Provided (Used) by Investing Activities	<u>141,168</u>	<u>(188,123)</u>	<u>(528,029)</u>	<u>1,380</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(107,917)	64,524	(346,812)	-
Cash and Cash Equivalents - Beginning	382,196	71,773	6,913,711	-
Cash and Cash Equivalents - Ending	<u>\$ 274,279</u>	<u>136,297</u>	<u>6,566,899</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 117,725	10,412	(486,610)	(889,152)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	165,149	31,236	1,726	1,644,811
Changes in Assets and Liabilities:				
Accounts Receivable	(60,528)	148,326	131	5
Due from Other Funds	(128,881)	(18,957)	-	429,741
Due from Other Governments	(233,779)	1,715	(725)	(10,075)
Inventories	-	-	-	34,070
Prepaid Expenses	(113,061)	(22,323)	-	-
Accounts Payable	46,613	15,872	362,828	(123,385)
Accrued Liabilities	43,046	62,860	9,442	20,537
Accrued Compensated Absences	23,233	4,313	6,313	(1,889)
Due to Other Funds	4,120	14,084	1,438	1,714
Due to Other Governments	82	790	28,741	-
Unearned Revenue	-	14,955	(11,906)	-
Claims	-	-	150,593	-
Total Adjustments	<u>(254,006)</u>	<u>252,871</u>	<u>548,581</u>	<u>1,995,529</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (136,281)</u>	<u>263,283</u>	<u>61,971</u>	<u>1,106,377</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ 5,324	-	-	148,818
Change in Fair Value of Investments	(10,793)	1,091	(158,648)	-

Police Garage	Communication Services	Copy Services	Total
34,505	50,904	126,334	10,927,186
3,932,799	134,813	161,872	38,296,191
(1,087,305)	(77,907)	(262,543)	(30,860,657)
(934,566)	(130,847)	(73,897)	(13,786,690)
(675,109)	(7,559)	(29,213)	(2,118,399)
<u>1,270,324</u>	<u>(30,596)</u>	<u>(77,447)</u>	<u>2,457,631</u>

10,000	-	-	10,829
(18,203)	-	-	(46,202)
-	-	-	948,553
-	-	-	(1,212,866)
-	-	-	(11,465)
-	2,346	4,580	163,635
<u>(8,203)</u>	<u>2,346</u>	<u>4,580</u>	<u>(147,516)</u>

(821,887)	-	-	(1,795,832)
78,764	-	-	134,800
-	-	-	(47,014)
-	-	-	(789)
<u>(743,123)</u>	<u>-</u>	<u>-</u>	<u>(1,708,835)</u>

196,997	49,043	88,322	7,707,138
(633,241)	(33,438)	(52,770)	(9,322,696)
35,443	2,724	4,596	699,630
<u>(400,801)</u>	<u>18,329</u>	<u>40,148</u>	<u>(915,928)</u>

118,197	(9,921)	(32,719)	(314,648)
397,565	37,666	76,146	7,879,057
<u>515,762</u>	<u>27,745</u>	<u>43,427</u>	<u>7,564,409</u>

<u>513,880</u>	<u>(33,115)</u>	<u>(67,234)</u>	<u>(834,094)</u>
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611,060	939	-	2,454,921
15,168	(3,484)	(271)	99,347
168,880	(53)	(5,292)	445,438
117	(3,135)	(6,716)	(252,598)
(75,745)	-	-	(41,675)
-	-	-	(135,384)
21,112	2,247	(2,666)	322,621
8,808	3,601	1,615	149,909
22,380	2,313	3,117	59,780
(15,336)	(84)	-	5,936
-	175	-	29,788
-	-	-	3,049
-	-	-	150,593
<u>756,444</u>	<u>2,519</u>	<u>(10,213)</u>	<u>3,291,725</u>
<u>1,270,324</u>	<u>(30,596)</u>	<u>(77,447)</u>	<u>2,457,631</u>

25,000	-	-	179,142
(3,623)	(1,196)	(2,172)	(175,341)



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, 2010

	<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	\$ 52,397	11,848	513,454	577,647	399,889
Investments	-	-	-	-	-
Receivables:					
Accrued Interest	-	-	-	-	-
Other	36,151	-	-	-	-
Contractor Retainage	-	-	927,389	-	-
Total Assets	<u>88,548</u>	<u>11,848</u>	<u>1,440,843</u>	<u>577,647</u>	<u>399,889</u>
LIABILITIES					
Warrants Payable	-	-	-	-	399,889
Accounts Payable	-	-	-	193,759	-
Due to Other Governments	88,548	-	-	383,888	-
Due To Homeowners	-	11,848	-	-	-
Due to Contractors	-	-	1,440,843	-	-
Due to Joint Venture	-	-	-	-	-
Due to Bondholders	-	-	-	-	-
Total Liabilities	<u>\$ 88,548</u>	<u>11,848</u>	<u>1,440,843</u>	<u>577,647</u>	<u>399,889</u>

Telephone Bill Suspense	Unredeemed Bonds And Coupons	Gateway Center Joint Venture Escrow	Public Building Commission Bond Reserve	Total
60,318	117,926	202,198	1,125,338	3,061,015
-	-	-	2,244,459	2,244,459
-	-	1,053	41,036	42,089
-	-	-	-	36,151
-	-	-	-	927,389
<u>60,318</u>	<u>117,926</u>	<u>203,251</u>	<u>3,410,833</u>	<u>6,311,103</u>
-	-	-	-	399,889
60,318	-	-	-	254,077
-	-	-	3,410,833	3,883,269
-	-	-	-	11,848
-	-	-	-	1,440,843
-	-	203,251	-	203,251
-	117,926	-	-	117,926
<u>60,318</u>	<u>117,926</u>	<u>203,251</u>	<u>3,410,833</u>	<u>6,311,103</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	<u>Balance</u> <u>Sep. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Aug. 31, 2010</u>
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash and Cash Equivalents	\$ 55,297	834,732	837,632	52,397
Receivables	<u>31,047</u>	<u>36,151</u>	<u>31,047</u>	<u>36,151</u>
	<u>86,344</u>	<u>870,883</u>	<u>868,679</u>	<u>88,548</u>
Liabilities:				
Due to Other Governments	\$ <u>86,344</u>	<u>728,191</u>	<u>725,987</u>	<u>88,548</u>
HILP ESCROW ACCOUNTS:				
Assets:				
Cash and Cash Equivalents	\$ <u>5,763</u>	<u>35,430</u>	<u>29,345</u>	<u>11,848</u>
Liabilities:				
Due to Homeowners	\$ <u>5,763</u>	<u>6,085</u>	<u>-</u>	<u>11,848</u>
CONTRACTOR DEPOSITS:				
Assets:				
Cash and Cash Equivalents	\$ 519,531	41,819	47,896	513,454
Contractor Retainage	<u>814,064</u>	<u>234,370</u>	<u>121,045</u>	<u>927,389</u>
	<u>1,333,595</u>	<u>276,189</u>	<u>168,941</u>	<u>1,440,843</u>
Liabilities:				
Due to Contractors	\$ <u>1,333,595</u>	<u>276,189</u>	<u>168,941</u>	<u>1,440,843</u>
PAYROLL REVOLVING:				
Assets:				
Cash and Cash Equivalents	\$ <u>554,959</u>	<u>211,707,862</u>	<u>211,685,174</u>	<u>577,647</u>
Liabilities:				
Accounts Payable	193,699	133,410,076	133,410,016	193,759
Due to Other Governments	<u>361,260</u>	<u>29,127,081</u>	<u>29,104,453</u>	<u>383,888</u>
	<u>\$ 554,959</u>	<u>162,537,157</u>	<u>162,514,469</u>	<u>577,647</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash and Cash Equivalents	\$ <u>754,047</u>	<u>354,382,517</u>	<u>354,736,675</u>	<u>399,889</u>
Liabilities:				
Warrants Payable	\$ <u>754,047</u>	<u>354,382,517</u>	<u>354,736,675</u>	<u>399,889</u>
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash and Cash Equivalents	\$ <u>114,544</u>	<u>663,756</u>	<u>717,982</u>	<u>60,318</u>
Liabilities:				
Accounts Payable	\$ <u>114,544</u>	<u>663,756</u>	<u>717,982</u>	<u>60,318</u>

(Continued)

(Agency Funds, Continued)

	Balance Sep. 1, 2009	Additions	Deductions	Balance Aug. 31, 2010
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	\$ -	22,564,401	22,564,401	-
Liabilities:				
Accounts Payable	\$ -	9,043,798	9,043,798	-
GATEWAY CENTER JOINT VENTURE ESCROW:				
Assets:				
Cash and Cash Equivalents	\$ 197,847	4,784	433	202,198
Receivables	1,162	1,053	1,162	1,053
	<u>199,009</u>	<u>5,837</u>	<u>1,595</u>	<u>203,251</u>
Liabilities:				
Due to Joint Venture	\$ 199,009	4,242	-	203,251
PUBLIC BUILDING COMMISSION BOND RESERVE:				
Assets:				
Cash and Cash Equivalents	\$ 1,123,787	411,791	410,240	1,125,338
Investments	1,910,000	666,683	332,224	2,244,459
Receivables	87,662	41,036	87,662	41,036
	<u>3,121,449</u>	<u>1,119,510</u>	<u>830,126</u>	<u>3,410,833</u>
Liabilities:				
Due to Other Governments	\$ 3,121,449	459,933	170,549	3,410,833
AGENCY FUND TOTALS:				
Total Assets	\$ 6,287,636	591,626,385	591,602,918	6,311,103
Total Liabilities	\$ 6,287,636	528,101,868	528,078,401	6,311,103



STATISTICAL SECTION

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

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Financial Trends	137
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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	144
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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	154
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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	160
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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	162
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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.



Table 1

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

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:									
Invested in Capital Assets,									
Net of Related Debt	\$ 482,099,420	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	121,155,820	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	207,317,364	211,304,395	189,259,245	153,402,735	146,399,831	132,861,353	111,868,857	93,499,003	72,078,083
Total Governmental Activities Net Assets	\$ 810,572,604	794,138,532	760,928,330	706,610,406	671,885,794	644,295,063	572,877,198	531,942,274	493,768,818
Business-Type Activities:									
Invested in Capital Assets,									
Net of Related Debt	\$ 598,053,416	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	37,040,667	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	100,903,096	93,873,028	82,155,334	70,546,311	(1,377,874)	112,544,793	114,643,047	39,215,687	55,451,079
Total Business-Type Activities Net Assets	\$ 735,997,179	714,858,652	688,279,348	666,263,308	648,187,778	637,636,333	627,050,599	605,785,863	579,207,271
Primary Government:									
Invested in Capital Assets,									
Net of Related Debt	\$ 1,080,152,836	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	158,196,487	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	308,220,460	305,177,423	271,414,579	223,949,046	145,021,957	245,406,146	226,511,904	132,714,690	127,529,162
Total Primary Government Net Assets	\$ 1,546,569,783	1,508,997,184	1,449,207,678	1,372,873,714	1,320,073,572	1,281,931,396	1,199,927,797	1,137,728,137	1,072,976,089

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

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses									
Governmental Activities:									
General Government	\$ 36,991,820	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	75,364,591	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	38,150,193	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	25,713,710	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	17,198,314	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	20,840,847	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	11,198,681	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	1,767,774	2,562,842	2,563,466	2,363,486	1,789,593	2,012,107	1,017,244	580,423	906,227
Engineering Services	829,470	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	6,373,674	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	234,429,074	223,955,564	222,022,343	219,214,415	211,075,212	195,687,753	193,390,620	183,075,367	170,412,029
Business-Type Activities:									
Parking Lots	386,081	297,452	213,043	217,915	204,531	282,945	231,572	184,222	187,586
Golf	3,165,446	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	5,089,076	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	2,243,518	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	10,607,775	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	3,819,895	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	22,265,579	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	23,469,948	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	229,241,000	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	300,288,318	304,596,859	288,259,137	272,528,556	258,822,843	231,812,333	219,407,643	206,053,590	209,843,070
Total	\$ 534,717,392	528,552,423	510,281,480	491,742,971	469,898,055	427,500,086	412,798,263	389,128,957	380,255,099
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	\$ 20,614,039	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	5,034,014	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	3,291,012	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	3,880,012	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	1,014,906	750,883	731,663	809,767	754,096	576,632	2,573,607	2,334,074	1,945,026
Health and Welfare	4,257,066	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	3,610,376	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	55,013,696	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	16,171,192	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	112,886,313	118,003,964	136,323,340	118,525,646	110,303,371	123,652,967	114,376,523	108,828,103	113,198,788
Business-Type Activities:									
Charges for Services:									
Wastewater System	21,661,455	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	25,012,703	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	245,705,000	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	21,311,191	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	5,767,531	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	319,457,880	326,639,916	301,918,942	280,540,263	261,936,468	237,378,834	234,832,720	227,081,099	220,788,053
Total	\$ 432,344,193	444,643,880	438,242,282	399,065,909	372,239,839	361,031,801	349,209,243	335,909,202	333,986,841
Net (Expense)/Revenue									
Governmental Activities	\$ (121,542,761)	(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	19,169,562	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	\$ (102,373,199)	(83,908,543)	(72,039,198)	(92,677,062)	(97,658,216)	(66,468,285)	(63,589,020)	(53,219,755)	(46,268,258)

(Continued)

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes In Net Assets									
Governmental Activities:									
Taxes:									
Property Tax	\$ 48,637,701	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	4,247,118	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	11,519,622	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	55,362,688	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	54,431	46,078	45,761	37,235	35,020	31,765	36,735	44,810	45,685
Occupation Tax	10,847,214	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	2,006,071	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	1,926,976	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	793,365	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	2,581,647	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>137,976,833</u>	<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	1,984,400	1,978,659	2,134,549	2,195,132	2,232,680	2,111,731	2,234,490	565,790	-
Unrestricted Investment Earnings	1,673,103	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	893,109	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	(2,581,647)	(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>1,968,965</u>	<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>\$ 139,945,798</u>	<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	\$ 16,434,072	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	21,138,527	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>\$ 37,572,599</u>	<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				
	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 4,723,651	4,668,702	4,025,169	3,196,770	1,828,587
Unreserved	25,701,931	27,586,521	28,453,611	27,215,934	27,463,451
Total General Fund	<u>\$ 30,425,582</u>	<u>32,255,223</u>	<u>32,478,780</u>	<u>30,412,704</u>	<u>29,292,038</u>
All Other Governmental Funds					
Reserved	\$ 73,769,526	74,955,098	73,635,833	71,029,872	67,422,892
Unreserved, Reported in:					
Special Revenue Funds	57,417,341	59,557,240	61,839,340	65,368,433	67,422,892
Debt Service ²	-	-	-	9,933,914	8,491,735
Capital Projects Funds	8,764,922	9,853,337	13,339,093	24,574,016	19,534,147
Permanent Funds	16,511,201	14,146,177	13,529,735	13,609,259	9,441,571
Total All Other Governmental Funds	<u>\$ 156,462,990</u>	<u>158,511,852</u>	<u>162,344,001</u>	<u>184,515,494</u>	<u>172,313,237</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				
2005	2004	2003	2002 ¹	2001
1,935,693	3,420,876	1,129,488	1,395,664	1,879,514
29,467,581	32,552,543	35,987,302	36,735,397	30,964,860
<u>31,403,274</u>	<u>35,973,419</u>	<u>37,116,790</u>	<u>38,131,061</u>	<u>32,844,374</u>
55,344,060	85,470,219	68,736,621	72,352,843	55,771,848
46,519,881	31,763,330	18,170,362	24,251,512	43,188,432
7,070,715	7,344,884	6,135,384	4,866,366	3,646,779
27,698,544	18,619,537	24,877,481	25,320,734	16,573,262
8,834,071	8,025,744	6,904,635	5,624,910	6,905,368
<u>145,467,271</u>	<u>151,223,714</u>	<u>124,824,483</u>	<u>132,416,365</u>	<u>126,085,689</u>

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

	Fiscal Year				
	2010	2009	2008	2007	2006
Revenues					
Taxes:					
Property	\$ 48,916,327	49,359,612	48,061,759	46,003,719	43,051,465
Motor Vehicle	4,247,118	4,323,350	4,303,363	4,298,290	4,249,847
Wheel	11,519,622	10,697,955	10,458,568	10,059,772	9,250,300
Sales and Use	55,362,688	54,337,312	55,351,848	54,363,413	54,348,587
Sundry and In Lieu	57,195	44,479	50,068	35,115	34,090
Occupation	10,314,055	10,541,781	10,517,680	9,054,831	9,232,431
Special Assessment	1,145,298	1,055,927	1,351,532	1,513,248	1,691,266
Intergovernmental	61,640,301	75,099,973	73,830,720	63,928,043	60,757,501
Permits and Fees	16,432,219	17,119,002	18,013,104	19,126,239	18,423,079
Reimbursement for Services	7,004,334	6,600,299	6,511,457	6,491,112	7,063,192
Program Income	207,978	57,535	48,549	34,155	26,614
Investment Earnings	5,197,259	5,791,391	6,806,258	10,371,565	4,082,196
Donations	1,251,904	2,755,165	1,747,959	947,439	1,062,197
Keno Proceeds	3,132,180	3,140,726	3,373,939	2,798,262	2,745,869
Miscellaneous	1,875,076	1,864,589	2,497,331	3,272,251	4,051,697
Total Revenues	228,303,554	242,789,096	242,924,135	232,297,454	220,070,331
Expenditures					
General Government	35,865,006	34,428,477	35,278,575	33,946,258	34,666,641
Public Safety	64,679,523	63,984,484	61,147,903	60,953,651	60,064,604
Streets and Highways	19,832,223	16,445,304	16,482,240	17,430,452	16,928,575
Culture and Recreation	21,483,873	22,449,569	21,686,564	21,719,544	20,938,212
Economic Opportunity	15,359,628	11,321,242	14,685,668	11,670,315	12,623,307
Health and Welfare	21,652,729	20,349,757	21,053,132	20,378,863	25,566,267
Mass Transit ²	12,034,413	9,575,670	10,707,601	14,877,357	8,901,327
Debt Service					
Principal Retirement	10,087,532	10,446,544	7,989,828	6,282,536	6,200,794
Interest and Fiscal Charges	6,285,998	6,414,144	6,384,069	5,223,234	4,803,380
Miscellaneous	658,871	129,417	53,898	83,950	12,095
Capital Outlay	32,547,239	61,094,201	79,369,789	44,955,954	65,229,370
Total Expenditures	240,487,035	256,638,809	274,839,267	237,522,114	255,934,572
Deficiency of Revenues Under Expenditures	(12,183,481)	(13,849,713)	(31,915,132)	(5,224,660)	(35,864,241)
Other Financing Sources (Uses)					
Transfers In	46,026,786	53,544,932	60,693,467	42,672,672	39,460,154
Transfers Out	(43,259,113)	(51,005,462)	(58,325,388)	(40,643,303)	(38,051,423)
Issuance of Debt	4,131,948	6,501,393	8,877,537	44,588,425	9,600,000
Premiums on Debt Issued	-	25,473	98,768	484,811	7,397
Discounts on Debt Issued	-	-	-	(5,255)	-
Transfer to Bond Refunding Agent	-	-	-	-	-
Sale of Capital Assets	1,405,357	727,671	465,331	283,136	4,080,940
Total Other Financing Sources (Uses)	8,304,978	9,794,007	11,809,715	47,380,486	15,097,068
Net Change in Fund Balances	\$ (3,878,503)	(4,055,706)	(20,105,417)	42,155,826	(20,767,173)
Debt Service as a Percentage of					
Noncapital Expenditures	7.7%	7.7%	6.5%	5.8%	5.4%

Note: ¹ GASB 34 implemented.

² In 2002 StarTran added as a Governmental Fund.

Table 4

Fiscal Year				
2005	2004	2003	2002 ¹	2001
40,877,024	38,825,280	36,350,142	35,969,591	30,943,110
4,256,521	4,055,313	3,823,011	3,589,367	3,375,770
9,153,599	8,634,929	7,767,169	7,758,565	7,569,236
53,741,266	51,978,978	49,010,546	47,049,405	43,988,822
34,888	31,194	44,809	45,685	47,512
9,853,990	9,265,448	8,172,116	9,020,544	7,282,792
1,400,791	1,965,820	1,946,784	1,705,895	1,808,772
63,180,171	58,619,699	52,773,424	59,029,609	48,619,317
16,535,049	15,593,326	12,679,623	12,449,879	9,638,475
6,936,334	6,322,870	6,097,336	5,605,557	5,071,766
1,758,999	1,808,012	1,748,959	1,354,481	1,136,720
4,327,311	5,207,711	4,353,336	4,606,825	8,005,027
2,150,197	1,769,777	2,081,127	1,524,145	1,949,751
3,016,301	3,331,968	3,178,094	3,209,235	3,039,664
5,102,920	3,278,763	1,225,958	4,237,773	3,020,054
<u>222,325,361</u>	<u>210,689,088</u>	<u>191,252,434</u>	<u>197,156,556</u>	<u>175,496,788</u>
32,532,685	30,884,544	28,938,852	27,237,134	23,821,580
58,669,932	55,272,920	50,933,285	49,913,169	48,122,074
17,064,845	13,633,902	12,317,663	10,833,055	11,175,059
21,669,847	22,308,940	19,935,823	16,974,798	14,806,760
14,870,592	14,728,510	16,469,645	14,017,601	12,559,336
19,126,931	18,544,667	17,614,751	17,989,603	15,862,462
8,306,921	10,525,090	7,996,019	12,691,837	-
5,536,580	5,003,161	5,498,277	4,974,223	4,966,405
4,934,088	2,904,318	3,001,504	2,437,266	2,765,418
92,325	7,042	7,442	389	10,867
65,859,750	58,177,933	48,163,988	49,461,878	48,371,432
<u>248,664,496</u>	<u>231,991,027</u>	<u>210,877,249</u>	<u>206,530,953</u>	<u>182,461,393</u>
<u>(26,339,135)</u>	<u>(21,301,939)</u>	<u>(19,624,815)</u>	<u>(9,374,397)</u>	<u>(6,964,605)</u>
38,002,168	32,371,598	31,698,768	36,383,394	47,073,066
(36,757,125)	(31,663,701)	(31,487,832)	(35,321,704)	(50,858,221)
18,655,035	43,799,999	19,347,418	18,580,000	1,390,001
42,635	1,918,788	247,703	143,659	-
(16,057)	(5,854)	-	(3,066)	-
(6,504,876)	-	(9,598,350)	-	(631,895)
2,590,767	136,969	810,955	753,313	584,952
<u>16,012,547</u>	<u>46,557,799</u>	<u>11,018,662</u>	<u>20,535,596</u>	<u>(2,442,097)</u>
<u>(10,326,588)</u>	<u>25,255,860</u>	<u>(8,606,153)</u>	<u>11,161,199</u>	<u>(9,406,702)</u>
5.2%	4.1%	4.8%	4.8%	5.1%

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
2009	1,121,769	1,149,462	483,982	20,651	277,940	269	1,092,093	4,146,166	\$ 0.0700
2008	1,133,238	1,177,049	558,088	20,349	274,304	73,241	1,232,903	4,469,172	0.0648
2007	1,152,048	1,198,401	539,438	20,234	273,056	(3,435)	569,319	3,749,061	0.0634
2006	1,106,943	1,167,869	547,028	19,667	260,225	(45,195)	467,471	3,524,008	0.0612
2005	1,130,943	1,146,236	565,404	19,080	263,157	(25,389)	401,203	3,500,634	0.0557

Note: The numbers are based on Lincoln Electric System's 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 2009
(dollars in thousands)

Customer Type	2009		
	Revenue From Electric Sales	Rank	Percentage of Revenue From Electric Sales
Residential	\$ 91,066	1	37.94 %
Commercial	75,438	2	31.43
Industrial	27,547	3	11.48
Other	45,987	-	19.15
Total	<u>\$ 240,038</u>		<u>100.00 %</u>

Note: The numbers are based on Lincoln Electric System's 12/31/09 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
2010	\$ 3,918,162,825	0.0150
2009	3,860,013,289	0.0150
2008	3,961,835,269	0.0150
2007	3,890,346,633	0.0150
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

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	
2010	0.015	0.055	0.070
2009	0.015	0.055	0.070
2008	0.015	0.055	0.070
2007	0.015	0.055	0.070
2006	0.015	0.055	0.070
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

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

Business Classification	2009			2000		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 1,496,250,495	1	51.15 %	\$ 1,397,564,409	1	52.08 %
Accommodation & Food Services	440,835,744	2	15.07	326,415,808	2	12.16
Utilities	206,459,462	3	7.06	195,797,774	3	7.30
Other	782,054,286	-	26.72	763,647,608	-	28.46
Total	\$ <u>2,925,599,987</u>		<u>100.00 %</u>	\$ <u>2,683,425,599</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. 2010 amounts are not yet available.

Source: Nebraska Department of Revenue

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		
2010	\$ 10,546,474,527	\$ 4,438,463,100	\$ 566,308,151	\$ 195,207,804	\$ 15,746,453,582	0.2879
2009	10,839,440,027	4,382,749,195	547,971,496	165,412,019	15,935,572,737	0.2879
2008	10,723,170,809	4,246,365,596	521,771,782	162,618,303	15,653,926,490	0.2879
2007	10,402,515,684	4,236,340,817	538,646,420	164,660,867	15,342,163,788	0.2833
2006	9,083,290,211	3,814,534,869	525,730,603	159,694,612	13,583,250,295	0.3009
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

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
City of Lincoln										
General Fund	0.1772	0.1806	0.1778	0.1687	0.1955	0.1706	0.1692	0.1757	0.1780	0.1869
Library Fund	0.0398	0.0396	0.0404	0.0427	0.0488	0.0490	0.0485	0.0534	0.0522	0.0467
Social Security Fund	0.0097	0.0129	0.0134	0.0135	0.0139	0.0149	0.0143	0.0162	0.0153	0.0158
Police and Fire Pension Fund	0.0251	0.0201	0.0203	0.0208	0.0219	0.0182	0.0149	0.0149	0.0126	0.0109
Bond Interest and Redemption	0.0361	0.0347	0.0360	0.0376	0.0208	0.0423	0.0434	0.0543	0.0564	0.0636
Total City of Lincoln	<u>0.2879</u>	<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>
Overlapping Rates ¹										
School District No. 1	1.2537	1.2668	1.2719	1.2764	1.3142	1.3141	1.3011	1.2830	1.2732	1.3684
Lancaster County	0.2683	0.2683	0.2755	0.2655	0.2841	0.2797	0.2683	0.2683	0.2583	0.2643
Educational Service Unit #18	0.0150	0.0150	0.0141	0.0141	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Community Technical College	0.0676	0.0722	0.0689	0.0689	0.0696	0.0655	0.0655	0.0655	0.0636	0.0295
Lower Platte South N.R.D.	0.0410	0.0410	0.0418	0.0416	0.0422	0.0323	0.0323	0.0359	0.0365	0.0367
Lancaster County Correctional JPA City	0.0194	0.0195	-	-	-	-	-	-	-	-
Lancaster County Correctional JPA County	0.0107	0.0106	-	-	-	-	-	-	-	-
Railroad Transportation Safety Dist.	0.0260	0.0260	0.0260	0.0246	0.0260	0.0260	0.0248	0.0220	0.0221	0.0260
Agricultural Society of Lancaster County	0.0016	0.0015	0.0016	0.0016	0.0018	0.0020	0.0030	0.0012	0.0024	0.0073
Lancaster County Fairgrounds	0.0038	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>1.7241</u>	<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>

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	2010			2001		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
B & J Partnership Ltd.	Building Management	\$ 74,599,700	1	0.47 %	\$ -	-	- %
Kawasaki	Manufacturing	72,236,265	2	0.46	-	-	-
Burlington Northern	Railroad	61,450,603	3	0.39	48,427,221	5	0.50
Ameritas Life Insurance Corp.	Insurance	59,924,993	4	0.38	-	-	-
WEA Gateway LLC	Retail Management	59,352,318	5	0.38	44,584,408	6	0.46
Bryan LGH	Hospital	54,594,956	6	0.35	-	-	-
Chateau Van Dorn LLC	Real Estate Development	52,339,987	7	0.33	34,054,576	7	0.35
Pfizer	Animal Health	49,057,780	8	0.31	57,470,898	2	0.60
Nebco	Construction / Development	46,246,722	9	0.29	-	-	-
Black Hills Utility Holdings	Gas Utility	44,987,318	10	0.29	28,927,424	10	0.30
Windstream	Telecommunications	-	-	-	98,230,894	1	1.02
Archer Daniels Midland Co.	Soybean Processing	-	-	-	56,965,356	3	0.59
Molex Inc.	Manufacturing	-	-	-	50,212,389	4	0.52
RED Capital Management	Retail Management	-	-	-	33,588,884	8	0.35
State Farm	Insurance	-	-	-	29,116,954	9	0.30
Total		\$ 574,790,642		3.65 %	\$ 481,579,004		4.99 %

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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 45,330,891	\$ 43,791,366	96.60 %	\$ -	\$ 43,791,366	96.60 %
2009	45,875,327	44,385,970	96.75	1,481,367	45,867,337	99.98
2008	45,064,524	43,526,689	96.59	1,508,691	45,035,380	99.94
2007	43,475,089	41,815,295	96.18	1,474,343	43,289,638	99.57
2006	40,873,358	39,549,553	96.76	1,370,460	40,920,013	100.11
2005	38,755,995	37,488,504	96.73	1,252,648	38,741,152	99.96
2004	36,994,112	35,696,288	96.49	1,206,504	36,902,792	99.75
2003	35,007,926	33,648,496	96.12	1,271,556	34,920,052	99.75
2002	33,731,282	32,482,000	96.30	1,235,649	33,717,649	99.96
2001	31,159,364	29,914,662	96.01	1,118,203	31,032,865	99.59

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

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

Governmental Activities						
Fiscal Year	General Bonds	Tax Supported Bonds	Tax Allocation Bonds	Special Assessment Bonds	Antelope Valley Project Bonds	Capital Leases
2010	\$ 48,330	\$ 57,655	\$ 12,398	\$ -	\$ 6,605	\$ 28,989
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

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

<u>Revenue Bonds</u>	<u>Wastewater Project Loan</u>	<u>Commercial Paper Notes</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Net Debt Per Capita ¹</u>	<u>Percentage of Personal Income ¹</u>
\$ 745,660	\$ 3,049	\$ 90,000	\$ 1,328	\$ 994,014	\$ 3,913	- %
773,390	-	90,000	338	1,024,268	4,071	-
781,125	-	90,000	478	1,036,658	4,168	9.40
709,645	-	90,000	922	965,287	4,003	9.03
709,320	-	90,000	704	926,802	3,874	9.10
609,550	-	90,173	1,136	824,562	3,455	8.58
572,360	-	90,173	1,554	781,042	3,307	8.42
499,320	-	90,173	1,349	665,091	2,823	7.44
430,975	5,593	75,000	1,639	583,102	2,516	6.81
335,305	6,585	65,000	1,326	464,502	2,059	5.61

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
2010	\$ 48,330	\$ 57,655	\$ 12,398	\$ -	\$ 118,383	\$ 13,480	\$ 104,903	\$ 413.00	0.70 %
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

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, 2010

<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>118,383,000</u>	100.0 %	\$ <u>118,383,000</u>
Overlapping:			
School District #1	333,065,000	99.5	331,400,000
Lower Platte South N.R.D.	2,250,000	75.4	1,697,000
Lancaster County	1,720,000	85.4	1,469,000
Public Building Commission	42,160,000	85.4	36,005,000
Lancaster County Correctional Facility	61,960,000	85.4	52,914,000
Lancaster County Fairgrounds	<u>8,480,000</u>	85.4	<u>7,242,000</u>
	<u>449,635,000</u>		<u>430,727,000</u>
Total	\$ <u><u>568,018,000</u></u>		\$ <u><u>549,110,000</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>						
2010	\$ 22,472,095	11,664,593	10,807,502	2,695,000	3,731,444	6,426,444	1.68
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
<u>Water System</u>							
	<u>Utility Service Charges</u>						
2010	\$ 26,515,467	14,091,292	12,424,175	6,050,000	3,458,097	9,508,097	1.31
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
<u>Lincoln Electric System</u>							
	<u>Utility Service Charges</u>						
2009	\$ 246,182,000	154,495,000	91,687,000	17,273,000	28,673,000	45,946,000	2.00
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
<u>Golf</u>							
	<u>Facility and Course Fees</u>						
2010	\$ 2,779,424	2,562,064	217,360	350,000	28,783	378,783	0.57
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

(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>						
2010	\$	6,869,392	3,340,601	3,528,791	1,435,000	558,519	1,993,519	1.77
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
<u>Antelope Valley Project Bonds</u>								
		<u>Development Fund *</u>						
2010	\$	1,000,000	-	1,000,000	660,000	325,640	985,640	1.01
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		-	-	-	-	-	-	-
<u>Solid Waste Management</u>								
		<u>Waste Disposal Fees</u>						
2010	\$	7,377,385	8,482,526	-	200,000	140,425	340,425	-
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		-	-	-	-	-	-	-

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
2010	254,001	\$ -	\$ -	35,896	3.9 %
2009	251,624	-	-	34,973	4.3
2008	248,744	11,027,335	37,423	34,061	3.0
2007	241,167	10,686,913	36,749	33,466	2.7
2006	239,213	10,186,357	35,445	32,934	2.8
2005	238,625	9,604,968	33,801	32,505	3.4
2004	236,146	9,272,585	33,026	32,270	3.7
2003	235,565	8,937,209	32,100	31,889	3.6
2002	231,800	8,568,579	31,211	31,867	3.0
2001	225,588	8,281,875	30,563	31,581	2.6

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. 2009 and 2010 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

<u>Employer</u>	<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
State of Nebraska	9,258	1	5.45 %
Lincoln Public Schools	7,505	2	4.42
University of Nebraska-Lincoln	5,965	3	3.51
BryanLGH Medical Center	3,773	4	2.22
US Government	2,976	5	1.75
City of Lincoln	2,561	6	1.51
Saint Elizabeth Regional Medical Center	2,259	7	1.33
Burlington Northern Railroad	1,700	8	1.00
State Farm Insurance	1,382	9	0.81
B&R Stores, Inc.	1,365	10	0.80
Total	<u>38,744</u>		<u>22.80 %</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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Legislative	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Executive	21.15	21.25	20.50	25.20	26.60	28.10	28.10	27.50	27.68	26.63
Financial Administration	66.20	66.20	68.00	72.00	71.67	73.00	73.00	72.00	74.00	74.00
Law	27.00	27.00	26.00	28.50	28.50	28.50	28.50	28.46	27.50	27.75
Personnel Administration	22.80	22.80	22.00	23.19	23.19	22.38	22.38	21.00	21.40	21.38
Planning and Zoning	21.50	22.19	22.00	22.00	21.06	21.08	21.00	20.25	21.00	21.00
Urban Development	9.44	9.91	10.29	11.58	11.78	11.83	10.93	9.23	9.65	8.80
Public Safety										
Police	406.43	406.15	402.38	407.13	407.40	407.33	405.75	392.50	396.25	392.65
Fire	267.76	266.41	264.92	264.57	264.57	263.48	259.06	255.07	253.77	255.65
Building and Safety	54.62	58.00	63.00	63.00	63.00	65.00	62.00	61.00	62.50	60.84
Transportation	17.25	18.50	18.50	20.50	21.50	21.33	20.50	20.50	20.50	20.58
911 Communication	41.50	41.02	38.50	39.50	39.50	39.50	39.50	35.50	35.25	34.85
Streets and Highways	106.85	105.92	106.70	109.40	110.35	110.01	108.02	106.00	106.52	101.20
Culture and Recreation										
Parks and Recreation	226.26	231.17	264.65	280.79	286.23	276.94	271.95	264.25	265.16	250.49
Library	107.47	111.47	117.01	121.67	124.17	124.17	124.17	124.16	120.63	101.76
Economic Opportunity										
Lincoln Area Agency on Aging	51.33	52.50	57.10	64.30	64.86	68.42	69.42	68.22	71.95	71.87
Urban Development	10.31	11.23	12.83	12.68	14.34	14.39	15.80	18.28	15.95	13.95
Workforce Investment Act	8.98	9.01	8.20	6.20	5.64	5.54	3.82	4.24	5.15	5.00
Health and Welfare	112.03	112.78	113.97	119.52	123.45	124.85	120.55	125.95	124.35	124.85
Mass Transit	112.38	109.38	112.38	111.00	111.00	113.00	112.00	111.00	113.00	115.00
Equipment Management										
Police Garage	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Fleet Services	15.00	15.00	15.42	17.00	17.37	17.38	17.38	17.38	17.38	16.38
Radio Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Engineering Services	68.65	69.53	70.80	74.95	76.00	76.00	75.45	74.45	73.05	71.30
Golf	28.00	29.95	30.16	30.67	30.49	32.55	32.32	32.78	33.88	31.64
Parking Facilities	1.72	2.40	1.60	1.60	1.60	1.60	1.60	1.60	1.70	1.70
Municipal Auditorium	11.00	11.00	11.00	11.00	12.00	11.00	12.00	12.00	12.00	13.00
Sanitary Landfill	30.80	30.75	30.85	30.85	30.84	30.85	30.85	29.35	29.35	29.25
Emergency Medical Services	28.49	28.09	28.34	29.43	29.43	30.52	37.43	35.43	35.73	18.34
Wastewater System	93.65	96.72	97.36	98.70	98.69	95.44	95.19	96.85	98.05	97.65
Water System	107.43	112.60	113.68	115.28	115.27	112.26	111.76	108.63	109.38	106.65
Electric System	456.00	445.00	445.00	444.00	452.50	447.50	446.50	435.00	421.00	415.00
	<u>2,561.00</u>	<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>

Note: 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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety										
Police:										
Arrests	26,796	28,183	31,026	29,404	28,523	24,609	23,298	22,339	23,523	23,513
Parking Violations	61,493	75,234	64,116	64,710	54,852	80,071	91,529	101,537	108,286	110,495
Traffic Violations	48,580	48,290	53,862	47,997	54,572	57,732	54,260	48,250	52,843	49,470
Fire:										
Number of Calls Answered	19,602	19,536	19,572	19,075	18,362	18,457	17,931	19,557	20,314	19,472
Building and Safety:										
Number of Commercial Building Permits	1,234	1,196	1,064	994	1,088	1,092	1,061	1,036	1,013	1,017
Number of Residential Building Permits	2,225	1,794	2,261	2,820	3,150	3,387	3,846	3,913	3,405	3,212
Culture and Recreation										
Library:										
Total Circulation (thousands)	3,343	3,348	3,182	3,138	3,108	3,076	3,077	3,016	2,751	2,307
Golf:										
Rounds of Golf	175,940	199,567	196,988	198,337	203,802	202,255	200,986	195,003	204,524	197,698
Mass Transit										
StarTran Ridership (thousands)	1,810	1,790	1,975	1,871	1,826	1,649	1,553	1,529	1,581	1,603
Wastewater										
Number of Consumers	78,376	77,613	77,174	76,458	75,573	74,326	72,753	70,651	69,292	67,916
Water										
Number of Consumers	78,740	77,973	77,532	76,816	75,919	74,649	73,059	72,260	69,704	68,187
Average Daily Consumption (thousand gallons)	31,064	32,716	32,832	35,057	38,425	37,867	35,141	37,520	40,091	39,698
Electric System										
Number of Consumers	129,322	128,115	126,978	124,878	123,376	121,508	119,456	116,974	114,388	112,247

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

Sources: Various City Departments

Table 22

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

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety										
Police Stations	3	3	3	3	2	2	2	2	2	1
Fire Stations	14	14	14	14	14	14	14	14	14	14
Ambulances	10	11	11	11	11	11	11	11	11	11
Streets and Highways										
Lane Miles of Streets ¹	2,732	2,713	2,677	2,641	2,450	2,420	2,818	2,791	2,729	2,678
Streetlights	28,928	28,412	28,223	27,923	27,519	26,654	25,973	25,196	24,677	24,270
Culture and Recreation										
Parks Acreage	6,503	6,503	7,124	6,114	6,114	6,748	5,891	5,779	5,455	5,474
Parks	141	141	125	123	122	116	114	112	105	102
Playgrounds	84	85	85	85	85	83	86	85	81	80
Swimming Pools (Public)	9	9	10	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	128	122	99	84	83	80	90
Recreation Centers	8	7	7	8	8	8	8	8	8	8
Libraries	8	8	8	8	8	8	8	8	8	7
Mass Transit										
Buses and Handivans	70	70	69	69	69	69	66	66	65	66
Wastewater										
Miles of Wastewater Mains	1,015	1,010	1,006	995	978	960	935	909	875	868
Water										
Miles of Water Mains	1,237	1,230	1,213	1,201	1,183	1,164	1,132	1,104	1,085	1,065

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, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Direct Program:			
Community Food Projects (Open Harvest)	10.225	2006-33800-17641	\$ 9,992
Pass-Through State Department Of Education:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	06/09-08/09	27,394
Summer Food Service Program for Children	10.559	RES A 85784	<u>254,262</u> 281,656
Pass-Through State Department Of Health And Human Services:			
Special Supplemental Nutrition Program for Women, Infants & Children			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	EO 082647	665,355
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	EO 081797	103,607
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	WIC BFPC	<u>66</u> 769,028
Nutrition Program for the Elderly (Commodities)	10.570		<u>145,395</u>
Total U.S. Department Of Agriculture			\$ <u>1,206,071</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$ 61,434
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002	<u>44,700</u> 106,134
Community Development Block Grant - Entitlement Grants Cluster:			
Community Development Block Grant	14.218	* B-09 MC-31-0001	11,289,407
Community Development Block Grant ARRA	14.253	* B-09-MY-31-0001	<u>182,437</u> 11,471,844
Shelter Plus Care	14.238	NE26C602001	17,247
HOME Investment Partnerships Program	14.239	* M-09 MC-31-0202	13,153,986
Homelessness Prevention and Rapid Re-Housing Program ARRA	14.257	S-09-MY-31-0002	195,137
Fair Housing Assistance Program - State and Local	14.401	FF207K097017	95,029
Pass-Through State Department Of Economic Development:			
CDBG - State-Administered Small Cities Program Cluster:			
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	* 092LS41	493,762
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	* 092N40	652,723
Community Development Block Grant (Neighborhood Stabilization Program)	14.228	* 092ND40A	<u>624,279</u> 1,770,764
Pass-Through State Department Of Health And Human Services:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	PB-98709707-0	<u>49</u>
Total U.S. Department Of Housing And Urban Development			\$ <u>26,810,190</u>
U.S. DEPARTMENT OF INTERIOR			
Pass-Through State Historical Society:			
Historic Preservation Fund Grants-in-Aid	15.904	09/10	\$ 15,975
Historic Preservation Fund Grants-in-Aid	15.904	10/11	<u>6,488</u> \$ <u>22,463</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Public Safety Partnership and Community Policing Grant (COPS Technology Program)	16.710	2009CKWX0344	\$ 132,000
Public Safety Partnership and Community Policing Grant ARRA (Cops Hiring Recovery Program)	16.710	2009RJWX0059	<u>34,221</u> 166,221
Edward Byrne Memorial Justice Assistance Grant Program ARRA (JAG Formula)	16.804	2009SBB92551	382,804
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	2009DJBX0775	160
Edward Byrne Memorial Justice Assistance Grant Program (JAG Formula)	16.738	2008DJBX0550	9,660
Pass-Through State Comm. On Law Enforcement And Criminal Justice:			
Edward Byrne Memorial Justice Assistance Grant Program (Lin/Lan Investigative Narcotics Coop)	16.738	08-DA-305	5,876
Edward Byrne Memorial Justice Assistance Grant Program (Lin/Lan Investigative Narcotics Coop)	16.738	08-DR-3005	6,214
Edward Byrne Memorial Justice Assistance Grant Program (Lin/Lan Investigative Narcotics Coop)	16.738	09DA309/07DA313	<u>204,367</u> 226,277
Crime Victim Assistance	16.575	08-VA-234/08-VS-900	11,896
Crime Victim Assistance	16.575	09-VA-221/09-VS-902	<u>116,002</u> 127,898
Community Prosecution and Project Safe Neighborhoods	16.609	07-SN-8901	999
Community Prosecution and Project Safe Neighborhoods	16.609	08-SN-8900	25,000
Community Prosecution and Project Safe Neighborhoods	16.609	09-SN-8903	<u>10,110</u> 36,109
Edward Byrne Memorial Justice Assistance Grant Program ARRA (CC Recovery Narcotics)	16.803	09-DX-9001	55,140
Direct Program:			
The Community-Defined Solutions to Violence Against Women Grant Program (Arrest Grant SART)	16.590	2007-WE-AX-0057	63,450
Pass-Through Lancaster County:			
The Community-Defined Solutions to Violence Against Women Grant Program (VAWA Interpreters)	16.590	04-WE-AZ-0049-C-090190	<u>8,362</u> 71,812

(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		Federal Expenditures	
	Number	Grant Number		
Violence Against Women Formula Grants	16.588	08-VW-713	33,887	
Violence Against Women Formula Grants	16.588	09-WX-7009	22,304	56,191
Pass-Through Nebraska State Patrol: Missing Children's Assistance (Internet Crimes Against Children)	16.543	08-IC-06		10,000
Total U.S. Department Of Justice				\$ 1,132,452
U.S. DEPARTMENT OF LABOR				
Pass-Through State Department Of Health And Human Services: Senior Community Service Employment Program	17.235	NGA 2010-035	\$ 44,670	
Senior Community Service Employment Program	17.235	NGA-2011-043	9,478	
Senior Community Service Employment Program ARRA	17.235	NGA2009ARRA148	11,052	65,200
Pass-Through State Department Of Labor: WIA Cluster:				
WIA Adult Program	17.258	* 2008	551	
WIA Adult Program (Incentive/Capacity)	17.258	* 2008	26,086	
WIA Youth Activities	17.259	* 2008	125	
WIA Dislocated Workers	17.260	* 2008	248	
WIA Dislocated Workers	17.260	*EM-17484-08-60-A-31	226,768	
WIA Adult Program (Incentive/Capacity)	17.258	* 2009	20,584	
WIA Adult Program	17.258	* 2009	169,767	
WIA Youth Activities	17.259	* 2009	311,508	
WIA Dislocated Workers	17.260	* 2009	386,512	
WIA Adult Program	17.258	* 2010	15,747	
WIA Adult Program ARRA	17.258	* 2010	115,477	
WIA Adult Program ARRA (Set Aside)	17.258	* 2010	7,545	
WIA Adult Program ARRA (Incentive/Capacity)	17.258	* 2010	4,387	
WIA Youth Activities	17.259	* 2010	49,747	
WIA Youth Activities ARRA	17.259	* 2010	172,733	
WIA Dislocated Workers ARRA	17.260	* 2010	359,052	
WIA Dislocated Workers	17.260	* 2010	33,862	1,900,699
Total U.S. Department Of Labor				\$ 1,965,899
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Transit Services Programs Cluster:				
Job Access Reverse Commute	20.516	NE37-006	12,742	
New Freedom Program	20.521	NE-57-X004	34,668	
New Freedom Program	20.521	NE-57-0001	33,830	81,240
Federal Transit Cluster:				
Federal Transit: Formula Grants (AVL System)	20.507	* NE-26-0001	\$ 49,708	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-03-0039	180,103	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0067	16,593	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-04-0001	457,033	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-0068	75,077	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X072	20,696	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X069	86,390	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X070	42,009	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-37-X007	397,912	
Federal Transit: Formula Grants (Sec. 9 Capital)	20.507	* NE-90-X073	1,635,275	
Federal Transit: Formula Grants ARRA	20.507	* NE96-0001	1,719,197	
Federal Transit: Formula Grants (Transit Planning)	20.507	* NE-90-0073	27,216	
Pass-Through Nebraska Department Of Roads:				
Federal Transit: Formula Grants (Transit Planning)	20.507	* RPT-C990(030)	25,518	
Federal Transit: Formula Grants (Transit Planning)	20.507	* RPT-C990(029)	76,227	4,808,954
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Click It or Ticket)	20.205	* 8/26/10	7,036	
Highway Planning and Construction (Click It or Ticket)	20.205	* 3/1/10	2,752	
Highway Planning and Construction (Planning)	20.205	* HPR-PL1(47)	347,477	
Highway Planning and Construction (Planning)	20.205	* HPR-PL1(48)	52,624	
Highway Planning and Construction (MOPAC Trail)	20.205	* STPB-55(155)	25,000	
Highway Planning and Construction (Jamaica North Trail)	20.205	* STPB-55(160)	5,611	
Highway Planning and Construction (Surface Transportation Program - West O Street)	20.205	* ENH-5266(2)	2,305	
Highway Planning and Construction ARRA (Adams 57th to 62nd)	20.205	* LCLC-5250(3)	435,452	
Highway Planning and Construction ARRA (A St & Van Dorn)	20.205	* LCLC-5220(3)	648,067	
Highway Planning and Construction ARRA (P St, Y St, NW 1st St)	20.205	* LCLC-5236(2)	874,368	
Highway Planning and Construction ARRA (Citywide)	20.205	* LCLC-5247(11)	360,903	
Highway Planning and Construction ARRA (O Street)	20.205	* LCLC-34-6(140)	1,362,943	
Highway Planning and Construction ARRA (Superior Street)	20.205	* LCLC-5254(9)	288,536	
Highway Planning and Construction (9th-10th Street and Van Dorn)	20.205	* STPP-5236(1)	8,766	
Highway Planning and Construction (Superior Street at I-80)	20.205	* HSIP-5254(8)	5,682	
Highway Planning and Construction (JAVA)	20.205	*	1,079,547	5,507,069

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Pass-Through Nebraska Department Of Roads:				
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(211)	5,262	
Formula Grants for Other Than Urbanized Areas (Lancaster County Rural Transit)	20.509	RPT-C551(210)	29,913	35,175
State and Community Highway Safety (School Zones Enforcement)	20.600	8/24/10		5,144
Alcohol Impaired Driving Countermeasures Incentive Grants (ALR Hearings)	20.601		75,484	
Alcohol Impaired Driving Countermeasures Incentive Grants (Alcohol Selective)	20.601	3/1/10	6,762	82,246
Total U.S. Department Of Transportation				\$ 10,519,828
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Direct Program:				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	EEOCNO900068		\$ 33,772
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-Through State Library Commission:				
State Library Program (Library Services and Technology Act)	45.310	09.10	\$ 11,131	
State Library Program (Net Lender Contract)	45.310		5,535	\$ 16,666
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs:				
National Clean Diesel Emissions Reduction Program ARRA	66.039	ARRA 2A-97706801-1	\$	141,796
Regional Environmental Priority Projects	66.111	R7-98793201-0		5,148
Pass-Through State Department Of Environmental Quality:				
Air Pollution Control Program Support	66.001	M-007056(10)	106,893	
Air Pollution Control Program Support	66.001	M-007056(09)	9,232	116,125
Capitalization Grants for Clean Water State Revolving Funds ARRA	66.458	* C317247		2,500,000
Nonpoint Source Implementation Grants (East Saline Wetlands Project)	66.460	NDEQ 56-00686	642,391	
Nonpoint Source Implementation Grants (Lincoln Clean Water Project)	66.460	C900740317	12,969	
Nonpoint Source Implementation Grants (Stormwater Best Management Practices)	66.460	C900740316	10,570	
Nonpoint Source Implementation Grants (Antelope Creek Mainstem Water Quality)	66.460	C900740317	36,995	702,925
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	2010	6,725	
Surveys, Studies, Investigations and Special Purpose Grants (103 PM Monitoring)	66.606	2009	31,293	38,018
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	PB-98709707-0		49
Total U.S. Environmental Protection Agency				\$ 3,504,061
U.S. DEPARTMENT OF ENERGY				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program ARRA	81.128	DE-EE0000664		\$ 153,357
U.S. DEPARTMENT OF EDUCATION				
Pass-Through State Department Of Health And Human Services:				
Early Intervention Services (IDEA) Cluster:				
Special Education - Grants for Infants and Families, Recovery Act ARRA	84.393	IDEA Part C ARRA	\$ 8,000	
Special Education - Grants for Infants and Families, Recovery Act ARRA	84.393	96-5508-248-ARRA-C-4-10	3,449	\$ 11,449
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through State Department Of Health And Human Services:				
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2010-128	\$ 4,471	
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2010-036	21,840	
Special Programs for the Aging Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	93.042	NGA 2011-044	4,179	30,490
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 2010-126	24,384	
Special Programs for the Aging Title III, Part D: Disease Prevention and Health Promotion Services	93.043	NGA 2011-040	2,066	26,450
Aging Cluster:				
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2010-145	390,268	
Special Programs for the Aging Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	NGA 2011-037	28,682	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2011-038	23,633	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2010-146	435,418	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2010-147	122,089	
Special Programs for the Aging Title III, Part C: Nutrition Services	93.045	NGA 2011-039	11,393	1,011,483
Special Programs for the Aging Title III, Part E: National Family Caregiver Support	93.052	NGA 2010-148	188,823	
Special Programs for the Aging Title III, Part E: National Family Caregiver Support	93.052	NGA 2011-041	16,129	204,952
Public Health Emergency Preparedness	93.069	1H75TP000381-01	518,321	
Public Health Emergency Preparedness	93.069	BT-778-123110	195,757	
Public Health Emergency Preparedness	93.069	BT-697-123109	132,528	
Public Health Emergency Preparedness	93.069	DO 02416	995	
Public Health Emergency Preparedness (Pandemic)	93.069	BT-645-123108	17,954	
Public Health Emergency Preparedness (Pan Flu Tabletop Training)	93.069	DO 02296	287	865,842

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 03586	4,881	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DO 01734	<u>2,511</u>	7,392
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	1BU58DP002043-01		22,663
Injury Prevention and Control Research and State and Community Based Programs	93.136	DO 01781		3,898
Immunization Cluster:				
Immunization Grants (Hepatitis B)	93.268	IP08-80308CONT10	14,040	
Immunization Grants (Hepatitis B)	93.268	EO 082013	6,570	
Immunization Grants (NE Immunization Action Plan)	93.268	IP08-80308CONT10	27,968	
Immunization Grants (NE Immunization Action Plan)	93.268	EO 082013	<u>26,912</u>	75,490
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Cessation Strategies)	93.283	DO 02048	2,498	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control)	93.283	1U58DP001978-01	5,895	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Tobacco Prevention & Control)	93.283	EO 082812	43,822	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Influenza Surveillance)	93.283	5U5OC1723775-04	3,000	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program)	93.283	5U5OC1723775-05	11,395	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (West Nile Virus Program)	93.283	090CCU23775	7,674	
Centers for Disease Control and Prevention: Investigations and Tech Assistance (Colon Cancer/Wise Woman)	93.283	5U58PP001421	<u>3,791</u>	78,075
Refugee and Entrant Assistance Program (Health Screening)	93.566	RES 85442 09/10	102,534	
Refugee and Entrant Assistance Program (Health Screening)	93.566	RES 85392	<u>16,011</u>	118,545
Social Services Block Grant (SSBG)	93.667			10,838
HIV Prevention Activities Health Dept Based (Sista Sista / HIV Prevention)	93.940	2010	46,180	
HIV Prevention Activities Health Dept Based (Sista Sista / HIV Prevention)	93.940	04012	24,753	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	EO 082960	27,610	
HIV Prevention Activities Health Dept Based (HIV Testing)	93.940	5U62PS723501-05 08/09	<u>19,285</u>	117,828
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	CDC-RFA-PS09-902 08/09	4,853	
Preventive Health Services Sexually Transmitted Diseases Control Grants (STD)	93.977	CDC-RFA-PS09-902 09/10	<u>9,644</u>	14,497
Preventive Health and Health Services Block Grant (Worksite Wellness Initiative)	93.991	2009-PHHSBG-Worksite-01-LHD	6,025	
Preventive Health and Health Services Block Grant (Worksite Wellness Initiative)	93.991	2010-PHHSBG-Worksite-01-LHD	48,376	
Preventive Health and Health Services Block Grant (GIS-Walkability)	93.991	2B01DP009036-10	<u>5,000</u>	59,401
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	MCH-09-06	4,838	
Maternal and Child Health Services Block Grant to the States (Childhood Obesity)	93.994	MCH-10-06	<u>18,663</u>	23,501
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-566-123107	48,195	
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-623-123108	129,849	
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-689-93009	67,965	
Bioterrorism Training and Curriculum Development Program (HRSA)	93.996	BT-741-93010	<u>256,001</u>	502,010
Pass-Through Lincoln Action Program:				
Head Start Cluster:				
Head Start	93.600	DO 02092	1,896	
Head Start	93.600	RES A 85792	<u>2,324</u>	4,220
Total U.S. Department Of Health And Human Services				\$ 3,177,575
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	07SRNNE 006 (09/11)	\$	75,891
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	08SFNNE 004 (10/11)	44,131	
Foster Grandparent Program	94.011	05SFNNE 004 (09/10)	97,011	
Senior Companion Program	94.016	07SCNNE 001 (09/10)	109,484	
Senior Companion Program	94.016	07SCNNE 001 (10/11)	<u>22,317</u>	272,943
Pass-Through Nebraska Volunteer Commission:				
AmeriCorps (Reach for the Stars)	94.006	06ACHNE0010002	8,891	
AmeriCorps ARRA (Go Green Initiative)	94.006	09RCHNE002001	209,581	
AmeriCorps (Reach for the Stars)	94.006	06ACHNE001002	178,839	
AmeriCorps (Keds at the Core)	94.006	06AFCHNE0010020	60,279	
AmeriCorps (Keds at the Core)	94.006	06AFHNE0010010	<u>553</u>	458,143
Total Corporation For National And Community Service				\$ 806,977
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass-Through Nebraska State Patrol:				
High Intensity Drug Trafficking Area	95.001	10H02	\$ 21,058	
High Intensity Drug Trafficking Area	95.001	09H02	<u>52,562</u>	\$ 73,620

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Direct Programs:			
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2008-CA-0525	\$ 25,775
National Urban Search and Rescue (US&R) Response System	97.025	2009-SR-24-K020	800,829
National Urban Search and Rescue (US&R) Response System	97.025	2010-SR-24-K054	<u>24,257</u>
			850,861
Assistance to Firefighters Grant	97.044	EMW-2009-FP-01522	39,457
Cooperating Technical Partners	97.045	EMK-2009-CA-9005	36,116
Pass-Through Nebraska State Patrol:			
Homeland Security Cluster:			
Homeland Security Grant Program (N.E.M.A.)	97.067	8MMRS531	107
Homeland Security Grant Program (N.E.M.A.)	97.067	2005-GE-T5-0020	27,583
Homeland Security Grant Program (N.E.M.A.)	97.067	2006-GE-T6-0016	123,235
Homeland Security Grant Program (N.E.M.A.)	97.067	2007-GE-T7-0035	<u>162,780</u>
			313,705
Buffer Zone Protection Program	97.078	08-BZ-04	<u>4,450</u>
Total Department Of Homeland Security			\$ <u>1,244,589</u>
Total Federal Expenditures			\$ <u><u>50,678,969</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, 2010

(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, 2010, basic financial statements for LES are audited amounts as of and for the year ended December 31, 2009.

(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	\$ 68,171
93.043	Title III, Part D: Disease Prevention & Health Promotion Services	1,395
93.044	Title III, Part B: Grants for Supportive Services and Senior Centers	31,155
93.045	Title III, Part C: Nutrition Services	149,078
93.052	Title III, Part E: National Family Caregiver Support	18,941
Pass-Through to Joint Antelope Valley Authority:		
20.205	Highway Planning and Construction (JAVA)	\$ 1,079,547

(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, 2010</u>
14.218	Community Development Block Grant	\$ 9,454,000
14.228	Community Development Block Grant – Neighborhood Stabilization Program	1,012,000
14.239	HOME Investment Partnership Program	11,863,000

New loans included in the Schedule totaled \$964,000, \$1,012,000 and \$710,000, 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, 2010, which collectively comprise its basic financial statements and have issued our report thereon dated February 23, 2011, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

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 deficiencies, 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 23, 2011.

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.

BKD, LLP

February 23, 2011

**Independent Accountants' Report on Compliance With Requirements
That Could Have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance
With OMB Circular A-133**

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

Compliance

We have audited the City of Lincoln, Nebraska's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended August 31, 2010. 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 City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City of Lincoln, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2010.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 10-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

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

BKD, LLP

February 23, 2011

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2010

Summary of Auditor's Results

1. The opinion(s) expressed in the independent accountants' report was (were):
 Unqualified Qualified Adverse Disclaimed

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

Significant deficiency(ies)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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4. The independent accountants' report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:

Significant deficiency(ies)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

5. The opinion(s) expressed in the independent accountants' report on compliance with requirements that could have a direct and material effect on major federal awards was (were):
 Unqualified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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7. The City's major programs were:

Cluster/Program	CFDA Number
Community Development Block Grant – Entitlement Grants Cluster	14.218/14.253
HOME Investment Partnerships Program	14.239
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program)	14.228
WIA Cluster	17.258/17.259/17.260
Highway Planning and Construction Cluster	20.205
Federal Transit Cluster	20.507
Capitalization Grants for Clean Water State Revolving Funds	66.458

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2010

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$1,520,369.
9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? Yes No

City of Lincoln, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended August 31, 2010

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, 2010

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
	Significant Deficiency	
10-01	<p>Federal Transit Cluster (20.507) - Procurement</p> <p>Agency – Federal Transit Administration</p> <p>Criteria – To maintain effective internal control over compliance, procurement files should include the necessary documentation to verify compliance with procurement requirements and other agency provisions.</p> <p>Condition – We noted instances during testing of procurement files not including clauses required by the federal awarding agency. In addition, vendor certifications relating to Buy America provisions and suspension, debarment, and excluded parties were not found within these files.</p> <p>Context – The City’s process for obtaining and documenting required certifications and clauses related to contracts awarded is not clearly defined.</p> <p>Effect – A review of procurement files identified several instances where agency required clauses were not included and where recommended documentation was not maintained.</p> <p>Cause – Procurement policies currently in place did not identify the necessary clauses to be included and documentation to be maintained within each file.</p> <p>Recommendation – City management should review and evaluate current procurement policies to ensure compliance with OMB Circular A-133 and agency specific provisions. Additionally, individual programs should consider the necessity of program-specific procurement manuals which would identify the applicable required clauses and documentation.</p> <p>Views of Responsible Officials and Planned Corrective Actions (Management’s Response) – City management concurs with the finding and recommendation. A review of procurement policies for this program has already taken place and a revised program-specific procurement manual has been submitted to the federal awarding agency by Larry Worth, Transit Manager, for approval in February, 2011.</p>	None

City of Lincoln, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2010

Reference Number	Summary of Finding	Status
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No matters are reportable.