

CITY OF LAWRENCE, KANSAS

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2000

Prepared by:
Department of Finance

CITY OF LAWRENCE, KANSAS

Mission Statement

MISSION

We are committed to providing excellent city services that enhance the quality of life for the Lawrence community.

VALUES

In order to fulfill our mission, we have established several guidelines:

We are committed to these basic principles:

*Integrity
Courtesy
Fairness
Honesty*

How we get the job done is as important as getting the job done.

Our interaction with the community will be professional, responsive, direct, personal, caring and appropriate.

We will promote teamwork, employee satisfaction and professional development in order to provide innovative, cost-effective, efficient service.

WE WANT OUR CITIZENS, CLIENTS AND CUSTOMERS TO HAVE HIGH EXPECTATIONS OF GOVERNMENT SERVICE, AND WE WILL DO OUR BEST TO MEET AND EXCEED THOSE EXPECTATIONS.

CITY OF LAWRENCE, KANSAS

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INTRODUCTORY SECTION



City of Lawrence KANSAS

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CITY COMMISSION
MAYOR
MIKE RUNDLE
COMMISSIONERS
SUE HACK
DAVID M. DUNFIELD
JAMES R. HENRY
MARTIN A. KENNEDY

May 31, 2001

To the Citizens of Lawrence:

The Comprehensive Annual Financial Report (CAFR) of the City of Lawrence for the year ended December 31, 2000 is hereby submitted. The report was prepared by the Finance Department, which is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, the data is accurate in all respects and is reported in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of the funds and account groups. All disclosures necessary to enable the reader to gain an understanding of the City's financial statements are presented with the general purpose financial statements and are an integral part of the CAFR. They should be read for a fuller understanding of the statements.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section includes this transmittal letter, the City's organizational chart and a list of principal officials. The Financial Section includes the auditor's report, general purpose financial statements, the combining and individual fund and account group financial statements, supplementary schedules, and the notes to the general purpose financial statements. The Statistical Section includes selected financial and demographic information, generally presented on a multiyear basis. The Single Audit includes the reports required under OMB Circular A-133 covering federal grant recipients.

The report includes all funds and account groups of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; water and sewer services; construction and maintenance of streets and infrastructure; community development and planning; and recreational activities and cultural events.

In addition to the general governmental activities, the City Commission appoints the governing body and influences the decisions of the Lawrence Memorial Hospital and the Lawrence Housing Authority. However, for reporting purposes they are considered legally separate entities. The Lawrence Public Library is also a legally separate entity, but receives a significant amount of funding from the City. All three are reported as discretely presented component units.

Economic Condition and Outlook

The City of Lawrence is located in Douglas County, Kansas. The City's location, thirty-eight miles west of Kansas City, Missouri, and twenty-five miles east of Topeka, Kansas, the state capitol, makes it currently one of the fastest growing cities in Kansas. In addition, Lawrence is home to the University of Kansas, which is the largest local employer. Other major employers include Hallmark Cards, K-Mart Corporation, Allied Signal, and Packer Plastics. The average civilian labor force in Douglas County during 2000 was 56,879. An average of 3.6%, or 2,048 people, were unemployed during 2000. The state and local governments employed the largest number of employees (13,850), followed by the

services sector (11,683), and the retail sector (11,175). Retail hired an additional 325 employees in 2000. An additional 300 jobs were added in the government sector.

U. S. Census figures indicate Lawrence is one of the fastest growing metropolitan areas in Kansas. The total valuation of City building permits issued was \$167.5 million in 1996, \$127.4 million in 1997, \$141.1 million in 1998, \$149.7 million in 1999 and \$175.0 million in 2000. Combined city and countywide sales tax collections in 2000 represent a 8.3% increase over 1999. A total of 1,111 single-family homes were sold in 2000.

A new Talbot's, an expanded GAP and an America Eagle Outfitters were opened in the downtown area in 2000. The downtown area will use tax increment financing to partially fund construction of a 500 space-parking garage. A new Arts Center, retail shops and apartments will also be built in the tax increment district. Lawrence continues to experience a significant number of new office buildings opening in the western part of the City. The population continues to grow, as does the demand for housing.

The City has sufficient water capacity to meet current needs. However, an expansion of the Clinton water treatment plant is being designed to accommodate future growth. The City is currently constructing an expansion of its wastewater treatment plant. Because the sales tax is a major revenue source, the City is dependent upon the level of retail sales in the City to finance a significant portion of governmental operations.

Major Initiatives

During 2000, the City undertook a variety of activities to improve services and enhance economic development.

A total of \$23,380,000 in general obligation bonds was issued in 2000 to obtain long-term financing of improvements in benefit districts and construction of City projects. City projects included construction of the parking garage, Arts Center, various storm sewer projects, the indoor aquatic center, as well as various street projects. In addition, \$11,875,000 in temporary construction notes was issued during the year. The notes provide financing until the projects are complete. The notes are then retired with the proceeds of a general obligation bond, revenue bond or prepayments from special benefit districts.

The City anticipates the need to issue approximately \$2.0 million in general obligation sales tax bonds to finance an additional recreation center. Construction of Lawrence's fifth Fire Station will begin in 2001. General obligation debt for a major benefit district will be issued in 2001. Construction of the nearly \$4.0 million project is underway and has been temporarily financed with notes.

Financial Information

The Finance Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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 and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

As part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's

single audit for the fiscal year ended December 31, 2000 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Kansas law prescribes the policies and procedures by which the City prepares its annual budget. The City maintains budgetary control to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The annual budget contains an itemized estimate of the anticipated revenue and the proposed expenditures necessary to meet the City's financial needs, detailed by program and object of expenditures. The annual budget must be balanced so that total resources equal obligations. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts not disbursed are carried over as a designation of fund balance for the following year.

The Governmental, Expendable Trust, and Agency Funds follow the modified accrual basis of accounting. Under this method of accounting, revenues are recognized when they are both measurable and available within a certain time period. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The accrual basis of accounting is used for Proprietary and Nonexpendable Trust Funds. Revenues are recognized when earned and expenses when incurred.

The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Fund revenues for the fiscal year ended December 31, 2000 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount*	Percent of Total	Increase (Decrease) From 1999	Percent of Increase (Decrease)
Taxes	\$ 27,184	52.2%	\$ 2,371	9.6%
Licenses and permits	593	1.1	(68)	(10.3)
Special assessments	768	1.5	(48)	(5.9)
Charges for service	3,306	6.3	243	8.0
Fines	1,367	2.6	21	1.6
Interest	2,470	4.7	709	40.3
Intergovernmental	15,475	29.6	1,422	10.1
Miscellaneous	1,033	2.0	(83)	(7.4)
Total	\$ 52,196	100.0%	\$ 4,567	

*In thousands of dollars.

Taxes increased due to a 9.4% increase in assessed valuation, a 4.6% increase in city sales tax and a 13.8% increase in franchise fees. The decrease in licenses and permits is due to a 10.0% reduction in the building permit revenue, even though the value of building permits increased. Special assessments decreased because of prior year prepayments and fewer benefit districts. Charges for services were more because of increased reimbursements for ambulance service. Fines are greater due to an increase in the number of traffic tickets issued and higher court costs. Interest revenues are greater due to having a full year of expanded investment authority. Intergovernmental revenue increased because of a larger CDBG expenditures and a 14.3% increase in the countywide sales tax.

The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Fund expenditures for the fiscal year ended December 31, 2000 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount*	Percent of Total	Increase (Decrease) From 1999	Percent of Increase (Decrease)
Current:				
General Government	\$ 8,055	14.7%	\$ 1,115	16.1%
Public Safety	16,002	29.3	1,070	7.2
Public Works	5,287	9.7	519	10.9
Health	1,110	2.0	(359)	(24.4)
Social Services	2,196	4.0	348	18.8
Culture and Recreation	4,248	7.8	212	5.3
Tourism	461	0.9	(24)	(4.9)
Airport	82	0.2	30	57.7
Capital Outlay	4,843	8.9	722	17.5
Debt Service:				
Principal	9,980	18.3	5377	116.8
Interest and fiscal charges	2,305	4.2	76	3.4
Total	\$ <u>54,569</u>	<u>100.0%</u>	\$ <u>9,086</u>	

*In thousands of dollars.

General Government expenditures increased due to a 3% COLA and the initiation of the mass transportation system. Expenditures for Public Safety show an increase because of cost of living increases and the hiring of five police officers and three firefighters. Public Works increased because of cost of living increases and greater expenditures out of the Gas Tax Fund. Health related expenditures decreased because of the high startup costs for the new Health Facility in 1999. Social Services increased due to greater CDBG activity. Culture and Recreation expenditures increased due to the 3% COLA and additional operating costs associated with operating and maintaining the new facilities. Principal and interest charges increased due to the issuance of more debt, including a current refunding bond in the amount of \$4,990,000.

The unreserved fund balance of the General Fund increased by 11.2% from 1999. The 2000 unreserved General Fund balance of \$11,036,798 represented over 37.0% of expenditures.

A five-year plan of capital improvements was developed for the Water and Sewer Fund in 1999. The plan called for the issuance of revenue bonds to expand and maintain water and sewer facilities. A new rate study was also completed in 1999. The plan calls for no increase in water rates and 6.0% annual increase in sanitary sewer rates from 2000-2004.

The City is cooperating with the County to operate a Household Hazardous Waste Disposal Facility. In addition, a cardboard recycling center has started. A facility that includes sufficient space for recycling activities was purchased in 1995.

The City is responsible for several trust funds. Included are trust funds established for cemetery maintenance and park maintenance.

At December 31, 2000, the City had a number of debt issues outstanding. These issues included \$64,200,000 of general obligation bonds and \$13,140,000 of revenue bonds. The City has an Aa2 rating from Moody's Investors Service on general obligation bond issues and A1 on revenue bond issues. Under current statutes, the general obligation debt cannot exceed 30% of assessed valuation. As of December 31, 2000, the City's net general obligation bonded debt was 10.3% of the assessed property value, well below the legal limit of 30.0%, and net bonded debt per capita equaled \$705.71.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and obligations of the U. S. Treasury. The average yield on investments was 5.5%. The City earned interest revenue of \$5,042,246 on all investments for the year ended December 31, 2000.

The City's investment policy is to minimize credit and market risks, while maintaining a competitive yield on its portfolio. Accordingly, deposits were insured by federal depository insurance, collateralized, or held by the City. All collateral on deposits was held either by a federal reserve bank or a dealer bank's trust department, as required by Kansas Statutes, except treasury bills and federal agencies, which are held by the City's agent. As a result, all of the City's investments were in the second credit risk category except treasury bills and agencies, which were category three as defined by the Governmental Accounting Standards Board. In addition, in 1999 the City became the third local government to be given expanded investment powers by the State Treasurer.

The City is self-insured for its workers' compensation, automobile liability, and general liability. An umbrella policy is in effect for worker's compensation risks above \$100,000 up to \$1,000,000. The self-funding of insurance for the City has proven to be a cost-effective way to provide coverage for the types of insurance needs described above.

Other Information

State Statutes require an annual audit by an independent certified public accounting firm. Lowenthal Singleton Webb & Wilson, P.A, performed the 2000 annual audit. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act and related OMB Circular A-133. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the government for its CAFR for the fiscal year ended December 31, 1999. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department, in close cooperation with the independent auditors. Each member of the Finance Department has our sincere appreciation for the contributions made in the preparation of the report, especially the work of Laura Warner.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



A. Ed Mullins, CPA
Finance Director



City Commission

City Manager

Boards & Commissions

Assistant City Manager
Administrative Services

Public

- Fixed Routes
- Paratransit
- FTA Grant Administration
- Communication
- Public Involvement
- Sister City Support

City
Attorney

Public
Transit

- City Clerk
- Personnel
- Risk Management

Public
Transit

- * Community Policing
- * Investigative Services
- * Parking Enforcement

Public
Information

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graph LR
    Water[Water*] --- Wastewater[Wastewater*]
    Water --- CurrentPlanning[Current Planning*]
    Water --- LongRangePlanning[Long Range Planning*]
    Water --- TransportationPlanning[Transportation Planning*]
    Water --- MPO[Metropolitan Planning Org.]
  
```

Assistant City Manager
Community Development Services

Current Planning
Long Range Planning
Transportation Planning
Metropolitan Planning Org.

CITY OF LAWRENCE



Housing &
Neighborhood
Development

Code Enforcement
Housing Development
Community Development
Block Grant

Parks &
Recreation

Parks
Recreation Programs
Nature Center
Golf Course
Facilities Management

ORGANIZATIONAL CHART

Legal Services * Municipal Court
* Agenda Administration

Public
Works

Solid Waste & Recycling **Traffic**
Stormwater Utility **Fleet Services**
Facilities Maintenance

CITY OF LAWRENCE, KANSAS

List of Principal Officials

December 31, 2000

Title	Name
Mayor	James Henry
Vice Mayor	Mike Rundle
Commission Member	Marty Kennedy
Commission Member	Ervin Hodges
Commission Member	David Dunfield
City Manager	H. Michael Wildgen
Assistant City Manager	Debbie Van Saun
Assistant City Manager	David Corliss
City Clerk	Ray Hummert
Community Development Director	Lynn Goodell
Finance Director	A. Ed Mullins
Fire Chief	Jim McSwain
Human Relations Director	Ray Samuel
Parks and Recreation Director	Fred DeVictor
Planning Director	Linda Finger
Police Chief	Ron Olin
Public Works Director	George Williams
Utilities Director	Roger Coffey

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lawrence,
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



Anne Spray Kinney
President

Jeffrey L. Eiser
Executive Director

FINANCIAL SECTION

LOWENTHAL SINGLETON WEBB & WILSON
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

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Thomas G. Wilson, CPA

—
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—
Members of American Institute
and Kansas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Lawrence, Kansas

We have audited the accompanying general purpose financial statements of the City of Lawrence, Kansas, (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of Lawrence Memorial Hospital or the Lawrence Housing Authority. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts for Lawrence Memorial Hospital or the Lawrence Housing Authority included as discretely presented component units, is based solely upon the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and the "Kansas Municipal Audit Guide". 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lawrence, Kansas, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with "Government Auditing Standards", we have also issued a report dated April 30, 2001, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of our audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and are not a required part of the general purpose financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Lawrence, Kansas. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore, we express no opinion thereon.

Lowenthal, Singleton, Webb & Wilson

Professional Association

April 30, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

Exhibit A

CITY OF LAWRENCE, KANSAS
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units

December 31, 2000

Assets	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Proprietary Agency	Fiduciary Fund Type		Account Groups		Primary Government (Memorandum Only)	Combined Component Units	Totals Reporting Entity (Memorandum Only)			
								General		General							
								Fixed Assets	Long-term Debt	General Assets	Long-term Debt						
Cash	\$ 93,961	2,038,560	97,608	1,048,695	2,612,194	297,089	263,888	-	-	6,452,195	6,481,761	12,933,956	6,481,761	12,933,956			
Investments	12,066,020	12,752,545	8,014,940	18,651,141	28,870,004	1,880,769	500,325	-	-	82,675,744	3,975,610	86,651,354	3,975,610	86,651,354			
Receivables (net of allowances for uncollectibles)																	
Taxes	6,921,615	3,059,605	3,336,442	-	-	-	-	-	-	-	-	13,317,662	-	13,317,662			
Special assessments	-	-	2,938,933	-	-	-	-	-	-	-	-	2,938,933	-	2,938,933			
Intergovernmental	-	1,794,019	-	25,305	71,529	2,406,941	199,714	-	-	-	-	1,794,019	-	1,794,019			
Accounts	154,079	210,947	-	-	-	-	-	-	-	-	-	3,068,515	15,918,218	18,986,733			
Franchise fees	348,415	-	-	-	-	-	-	-	-	-	-	348,415	-	348,415			
Loans	-	214,958	-	-	-	-	-	-	-	-	-	214,958	-	214,958			
Accrued interest	241,676	169,356	189,713	140,581	-	480,146	20,348	7,673	-	-	-	1,249,493	2,817	1,252,310			
Due from other funds	636,000	-	-	-	-	-	-	-	-	-	-	636,000	-	636,000			
Inventories	-	-	-	-	-	578,241	207,551	-	-	-	-	785,792	462,542	1,248,334			
Prepaid items	-	-	-	-	-	203,492	-	-	-	-	-	203,492	743,457	946,949			
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cash	-	-	-	-	-	355,532	-	129,976	-	-	-	485,508	5,072	490,580			
Investments	-	-	-	-	-	1,356,252	-	-	-	-	-	1,356,252	12,288,562	13,644,814			
Property, plant and equipment (net of accumulated depreciation where applicable)	-	-	-	-	-	94,643,994	158,189	-	75,265,752	-	-	170,067,935	55,599,484	225,667,419			
Deferred bond issue costs	-	-	-	-	-	-	-	-	-	-	-	815,561	815,561	815,561			
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	4,427,274	4,427,274			
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total assets	\$ 20,401,766	20,239,990	14,602,941	19,911,946	131,506,996	2,763,660	901,862	75,265,752	58,192,941	343,787,854	100,765,883	444,553,737	444,553,737	444,553,737			

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units, Continued

Liabilities, Equity and Other Credits	Totals											
	General Revenue		Special Revenue		Debt Service		Capital Projects		Proprietary Enterprise		Fiduciary Fund	
	General	Special	Debt	Service	Capital	Projects	Enterprise	Proprietary	Internal Service	Type	Account Groups	
Liabilities:												
Accounts payable	\$ 1,283,962	190,945	—	—	981,683	—	1,531,956	24,738	162,268	—	4,175,552	
Accrued expenses	—	—	—	—	—	—	—	—	—	—	3,210,595	
Accrued interest payable	—	—	120,700	—	301,854	—	—	—	—	—	3,152,155	
Accrued payroll	752,646	97,695	—	—	310,198	—	22,067	—	—	424,554	916,698	
Accrued vacation and sick pay	1,144,572	136,507	—	—	633,865	64,068	—	—	—	1,182,606	—	
Due to other funds	—	630,000	—	—	—	—	6,000	—	—	954,516	2,933,528	
Payable from restricted assets	—	—	—	—	695,290	—	129,976	—	—	—	636,000	
Customer deposits and court bond payable	—	—	—	—	1,285,000	—	—	—	—	—	825,266	
Current portion of revenue bonds	—	—	—	—	548,006	—	—	—	—	—	1,254,988	
Estimated claims and judgments payable	23,966	—	—	—	—	359,121	—	—	—	10,1300	484,387	
Temporary notes payable	—	—	11,875,000	—	—	—	—	—	—	—	11,875,000	
Notes payable	—	—	—	—	5,452,112	—	—	—	—	133,971	5,586,083	
General obligation bonds payable	—	—	—	—	6,648,840	—	—	—	—	57,003,154	63,651,994	
Revenue bonds payable	—	—	—	—	11,855,000	—	—	—	—	—	—	
Capital lease payable	—	—	—	—	97,670	—	—	—	—	11,855,000	30,350,873	
Net pension obligation	—	—	—	—	—	—	—	—	—	97,670	1,367,280	
Deferred revenue	61,598,822	4,677,669	6,655,915	71,529	—	—	17,385	—	—	—	2,389,865	
Total liabilities	9,364,968	5,732,816	6,655,915	13,048,912	29,361,791	487,379	298,244	—	58,192,941	123,142,966	43,046,123	
Equity and other credits:											166,189,089	
Contributed capital	—	—	—	—	2,946,059	84,882	—	—	—	3,030,941	9,795,504	
Investment in general fixed assets	—	—	—	—	—	—	75,265,752	—	—	75,265,752	1,053,250	
Retained earnings	—	—	—	—	1,057,822	—	—	—	—	100,332,723	46,182,842	
Reserved for revenue bond requirements	—	—	—	—	98,141,324	2,191,399	—	—	—	1,057,822	—	
Unreserved	—	—	—	—	—	—	—	—	—	100,332,723	46,182,842	
Fund balances:											146,515,565	
Reserved for improvements	—	—	—	—	6,863,034	—	—	—	—	6,863,034	—	
Reserved for donor restriction	1,458,930	1,216,677	—	—	—	—	523,000	—	—	523,000	—	
Reserved for encumbrances	—	—	7,947,026	—	—	—	—	—	—	2,675,000	2,675,000	
Reserved for debt service	—	214,959	—	—	—	—	—	—	—	7,947,026	7,947,026	
Reserved for loans	—	—	—	—	—	—	—	—	—	214,959	214,959	
Unreserved	9,577,868	2,261,904	—	—	—	—	—	—	—	2,761,904	2,261,904	
Designated for losses	—	10,813,634	—	—	—	—	80,618	—	—	20,472,120	688,164	
Total fund balances	11,036,798	14,507,174	7,947,026	6,863,034	—	—	603,618	—	—	40,957,650	688,164	
Total equity and other credits	11,036,798	14,507,174	7,947,026	6,863,034	102,145,205	2,276,281	603,618	75,265,752	—	220,644,888	57,719,760	
Total liabilities, equity and other credits	\$ 20,401,766	20,239,990	14,602,941	19,911,046	131,506,996	2,763,660	901,862	75,265,752	58,192,941	343,787,854	100,765,883	
See accompanying notes to general purpose financial statements											444,553,737	

CITY OF LAWRENCE, KANSAS

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units

Year Ended December 31, 2000

	Governmental Fund Types			Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit	Lawrence Public Library	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service					
Revenues:								
Taxes	\$ 20,122,866	3,393,104	3,668,190		27,184,160			27,184,160
Special assessments	593,385	—	767,942		767,942			767,942
Taxes	2,391,996	914,563	—		593,385			593,385
Licenses and permits	1,386,765	—	—		3,306,559			3,316,369
Charges for services	1,210,670	712,473	546,963	589,071	1,366,765	74,212		1,440,977
Fines, forfeitures and penalties	9,066,599	6,383,594	24,482	299,000	2,065	3,061,242	31,654	3,092,896
Interest	—	—	—	—	15,773,675	155,649		15,929,324
Intergovernmental	217,710	460,102	354,722	2,135,342	—	2,135,342	—	2,135,342
Reimbursements	—	—	—	—	—	—	—	—
Miscellaneous	34,969,991	11,863,836	5,362,299	3,023,413	34,388	1,064,857	114,531	1,179,388
Total revenues						55,253,927		55,639,783
Expenditures:								
Current:								
General government	6,682,525	1,372,171	—		—	8,054,696		8,054,696
Public safety	16,001,094	1,458	—		—	16,002,552		16,002,552
Public works	2,936,588	2,350,179	—		—	5,286,767		5,286,767
Health	606,153	503,916	—		—	1,110,069		1,110,069
Social services	257,353	1,938,622	—		—	2,195,975		2,195,975
Culture and recreation	2,404,560	1,843,829	—		32,013	4,280,402	1,848,495	6,128,897
Tourism	—	460,605	—		—	460,605	—	460,605
Airport	81,876	—	—		—	81,876	—	81,876
Capital outlay	832,617	4,010,311	—	16,172,588	—	21,015,516	—	21,015,516
Debt service:	—	—	—	—	—	—	—	—
Principal retirement	—	1,035,000	8,944,935	—	—	9,979,935		9,979,935
Interest and fiscal charges	—	833,149	1,472,122	569,837	—	2,875,108		2,875,108
Total expenditures	29,802,766	14,349,240	10,417,057	16,742,425	32,013	71,343,501	1,848,495	73,191,996
Excess of revenues over (under) expenditures	5,167,225	(2,485,404)	(5,054,758)	(13,719,012)	2,375	(16,089,574)	(1,462,639)	(17,552,213)
Other financing sources (uses):								
Operating transfers in	800,450	3,608,200	18,457	—	—	4,427,107		4,427,107
Operating transfers out	(4,227,000)	(31,200)	—	(18,457)	—	(4,276,657)		(4,276,657)
Operating transfers to component units	—	(1,484,000)	—	—	(1,484,000)	—	(1,484,000)	(1,484,000)
Operating transfers from primary government	—	—	—	—	—	22,477,767		22,477,767
Proceeds of general obligation bonds	(3,426,550)	2,093,000	5,008,457	17,469,310	—	21,144,217	1,484,000	22,628,217
Total other financing sources (uses)	1,740,675	(392,404)	(46,301)	3,750,298	2,375	5,054,643	21,361	5,076,004
Excess of revenues and other sources over expenditures and other uses	9,296,123	14,899,578	7,993,327	3,112,736	31,924	35,333,688	624,291	35,957,979
Fund balance, beginning of year	\$ 11,036,798	14,507,174	7,947,026	6,803,034	34,299	40,388,331	645,652	41,033,983

See accompanying notes to general purpose financial statements

CITY OF LAWRENCE, KANSAS

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Statutory Basis) - General, Special Revenue and Debt Service Fund Types

Year Ended December 31 2000

See accompanying notes to general purpose financial statements

CITY OF LAWRENCE, KANSAS

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/
Fund Balances - All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely
Presented Component Units

For the Year Ended December 31, 2000

	Proprietary Fund Types		Fiduciary Fund Types	Combined Component Units
	Enterprise Funds	Internal Service	Nonexpendable Trust Funds	Housing Authority & Hospital
Operating revenues:				
Charges for services	\$ 30,077,273	4,813,738	—	74,672,917
Other sales	210,649	—	—	1,316,004
Interest income	—	—	26,894	—
Total operating revenues	<u>30,287,922</u>	<u>4,813,738</u>	<u>26,894</u>	<u>75,988,921</u>
Operating expenses:				
Continuing operations	7,535,776	1,649,400	12,663	70,600,673
Transmission and distribution	7,348,792	—	—	—
General administration	1,627,500	392,409	—	—
Health insurance claims	—	2,774,064	—	—
Depreciation and amortization	3,671,519	41,263	—	5,349,249
Total operating expenses	<u>20,183,587</u>	<u>4,857,136</u>	<u>12,663</u>	<u>75,949,922</u>
Operating income (loss)	<u>10,104,335</u>	<u>(43,398)</u>	<u>14,231</u>	<u>38,999</u>
Other income (expense):				
Interest income	1,865,839	115,165	—	1,051,374
Interest expense and fiscal charges	(1,279,533)	—	—	(1,943,787)
Gain on sale of fixed assets	25,178	—	—	(2,688)
Federal and state grant	17,981	—	—	3,405,185
Other items	194,520	3,247	—	(1,072,770)
Total other income	<u>823,985</u>	<u>118,412</u>	<u>—</u>	<u>1,437,314</u>
Income (loss) before operating transfers	<u>10,928,320</u>	<u>75,014</u>	<u>14,231</u>	<u>1,476,313</u>
Operating transfers:				
Operating transfers in	150,000	—	500,000	—
Operating transfers out	(793,450)	(7,000)	—	—
Total operating transfers	<u>(643,450)</u>	<u>(7,000)</u>	<u>500,000</u>	<u>—</u>
Net income (loss)	<u>10,284,870</u>	<u>68,014</u>	<u>514,231</u>	<u>1,476,313</u>
Depreciation on fixed assets acquired by contributions	<u>227,228</u>	<u>12,509</u>	<u>—</u>	<u>—</u>
Increase (decrease) in retained earnings	<u>10,512,098</u>	<u>80,523</u>	<u>514,231</u>	<u>1,476,313</u>
Retained earnings/fund balance, beginning of year	<u>88,687,048</u>	<u>2,110,876</u>	<u>55,088</u>	<u>54,502,033</u>
Retained earnings/fund balance, end of year	<u>\$ 99,199,146</u>	<u>2,191,399</u>	<u>569,319</u>	<u>55,978,346</u>

See accompanying notes to general purpose financial statements

CITY OF LAWRENCE, KANSAS

Combining Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable
Trust Funds and Discretely Presented Component Units

For the Year Ended December 31, 2000

	Proprietary Fund Types		Fiduciary Fund Types		Combined Component Units Housing Authority & Hospital	
	Internal Service Funds		Nonexpendable Trust Funds			
	Enterprise Funds			Trust Funds		
Cash flows from operating activities:						
Operating income (loss)	\$ 10,104,335		(43,398)	14,231	38,999	
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization expense	3,671,519		41,263	—	5,349,249	
Interest income	—		—	(26,894)	—	
Other items	194,520		3,247	—	(1,072,770)	
Change in:						
Accounts receivable	(298,670)		(31,445)	—	6,611,078	
Inventories of supplies	24,695		(399)	—	(40,368)	
Prepaid items	221		—	—	(242,439)	
Other assets	—		—	—	595,929	
Due from other funds	215,004		—	—	—	
Accounts payable	(167,807)		(17,859)	—	(1,937,653)	
Claims payable	—		(31,838)	—	—	
Accrued payroll	19,285		1,572	—	—	
Customer deposits	81,039		—	—	(73,458)	
Accrued vacation and sick pay	23,247		(5,018)	—	12,168	
Estimated claims and judgements payable	(30,494)		—	—	—	
Accrued expenses	—		—	—	(1,238,991)	
Deferred costs	—		—	—	54,856	
Net pension obligation	—		—	—	732,181	
Deferred revenue	—		4,203	—	233,152	
Total adjustments	3,732,559		(36,274)	(26,894)	8,982,934	
Net cash provided by (used in) operating activities	13,836,894		(79,672)	(12,663)	9,021,933	
Cash flows from noncapital financing activities:						
Operating transfers out	(793,450)		(7,000)	—	—	
Operating transfers in	150,000		—	500,000	—	
Grant proceeds	17,981		—	—	3,405,185	
Net cash used in noncapital financing activities	(625,469)		(7,000)	500,000	3,405,185	

(Continued)

CITY OF LAWRENCE, KANSAS

Combining Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable
Trust Funds and Discretely Presented Component Units, Continued

	Proprietary Fund Types		Fiduciary Fund Types		Combined Component Units Housing Authority & Hospital
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds		
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	\$ (12,628,880)	(15,469)	—		(2,952,202)
Proceeds from sales of capital assets	25,178	—	—		33,975
Proceeds from notes	5,452,112	—	—		—
Proceeds from general obligation bonds	902,233	—	—		—
Principal payments on debt	(5,444,304)	—	—		(1,973,613)
Interest payments on debt	(1,248,727)	—	—		(1,868,497)
Net cash used in capital and related financing activities	(12,942,388)	(15,469)	—		(6,760,337)
Cash flows from investment activities:					
Receipt of interest and dividends	1,716,743	109,322	20,370		1,052,001
Net change in investments	—	—	—		(3,742,123)
Purchases of investments	(73,857,758)	(5,660,877)	(1,298,668)		—
Sales of investments	73,485,021	5,662,996	876,877		—
Net cash provided by (used in) investing activities	1,344,006	111,441	(401,421)		(2,690,122)
Net increase (decrease) in cash	1,613,043	9,300	85,916		2,976,659
Cash and cash equivalents, beginning of year	1,354,883	287,789	776		2,817,272
Cash and cash equivalents, end of year	\$ 2,967,926	297,089	86,692		5,793,931
Components of cash and cash equivalents at end of year:					
Cash	\$ 2,612,394	297,089	263,888		5,788,859
Restricted cash	355,532	—	—		5,072
Less Agency and Expendable Trust Cash	—	—	(177,196)		—
	\$ 2,967,926	297,089	86,692		5,793,931

See accompanying notes to general purpose financial statements

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(1) Summary of Significant Accounting Policies

The City of Lawrence, Kansas (the City) is a municipal corporation governed by an elected five-member commission. These general purpose financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported as a separate column in the general purpose financial statements to emphasize they are legally separate. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the general purpose financial statements. The following fund types and account groups are utilized by the City:

GOVERNMENTAL FUND TYPES

Governmental Funds are those in which the measurement focus is upon determination of financial position, rather than upon net income. The following are the Governmental Fund Types:

- *General Fund* is the principal operating fund of the City and accounts for all financial transactions not accounted for in other funds. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.
- *Special Revenue Funds* are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are restricted to finance particular functions or activities.
- *Debt Service Fund* is used to account for the accumulation of resources and payment of principal, interest and other related costs of the City's general obligation debt other than bonds payable from an Enterprise Fund.
- *Capital Projects Fund* is used to account for financial resources designated for the acquisition or construction of general fixed assets which by their nature take more than one budgetary cycle to complete.

PROPRIETARY FUND TYPES

Proprietary Funds are those which the measurement focus is based upon determination of net income. The City's Proprietary Fund Types are:

- *Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

be financed or recovered primarily through user charges, or where the periodic determination of net income is deemed appropriate. In reporting its financial activity, the City applies all applicable Government Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

- *Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, either a Nonexpendable Trust Fund or an Expendable Trust Fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the City is under an obligation to maintain the trust principal. Agency Funds generally are used to account for assets that the City holds on behalf of others as their agent. The measurement focus is based upon changes in current financial resources for Expendable Trust Funds and flow of economic resources for Nonexpendable Trust Funds.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is used by all Governmental, Expendable Trust, Agency Funds and the Lawrence Public Library Component Unit. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period.

Significant revenues susceptible to accrual are property taxes, utility franchise taxes, special assessments, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the City also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The accrual basis of accounting is utilized by Proprietary Fund Types, Nonexpendable Trust Funds, and two component units: Lawrence Housing Authority and Lawrence Memorial Hospital. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

C. Inventories

Inventories are valued at cost, which approximates market, using the average cost method. The costs of the Governmental Fund Type inventories are recorded as expenditures when consumed rather than when purchased.

D. Budgetary Procedures

Kansas Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and certain Enterprise Funds.

A legal annual operating budget is not required for the Capital Projects Fund or Trust Funds and the following Special Revenue Funds:

Airport Improvement Fund
Capital Improvement Reserve Fund
Equipment Reserve Fund
Guest Tax Reserve Fund
Liability Reserve Fund
Sales Tax Reserve Fund
Law Enforcement Grant Fund
Workers' Compensation Reserve Fund
Summer Youth Fund
Outside Agency Fund
Wee Folks Scholarship Fund
Fair Housing Assistance Fund
Community Development Fund
Rehabilitation Escrow Fund
Home Program Fund
Transportation Planning Fund
Law Enforcement Trust Fund

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of budget for the succeeding calendar year on or before August 1 of each year.
- b. Publication of proposed budget and notice of public hearing on or before August 5 of each year.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

- c. Public hearing on or before August 15 of each year, but at least ten days after public notice.
- d. Adoption of final budget on or before August 25 of each year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds (the legal level of budgetary control). Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations lapse at year-end.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by the use of internal spending limits established by the City.

E. Property, Plant and Equipment

Property, plant and equipment owned by the Proprietary Funds are stated at actual or estimated historical cost. Contributed assets are recorded at fair value at the time received. Depreciation of plant and equipment is provided on the straight-line basis over the estimated useful lives of the respective assets as follows:

Water treatment plant and water sewer mains	50 years
Buildings	10-50 years
Improvements other than buildings	10-50 years
Office equipment	3-20 years
Machinery	3-20 years

Maintenance and repairs are charged to expenses. Major expenditures for renewals and betterments are capitalized and depreciated over their estimated useful lives.

Cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the general purpose financial statements.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

F. General Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Fund Types and capitalized at actual or estimated historical cost in the General Fixed Assets Account Group. In the case of gifts or contributions, such assets are recorded in General Fixed Assets Account Group at fair value at the time received.

Public domain (infrastructure) fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City.

Assets in the General Fixed Assets Account Group are not depreciated and interest is not capitalized.

G. Bond Discounts/Issuance Costs

In Governmental Fund Types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for Proprietary Fund Types are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method.

H. Compensated Absences

Under terms of the City's personnel policy, employees are granted vacation and sick leave in varying amounts based upon the length of service. In the event of termination, an employee with over six months of service will receive all accumulated vacation and one-fourth accumulated sick leave. The costs of vacation and sick leave are accrued and recorded when earned. Only the current portion of accrued vacation and sick leave is recorded in the Governmental Fund Types and the remainder of the liability is reported in the General Long-term Debt Account Group. Accrued vacation and sick leave related to Proprietary Funds is recorded entirely within those funds.

I. Capitalization of Interest

Interest costs incurred on borrowed funds during the period of construction of capital assets for Enterprise Funds are capitalized, when material, as a component of the cost of acquiring such assets. There was no interest capitalized during 2000.

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

K. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposit accounts and investments with an original maturity of three months or less. Investments are stated at cost, which approximates fair value.

L. Use of Estimates

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

M. Deferred Revenue

The City has reported as deferred revenue certain taxes and special assessments which have been deemed to be measurable but not available.

N. Memorandum Only – Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

O. Comparative Data / Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

(2) Reporting Entity

The City has considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the City, or the significance of their relationship with the City are such that exclusion would be misleading or incomplete.

This consideration relied on the underlying concept that elected officials are accountable for the actions of those they appoint to govern other organizations and that the City's financial statements should report this accountability. Although elected officials are accountable for the actions of all appointees, governmental accounting standards establish financial accountability as the threshold for including an organization in the financial statements of the reporting entity. Generally, financial accountability results from one of the following criteria:

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

1. The primary government (in this case the City of Lawrence) is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose burdens on the primary government.
2. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of other circumstances.

Based on this analysis, the following organizations have been classified as component units of the City of Lawrence and are presented on the discrete basis to emphasize that they are separate from the City:

The Lawrence Housing Authority, created by State Statutes with a variety of corporate powers, operates the City's low income housing program, serving Lawrence and Douglas County. The Housing Authority is governed by a five member board appointed by the Mayor with approval of the City Commission. The Housing Authority is presented as a proprietary fund type. It is a component unit because it satisfies criterion 1 above.

The Lawrence Memorial Hospital, created by State Statutes with a variety of corporate powers, operates the City Hospital. The hospital is governed by a nine member board appointed by the Mayor with approval of the City Commission. The Hospital is presented as a proprietary fund type. It is a component unit because it satisfies criterion 1 above.

The City of Lawrence Public Library, created by State Statutes as a body corporate, operates the City's public library, serving primarily Lawrence and Douglas County. The library is governed by a seven member board appointed by the Mayor with approval by the City Commission. The Library is presented as a governmental fund type. It is a component unit because it satisfies criterion 2 above.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Lawrence Housing Authority
1600 Haskell Avenue
Lawrence, Kansas 66044

Lawrence Memorial Hospital
325 Maine
Lawrence, Kansas 66044

Lawrence Public Library
707 Vermont
Lawrence, Kansas 66044

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Below is the condensed combining information for all component units:

Combining balance sheet - all component units

	Lawrence Housing Authority	Lawrence Memorial Hospital	Lawrence Public Library	Total Component Units
Assets:				
Current assets	\$ 2,547,529	24,301,462	735,414	27,584,405
Restricted assets	5,072	12,288,562	-	12,293,634
Property, plant and equipment, net	9,825,081	44,721,153	1,053,250	55,599,484
Noncurrent assets	63,694	5,179,141	-	5,242,835
Amount to be provided for the retirement of general long-term debt	-	-	45,525	45,525
	<hr/> \$ 12,441,376	<hr/> 86,490,318	<hr/> 1,834,189	<hr/> 100,765,883
Liabilities and equity:				
Current liabilities	\$ 639,451	6,939,317	92,775	7,671,543
Liabilities payable from restricted assets	11,574	1,254,988	-	1,266,562
Long-term liabilities	-	34,108,018	-	34,108,018
Fund equity	<hr/> 11,790,351	<hr/> 44,187,995	<hr/> 1,741,414	<hr/> 57,719,760
	<hr/> \$ 12,441,376	<hr/> 86,490,318	<hr/> 1,834,189	<hr/> 100,765,883

Combining Statement of Revenues, Expenses and Changes in Equity - Proprietary Fund Type Component Units

	Lawrence Housing Authority	Lawrence Memorial Hospital	Total Component Units
Operating revenues	\$ 1,185,239	74,803,682	75,988,921
Operating expenses	4,477,241	71,472,681	75,949,922
Operating income	(3,292,002)	3,331,001	38,999
Other income (expense)	<hr/> 3,448,151	<hr/> (2,010,837)	<hr/> 1,437,314
Net income (loss)	<hr/> \$ 156,149	<hr/> 1,320,164	<hr/> 1,476,313
Federal and state grants	<hr/> 3,405,185	<hr/> -	<hr/> 3,405,185

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(3) Budgetary Accounting

The accounting principles employed by the City in its budgetary accounting and reporting differ from those used to present financial statements in accordance with generally accepted accounting principles due to the inclusion of encumbrances and reimbursements with expenditures in the budgetary basis statement.

(4) Deposits and Investments

Deposits – At December 31, 2000 cash on hand, deposits, including accrued interest, and bank balances covered by FDIC insurance or collateral, is as follows:

		<u>Primary Government</u>
Cash and deposits, including certificates of deposit:		
Carrying amount		\$ <u>26,510,195</u>
Bank balance		\$ <u>27,809,567</u>
FDIC insurance		\$ 100,000
Collateral pledged and held at the Federal Reserve in the City's name or at a third-party bank under joint custody Agreements		19,659,855
Letters of credit issued by the Federal Home Loan Bank in the City's name		20,150,000
Uncollateralized		<u>–</u>
		\$ <u>39,909,855</u>

Investments – Kansas Statutes authorize the City to invest the U. S. treasury bills and notes, repurchase agreements and the State Treasurer's investment pool. All investments must be insured, registered or held by the City or its agent in the City's name. The City's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the municipality. The investments of the State Treasurer's investment pool are held in the name of the state in the state's account at the Federal Reserve. These investments are reported to the City at fair value on a monthly basis. State statutes established the Pooled Money Investment Board to oversee the activities of the pool.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Type	Risk Category			Carrying Amount	Fair Value
	1	2	3		
U. S. government securities	\$ —	—	<u>59,880,850</u>	59,880,850	59,880,850
State Treasurer's investment pool				<u>5,000,000</u>	<u>5,000,000</u>
Total				<u>\$ 64,880,850</u>	<u>64,880,850</u>

A summary of deposits, investments and petty cash is as follows:

	<u>Primary Government</u>
Petty cash	\$ 4,250
Total deposits, including accrued interest	<u>6,933,453</u>
Total investments, including accrued interest	<u>85,281,939</u>
Total	<u>\$ 92,219,642</u>

The deposits and investments of the City are shown in the general purpose financial statements as follows:

	<u>Primary Government</u>
Cash	\$ 6,452,195
Investments	82,675,744
Accrued interest	1,249,943
Restricted:	
Cash	485,508
Investments	<u>1,356,252</u>
	<u>\$ 92,219,642</u>

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(5) Tax Revenue

Tax revenue for the year ended December 31, 2000 is as follows:

	Primary Government			
	General Fund	Special Revenue Funds	Debt Service Funds	Total
Property taxes	\$ 5,432,068	3,165,011	3,247,376	11,844,455
Motor vehicle tax	744,713	213,814	406,251	1,364,778
Payment in lieu of tax	37,520	14,279	14,563	66,362
Utility franchise taxes	3,247,604	-	-	3,247,604
Sales taxes	<u>10,660,961</u>	<u>-</u>	<u>-</u>	<u>10,660,961</u>
 Tax revenue	 <u>\$ 20,122,866</u>	 <u>3,393,104</u>	 <u>3,668,190</u>	 <u>27,184,160</u>

The City's property tax is levied and a lien attached each November 1 on the assessed value as of the prior January 1 for all property located in the City. Assessed values are established by the County Assessor. The assessed value for property located in the City as of January 1, 1999, on which the 2000 levy was based, was \$498,663,930.

Property taxes are due in total by December 31 following the levy date, or may be paid in equal installments if paid by December 20 (first installment) and the following June 20 (second installment). They are remitted by the County Treasurer to the City subsequent to collection.

Taxes receivable represent property taxes levied on November 1, 2000 for 2001 which have been recorded as deferred revenue, and sales taxes and utility franchise taxes which have been recorded as revenues.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2000 were as follows:

Fund	Levy
Primary government:	
General	\$ 11.151
Library	2.629
Public Transportation	3.047
Recreation	.860
Debt Service	<u>6.666</u>
 Total primary government	 <u>\$ 24.353</u>

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(6) Intergovernmental Revenue

Intergovernmental revenue during the year ended December 31, 2000 consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Enterprise Funds	Total Primary Government
Federal:						
CDBG	\$ -	1,462,175	-	-	-	1,462,175
Home	-	325,799	-	-	-	325,799
HUD	-	85,188	-	-	-	85,188
FTA	-	238,226	-	-	-	238,226
Department of Justice	-	64,657	-	-	-	64,657
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,176,045	-	-	-	2,176,045
Pass-through:						
Commerce and Housing	-	64,091	-	-	-	64,091
DOT	-	232,238	24,482	-	-	256,720
Department of Interior	4,305	-	-	-	-	4,305
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,305	296,329	24,482	-	-	325,116
State:						
DOR	1,670,001	3,867,152	-	-	-	5,537,153
DOT	156,997	-	-	299,000	-	455,997
Health & Environment	-	44,068	-	-	17,981	62,049
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,826,998	3,911,220	-	299,000	17,981	6,055,199
County:						
Sales Tax	7,075,771	-	-	-	-	7,075,771
Use Tax	159,525	-	-	-	-	159,525
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,235,296	-	-	-	-	7,235,296
Total	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 9,066,599	6,383,594	24,482	299,000	17,981	15,791,656

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(7)Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2000:

Type of Issue	Beginning Balance	Discount		Ending Balance
		Amortization/ Additions	Reductions	
General obligation bonds, to be paid with:				
Tax levies	\$ 44,424,057	22,477,767	9,898,670	57,003,154
Enterprise revenues	6,820,942	902,233	526,329	7,196,846
Revenue bonds	14,360,000	-	1,220,000	13,140,000
Long term notes payable	133,971	5,452,112	-	5,586,083
Temporary notes	12,405,000	11,875,000	12,405,000	11,875,000
Capital lease obligations	235,603	-	137,933	97,670
Estimated claims and judgements payable	720,070	484,387	720,070	484,387
Accrued vacation and sick pay	879,909	74,607	-	954,516
Total primary government	<u>\$ 79,979,552</u>	<u>41,266,106</u>	<u>24,908,002</u>	<u>96,337,656</u>

Debt payable, other than capital lease obligations, claims and judgments and compensated absences, at December 31, 2000 is composed of the following:

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Debt Issue	Date Issued	Interest Rate	Original Amount	Balance At End of Year
General obligation bonds:				
General obligation refunding & improvement	1992	5.0%	\$ 22,350,000	730,000
Internal improvement	1992	6.1	1,410,000	340,000
Internal improvement	1993	3.5-5.5	1,140,000	260,000
Internal improvement	1994	4.6-6.6	1,990,000	675,000
Street & internal improvement	1995	4.6-6.25	3,065,000	1,365,000
Street & internal improvement	1995	4.0-6.25	2,445,000	1,340,000
Internal improvement	1995	4.4-6.2	295,000	145,000
Internal improvement	1996	4.5-6.5	9,240,000	6,355,000
Internal improvement	1996	4.6-6.5	540,000	350,000
Internal improvement	1996	4.8-6.8	16,465,000	13,405,000
Internal improvement	1996	4.8-6.8	390,000	260,000
Internal improvement	1997	4.45-6.45	2,930,000	1,830,000
Internal improvement	1997	4.2-4.7	2,900,000	2,160,000
Internal improvement	1998	3.6-4.4	5,325,000	3,820,000
Internal improvement	1999	3.15-4.2	4,405,000	3,555,000
Internal improvement	1999	4.5-6.0	2,110,000	1,930,000
Internal improvement	1999	7.25-8	2,505,000	2,420,000
Internal improvement	2000	4.875-6.25	2,450,000	2,330,000
Internal improvement	2000	4.25-5.95	2,455,000	2,455,000
Internal improvement	2000	4.5-5.75	560,000	560,000
Internal improvement	2000	4.5-6.5	4,280,000	4,280,000
Internal improvement	2000	4.625-5	4,990,000	4,990,000
Internal improvement	2000	4.7-5.75	8,645,000	<u>8,645,000</u>
				<u>64,200,000</u>
Revenue bonds:				
Water and sewerage refunding & improvement	1992	2.85-5.3	3,615,000	715,000
Water and sewerage improvement	1994	4.7-6.7	4,200,000	1,490,000
Water and sewerage improvement	1996	4.9-6.9	6,390,000	5,145,000
Water and sewerage improvement	1997	4.5-6.5	6,900,000	<u>5,790,000</u>
				<u>13,140,000</u>
Long term notes payable -				
Kansas Partnership Fund	1998		290,127	133,971
Kansas Public Water Supply Loan	2000		5,452,112	<u>5,452,112</u>
				<u>5,586,083</u>
Temporary notes:				
Internal improvement	2000	4.75	7,415,000	7,415,000
Internal improvement	2000	4.75	3,155,000	3,155,000
Internal improvement	2000	4.30	1,305,000	<u>1,305,000</u>
				<u>11,875,000</u>
Total primary government			\$ <u>94,801,083</u>	

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

In 2000, the City issued \$23,380,000 of general obligation bonds for the purpose of refunding existing debt and paying the costs of certain street, building, sanitary sewer, stormwater, traffic signal, and other improvements. The General Obligation Bonds, Series 2000-A, are due in annual installments of \$120,000 to \$435,000 with interest due in semiannual installments at rates of 3.15% to 4.90% through September 1, 2009. Series 2000-B is due in annual installments of \$200,000 to \$305,000 with interest due in semiannual installments at rates of 4.1% to 4.55% through September 1, 2010. The Series 2000-C bonds are due in annual installments of \$55,000 to \$60,000 with interest due in semiannual installments at rates of 4.5% to 5.75% through September 1, 2010. Series 2000-D is due in annual installments of \$35,000 to \$245,000 with a large payment of \$1,300,000 due in 2003. Interest on the Series 2000-D is due in semiannual installments at rates of 4.5% to 6.5% through September 1, 2020. Series 2000-E, a refunding bond, is due in annual installments of \$735,000 to \$935,000 with interest due in semiannual installments at rates of 4.625% to 5.0% from September 1, 2005 to September 1, 2010. Series 2000-F is due in annual installments of \$320,000 to \$750,000 with interest due in semiannual installments at rates 4.7% to 5.75% through September 1, 2020.

In 2000, the City issued \$7,415,000 of temporary notes for the purpose of temporarily financing the costs of a major benefit district project along Clinton Parkway, various building improvements and a sanitary sewer project in Western Hills. The Temporary Notes, Series 2000-I, bear interest of 4.75% and mature June 1, 2001.

In 2000, the City issued \$3,155,000 of temporary notes for the purpose of temporarily financing the costs of certain street, traffic signal and other improvements. The Temporary Notes, Series 2000-II, bears interest of 4.75% and matures October 1, 2001.

In 2000, the City issued \$1,305,000 of temporary notes for the purpose of temporarily financing the costs of certain street, and building improvements. The Temporary Notes, Series 2000-III, bear interest of 4.3% and mature October 1, 2001.

The City intends to redeem all temporary notes in 2001 from proceeds of general obligation bonds and/or other temporary notes issued to finance the improvements.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

General obligation bonds to be paid with tax levies:

Year	Principal Due	Interest Due	Total Due
2001	\$ 5,031,994	2,712,131	7,744,125
2002	4,278,851	2,605,431	6,884,282
2003	5,160,843	2,402,261	7,563,104
2004	4,676,306	2,155,055	6,831,361
2005	5,490,211	2,229,816	7,720,027
Thereafter	<u>32,364,949</u>	<u>10,412,542</u>	<u>42,777,491</u>
Total	<u><u>\$ 57,003,154</u></u>	<u><u>22,517,236</u></u>	<u><u>79,520,390</u></u>

General obligation bonds to be paid with enterprise revenues:

Year	Principal Due	Interest Due	Total Due
2001	\$ 548,006	343,248	891,254
2002	571,149	319,362	890,511
2003	599,157	294,396	893,553
2004	628,694	267,910	896,604
2005	654,789	239,889	894,678
Thereafter	<u>4,195,051</u>	<u>1,068,284</u>	<u>5,263,335</u>
Total	<u><u>\$ 7,196,846</u></u>	<u><u>2,533,089</u></u>	<u><u>9,729,935</u></u>

Total general obligation bonds:

Year	Principal Due	Interest Due	Total Due
2001	\$ 5,580,000	3,055,379	8,635,379
2002	4,850,000	2,924,793	7,774,793
2003	5,760,000	2,696,657	8,456,657
2004	5,305,000	2,422,965	7,727,965
2005	6,145,000	2,469,705	8,614,705
Thereafter	<u>36,560,000</u>	<u>11,480,826</u>	<u>48,040,826</u>
Total	<u><u>\$ 64,200,000</u></u>	<u><u>25,050,325</u></u>	<u><u>89,250,325</u></u>

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Revenue bonds:

Year	Principal Due	Interest Due	Total Due
2001	\$ 1,285,000	687,975	1,972,975
2002	1,345,000	615,325	1,960,325
2003	1,035,000	545,970	1,580,970
2004	540,000	494,720	1,034,720
2005	570,000	468,958	1,038,958
Thereafter	<u>8,365,000</u>	<u>2,806,202</u>	<u>11,171,202</u>
Total	<u>\$ 13,140,000</u>	<u>5,619,150</u>	<u>18,759,150</u>

Long-term notes payable:

Year	Principal Due	Interest Due	Total Due
2001	\$ 11,738	7,537	19,275
2002	12,424	6,852	19,276
2003	13,149	6,128	19,277
2004	13,916	5,361	19,277
2005	14,727	4,549	19,276
Thereafter	<u>68,017</u>	<u>9,090</u>	<u>77,107</u>
Total	<u>\$ 133,971</u>	<u>39,517</u>	<u>173,488</u>

The Kansas Water Supply Loan in the amount of \$5,452,112 is a partial draw on a loan commitment of \$46,093,953. Amortization of this loan is yet to be determined.

Temporary notes:

Year	Principal Due	Interest Due	Total Due
2001	<u>\$ 11,875,000</u>	<u>381,601</u>	<u>12,256,601</u>

The Water and Sewage System Revenue Refunding Bonds Series 1992 require that one-sixth of the next interest payment due, one-twelfth of the next principal due, and one-sixth of the agent charges next due be set aside monthly in a restricted account and that a bond reserve be maintained if net revenues of the Water and Sewer System are less than 140% of the maximum annual debt service. A depreciation and emergency account is also to be maintained at a minimum of \$50,000.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Reserved Retained Earnings and Restricted Asset Accounts:

Account	Restricted Assets		Reserved Retained Earnings/ Fund Balance
	Proprietary Funds	Fiduciary Funds	
Revenue bond requirements	\$ 1,057,822	-	1,057,822
Donor restriction	-	-	523,000
Customer deposit and court bonds	695,290	129,976	-
Improvements	-	-	6,863,034
Encumbrances	-	-	2,675,607
Loans	-	-	214,959
	\$ 1,753,112	129,976	11,334,422
Total primary government	<u>1,753,112</u>	<u>129,976</u>	<u>11,334,422</u>

Lawrence Memorial Hospital Component Unit Debt:

The following is a summary of the long-term debt of the Lawrence Memorial Hospital, a proprietary fund type component unit. This debt is to be paid solely with Hospital revenues.

Changes in long term debt transactions:

Type of Issue	Beginning Balance	Discount Amortization/ Additions	Reductions	Ending Balance
Revenue bonds	\$ 32,376,248	29,613	800,000	31,605,861
Capital lease obligations	1,765,893	-	398,613	1,367,280
Total Lawrence Memorial Hospital	<u>\$ 34,142,141</u>	<u>29,613</u>	<u>1,198,613</u>	<u>32,973,141</u>

The City has issued Series 1994, Series 1997 and Series 1999 hospital revenue bonds under a Bond Indenture dated June 1, 1994, as amended and supplemented, to finance expansion and renovation of Hospital facilities, acquire equipment and property, refinance a prior bond issue and reimburse the Hospital for certain capital expenditures. The issuance of these bonds does not directly, indirectly or contingently, obligate the City, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Debt Issue	Interest Rate	Original Amount	Balance at End of Year
Revenue bonds:			
Series 1994	5.35-6.20%	\$ 16,060,000	14,220,000
Series 1997	5.00-5.35	8,000,000	7,445,000
Series 1999	5.00-6.00	10,180,000	10,180,000
Unamortized discounts			(239,139)
			\$ <u>31,605,861</u>

Annual debt service requirements for hospital revenue bonds as of December 31, 2000 are as follows:

Year	Principal Due	Interest Due	Total Due
2001	\$ 840,000	1,836,943	2,676,943
2002	890,000	1,790,955	2,680,955
2003	965,000	1,741,549	2,706,549
2004	975,000	1,689,111	2,664,111
2005	1,045,000	1,622,410	2,667,410
Thereafter	27,130,000	15,178,049	42,308,049
Total	\$ <u>31,845,000</u>	<u>23,859,017</u>	<u>55,704,017</u>

(8) Lease Obligations

A summary of capitalized lease commitments at December 31, 2000 follows:

Year ending December 31:	
2001	51,824
2002	<u>51,824</u>
Total minimum lease payments	103,648
Less amount representing interest	<u>5,978</u>
Present value of future minimum lease payments	\$ <u>97,670</u>

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(9) Property, Plant and Equipment

(a) Proprietary Funds

A summary of property, plant and equipment at December 31, 2000 follows:

Account	Enterprise Funds						Central Maintenance Fund
	Water and Sewer Fund		Public Sanitation System	Storm-water Utility	Golf Course	Total	
	Land	Buildings and Improvements	Machinery and equipment				
Land	\$ 492,773	-	479,055	771,712	-	1,743,540	-
Buildings and Improvements	76,511,892	929,517	3,946,434	4,100,941	3,586,312	89,075,096	390,454
Machinery and equipment	5,352,246	5,035,030	338,170	250,117	258,935	11,234,498	392,550
	82,356,911	5,964,547	4,763,659	5,122,770	3,845,247	102,053,134	783,004
Less accumulated depreciation	(27,887,832)	(3,253,142)	(1,487,158)	(305,028)	(513,386)	(33,446,546)	(624,815)
	54,469,079	2,711,405	3,276,501	4,817,742	3,331,861	68,606,588	158,189
Construction in progress	26,037,406	-	-	-	-	26,037,406	-
Net property, plant and equipment	\$ 80,506,485	2,711,405	3,276,501	4,817,742	3,331,861	94,643,994	158,189

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(b) General Fixed Assets Account Group

A summary of changes in general fixed assets for the year ended December 31, 2000 follows:

	Land	Building and Improvements	Machinery and Equipment	Construction in Progress	Total
Beginning of year	\$ 5,135,121	36,712,497	17,332,798	2,747,469	61,927,885
Additions:					
Expenditures from:					
General Fund	-	74,877	738,417	-	813,294
Special Revenue Funds	1,069,452	17,622	1,075,301	1,458,983	3,621,358
Capital Projects Fund	-	305,044	263,237	8,462,880	9,031,161
Total additions	1,069,452	397,543	2,076,955	9,921,863	13,465,813
Deletions:					
General Fund	-	-	127,946	-	127,946
Total deletions	-	-	127,946	-	127,946
End of year	\$ 6,204,573	37,110,040	19,281,807	12,669,332	75,265,752

(10) Defined Benefit Pension Plan

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS; 611 South Kansas Avenue, Topeka, KS 66603.

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established by statute for calendar year 2000 is 3.22%. The City's employer contributions to KPERS for the years ending December 31, 2000, 1999, and 1998 were \$1,019,033, \$784,643, and \$899,063, respectively, equal to the required contributions for each year. The KP&F uniform participating employer rate established for fiscal years beginning in 2000 is 7.35%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City contributions to KP&F for the years ending

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

December 31, 2000, 1999, and 1998 were \$1,792,376, \$1,671,438, and \$1,728,019, respectively, equal to the required contributions for each year.

(11) Interfund Transactions

Interfund Operating Transfers

A summary of operating transfers for the year ended December 31, 2000 follows:

Receiving Fund	Transfers In	Transfers Out
General	\$ 800,450	4,227,000
Special Revenue Funds:		
Guest Tax	-	31,200
Recreation	107,000	-
Airport Reserve	15,000	-
Capital Improvement Reserve	546,000	-
Equipment Reserve	250,000	-
Guest Tax Reserve	31,200	-
Sales Tax Reserve	2,659,000	-
	3,608,200	31,200
Debt Service Fund	18,457	-
Capital Projects Fund	-	18,457
Enterprise Funds:		
Water and Sewer System	-	604,950
Sanitation	-	128,500
Public Parking System	-	20,000
Storm Water Utility	-	40,000
Municipal Golf Course	150,000	-
	150,000	793,450
Internal Service – Central Maintenance	-	7,000
Nonexpendable Trust-Housing Trust Fund	500,000	-
	\$ 5,077,107	5,077,107

Additionally, the Library (Special Revenue) Fund transferred \$1,484,000 to the Lawrence Public Library Component Unit.

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Interfund Receivables and Payables

At December 31, 2000, the following funds had interfund receivables and payables to the following funds:

Due From		General Fund
Special Revenue Funds:		
Special Gas Tax	\$ 133,000	
Outside Agency Fund	109,000	
Wee Folks Scholarship	4,000	
Community Development	361,000	
Home Program	4,000	
Transportation Planning	19,000	
	<hr/> <u>630,000</u>	
Expendable Trust Fund-City Parks Memorial		<hr/> <u>6,000</u>
Totals	\$	<hr/> <u>636,000</u>

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(12) Segments of Enterprise Activities

Water, sewer and sanitation services and the operations of the public parking system and golf course are financed by user charges and are accounted for as Enterprise Funds. Additional financial data for the year ended December 31, 2000 for these five funds is as follows:

	Water and Sewer System	Public Parking System	Storm- water Utility	Golf Course	Total
Assets:					
Current assets	\$ 29,703,794	3,402,737	448,591	1,192,992	403,104
Restricted assets	1,707,279	4,505	-	-	1,711,784
Property, plant and equipment, net	80,506,485	2,711,405	3,276,501	4,817,742	3,331,861
	\$ 111,917,558	6,118,647	3,725,092	6,010,734	94,643,994
	\$ 111,917,558	6,118,647	3,725,092	6,010,734	131,506,996
Liabilities and equity:					
Current liabilities	\$ 2,120,988	443,592	37,523	94,263	83,507
Liabilities payable from restricted assets	1,975,786	4,504	-	408,006	140,000
Long-term liabilities	17,307,112	-	-	3,453,840	3,292,670
Fund equity	90,513,672	5,670,551	3,687,569	2,054,625	218,788
	\$ 111,917,558	6,118,647	3,725,092	6,010,734	102,145,205
	\$ 111,917,558	6,118,647	3,725,092	6,010,734	131,506,996
Operating revenues	\$ 20,886,254	6,631,038	593,255	1,187,206	990,169
Operating expenses	11,564,734	6,259,954	677,338	876,948	804,613
Operating income	9,321,520	371,084	(84,083)	310,258	185,556
Other income (expense)	791,485	284,423	23,110	(119,720)	(155,313)
Income before operating transfers	10,113,005	655,507	(60,973)	190,538	30,243
Net operating transfers	(604,950)	(128,500)	(20,000)	(40,000)	150,000
Net income (loss)	\$ 9,508,055	527,007	(80,973)	150,538	180,243
	\$ 9,508,055	527,007	(80,973)	150,538	10,284,870
Changes in contributed capital - depreciation add-back	\$ 111,349	-	115,879	-	227,228
Property, plant and equipment additions, net of retirements	\$ 11,300,950	582,151	188,610	120,138	(124,050)
Net working capital	\$ 27,582,806	2,959,145	411,068	1,098,729	319,597
	\$ 27,582,806	2,959,145	411,068	1,098,729	32,371,345

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

(13) Commitments and Contingencies

A. Contract Commitments

At December 31, 2000, the City had construction contract commitments totaling approximately \$13,850,000. The City expects to receive the contracted services during fiscal year 2001.

At year-end, capital project authorizations compared with expenditures from inception are as follows:

Project	Description	Resolution Number	Authorized	Expenditures to Date
01A00S	Iowa, 19th to 31st	6187	\$ 250,000	\$ 248,649
01CP8S	W. 6th St., Wakarusa to SLT	5975 6133	202,310	88,132
02P00B	Comet Lane, 6th Street	6164	150,000	10,820
03P00B	7th Street, Comet to Monterey Way	6230	200,000	9,851
04P00B	24th, Crossgate to Inverness	6137 6226	1,853,000	704,638
05P00B	Inverness, Clinton Parkway to 24th	6138	237,210	29,230
06W00B	Inverness Park Drainage	6140	1,045,000	285,675
07SI7C	Clinton & Wakarusa Signal	5932	132,509	139,639
07ST9B	6th & Maine Medical Plaza	6059 6134	730,000	379,316
07T00B	Clinton Parkway & Crossgate	6141	440,000	53,244
08S00B	Inverness Park Sanitary Sewer	6139	121,000	15,123
09P00B	Crossgate, Clinton Parkway to 24th	6153	247,500	27,641
09SW9S	Kasold Recreation Path	5974	195,000	68,144
14W00C	8th St, Conn to NJ, street & stormwater	6052	900,000	134,058
15B00C	2000 Building renovations	6221	800,000	354,380
18A00C	2000 Overlay, Phase I	6167	235,000	244,107
20A00C	2000 Overlay & Curb, Phase II	6167	315,000	321,995
26PL8C	800 New Hampshire Parking Lot	6050	300,000	285,888
30B00C	Harper Fire Station Construction	6132 6276	1,785,000	106,457
42CP9C	City Fueling Station	6037	250,000	129,825
44CP9B	27th St, Bluestem to Scottsdale	6088 6218	310,000	182,560
45AP9B	Scottsdale, 26th to 27th St.	6090 6219	165,000	83,147
50CP9B	George Williams Way	6085	950,000	710,195
54GI9S	23rd & Barker Geometric Imps & Traffic Study	6129	70,000	34,528
55SI7C	1997 Traffic Signal Improvements	5934	106,471	92,933
58CP7S	Monterey Way, Harvard to 15th	5963 6069	550,000	385,907
58CP9B	Parkside Addition #2	6156	145,000	160,034
60SS8B	Western Hills Sanitary Sewer Improvements	6028	900,000	776,028
61CP8S	Riverridge, Iowa to Michigan	6053	450,000	432,137
62AP8C	Michigan, 7th to 9th	6042 6058	600,000	530,798
62G00B	22nd & Kasold Geometric Improvements	6213	300,000	578

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

Project	Description	Resolution Number	Authorized	Expenditures to Date
64CP9S	N. Michigan, Riverridge to W. 2nd	6182	160,000	102,972
64T00B	Clinton Parkway/Hawthorne	6239	250,000	1,501
65GI9S	27th & Iowa Geometric Imps & Traffic Study	6130 6286	187,300	33,737
81CP9B	27th & Wakarusa Improvements	6121	150,000	132,688
84SI9C	23rd & Alabama Traffic Signal	6201	290,000	288,551
85SI9C	Harvard & Iowa Traffic Signal	6201	110,000	103,199
86SS9B	Langston Hughes Sanitary Sewer	6146	60,000	46,941
95PH07	Public Health Facility	5787 5778 5798	8,080,000	7,023,559
97PR20	Indoor Aquatics Center	5825 6064	7,500,000	6,459,207
98ARTC	Art Center Expansion	6241	7,350,000	1,133,626
TIF9NH	900 New Hampshire TIF District	6242	8,650,000	2,305,970

Expenditures may exceed authorized amounts by up to 10%.

The Indoor Aquatics Center is a joint project with the Lawrence Unified School District No. 497.

In addition to the above capital projects, the City has an ongoing Wastewater Treatment Plant expansion project in the Water and Sewer fund for a total cost of approximately \$40,000,000, of which \$34,398,530 remains available at December 31, 2000.

B. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets errors and omissions; injuries to employees; and natural disasters. Under the City's risk management program, the City retains risk for general liability protection, automobile liability and up to \$300,000 per occurrence (\$1,000,000 in aggregate) for each worker's compensation claim. The City purchases commercial insurance for claims in excess of the maximum under an umbrella policy. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Claims expenditures and liabilities are reported based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. That reserve was \$2,261,904 at December 31, 2000 and is reported as a designation of the Special Revenue fund balance. The City's claims liability reported in the General, Special Revenue, Enterprise and Internal Service Funds and in the general long-term debt account group at December 31, 2000 was \$484,387. The liability reported in the financial statements at December 31, 2000 is based on the requirement that liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Changes in the claims liability in 1999 and 2000 were:

City of Lawrence, Kansas

Notes to General Purpose Financial Statements

December 31, 2000

	Claims and Changes			Claims and Changes			December 31, 2000 Balance	
	December 31, 1998 Balance	in Estimates		December 31, 1999 Balance	in Estimates			
		Payments	Payments		Payments	Payments		
General Fund	\$ 55,324	329,002	291,959	92,367	220,335	288,736	23,966	
Special Revenue Funds	-	132,869	132,869	-	299,634	299,634	-	
Enterprise Funds	8,972	45,667	24,145	30,494	147,150	177,644	-	
Internal Service Fund	327,533	2,701,489	2,638,063	390,959	2,742,226	2,774,064	359,121	
General Long-term Debt								
Account Group	32,610	173,640	-	206,250	-	104,950	101,300	
	<hr/> <u>\$ 424,439</u>	<hr/> <u>3,382,667</u>	<hr/> <u>3,087,036</u>	<hr/> <u>720,070</u>	<hr/> <u>3,409,345</u>	<hr/> <u>3,645,028</u>	<hr/> <u>484,387</u>	

(14) Fund Deficit

At December 31, 2000, the Transportation Planning Fund had a deficit of \$10,524. The deficit is a result of program expenditures for which reimbursement has not yet been requested.

(15) Contributed Capital

During 2000, changes in contributed capital were as follows:

	Enterprise Funds	Internal Service Funds	Total
Balances, beginning of year	\$ 3,173,288	97,391	3,270,679
Deductions – depreciation	<u>227,229</u>	<u>12,509</u>	<u>239,738</u>
Balances, end of year	<u><u>\$ 2,946,059</u></u>	<u><u>84,882</u></u>	<u><u>3,030,941</u></u>

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GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Schedule 1**CITY OF LAWRENCE, KANSAS**

Balance Sheets – General Fund

December 31, 2000
 (With Comparative Amounts for 1999)

	Assets	2000	1999
Cash	\$ 93,961	1,715,575	
Investments	12,006,020	8,866,252	
Receivables:			
Taxes	6,921,615	6,297,411	
Accounts	154,079	84,815	
Franchise fees	348,415	252,961	
Accrued interest	241,676	102,912	
Due from other funds	<u>636,000</u>	<u>260,370</u>	
 Total assets	 <u>\$ 20,401,766</u>	 <u>17,580,296</u>	

Liabilities and Fund Balances

Liabilities:			
Accounts payable	\$ 1,283,962	699,279	
Accrued payroll	752,646	728,088	
Accrued vacation and sick leave	1,144,572	1,093,147	
Estimated claims and judgments	23,966	92,367	
Deferred revenue	<u>6,159,822</u>	<u>5,671,292</u>	
 Total liabilities	 <u>9,364,968</u>	 <u>8,284,173</u>	
 Fund balances:			
Reserved for encumbrances	1,458,930	1,126,996	
Unreserved	<u>9,577,868</u>	<u>8,169,127</u>	
 Total fund balance	 <u>11,036,798</u>	 <u>9,296,123</u>	
 Total liabilities and fund balance	 <u>\$ 20,401,766</u>	 <u>17,580,296</u>	

See independent auditor's report on the general purpose financial statements.

Schedule 2

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 18,940,554	20,122,866	1,182,312	19,389,900
Licenses and permits	500,000	593,385	93,385	660,835
Charges for services	2,523,137	2,391,996	(131,141)	2,147,064
Fines, forfeitures and penalties	900,000	1,366,765	466,765	1,346,049
Interest	619,509	1,210,670	591,161	829,377
Intergovernmental	7,938,465	9,066,599	1,128,134	8,088,078
Miscellaneous	253,529	217,710	(35,819)	195,461
Total revenues	31,675,194	34,969,991	3,294,797	32,656,764
Expenditures:				
General government	7,054,487	6,736,231	318,256	6,687,084
Public safety	16,448,493	16,013,696	434,797	15,003,155
Public works	3,295,413	2,867,410	428,003	2,944,647
Health	647,758	607,189	40,569	428,279
Social services	271,719	257,188	14,531	243,180
Culture and recreation	2,478,995	2,432,221	46,774	2,292,833
Airport	76,057	73,041	3,016	63,097
Capital outlay	1,247,485	1,147,724	99,761	780,797
Debt service:				
Principal retirement	20,000	—	20,000	11,092
Interest and fiscal charges	—	—	—	8,184
Total expenditures	31,540,407	30,134,700	1,405,707	28,462,348
Excess of revenues over expenditures	134,787	4,835,291	4,700,504	4,194,416
Other financing sources (uses):				
Operating transfers in	780,650	800,450	19,800	790,910
Operating transfers out	(4,261,000)	(4,227,000)	34,000	(4,332,382)
Total other financing sources (uses)	(3,480,350)	(3,426,550)	53,800	(3,541,472)
Excess of revenues and other sources over (under) expenditures and other uses	\$ <u>(3,345,563)</u>	1,408,741	<u>4,754,304</u>	652,944
Fund balance, beginning of year	9,296,123			8,217,177
Net change in reserve for encumbrances	331,934			426,002
Fund balance, end of year	\$ 11,036,798			9,296,123

See independent auditor's report on the general purpose financial statements.

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

SPECIAL REVENUE FUNDS

Fund Descriptions

BUDGETED FUNDS

Guest Tax Fund – This fund is used to account for the 4% guest tax received on the occupancy of hotels and motels in the City.

Library Fund – This fund is used to account for the tax receipts collected and disbursed to the local public library.

Transportation Fund – This fund is used to account for revenues and expenditures associated with the fixed route bus system and para-transit services of the City beginning in the year 2000.

Recreation Fund – This fund is used to account for user fees derived from recreational and cultural events and the expenditures necessary to carry out the recreation programs at the City's four community recreation centers.

Special Alcohol Fund – This fund is used to account for one-third of the liquor tax received by the City from the State of Kansas. The revenues are used to finance contractual programs for the prevention and treatment of drug and alcohol abuse.

Special Gas Tax Fund – This fund is used to account for the gasoline tax received from the State of Kansas and Douglas County. The expenditures are primarily for repairs of streets and to provide for new traffic signals.

Special Recreation Fund – This fund is used to account for one-third of the liquor tax received from the State of Kansas. These funds are used to provide additional resources for recreational activities and historic tours.

NONBUDGETED FUNDS

Airport Improvement Fund – This fund is used to account for grant proceeds received from the Federal Aviation and Administration and the operations of the airport. Revenues are generated from the fixed based operator and farming income (K.S.A. 79-2925).

Capital Improvement Reserve Fund – This fund is used to account for major capital improvements which are not funded by long-term debt. Transfers from the General Fund provide the resources for these expenditures (K.S.A. 12-1118).

Equipment Reserve Fund – This fund is used to account for major equipment purchases which are not budgeted in the operating funds of the Governmental Fund Types or financed with general obligation bonds. Transfers from the General Fund provide the resources for these expenditures (K.S.A. 12-1117).

Guest Tax Reserve Fund – This fund is used to account for funds being reserved for Horizon 2020 (Charter Ordinance No. 30).

Liability Reserve Fund – This fund is used to account for reserve of the City's self-insured liability programs (K.S.A. 12-2615).

Sales Tax Reserve Fund – This fund is used to account for the City's share of a .01 cents sales tax levied by the county designated for recreational and cultural capital projects and a health facility project (K.S.A. 12-1118).

SPECIAL REVENUE FUNDS

Fund Descriptions, Continued

Law Enforcement Grant Fund - This fund is used to account for Local Law Enforcement Block Grant received. These funds are used to reduce crime and improve public safety(K.S.A. 12-1663).

Workers' Compensation Reserve Fund - This fund is used to account for reserves established for the City's self-insured workers' compensation (K.S.A. 12-2615).

Summer Youth Fund - This fund is used to account for a donation received from Hallmark Foundation to provide employment opportunities to youth in the community through the Parks and Recreation Department (K.S.A. 79-2925).

Outside Agency Fund - This fund is used to account for grants passed through the outside agencies and Project Freedom which is staffed by City employees (K.S.A. 12-1663).

Wee Folks Scholarship Fund – The fund was started with a \$12,000 donation from the St. Patrick's Day Parade organization. The City is to seek matching donations. The fund is to be used to provide scholarships for Lawrence youth for recreational activities.

Fair Housing Assistance Fund – This fund is used to account for federal housing assistance grants received by the City. The monies are used to promote fair housing practices in the City and to assure compliance with federal regulations governing fair housing practices (K.S.A. 12-1663).

Community Development Fund – This fund is used to account for federal block grants received and related program income. These funds are used to provide assistance to target neighborhoods in the City (K.S.A. 12-1663).

Rehabilitation Escrow Fund – This fund is used to account for federal grants received to provide assistance to homeowners for improvements to properties in targeted neighborhoods (K.S.A. 12-1663).

Home Program Fund – This fund is used to account for federal funds received to assist low income residents to purchase homes (K.S.A. 12-1663).

Transportation Planning Fund – This fund is used to account for federal grants received for urban transportation planning (K.S.A. 12-1663).

Law Enforcement Trust Fund – This fund is used to account for proceeds from the sale of assets forfeited in a legal proceeding. Receipts in the fund are used to defray the cost of complex investigations, purchase technical equipment or provide matching funds for federal grants (K.S.A. 65-4173).

Schedule 3

CITY OF LAWRENCE, KANSAS

Combining Balance Sheet – All Special Revenue Funds

December 31, 2000

Assets	Guest Tax	Library	Transportation	Recreation	Special Alcohol	Special Gas Tax	Special Recreation	Airport Improvement	Capital Improvement Reserve	Equipment Reserve	Guest Tax Reserve	Liability Reserve	Sales Tax Reserve
Cash	\$ 37,026	45,987	251,405	832,237	162,665	535	113,585	32,979	312,257	228,223	36,509	94,346	419,197
Investments Receivables:	—	145,157	795,434	340,359	85,022	1,390,670	270,015	105,084	2,470,249	1,904,736	45,064	1,089,846	3,025,948
Taxes	—	1,299,354	1,314,535	445,716	—	—	—	—	—	—	—	—	—
Intergovernmental Accounts	—	—	—	—	4,574	—	—	—	6,954	—	—	191,358	—
Loans	—	—	—	—	—	—	—	—	—	—	—	—	—
Accrued interest	—	—	—	—	—	—	—	—	45,575	31,537	672	18,905	55,170
Total assets	\$ 37,026	1,490,498	2,361,374	873,886	247,687	1,391,205	383,600	145,017	2,828,081	2,355,854	82,245	1,203,097	3,500,315
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ —	—	—	39,839	11,691	—	42,502	2,241	—	—	65	—	902
Accrued payroll	—	—	—	1,144	39,187	4,487	37,039	581	—	—	—	—	32,168
Accrued vacation/sick pay	—	—	—	1,662	48,168	5,749	56,829	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	133,000	—	—	—	—	—	—
Deferred revenue	—	1,437,627	1,460,594	509,338	—	—	—	—	6,954	—	1,051	—	—
Total liabilities	—	1,437,627	1,503,239	608,384	10,236	269,370	2,822	6,954	—	1,116	—	902	32,168
Fund balances:													
Reserved for encumbrances	—	—	—	809,749	31,256	1,349	294,957	79,366	—	—	—	—	—
Reserved for loans	—	—	—	—	—	—	—	—	—	—	—	—	—
Unreserved:													
Designated for losses	—	—	—	—	—	—	—	—	—	—	—	—	—
Undesignated	37,026	52,871	48,386	234,246	236,102	826,878	301,412	138,063	2,828,081	2,354,738	82,245	1,202,195	3,468,147
Total fund balances	37,026	52,871	858,135	265,502	237,451	1,121,835	380,778	138,063	2,828,081	2,354,738	82,245	1,202,195	3,468,147
Total liabilities and fund balances	\$ 37,026	1,490,498	2,361,374	873,886	247,687	1,391,205	383,600	145,017	2,828,081	2,355,854	82,245	1,203,097	3,500,315

(Continued)

Schedule 3 (Cont'd)

CITY OF LAWRENCE, KANSAS

Combining Balance Sheet – All Special Revenue Funds, Continued

December 31, 2000

	Assets	Law Enforcement Grant	Workers' Compensation Reserve	Summer Youth	Outside Agency	Wee Folks Scholarship	Fair Housing Assistance	Community Development	Rehabilitation Escrow	Home Program	Transportation Planning	Law Enforcement Trust	Totals
Cash	\$ 119,945	419	45,652	241	35,837	401	11,281	766	—	343	5,724	2,038,560	
Investments Receivables:	924,794	5,000	—	40,073	115,094	—	—	—	—	—	—	12,752,545	
Taxes	—	—	—	—	—	—	—	—	—	—	—	3,059,605	
Intergovernmental Accounts	—	—	—	116,007	—	—	—	—	—	8,251	13,893	1,794,019	
Loans	—	—	—	—	—	—	—	—	—	—	—	210,947	
Accrued interest	—	—	63	—	—	—	—	214,958	—	—	—	214,958	
Total assets	\$ 15,911	63	—	410	1,113	—	—	—	—	—	—	169,356	
	\$ 1,060,650	5,482	161,659	40,724	152,044	1,879,288	11,281	9,017	14,236	5,724	20,239,990		
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 1,538	—	—	4,934	—	—	1,902	38,642	10,684	2,745	1,092	—	190,945
Accrued payroll	—	—	—	1,144	—	—	684	10,703	—	—	2,726	—	97,695
Accrued vacation/sick pay	—	—	—	—	109,000	4,000	—	22,157	—	—	1,942	—	136,507
Due to other funds	—	—	—	—	—	—	—	361,000	—	4,000	19,000	—	630,000
Deferred revenue	—	—	—	—	—	—	—	1,262,105	—	—	—	—	4,677,669
Total liabilities	\$ 1,538	—	—	115,078	4,000	2,586	1,694,607	10,684	6,745	24,760	—	—	5,732,816
Fund balances:													
Reserved for encumbrances	—	—	—	—	—	—	—	214,959	—	—	—	—	1,216,677
Reserved for loans	—	—	—	—	—	—	—	—	—	—	—	—	214,959
Unreserved:	—	—	—	—	—	—	—	—	—	—	—	—	—
Designated for losses	—	1,059,112	—	5,482	46,581	36,724	149,458	(30,278)	597	2,272	(10,524)	5,724	2,261,904
Undesignated	—	1,059,112	—	5,482	46,581	36,724	149,458	184,681	597	2,272	(10,524)	5,724	10,813,634
Total fund balances	\$ 1,060,650	5,482	161,659	40,724	152,044	1,879,288	11,281	9,017	14,236	5,724	20,239,990		14,507,174
Total liabilities and fund balances													

See independent auditor's report on the general purpose financial statements.

Schedule 4

CITY OF LAWRENCE, KANSAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
All Special Revenue Funds

Year ended December 31, 2000

	Guest Tax	Library	Transportation	Recreation	Special Alcohol	Special Gas Tax	Special Recreation	Airport Improvement	Capital Improvement Reserve	Equipment Reserve	Guest Tax Reserve	Liability Reserve	Sales Tax Reserve	
Revenues:														
Taxes	\$ 1,445,587	1,474,403	473,114	—	—	—	—	23,671	—	—	—	—	—	
Charges for services	—	169	890,723	—	—	—	—	—	154,032	124,893	3,744	72,602	277,612	
Interest	—	—	—	—	391,480	2,622,602	391,480	—	44,068	—	—	—	—	
Intergovernmental	461,590	—	—	85,265	—	190	190	1,580	10,000	—	—	87,912	42,258	
Miscellaneous	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total revenues	461,590	1,445,587	1,474,572	1,449,102	391,480	2,622,602	391,670	25,251	208,100	124,893	3,744	159,614	319,870	
Expenditures:														
General government	—	—	589,199	—	—	—	—	—	—	—	—	165,991	—	
Public safety	—	—	—	—	—	—	—	—	—	—	—	—	—	
Public works	—	—	—	—	2,291,750	—	—	—	56,779	1,650	—	—	—	
Health	—	—	—	—	441,536	—	—	—	—	—	—	—	—	
Social services	—	—	—	—	—	—	—	—	—	—	—	—	—	
Culture and recreation	448,800	—	—	1,611,628	—	—	218,192	—	—	—	—	—	—	
Tourism	—	—	—	28,402	5,693	20,082	255,363	89,921	—	191,441	469,380	—	—	
Capital outlay	—	—	—	—	—	—	—	—	—	—	—	—	2,790,309	
Debt service:														
Principal retirement	—	—	—	—	—	—	—	—	—	—	—	—	—	
Interest and fiscal charges	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total expenditures	448,800	—	617,601	1,617,231	461,618	2,547,113	308,113	56,779	193,091	469,380	11,805	165,991	4,658,458	
Excess of revenues over (under) expenditures	12,790	1,445,587	856,971	(168,129)	(70,138)	75,489	83,557	(31,528)	15,009	(344,487)	(8,061)	(6,377)	(4,338,588)	
Other financing sources (uses):														
Operating transfers in	—	—	—	107,000	—	—	—	—	15,000	—	—	—	—	
Operating transfers out	(31,200)	—	—	—	—	—	—	—	—	546,000	250,000	31,200	—	
Operating transfers to component units	—	(1,484,000)	—	—	—	—	—	—	—	—	—	—	—	
Total other financing sources (uses)	(31,200)	(1,484,000)	—	107,000	—	—	—	—	15,000	546,000	250,000	31,200	2,659,000	
Excess of revenues and other sources over (under) expenditures and other uses	(18,410)	(38,413)	856,971	(61,129)	(70,138)	75,489	83,557	(16,528)	561,009	(94,487)	23,139	(6,377)	(1,679,588)	
Fund balance, beginning of year	55,436	91,284	—	326,631	307,589	1,046,346	297,221	154,591	2,449,225	2,426,072	59,106	1,208,572	5,147,735	
Fund balance, end of year	\$ 37,026	52,871	—	858,135	265,502	237,451	1,121,835	380,778	138,063	2,878,081	2,354,738	82,245	1,202,195	3,468,147

(Continued)

Schedule 4 (Cont'd)

CITY OF LAWRENCE, KANSAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
All Special Revenue Funds, Continued

Year ended December 31, 2000

	Law Enforcement Grant	Workers' Compensation Reserve	Summer Youth Agency	Outside Agency	Wee Folks Scholarship	Fair Housing Assistance	Community Development	Rehabilitation Escrrow	Home Program	Transportation Planning	Law Enforcement Trust	Total
Revenues:												
Taxes	\$ —	—	—	—	—	—	—	—	—	—	—	3,393,104
Charges for services	—	67,955	344	—	2,384	7,305	—	—	—	—	—	914,563
Interest	—	—	—	279,752	—	85,188	1,462,175	—	—	—	—	712,473
Intergovernmental	64,657	—	25,876	—	10,000	—	107,144	—	—	—	—	6,383,594
Miscellaneous	—	—	—	—	—	—	—	77,547	—	—	—	460,102
Total revenues	64,657	93,831	344	279,752	12,384	92,493	1,569,319	—	403,346	254,803	14,832	11,863,836
Expenditures:												
General government	—	133,643	—	231,108	—	48,117	—	—	—	204,113	—	1,372,171
Public safety	—	—	—	—	—	—	—	—	—	—	1,458	1,458
Public works	—	—	—	62,380	—	—	—	—	—	—	—	2,350,179
Health	—	—	—	—	—	—	—	—	—	—	—	503,916
Social services	—	—	3,840	—	10,169	—	—	1,538,392	—	400,230	—	1,938,622
Culture and recreation	—	—	—	—	—	—	—	—	—	—	—	1,843,829
Tourism	—	—	—	—	—	—	—	—	—	—	—	460,605
Capital outlay	64,657	—	—	—	—	—	5,962	31,231	—	—	57,960	4,010,311
Debt service:	—	—	—	—	—	—	—	—	—	—	—	—
Principal retirement	—	—	—	—	—	—	—	—	—	—	—	1,035,000
Interest and fiscal charges	—	—	—	—	—	—	—	—	—	—	—	833,149
Total expenditures	64,657	133,643	3,840	293,488	10,169	54,079	1,569,623	—	400,230	204,113	59,418	14,349,240
Excess of revenues over (under) expenditures	—	(39,812)	(3,496)	(13,736)	2,215	38,414	(304)	—	3,116	50,690	(44,586)	(2,485,404)
Other financing sources (uses):												
Operating transfers in	—	—	—	—	—	—	—	—	—	—	—	3,608,200
Operating transfers out	—	—	—	—	—	—	—	—	—	—	—	(31,200)
Operating transfers to component units	—	—	—	—	—	—	—	—	—	—	—	(1,494,000)
Total other financing sources (uses):	—	—	—	—	—	—	—	—	—	—	—	2,093,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ —	(39,812)	(3,496)	(13,736)	2,215	38,414	(304)	—	3,116	50,690	(44,586)	(392,404)
Fund balance, end of year	\$ —	1,098,924	8,978	60,317	34,509	111,044	184,985	597	(844)	(61,214)	50,310	14,899,578
Fund balance, end of year	\$ —	1,059,112	5,482	46,581	36,724	149,458	184,681	597	2,272	(10,524)	5,724	14,507,174

See independent auditor's report on the general purpose financial statements. 57

CITY OF LAWRENCE, KANSAS

Schedule 5

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual - Guest Tax Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues – intergovernmental	\$ 480,000	461,590	(18,410)	535,436
Expenditures:				
Tourism – contractual services	448,800	448,800	—	448,800
Excess of revenues over (expenditures)	31,200	12,790	(18,410)	86,636
Other financing uses – operating transfers out	(31,200)	(31,200)	—	(31,200)
Excess of revenues over (under) (expenditures and other uses)	\$ —	(18,410)	(18,410)	55,436
Fund balance, beginning of year		55,436		—
Fund balance, end of year	\$ 37,026			<u>55,436</u>

See independent auditor's report on the general purpose financial statements.

Schedule 6

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Library Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues – taxes	\$ 1,434,147	1,445,587	11,440	1,384,642
Other financing uses – operating transfers to component units	<u>1,484,000</u>	<u>1,484,000</u>	<u>—</u>	<u>1,408,000</u>
Excess of revenues over (under) expenditures and other uses	\$ <u>(49,853)</u>	<u>(38,413)</u>	<u>11,440</u>	<u>(23,358)</u>
Fund balance, beginning of year		<u>91,284</u>		<u>114,642</u>
Fund balance, end of year	\$ <u>52,871</u>			<u>91,284</u>

See independent auditor's report on the general purpose financial statements.

Schedule 7

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Transportation Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 1,445,950	1,474,403	28,453	1,164
Charges for services	—	169	169	—
Total revenues	<u>1,445,950</u>	<u>1,474,572</u>	<u>28,622</u>	<u>1,164</u>
Expenditures:				
General government				
Personal services	78,668	26,771	51,897	—
Contractual service	1,341,982	1,356,889	(14,907)	—
Commodities	5,300	15,288	(9,988)	—
Capital outlay	20,000	28,402	(8,402)	—
Other	—	—	—	—
Total expenditures	<u>1,445,950</u>	<u>1,427,350</u>	<u>18,600</u>	<u>—</u>
Excess of revenues over (under) expenditures	\$ <u>—</u>	<u>47,222</u>	<u>47,222</u>	<u>1,164</u>
Fund balance, beginning of year	1,164			—
Net change in reserve for encumbrances	<u>809,749</u>			—
Fund balance, end of year	\$ <u>858,135</u>			<u>1,164</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 8

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Recreation Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 470,861	473,114	2,253	457,635
Charges for services	904,425	890,723	(13,702)	872,858
Miscellaneous	<u>130,000</u>	<u>85,265</u>	<u>(44,735)</u>	<u>70,360</u>
Total revenues	<u>1,505,286</u>	<u>1,449,102</u>	<u>(56,184)</u>	<u>1,400,853</u>
Expenditures:				
Culture and recreation:				
Personal services	1,411,240	1,349,222	62,018	1,303,614
Contractual service	187,885	133,720	54,165	108,683
Commodities	175,217	144,215	31,002	137,307
Capital outlay	23,370	6,853	16,517	6,766
Other	<u>1,250</u>	<u>1,250</u>	<u>—</u>	<u>1,629</u>
Total expenditures	<u>1,798,962</u>	<u>1,635,260</u>	<u>163,702</u>	<u>1,557,999</u>
Excess of revenues over (under) expenditures	\$ (293,676)	(186,158)	107,518	(157,146)
Other financing sources – operating transfers in	<u>107,344</u>	<u>107,000</u>	<u>(344)</u>	<u>99,300</u>
Excess of revenues over (under) expenditures and other uses	\$ <u>(186,332)</u>	<u>(79,158)</u>	<u>107,174</u>	<u>(57,846)</u>
Fund balance, beginning of year		326,631		379,448
Net change in reserve for encumbrances		<u>18,029</u>		<u>5,029</u>
Fund balance, end of year	\$ <u>265,502</u>			<u>326,631</u>

See independent auditor's report on the general purpose financial statements.

Schedule 9

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Special Alcohol Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues – intergovernmental	\$ 342,000	391,480	49,480	364,649
Expenditures:				
Health:				
Personal services	115,000	107,503	7,497	82,218
Contractual service	355,317	331,137	24,180	350,620
Commodities	8,500	3,007	5,493	5,966
Capital outlay	25,000	20,082	4,918	—
Other	10,000	1,238	8,762	—
Total expenditures	513,817	462,967	50,850	438,804
Excess of revenues over (under) expenditures	(171,817)	(71,487)	100,330	(74,155)
Fund balance, beginning of year	307,589			381,744
Net change in reserve for encumbrances	1,349			—
Fund balance, end of year	\$ 237,451			307,589

See independent auditor's report on the general purpose financial statements.

Schedule 10

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Special Gas Tax Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues - intergovernmental	\$ 2,365,000	2,622,602	257,602	2,338,390
Expenditures:				
Public works:				
Personal services	1,055,562	1,033,339	22,223	1,002,043
Contractual service	12,450	14,960	(2,510)	—
Commodities	1,409,298	1,318,115	91,183	1,037,396
Capital outlay	255,252	255,363	(111)	264,875
Total expenditures	2,732,562	2,621,777	110,785	2,304,314
Excess of revenues over (under) expenditures	\$ (367,562)	825	368,387	34,076
Fund balance, beginning of year		1,046,346		883,379
Net change in reserve for encumbrances		74,664		128,891
Fund balance, end of year	\$ 1,121,835			1,046,346

See independent auditor's report on the general purpose financial statements.

Schedule 11

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Special Recreation Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000			
			Variance	
	Budget	Actual	Favorable (Unfavorable)	1999 Actual
Revenues:				
Intergovernmental	\$ 342,000	391,480	49,480	366,570
Miscellaneous	—	190	190	—
Total revenues	\$ 342,000	391,670	49,670	366,570
Expenditures:				
Culture and recreation:				
Personal services	33,000	20,524	12,476	5,438
Contractual service	191,079	145,500	45,579	176,685
Commodities	16,000	15,590	410	37,919
Capital outlay	157,086	154,153	2,933	104,208
Other	11,735	810	10,925	—
Total expenditures	408,900	336,577	72,323	324,250
Excess of revenues over (under) expenditures	\$ (66,900)	55,093	121,993	42,320
Fund balance, beginning of year		297,221		242,107
Net change in reserve for encumbrances		28,464		12,794
Fund balance, end of year	\$ 380,778			297,221

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 12

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Airport Improvement Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000	1999
Revenues:		
Intergovernmental	\$ —	4,209
Charges for services	23,671	26,603
Miscellaneous	<u>1,580</u>	<u>2,663</u>
Total revenues	<u>25,251</u>	<u>33,475</u>
Expenditures:		
Public works:		
Contractual service	43,349	32,417
Capital outlay	12,950	16,298
Other	<u>480</u>	<u>595</u>
Total expenditures	<u>56,779</u>	<u>49,310</u>
Excess of revenues (under) expenditures	(31,528)	(15,835)
Other financing sources - operating transfers in	<u>15,000</u>	<u>15,000</u>
Excess of revenues over (under) expenditures and other uses	(16,528)	(835)
Fund balance, beginning of year	<u>154,591</u>	<u>155,426</u>
Fund balance, end of year	<u>\$ 138,063</u>	<u>154,591</u>

See independent auditor's report on the general purpose financial statements.

Schedule 13

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Capital Improvement Reserve Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ 154,032	103,197
Intergovernmental	44,068	—
Miscellaneous	<u>10,000</u>	<u>110,004</u>
 Total revenues	 <u>208,100</u>	 <u>213,201</u>
 Expenditures:		
Public works:		
Contractual service	1,650	5,670
Capital outlay	<u>191,441</u>	<u>730,645</u>
 Total expenditures	 <u>193,091</u>	 <u>736,315</u>
 Excess of revenues over (under) expenditures	 15,009	 (523,114)
 Other financing sources (uses):		
Operating transfers in	546,000	450,000
Operating transfers out	<u>—</u>	<u>—</u>
 Total other financing sources (uses)	 <u>546,000</u>	 <u>450,000</u>
 Excess of revenues over (under) expenditures and other uses	 561,009	 (73,114)
 Fund balance, beginning of year	 <u>2,267,072</u>	 <u>2,340,186</u>
 Fund balance, end of year	 <u>\$ 2,828,081</u>	 <u>2,267,072</u>

See independent auditor's report on the general purpose financial statements.

Schedule 14

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Equipment Reserve FundYear Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ 124,893	108,265
Intergovernmental	—	119,294
Miscellaneous	—	29,824
 Total revenues	 124,893	 257,383
 Expenditures		
Contractual services	—	1,990
Commodities	23,665	28,136
Capital outlay	445,715	616,929
 Total expenditures	 469,380	 647,055
 Excess of revenues (under) expenditures	 (344,487)	 (389,672)
 Other financing sources – operating transfers in	 250,000	 250,000
 Excess of revenues (under) expenditures and other uses	 (94,487)	 (139,672)
 Fund balance, beginning of year	 2,449,225	 2,588,897
 Fund balance, end of year	 \$ 2,354,738	 2,449,225

See independent auditor's report on the general purpose financial statements.

Schedule 15

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Guest Tax Reserve Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues – interest	\$ 3,744	2,229
Expenditures – tourism:		
Contractual services	7,500	28,316
Commodities	4,305	7,911
Total expenditures	<u>11,805</u>	<u>36,227</u>
Excess of revenues under expenditures	(8,061)	(33,998)
Other financing sources – operating transfers in	<u>31,200</u>	<u>31,200</u>
Excess of revenues over (under) expenditures and other uses	23,139	(2,798)
Fund balance, beginning of year	<u>59,106</u>	<u>61,904</u>
Fund balance, end of year	<u>\$ 82,245</u>	<u>59,106</u>

See independent auditor's report on the general purpose financial statements.

Schedule 16

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Liability Reserve Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ 72,602	57,477
Miscellaneous	<u>87,012</u>	—
Total revenues	<u>159,614</u>	<u>57,477</u>
Expenditures – general government	<u>165,991</u>	<u>40,282</u>
Excess of revenues over expenditures	(6,377)	17,195
Fund balance, beginning of year	<u>1,208,572</u>	<u>1,191,377</u>
Fund balance, end of year	<u>\$ 1,202,195</u>	<u>1,208,572</u>

See independent auditor's report on the general purpose financial statements.

Schedule 17

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Sales Tax Reserve FundYear Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ 277,612	242,566
Intergovernmental	—	58,900
Miscellaneous	<u>42,258</u>	<u>—</u>
Total revenues	<u>319,870</u>	<u>301,466</u>
Expenditures:		
Capital outlay	2,790,309	1,574,630
Debt service:		
Principal retirement	1,035,000	995,000
Interest and fiscal charges	<u>833,149</u>	<u>894,788</u>
Total expenditures	<u>4,658,458</u>	<u>3,464,418</u>
Excess of revenues (under) expenditures	(4,338,588)	(3,162,952)
Other financing sources (uses):		
Operating transfers in	2,659,000	3,302,917
Operating transfers out	—	—
Total other financing sources (uses)	<u>2,659,000</u>	<u>3,302,917</u>
Excess of revenues over (under) expenditures and other uses	(1,679,588)	139,965
Fund balance, beginning of year	<u>5,147,735</u>	<u>5,007,770</u>
Fund balance, end of year	<u>\$ 3,468,147</u>	<u>5,147,735</u>

See independent auditor's report on the general purpose financial statements.

Schedule 18

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Law Enforcement Grant Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ –	615
Intergovernmental	<u>64,657</u>	<u>66,438</u>
Total revenues	<u>64,657</u>	<u>67,053</u>
Expenditures – public safety	<u>64,657</u>	<u>74,435</u>
Excess of revenues (under) expenditures	–	(7,382)
Other financing sources – operating transfers in	—	7,382
Excess of revenues (under) expenditures and other uses	—	—
Fund balance, beginning of year	—	—
Fund balance, end of year	<u>\$ –</u>	<u>—</u>

See independent auditor's report on the general purpose financial statements.

Schedule 19

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Workers' Compensation Reserve Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ 67,955	53,215
Miscellaneous	<u>25,876</u>	<u>—</u>
Total revenues	<u>93,831</u>	<u>53,215</u>
Expenditures – general government	<u>133,643</u>	<u>91,069</u>
Excess of revenues over (under) expenditures	(39,812)	(37,854)
Other financing sources – operating transfers in	<u>—</u>	<u>50,000</u>
Excess of revenues over expenditures and other uses	(39,812)	12,146
Fund balance, beginning of year	<u>1,098,924</u>	<u>1,086,778</u>
Fund balance, end of year	<u>\$ 1,059,112</u>	<u>1,098,924</u>

See independent auditor's report on the general purpose financial statements.

Schedule 20

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Summer Youth Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues - interest	\$ 344	368
Expenditures – culture and recreation	<u>3,840</u>	—
Excess of revenues over expenditures	(3,496)	368
Fund balance, beginning of year	<u>8,978</u>	<u>8,610</u>
Fund balance, end of year	<u>\$ 5,482</u>	<u>8,978</u>

See independent auditor's report on the general purpose financial statements.

Schedule 21

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Outside Agency Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ —	64
Intergovernmental	<u>279,752</u>	<u>640,586</u>
Total revenues	<u>279,752</u>	<u>640,650</u>
Expenditures:		
General government	231,108	—
Health	<u>62,380</u>	<u>638,217</u>
Total expenditures	<u>293,488</u>	<u>638,217</u>
Excess of revenues over expenditures	(13,736)	2,433
Fund balance, beginning of year	<u>60,317</u>	<u>57,884</u>
Fund balance, end of year	<u>\$ 46,581</u>	<u>60,317</u>

See independent auditor's report on the general purpose financial statements.

Schedule 22

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Wee Folks Scholarship Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ 2,384	1,305
Miscellaneous	<u>10,000</u>	<u>8,200</u>
Total revenues	12,384	9,505
Expenditures – culture and recreation	<u>10,169</u>	—
Excess of revenues over expenditures	2,215	9,505
Fund balance, beginning of year	<u>34,509</u>	<u>25,004</u>
Fund balance, end of year	<u>\$ 36,724</u>	<u>34,509</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 23

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Fair Housing Assistance Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000	1999
Revenues:		
Interest	\$ 7,305	3,626
Intergovernmental	85,188	69,370
Miscellaneous	<u>—</u>	<u>12,628</u>
Total revenues	<u>92,493</u>	<u>85,624</u>
Expenditures:		
General government	48,117	37,864
Capital outlay	<u>5,962</u>	<u>21,142</u>
Total expenditures	<u>54,079</u>	<u>59,006</u>
Excess of revenues over expenditures	<u>38,414</u>	<u>26,618</u>
Fund balance, beginning of year	<u>111,044</u>	<u>84,426</u>
Fund balance, end of year	<u>\$ 149,458</u>	<u>111,044</u>

See independent auditor's report on the general purpose financial statements.

Schedule 24

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Community Development Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Intergovernmental	\$ 1,462,175	932,520
Miscellaneous	<u>107,144</u>	<u>145,190</u>
Total revenues	<u>1,569,319</u>	<u>1,077,710</u>
Expenditures:		
Social services	1,538,392	1,123,554
Capital outlay	<u>31,231</u>	<u>2,360</u>
Total expenditures	<u>1,569,623</u>	<u>1,125,914</u>
Excess of revenues over (under) expenditures	(304)	(48,204)
Fund balance, beginning of year	<u>184,985</u>	<u>233,189</u>
Fund balance, end of year	<u>\$ 184,681</u>	<u>184,985</u>

See independent auditor's report on the general purpose financial statements.

Schedule 25

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Rehabilitation Escrow Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues – miscellaneous	\$ —	—
Expenditures – capital outlay	—	—
Excess of revenues over expenditures	—	—
Fund balance, beginning of year	<u>597</u>	<u>597</u>
Fund balance, end of year	<u>\$ 597</u>	<u>597</u>

See independent auditor's report on the general purpose financial statements.

Schedule 26

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Home Program Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Intergovernmental	\$ 325,799	379,059
Miscellaneous	<u>77,547</u>	<u>102,211</u>
Total revenues	<u>403,346</u>	<u>481,270</u>
Expenditures – social services	<u>400,230</u>	<u>482,114</u>
Excess of revenues over (under) expenditures	3,116	(844)
Fund balance (deficit), beginning of year	<u>(844)</u>	—
Fund balance (deficit), end of year	<u>\$ 2,272</u>	<u>(844)</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 27

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Transportation Planning Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues – intergovernmental	<u>\$ 254,803</u>	<u>89,808</u>
Expenditures:		
General government	204,113	144,748
Capital outlay	<u>—</u>	<u>4,809</u>
Total expenditures	<u>204,113</u>	<u>149,557</u>
Excess of revenues under expenditures	50,690	(59,749)
Fund balance (deficit), beginning of year	<u>(61,214)</u>	<u>(1,465)</u>
Fund balance (deficit), end of year	<u>\$ (10,524)</u>	<u>(61,214)</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 28

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Law Enforcement Trust Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues		
Interest	\$ 1,602	1,513
Miscellaneous	<u>13,230</u>	<u>19,987</u>
Total revenues	14,832	21,500
Expenditures:		
Public safety	1,458	1,832
Capital outlay	<u>57,960</u>	<u>—</u>
Total expenditures	<u>59,418</u>	<u>1,832</u>
Excess of revenues over expenditures	(44,586)	19,668
Fund balance, beginning of year	<u>50,310</u>	<u>30,642</u>
Fund balance, end of year	<u>\$ 5,724</u>	<u>50,310</u>

See independent auditor's report on the general purpose financial statements.

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DEBT SERVICE FUND

Bond and Interest Fund – This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies of the primary government when the government is obligated to pledge its full faith and credit for the payment.

Schedule 29**CITY OF LAWRENCE, KANSAS**

Balance Sheets – Bond and Interest Fund

December 31, 2000
 (With Comparative Amounts for 1999)

Assets	2000	1999
Cash	\$ 97,608	3
Investments	8,014,940	8,239,004
Receivables:		
Taxes	3,336,442	3,017,498
Special assessments	2,938,933	3,808,587
Accounts	25,305	37,893
Accrued interest	189,713	133,398
 Total assets	 \$ <u>14,602,941</u>	 <u>15,236,383</u>

Liabilities and Fund Balances

Liabilities:		
Due to other funds	\$ —	65,540
Deferred revenue	<u>6,655,915</u>	<u>7,177,516</u>
 Total liabilities	 <u>6,655,915</u>	 <u>7,243,056</u>
Fund balances:		
Reserved for debt service	<u>7,947,026</u>	<u>7,993,327</u>
 Total fund balance	 <u>7,947,026</u>	 <u>7,993,327</u>
 Total liabilities and fund balances	 <u>\$ 14,602,941</u>	 <u>15,236,383</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Bond and Interest Fund

Year Ended December 31, 2000
(With Comparative Actual Amounts for 1999)

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 3,632,927	3,668,190	35,263	3,579,347
Special assessments	594,530	767,942	173,412	815,907
Charges for services	15,000	—	(15,000)	16,250
Interest	100,000	546,963	446,963	356,686
Intergovernmental	—	24,482		
Miscellaneous	15,000	354,722	339,722	419,960
Total revenues	<u>4,357,457</u>	<u>5,362,299</u>	<u>1,004,842</u>	<u>5,188,150</u>
Expenditures:				
Principal retirement	4,050,000	3,954,935	95,065	3,597,767
Interest and fiscal charges	3,475,000	1,472,122	2,002,878	1,322,998
Total expenditures	<u>7,525,000</u>	<u>5,427,057</u>	<u>2,097,943</u>	<u>4,920,765</u>
Excess of revenues over (under) expenditures	(3,167,543)	(64,758)	3,102,785	267,385
Other financing sources – operating transfers in/(out)		18,457	18,457	1,593,785
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (3,167,543)</u>	<u>(46,301)</u>	<u>3,121,242</u>	<u>1,861,170</u>
Fund balance, beginning of year	7,993,327			6,135,157
Net change in reserve for encumbrances	—			(3,000)
Fund balance, end of year	<u>\$ 7,947,026</u>			<u>7,993,327</u>

See independent auditor's report on the general purpose financial statements.

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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Water and Sewer Fund – This fund is used to account for the activities of the Utilities Department which provides water and sewer services to residents of the City.

Sanitation Fund – This fund is used to account for the activities of recycling, solid waste and disposal of refuse.

Public Parking System Fund – This fund is used to account for the operation of all parking facilities owned by the City.

Storm Water Utility Fund – This fund is used to record the revenues from the storm water fee assessed each property based on its impervious surface. Expenses for repair and maintenance of the storm water system and debt service are also recorded in this fund.

Golf Course Fund – This fund is used to record the activities of Eagle Bend Golf Course, a publicly owned facility.

CITY OF LAWRENCE, KANSAS

Schedule 31

Combining Balance Sheet – Enterprise Funds

December 31, 2000

Assets	Water and Sewer	Sanitation	Public Parking	Storm Water Utility	Golf Course	Total
Cash	\$ 2,006,928	91,098	140,353	268,341	105,674	2,612,394
Investments	24,792,308	2,696,628	305,094	795,619	280,355	28,870,004
Receivables:						
Accounts (net of allowance of \$50,851)	1,716,654	575,599	—	114,400	288	2,406,941
Accrued interest	420,036	39,412	3,144	14,632	2,922	480,146
Inventories	564,376	—	—	—	13,865	578,241
Prepaid items	203,492	—	—	—	—	203,492
Restricted cash	351,027	4,505	—	—	—	355,532
Restricted investments	1,356,252	—	—	—	—	1,356,252
Property, plant and equipment	108,394,317	5,964,547	4,763,659	5,122,770	3,845,247	128,090,540
Accumulated depreciation	<u>(27,887,832)</u>	<u>(3,253,142)</u>	<u>(1,487,158)</u>	<u>(305,028)</u>	<u>(513,386)</u>	<u>(33,446,546)</u>
Total assets	<u><u>\$ 111,917,558</u></u>	<u><u>6,118,647</u></u>	<u><u>3,725,092</u></u>	<u><u>6,010,734</u></u>	<u><u>3,734,965</u></u>	<u><u>131,506,996</u></u>
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 1,437,470	75,112	4,327	6,527	8,520	1,531,956
Accrued interest payable	194,871	—	—	58,427	50,556	303,854
Accrued payroll	161,576	116,096	11,888	12,411	8,227	310,198
Accrued vacation and sick pay	327,071	252,384	21,308	16,898	16,204	633,865
Payable from restricted assets:						
Customer deposits	690,786	4,504	—	—	—	695,290
Current portion of revenue bonds	1,285,000	—	—	—	—	1,285,000
Current portion of general obligation bonds	—	—	—	408,006	140,000	548,006
General obligation bonds payable	—	—	—	3,453,840	3,195,000	6,648,840
Revenue bonds payable	11,855,000	—	—	—	—	11,855,000
Notes payable	5,452,112	—	—	—	—	5,452,112
Capital lease payable	—	—	—	—	97,670	97,670
Total liabilities	<u><u>21,403,886</u></u>	<u><u>448,096</u></u>	<u><u>37,523</u></u>	<u><u>3,956,109</u></u>	<u><u>3,516,177</u></u>	<u><u>29,361,791</u></u>
Fund equity:						
Contributed capital	547,465	—	2,230,674	—	167,920	2,946,059
Retained earnings:						
Reserved for revenue bond requirements	1,057,822	—	—	—	—	1,057,822
Unreserved	<u>88,908,385</u>	<u>5,670,551</u>	<u>1,456,895</u>	<u>2,054,625</u>	<u>50,868</u>	<u>98,141,324</u>
Total fund equity	<u><u>90,513,672</u></u>	<u><u>5,670,551</u></u>	<u><u>3,687,569</u></u>	<u><u>2,054,625</u></u>	<u><u>218,788</u></u>	<u><u>102,145,205</u></u>
Total liabilities and fund equity	<u><u>\$ 111,917,558</u></u>	<u><u>6,118,647</u></u>	<u><u>3,725,092</u></u>	<u><u>6,010,734</u></u>	<u><u>3,734,965</u></u>	<u><u>131,506,996</u></u>

See independent auditor's report on the general purpose financial statements.

Schedule 32

CITY OF LAWRENCE, KANSAS

Combining Statement of Revenues, Expenses and
Changes in Retained Earnings – Enterprise Funds

For the Year Ended December 31, 2000

	Water and Sewer	Sanitation	Public Parking System	Storm Water Utility	Golf Course	Total
Operating revenues:						
Charges for services	\$ 20,801,448	6,505,195	593,255	1,187,206	990,169	30,077,273
Other sales	84,806	125,843	—	—	—	210,649
Total operating revenues	<u>20,886,254</u>	<u>6,631,038</u>	<u>593,255</u>	<u>1,187,206</u>	<u>990,169</u>	<u>30,287,922</u>
Operating expenses:						
Continuing operations	—	5,721,644	495,737	741,180	577,215	7,535,776
Transmission and distribution	7,348,792	—	—	—	—	7,348,792
General administration	1,627,500	—	—	—	—	1,627,500
Depreciation and amortization	2,588,442	538,310	181,601	135,768	227,398	3,671,519
Total operating expenses	<u>11,564,734</u>	<u>6,259,954</u>	<u>677,338</u>	<u>876,948</u>	<u>804,613</u>	<u>20,183,587</u>
Operating income (loss)	<u>9,321,520</u>	<u>371,084</u>	<u>(84,083)</u>	<u>310,258</u>	<u>185,556</u>	<u>10,104,335</u>
Other income (expense):						
Interest income	1,612,050	154,600	23,110	63,022	13,057	1,865,839
Interest expense and fiscal charges	(908,698)	—	—	(194,271)	(176,564)	(1,279,533)
Gain on sale of fixed assets	24,088	1,090	—	—	—	25,178
Federal and state grant	—	17,981	—	—	—	17,981
Other	64,045	110,752	—	11,529	8,194	194,520
Total other income (expense)	<u>791,485</u>	<u>284,423</u>	<u>23,110</u>	<u>(119,720)</u>	<u>(155,313)</u>	<u>823,985</u>
Income (loss) before operating transfers	<u>10,113,005</u>	<u>655,507</u>	<u>(60,973)</u>	<u>190,538</u>	<u>30,243</u>	<u>10,928,320</u>
Operating transfers:						
Operating transfers in	—	—	—	—	150,000	150,000
Operating transfers out	(604,950)	(128,500)	(20,000)	(40,000)	—	(793,450)
Total operating transfers	<u>(604,950)</u>	<u>(128,500)</u>	<u>(20,000)</u>	<u>(40,000)</u>	<u>150,000</u>	<u>(643,450)</u>
Net income (loss)	<u>9,508,055</u>	<u>527,007</u>	<u>(80,973)</u>	<u>150,538</u>	<u>180,243</u>	<u>10,284,870</u>
Depreciation on fixed assets acquired by contributions	111,349	—	115,879	—	—	227,228
Increase (decrease) in retained earnings	9,619,404	527,007	34,906	150,538	180,243	10,512,098
Retained earnings (deficit), beginning of year	<u>80,346,803</u>	<u>5,143,544</u>	<u>1,421,989</u>	<u>1,904,087</u>	<u>(129,375)</u>	<u>88,687,048</u>
Retained earnings (deficit), end of year	<u>\$ 89,966,207</u>	<u>5,670,551</u>	<u>1,456,895</u>	<u>2,054,625</u>	<u>50,868</u>	<u>99,199,146</u>

See independent auditor's report on the general purpose financial statements.

Schedule 33

CITY OF LAWRENCE, KANSAS

Combining Statement of Cash Flows – Enterprise Funds

For the Year Ended December 31, 2000

	Water and Sewer	Sanitation	Public Parking	Storm Water Utility	Golf Course	Total
Cash flows from operating activities:						
Operating income (loss)	\$ 9,321,520	371,084	(84,083)	310,258	185,556	10,104,335
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization expense	2,588,442	538,310	181,601	135,768	227,398	3,671,519
Other income	64,045	110,752	—	11,529	8,194	194,520
Change in:						
Accounts receivable	(208,293)	(100,893)	—	10,804	(288)	(298,670)
Inventories of supplies	26,225	—	—	—	(1,530)	24,695
Prepaid items	221	—	—	—	—	221
Due from other funds	—	—	—	214,217	787	215,004
Accounts payable	(163,548)	(563)	435	(275)	(3,856)	(167,807)
Accrued payroll	6,333	11,709	(1,547)	1,504	1,286	19,285
Customer deposits	80,512	527	—	—	—	81,039
Accrued vacation and sick pay	5,823	12,814	(883)	3,373	2,120	23,247
Estimated claims and judgments payable	(7,545)	(22,949)	—	—	—	(30,494)
Total adjustments	2,392,215	549,707	179,606	376,920	234,111	3,732,559
Net cash provided by (used in) operating activities	11,713,735	920,791	95,523	687,178	419,667	13,836,894
Cash flows from noncapital financing activities:						
Operating transfers out	(604,950)	(128,500)	(20,000)	(40,000)	—	(793,450)
Operating transfers in	—	—	—	—	150,000	150,000
Grant proceeds	—	17,981	—	—	—	17,981
Net cash provided by (used in) noncapital financing activities	(604,950)	(110,519)	(20,000)	(40,000)	150,000	(625,469)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(11,348,707)	(971,425)	(188,610)	(120,138)	—	(12,628,880)
Proceeds from sales of capital assets	24,088	1,090	—	—	—	25,178
Proceeds from general obligation bonds	—	—	—	902,233	—	902,233
Proceeds from notes payable	5,452,112	—	—	—	—	5,452,112
Principal payments on debt	(3,960,000)	—	—	(1,292,779)	(191,525)	(5,444,304)
Interest payments on debt	(876,715)	—	—	(184,495)	(187,517)	(1,248,727)
Net cash used in capital and related financing activities	(10,709,222)	(970,335)	(188,610)	(695,179)	(379,042)	(12,942,388)
Cash flows from investing activities:						
Receipt of interest and dividends	1,486,887	140,261	23,972	55,488	10,135	1,716,743
Purchases of investments	(62,440,139)	(6,386,383)	(975,227)	(2,865,910)	(1,190,099)	(73,857,758)
Sales of investments	62,120,020	6,359,874	1,135,124	2,960,259	909,744	73,485,021
Net cash provided by (used in) investing activities	1,166,768	113,752	183,869	149,837	(270,220)	1,344,006
Net increase (decrease) in cash	1,566,331	(46,311)	70,782	101,836	(79,595)	1,613,043
Cash and cash equivalents, beginning of year	791,624	141,914	69,571	166,505	185,269	1,354,883
Cash and cash equivalents, end of year	\$ 2,357,955	95,603	140,353	268,341	105,674	2,967,926
Components of cash and cash equivalents at end of year:						
Cash	2,006,928	91,098	140,353	268,341	105,674	2,612,394
Restricted cash	351,027	4,505	—	—	—	355,532
	\$ 2,357,955	95,603	140,353	268,341	105,674	2,967,926

See independent auditor's report on the general purpose financial statements.

INTERNAL SERVICE FUNDS

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

Central Maintenance Fund – This fund accounts for the repairs and maintenance expenses of the City's fleet of vehicles and equipment.

Stores Fund – This fund accounts for the purchase of office supplies.

Health Insurance Fund – This fund accounts for the payment of health insurance claims.

CITY OF LAWRENCE, KANSAS

Schedule 34

Combining Balance Sheet – Internal Service Funds

December 31, 2000

Assets	<u>Central Maintenance</u>	<u>Stores</u>	<u>Health Insurance</u>	<u>Total</u>
Cash	\$ 70,824	17,486	208,779	297,089
Investments	310,176	—	1,570,593	1,880,769
Receivables:				
Accounts	182,382	—	17,332	199,714
Accrued interest	2,120	—	18,228	20,348
Inventories	179,174	28,377	—	207,551
Property, plant and equipment	783,004	—	—	783,004
Accumulated depreciation	<u>(624,815)</u>	<u>—</u>	<u>—</u>	<u>(624,815)</u>
Total assets	<u>\$ 902,865</u>	<u>45,863</u>	<u>1,814,932</u>	<u>2,763,660</u>
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 23,326	1,412	—	24,738
Claims payable	—	—	359,121	359,121
Accrued payroll	22,067	—	—	22,067
Accrued vacation and sick pay	64,068	—	—	64,068
Deferred revenue	<u>53</u>	<u>—</u>	<u>17,332</u>	<u>17,385</u>
Total liabilities	<u>109,514</u>	<u>1,412</u>	<u>376,453</u>	<u>487,379</u>
Fund Equity:				
Contributed capital	84,882	—	—	84,882
Retained earnings	<u>708,469</u>	<u>44,451</u>	<u>1,438,479</u>	<u>2,191,399</u>
Total fund equity	<u>793,351</u>	<u>44,451</u>	<u>1,438,479</u>	<u>2,276,281</u>
Total liabilities and fund equity	<u>\$ 902,865</u>	<u>45,863</u>	<u>1,814,932</u>	<u>2,763,660</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Combining Statement of Revenues, Expenses and
Changes in Retained Earnings – Internal Service Funds

For the Year Ended December 31, 2000

	<u>Central Maintenance</u>	<u>Stores</u>	<u>Health Insurance</u>	<u>Total</u>
Operating revenues – charges for services	\$ <u>1,809,494</u>	<u>4,815</u>	<u>2,999,429</u>	<u>4,813,738</u>
Operating expenses:				
Continuing operations	<u>1,646,734</u>	<u>2,666</u>	<u>—</u>	<u>1,649,400</u>
General administration	<u>—</u>	<u>—</u>	<u>392,409</u>	<u>392,409</u>
Health insurance claims	<u>—</u>	<u>—</u>	<u>2,774,064</u>	<u>2,774,064</u>
Depreciation and amortization	<u>41,263</u>	<u>—</u>	<u>—</u>	<u>41,263</u>
Total operating expenses	<u>1,687,997</u>	<u>2,666</u>	<u>3,166,473</u>	<u>4,857,136</u>
Operating income (loss)	<u>121,497</u>	<u>2,149</u>	<u>(167,044)</u>	<u>(43,398)</u>
Other income:				
Interest income	<u>8,003</u>	<u>—</u>	<u>107,162</u>	<u>115,165</u>
Other	<u>3,247</u>	<u>—</u>	<u>—</u>	<u>3,247</u>
Total other income	<u>11,250</u>	<u>—</u>	<u>107,162</u>	<u>118,412</u>
Income (loss) before operating transfers	<u>132,747</u>	<u>2,149</u>	<u>(59,882)</u>	<u>75,014</u>
Operating transfers out	<u>(7,000)</u>	<u>—</u>	<u>—</u>	<u>(7,000)</u>
Net income (loss)	<u>125,747</u>	<u>2,149</u>	<u>(59,882)</u>	<u>68,014</u>
Depreciation on fixed assets acquired by contributions	<u>12,509</u>	<u>—</u>	<u>—</u>	<u>12,509</u>
Increase (decrease) in retained earnings	<u>138,256</u>	<u>2,149</u>	<u>(59,882)</u>	<u>80,523</u>
Retained earnings, beginning of year	<u>570,213</u>	<u>42,302</u>	<u>1,498,361</u>	<u>2,110,876</u>
Retained earnings, end of year	\$ <u>708,469</u>	<u>44,451</u>	<u>1,438,479</u>	<u>2,191,399</u>

See independent auditor's report on the general purpose financial statements.

Schedule 36

CITY OF LAWRENCE, KANSAS

Combining Statement of Cash Flows – Internal Service Funds

For the Year Ended December 31, 2000

	Central Maintenance	Stores	Health Insurance	Total
Cash flows from operating activities:				
Operating income (loss)	\$ 121,497	2,149	(167,044)	(43,398)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	41,263	—	—	41,263
Other income	3,247	—	—	3,247
Change in:				
Accounts receivable	(27,241)	—	(4,204)	(31,445)
Inventories of supplies	554	(953)	—	(399)
Accounts payable	(18,401)	542	—	(17,859)
Claims payable	—	—	(31,838)	(31,838)
Accrued payroll	1,572	—	—	1,572
Accrued vacation and sick pay	(5,018)	—	—	(5,018)
Deferred revenue	—	—	4,203	4,203
Total adjustments	(4,024)	(411)	(31,839)	(36,274)
Net cash provided by (used in) operating activities	117,473	1,738	(198,883)	(79,672)
Operating transfers out	(7,000)	—	—	(7,000)
Net cash used in noncapital financing activities	(7,000)	—	—	(7,000)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(15,469)	—	—	(15,469)
Net cash used in capital and related financing activities	(15,469)	—	—	(15,469)
Cash flows from investing activities:				
Receipt of interest and dividends	5,888	—	103,434	109,322
Purchases of investments	(650,087)	—	(5,010,790)	(5,660,877)
Sales of investments	364,924	—	5,298,072	5,662,996
Net cash provided by investing activities	(279,275)	—	390,716	111,441
Net increase (decrease) in cash	(184,271)	1,738	191,833	9,300
Cash and cash equivalents, beginning of year	255,095	15,748	16,946	287,789
Cash and cash equivalents, end of year	\$ 70,824	17,486	208,779	297,089

See independent auditor's report on the general purpose financial statements.

TRUST AND AGENCY FUNDS

Trust Funds are used to account for assets held by the government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

AGENCY FUNDS

Payroll Clearing Fund – This fund is used to account for withholdings from payroll pending payment to outside agencies.

Sales Tax Fund – This fund is used to account for sales tax due to the State of Kansas on water sales to customers.

Municipal Court Fund – This fund is used to account for cash bonds paid by defendants.

KPRF Fund – This fund is used by the Parks and Recreation Department to purchase tickets, pay travel agents and pay for other reimbursable expenses.

Fire Insurance Proceeds Fund – This fund accounts for insurance proceeds received and held by the City until the affected property is demolished.

EXPENDABLE TRUST FUNDS

City Parks Memorial Fund – This fund is used to account for donations received from the public to fund special requests for landscaping and flower gardens (K.S.A. 79-2925).

Constant Park Trust Fund – This fund is used to account for donations received from the Estate of Frances Constant for development of Constant Park (K.S.A. 79-2925).

Hobbs Park Trust Fund – This fund is used to account for donations received from the Hobbs Estate for the development of Hobbs Park in East Lawrence (K.S.A. 79-2925).

City Band Fund – This fund is used to account for donations received from the public to fund the summer band concert series (K.S.A. 79-2925).

NONEXPENDABLE TRUST FUNDS

Cemetery Perpetual Care Fund – This fund is used to provide monies for the maintenance of the City Cemetery (K.S.A. 79-2925).

Cemetery Mausoleum Fund – This fund is used to provide monies for the City Mausoleum (K.S.A. 79-2925).

Housing Trust Fund – This fund is used to acquire, construct, and rehabilitate affordable housing (K.S.A. 12-16,114).

Schedule 37

CITY OF LAWRENCE, KANSAS

Combining Balance Sheet – Agency and Trust Funds

December 31, 2000

Assets	Agency Funds	Expendable Trust Funds	Nonexpendable Trust Funds	Total
Cash	\$ 162,268	14,928	86,692	263,888
Investments	—	25,034	475,291	500,325
Accrued interest receivable	—	337	7,336	7,673
Restricted assets – cash	<u>129,976</u>	—	—	<u>129,976</u>
Total assets	<u>\$ 292,244</u>	<u>40,299</u>	<u>569,319</u>	<u>901,862</u>
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 162,268	—	—	162,268
Due to other funds	—	6,000	—	6,000
Payable from restricted assets	<u>129,976</u>	—	—	<u>129,976</u>
Total liabilities	<u>292,244</u>	<u>6,000</u>	—	<u>298,244</u>
Fund Equity:				
Fund balance/Retained earnings:				
Reserved for cemetery care/housing	—	—	523,000	523,000
Unreserved	—	<u>34,299</u>	<u>46,319</u>	<u>80,618</u>
Total fund equity	—	<u>34,299</u>	<u>569,319</u>	<u>603,618</u>
Total liabilities and fund equity	<u>\$ 292,244</u>	<u>40,299</u>	<u>569,319</u>	<u>901,862</u>

See independent auditor's report on the general purpose financial statements.

Schedule 38

CITY OF LAWRENCE, KANSAS

Combining Statement of Changes in Assets and Liabilities –
All Agency Funds

Year Ended December 31, 2000

Payroll Clearing	Balance			Balance December 31, 2000
	January 1, 2000	Additions	Deductions	
Assets:				
Cash	\$ 32,951	11,461,434	11,445,180	49,205
Liabilities:				
Accounts payable	\$ 32,951	11,461,434	11,445,180	49,205
Municipal Court				
Assets:				
Cash	\$ 94,357	317,741	299,292	112,806
Restricted assets - cash	98,847	49,952	18,823	129,976
	\$ 193,204	367,693	318,115	242,782
Liabilities:				
Accounts payable	94,357	317,741	299,292	112,806
Payable from restricted assets	98,847	49,952	18,823	129,976
	\$ 193,204	367,693	318,115	242,782
KPRF				
Assets:				
Restricted assets - investments	\$ 244	16,855	16,842	257
Liabilities:				
Accounts payable	\$ 244	16,855	16,842	257

(Continued)

Schedule 38 (Cont'd)

CITY OF LAWRENCE, KANSAS

Combining Statement of Changes in Assets and Liabilities –
All Agency Funds, Continued

Year Ended December 31, 2000

Fire Insurance Proceeds Fund	Balance			Balance December 31, 2000
	January 1, 2000	Additions	Deductions	
Assets:				
Cash	\$ 1,073	5,000	6,073	—
Liabilities:				
Accounts payable	\$ 1,073	5,000	6,073	—
Totals - All Agency Funds				
Assets:				
Cash	\$ 128,625	11,801,030	11,767,387	162,268
Restricted assets - cash	98,847	49,952	18,823	129,976
Total assets	\$ 227,472	11,850,982	11,786,210	292,244
Liabilities:				
Accounts payable	\$ 128,625	11,801,030	11,767,387	162,268
Court bonds payable	98,847	49,952	18,823	129,976
Total liabilities	\$ 227,472	11,850,982	11,786,210	292,244

See independent auditor's report on the general purpose financial statements.

Schedule 39**CITY OF LAWRENCE, KANSAS**

Combining Balance Sheet – All Expendable Trust Funds

December 31, 2000

Assets	City Parks Memorial	Constant Park Trust	Hobbs Park Trust	City Band	Total
Cash	\$ 660	1,970	—	12,298	14,928
Investments	25,034	—	—	—	25,034
Receivable – accrued interest	337	—	—	—	337
Total assets	\$ 26,031	1,970	—	12,298	40,299
Liabilities and Fund Balance					
Liabilities - due to other funds	\$ 6,000	—	—	—	6,000
Unreserved fund balance	20,031	1,970	—	12,298	34,299
Total liabilities and fund balance	\$ 26,031	1,970	—	12,298	40,299

See independent auditor's report on the general purpose financial statements.

Schedule 40

CITY OF LAWRENCE, KANSAS

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance – All Expendable Trust Funds

Year Ended December 31, 2000

	City Parks Memorial	Constant Park Trust	Hobbs Park Trust	City Band	Total
Revenues:					
Interest	\$ 1,230	82	39	714	2,065
Miscellaneous	<u>29,323</u>	—	—	<u>3,000</u>	<u>32,323</u>
Total revenues	30,553	82	39	3,714	34,388
Expenditures – culture and recreation	<u>26,599</u>	—	<u>1,422</u>	<u>3,992</u>	<u>32,013</u>
Excess of revenues over expenditures	3,954	82	(1,383)	(278)	2,375
Fund balance, beginning of year	<u>16,077</u>	<u>1,888</u>	<u>1,383</u>	<u>12,576</u>	<u>31,924</u>
Fund balance, end of year	<u>\$ 20,031</u>	<u>1,970</u>	<u>—</u>	<u>12,298</u>	<u>34,299</u>

See independent auditor's report on the general purpose financial statements.

Schedule 41**CITY OF LAWRENCE, KANSAS**

Combining Balance Sheet – All Nonexpendable Trust Funds

December 31, 2000

Assets	Cemetery Perpetual Care	Cemetery Mausoleum	Housing Trust	Total
Cash	\$ 21,625	3,874	61,193	86,692
Investments	20,038	—	455,253	475,291
Receivable – accrued interest	48	—	7,288	7,336
Total assets	\$ 41,711	3,874	523,734	569,319
Liabilities and Fund Balances				
Fund balances:				
Reserved for cemetery care	\$ 22,000	1,000	500,000	523,000
Unreserved	19,711	2,874	23,734	46,319
Total fund balance	41,711	3,874	523,734	569,319
Total liabilities and fund balances	\$ 41,711	3,874	523,734	569,319

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 42

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance – All Nonexpendable Trust Funds

Year Ended December 31, 2000

	Cemetery Perpetual Care	Cemetery Mausoleum	Housing Trust	Total
Operating revenue – interest	\$ 2,981	179	23,734	26,894
Expenditures – general maintenance	<u>12,663</u>	—	—	<u>12,663</u>
Excess of revenues over expenditures	(9,682)	179	23,734	14,231
Other financing sources – operating transfers in	—	—	<u>500,000</u>	<u>500,000</u>
Excess of revenues (under) expenditures and other uses	(9,682)	179	523,734	514,231
Fund balance, beginning of year	<u>51,393</u>	<u>3,695</u>	—	<u>55,088</u>
Fund balance, end of year	<u>\$ 41,711</u>	<u>3,874</u>	<u>523,734</u>	<u>569,319</u>

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 43

Combining Statement of Cash Flows - All Nonexpendable Trust Funds

For the Year Ended December 31, 2000

	Cemetery Perpetual Care	Cemetery Mausoleum	Housing Trust	Total
Cash flows from operating activities:				
Operating income	\$ (9,682)	179	23,734	14,231
Adjustments to reconcile operating income to net cash provided by operating activities –				
Interest	(2,981)	(179)	(23,734)	(26,894)
Net cash provided by (used in) operating activities	<u>(12,663)</u>	<u>—</u>	<u>—</u>	<u>(12,663)</u>
Operating transfers in	<u>—</u>	<u>—</u>	<u>500,000</u>	<u>500,000</u>
Net cash used in noncapital financing activities	<u>—</u>	<u>—</u>	<u>500,000</u>	<u>500,000</u>
Cash flows from investment activities:				
Receipt of interest	3,741	183	16,446	20,370
Purchases of investments	(120,155)	(3,000)	(1,175,513)	(1,298,668)
Sales of investments	<u>150,617</u>	<u>6,000</u>	<u>720,260</u>	<u>876,877</u>
Net cash provided by (used in) investing activities	<u>34,203</u>	<u>3,183</u>	<u>(438,807)</u>	<u>(401,421)</u>
Net increase in cash	21,540	3,183	61,193	85,916
Cash and cash equivalents, beginning of year	<u>85</u>	<u>691</u>	<u>—</u>	<u>776</u>
Cash and cash equivalents, end of year	<u>\$ 21,625</u>	<u>3,874</u>	<u>61,193</u>	<u>86,692</u>

See independent auditor's report on the general purpose financial statements.

COMPONENT UNITS

Lawrence Housing Authority

Lawrence Memorial Hospital

Lawrence Public Library

CITY OF LAWRENCE, KANSAS

Combining Balance Sheet - Discretely Presented Component Units

December 31, 2000

Assets	Lawrence Housing Authority	Lawrence Memorial Hospital	Lawrence Public Library	Total Component Units
Cash	\$ 2,059,249	3,729,610	692,902	6,481,761
Investments	—	3,935,915	39,695	3,975,610
Receivables (net of allowances for uncollectibles of \$4,833,000):				
Accounts	488,280	15,429,938	—	15,918,218
Accrued interest	—	—	2,817	2,817
Inventories	—	462,542	—	462,542
Prepaid items	—	743,457	—	743,457
Restricted assets				
Cash	5,072	—	—	5,072
Investments	—	12,288,562	—	12,288,562
Property, plant and equipment	9,825,081	44,721,153	1,053,250	55,599,484
Deferred costs	63,694	751,867	—	815,561
Other assets	—	4,427,274	—	4,427,274
Other debits:				
Amount to be provided for retirement of general long-term debt	—	—	45,525	45,525
Total assets	\$ 12,441,376	86,490,318	1,834,189	100,765,883

Liabilities, Equity and Other Credits

Liabilities:				
Accounts payable	\$ 254,401	2,933,617	22,577	3,210,595
Accrued expenses	63,153	3,089,002	—	3,152,155
Accrued interest payable	—	916,698	—	916,698
Accrued vacation and sick pay	42,932	—	70,198	113,130
Payable from restricted assets:				
Customer deposits and court bond payable	11,574	—	—	11,574
Current portion of revenue bonds	—	1,254,988	—	1,254,988
Revenue bonds payable	—	30,350,873	—	30,350,873
Capital lease payable	—	1,367,280	—	1,367,280
Net pension obligation	—	2,389,865	—	2,389,865
Deferred revenue	278,965	—	—	278,965
Total liabilities	651,025	42,302,323	92,775	43,046,123
Equity and other credits:				
Contributed capital	9,795,504	—	—	9,795,504
Investment in general fixed assets	—	—	1,053,250	1,053,250
Retained earnings-unreserved	1,994,847	44,187,995	—	46,182,842
Fund balance - unreserved	—	—	688,164	688,164
Total equity and other credits	11,790,351	44,187,995	1,741,414	57,719,760
Total liabilities, equity and other credits	\$ 12,441,376	86,490,318	1,834,189	100,765,883

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
Proprietary Fund Type Component Units

For the Year Ended December 31, 2000

	Enterprise Funds		
	Lawrence Housing Authority	Lawrence Memorial Hospital	Total Component Units
Operating revenues:			
Charges for services	\$ 889,851	73,783,066	74,672,917
Other sales	295,388	1,020,616	1,316,004
Total operating revenues	1,185,239	74,803,682	75,988,921
Operating expenses:			
Continuing operations	4,117,781	66,482,892	70,600,673
Depreciation and amortization	359,460	4,989,789	5,349,249
Total operating expenses	4,477,241	71,472,681	75,949,922
Operating income (loss)	(3,292,002)	3,331,001	38,999
Other income (expense):			
Interest income	45,654	1,005,720	1,051,374
Interest expense and fiscal charges	–	(1,943,787)	(1,943,787)
Loss on sale of fixed assets	(2,688)	–	(2,688)
Federal and state grant	3,405,185	–	3,405,185
Other items	–	(1,072,770)	(1,072,770)
Total other income (expense)	3,448,151	(2,010,837)	1,437,314
Net income	156,149	1,320,164	1,476,313
Retained earnings/fund balance, beginning of year	11,634,202	42,867,831	54,502,033
Retained earnings/fund balance, end of year	\$ 11,790,351	44,187,995	55,978,346

See independent auditor's report on the general purpose financial statements.

CITY OF LAWRENCE, KANSAS

Schedule 46

**Combining Statement of Cash Flows - Proprietary Fund Type
Component Units**

For the Year Ended December 31, 2000

	Enterprise Funds		
	Lawrence Housing Authority	Lawrence Memorial Hospital	Total Component Units
Cash flows from operating activities:			
Operating income (loss)	\$ (3,292,002)	3,331,001	38,999
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization expense	359,460	4,989,789	5,349,249
Other items	–	(1,072,770)	(1,072,770)
Change in:			
Accounts receivable	(319,901)	6,930,979	6,611,078
Inventories of supplies	–	(40,368)	(40,368)
Prepaid items	–	(242,439)	(242,439)
Other assets	–	595,929	595,929
Accounts payable	195,179	(2,132,832)	(1,937,653)
Customer deposits	(73,458)	–	(73,458)
Accrued vacation and sick pay	12,168	–	12,168
Accrued expenses	7,159	(1,246,150)	(1,238,991)
Deferred costs	3,676	51,180	54,856
Net pension obligation	–	732,181	732,181
Deferred revenue	233,152	–	233,152
Total adjustments	417,435	8,565,499	8,982,934
Net cash provided by (used in) operating activities	(2,874,567)	11,896,500	9,021,933
Cash flows from noncapital financing activities:			
Grant proceeds	3,405,185	–	3,405,185
Net cash used in noncapital financing activities	3,405,185	–	3,405,185
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(62,001)	(2,890,201)	(2,952,202)
Proceeds from sales of capital assets	–	33,975	33,975
Principal payments on debt	–	(1,973,613)	(1,973,613)
Interest payments on debt	–	(1,868,497)	(1,868,497)
Net cash used in capital and related financing activities	\$ (62,001)	(6,698,336)	(6,760,337)

(continued)

CITY OF LAWRENCE, KANSAS

Combining Statement of Cash Flows - Proprietary Fund Type
Component Units, Continued

For the Year Ended December 31, 2000

	Enterprise Funds		Total Component Units
	Lawrence Housing Authority	Lawrence Memorial Hospital	
Cash flows from investment activities:			
Receipt of interest and dividends	\$ 46,281	1,005,720	1,052,001
Change in investments	—	(3,742,123)	(3,742,123)
Net cash provided by (used in) investing activities	<u>46,281</u>	<u>(2,736,403)</u>	<u>(2,690,122)</u>
Net increase (decrease) in cash	514,898	2,461,761	2,976,659
Cash and cash equivalents, beginning of year	<u>1,549,423</u>	<u>1,267,849</u>	<u>2,817,272</u>
Cash and cash equivalents, end of year	<u>\$ 2,064,321</u>	<u>3,729,610</u>	<u>5,793,931</u>
Components of cash and cash equivalents at end of year:			
Cash	\$ 2,059,249	3,729,610	5,788,859
Restricted cash	5,072	—	5,072
	<u>\$ 2,064,321</u>	<u>3,729,610</u>	<u>5,793,931</u>

See independent auditor's report on the general purpose financial statements.

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STATISTICAL SECTION

Table 1

CITY OF LAWRENCE, KANSAS

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Year	General Government	Public Safety	Public Works	Health	Social Services (2)	Culture and Recreation	Airport	Capital Outlay	Debt Service	Total
1991	\$ 3,782,309	8,244,836	3,561,340	396,338	244,141	3,919,841	258,254	58,253	831,952	3,894,506
1992	4,547,248	8,841,399	3,818,642	386,717	271,303	4,344,327	285,186	57,212	1,107,668	4,112,708
1993	4,278,328	8,727,951	4,191,760	952,891	280,278	2,630,487	320,000	54,218	1,064,656	3,563,759
1994	3,645,758	9,950,244	3,996,532	853,868	1,152,267	2,793,890	323,718	55,912	2,418,191	3,751,373
1995	4,085,600	10,870,141	4,072,699	983,610	3,949,855	2,868,026	348,592	60,699	4,960,200	4,120,208
1996	4,320,031	11,721,579	4,282,564	1,064,986	5,691,592	3,085,206	353,455	57,406	3,756,090	4,948,837
1997	5,619,976	13,822,621	4,738,153	893,561	4,926,671	3,307,316	428,369	62,995	4,300,420	6,701,911
1998	6,250,441	14,658,202	4,607,114	1,302,686	5,617,675	3,710,518	431,557	45,959	4,325,993	7,506,654
1999	6,940,177	14,931,935	4,768,079	1,469,277	1,847,584	4,036,175	485,027	52,107	4,120,125	6,832,829
2000	8,054,696	16,002,552	5,286,767	1,110,069	2,195,975	4,248,389	460,605	81,876	4,842,928	12,285,206

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

(2) Includes Lawrence Housing Authority from 1995-1998, excludes it in other years..

Table 2

CITY OF LAWRENCE, KANSAS

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Year	Taxes	Licenses and Permits	Inter-governmental (2)	Special Assessments	Charges for Services	Fines and Forfeitures	Interest	Miscellaneous Revenues	Total
1991	\$ 15,964,822	283,305	5,508,806	1,358,973	789,321	901,425	1,107,575	470,933	26,385,160
1992	16,572,113	367,597	6,150,309	1,225,725	968,503	996,489	669,586	245,580	27,195,902
1993	18,417,058	416,335	6,038,011	1,073,453	937,177	949,685	698,201	294,799	28,824,719
1994	20,148,469	616,420	6,258,187	935,491	1,024,299	856,312	703,555	355,876	30,898,609
1995	21,382,979	496,153	14,654,866	1,043,432	1,626,418	707,562	1,318,666	946,177	42,176,253
1996	21,298,624	671,309	16,053,548	983,359	1,703,456	857,320	1,345,896	545,758	43,459,270
1997	22,269,525	535,278	17,169,515	943,073	3,819,842	971,397	1,672,692	556,052	47,937,374
1998	23,616,905	614,569	17,389,127	1,077,723	3,986,051	1,053,438	1,885,404	1,154,721	50,777,938
1999	24,812,688	660,835	14,053,307	815,907	3,062,775	1,346,049	1,760,503	1,116,488	47,628,552
2000	27,184,160	593,385	15,474,675	767,942	3,306,559	1,366,765	2,470,106	1,032,534	52,196,126

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

(2) Includes County-wide sales tax from 1995-2000 and Lawrence Housing Authority from 1995-1998

Table 3

CITY OF LAWRENCE, KANSAS

General Governmental Tax Revenues by Source (1)

Last Ten Fiscal Years

Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle Tax	Payment- in-lieu	Total
1991	\$ 6,470,718	6,184,981	1,804,810	1,366,043	138,270	15,964,822
1992	7,188,194	6,321,977	1,732,649	1,157,328	171,965	16,572,113
1993	7,641,889	7,280,749	2,059,344	1,314,003	121,073	18,417,058
1994	8,102,991	7,918,138	2,423,466	1,461,643	242,231	20,148,469
1995	8,654,079	8,596,944	2,448,127	1,548,682	135,147	21,382,979
1996	8,130,026	8,635,425	2,819,752	1,595,138	118,283	21,298,624
1997	8,732,520	9,126,141	2,921,599	1,369,012	120,253	22,269,525
1998	9,476,465	9,781,233	2,922,099	1,341,665	95,443	23,616,905
1999	10,228,830	10,190,751	2,852,957	1,449,320	90,830	24,812,688
2000	11,844,455	10,660,961	3,247,604	1,364,778	66,362	27,184,160

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

Table 4

CITY OF LAWRENCE, KANSAS

Property Tax Levies and Collections (1)

Last Ten Fiscal Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collection to Total Tax Levy		Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
						Total Tax Collection	to Total Tax Levy		
1991	\$ 6,575,166	6,338,593	96.40	132,125	6,470,718	98.41		651,545	9.91
1992	7,433,058	7,073,603	95.16	114,591	7,188,194	96.71		896,409	12.06
1993	7,648,979	7,427,851	97.11	214,038	7,641,889	99.91		903,499	11.82
1994	8,138,455	7,963,487	97.85	139,504	8,102,991	99.56		938,963	11.54
1995	8,749,132	8,511,302	97.28	142,777	8,654,079	98.91		534,016	6.10
1996	8,160,690	7,939,468	97.29	190,558	8,130,026	99.62		564,680	6.92
1997	8,807,831	8,602,435	97.67	130,085	8,732,520	99.14		639,991	7.27
1998	9,557,471	9,337,045	97.69	139,420	9,476,465	99.15		720,997	7.54
1999	10,377,742	10,111,307	97.43	256,943	10,228,830	98.57		869,909	8.38
2000	12,143,963	11,688,149	96.25	156,306	11,844,455	97.53		1,169,417	9.63

(1) General, Special Revenue and Debt Service Funds; does not include motor vehicle tax.

Table 5

CITY OF LAWRENCE, KANSAS

Assessed and Estimated Actual Value of Property

Last Ten Fiscal Years

Year	Real Property		Personal Property (1)		State Assessed		Total	Estimated Fair Market Value	Ratio of Assessed to Fair Market Value			
	Estimated		Estimated		Estimated							
	Assessed Value	Fair Market Value	Assessed Value	Fair Market Value	Assessed Value	Fair Market Value						
1991	\$ 230,195,225	1,494,569,267	20,858,530	115,880,722	13,267,955	44,226,517	264,321,710	1,654,676,506	16.0			
1992	237,584,475	1,827,572,885	19,767,490	109,819,389	14,263,054	47,543,513	271,615,019	1,984,935,787	13.7			
1993	242,414,200	1,842,224,612	26,041,830	113,434,493	17,521,947	48,975,895	285,977,977	2,004,635,000	14.1			
1994	265,475,125	1,899,457,229	29,224,185	120,448,190	17,374,560	52,650,182	312,073,870	2,072,551,601	15.1			
1995	306,634,405	2,200,816,704	31,905,265	131,052,435	17,755,345	53,804,076	356,295,015	2,385,673,215	14.9			
1996	331,776,560	2,375,848,803	37,404,345	153,208,295	18,670,148	55,889,424	387,851,053	2,584,946,522	15.0			
1997	360,067,050	2,581,012,295	41,742,335	171,013,733	19,709,636	59,128,908	421,519,021	2,811,154,936	15.0			
1998	396,254,275	2,844,811,518	44,139,690	180,835,431	18,855,954	56,567,862	459,249,919	3,082,214,811	15.0			
1999	430,724,410	3,093,617,130	49,302,310	197,209,240	18,637,210	55,911,630	498,663,930	3,346,738,000	14.9			
2000	469,852,465	3,374,649,282	56,523,350	226,093,400	19,076,106	57,228,318	545,451,921	3,657,971,000	14.9			

(1) Excludes motor vehicles.

Table 6

CITY OF LAWRENCE, KANSAS

Property Tax Rates – Direct and Overlapping Governments

Last Ten Fiscal Years

Year	City of Lawrence				Douglas County				School District				State of Kansas	Total		
	Operating Millage		Debt Service Millage		Debt Total County Millage		Operating Service Millage		Debt Total School Millage							
	Operating Millage	Service Millage	Debt Total	County Millage	Operating Millage	Service Millage	Debt Total	School Millage	Debt Total	School Millage						
1991	18.39	9.78	28.17	24.10	3.01	27.11	73.87	3.17	77.04	1.50	133.82					
1992	18.39	9.77	28.16	26.07	3.85	29.92	45.50	2.77	48.27	1.50	107.85					
1993	19.69	8.77	28.46	25.60	4.22	29.82	48.97	7.97	56.94	1.50	116.72					
1994	19.59	8.44	28.03	25.54	4.34	29.88	53.24	6.78	60.02	1.50	119.43					
1995	14.34	8.44	22.78	23.83	1.69	25.52	56.81	13.29	70.10	1.50	119.88					
1996	14.18	8.49	22.67	21.62	3.57	25.19	56.08	11.51	67.59	1.50	116.95					
1997	14.76	7.91	22.67	22.02	2.64	24.66	52.27	10.09	62.36	1.50	111.19					
1998	15.87	6.73	22.60	22.82	3.02	25.84	39.33	9.17	48.50	1.50	98.43					
1999	17.69	6.67	24.35	22.24	2.38	24.62	43.47	11.05	54.52	1.50	104.99					
2000	17.15	6.75	23.90	24.32	—	24.32	39.61	12.17	51.78	1.50	101.51					

Table 7

CITY OF LAWRENCE, KANSAS

Principal Taxpayers

December 31, 2000

Taxpayer	Type of Business	2000	
		Assessed Valuation	Percent of Total Assessed Valuation
K-Mart Warehouse	District Warehouse	\$ 9,963,540	1.83 %
Southwestern Bell	Telephone Utility	7,894,045	1.45
Western Resources	Electric Utility	7,585,626	1.39
Hallmark Cards, Inc.	Card Manufacturer	4,737,430	0.87
Lawrence Paper Co.	Paper Manufacturer	4,142,135	0.76
World Company	Newspaper, Cable	3,985,010	0.73
Oread Labs	Research Lab	3,598,290	0.66
Packer Ware	Plastics Manufacturer	3,466,590	0.64
NCS	Computer Services	2,549,310	0.47
Target	Retail Outlet	2,491,995	0.46
Total		\$ 50,413,971	9.26 %

Source: Douglas County Clerk.

Table 8
CITY OF LAWRENCE, KANSAS

Special Assessment Billings and Collections

Last Ten Fiscal Years

<u>Year</u>	<u>Special Assessments Due</u>	<u>Special Assessments Collected (1)</u>
1991	\$ 1,448,518	\$ 1,358,973
1992	1,094,381	1,225,725
1993	888,792	1,073,453
1994	794,580	935,491
1995	665,300	1,043,432
1996	849,271	983,359
1997	807,215	943,073
1998	748,125	1,077,723
1999	520,620	815,907
2000	594,530	767,942

(1) Includes prepayments and foreclosures.

Table 9

CITY OF LAWRENCE, KANSAS

Computation of Legal Debt Margin

December 31, 2000

Assessed value – January 1, 2000	\$ <u>608,166,259</u>
Debt limitation (1)	\$ <u>182,449,878</u>
Total bonded debt (including notes)	
Less revenue bonds	
Total debt applicable to limitation	
Legal debt margin	

(1) Debt limitation is 30% of assessed value

Table 10

CITY OF LAWRENCE, KANSAS

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita

Last Ten Fiscal Years

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund	Debt Payable From Enterprise Revenue	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Per Capita
1991	65,608	264,322	23,484,000	860,356	3,375,000	19,248,644	7.28	293.39
1992	65,608	271,615	23,415,000	1,087,132	2,825,000	19,502,868	7.18	297.26
1993	69,203	285,978	28,380,000	1,990,300	6,915,000	19,474,700	6.81	281.41
1994	71,316	312,074	27,360,000	2,461,555	8,935,000	15,963,445	5.12	223.84
1995	74,784	356,295	28,270,000	3,114,847	6,840,000	18,315,153	5.14	244.91
1996	77,325	387,851	56,305,000	3,969,175	11,585,000	40,750,825	11.53	578.34
1997	79,190	421,519	63,250,000	5,078,420	16,620,000	41,551,580	9.86	524.71
1998	80,843	459,250	62,770,000	6,135,157	15,515,000	41,119,843	8.95	508.64
1999	81,560	498,664	65,605,000	7,993,327	14,360,000	43,251,673	8.67	530.30
2000	80,098	545,452	77,340,000	7,947,026	13,140,000	56,252,974	10.31	525.26

(1) Census Bureau estimates 2000; other years are Planning Department estimates or previous census figure.

(2) Amounts expressed in thousands.

(3) City of Lawrence only - excludes Lawrence Memorial Hospital and bond anticipation notes.

CITY OF LAWRENCE, KANSAS

Ratio of Annual Debt Service Expenditures for General
Obligation Bonded Debt to Total General Governmental Expenditures

Last Ten Fiscal Years

Table 11

<u>Year</u>	<u>Principal (1)</u>	<u>Interest (1)</u>	<u>Ratio of Debt Service to Total General Governmental Expenditures</u>		
			<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>General Governmental Expenditures</u>
1991	\$ 2,486,000	\$ 1,392,052	\$ 3,878,052	\$ 25,191,770	15.39
1992	3,023,000	1,027,212	4,050,212	27,772,410	14.58
1993	2,540,000	1,023,190	3,563,190	26,063,759	13.67
1994	2,755,000	996,373	3,751,373	28,941,753	12.96
1995	2,800,000	978,677	3,778,677	36,419,630	10.38
1996	3,345,000	1,260,859	4,605,859	39,281,746	11.73
1997	3,920,000	2,422,431	6,342,431	44,801,993	14.16
1998	4,700,000	2,487,997	7,187,997	48,456,799	14.83
1999	5,030,000	2,639,541	7,669,541	45,483,315	16.86
2000	10,530,000	2,681,114	13,211,114	54,569,063	24.21

(1) Includes Principal and Interest payments made from Enterprise Funds
 (2) Includes General, Special Revenue and Debt Service Funds.

Table 12

CITY OF LAWRENCE, KANSAS

Computation of Direct and Overlapping Bonded Debt –
General Obligation Bonds

December 31, 2000

Jurisdiction	Bond Issues Outstanding	Amount Available in Debt Service Fund	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City		Amount Applicable to City
				Percentage Applicable to City	Amount Applicable to City	
Direct – City of Lawrence	\$ 64,200,000	7,947,026	56,252,974	100 %	\$ 56,252,974	
Overlapping:						
Douglas County	31,450,000	905,493	30,544,507	75	22,755,658	
Unified School District No. 497	69,900,000	2,074,089	67,825,911	86	58,126,806	
	<u>101,350,000</u>	<u>2,979,582</u>	<u>98,370,418</u>		<u>80,882,463</u>	
	<u><u>\$ 165,550,000</u></u>	<u><u>10,926,608</u></u>	<u><u>154,623,392</u></u>		<u><u>137,135,437</u></u>	

Table 13

CITY OF LAWRENCE, KANSAS

Revenue Bond Coverage – Water and Sewer Fund

Last Ten Fiscal Years

Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service			Interest	Total	Coverage
			Principal	Interest	Total			
1991	\$ 9,647,073	\$ 7,246,224	\$ 2,400,849	\$ 1,000,000	\$ 320,393	\$ 1,320,393	1.82	
1992	10,018,413	6,892,542	3,125,871	795,000	240,395	1,035,395	3.02	
1993	10,602,277	7,538,587	3,063,690	1,070,000	373,217	1,443,217	2.12	
1994	12,554,587	7,633,546	4,921,041	1,610,000	426,823	2,036,823	2.42	
1995	13,498,613	8,803,717	4,694,896	1,520,000	420,654	1,940,654	2.42	
1996	14,349,648	8,910,558	5,439,090	1,645,000	464,733	2,109,733	3.88	
1997	15,456,466	9,618,109	5,838,357	1,290,000	806,524	2,096,524	2.78	
1998	17,564,406	10,222,628	7,341,778	1,105,000	874,335	1,979,335	3.71	
1999	19,420,407	10,937,931	8,482,476	1,155,000	878,794	2,033,794	4.17	
2000	20,886,254	11,564,734	9,321,520	1,220,000	901,286	2,121,286	4.39	

CITY OF LAWRENCE, KANSAS

Table 14

Demographic Statistics

Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment % Rate (4)</u>
1991	65,608	11,760	24.70	8,944	2.7
1992	67,254	11,760	24.70	9,135	3.2
1993	69,203	11,760	24.70	9,367	5.1
1994	71,316	11,760	24.70	9,624	5.4
1995	74,784	11,760	24.70	9,710	4.7
1996	77,325	11,760	24.70	9,957	4.9
1997	79,190	11,760	24.70	10,136	4.2
1998	80,843	11,760	24.70	10,253	4.4
1999	81,560	11,760	24.70	10,371	3.2
2000	80,098	11,760	25.30	10,329	3.6

Data Sources:

- (1) U. S. Department of Commerce U.S. Census Bureau of the Census Local Population Estimates: West North Central except 2000 which is from the 2000 census; 1990 Per Capita Income Estimates for Counties and Incorporated Places from 1990 census.
- (2) 1990 Census of Population General Population Characteristics except 2000 which is from U.S. Census Bureau 2000 census
- (3) Headcount Enrollment, Kansas Public Schools, Kansas State Department of Education.
- (4) Kansas Department of Human Resources: Research and Analysis.

Table 15

CITY OF LAWRENCE, KANSAS

Property Value, Construction and Bank Deposits

Last Ten Fiscal Years

Year	Real Property	Personal Property	State Assessed Property	New Construction-Number of Units				Valuation Building Permits	Bank Deposits (1)
				Total	Commercial	Multi- family	Duplex	Single Family	
1991	\$ 230,195,225	20,858,530	13,267,955	264,321,710	90	31	59	339	58,753,218
1992	237,584,475	19,767,490	14,263,054	271,615,019	18	96	79	452	73,704,381
1993	242,414,200	26,041,830	17,521,947	285,977,977	31	246	78	389	103,511,159
1994	265,475,125	29,224,185	17,374,560	312,071,870	27	442	77	486	122,806,816
1995	306,634,405	31,905,265	17,755,345	356,295,015	33	184	55	356	96,513,808
1996	331,776,560	37,404,345	18,670,148	387,851,053	52	972	122	338	167,505,304
1997	360,067,050	41,742,335	19,709,636	421,519,021	46	89	37	346	127,422,684
1998	396,254,275	44,139,690	18,855,954	459,249,919	26	33	75	360	141,064,963
1999	430,724,410	49,302,310	18,637,210	498,663,930	38	195	62	392	149,742,874
2000	469,852,465	56,523,350	19,076,106	545,451,921	37	236	46	305	175,039,978
									952,317,000

(1) Federal Deposit Insurance Corporation, Institute of Public Policy and Business Research 1995-1997 (includes Savings and Loans).

CITY OF LAWRENCE, KANSAS

Miscellaneous Statistics

December 31, 2000

Table 16

Date Chartered	1858	Sewerage System	
Form of Government	Commission - Manager	Mile of Sanitary Sewers	315
Number of Employees	757	Number of Treatment Plants	1
Area in Square Miles	23.50	Number of Service Connections	24,400
		Actual Daily Average of Treatment	8.9 MGD *
		Number of Lift Stations	40
		*(MGD= Million Gallons Daily)	
City of Lawrence Facilities and Services:		Water System	
	Miles of Streets	Number of Water Plants	2
		Miles of Water Mains	355
Culture and Recreation		Number of Service Connections	27,500
Recreation Centers	5	Number of City Owned Fire Hydrants	2,350
Parks	35	Daily Average Consumption in Million Gallons	11.6
Park Acreage	3,148	Maximum Daily Capacity of Plant in Million Gallons	27.5
Tennis Courts	18		
Libraries		Facilities and Services Not Included in the Reporting Entity:	
		Public Libraries	1
		Number of volumes (approximately)	215,500
Fire Protection		Education	
Number of Stations	4	Number of Public Elementary Schools	19
Number of Firefighters and Officers	140	Number of Public Elementary School Instructors	470
Number of Fire Calls Answered	1,919	Number of Public Secondary Schools	6
Number of Medical Calls Answered	5,705	Number of Public Secondary School Instructors	394
Number of Medical Transports	4,340	Number of Universities	2
Number of Inspections Conducted	2,706		
Police Protection		Hospitals	
Number of Stations	2	Number of Hospitals	1
Number of Commissioned Police Officers	128	Number of Patient Beds	167
Number of Full Time Civilians	24		
Number of Patrol Units	23		
Number of Calls for Service			
Arrests Processed through County Jail	106,946		
Officer Issued Traffic Violations	2,484		
Officer Issued Parking Violations	18,475		
	15,019		
			126



SINGLE AUDIT SECTION

LOWENTHAL SINGLETON WEBB & WILSON
PROFESSIONAL ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Lawrence, Kansas

We have audited the general purpose financial statements of the City of Lawrence, Kansas, as of and for the year ended December 31, 2000, and have issued our report thereon dated April 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of the Mayor and City Commission, management and awarding agencies and should not be used by anyone other than these specified parties.

Lowenthal, Singleton, Webb & Wilson

Professional Association

April 30, 2001

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LOWENTHAL SINGLETON WEBB & WILSON
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Lawrence, Kansas

Compliance

We have audited the compliance of the City of Lawrence, Kansas, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2000. The City's major federal programs are identified in 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 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 generally accepted auditing standards; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Lawrence, Kansas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

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

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

This report is intended for the information of the Mayor and City Commission, management and awarding agencies and should not be used by anyone other than these specified parties.

Sorenthal, Singleton, Webb & Wilson

Professional Association

April 30, 2001

CITY OF LAWRENCE, KANSAS
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2000

Federal Grantor Agency Pass-Through Grantor / Program Name	Federal CFDA Number	Grant Program Number	Expenditures	Passed through to Subrecipient
U.S. Department of Housing and Urban Development				
Direct Assistance				
Community Development Block Grant/ Entitlement Grants	14.218	B-98-MC-20-0005	\$ 532,522	0
Community Development Block Grant/ Entitlement Grants	14.218	B-99-MC-20-0005	528,029	0
			<u>1,060,551</u>	<u>0</u>
Home - Investment Partnerships Program	14.239	M-99-MC-20-0205	317,548	0
			<u>317,548</u>	<u>0</u>
Fair Housing Assistance - State & Local (98)	14.401	FF207K987001	85,188	0
			<u>85,188</u>	<u>0</u>
KS Department of Commerce and Housing				
Emergency Shelter Grant (99)	14.231	S-99-DC-20-0001	64,091	0
			<u>64,091</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development				
			<u>1,527,378</u>	<u>0</u>
U. S. Department of Transportation				
Federal Transportation Administration				
Federal Transit Formula Grant	20.507	KS-90-X079-00	35,817	0
Federal Transit Formula Grant	20.507	KS-90-X080-00	38,008	0
			<u>73,825</u>	<u>0</u>
KS Department of Transportation				
98 Section 5303 Grant	20.507	98-FTA-5303	21,953	0
99 Section 5303 Grant	20.507	99-FTA-5303	21,716	0
Transportation Planning Grant (97)	20.205	97 P.L. Contract Funds	65,429	0
Transportation Planning Grant (98)	20.205	98 P.L. Contract Funds	70,142	0
Transportation Planning Grant (99)	20.205	99 P.L. Contract Funds	39,106	0
			<u>218,346</u>	<u>0</u>
Total Department of Transportation				
			<u>292,171</u>	<u>0</u>
U.S. Department of Justice				
Direct Assistance				
Local Law Enforcement Block Grant	16.592	99-LBVX-0360	64,657	0
			<u>64,657</u>	<u>0</u>
KS Juvenile Justice Authority				
Title II - Juvenile Justice Grant	16.540	OJJ-98F-09-C2	44,438	44,438
Title V - Juvenile Justice Grant	16.548	OJJ-99-06-01	53,345	53,345
			<u>97,783</u>	<u>97,783</u>
Total Department of Justice				
			<u>162,440</u>	<u>97,783</u>
U.S. Department of the Interior				
KS Historical Society				
Historic Preservation Fund	15.904	20-98-13119-004	4,305	0
			<u>4,305</u>	<u>0</u>
KS Department of Health and Environment				
Wakarusa Dump Site Cleanup (97)		59-LF1-1097(S)	44,068	0
			<u>44,068</u>	<u>0</u>
Total Department of the Interior				
			<u>48,373</u>	<u>0</u>
Total Federal Financial Awards Expenditures				
	131		\$ 2,030,362	97,783

CITY OF LAWRENCE, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2000

Section I – Summary of Auditor's Results

1. Type of report issued on financial statements:	<u>Unqualified</u>	
2. Reportable conditions in internal control over the financial statements:	<u>No</u>	
3. Were any reportable conditions noted in 2 above reported as a material weakness:	<u>None Reported</u>	
4. Material noncompliance disclosed:	<u>No</u>	
5. Reportable conditions in internal controls over major programs:	<u>No</u>	
6. Were any reportable conditions noted in 5 above reported as material weakness:	<u>None Reported</u>	
7. Type of report on major program compliance:	<u>Unqualified</u>	
8. Audit disclosed audit findings required to be reported under Circular A-133 paragraph 510 (a):	<u>No</u>	
9. Major Programs:		
Programs	CFDA	Expenditures
CDBG	14.218	\$1,060,551
Transit Formula Grant	20.507	\$73,825
10. Threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>	
11. Auditee qualified as a low-risk auditee:	<u>No</u>	

Section II – Financial Statement Findings

None Noted

Section III – Financial Award Findings and Questioned Costs

None Noted