

**AUDIT REPORT
OF THE
NEBRASKA HEALTH AND HUMAN
SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
JULY 1, 2000 THROUGH JUNE 30, 2001**

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

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NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

BACKGROUND

The Cancer Research Program was created by the Nebraska Legislature in 1981 for the purpose of providing funds for research related to cancer and other smoking related diseases. A portion of the cigarette tax collected by the State provides funding. The University of Nebraska and other Nebraska postsecondary institutions having a college of medicine are eligible. Three review teams review all applications for cancer research grants. A peer review team located within the applicant's institution of higher education conducts the initial review. The second review is conducted by a team of outside professionals in the area of cancer research. The Department of Health and Human Services Review Team does the final review. The criteria each team uses to evaluate the proposals are in compliance with the intent of the legislation and scientific merit. The recommendations of the three teams are submitted to the Director of the Department of Health and Human Services Finance and Support for final determination.

One cent of every 34 cents of the cigarette tax, less administrative expenses, funds for the cancer registry, and \$500,000 set aside for the Epply Institute for Research in Cancer and Allied Diseases are available for competitive grants. Funds for the cancer registry cannot exceed \$200,000 annually. The purpose of the cancer registry is to provide a central data bank of information which medical authorities can use to assist in research for the prevention, cure, and control of cancer. An additional two cents of the cigarette tax is appropriated for cancer research with no more than one-half of these funds available to the University of Nebraska Epply Institute.

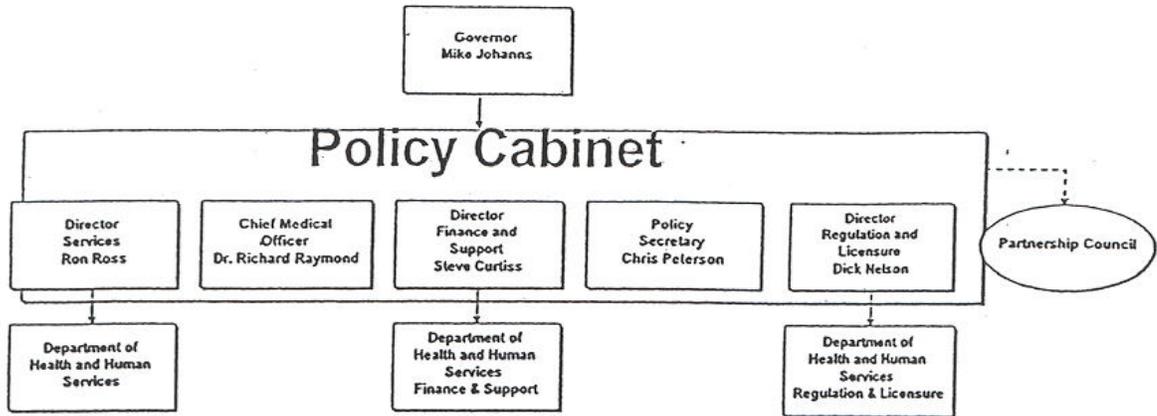
Pursuant to Neb. Rev. Stat. Section 77-2602(1)(b), for fiscal year distributions occurring after 1999, the cigarette tax distributed to the Program shall not be less than the amount distributed for fiscal year ended June 30, 1998.

MISSION STATEMENT

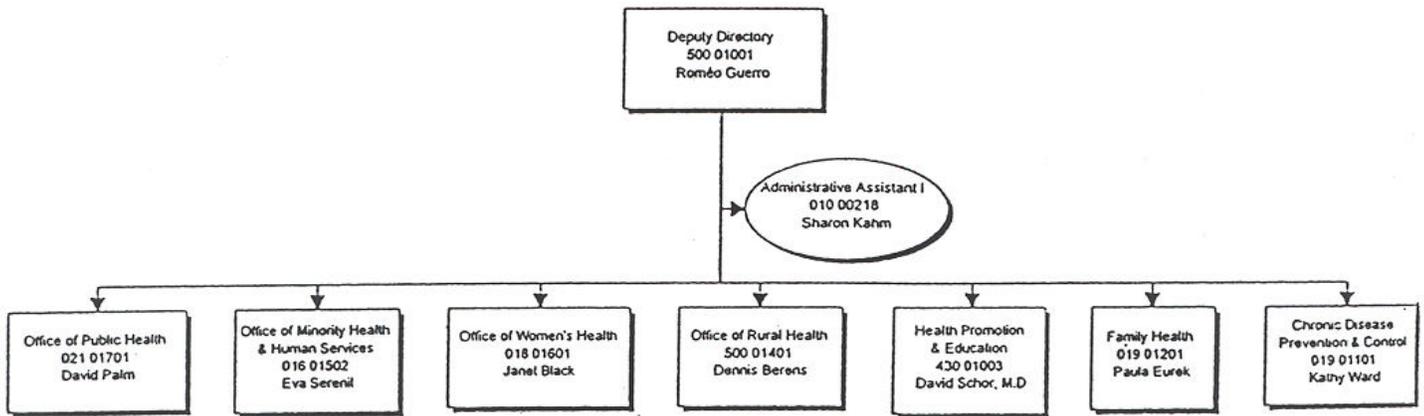
“We help people live better lives through effective health and human services.”

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

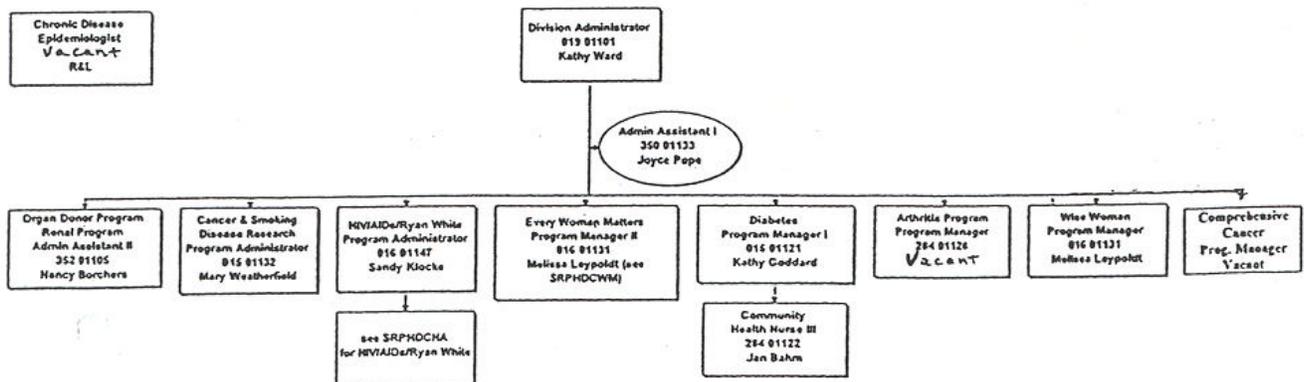
ORGANIZATIONAL CHART



Preventive & Community Health



Chronic Disease Prevention & Control



STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS



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NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM PROGRAM 622 - CANCER RESEARCH

Kate Witek
State Auditor
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INDEPENDENT AUDITORS' REPORT

Deann Haeffner, CPA
Deputy State Auditor
haeffner@mail.state.ne.us

We have audited the financial statements of the Nebraska Health and Human Services System - Program 622 - Cancer Research as of and for the fiscal year ended June 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Don Dunlap, CPA
Asst. Deputy Auditor
aud1010@vmhost.cdp.state.ne.us

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

Pat Reding, CPA
Asst. Deputy Auditor
aud1008@vmhost.cdp.state.ne.us

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Mary Avery
SAE/Finance Manager
MaryJAvery@aol.com

Also as discussed in Note 1, the financial statements present only the Nebraska Health and Human Services System - Program 622 - Cancer Research, and are not intended to present fairly the fund balances and the receipts and disbursements of the State of Nebraska in conformity with the cash receipts and disbursements basis of accounting.

Dennis Meyer
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Robert Hotz, JD
Legal Counsel
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In our opinion, the financial statements referred to above present fairly, in all material respects, the fund balances of the Nebraska Health and Human Services System - Program 622 - Cancer Research as of June 30, 2001, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 23, 2001, on our consideration of the Nebraska Health and Human Services System - Program 622 - Cancer Research'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 an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Nebraska Health and Human Services System - Program 622 - Cancer Research. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, except for that portion marked "unaudited," on which we express no opinion, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

August 23, 2001

Pat Reding, CPA
Manager

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 6252 - CANCER RESEARCH
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
ALL FUND TYPES
June 30, 2001

	<u>Governmental Fund Types</u>	
<u>Assets</u>	<u>Special Revenue</u>	
Cash in State Treasury	\$	<u>5,557,099</u>
Fund Balances		
Unreserved, Undesignated	\$	<u>5,557,099</u>

See Notes to Financial Statements.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
**STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES**
For the Fiscal Year Ended June 30, 2001

	<u>Governmental Fund Types</u>
	<u>Special Revenue</u>
RECEIPTS:	
Taxes	\$ 3,590,815
Miscellaneous	<u>247,609</u>
TOTAL RECEIPTS	<u>3,838,424</u>
 DISBURSEMENTS:	
Personal Services	58,772
Operating	208,417
Travel	271
Capital Outlay	3,754
Government Aid	<u>3,000,422</u>
TOTAL DISBURSEMENTS	<u>3,271,636</u>
Excess of Receipts Over Disbursements	566,788
FUND BALANCE, JULY 1, 2000	<u>4,990,311</u>
FUND BALANCE, JUNE 30, 2001	<u><u>\$ 5,557,099</u></u>

See Notes to Financial Statements.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CASH FUND
For the Fiscal Year Ended June 30, 2001

	CASH FUND		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS:			
Taxes		\$ 3,590,815	
Miscellaneous		<u>247,609</u>	
TOTAL RECEIPTS		<u>3,838,424</u>	
 DISBURSEMENTS:			
Personal Services	\$ 59,611	58,772	\$ 839
Operating	647,486	208,417	439,069
Travel	1,007	271	736
Capital Outlay	-	3,754	(3,754)
Government Aid	<u>9,897,486</u>	<u>3,000,422</u>	<u>6,897,064</u>
TOTAL DISBURSEMENTS	<u>10,605,590</u>	<u>3,271,636</u>	<u>7,333,954</u>
Excess of Receipts Over Disbursements		566,788	
FUND BALANCES, JULY 1, 2000		<u>4,990,311</u>	
FUND BALANCES, JUNE 30, 2001		<u>\$ 5,557,099</u>	

See Notes to Financial Statements.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2001

1. Summary of Significant Accounting Policies

The accounting policies of the Nebraska Health and Human Services System - Program 622 - Cancer Research are on the basis of accounting as described in the Nebraska Accounting System Manual.

- A. Reporting Entity.** The Nebraska Health and Human Services System - Program 622 - Cancer Research (Program) is a Program within the Nebraska Health and Human Services System. The Nebraska Health and Human Services System is a State agency established under and governed by the laws of the State of Nebraska. As such, the Program is exempt from State and Federal income taxes. The financial statements include all funds of the Program.

The Nebraska Health and Human Services System - Program 622 - Cancer Research is part of the primary government for the State of Nebraska's reporting entity.

- B. Basis of Accounting.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounting records of the Program are maintained and the Program's financial statements were prepared on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Combined Statement of Assets and Fund Balances for all funds of the Program. This differs from governmental generally accepted accounting principles (GAAP) which require all governmental funds to be accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the cash receipts and disbursement basis of accounting, revenues are recognized when received and expenditures are recognized when paid. This presentation differs from governmental generally accepted accounting principles (GAAP), which requires the use of the modified accrual basis for governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they are considered susceptible to accrual and expenditures are recognized when the liability is incurred.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Fund Accounting. The accounts and records of the Program are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which records receipts, disbursements, and the fund balance. The fixed asset account group is a financial reporting device designed to provide accountability over fixed assets. The fund types presented on the financial statements are those required by GAAP, and include:

Special Revenue Funds. Reflect transactions related to resources received and used for restricted or specific purposes.

This fund type classification differs from the budgetary fund types used by the Nebraska Accounting System.

The fund type established by the Nebraska Accounting System used by the Program is:

2000 - Cash Funds - account for receipts generated by specific activities from sources outside of State government and the disbursements directly related to the generation of the receipts.

D. Budgetary Process. The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, the Program and all other State agencies must submit their budget request for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, sub-programs, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium.

The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and submits the revised appropriation bill to the Governor for signature. The Governor may: a) approve the appropriations bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths vote of the Legislature.

The appropriations that are approved will generally set spending limits for a particular program within the agency. Within the agency or program, the Legislature may provide funding from one to five budgetary fund types. Thus, the control is by fund type, within a program, within an agency. The central

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

accounting system maintains this control. A separate publication entitled "Annual Budgetary Report" shows the detail of this level of control. This publication is available from the Department of Administrative Services, Accounting Division.

Appropriations are usually made for each year of the biennium with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium.

All State budgetary disbursements for the cash fund type are made pursuant to the appropriations which may be amended by the Legislature, upon approval by the Governor. State agencies may reallocate the appropriations between major object of expenditure accounts, except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total cash fund appropriations must also be approved by the Legislature as a deficit appropriations bill.

The Program utilizes encumbrance accounting to account for purchase orders, contracts, and other disbursement commitments. However, State law does not require that all encumbrances be recorded in the State's centralized accounting system and as a result, the encumbrances that were recorded in the accounting system have not been included in the accompanying financial statements, except for the impact as described below.

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of the biennium are lapsed and reappropriated in the first year of the next biennium. The effect of the Program's current procedure is to include in the budget columns, Total Disbursement line, of the Statement of Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual the current year's appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the Program's intention to honor the encumbrances at the end of a biennium. The disbursements columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 2001, there were no budgetary funds in which disbursements exceeded appropriations.

Budgets for object of expenditure accounts are included in the Nebraska Department of Administrative Services Budget Status Report.

Receipts are not budgeted. Therefore, there are no budgeted amounts shown on the Budget and Actual Statement.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

There is no difference between the fund balance of the Budgetary Statement and the Financial Statement. The Cash fund on the Budgetary Statement is appropriately classified as a Special Revenue fund for Financial Statement purposes.

E. Fixed Assets. General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. Under GAAP, the cost of general fixed assets would be recorded in the General Fixed Asset Account Group.

F. Cash in State Treasury. Cash in the State Treasury represents the cash balance of a fund as reflected on the Nebraska Accounting System. Investment of all available cash is made by the State Investment Officer, on a daily basis, based on total bank balances. Investment income is distributed based on the average daily book cash balance of funds designated for investment. Determination of whether a fund is considered designated for investment is done on an individual fund basis. All of the funds of the Program were designated for investment during fiscal year 2001.

G. Inventories. Disbursements for items of an inventory nature are considered expended at the time of purchase rather than at the time of consumption.

H. Compensated Absences. All permanent employees working for the Program earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees and Board and Commission members are not eligible for paid leave. Under GAAP, the vested portion of the employee's compensated absences is recorded in the Long Term Debt Account Group for governmental funds. Under the receipts and disbursements basis of accounting, the balances which would otherwise be reported in the Long Term Debt Account Group are not reported since they do not represent balances arising from Cash Transactions.

J. Receipts. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Program are:

Taxes. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The Program receives a portion of the cigarette tax collected in Nebraska.

Miscellaneous. Receipts from sources not covered by other major categories, such as investment income.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Concluded)

K. Disbursements. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Program are:

Personal Services. Salaries, wages, and related employee benefits provided for all persons employed by a government.

Operating. Disbursements directly related to a program's primary service activities.

Travel. All travel disbursements for any state officer, employee, or member of any commission, council, committee, or board of the State.

Capital Outlay. Disbursements which result in the acquisition of or an addition to fixed assets. Fixed assets are resources of a long-term character, owned or held by the government.

Government Aid. Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

2. Contingencies and Commitments

Risk Management. The Program is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Program, as part of the primary government for the State, participates in the State's risk management program. The Nebraska Department of Administrative Services (DAS) Division of Risk Management is responsible for maintaining the insurance and self-insurance, programs for the State. The State generally self-insures for general liability and workers compensation. The State has chosen to purchase insurance for:

- A. Motor vehicle liability, which is insured for the first \$5 million of exposure per accident. Insurance is also purchased for medical payments, physical damage, and uninsured and underinsured motorists with various limits and deductibles. State Agencies have the option to purchase coverage for physical damage to vehicles.
- B. The DAS-Personnel Division maintains health care and life insurance for eligible employees.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Contingencies and Commitments (Concluded)

- C. Crime coverage, with a limit of \$1 million for each loss, and a \$10,000 retention per incident.
- D. Real and personal property on a blanket basis for losses up to \$250,000,000, with a self-insured retention of \$200,000 per loss occurrence. Newly-acquired properties are covered up to \$1,000,000 for 60 days or until the value of the property is reported to the insurance company. The perils of flood and earthquake are covered up to \$10,000,000.
- E. State Agencies have the option to purchase building contents and inland marine coverage.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded in the Compensation Insurance Trust Fund through a combination of employee and State contributions. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, or destruction of assets, errors or omissions, and natural disasters would be funded through the State General Fund or by individual agency assessments as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Nebraska Health and Human Services System - Program 622 - Cancer Research's financial statements.

Litigation. The potential amount of liability involved in litigation pending against the Program, if any, could not be determined at this time. However, it is the Program's opinion that final settlement of those matters should not have an adverse effect on the Program's ability to administer current programs. Any judgment against the Program would have to be processed through the State Claims Board and be approved by the Legislature.

3. State Employees Retirement Plan (Plan)

The Plan is a single-employer defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the State Employees Retirement Act and may be amended by legislative action. In the defined contribution plan, retirement benefits depend on total contributions, investment earnings, and the investment options selected. Membership in the Plan is mandatory for all permanent full-time employees on reaching the age of thirty and completion of twenty-four months of continuous service. Full time employee is defined as an employee who is employed to work one-half or more of the regularly scheduled hours during each pay period.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH

NOTES TO FINANCIAL STATEMENTS
(Continued)

3. State Employees Retirement Plan (Plan) (Concluded)

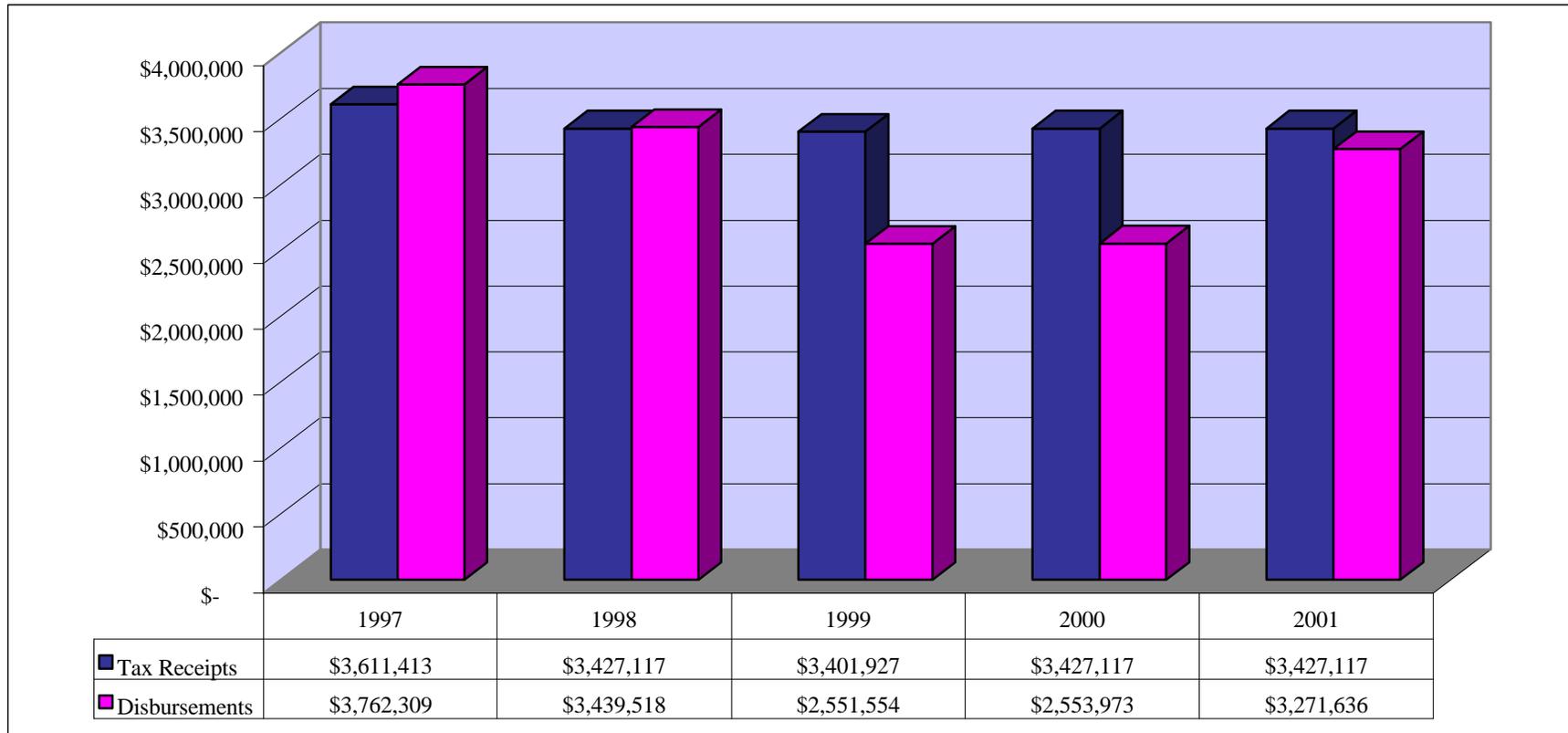
Voluntary membership is permitted for all permanent full-time or permanent part-time employees upon reaching age twenty and completion of twelve months of permanent service within a five-year period. Any individual appointed by the Governor may elect to not become a member of the Plan.

Employees contribute 4.33% of their monthly compensation until such time as they have paid during any calendar year a total of eight hundred sixty four dollars, after which time they shall pay a sum equal to 4.8% of their monthly compensation for the remainder of such calendar year. The Program matches the employee's contribution at a rate of 156% of the employee's contribution.

The employee's account is fully vested. The employer's account is vested 100% after five years participation in the plan or at retirement.

For the Fiscal Year Ended June 30, 2001, employees contributed \$2,018 and the Program contributed \$3,148.

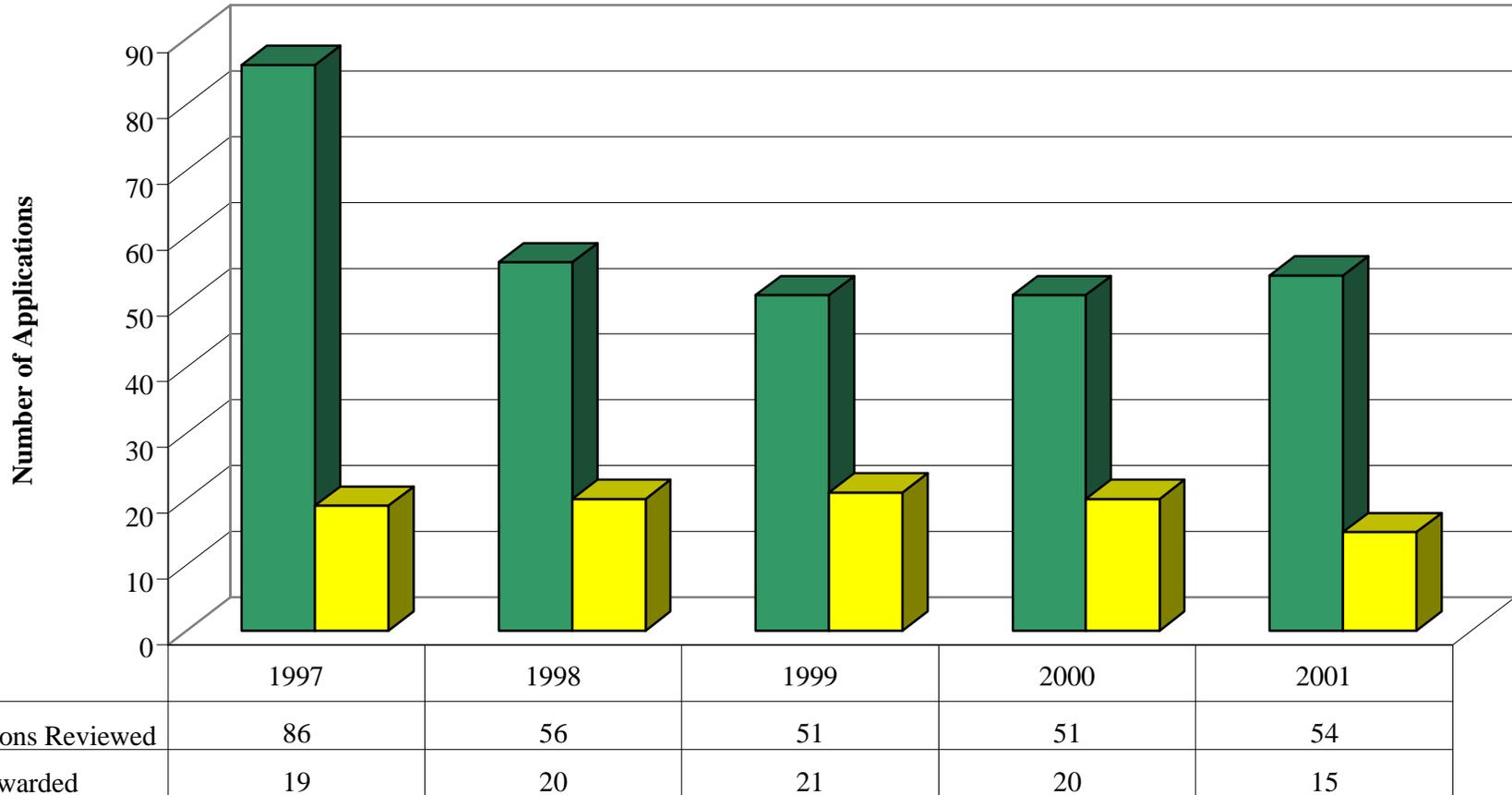
NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
CIGARETTE TAX RECEIPTS AND DISBURSEMENTS
Fiscal Years Ended June 30 1997 through 2001



Notes:

- 1 Fiscal Years 1997 through 2000 are UNAUDITED.
- 2 Tax Receipts include the Cigarette Tax allocation (adjusted for timing differences) and do not include investment interest.
- 3 Receipts and Disbursements do not include \$500,000 directly appropriated to the University of Nebraska Eppley Institute for Research in Cancer and Allied Diseases.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM-622 CANCER RESEARCH
APPLICATIONS REVIEWED AND GRANTS AWARDED
For Fiscal Years Ended June 30, 1997 through 2001
(UNAUDITED)



NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
CANCER REGISTRY STATISTICS
NUMBER OF INVASIVE CASES
(UNAUDITED)

	<u>Nebraska 1998</u>				<u>Nebraska 1994-1998</u>			
	MALE		FEMALE		MALE		FEMALE	
	<u>Incidence</u>	<u>Mortality</u>	<u>Incidence</u>	<u>Mortality</u>	<u>Incidence</u>	<u>Mortality</u>	<u>Incidence</u>	<u>Mortality</u>
All Sites	3,888	1,720	3,750	1,558	20,015	8,643	18,614	7,822
Oral Cavity and Pharynx	129	17	46	11	595	119	289	63
Esophagus	57	50	19	11	275	269	78	71
Stomach	63	37	38	21	325	209	184	121
Colon and Rectum	517	188	499	206	2,556	1,042	2,432	987
Liver and Intrahepatic Duct	28	35	21	24	156	169	110	121
Pancreas	69	99	78	80	381	435	395	413
Larynx	55		14	-	285	-	57	-
Lung and Bronchus	619	553	384	318	3,225	2,740	1,984	1,615
Melanoma of Skin	132	33	102	14	645	152	508	69
Breast	14	1	1,231	253	40	6	5,784	1,367
Uterine Cervix	-	-	63	28	-	-	364	123
Uterine Corpus & Unspecified	-	-	249	24	-	-	1,228	110
Ovary	-	-	147	83	-	-	726	419
Prostate Gland	1,119	202	-	-	5,895	1,035	-	-
Urinary Bladder	242	43	83	21	1,205	216	425	112
Brain and CNS	67	42	34	42	311	241	226	204
Thyroid Gland	18	-	90	-	108	-	375	-
Hodgkin's Disease	23	3	27	4	131	22	132	21
Non-Hodgkin's Lymphoma	169	75	151	77	817	373	737	363
Multiple Myeloma	36	38	36	32	215	160	178	160
Leukemia	95	67	80	69	526	363	439	314

Source: Cancer Incidence and Mortality in Nebraska: 1998 (annual report issued October 2000)

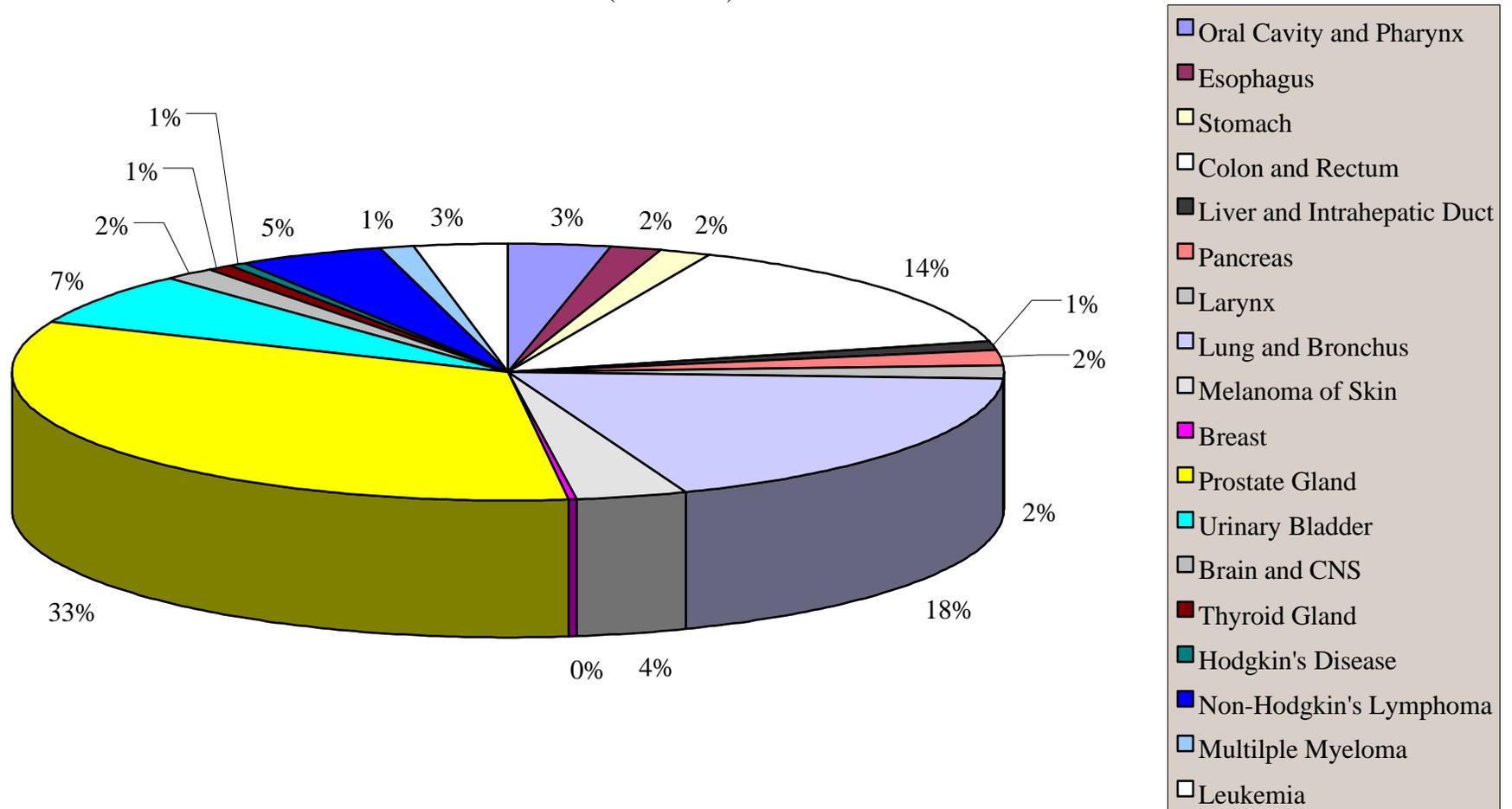
NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
CANCER REGISTRY STATISTICS
INVASIVE CASES - RATE OF INCIDENCE AND MORTALITY
(UNAUDITED)

	Nebraska 1994-1998				USA 1996			
	MALE		FEMALE		MALE		FEMALE	
	Incidence	Mortality	Incidence	Mortality	Incidence	Mortality	Incidence	Mortality
All Sites	447.3	186.9	333.5	125.6	463.9	206.6	348.5	138.9
Oral and Pharynx	13.7	2.7	5.0	0.9	15.1	3.9	6.0	1.4
Esophagus	6.3	6.1	1.2	1.1	6.8	6.3	1.8	1.5
Stomach	7.2	4.6	2.9	1.8	9.8	5.7	4.2	2.7
Colon and Rectum	55.8	22.2	38.2	14.4	51.6	20.4	36.6	14.0
Liver and Intrahepatic Duct	3.5	3.7	1.8	1.9	6.8	5.3	2.5	2.3
Pancreas	8.4	9.5	6.2	6.2	10.3	9.6	7.6	7.2
Larynx	6.6	-	1.2	-	6.6	-	1.5	-
Lung and Bronchus	73.0	60.9	36.1	28.2	71.8	68.1	43.3	34.3
Melanoma of Skin	14.4	3.3	9.9	1.2	17.6	3.2	11.8	1.5
Breast	0.8	0.1	107.9	23.3	1.1	0.3	112.4	24.3
Uterine Cervix	-	-	7.3	2.2	-	-	7.9	2.7
Uterine Corpus & Unspecified	-	-	23.5	1.7	-	-	21.4	3.3
Ovary	-	-	13.9	6.7	-	-	14.3	7.4
Prostate Gland	132.6	20.2	-	-	138.5	24.0	-	-
Urinary Bladder	26.2	4.3	6.6	1.4	28.1	5.5	7.5	1.7
Brain and CNS	7.2	5.6	4.7	4.0	7.1	5.0	4.9	3.4
Thyroid Gland	2.5	-	7.9	-	3.0	-	8.1	-
Hodgkin's Disease	3.1	0.5	2.9	0.3	3.1	0.5	2.3	0.4
Non-Hodgkin's Lymphoma	17.9	7.9	12.4	5.1	19.6	8.6	12.6	5.6
Multiple Myeloma	4.7	3.5	3.0	3.5	5.5	3.8	3.7	2.6
Leukemia	11.7	7.6	7.6	4.6	12.9	8.2	8.0	4.8

Incidence rate is the number of new cases that occur within a specific population, divided by the size of the population.
Mortality rate is the number of deaths that occur within a specific population, divided by the size of the population.
The rates are expressed as the number of deaths per 100,000 population.

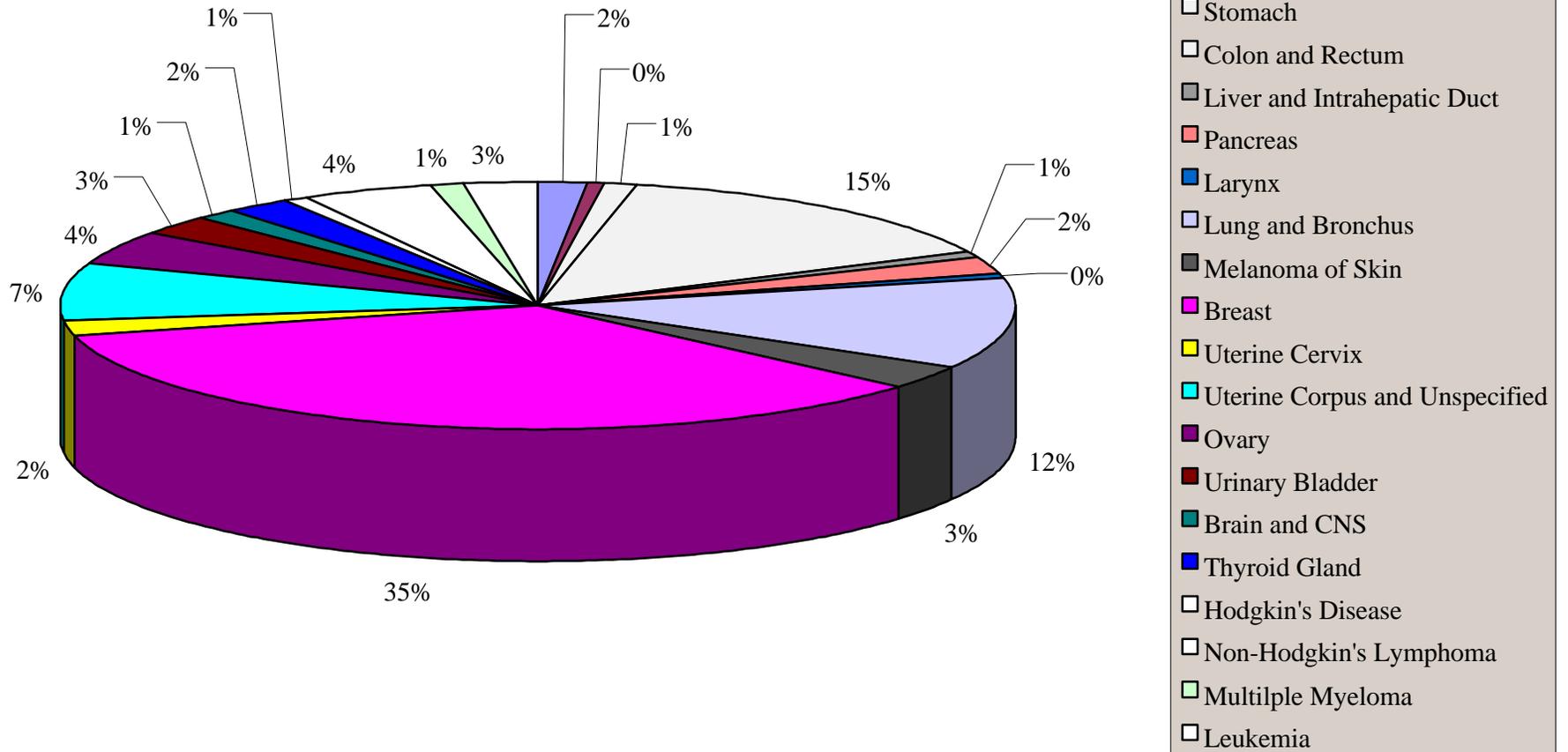
Source: Cancer Incidence and Mortality in Nebraska: 1998 (annual report issued October 2000)

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
 PROGRAM 622 - CANCER RESEARCH
CANCER REGISTRY STATISTICS
INCIDENCE OF CANCER - MALES
 For the Years 1994 to 1998
 (Unaudited)



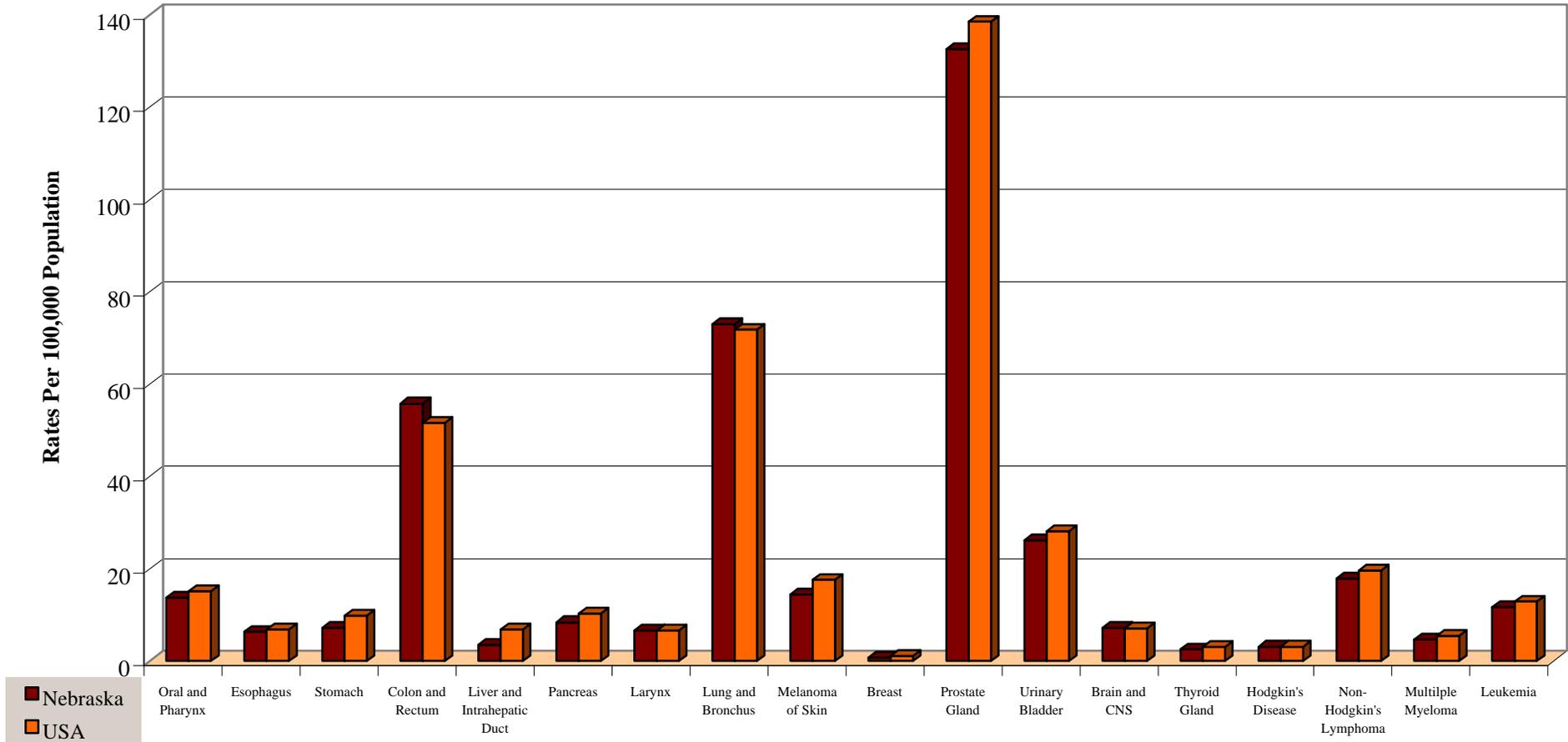
Source: Cancer Incidence and Mortality in Nebraska: 1998 Annual Report.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
 PROGRAM 622 - CANCER RESEARCH
CANCER REGISTRY STATISTICS
INCIDENCE OF CANCER - FEMALES
 For the Years 1994 to 1998
 (Unaudited)



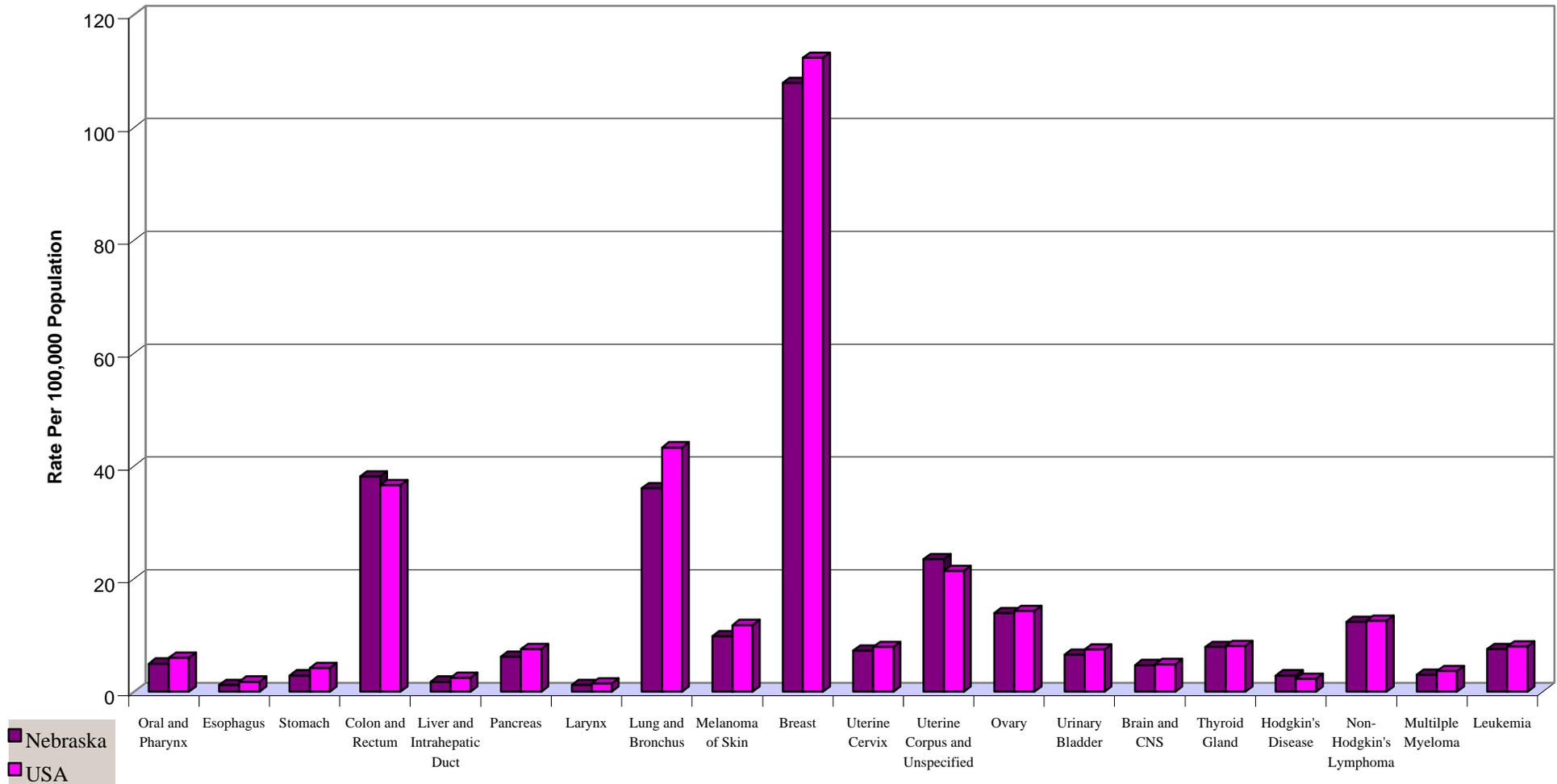
Source: Cancer Incidence and Mortality in Nebraska: 1998 Annual Report.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
CANCER REGISTRY STATISTICS
INCIDENCES OF CANCER MALES-NEBRASKA AND USA
(Unaudited)



Note: Nebraska is the average rate of incidence for years 1994 to 1998; USA is incidence rate for 1996.
Source: Cancer Incidence and Mortality in Nebraska: 1998 Annual Report.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 622 - CANCER RESEARCH
CANCER REGISTRY STATISTICS
INCIDENCES OF CANCER FEMALES - NEBRASKA AND USA
(Unaudited)



Note: Nebraska is the average rate of incidence for years 1994 to 1998; USA is incidence rate for 1996.

Source: Cancer Incidence and Mortality in Nebraska: 1998.

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NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM PROGRAM 622 - CANCER RESEARCH **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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We have audited the financial statements of the Nebraska Health and Human Services System - Program 622 - Cancer Research as of and for the year ended June 30, 2001, and have issued our report thereon dated August 23, 2001. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and was modified to emphasize that the financial statements present only the funds of the Nebraska Health and Human Services System - Program 622 - Cancer Research. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nebraska Health and Human Services System - Program 622 - Cancer Research's 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 Nebraska Health and Human Services System - Program 622 - Cancer Research's internal control over financial reporting in order to determine our auditing procedures for the

purpose of expressing our opinion on the 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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Program, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Pat Reding, CPA

Manager

August 23, 2001