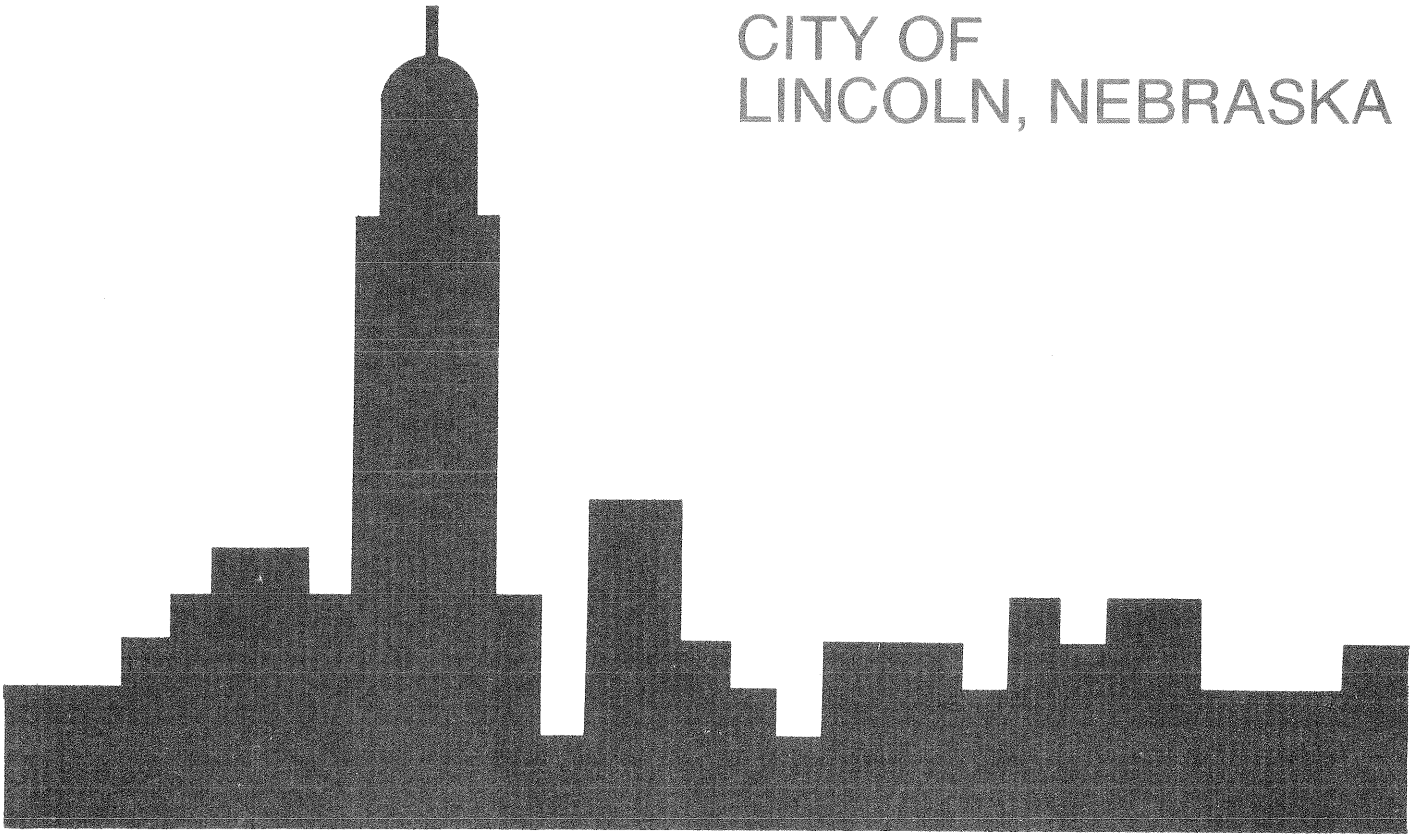
CITY OF
LINCOLN, NEBRASKA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 1988

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

OF THE

CITY OF LINCOLN, NEBRASKA

FOR THE YEAR ENDED AUGUST 31, 1988

Prepared by:

The Auditing Division/Finance Department

OFFICIALS OF THE CITY OF LINCOLN

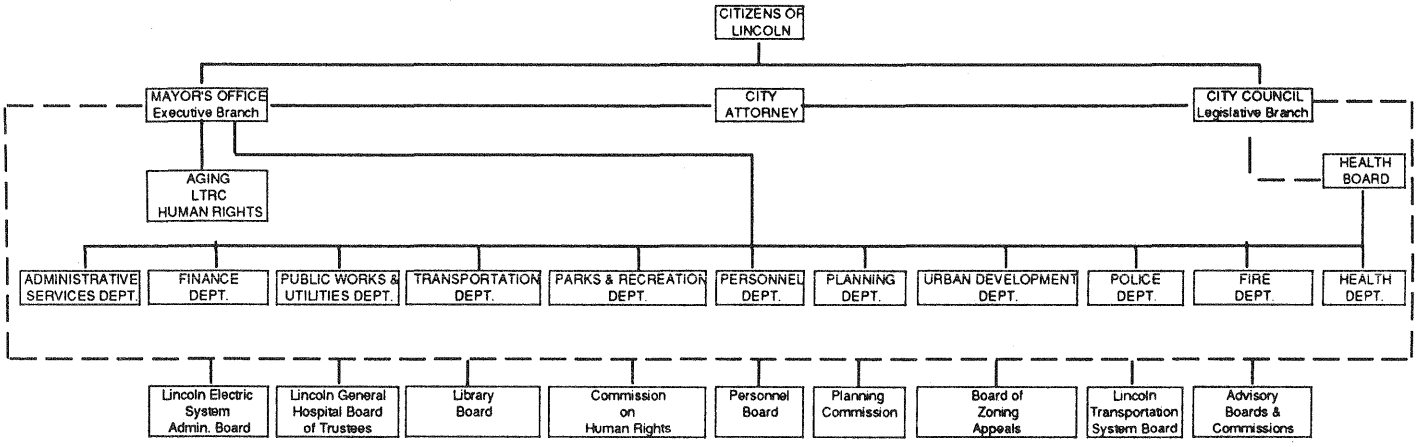
Bill Harris ..... Mayor
J. Gates Minnick ..... Chairman, City Council
Linda W. Wilson ..... Vice Chairman, City Council
Joseph R. Hampton ..... Council Member
Bill S. Danley ..... Council Member
Jo B. Gutgsell ..... Council Member
Theodore V. Hempel ..... Council Member
Coleen J. Seng ..... Council Member

* * * * * *

Jack Vavra ..... Finance Director
..... and Acting Administrative Services Director
Garner Stoll ..... Planning Director
Donald Smith ..... Parks and Recreation Director
Walter A. Canney ..... LES Administrator
George Chick ..... Urban Development Diretor
Carol Connor ..... Library Director
Richard A. Erixson ..... Public Works Director
..... and Acting Public Utilities Director
M. Jane Ford ..... Health Director
Arlan Stromberg ..... Hospital Administrator
George Williamson ..... Transportation Director
Ron Todd ..... Personnel Director
William F. Austin ..... City Attorney
Allen Curtis ..... Police Chief
Mike Merwick ..... Fire Chief

* * * * * *

CITY OF LINCOLN ORGANIZATION CHART



CITY OF LINCOLN, NEBRASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 1988

TABLE OF CONTENTS

	Exhibit	Page
INTRODUCTORY SECTION		
Title Page		
Officials of the City of Lincoln		i
City of Lincoln Organization Chart		i
Table of Contents		ii
Transmittal Letter		vii
Certificate of Achievement for Excellence in Financial Reporting		xvii
FINANCIAL SECTION		1
Independent Auditors' Report		2
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	1	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	2	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General, Special Revenue, and Debt Service Funds (Budget Basis)	3	7
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types and Similar Trust Funds	4	9
Combined Statement of Cash Flows - All Proprietary Fund Types and Similar Trust Funds	5	10

	Exhibit	Page
Notes to Combined Financial Statements		13
Combining and Individual Fund Statements and Schedules		53
Governmental Funds:		
General Fund:		55
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)	A-1	56
Schedule of Expenditures Compared to Budget	A-2	57
Special Revenue Funds:		61
Combining Balance Sheet	B-1	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis):		
Advance Acquisition Fund	B-3	66
Aviation Promotion Fund	B-4	67
Civil Defense Fund	B-5	68
Lincoln City Libraries Fund	B-6	69
Lincoln Area Agency on Aging Fund	B-7	70
Lincoln/Lancaster County Health Fund	B-8	71
Northeast Radial Fund	B-9	72
Social Security Fund	B-10	73
Unemployment Compensation Fund	B-11	74
Community Development Block Grant Fund	B-12	75
Grants-In-Aid Fund	B-13	76

	Exhibit	Page
Revenue Sharing Fund	B-14	78
Job Training Programs Fund	B-15	79
Street Construction Fund	B-16	80
Athletic Field and Facilities Improvement Fund	B-17	81
Sanitary District Fund	B-18	82
Cable Access Television Fund	B-19	83
Special Assessment Fund	B-20	84
Debt Service Funds:		85
Combining Balance Sheet	C-1	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	87
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis)	C-3	88
Capital Projects Funds:		89
Combining Balance Sheet	D-1	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	91
Proprietary Funds:		
Enterprise Funds:		95
Combining Balance Sheet	E-1	96
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	E-2	99
Combining Statement of Cash Flows	E-3	100
Internal Service Funds:		103
Combining Balance Sheet	F-1	104

	Exhibit	Page
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	F-2	105
Combining Statement of Cash Flows	F-3	106
Fiduciary Funds:		107
Combining Balance Sheet	G-1	109
Pension Trust Funds - Combining Statement of Revenues, Expenses, and Changes in Fund Balances	G-2	110
Pension Trust Funds - Combining Statement of Cash Flows	G-3	111
Expendable Trust Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-4	113
Agency Funds - Combining Statement of Changes in Assets and Liabilities	G-5	114
General Fixed Assets Account Group:		117
Schedule of General Fixed Assets Additions by Sources	H-1	118
Schedule of General Fixed Assets by Function and Activity	H-2	119
Schedule of Changes in General Fixed Assets by Function and Activity	H-3	120
Schedule of Federal Financial Assistance	I-1	122

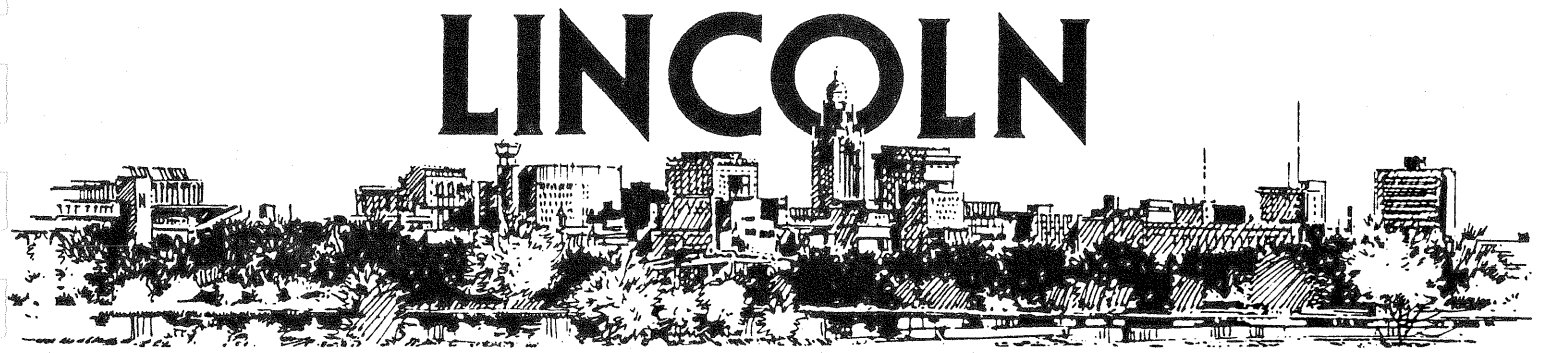
STATISTICAL SECTION

	Table	Page
General Governmental Expenditures by Function Last Eight Fiscal Years	1	130
General Revenues by Source Last Eight Fiscal Years	2	130
Property Tax Levied and Collected Last Ten Years	3	130

	Table	Page
Taxable Assessed and Estimated Actual Valuation Last Ten Years	4	131
Total Property Tax Levies All Overlapping Governments Last Ten Years	5	131
Special Assessment Collections Last Ten Years	6	131
City Sales Tax Information	7	132
Schedule of General Obligation Debt in Relation to per Capita Total Assessed Valuation, True Value of Real Estate and to Per Capita Income Last Ten Years	8	132
Computation of Direct and Overlapping Debt - August 31, 1988	9	132
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures Last Eight Fiscal Years	10	133
Revenue Bond Coverage Last Ten Fiscal Years	11	133
Demographic Statistics Last Ten Years	12	134
Property Value, Construction, and Bank Deposits Last Ten years	13	134
Ten Largest Taxpayers	14	135
Miscellaneous Statistics, August 31, 1988	15	135

SINGLE AUDIT REPORTS

Combined Auditors' Report on Compliance at the General Purpose Financial Statement Level and the Federal Financial Assistance Program Level		138
Combined Auditors' Report on Internal and Administrative Controls at the General Purpose Financial Statement Level and the Federal Financial Assistance Program Level		141



DEPARTMENT OF FINANCE
& ADMINISTRATIVE SERVICES
JACK VAVRA, Director

NEBRASKA'S CAPITAL CITY

BILL HARRIS, MAYOR

February 10, 1989

To The Citizens Of The City Of Lincoln:

The Comprehensive Annual Financial Report (CAFR) of the City of Lincoln, Nebraska for the fiscal year ended August 31, 1988 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the governments. All disclosures necessary to enable the reader to gain an understanding of the governments' financial activities including all currently effective statements of the Governmental Accounting Standards Board have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit Reports.

Introductory Section

The Introductory Section contains the Table of Contents, a Letter of Transmittal, a Listing of the Officials of the City of Lincoln, an Organization Chart, and a Reproduction of the City's Certificate of Achievement for Excellence in Financial Reporting for the year preceding the report.

Financial Section

The Financial Section includes an Auditors' Report, General Purpose Financial Statements (Including Notes to the Financial Statements), Combining and Individual Fund and Account Group Statements and Schedules, and narrative explanations which can be used in understanding combining and individual fund and account group statements and schedules.

Statistical Section

Statistical tables present comparative data for several periods of time or contain data from sources other than the accounting records. Statistical tables differ from financial statements because they usually cover more than 2 fiscal years and may present non-accounting data. Statistical tables reflect social and economic data, financial trends, and the fiscal capacity of the government.

Single Audit Report Section

The Single Audit Report Section contains a combined Auditor's Report on Compliance at the General Purpose Financial Statement Level and the Federal Financial Assistance Program Level, a Schedule of Findings and Questioned Costs, and a Combined Auditors' Report on Internal Accounting and Administrative Controls at the General Purpose Financial Statements Level and the Federal Financial Assistance Program Level.

This report includes all component units, functions, programs, and activities in which the City exercises oversight authority. City oversight authority is determined on the basis of budget adoption, funding and selection of governing authority. Services are provided to residents in many areas, including public safety (police - fire), highways and streets, health, planning and zoning, parks, recreation, urban development, mass transportation, electric utility, water utility, sanitary sewer utility, hospital, golf courses, auditorium, parking facilities, and general administrative services. The City Council exercises budgetary and/or rate setting authority over the City Library, Lincoln Electric System (LES), Lincoln General Hospital (LGH), and Lincoln Transportation System (LTS), all of which are included in this report. The Lincoln Water System, Lincoln Sanitary Sewer System, parking lots, parking facilities, golf courses and Pershing Municipal Auditorium are all part of administrative departments under the direction of the Mayor and are included in this report. The following entities are not included in this report because the City does not exercise oversight authority:

Housing Authority of the City of Lincoln
Lincoln Public Schools
Lincoln Airport Authority
Lincoln Hospital Association

Separate audited financial statements are available from these organizations.

Economic Condition And Outlook

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

The Lincoln metropolitan area population base continues to demonstrate a pattern of sustained growth. According to the U.S. Census figures, the Lincoln metropolitan area population grew by over 8% between 1980 and 1988, adding over 2,000 people to the

community each year. The 1980 population of 192,884 had reached an estimated 209,100 persons as of mid-1988.

While such a growth rate may be modest by some standards, this healthy pace of expansion places Lincoln as one of the fastest growing communities in this region. Most forecasters envision Lincoln to continue to grow at a rate near one percent per year throughout the remainder of the century.

Effective Buying Income (EBI), is a measure of the amount of money local residents have for discretionary spending on an after taxes basis. Between 1980 and 1987, Lincoln's total EBI more than doubled from around $1.5 billion to $3.2 billion. On a per capita basis Lincoln's EBI is $15,400. Lincoln's current and past income gains hold tremendous promise for a continued growth in the personal income of local residents.

Since the national recession of the early 1980's Lincoln's employment has averaged an annual growth of nearly 2.5%. Unemployment at August 31, 1988 was 2.3%, well below the national average of 5.4%. This has been led by expansion in the service sector, as well as noteworthy growth in manufacturing. Lincoln was strongest in the categories of construction, services and wholesale and retail trade.

Lincoln's construction activity continues to demonstrate sustained growth. Permits for all forms of new construction have risen by 115% over the past 5 years with an increase in the value of construction permits of nearly $50 million. Estimates from the F.W. Dodge Division of McGraw-Hill indicate that Lincoln's construction market should remain strong.

Sales tax revenue was up 11.4% for 1987-88. This assisted in providing the citizens with a nominal 4.2% property tax rate increase in Fiscal Year 1988-89.

Major Initiatives

The City is in the process of installing a new radio system which was initiated in the 1985-86 Capital Improvements Program with a budget of $4,700,000. The project will provide an 800 megahertz trunked radio system meeting Associated Public Safety Communications Officers' 16 guidelines for all significant users of radios in the City government, excepting at this time the Lincoln Electric System. Ultimately, the system will be capable of supporting the needs of other units of local government. The project is scheduled to be completed in 1992.

The City is continuing the development of the new Sanitary Landfill and continued closure of the old site. This includes a $500,000 appropriation in the 1988-89 Capital Improvements budget for continued development of the leachate collection system, interior roads, site maintenance, drainage improvements, etc., and an appropriation in 1988-89 of $222,000 for closure projects on the old site involving earthwork, grading, drainage and establishing vegetation. The project effort is anticipated beyond 1994.

The City is working with BCE Development Properties, Inc. of Chicago to redevelop downtown Lincoln. The City and Developer are working to attract two major retailers to locate in the development. The City has a $6,500,000 Urban Development Action

Grant and a $12,000,000 general obligation bond issue available to use on the project if written contracts from the retailers and the Developer are completed by May 9, 1989.

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately $23,105,600 over the 7 year period of 1988-89 through 1994-95. Of that total, approximately $14,000,000 of those improvements will be financed through revenue bonds with the balance of the dollars coming from charges for services. The major portion of those dollars will be needed for sludge processing and disposal improvements at the Theresa Street plant, an odor control project at the Theresa Street facility, general replacement of primary danifer mechanisms, replacement of electrical equipment and controls at the Theresa Street Plant, and general replacement of sanitary sewer lines.

The Lincoln Water System is projecting a capital improvements program in the amount of $117,304,000 over the 11 year period of 1988-89 through 1997-98. Of those dollars, approximately $48,500,000 of those improvements will be financed through revenue bonds with the balance of the dollars coming from charges for services. The major projects contributing to these total dollars include the installation of new wells, collector lines, and wellfield improvements in the Ashland area; construction of a new water treatment plant in Ashland; construction of a new water transmission main between Lincoln and Ashland; additional ground storage reservoirs; and replacement mains.

Internal Accounting Controls

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or dispositions, and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Several major internal controls within the Finance Department affect transactions from all City departments. The City Charter requires the City Auditor to audit all departmental expenditures as to documentation, coding, etc., after they have been approved by the responsible department head. A monthly reconciliation is made between the City's accounting system and the Treasurer's Office. The Purchasing Ordinance requires that all purchase requisitions must include certification by the Director of the ordering department that money has been appropriated for that purpose. The City has a fixed asset system which includes monitoring acquisition and disposition of fixed assets. In addition to these major controls, there are numerous controls within the various departments.

The above is not all-inclusive of the City's internal control, but serves to indicate that controls are adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting System And Budgetary Control

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity; the operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings/fund balance, revenues/receipts, and expenses/expenditures. More information on descriptions of each fund and the accounting principles applied to each fund type are included in the Financial Section.

Budgetary control is maintained at the department level by the encumbrance of balances with purchase orders prior to their release to vendors. Purchase orders which result in an overrun of department balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at August 31, 1988. Except for Capital Projects Funds, budgets for Governmental Type Funds are adopted annually. Capital Project Funds are budgeted by project and appropriations are continuing appropriations through completion of the project. Enterprise and Pension Trust Fund budgets are adopted annually.

Self-Insurance

The City is self-insured for workers' compensation risk, other property risks and employee long-term disability. These funds are administered by the City's Risk Management Division. These programs remain successful for the City. Since implementation, the Self-Insurance programs have had favorable loss experiences.

General Governmental Functions

General Governmental Revenues (General, Special Revenue and Debt Service Funds) on the GAAP basis totaled $73,928,612 in 1987-88, an increase of 7.47% from 1986-87. General property taxes produced 25.53% of General Governmental Revenues compared to 27.15% last year. The amount of revenues from various sources and the change from last year are shown in the following tabulation:

Revenue Source	Amount	Percent of Total	Increase (Decrease) from 1986-87	Percent Of Increase (Decrease)
Taxes	$ 47,992,603	64.9%	$4,632,157	10.7%
Intergovernmental	16,357,404	22.1	624,404	4.0
Permits and Fees	1,603,158	2.2	106,736	7.1
Reimbursement for Services	1,048,138	1.4	(221,931)	(17.5)
Court Fees	116,859	0.2	(2,862)	(2.4)
Recreational Receipts	590,809	0.8	64,211	12.2
Interest	3,588,413	4.9	(308,232)	(7.9)
Other	2,631,228	3.5	244,488	10.2
	$ 73,928,612	100.0%	$5,138,971	

Assessed real property valuations at market value for 1987-88, totaled $4,423,592,712.

As of August 31, 1988, current tax collections by the County Treasurer were 94.21% of the tax levy, up 0.02% from last year. Allocations of property tax levy by purpose for 1987-88, and the preceding two fiscal years are as follows:

City Tax Levy By Purpose

	1987-88	1986-87	1985-86
General Fund	.2992	.3072	.2445
Library	.0529	.0584	.0528
Social Security	.0141	.0152	.0198
Police and Fire Pension	.0141	.0299	.0221
General Obligation Debt	.0804	.0796	.0649
	.4607	.4903	.4041

General governmental expenditures on the GAAP basis of accounting totaled $63,114,951 in 1987-88, a net decrease of 7.8% over 1986-87. This decrease is due primarily to the defeasance of $12,000,000 of General Obligation Bonds during Fiscal Year 1986-87, which is included as an expenditure of the Debt Service Fund. Increases and decreases in levels of expenditures by major functions of the City over the preceding year are shown in the following tabulation:

	Amount	Percent Of Total	Increase (Decrease) From 1986-87	Percent Of Increase (Decrease)
General Government	$11,227,562	17.8%	$ 882,366	8.5%
Public Safety	21,217,662	33.6	1,176,609	5.9
Streets and Highways	5,987,512	9.5	531,581	9.7
Culture - Recreation	8,054,651	12.8	211,935	2.7
Economic Opportunity	6,201,422	9.8	882,022	16.6
Health and Welfare	3,616,964	5.7	112,132	3.2
Debt Service	6,809,178	10.8	(9,159,888)	(57.4)
	$63,114,951	100.0%	$(5,363,243)	

Parking Facilities

The City of Lincoln operates the 1,048 stall Centrum Parking Garage, which opened in November, 1978, and the 405 stall Cornhusker Square Parking Garage, which opened in December, 1983. Long-term debt for both facilities is covered under the same bond ordinance. Revenue generated by both facilities and the on-street parking meters is pledged for debt service of both series of bonds. Comparative data for the past two fiscal years are presented in the following table:

	1987-88	1986-87
Operating Revenue	$943,764	923,094
Operating Income Before Depreciation	576,286	592,143
On-Street Parking Meter Revenue	316,984	306,559
Revenue Available for Debt Service	893,270	898,702
Debt Service	405,500	405,500
Debt Service Coverage Ratio	2.20	2.22

Lincoln General Hospital (LGH)

The City owns and operates a licensed 307-bed general hospital. It is controlled and managed by an administrative board and is not supported by general tax revenue. The actions of the board are subject to final action by the City Council in regard to rates and charges, budgets, and long-term financing. The total outstanding bonded debt of LGH at August 31, 1988, was $18,730,000. (See Note 9 to the Financial Statements.)

Lincoln Electric System (LES)

The City owns and operates its own electric utility system which, like LGH, is managed by an administrative board. Actions of the board with regard to rates, budgets, and long-term financing are subject to final review and approval by the City Council. In accordance with Section 2.55.090 of the Lincoln Municipal Code, LES operates on a January 1 - December 31, fiscal year. Audited financial information as of and for LES' fiscal year ended December 31, 1987 is included in the City's August 31, 1988 financial statements.

Debt And Cash Management

The ratio of net direct bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. These data for the City of Lincoln at August 31, 1988 were as follows:

	Outstanding Aug. 31, 1988	Sinking Funds Aug. 31, 1988	Net Bonded Debt	Net Bonded Debt Per Capita
General Obligation:				
General Bonds	$24,505,000	2,701,818	21,803,182	117.46
Tax Allocation Bonds	4,130,000	1,070,812	3,059,188	16.48
Total General Bonds Including Tax Allocation	28,635,000	3,772,630	24,862,370	133.94
Special Assessment Bonds	15,540,000	8,495,775	7,044,225	37.95
	$44,175,000	12,268,405	31,906,595	171.89

In addition to the general obligation bonded debt, the City recognizes a long-term liability for compensated absences of $984,147. Note 9 to the Combined Financial Statements presents more detailed information about the debt position of the City.

There were no new bonds issued during the year ended August 31, 1988.

The City's General Obligation and Revenue Bonds continue to have excellent credit ratings. These ratings are as follows:

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aa	AAA
Water and Sewer Revenue	Aa	AA
Electric Revenue:		
Electric Power Supply	A1	AA
Electric Distribution Facility	A1	A+
Commercial Paper Notes		A1+
Lincoln General Hospital (Ser. 1982)	A	Ap

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance, flow of monies through various restricted accounts, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages. The City is in compliance with all such significant limitations and restrictions.

Cash temporarily idle during the year was invested in interest-bearing deposits or U.S. government securities. Over the year, 98.93% of available funds were invested in interest-bearing deposits or government securities. Note 4 to the Combined Financial Statements discloses the City's investment policies and the manner in which these investments are held. The average yield on investments was 6.31% and the amount of interest earned was $13,709,216.

Capital Projects Funds

Proceeds of general obligation bond issues are accounted for in Capital Projects funds until improvement projects are completed. Some capital improvement projects are accounted for in the general fixed asset account group upon completion. Since the City does not capitalize infrastructure items, such items are not included in the general fixed asset account group. Items which are purchased or constructed with Capital Projects funds and, upon completion or purchase, become part of the operation of an Internal Service fund or Enterprise fund, are capitalized as contributed capital in those funds.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise and Internal Service funds. As of August 31, 1988 the general fixed assets consisted of

over 12,200 items totaling $56,858,317, a net increase of $1,574,275 over the prior year.

Water And Sewer System

The City's Water and Sewer Utility System showed increases in operating revenue and operating income. Comparative data for the past two fiscal years are presented in the following tables:

Water System	1987-88	1986-87
Operating Revenue	$13,710,471	10,796,924
Operating Income	6,708,243	4,229,809
Revenue Available for Debt Service	9,237,540	6,391,397
Debt Service	1,735,249	1,660,566
Debt Service Coverage Ratio	5.32	3.85

Sewer System	1987-88	1986-87
Operating Revenue	$8,439,525	7,673,311
Operating Income	1,930,055	1,528,416
Revenue Available for Debt Service	4,312,330	3,586,562
Debt Service	1,048,587	1,112,027
Debt Service Coverage Ratio	4.11	3.23

Independent Audit

The City Charter requires an annual audit to be made of all City funds and accounts by independent certified public accountants selected by the City Council. The Federal government, under OMB Circular A-128, which was issued to implement the Single Audit Act of 1984, requires local governments that receive $100,000 or more in Federal funds in any fiscal year to have a financial and compliance audit performed. Through the efforts of the Finance Department staff and staff from the Transportation, Health, Aging, and Public Works Departments, the City was able to comply with the Federal government's single audit requirements for grants.

Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (formerly Certificate of Conformance) to the City of Lincoln, Nebraska, for its comprehensive annual financial reports for the fiscal years ended August 31, 1987, 1986, 1985, 1984 and 1983.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility.

Acknowledgements

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

Respectfully submitted,

Jack Vavra
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lincoln, Nebraska

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

August 31, 1987

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

President

Executive Director

(THIS PAGE LEFT BLANK INTENTIONALLY)

FINANCIAL SECTION

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.
1600 FirsTier Bank Building
Lincoln, NE 68508

Independent Auditors' Report

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

We have audited the general purpose financial statements of the City of Lincoln, Nebraska, as of and for the year ended August 31, 1988, as listed in the accompanying 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 Lincoln General Hospital which is included in the enterprise fund type, which statements reflect total assets constituting 7% and total revenues constituting 23%of the related totals of the enterprise fund type. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln General Hospital, is based solely on the report of the other auditors.

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

In our opinion,based upon 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 Lincoln, Nebraska, at August 31, 1988, 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.

As described in Note 8 to the financial statements, the City changed its accounting and reporting for special assessments by adopting Governmental Accounting

Standards Board Statement No.6, "Accounting and Financial Reporting for Special Assessments".

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and schedules listed in the accompanying Table of Contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of Lincoln, Nebraska. 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.

Peat Marwick Main & Co.

January 27, 1989

Exhibit 1

CITY OF LINCOLN, NE
COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Governmental Fund Types				Proprietary Fund Types		Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise (Note 1)	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	1988	1987
ASSETS AND OTHER DEBITS											
Cash Held By City Treasurer (Note 4)	$ 5,312,282	3,905,217	2,033,772	465,870	5,686,029	3,839,012	9,108,604			30,350,786	32,098,420
Cash On Hand And In Other Accounts (Note 4)		32,518			69,037		4,037			105,592	1,231,159
Investments (At Cost Or Amortized Cost) (Note 4)		9,496,038	9,707,139	15,673,895	66,453,350	1,968,065	56,005,610			159,304,097	152,946,015
Receivables (Notes 2, 5 And 8)	3,050,963	1,172,111	9,952,564	622,997	24,349,831	347,575	1,389,950			40,885,991	39,437,983
Due From Other Funds (Note 17)	1,949,521	556,707	566,287	1,133,927	149,452	978,817	249,563			5,584,274	7,158,723
Due From Other Governments (Note 6)	1,857,904	1,187,837	34,780	24,444	161,871	241,210	6,099			3,514,145	3,906,853
Inventories	175,163	20,280			3,609,978	292,000				4,097,421	4,219,275
Plant Operation Assets					3,783,328					3,783,328	4,699,773
Prepaid Expenses	161,300				1,104,396					1,265,696	1,072,689
Reimbursements From Third Party Payors											272,369
Contractor Retainage							905,635			905,635	744,440
Unamortized Bond Issuance Expense					319,210					319,210	347,963
Deferred Charges And Other Assets (Note 15)					20,421,044					20,421,044	19,419,164
Advance Payments For Nuclear Fuel					4,017,284					4,017,284	5,173,555
Restricted Assets:											
Cash (Note 4)					4,607,285					4,607,285	3,096,029
Cash On Hand And In Other Accounts (Note 4)					932					932	2,684
Investments At Cost Or Amortized Cost (Note 4)					52,110,742					52,110,742	50,804,919
Accrued Interest Receivable (Note 5)					452,913					452,913	414,669
Due From Other Funds (Note 17)					8,726					8,726	3,800
Property, Plant, And Equipment (Net Of Accumulated Depreciation) (Note 7)					467,309,478	5,118,414		56,858,317		529,286,209	519,202,595
Installment Purchase Agreement		90,309								90,309	121,123
Insurance Contract (Note 15)							1,757,803			1,757,803	1,860,903
Amount Available In Debt Service Funds									12,268,405	12,268,405	3,164,388
Amount To Be Provided For Retirement Of General Long-Term Liabilities									33,615,742	33,615,742	29,251,519
Total Assets And Other Debits	$ 12,507,133	16,461,017	22,294,542	17,921,133	654,614,886	12,785,093	69,427,301	56,858,317	45,884,147	908,753,569	880,651,010
LIABILITIES											
Warrants Payable							3,640,505			3,640,505	2,797,364
Vouchers Payable	2,959	71,179				118	2,522			76,778	963,293
Contracts Payable				1,868,981	562,000					2,430,981	1,365,968
Accounts Payable	302,165	156,907		40,665	7,694,285	182,262	4,960			8,381,244	10,489,668
Accrued Liabilities	995,141	298,312			7,940,880	160,867	307,018			9,702,218	8,663,339
Interest Payable On Capital Leases											
Accrued Compensated Absences	1,408,722	437,372			732,057	389,351	2,560		984,147	3,954,209	3,788,695
Payable From Restricted Assets:											
Construction Contracts					1,042,646					1,042,646	142,213
Accrued Interest					6,669,562					6,669,562	5,963,058
Fuel Credit Obligation Notes (Note 9)					590,000					590,000	755,000
Revenue Bonds (Note 9)					7,410,000					7,410,000	5,290,000
Accreted Interest On Capital Appreciation Bonds					1,274,756					1,274,756	
Due To Other Governments	2,917	30					1,123,207			1,126,154	770,372
Due To Contractor							969,825			969,825	816,338

(Continued)

(Exhibit 1, Continued)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise (Note 1)	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	1988	1987
(LIABILITIES, Continued)											
Due To Plan Members (Note 15)					946,132		1,810,919			2,757,051	2,541,463
Due To Other Funds (Note 17)	720,374	946,715		286,744	19,433	34,514	3,585,220			5,593,000	7,162,523
Notes Payable (Note 8)											5,000,000
Unearned Advances		804								804	115,409
Deferred Revenues	1,052,902	289,321	7,282,557	19,425			78,624			8,722,829	9,057,114
Claims (Note 20)						2,974,420				2,974,420	809,648
Special Assessments Debt With Governmental Commitment									15,540,000	15,540,000	17,435,000
General Obligation Bonds Payable (Note 9)									28,635,000	28,635,000	30,340,000
Revenue Bonds And Notes (Notes 9 And 12)					347,506,723					347,506,723	357,786,723
Fuel Credit Obligation Notes (Note 9)					1,365,000					1,365,000	1,955,000
Bond Principal Payable			15,000							15,000	15,000
Bond Interest Payable			20,157							20,157	19,022
Deferred Credits And Other					144,163					144,163	378,379
Obligations Under Capital Leases (Note 9)					159,733	296,833				456,566	812,125
Obligations Under Land Contracts (Note 9)									725,000	725,000	1,087,500
Amounts Held Under State Lease Agreement (Note 12)							1,255,249			1,255,249	1,286,044
Other					2,037,187					2,037,187	1,533,082
Total Liabilities	4,485,180	2,200,640	7,317,714	2,215,815	386,094,557	4,038,365	12,780,609		45,884,147	465,017,027	479,139,340
FUND EQUITY											
Contributed Capital					63,549,299	1,568,947				65,118,246	64,038,321
Investment In General Fixed Assets								56,858,317		56,858,317	55,284,042
Retained Earnings:											
Reserved For:											
Debt Service					14,802,195					14,802,195	10,452,940
Improvements					5,080,468					5,080,468	6,247,471
Restricted Funds					17,341,522					17,341,522	15,779,892
Unreserved:											
Undesignated					145,885,845	7,177,781				153,063,626	139,368,050
Fund Balances:											
Reserved For:											
Encumbrances	630,195	3,896,235		1,031,443			21,731			5,579,604	3,796,520
Improvements					3,209,000					3,209,000	3,263,152
Inventories	175,163	20,280								195,443	200,423
Debt Service			12,268,405							12,268,405	3,164,388
Restricted Funds					148,000					148,000	146,849
Employee Retirement							55,989,665			55,989,665	50,811,450
Unreserved:											
Designated For Supsequent Years' Expenditures	4,806,485	2,115,570		441,230						7,363,285	11,785,404
Undesignated	2,410,110	8,228,292	2,708,423	14,232,645	18,504,000		635,296			46,718,766	37,172,768
Total Retained Earnings/Fund Balances	8,021,953	14,260,377	14,976,828	15,705,318	204,971,030	7,177,781	56,646,692			321,759,979	282,189,307
Total Fund Equity	8,021,953	14,260,377	14,976,828	15,705,318	268,520,329	8,746,728	56,646,692	56,858,317		443,736,542	401,511,670
Committments And Contingent Liabilities (Notes 9, 13, and 14)											
Total Liabilities And Fund Equity	$ 12,507,133	16,461,017	22,294,542	17,921,133	654,614,886	12,785,093	69,427,301	56,858,317	45,884,147	908,753,569	880,651,010

See Accompanying Notes To Combined Financial Statements

Exhibit 2

CITY OF LINCOLN, NE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	1988	1987
Revenues:							
Taxes & Special Assessments (Note 2)	$ 38,989,353	3,422,571	5,580,679	2,335,284		50,327,887	47,556,172
Intergovernmental	2,485,362	13,870,566	1,476	444,470	1,662	16,803,536	15,285,396
Permits And Fees	993,827	609,331				1,603,158	1,496,422
Reimbursement For Services	1,008,336	39,802				1,048,138	1,270,069
Court Fees	116,859					116,859	119,721
Recreation	590,809					590,809	526,598
Interest	738,916	932,944	1,916,553	1,090,047	35,340	4,713,800	5,323,781
Donations And Gifts					341,130	341,130	351,133
Miscellaneous	787,978	1,843,250		1,247,371	4,700	3,883,299	3,271,150
Total Revenues	45,711,440	20,718,464	7,498,708	5,117,172	382,832	79,428,616	75,200,442
Expenditures:							
Current:							
General Government	9,809,599	1,417,963				11,227,562	10,511,274
Public Safety	20,931,646	286,016				21,217,662	20,041,053
Streets And Highways	3,683,780	2,303,732				5,987,512	5,455,931
Culture--Recreation	5,163,230	2,891,421			124,932	8,179,583	8,147,396
Economic Opportunity		6,201,422			102,381	6,303,803	5,367,630
Health And Welfare		3,616,964				3,616,964	3,504,832
Debt Service:							
Principal Retirement			3,600,000			3,600,000	15,475,000
Interest And Fiscal Charges			3,209,178			3,209,178	3,720,445
Capital Outlay				16,842,241		16,842,241	14,606,760
Total Expenditures	39,588,255	16,717,518	6,809,178	16,842,241	227,313	80,184,505	86,830,321
Excess (Deficiency) Of Revenues Over Expenditures	6,123,185	4,000,946	689,530	(11,725,069)	155,519	(755,889)	(11,629,879)
Other Financing Sources (Uses):							
Operating Transfers In		3,773,478		11,269,182		15,042,660	11,019,923
Operating Transfers Out	(8,414,997)	(8,038,732)		(56,759)		(16,510,488)	(13,485,287)
Bond Anticipation Note Proceeds							71,000
General Obligation Bond Proceeds							11,802,000
Capital Lease Proceeds							60,085
Total Other Financing Sources (Uses)	(8,414,997)	(4,265,254)		11,212,423		(1,467,828)	9,467,721
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(2,291,812)	(264,308)	689,530	(512,646)	155,519	(2,223,717)	(2,162,158)
Fund Balances Beginning Of Year As Previously Reported	10,313,765	14,444,343	14,276,412	16,309,192	501,508	55,845,220	38,577,378
Prior Period Adjustment (Note 8)							19,430,000
Fund Balance Beginning Of Year As Restated	10,313,765	14,444,343	14,276,412	16,309,192	501,508	55,845,220	58,007,378
Residual Equity Transfers In		80,342	10,886			91,228	40,140
Residual Equity Transfers Out				(91,228)		(91,228)	(40,140)
Fund Balances End Of Year (Notes 3 and 16)	$ 8,021,953	14,260,377	14,976,828	15,705,318	657,027	53,621,503	55,845,220

See Accompanying Notes To Combined Financial Statements

Exhibit 3

CITY OF LINCOLN, NE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -- BUDGET AND ACTUAL -- GENERAL, SPECIAL REVENUE,
AND DEBT SERVICE FUNDS (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	General Fund			Special Revenue Funds			Debt Service Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:												
Taxes	$ 36,062,350	38,917,628	2,855,278	3,085,670	3,379,091	293,421	3,872,012	3,837,382	(34,630)	43,020,032	46,134,101	3,114,069
Intergovernmental	2,319,000	2,483,862	164,862	12,404,409	13,830,214	1,425,805		1,476	1,476	14,723,409	16,315,552	1,592,143
Permits And Fees	727,000	994,802	267,802	534,277	609,039	74,762				1,261,277	1,603,841	342,564
Reimbursements For Services	1,209,348	880,211	(329,137)							1,209,348	880,211	(329,137)
Court Fees	124,000	117,414	(6,586)							124,000	117,414	(6,586)
Recreation Receipts	580,000	592,917	12,917							580,000	592,917	12,917
Interest	840,000	778,151	(61,849)	501,560	869,017	367,457	576,664	702,026	125,362	1,918,224	2,349,194	430,970
Special Assessments							2,477,178	2,477,178		2,477,178	2,477,178	
Special Assessments Interest							1,088,095	1,088,095		1,088,095	1,088,095	
Miscellaneous	697,358	764,563	67,205	1,372,947	1,794,720	421,773				2,070,305	2,559,283	488,978
Total Revenues	42,559,056	45,529,548	2,970,492	17,898,863	20,482,081	2,583,218	8,013,949	8,106,157	92,208	68,471,868	74,117,786	5,645,918
Expenditures:												
General Government	10,321,118	10,001,691	319,427	1,851,429	1,320,008	531,421				12,172,547	11,321,699	850,848
Public Safety	21,028,604	20,767,234	261,370	279,942	265,483	14,459				21,308,546	21,032,717	275,829
Streets And Highways	3,863,002	3,457,101	405,901	2,009,666	2,112,100	(102,434)				5,872,668	5,569,201	303,467
Culture-Recreation	5,201,024	5,101,822	99,202	2,889,356	2,889,488	(132)				8,090,380	7,991,310	99,070
Economic Opportunity				6,569,443	6,252,605	316,838				6,569,443	6,252,605	316,838
Health And Welfare				3,591,320	3,589,526	1,794				3,591,320	3,589,526	1,794
Sanitation				3,331	1,056	2,275				3,331	1,056	2,275
Special Assessments				86,790	86,790					86,790	86,790	
Debt Service							6,975,462	6,808,041	167,421	6,975,462	6,808,041	167,421
Total Expenditures	40,413,748	39,327,848	1,085,900	17,281,277	16,517,056	764,221	6,975,462	6,808,041	167,421	64,670,487	62,652,945	2,017,542
Excess (Deficiency) Of Revenues Over Expenditures	2,145,308	6,201,700	4,056,392	617,586	3,965,025	3,347,439	1,038,487	1,298,116	259,629	3,801,381	11,464,841	7,663,460
Other Financing Sources (Uses):												
Operating Transfers In				3,714,329	3,773,478	59,149				3,714,329	3,773,478	59,149
Operating Transfers Out	(9,524,628)	(8,458,950)	1,065,678	(8,661,748)	(8,488,678)	173,070				(18,186,376)	(16,947,628)	1,238,748
Total	(9,524,628)	(8,458,950)	1,065,678	(4,947,419)	(4,715,200)	232,219				(14,472,047)	(13,174,150)	1,297,897
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(7,379,320)	(2,257,250)	5,122,070	(4,329,833)	(750,175)	3,579,658	1,038,487	1,298,116	259,629	(10,670,666)	(1,709,309)	8,961,357
Fund Balances Beginning Of Year	8,447,606	8,447,606		12,686,307	12,686,307		13,841,218	13,841,218		34,975,131	34,975,131	
Residual Equity Transfer In					80,342	80,342		10,886	10,886		91,228	91,228
Fund Balances End Of Year (Note 16)	$ 1,068,286	6,190,356	5,122,070	8,356,474	12,016,474	3,660,000	14,879,705	15,150,220	270,515	24,304,465	33,357,050	9,052,585

See Accompanying Notes To Combined Financial Statements.

(THIS PAGE LEFT BLANK INTENTIONALLY)

Exhibit 4

CITY OF LINCOLN, NE
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS/FUND BALANCE -- ALL PROPRIETARY FUND TYPES
AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1988	1987
Operating Revenues:					
Charges For Services	$ 159,536,827	11,921,255		171,458,082	160,215,186
Taxes			649,735	649,735	1,231,645
Interest			4,996,923	4,996,923	4,597,962
Employee Contributions			950,426	950,426	903,605
Other Operating Revenues	6,955,085		258	6,955,343	6,499,383
Total Operating Revenues	166,491,912	11,921,255	6,597,342	185,010,509	173,447,781
Operating Expenses:					
Personal Services	23,501,697	4,703,689		28,205,386	25,477,113
Contractual Services	1,474,946			1,474,946	1,413,005
Operation and Maintenance	30,002,386	7,480,881		37,483,267	33,110,437
Purchased Power	49,581,374			49,581,374	50,365,019
Refunds			257,633	257,633	233,671
Depreciation	17,353,924	1,286,963		18,640,887	18,077,904
Benefit Payments			1,155,693	1,155,693	1,076,587
Payments In Lieu Of Taxes (Note 2)	4,194,062			4,194,062	4,084,301
Administrative	8,947,397		5,801	8,953,198	8,159,672
Total Operating Expenses	135,055,786	13,471,533	1,419,127	149,946,446	141,997,709
Net Operating Income (Loss)	31,436,126	(1,550,278)	5,178,215	35,064,063	31,450,072
Non-Operating Revenue (Expense):					
Interest Revenue	8,572,548	422,868		8,995,416	7,916,731
Contributions From Stores Revolving					144,561
Gain (Loss) On Disposal Of Assets	(42,181)			(42,181)	5,439,053
Operating Grants	1,612,576			1,612,576	765,979
Amortization Of Deferred Charges	(2,164,456)			(2,164,456)	(2,006,173)
Donations	71,000			71,000	71,843
Interest Expense And Fiscal Charges (Note 10)	(22,766,604)	(49,056)		(22,815,660)	(25,765,710)
Miscellaneous	69,647	16,222		85,869	1,768,767
Total Non-Operating Revenue (Expense)	(14,647,470)	390,034		(14,257,436)	(11,664,949)
Net Income Before Operating Transfers	16,788,656	(1,160,244)	5,178,215	20,806,627	19,785,123
Operating Transfers In	1,795,458			1,795,458	2,465,364
Net Income (Loss)	18,584,114	(1,160,244)	5,178,215	22,602,085	22,250,487
Depreciation Transfer On Contributed Capital	1,824,118	346,827		2,170,945	2,025,682
Increase In Retained Earnings/Fund Balance	20,408,232	(813,417)	5,178,215	24,773,030	24,276,169
Retained Earnings/Fund Balance Beginning Of Year	184,562,798	7,991,198	50,811,450	243,365,446	219,233,838
Residual Equity Transfer Out					(144,561)
Retained Earnings/Fund Balance End Of Year	$ 204,971,030	7,177,781	55,989,665	268,138,476	243,365,446

See Accompanying Notes to Combined Financial Statements

Exhibit 5

CITY OF LINCOLN, NE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1988	1987
CASH FLOWS FROM OPERATING ACTIVITIES:					
Excess Of Revenues Over Expenses	$ 18,584,114	(1,160,244)	5,178,215	22,602,085	22,250,487
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:					
Loss (Gain) On Sale Of Equipment	42,181	(16,222)		25,959	(5,338,414)
Depreciation And Amortization	19,518,380	1,286,963		20,805,343	20,259,543
Allowance For Funds Used	(121,923)			(121,923)	(178,358)
Premium And Discount Amortization	597,265			597,265	
(Increase) Decrease In Current Assets:					
Accounts Receivable	(1,255,952)	(74,233)		(1,330,185)	739,899
Unbilled Revenues	740,882			740,882	
Accrued Interest Receivable	12,682	(43,908)	(75,819)	(107,045)	(161,666)
Taxes Receivable			37,306	37,306	17,896
Other Receivables	(112,000)			(112,000)	
Due From Other Funds	(79,152)	(216,282)	126,907	(168,527)	(132,807)
Other Assets	(1,923,897)			(1,923,897)	
Inventories	119,304	(2,750)		116,554	3,740
Plant Operation Assets	916,445			916,445	2,003,405
Due From Other Governments	156,388	(12,995)	4,775	148,168	(291,936)
Assets Whose Use Is Restricted By Board	(171,553)			(171,553)	
Prepaid Expenses	(31,102)			(31,102)	(647,622)
Reimbursement From Third Party Payors	57,000			57,000	(57,000)
Increase (Decrease) In Current Liabilities:					
Vouchers Payable	(3,265)	(34,321)		(37,586)	(25,818)
Accounts Payable	(1,630,191)	(81,495)		(1,711,686)	834,266
Accrued Interest	708,583	38,634		747,217	(1,941,593)
Accrued Liabilities	587,222			587,222	372,328
Due To Other Funds	11,272	(72,660)		(61,388)	71,082
Accrued Compensated Absences	40,151	27,505		67,656	(25,910)
Deferred Revenues			(17,308)	(17,308)	11,163
Accrual In Lieu Of Tax	75,024			75,024	
Contracts Payable	297,738			297,738	
Overpayment From Third Party Payors	241,000			241,000	(92,000)
Claims		940,073		940,073	(46,996)
Other	1,485,398			1,485,398	(799,778)
Decrease (Increase) In Restricted Assets	(164,133)			(164,133)	(1,387,270)
Total Adjustments	20,113,747	1,738,309	75,861	21,927,917	13,186,154
Net Cash Provided From (Used In) Operating Activities, Carried Forward	38,697,861	578,065	5,254,076	44,530,002	35,436,641

(Continued)

(EXHIBIT 5, Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1988	1987
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds From Issuance Of Revenue Bonds	$				93,191,904
Proceeds From Contract Used To Purchase Equipment	562,000			562,000	49,855
Proceeds From Sale Of Investments	187,041,975	2,504,414	13,681,490	203,227,879	224,044,470
Proceeds From Sale Of Fixed Assets	(395,918)	52,455		(343,463)	23,386,256
Payment For Purchase Of Investments	(188,741,190)	(2,988,485)	(18,850,379)	(210,580,054)	(263,992,062)
Increase In Claims		1,224,699		1,224,699	170,498
Additions To Fixed Assets	(24,684,756)	(1,925,135)		(26,609,891)	(20,948,623)
Additions To Contributed Capital	2,919,923	344,636		3,264,559	3,112,165
Equity Transfer					(144,561)
Decrease (Increase) To Current Liabilities Payable From Restricted Assets	592,616			592,616	708,807
Net Cash Provided By (Used In) Investing Activities	(22,705,350)	(787,416)	(5,168,889)	(28,661,655)	59,578,709
CASH FLOWS FROM FINANCING ACTIVITIES:					
Defeasance Of Long-Term Debt					(80,325,000)
Repayment Of Long-Term Debt	(13,915,000)			(13,915,000)	(13,895,000)
Installment Payments On Capital Leases	(126,387)	(455,207)		(581,594)	(527,613)
Net Cash Used In Financing Activities	(14,041,387)	(455,207)		(14,496,594)	(94,747,613)
Net Increase (Decrease) In Cash	1,951,124	(664,558)	85,187	1,371,753	267,737
Cash Beginning Of Year	8,412,159	4,503,570	44,238	12,959,967	12,692,230
Cash End Of Year	$ 10,363,283	3,839,012	129,425	14,331,720	12,959,967

See Accompanying Notes to Combined Financial Statements

(THIS PAGE LEFT BLANK INTENTIONALLY)

NOTES TO COMBINED FINANCIAL STATEMENTS

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NEBRASKA
Notes to Combined Financial Statements
August 31, 1988

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lincoln, Nebraska (City) was originally incorporated on April 7, 1869. The City operates under a Home Rule Charter and has a Mayor-Council form of government with an elected full-time chief executive, the Mayor, and an elected legislative body, the Council, composed of 7 members. Three Council members are elected at large and 4 by district on a nonpartisan basis for a term of 4 years. The administration of City government is performed under the direction of the Mayor through administrative departments. Services are provided to residents in many areas, including public safety (Police-Fire), highways and streets, health, planning and zoning, parks, recreation, urban development, mass transportation, electric system, water and sanitary sewer system, hospital, golf courses, auditorium, and general administrative services. Education, housing, and airport services are provided by the Lincoln Public Schools, the Lincoln Housing Authority, and Lincoln Airport Authority, respectively.

REPORTING ENTITY

The City of Lincoln's combined financial statements include the financial statements of those separately administered component units that are included in the City of Lincoln's oversight responsibility. City oversight responsibility is determined on the basis of budget adoption, funding and selection of governing authority. Based on the foregoing criteria, the financial statements of the following component units are included in the accompanying combined financial statements:

Lincoln General Hospital

The Lincoln General Hospital Board is appointed by the Mayor and confirmed by the City Council. The City Council exercises budgetary authority. Funding is provided by charges for hospital services, rates for which require approval of the City Council. Issuance of long-term debt requires approval of the City Council. Operations of the Lincoln General Hospital are included with the Enterprise Fund amounts in the combined financial statements.

Lincoln Electric System

The Lincoln Electric Administrative Board is appointed by the Mayor and confirmed by the City Council. The City Council exercises budgetary authority. Funding is provided by charges to electrical consumers, rates for which require approval of the City Council. Issuance of long-term debt requires approval of the City Council. Operations of the Lincoln Electric System are included with the Enterprise Fund amounts in the combined financial statements.

The following entities are not included in the combined financial statements because the City does not exercise oversight authority:

The Housing Authority of the City of Lincoln

The Housing Authority was authorized by State statute, and pursuant to such statute, came into existence as a result of the passage of a resolution declaring the need for an authority within the City. Thereafter, the Housing Authority became an independent body corporate and politic. The board members are appointed by the Mayor, subject to Council approval; however, there is no continuing relationship. The Housing Authority has control over operations and fiscal matters and holds title to the assets. Revenues are derived from rents, interest income, and subsidies received from the Department of Housing and Urban Development. The Housing Authority has the ability to issue its own debt, which is not an obligation of the City.

Lincoln Public Schools

The School District was created by State statute as a Class IV District. Thereafter, the School District became a body corporate and politic. The members of the Board of Education are elected by the voters of the district. The Board of Education has control over operations and fiscal matters and holds title to the assets. Revenues are derived from property tax, public power district sales tax, interest income, fines and licenses, state aid, and federal grants. The Board of Education has the ability to issue its own debt, which is not an obligation of the City, but general obligation debt is disclosed in a note to the City's financial statements as overlapping debt.

Airport Authority

The Airport Authority was authorized by State statute, and pursuant to such statutes, was activated as the result of the passage of a City resolution appointing the original board members. Thereafter, the Airport Authority became a body corporate and politic. The board members are elected by the voters in the City. The Airport Authority has control over operations and fiscal matters and holds title to personal property. The Airport Authority has full and exclusive jurisdiction and control over all facilities owned or hereafter acquired by the City for the purpose of aviation operation, air navigation and air safety operation for the City of Lincoln. The Airport operation is not conducted within the geographical boundaries of the City, but is generally available to the citizens of Lincoln and surrounding areas. The Airport Authority has the use and occupancy of real property so long as the corporate existence shall continue. Revenues are derived from property taxes, rentals, leases, etc. The Airport Authority is granted the power, under State statute, to certify annually to the City Council the amount of tax to be levied for airport purposes against all taxable property in the City, except intangible property. The City Council shall levy and collect the taxes so certified at the same time and in the same manner as other City taxes are levied and collected, and the proceeds of such levy shall be deposited in a special account. The proceeds are then transferred to the Airport Authority. This power is also granted for debt service purposes. The Airport Authority has the ability to issue its own debt, which is not an

obligation of the City, but general obligation debt is disclosed in a note to the City's financial statements as overlapping debt. It should be specifically noted that the real property of the Airport Authority is held in the name of the City and would revert to the City if the Airport Authority's corporate existence ceases, which would occur when all liabilities incurred by the Airport Authority have been met and all its bonds have been paid in full.

Lincoln Hospital Association

Lincoln Hospital Association (Association) is a nonprofit corporation which administers funds for its stated purpose to build, equip, endow, operate, and maintain a hospital for the sick and disabled. These funds are basically donor restricted endowment funds and related undistributed income. Both the Articles of Incorporation and provisions of the principal endowment funds provide that the Board of Directors shall be confirmed by the City Council of Lincoln, Nebraska. However, there is no continuing relationship. The Board of Directors has control over the affairs of the Association and holds title to the assets. The Association has the ability to issue its own debt, which is not an obligation of the City.

The following is a summary of the more significant accounting policies:

FISCAL YEAR END

All fund types and account groups of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 1988, with memorandum totals as of and for the year ended August 31, 1987. December 31st is the fiscal year end of LES as established by the City Charter, and the last separate audit was as of and for the year ended December 31, 1987. The amounts included in the City's August 31, 1988 financial statements for LES are audited figures as of and for the year ended December 31, 1987. The 1987 memorandum totals include the December 31, 1986 audited financial statements of LES.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

Governmental funds are those through which most general governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income.

The following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises: (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Trust and Agency Funds - Trust and Agency Funds include expendable, pension trust, and agency funds. Pension trust funds are accounted for and reported essentially in the same manner as proprietary funds. Expendable trust funds are accounted for and reported essentially in the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term liabilities. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations. The following are the City's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds and trust funds.

General Long-Term Liability Account Group - This account group is established to account for all long-term liabilities of the City except those accounted for in the proprietary funds and trust funds.

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems are not accounted for with general fixed assets. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. No depreciation has been provided for on general fixed assets nor has interest been capitalized. All general fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables generally is deferred until they become current receivables.

Special reporting treatments are also applied to governmental fund inventories to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are offset by a fund balance reserve account.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long Term Liability Account Group.

All proprietary funds and Pension Trust Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decrease (expenses) in net total assets.

Property, plant, and equipment owned by the proprietary funds is stated at cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the time received. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	10 - 43 years
Improvements	5 - 20 years
Equipment	2 - 10 years
Utility Plant	30 - 40 years

In proprietary funds, grants, entitlements, or shared revenues received for operations and/or for either operations or capital acquisitions or construction are reported as "nonoperating" revenues. Such resources externally restricted for capital acquisitions or construction are reported as contributed capital. Operating expenses include depreciation on all depreciable fixed assets. Depreciation recognized on assets acquired or constructed through such resources externally restricted for capital acquisitions is transferred to the appropriate contributed capital account and reported in the operating statement. The net income (loss) is adjusted by the amount of depreciation on fixed assets acquired or constructed through such resources externally restricted for this purpose and closed to Retained Earnings. Contributed capital at August 31, 1988 and 1987 is net of accumulated depreciation.

BASIS OF ACCOUNTING

Governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Revenues are recorded when they become both measurable and available. Sales Tax and Highway User Fees are two major revenues considered measurable when in the hands of the collecting agency and recognized as revenue at that time. Other major revenues that are determined to be susceptible to accrual include interdepartmental charges, grants-in-aid, earned interest, rentals, and other intergovernmental revenues. Major revenues not susceptible to accrual because they are either not available soon enough to pay liabilities from the current period or are not measurable include sundry taxes and in lieu of tax payments, occupation taxes, permits and fees, parking meter collections

and motor vehicle taxes. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except for unmatured interest and principal on general long-term obligations which is recorded when due.

In applying the measurable and available concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For one type, monies must be expended on the specific purposes or project before any amounts will be paid to the City; therefore, revenues are recorded based upon expenditures incurred. For the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable (See Note 2 for property tax accrual policy).

Special assessments are recorded as revenues in the year the assessments become current; those amounts receivable after one year are recorded as deferred revenue. Annual installments not yet due are reflected as special assessment receivables and deferred revenues.

The accrual basis of accounting is used by proprietary funds and pension trust funds.

BUDGETARY DATA

The City Council follows these procedures, set out in the City Charter, in establishing the budgetary data reflected in the financial statements:

(1) At least 40 days prior to the end of the budget and fiscal year, the Mayor submits to the City Council a proposed annual budget for the ensuing year. The annual budget is a complete financial plan for the ensuing budget year and consists of an operating budget and a capital budget.

(2) Public hearing on the proposed budget is scheduled for not later than 10 days prior to the budget adoption date.

(3) Not later than 5 days prior to the end of the fiscal year the budget is legally adopted by resolution of the City Council.

(4) The Mayor is authorized to transfer unencumbered balances between appropriations of the same department or agency. The Mayor also has authority to lower appropriations in any fund where actual revenues are less than that appropriated, in order to avoid incurring a budget deficit for the year.

(5) Budgets for the general, special revenue, capital projects, and debt service funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Since encumbrances are included in the City's budget accounting, year-end encumbrances are reappropriated to the next year in the budget process. Budget basis expenditures are presented on a cash basis plus encumbrances. The special assessment fund is not specifically budgeted.

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

(6) Appropriation controls are required at the departmental level. However, as a matter of policy and practice, appropriations generally are controlled at the next level of organization (division) or by fund within a department.

(7) Appropriations lapse at the end of the fiscal year except for capital improvement appropriations and year-end encumbrances against operating budgets. Capital improvement appropriations are continuing appropriations through completion of the project.

(8) Budgets are adopted by resolution for the following fund types: general, special revenue, debt service, enterprise, pension trusts, and capital projects funds. Capital project funds are not budgeted on an annual basis and, therefore, a budget to actual comparison has not been presented.

ENCUMBRANCES

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are reported as reservations of fund balances, since they do not constitute liabilities. As explained in the budget footnote above, August 31, 1988 encumbrances have been reported as expenditures on the budget basis statements.

CASH HELD BY CITY TREASURER

Cash held by the City Treasurer includes the available cash funds that have been invested in short-term interest bearing securities. These investments are not specifically identified with any one fund. Interest on fund investments are allocated to the individual funds at year end on the basis of average balances.

INVESTMENTS

Investments, except for the deferred compensation insurance contract, are stated at cost or amortized cost, which approximates market. Income from investments held by the individual funds is recorded in the respective funds as it is earned. Also, see Cash Held By City Treasurer, above.

The Deferred Compensation Insurance contract is carried at market value.

INVENTORIES

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories in the governmental type funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. The reserve for inventories is equal to the amount of inventories to indicate that a portion of the fund balance is not available for future expenditures.

VACATION AND SICK LEAVE

City employees generally earn vacation days at specific rates during the periods of the first 5 years of service, from 5 to 15 years of service, and over 15 years of service. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation which is in no case longer than 5 weeks. Employees earn sick leave at the rate of one day per month with a total accumulation of 192 days. Upon retirement, an employee is reimbursed for accumulated sick leave to a maximum of 30 days. LES and LGH are covered by separate personnel plans regarding vacation and sick leave. The liabilities for these benefits for LES and LGH are recorded in Accrued Liabilities.

Vacation and sick leave are accrued as earned. In the governmental fund types, vacation and sick leave expected to be used within one year are recorded as a short term liability. Vacation and sick leave not expected to be used within a year are recorded in the General Long Term Liability Account Group. Both the short and long term portions of vacation and sick leave in the proprietary funds are recorded in the funds themselves.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned Memorandum Only to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CAPITALIZATION OF INTEREST COST

Interest cost incurred during the construction of proprietary fund property, plant, and equipment is capitalized, net of any interest earned on investment of construction-related borrowings.

UTILITY REVENUES

Billings for electric revenues are rendered on a monthly cycle basis. Unbilled electric revenues, representing estimated consumer usage for the period between the last billing date and the end of the period, are accrued in the period of consumption.

Billings for water and sewer revenues are rendered on a two-month billing cycle; unbilled revenues at the end of the fiscal year are accrued in the period of consumption.

(2) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966 City dollar tax limit as an initial tax limit, and increasing that tax limit each year following 1966 by 7% so that in each fiscal year thereafter, the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City also has the power to levy taxes each year sufficient to pay any judgment existing against the City and the interest on the bonded debt and the principal on any bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 1987 tax levy, for the 1987-88 fiscal year, was $12,709,269 below the legal limit, a tax rate per $100 valuation of .4607. The assessed value upon which the 1987 levy was based was $4,423,592,712.

The tax levies for all political subdivisions in Lancaster County are certified by the County Board on September 15th. Real estate taxes are due and become an enforceable lien on property on December 31st. The first half of real estate taxes becomes delinquent on April 1st and the second half becomes delinquent August 1st following the levy date. Personal property taxes become delinquent December 1st and July 1st following the levy date. Delinquent taxes bear 14% interest.

Property taxes levied for 1987-88 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 1988. Prior-year

levies were recorded using these same principles, and remaining receivables are re-evaluated annually.

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

(3) RESTATEMENTS

As a result of an error in last year's report in the Sanitary Landfill Fund (Enterprise Funds), 1987 amounts related to the rebuild of 2 crawler tractors have been restated. Machinery And Equipment increased $316,287, Accumulated Depreciation increased $79,524, Obligations Under Capital Leases increased $286,120, Net Income decreased $49,357, Depreciation Expense increased $79,524, Interest Expense and Fiscal Charges Increased by $17,680 and Operation And Maintenance Expense decreased $47,847.

As a result of an audit by third party intermediaries of the Lincoln General Hospital (Enterprise Funds) cost report, charges for services revenue was restated to properly reflect a decrease of $364,284 in 1987. The restatement was a result of an error in amounts originally reported in the 1987 cost report.

(4) DEPOSITS AND INVESTMENTS

State Statute 14-563 R.R.S., 1943 authorizes funds of the City to be invested in "securities of the United States, the State of Nebraska, metropolitan city, county in which such metropolitan city is located or school district of such city, in the securities of municipally owned and operated public utility property and plants of such city, or in the same manner as funds of the State of Nebraska are invested, except that the city treasurer may purchase certificates of deposit from and make time deposits in banks selected as depositories of City funds." Additionally, State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the city treasurer in the amount of the City's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit which is insured by the Federal Deposit Insurance Company (FDIC).

DEPOSITS

For reporting purposes the amount of total City bank deposits are classified in these categories of credit risk:

(1) Insured or collateralized with securities held by the entity or by its agent in the entity's name.
(2) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

The collateralization of the City's deposits with banks at August 31, 1988 is as shown on the next page:

Bank Deposits per Banks	$ 2,586,831
Time Deposits per Banks	38,507,000
Total Deposits	41,093,831
Less FDIC Coverage (Category 1)	(981,441)
Remaining Deposits (Category 2)	$40,112,390
Pledged Securities at Market Value	$49,836,971

INVESTMENTS

Idle Fund Investment Pool

Investments of the Idle Fund Investment Pool are made from available cash of all City funds and are not specifically identified with any specific fund. Cash held by the City Treasurer at August 31, 1988 of $34,036,974 included the following:

	Carrying Amount	Market Value
Investments:		
Repurchase Agreements (Securities held by the banks' trust department or agent in the City's name.)	$ 3,930,000	3,930,000
Deposits:		
Bank Deposits	2,091,094	
Time Deposits	27,200,000	
Cash on Hand	815,880	
	$34,036,974	

Cash held by the city treasurer at August 31, 1988 of $34,036,974 differs from the $30,350,786 as reflected on Exhibit 1 due to differences in entity reporting dates and reporting classifications.

Pension Funds

Investments in the pension trust funds are long-term investments carried at book value (amortized cost - cost minus amortized premium or plus accreted discount) at August 31, 1988 and are as follows (See Note 13):

	Fire Pension		Police & Fire Pension	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Government Securities	$1,860,478	1,852,915	50,748,264	51,360,531
Government Agencies	144,135	125,109	1,583,890	1,437,672
Wash. Metro. Transit Bonds			497,517	412,031
	$2,004,613	1,978,024	52,829,671	53,210,234

All securities of the Fire Pension Fund and Police and Fire Pension Fund are held by the banks' trust department or agent, not in the City's name. Management plans to hold the investments held by the pension trust funds until maturity.

Lincoln General Hospital (LGH)

At August 31, 1988 LGH had investments, carried at cost or amortized cost, as follows:

	Securities Held By The Bank's Trust Department Or Agent, In The City's Name	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	Carrying Amount	Market Value
Government Securities	$3,166,000	5,802,000	8,968,000	9,070,000
Repurchase Agreements		680,000	680,000	680,000
Municipal Securities		299,000	299,000	295,000
	3,166,000	6,781,000	9,947,000	10,045,000

Lincoln Electric System (LES)

At December 31, 1987 LES had investments, carried at cost or amortized cost, as follows:

	Securities Held By The Bank's Trust Department Or Agent, In The City's Name	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	Carrying Amount	Market Value
Government Securities	$	82,292,301	82,292,301	87,365,000
Repurchase Agreements	1,000,000		1,000,000	1,000,000
	1,000,000	82,292,301	83,292,301	88,365,000
Reconciliation to Exhibit 1 - Certificates Of Deposit Classified With Deposits			6,813,000	
Investments Included On Exhibit 1			$90,105,301	

Lincoln Sanitary Sewer System

At August 31, 1988 Lincoln Sanitary Sewer System had investments, carried at amortized cost, as shown on the next page:

	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	
	Carrying Amount	Market Value
Government Securities	$4,804,063	4,792,713
Reconciliation To Exhibit 1 - Certificates of Deposit Classified With Deposits	1,600,000	
Investments Included On Exhibit 1	$6,404,063	

Lincoln Water System

At August 31, 1988 Lincoln Water System had investments, carried at amortized cost, as follows:

	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	
	Carrying Amount	Market Value
Government Securities	$7,317,052	7,257,404
Reconciliation To Exhibit 1 - Certificates of Deposit Classified With Deposits	2,350,000	
Investments Included On Exhibit 1	$9,667,052	

All Other City Funds

Investments of all other City funds do not vary significantly in either type or risk and are carried at cost or amortized cost. These investments at August 31, 1988 were as follows:

	Investment Held By City In City's Name	Securities Held By Bank's Trust Dept. Or Agent, In City's Name	Securities Held By Bank's Trust Dept. Or Agent, Not In City's Name	Carrying Amount	Market Value
Government Securities	$		11,527,238	11,527,238	11,882,859
Government Agencies			20,962,892	20,962,892	21,818,273
Repurchase Agreements		3,061,000		3,061,000	3,061,000
Interfund Investments	71,000			71,000	71,000
	71,000	3,061,000	32,490,130	35,622,130	36,833,132
Reconciliation To Exhibit 1 - Certificates of Deposit Classified With Deposits				4,835,009	
Investments Included On Exhibit 1				$40,457,139	

There were no investments that resulted in significantly greater credit risk during the period than that existing at August 31, 1988, the balance sheet date.

(5) RECEIVABLES

Receivables at August 31, 1988 consist of the following (in thousands):

FUND	TAXES	ACCOUNTS	SPECIAL ASSESSMENTS CURRENT	SPECIAL ASSESSMENTS DEFERRED	ACCRUED INTEREST	GROSS RECEIVABLES	ALLOWANCE FOR UNCOL-LECTIBLES	NET
General	$ 2,872	141			38	3,051		3,051
Special Revenue	778	173			221	1,172		1,172
Debt Service	1,087	338	1,483	7,736		10,644	691	9,953
Capital Projects		318			304	622		622
Enterprise		26,099			251	26,350	2,000	24,350
Internal Service		252			96	348		348
Trust and Agency	163	345			882	1,390		1,390
	$ 4,900	27,666	1,483	7,736	1,792	43,577	2,691	40,886

Enterprise customer accounts receivable include unbilled charges for services.

Delinquent Special Assessment Receivables at August 31, 1988 were $2,280,959.

(6) DUE FROM OTHER GOVERNMENTS

The total of Due from Other Governments of $3,514,145 includes the following significant items:

Fund/Fund Type	Amount	Service
General	$1,726,973	State of Nebr., July Sales and Use Tax
Street Const./Special Revenue	596,848	State of Nebr., July Highway User Fees
	140,506	State of Nebr., Contract Reimbursements
JTPA/Special Revenue	62,445	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	174,222	Lancaster County, Cost Reimbursements
Lincoln Transportation System/Enterprise	50,068	Federal Government, Cost Reimbursements
	111,803	State of Nebr., Contract Reimbursements
Data Processing/Internal Service	235,273	Lancaster County Billings
Library/Special Revenue	77,540	Taxes collected by Lancaster County

(7) FIXED ASSETS

GENERAL FIXED ASSETS

The City of Lincoln established a general fixed assets account group during the year ended August 31, 1982. All items are valued at historical cost, or, if donated, estimated value at time of donation. The City has elected not to record infrastructure assets or to depreciate general fixed assets. Approximately 12,200 items comprise the general fixed assets. A summary of changes in general fixed assets since September 1, 1987 is as shown on the next page:

	Balance Sept. 1, 1987	Additions	Deletions	Balance August 31, 1988
Land	$11,820,685	1,211,012	621,710	12,409,987
Buildings	19,127,917	118,622		19,246,539
Improvements Other Than Buildings	10,651,542	153,346	43,691	10,761,197
Equipment	13,683,898	1,094,114	337,418	14,440,594
	$55,284,042	2,577,094	1,002,819	56,858,317

PROPRIETARY FUND TYPES - PROPERTY, PLANT AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 1988 follows:

	Enterprise	Internal Service
Land	$ 10,260,114	48,250
Buildings	85,432,012	346,594
Improvements Other Than Buildings	59,137,900	337,076
Equipment	87,894,109	12,281,576
Utility Plant	350,435,246	
Construction in Progress	21,493,823	9,000
Total	614,653,204	13,022,496
Less Accumulated Depreciation	(147,343,726)	(7,904,082)
	$467,309,478	5,118,414

Construction in Progress at August 31, 1988 is as follows:

Sanitary Landfill	$ 1,565,338
Golf Courses	427,227
Equipment Management	9,000
Lincoln Sanitary Sewer System	3,342,571
Lincoln Water System	3,036,100
Lincoln Electric System	13,122,587
	$21,502,823

(8) PRIOR PERIOD ADJUSTMENT

The City has implemented Statement 6 of the Governmental Accounting Standards Board (GASB 6) for the year ended August 31, 1988 for financial reporting purposes. By implementing Statement 6, the Special Assessment fund type has been eliminated and activity regarding special assessments is being reported in the Special Revenue, Capital Projects, and Debt Service fund types. Outstanding bonded debt, which had previously been carried in the Special Assessment Fund is now in the Long-Term Liability Account Group as Special Assessment Debt With Governmental

Commitment. Special assessment bonds are backed by special assessment collections and the full faith and credit of the City. In order to implement GASB 6, the City has restated the 1987 columns of the general purpose financial statements by increasing expenditures by $1,995,000 and by making a Prior Period Adjustment of $19,430,000 to the August 31, 1987 Beginning Fund Balance on Exhibit 2.

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 1988 (in thousands of dollars):

	General Obligation							
	General Long-Term Liability Account Group	Special Assessment Debt With Governmental Commitment	Revenue Bonds	Notes	Capital Leases	Accrued Compensated Absences	Obligations Under Land Contracts	Total
Balances At August 31, 1987	$ 30,340	17,435	363,077	7,710	812	928	1,088	421,390
Additions:								
New Accrued Compensated Absence Obligations						91		91
New Capital Leases					278			278
Deductions:								
Commercial Paper Notes				5,000				5,000
Serial Bonds	1,705	1,895	8,160					11,760
Accrued Compensated Absences						35		35
Electric Revenue Fuel Credit Obligation Notes				755				755
Payments on Land Contracts							363	363
Capital Lease Payments					633			633
Balances At August 31, 1988	$ 28,635	15,540	354,917	1,955	457	984	725	403,213

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

ORIGINAL AMOUNT	ISSUED	ISSUE	AVERAGE INTEREST RATE	WHEN DUE	DATE CALLABLE	INTEREST DATE	OUTSTANDING
General Obligation Bonds:							
General Bonds:							
2,350	01/01/71	Various Purpose	4.77292	Ser. '72 to '90	1981	Semiannually	$ 380
3,400	03/01/78	Storm Sewer	4.88214	Ser. '79 to '98	1988	"	2,140
262	09/01/79	Swimming Pool	5.34496	Ser. '80 to '89	None	"	65
3,455	07/01/80	Storm Sewer	6.44007	Ser. '81 to '95	1988	"	1,615
600	08/01/81	Transit Sys. Improvements	8.90000	Ser. '82 to '92	1987	"	150
985	05/01/83	Auditorium & Fire Department	7.02416	Ser. '84 to '93	1988	"	500
2,550	06/15/83	Storm Sewer	8.17875	Ser. '84 to '98	1991	"	1,700
6,815	05/01/86	Various Purpose	6.67888	Ser. '87 to '06	1991	"	6,135
12,000	06/15/87	Downtown Redevelopment	7.15058	Ser. '87 to '02	1990	"	11,820
	TOTAL GENERAL BONDS						24,505
Tax Allocation Bonds:							
295	08/01/84	Gold's Galleria Redevelop.	11.48583	Ser. '86 to '93	1990	Semiannually	210
505	08/01/84	Gold's Galleria Redevelop.	11.50000	Term '98	1994	"	505
3,970	04/01/85	Cornhusker Square	9.85770	Ser. '86 to '97	1990	"	3,415
	TOTAL TAX ALLOCATION BONDS						4,130
	TOTAL GENERAL BONDS INCLUDING TAX ALLOCATION						$ 28,635

ORIGINAL AMOUNT	ISSUED	ISSUE	AVERAGE INTEREST RATE	WHEN DUE	DATE CALLABLE	INTEREST DATE	OUTSTANDING
Special Assessment Bonds:							
3,000	01/01/71	Special Assessment Revolv.	4.70642	Ser. '72 to '91	1981	Semiannually	450
6,000	11/15/75	Special Assessment Revolv.	5.72240	Ser. '76 to '90	1985	"	1,200
4,000	11/15/76	Special Assessment Revolv.	4.89073	Ser. '77 to '91	1986	"	1,060
6,000	03/01/78	Special Assessment Revolv.	4.82530	Ser. '79 to '98	1988	"	3,000
6,000	09/01/79	Special Assessment Revolv.	5.48328	Ser. '80 to '99	1989	"	3,600
3,500	08/01/81	Special Assessment Revolv.	9.82290	Ser. '82 to '99	1992	"	2,145
3,200	05/01/83	Special Assessment Revolv.	7.71430	Ser. '84 to '01	1993	"	2,325
2,200	04/04/84	Special Assessment Revolv.	8.99820	Ser. '85 to '04	1991	"	1,760
	TOTAL SPECIAL ASSESSMENT BONDS						15,540
	TOTAL GENERAL OBLIGATION BONDS						$ 44,175
Revenue Bonds:							
3,500	04/01/65	Water	3.24258	Ser. '80 to '95	1987	"	1,725
6,500	02/01/77	Water	5.20000	Ser. '80 to '95	1987	"	4,770
3,000	08/15/80	Water	8.09290	Ser. '83 to '97	1991	"	2,700
3,500	04/01/84	Water	9.29779	Ser. '87 to '99	1991	"	3,385
	TOTAL WATER REVENUE BONDS						12,580
1,325	06/01/72	Sanitary Sewer	4.68460	Ser. '75 to '89	1982	"	375
4,000	08/15/77	Sanitary Sewer	5.19335	Ser. '80 to '95	1987	"	3,400
4,000	08/15/80	Sanitary Sewer	7.88890	Ser. '83 to '97	1991	"	3,215
2,750	05/01/86	Sanitary Sewer	6.58180	Ser. '89 to '99	1991	"	2,750
	TOTAL SANITARY SEWER BONDS						9,740
2,555	12/01/82	Hospital Revenue	9.74800	Ser. '86 to '97	1992	Semiannually	2,295
1,820	12/01/82	Hospital Revenue	11.00000	Term 2002	1992	"	1,820
14,615	12/01/82	Hospital Revenue	11.25000	Term 2014	1992	"	14,615
	TOTAL HOSPITAL BONDS						18,730
2,300	01/01/78	Parking (Centrum)	6.57450	Ser. '80 to '98	1983	Semiannually	1,500
320	06/01/83	Parking (Cornhusker)	9.90200	Ser. '85 to '98	1993	"	280
1,530	06/01/83	Parking (Cornhusker)	10.00000	Term'99 to '03	N/A	"	1,530
	TOTAL PARKING BONDS						3,310
24,410	03/30/77	Electric Power Supply '77 Series A	5.55041	Ser. '78 to '98	1987	Semiannually	17,990
42,790	03/30/77	"	6.10000	Term 2011	1987	"	42,790
8,215	03/01/78	Electric Power Supply '78 Series A	5.93065	Ser. '79 to '00	1988	"	6,455
44,685	03/01/78	"	5.90000	Term 2014	1988	"	44,685
47,000	12/01/79	Electric Power Supply '79 Series A	7.72640	Ser. '80 to '99	1989	"	8,865
		"	7.60000	Term 2004	1989	"	6,460
		"	7.75000	Term 2015	1989	"	24,885
10,995	10/01/80	Electric Power Supply	8.26000	Ser. '84 to '95	1990	"	4,640
34,455	11/15/86	Electric Power Supply '86 Series A - Current Interest	6.08901	Ser. '87 to '99	1996	"	31,520
5,492	11/15/86	Electric Power Supply '86 Series A - Capital Appreciation	7.17760	Ser. '99 to '02	1996	Maturity	5,557
20,145	11/15/86	Electric Power Supply '86 Series A - Current Interest	7.12500	Term 2006	1996	Semiannually	20,145
22,550	11/15/86	Electric Power Supply '86 Series A - Current Interest	7.50000	Term 2016	1996	"	22,550
10,485	11/15/86	Electric Power Supply '86 Series A - Capital Appreciation	7.50000	Term 2015	1996	Maturity	10,485
20,630	03/30/77	Elec. Dist. Facility '77 Series A	5.60611	Ser. '78 to '98	1987	Semiannually	13,430
32,170	03/30/77	"	6.12520	Term 2011	1987	"	32,170
15,100	03/01/78	Elec. Dist. Facility '78 Series A	5.85855	Ser. '77 to '98	1988	"	3,615
		"	6.00000	Term 2012	1999	"	9,710
5,000	12/01/79	Elec. Dist. Facility '79 Series A	7.00392	Ser. '80 to '99	1989	"	1,155
		"	7.87500	Term 2013	1989	"	3,450
	TOTAL ELECTRIC BONDS						310,557
	TOTAL REVENUE BONDS						$ 354,917
Notes:							
11,430	Various	Electric Fuel Credit Obligation Note	Lesser of 8% or 62.5% of Prime	Various	Any Time	Quarterly	$ 1,955

The annual requirements to pay principal and interest on all outstanding debt are as shown on the next page (in thousands of dollars):

YEAR ENDING AUGUST 31	GENERAL OBLIGATIONS				REVENUE BONDS AND NOTES		CAPITAL LEASES	
	GENERAL BONDS		SPECIAL ASSESSMENTS					
	BONDS	INTEREST	BONDS	INTEREST	BONDS & NOTES	INTEREST	PRINCIPAL	INTEREST
1989	$ 1,810	1,999	1,895	1,003	8,460	22,827	786	84
1990	1,850	1,878	1,895	881	8,440	22,328	396	33
1991	1,590	1,768	1,895	767	9,075	21,867		
1992	2,035	1,651	1,350	668	8,775	21,365		
1993	2,130	1,515	1,085	2,214	9,300	20,808		
1994-1998	10,710	5,241	5,425	568	55,015	94,731		
1999 & Thereafter	8,510	1,930	1,995		257,807	247,110		
	$ 28,635	15,982	15,540	6,101	356,872	451,036	1,182	117

Funds of $2,701,818, $1,070,812 and $8,495,775 are available in the debt service funds to service the General Obligation Bonds, Tax Allocation Bonds, and Special Assessment Bonds respectively.

Under the City's Home Rule Charter, there is no legal debt margin. The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages. The City is in compliance with all such significant limitations and restrictions.

The general obligation debt of all local governmental units which provide services within the City's boundaries and which debt must be borne by properties in the City (commonly called overlapping debt) as of August 31, 1988, is summarized below (unaudited):

Units	Net Debt Outstanding	Percentage Applicable To the City	Direct and Overlapping Debt
City	$31,906,595	100.0%	31,906,595
School District #1	None		None
Airport Authority	1,565,000[1]	100.0	1,565,000
Lancaster County	None		None
Southeast Community College	None		None

[1]Does not include Special Obligation Bonds of $771,819 payable from lease rentals.

The City has no direct liability for the School District, Lancaster County, Airport Authority, or Southeast Community College debt summarized above. This results in a per capita direct City debt of $171.89, a per capita direct and overlapping debt of $180.32, a ratio of direct City debt to 1988 actual valuation of .70 percent, and a ratio of direct and overlapping debt to 1988 actual valuation of .74 percent.

(10) INTEREST COST

Total interest cost incurred in the Enterprise funds during the year ended August 31, 1988 was $22,924,984, of which $158,079 was capitalized net of investment earnings of $17,458. The amount of $22,766,604 ,was charged to earnings.

(11) SEGMENTS OF OTHER ENTERPRISE ACTIVITIES

Various services provided by the City are financed by user charges. These include parking, golf, hospital, transportation, sewer, water, landfill, electricity, and a city auditorium.

	Lincoln General Hospital	Lincoln Sanitary Sewer System	Lincoln Water System	Lincoln Electric System	Other	Total
Operating Revenues	$ 38,664,000	8,439,525	13,710,471	98,898,970	6,778,946	166,491,912
Operating Expenses:						
Depreciation	2,094,000	1,766,939	1,710,775	10,486,141	1,296,069	17,353,924
Other	34,142,000	4,742,531	5,291,453	65,807,741	7,718,137	117,701,862
	36,236,000	6,509,470	7,002,228	76,293,882	9,014,206	135,055,786
Operating Income (Loss)	$ 2,428,000	1,930,055	6,708,243	22,605,088	(2,235,260)	31,436,126
Operating Grants, Operating Transfers In, Donations	$ 71,000				3,408,034	3,479,034
Net Income	$ 1,106,000	2,088,421	6,669,008	7,476,532	1,244,153	18,584,114
Net Working Capital	$ 12,435,000	1,637,482	4,218,132	65,104,189	3,770,770	87,165,573
Total Assets	$ 46,107,000	73,296,935	88,865,923	418,427,851	27,917,177	654,614,886
Bonds And Notes Payable	$ 18,730,000	9,740,000	12,580,000	312,511,723	3,310,000	356,871,723
Current Capital Contributions	$	360,861	885,653		1,673,409	2,919,923
Contributed Capital	$	32,826,640	18,135,713		12,586,946	63,549,299
Fund Equity	$ 21,861,000	62,611,100	74,998,568	87,046,247	22,003,414	268,520,329
Acquisition Of Property, Plant, & Equipment	$ 2,834,000	4,692,239	4,025,783	10,247,266	2,885,468	24,684,756

The operating loss of $2,235,260 in the "Other" column is primarily attributable to the Lincoln Transportation System which incurred an operating loss of $3,799,550, but received federal and state grants and local subsidies of $3,091,313, which are included in non-operating revenues and operating transfers.

(12) LEASE AGREEMENTS WITH STATE OF NEBRASKA (STATE)

The City has assisted the State by issuing revenue bonds on behalf of the State to build the State ETV Building and the State Game and Parks Commission Building. The leases and related financing agreements provide for the State to reimburse the City for debt service and other costs incurred by the City. The City records the amounts collected and held under the respective lease agreements in the trust and agency funds.

The revenue bonds outstanding at August 31, 1988 related to these projects are as follows:

State ETV Refunding	$ 520,000
State Game and Parks Commission Refunding	225,000
	$ 745,000

The City has entered into these lease agreements solely for the purpose of assisting the State in providing office buildings for use exclusively by the State and at no greater cost to the State than the cost thereof to the City. The bonds constitute special obligations of the City, payable solely from revenues derived by the City under the lease agreement with the State. The bonds are not a debt of the City within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City. Therefore, the cost of these State buildings and the related revenue bonds outstanding have been excluded from the City's financial statements.

(13) EMPLOYEES' RETIREMENT PLANS

The employees of the City are covered by several retirement plans. The Fire and Police Department Plans are administered by the City and are included in the Fiduciary Fund type. All other plans are administered by outside trustees and are not included in the City's combined financial statements. A summary of the plans follows:

FIRE AND POLICE DEPARTMENT

Commissioned employees of the Police and Fire Departments were covered by a state-imposed, single employer, City administered retirement system through August 31, 1987. Beginning September 1, 1987, control of the plan transferred from the State legislature to the City Council. The Police and Fire Pension Fund and Fire Pension Fund are carried in the Fiduciary Fund type on the City's financial statements. The latest actuarial study for the plan was as of December 31, 1987. Police officers and firefighters employed prior to May, 1984, contribute either 7% or 7.6% of their base salary based on a one time determination made by the employee in May, 1984. Those employed subsequent to May, 1984, contribute 7.6% of their base salary. The percentage of base salary paid upon retirement is dependent on the percentage of withholding selected by the employee. At December 31, 1987 there were 484 active members and 106 retirants and beneficiaries.

Police officers and firefighters are eligible for regular retirement benefits when they: (a) have first served in the paid fire or police department for a period of 21 years; (b) have attained the age of 55 years; and (c) elect to retire from active service and go on the retired list. The pension shall be a straight life pension of either 54% or 58% of the regular pay for such firefighter or police officer, paid monthly. The pension of a police officer or firefighter who elects to remain on active duty after becoming eligible for retirement shall be increased by 2% of his or her regular pay for each year of additional service, subject to a maximum increase of 10%. Any firefighter or police officer who retires on or after his or her 50th birthday, but prior to his or her 55th birthday and who has completed at least 21 years of service shall receive the actuarial

equivalent of the benefit which would otherwise be provided at age 55. The plan also has provisions for disability, death benefits and early retirement. Vesting occurs after 10 years of service.

The "pension benefit obligation" (PBO) is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. This measure is independent of the actuarial funding method used to determine contributions to the plan. The PBO determined as part of the December 31, 1987 actuarial valuation used the following actuarial assumptions:

(1) A rate of return on the investment of present and future assets at 6% per year, compounded annually.
(2) Projected salary increases of 5% per year, compounded annually, attributable to inflation.
(3) Additional projected salary increases ranging from 0.7% to 4% per year, depending on age, attributable to seniority/merit.
(4) The assumption that benefits will not increase after retirement.

At December 31, 1987, the assets in excess of the pension benefit obligation were $5,401,835 determined as follows:

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 9,644,010
Current employees:	
Accumulated employee contributions excluding allocated investment income	8,023,872
Employer financed - Vested	23,547,224
Employer financed - Non-vested	3,800,183
Total Pension Benefit Obligation	$45,015,289
Net assets available for benefits, at cost	50,417,124
Assets in excess of the Pension Benefit Obligation	$ 5,401,835

During the year ended December 31, 1987, the plan experienced a net increase of $5,019,475 in the pension benefit obligation. There were no changes in actuarial assumptions and no changes in benefit provisions during the year.

Contributions Required and Contributions Made

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost

and actuarial accrued liability for the year ended August 31, 1987 were determined using an entry age actuarial funding method. The entry age actuarial funding method in which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). Normal costs and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry-age actuarial cost method having the following characteristics:

(1) The annual normal costs for each individual active member, payable from the member's actual date of employment to projected date of retirement, are sufficient to accumulate the actuarial present value of the member's benefit at the time of retirement;
(2) Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over a period of 19 years.

During the year ended August 31, 1987 contributions totalling $1,791,590 — $887,985 employer and $903,605 employee — were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 1985. Payroll covered by the plan during the year ended December 31, 1987 was approximately $14,080,000. Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over a period of 19 years. The employer contributions consisted of $1,422,314 for normal cost and $(534,329) for amortization of the unfunded actuarial accrued liability. Active member payroll was assumed to increase 5% a year for the purpose of determining the level percent contributions. Employer contributions represented 7.27% of projected covered payroll (projected covered payroll is equal to 1.0847 times December 31, 1985 valuation payroll). There were no changes in actuarial assumptions or methods or changes in benefit provisions affecting the December 31, 1985 actuarial valuation.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

Computed Contribution Comparative Schedule

Fiscal Year Ended August 31	Valuation Date December 31	Computed Contribution Rates As Percents Of Valuation Payroll	Valuation Payroll	Dollar Contribution For Fiscal Year Computed*	Dollar Contribution For Fiscal Year Actual	Employer Actual Contributions As A Percentage Of Valuation Payroll
1981	1979	9.79 %	$ 7,816,991	$ 830,103	$	
1981	1979@	9.96	7,816,991	844,517	839,306	10.73 %
1982	1980	9.77	8,257,426	875,082	1,448,697	17.54
1983	1981#	14.03	9,038,920	1,375,574	1,573,311	17.41
1984	1982	13.72	10,407,029	1,548,783	1,539,900	14.80
1985	1983#	13.53	10,435,738	1,531,548	1,427,884	13.68
1986	1984	12.13	10,841,626	1,426,477	677,197	6.25
1987	1985	11.04	11,265,219	1,349,020	887,985	7.88

@After changes in actuarial assumptions or methods.
#After changes in benefit provisions.
*Computed dollar contribution is equal to the contribution percent times the valuation payroll projected to the appropriate fiscal year. Thecurrent projection factor is equal to 1.0847.

Analysis of Funding Progress
(Dollar Amounts in Thousands)

Year Ended December 31	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation (PBO)	(3) Percent Funded (1)/(2)	(4) Unfunded PBO (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded PBO as a Percentage of Covered Payroll (4)/(5)
1984	$34,318	$31,373	109 %	-	$10,842	N/A
1985	39,895	36,003	111	-	11,265	N/A
1986	44,671	39,996	112	-	11,738	N/A
1987	50,417	45,015	112	-	12,949	N/A

Further trend information is available in the December 31, 1987 Annual Actuarial Valuation, which provides information about progress that has been made in funding the plan's obligation.

FIRE PENSION PLAN (OLD)

The City is funding retirements under a single employer plan for firemen hired under "old" State laws and employed prior to 1947. Actuarial present value of plan benefits, assets, and unfunded liabilities as of December 31, 1986, the date of the latest valuation, are as follows:

Vested Benefits	$2,523,677
Non-vested Benefits	193,665
Total Accumulated Plan Benefits	2,717,342
Net Plan Assets	1,988,276
Unfunded Liabilities	$ 729,066

Plan assets are carried at amortized cost. There were 67 retirants and survivor beneficiaries at December 31, 1986, all of which are fully vested. The interest rate

used in making the valuation was 6%, per annum, compounded annually. For the year ended December 31, 1987, covered and total payroll was $43,353 and included one active employee. The computed contribution for the year was $225,812, $195,763 for current service costs and retirants and beneficiaries and $30,049 for unfunded accrued liabilities. The unfunded liability of $729,066 was funded in two parts:

(1) Unfunded retirant and beneficiary liabilities of $535,401 were amortized as a level dollar amount over a period of three years.
(2) Unfunded accrued active member liabilities of $192,415 were amortized as a level dollar amount over a period of eight years.

The Pension Benefit Obligation has not been determined.

ELECTRIC SYSTEM AND GENERAL HOSPITAL

The City owns and operates its own electric system and general hospital which are included in enterprise funds in the accompanying financial statements. Each of these entities are controlled and managed by an administrative board and are not supported by the City's general tax revenues. Both systems provide retirement benefits to their employees under their own separate plans, such benefits being funded solely from revenues derived from the operation of each of the respective facilities. A summary of the electric system and general hospital plans is as follows:

Electric System

LES has a contributory retirement plan covering all employees who have been employed for a continuous period of 2 years. The plan is a straight money purchase plan. LES's contribution is equal to 200% of the employees' contributions which range from 2-5% of gross wages. Vesting of LES contributions occurs over a 10-year period. Employee forfeitures are used to reduce employer contributions. Vested benefits are fully funded. Payroll and contribution information is as follows:

			Employer Contribution		Employee Contribution	
Year	Total Payroll Expense	Covered Payroll	Amount	Percent Of Covered Payroll	Amount	Percent Of Covered Payroll
1987	$11,608,000	10,886,000	995,000	9.14%	$511,000	4.69%
1986	11,040,000	10,334,000	854,000	8.26	475,000	4.60

General Hospital

The Hospital has a non-contributory pension plan which covers substantially all full-time employees. Under the terms of the plan an employee shall become eligible for inclusion in the plan upon reaching the age of 30 and completion of 1 year of service or age 40 with no service requirement. Pension benefits vest after 10 years of full-time employment. Upon retirement at age 65 a plan participant will receive 50% of the

average monthly earnings less 50% of the Social Security primary insurance amount, reduced by 1/25 for each year of credited service less than 25. Also the pension plan provides early retirement benefits at age 55 and 5 years of service, death benefits at age 45 and 5 years of service, and disability benefits at age 55 and 10 years of service or age 60 with no service requirement. All early retirement, death and disability benefits are based on a percentage of the vested accrued benefit at the applicable date. At July 1, 1988 (the date of the actuarial valuation) the Hospital's total payroll for covered employees was $9,397,000. At July 1, 1988, there were 420 active employees, 72 retirees and beneficiaries and 39 vested and terminated employees.

Presented below is the total pension benefit obligation of the Hospital pension plan. The total obligation is based on the projected unit credit cost method which is used as a substitute for the standardized measure which is required by the Governmental Accounting Standard Board.

The Projected Unit Credit Method develops a normal cost and a pension benefit obligation for each participant. A projected benefit at each anticipated future separation date is calculated and is allocated based on service. The present value of benefits allocated to the current year is the normal cost for an individual. The normal cost multiplied by the service to the valuation date gives the pension benefit obligation. For an inactive participant (pensioner or vested terminated employee), the pension benefit obligation is the entire present value of the benefit and there is no normal cost. The sum of these individual values gives the normal cost and the pension benefit obligation for the plan.

A variety of significant actuarial assumptions are used to determine the projected unit credit measure of the pension benefit obligation and these assumptions are summarized below:

(1) The present value of future pension payments was computed by using a discount rate of 8%.
(2) Future pension payments reflect an assumption of a 6% (compounded annually) salary increase as a result of inflation.

(3) Future pension payments reflect no salary increase as a result of seniority and/or merit adjustments or post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The assets in excess of pension benefit obligation at July 1, 1988 (the date of actuarial valuation) was as shown on the next page:

	1988
Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 1,106,000
Current employees:	
Employer-financed vested retirement, disability and pre-retirement death benefits	2,633,000
Employer-financed nonvested	205,000
Total pension benefit obligation	3,944,000
Net assets available for benefits at market	4,880,000
Assets in excess of pension benefit obligation	$ 936,000

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligation occurred during the year.

The Hospital's funding policy is to annually contribute the normal cost plus a 20 year amortization of the unfunded (or assets in excess of) pension benefit obligation both of which are determined on an actuarial basis using the projected unit credit method described above. Total Hospital contributions to the pension plan for the years ended August 31, 1988, 1987 and 1986 were actuarially determined as described above and were based on an actuarial valuation as of July 1, 1987, 1986 and 1985 as follows:

	1988	1987	1986
Normal cost	$231,000	207,000	221,000
Amortization of unfunded pension benefit obligation (assets in excess of pension benefit obligation)	(51,000)	(28,000)	15,000
Total contribution	$ 180,000	179,000	236,000

The computation of the pension contribution requirements for 1988 was based on the same (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, and (d) other significant factors as used to determine pension contribution requirements in previous years.

Historical trend information for the Hospital is as shown on the next page:

	July 1		
	1988	1987	1986
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the Hospital's employees	123.7%	142.4%	136.7%
Assets in excess of pension benefit obligation as a percentage of the Hospital's annual covered payroll	10.0%	17.9%	15.3%
Hospital's contributions to the pension plan as a percentage of annual covered payroll	2.6%	2.3%	2.5%

Ten year historical trend information is disclosed in the Lincoln General Hospital separate report of supplementary information as of August 31, 1988, 1987 and 1986. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

DEPARTMENT DIRECTORS

Directors of City departments are eligible the first of the month following the date employed to be covered by the Director's Money Purchase Plan administered by Ameritas Financial Services. The plan is established by City Ordinance. It is a defined contribution plan requiring the City to contribute 6% of the first $4,800 of earned income in any one calendar year, plus 12% of earned income over $4,800 in one calendar year. Employees covered by the plan may make voluntary contributions. At December 31, 1987 the account balance was $813,831. Covered payroll for the year ended December 31, 1987 was approximately $715,000. During the year ended December 31, 1987, City contributions totalled $74,366 or 10.4% of covered payroll. There were no unfunded liabilities.

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after 6 months' service and age 21 to be covered under the City's Money Purchase Pension Plan, established by City Ordinance, and administered by Ameritas Financial Services. Enrollment in the program is mandatory at age 40 with 5 years service. There are no unfunded liabilities. The plan is a defined contribution plan requiring employees to contribute 3% of earnings on the first $4,800 and 6% on the balance of earnings. Currently, the City contributes 200% of the employees' contribution. During the year ended December 31, 1987, City contributions totalled $1,798,023. Vesting occurs in increments between 5 and 10 years of enrollment in the plan. Gross payroll of employees not covered by any other plan for the year ended December 31, 1987 was approximately $27,727,013. The total plan account balance as of December 31, 1987 was $32,386,959.

(14) COMMITMENTS AND CONTINGENCIES

The City participates in a number of federally assisted grant programs, principally UMTA Capital, Planning and Operating Assistance Grants, Federal Highway Construction Grants, Title III Aging Grants, Community Development Block Grant (CDBG), Job Training Partnership Act (JTPA), and local public works programs. The programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

The Hospital has an agreement with Radiology Associates, P.C. for the provision of diagnostic and therapeutic radiological services. As part of the agreement, each party may take unilateral action to initiate the sale to the Hospital of part or all of the radiological equipment in the Hospital, which is owned by Radiology Associates, P.C., upon giving 240 days notice. The estimated market value of such equipment at August 31, 1988 was approximately $7,340,000.

The Hospital has a similar agreement with Pathology Medical Services, P.C. for the provision of pathological services. Conditions of the agreement provide for sale of all or part of the pathological equipment to the Hospital at the original cost, less straight-line depreciation to date based on eight-year asset lives. This net book value at August 31, 1988 was approximately $85,000.

The Lincoln Sanitary Sewer System has commitments under major construction contracts in progress of approximately $890,000 at August 31, 1988, which will be financed primarily through operations and surplus funds.

The Lincoln Water System has commitments under major construction contracts of approximately $1,100,000 at August 31, 1988, which will be financed through operations and surplus funds.

The City is a defendant in a number of lawsuits in its normal course of operations. The majority of these lawsuits relate to condemnations for street and utility construction projects which are not included in tax supported funds. The City Attorney is of the opinion that there is a reasonable possibility that the City will incur losses on such lawsuits not to exceed $148,000. In addition there is a reasonable possibility that a loss may be incurred in a lawsuit filed against the City for alleged negligence and wrongful death. The plaintiff is seeking approximately $1,000,000 in special damages and loss of consortium, and a prayer for unspecified general damages.

The Data Processing Division has the following commitment:

Beginning September 1, 1987, the City entered into a three-year contract with System and Computer Technology Corporation for data processing management services. Maximum annual payments under this agreement are as shown on the next page:

Fiscal Year Ending August 31	Amount
1989	611,500
1990	642,800

The City's costs under this contract are partially offset by County reimbursements for data processing services provided to them by the City.

LES has the following commitments:

Power Sales Contract

LES has a Power Sales Contract with Nebraska Public Power District (NPPD) which provides for the purchase of 12.5 percent of the output of NPPD's nominally rated 800 megawatt nuclear plant. The contract provides that the City will pay a proportionate share of the nuclear fuel costs (based on energy actually delivered) plus 12.5 percent of all other costs of the facility. Fixed cost payments under the contract are on a participation basis whether or not the plant is operating or operable.

The contract continues through September 22, 2003 and may be extended if NPPD intends to continue operating the facility after that date. The nuclear plant's operating license issued by the Nuclear Regulatory Commission has been extended to 2008. Upon expiration of the contract, if the facility is no longer operated, LES is also liable for 12.5 percent of the costs of decommissioning the plant. Preliminary studies indicate the total cost of decommissioning the facility would approximate $118,100,000 in 1987 dollars. The 1987 estimated decommissioning costs have been escalated at a rate of six percent per year to the year 2004, the year the facility is estimated to be decommissioned. The available cash balances of various NPPD funds at that time will be used to offset the total cost of decommissioning the facility. The additional funds required for decommissioning will be billed to the participants and discounted at a rate of seven percent to the year of collection. Billing to the participants for required decommissioning funds began in 1984 with LES incurring associated costs of $274,000 and $256,000 in 1987 and 1986, respectively.

Cracks were discovered in the pressure piping system of the nuclear facility in 1983. Replacement of the pressure piping system, other required modifications and the building of a multi-purpose facility were completed at a cost of $54,000,000. NPPD is also installing a new plant management information system at an estimated cost of $14,000,000, and an administration and training facility and reactor control room simulator at an estimated cost of $25,000,000. Billings from NPPD for the pressure piping system and plant management information system costs are scheduled to extend through 1991; billings for facility and simulator costs are scheduled to extend through 1989. LES's share of the total of these costs, which are being financed by NPPD, was $2,425,000 and $2,426,000 in 1987 and 1986, respectively.

Internal financial statements of the nuclear facility reflect $363,955,000 in revenue bonds outstanding at December 31, 1987. Fixed cost payments of LES include the debt service payments necessary to retire 12.5 percent of the principal and pay 12.5

percent of the interest on bonds issued by NPPD for the facility. LES's share of debt service payments was $4,528,000 and $4,527,000 in 1987 and 1986, respectively.

Expected fixed cost payments to NPPD under this contract including debt service payments, payments for decommissioning costs, other related fixed costs, and other costs as noted above, aggregate $14,782,000 $14,727,000, $15,795,000, $14,788,000 and $13,479,000, respectively, in each of the five years subsequent to December 31, 1987.

NPPD has entered into contracts with the U.S. Department of Energy for disposal of its spent nuclear fuel. In 1985, NPPD paid approximately $40,500,000 relating to nuclear fuel burned prior to April, 1983. LES's share, $5,026,500 is being billed to LES by NPPD as purchased power over five years ending in 1990. Costs relating to nuclear fuel burned after April, 1983 are also being billed to LES as purchased power.

Participation Agreements

LES has participating interests in the output of two existing NPPD power plants, a thirty percent (approximately 68 MW) and eight percent (approximately 102 MW) entitlement to the output of the Sheldon Station Power Plant and Gerald Gentleman Station Power plant, respectively. The participation agreements continue until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable. LES's share of the total fixed costs incurred, was $9,157,000 and $9,661,000 in 1987 and 1986, respectively. The expected fixed cost requirements aggregate $10,076,000, $9,458,000, $10,281,000, $10,081,000, and $10,635,000, respectively, in each of the five years subsequent to December 31, 1987.

Laramie River Station (LRS)

LES is a tenant in common in the Laramie River Station Project (project) with the following undivided joint ownership interests as of December 31, 1987, the date of the last audit:

	Ownership Interest
Basin Electric Power Cooperative	42.27%
Tri-State Generation and Transmission Assn., Inc.	24.13
Western Minnesota Municipal Power Agency	16.47
City of Lincoln, Nebraska (Including Municipal Energy Agency's Participation of 1.67%)	12.76
Heartland Consumers Power District	3.00
Wyoming Municipal Power Agency	1.37

LES accounts for its participation in the project using the proportionate share method. In general, each participant is responsible for funding its ownership interest share of

the assets and operating costs of the project and is entitled to Station capacity and energy output based on its individual ownership interest. LES is funding its entire commitment through long-term financing. Each participant has the right to mortgage its ownership interest in the project without the consent of the other participants. Debt instruments issued by participants to finance their participation do not obligate or encumber the other participants' ownership interests and are not accruable to the project.

The project is administered by a Management Committee comprised of the participants. Basin Electric is the Project Manager and Operating Agent for the project.

The project consists of the Laramie River Electric Generating Station which includes three 550 megawatt coal-fired steam generation units in eastern Wyoming and associated transmission facilities and the Grayrocks Dam and Reservoir. Unit 1, Unit 2, and Unit 3 began commercial operations on July 1, 1980 and 1981, and November 1, 1982, respectively. Costs associated with LRS of approximately $170,400,000 and $170,700,000 are reflected in utility plant at December 31, 1987 and 1986, respectively.

Some significant information from the project's December 31, 1987 audited financial statements follows:

Total Electric Plant	$1,242,769,982
Total Assets	1,365,930,430
Total Liabilities	17,712,415
Total Owner's Investment	1,348,218,065
LES Investment	173,464,420
Total Operating Costs, Net of Investment Income	129,978,878
LES Share of Operating Costs, Net of Investment Income	16,517,884

During 1985, LES received notice from Basin Electric Power Cooperative (Basin Electric) that effective October, 1985, it would cease making payments to LES under a participation power sales agreement for 34 MW of capacity in LRS. LES sought damages from Basin Electric for failure to perform under the agreement. During 1986, a settlement was reached which required LES to execute certain agreements to sell the 34 MW to other parties. As a result, LES sold 24 MW (1.46) of equity interests in 1986 recognizing a gain of approximately $5,300,000. The sales reduced LES's ownership interest in LRS to 11.09% at December 31, 1987.

The settlement also requires Basin Electric to pay LES $1,300,000. The principal of $1,300,000 plus accrued interest from January 1, 1986 is payable on or before March 31, 1988. The payment of $1,300,000 will be recorded as revenue at the time of receipt.

Effective July 1, 1987, LES entered into a participation power sales agreement with the County of Los Alamos, New Mexico (the County) whereby the County purchases from LES 10 MW of LES's capacity interest in LRS. The agreement provides for the County to pay LES approximately $110,000 per month through July 1, 1988. The amount is subject to change each July 1 until termination of the agreement. The

agreement remains in effect until either the final maturity occurs on any LRS related debt, LRS is removed from commercial operation or the County gives LES notice to terminate the agreement. Prior to July 1, 1987, LES operated under the terms of an interim agreement with the County which provided for a net monthly capacity charge of $78,500 for 10 MW of capacity interest. During 1987 and 1986, LES billed the County $1,945,000 and $804,000, net of revenues relating to sales to outside parties of $51,000 and $139,000, respectively.

(15) DEFERRED COMPENSATION PLAN

ALL CITY EMPLOYEES (EXCEPT LGH)

The City of Lincoln and LES have separate deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees except Lincoln General Hospital employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency, or permanent disability.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plans), subject only to the claims of the City's general creditors. Participants' rights under the plans are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant. The plan's assets are held in an insurance contract with an insurance company.

It is the opinion of the City's legal counsel that the City has no liability for losses which may arise under any legally permitted investment of funds under the plans, but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The LES plan assets were approximately $946,000 and $681,000 at December 31, 1987 and 1986, respectively and are included in the balance sheet with deferred charges and other assets. The balance in the City plan at August 31, 1988 and 1987 was $1,757,803 and $1,860,903 respectively.

(16) RECONCILIATION OF BUDGET BASIS REVENUES AND EXPENDITURES TO GAAP

Revenues and expenditures presented on a non-GAAP budget basis of accounting differ from the revenues and expenditures presented in accordance with GAAP because of the different treatment of encumbrances and accruals. A reconciliation of the revenues and expenditures for the year ended August 31, 1988, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the Budgetary Basis, is presented below:

	General Fund	Special Revenue Funds	Debt Service Funds
Revenues and Other Sources:			
GAAP Basis	$45,711,440	24,572,284	7,509,594
Add: Prior Year Accrual Adjustments[1]	5,711,745	2,506,831	3,878,523,
Less: Current Year Accrual Adjustments1	(5,893,637)	(2,743,214)	(3,271,074)
Budget Basis	$45,529,548	24,335,901	8,117,043
Expenditures and Other Uses:			
GAAP Basis	$48,003,252	24,756,250	6,809,178
Add: Prior Year Accrual Adjustments[1]	2,703,642	2,002,821	34,020
Current Year Encumbrances[2]	629,880	723,104	
Less: Current Year Accrual Adjustments[1]	(3,253,522)	(1,820,922)	(35,157)
Prior Year Encumbrances2	(296,454)	(655,519)	
Budget Basis	$47,786,798	25,005,734	6,808,041

[1]Timing Difference
[2]Basis Difference

(17) INTERFUND RECEIVABLES AND PAYABLES BALANCES

Interfund receivables and payables balances at August 31, 1988 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$1,949,521	720,374
Special Revenue Funds:		
Advance Acquisition Fund	67,566	
Athletic Field & Facility Improvement Fund	1,926	198
Aviation Promotion Fund	59	
Civil Defense Fund	645	675
Cable Access Television Fund	4,690	
Lincoln City Libraries Fund	284,726	375
Lincoln Area Agency on Aging Fund		12,267
Lincoln/Lancaster County Health Fund	14,600	25,616
Northeast Radial Fund	31,123	367
Social Security Fund	109,540	70,861
Street Construction Fund	3,637	553,757
Unemployment Compensation Fund	31,486	
Sanitary Districts	56	
Community Development Block Grant Fund	2,814	10,214
Grants-In-Aid Fund	30	4,793
Revenue Sharing Fund	3,809	
Job Training Programs Funds		14,342
Special Assessments		253,250
Total Special Revenue Funds	556,707	946,715

(continued)

Interfund Receivables and Payables Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Debt Service Funds:		
Tax Allocation Projects Debt Service	12,799	
Bond Interest & Redemption Fund	495,221	
Special Assessments	58,267	
Total Debt Service Funds	566,287	
Capital Projects Funds:		
Storm Sewer Bond Construction Fund		82,204
Storm Sewer Construction Fund	231	3,436
Street Construction Fund	498,460	106,249
Vehicle Tax Fund	349	28,634
Sanitary Landfill Purchase & Construction Fund	12,802	11,156
Downtown Redevelopment Fund	2,770	
Other Capital Projects Fund	367,733	48,187
Special Assessments	251,582	6,878
Total Capital Projects Funds	1,133,927	286,744
Enterprise Funds:		
Parking Lot Revolving Fund	7,434	
Golf Fund	26,324	4,887
Parking Facilities Fund	14,425	
Sanitary Landfill Fund	109,995	14,546
Total Enterprise Funds	158,178	19,433
Internal Service Funds:		
Data Processing Fund	90,621	5,635
Engineering Revolving Fund	264,753	21,849
Insurance Revolving Fund	41,369	617
Public Works Equipment Management Fund	415,815	4,021
Police Garage Fund	122,421	1,645
Print Services Revolving	37,167	658
Stores Revolving Fund	6,671	89
Total Internal Service Funds	978,817	34,514
Fiduciary Funds:		
Pension Trust Funds:		
Fire Pension Fund	13,822	
Police and Fire Pension Funds	58,070	
Total Pension Trust Funds	71,892	

(continued)

Interfund Receivables and Payables Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Expendable Trust Funds:		
Parks & Recreation Special Projects Fund	5,091	
Commission on Aging Gift Trust Fund	7,856	31
Library Special Trust Funds	21,442	
Total Expendable Trust Funds	34,389	31
Agency Funds:		
Collections Due to Other Governments Fund	2,917	
Payroll Revolving Fund	129,839	
Earnings on Pooled Investments Fund		1,377,408
Utilities and Telephone Suspense Fund	2,965	
Public Office Building Revenue Bonds (State of Nebraska Lessee) Fund	7,561	7,781
Undistributed Property Tax Fund		2,200,000
Total Agency Funds	143,282	3,585,189
Total Fiduciary Funds	249,563	3,585,220
TOTAL ALL FUNDS	$5,593,000	5,593,000

(18) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS IN AN INDIVIDUAL FUND

The Revenue Sharing Fund had expenditures of $7,706 for which there were no appropriations. The Street Construction Fund had expenditures of $1,954,608, exceeding appropriations of $1,852,174 by $102,434.

(19) RECLASSIFICATIONS

Certain reclassifications have been made in the 1987 totals columns to conform to the 1988 financial statement presentation.

(20) SELF-INSURANCE AND INSURANCE REVOLVING FUND DEFICIT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City has self-insured its workers' compensation for over 25 years and began self-insuring its general liability and public transportation liability in October, 1985, and February, 1986, respectively. The auto liability risk continues to be insured on a guaranteed cost basis through an A+ rated insurance company. The self-insurance programs are administered through the Risk Management Division. The City is self-insured for workers' compensation risks up to $300,000 per individual, $500,000 per occurrence, other property risks up to $125,000 per occurrence, and employee long-term disability under the Insurance Revolving Fund, which is included in the internal service funds. Workers' compensation is covered by a policy which provides $2,000,000 limits above the City's retention of $300,000 per individual and $500,000

per occurrence. The Nebraska Political Tort Claims Act limits the City's liability for tort claims to $1,000,000 per individual and $5,000,000 for all individuals per occurrence. The governmental and proprietary funds pay budgeted premium amounts to the Insurance Revolving Funds.

The City retained the services of an actuary during 1988 to prepare an analysis of the self-insured workers' compensation, general liability, and public transportation liability risks. The analysis will be used to assist the City with its financial planning and management of the self-insurance program. Included in the specific objectives of the study were to:

- Estimate the outstanding liabilities for the fiscal year ended August 31, 1988.

- Forecast ultimate incurred losses and incurred but not reported (IBNR) losses for fiscal years ended August 31, 1989 through August 31, 1991.

- Estimate the required funding level for the City's self-insured liabilities.

The City funds its self-insurance program on a "pay as you go" basis. Annual premiums charged to the funds are based on estimates of the amount to be paid in the fiscal year. Claims liabilities of $2,974,420 were recorded at August 31, 1988. This is the actuarially estimated amount of both workers' compensation and liability claims based on an estimate of ultimate incurred losses as of that date. The Insurance Revolving Fund included with the internal service funds has a deficit of $771,785 in retained earnings at August 31, 1988, which the City anticipates to begin funding in the fiscal year ending August 31, 1990.

(THIS PAGE LEFT BLANK INTENTIONALLY)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL FUND

This fund accounts for all financial resources not accounted for in other funds. It finances the regular day-to-day operation of the basic governmental activities, such as legislative, judicial, administration, police protection, fire protection, legal services, planning, property management, and parks and recreation. Appropriations are made from the fund annually. The fund's existence is perpetual.

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 11,911,850	13,055,976	1,144,126
Taxes Collected By Others	20,270,000	22,347,839	2,077,839
Sundry Taxes And In Lieu	980,500	929,904	(50,596)
Occupation Taxes	2,900,000	2,583,909	(316,091)
Intergovernmental	2,319,000	2,483,862	164,862
Permits And Fees	727,000	994,802	267,802
Reimbursement For Services	1,209,348	880,211	(329,137)
Court Fees	124,000	117,414	(6,586)
Recreation Receipts	580,000	592,917	12,917
Interest	840,000	778,151	(61,849)
Parking Meter	290,000	316,984	26,984
Miscellaneous	407,358	447,579	40,221
Total Revenues	42,559,056	45,529,548	2,970,492
Expenditures:			
General Government	10,321,118	10,001,691	319,427
Public Safety	21,028,604	20,767,234	261,370
Streets And Highways	3,863,002	3,457,101	405,901
Culture -- Recreation	5,201,024	5,101,822	99,202
Total Expenditures	40,413,748	39,327,848	1,085,900
Excess Of Revenues Over Expenditures	2,145,308	6,201,700	4,056,392
Other Financing Uses --			
Operating Transfers Out	(9,524,628)	(8,458,950)	1,065,678
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(7,379,320)	(2,257,250)	5,122,070
Fund Balance Beginning Of Year	8,447,606	8,447,606	
Fund Balance End Of Year	$ 1,068,286	6,190,356	5,122,070

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	$ 78,554	78,610	(56)
Supplies	1,460	727	733
Other Services And Charges	52,459	32,838	19,621
Capital Outlay	1,200	1,190	10
Total Legislative	133,673	113,365	20,308
Executive:			
Personal Services	571,449	541,657	29,792
Supplies	21,532	20,340	1,192
Other Services And Charges	137,169	136,358	811
Capital Outlay	69,594	78,446	(8,852)
Total Executive	799,744	776,801	22,943
Financial Administration:			
Personal Services	806,624	806,591	33
Supplies	30,870	27,108	3,762
Other Services And Charges	321,852	296,757	25,095
Capital Outlay	3,600	13,344	(9,744)
Total Financial Administration	1,162,946	1,143,800	19,146
Law:			
Personal Services	704,110	694,017	10,093
Supplies	26,750	24,641	2,109
Other Services And Charges	51,020	32,926	18,094
Capital Outlay	8,650	7,769	881
Total Law	790,530	759,353	31,177
Personnel Administration:			
Personal Services	341,812	333,483	8,329
Supplies	14,045	10,244	3,801
Other Services And Charges	80,942	77,698	3,244
Capital Outlay		8,064	(8,064)
Total Personnel Administration	436,799	429,489	7,310

(Continued)

Planning And Zoning:			
Personal Services	593,729	584,623	9,106
Supplies	12,550	11,261	1,289
Other Services And Charges	124,330	124,219	111
Capital Outlay	3,700	3,597	103
Total Planning And Zoning	734,309	723,700	10,609
Buildings And Plant:			
Personal Services	210,969	194,270	16,699
Supplies	23,260	23,066	194
Other Services And Charges	554,746	554,226	520
Capital Outlay		1,987	(1,987)
Total Buildings And Plant	788,975	773,549	15,426
Urban Development:			
Personal Services	342,884	356,462	(13,578)
Supplies	6,600	4,257	2,343
Other Services And Charges	160,834	137,003	23,831
Capital Outlay	350	934	(584)
Total Urban Development	510,668	498,656	12,012
Miscellaneous:			
Personal Services	2,103,656	2,088,140	15,516
Other Services And Charges	2,151,568	2,047,855	103,713
Capital Outlay	708,250	646,983	61,267
Total Miscellaneous	4,963,474	4,782,978	180,496
Total General Government	10,321,118	10,001,691	319,427
PUBLIC SAFETY:			
Police:			
Personal Services	8,133,179	8,134,288	(1,109)
Supplies	148,577	146,259	2,318
Other Services And Charges	1,598,740	1,428,309	170,431
Capital Outlay	29,474	25,844	3,630
Total Police	9,909,970	9,734,700	175,270
Fire:			
Personal Services	6,908,947	6,864,633	44,314
Supplies	260,801	258,892	1,909
Other Services And Charges	351,092	365,960	(14,868)
Capital Outlay	184,228	177,975	6,253
Total Fire	7,705,068	7,667,460	37,608
Codes Administration:			
Personal Services	1,197,011	1,179,689	17,322
Supplies	42,047	41,048	999
Other Services And Charges	159,379	142,659	16,720
Capital Outlay	10,757	9,601	1,156
Total Codes Administration	1,409,194	1,372,997	36,197

(Continued)

Communications:			
Personal Services	680,267	679,936	331
Supplies	10,390	7,891	2,499
Other Services And Charges	86,970	81,305	5,665
Capital Outlay	2,400	5,136	(2,736)
Total Communications	780,027	774,268	5,759
Transportation:			
Personal Services	759,184	759,639	(455)
Supplies	174,180	174,365	(185)
Other Services And Charges	273,881	265,658	8,223
Capital Outlay	17,100	18,147	(1,047)
Total Transportation	1,224,345	1,217,809	6,536
Total Public Safety	21,028,604	20,767,234	261,370
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	1,168,613	1,010,561	158,052
Supplies	185,999	135,850	50,149
Other Services And Charges	956,875	770,051	186,824
Capital Outlay	22,599	18,047	4,552
Total Street Maintenance	2,334,086	1,934,509	399,577
Street Lighting:			
Other Services And Charges	1,528,916	1,522,592	6,324
Total Streets And Highways	3,863,002	3,457,101	405,901
CULTURE -- RECREATION --			
Parks And Recreation:			
Personal Services	3,375,153	3,298,792	76,361
Supplies	363,791	380,667	(16,876)
Other Services And Charges	1,419,562	1,340,022	79,540
Capital Outlay	42,518	82,341	(39,823)
Total Culture -- Recreation	5,201,024	5,101,822	99,202
TOTAL EXPENDITURES	$ 40,413,748	39,327,848	1,085,900

(THIS PAGE LEFT BLANK INTENTIONALLY)

SPECIAL REVENUE FUNDS

A special revenue fund is established to account for the proceeds from a specific revenue source that is legally restricted to expenditures for a specified purpose.

Advance Acquisition Fund - To account for funds to be used for the acquisition of real estate for public purposes. Net proceeds from the sale or exchange of real estate owned by the City shall be credited to this fund, and the fund may also be increased by General Fund appropriations, or proceeds from general obligation borrowing.

Athletic Field and Facility Improvement Fund - To account for proceeds from a surcharge applied to registration fees charged by the Recreation Division for various athletic activities. These monies must be used for improvements to athletic field and facilities.

Aviation Promotion Fund - To account for monies received from a tax levied specifically for the purpose of promoting air transportation in and out of Lincoln.

Civil Defense Fund - To account for the costs of operating the City of Lincoln/Lancaster County Civil Defense Department. Financing is provided by Federal, City, and County Funds.

Cable Access Television Fund - To account for receipt and disbursement of educational and governmental access capital equipment and facilities grants. The Franchise Agreement between the City and Lincoln Cablevision, effective August 5, 1985, required Cablevision to deposit $400,000 in such a fund. Cablevision is required to match, one for one, any contributions by the City for such purposes up to $100,000.

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

Lincoln Area Agency on Aging Fund - To account for the cost of providing various services to senior citizens through the Lincoln/Lancaster Commission on Aging. Financing is provided by Federal, State, County, and City funds.

Lincoln/Lancaster County Health Fund - To account for the cost of providing health services to the citizens of the City of Lincoln and Lancaster County. Financing is provided by State, County, and City funds.

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

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

Street Construction Fund - To account for the receipt and disbursement of highway allocation fees received from the State of Nebraska. By State law these monies are restricted to construction and maintenance of streets and highways and appurtenances thereto.

Unemployment Compensation Fund - To account for the cost of unemployment insurance for benefits paid to former employees of departments supported primarily from tax revenues. The City reimburses the State for actual costs rather than a percentage of payroll. Financing is provided by a specific annual property tax levy. Such property taxes may only be used for this purpose.

Sanitary District Fund - To account for the proceeds from Sanitary District #1. When Sanitary District #1 went out of existence in 1956, all of the District's assets and liabilities were transferred to the City of Lincoln. The balance on hand was derived from special assessments which had been levied by the District prior to the City's takeover. This money is restricted for emergencies or contingency and must be used on main trunk line sewers or the disposal plant.

Community Development Block Grant Fund - To account for the cost of providing services under the City's Community Development Block Grant Program. Funding is provided by grants from the Department of Housing and Urban Development (HUD).

Grants-In-Aid Fund - To account for monies received from various Federal and State Agencies under several small categorical grants and the City's matching funds where applicable.

Revenue Sharing Fund - To account for the City of Lincoln's Federal Revenue Sharing allocation.

Job Training Programs Fund - To account for the cost of providing services under the Job Training and Partnership Act which began on October 1, 1983. Funding is provided by grants from the Department of Labor.

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

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Advance Acquisition	Athletic Field & Facilities Improvement	Aviation Promotion	Civil Defense	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Lincoln/ Lancaster Co. Health	Northeast Radial	Social Security	Street Construction	Unemployment Compensation	Sanitary District	Community Development Block Grant	Grants-In-Aid	Revenue Sharing	Job Training Programs	Special Assessments	Totals 1988	Totals 1987
ASSETS																				
Cash Held By City Treasurer	$ 1,091,624	51,188	413	25,241	27,739	441,459	239,376	145,223	540,448	509,846	78,393	472,462		9,850	60,831	40,133		171,191	3,905,217	4,252,448
Cash On Hand And In Other Accounts						6,138								26,380					32,518	34,988
Investments (At Cost)		100,000			299,500						7,055,616							2,040,922	9,496,038	9,955,974
Receivables:																				
Taxes			6,276			508,014			119,620	143,544		400							777,854	571,756
Accounts	1,876					5,639	6,950	4,716	100	6,160	97,721			15,713	7,749			27,030	173,594	87,579
Accrued Interest	5,806	3,318	5	65	12,708	2,855		1,233	2,605	3,738	147,205	2,725	5	233		346		37,818	220,663	165,855
Due From Other Funds	67,566	1,926	59	645	4,890	284,726		14,600	31,123	109,540	3,637	31,486	56	2,814	30	3,809			556,707	700,502
Due From Other Governments				22,891		77,540	25	174,222			802,354				48,360		62,445		1,187,837	1,270,538
Inventories											20,280								20,280	45,400
Installment Purchase Agreement With Lancaster County	90,309																		90,309	121,123
Total Assets	$ 1,257,181	156,432	6,753	48,842	344,637	1,326,371	246,351	339,994	693,896	772,566	8,205,206	507,073	61	54,990	116,970	44,288	62,445	2,276,961	16,461,017	17,206,143
LIABILITIES AND FUND BALANCE																				
Liabilities:																				
Vouchers Payable						71,147		32											71,179	116,634
Accounts Payable				1,180			26,615	23,865	9,606		28,207			10,636	29,263		27,061	254	156,907	125,735
Accrued Liabilities				3,454		56,742	35,989	84,420	3,103	815	48,281			15,230	36,578		9,868	1,832	298,312	235,935
Due To Other Funds		198		675		375	12,267	25,616	367	70,861	553,757			10,214	4,793		14,342	253,250	946,715	1,438,085
Due To Other Governments						30													30	
Deferred Revenues	57,268					177,394				54,859									289,321	310,058
Unearned Advance														804					804	115,409
Accrued Compensated Absences				4,543		98,821	46,575	122,920	4,595	4,220	77,679			17,906	46,336		11,174	2,603	437,372	419,944
Total Liabilities	57,268	198		9,852		406,509	121,446	256,873	17,671	130,555	707,924			54,990	116,970		62,445	257,939	2,200,640	2,761,800
Fund Balances:																				
Reserved For:																				
Encumbrances				30,646	441	65,872	33,575	30,256			3,186,257			81,344	203,393			264,451	3,896,235	2,779,603
Inventories											20,280								20,280	45,400
Unreserved:																				
Designated For Subsequent Year's Expenditures		15,000		1,727		90,024	17,994	52,761	1,552	400,047	1,441,485	95,000							2,115,570	5,282,137
Undesignated	1,199,913	141,234	6,753	6,617	344,196	763,966	73,336	104	674,673	241,964	2,849,260	412,073	61	(81,344)	(203,393)	44,288		1,754,571	8,228,292	8,337,203
Total Fund Balances	1,199,913	156,234	6,753	38,990	344,637	919,862	124,905	83,121	676,225	642,011	7,497,282	507,073	61			44,288		2,019,022	14,260,377	14,444,343
Total Liabilities & Fund Balances	$ 1,257,181	156,432	6,753	48,842	344,637	1,326,371	246,351	339,994	693,896	772,566	8,205,206	507,073	61	54,990	116,970	44,288	62,445	2,276,961	16,461,017	17,206,143

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Advance Acquisition	Athletic Field & Facilities Improvement	Aviation Promotion	Civil Defense	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Lincoln/ Lancaster Co. Health	Northeast Radial	Social Security	Street Construction	Unemployment Compensation	Sanitary District	Community Development Block Grant	Grants-In-Aid	Revenue Sharing	Job Training Programs	Special Assessments	Totals 1988	Totals 1987
Revenues:																				
Real Estate And Personal Property Tax	$					2,107,428			445,159	561,555									3,114,142	2,947,813
Motor Vehicle Tax						243,249				65,180									308,429	304,784
Intergovernmental				97,640		251,954	688,451	959,222			7,422,419			2,275,688	1,420,887		754,305		13,870,566	12,757,360
Permits And Fees								482,674			126,657								609,331	580,645
Interest	76,216	11,158	59	550	30,549	32,471		14,545	31,510	42,562	515,299	32,055	61	3,039		2,810		140,060	932,944	874,557
Client Contributions							188,605								139,873				328,478	287,563
Rental Income									39,802										39,802	54,655
Program Income														163,730					163,730	93,477
Miscellaneous	333,632	69,067		345		54,632	14,744	82,361	1,638		628,975		13	42,566	36,658	1,870		78,541	1,345,042	2,180,702
Developers Share Of Districts																		6,000	6,000	8,762
Total Revenues	409,848	80,225	59	98,535	30,549	2,689,734	891,800	1,538,802	518,109	669,297	8,693,350	32,055	74	2,485,023	1,597,418	4,680	754,305	224,601	20,718,464	20,090,318
Expenditures:																				
General Government	160,674		1,184		79,417				227,030	837,239		10,056			21,279			81,084	1,417,963	1,465,001
Public Safety				159,075											126,941				286,016	149,961
Streets And Highways											2,138,930				164,802				2,303,732	2,153,930
Culture--Recreation						2,877,486									13,935				2,891,421	2,979,252
Economic Opportunity							1,919,836							2,485,023	1,042,258		754,305		6,201,422	5,319,400
Health And Welfare								3,232,304					1,056		383,604				3,616,964	3,504,832
Total Expenditures	160,674		1,184	159,075	79,417	2,877,486	1,919,836	3,232,304	227,030	837,239	2,138,930	10,056	1,056	2,485,023	1,752,819		754,305	81,084	16,717,518	15,572,376
Excess (Deficiency) Of Revenues Over Expenditures	249,174	80,225	(1,125)	(60,540)	(48,868)	(187,752)	(1,028,036)	(1,693,502)	291,079	(167,942)	6,554,420	21,999	(982)		(155,401)	4,680		143,517	4,000,946	4,517,942
Other Financing Sources (Uses):																				
Operating Transfers In				50,198		100,000	935,630	1,683,214			388,600				155,401			460,435	3,773,478	3,535,191
Operating Transfers Out	(99,883)	(94,672)		(6,186)		(23,856)					(6,468,471)					(62,000)		(1,283,664)	(8,038,732)	(7,558,059)
Total Other Financing Sources (Uses)	(99,883)	(94,672)		44,012		76,144	935,630	1,683,214			(6,079,871)				155,401	(62,000)		(823,229)	(4,265,254)	(4,022,868)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	149,291	(14,447)	(1,125)	(16,528)	(48,868)	(111,608)	(92,406)	(10,288)	291,079	(167,942)	474,549	21,999	(982)			(57,320)		(679,712)	(264,308)	495,074
Fund Balance Beginning Of Year As Previously Reported	1,050,622	170,681	7,878	55,518	393,505	1,031,470	217,311	93,409	385,146	809,953	6,942,391	485,074	1,043			101,608		2,698,734	14,444,343	10,885,154
Prior Period Adjustment																				3,064,115
Fund Balance Beginning Of Year As Restated	1,050,622	170,681	7,878	55,518	393,505	1,031,470	217,311	93,409	385,146	809,953	6,942,391	485,074	1,043			101,608		2,698,734	14,444,343	13,949,269
Residual Equity Transfers In											80,342								80,342	
Fund Balances End Of Year	$ 1,199,913	156,234	6,753	38,990	344,637	919,862	124,905	83,121	676,225	642,011	7,497,282	507,073	61			44,288		2,019,022	14,260,377	14,444,343

CITY OF LINCOLN, NE
ADVANCE ACQUISITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	58,584	58,584
Miscellaneous	150,000	329,529	179,529
Total Revenues	150,000	388,113	238,113
Expenditures -- General Government:			
Other Services And Charges		476	(476)
Capital Outlay	170,000	160,215	9,785
Total Expenditures	170,000	160,691	9,309
Excess (Deficiency) Of Revenues Over Expenditures	(20,000)	227,422	247,422
Other Financing Uses -- Operating Transfers Out	(212,500)	(99,883)	112,617
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing Uses	(232,500)	127,539	360,039
Fund Balance Beginning Of Year	875,718	875,718	
Fund Balance End Of Year	$ 643,218	1,003,257	360,039

CITY OF LINCOLN, NE
AVIATION PROMOTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$	41	41
Interest	2,500	553	(1,947)
Total Revenues	2,500	594	(1,906)
Expenditures -- General Government --			
Other Services And Charges	15,000	1,184	13,816
Excess Of Expenditures Over Revenues	(12,500)	(590)	11,910
Fund Balance Beginning Of Year	16,724	16,724	
Fund Balance End Of Year	$ 4,224	16,134	11,910

CITY OF LINCOLN, NE
CIVIL DEFENSE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 110,347	92,993	(17,354)
Miscellaneous	7,272	345	(6,927)
Interest		47	47
Total Revenues	117,619	93,385	(24,234)
Expenditures -- Public Safety:			
Personal Services	100,536	94,214	6,322
Materials And Supplies	3,375	2,494	881
Other Services And Charges	22,484	18,970	3,514
Capital Outlay	35,236	31,494	3,742
Total Expenditures	161,631	147,172	14,459
Excess Of Expenditures Over Revenues	(44,012)	(53,787)	(9,775)
Other Financing Sources (Uses):			
Operating Transfers In	50,198	50,198	
Operating Transfers Out	(6,186)	(6,186)	
Total Other Financing Sources (Uses)	44,012	44,012	
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources		(9,775)	(9,775)
Fund Balance Beginning Of Year	12,220	12,220	
Fund Balance End Of Year	$ 12,220	2,445	(9,775)

CITY OF LINCOLN, NE
LINCOLN CITY LIBRARIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$ 1,916,742	2,094,002	177,260
Motor Vehicle	189,330	243,376	54,046
Intergovernmental	257,702	251,954	(5,748)
Interest	62,000	39,703	(22,297)
Miscellaneous	49,100	62,688	13,588
Total Revenues	2,474,874	2,691,723	216,849
Expenditures -- Culture And Recreation:			
Personal Services	1,881,439	1,875,430	6,009
Materials And Supplies	68,721	58,807	9,914
Other Services And Charges	425,145	431,071	(5,926)
Capital Outlay	500,032	502,455	(2,423)
Total Expenditures	2,875,337	2,867,763	7,574
Excess Of Expenditures Over Revenues	(400,463)	(176,040)	224,423
Other Financing Sources (Uses):			
Operating Transfers In		100,000	100,000
Operating Transfers Out	(30,900)	(23,856)	7,044
Total Other Financing Sources (Uses)	(30,900)	76,144	107,044
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(431,363)	(99,896)	331,467
Fund Balance Beginning Of Year	680,929	680,929	
Fund Balance End Of Year	$ 249,566	581,033	331,467

CITY OF LINCOLN, NE
LINCOLN AREA AGENCY ON AGING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 755,926	697,244	(58,682)
Client Contributions	223,640	188,886	(34,754)
Miscellaneous		15,785	15,785
Total Revenues	979,566	901,915	(77,651)
Expenditures -- Economic Opportunity:			
Personal Services	1,030,967	1,031,376	(409)
Materials And Supplies	304,368	261,821	42,547
Other Services And Charges	561,841	568,669	(6,828)
Capital Outlay	19,450	27,948	(8,498)
Total Expenditures	1,916,626	1,889,814	26,812
Excess Of Expenditures Over Revenues	(937,060)	(987,899)	(50,839)
Other Financing Sources --			
Operating Transfers In	935,630	935,630	
Excess Of Expenditures Over Revenues And Other Financing Sources	(1,430)	(52,269)	(50,839)
Fund Balance Beginning Of Year	245,220	245,220	
Fund Balance End Of Year	$ 243,790	192,951	(50,839)

CITY OF LINCOLN, NE
LINCOLN/LANCASTER COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 1,059,146	931,591	(127,555)
Permits And Fees	534,277	482,309	(51,968)
Interest		12,597	12,597
Miscellaneous		86,004	86,004
Total Revenues	1,593,423	1,512,501	(80,922)
Expenditures -- Health And Welfare:			
Personal Services	2,445,890	2,442,427	3,463
Materials And Supplies	121,654	118,795	2,859
Other Services And Charges	599,954	604,907	(4,953)
Capital Outlay	44,370	43,945	425
Total Expenditures	3,211,868	3,210,074	1,794
Excess Of Expenditures Over Revenues	(1,618,445)	(1,697,573)	(79,128)
Other Financing Sources -- Operating Transfers In	1,724,065	1,683,214	(40,851)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	105,620	(14,359)	(119,979)
Fund Balance Beginning Of Year	121,409	121,409	
Fund Balance End Of Year	$ 227,029	107,050	(119,979)

CITY OF LINCOLN, NE
NORTHEAST RADIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 418,244	418,244	
Interest		13,903	13,903
Rentals	73,279	39,802	(33,477)
Miscellaneous		3,538	3,538
Total Revenues	491,523	475,487	(16,036)
Expenditures -- General Government:			
Personal Services	95,614	95,614	
Materials And Supplies	5,765	5,765	
Other Services And Charges	123,157	123,157	
Capital Outlay	529	529	
Total Expenditures	225,065	225,065	
Excess Of Revenues Over Expenditures	266,458	250,422	(16,036)
Fund Balance Beginning Of Year	243,910	243,910	
Fund Balance End Of Year	$ 510,368	494,332	(16,036)

CITY OF LINCOLN, NE
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$ 510,890	558,819	47,929
Motor Vehicle	50,464	64,591	14,127
Interest	47,000	44,083	(2,917)
Total Revenues	608,354	667,493	59,139
Expenditures -- General Government:			
Personal Services	26,113	21,195	4,918
Employer's Share Social Security	980,421	810,725	169,696
Other Services And Charges		204	(204)
Total Expenditures	1,006,534	832,124	174,410
Excess Of Expenditures Over Revenues	(398,180)	(164,631)	233,549
Fund Balance Beginning Of Year	745,587	745,587	
Fund Balance End Of Year	$ 347,407	580,956	233,549

CITY OF LINCOLN, NE
UNEMPLOYMENT COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$	18	18
Interest		26,954	26,954
Total Revenues		26,972	26,972
Expenditures -- General Government --			
Unemployment Compensation Payments	95,000	10,056	84,944
Excess (Deficiency) Of Revenues Over Expenditures	(95,000)	16,916	111,916
Fund Balance Beginning Of Year	457,853	457,853	
Fund Balance End Of Year	$ 362,853	474,769	111,916

CITY OF LINCOLN, NE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 1,971,367	2,183,000	211,633
Program Income	125,000	196,588	71,588
Miscellaneous		29,093	29,093
Total Revenues	2,096,367	2,408,681	312,314
Expenditures -- Economic Opportunity:			
Personal Services	488,591	427,809	60,782
Materials And Supplies	10,825	8,568	2,257
Other Services And Charges	273,330	496,110	(222,780)
Loans And Grants	618,227	539,519	78,708
Capital Outlay	1,293,622	922,563	371,059
Total Expenditures	2,684,595	2,394,569	290,026
Excess (Deficiency) Of Revenues Over Expenditures	(588,228)	14,112	602,340
Other Financing Uses -- Operating Transfers Out	(3,210)		3,210
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing Uses	(591,438)	14,112	605,550
Fund Balance Beginning Of Year	(492,915)	(492,915)	
Fund Balance End Of Year	$ (1,084,353)	(478,803)	605,550

CITY OF LINCOLN, NE
GRANTS-IN-AID FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 1,364,519	1,364,519	
Client Contributions	140,311	140,311	
Miscellaneous	39,530	39,530	
Total Revenues	1,544,360	1,544,360	
Expenditures:			
General Government:			
Materials And Supplies	13,237	13,237	
Other Services And Charges	6,812	6,812	
Capital Outlay	1,153	1,153	
Total General Government	21,202	21,202	
Public Safety:			
Personal Services	68,144	68,144	
Materials And Supplies	426	426	
Other Services And Charges	23,610	23,610	
Capital Outlay	26,131	26,131	
Total Public Safety	118,311	118,311	
Streets And Highways:			
Personal Services	68,845	68,845	
Materials And Supplies	2,323	2,323	
Other Services And Charges	85,973	85,973	
Capital Outlay	351	351	
Total Streets And Highways	157,492	157,492	
Culture And Recreation:			
Personal Services	12,597	12,597	
Materials And Supplies	89	89	
Other Services And Charges	1,333	1,333	
Total Culture And Recreation	14,019	14,019	

(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Economic Opportunity:	$		
Personal Services	551,802	551,802	
Materials And Supplies	119,038	119,038	
Other Services And Charges	544,042	544,042	
Capital Outlay	9,023	9,023	
Total Economic Opportunity	1,223,905	1,223,905	
Health And Welfare:			
Personal Services	244,487	244,487	
Materials And Supplies	24,991	24,991	
Other Services And Charges	74,449	74,449	
Capital Outlay	35,525	35,525	
Total Health And Welfare	379,452	379,452	
Total Expenditures	1,914,381	1,914,381	
Excess Of Expenditures Over Revenues	(370,021)	(370,021)	
Other Financing Sources -- Operating Transfers In	155,401	155,401	
Excess Of Expenditures Over Revenues And Other Financing Sources	(214,620)	(214,620)	
Fund Balance Beginning Of Year	(392,721)	(392,721)	
Fund Balance End Of Year	$ (607,341)	(607,341)	

CITY OF LINCOLN, NE
REVENUE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	14,561	14,561
Miscellaneous		1,870	1,870
Total Revenues		16,431	16,431
Expenditures --			
Culture And Recreation --			
Capital Outlay		7,706	(7,706)
Excess Of Revenues Over Expenditures		8,725	8,725
Other Financing Uses --			
Operating Transfers Out		(62,000)	(62,000)
Excess Of Expenditures And Other Financing Uses Over Revenues		(53,275)	(53,275)
Fund Balance Beginning Of Year	110,513	110,513	
Fund Balance End Of Year	$ 110,513	57,238	(53,275)

CITY OF LINCOLN, NE
JOB TRAINING PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues -- Intergovernmental	$ 885,402	885,402	
Expenditures -- Economic Opportunity:			
Personal Services	420,449	420,449	
Materials And Supplies	3,080	3,080	
Other Services And Charges	320,788	320,788	
Total Expenditures	744,317	744,317	
Excess Of Revenues Over Expenditures	141,085	141,085	
Fund Balance Beginning Of Year	(177,791)	(177,791)	
Fund Balance End Of Year	$ (36,706)	(36,706)	

CITY OF LINCOLN, NE
STREET CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 6,000,000	7,423,511	1,423,511
Permits And Fees		126,730	126,730
Miscellaneous	424,631	533,987	109,356
Interest	250,000	473,231	223,231
Total Revenues	6,674,631	8,557,459	1,882,828
Expenditures -- Streets And Highways:			
Personal Services	1,248,224	1,324,555	(76,331)
Materials And Supplies	243,170	209,250	33,920
Other Services And Charges	356,280	418,670	(62,390)
Capital Outlay	4,500	2,133	2,367
Total Expenditures	1,852,174	1,954,608	(102,434)
Excess Of Revenues Over Expenditures	4,822,457	6,602,851	1,780,394
Other Financing Sources (Uses):			
Operating Transfers In	388,600	388,600	
Operating Transfers Out	(7,023,574)	(7,120,253)	(96,679)
Total Other Financing Sources (Uses)	(6,634,974)	(6,731,653)	(96,679)
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(1,812,517)	(128,802)	1,683,715
Fund Balance Beginning Of Year	7,103,087	7,103,087	
Residual Equity Transfer In		80,342	80,342
Fund Balance End Of Year	$ 5,290,570	7,054,627	1,764,057

CITY OF LINCOLN, NE
ATHLETIC FIELD AND FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	11,141	11,141
Miscellaneous	82,500	69,067	(13,433)
Total Revenues	82,500	80,208	(2,292)
Other Financing Uses --			
Operating Transfers Out	(101,714)	(94,474)	7,240
Excess Of Other Financing Uses Over Revenues	(19,214)	(14,266)	4,948
Fund Balance Beginning Of Year	169,925	169,925	
Fund Balance End Of Year	$ 150,711	155,659	4,948

CITY OF LINCOLN, NE
SANITARY DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	1,036	1,036
Miscellaneous		13	13
Total Revenues		1,049	1,049
Expenditures -- Sanitation --			
Other Services And Charges	3,331	1,056	2,275
Excess Of Expenditures Over Revenues	(3,331)	(7)	3,324
Fund Balance Beginning Of Year	(96,016)	(96,016)	
Fund Balance End Of Year	$ (99,347)	(96,023)	3,324

CITY OF LINCOLN, NE
CABLE ACCESS TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues --			
Interest	$	32,564	32,564
Expenditures -- General Government:			
Materials And Supplies		447	(447)
Other Services And Charges		43,841	(43,841)
Capital Outlay - Equipment	318,628	25,398	293,230
Total Expenditures	318,628	69,686	248,942
Excess Of Expenditures Over Revenues	(318,628)	(37,122)	281,506
Fund Balance Beginning Of Year	363,921	363,921	
Fund Balance End Of Year	$ 45,293	326,799	281,506

CITY OF LINCOLN, NE
SPECIAL ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest On Investments	$ 140,060	140,060	
Miscellaneous	51,684	51,684	
Developers Share Of Districts	6,000	6,000	
Total Revenues	197,744	197,744	
Expenditures--			
Administrative Costs	86,790	86,790	
Excess Of Revenues Over Expenditures	110,954	110,954	
Other Financing Sources (Uses):			
Operating Transfers In	460,435	460,435	
Operating Transfers Out	(1,082,026)	(1,082,026)	
Total Other Financing Sources (Uses)	(621,591)	(621,591)	
Excess Of Expenditures And Other Financing Uses Over Expenditures And Other Financing Sources	(510,637)	(510,637)	
Fund Balance Beginning Of Year	2,698,734	2,698,734	
Fund Balance End Of Year	$ 2,188,097	2,188,097	

DEBT SERVICE FUNDS

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

Tax Allocation Projects Debt Service Fund - To accumulate resources for payment of principal and interest on the 1985 Cornhusker Square tax allocation bonds and the 1984 Gold's Galleria tax allocation bonds. Resources are derived from additional taxes generated by the above properties upon completion of the Redevelopment Projects.

Bond Interest and Redemption Fund - To accumulate resources for payment of principal and interest on the several general obligation bond issues outstanding as follows:

1971	Various Purpose Bonds
1978	Storm Sewer Construction Bonds
1979	Swimming Pool Construction Bonds
1980	Storm Sewer Construction Bonds
1981	Transit System Improvement Bonds
1983	Storm Sewer Construction Bonds
1983	Auditorium and Fire Department Capital Improvement Bonds
1986	Various Purpose Bonds
1987	Downtown Redevelopment Bonds

Resources are derived from an annual tax levy.

Special Assessment Debt Service Fund - To accumulate resources for payment of principal and interest on the various outstanding special assessments bond issues. Income is derived from Special Assessment Tax collections, interest on special assessment taxes and interest from investments.

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessments	Total 1988	Total 1987
ASSETS					
Cash Held By City Treasurer	$ 91,640	1,676,748	265,384	2,033,772	2,209,607
Investments (At Amortized Cost)	613,458		9,093,681	9,707,139	8,224,237
Receivables:					
Taxes	343,051	744,180		1,087,231	535,206
Accrued Interest	16,289	9,622	312,070	337,981	221,122
Due From Other Funds	12,799	495,221	58,267	566,287	690,561
Due From Other Governments		34,780		34,780	28,901
Special Assessments Receivable			8,527,352	8,527,352	10,081,026
Total Assets	$ 1,077,237	2,960,551	18,256,754	22,294,542	21,990,660
LIABILITIES AND FUND BALANCES					
Liabilities:					
Bond Principal Payable	5,000	10,000		15,000	15,000
Bond Interest Payable	1,425	10,401	8,331	20,157	19,022
Deferred Revenues		238,332	7,044,225	7,282,557	7,680,226
Total Liabilities	6,425	258,733	7,052,556	7,317,714	7,714,248
Fund Balances:					
Reserved For Debt Service	1,070,812	2,701,818	8,495,775	12,268,405	13,122,449
Undesignated			2,708,423	2,708,423	1,153,963
Total Fund Balance	1,070,812	2,701,818	11,204,198	14,976,828	14,276,412
Total Liabilities And Fund Balances	$ 1,077,237	2,960,551	18,256,754	22,294,542	21,990,660

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessments	Total 1988	Total 1987
Revenues:					
Real Estate And Personal Property Tax	$ 685,844	3,169,429		3,855,273	3,635,027
Taxes Collected By Others		369,188		369,188	317,379
Intergovernmental		1,476		1,476	1,344
Interest	64,842	110,261	662,355	837,458	546,692
Miscellaneous					9,000
Special Assessments			1,356,218	1,356,218	1,935,204
Special Assessment Interest			1,079,095	1,079,095	1,639,913
Total Revenues	750,686	3,650,354	3,097,668	7,498,708	8,084,559
Expenditures:					
Principal Retirement	250,000	1,455,000	1,895,000	3,600,000	15,475,000
Interest	421,100	1,668,280	1,109,804	3,199,184	3,669,401
Fiscal Charges	1,117	8,187	690	9,994	51,044
Total Expenditures	672,217	3,131,467	3,005,494	6,809,178	19,195,445
Excess (Deficiency) Of Revenues Over Expenditures	78,469	518,887	92,174	689,530	(11,110,886)
Other Financing Sources:					
General Obligation Bond Proceeds					11,802,000
Excess Of Revenues And Other Financing Sources Over Expenditures	78,469	518,887	92,174	689,530	691,114
Fund Balance Beginning Of Year As Previously Reported	992,343	2,172,045	11,112,024	14,276,412	3,162,619
Prior Period Adjustment					10,382,539
Fund Balance Beginning Of Year As Restated	992,343	2,172,045	11,112,024	14,276,412	13,545,158
Residual Equity Transfers In		10,886		10,886	40,140
Fund Balance End Of Year	$ 1,070,812	2,701,818	11,204,198	14,976,828	14,276,412

CITY OF LINCOLN, NE
DEBT SRVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1988

	Tax Allocation Projects Debt Service			Bond Interest And Redemption			Special Assessments			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:												
Real Estate And Personal Property Tax	$ 671,100	410,187	(260,913)	2,913,158	3,063,886	150,728				3,584,258	3,474,073	(110,185)
Taxes Collected By Others				287,754	363,309	75,555				287,754	363,309	75,555
Intergovernmental					1,476	1,476					1,476	1,476
Interest		58,746	58,746	45,000	111,616	66,616	531,664	531,664		576,664	702,026	125,362
Special Assessments							2,477,178	2,477,178		2,477,178	2,477,178	
Special Assessment Interest							1,088,095	1,088,095		1,088,095	1,088,095	
Total Revenues	671,100	468,933	(202,167)	3,245,912	3,540,287	294,375	4,096,937	4,096,937		8,013,949	8,106,157	92,208
Expenditures:												
Principal Retirement	250,000	250,000		1,485,000	1,455,000	30,000	1,895,000	1,895,000		3,630,000	3,600,000	30,000
Interest	421,100	421,100		1,801,054	1,662,532	138,522	1,122,618	1,114,415	8,203	3,344,772	3,198,047	146,725
Fiscal Charges		1,117	(1,117)		8,187	(8,187)	690	690		690	9,994	(9,304)
Total Expenditures	671,100	672,217	(1,117)	3,286,054	3,125,719	160,335	3,018,308	3,010,105	8,203	6,975,462	6,808,041	167,421
Excess (Deficiency) Of Revenues Over Expenditures		(203,284)	(203,284)	(40,142)	414,568	454,710	1,078,629	1,086,832	8,203	1,038,487	1,298,116	259,629
Fund Balance Beginning Of Year	892,207	892,207		1,836,987	1,836,987		11,112,024	11,112,024		13,841,218	13,841,218	
Residual Equity Transfer In					10,886	10,886					10,886	10,886
Fund Balance End Of Year	$ 892,207	688,923	(203,284)	1,796,845	2,262,441	465,596	12,190,653	12,198,856	8,203	14,879,705	15,150,220	270,515

CAPITAL PROJECTS FUNDS

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

Storm Sewer Bond Construction Fund - To account for the cost of improving and extending storm sewers. Financing is provided by General Obligation Bond proceeds.

Storm Sewer Construction Fund - To account for the cost of improving and extending the storm sewer system within the City. Financing is provided through property tax revenue.

Street Construction Fund - To account for the cost of constructing and improving streets and highways in the City. Financing is provided from Highway Allocation fees.

Vehicle Tax Fund - To account for monies derived from the payment of wheel tax which is to be used for street improvements in the City.

Sanitary Landfill Purchase and Construction Fund - To account for the cost of acquiring and preparing a new sanitary landfill site for the City of Lincoln. Financing is to be provided by General Obligation Bond proceeds.

Downtown Redevelopment Project Fund - To account for the cost of acquiring real property and development within the area included in the Lincoln Center Retail Revitalization/Redevelopment Project.

Other Capital Project Funds - To account for the cost of acquiring or improving various general fixed assets. Financing is provided from a variety of sources, such as General Fund appropriations, Revenue Sharing, Federal/State grants, bond proceeds, etc.

Special Assessment Capital Projects Fund - To account for the cost of capital improvements to be assessed against benefitted properties. Resources are derived from fund transfers from the Special Revenue fund type and interest on investments.

CITY OF LINCOLN, NE
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Storm Sewer Bond Construction	Storm Sewer Construction	Street Construction	Vehicle Tax	Sanitary Landfill Purchase & Construction	Downtown Redevelopment	Other Capital Projects	Special Assessments	Totals 1988	Totals 1987
ASSETS										
Cash Held By City Treasurer	$	326		14,046	403,771	13,499	34,228		465,870	349,976
Investments (At Cost)	698,000	178,000		1,251,009	400,000	13,146,886			15,673,895	16,049,170
Receivables:										
Accounts	25,900			216,597			76,016		318,513	193,018
Accrued Interest	991	275		9,851	1,201	291,375	791		304,484	249,208
Due From Other Funds		231	498,460	349	12,802	2,770	367,733	251,582	1,133,927	1,717,552
Due From Other Governments							24,444		24,444	203,924
Total Assets	$ 724,891	178,832	498,460	1,491,852	817,774	13,454,530	503,212	251,582	17,921,133	18,762,848
LIABILITIES & FUND BALANCES										
Liabilities:										
Vouchers Payable										168,623
Contracts Payable	57,263	46,484	392,211	447,474	293,960		393,859	237,730	1,868,981	1,365,968
Accounts Payable	53	470		263			32,905	6,974	40,665	59,606
Due To Other Funds	82,204	3,436	106,249	28,634	11,156		48,187	6,878	286,744	859,459
Deferred Revenues	19,425								19,425	
Total Liabilities	158,945	50,390	498,460	476,371	305,116		474,951	251,582	2,215,815	2,453,656
Fund Balances:										
Reserved For Encumbrances	191	4,380		613,786	295,867		117,219		1,031,443	634,856
Unreserved:										
Designated For Subsequent Year's Expenditures	216,022	8,417			216,791				441,230	1,768,810
Undesignated	349,733	115,645		401,695		13,454,530	(88,958)		14,232,645	13,905,526
Total Fund Balances	565,946	128,442		1,015,481	512,658	13,454,530	28,261		15,705,318	16,309,192
Total Liabilities And Fund Balances	$ 724,891	178,832	498,460	1,491,852	817,774	13,454,530	503,212	251,582	17,921,133	18,762,848

CITY OF LINCOLN, NE
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Storm Sewer Bond Construction	Storm Sewer Construction	Street Construction	Vehicle Tax	Sanitary Landfill Purchase & Construction	Downtown Redevelopment	Other Capital Projects	Special Assessments	Totals 1988	Totals 1987
Revenues:										
Wheel Tax	$			2,335,284					2,335,284	2,260,522
Intergovernmental				325,195			119,275		444,470	166,030
Interest	82,114	12,841		98,470	49,648	834,064	12,910		1,090,047	1,399,473
Donations										48
Miscellaneous	15,570	6			548,786		683,009		1,247,371	212,234
Total Revenues	97,684	12,847		2,758,949	598,434	834,064	815,194		5,117,172	4,038,307
Expenditures -- Capital Outlay:										
Construction Contracts	937,326	253,442	3,987,813	2,533,942	1,799,286		3,266,516	1,283,106	14,061,431	10,812,162
Engineering And Other	114,175	11,985	1,700,341	326,990	471,553		155,208	558	2,780,810	3,244,222
Land Purchases										550,376
Total Expenditures	1,051,501	265,427	5,688,154	2,860,932	2,270,839		3,421,724	1,283,664	16,842,241	14,606,760
Excess (Deficiency) Of Revenues Over Expenditures	(953,817)	(252,580)	(5,688,154)	(101,983)	(1,672,405)	834,064	(2,606,530)	(1,283,664)	(11,725,069)	(10,568,453)
Other Financing Sources (Uses):										
Operating Transfers In		209,883	5,688,154	81,755	1,460,400		2,545,326	1,283,664	11,269,182	8,508,720
Operating Transfers Out				(50,000)			(6,759)		(56,759)	(510,028)
Bond Anticipation Note Proceeds										71,000
Total Other Financing Sources (Uses)		209,883	5,688,154	31,755	1,460,400		2,538,567	1,283,664	11,212,423	8,069,692
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(953,817)	(42,697)		(70,228)	(212,005)	834,064	(67,963)		(512,646)	(2,498,761)
Fund Balances Beginning Of Year	1,530,649	171,139		1,166,051	724,663	12,620,466	96,224		16,309,192	18,848,093
Residual Equity Transfers Out	(10,886)			(80,342)					(91,228)	(40,140)
Fund Balances End Of Year	$ 565,946	128,442		1,015,481	512,658	13,454,530	28,261		15,705,318	16,309,192

(THIS PAGE LEFT BLANK INTENTIONALLY)

PROPRIETARY FUNDS

(THIS PAGE LEFT BLANK INTENTIONALLY)

ENTERPRISE FUNDS

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

Parking Lot Revolving Fund - To account for the revenues and expenses of several metered City-owned parking lots.

Golf Fund - To account for the revenues and expenses of the three public adult golf courses and one youth golf course.

Parking Facilities Fund - To account for the revenues and expenses of two downtown parking garages, the Centrum Parking facility and the Cornhusker Square parking facility.

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

Sanitary Landfill Revenue Fund - To account for the revenues and expenses of the City owned landfill.

Lincoln General Hospital Fund - To account for the revenues and expenses of the City-owned general hospital.

Lincoln Transportation System Fund - To account for the revenues and expenses of the City-owned transit system.

Lincoln Sanitary Sewer System Fund - To account for the revenues and expenses of the City-owned wastewater utility.

Lincoln Water System Fund - To account for the revenues and expenses of the City-owned water utility.

Lincoln Electric System Fund - To account for the revenues and expenses of the City-owned electric utility.

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	Lincoln Transportation System	Lincoln Sanitary Sewer System	Lincoln Water System	Lincoln Electric System	Totals 1988	Totals 1987
ASSETS:												
Current Assets:												
Cash Held By City Treasurer	$ 121,518	497,273	177,020	31,481	1,851,036	210,000	1,213,952	465,000	530,000	588,749	5,686,029	4,191,937
Cash On Hand And In Other Accounts		7,617	5,973	20,062	4,404	5,000	23,881		2,100		69,037	1,121,509
Investments (At Cost or Amortized Cost)	93,400	537,696				6,666,000	96,832			59,059,422	66,453,350	66,389,513
Receivables:												
Accounts	799	46		32,212	365,850	8,654,000	29,155	788,091	1,889,388	7,883,244	19,642,785	18,276,134
Accrued Interest	5,422	12,321	1,337		9,177	184,000	38,695				250,952	233,263
Unbilled Accounts								644,021	1,661,566	2,150,507	4,456,094	5,196,976
Due From Other Funds	7,434	17,598	14,425		109,995						149,452	75,226
Due From Other Governments							161,871				161,871	318,259
Inventory (At Cost)		71,689		9,174		830,000	367,779	63,424	690,907	1,577,005	3,609,978	3,729,602
Plant Operation Assets										3,783,328	3,783,328	4,699,773
Prepaid Expenses				72		793,000	11,826	7,629	19,720	272,149	1,104,396	1,072,689
Reimbursements From Third Party Payors												57,000
Unamortized Bond Issuance Expense			43,358					122,541	153,311		319,210	347,963
Deferred Charges						601,000					601,000	624,356
Total Current Assets	228,573	1,144,240	242,113	93,001	2,340,462	17,943,000	1,943,991	2,090,706	4,946,992	75,314,404	106,287,482	106,334,200
Other Assets:												
Deferred Charges And Other Assets										19,820,044	19,820,044	18,794,808
Advance Payments On Nuclear Fuel										4,017,284	4,017,284	5,173,555
Total Other Assets										23,837,328	23,837,328	23,968,363
Restricted Assets:												
Cash		211,194	7,636			34,000		1,288,027	3,056,414	10,014	4,607,285	3,096,029
Cash On Hand And In Other Accounts		932									932	2,684
Investments (At Cost or Amortized Cost)			1,712,748			3,281,000		6,404,063	9,667,052	31,045,879	52,110,742	50,804,919
Accrued Interest Receivable		726				42,000		170,005	240,182		452,913	414,669
Due From Other Funds		8,726									8,726	3,800
Total Restricted Assets		221,578	1,720,384			3,357,000		7,862,095	12,963,648	31,055,893	57,180,598	54,322,101
Property, Plant, And Equipment:												
Land	12,472	670,800	1,246,730	46,500	896,274	1,678,000	102,020	2,008,490	3,598,828		10,260,114	10,030,428
Buildings		738,796	7,414,518	2,933,427	35,090	27,201,000	1,913,093	21,688,739	23,507,349		85,432,012	84,007,002
Improvements Other Than Buildings	309,097	1,288,869		39,256	41,989	1,776,000	301,834	55,380,855			59,137,900	118,410,634
Machinery And Equipment		561,225	137,750	692,434	1,187,711	9,556,000	7,222,962	2,810,284	65,725,743		87,894,109	22,429,447
Utility Plant										350,435,246	350,435,246	343,022,983
Construction In Progress		427,227			1,565,338			3,342,571	3,036,100	13,122,587	21,493,823	15,021,188
Total	321,569	3,686,917	8,798,998	3,711,617	3,726,402	40,211,000	9,539,909	85,230,939	95,868,020	363,557,833	614,653,204	592,921,682
Less Accumulated Depreciation	(29,455)	(818,819)	(1,661,307)	(2,339,999)	(633,595)	(15,404,000)	(4,319,402)	(21,886,805)	(24,912,737)	(75,337,607)	(147,343,726)	(133,296,524)
Net Property, Plant, And Equipment	292,114	2,868,098	7,137,691	1,371,618	3,092,807	24,807,000	5,220,507	63,344,134	70,955,283	288,220,226	467,309,478	459,625,158
Total Assets	$ 520,687	4,233,916	9,100,188	1,464,619	5,433,269	46,107,000	7,164,498	73,296,935	88,865,923	418,427,851	654,614,886	644,249,822

(continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	Lincoln Transportation System	Lincoln Sanitary Sewer System	Lincoln Water System	Lincoln Electric System	Totals 1988	Totals 1987
LIABILITIES AND FUND BALANCES:												
Liabilities:												
Current Liabilities (Payable From Current Assets):												
Vouchers Payable	$											4,393
Accounts Payable	1,228	46,369	10,968	28,499	10,823	1,290,000	1,491,241	89,921	233,628	4,491,608	7,694,285	9,331,109
Accrued Liabilities		16,558		28,211	12,537	3,091,000	101,701	150,139	204,506	4,336,228	7,940,880	7,278,906
Due To Other Funds		4,887			14,546						19,433	8,161
Notes Payable												5,000,000
Accrued Compensated Absences		38,286		21,240	30,105		138,536	213,164	290,726		732,057	691,906
Obligations Under Capital Leases					136,067						136,067	126,388
Contracts						562,000					562,000	
Other				2,779		565,000	87,029			1,382,379	2,037,187	1,682,082
Total Current Liabilities (Payable From Current Assets)	1,228	106,100	10,968	80,729	204,078	5,508,000	1,818,507	453,224	728,860	10,210,215	19,121,909	24,122,945
Current Liabilities (Payable From Restricted Assets):												
Construction Contracts		297,738				8,000		383,037	353,871		1,042,646	142,213
Accrued Interest			60,749					109,574	204,624	6,294,615	6,669,562	5,963,058
Fuel Credit Obligation Notes										590,000	590,000	755,000
Current Portion Of Revenue Bonds			130,000			145,000		655,000	925,000	5,555,000	7,410,000	5,290,000
Accreted Interest On Capital Appreciation Bonds										1,274,756	1,274,756	
Total Current Liabilities (Payable From Restricted Assets)		297,738	190,749			153,000		1,147,611	1,483,495	13,714,371	16,986,964	12,150,271
Long Term Liabilities:												
Due To Plan Members										946,132	946,132	680,560
Deferred Credits And Other										144,163	144,163	378,379
Fuel Credit Obligation Notes (Net Of Current Portion)										1,365,000	1,365,000	1,955,000
Revenue Bonds (Net Of Current Portion)			3,180,000			18,585,000		9,085,000	11,655,000	305,001,723	347,506,723	357,786,723
Obligations Under Capital Leases					23,666						23,666	159,732
Total Long Term Liabilities			3,180,000		23,666	18,585,000		9,085,000	11,655,000	307,457,018	349,985,684	360,960,394
Total Liabilities	1,228	403,838	3,381,717	80,729	227,744	24,246,000	1,818,507	10,685,835	13,867,355	331,381,604	386,094,557	397,233,610
Fund Equity:												
Contributed Capital	2,400	223,490	3,625,129	1,341,891	2,048,045		5,345,991	32,826,640	18,135,713		63,549,299	62,453,499
Retained Earnings:												
Reserved For:												
Debt Service			1,640,650					4,383,483	8,778,062		14,802,195	10,452,940
Improvements		47,376						2,331,001	2,702,091		5,080,468	6,247,471
Restricted Funds										17,341,522	17,341,522	15,779,892
Unreserved	517,059	3,559,212	452,692	41,999	3,157,480			23,069,976	45,382,702	69,704,725	145,885,845	131,327,495
Fund Balances:												
Reserved For:												
Improvements						3,209,000					3,209,000	3,263,152
Restricted Funds						148,000					148,000	146,849
Unreserved						18,504,000					18,504,000	17,344,914
Total Retained Earnings/ Fund Balances	517,059	3,606,588	2,093,342	41,999	3,157,480	21,861,000		29,784,460	56,862,855	87,046,247	204,971,030	184,562,713
Total Fund Equity	519,459	3,830,078	5,718,471	1,383,890	5,205,525	21,861,000	5,345,991	62,611,100	74,998,568	87,046,247	268,520,329	247,016,212
Total Liabilities And Fund Equity	$ 520,687	4,233,916	9,100,188	1,464,619	5,433,269	46,107,000	7,164,498	73,296,935	88,865,923	418,427,851	654,614,886	644,249,822

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	Lincoln Transportation System	Lincoln Sanitary Sewer System	Lincoln Water System	Lincoln Electric System	Totals 1988	Totals 1987
Operating Revenues:												
Charges For Services	$					37,733,000	936,415	8,439,525	13,528,917	98,898,970	159,536,827	149,043,189
Fees		1,101,909			2,331,207						3,433,116	3,131,043
Parking Facility Revenue	73,417		943,764								1,017,181	948,675
Performance Revenue				1,075,146							1,075,146	1,074,765
Other Operating Revenue				317,088		931,000			181,554		1,429,642	1,344,394
Total Operating Revenue	73,417	1,101,909	943,764	1,392,234	2,331,207	38,664,000	936,415	8,439,525	13,710,471	98,898,970	166,491,912	155,542,066
Operating Expenses:												
Personal Services	469	427,862		486,161	360,299	19,481,000	2,745,906				23,501,697	20,972,195
Contractual Services			367,478	793,385			314,083				1,474,946	1,413,005
Operation And Maintenance	15,870	458,969		364,248	371,493	14,661,000	1,011,914	3,802,052	3,949,505	5,367,335	30,002,386	27,187,027
Purchased Power										49,581,374	49,581,374	50,365,019
Depreciation	17,673	87,655	208,422	142,990	175,267	2,094,000	664,062	1,766,939	1,710,775	10,486,141	17,353,924	16,782,396
Payments In Lieu Of Taxes										4,194,062	4,194,062	4,084,301
Administrative								940,479	1,341,948	6,664,970	8,947,397	8,155,371
Total Operating Expenses	34,012	974,486	575,900	1,786,784	907,059	36,236,000	4,735,965	6,509,470	7,002,228	76,293,882	135,055,786	128,959,314
Operating Income (Loss)	39,405	127,423	367,864	(394,550)	1,424,148	2,428,000	(3,799,550)	1,930,055	6,708,243	22,605,088	31,436,126	26,582,752
Non-Operating Revenues (Expenses):												
Interest	12,861	77,322	125,396		114,736	771,000	21,655	604,455	779,543	6,065,580	8,572,548	7,582,208
Gain (Loss) On Disposal Of Assets		(3,480)		(434)		(41,000)		2,596	137		(42,181)	5,439,053
Operating Grants							1,612,576				1,612,576	765,979
Amortization Of Deferred Charges			(2,891)			(24,000)		(13,383)	(12,508)	(2,111,674)	(2,164,456)	(2,006,173)
Donations						71,000					71,000	71,843
Interest And Fiscal Charges			(279,149)		(17,157)	(2,099,000)		(443,587)	(845,249)	(19,082,462)	(22,766,604)	(25,667,296)
Miscellaneous							22,520	8,285	38,842		69,647	1,781,047
Total Non-Operating Revenues (Expenses)	12,861	73,842	(156,644)	(434)	97,579	(1,322,000)	1,656,751	158,366	(39,235)	(15,128,556)	(14,647,470)	(12,033,339)
Net Income Before Operating Transfers	52,266	201,265	211,220	(394,984)	1,521,727	1,106,000	(2,142,799)	2,088,421	6,669,008	7,476,532	16,788,656	14,549,413
Other Financing Sources -- Operating Transfers In				295,121	21,600		1,478,737				1,795,458	2,465,364
Net Income (Loss)	52,266	201,265	211,220	(99,863)	1,543,327	1,106,000	(664,062)	2,088,421	6,669,008	7,476,532	18,584,114	17,014,777
Depreciation Transfer On Contributed Capital		1,307	111,015	133,060	7,365		664,062	617,927	289,382		1,824,118	1,702,030
Increase (Decrease) In Retained Earnings	52,266	202,572	322,235	33,197	1,550,692	1,106,000		2,706,348	6,958,390	7,476,532	20,408,232	18,716,807
Retained Earnings/Fund Balance Beginning Of Year	464,793	3,404,016	1,771,107	8,802	1,606,788	20,755,000		27,078,112	49,904,465	79,569,715	184,562,798	165,845,991
Retained Earnings/Fund Balance End Of Year	$ 517,059	3,606,588	2,093,342	41,999	3,157,480	21,861,000		29,784,460	56,862,855	87,046,247	204,971,030	184,562,798

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	Lincoln Transportation System	Lincoln Sanitary Sewer System	Lincoln Water System	Lincoln Electric System	Totals 1988	Totals 1987
CASH FLOWS FROM OPERATING ACTIVITIES:												
Excess Of Revenues Over Expenses	$ 52,266	201,265	211,220	(99,863)	1,543,327	1,106,000	(664,062)	2,088,421	6,669,008	7,476,532	18,584,114	17,014,777
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:												
Loss (Gain) On Sale Of Equipment		3,480		434		41,000		(2,596)	(137)		42,181	(5,439,053)
Depreciation And Amortization	17,673	87,655	211,313	142,990	175,267	2,118,000	664,062	1,780,322	1,723,283	12,597,815	19,518,380	18,964,035
Allowance For Funds Used										(121,923)	(121,923)	(178,358)
Premium And Discount Amortization										597,265	597,265	
(Increase) Decrease In Current Assets:												
Accounts Receivable	362	5,511	5,027	(29,828)	(57,615)	(1,344,000)	(11,376)	20,977	(259,359)	414,349	(1,255,952)	413,702
Unbilled Revenues								101,859	(226,497)	865,520	740,882	
Accrued Interest Receivable	(4,651)	8,296	(576)		(4,741)	(2,000)	16,354				12,682	(64,091)
Other Receivables						(112,000)					(112,000)	
Due From Other Funds	3,670	(4,948)	(6,595)		(71,279)						(79,152)	(38,466)
Other Assets										(1,923,897)	(1,923,897)	
Inventories		(32,430)		1,027		(150,000)	(24,311)	14,249	150,455	160,314	119,304	25,719
Plant Operation Assets										916,445	916,445	2,003,405
Due From Other Governments							156,388				156,388	(308,773)
Assets Whose Use Is Restricted By Board						(171,553)					(171,553)	
Prepaid Expenses				144		(8,000)	(1,136)	310	(197)	(22,223)	(31,102)	(647,622)
Reimbursement From Third Party Payors						57,000					57,000	(57,000)
Increase (Decrease) In Current Liabilities:												
Vouchers Payable	1,128	(2,274)		(951)	(1,168)						(3,265)	(72)
Accounts Payable		2,542	4,777	4,973	(11,320)	205,000	(517,405)	(101,826)	(104,412)	(1,112,520)	(1,630,191)	844,074
Accrued Interest										708,583	708,583	(1,933,075)
Accrued Liabilities		3,857		13,596	2,547	481,000	20,165	30,255	35,802		587,222	350,942
Due To Other Funds		(697)			11,969						11,272	(4,984)
Accrued Compensated Absences		5,043		(402)	1,489		913	19,711	13,397		40,151	(9,849)
Accrual In Lieu Of Tax										75,024	75,024	
Contracts Payable		297,738									297,738	
Overpayment From Third Party Payors						241,000					241,000	(92,000)
Other				(151)			13,403			1,472,146	1,485,398	(799,778)
Decrease (Increase) In Restricted Assets			(354,133)			190,000					(164,133)	(1,387,270)
Total Adjustments	18,182	373,773	(140,187)	131,832	45,149	1,545,447	317,057	1,863,261	1,332,335	14,626,898	20,113,747	11,641,486
Net Cash Provided From (Used In) Operating Activities, Carried Forward	70,448	575,038	71,033	31,969	1,588,476	2,651,447	(347,005)	3,951,682	8,001,343	22,103,430	38,697,861	28,656,263

(continued)

(ENTERPRISE FUNDS, Continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	Lincoln Transportation System	Lincoln Sanitary Sewer System	Lincoln Water System	Lincoln Electric System	Totals 1988	Totals 1987
CASH FLOWS FROM INVESTING ACTIVITIES:												
Proceeds From Contract Used To Purchase Equipment						562,000					562,000	
Proceeds From Issuance Of Revenue Bonds												93,191,904
Proceeds From Sale Of Investments	24,224	2,093,032				28,065,000	171,419	11,007,445	10,782,644	134,898,211	187,041,975	206,115,823
Proceeds From Sale Of Fixed Assets		475				77,000				(473,393)	(395,918)	23,336,413
Payments For Purchase Of Investments	(117,624)	(1,888,683)				(28,365,000)	(185,787)	(10,099,158)	(13,634,356)	(134,450,582)	(188,741,190)	(240,871,998)
Additions To Fixed Assets		(488,651)		(59,217)	(2,016,794)	(2,834,000)	(320,806)	(4,692,239)	(4,025,783)	(10,247,266)	(24,684,756)	(20,130,248)
Additions To Contributed Capital				46,737	1,292,651		334,021	360,861	885,653		2,919,923	2,731,472
Decrease (Increase) To Current Liabilities Payable From Restricted Assets			(1,353)					365,013	228,956		592,616	708,807
Net Cash Provided By (Used In) Investing Activities	(93,400)	(283,827)	(1,353)	(12,480)	(724,143)	(2,495,000)	(1,153)	(3,058,078)	(5,762,886)	(10,273,030)	(22,705,350)	65,082,173
CASH FLOWS FROM FINANCING ACTIVITIES:												
Repayments Of Long Term Debt			(120,000)			(135,000)		(605,000)	(890,000)	(12,165,000)	(13,915,000)	(13,895,000)
Defeasance Of Long-Term Debt												(80,325,000)
Installment Payments On Capital Leases					(126,387)						(126,387)	(30,167)
Net Cash Used In Financing Activities			(120,000)		(126,387)	(135,000)		(605,000)	(890,000)	(12,165,000)	(14,041,387)	(94,250,167)
Net Increase (Decrease) In Cash	(22,952)	291,211	(50,320)	19,489	737,946	21,447	(348,158)	288,604	1,348,457	(334,600)	1,951,124	(511,731)
Cash Beginning Of Year	144,470	425,805	240,949	32,054	1,117,494	227,553	1,585,991	1,464,423	2,240,057	933,363	8,412,159	8,923,890
Cash End Of Year	$ 121,518	717,016	190,629	51,543	1,855,440	249,000	1,237,833	1,753,027	3,588,514	598,763	10,363,283	8,412,159

(THIS PAGE LEFT BLANK INTENTIONALLY)

INTERNAL SERVICE FUNDS

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

Data Processing Fund - To account for the cost of operating a central data processing facility for the City of Lincoln and Lancaster County. User City and County departments are charged for the resources used. Resources used are billed at cost plus an administrative overhead.

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

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

Public Works Equipment Management Fund - To account for the operation of a centralized maintenance facility for equipment used by other City departments, such as autos, trucks, heavy equipment, and miscellaneous other equipment. Revenue is derived from billings to user departments.

Police Garage Fund - To account for the operation of a maintenance facility for the Police fleet. Revenue is derived from billings to the Police Department.

Print Services Revolving Fund - To account for the operation of a centralized print shop. Revenues are derived from billings to user departments.

Stores Revolving Fund - To account for the operation of a centralized office supply facility. Revenues are derived from billings to user departments.

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving System	Totals 1988	Totals 1987
ASSETS									
Current Assets:									
Cash Held By City Treasurer	$ 491,910	236,285	154,419	2,162,862	685,258	41,645	66,633	3,839,012	4,503,570
Investments (At Cost)			1,968,065					1,968,065	1,483,994
Receivables:									
Accounts	96,788	91,328	7,340	41,285	5,824	9,264	157	251,986	177,754
Accrued Interest	731	1,856	72,553	15,617	4,140	234	458	95,589	51,681
Due From Other Funds	90,621	264,753	41,369	415,815	122,421	37,167	6,671	978,817	762,535
Due From Other Governments	235,273					4,625	1,312	241,210	228,215
Inventories				230,967	40,945	11,090	8,998	292,000	289,250
Total Current Assets	$ 915,323	594,222	2,243,746	2,866,546	858,588	104,025	84,229	7,666,679	7,496,999
Fixed Assets	2,879,887	361,572	14,722	7,326,248	2,167,064	273,003		13,022,496	11,744,677
Less Accumulated Depreciation	(1,956,631)	(210,575)	(11,558)	(4,197,533)	(1,341,854)	(185,931)		(7,904,082)	(7,214,519)
Net Fixed Assets	923,256	150,997	3,164	3,128,715	825,210	87,072		5,118,414	4,530,158
Total Assets	1,838,579	745,219	2,246,910	5,995,261	1,683,798	191,097	84,229	12,785,093	12,027,157
LIABILITIES AND FUND EQUITY									
Current Liabilities:									
Vouchers Payable				118				118	34,439
Accounts Payable	31,248	19,774	35,149	67,826	17,078	9,568	1,619	182,262	263,757
Accrued Liabilities	32,510	80,056	3,747	28,228	10,682	5,308	336	160,867	122,233
Due To Other Funds	5,635	21,849	617	4,021	1,645	658	89	34,514	107,174
Accrued Compensated Absences	53,493	201,635	4,762	80,523	45,060	3,046	832	389,351	361,846
Claims			1,180,705					1,180,705	240,632
Obligations Under Capital Leases	288,227							288,227	455,207
Total Current Liabilities	411,113	323,314	1,224,980	180,716	74,465	18,580	2,876	2,236,044	1,585,288
Long Term Liabilities:									
Claims			1,793,715					1,793,715	569,016
Obligations Under Capital Leases	8,606							8,606	296,833
Total Liabilities	419,719	323,314	3,018,695	180,716	74,465	18,580	2,876	4,038,365	2,451,137
Fund Equity:									
Contributed Capital	97,462			1,373,905	97,580			1,568,947	1,584,822
Retained Earnings/Unreserved	1,321,398	421,905	(771,785)	4,440,640	1,511,753	172,517	81,353	7,177,781	7,991,198
Total Fund Equity	1,418,860	421,905	(771,785)	5,814,545	1,609,333	172,517	81,353	8,746,728	9,576,020
Total Liabilities And Fund Equity	$ 1,838,579	745,219	2,246,910	5,995,261	1,683,798	191,097	84,229	12,785,093	12,027,157

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative totals For Fiscal Year Ended August 31, 1987

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving System	Totals 1988	Totals 1987
Operating Revenues:									
Charges For Services	$ 3,477,462	3,276,670	1,612,671	2,207,413	898,858	315,234	132,947	11,921,255	11,171,997
Operating Expenses:									
Personal Services	955,446	2,376,138	104,328	820,429	322,148	113,302	11,898	4,703,689	4,504,918
Supplies And Materials	101,485	38,155	19,889	814,747	213,083	100,865	32,930	1,321,154	1,421,448
Other Services And Charges	1,436,309	791,150	3,332,093	324,867	115,488	62,606	97,214	6,159,727	4,501,962
Depreciation	429,315	25,774	1,370	512,530	293,047	24,927		1,286,963	1,295,508
Total Operating Expenses	2,922,555	3,231,217	3,457,680	2,472,573	943,766	301,700	142,042	13,471,533	11,723,836
Operating Income (Loss)	554,907	45,453	(1,845,009)	(265,160)	(44,908)	13,534	(9,095)	(1,550,278)	(551,839)
Non-Operating Revenues (Expenses):									
Interest	11,190	21,106	153,652	181,277	47,675	2,481	5,487	422,868	334,523
Contributions From Stores Revolving									144,561
Interest And Fiscal Charges	(49,056)							(49,056)	(98,414)
Miscellaneous	1,023			22,927	(7,728)			16,222	(12,280)
Total Non-Operating Revenues (Expenses)	(36,843)	21,106	153,652	204,204	39,947	2,481	5,487	390,034	368,390
Net Income (Loss)	518,064	66,559	(1,691,357)	(60,956)	(4,961)	16,015	(3,608)	(1,160,244)	(183,449)
Depreciation Transfer On Contributed Capital	37,397			295,541	13,889			346,827	323,652
Increase (Decrease) In Retained Earnings	555,461	66,559	(1,691,357)	234,585	8,928	16,015	(3,608)	(813,417)	140,203
Retained Earnings Beginning Of Year	765,937	355,346	919,572	4,206,055	1,502,825	156,502	84,961	7,991,198	7,995,556
Residual Equity Transfer Out									(144,561)
Retained Earnings End Of Year	$ 1,321,398	421,905	(771,785)	4,440,640	1,511,753	172,517	81,353	7,177,781	7,991,198

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative totals For Fiscal Year Ended August 31, 1987

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving System	Totals 1988	Totals 1987
Cash Flows From Operating Activities:									
Excess Of Revenues Over Expenses	518,064	66,559	(1,691,357)	(60,956)	(4,961)	16,015	(3,608)	(1,160,244)	(183,449)
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:									
Loss (Gain) On Sale Of Equipment	(1,023)			(22,927)	7,728			(16,222)	100,639
Depreciation	429,315	25,774	1,370	512,530	293,047	24,927		1,286,963	1,295,508
(Increase) Decrease In Current Assets:									
Accounts Receivable	(794)	(50,195)	(7,340)	(4,590)	(5,825)	(8,592)	3,103	(74,233)	326,197
Accrued Interest Receivable	(662)	(258)	(38,146)	(4,012)	(989)	(49)	208	(43,908)	(14,925)
Due From Other Funds	47,583	(136,731)	(21,551)	(96,135)	15,186	(26,463)	1,829	(216,282)	82,362
Inventories				(4,612)	2,430	1,309	(1,877)	(2,750)	(21,979)
Due From Other Governments	(12,442)				88	(237)	(404)	(12,995)	19,911
Increase (Decrease) In Current Liabilities:									
Vouchers Payable	(17,753)	(1,658)	(12)	(10,553)	(1,346)	(2,820)	(179)	(34,321)	(25,746)
Accounts Payable	(74,700)	(1,357)	8,020	26,685	(3,505)	(6,985)	(29,653)	(81,495)	(5,208)
Accrued Liabilities	9,703	13,577	1,458	7,256	3,052	3,252	336	38,634	21,386
Due To Other Funds	(146)	2,226	113	58	1,456	(10,895)	(65,472)	(72,660)	76,264
Accrued Compensated Absences	7,176	8,947	1,549	2,811	4,889	1,301	832	27,505	(16,061)
Accrued Interest									(8,518)
Claims			940,073					940,073	(46,996)
Total Adjustments	386,257	(139,675)	885,534	406,511	316,211	(25,252)	(91,277)	1,738,309	1,782,834
Net Cash Provided From (Used In) Operating Activities, Carried Forward	904,321	(73,116)	(805,823)	345,555	311,250	(9,237)	(94,885)	578,065	1,599,385
Cash Flows From Investing Activities:									
Proceeds From Contract Used To Purchase Equipment									49,855
Proceeds From Sale Of Investments			2,504,414					2,504,414	4,076,549
Proceeds From Sale Of Fixed Assets	1,288			23,199	27,968			52,455	49,843
Payments For Purchase Of Investments			(2,988,485)					(2,988,485)	(4,046,690)
Additions To Fixed Assets	(168,474)	(97,905)	(325)	(1,252,488)	(384,305)	(21,638)		(1,925,135)	(818,375)
Additions To Contributed Capital	87,051			257,585				344,636	380,693
Increase In Claims			1,224,699					1,224,699	170,498
Equity Transfer									(144,561)
Net Cash Provided By (Used In) Investing Activit ies	(80,135)	(97,905)	740,303	(971,704)	(356,337)	(21,638)		(787,416)	(282,188)
Cash Flows From Financing Activities:									
Installment Payments On Capital Leases	(450,244)					(4,963)		(455,207)	(497,446)
Net Increase (Decrease) In Cash	373,942	(171,021)	(65,520)	(626,149)	(45,087)	(35,838)	(94,885)	(664,558)	819,751
Cash Beginning Of Year	117,968	407,306	219,939	2,789,011	730,345	77,483	161,518	4,503,570	3,683,819
Cash End Of Year	$ 491,910	236,285	154,419	2,162,862	685,258	41,645	66,633	3,839,012	4,503,570

FIDUCIARY FUNDS

Pension Trust Funds

The City maintains two retirement funds which account for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers and firefighters.

Expendable Trust Funds

Expendable Trust funds are used to account for resources received and held by the City as trustee and are to be expended in accordance with the conditions of the respective trust.

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

Commission on Aging Gift Trust Fund - To account for the proceeds of fund-raising activities by and donations to the Lincoln/Lancaster Senior Center Foundation. These funds are turned over to the City to be used for special projects at the discretion of the Foundation.

Library Special Trust Funds - To account for the receipt of investment earnings from the following trusts:

Joseph J. Hompes Trust - To be used to buy books as stipulated by the trust.
Lillian Polley Trust - To be used for the Polley Music Library.

Agency Funds

Agency funds are used to account for assets held for other funds, governments, or others.

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

Airport Authority -	taxes collected on its behalf.
State of Nebraska -	sales tax collections on sales made by the City of Lincoln and to be remitted to the State.

Lincoln Public Schools - fines, fees, licenses and permits collected on its behalf.

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

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

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

Earnings on Pooled Investments - To account for interest received from pooled idle fund investments pending distribution to the various City funds.

Utilities and Telephone Suspense - To account for receipts from water and sanitary sewer billings pending distribution to the Water and Sewer Utility funds and for the accumulation of funds to pay Lancaster County for the City share of the telephone bill for the County-City building.

Public Office Building Revenue Bonds Fund - To account for rental payments received from the State of Nebraska as per the following: The City has assisted the State by issuing revenue bonds on behalf of the State to build the State ETV Building and the State Game and Parks Commission Building. The lease and related financing agreements provide for the State to reimburse the City for debt service and other costs incurred by the City. The City records the amounts collected and held under the respective lease agreements in the trust and agency funds. The City has entered into these lease agreements solely for the purpose of assisting the State in providing office buildings for use exclusively by the State and at no greater cost to the State than the cost thereof to the City. The obligation to retire the revenue bonds is an obligation of the State and not the City. The State is meeting this obligation through lease payments.

Undistributed Property Tax - To account for tax collections received from the County Treasurer pending distribution to the various tax supported funds.

Deferred Compensation Plan - To account for balances deferred from employees pay under the City's Section 457 Deferred Compensation Plan.

CITY OF LINCOLN, NE
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1988
With Comparative Totals For August 31, 1987

	Pension Trust Funds		Expendable Trust Funds			Agency Funds									Totals	
	Fire Pension	Police And Fire Pension	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	Collections Due Other Governments	Contractor Deposits	Payroll Revolving	Outstanding Warrants	Earnings On Pooled Investments	Utilities And Telephone Suspense	Pub. Off. Bldg. Revenue Bonds (State Of Nebr. Lessee)	Undistributed Property Tax	Deferred Compensation Plan	1988	1987
ASSETS																
Cash Held By City Treasurer	$ 58,412	71,013	101,427	155,091	370,558	25,639	64,190	670,810	3,640,505	1,681,027	1,570	68,362	2,200,000		9,108,604	9,623,105
Cash In Other Accounts								4,037							4,037	74,316
Investments (At Cost Or Amortized Cost)	2,004,613	52,829,671										1,171,326			56,005,610	50,843,127
Receivables:																
Taxes	42,616	120,352													162,968	200,274
Accrued Interest	32,959	830,662	425	647	1,859							15,781			882,333	806,036
Other			63	744		9,401		333,680			761				344,649	46,513
Due From Other Funds	13,822	58,070	5,091	7,856	21,442	2,917		129,839			2,965	7,561			249,563	383,133
Due From Other Governments	1,140	4,959													6,099	10,874
Insurance Contract														1,757,803	1,757,803	1,860,903
Contractor Retainage							905,635								905,635	744,440
Total Assets	$ 2,153,562	53,914,727	107,006	164,338	393,859	37,957	969,825	1,138,366	3,640,505	1,681,027	5,296	1,263,030	2,200,000	1,757,803	69,427,301	64,592,721
LIABILITIES AND FUND BALANCE																
Liabilities:																
Accounts Payable			463	520	251						3,726				4,960	348,360
Warrants Payable									3,640,505						3,640,505	2,797,364
Vouchers Payable					2,522										2,522	587,816
Accrued Compensated Absences					2,560										2,560	2,064
Accrued Liabilities					1,829					303,619	1,570				307,018	283,643
Due To Other Funds				31						1,377,408		7,781	2,200,000		3,585,220	4,432,845
Due To Other Governments						37,957		1,085,250							1,123,207	768,454
Due To Contractor							969,825								969,825	816,338
Due To Plan Members								53,116						1,757,803	1,810,919	1,860,903
Deferred Revenues	13,925	64,699													78,624	95,932
Amount Held Under State Lease Agreement												1,255,249			1,255,249	1,286,044
Total Liabilities	13,925	64,699	463	551	7,162	37,957	969,825	1,138,366	3,640,505	1,681,027	5,296	1,263,030	2,200,000	1,757,803	12,780,609	13,279,763
Fund Balances:																
Reserved For:																
Employee Retirement	2,139,637	53,850,028													55,989,665	50,811,450
Encumbrances			19,595		2,136										21,731	13,567
Trust Donations			86,948	163,787	384,561										635,296	487,941
Total Fund Balances	2,139,637	53,850,028	106,543	163,787	386,697										56,646,692	51,312,958
Total Liabilities And Fund Balances	$ 2,153,562	53,914,727	107,006	164,338	393,859	37,957	969,825	1,138,366	3,640,505	1,681,027	5,296	1,263,030	2,200,000	1,757,803	69,427,301	64,592,721

CITY OF LINCOLN, NE
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Fire Pension	Police And Fire Pension	Total 1988	Total 1987
Operating Revenues:				
Employee Contributions	$	950,426	950,426	903,605
Taxes:				
Real Estate And Personal Property	107,888	471,397	579,285	1,113,916
Motor Vehicle	12,862	57,588	70,450	117,729
Interest	199,049	4,797,874	4,996,923	4,597,962
Intergovernmental	48	210	258	506
Total Operating Revenues	319,847	6,277,495	6,597,342	6,733,718
Operating Expenses:				
Benefit Payments	292,731	862,962	1,155,693	1,076,587
Refunds		257,633	257,633	233,671
Administrative Costs		5,801	5,801	4,301
Total Operating Expenses	292,731	1,126,396	1,419,127	1,314,559
Net Income	27,116	5,151,099	5,178,215	5,419,159
Fund Balance Beginning Of Year	2,112,521	48,698,929	50,811,450	45,392,291
Fund Balance End Of Year	$ 2,139,637	53,850,028	55,989,665	50,811,450

CITY OF LINCOLN, NE
PENSION TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Fire Pension	Police And Fire Pension	Totals 1988	Totals 1987
Cash Flows From Operating Activities:				
Excess Of Revenues Over Expenses	$ 27,116	5,151,099	5,178,215	5,419,159
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:				
(Increase) Decrease In Current Assets:				
Taxes Receivable	3,524	33,782	37,306	17,896
Accrued Interest Receivable	694	(76,513)	(75,819)	(82,650)
Due From Other Funds	17,600	109,307	126,907	(176,703)
Due From Other Governments	576	4,199	4,775	(3,074)
Increase (Decrease) In Current Liabilities:				
Accounts Payable				(4,600)
Due To Other Funds				(198)
Deferred Revenues	(2,803)	(14,505)	(17,308)	11,163
Total Adjustments	19,591	56,270	75,861	(238,166)
Net Cash Provided From (Used In) Operating Activities, Carried Forward	46,707	5,207,369	5,254,076	5,180,993
Cash Flows From Investing Activities:				
Proceeds From Sale Of Investments	673,643	13,007,847	13,681,490	13,852,098
Payments For Purchase Of Investments	(665,973)	(18,184,406)	(18,850,379)	(19,073,374)
Net Cash Provided By (Used In) Investing Activities	7,670	(5,176,559)	(5,168,889)	(5,221,276)
Net Increase (Decrease) In Cash	54,377	30,810	85,187	(40,283)
Cash Beginning Of Year	4,035	40,203	44,238	84,521
Cash End Of Year	$ 58,412	71,013	129,425	44,238

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF LINCOLN, NE
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1988
With Comparative Totals For Fiscal Year Ended August 31, 1987

	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	Total 1988	Total 1987
Revenues:					
Intergovernmental	$ 1,662			1,662	2,204
Donations And Gifts	56,666	186,125	98,339	341,130	351,085
Interest	5,112	8,233	21,995	35,340	27,663
Sale Of Concessions					32,748
Miscellaneous	2,500	2,200		4,700	5,828
Total Revenues	65,940	196,558	120,334	382,832	419,528
Expenditures:					
Culture And Recreation:					
Personal Services	6,166		51,599	57,765	61,685
Supplies And Materials	9,342		188	9,530	23,772
Other Services And Charges	6,607		10,100	16,707	31,109
Construction Contracts	16,148			16,148	44,819
Equipment	5,755		19,027	24,782	143,295
Economic Opportunity:					
Supplies And Materials		7,086		7,086	5,304
Other Services And Charges		83,683		83,683	42,632
Equipment		11,612		11,612	294
Total Expenditures	44,018	102,381	80,914	227,313	352,910
Excess Of Revenues Over Expenditures	21,922	94,177	39,420	155,519	66,618
Fund Balance Beginning Of Year	84,621	69,610	347,277	501,508	434,890
Fund Balance End Of Year	$ 106,543	163,787	386,697	657,027	501,508

CITY OF LINCOLN, NE
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED AUGUST 31, 1988

	Balance Sept. 1, 1987	Additions	Deductions	Balance Aug. 31, 1988
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash	$ 28,139	458,672	461,172	25,639
Receivables	9,571	9,401	9,571	9,401
Due From Other Funds	1,177	2,917	1,177	2,917
	$ 38,887	470,990	471,920	37,957
Liabilities:				
Cash Overdraft	659		659	
Due To Other Governments	38,228	460,901	461,172	37,957
	$ 38,887	460,901	461,831	37,957
CONTRACTOR DEPOSITS:				
Assets:				
Cash And Investments	$ 71,898	28,049	35,757	64,190
Contractor Retainage	744,440	285,569	124,374	905,635
	$ 816,338	313,618	160,131	969,825
Liabilities:				
Due To Contractor	$ 816,338	313,618	160,131	969,825
PAYROLL REVOLVING:				
Assets:				
Cash	1,471,838	32,017,339	32,814,330	674,847
Receivables	32,860	333,680	32,860	333,680
Due From Other Funds	124,494	31,655,595	31,650,250	129,839
	$ 1,629,192	64,006,614	64,497,440	1,138,366
Liabilities:				
Accounts Payable	316,189		316,189	
Vouchers Payable	582,777	30,547,656	31,130,433	
Due To Other Governments	730,226	31,956,415	31,601,391	1,085,250
Due To Plan Members		367,089	313,973	53,116
	$ 1,629,192	62,871,160	63,361,986	1,138,366
OUTSTANDING WARRANTS:				
Assets:				
Cash	$ 2,797,364	270,095,853	269,252,712	3,640,505
Liabilities:				
Warrants Payable	$ 2,797,364	270,095,853	269,252,712	3,640,505
EARNINGS ON POOLED INVESTMENTS:				
Assets:				
Cash	$ 1,512,160	1,681,027	1,512,160	1,681,027
Liabilities:				
Accrued Liabilities	281,214	303,619	281,214	303,619
Due To Other Funds	1,230,946	1,377,408	1,230,946	1,377,408
	$ 1,512,160	1,681,027	1,512,160	1,681,027

(continued)

	Balance Sept. 1, 1987	Additions	Deductions	Balance Aug. 31, 1988
UTILITIES AND TELEPHONE SUSPENSE:				
Assets:				
Cash	$ 1,052	23,813,319	23,812,801	1,570
Receivables	3,415	761	3,415	761
Due From Other Funds	23,198	23,792,568	23,812,801	2,965
	$ 27,665	47,606,648	47,629,017	5,296
Liabilities:				
Accounts Payable	26,613	312,321	335,208	3,726
Accrued Liabilities	1,052	23,478,111	23,477,593	1,570
	$ 27,665	23,790,432	23,812,801	5,296
PUBLIC OFFICE BUILDING REVENUE BONDS (STATE OF NEBRASKA, LESSEE):				
Assets:				
Cash And Investments	1,261,659	1,769,338	1,791,309	1,239,688
Accrued Interest	16,253	15,781	16,253	15,781
Due From Other Funds	8,132	7,561	8,132	7,561
	$ 1,286,044	1,792,680	1,815,694	1,263,030
Liabilities:				
Amount Held Under State Lease Agreement	1,286,044	1,784,899	1,815,694	1,255,249
Due To Other Funds		7,781		7,781
	$ 1,286,044	1,792,680	1,815,694	1,263,030
UNDISTRIBUTED PROPERTY TAX:				
Assets:				
Cash	$ 3,200,000	22,857,567	23,857,567	2,200,000
Liabilities:				
Due To Other Funds	$ 3,200,000	22,857,567	23,857,567	2,200,000
DEFERRED COMPENSATION PLAN:				
Assets:				
Insurance Contract	$ 1,860,903	437,894	540,994	1,757,803
Liabilities:				
Due To Plan Members	$ 1,860,903	437,894	540,994	1,757,803
AGENCY FUND TOTALS:				
Total Assets	$ 13,168,553	409,262,891	409,737,635	12,693,809
Total Liabilities	$ 13,168,553	384,301,132	384,775,876	12,693,809

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations or accounted for in trust funds.

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS ADDITIONS
BY SOURCES
FOR THE YEAR ENDED AUGUST 31, 1988

General Fixed Assets August 31, 1982*	$ 46,978,145
Additions To General Fixed Assets By Source --	
September 1, 1982 Through August 31, 1987	
General Fund Revenues	5,275,278
Federal Funds	182,088
Capital Projects Funds	5,637,482
Special Revenue Funds	1,264,030
Donations	494,864
	12,853,742
Deletions	(4,547,845)
General Fixed Assets August 31, 1987	$ 55,284,042
Additions To General Fixed Assets By Source --	
September 1, 1987 Through August 31, 1988	
General Fund Revenues	781,406
Federal Funds	82,030
Capital Projects Funds	1,511,477
Special Revenue Funds	201,159
Donations	1,022
	2,577,094
Deletions	(1,002,819)
General Fixed Assets August 31, 1988	$ 56,858,317

*The City's first inventory was completed at August 31, 1982. General fixed assets by source was not available for assets acquired prior to August 31, 1982.

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended August 31, 1988

	Total	Land	Buildings	Improvements Other Than Buildings	Machinery And Equipment
GENERAL GOVERNMENT					
Legislative	$ 13,187				13,187
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Admin. Services	692,520				692,520
Financial Administration	173,700				173,700
Law	177,671				177,671
Personnel Administration	41,461				41,461
Planning And Zoning	38,522				38,522
Buildings And Plant	7,219,279	941,178	6,114,385	163,716	
Urban Development	3,294,934	3,194,762			100,172
Total General Government	11,651,274	4,135,940	6,114,385	163,716	1,237,233
PUBLIC SAFETY					
Police	625,331				625,331
Fire	4,058,325	463,578	1,193,055	101,883	2,299,809
Codes	224,597				224,597
Communications	170,068				170,068
Civil Defense	84,167				84,167
Transportation	1,463,071	60,066	436,677	64,202	902,126
Total Public Safety	6,625,559	523,644	1,629,732	166,085	4,306,098
STREETS AND HIGHWAYS					
Street Maintenance	5,706,385	2,359,635	1,969,262	505,992	871,496
CULTURE -- RECREATION					
Parks And Recreation	20,278,436	4,800,178	5,107,928	9,784,889	585,441
Libraries	8,952,252	144,554	2,176,517	140,515	6,490,666
Cornhusker Convention Center	2,871,688	446,036	2,248,715		176,937
Total Culture -- Recreation	32,102,376	5,390,768	9,533,160	9,925,404	7,253,044
ECONOMIC OPPORTUNITY					
Lincoln Area Agency On Aging	223,872				223,872
Job Programs	28,762				28,762
Total Economic Opportunity	252,634				252,634
HEALTH AND WELFARE					
Lincoln Lancaster Co. Health	520,089				520,089
Total General Fixed Assets	$ 56,858,317	12,409,987	19,246,539	10,761,197	14,440,594

CITY OF LINCOLN, NE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended August 31, 1988

Function And Activity	General Fixed Assets Sept. 1, 1987	Additions*	Deductions	General Fixed Assets Aug. 31, 1988
GENERAL GOVERNMENT				
Legislative	$ 11,710	1,477		13,187
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Admin. Services	721,977	6,343	35,800	692,520
Financial Administration	104,472	69,852	624	173,700
Law	185,227	6,143	13,699	177,671
Personnel Administration	41,756	386	681	41,461
Planning And Zoning	36,740	6,429	4,647	38,522
Buildings And Plant	7,219,279			7,219,279
Urban Development	2,907,017	1,032,983	645,066	3,294,934
Total General Government	11,228,178	1,123,613	700,517	11,651,274
PUBLIC SAFETY				
Police	615,729	28,598	18,996	625,331
Fire	3,752,382	407,667	101,724	4,058,325
Codes	212,968	16,251	4,622	224,597
Communications	169,918	150		170,068
Civil Defense	80,903	9,033	5,769	84,167
Transportation	1,393,558	75,946	6,433	1,463,071
Total Public Safety	6,225,458	537,645	137,544	6,625,559
STREETS AND HIGHWAYS				
Street Maintenance	5,439,674	266,906	195	5,706,385
CULTURE -- RECREATION				
Parks And Recreation	20,031,036	411,963	164,563	20,278,436
Libraries	8,806,272	145,980		8,952,252
Cornhusker Convention Center	2,871,688			2,871,688
Total Culture -- Recreation	31,708,996	557,943	164,563	32,102,376
ECONOMIC OPPORTUNITY				
Lincoln Area Agency On Aging	177,071	46,801		223,872
Job Programs	28,512	250		28,762
Total Economic Opportunity	205,583	47,051		252,634
HEALTH AND WELFARE				
Lincoln Lancaster Co. Health	476,153	43,936		520,089
Total General Fixed Assets	$ 55,284,042	2,577,094	1,002,819	56,858,317

*The figures in this column do not necessarily agree with the other financial statements for capital outlay in the governmental funds. This is because expenditures made by some funds for building improvements are shown here under Buildings and Plant. Also, infrastructure items are not capitalized under the City's capitalization policies.

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

CITY OF LINCOLN, NE

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE (ALL FUNDS)
YEAR ENDED AUGUST 31, 1988

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1987	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1988
U.S. DEPARTMENT OF TRANSPORTATION							
Direct Programs:							
UMTA Section 9 Capital	20.507	NE-90-0010	$	724	181	905	
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-0002		59,731	15,999	79,994	4,264
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X009		2,728	682	3,410	
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X007	125	89,931	29,440	147,200	27,954
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X004	(4,000)	8,456	7,138	35,691	16,097
UMTA Section 9 Capital And Operating Assistance	20.507	NE-90-X017		1,072,293	2,999,610	4,071,903	
UMTA Section 9 Capital And Operating Assistance	20.507	NE-90-X014		4,694	1,612	8,059	1,753
UMTA Section 5 Capital Assistance	20.507	NE-05-0010	112,387	94,864	17,523		
UMTA Section 5 Capital Assistance	20.507	NE-05-0009	(54)	11,601	2,914	14,569	
UMTA Section 3 Capital Assistance	20.507	NE-03-0023	74,624	152,974	26,116	104,466	
UMTA Transit Planning	20.507	NE-90-X007	13,624	20,630	1,752	8,758	
UMTA Transit Planning	20.507	NE-90-X004	397	2,996	650	3,249	
UMTA Transit Planning	20.507	NE-08-0029	1,604	1,604			
UMTA Transit Planning	20.507	NE-08-0032		9,590	2,398	18,473	6,485
UMTA Transit Planning	20.507	NE-08-0034		167	41	2,635	2,427
UMTA Transit Planning	20.507	NE-90-X009		28,018	7,005	43,044	8,021
UMTA Transit Planning	20.507	NE-90-X002		31,800	7,950	49,745	9,995
Pass-Through State Department Of Roads:							
Planning Grant	20.205	HPR-PL1(26)			1,976	13,174	11,198
Planning Grant	20.205	HPR-PL1(25)	6,894	42,939	6,361	42,406	
City-Wide Traffic System	20.205	M-8031(31)	11,671				11,671
City-Wide Trafic System	20.205	M-8031(30)	51				51
Lancaster County Rural Transit	20.205	RPT-C551(188)-1989			2,443	4,111	1,668
Lancaster County Rural Transit	20.205	RPT-C551(187)-1988	1,427	12,062	20,743	31,378	
Lancaster County Rural Transit	20.205	RPT-C551(186)-1987	3,508	3,508			
70th & Pioneers	20.205	M-5247(1) & (4)	994		994		
Cumings Street	20.205	BRO-7055(71)	34,170		34,170		
27th St., Potter to I-80	20.205	M-5231(3)	9,317		40,149	49,869	19,037
16th & Holdrege Sts.	20.205	HES-5244(5)	13,481				13,481
South Street, 38th-42nd Sts.	20.205	HES-5212 (4)	105,287	100,289	340,519	335,521	
Cornhusker Highway, 9th-20th Sts.	20.205	Maint. Agreement #2	26,114		25,630		484
Cornhusker Highway, 20th-36th Sts.	20.205	Maint. Agreement #2	71,898	100,837	(4,949)	23,990	

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1987	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1988
State Administered Road Project	20.205	BHO-7055(70)		(9,926)	(3,180)	(13,106)	
State Administered Road Project	20.205	BRO-7055(71)		10,136	3,157	13,293	
State Administered Road Project	20.205	F-BRF-6-6(102)		7,297	(7,297)		
State Administered Road Project	20.205	HES-34-6(120)	1,666	52,096	5,415	55,845	
State Administered Road Project	20.205	HES-5202(6)		1,977	2,547	4,524	
State Administered Road Project	20.205	HES-5227(4)		551	(439)	59	(53)
State Administered Road Project	20.205	HES-5228(3)		2,556	1,681	4,237	
State Administered Road Project	20.205	HES-5244(5)		1,102	132	1,321	87
State Administered Road Project	20.205	HES-5244(6)		561	(561)		
State Administered Road Project	20.205	HPR-PL-1(P24)		136,684	5,871	142,555	
State Administered Road Project	20.205	HPR-PL-1(P25)		1,501,120	168,735	1,669,855	
State Administered Road Project	20.205	HPR-PL-1(P26)		163,829	165,536	329,365	
State Administered Road Project	20.205	M-BRM-5231(2)		16,897	20,864	37,761	
State Administered Road Project	20.205	M-HES-5239(3)	53	(1,368)	(1,421)		2,842
State Administered Road Project	20.205	M-5053(1)		(1,778)	1,778		
State Administered Road Project	20.205	M-5202(5)	160		(722)	(882)	
State Administered Road Project	20.205	M-5212(4)		352,665	(100,951)	251,714	
State Administered Road Project	20.205	M-5231(3)	16	60,000	(6,681)	53,303	
State Administered Road Project	20.205	M-8031(27)	471				471
State Administered Road Project	20.205	RR-6970(5)	77				77
State Administered Road Project	20.205	RR-RRS-6970(7)	12,649	(83,501)	157,109	116,371	55,412
State Administered Road Project	20.205	RR-6970(8)		2,674,256	369,923	3,044,179	
State Administered Road Project	20.205	RR-6970(9)		22,616	1,190	23,806	
State Administered Road Project	20.205	RR-6970(10)		461	2,861	3,432	110
State Administered Road Project	20.205	RRP-5210(2)	67	37,570	4,167	41,670	
State Administered Road Project	20.205	RRP-5220(1)	67	24,983	2,768	27,684	
Misc. Emergency Traffic Projects	20.205		23,982		223,428	199,446	
14th & Adams - Traffic Signals	20.205	HES-5227(4)	17,657				17,657
17th & Holdrege - Traffic Signals	20.205	HES-5244(6)	27,807		36,284	36,284	27,807
Computer Room	20.205	M8031(27)				42,565	42,565
"O" Street, 25th-63rd Sts.	20.205	HES-34-6(120)		42,889	30,000	73,268	379
RTSD	20.205	RR 6970 (7)		13,471	(6,269)	91,292	84,090
Pass-Through State Dept. Of Motor Vehicles:							
Seatbelt Safety Program	20.600	88-304				32,311	32,311
Seatbelt Safety Program	20.600	87-304	2,329	9,679		6,661	(689)
Seatbelt Safety Program	20.600	86-304	(1,373)				(1,373)
Seatbelt Safety Program	20.600	85-304	3,661				3,661
Total Department Of Transportation			$ 572,808	6,889,259	4,664,972	11,381,363	399,940

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1987	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1988
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Direct Programs:							
RSVP Aging	13.633	440-8621(05)	$ 8736	11,361	4,951	7,576	
RSVP Aging	13.633	440-8621(06)		45,444	69,785	113,542	(1,687)
Lifetime Health	13.633	07AMO321/02	5,233	126,005		122,075	1,303
Lifetime Health	13.633	07AMO321/01	5,134	5,045		(89)	
Pass-Through State Department Of Institutions:							
CARE	13.992				1,685	3,343	1,658
Pass-Through State Department Of Aging:							
Title IIIB	13.633	NGA-89-032			260,527	277,563	17,036
Title IIIB	13.633	NGA-88-078	(23,442)	264,528	1,135,638	1,423,608	
Title IIIC(1)	13.635	NGA-89-033			52,565	71,834	19,269
Title IIIC(1)	13.635	NGA-88-079	(39,325)	252,221	348,848	640,394	
Title IIIC(2)	13.635	NGA-89-034			12,633	19,232	6,599
Title IIIC(2)	13.635	NGA-88-080	(7,435)	50,838	262,887	321,160	
Pass-Through State Department Of Health:							
Aids - HERR	13.118	5/88			275	5,876	5,601
Aids - HERR	13.118	5/87				4,318	4,318
Aids - HERR	13.118	5/86 & Prior	1,671				1,671
Aids - PRVS	13.118	9/87				8,842	8,842
Aids - CTS	13.118	5/88				3,144	3,144
Aids - CTS	13.118	9/87				8,232	8,232
Aids - CTS	13.118	9/86	8,493	8,669		176	
Aids - CTS	13.118	4/85	(4,345)				(4,345)
Hypertension Grant 87/88	13.991	0988 BINEPRVS		31,591		30,661	(930)
Hypertension Grant 86/87	13.991	0987 BINEPRVS	14,777	16,560		1,783	
Hypertension Grant 85/86	13.991	0986 BINEPRVS	(1,014)			1,014	
Hypertension Grant 84/85	13.991	0985 BINEPRVS	1,024	1,024			
Risk Reduction	13.991	09883 BINEPRVS	(129)			129	
Epidemiologist 88	13.994/13.991					358	358
Epidemiologist 87	13.994/13.991		12,415	4,238		3,242	11,419
Epidemiologist 86	13.994/13.991		5,952				5,952
Epidemiologist 85	13.994/13.991		(20,788)				(20,788)
Cholesterol	13.991	88-P-18-C		4,686	868	7,930	2,376
Cholesterol	13.991	88-P-17-C	(612)	2,405	44	1,055	(2,006)
High Risk Newborn	13.991	88M-22		7,440		11,458	4,018
Rural Older Adults Wellness Program	13.991	88-P-17		2,518	6,960	9,722	244
Total Department Of Health And Human Services			$ (33,655)	834,573	2,157,666	3,098,178	72,284

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1987	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1988
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Direct Programs:							
Fair Housing Assistance	14.146	HA-15080/HA-15345	7,793	10,000		9,497	7,290
Community Development Block Grant	14.218	B-86 & 87-MC-31-0001	(62,554)	1,268,000	181,127	1,468,682	(42,999)
Community Development Block Grant, Sec. 108 - 3 Loan	14.218	B-85-MC-31-0001	(55,478)	840,000	44,153	944,745	5,114
Community Development Block Grant, Sec. 108 - 2 Loan	14.218	B-84-MC-31-0001	(1,220)	75,000	392	80,687	4,075
Section 312 Rehabilitation Loan Program	14.220		(3,532)	247,807		251,339	
Rental Rehabilitation Loan Program	14.230	R-84/85-MC-31-0201		130,189	11,546	141,735	
Pass-Through State Department Of Energy:							
Lincoln Energy Conservation Loan Program	14.550		6,588	38,505		31,917	
Pass-Through State Department Of Social Services:							
Emergency Shelter Grant Program	14.231			17,193		17,193	
Total Department Of Housing And Urban Development			$ (108,403)	2,626,694	237,218	2,945,795	(26,520)
U.S. DEPARTMENT OF THE TREASURY							
Direct Programs:							
Revenue Sharing Trust Fund, Entitlements #16 & #17	21.300	28-2-0-055-007	$ (93,406)		14,562	67,836	(40,132)
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							
Direct Programs:							
Art In Public Places	45.023	R70-41-64	$ (990)			990	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
Direct Programs:							
Hyde Memorial Observatory Solar Unit	43.002	01-776-21-12-9904-FA-9-974-000-2511	$ (542)				(542)
U.S. DEPARTMENT OF AGRICULTURE							
Direct Programs:							
Summer Food Service Program	10.559	6/88-8/88	$	15,626		19,745	4,119
Summer Food Service Program	10.559	6/87-8/87	13,187	13,370		2,472	2,289
Summer Food Service Program	10.559	6/86-8/86	500	500			
Summer Food Service Program	10.559	6/85-8/85	(1,057)			1,057	
Summer Food Service Program	10.559	6/84-8/84	(1,994)			1,994	
Total Department Of Agriculture			$ 10,636	29,496		25,268	6,408
U.S. DEPARTMENT OF EDUCATION							
Pass-Through State Library Commission:							
State Resource Center Contract	84.015	84/85	$ (607)			607	
Urban Libraries Technology Grant	84.039	85/86	(7,070)			7,070	
Major Urban Library Resource Grant	84.039	85/86	(192)			192	

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1987	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1988
Major Urban Library Resource Grant	84.039	86/87		13,729		4,465	(9,264)
Net Lender Contract	84.167	87/88		4,891			(4,891)
Net Lender Contract	84.167	86/87	(6,993)	330		343	(6,980)
Net Lender Contract	84.167	85/86	(14,396)			13,672	(724)
Total Department Of Education			$ (29,258)	18,950		26,349	(21,859)
U.S. DEPARTMENT OF LABOR							
Pass-Through State Department Of Labor:							
JTPA Title 1 Administration	17.250		$ 12,009	135,643		127,715	4,081
JTPA Title IIA Program	17.250		14,443	440,162		423,402	(2,317)
JTPA Title IIB Summer SYETP	17.250		99,332	275,665		175,815	(518)
JTPA Title III Dislocated Worker	17.246	31-31-12	(805)	33,495		34,466	166
Pass-Through State Department of Aging:							
JTPA For Older Workers	17.250	NGA-89-015				4,674	4,674
JTPA For Older Workers	17.250	NGA-88-011	5,213	40,075		34,862	
JTPA For Older Workers	17.250	NGA-87-005	30	30			
Title V (SCSEP)	17.235	NGA-89-016			7,187	13,561	6,374
Title V (SCSEP)	17.235	NGA-88-049	(2,483)	40,038	31,564	74,085	
Total Department Of Labor			$ 127,739	965,108	38,751	888,580	12,460
U.S. DEPARTMENT OF INTERIOR							
Pass-Through State Game And Parks Commission:							
Park Nodes	15.919	31-00671	$ 500	500			
Playground Development Antelope Park	15.919	31-00780	1,934		25,000	47,510	24,444
Pass-Through State Historical Society:							
Historical Preservation Fund	15.904	87/88			4,379	10,434	6,055
Historical Preservation Fund	15.904	86/87	3,938	13,407	6,969	16,438	
Total U.S. Department Of Interior			$ 6,372	13,907	36,348	74,382	30,499
U.S. ENVIRONMENTAL PROTECTION AGENCY							
Direct Program:							
Hazardous Waste	66.418		$ 1,131	1,138		7	
Pass-Through State Department Of Environmental Control:							
Air Pollution	66.001	M-007056(88)		43,993	50,121	111,802	17,688
Air Pollution	66.001	M-007056(87)	20,783	36,156	490	15,863	
Air Pollution	66.001	M-007056(86)	(4,651)		2,453	7,104	
Air Pollution	66.001	M-007056(85)	13,243		19,317	6,074	
Air Pollution	66.001	M-007056(84)	3,714		3,714		
Total Environmental Protection Agency			$ 34,220	81,287	76,095	140,850	17,688

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1987	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1988
FEMA							
Pass-Through State Civil Defense:							
Emergency Management Assistance	83.516	EMK-88-K-0146	$ 22,196	49,178	53,897	107,793	26,914
Maintenance And Service	83.504	EMK-88-K-0146			1,139	2,279	1,140
Total FEMA			22,196	49,178	55,036	110,072	28,054
U.S. DEPARTMENT OF JUSTICE							
Pass-Through State Com. On Law Enforcement And Criminal Justice:							
Linc./Lanc. Co. Coop. Street Drug Dealer Apprehension Program	16.579	87-DA-317	$	42,935	40,136	105,013	21,942
Technical White Collar Crime Investigations	16.573	85-SA-100	(2,774)	4,949		7,723	
Victim Witness Unit	16.575	86-213		24,172	10,532	41,235	6,531
Total Department of Justice			$ (2,774)	72,056	50,668	153,971	28,473
OTHER FEDERAL ASSISTANCE							
Pass-Through State Department Of Aging:							
USDA Cash In Lieu of Commodities			$ 40,423	174,244		148,386	14,565
Title IV-A - Training NDOA/AAA				430		430	
Title IV-A - Seminar Sept. 15				22		22	
Title IV-A - Educational Materials				500		500	
Title IV-A - 1988 Governors Conference						325	325
Title IV-A - 1987 Governors Conference			141	141			
Title IV-A - Nurse Case Management				86		86	
CARE Management Training			1,100	1,100			
Total Other Federal Assistance			$ 41,664	176,523		149,749	14,890
Total Federal Assistance			$ 546,607	11,757,031	7,331,316	19,063,383	521,643

(1) For purposes of this schedule expenditures are on a GAAP basis while revenues are on a cash basis.
(2) The City has 3 Section 108 loans, with outstanding principal balances at August 31, 1988 of $90,000, $40,000 and $810,000, respectively. These loans, through the Community Development Block Grant, are repaid by reductions in subsequent years entitlements equal to the necessary principal and interest payments. Loans 2 and 3 have drawdowns available at August 31, 1988 of $406,000 and $1,190,000, respectively.

(THIS PAGE LEFT BLANK INTENTIONALLY)

STATISTICAL SECTION

CITY OF LINCOLN, NE
GENERAL INFORMATION

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION[1]
LAST EIGHT FISCAL YEARS

Fiscal[2] Year	General Government	Public Safety	Streets And Highways	Culture-Recreation	Economic Opportunity	Health And Welfare	Sanitation[3]	Debt[4] Service	Totals
1988	$ 11,227,562	21,217,662	5,987,512	8,054,651	6,201,422	3,616,964		6,809,178	63,114,951
1987	10,511,274	20,041,053	5,455,931	7,842,716	5,319,400	3,504,832		15,969,066	68,644,272
1986	10,868,367	19,493,668	5,520,065	7,576,486	5,033,019	3,444,554	525,967	2,077,869	54,539,995
1985	11,603,702	17,940,665	5,317,458	7,234,289	5,157,817	3,112,818	543,104	6,158,216	57,068,069
1984	11,193,643	17,595,508	6,114,230	7,146,990	6,165,295	2,934,664	381,221	2,208,098	53,739,649
1983	9,960,617	18,368,526	5,211,782	6,857,185	5,345,982	2,839,462	699,871	1,823,062	51,106,487
1982	8,331,599	16,547,254	5,046,850	6,247,068	5,441,512	2,383,232	497,522	1,305,398	45,800,435
1981	7,789,748	15,648,019	3,732,062	6,198,121	5,981,318	2,486,461	600,378	1,300,819	43,736,926

[1]Includes General, Special Revenue, and Debt Service Funds.
[2]General Government Expenditures by function for years prior to 1981 is not available.
[3]At August 1, 1986 Sanitary Landfill became an Enterprise Fund. The figure for 1986 includes only eleven months of expenditures. For years after 1986, all sanitation expenditures are included with the Enterprise Funds.
[4]The figures for 1988 include Spjecial Assessment amounts of $81,084 in General Government and $3,005,494 in Debt Service reported as General Governmental Expenditures for the first time due to Statement 6 of the Governmental Accounting Standards Board.

Table 2

GENERAL REVENUES BY SOURCE[1]
LAST EIGHT FISCAL YEARS

Fiscal[2] Year	Taxes[3]	Inter-Governmental	Permits And Fees	Reimbursement For Services	Court Fees	Recreation Receipts	Interest[3]	Other	Totals
1988	$ 47,992,603	16,357,404	1,603,158	1,048,138	116,859	590,809	3,588,413	2,631,228	73,928,612
1987	43,360,446	15,733,000	1,496,422	1,270,069	119,721	526,598	1,657,124	2,386,740	66,550,120
1986	39,051,866	16,577,869	1,375,019	950,162	125,824	498,394	1,898,364	2,558,538	63,036,036
1985	37,676,840	16,501,967	1,083,962	850,177	560,695	456,720	1,970,901	2,545,547	61,646,809
1984	36,866,028	18,575,500	1,026,175	734,807	757,051	490,091	2,078,631	2,909,561	63,437,844
1983	34,928,715	17,073,128	882,565	744,948	788,002	489,893	1,915,578	1,629,508	58,452,337
1982	32,385,108	16,343,095	672,914	773,486	563,990	419,847	2,547,362	1,638,171	55,343,973
1981	27,815,767	17,084,833	752,488	1,219,596	406,099	380,631	1,731,412	1,335,369	50,726,195

[1]Includes General, Special Revenue and Debt Service Funds.
[2]Revenues by source for years prior to 1981 is not available.
[3]General Revenues - Taxes includes $1,356,218 of Special Assessments in 1988 and interest includes $1,079,095 of Special Assessment Interest in 1988 as a result of implementation of Statement 6 of the Governmental Accounting Standards Board.

Table 3

PROPERTY TAX LEVIED AND COLLECTED
LAST TEN YEARS

The fiscal year of the City begins September 1 and ends August 31. Taxes are levied in September. First installments of real estate taxes are delinquent the following April 1, second installments delinquent August 1; personal property taxes are delinquent December 1 and July 1. Delinquent taxes bear 14 percent interest. The figures below include interest and penalties. The full amount of the taxes levied for 1977 and prior has been collected. The figures below do not include motor vehicle in lieu of ad valorem taxes.

		Collected As Of August 31 After Levy		Accumulated Collections As Of August 31, 1988	
Tax Year	Taxes Levied	Amount	Percent	Amount	Percent
1987	$ 18,547,425	$ 17,483,064	94.26 %	$ 17,483,064	94.26 %
1986	18,634,563	17,563,423	94.25	18,338,152	98.41
1985	14,820,947	13,930,925	93.99	14,770,483	99.66
1984	21,679,327	20,063,968	92.55	21,511,976	99.23
1983	21,154,814	19,448,543	91.93	21,288,960	100.63
1982	20,019,695	18,429,271	92.06	20,229,509	101.05
1981	18,851,556	17,479,454	92.72	18,974,944	100.65
1980	17,228,254	16,145,975	93.72	17,492,236	101.53
*1979	14,465,162	13,943,456	96.39	14,772,159	102.12
1978	13,070,258	12,455,113	95.29	13,103,634	100.26

*Tax levy reduced $199,775 during year by County Board of Equalization.

Table 4

TAXABLE ASSESSED AND ESTIMATED ACTUAL VALUATION LAST TEN YEARS[1]

Year	Real Estate Assessed Value	Real Estate Estimated Actual Value	All Other Assessed Value	All Other Estimated Actual Value	Motor Vehicle Assessed Value	Motor Vehicle Estimated Actual Value	Totals Assessed Value	Totals Estimated Actual Value	Ratio Of Total Assessed To Total Estimated Actual Value
1988	$ 3,609,376,307	3,609,376,307	522,747,416	522,747,416	416,921,473	416,921,473	4,549,045,196	4,549,045,196	100 %
1987	3,526,918,806	3,526,918,806	499,004,211	499,004,211	397,669,695	397,669,695	4,423,592,712	4,423,592,712	100
1986	3,314,107,283	3,314,107,283	485,088,431	485,088,431	370,099,785	370,099,785	4,169,295,499	4,169,295,499	100
1985	3,258,644,926	3,258,644,926	408,998,541	408,998,541	341,007,685	341,007,685	4,008,651,152	4,008,651,152	100
1984	2,984,694,981	2,984,694,981	443,408,593	443,408,593	323,626,975	323,626,975	3,751,730,549	3,751,730,549	100
1983	2,934,191,285	2,934,191,285	388,380,465	388,380,465	273,406,700	273,406,700	3,595,978,450	3,595,978,450	100
1982	2,584,857,645	2,584,857,645	371,824,615	371,824,615	255,350,485	255,350,485	3,212,032,745	3,212,032,745	100
1981	2,548,392,720	2,548,392,720	334,108,160	334,108,160	222,107,655	222,107,655	3,104,608,535	3,104,608,535	100
1980	883,163,211	2,523,323,460	113,842,179	325,263,369	71,910,030	205,457,229	1,068,915,420	3,054,044,058	35
1979	865,159,960	2,471,885,600	100,909,875	288,313,929	69,331,920	198,091,200	1,035,401,755	2,958,290,729	35

[1]All property up to and inclusive of 1980 was assessed at 35% of actual value; in 1981, assessment was at 100% of actual.

Table 5

TOTAL PROPERTY TAX LEVIES ALL OVERLAPPING GOVERNMENTS LAST TEN YEARS[1]

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
City of Lincoln	15.1800	17.2800	0.6540	0.6771	0.6367	0.6324	0.4041	0.4903	0.4607	0.4801
School District No. 1	36.1040	35.7890	1.3186	1.3435	1.3234	1.4034	1.4069	1.4075	1.4038	1.4544
Airport Authority	0.6510	0.4260	0.0132	0.0128	0.0114	0.0109	0.0103	0.0000	0.0000	0.0000
Lancaster County	8.5930	9.2300	0.3387	0.3385	0.3134	0.2928	0.2928	0.3353	0.3353	0.3441
Educational Service Unit #18	0.2100	0.2170	0.0072	0.0076	0.0073	0.0075	0.0079	0.0076	0.0080	0.0080
Community Technical College	1.6800	1.6000	0.0617	0.0660	0.0660	0.0660	0.0660	0.0690	0.0690	0.0855
Lower Platte South Natural Resources District	1.0000	0.6200	0.0227	0.0233	0.0227	0.0231	0.0319	0.0311	0.0314	0.0405
Railroad Transportation Safety Dist.	0.4480	0.4540	0.0165	0.0171	0.0165	0.0167	0.0176	0.0174	0.0164	0.0160
Agricultural Society of Lancaster County		0.3220	0.0011	0.0046	0.0014	0.0011	0.0013	0.0011	0.0010	0.0010
TOTAL	63.8660	65.9380	2.4337	2.4905	2.3988	2.4539	2.2388	2.3593	2.3256	2.4296

[1]For years 1980 and prior years, the assessment rate was 35% of actual value and the levy expressed in mills (tax per $1,000 of assessed value). Beginning in 1981, the assessment rate is 100% of market and the levy is expressed as the tax per $100 of estimated market value.

Table 6

SPECIAL ASSESSMENT COLLECTIONS LAST TEN YEARS[1]

Year Ended August 31	Special Assessment Collections Including Interest
1988	$3,565,274
1987	4,759,761
1986	5,522,732
1985	3,992,243
1984	4,416,000
1983	3,402,508
1982	2,853,068
1981	3,075,172
1980	3,127,726
1979	3,539,695

[1]Special assessment collections are not tracked by levy year, therefore the portion of collections during any year which apply to any particular levy cannot be determined.

Table 7

CITY SALES TAX INFORMATION

The City had a one percent (1%) sales and use tax through June 30, 1985. Effective July 1, 1985 the sales and use tax was raised to one and one half percent (1.5%). These taxes are administered and collected for the City by the State of Nebraska. The State receives three percent (3%) for their service. The City has had a sales tax since 1969.

SALES AND USE TAX COLLECTIONS
LAST TEN YEARS

Year Ended August 31	Amount
1988	$21,592,027
1987	19,381,135
1986	17,810,917
1985	11,773,664
1984	11,263,100
1983	11,111,390
1982	10,266,167
1981	9,992,849
1980	9,224,115
1979	8,604,921

Table 8

SCHEDULE OF GENERAL OBLIGATION DEBT IN RELATION TO PER CAPITA TOTAL ASSESSED VALUATION, TRUE VALUE OF REAL ESTATE AND TO PER CAPITA INCOME
LAST TEN YEARS

Year	General Obligation Bonded Debt	Sinking Funds	Net General Obligation Bonded Debt	Population[1]	Net G.O. Bonded Debt Per Capita	Assessed Valuation Real And Personal	Ratio Of Net Debt To Assessed Valuation Real & Personal	Assessed Valuation Of Taxable Real Property	Ratio Of Net Debt To Estimated Valuation Of Taxable Real Property
1988	$ 44,175,000	$ 12,268,405	$ 31,906,595	185,620	$ 171.89	$ 4,549,045,196	0.70 %	$ 3,609,376,307	0.88 %
1987	47,775,000	6,169,064	41,605,936	184,500	225.50	4,423,592,712	0.94	3,526,918,806	1.18
1986	51,280,000	6,385,834	44,894,166	184,500	243.33	4,188,657,680	1.07	3,314,107,283	1.35
1985	35,590,000	5,327,394	30,262,606	181,500	166.73	4,008,651,152	0.75	3,258,644,926	0.93
1984	38,595,000	5,363,715	33,231,285	180,200	184.41	3,751,730,549	0.89	2,984,694,981	1.11
1983	38,700,000	5,349,362	33,350,638	175,000	190.58	3,595,978,450	0.93	2,934,191,285	1.14
1982	37,216,000	5,576,237	31,639,763	175,000	180.80	3,212,032,745	0.99	2,584,857,645	1.22
1981	35,632,000	3,873,157	31,758,843	174,000	182.52	3,104,608,535	1.02	2,548,392,720	1.25
1980	34,082,000	4,225,000	29,857,000	172,000	173.59	1,068,915,420	2.79	2,523,323,460	1.18
1979	24,405,000	3,043,186	21,361,814	170,000	125.66	1,035,401,755	2.06	2,471,885,600	0.86

[1]Source: Lincoln-Lancaster Planning Department.

For years 1980 and prior, assessed valuation was 35% of actual; beginning in 1981, assessed valuation is 100% of actual.

Table 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AUGUST 31, 1988

Units	Net Debt Outstanding	Percentage Applicable To The City	Direct And Overlapping Debt
City	$31,906,595	100.0%	$31,906,595
School District #1	None		None
Airport Authority[1]	1,565,000	100.0	1,565,000
Lancaster County	None		None
Southeast Community College	None		None
Total	$33,471,595		$33,471,595

[1]Does not include Special Obligation Bonds of $771,819 payable from lease rentals.

Table 10

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST EIGHT FISCAL YEARS

Fiscal Year [2]	Principal	Interest [4]	Total Debt Service	Total General Expenditures [1]	Ratio Of Debt Service To Total General Expenditures
1988[6]	$ 3,600,000	3,199,184	6,799,184	63,114,951	10.77%
1987	13,480,000	2,438,712	15,918,712 [5]	68,478,194	23.25 [5]
1986	1,050,000	1,027,119	2,077,119	54,539,995	3.81
1985	4,870,000 [3]	1,165,805	6,035,805	57,068,069	10.58
1984	1,070,000	1,138,098	2,208,098	53,739,649	4.11
1983	895,000	928,062	1,823,062	51,106,487	3.57
1982	795,000	510,398	1,305,398	45,800,435	2.85
1981	777,000	523,819	1,300,819	43,736,926	2.97

[1] Includes: General, Special Revenue, and Debt Service Funds.
[2] Information for years prior to 1981 is not available.
[3] Includes $3,730,000 of refunded Cornhusker Square Redevelopment Project No. 1 Tax Allocation Bonds, Series 1982.
[4] Does not include fiscal charges.
[5] Includes $12,000,000 bond defeasance.
[6] 1988 includes Special Assessment Bonds for the first time due to implementation of Statement 6 of the Governmental Accounting Standards Board.

Table 11

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage [3]
Sanitary Sewer System							
1988	$9,054,861	4,901,729	4,153,132	605,000	443,587	1,048,587	3.96
1987	8,221,313	4,621,155	3,600,158	595,000	517,027	1,112,027	3.24
1986	7,700,976	4,475,457	3,225,519	570,000	515,405	1,085,405	2.97
1985	7,295,060	4,249,434	3,045,626	545,000	540,758	1,085,758	2.81
1984	6,724,807	3,980,896	2,743,911	495,000	566,109	1,061,109	2.59
1983	6,162,396	3,625,573	2,536,823	470,000	587,559	1,057,559	2.40
1982	6,129,442	3,514,623	2,614,819	365,000	601,553	966,553	2.71
1981	6,055,697	3,062,234	2,993,463	335,000	613,629	948,629	3.16
1980	4,632,383	2,451,917	2,180,466	320,000	321,220	641,220	3.40
1979	4,518,324	2,170,065	2,348,259	260,000	331,013	591,013	3.97
Water System							
1988	14,528,993	5,445,271	9,083,722	890,000	845,249	1,735,249	5.23
1987	11,493,534	5,089,423	6,404,111	890,000	770,566	1,660,566	3.86
1986	10,251,993	4,921,406	5,330,587	854,000	595,606	1,449,606	3.67
1985	9,683,368	4,710,451	4,972,917	765,000	623,502	1,388,502	3.58
1984	9,095,475	4,696,115	4,399,360	710,000	654,606	1,364,606	3.22
1983	8,068,564	4,346,427	3,722,137	689,000	678,601	1,367,601	2.72
1982	7,061,707	3,875,804	3,185,903	622,000	699,172	1,321,172	2.41
1981	7,772,601	3,761,102	4,011,499	600,000	718,966	1,318,966	3.04
1980	6,648,998	3,408,678	3,240,320	579,000	502,825	1,081,825	3.00
1979	5,701,920	3,030,525	2,671,395	413,000	517,531	930,531	2.87
Parking Facilities							
1988	1,386,144 [2]	367,478	1,018,666	120,000	279,149	399,149	2.55
1987	1,341,888 [2]	330,951	1,010,937	110,000	285,785	395,785	2.55
1986	1,274,710 [2]	287,755	986,955	110,000	292,568	402,568	2.20
1985	1,210,250 [2]	347,145	863,105	105,000	295,891	400,891	2.15
1984 [1]	1,155,292 [2]	362,755	792,537	90,000	169,469	259,469	3.05
1983	847,070 [2]	203,306	643,764	85,000	128,250	213,250	3.02
1982	749,876 [2]	174,635	575,241	80,000	132,944	212,944	2.70
1981	740,075 [2]	184,156	555,919	80,000	137,444	217,444	2.56

[1] Second facility (Cornhusker Parking Garage) opened in December, 1983.
[2] Includes parking meter revenues which were deposited to the General Fund but are pledged per bond ordinance.
[3] Coverage ratios on this table do not agree with ratios in transmittal letter because those ratios are calculated in accordance with specific requirements of the bond covenants.

Table 12

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	Population	Per Capita Income[3]	School Enrollment[4]	Unemployment Rate[5]
1988	185,620 [1]	$	26,567	2.3%
1987	184,500 [1]		25,982	3.4
1986	184,500 [1]	13,731	25,462	2.7
1985	181,500 [1]	13,113	25,209	3.2
1984	180,200 [1]	12,333	24,874	2.5
1983	175,000 [1]	11,745	24,675	3.3
1982	175,001 [1]	11,204	25,017	5.9
1981	174,000 [1]	10,776	25,489	4.0
1980	171,932 [2]	9,810	25,758	3.3
1979	170,000 [1]	9,282	26,215	2.7

Sources:
[1]Lincoln/Lancaster Planning Department
[2]1980 Census
[3]University of Nebraska Bureau of Business Research. Per Capita Income for 1987 and 1988 is unavailable.
[4]Lincoln Public Schools
[5]State of Nebraska, Department of Labor

Median age from 1980 census was 27.2. Education level in years of formal schooling from 1980 census was 12.9 years.

Table 13

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Fiscal Year	Commercial[2] Construction Number Of Permits	Commercial[2] Construction Value	Residential[2] Construction Number Of Permits	Residential[2] Construction Value	Bank[3] Deposits In Millions	Property Value[1 & 4] Commercial	Property Value[1 & 4] Residential	Totals
1988	863	$ 59,063,356	1,759	$ 78,047,673	1,670.8	977,003,150	2,632,373,157	$ 3,609,376,307
1987	822	64,774,857	1,624	69,088,218	1,632.6	943,517,080	2,583,401,726	3,526,918,806
1986	832	57,681,113	1,759	68,144,887	1,592.8	789,751,765	2,524,355,518	3,314,107,283
1985	837	69,232,353	1,721	58,636,876	1,228.0	776,600,000	2,482,044,926	3,258,644,926
1984	720	56,310,073	1,734	56,474,850	1,244.0	664,955,718	2,319,739,263	2,984,694,981
1983	706	62,675,694	1,534	37,876,203	1,098.0	653,704,075	2,280,487,210	2,934,191,285
1982	625	45,746,743	1,202	13,653,142	1,025.1	629,089,057	1,955,768,588	2,584,857,645
1981	650	31,927,896	1,898	37,941,593	927.5	620,214,416	1,928,178,304	2,548,392,720
1980	552	37,932,834	2,088	38,862,945	999.6			2,523,323,460
1979	638	49,802,736	2,241	38,992,754	882.4			2,471,885,600

[1]The breakdown of property value between Commercial and Residential is not available for years 1980 and prior.

Sources:
[2]City of Lincoln, Department of Buildings and Safety
[3]Lincoln Chamber of Commerce
[4]Lancaster County Assessor

Table 14

TEN LARGEST TAXPAYERS

Listed below are the ten largest taxpayers in the City of Lincoln as reported by the County Assessor. These taxpayers each pay less than five percent of the total taxes levied.

Taxpayers	Type Of Business	1988 Assessed Valuations	Percentage Of Total Assessed Valuation
Lincoln Telephone & Telegraph	Telecommunications	$ 114,523,229	2.52%
Ameritas Financial Services	Insurance	36,728,041	.81
Goodyear Tire & Rubber Co.	Manufacturing	32,372,913	.71
Burlington Northern, Inc.	Railroad	30,145,354	.66
Cornhusker Land Company	Developers	25,367,149	.56
Jacobs, Visconsi & Jacobs Co.	Shopping Center	25,149,599	.56
National Bank of Commerce	Banking	24,209,264	.53
FirsTier	Banking	21,444,142	.47
Otto Gaspar	Real Estate	16,576,582	.36
Minnegasco	Natural Gas	15,041,703	.33
		$ 341,557,976	7.51%

Table 15

MISCELLANEOUS STATISTICS
AUGUST 31, 1988

Date of Incorporation: 1869
Form of Government: Mayor-Council, Home Rule Charter
Area: 60.89 square miles
Lane Miles of Streets: 1,772 miles
Number of Street Lights: 16,933

Recreation and Culture

Park System: 74 parks & playgrounds/5,000 acres
Libraries: 7
Recreation Centers: 5
Swimming Pools (Public): 9
Golf Courses (Public): 4

Fire Protection

Number of Stations: 11
Number of Firefighters: 234

Police Protection

Number of Stations: 1
Number of Police Officers: 232

Water Department

Number of Consumers: 55,647
Average Daily Consumption: 35,723,000 gallons
Miles of Water Mains: 878 miles

Sanitary Sewer

Number of Consumers: 54,987
Miles: 709

Education

Public Schools:
- Senior High Schools: 4
- Junior High Schools: 9
- Elementary Schools: 36
- Number of Students: 26,567

Private and Parochial Schools:
- Number of Schools: 21
- Number of Students: 4,315

(THIS PAGE LEFT BLANK INTENTIONALLY)

SINGLE AUDIT REPORTS

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.
1600 FirsTier Bank Building
Lincoln, NE 68508

COMBINED AUDITORS' REPORT ON COMPLIANCE AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL AND THE FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL

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

We have audited the general purpose financial statements of the City of Lincoln, Nebraska, for the year ended August 31, 1988, and have issued our report thereon dated January 27, 1989. 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 conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U. S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with those standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. 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.

The management of the City of Lincoln, Nebraska is also responsible for the City's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records from each major Federal financial assistance program and certain nonmajor Federal financial assistance programs. The purpose of our testing of transactions and records from those Federal financial assistance programs was to obtain reasonable assurance that the City of Lincoln,

Nebraska, had, in all material respects, administered its major programs and executed the tested nonmajor program transactions in compliance with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. Such laws and regulations include those pertaining to Federal financial reports and claims for advances and reimbursements.

In our opinion, the City of Lincoln, Nebraska, administered each of its major Federal financial assistance programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures for the year ended August 31, 1988.

Our testing of transactions and records selected from major Federal financial assistance programs disclosed instances of noncompliance with certain laws and regulations.

All instances of noncompliance that we found, and the programs to which they relate, are identified in the accompanying schedule of findings and questioned costs, the ultimate resolution of which cannot presently be determined. Accordingly, no provision for any liability that may result upon resolution has been made to the Federal financial assistance programs to which they relate. We do not believe these instances of noncompliance could have a material effect on the allowability of program expenditures.

The results of our testing of transactions and records selected from nonmajor Federal financial assistance programs indicate that, for the transactions and records tested, the City of Lincoln, Nebraska, complied with the laws and regulations referred to in the third paragraph of our report. Our testing was more limited than would be necessary to express an opinion on whether the City of Lincoln, Nebraska, administered those programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. With respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the City of Lincoln, Nebraska, had not complied with laws and regulations other than those laws and regulations for which we noted violations in our testing referred to above.

Peat Marwick Main & Co.

Lincoln, Nebraska
January 27, 1989

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.
1600 FirsTier Bank Building
Lincoln, NE 68508

CITY OF LINCOLN, NEBRASKA

Schedule of Findings and Questioned Costs

For the year ended August 31, 1988

Program	Findings/Noncompliance	Questioned Costs
Urban Mass Transit Authority (UMTA)	Of the 19 transactions tested for compliance with applicable laws and regulations, one exception was noted. The City did not comply with UMTA Regulation C5010.1A 9a(3), requiring deposits to a self-insurance fund to be reasonable and actuarially sound. The amount charged to the fund appears reasonable; however, no actuarial valuation was performed to support the amount charged to the Lincoln Transportation System for Fiscal Year 1988. An actuarial evaluation has been received by the City as of the date of this report, which would tend to support the amounts charged to the fund.	$263,242

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.
1600 FirsTier Bank Building
Lincoln, NE 68508

COMBINED AUDITORS' REPORT ON INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL AND THE FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL

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

We have audited the general purpose financial statements of the City of Lincoln, Nebraska for the year ended August 31, 1988 and have issued our report thereon dated January 27, 1989. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U. S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with those standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. 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.

The management of the City of Lincoln, Nebraska is responsible for establishing and maintaining internal control systems. In fulfilling that responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objective of internal control systems are to provide management with

reasonable, but not absolute, assurance that resource use is consistent with laws, regulations and policies; resources are safeguarded against waste, loss and misuse; that transactions are executed in accordance with management's authorization; and that data are obtained, recorded and maintained properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and the preparation of Federal reports in accordance with Federal requirements.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering Federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

For purposes of this report, we have classified the significant internal accounting and administrative controls in the following categories:

Accounting Controls

* Cash disbursements
* Cash receipts
* Payroll

Administrative Controls Used in Administering
Major Federal Financial Assistance Programs

* Political activity
* Federal financial reports
* Civil rights
* Cash management
* Davis-Bacon Act compliance
* Relocation assistance and real property acquisition
* Monitoring of subrecipients
* Types of services
* Eligibility
* Matching level of effort
* Management of certain property and equipment

Our study and evaluation included all of the applicable control categories listed above.

During the year ended August 31, 1988, the City of Lincoln, Nebraska, expended 87% of its Federal financial assistance under major Federal financial assistance programs. With respect to internal control systems used in administering major Federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent

or detect such errors and irregularities, determining whether necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal control systems used solely in administering nonmajor Federal financial assistance programs, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Accordingly, our audit would not necessarily disclose material weaknesses in the internal control systems used solely in administering nonmajor Federal financial assistance programs.

Our study and evaluation described in the two preceding paragraphs was more limited than would be necessary to express an opinion on the internal control systems used in administering the major and nonmajor Federal financial assistance programs of the City of Lincoln, Nebraska. Accordingly, we do not express an opinion on the internal control systems used in administering the major and nonmajor Federal financial assistance programs of the City of Lincoln, Nebraska. However, our study and evaluation and our audit disclosed the following condition that we believe results in more than a relatively low risk that errors or irregularities in amounts that would be material to a Federal financial assistance program may occur and not be detected within a timely period. The City of Lincoln, Nebraska does not have a system of administrative controls in place to effectively review the expenditures of its subrecipients as prescribed by OMB Circular A-128. In our letter to management dated January 27, 1989, we have separately communicated additional observations and recommendations regarding certain other matters, including those pertaining to nonmaterial control findings.

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in (1) our audit of the 1988 general purpose financial statements and (2) our audit and review of the City's compliance with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. This report does not affect our reports on the general purpose financial statements and on the City's compliance with laws and regulations dated January 27, 1989.

This report is intended solely for the use of management and the Department of Transportation and other regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Lincoln, Nebraska, is a matter of public record.

Peat Marwick Main & Co.

Lincoln, Nebraska
January 27, 1989