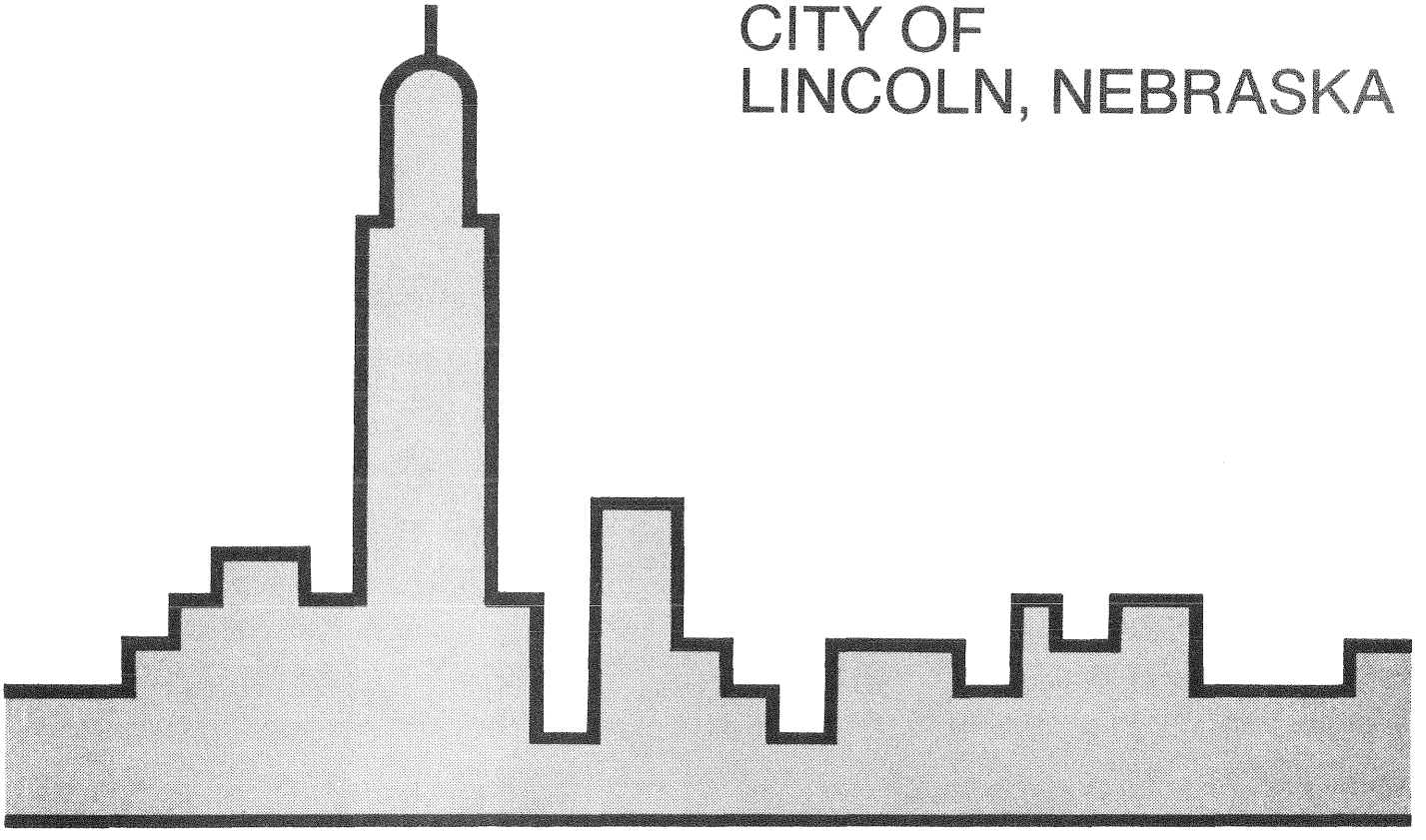
CITY OF
LINCOLN, NEBRASKA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 1987

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

OF THE

CITY OF LINCOLN, NEBRASKA

FOR THE YEAR ENDED AUGUST 31, 1987

Prepared by:

The Auditing Division/Finance Department

OFFICIALS OF THE CITY OF LINCOLN

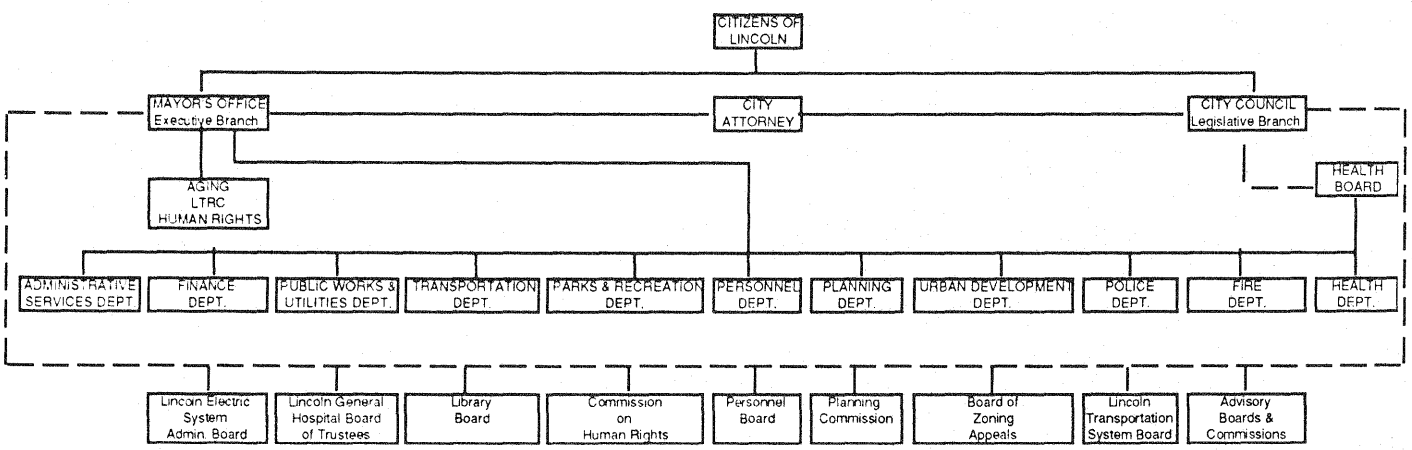
Bill Harris ..... Mayor
J. Gates Minnick ..... Chairman, City Council
Linda W. Wilson ..... Vice Chairman, City Council
Joseph R. Hampton ..... Council Member
Bill S. Danley ..... Council Member
Jo B. Gutgsell ..... Council Member
Theodore V. Hempel ..... Council Member
Coleen J. Seng ..... Council Member

* * * * * *

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
B. Dean Leitner ..... Police Chief
Mike Merwick ..... Fire Chief

* * * * * *

CITY OF LINCOLN ORGANIZATION CHART



CITY OF LINCOLN, NEBRASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 1987

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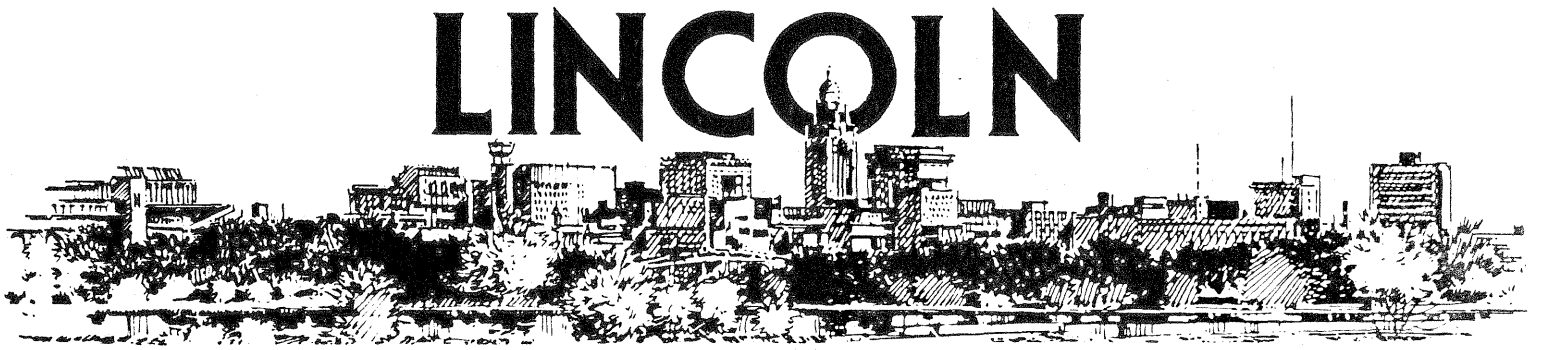

DEPARTMENT OF FINANCE
& ADMINISTRATIVE SERVICES
JACK VAVRA, Director

NEBRASKA'S CAPITAL CITY

BILL HARRIS, MAYOR

February 12, 1988

The Honorable City Council
City of Lincoln
Lincoln, NE 68508

The Comprehensive Annual Financial Report of the City of Lincoln, Nebraska, for the fiscal year ended August 31, 1987, is submitted herewith. Shown in detail are the financial transactions during the fiscal year, together with pertinent general information.

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 Notes to Combined Financial Statements and 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, 1987.

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.

The Reporting Entity and Its Services

This report includes all component units, functions, programs, and activities in which the City exercises oversight 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.

General Governmental Functions

General Governmental Revenues (General, Special Revenue and Debt Service Funds) on the GAAP basis totaled $66,550,120 in 1986-87, an increase of 5.57% from 1985-86. General property taxes produced 27.15% of General Governmental Revenues compared to 25.7% 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 1985-86
Taxes	$43,360,446	65.2%	$4,308,580
Intergovernmental	15,733,000	23.6	(844,869)
Permits and Fees	1,496,422	2.2	121,403
Reimbursement for Services	1,270,069	1.9	319,907
Court Fees	119,721	0.2	(6,103)
Recreational Receipts	526,598	0.8	28,204
Interest	1,657,124	2.5	(241,240)
Other	2,386,740	3.6	(171,798)
	$66,550,120	100.0%	$3,514,084

Assessed real property valuations at market value for 1986-87, totaled $4,169,295,499.

As of August 31, 1987, current tax collections by the County Treasurer were 94.19% of the tax levy, up 0.2% from last year. Allocations of property tax levy by purpose for 1986-87, and the preceding two fiscal years are as follows:

City Tax Levy by Purpose

	1986-87	1985-86	1984-85
General Fund	.3072	.2445	.4568
Library	.0584	.0528	.0549
Social Security	.0152	.0198	.0251
Police and Fire Pension	.0299	.0221	.0478
General Obligation Debt	.0796	.0649	.0478
	.4903	.4041	.6324

General governmental expenditures on the GAAP basis of accounting totaled $68,478,194 in 1986-87, a net increase of 25.6% over 1985-86. This increase is due primarily to the defeasance of $12,000,000 of General Obligation Bonds, which is included as an expenditure of the Debt Service Fund. Beginning August 1, 1986 the Sanitary Landfill (Landfill) became a separate fund supported by a user gate fee. The Landfill is presented with the Enterprise funds for financial reporting purposes.. 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 1985-86
General Government	$10,345,196	15.1%	$ (523,171)
Public Safety	20,041,053	29.3	547,385
Streets and Highways	5,455,931	8.0	(64,134)
Culture - Recreation	7,842,716	11.4	266,230
Economic Opportunity	5,319,400	7.8	286,381
Health and Welfare	3,504,832	5.1	60,278
Sanitation			(525,967)
Debt Service	15,969,066	23.3	13,891,197
	$68,478,194	100.0%	$13,938,199

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:

	1986-87	1985-86
Operating Revenue	$ 923,094	$887,271
Operating Income Before Depreciation	592,143	599,516
On-Street Parking Meter Revenue	306,559	288,520
Revenue Available for Debt Service	1,032,438	983,299
Debt Service	395,785	402,568
Debt Service Coverage Ratio	2.61	2.44

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, 1987, was $18,865,000. (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' twelve-month period ended December 31, 1986 is included in the City's August 31, 1987 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, 1987 were as follows:

	Outstanding Aug. 31, 1987	Sinking Funds Aug. 31, 1987	Net Bonded Debt	Net Bonded Debt Per Capita
General Obligation:				
General Bonds	$25,960,000	2,172,045	23,787,955	128.93
Tax Allocation Bonds	4,380,000	992,343	3,387,657	18.36
Total General Bonds Including Tax Allocation	30,340,000	3,164,388	27,175,612	147.29
Special Assessment Bonds	17,435,000	3,004,676	14,430,324	78.21
	$47,775,000	6,169,064	41,605,936	225.50

In addition to the general obligation bonded debt, the City recognizes a liability for compensated absences of $928,322 and an obligation under capital leases of $60,085. Note 9 to the Combined Financial Statements presents more detailed information about the debt position of the City.

The following bonds were issued during the year ended August 31, 1987:

Date Issued	Issue	Average Interest Rate	When Due	Amount
General Obligation Bonds				
6-15-87	Downtown Redevelopment	7.15058	Ser. '87 to '02	$12,000,000

The 1987 Downtown Redevelopment Bonds defeased a $12,000,000 1985 Downtown Redevelopment bond issue, which was dated December 15, 1985 and had an average interest rate of 8.0232%. This defeasance is expected to save the City $2,837,235 in interest expense over the life of the bonds.

On November 24, 1986, LES issued $93,126,723 of refunding bonds at an average interest rate of 7.25%. 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, 98.68% of available funds were invested in interest-bearing deposits. The average yield on investments was 6.82% and the amount of interest earned was $13,142,098.

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, 1987 the general fixed assets consisted of over 12,900 items totaling $55,284,042, a net increase of $2,733,859 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	1986-87	1985-86
Operating Revenue	$10,796,924	9,535,383
Operating Income	4,229,809	3,313,354
Revenue Available for Debt Service	6,391,397	5,095,243
Debt Service	1,660,566	1,449,606
Debt Service Coverage Ratio	3.85	3.51

Sewer System	1986-87	1985-86
Operating Revenue	$7,673,311	7,169,620
Operating Income	1,528,416	1,200,229
Revenue Available for Debt Service	3,586,562	3,142,161
Debt Service	1,112,027	1,085,405
Debt Service Coverage Ratio	3.23	2.89

Significant Local Economic Events

Net taxable retail sales were up 5.8% in 1986. This is the largest growth year since 1981. Sales tax revenue was up 8.8% for 1986-87. This assisted in providing the citizens with a 0% property tax increase in Fiscal Year 1987-88. The last payment of Federal Revenue Sharing, received during 1986-87, totalled $419,015.

Prospects for the Future

Many companies are expanding in Lincoln; several taking advantage of the tax incentives afforded through Legislative Bill 775, the Employment and Investment Growth Act.

Harris Laboratories is adding 110,000 square feet to its clinical and analytical research facilities, investing $18,000,000 and creating 395 new jobs. MetroMail has begun construction of an additional 90,000 square feet to provide expansion of their computerized direct mail services, part of a five-year plan to increase their work force by 450 people.

Several new companies, aided by start-up loans from the City's Business Development Loan Program, have begun production of their new products through the added investment from the Enterprise Fund of the Nebraska Research and Development Authority. Addax, Inc., manufacturer of light-weight drive shafts, received $30,000 City Community Development Block Grant Funds, and an additional $500,000 from the State. Addax will be expanding to 120 employees over the next five years. The Eidos Corporation, which will be producing aircraft maintenance equipment of their own patented design, received two $50,000 loans from the City, and subsequently negotiated another $150,000 investment from the Enterprise Fund. Eidos will create between 20 and 30 new jobs.

Downtown Lincoln and the adjacent Haymarket Landmark District have very positive prospects also. The Lied Center for the Performing Arts will be completed in 1988. The Burlington Northern Depot in the Haymarket received $700,000 federal grant funds to assist in its redevelopment to a mix of retail, entertainment and office uses. The City and Burlington Northern are collaborating on a proposal call and developer selection process.

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, 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, 1986

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

President

Executive Director

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KPMG Peat Marwick

Certified Public Accountants

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

Kiewit Plaza Building
Thirty-Sixth and Farnam Streets
Omaha, NE 68131

AUDITORS' REPORT

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

We have examined the general purpose financial statements of the City of Lincoln, Nebraska as of and for the year ended August 31, 1987 as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of Lincoln General Hospital which are included in the enterprise fund type, which statements reflect total assets constituting 7 percent and total revenues constituting 22 percent of the related totals of the enterprise fund type. These statements were examined by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to such amounts included in the City's financial statements, is based solely upon the report of the other auditors.

In our opinion, based upon our examination and the report of other auditors, the aforementioned general purpose financial statements, present fairly the financial position of the City of Lincoln, Nebraska at August 31, 1987 and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the change with which we concur, in the method of accounting for deferred compensation plans under Internal Revenue Code Section 457 as described in Note 15 to the financial statements.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the Table of Contents are presented for the purpose of additional analysis. They are not a required part of the general purpose financial statements of the City of Lincoln, Nebraska and, accordingly, our opinion does not relate to the fairness of presentation of the financial position and results of operations of such funds or the changes in financial position of individual proprietary funds.

Member Firm of
Klynveld Peat Marwick Goerdeler

The information in the combining and individual fund financial statements and schedules has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, based upon our examination and the report of other auditors, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Peat Marwick Main & Co.

Lincoln, Nebraska
January 29, 1988

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Exhibit 1

CITY OF LINCOLN, NE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	Governmental Fund Types					Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Special Assessment	Enterprise (Note 1)	Internal Service	Trust And Agency	General Fixed Assets	Long-Term Liability	1987	1986
ASSETS AND OTHER DEBITS												
Cash Held By City Treasurer (Note 4)	$ 7,356,686	3,952,461	1,631,400	349,976	878,194	4,191,937	4,503,570	9,623,105			32,487,329	31,357,176
Cash On Hand And In Other Accounts (Note 4)	366	34,968				1,121,509		74,316			1,231,159	2,338,354
Investments (At Cost Or Amortized Cost) (Note 4)		7,542,038	528,276	16,049,170	10,109,897	66,389,513	1,483,994	50,843,127			152,946,015	119,906,320
Receivables (Notes 2 And 5)	2,344,582	785,263	560,009	442,226	10,317,272	23,706,373	229,435	1,052,823			39,437,983	42,476,794
Due From Other Funds (Note 17)	2,491,917	700,502	640,168	1,665,940	50,393	75,226	762,535	383,133			6,769,814	3,402,316
Due From Other Governments (Note 6)	1,846,142	1,270,538	28,901	203,924		318,259	228,215	10,874			3,906,853	3,338,896
Inventories	155,023	45,400				3,729,602	289,250				4,219,275	4,206,241
Plant Operation Assets						4,699,773					4,699,773	6,703,178
Prepaid Expenses						1,072,689					1,072,689	425,067
Reimbursements From Third Party Payors						272,369					272,369	
Unamortized Bond Issuance Expense						347,963					347,963	377,164
Deferred Charges And Other Assets (Note 15)						19,419,164					19,419,164	7,752,172
Advance Payments For Nuclear Fuel						5,173,555					5,173,555	6,467,168
Restricted Assets:												
Cash (Note 4)						9,846,029					9,846,029	3,367,000
Cash On Hand And In Other Accounts (Note 4)						2,684					2,684	2,393
Investments At Cost Or Amortized Cost (Note 4)						44,054,919					44,054,919	48,777,000
Accrued Interest Receivable (Note 5)						414,669					414,669	403,710
Due From Other Funds (Note 17)						3,800					3,800	5,306
Property, Plant, And Equipment (Net Of Accumulated Depreciation) (Note 7)						459,388,395	4,530,158		55,284,042		519,202,595	530,962,150
Installment Purchase Agreement		121,123									121,123	149,859
Insurance Contract (Note 15)								1,860,903			1,860,903	1,510,154
Amount Available In Debt Service Funds										3,164,388	3,164,388	3,162,619
Amount To Be Provided For Retirement Of General Long-Term Liabilities										29,251,519	29,251,519	29,812,377
Total Assets And Other Debits	$ 14,194,716	14,452,293	3,388,754	18,711,236	21,355,756	644,228,428	12,027,157	63,848,281	55,284,042	32,415,907	879,906,570	846,903,414
LIABILITIES												
Cash Overdraft (Note 4)		150,365		237,885				659			388,909	145,015
Warrants Payable								2,797,364			2,797,364	2,395,210
Vouchers Payable	51,388	116,634		168,623		4,393	34,439	587,816			963,293	1,684,611
Contracts Payable				1,324,522	41,446						1,365,968	1,185,263
Accounts Payable	361,101	125,735		56,439	3,167	9,331,109	263,757	348,360			10,489,668	9,478,859
Accrued Liabilities	742,622	234,458			1,477	7,278,906	122,233	283,643			8,663,339	8,334,217
Interest Payable On Capital Leases												8,518
Accrued Compensated Absences	1,384,613	417,917			2,027	691,906	361,846	2,064		928,322	3,788,695	3,855,285
Payable From Restricted Assets:												
Construction Contracts						142,213					142,213	936,728
Accrued Interest						5,963,058					5,963,058	7,891,425
Fuel Credit Obligation Notes (Note 9)						755,000					755,000	1,140,000
Revenue Bonds (Note 9)						5,290,000					5,290,000	5,009,000
Due To Other Governments	1,918							768,454			770,372	207,409
Due To Contractor								71,898			71,898	64,930
Due To Plan Members (Note 15)						680,560		1,860,903			2,541,463	2,071,723

(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	Special Assessment	Enterprise (Note 1)	Internal Service	Trust And Agency	General Fixed Assets	Long-Term Liability	1987	1986
(Liabilities, Continued)												
Due To Other Funds (Note 17)	368,411	1,236,108		614,575	6,999	8,161	107,174	4,432,186			6,773,614	3,407,622
Notes Payable (Note 8)						5,000,000					5,000,000	5,000,000
Unearned Advances		115,409									115,409	77,903
Deferred Revenues	970,898	310,058	203,287		7,476,939			95,932			9,057,114	9,796,138
Open Workers' Compensation Claims							809,648				809,648	685,696
Special Assessment Bonds Payable (Note 9)					17,435,000						17,435,000	19,430,000
General Obligation Bonds Payable (Note 9)										30,340,000	30,340,000	31,850,000
Revenue Bonds And Notes (Notes 9 And 12)						357,786,723					357,786,723	350,265,000
Fuel Credit Obligation Notes (Note 9)						1,955,000					1,955,000	2,710,000
Bond Principal Payable			15,000								15,000	35,000
Bond Interest Payable			6,079		12,943						19,022	19,753
Deferred Credits And Other						378,379					378,379	2,129,494
Obligations Under Capital Leases (Note 9)							752,040			60,085	812,125	1,355,393
Obligations Under Land Contracts (Note 9)										1,087,500	1,087,500	
Amounts Held Under State Lease Agreement (Note 12)								1,286,044			1,286,044	1,247,340
Other						1,533,082					1,533,082	1,715,425
Total Liabilities	3,880,951	2,706,684	224,366	2,402,044	24,979,998	396,798,490	2,451,137	12,535,323		32,415,907	478,394,900	474,132,957
FUND EQUITY												
Contributed Capital						62,453,499	1,584,822				64,038,321	62,409,058
Investment In General Fixed Assets									55,284,042		55,284,042	52,550,183
Retained Earnings:												
Reserved For:												
Debt Service						10,452,940					10,452,940	9,949,206
Improvements						6,247,471					6,247,471	4,609,128
Restricted Funds						15,779,892					15,779,892	19,458,465
Unreserved:												
Designated For Subsequent Years' Expenditures							61,116				61,116	43,219
Designated For Replacement And Improvements							2,760,501				2,760,501	2,791,382
Undesignated						131,376,852	5,169,581				136,546,433	133,428,690
Fund Balances:												
Reserved For:												
Encumbrances	368,494	2,524,992		634,856	254,611			13,567			3,796,520	4,558,716
Improvements						3,263,152					3,263,152	3,421,051
Inventories	155,023	45,400									200,423	183,649
Debt Service			3,164,388								3,164,388	3,162,619
Restricted Funds						146,849					146,849	140,406
Employee Retirement								50,811,450			50,811,450	45,392,291
Unreserved:												
Designated For Supsequent Years' Expenditures	4,734,457	5,282,137		1,768,810							11,785,404	14,407,137
Undesignated	5,055,791	3,893,080		13,905,526	(3,878,853)	17,709,283		487,941			37,172,768	16,265,257
Total Retained Earnings/Fund Balances	10,313,765	11,745,609	3,164,388	16,309,192	(3,624,242)	184,976,439	7,991,198	51,312,958			282,189,307	257,811,216
Total Fund Equity	10,313,765	11,745,609	3,164,388	16,309,192	(3,624,242)	247,429,938	9,576,020	51,312,958	55,284,042		401,511,670	372,770,457
Committments And Contingent Liabilities (Notes 9, 13, and 14)												
Total Liabilities And Fund Equity	$ 14,194,716	14,452,293	3,388,754	18,711,236	21,355,756	644,228,428	12,027,157	63,848,281	55,284,042	32,415,907	879,906,570	846,903,414

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, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Governmental Fund Types					Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Special Assessment	Expendable Trust	1987	1986
Revenues:								
Taxes & Special Assessments (Note 2)	$ 36,155,443	3,252,597	3,952,406	2,260,522	1,935,204		47,556,172	43,151,248
Intergovernmental	2,358,458	13,373,198	1,344	166,030		2,204	15,901,234	17,126,075
Permits And Fees	915,777	580,645					1,496,422	1,375,019
Reimbursement For Services	982,506	287,563					1,270,069	950,162
Court Fees	119,721						119,721	125,824
Recreation	526,598						526,598	498,394
Interest	835,483	646,696	174,945	1,399,473	2,239,521	27,663	5,323,781	5,097,959
Donations And Gifts				48		351,085	351,133	655,477
Miscellaneous	673,744	1,712,996		212,234	17,762	38,576	2,655,312	2,522,880
Total Revenues	42,567,730	19,853,695	4,128,695	4,038,307	4,192,487	419,528	75,200,442	71,503,038
Expenditures:								
Current:								
General Government	8,986,188	1,359,008			105,993		10,451,189	10,980,891
Public Safety	19,891,092	149,961					20,041,053	19,493,668
Streets And Highways	3,302,001	2,153,930					5,455,931	5,520,065
Culture--Recreation	4,863,464	2,979,252				304,680	8,147,396	7,713,003
Economic Opportunity		5,319,400				48,230	5,367,630	5,070,491
Health And Welfare		3,504,832					3,504,832	3,444,554
Sanitation								525,967
Debt Service:								
Principal Retirement			13,480,000				13,480,000	3,725,000
Interest And Fiscal Charges			2,489,066		1,231,379		3,720,445	2,843,708
Capital Outlay				13,582,772	1,023,988		14,606,760	13,597,015
Total Expenditures	37,042,745	15,466,383	15,969,066	13,582,772	2,361,360	352,910	84,775,236	72,914,362
Excess (Deficiency) Of Revenues Over Expenditures	5,524,985	4,387,312	(11,840,371)	(9,544,465)	1,831,127	66,618	(9,574,794)	(1,411,324)
Other Financing Sources (Uses):								
Operating Transfers In		3,007,214		7,484,732	527,977		11,019,923	9,434,325
Operating Transfers Out	(6,441,188)	(6,534,071)		(510,028)			(13,485,287)	(11,745,513)
Bond Anticipation Note Proceeds				71,000			71,000	2,675,000
General Obligation Bond Proceeds			11,802,000				11,802,000	18,815,000
Total Other Financing Sources (Uses)	(6,441,188)	(3,526,857)	11,802,000	7,045,704	527,977		9,407,636	19,178,812
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(916,203)	860,455	(38,371)	(2,498,761)	2,359,104	66,618	(167,158)	17,767,488
Fund Balances Beginning Of Year	11,229,968	10,885,154	3,162,619	18,848,093	(5,983,346)	434,890	38,577,378	20,809,890
Residual Equity Transfers In			40,140				40,140	
Residual Equity Transfers Out				(40,140)			(40,140)	
Fund Balances End Of Year (Notes 3 and 16)	$ 10,313,765	11,745,609	3,164,388	16,309,192	(3,624,242)	501,508	38,410,220	38,577,378

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, 1987

	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	$ 33,990,048	34,816,777	826,729	2,879,088	2,865,172	(13,916)	3,653,900	3,510,564	(143,336)	40,523,036	41,192,513	669,477
Intergovernmental	2,264,107	2,358,458	94,351	11,537,097	13,677,329	2,140,232		1,344	1,344	13,801,204	16,037,131	2,235,927
Permits And Fees	781,400	918,162	136,762	463,643	580,799	117,156				1,245,043	1,498,961	253,918
Reimbursements For Services	850,800	850,418	(382)							850,800	850,418	(382)
Court Fees	106,000	118,307	12,307							106,000	118,307	12,307
Recreation Receipts	564,550	525,917	(38,633)							564,550	525,917	(38,633)
Interest	857,600	1,044,612	187,012	488,000	630,015	142,015	40,000	137,132	97,132	1,385,600	1,811,759	426,159
Miscellaneous	532,475	548,254	15,779	1,707,690	1,859,901	152,211				2,240,165	2,408,155	167,990
Total Revenues	39,946,980	41,180,905	1,233,925	17,075,518	19,613,216	2,537,698	3,693,900	3,649,040	(44,860)	60,716,398	64,443,161	3,726,763
Expenditures:												
General Government	9,396,643	8,924,499	472,144	1,816,676	1,370,640	446,036				11,213,319	10,295,139	918,180
Public Safety	19,859,860	19,708,527	151,333	202,841	185,729	17,112				20,062,701	19,894,256	168,445
Streets And Highways	3,866,350	3,524,565	341,785	2,066,425	2,061,945	4,480				5,932,775	5,586,510	346,265
Culture-Recreation	5,101,234	4,876,485	224,749	2,914,394	2,854,430	59,964				8,015,628	7,730,915	284,713
Economic Opportunity				7,275,328	5,228,054	2,047,274				7,275,328	5,228,054	2,047,274
Health And Welfare				3,457,790	3,451,416	6,374				3,457,790	3,451,416	6,374
Sanitation				38,645	35,314	3,331				38,645	35,314	3,331
Debt Service							16,158,311	15,991,118	167,193	16,158,311	15,991,118	167,193
Total Expenditures	38,224,087	37,034,076	1,190,011	17,772,099	15,187,528	2,584,571	16,158,311	15,991,118	167,193	72,154,497	68,212,722	3,941,775
Excess (Deficiency) Of Revenues Over Expenditures	1,722,893	4,146,829	2,423,936	(696,581)	4,425,688	5,122,269	(12,464,411)	(12,342,078)	122,333	(11,438,099)	(3,769,561)	7,668,538
Other Financing Sources (Uses):												
Bond Proceeds							11,802,000	11,802,000		11,802,000	11,802,000	
Operating Transfers In				3,002,004	3,007,214	5,210				3,002,004	3,007,214	5,210
Operating Transfers Out	(8,838,576)	(6,469,218)	2,369,358	(6,268,326)	(6,235,275)	33,051				(15,106,902)	(12,704,493)	2,402,409
Total	(8,838,576)	(6,469,218)	2,369,358	(3,266,322)	(3,228,061)	38,261	11,802,000	11,802,000		(302,898)	2,104,721	2,407,619
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(7,115,683)	(2,322,389)	4,793,294	(3,962,903)	1,197,627	5,160,530	(662,411)	(540,078)	122,333	(11,740,997)	(1,664,840)	10,076,157
Fund Balances Beginning Of Year	10,769,995	10,769,995		8,789,946	8,789,946		3,229,132	3,229,132		22,789,073	22,789,073	
Residual Equity Transfer In								40,140	40,140		40,140	40,140
Fund Balances End Of Year (Note 16)	$ 3,654,312	8,447,606	4,793,294	4,827,043	9,987,573	5,160,530	2,566,721	2,729,194	162,473	11,048,076	21,164,373	10,116,297

See Accompanying Notes To Combined Financial Statements

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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, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1987	1986
Operating Revenues:					
Charges For Services	$ 149,407,473	11,171,997		160,579,470	157,686,416
Taxes			1,231,645	1,231,645	938,443
Interest			4,597,962	4,597,962	4,353,050
Employee Contributions			903,605	903,605	984,509
Other Operating Revenues	6,498,877		506	6,499,383	4,236,538
Total Operating Revenues	155,906,350	11,171,997	6,733,718	173,812,065	168,198,956
Operating Expenses:					
Personal Services	20,972,195	4,504,918		25,477,113	24,005,303
Contractual Services	1,413,005			1,413,005	1,460,992
Operation and Maintenance	27,234,874	5,923,410		33,158,284	31,538,848
Purchased Power	50,365,019			50,365,019	48,615,106
Refunds			233,671	233,671	125,001
Depreciation	16,702,872	1,295,508		17,998,380	17,316,179
Benefit Payments			1,076,587	1,076,587	998,131
Payments In Lieu Of Taxes (Note 2)	4,084,301			4,084,301	3,955,607
Administrative	8,155,371		4,301	8,159,672	7,632,660
Total Operating Expenses	128,927,637	11,723,836	1,314,559	141,966,032	135,647,827
Net Operating Income (Loss)	26,978,713	(551,839)	5,419,159	31,846,033	32,551,129
Non-Operating Revenue (Expense):					
Interest Revenue	7,582,208	236,109		7,818,317	8,169,441
Contributions From Stores Revolving		144,561		144,561	
Gain (Loss) On Disposal Of Assets	5,439,053			5,439,053	(144,838)
Operating Grants	765,979			765,979	873,920
Amortization Of Deferred Charges	(2,006,173)			(2,006,173)	(1,669,906)
Donations	71,843			71,843	231,142
Interest Expense And Fiscal Charges	(25,649,616)			(25,649,616)	(25,786,188)
Miscellaneous	1,781,047	(12,280)		1,768,767	55,799
Total Non-Operating Revenue (Expense)	(12,015,659)	368,390		(11,647,269)	(18,270,630)
Operating Transfers In	2,465,364			2,465,364	2,311,188
Net Income (Loss)	17,428,418	(183,449)	5,419,159	22,664,128	16,591,687
Depreciation Transfer On Contributed Capital	1,702,030	323,652		2,025,682	1,859,071
Increase In Retained Earnings/Fund Balance	19,130,448	140,203	5,419,159	24,689,810	18,450,758
Retained Earnings/Fund Balance Beginning Of Year	165,845,991	7,995,556	45,392,291	219,233,838	200,783,080
Residual Equity Transfer Out		(144,561)		(144,561)	
Retained Earnings/Fund Balance End Of Year	$ 184,976,439	7,991,198	50,811,450	243,779,087	219,233,838

See Accompanying Notes to Combined Financial Statements

Exhibit 5

CITY OF LINCOLN, NE
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION --
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1987	1986
Sources Of Working Capital:					
Operations:					
Net Income (Loss)	$ 17,428,418	(183,449)	5,419,159	22,664,128	16,591,687
Items Which Do Not Use (Provide) Working Capital:					
Depreciation	16,957,862	1,295,508		18,253,370	17,549,636
Amortization	2,003,282			2,003,282	1,667,015
Loss (Gain) On Disposal Of Fixed Assets	(5,439,053)	100,639		(5,338,414)	124,309
Allowance For Advance Payments For Nuclear Fuel	(178,358)			(178,358)	(304,568)
Working Capital Provided By Operations	30,772,151	1,212,698	5,419,159	37,404,008	35,628,079
Obligation Under Capital Leases					199,814
Decrease In Assets Held Under Bond Ordinance					100,136
Proceeds From Sale Of Fixed Assets	23,336,413	49,843		23,386,256	335,423
Issuance Of Revenue Bonds	93,191,904			93,191,904	2,750,000
Contributions In Aid Of Construction And Existing Plant					703,902
Decrease In Restricted Assets	602,326			602,326	2,606,210
Increase In Liabilities Payable From Restricted Assets	8,819			8,819	110,330
Contributed Capital	2,731,472	380,693		3,112,165	675,014
Increase In Open Workers' Compensation Claims		170,948		170,948	103,768
Increase In Deferred Credits And Other					450,431
Decrease In Working Capital	946,479	185,354	2,799	1,134,632	856,632
Total Sources	$ 151,589,564	1,999,536	5,421,958	159,011,058	44,519,739
Uses Of Working Capital:					
Acquisition Of Property, Plant, And Equipment	20,446,535	818,375		21,264,910	22,927,753
Decrease In Current Liabilities (Payable From Restricted Assets)	717,626			717,626	19
Decrease (Increase) In Deferred Credits And Other	1,508,281			1,508,281	(132,125)
Payments On Obligation Under Capital Leases		405,352		405,352	488,554
Investments Purchased			5,221,276	5,221,276	5,682,942
Increase In Restricted Assets And Spec. Deposits	1,989,596			1,989,596	3,533,160
Retirement Of Long Term Debt	13,895,000			13,895,000	6,192,443
Increase In Deferred Charges					409,587
Increase In Due To Plan Members	118,991			118,991	561,569
Defeasance Of Long Term Debt	80,325,000			80,325,000	
Deferred Charges Resulting From Defeasance Of Long Term Debt	10,478,000			10,478,000	
Equity Transfer To Print Services Revolving		144,561		144,561	
Other Uses	906,041			906,041	
Increase In Working Capital	21,204,494	631,248	200,682	22,036,424	4,855,837
Total Uses	$ 151,589,564	1,999,536	5,421,958	159,011,058	44,519,739

(Continued)

(EXHIBIT 5, Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1987	1986
Elements Of Net Increase (Decrease) In Working Capital:					
Cash	$ 841,167	819,751	(40,283)	1,620,635	1,749,666
Investments	43,831	(29,409)		14,422	2,375,565
Receivables (Accounts, Unbilled Accounts, Taxes)	(413,702)	(326,197)	(17,896)	(757,795)	2,837,756
Accrued Interest Receivable	64,091	14,925	82,650	161,666	46,825
Due From Other Funds	38,466	(82,362)	176,703	132,807	37,545
Due From Other Governments	308,773	(19,911)	3,074	291,936	(1,277,408)
Inventories	(25,719)	21,979		(3,740)	(348,703)
Plant Operation Assets	(2,003,405)			(2,003,405)	(1,808,524)
Prepaid Expenses	647,622			647,622	119,295
Reimbursements From Third Parties	272,369			272,369	
Current Installation-Equip. Contracts Payable					24,721
Unamortized Debt Issuance Expense	(2,891)			(2,891)	66,057
Funds And Restricted Assets	26,369,013			26,369,013	1,559,649
Current Installment - Long Term Debt	(7,675,000)			(7,675,000)	325,000
Vouchers Payable	72	25,746		25,818	139,023
Accounts Payable	(844,074)	5,208	4,600	(834,266)	(816,156)
Accrued Liabilities	(350,942)	(21,386)		(372,328)	(240,331)
Interest Payable	1,933,075	8,518		1,941,593	(52,400)
Due To Other Funds	4,984	(76,264)	198	(71,082)	1,992
Accrued Compensated Absences	9,849	16,061		25,910	(52,411)
Open Workers' Compensation Claims		46,996		46,996	(46,332)
Obligation Under Capital Leases		42,239		42,239	(167,650)
Deferred Revenue			(11,163)	(11,163)	11,870
Overpayment From Third Party Payors	240,658			240,658	(251,968)
Other	799,778			799,778	(233,876)
Net Increase In Working Capital	$ 20,258,015	445,894	197,883	20,901,792	3,999,205

See Accompanying Notes to Combined Financial Statements

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NOTES TO COMBINED FINANCIAL STATEMENTS

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(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 seven members. Three Council members are elected at large and four by district on a nonpartisan basis for a term of four 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 Authority has control over operations and fiscal matters and holds title to the assets. Revenues are derived from rents, interest income, and H.U.D. subsidies. The 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 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 Authority has control over operations and fiscal matters and holds title to personal property. The 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 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 Authority is held in the name of the City and would revert to the City if the Authority's corporate existence ceases, which would occur when all liabilities incurred by the Authority have been met and all its bonds have been paid in full.

Lincoln Hospital Association

Lincoln Hospital 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 corporation and holds title to the assets. The Association has the ability to issue its own debt which is not an obligation of the City.

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, 1987, with memorandum totals as of and for the year ended August 31, 1986. December 31 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, 1986. The amounts included in the City's August 31, 1987 financial statements for LES are audited figures as of and for the year ended December 31, 1986. The 1986 memorandum totals include the December 31, 1985 audited financial statements of LES.

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

(A) 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 special assessments, 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, special assessments, and trust funds).

Special Assessment Funds - Special Assessment Funds are used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

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, trust funds, and special assessment 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 and 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 decreases (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, 1987 and 1986 is net of accumulated depreciation.

(B) 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.

(C) 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 ten days prior to the budget adoption date.

(3) Not later than five 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, and certain GAAP accruals are not recognized on the budget basis. 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 funds: 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.

(D) 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, 1987 encumbrances have been reported as expenditures on the budget basis statements.

(E) 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.

(F) INVESTMENTS

Investments 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.

(G) INVENTORY

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

(H) VACATION AND SICK LEAVE

City employees generally earn vacation days at specific rates during the periods of the first five years of service, from five to fifteen years of service, and over fifteen 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 five 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.

(I) SELF-INSURANCE

The City is self-insured for worker's compensation risk up to $300,000 per occurrence, other property risks up to $25,000 per occurrence and Employee Long Term Disability under the Insurance Revolving Fund which is included in the internal service funds. The City is also self-insured for its General Liability risk and Lincoln Transportation System liability exposures. These funds are administered by the City's Risk Management Division. The governmental and proprietary funds pay budgeted premium amounts to these insurance revolving funds. The liability for open Workers' Compensation claims represents an estimate of the liability for the claims incurred as of the year end.

(J) 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.

(K) 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.

(L) 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.

(M) 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 six months thereafter, as well as taxes authorized by state law. The 1986 tax levy, for the 1986-87 fiscal year, was $11,235,882 below the legal limit, a tax rate per $100 valuation of .3656. The assessed value upon which the 1986 levy was based was $4,169,295,499.

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

Property taxes levied for 1986-87 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 1987. 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 percent of its gross operating revenues derived from within the City limits of incorporated cities and towns served.

(3) SPECIAL ASSESSMENT FUND DEFICIT

The deficit of the Special Assessment Fund arises because of the application of generally accepted accounting principles to the financial reporting for Special Assessment Funds. Bond proceeds used to finance construction of Special Assessment projects are not recognized as an "Other Financing Source", but rather as a liability in the Special Assessment Fund. Special Assessments are recognized as revenue only to the extent that individual installments are considered current assets. The deficit will be reduced as deferred Special Assessment installments become current assets.

(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). At August 31, 1987, the City Treasurer had $100,000 in Certificates of Deposits which were insured by the Federal Savings and Loan Insurance Company (FSLIC) and additionally collateralized by overnight deposits. The State Statutes noted above do not identify FSLIC coverage or overnight deposits as legal collateralization.

DEPOSITS

The amount of total bank deposits are classified in these three 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.
(3) Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.)

The collateralization of the City's deposits with banks at August 31, 1987 is as follows:

Bank Deposits per Banks	$ 4,100,065
Time Deposits per Banks	54,179,000
Total Deposits	58,279,065
Less FDIC Coverage (Category 1)	(773,355)
Remaining Deposits (Category 2)	$57,505,710
Pledged Securities at Market Value	$62,599,601

INVESTMENTS

Investments are classified into the following risk categories:

A) Insured or registered, or securities held by the entity or its agent in the entity's name.
B) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.
C) Uninsured and unregistered, with securities held by the counterparty's trust department or agent, but not in the entity's name.

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, 1987 of $37,140,585 included the following:

Category of Risk		Carrying Amount	Market Value
C	Government Securities	$ 140,626	143,211
B	Repurchase Agreements	5,500,000	5,500,000
		5,640,626	5,643,211
	Bank Deposits	2,236,185	2,236,185
	Time Deposits	26,685,000	26,685,000
	Cash on Hand	2,578,774	2,578,774
		$37,140,585	37,143,170

Cash held by the City Treasurer at August 31, 1987 of $37,140,585 differs from the $32,098,420 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, 1987 and are as follows (See Note 13):

Category of Risk		Fire Pension Carrying Amount	Fire Pension Market Value	Police & Fire Pension Carrying Amount	Police & Fire Pension Market Value
C	Gov. Sec.	$1,659,417	1,680,324	44,172,028	45,712,284
C	Gov. Agencies	307,866	289,247	2,983,735	2,836,215
B	Repurch. Agree.	45,000	45,000		
C	Wash. Metro. Transit Bonds			497,349	390,625
		$2,012,283	2,014,571	47,653,112	48,939,124

Management plans to hold the investments held by the pension trust funds until maturity.

LINCOLN GENERAL HOSPITAL (LGH)

At August 31, 1987 LGH had investments, carried at cost or amortized cost, as follows:

	Category A	Category B	Category C	Carrying Amount	Market Value
U.S. Gov. Sec.	$	2,876,277	4,892,045	7,768,322	7,922,175
Repurch. Agree.			640,000	640,000	640,000
Cert. of Deposit		800,000		800,000	800,000
Bankers Accept.		496,485		496,485	500,989
		4,172,762	5,532,045	9,704,807	9,863,164
Cash Held by City Treasurer				48,839	48,839
				$9,753,646	9,912,003

LINCOLN ELECTRIC SYSTEM (LES)

At December 31, 1986 LES had investments, carried at cost or amortized cost, as follows:

	Category A	Category B	Category C	Carrying Amount	Market Value
U.S. Gov. Sec.	$		68,534,787	68,534,787	69,964,053
U.S. Gov. Agencies			17,415,408	17,415,408	16,991,535
Repurch. Agree.		1,000,000		1,000,000	1,000,000
Cert. of Deposit		4,200,000		4,200,000	4,200,000
		5,200,000	85,950,195	91,150,195	92,155,588
Cash Held by City Treasurer				915,232	915,232
				$92,065,427	93,070,820

LINCOLN SANITARY SEWER SYSTEM

At August 31, 1987 Lincoln Sanitary Sewer System had investments, carried at amortized cost, as follows:

	Category				
	A	B	C	Carrying Amount	Market Value
U.S. Gov. Sec.	$		4,964,767	4,964,767	5,011,945
Cash Held by City Treasurer				365,000	365,000
				$5,329,767	5,376,945

LINCOLN WATER SYSTEM

At August 31, 1987 Lincoln Water System had investments, carried at amortized cost, as follows:

	Category				
	A	B	C	Carrying Amount	Market Value
U.S. Gov. Sec.	$		2,441,538	2,441,538	2,478,386
Cash Held by City Treasurer				405,000	405,000
				$2,846,538	2,883,386

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, 1987 were as follows:

	Category				
	A	B	C	Carrying Amount	Market Value
Cert. of Deposit	$	14,142,000		14,142,000	14,142,000
U.S. Gov. Sec.			18,854,607	18,854,607	19,263,062
U.S. Gov. Agencies			2,375,625	2,375,625	2,441,637
Repurch. Agree.		3,631,000		3,631,000	3,631,000
Interfund Invest.	71,000			71,000	71,000
	71,000	17,773,000	21,230,232	39,074,232	39,548,699
Cash Held by City Treasurer				31,279,581	31,279,581
				$70,353,813	70,828,280

There were no investments that resulted in significantly greater credit risk during the period than that existing at August 31, 1987, the balance sheet date.

(5) RECEIVABLES

Receivables at August 31, 1987 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	$ 2,021	282			42	2,345		2,345
Special Revenue	572	78			135	785		785
Debt Service	535				25	560		560
Capital Projects		193			249	442		442
Special Assessments		9	2,604	8,294	227	11,134	817	10,317
Enterprise		24,806			648	25,454	1,333	24,121
Internal Service		178			51	229		229
Trust and Agency	200	47			806	1,053		1,053
	$ 3,328	25,593	2,604	8,294	2,183	42,002	2,150	39,852

Enterprise customer accounts receivable include unbilled charges for services.

(6) DUE FROM OTHER GOVERNMENTS

The total of Due from Other Governments of $3,906,853 includes the following significant items:

Fund/Fund Type	Amount	Service
General	$1,734,550	State of Nebr., July Sales and Use Tax
Street Const./ Special Revenue	614,502	State of Nebr., August Highway User Fees
	188,944	State of Nebr., Contract Reimbursements
JTPA/Special Revenue	193,542	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	146,591	Lancaster County, Cost Reimbursements
Vehicle Tax/Capital Projects	203,924	State of Nebr., Contract Reimbursements
Lincoln Transportation System/Enterprise	183,082	Federal Government, Cost Reimbursements
	135,177	State of Nebr., Contract Reimbursements
Data Processing/ Internal Service	222,831	Lancaster County Billings

(7) FIXED ASSETS

(A) 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 12,900 items comprise the general fixed assets. A summary of changes in general fixed assets since September 1, 1986 follows:

	Balance Sept. 1, 1986	Additions	Deletions	Balance August 31, 1987
Land	$10,301,916	1,870,473	351,704	11,820,685
Buildings	18,814,459	313,458		19,127,917
Improvements Other Than Buildings	10,230,843	420,699		10,651,542
Equipment	13,202,965	535,769	54,836	13,683,898
	$52,550,183	3,140,399	406,540	55,284,042

(B) PROPRIETARY FUND TYPES - PROPERTY, PLANT, AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 1987 follows:

	Enterprise	Internal Service
Land	$ 10,030,428	48,250
Buildings	84,007,002	346,594
Improvements Other Than Buildings	118,410,634	337,076
Equipment	22,113,160	11,012,757
Utility Plant	343,022,983	
Construction in Progress	15,021,188	
Total	592,605,395	11,744,677
Less Accumulated Depreciation	(133,217,000)	(7,214,519)
	$459,388,395	4,530,158

Construction in Progress at August 31, 1987 is as follows:

Lincoln General Hospital	$ 19,643
Lincoln Sanitary Sewer System	912,022
Lincoln Water System	1,505,834
Lincoln Electric System	12,583,689
	$15,021,188

(8) NOTES PAYABLE

At December 31, 1986, the City had outstanding $5,000,000 in Lincoln Electric System commercial paper notes which were paid February 26, 1987.

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 1987 (in thousands of dollars):

	General Obligation							
	General Long-Term Liability Account Group	Special Assessment Funds	Revenue Bonds	Notes	Capital Leases	Accrued Compensated Absences	Obligations Under Land Contracts	Total
Balances At August 31, 1986	$ 31,850	19,430	355,274	8,850	1,355	1,373		418,132
Additions:								
02-15-86 Commercial Paper Notes				5,000				5,000
06-15-87 Downtown Redevelopment	12,000							12,000
11-15-86 Electric Power Supply			93,192					93,192
New Accrued Compensated Absence Obligations						40		40
New Capital Leases					61			61
New Land Contracts							1,450	1,450
Deductions:								
Defeasance Of Bonds	12,000		80,325					92,325
Commercial Paper Notes				5,000				5,000
Serial Bonds	1,510	1,995	5,064					8,569
Accrued Compensated Absences						485		485
Electric Revenue Fuel Credit Obligation Notes				1,140				1,140
Payments on Land Contracts							362	362
Capital Lease Payments					604			604
Balances At August 31, 1987	$ 30,340	17,435	363,077	7,710	812	928	1,088	421,390

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	$ 550
3,400	03/01/78	Storm Sewer	4.88214	Ser. '79 to '98	1988	"	2,300
262	09/01/79	Swimming Pool	5.34496	Ser. '80 to '89	None	"	95
3,455	07/01/80	Storm Sewer	6.44007	Ser. '81 to '95	1988	"	1,845
600	08/01/81	Transit Sys. Improvements	8.90000	Ser. '82 to '92	1987	"	225
985	05/01/83	Auditorium & Fire Department	7.02416	Ser. '84 to '93	1988	"	600
2,550	06/15/83	Storm Sewer	8.17875	Ser. '84 to '98	1991	"	1,870
6,815	05/01/86	Various Purpose	6.67888	Ser. '87 to '06	1991	"	6,475
12,000	06/15/87	Downtown Redevelopment	7.15058	Ser. '87 to '02	1990	"	12,000
	TOTAL GENERAL BONDS						25,960
Tax Allocation Bonds:							
295	08/01/84	Gold's Galleria Redevelop.	11.48583	Ser. '86 to '93	1990	Semiannually	240
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	"	3,635
	TOTAL TAX ALLOCATION BONDS						4,380
	TOTAL GENERAL BONDS INCLUDING TAX ALLOCATION						$ 30,340
Special Assessment Bonds:							
3,000	01/01/71	Special Assessment Revolv.	4.70642	Ser. '72 to '91	1981	Semiannually	600
6,000	11/15/75	Special Assessment Revolv.	5.72240	Ser. '76 to '90	1985	"	1,600
4,000	11/15/76	Special Assessment Revolv.	4.89073	Ser. '77 to '91	1986	"	1,325
6,000	03/01/78	Special Assessment Revolv.	4.82530	Ser. '79 to '98	1988	"	3,300
6,000	09/01/79	Special Assessment Revolv.	5.48328	Ser. '80 to '99	1989	"	3,900
3,500	08/01/81	Special Assessment Revolv.	9.82290	Ser. '82 to '99	1992	"	2,340
3,200	05/01/83	Special Assessment Revolv.	7.71430	Ser. '84 to '01	1993	"	2,500
2,200	04/04/84	Special Assessment Revolv.	8.99820	Ser. '85 to '04	1991	"	1,870
	TOTAL SPECIAL ASSESSMENT BONDS						17,435
	TOTAL GENERAL OBLIGATION BONDS						$ 47,775

ORIGINAL AMOUNT	ISSUED	ISSUE	AVERAGE INTEREST RATE	WHEN DUE	DATE CALLABLE	INTEREST DATE	OUTSTANDING
Revenue Bonds:							
900	09/01/62	Water	3.30650	Ser. '65 to '87	1967	Semiannually	185
3,500	04/01/65	Water	3.24258	Ser. '80 to '95	1987	"	2,075
6,500	02/01/77	Water	5.20000	Ser. '80 to '95	1987	"	5,010
3,000	08/15/80	Water	8.09290	Ser. '83 to '97	1991	"	2,755
3,500	04/01/84	Water	9.29779	Ser. '87 to '99	1991	"	3,445
	TOTAL WATER REVENUE BONDS						13,470
3,695	11/15/63	Sanitary Sewer	3.47870	Ser. '64 to '87	1968	Semiannually	220
700	05/15/66	Sanitary Sewer	3.72290	Ser. '69 to '88	1971	"	50
1,325	06/01/72	Sanitary Sewer	4.68460	Ser. '75 to '89	1982	"	465
4,000	08/15/77	Sanitary Sewer	5.19335	Ser. '80 to '95	1987	"	3,495
4,000	08/15/80	Sanitary Sewer	7.88890	Ser. '83 to '97	1991	"	3,365
2,750	05/01/86	Sanitary Sewer	6.58180	Ser. '89 to '99	1991	"	2,750
	TOTAL SANITARY SEWER BONDS						10,345
2,555	12/01/82	Hospital Revenue	9.74800	Ser. '86 to '97	1992	Semiannually	2,430
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						18,865
2,300	01/01/78	Parking (Centrum)	6.57450	Ser. '80 to '98	1983	Semiannually	1,605
320	06/01/83	Parking (Cornhusker)	9.90200	Ser. '85 to '98	1993	"	295
1,530	06/01/83	Parking (Cornhusker)	10.00000	Term'99 to '03	N/A	"	1,530
	TOTAL PARKING BONDS						3,430
24,410	03/30/77	Electric Power Supply '77 Series A	5.55041	Ser. '78 to '98	1987	Semiannually	19,170
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	"	6,795
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	"	9,335
		"	7.60000	Term 2004	1989	"	6,460
		"	7.75000	Term 2015	1989	"	24,885
10,995	10/01/80	Electric Power Supply	9.46900	Ser. '84 to '00	1990	"	5,020
34,455	11/15/86	Electric Power Supply '86 Series A - Current Interest	6.08901	Ser. '87 to '99	1996	"	34,455
5,492	11/15/86	Electric Power Supply '86 Series A - Capital Appreciation	7.17760	Ser. '99 to '02	1996	Maturity	5,492
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	14,305
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	"	3,850
		"	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	"	1,215
		"	7.87500	Term 2013	1989	"	3,450
	TOTAL ELECTRIC BONDS						316,967
	TOTAL REVENUE BONDS						$ 363,077
Notes:							
11,430	Various	Electric Fuel Credit Obligation Note	Lesser of 8% or 62.5% of Prime	Various	Any Time	Quarterly	$ 2,710

The annual requirements to pay principal and interest on all outstanding debt are as follows (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
1988	$ 1,715	2,564	1,895	1,123	13,535	22,019	515	52
1989	1,800	1,987	1,895	994	7,585	22,842	288	11
1990	1,850	1,878	1,895	881	7,945	22,441	9	
1991	1,590	1,768	1,895	767	8,525	22,015		
1992	2,035	1,652	1,350	668	8,180	21,554		
1993-1997	10,920	6,045	5,425	2,214	50,440	99,730		
1998 & Thereafter	10,430	2,640	3,080	569	274,577	265,578		
	$ 30,340	18,534	17,435	7,216	370,787	476,179	812	63

Funds of $2,172,045 and $992,343 are available in the debt service funds to service the General Obligation Bonds and Tax Allocation 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, 1987, is summarized below (unaudited):

Units	Net Debt Outstanding	Percentage Applicable To the City	Direct and Overlapping Debt
City	$41,605,936	100.0%	41,605,936
School District #1	None		None
Airport Authority	1,945,000[1]	100.0	1,945,000
Lancaster County	None	88.8	None
Southeast Com. College	None	35.9	None

[1]Does not include Special Obligation Bonds of $856,558 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 $225.50, a per capita direct and overlapping debt of $236.05, a ratio of direct City debt to 1987 actual valuation of .94 percent, and a ratio of direct and overlapping debt to 1987 actual valuation of .98 percent.

(10) INTEREST COST

Total interest cost incurred in the Enterprise funds during the year ended August 31, 1987 was $25,923,315, of which $181,141 was capitalized net of investment earnings of $92,558. The amount of $25,649,616 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	$ 33,996,766	7,673,311	10,796,924	96,868,639	6,570,710	155,906,350
Operating Expenses:						
Depreciation	2,011,020	1,523,740	1,477,692	10,649,983	1,040,437	16,702,872
Other	29,680,762	4,621,155	5,089,423	65,335,793	7,497,632	112,224,765
	31,691,782	6,144,895	6,567,115	75,985,776	8,538,069	128,927,637
Operating Income (Loss)	$ 2,304,984	1,528,416	4,229,809	20,882,863	(1,967,359)	26,978,713
Operating Grants, Operating Transfers In, Donations	$ 71,843				3,231,343	3,303,186
Net Income	$ 918,182	1,545,795	4,143,139	9,585,063	1,236,239	17,428,418
Net Working Capital	$ 12,254,067	1,636,400	3,714,800	62,259,842	2,836,903	82,702,012
Total Assets	$ 43,862,317	71,139,500	82,027,519	422,038,267	25,160,825	644,228,428
Bonds And Notes Payable	$ 18,865,000	10,345,000	13,470,000	324,676,723	3,430,000	370,786,723
Contributed Capital	$	33,083,706	17,539,442		11,830,351	62,453,499
Fund Equity	$ 21,119,284	60,161,818	67,443,907	79,569,715	19,135,214	247,429,938
Acquisition Of Property, Plant, & Equipment	$ 943,896	3,053,718	2,630,743	10,171,000	3,647,178	20,446,535

The operating loss of $1,967,359 in the "Other" column is primarily attributable to the Lincoln Transportation System which incurred an operating loss of $3,486,658, but received federal and state grants and local subsidies of $2,901,843, 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, 1987 related to these projects are as follows:

State ETV Refunding	$ 895,000
State Game and Parks Commission Refunding	365,000
	$1,260,000

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, 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, 1986. 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.

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 twenty-one (21) years, (b) have attained the age of fifty-five 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 fifty-four percent (54%) or fifty-eight percent (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 two percent (2%) of his or her regular pay for each year of additional service, subject to a maximum increase of ten percent (10%). Any firefighter or police officer who retires on or after his or her fiftieth (50th) birthday, but prior to his or her fifty-fifth (55th) birthday and who has completed at least twenty-one (21) years of service shall receive the actuarial equivalent of the benefit which

would otherwise be provided at age fifty-five (55). The plan also has provisions for disability, death benefits and early retirement. Vesting occurs after ten 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, 1986 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, 1986, the assets in excess of the pension benefit obligation were $4,675,235 determined as follows:

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 8,630,497
Current employees:	
Accumulated employee contributions excluding allocated investment income	7,264,264
Employer financed - Vested	21,770,568
Employer financed - Non-vested	2,330,485
Total Pension Benefit Obligation	$39,995,814
Net assets available for benefits, at cost	44,671,049
Assets in excess of the Pension Benefit Obligation	$ 4,675,235

During the year ended December 31, 1986, the plan experienced a net increase of $3,993,291 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, 1986 were determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over a period of 20 years.

During the year ended August 31, 1987 contributions totaling $2,016,105 -- $1,044,123 employer and $971,982 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 1985. Unfunded actuarial accrued liabilities were amortized by level percent of payroll contributions (principal and interest combined) over a period of 18 years. Active member payroll was assumed to increase 5% a year for the purpose of determining the level percent contributions. Employer contributions represented 8.54% 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*	Actual
1981	1979	9.79 %	$ 7,816,991	$ 830,103	$
1981	1979@	9.96	7,816,991	844,517	839,306
1982	1980	9.77	8,257,426	875,082	1,448,697
1983	1981#	14.03	9,038,920	1,375,574	1,573,311
1984	1982	13.72	10,407,029	1,548,783	1,539,900
1985	1983#	13.53	10,435,738	1,531,548	1,427,884
1986	1984	12.13	10,841,626	1,426,477	677,197
1987	1985	11.04	11,265,219	1,349,020	1,044,123

@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. The current 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

Further trend information is available in the December 31, 1986 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 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

The interest rate used in making the valuation was 6.0 percent, per annum, compounded annually. The computed contribution for the year was $225,812. 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.

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 two years. The plan is a straight money purchase plan. The total retirement expense, net of employee forfeitures, was $854,000 and $836,000 for the years ended December 31, 1986 and 1985, respectively. LES's contribution is equal to 200% of the employees' contributions which range from 2-5% of gross wages. Gross wages for the year ended December 31, 1986 were $10,212,735. Vesting of LES contributions occurs over a ten-year period. Employee forfeitures are used to reduce employer contributions. Vested benefits are fully funded.

GENERAL HOSPITAL

The Hospital has a non-contributory pension plan which covers substantially all full-time employees over 30 years of age. Pension expense for the year ended August 31, 1987 was $178,766,

including amortization of prior service costs over a period of 20 years. The Hospital funds pension costs accrued. A comparison of accumulated plan benefits and plan net assets as of July 1, 1987 (the date of the actuarial valuation) is as follows:

Actuarial present value of accumulated plan benefits:	
Vested Benefits:	
Participants Currently Receiving Benefits	$ 896,261
Other Participants	1,223,389
	2,119,650
Non-Vested Benefits	187,308
	$2,306,958
Net Assets Available for Benefits	$4,777,139

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8%.

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 Bankers Life Nebraska. The City contributes 6% of the first $4800 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, 1986 the account balance was $738,795. There were no unfunded liabilities.

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after six months' service and age 21 to be covered under the City's Money Purchase Pension Plan administered by Bankers Life Nebraska. Enrollment in the program is mandatory at age 40 with five years service. There are no unfunded liabilities. The plan requires 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. Vesting occurs in increments between five and ten years of enrollment in the plan. Gross payroll covered by the plan for the year ended December 31, 1986 was approximately $39,000,000. The total plan account balance as of December 31, 1986 was $27,842,952.

(14) COMMITMENTS AND CONTINGENCIES

The City participates in a number of federally assisted grant programs, principally General Revenue Sharing, 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, 1987 was approximately $6,942,000.

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, 1987 was approximately $131,500.

The Lincoln Sanitary Sewer System has commitments under major construction contracts in progress of approximately $1,900,000 at August 31, 1987, which will be financed primarily through operations and surplus funds.

The Lincoln Water System has commitments under major construction contracts of approximately $620,000 at August 31, 1987, 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 $125,000. 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 $70,000 in special damages, $900,000 for loss of consortium, and a prayer for unspecified general damages.

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 12-1/2% 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 12-1/2% 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 12-1/2% of the costs of decommissioning the plant. Preliminary studies indicate the total cost of decommissioning the facility would approximate $89,500,000 in 1983 dollars. The 1983 estimated decommissioning costs have been escalated at a rate of 6% 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 7% to the year

of collection. Billing to the participants for required decommissioning funds began in 1984 with LES incurring associated costs of $256,000 and $239,000 in 1986 and 1985, 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 began in 1986 and will extend through 1989. LES's share of the total of these costs, which are being financed by NPPD, was $2,426,000 and $1,184,000 in 1986 and 1985, respectively.

Internal financial statements of the nuclear facility reflect $377,495,000 in revenue bonds outstanding at December 31, 1986. Fixed cost payments of LES include the debt service payments necessary to retire 12-1/2% of the principal and pay 12-1/2% of the interest on bonds issued by NPPD for the facility. LES's share of debt service payments was $4,527,000 and $4,524,000 in 1986 and 1985, respectively.

Expected fixed cost payments to NPPD under this contract including debt service payments, payments for decommissioning costs and payments for other costs as noted above, aggregate $12,491,000, $15,814,000, $13,344,000, $13,219,000 and $13,500,000, respectively, in each of the five years subsequent to December 31, 1986.

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 is also being billed to LES as purchased power.

Participation Agreements:

LES has participating interests in the output of two existing NPPD power plants, a 30% (approximately 68 MW) and 8% (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 take-or-pay basis whether or not such plants are operating or operable. LES's share of the total fixed costs incurred, was $9,661,000 and $8,449,000 in 1986 and 1985, respectively. The expected fixed cost requirements aggregate $9,690,000, $9,920,000, $9,686,000, $9,490,000, and $9,697,000, respectively, in each of the five years subsequent to December 31, 1986.

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, 1986, 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 (LES)	11.09
Heartland Consumers Power District	3.00
Wyoming Municipal Power Agency	1.37
Municipal Energy Agency of Nebraska	1.67

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 $170,700,000 and $191,500,000 are reflected in utility plant at December 31, 1986 and 1985, respectively.

Some significant information from the project's December 31, 1986 audited financial statements follows:

Total Electric Plant	$1,246,297,366
Total Assets	1,382,205,996
Total Liabilities	24,785,182
Total Owner's Investment	1,365,117,739
LES Investment	174,341,026
Total Operating Costs, Net of Investment Income	119,437,918
LES Share of Operating Costs, Net of Investment Income	18,229,669

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 received $3,364,000 under the agreement in 1985. 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 recognizing a gain of approximately $5,300,000. The sales reduced LES's ownership interest in LRS to 11.09% at December 31, 1986.

The settlement also requires Basin Electric to pay LES $1,300,000 plus interest at 8% beginning January 1, 1986. The payment of $1,300,000 plus interest will be recorded as revenue at the time of receipt.

LES extended its interim agreement with the County of Los Alamos, New Mexico (the County) through June 30, 1987. The agreement provides for the County to pay LES a net monthly capacity charge of approximately $78,500 for 10 MW of capacity interest in LRS. The interim agreement continues until a participation agreement for the 10 MW of capacity can be reached. If such an agreement is not reached by June 30, 1987, Basin Electric agrees to pay LES an additional $1,400,000 in three annual installments beginning January 1, 1988. During the period of the interim agreement, LES agrees, if possible to market this capacity and related energy and credit the County's charges for capacity with 75% of the net revenues. During 1986 and 1985, LES billed the County $804,000 and $838,000 net of $139,000 and $104,000, respectively, of revenues relating to sales of this capacity and energy to outside parties.

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 follows:

FISCAL YEAR ENDING AUGUST 31	AMOUNT
1988	$582,300
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.

(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,

permits 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 and liabilities were approximately $681,000 and $562,000 at December 31, 1986 and 1985, respectively and are included in the balance sheet with deferred charges and other assets. The balance in the City plan at August 31, 1987 and 1986 was $1,860,903 and $1,510,154 respectively.

Statement number two of the Governmental Accounting Standards Board (GASB 2) requires that deferred compensation plan balances be displayed in an agency fund of the governmental employer. Separately constituted governmental public utilities should display the plan assets and corresponding liability on their balance sheet. The City has complied with GASB 2 by establishing an agency fund "Deferred Compensation Plan" in the Fiduciary Fund Type balance sheet as of August 31, 1987. The 1986 Memorandum Only column on Exhibit 1 has been restated to reflect implementation of GASB 2.

(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, 1987, 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	$42,567,730	22,860,909	15,930,695
Add: Prior Year Accrual Adjustments[1]	4,325,284	2,246,448	548,585
Less: Current Year Accrual Adjustments[1]	(5,712,109)	(2,486,927)	(1,028,240)
Budget Basis	$41,180,905	22,620,430	15,451,040

	General Fund	Special Revenue Funds	Debt Service Funds
Expenditures and Other Uses:			
GAAP Basis	$43,483,933	22,000,454	15,969,066
Add: Prior Year Accrual Adjustments[1]	2,898,467	1,626,578	43,131
Current Year Encumbrances[2]	368,494	400,908	
Less: Current Year Accrual Adjustments[1]	(2,703,642)	(2,009,183)	(21,079)
Prior year Encumbrances[2]	(543,958)	(595,954)	
Budget Basis	$43,503,294	21,422,803	15,991,118

[1]Timing Difference
[2]Basis Difference

(17) INTERFUND RECEIVABLES AND PAYABLES BALANCES

Interfund receivables and payables balances at August 31, 1987 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$2,491,917	368,411
Special Revenue Funds:		
Advance Acquisition Fund	51,260	
Aviation Promotion Fund	553	
Civil Defense Fund	47	641
Lincoln City Libraries Fund	420,823	227
Lincoln Area Agency on Aging Fund		13,503
Lincoln/Lancaster County Health Fund	12,599	21,956
Northeast Radial Fund	13,903	621
Social Security Fund	143,283	66,100
Unemployment Compensation Fund	26,953	
Community Development Block Grant Fund	577	5,889
Grants-In-Aid Fund		4,996
Revenue Sharing Fund	14,562	7,705
Job Training Programs Funds		5,452
Street Construction Fund	812	1,108,860
Athletic Field & Facility Improvement Fund	2,715	
Cable Access Television Fund	11,379	158
Sanitary Districts	1,036	
Total Special Revenue Funds	700,502	1,236,108
Debt Service Funds:		
Tax Allocation Projects Debt Service	8,871	
Bond Interest & Redemption Fund	631,297	
Total Debt Service Funds	640,168	

(Continued)

Interfund Receivables and Payable Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Capital Projects Funds:		
Storm Sewer Bond Construction Fund	1,854	12,632
Storm Sewer Construction Fund	134	10,106
Street Construction Fund	1,067,951	563,066
Vehicle Tax Fund	510,348	11,186
Sanitary Landfill Purchase & Const. Fund	556	9,741
Downtown Redevelopment Fund	1,669	
Other Capital Projects Fund	83,428	7,844
Total Capital Projects Funds	1,665,940	614,575
Special Assessment Fund	50,393	6,999
Enterprise Funds:		
Parking Lot Revolving Fund	11,104	
Golf Fund	21,376	5,584
Parking Facilities Fund	7,830	
Sanitary Landfill Fund	38,716	2,577
Total Enterprise Funds	79,026	8,161
Internal Service Funds:		
Data Processing Fund	138,204	5,781
Engineering Revolving Fund	128,022	19,623
Insurance Revolving Fund	19,818	504
Public Works Equipment Management Fund	319,680	3,963
Police Garage Fund	137,607	189
Print Services Revolving	10,704	11,553
Stores Revolving Fund	8,500	65,561
Total Internal Service Funds	762,535	107,174
Fiduciary Funds:		
Pension Trust Funds:		
Fire Pension Fund	31,422	
Police and Fire Pension Fund	167,377	
Total Pension Trust Funds	198,799	
Expendable Trust Funds:		
Park & Recreation Special Projects Fund	7,318	1,240
Commission on Aging Gift Trust Fund	2,989	
Library Special Trust Funds	17,026	
Total Expendable Trust Funds	27,333	1,240

(Continued)

Interfund Receivables and Payable Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Agency Funds:		
Collections Due to Other Governments Fund	1,177	
Payroll Revolving Fund	124,494	
Earnings on Pooled Investments Fund		1,230,946
Utilities and Telephone Suspense Fund	23,198	
Public Office Building Revenue Bonds (State of Nebraska Lessee) Fund	8,132	
Undistributed Property Tax Fund		3,200,000
Total Agency Funds	157,001	4,430,946
Total Fiduciary Funds	383,133	4,432,186
TOTAL ALL FUNDS	$6,773,614	6,773,614

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

Advance Acquisition Fund had expenditures of $1,177 for which there were no appropriations.

(19) RECLASSIFICATIONS

Certain reclassifications have been made in the 1986 totals columns to conform to the 1987 financial statement presentation.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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G E N E R A L F U N D

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$11,527,267	11,213,976	(313,291)
Taxes Collected By Others	18,745,100	20,096,787	1,351,687
Sundry Taxes And In Lieu	868,181	962,159	93,978
Occupation Taxes	2,849,500	2,543,855	(305,645)
Intergovernmental	2,264,107	2,358,458	94,351
Permits And Fees	781,400	918,162	136,762
Reimbursement For Services	850,800	850,418	(382)
Court Fees	106,000	118,307	12,307
Recreation Receipts	564,550	525,917	(38,633)
Interest	857,600	1,044,612	187,012
Parking Meter	286,000	306,559	20,559
Miscellaneous	246,475	241,695	(4,780)
Total Revenues	39,946,980	41,180,905	1,233,925
Expenditures:			
General Government	9,396,643	8,924,499	472,144
Public Safety	19,859,860	19,708,527	151,333
Streets And Highways	3,866,350	3,524,565	341,785
Culture -- Recreation	5,101,234	4,876,485	224,749
Total Expenditures	38,224,087	37,034,076	1,190,011
Excess Of Revenues Over Expenditures	1,722,893	4,146,829	2,423,936
Other Financing Uses-- Operating Transfers Out	(8,838,576)	(6,469,218)	2,369,358
Excess Of Expenditures And Other Financing Uses Over Revenues	(7,115,683)	(2,322,389)	4,793,294
Fund Balance Beginning Of Year	10,769,995	10,769,995	
Fund Balance End Of Year	$ 3,654,312	8,447,606	4,793,294

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FISCAL YEAR ENDED AUGUST 31, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	$ 77,238	76,613	625
Supplies	1,460	730	730
Other Services And Charges	78,014	62,023	15,991
Capital Outlay	300	1,044	(744)
Total Legislative	157,012	140,410	16,602
Executive:			
Personal Services	574,116	571,164	2,952
Supplies	17,094	15,656	1,438
Other Services And Charges	106,673	99,034	7,639
Capital Outlay	87,748	87,948	(200)
Total Executive	785,631	773,802	11,829
Financial Administration:			
Personal Services	778,746	773,208	5,538
Supplies	32,279	24,744	7,535
Other Services And Charges	298,567	286,881	11,686
Capital Outlay	300	1,507	(1,207)
Total Financial Administration	1,109,892	1,086,340	23,552
Law:			
Personal Services	679,972	674,786	5,186
Supplies	24,250	24,019	231
Other Services And Charges	34,925	32,253	2,672
Capital Outlay	6,300	6,299	1
Total Law	745,447	737,357	8,090
Personnel Administration:			
Personal Services	312,492	300,603	11,889
Supplies	17,045	5,174	11,871
Other Services And Charges	72,119	75,180	(3,061)
Capital Outlay	1,665	8,099	(6,434)
Total Personnel Administration	403,321	389,056	14,265
Planning And Zoning:			
Personal Services	586,891	579,352	7,539
Supplies	12,600	10,674	1,926
Other Services And Charges	86,780	79,912	6,868
Capital Outlay	13,880	13,257	623
Total Planning And Zoning	700,151	683,195	16,956

(Continued)

(GENERAL FUND, Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Buildings And Plant:			
Personal Services	$ 168,866	177,582	(8,716)
Supplies	22,860	21,063	1,797
Other Services And Charges	536,884	528,629	8,255
Capital Outlay		3,805	(3,805)
Total Buildings And Plant	728,610	731,079	(2,469)
Urban Development:			
Personal Services	339,437	343,066	(3,629)
Supplies	5,290	2,808	2,482
Other Services And Charges	88,297	62,398	25,899
Capital Outlay	5,560	444	5,116
Total Urban Development	438,584	408,716	29,868
Miscellaneous:			
Personal Services	1,719,761	1,698,580	21,181
Other Services And Charges	2,434,959	2,182,279	252,680
Capital Outlay	173,275	93,685	79,590
Total Miscellaneous	4,327,995	3,974,544	353,451
Total General Government	9,396,643	8,924,499	472,144
PUBLIC SAFETY:			
Police:			
Personal Services	7,800,458	7,730,324	70,134
Supplies	150,321	142,861	7,460
Other Services And Charges	1,515,390	1,471,232	44,158
Capital Outlay	18,640	18,838	(198)
Total Police	9,484,809	9,363,255	121,554
Fire:			
Personal Services	6,551,782	6,543,525	8,257
Supplies	254,650	235,199	19,451
Other Services And Charges	273,851	288,881	(15,030)
Capital Outlay	67,125	79,686	(12,561)
Total Fire	7,147,408	7,147,291	117
Codes Administration:			
Personal Services	1,151,429	1,143,319	8,110
Supplies	35,270	29,303	5,967
Other Services And Charges	120,891	124,741	(3,850)
Capital Outlay	17,900	20,134	(2,234)
Total Codes Administration	1,325,490	1,317,497	7,993

(Continued)

(GENERAL FUND, Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Communications:			
Personal Services	$ 660,552	651,288	9,264
Supplies	10,390	8,741	1,649
Other Services And Charges	82,830	95,089	(12,259)
Capital Outlay	1,000	3,537	(2,537)
Total Communications	754,772	758,655	(3,883)
Transportation:			
Personal Services	746,222	739,720	6,502
Supplies	126,219	123,962	2,257
Other Services And Charges	274,940	258,147	16,793
Total Transportation	1,147,381	1,121,829	25,552
Total Public Safety	19,859,860	19,708,527	151,333
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	1,175,303	1,020,545	154,758
Supplies	193,500	121,947	71,553
Other Services And Charges	863,397	922,102	(58,705)
Capital Outlay	92,165	80,267	11,898
Total Street Maintenance	2,324,365	2,144,861	179,504
Street Lighting:			
Other Services And Charges	1,541,985	1,379,704	162,281
Total Streets And Highways	3,866,350	3,524,565	341,785
CULTURE--RECREATION:			
Parks And Recreation:			
Personal Services	3,320,515	3,167,070	153,445
Supplies	331,198	307,609	23,589
Other Services And Charges	1,423,993	1,356,642	67,351
Capital Outlay	25,528	45,164	(19,636)
Total Culture--Recreation	5,101,234	4,876,485	224,749
TOTAL EXPENDITURES	$38,224,087	37,034,076	1,190,011

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S P E C I A L R E V E N U E F U N D S

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.

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.

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 health services to the citizens of the City of Lincoln and Lancaster County. Financing is provided by 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.

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.

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.

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.

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.

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.

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.

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	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	Totals 1987	Totals 1986
ASSETS																			
Cash Held By City Treasurer	$ 964,086	20,453	1,003	43,690	96,709	528,742	313,921	166,226	290,405	674,278	109,746	455,547	7	96,251	97,991	93,406		3,952,461	4,662,207
Cash On Hand And In Other Accounts						18,082								16,886				34,968	16,298
Investments (At Cost)		145,000			277,662						7,119,376							7,542,038	5,780,437
Receivables:																			
Taxes			6,317			364,070			92,705	108,246		418						571,756	595,119
Accounts		84				13,695	9,517	7,994	2,924		2,807			34,520	6,865			78,406	113,778
Accrued Interest	4,479	2,429	5	160	8,033	2,550		1,287	1,294	3,394	107,961	2,156		8		1,345		135,101	104,318
Due From Other Funds	51,260	2,715	553	47	11,379	420,823		12,599	13,903	143,283	812	26,953	1,036	577		14,562		700,502	293,602
Due From Other Governments				18,244		68,003	7,574	146,591		5,510	803,446				27,628		193,542	1,270,538	1,369,652
Inventories											45,400							45,400	91,457
Installment Purchase Agreement With Lancaster County	121,123																	121,123	149,859
Total Assets	$ 1,140,948	170,681	7,878	62,141	393,783	1,415,965	331,012	334,697	401,231	934,711	8,189,548	485,074	1,043	148,242	132,484	109,313	193,542	14,452,293	13,176,727
LIABILITIES AND FUND BALANCE																			
Liabilities:																			
Cash Overdraft																	150,365	150,365	145,015
Vouchers Payable					100	65,951	9,500	7,613	378		21,706			1,000	9,619		767	116,634	32,425
Accounts Payable	17			527	20	8,467	15,001	27,540	5,554		13,837			15,315	23,055		16,402	125,735	158,308
Accrued Liabilities				2,223		47,640	28,167	64,256	3,377	632	39,564			15,637	25,455		7,507	234,458	188,308
Due To Other Funds				641	158	227	13,503	21,956	621	66,100	1,108,860			5,889	4,996	7,705	5,452	1,236,108	950,103
Deferred Revenues	90,309					165,772				53,977								310,058	318,198
Unearned Advance														83,998	31,411			115,409	77,903
Accrued Compensated Absences				3,232		96,438	47,530	119,923	6,155	4,049	63,190			26,403	37,948		13,049	417,917	421,313
Total Liabilities	90,326			6,623	278	384,495	113,701	241,288	16,085	124,758	1,247,157			148,242	132,484	7,705	193,542	2,706,684	2,291,573
Fund Balances:																			
Reserved For:																			
Encumbrances				39,320	10,350	58,484	46,351	29,320			2,143,996			180,856	16,315			2,524,992	2,652,598
Inventories											45,400							45,400	91,457
Unreserved:																			
Designated For Subsequent Year's Expenditures	113,000		7,878	1,111		424,283	14,084	64,089	1,788	398,496	4,162,408	95,000						5,282,137	3,838,348
Undesignated	937,622	170,681		15,087	383,155	548,703	156,876		383,358	411,457	590,587	390,074	1,043	(180,856)	(16,315)	101,608		3,893,080	4,302,751
Total Fund Balances	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		11,745,609	10,885,154
Total Liabilities & Fund Balances	$ 1,140,948	170,681	7,878	62,141	393,783	1,415,965	331,012	334,697	401,231	934,711	8,189,548	485,074	1,043	148,242	132,484	109,313	193,542	14,452,293	13,176,727

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CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	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	Totals 1987	Totals 1986
Revenues:																			
Real Estate And Personal Property Tax	$					2,178,882			193,718	575,213								2,947,813	2,769,922
Motor Vehicle Tax						238,859				65,925								304,784	339,564
Intergovernmental				94,916		240,652	782,318	871,124			7,322,552			1,580,761	1,364,993	419,015	696,867	13,373,198	14,432,070
Permits And Fees								457,972			122,673							580,645	489,919
Interest	62,329	9,462	470	207	25,346	38,487		12,874	15,710	44,140	388,072	27,219	1,036			21,344		646,696	709,163
Client Contributions							157,800								129,763			287,563	260,715
Rental Income									54,655									54,655	78,201
Program Income														93,477				93,477	109,622
Miscellaneous	234,858	70,747		151	10,057	61,858	11,462	34,674	245,139		638,886		14	149,430	107,588			1,564,864	1,531,300
Total Revenues	297,187	80,209	470	95,274	35,403	2,758,738	951,580	1,376,644	509,222	685,278	8,472,183	27,219	1,050	1,823,668	1,602,344	440,359	696,867	19,853,695	20,720,476
Expenditures:																			
General Government	1,194		20,942		171,200				247,193	797,779		12,393			16,446	91,861		1,359,008	1,304,065
Public Safety				95,028											54,933			149,961	195,304
Streets And Highways											1,952,013				112,595	89,322		2,153,930	1,856,839
Culture--Recreation						2,766,546									13,269	199,437		2,979,252	2,636,763
Economic Opportunity							1,755,389							1,817,031	1,042,913	7,200	696,867	5,319,400	5,033,019
Health And Welfare								2,965,322					35,314		461,095	43,101		3,504,832	3,444,554
Total Expenditures	1,194		20,942	95,028	171,200	2,766,546	1,755,389	2,965,322	247,193	797,779	1,952,013	12,393	35,314	1,817,031	1,701,251	430,921	696,867	15,466,383	14,470,544
Excess (Deficiency) Of Revenues Over Expenditures	295,993	80,209	(20,472)	246	(135,797)	(7,808)	(803,809)	(1,588,678)	262,029	(112,501)	6,520,170	14,826	(34,264)	6,637	(98,907)	9,438		4,387,312	6,249,932
Other Financing Sources (Uses):																			
Operating Transfers In				51,100			901,810	1,595,765	59,832		299,800				98,907			3,007,214	3,030,770
Operating Transfers Out		(57,714)				(264,500)			(106,574)		(6,098,646)			(6,637)				(6,534,071)	(8,136,673)
Total Other Financing Sources (Uses)		(57,714)		51,100		(264,500)	901,810	1,595,765	(46,742)		(5,798,846)			(6,637)	98,907			(3,526,857)	(5,105,903)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	295,993	22,495	(20,472)	51,346	(135,797)	(272,308)	98,001	7,087	215,287	(112,501)	721,324	14,826	(34,264)			9,438		860,455	1,144,029
Fund Balance Beginning Of Year	754,629	148,186	28,350	4,172	529,302	1,303,778	119,310	86,322	169,859	922,454	6,221,067	470,248	35,307			92,170		10,885,154	9,741,125
Fund Balances End Of Year	$ 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		11,745,609	10,885,154

C I T Y O F L I N C O L N , N E
ADVANCE ACQUISITION 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:			
Interest	$	48,775	48,775
Miscellaneous	100,000	248,807	148,807
Total Revenues	100,000	297,582	197,582
Expenditures -- General Government --			
Other Services And Charges		1,177	(1,177)
Excess Of Revenues Over Expenditures	100,000	296,405	196,405
Other Financing Uses --			
Operating Transfers Out	(87,500)		87,500
Excess Of Revenues Over Expenditures And Other Financing Uses	12,500	296,405	283,905
Fund Balance Beginning Of Year	579,313	579,313	
Fund Balance End Of Year	$591,813	875,718	283,905

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$	49	49
Interest	28,000	1,518	(26,482)
Total Revenues	28,000	1,567	(26,433)
Expenditures -- General Government:			
Other Services And Charges	28,000	20,942	7,058
Total Expenditures	28,000	20,942	7,058
Excess Of Expenditures Over Revenues		(19,375)	(19,375)
Fund Balance Beginning Of Year	36,099	36,099	
Fund Balance End Of Year	$36,099	16,724	(19,375)

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 98,430	96,652	(1,778)
Miscellaneous		151	151
Total Revenues	98,430	96,803	(1,627)
Expenditures -- Public Safety:			
Personal Services	85,616	77,124	8,492
Materials And Supplies	3,390	1,299	2,091
Other Services And Charges	18,920	13,277	5,643
Capital Outlay	41,604	40,718	886
Total Expenditures	149,530	132,418	17,112
Excess Of Expenditures Over Revenues	(51,100)	(35,615)	15,485
Other Financing Sources -- Operating Transfers In	51,100	51,100	
Excess Of Revenues And Other Financing Sources Over Expenditures		15,485	15,485
Fund Balance Beginning Of Year	(3,265)	(3,265)	
Fund Balance End Of Year	$ (3,265)	12,220	15,485

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$1,996,857	1,906,144	(90,713)
Motor Vehicle	194,524	234,052	39,528
Intergovernmental	236,413	240,652	4,239
Interest	60,000	55,741	(4,259)
Miscellaneous	46,850	37,010	(9,840)
Total Revenues	2,534,644	2,473,599	(61,045)
Expenditures -- Culture And Recreation:			
Personal Services	1,837,375	1,766,514	70,861
Materials And Supplies	117,456	117,997	(541)
Other Services And Charges	356,004	389,782	(33,778)
Capital Outlay	375,475	374,892	583
Total Expenditures	2,686,310	2,649,185	37,125
Excess Of Expenditures Over Revenues	(151,666)	(175,586)	(23,920)
Other Financing Uses --			
Operating Transfers Out	(270,600)	(264,500)	6,100
Excess Of Expenditures And Other Financing Uses Over Revenues	(422,266)	(440,086)	(17,820)
Fund Balance Beginning Of Year	1,121,015	1,121,015	
Fund Balance End Of Year	$ 698,749	680,929	(17,820)

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 762,559	817,881	55,322
Client Contributions	227,141	155,485	(71,656)
Miscellaneous		10,444	10,444
Total Revenues	989,700	983,810	(5,890)
Expenditures -- Economic Opportunity:			
Personal Services	1,009,696	959,153	50,543
Materials And Supplies	318,567	275,960	42,607
Other Services And Charges	572,747	549,046	23,701
Capital Outlay	500	14,805	(14,305)
Total Expenditures	1,901,510	1,798,964	102,546
Excess Of Expenditures Over Revenues	(911,810)	(815,154)	96,656
Other Financing Sources:			
Operating Transfers In	911,810	901,810	(10,000)
Excess Of Revenues And Other Financing Sources Over Expenditures		86,656	86,656
Fund Balance Beginning Of Year	158,564	158,564	
Fund Balance End Of Year	$ 158,564	245,220	86,656

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 862,206	864,193	1,987
Permits And Fees	463,643	458,069	(5,574)
Interest		18,267	18,267
Miscellaneous		34,237	34,237
Total Revenues	1,325,849	1,374,766	48,917
Expenditures -- Health And Welfare:			
Personal Services	2,311,330	2,281,301	30,029
Materials And Supplies	102,482	103,681	(1,199)
Other Services And Charges	507,091	526,382	(19,291)
Capital Outlay	52,573	55,738	(3,165)
Total Expenditures	2,973,476	2,967,102	6,374
Excess Of Expenditures Over Revenues	(1,647,627)	(1,592,336)	55,291
Other Financing Sources- Operating Transfers In	1,580,555	1,595,765	15,210
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(67,072)	3,429	70,501
Fund Balance Beginning Of Year	117,980	117,980	
Fund Balance End Of Year	$ 50,908	121,409	70,501

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 117,349	117,349	
Rentals	118,958	54,655	(64,303)
Miscellaneous		244,350	244,350
Interest		3,308	3,308
Total Revenues	236,307	419,662	183,355
Expenditures -- General Government:			
Personal Services	118,242	115,946	2,296
Materials And Supplies	16,266	6,709	9,557
Other Services And Charges	115,282	125,951	(10,669)
Capital Outlay		1,168	(1,168)
Total Expenditures	249,790	249,774	16
Excess (Deficiency) Of Revenues Over Expenditures	(13,483)	169,888	183,371
Other Financing Sources (Uses):			
Operating Transfers In	59,832	59,832	
Operating Transfers Out		(106,574)	(106,574)
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	46,349	123,146	76,797
Fund Balance Beginning Of Year	120,764	120,764	
Fund Balance End Of Year	$ 167,113	243,910	76,797

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	$519,729	540,076	20,347
Motor Vehicle	50,629	67,409	16,780
Interest	40,000	48,429	8,429
Total Revenues	610,358	655,914	45,556
Expenditures -- General Government:			
Personal Services	19,590	19,941	(351)
Employer's Share Social Security	790,910	776,655	14,255
Total Expenditures	810,500	796,596	13,904
Excess Of Expenditures Over Revenues	(200,142)	(140,682)	59,460
Fund Balance Beginning Of Year	886,269	886,269	
Fund Balance End Of Year	$686,127	745,587	59,460

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$	93	93
Interest		28,980	28,980
Total Revenues		29,073	29,073
Expenditures -- General Government --			
Unemployment Compensation Payments	120,000	12,393	107,607
Excess (Deficiency) Of Revenues Over Expenditures	(120,000)	16,680	136,680
Fund Balance Beginning Of Year	441,173	441,173	
Fund Balance End Of Year	$321,173	457,853	136,680

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 1,431,657	1,581,000	149,343
Program Income	150,000	93,477	(56,523)
Miscellaneous		138,486	138,486
Total Revenues	1,581,657	1,812,963	231,306
Expenditures -- Economic Opportunity:			
Personal Services	463,167	442,147	21,020
Materials And Supplies	10,789	9,551	1,238
Other Services And Charges	1,318,811	651,051	667,760
Loans And Grants	375,023	248,517	126,506
Capital Outlay	1,414,991	289,794	1,125,197
Total Expenditures	3,582,781	1,641,060	1,941,721
Excess (Deficiency) Of Revenues Over Expenditures	(2,001,124)	171,903	2,173,027
Other Financing Uses -- Operating Transfers Out	(2,400)	(6,637)	(4,237)
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing Uses	(2,003,524)	165,266	2,168,790
Fund Balance Beginning Of Year	(658,181)	(658,181)	
Fund Balance End Of Year	$(2,661,705)	(492,915)	2,168,790

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$1,446,184	1,446,184	
Client Contributions	129,203	129,203	
Miscellaneous	104,338	104,338	
Total Revenues	1,679,725	1,679,725	
Expenditures:			
General Government:			
Personal Services	299	299	
Materials And Supplies	279	279	
Other Services And Charges	15,947	15,947	
Total General Government	16,525	16,525	
Public Safety:			
Personal Services	32,625	32,625	
Materials And Supplies	2,750	2,750	
Other Services And Charges	17,733	17,733	
Capital Outlay	203	203	
Total Public Safety	53,311	53,311	
Streets And Highways:			
Personal Services	66,899	66,899	
Materials And Supplies	1,401	1,401	
Other Services And Charges	41,239	41,239	
Total Streets And Highways	109,539	109,539	
Culture And Recreation:			
Personal Services	13,208	13,208	
Materials And Supplies	239	239	
Other Services And Charges	66	66	
Total Culture And Recreation	13,513	13,513	

(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Economic Opportunity:			
Personal Services	$ 493,580	493,580	
Materials And Supplies	94,810	94,810	
Other Services And Charges	455,730	455,730	
Capital Outlay	13,719	13,719	
Total Economic Opportunity	1,057,839	1,057,839	
Health And Welfare:			
Personal Services	274,874	274,874	
Materials And Supplies	17,147	17,147	
Other Services And Charges	124,943	124,943	
Capital Outlay	24,249	24,249	
Total Health And Welfare	441,213	441,213	
Total Expenditures	1,691,940	1,691,940	
Excess Of Expenditures Over Revenues	(12,215)	(12,215)	
Other Financing Sources			
Operating Transfers In	98,907	98,907	
Excess Of Revenues And Other Financing Sources Over Expenditures	86,692	86,692	
Fund Balance Beginning Of Year	(479,413)	(479,413)	
Fund Balance End Of Year	$ (392,721)	(392,721)	

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Revenue Sharing Allocation	$ 388,563	419,015	30,452
Interest		11,989	11,989
Total Revenues	388,563	431,004	42,441
Expenditures:			
General Government --			
Other Services And Charges	91,861	91,861	
Streets And Highways --			
Capital Outlay	93,450	89,322	4,128
Economic Opportunity --			
Other Services And Charges	10,207	7,200	3,007
Culture And Recreation --			
Capital Outlay	214,571	191,732	22,839
Health And Welfare --			
Other Services And Charges	43,101	43,101	
Total Expenditures	453,190	423,216	29,974
Excess (Deficiency) Of Revenues Over Expenditures	(64,627)	7,788	72,415
Fund Balance Beginning Of Year	102,725	102,725	
Fund Balance End Of Year	$ 38,098	110,513	72,415

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues -- Intergovernmental	$ 711,085	711,085	
Expenditures -- Economic Opportunity:			
Personal Services	481,220	481,220	
Materials And Supplies	6,068	6,068	
Other Services And Charges	233,168	233,168	
Capital Outlay	2,535	2,535	
Total Expenditures	722,991	722,991	
Excess Of Expenditures Over Revenues	(11,906)	(11,906)	
Fund Balance Beginning Of Year	(165,885)	(165,885)	
Fund Balance End Of Year	$ (177,791)	(177,791)	

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$5,600,000	7,500,667	1,900,667
Permits And Fees		122,730	122,730
Interest	360,000	369,314	9,314
Miscellaneous	764,000	528,440	(235,560)
Total Revenues	6,724,000	8,521,151	1,797,151
Expenditures -- Streets And Highways:			
Personal Services	1,241,352	1,209,745	31,607
Materials And Supplies	257,624	190,382	67,242
Other Services And Charges	354,460	454,795	(100,335)
Capital Outlay -- Equipment	10,000	8,162	1,838
Total Expenditures	1,863,436	1,863,084	352
Excess Of Revenues Over Expenditures	4,860,564	6,658,067	1,797,503
Other Financing Sources (Uses):			
Operating Transfers In	299,800	299,800	
Operating Transfers Out	(5,799,850)	(5,799,850)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(639,486)	1,158,017	1,797,503
Fund Balance Beginning Of Year	5,945,070	5,945,070	
Fund Balance End Of Year	$5,305,584	7,103,087	1,797,503

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	8,458	8,458
Miscellaneous	67,200	70,747	3,547
Total Revenues	67,200	79,205	12,005
Other Financing Uses --			
Operating Transfers Out	(107,976)	(57,714)	50,262
Excess (Deficiency) Of Revenues Over Other Financing Uses	(40,776)	21,491	62,267
Fund Balance Beginning Of Year	148,434	148,434	
Fund Balance End Of Year	$107,658	169,925	62,267

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues -- Interest And Miscellaneous	$	14	14
Expenditures -- Sanitation -- Capital Outlay	38,645	35,314	3,331
Excess Of Expenditures Over Revenues	(38,645)	(35,300)	3,345
Fund Balance Beginning Of Year	(60,716)	(60,716)	
Fund Balance End Of Year	$(99,361)	(96,016)	3,345

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, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	35,236	35,236
Miscellaneous		10,057	10,057
Total Revenues		45,293	45,293
Expenditures-General Government:			
Other Services And Charges		14	(14)
Capital Outlay	500,000	181,358	318,642
Total Expenditures	500,000	181,372	318,628
Excess Of Expenditures Over Revenues	(500,000)	(136,079)	363,921
Fund Balance Beginning Of Year	500,000	500,000	
Fund Balance End Of Year	$	363,921	363,921

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D E B T S E R V I C E F U N D S

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.

C I T Y O F L I N C O L N , N E
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Totals 1987	Totals 1986
ASSETS				
Cash Held By City Treasurer	$ 380,106	1,251,294	1,631,400	2,165,547
Investments (At Amortized Cost)	528,276		528,276	491,619
Receivables:				
Taxes	67,394	467,812	535,206	515,418
Accrued Interest	14,121	10,682	24,803	22,903
Due From Other Funds	8,871	631,297	640,168	138,386
Due From Other Governments		28,901	28,901	22,915
Total Assets	$ 998,768	2,389,986	3,388,754	3,356,788
LIABILITIES AND FUND BALANCES				
Liabilities:				
Bond Principal Payable	5,000	10,000	15,000	35,000
Bond Interest Payable	1,425	4,654	6,079	8,131
Deferred Revenues		203,287	203,287	151,038
Total Liabilities	6,425	217,941	224,366	194,169
Fund Balances -- Reserved For Debt Service	992,343	2,172,045	3,164,388	3,162,619
Total Liabilities And Fund Balances	$ 998,768	2,389,986	3,388,754	3,356,788

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Totals 1987	Totals 1986
Revenues:				
Real Estate And Personal Property Tax	$ 693,358	2,941,669	3,635,027	2,943,289
Taxes Collected By Others		317,379	317,379	280,305
Intergovernmental		1,344	1,344	1,063
Interest	59,716	115,229	174,945	140,120
Total Revenues	753,074	3,375,621	4,128,695	3,364,777
Expenditures:				
Principal Retirement	230,000	13,250,000	13,480,000	1,050,000
Interest	438,225	2,000,487	2,438,712	1,027,119
Fiscal Charges	2,921	47,433	50,354	750
Total Expenditures	671,146	15,297,920	15,969,066	2,077,869
Excess (Deficiency) Of Revenues Over Expenditures	81,928	(11,922,299)	(11,840,371)	1,286,908
Other Financing Sources --				
General Obligation Bond Proceeds		11,802,000	11,802,000	
Total Other Financing Sources		11,802,000	11,802,000	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	81,928	(120,299)	(38,371)	1,286,908
Fund Balances Beginning Of Year	870,275	2,292,344	3,162,619	1,875,711
Residual Equity Transfers In	40,140		40,140	
Fund Balances End Of Year	$ 992,343	2,172,045	3,164,388	3,162,619

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1987

	Tax Allocation Projects Debt Service			Bond Interest And Redemption			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Real Estate And Personal Property Tax	$ 668,225	671,390	3,165	2,721,868	2,527,782	(194,086)	3,390,093	3,199,172	(190,921)
Taxes Collected By Others				263,807	311,392	47,585	263,807	311,392	47,585
Intergovernmental					1,344	1,344		1,344	1,344
Interest		59,828	59,828	40,000	77,304	37,304	40,000	137,132	97,132
Total Revenues	668,225	731,218	62,993	3,025,675	2,917,822	(107,853)	3,693,900	3,649,040	(44,860)
Expenditures:									
Principal Retirement	230,000	230,000		13,320,000	13,270,000	50,000	13,550,000	13,500,000	50,000
Interest	438,225	438,225		2,003,603	1,882,539	121,064	2,441,828	2,320,764	121,064
Fiscal Charges	3,000	2,921	79	43,483	47,433	(3,950)	46,483	50,354	(3,871)
Call Premium				120,000	120,000		120,000	120,000	
Total Expenditures	671,225	671,146	79	15,487,086	15,319,972	167,114	16,158,311	15,991,118	167,193
Excess (Deficiency) Of Revenues Over Expenditures	(3,000)	60,072	63,072	(12,461,411)	(12,402,150)	59,261	(12,464,411)	(12,342,078)	122,333
Other Financing Sources--									
General Obligation Bond Proceeds				11,802,000	11,802,000		11,802,000	11,802,000	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(3,000)	60,072	63,072	(659,411)	(600,150)	59,261	(662,411)	(540,078)	122,333
Fund Balances Beginning Of Year	791,995	791,995		2,437,137	2,437,137		3,229,132	3,229,132	
Residual Equity Transfer In		40,140	40,140					40,140	40,140
Fund Balances End Of Year	$ 788,995	892,207	103,212	1,777,726	1,836,987	59,261	2,566,721	2,729,194	162,473

C A P I T A L P R O J E C T S F U N D S

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.

CITY OF LINCOLN, NE
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	Storm Sewer Bond Construction	Storm Sewer Construction	Street Construction	Vehicle Tax	Sanitary Landfill Purchase & Construction	Downtown Redevelopment	Other Capital Projects	Totals 1987	Totals 1986
ASSETS									
Cash Held By City Treasurer	$	242		87,114	21,350	124,021	117,249	349,976	614,705
Investments (At Cost)	1,999,060	186,000		864,311	725,000	12,274,299		16,049,170	18,384,928
Receivables:									
Accounts				193,018				193,018	197,171
Accrued Interest	18,111	4		10,399		220,477	217	249,208	69,800
Due From Other Funds	1,854	134	1,067,951	510,348	556	1,669	83,428	1,665,940	932,996
Due From Other Governments				203,924				203,924	
Total Assets	$ 2,019,025	186,380	1,067,951	1,869,614	746,906	12,620,466	200,894	18,711,236	20,199,600
LIABILITIES AND FUND BALANCES									
Liabilities:									
Cash Overdraft	237,885							237,885	
Vouchers Payable	5		18,160	144,660	192		5,606	168,623	225,050
Contracts Payable	237,761	5,135	439,683	546,659	12,238		83,046	1,324,522	923,626
Accounts Payable	93		47,042	1,058	72		8,174	56,439	75,247
Due To Other Funds	12,632	10,106	563,066	11,186	9,741		7,844	614,575	127,584
Total Liabilities	488,376	15,241	1,067,951	703,563	22,243		104,670	2,402,044	1,351,507
Fund Balances:									
Reserved For Encumbrances	420,743	34,081		45,254	29,148		105,630	634,856	1,191,243
Unreserved:									
Designated For Subsequent Year's Expenditures	742,188	40,459		374,397	611,766			1,768,810	4,620,156
Undesignated	367,718	96,599		746,400	83,749	12,620,466	(9,406)	13,905,526	13,036,694
Total Fund Balances	1,530,649	171,139		1,166,051	724,663	12,620,466	96,224	16,309,192	18,848,093
Total Liabilities And Fund Balances	$ 2,019,025	186,380	1,067,951	1,869,614	746,906	12,620,466	200,894	18,711,236	20,199,600

CITY OF LINCOLN, NE

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED AUGUST 31, 1987

With Comparative Totals For Fiscal Year Ended August 31, 1986

	Storm Sewer Bond Construction	Storm Sewer Construction	Street Construction	Vehicle Tax	Downtown Redevelopment	Sanitary Landfill Purchase & Construction	Other Capital Projects	Totals 1987	Totals 1986
Revenues:									
Wheel Tax	$			2,260,522				2,260,522	2,176,746
Intergovernmental				137,949			28,081	166,030	296,378
Interest	210,670	9,970		62,107	1,044,834	66,353	5,539	1,399,473	700,208
Donations							48	48	180,000
Miscellaneous	43,460	136		157,493			11,145	212,234	69,209
Total Revenues	254,130	10,106		2,618,071	1,044,834	66,353	44,813	4,038,307	3,422,541
Expenditures -- Capital Outlay:									
Construction Contracts	2,732,006	34,089	2,432,726	2,790,762		12,238	1,786,353	9,788,174	8,542,730
Engineering And Other	357,346	46,051	2,154,533	131,752		409,943	144,597	3,244,222	3,164,357
Land Purchases						550,376		550,376	
Interest And Fiscal Charges									468,725
Total Expenditures	3,089,352	80,140	4,587,259	2,922,514		972,557	1,930,950	13,582,772	12,175,812
Excess (Deficiency) Of Revenues Over Expenditures	(2,835,222)	(70,034)	(4,587,259)	(304,443)	1,044,834	(906,204)	(1,886,137)	(9,544,465)	(8,753,271)
Other Financing Sources (Uses):									
Operating Transfers In		85,000	5,097,287	510,028		100,000	1,692,417	7,484,732	6,352,278
Operating Transfers Out			(510,028)					(510,028)	(261,486)
Bond Anticipation Note Proceeds							71,000	71,000	2,675,000
Bond Anticipation Notes Paid									(2,675,000)
General Obligation Bond Proceeds									18,815,000
Total Other Financing Sources		85,000	4,587,259	510,028		100,000	1,763,417	7,045,704	24,905,792
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(2,835,222)	14,966		205,585	1,044,834	(806,204)	(122,720)	(2,498,761)	16,152,521
Fund Balances Beginning Of Year	4,365,871	156,173		960,466	11,575,632	1,530,867	259,084	18,848,093	2,695,572
Residual Equity Transfers Out							(40,140)	(40,140)	
Fund Balances End Of Year	$ 1,530,649	171,139		1,166,051	12,620,466	724,663	96,224	16,309,192	18,848,093

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S P E C I A L A S S E S S M E N T F U N D

This special assessment fund was established to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied. Costs assessed to benefited properties are payable in annual installments over a specified period. Annual installment payments are used to pay principal and interest on long-term debt. Working capital is provided through the issuance of special assessment bonds.

CITY OF LINCOLN, NE
SPECIAL ASSESSMENT FUND
BALANCE SHEETS
AUGUST 31, 1987 AND 1986

	1987	1986
ASSETS		
Cash Held By City Treasurer	$ 878,194	904,507
Investments (At Cost)	10,109,897	8,917,917
Receivables:		
Special Assessments (Net Of Allowance For Estimated Uncollectable Assessments Of $817,381 In 1987 And $985,957 In 1986):		
Current	818,213	969,918
Delinquent	1,785,874	2,809,813
Deferred	7,476,939	8,380,402
	10,081,026	12,160,133
Accounts	9,173	21,524
Accrued Interest	227,073	154,818
Total Receivables	10,317,272	12,336,475
Due From Other Funds	50,393	64,966
Total Assets	$21,355,756	22,223,865
LIABILITIES AND FUND BALANCES		
Liabilities:		
Vouchers Payable		60,211
Contracts Payable	41,446	261,637
Accounts Payable	3,167	45,992
Accrued Compensated Absences	2,027	1,836
Accrued Liabilities	1,477	1,259
Due To Other Funds	6,999	14,252
Deferred Revenues	7,476,939	8,380,402
Bonds Payable	17,435,000	19,430,000
Bond Interest Payable	12,943	11,622
Total Liabilities	24,979,998	28,207,211
Fund Balance:		
Reserved For:		
Encumbrances	254,611	164,825
Unreserved:		
Undesignated	(3,878,853)	(6,148,171)
Total Fund Balance	(3,624,242)	(5,983,346)
Total Liabilities And Fund Balance	$21,355,756	22,223,865

CITY OF LINCOLN, NE
SPECIAL ASSESSMENT FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FISCAL YEARS ENDED AUGUST 31, 1987 AND 1986

	1987	1986
Revenues:		
Special Assessments	$ 1,935,204	$ 2,172,655
Special Assessment Interest	1,639,913	1,862,029
Interest On Investments	599,608	615,043
Miscellaneous	7,369	63,876
Developers' Share Of Districts	10,393	74,362
Total Revenues	4,192,487	4,787,965
Expenditures:		
Administrative Costs	105,993	112,524
Interest And Fiscal Charges	1,231,379	1,347,114
Capital Projects	1,023,988	1,889,928
Total Expenditures	2,361,360	3,349,566
Excess Of Revenues Over Expenditures	1,831,127	1,438,399
Other Financing Sources (Uses):		
Operating Transfers In	527,977	26,283
Operating Transfers Out		(13,685)
Total Other Financing Sources	527,977	12,598
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	2,359,104	1,450,997
Fund Balance Beginning Of Year	(5,983,346)	(7,434,343)
Fund Balance End Of Year	$(3,624,242)	$(5,983,346)

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P R O P R I E T A R Y F U N D S

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E N T E R P R I S E F U N D S

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, 1987
With Comparative Totals For August 31, 1986

	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 1987	Totals 1986
ASSETS												
Current Assets:												
Cash Held By City Treasurer	$ 144,470	286,910	224,085	25,624	1,116,518	48,839	1,575,491	365,000	405,000		4,191,937	3,302,209
Cash On Hand And In Other Accounts		28,439	11,086	6,430	976	146,746	10,500		2,100	915,232	1,121,509	2,252,288
Investments (At Cost or Amortized Cost)		599,173				6,217,045	82,465			59,490,830	66,389,513	39,273,873
Receivables:												
Accounts	1,161	5,557	5,027	2,384	308,235	7,198,266	18,814	809,068	1,630,029	8,297,593	18,276,134	18,033,976
Accrued Interest	771	13,517	761		4,436	159,764	54,014				233,263	169,172
Unbilled Accounts								745,880	1,435,069	3,016,027	5,196,976	5,852,836
Due From Other Funds	11,104	17,576	7,830		38,716						75,226	36,760
Due From Other Governments							318,259				318,259	9,486
Inventory (At Cost)		39,259		10,201		680,320	343,468	77,673	841,362	1,737,319	3,729,602	3,755,321
Plant Operation Assets										4,699,773	4,699,773	6,703,178
Prepaid Expenses				216		784,395	10,690	7,939	19,523	249,926	1,072,689	425,067
Reimbursements From Third Party Payors						272,369					272,369	
Unamortized Bond Issuance Expense			46,249					135,924	165,790		347,963	377,164
Deferred Charges						624,356					624,356	647,269
Total Current Assets	157,506	990,431	295,038	44,855	1,468,881	16,132,100	2,413,701	2,141,484	4,498,873	78,406,700	106,549,569	80,838,599
Other Assets:												
Deferred Charges And Other Assets										18,794,808	18,794,808	7,104,903
Advance Payments On Nuclear Fuel										5,173,555	5,173,555	6,467,168
Total Other Assets										23,968,363	23,968,363	13,572,071
Restricted Assets:												
Cash		107,772	5,778			31,968		3,449,423	6,232,957	18,131	9,846,029	3,367,000
Cash On Hand And In Other Accounts		2,684									2,684	2,393
Investments (At Cost or Amortized Cost)		142,872	1,358,615			3,487,762		4,964,767	2,441,538	31,659,365	44,054,919	48,777,000
Accrued Interest Receivable		7,826				25,271		167,588	213,984		414,669	403,710
Due From Other Funds		3,800									3,800	5,306
Total Restricted Assets		264,954	1,364,393			3,545,001		8,581,778	8,888,479	31,677,496	54,322,101	52,555,409
Property, Plant, And Equipment:												
Land	12,472	670,800	1,246,730	46,500	666,250	1,678,338	102,020	2,008,490	3,598,828		10,030,428	8,825,274
Buildings		737,707	7,414,518	2,877,584	35,090	26,942,441	1,912,615	20,960,902	23,126,145		84,007,002	78,311,811
Improvements Other Than Buildings	309,097	1,288,160		39,256		1,776,560	281,988	54,178,376	60,537,197		118,410,634	108,362,645
Machinery And Equipment		511,548	137,750	693,436	691,981	7,330,534	7,074,568	2,490,861	3,182,482		22,113,160	17,579,544
Utility Plant										343,022,983	343,022,983	356,037,699
Construction In Progress						19,643		912,022	1,505,834	12,583,689	15,021,188	26,853,735
Total	321,569	3,208,215	8,798,998	3,656,776	1,393,321	37,747,516	9,371,191	80,550,651	91,950,486	355,606,672	592,605,395	595,970,708
Less Accumulated Depreciation	(11,782)	(737,158)	(1,452,885)	(2,200,950)	(378,804)	(13,562,300)	(3,807,425)	(20,134,413)	(23,310,319)	(67,620,964)	(133,217,000)	(122,705,374)
Net Property, Plant, And Equipment	309,787	2,471,057	7,346,113	1,455,826	1,014,517	24,185,216	5,563,766	60,416,238	68,640,167	287,985,708	459,388,395	473,265,334
Total Assets	$ 467,293	3,726,442	9,005,544	1,500,681	2,483,398	43,862,317	7,977,467	71,139,500	82,027,519	422,038,267	644,228,428	620,231,413

(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 1987	Totals 1986
LIABILITIES AND FUND BALANCE												
Liabilities:												
Current Liabilities (Payable From Current Assets):												
Vouchers Payable	$	2,274		951	1,168						4,393	4,465
Accounts Payable	58	43,827	6,191	23,526	22,143	1,092,803	2,008,646	191,747	338,040	5,604,128	9,331,109	8,487,035
Accrued Liabilities	42	12,701		14,615	9,990	2,610,230	81,536	119,884	168,704	4,261,204	7,278,906	6,927,964
Due To Other Funds		5,584			2,577						8,161	13,145
Notes Payable										5,000,000	5,000,000	5,000,000
Accrued Compensated Absences		33,243		21,642	28,616		137,623	193,453	277,329		691,906	701,755
Other				2,930		175,000	73,626			1,281,526	1,533,082	1,715,425
Total Current Liabilities (Payable From Current Assets)	100	97,629	6,191	63,664	64,494	3,878,033	2,301,431	505,084	784,073	16,146,858	23,847,557	22,849,789
Current Liabilities (Payable From Restricted Assets):												
Construction Contracts								10,232	131,981		142,213	936,728
Accrued Interest			62,102					117,366	197,558	5,586,032	5,963,058	7,891,425
Fuel Credit Obligation Notes										755,000	755,000	1,140,000
Current Portion Of Revenue Bonds			120,000			135,000		605,000	890,000	3,540,000	5,290,000	5,009,000
Total Current Liabilities (Payable From Restricted Assets)			182,102			135,000		732,598	1,219,539	9,881,032	12,150,271	14,977,153
Long Term Liabilities:												
Due To Plan Members										680,560	680,560	561,569
Deferred Credits And Other										378,379	378,379	2,129,494
Fuel Credit Obligation Notes (Net Of Current Portion)										1,955,000	1,955,000	2,710,000
Revenue Bonds (Net Of Current Portion)			3,310,000			18,730,000		9,740,000	12,580,000	313,426,723	357,786,723	350,265,000
Total Long Term Liabilities			3,310,000			18,730,000		9,740,000	12,580,000	316,440,662	360,800,662	355,666,063
Total Liabilities	100	97,629	3,498,293	63,664	64,494	22,743,033	2,301,431	10,977,682	14,583,612	342,468,552	396,798,490	393,493,005
Fund Equity:												
Contributed Capital	2,400	224,797	3,736,144	1,428,215	762,759		5,676,036	33,083,706	17,539,442		62,453,499	60,892,417
Retained Earnings:												
Reserved For:												
Debt Service			1,182,291					3,953,944	5,316,705		10,452,940	9,949,206
Improvements								3,895,236	2,352,235		6,247,471	4,609,128
Restricted Funds		264,954								15,514,938	15,779,892	19,458,465
Unreserved	464,793	3,139,062	588,816	8,802	1,656,145			19,228,932	42,235,525	64,054,777	131,376,852	111,628,090
Fund Balances:												
Reserved For:												
Improvements						3,263,152					3,263,152	3,421,051
Restricted Funds						146,849					146,849	140,406
Unreserved						17,709,283					17,709,283	16,639,645
Total Retained Earnings/ Fund Balances	464,793	3,404,016	1,771,107	8,802	1,656,145	21,119,284		27,078,112	49,904,465	79,569,715	184,976,439	165,845,991
Total Fund Equity	467,193	3,628,813	5,507,251	1,437,017	2,418,904	21,119,284	5,676,036	60,161,818	67,443,907	79,569,715	247,429,938	226,738,408
Total Liabilities And Fund Equity	$ 467,293	3,726,442	9,005,544	1,500,681	2,483,398	43,862,317	7,977,467	71,139,500	82,027,519	422,038,267	644,228,428	620,231,413

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CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	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 1987	Totals 1986
Operating Revenues:												
Charges For Services	$					33,146,634	1,080,359	7,673,311	10,638,530	96,868,639	149,407,473	145,614,642
Fees		1,037,979			2,093,064						3,131,043	1,170,459
Parking Facility Revenue	25,581		923,094								948,675	920,304
Performance Revenue				1,074,765							1,074,765	1,112,108
Other Operating Revenue				335,868		850,132			158,394		1,344,394	1,033,304
Total Operating Revenue	25,581	1,037,979	923,094	1,410,633	2,093,064	33,996,766	1,080,359	7,673,311	10,796,924	96,868,639	155,906,350	149,850,817
Operating Expenses:												
Personal Services	120	407,078		465,325	315,228	17,168,165	2,616,279				20,972,195	19,614,752
Contractual Services			330,951	784,465			297,589				1,413,005	1,460,992
Operation And Maintenance	13,988	369,131		371,532	404,437	12,512,597	1,121,509	3,758,880	3,827,635	4,855,165	27,234,874	25,695,331
Purchased Power										50,365,019	50,365,019	48,615,106
Depreciation	11,782	81,173	209,751	141,873	64,218	2,011,020	531,640	1,523,740	1,477,692	10,649,983	16,702,872	15,982,751
Payments In Lieu Of Taxes										4,084,301	4,084,301	3,955,607
Administrative								862,275	1,261,788	6,031,308	8,155,371	7,618,634
Total Operating Expenses	25,890	857,382	540,702	1,763,195	783,883	31,691,782	4,567,017	6,144,895	6,567,115	75,985,776	128,927,637	122,943,173
Operating Income (Loss)	(309)	180,597	382,392	(352,562)	1,309,181	2,304,984	(3,486,658)	1,528,416	4,229,809	20,882,863	26,978,713	26,907,644
Non-Operating Revenues (Expenses):												
Interest	14,203	39,148	112,235		41,781	699,245	38,484	524,230	563,785	5,549,097	7,582,208	7,966,526
Gain (Loss) On Disposal Of Assets		389				(4,233)		9,974	117,337	5,315,586	5,439,053	(144,838)
Operating Grants							765,979				765,979	873,920
Amortization Of Deferred Charges			(2,891)			(22,913)		(13,596)	(12,714)	(1,954,059)	(2,006,173)	(1,669,906)
Donations						71,843					71,843	231,142
Interest And Fiscal Charges			(285,785)			(2,130,744)		(517,027)	(770,566)	(21,945,494)	(25,649,616)	(25,786,188)
Miscellaneous							14,691	13,798	15,488	1,737,070	1,781,047	47,860
Total Non-Operating Revenues (Expenses)	14,203	39,537	(176,441)		41,781	(1,386,802)	819,154	17,379	(86,670)	(11,297,800)	(12,015,659)	(18,481,484)
Other Financing Sources -- Operating Transfers In	122,500			207,000			2,135,864				2,465,364	2,311,188
Net Income (Loss)	136,394	220,134	205,951	(145,562)	1,350,962	918,182	(531,640)	1,545,795	4,143,139	9,585,063	17,428,418	10,737,348
Depreciation Transfer On Contributed Capital		1,307	111,015	132,216	30,843		531,640	613,935	281,074		1,702,030	1,566,301
Increase (Decrease) In Retained Earnings	136,394	221,441	316,966	(13,346)	1,381,805	918,182		2,159,730	4,424,213	9,585,063	19,130,448	12,303,649
Retained Earnings Beginning Of Year	328,399	3,182,575	1,454,141	22,148	274,340	20,201,102		24,918,382	45,480,252	69,984,652	165,845,991	153,542,342
Retained Earnings End Of Year	$ 464,793	3,404,016	1,771,107	8,802	1,656,145	21,119,284		27,078,112	49,904,465	79,569,715	184,976,439	165,845,991

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For August 31, 1986

	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 1987	Totals 1986
Sources Of Working Capital:												
Net Income (Loss)	$ 136,394	220,134	205,951	(145,562)	1,350,962	918,182	(531,640)	1,545,795	4,143,139	9,585,063	17,428,418	10,737,348
Items Which Do Not Use (Provide) Working Capital:												
Depreciation	11,782	81,173	209,751	141,873	64,218	2,011,020	531,640	1,677,907	1,578,515	10,649,983	16,957,862	16,216,208
Amortization						22,913		13,596	12,714	1,954,059	2,003,282	1,667,015
(Gain) Loss On Disposal Of Assets		(389)				4,233		(9,974)	(117,337)	(5,315,586)	(5,439,053)	144,838
Allowance For Advance Payment For Nuclear Fuel										(178,358)	(178,358)	(304,568)
Working Capital Provided (Used) By Operations	148,176	300,918	415,702	(3,689)	1,415,180	2,956,348		3,227,324	5,617,031	16,695,161	30,772,151	28,460,841
Decrease In Assets Held Under Bond Ord.												100,136
Proceeds From Sale Of Fixed Assets		475				15,352		28,390	178,196	23,114,000	23,336,413	303,011
Issuance Of Revenue Bonds										93,191,904	93,191,904	2,750,000
Contribution In Aid Of Construction And Existing Plant												703,902
Decrease In Restricted Assets						165,714		436,612			602,326	2,606,210
Increase In Liabilities Payable From Restricted Assets			8,819								8,819	110,330
Contributed Capital				16,054	666,250		1,434,101	171,410	443,657		2,731,472	370,275
Increase In Deferred Credits And Other												450,431
Net Decrease In Working Capital	159,545			11,988			774,946				946,479	96,206
	$ 307,721	301,393	424,521	24,353	2,081,430	3,137,414	2,209,047	3,863,736	6,238,884	133,001,065	151,589,564	35,951,342

(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 1987	Totals 1986
Uses Of Working Capital:												
Acquisition Of Property, Plant, And Equipment	$ 307,721	153,174	1,500	24,353	951,383	943,896	2,209,047	3,053,718	2,630,743	10,171,000	20,446,535	21,520,873
Decrease In Current Liabilities (Payable From Restricted Assets)			10,000			14,258		139,496	553,872		717,626	19
Decrease (Increase) In Deferred Credits And Other										1,508,281	1,508,281	(132,125)
Increase In Restricted Assets And Special Deposits		65,186	276,005						1,618,135	30,270	1,989,596	3,533,160
Retirement Of Long Term Debt			110,000			135,000		595,000	890,000	12,165,000	13,895,000	6,192,443
Increase In Deferred Charges And Other Assets												409,587
Increase In Due To Plan Members										118,991	118,991	561,569
Defeasance Of Long Term Debt										80,325,000	80,325,000	
Deferred Charges Resulting From Defeasance Of Long Term Debt										10,478,000	10,478,000	
Other Uses										906,041	906,041	
Net Increase In Working Capital		83,033	27,016		1,130,047	2,044,260		75,522	546,134	17,298,482	21,204,494	3,865,816
	$ 307,721	301,393	424,521	24,353	2,081,430	3,137,414	2,209,047	3,863,736	6,238,884	133,001,065	151,589,564	35,951,342
Elements Of Net Increase (Decrease) In Working Capital:												
Cash	80,123	(43,022)	33,831	(28,148)	956,585	(111,343)	(81,859)	20,000	15,000		841,167	1,218,464
Investments	(240,000)	109,930				450,356	(276,455)				43,831	2,095,161
Receivables (Accounts, Unbilled Accounts)	21	812	(3,028)	(759)	152,925	238,440	(145,046)	87,463	575,779	(1,320,309)	(413,702)	3,147,325
Accrued Interest Receivable	(882)	4,263	25		3,998	39,833	16,854				64,091	59,936
Due From Other Funds	(27)	3,714	(2,266)		37,045						38,466	(11,408)
Due From Other Governments							308,773				308,773	(1,110,131)
Inventories		879		565		(9,952)	(28,261)	2,308	(19,713)	28,455	(25,719)	(284,002)
Plant Operation Assets										(2,003,405)	(2,003,405)	(1,808,524)
Prepaid Expenses				108		611,859	2,290	(2,028)	140	35,253	647,622	119,295
Reimbursements From Third Party Payors						272,369					272,369	
Unamortized Debt Issuance Expense			(2,891)								(2,891)	66,057
Funds And Restricted Assets										26,369,013	26,369,013	1,559,649
Current Installment--Long Term Debt										(7,675,000)	(7,675,000)	325,000
Current Install.--Equip. Contracts Pay.												24,721
Vouchers Payable		1,476		(236)	(1,168)						72	11,500
Accounts Payable	1,196	(5,135)	1,345	7,763	(4,943)	397,443	(583,145)	6,848	69,489	(734,935)	(844,074)	(810,093)
Accrued Liabilities	(42)	(1,501)		49	(919)	(85,403)	(5,484)	(43,861)	(97,567)	(116,214)	(350,942)	(241,220)
Due To Other Funds	66	6,088			(1,170)						4,984	(1,222)
Accrued Compensated Absences		5,529		(2,479)	(12,306)		11,307	4,792	3,006		9,849	(40,103)
Accrued Interest Payable										1,933,075	1,933,075	(64,951)
Overpayment From Third Party Payors						240,658					240,658	(251,968)
Other				11,149			6,080			782,549	799,778	(233,876)
Net Increase (Decrease) In Working Capital	$ (159,545)	83,033	27,016	(11,988)	1,130,047	2,044,260	(774,946)	75,522	546,134	17,298,482	20,258,015	3,769,610

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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 worker's 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, 1987
With Comparative Totals For August 31, 1986

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving	Totals 1987	Totals 1986
ASSETS									
Current Assets:									
Cash Held By City Treasurer	$ 117,968	407,306	219,939	2,789,011	730,345	77,483	161,518	4,503,570	3,683,819
Investments (At Cost)			1,483,994					1,483,994	1,513,403
Receivables:									
Accounts	95,994	41,133		36,695		672	3,260	177,754	503,951
Accrued Interest	69	1,598	34,407	11,605	3,151	185	666	51,681	36,756
Due From Other Funds	138,204	128,022	19,818	319,680	137,607	10,704	8,500	762,535	844,897
Due From Other Governments	222,831				88	4,388	908	228,215	248,126
Inventories				226,355	43,375	12,399	7,121	289,250	267,271
Total Current Assets	575,066	578,059	1,758,158	3,383,346	914,566	105,831	181,973	7,496,999	7,098,223
Fixed Assets	2,833,840	265,100	14,397	6,297,287	2,082,688	251,365		11,744,677	11,822,850
Less Accumulated Depreciation	(1,636,033)	(186,234)	(10,188)	(3,908,019)	(1,313,041)	(161,004)		(7,214,519)	(6,676,217)
Net Fixed Assets	1,197,807	78,866	4,209	2,389,268	769,647	90,361		4,530,158	5,146,633
Total Assets	$ 1,772,873	656,925	1,762,367	5,772,614	1,684,213	196,192	181,973	12,027,157	12,244,856
LIABILITIES AND FUND EQUITY									
Current Liabilities:									
Vouchers Payable	17,753	1,658	12	10,671	1,346	2,820	179	34,439	60,185
Accounts Payable	105,948	21,131	27,129	41,141	20,583	16,553	31,272	263,757	268,965
Interest Payable On Capital Leases									8,518
Accrued Liabilities	22,807	66,479	2,289	20,972	7,630	2,056		122,233	100,847
Due To Other Funds	5,781	19,623	504	3,963	189	11,553	65,561	107,174	30,910
Accrued Compensated Absences	46,317	192,688	3,213	77,712	40,171	1,745		361,846	377,907
Open Workers' Compensation Claims			240,632					240,632	287,628
Obligation Under Capital Leases	450,244					4,963		455,207	497,446
Total Current Liabilities	648,850	301,579	273,779	154,459	69,919	39,690	97,012	1,585,288	1,632,406
Long Term Liabilities:									
Open Workers' Compensation Claims			569,016					569,016	398,068
Obligation Under Capital Leases	296,833							296,833	702,185
Total Liabilities	945,683	301,579	842,795	154,459	69,919	39,690	97,012	2,451,137	2,732,659
Fund Equity:									
Contributed Capital	61,253			1,412,100	111,469			1,584,822	1,516,641
Retained Earnings:									
Designated For:									
Subsequent Year's Expenditures	11,403	33,239	1,145	10,486	3,815	1,028		61,116	43,219
Replacement And Improvements				2,029,065	731,436			2,760,501	2,791,382
Undesignated	754,534	322,107	918,427	2,166,504	767,574	155,474	84,961	5,169,581	5,160,955
Total Retained Earnings	765,937	355,346	919,572	4,206,055	1,502,825	156,502	84,961	7,991,198	7,995,556
Total Fund Equity	827,190	355,346	919,572	5,618,155	1,614,294	156,502	84,961	9,576,020	9,512,197
Total Liabilities And Fund Equity	$ 1,772,873	656,925	1,762,367	5,772,614	1,684,213	196,192	181,973	12,027,157	12,244,856

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving	Totals 1987	Totals 1986
Operating Revenues,									
Charges For Services	$ 3,457,605	3,106,498	1,016,613	2,206,461	973,104	267,065	144,651	11,171,997	12,071,774
Operating Expenses:									
Personal Services	873,212	2,359,810	87,613	775,921	311,431	90,049	6,882	4,504,918	4,390,551
Supplies And Materials	91,841	46,824	31,428	927,514	210,918	81,196	31,727	1,421,448	1,454,892
Other Services And Charges	1,911,347	701,248	1,154,792	381,175	115,667	65,291	172,442	4,501,962	4,388,625
Depreciation	420,591	18,378	1,287	476,334	358,954	19,964		1,295,508	1,333,428
Total Operating Expense	3,296,991	3,126,260	1,275,120	2,560,944	996,970	256,500	211,051	11,723,836	11,567,496
Operating Income (Loss)	160,614	(19,762)	(258,507)	(354,483)	(23,866)	10,565	(66,400)	(551,839)	504,278
Non-Operating Revenues (Expenses):									
Interest	(86,364)	13,768	115,673	147,896	36,646	1,376	7,114	236,109	202,915
Contributions From Stores Revolving						144,561		144,561	
Miscellaneous	(3,302)			(8,527)	(451)			(12,280)	7,939
Total Non-Operating Revenues (Expenses)	(89,666)	13,768	115,673	139,369	36,195	145,937	7,114	368,390	210,854
Net Income (Loss)	70,948	(5,994)	(142,834)	(215,114)	12,329	156,502	(59,286)	(183,449)	715,132
Depreciation Transfer On Contributed Capital	22,442			286,690	14,520			323,652	292,770
Increase (Decrease) In Retained Earnings	93,390	(5,994)	(142,834)	71,576	26,849	156,502	(59,286)	140,203	1,007,902
Retained Earnings Beginning Of Year	672,547	361,340	1,062,406	4,134,479	1,475,976		288,808	7,995,556	6,987,654
Residual Equity Transfer Out							(144,561)	(144,561)	
Retained Earnings End Of Year	$ 765,937	355,346	919,572	4,206,055	1,502,825	156,502	84,961	7,991,198	7,995,556

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving	Totals 1987	Totals 1986
Sources Of Working Capital:									
Net Income (Loss)	$ 70,948	(5,994)	(142,834)	(215,114)	12,329	156,502	(59,286)	(183,449)	715,132
Items Which Do Not Use (Provide) Working Capital:									
Depreciation	420,591	18,378	1,287	476,334	358,954	19,964		1,295,508	1,333,428
Loss (Gain) On Disposal Of Fixed Assets	3,302			8,527	451		88,359	100,639	(20,529)
Working Capital Provided (Used) By Operations	494,841	12,384	(141,547)	269,747	371,734	176,466	29,073	1,212,698	2,028,031
Obligations Under Capital Leases									199,814
Proceeds From Sale Of Fixed Assets				22,473	27,370			49,843	32,412
Contributed Capital				380,693				380,693	304,739
Increase In Open Workers' Compensation Claims			170,948					170,948	103,768
Net Decrease In Working Capital	59,299	5,604					120,451	185,354	216,691
Total Sources	$ 554,140	17,988	29,401	672,913	399,104	176,466	149,524	1,999,536	2,885,455
Uses Of Working Capital:									
Acquisition Of Property, Plant, And Equipment	153,751	17,988	966	428,505	106,840	110,325		818,375	1,406,880
Payments And Current Installments Under Capital Leases	400,389						4,963	405,352	488,554
Equity Transfer To Print Services Revolving							144,561	144,561	
Net Increase In Working Capital			28,435	244,408	292,264	66,141		631,248	990,021
Total Uses	$ 554,140	17,988	29,401	672,913	399,104	176,466	149,524	1,999,536	2,885,455
Elements Of Net Increase (Decrease) In Working Capital:									
Cash	(107,623)	210,329	(10,496)	420,272	259,340	77,483	(29,554)	819,751	599,072
Investments			(29,409)					(29,409)	280,404
Accounts Receivable	(38,581)	(197,919)	(2,111)	(88,569)	(40)	672	351	(326,197)	152,999
Accrued Interest Receivable	(956)	607	12,148	1,771	1,254	185	(84)	14,925	5,876
Due From Other Funds	24,346	(31,895)	(821)	(98,722)	19,807	10,704	(5,781)	(82,362)	58,135
Due From Other Governments	(25,295)				88	4,388	908	(19,911)	(175,077)
Inventory				2,066	8,731	12,399	(1,217)	21,979	(64,701)
Vouchers Payable	4,682	3,114	44	17,788	1,178	(2,820)	1,760	25,746	127,523
Accounts Payable	40,351	13,282	10,282	(8,466)	(2,834)	(16,553)	(30,854)	5,208	(1,463)
Interest Payable On Capital Lease	8,518							8,518	12,551
Accrued Liabilities	(3,650)	(11,575)	(279)	(4,366)	99	(2,056)	441	(21,386)	889
Due To Other Funds	(1,685)	2,900	(122)	(367)	39	(11,553)	(65,476)	(76,264)	3,412
Accrued Compensated Absences	1,257	5,553	2,203	3,001	4,602	(1,745)	1,190	16,061	(12,308)
Open Workers' Compensation Claims			46,996					46,996	(46,332)
Obligation Under Capital Lease	39,337					(4,963)	7,865	42,239	(167,650)
Net Increase (Decrease) In Working Capital	$ (59,299)	(5,604)	28,435	244,408	292,264	66,141	(120,451)	445,894	773,330

F I D U C I A R Y F U N D S

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 policemen and firemen.

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, 1987
With Comparative Totals For August 31, 1986

	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	1987	1986
ASSETS																
Cash Held By City Treasurer	$ 4,035	40,203	83,566	66,993	334,853	28,139		1,470,813	2,797,364	1,512,160	1,052	83,927	3,200,000		9,623,105	6,152,438
Cash In Other Accounts							71,898	2,418							74,316	67,819
Investments (At Cost Or Amortized Cost)	2,012,283	47,653,112										1,177,732			50,843,127	45,544,143
Receivables:																
Taxes	46,140	154,134													200,274	218,170
Accrued Interest	33,653	754,149	403	271	1,307							16,253			806,036	721,503
Other			277	1,783		9,571		31,467			3,415				46,513	358,240
Due From Other Funds	31,422	167,377	7,318	2,989	17,026	1,177		124,494			23,198	8,132			383,133	212,184
Due From Other Governments	1,716	9,158													10,874	7,800
Insurance Contract														1,860,903	1,860,903	1,510,154
Total Assets	$ 2,129,249	48,778,133	91,564	72,036	353,186	38,887	71,898	1,629,192	2,797,364	1,512,160	27,665	1,286,044	3,200,000	1,860,903	63,848,281	54,792,451
LIABILITIES AND FUND BALANCE																
Liabilities:																
Cash Overdraft						659									659	
Accounts Payable			2,881	2,426	251			316,189			26,613				348,360	29,763
Warrants Payable									2,797,364						2,797,364	2,395,210
Vouchers Payable			2,822		2,217			582,777							587,816	1,232,102
Accrued Compensated Absences					2,064										2,064	2,751
Accrued Liabilities					1,377					281,214	1,052				283,643	463,196
Due To Other Funds			1,240							1,230,946			3,200,000		4,432,186	1,728,981
Due To Other Governments						38,228		730,226							768,454	206,074
Due To Contractor							71,898								71,898	64,930
Due To Plan Members														1,860,903	1,860,903	1,510,154
Deferred Revenues	16,728	79,204													95,932	84,769
Amount Held Under State Lease Agreement												1,286,044			1,286,044	1,247,340
Total Liabilities	16,728	79,204	6,943	2,426	5,909	38,887	71,898	1,629,192	2,797,364	1,512,160	27,665	1,286,044	3,200,000	1,860,903	12,535,323	8,965,270
Fund Balances:																
Reserved For:																
Employee Retirement	2,112,521	48,698,929													50,811,450	45,392,291
Encumbrances			12,912		655										13,567	6,092
Undesignated			71,709	69,610	346,622										487,941	428,798
Total Fund Balances	2,112,521	48,698,929	84,621	69,610	347,277										51,312,958	45,827,181
Total Liabilities And Fund Balances	$ 2,129,249	48,778,133	91,564	72,036	353,186	38,887	71,898	1,629,192	2,797,364	1,512,160	27,665	1,286,044	3,200,000	1,860,903	63,848,281	54,792,451

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CITY OF LINCOLN, NE
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Fire Pension	Police and Fire Pension	Totals 1987	Totals 1986
Operating Revenues:				
Employee Contributions	$	903,605	903,605	984,509
Taxes:				
Real Estate And Personal Property	178,680	935,236	1,113,916	814,311
Motor Vehicle	20,743	96,986	117,729	124,132
Interest	180,767	4,417,195	4,597,962	4,353,050
Intergovernmental	80	426	506	363
Total Operating Revenues	380,270	6,353,448	6,733,718	6,276,365
Operating Expenses:				
Benefit Payments	308,262	768,325	1,076,587	998,131
Refunds		233,671	233,671	125,001
Administrative Costs	1,350	2,951	4,301	14,026
Total Operating Expenses	309,612	1,004,947	1,314,559	1,137,158
Net Income	70,658	5,348,501	5,419,159	5,139,207
Fund Balances Beginning Of Year	2,041,863	43,350,428	45,392,291	40,253,084
Fund Balances End Of Year	$2,112,521	48,698,929	50,811,450	45,392,291

CITY OF LINCOLN, NE
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Fire Pension	Police and Fire Pension	Totals 1987	Totals 1986
Sources Of Working Capital:				
Operations--Net Income	$ 70,658	5,348,501	5,419,159	5,139,207
Net Decrease In Working Capital	2,799		2,799	543,735
Total Sources	$ 73,457	5,348,501	5,421,958	5,682,942
Uses Of Working Capital:				
Purchase Of Investments	73,457	5,147,819	5,221,276	5,682,942
Net Increase In Working Capital		200,682	200,682	
Total Uses	$ 73,457	5,348,501	5,421,958	5,682,942
Elements Of Net Increase (Decrease) In Working Capital:				
Cash	(10,116)	(30,167)	(40,283)	(67,870)
Taxes Receivable	(18,798)	902	(17,896)	(462,568)
Accrued Interest Receivable	205	82,445	82,650	(18,987)
Due From Other Funds	25,231	151,472	176,703	(9,182)
Due From Other Governments	(538)	3,612	3,074	7,800
Accounts Payable		4,600	4,600	(4,600)
Due To Other Funds		198	198	(198)
Deferred Revenues	1,217	(12,380)	(11,163)	11,870
Net Increase (Decrease) In Working Capital	$ (2,799)	200,682	197,883	(543,735)

CITY OF LINCOLN, NE
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1987
With Comparative Totals For Fiscal Year Ended August 31, 1986

	Park and Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	Totals 1987	Totals 1986
Revenues:					
Intergovernmental	$ 2,204			2,204	1,809
Donations And Gifts	176,423	77,629	97,033	351,085	214,762
Interest	7,409	3,139	17,115	27,663	22,315
Sale Of Concessions	32,748			32,748	13,910
Miscellaneous	1,251	4,577		5,828	3,700
Total Revenues	220,035	85,345	114,148	419,528	256,496
Expenditures:					
Culture And Recreation:					
Personal Services	10,650		51,035	61,685	48,803
Supplies And Materials	23,255		517	23,772	16,528
Other Services And Charges	17,106		14,003	31,109	20,128
Construction Contracts	44,819			44,819	31,579
Equipment	117,259		26,036	143,295	19,479
Economic Opportunity:					
Supplies And Materials		5,304		5,304	5,659
Other Services And Charges		42,632		42,632	31,254
Equipment		294		294	559
Total Expenditures	213,089	48,230	91,591	352,910	173,989
Excess Of Revenues Over Expenditures	6,946	37,115	22,557	66,618	82,507
Fund Balances Beginning Of Year	77,675	32,495	324,720	434,890	352,383
Fund Balances End Of Year	$ 84,621	69,610	347,277	501,508	434,890

CITY OF LINCOLN, NE
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED AUGUST 31, 1987

	Balance Sept. 1, 1986	Additions	Deductions	Balance Aug. 31, 1987
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash	$ 2,388	526,819	501,068	28,139
Receivables	7,948	1,177	8,263	862
Due From Other Funds	8,263	9,571	7,948	9,886
	$ 18,599	537,567	517,279	38,887
Liabilities:				
Cash Overdraft		73,096	72,437	659
Due To Other Governments	18,599	520,697	501,068	38,228
	$ 18,599	593,793	573,505	38,887
CONTRACTOR DEPOSITS:				
Assets:				
Cash And Investments	$ 64,930	27,781	20,813	71,898
Liabilities:				
Due To Contractor	$ 64,930	27,781	20,813	71,898
PAYROLL REVOLVING:				
Assets:				
Cash	947,052	29,777,893	29,253,107	1,471,838
Receivables	336,884	32,860	336,884	32,860
Due From Other Funds	134,989	29,767,398	29,777,893	124,494
	$ 1,418,925	59,578,151	59,367,884	1,629,192
Liabilities:				
Accounts Payable		316,189		316,189
Vouchers Payable	1,231,450	28,011,410	28,660,083	582,777
Due To Other Governments	187,475	29,147,185	28,604,434	730,226
	$ 1,418,925	57,474,784	57,264,517	1,629,192
OUTSTANDING WARRANTS:				
Assets:				
Cash	$ 2,395,210	261,464,632	261,062,478	2,797,364
Liabilities:				
Warrants Payable	$ 2,395,210	261,464,632	261,062,478	2,797,364
EARNINGS ON POOLED INVESTMENTS:				
Assets:				
Cash	$ 1,860,785	1,512,160	1,860,785	1,512,160
Liabilities:				
Accrued Liabilities	460,201	281,214	460,201	281,214
Due To Other Funds	1,400,584	1,230,946	1,400,584	1,230,946
	$ 1,860,785	1,512,160	1,860,785	1,512,160

(continued)

	Balance Sept. 1, 1986	Additions	Deductions	Balance Aug. 31, 1987
UTILITIES AND TELEPHONE SUSPENSE:				
Assets:				
Cash	$ 1,801	19,454,431	19,455,180	1,052
Receivables	9,244	3,415	9,244	3,415
Due From Other Funds	14,160	19,464,218	19,455,180	23,198
	$ 25,205	38,922,064	38,919,604	27,665
Liabilities:				
Accounts Payable	23,404	295,888	292,679	26,613
Accrued Liabilities	1,801	19,161,751	19,162,500	1,052
	$ 25,205	19,457,639	19,455,179	27,665
PUBLIC OFFICE BUILDING REVENUE BONDS (STATE OF NEBRASKA, LESSEE):				
Assets:				
Cash And Investments	1,222,230	1,719,330	1,679,901	1,261,659
Accrued Interest	14,734	16,253	14,734	16,253
Due From Other Funds	10,376	8,132	10,376	8,132
	$ 1,247,340	1,743,715	1,705,011	1,286,044
Liabilities:				
Amount Held Under State Lease Agreement	$ 1,247,340	1,743,715	1,705,011	1,286,044
UNDISTRIBUTED PROPERTY TAX:				
Assets:				
Cash	$ 328,000	24,409,542	21,537,542	3,200,000
Liabilities:				
Due To Other Funds	$ 328,000	24,409,542	21,537,542	3,200,000
DEFERRED COMPENSATION PLAN:				
Assets:				
Insurance Contract	$ 1,510,154	436,379	85,630	1,860,903
Liabilities:				
Due To Plan Members	$ 1,510,154	436,379	85,630	1,860,903
AGENCY FUND TOTALS:				
Total Assets	$ 8,869,148	388,631,991	385,077,026	12,424,113
Total Liabilities	$ 8,869,148	367,120,425	363,565,460	12,424,113

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G E N E R A L F I X E D A S S E T S

A C C O U N T G R O U P

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, 1987

General Fixed Assets August 31, 1982[1]	$46,978,145
Additions To General Fixed Assets By Source -	
September 1, 1982 Through August 31, 1986	
General Fund Revenues	3,601,740
Federal Funds	178,214
Capital Projects Funds	4,829,080
Special Revenue Funds	626,395
Donations	477,914
	9,713,343
Deletions	(4,141,305)
General Fixed Assets August 31, 1986	$52,550,183
Additions To General Fixed Assets By Source -	
September 1, 1986 Through August 31, 1987	
General Fund Revenues	1,673,538
Federal Funds	3,874
Capital Projects Funds	808,402
Special Revenue Funds	637,635
Donations	16,950
	3,140,399
Deletions	(406,540)
General Fixed Assets August 31, 1987	$55,284,042

[1]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, 1987

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT
GENERAL GOVERNMENT					
Legislative	$ 11,710				11,710
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	721,977				721,977
Financial Administration	104,472				104,472
Law	185,227				185,227
Personnel Administration	41,756				41,756
Planning And Zoning	36,740				36,740
Buildings And Plant	7,219,279	941,178	6,114,385	163,716	
Urban Development	2,907,017	2,815,460			91,557
Total General Government	11,228,178	3,756,638	6,114,385	163,716	1,193,439
PUBLIC SAFETY					
Police	615,729				615,729
Fire	3,752,382	463,578	1,172,055	101,883	2,014,866
Codes	212,968				212,968
Communications	169,918				169,918
Civil Defense	80,903				80,903
Transportation	1,393,558	60,066	436,677	64,202	832,613
Total Public Safety	6,225,458	523,644	1,608,732	166,085	3,926,997
STREETS AND HIGHWAYS					
Street Maintenance	5,439,674	2,359,635	1,969,262	505,992	604,785
CULTURE -- RECREATION					
Parks And Recreation	20,031,036	4,590,178	5,010,306	9,675,234	755,318
Libraries	8,806,272	144,554	2,176,517	140,515	6,344,686
Cornhusker Convention Center	2,871,688	446,036	2,248,715		176,937
Total Culture--Recreation	31,708,996	5,180,768	9,435,538	9,815,749	7,276,941
ECONOMIC OPPORTUNITY					
Lincoln Area Agency On Aging	177,071				177,071
Job Programs	28,512				28,512
Total Economic Opportunity	205,583				205,583
HEALTH AND WELFARE					
Lincoln-Lancaster Co. Health	476,153				476,153
Total General Fixed Assets	$55,284,042	11,820,685	19,127,917	10,651,542	13,683,898

CITY OF LINCOLN, NE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended August 31, 1987

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS SEPT 1, 1986	ADDITIONS[1]	DEDUCTIONS	GENERAL FIXED ASSETS AUG 31, 1987
GENERAL GOVERNMENT				
Legislative	$ 9,815	1,895		11,710
Executive, Including Mayor, Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	558,938	163,039		721,977
Financial Administration	103,927	545		104,472
Law	198,251	8,043	21,067	185,227
Personnel Administration	39,570	2,566	380	41,756
Planning And Zoning	36,740			36,740
Buildings And Plant	7,060,821	158,458		7,219,279
Urban Development	2,950,566	308,155	351,704	2,907,017
Total General Government	10,958,628	642,701	373,151	11,228,178
PUBLIC SAFETY				
Police	614,416	13,574	12,261	615,729
Fire	3,604,981	147,401		3,752,382
Codes	209,086	4,701	819	212,968
Communications	170,067		149	169,918
Civil Defense	34,922	47,630	1,649	80,903
Transportation	1,351,299	42,259		1,393,558
Total Public Safety	5,984,771	255,565	14,878	6,225,458
STREETS AND HIGHWAYS				
Street Maintenance	5,444,430		4,756	5,439,674
CULTURE -- RECREATION				
Parks And Recreation	17,923,652	2,117,840	10,456	20,031,036
Libraries	8,743,686	62,586		8,806,272
Cornhusker Convention Center	2,871,728		40	2,871,688
Total Culture--Recreation	29,539,066	2,180,426	10,496	31,708,996
ECONOMIC OPPORTUNITY				
Lincoln Area Agency On Aging	163,233	13,838		177,071
Job Programs	26,179	3,874	1,541	28,512
Total Economic Opportunity	189,412	17,712	1,541	205,583
HEALTH AND WELFARE				
Lincoln-Lancaster Co. Health	433,876	43,995	1,718	476,153
TOTAL GENERAL FIXED ASSETS	$52,550,183	3,140,399	406,540	55,284,042

[1]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, 1987

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1986	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1987
U.S. Department Of Transportation							
Direct Programs:							
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-0002	$ 3,024	50,013	11,747	58,736	
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X004	1,540	23,083	4,386	21,929	(4,000)
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X007	4,787	813,256	202,149	1,010,743	125
UMTA Section 9 Capital And Operating Assistance	20.507	NE-90-X014		919,882	3,115,494	4,035,376	
UMTA Section 5 Capital Assistance	20.507	NE-05-0010	136	535,683	161,984	809,918	112,387
UMTA Section 5 Capital Assistance	20.507	NE-05-0009		163,990	40,984	204,920	(54)
UMTA Section 3 Capital Assistance	20.507	NE-03-0023		296,880	123,835	495,339	74,624
UMTA Transit Planning	20.507	NE-90-X007		25,546	9,793	48,963	13,624
UMTA Transit Planning	20.507	NE-90-X004	17,639	37,305	5,015	25,078	397
UMTA Transit Planning	20.507	NE-08-0029	9,677	22,396	3,581	17,904	1,604
Pass-Through State Department Of Roads:							
Pavement Marking Project	20.205	PMS-0005(38)	23,502		23,502		
Carpool/Vanpool 1986	20.205	M-8031(32)	14,593	14,593			
Planning Grant	20.205	HPR-PL1(24)	1,354	47,931	8,219	54,796	
Planning Grant	20.205	HPR-PL1(25)			1,217	8,111	6,894
City-Wide Traffic System	20.205	M-8031(31)	11,671				11,671
City-Wide Traffic System	20.205	M-8031(30)	51				51
Obsolete Controllers	20.205	M-5244(4)	75,692	13,261	75,727	13,296	
Pole Relocation-"O" Street	20.205	HES-34-6(120)	57,789	139,720	23,920	105,851	
West "O" Widening	20.205	F-BHF-6-6(113)	4,850		60,761	55,911	
LMATS	20.205			20,835	2,931	23,766	
Lancaster County Rural Transit	20.205	RPT-C551(188)-1988			2,134	3,561	1,427
Lancaster County Rural Transit	20.205	RPT-C551(187)-1987	2,525	16,440	12,468	29,891	3,508
Lancaster County Rural Transit	20.205	RPT-C551(186)-1986	2,142	2,142			
48th & Leighton	20.205	M-5239(3)	424,785	4,265	420,520		
70th & Pioneers	20.205	M-5247(1) & (4)	994		17,322	17,322	994
27th, Parkway To "O"	20.205	M-5053(1)	34,170		34,170		
N. 27th, RR Overpass & Loup	20.205	RR6970(7)	84,506	109,267		24,761	
Mathes Street	20.205	BRO-7055(70)	9,465	9,465			
Cumings Street	20.205	BRO-7055(71)	45,407	11,237			34,170
27th, Potter To I-80	20.205	M-5231(3)	67,086	92,619	74,675	109,525	9,317
Harris Overpass	20.205	Maint. Agree. #2 (3)	64,031		64,607	576	
16th & Holdrege	20.205	HES-5244(5)	37,202	23,721			13,481
Bridge, 27th & Salt Creek	20.205	BRM 5231 (2)	41,894	115,859	81,048	155,013	
South Street 38-42	20.205	HES-5212(4)			35,095	140,382	105,287
Cornhusker Highway 9-20	20.205				8,705	34,819	26,114
Cornhusker Highway 20-36	20.205				272,393	344,291	71,898
Misc. Emergency Traffic Projects	20.205				7,994	31,976	23,982
11th & Sanders	20.205			20,000	97,315	117,315	
14th & Adams - Traffic Signals	20.205	HES-5244(6)	13,230			4,427	17,657
17th & Holdrege - Traffic Signals	20.205	HES-5244(6)	5,750			22,057	27,807
Pass-Through State Department Of Motor Vehicles:							
Seatbelt Safety Program	20.600	87-304		43,822	25,029	71,180	2,329
Seatbelt Safety Program	20.600	86-304	18,371	29,284		9,540	(1,373)
Seatbelt Safety Program	20.600	85-304	3,661				3,661
Total Department Of Transportation			$1,081,524	3,602,495	5,028,720	8,107,273	557,582

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1986	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1987
U.S. Department Of Health And Human Services							
Direct Programs:							
RSVP Aging	13.633	440-8621(5)	$	34,083	63,566	106,385	8,736
RSVP Aging	13.633	440-8621(4)	7,092	9,878	5,670	8,456	
Lifetime Health	13.633	07AM0321/02				5,233	5,233
Lifetime Health	13.633	07AM0321/01		82,050		87,184	5,134
Pass-Through State Department Of Aging:							
Title IIIB	13.633	NGA-88-008	$	39,000	242,874	258,432	(23,442)
Title IIIB	13.633	NGA-87-082	19,650	296,144	1,058,490	1,334,984	
Title IIIC(1)	13.635	NGA-87-083	22,734	298,196	342,978	618,440	
Title IIIC(1)	13.635	NGA-86-117	(8,015)			8,015	
Title IIIC(1)	13.635	NGA-88-009		53,000	68,200	81,875	(39,325)
Title IIIC(2)	13.635	NGA-86-118	(2,967)			2,967	
Title IIIC(2)	13.635	NGA-88-010		11,000	19,547	23,112	(7,435)
Title IIIC(2)	13.635	NGA-87-020	6,137	52,768	267,985	314,616	
Community Service Block Grant	13.665	86-11-01	12,133	15,453		3,320	
Pass-Through State Department Of Health:							
Hypertension Grant 86/87	13.991	0987 BINEPRVS		4,140	12,691	31,608	14,777
Hypertension Grant 85/86	13.991	0986 BINEPRVS	1,084	4,600		2,502	(1,014)
Hypertension Grant 84/85	13.991	0985 BINEPRVS	1,024				1,024
Risk Reduction	13.991	09883 BINEPRVS	(129)				(129)
Epidemiologist 87	13.994/13.991			12,708	886	26,009	12,415
Epidemiologist 86	13.994/13.991		8,541	4,690		2,101	5,952
Epidemiologist 85	13.994/13.991		(20,788)				(20,788)
Aids - HERR	13.118		1,002	5,000		5,669	1,671
Aids - CTS	13.118			4,345		8,493	4,148
Total Department Of Health And Human Services			$ 47,498	927,055	2,082,887	2,929,401	(33,043)
U.S. Department Of Housing And Urban Development							
Direct Programs:							
Community Development Block Grant	14.219	B-84, 85 & 86 -MC-31-0001	$ (80,998)	1,146,000	231,963	1,396,407	(62,554)
Community Development Block Grant Section 108 - 3 Loan	14.219	B-85-MC-31-0001		350,000	2,160	296,682	(55,478)
Community Development Block Grant Section 108 - 2 Loan	14.219	B-84-MC-31-0001	(18,784)	85,000	1,124	103,688	(1,220)
Fair Housing Assistance	14.146	HA-15080	10,874	10,050		6,969	7,793
Section 312 Rehabilitation Loan Program	14.220			102,700	3,532	102,700	(3,532)
Rental Rehabilitation Loan Program	14.230	R-84/85-MC-31-0201		201,766	188,119	389,885	
Pass-Through State Department Of Energy:							
Lincoln Energy Conservation Loan Program	14.550		12,044	71,737	(4,800)	61,481	6,588
Total Department Of Housing And Urban Development			$ (76,864)	1,967,253	422,098	2,357,812	(108,403)
U.S. Department Of The Treasury							
Direct Programs:							
Revenue Sharing Trust Fund Entitlements #16 & #17	21.300	28-2-0-055-007	$ (85,618)	419,015	11,989	423,216	(93,406)
Pass-Through Lancaster County:							
Lincoln-Lancaster Health Dept.	21.300			879,166		879,166	
Total Department Of The Treasury			$ (85,618)	1,298,181	11,989	1,302,382	(93,406)
National Foundation On The Arts And The Humanities							
Direct Programs:							
Art In Public Places	45.023	R70-41-64	$ 3,010		4,000		(990)

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1986	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1987
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	6/87-8/87	$	10,517		23,704	13,187
Summer Food Service Program	10.559	6/86-8/86	(1,250)	15,426		17,176	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			$ (4,301)	25,943		40,880	10,636
U.S. Department Of Education:							
Pass-Through State Library Commission:							
State Resource Center Contract	84.015	84/85	$ (11,925)			11,318	(607)
Urban Libraries Technology Grant	84.039		(8,597)	1,712		3,239	(7,070)
Major Urban Library Resource Grant	84.039		(2,720)			2,528	(192)
Net Lender Contract	84.167	86/87		6,993			(6,993)
Net Lender Contract	84.167	85/86	(11,549)	2,847			(14,396)
Total Department Of Education			$ (34,791)	11,552		17,085	(29,258)
U.S. Department Of Labor							
Pass-Through State Department Of Labor:							
JTPA Title I Administration	17.250		$ 10,814	119,731		120,926	12,009
JTPA Title IIA Program	17.250		18,796	345,084		340,731	14,443
JTPA Title IIB Summer SYETP	17.250		121,217	228,731		206,846	99,332
JTPA Title III Dislocated Worker	17.246	31-31-12	4,389	17,541		12,347	(805)
Pass-Through State Department Of Aging:							
JTPA For Older Workers	17.250	NGA-88-011				5,213	5,213
JTPA For Older Workers	17.250	NGA-87-005	790	36,044		35,284	30
JTPA For Older Workers 85/86	17.250	NGA-86-123	9,001	9,001			
Title V (SCSEP)	17.235	NGA-88-001		7,000	3,738	8,255	(2,483)
Title V (SCSEP)	17.235	NGA-87-001	6,895	41,029	23,896	58,030	
Title V (SCSEP)	17.235	NGA-86-001	1,043	1,043			
Total Department Of Labor			$ 172,945	805,204	27,634	787,632	127,739
U.S. Department Of Interior							
Pass-Through State Game And Parks Commission:							
Park Nodes	15.919	31-00671	$ 500				500
Pass-Through State Historical Society:							
Historical Preservation Fund	15.904		10,279	16,457	7,385	17,501	3,938
Total U.S. Department Of Interior			$ 10,779	16,457	7,385	17,501	4,438
U.S. Environmental Protection Agency							
Pass-Through State Department Of Environmental Control:							
Air Pollution	66.001	M-007056(87)	$	50,000	38,210	108,993	20,783
Air Pollution	66.001	M-007056(86)	10,205	23,737		8,881	(4,651)
Air Pollution	66.001	M-007056(85)	13,243				13,243
Air Pollution	66.001	M-007056(84)	3,714				3,714
Hazardous Waste	66.418		1,131	1,894		1,894	1,131
Total Environmental Protection Agency			$ 28,293	75,631	38,210	119,768	34,220

(Continued)

(Federal Financial Assistance-Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1986	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1987
FEMA							
Pass-Through State Civil Defense:							
Recurring Charges For Maintenance And Service And Emergency Management Assistance	83.516	NE-MS-85-11/ NE-MS-84-03	$ 20,414	40,747	42,529	85,058	22,196
U.S. Department Of Justice							
Pass-Through State Commission On Law Enforcement And Criminal Justice:							
Coping-An Alternative To Running	16.540	85-17	$	1,560		1,560	
Technical/White Collar Crime Investigations	16.573	85-SA-100	(1,757)	14,847	15,152	28,982	(2,774)
Victim Witness Unit	16.575	86-213	11,054	40,024	6,881	35,851	
Total Department Of Justice			$ 9,297	56,431	22,033	66,393	(2,774)
Other Federal Assistance							
Pass-Through State Dept. Of Aging:							
USDA Chicken Antitrust Settlement		87-041	$	5,514		5,514	
USDA Cash In Lieu Of Commodities			56,592	218,873		202,704	40,423
CARE Management Training		87-046		4,700		4,700	
Title IV Contract - Staff Retreat				1,023		1,023	
Total Other Federal Assistance			$ 56,592	230,110		213,941	40,423
Total Federal Assistance			$1,228,236	9,057,059	7,687,485	16,045,126	528,818

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STATISTICAL SECTION

C I T Y O F L I N C O L N , N E

GENERAL INFORMATION

Table 1

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

FISCAL[2] YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	STREETS AND HIGHWAYS	CULTURE - RECREATION	ECONOMIC OPPORTUNITY	HEALTH AND WELFARE	SANITATION[3]	DEBT SERIVCE	TOTALS
1987	$10,345,196	20,041,053	5,455,931	7,842,716	5,319,400	3,504,832		15,969,066	68,478,194
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.

Table 2

GENERAL REVENUES BY SOURCE[1]
LAST SEVEN FISCAL YEARS

FISCAL[2] YEAR	TAXES	INTER-GOVERNMENTAL	PERMITS AND FEES	REIMBURSEMENT FOR SERVICES	COURT FEES	RECREATION RECEIPTS	INTEREST	OTHER	TOTALS
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.

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.

TAX YEAR	TAXES LEVIED	COLLECTED AS OF AUGUST 31 AFTER LEVY		ACCUMULATED COLLECTIONS AS OF AUGUST 31, 1987	
		AMOUNT	PERCENT	AMOUNT	PERCENT
1986	$18,634,563	$17,563,423	94.25%	$17,563,423	94.25%
1985	14,820,947	13,930,925	93.99	14,646,652	98.82
1984	21,679,327	20,063,968	92.55	21,395,628	98.69
1983	21,154,814	19,448,543	91.93	21,213,144	100.28
1982	20,019,695	18,429,271	92.06	20,169,967	100.75
1981	18,851,556	17,479,454	92.72	18,925,844	100.39
1980	17,228,254	16,145,975	93.72	17,462,270	101.36
1979	14,465,162[1]	13,943,456	96.39	14,758,064	102.02
1978	13,070,258	12,455,113	95.29	13,097,129	100.21
1977	13,511,542	12,921,918	95.64	13,588,990	100.57

[1]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
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
1978	424,211,430	1,212,032,657	99,017,460	282,907,029	61,124,045	174,640,129	584,352,935	1,669,579,815	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]

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
City of Lincoln	24.980	15.180	17.280	.6540	.6771	.6367	.6324	.4041	.4903	.4607
School District No. 1	57.975	36.104	35.789	1.3186	1.3435	1.3234	1.4034	1.4069	1.4075	1.4038
Airport Authority	1.050	.651	.426	.0132	.0128	.0114	.0109	.0103	.0000	.0000
Lancaster County	14.285	8.593	9.230	.3387	.3385	.3134	.2928	.2928	.3353	.3353
Educational Serv. Unit #18	.350	.210	.217	.0072	.0076	.0073	.0075	.0079	.0076	.0080
Community Technical College	2.350	1.680	1.600	.0617	.0660	.0660	.0660	.0660	.0690	.0690
Lower Platte South Natural Resources District	1.000	1.000	.620	.0227	.0233	.0227	.0231	.0319	.0311	.0314
Railroad Transportation Safety District	.750	.448	.454	.0165	.0171	.0165	.0167	.0176	.0174	.0164
Agricultural Society of Lancaster County			.322	.0011	.0046	.0014	.0011	.0013	.0011	.0010
TOTAL	102.740	63.866	65.938	2.4337	2.4905	2.3988	2.4539	2.2388	2.3593	2.3256

[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
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
1978	3,653,822

[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
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
1978	7,867,501

Table 8

DEBT RATIOS

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
1987	$47,775,000	$6,169,064	$41,605,936	184,500	$225.50	$4,423,592,712	.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	.75	3,258,644,926	.93
1984	38,595,000	5,363,715	33,231,285	180,200	184.41	3,751,730,549	.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	.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	.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	.86
1978	26,420,000	2,559,878	23,860,122	168,800	141.35	584,352,935	4.08	1,212,032,655	1.97

[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, 1987

UNITS	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO THE CITY	DIRECT AND OVERLAPPING DEBT
City	$41,605,936	100.0%	$41,605,936
School District #1	None		None
Airport Authority	1,945,000[1]	100.0	1,945,000
Lancaster County	None	88.8	None
Southeast Community College	None	35.9	None
Total	$43,550,936		$43,550,936

[1]Does not include Special Obligation Bonds of $856,558 payable from lease rentals.

Table 10

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

FISCAL[2] YEAR	PRINCIPAL	INTEREST[4]	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES[1]	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
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.

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							
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
1978	4,098,914	2,024,408	2,074,506	250,000	340,401	590,401	3.51
Water System							
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
1978	5,039,649	2,547,333	2,492,316	403,000	528,330	931,330	2.68
Parking Facilities							
1987	1,341,888	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]
1987	184,500[1]	$	25,982	3.4%
1986	184,500[1]		25,462	2.7
1985	181,500[1]		25,209	3.2
1984	180,200[1]	11,849	24,874	2.5
1983	175,000[1]	11,219	24,675	3.3
1982	175,000[1]	10,450	25,017	5.9
1981	174,000[1]	10,328	25,489	4.0
1980	171,932[2]	9,829	25,758	3.3
1979	170,000[1]	9,032	26,215	2.7
1978	168,800[1]	8,170	26,993	3.1

Sources:

[1]Lincoln/Lancaster Planning Department
[2]1980 Census
[3]University of Nebraska Bureau of Business Research. Per Capita Income for 1985, 1986 and 1987 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		RESIDENTIAL[2] CONSTRUCTION		BANK[3] DEPOSITS IN MILLIONS	PROPERTY VALUE[1,4]		TOTALS
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE		COMMERCIAL	RESIDENTIAL	
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	633	49,802,736	2,241	38,992,754	882.4			2,471,885,600
1978	576	36,069,112	2,592	34,062,515	846.0			1,212,032,657

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

Sources:
[2]City of Lincoln Codes Administration
[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 5 percent of the total taxes levied.

TAXPAYERS	TYPE OF BUSINESS	1987 ASSESSED VALUATIONS	PERCENTAGE OF TOTAL ASSESSED VALUATION
Lincoln Telephone & Telegraph	Telecommunications	$114,445,046	2.59%
Bankers Life Nebraska	Insurance	37,337,643	.84
Burlington Northern, Inc.	Railroad	30,956,872	.70
Cornhusker Land Co.	Developers	25,242,877	.57
Jacobs, Visconsi & Jacobs Co.	Shopping Center	24,269,688	.55
National Bank of Commerce	Banking	24,029,573	.54
Goodyear Tire & Rubber Co.	Manufacturing	21,062,226	.48
Firstier	Banking	20,677,654	.47
Minnegasco	Natural Gas	13,748,822	.31
Otto Gaspar	Real Estate	13,739,920	.31
		$ 325,510,321	7.36%

Table 15

MISCELLANEOUS STATISTICS
AUGUST 31, 1987

Date of Incorporation: 1869
Form of Government: Mayor-Council, Home Rule Charter
Area: 60.4 Square Miles
Lane Miles of Streets: 1,788 miles
Number of Street Lights: 16,701

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: 228

Police Protection

Number of Stations: 1
Number of Police Officers: 231

Water Department

Number of Consumers: 54,809
Average Daily Consumption: 31,500,000 gal.
Miles of Water Mains: 870 miles

Sanitary Sewer

Number of Consumers: 54,565
Miles: 704

Education

Public Schools:
Senior High Schools: 4
Junior High Schools: 9
Elementary Schools: 33
Number of Students: 25,982

Private and Parochial Schools:
Number of Schools: 26
Number of Students: 4,208

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S I N G L E A U D I T R E P O R T S

Peat Marwick

Certified Public Accountants

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

Kiewit Plaza Building
Thirty-Sixth and Farnam Streets
Omaha, NE 68131

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

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

We have examined the general purpose financial statements of the City of Lincoln, Nebraska, for the year ended August 31, 1987, and have issued our report thereon dated January 29, 1988. Our report was based partially on the report of other auditors who examined the financial statements of Lincoln General Hospital which are included in the proprietary fund types. Our examination, except as noted in the following paragraph, was made in accordance with generally accepted auditing standards; the standards for financial and compliance 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, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our engagement by the City of Lincoln, Nebraska, was one of such nature that our examinations of the financial statements of Lincoln Electric System, the Lincoln Water System and the Lincoln Sanitary Sewer System, which are included in the proprietary fund types, were made in accordance with generally accepted auditing standards and did not encompass the provisions of the other publications referred to in the preceding paragraph. In addition, the financial statements of Lincoln General Hospital were examined by other auditors and we performed no additional procedures beyond those required by generally accepted auditing standards which did not encompass the provisions of the other publications referred to in the preceding paragraph.

The management of the City of Lincoln, Nebraska, is responsible for the City's compliance with laws and regulations. In connection with the examination referred to above, we selected and tested transactions and records that included, but were not limited to, transactions and records relating to each major Federal financial assistance program and certain nonmajor Federal financial assistance programs. The purpose of our testing of transactions and records was to obtain reasonable assurance that the City of Lincoln, Nebraska,

Member Firm of
Klynveld Peat Marwick Goerdeler

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

Our testing of transactions and records selected from major Federal financial assistance programs disclosed five instances of noncompliance with certain laws and regulations. The instances of noncompliance that we found, and the programs to which they relate, are identified in the accompanying schedule of findings and questioned costs.

In our opinion, except for the matters that might have come to our attention had our examination encompassed the funds referred to in the third preceding paragraph, and, subject to the effect of the ultimate resolution of these instances of noncompliance referred to in the preceding paragraph, for the year ended August 31, 1987, 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.

Further, the results of our testing of transactions and records referred to in the third paragraph of this report indicate that for the transactions and records tested the City of Lincoln, Nebraska, complied with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures or on the City's general purpose financial statements, except as described in the accompanying schedule of findings and questioned costs. These instances of noncompliance were considered by us in evaluating whether the general purpose financial statements are presented fairly in conformity with generally accepted accounting principles. Our testing was more limited than would be necessary to express an opinion on whether the City of Lincoln, Nebraska, administered the nonmajor 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. 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 29, 1988

CITY OF LINCOLN, NEBRASKA

Schedule of Findings and Questioned Costs

For the year ended August 31, 1987

Program	Findings/Noncompliance	Questioned Costs
Revenue Sharing	The City did not publish, in a newspaper of general circulation, a notice of a public hearing on the relationship of revenue sharing funds to the entire budget prior to the enactment of the annual budget, at least 10 days prior to the hearing, as required by Revenue Sharing Regulations 31 CFR 51.13 (c)(1). The City did publish the notice required; however, only 9 days notice were given.	$ -
Department of Aging Subrecipients	The City has not determined whether one of their Department of Aging subrecipients has spent Federal assistance funds in accordance with applicable laws and regulations by review of an audit in accordance with Circular A-128, Circular A-110 or through other means. Of the two subrecipients tested, one had inadequate review.	39,899
Subrecipient of Community Development Block Grant Funds	A consultant was hired by the City to review the internal accounting controls of one of the City's subrecipients of CDBG Funds. During that review it was determined "the accuracy of monthly accounting provided to the City is questionable." The City is now awaiting the results of an audit by an independent auditor to determine if there is a necessity to adjust their own books.	100,000

Program	Findings/Noncompliance	Questioned Costs
Urban Mass Transit Authority (UMTA)	Of the 17 transactions tested for compliance with applicable laws and regulations, one exception was noted. The City did not receive prior approval for their annual transfer from the Lincoln Transportation System to the Insurance Revolving Fund for self-insurance as required by Circular A-87. We noted UMTA issued new regulations regarding nontraditional insurance in September 1987, which no longer require prior approval but require the insurance fund to be actuarially sound. The City has not determined the actuarial soundness of the self-insurance fund as of the date of this report.	$ 218,144
Aging	The City of Lincoln Aging Department has not complied with a prior year finding by the State of Nebraska concerning a monitoring document suitable for accountability purposes.	-

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.
1600 FirsTier Bank Building
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COMBINED AUDITORS' REPORT ON INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL AND THE FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL

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

We have examined the general purpose financial statements of the City of Lincoln, Nebraska as of August 31, 1987, and have issued our report thereon dated January 29, 1988. Our report was based partially on the report of other auditors who examined the financial statements of Lincoln General Hospital which are included in the proprietary fund types. As part of our examination we made a study and evaluation of the internal accounting and administrative controls described below to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards; the standards for financial and compliance 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.

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

The significant internal accounting and administrative control categories, and the extent of our study and evaluation of these categories, are shown on the following page.

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Control categories for which our study was extended beyond the preliminary review phase:

Accounting Applications

- Cash disbursements
- Cash receipts
- Payroll

General Requirements

- Political activity
- Federal financial reports
- Civil rights
- Cash management
- Davis-Bacon Act
- Relocation assistance and real property acquisition
- Monitoring of subrecipients

Specific Requirements

- Types of services
- Eligibility
- Matching level of efforts
- Cost allocation
- Property and equipment management

With respect to internal control systems for which our study was extended beyond the preliminary review phase, 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. Such study and evaluation included the significant internal accounting and administrative controls used in administering the major Federal assistance programs. During the year ended August 31, 1987, the City of Lincoln, Nebraska expended 84 percent of its Federal financial assistance under these major Federal financial assistance programs.

Our study and evaluation described in the preceding paragraph was more limited than would be necessary to express an opinion on the internal control systems of the City of Lincoln, Nebraska. Accordingly, we do not express an opinion on the internal control systems of the City of Lincoln, Nebraska, taken as a whole, or on any of the control categories identified above. However, our study and evaluation and our examination 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 in relation to a Federal financial assistance program may occur and not be detected within a timely period. The City of Lincoln Department of Aging 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 29, 1988, we have separately communicated additional observations and recommendations regarding other matters which were not deemed to be material control weaknesses.

This condition was considered in determining the nature, timing and extent of the audit tests to be applied in 1) our examination of the 1987 general purpose financial statements and 2) our examination 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 29, 1988.

This report is intended solely for the use of management and the cognizant 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 29, 1988